

NISICHAWAYASIIHK & TASKINIGAHP TRUST

ANNUAL REPORT

2018

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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 & Taskinigahp Trust are required to call a Meeting of Members to review each of their respective reports, and address questions and concerns from community members.

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

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

The Nisichawayasihk Cree Nation Trust Office administers the funds on all programs and projects unless indicated otherwise. Within the last few years the Nisichawayasihk Trust Office has become a flow through of funding only.

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 & Taskinigahp Trust are required to call a Meeting of Members to review each of their respective reports, and address questions and concerns from community members.

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

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

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, 2017, 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.

NISICHAWAYASIIHK TRUSTEES FINANCIAL OPERATIONS REPORT

Approval of Annual and Audited Financial Report

We, the duly elected Chief & Council for the Nisichawayasihk Cree Nation do hereby approve of this year's Annual and Audited Financial Report in compliance with Article 19.2 of the 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 & Taskinigahp Trust and made available to members at both the Nisichawayasihk Trust Office

and Nisichawayasihk Chief & Council's office. In compliance with Article 19.1 of Nisichawayasihk Trust Indentures and 21.1 of the Taskinigahp Trust Indenture, the 2015 fourth quarter report is attached to this year's narrative and audited financial statement.

In compliance with Article 19.2 of the Nisichawayasihk Trust Indenture and 21.2 of the Taskinigahp Trust Indenture, Notice of the Availability of this year's Annual and Audited Financial Report has been given in the same manner as for a meeting of members.

In compliance with Article 19.3 of the Nisichawayasihk Trust Indenture and 21.3 of the Taskinigahp Trust Indenture, a Meeting of Members shall be held within one hundred and twenty days (120) after the fiscal year end to discuss this year's Annual, Audited Financial Report by Chief & Council and this year's Trustee's Annual Report on the Financial Operations of the Nisichawayasihk Trust and Taskinigahp Trust. Notice of this meeting shall be given in accordance with Article 8.2 of the Nisichawayasihk Trust Indenture and 8.4 of the Taskinigahp Trust Indenture.

CHIEF AND COUNCIL

(Top row L to R)

Councillor Ron D. Spence,
Chief Marcel Moody
Councillor Willie Moore
Councillor Jeremiah Spence

(Bottom row L to R)

Councillor Cheyenne Spence
Councillor Jackie Walker
Vice-Chief Cheryl Moore



NELSON HOUSE TRUSTEES

Background

The Nisichawayasihk Trust was created in March of 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.



Chief Marcel Moody



Councillor Ron D. Spence



Cheryl Linklater



David Kobliski

CORPORATE TRUSTEE

Royal Trust Corporation
of Canada



Funds Available for 2018

As determined by the Trust Indenture and the Community Approval Process (CAP), the amount available for expenditure from the Trust ("Funds Available") for 2018 was estimated at \$1,956,039.00.

The 2018 interest payments on the \$40,000,000.00 Manitoba Hydro bonds were deposited June 30, 2018 in the amount of \$816,400.00, and the final 2017 payment made December 29, 2018 in the amount of \$816,400.00.

The Recreational Facilities and Programs Sub-Account

The Recreational Facilities and Programs Sub-account is part of the Nisichawayasihk Trust. As per the terms of the Trust Indenture, funds held in Recreational Facilities and Programs Sub-account must be used "to build or develop recreational facilities on Reserve and for recreation programs for Nelson House". There are no powers to encroach on the capital of this account. There was an Income disbursements from this account in July, 2018 of \$21,800.00.

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 were two predetermined compensation payments received in 2018:

January 10, 2018	\$304,229.37
June 13, 2018	\$12,885.97

Revenue Received and Generated by the Trust

Total revenues generated in 2018 from Trust Investments were \$1,669,396.00. The revenues (interest and dividends) were recorded in each account as follows:

Main Trust Account	\$ 1,633,736.00
Investment & Heritage Account	\$ 327,113.83
Claims Account	\$ 27.32
Recreation & Program Facilities Account	\$ 42,260.46
Total Revenue	\$ 2,003,138.03

Investments Held as at December 31, 2018

As at December 31, 2018, the total value of all Trust accounts was \$42,697,142.95 (includes semi-annual Hydro Bond Interest paid Dec. 31, 2018)

Main Trust Account: Total Value – \$40,842,061.53

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 Market Value of the Main Trust as at December 31, 2018 is \$40,442,061.53 consisting of the value of the Manitoba Hydro Bonds in the amount of \$40,000,000.00, the semi-annual Hydro Bond Interest, \$816,400.00 paid Dec. 31, 2018 and cash in the amount of \$25,661.53.

Investment and Heritage Account: Total Value is \$327,113.83

The total value of the Investment and Heritage Account as at December 31, 2018 is currently held in cash.

There were two predetermined compensation payments received in 2018:

January 10, 2018 \$304,229.37

June 13, 2018 \$12,885.97

Claims Account: Total Value – \$2013.16

The cash held in the Claims Account as at December 31, 2018 is \$2,013.16.

Recreation and Program Facilities Account: Total Value – \$1,525,954.43

This account holds a diversified portfolio of high quality bonds and notes worth \$1,235,914.69 as at December 31, 2018.

The cash held in the account as at December 31, 2018 was \$290,039.74.

The total value of the Recreational Facilities and Programs Sub-account as at December 31, 2018 is \$1,525,954.43.

As at December 31, 2018, the portfolio generated an annual income of approximately \$42,260.46. In 2016 we implemented a laddered bond investment structure upon consultation with the Trustees in order to maximize investment return and eliminate the large cash balances that have historically built up in the Recreation and Program Facilities account.

Trust Return Summary

The returns of the Recreation & Programs Account at the end of 2018 were;

Annualized Returns	1 Year	3 Year	5 Year
Cash	1.60%	1.07%	0.95%
Bonds	2.08%	1.24%	1.88%
Total Portfolio	1.86%	1.17%	1.62%

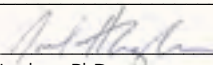
Prepared by:

Royal Trust Corporation Of Canada
Corporate Trustee

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

THE NELSON HOUSE TRUSTEES

ROYAL TRUST
CORPORATION OF CANADA

Per: 
Joel Hughes, PhD
Regional Vice President
Indigenous Wealth

2018 INVESTMENT YEAR IN REVIEW

2018 MARKET COMMENTS

Financial markets stumbled amid tightening financial conditions, rising protectionism and slowing global growth. While the expansion is facing a variety of challenges, our tempered outlook suggests the global economy will still grow close to its fastest rate in the post-crisis era.

Global economy decelerates as headwinds mount and tailwinds fade

After enjoying solid and accelerating global growth in 2017 and the first half of 2018, momentum has waned and we expect this trend to continue into 2019. Financial conditions have worsened due to rising interest rates, widening credit spreads, falling stock prices and a stronger U.S. dollar. Moreover, the U.S. fiscal stimulus program will provide less of a boost in 2019 and could become a drag on growth in 2020. We therefore budget for slower growth going forward, much of which was already reflected in our forecasts last quarter, but we have lowered them slightly again this quarter to levels that are mostly below the consensus. That said, our forecast of 3.75% for global growth in 2019, down from the 4.00% forecast for this year and achieved in 2017, is still near the upper end of the range of growth rates experienced in the past seven years.

Business cycle is 'late' and advancing

Our assessment of 17 inputs situates the U.S. business cycle in its latter stages, which historically has been consistent with an expansion that has no more than a year or two left. The most obvious indication that the expansion is mature is that labour markets are extremely tight. There are now more job openings in the U.S. than individuals looking for work and the unemployment rate sits at its lowest level in nearly 50 years. Another classic late-cycle signal is that the yield curve is approaching inversion, though we recognize that the signal may be exaggerated given the absence of a term premium. Overall, our models suggest a low chance of recession over the next year. but the risk is rising.

Government bonds rallied as investors sought protection

After rising earlier in the quarter, yields on government bonds slipped in all major regions as investors gravitated towards safe-haven assets against a backdrop of slowing global growth and a sharp decline in oil prices. Our models suggest that 10-year sovereign-bond yields in North America are near equilibrium, but that unsustainably low yields in other regions represent significant valuation risk. Over the longer term,

we think that the potential for yields to rise stems from an increase in real interest rates to historical norms as investors demand higher after-inflation returns on their savings. However, this increase will likely be gradual and extend over many years and, with global economic growth slowing in the near term, any rise in real interest rates may be limited. As a result, we don't forecast much, if any, increase in bond yields in most major regions over our one-year forecast horizon.

Market correction lowered valuation risk, but slowing profit growth may limit gains

Equities suffered steep declines in most regions in 2018, especially in emerging markets. Our composite of global equity markets situates stocks below our modelled estimate of fair value, but the valuation underpinnings differ largely across regions. Stock markets outside the U.S. are particularly attractive, whereas the S&P 500 is only slightly below fair value. While valuation risk has been reduced as a result of the correction, rising interest rates and firming inflation may restrain multiple expansion.

Rapid earnings growth has contributed significantly to the bull market of the past decade. However, earnings growth is expected to slow in the coming year, as tailwinds from tax cuts fade, economic growth decelerates and profit margins come under pressure. S&P 500 profit growth is forecast in the high single digits in 2019, down from the greater than 25% increase in 2018. That said, stocks still offer decent upside under reasonable assumptions, as long as earnings materialize as analysts expect.

Adding to bonds and maintaining slight overweight in equities as cycle matures

Our asset mix reflects a view that the economy will continue to expand at a moderate, albeit slowing pace. Against this backdrop, central banks could moderate the speed at which they tighten monetary policy, and we remain underweight bonds as even a modest rise in rates will act as a headwind for fixed-income investments. However, yields are now sufficiently high that bonds should offer buoyancy in a balanced portfolio in the event of an economic downturn. We took advantage of the increase in yields earlier this quarter to add one percentage point to our fixed-income allocation. We have left our equity overweight unchanged, but it remains well below our peak exposure from earlier in the cycle. We have opted against adding to equities during the recent correction given a lack of positive confirmation from our technical signals, but maintain a mild overweight because we expect stocks to outperform bonds over our forecast horizon.

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 2017-2018 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; Gods rapids and Early Morning Rapids portages have been closed down due to safety issues; would be willing to trade something in exchange for not using this portage anymore
- ▶ 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; same as above, portages have been closed due to safety issues
- ▶ 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 & Maintenance Board, the Board membership currently consists of two members from

Manitoba Hydro, Kelvin Hall and Ira Perezdetagle and two members appointed by Chief & Council, Ron Spence and Curtis Lobster. James Warren is the Arena Manager. 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. NCN fulfilled their obligation of 10% and contributed \$55,000.00 from the 2017-2018 Nisichawayasihk Trust Funds. These funds were transferred to the Gilbert McDonald Arena Finance Department in accordance with the disclosure requirement.

The operating and maintenance funds were spent in the following areas:

- ▶ Annual purchase of tools and equipment required to operate and maintain the arena



- ▶ Annual purchase of tools and equipment needed to operate and maintain arena.
- ▶ Inspection and balancing of electrical panels.
- ▶ Upgrades to restroom areas which include repairs on sinks, toilets, urinals and mop room. In addition, repair to main stack for restrooms.
- ▶ Purchase of tables and chairs for the arena.
- ▶ Purchase of glass for the rink area and repairs to rink white boards.
- ▶ Start-up and shut-down of the ice plant, including all compressors, chiller and condenser. In addition, Compressor B was overhauled.

Water Regime Predetermine Compensation

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

The reports provided by Manitoba Hydro for the period November 1, 2016 – March 31, 2017 there were no excursions from the compensated range and April 1, 2017 – October 31, 2017 showed deviation that exceeded the parameters of the compensation range. There was predetermined compensation payments received in the amount of \$304,299.37. These funds were deposited in to the Investment & Heritage Account.

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 (18) months old or a future date.

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

- ▶ Select Province: Manitoba
- ▶ 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 Suwanee Lake, Wapisu Lake, The Junction, Leftrook Lake, Baldock Lake and Odei River) will be made into NCN reserve lands. Manitoba has already granted NCN an exclusive use permit the parcels.

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

Article 3 – Compensation Lands & Easement Lands

Site 3.2 – Suwanee Lake, Site 3.3 – Wapisu 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 – Leftrook Lake/Mile 35, Site 3.6 – Baldock Lake have not been transferred, the Approval in Principal for these three parcels is still under review by Canada. Canada has prepared new Schedules to the Pre-Transfer Use Agreement to accommodate the cabins that are present on Sites 3.4, 3.5 and 3.6. Canada is reviewing whether the camp on Baldock Lake and the Youth Camp can be dealt with through a new schedule to the Pre-transfer Uses Agreement. Canada further advises that it will need to update the environmental assessment for these parcels because the last environmental assessment was conducted in 2002.

Article 4 – Fee Simple Land

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

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

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

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

COMPENSATION & FEE SIMPLE LANDS (ARTICLE 3, 4)

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

****At the time of this reporting everything has remained status quo, there has not been any movement on the compensations lands.***

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 2017 fiscal year.

COMMUNITY APPROVAL PROCESS

Results of the 2018 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 2018 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 current CAP/CIP Committee comprises of Elder Dorothy Linklater, Yvonne Hart, Jemima Lobster, Alan Linklater, Jacqueline Hunter, Lianna Anderson, Joyce Brightnose, Lou Moodie, Councillors Joe Moose and Ron D. Spence.

The CAP/CIP Committee commenced the process by

meeting on December 6 & 7, 2017 to review the 2018 CAP/CIP funding proposals, to rate and prepare questions for the applicants. On December 11, 2017, the CAP/CIP Committee re-convened to continue the process of rating all applications. On December 12, 14 & 19, 2017 a community meeting was held for applicants to present their proposals to the CAP-CIP Committee and the Community. On January 16 – 19, 2018, the committee reconvened to review all assessments, have discussions on each proposal, start the process of selecting proposals to be funded and prepared a recommended budget and annotation summary for Chief and Council's consideration.

The Committee reviewed the funds available from Nisichawayasihk & Taskinigahp Trusts which are as follows;

NISICHAWAYASIHK TRUST & TASKINIGAHP TRUST

Nisichawayasihk Trust (Hydro Bonds)	\$1,684,745.89
Recreation Sub-Account	\$43,600.00
Taskinigahp Trust Income Assets (Com Dev Acct)	\$63,900.00
Hydro Annuity	\$2,250,000.00
Water Rental Payments (Estimated)	\$1,300,000.00
Transmission Benefits	\$213,255.00
Resource Sub-Account	\$15,000.00
Dividend Loan Credit Advance	\$228,087.06
Total Funds Available for 2018 Programming	\$5,798,587.95

CAP/CIP Final Steps

The final step of the process was allocating funds in the following order:

Mandatory funded programs or obligations in accordance with the 1996 NFA Agreement and the 2006 PDA. Priority was based on community needs and its alignment with the NCN Strategic Plan.

The Committee then:

- i. Reviewed each group's ranking assessments in regard to high, medium and low and then reached an agreement on which programs/project were highest priority;

- ii. Reviewed all assessments (individual, community and presentation) and determined which projects should be supported;
- iii. Allocated funds towards programs and projects based on the priorities as determined by the overall assessments and NCN Strategic Plan; and
- iv. Declared conflict of interest on an individual member basis when required.

From this process the 2018 recommended budget was prepared. This Funding Annotation Summary provides the rationale for the funding allocations made.

NOTES

- 1) \$1,000,000.00 has been set aside for Infrastructure & Housing as a Forward Commitment Loan to access more funds from an external source. Chief and Council will determine the allocation of these funds.

- 2) The Taskinigahp Trust is based on a number of projections. The actuals may vary either higher or lower compared to the projections. Therefore, Chief & Council recommended that a contingency funds be set aside as a cushion or a safety net to ensure that programming is not jeopardized if actuals are not the same as the funding projections. This approach to financial planning should over time, help to mitigate against fluctuations in revenues that occur in any business. At the time of finalizing the recommended budget, NCN Trust Office Management did not know if there will be a difference in the projections until all funds are drawn down on December 31, 2017.

The dividend loan funds in the amount of \$228,000.00 were not available during this process. These funds will be applied to the shortfall of the 2017 projections, if there is a remaining balance it will go towards existing programming. Note: At a duly conveyed meeting of Chief and Council they allocated funding to the following:

1. Animal Control & Community Patrol	\$123,000.00
2. Constitution – Community Engagement	\$50,000.00
3. Gilbert McDonald Arena	\$55,000.00
	<u>\$228,000.00</u>

- 3) A total of 65 applications were received which totaled \$13,749,369.04. Midway through the CAP/CIP Process four (2) of the applicants withdrew their proposals which were as follows; Cultural Exploration Camp and purchase of a Landscaping Tractor. This left the CAP/CIP Committee with 63 applications totaling \$13,140,396.04 to review.

Due to limited funds available thirteen (13) of the applications were not funded and three (3) applications were not considered due to being incomplete.

It is also acknowledged that some programs required improvements to become more effective and efficient in program service delivery.

Chief and Council presented and approved the 2018 CAP/CIP budget at a duly convened community meeting held on January 23, 2018. This process finalizes the 2018 CAP/CIP budget, reported on the subsequent page.

COMMUNITY APPROVAL PROCESS BUDGET 2018 (NISICAWAYASIIHK TRUST)

DEPARTMENT	PROGRAM	BUDGET IN \$
ADMINISTRATION	Administration	539,874.52
	Corporate Trustee	66,500.00
	Nelson House Trustees	20,400.00
	Professional Services	55,000.00
	Arena O & M	55,000.00
	Claims Program	50,000.00
	Community Approval Process	45,000.00
CAPITAL PROJECTS	H & M Parks (NCNPRD)	27,600.00
	Off-Reserve Assistance Receiving home (NCN)	58,604.00
	Radio Bingo Tower (NCN)	10,000.00
ECONOMIC DEVELOPMENT	NCN Achimowin (NCN Radio)	55,200.00
	Summer Work Experience (HRDA)	46,000.00
EDUCATION	Student Support Services (ATEC)	37,088.04
	Life Skills/Outdoor (NNCEA)	6,900.00
PUBLIC WORKS	Purchase of Diagnostic Machine	14,720.00
	Steel Garbage Bins	25,760.00
SOCIAL DEVELOPMENT	Parks & Recreation	371,439.99
OTHER	Christmas Cheerboard	50,000.00
	Elders Subsidy (On Reserve)	142,200.00
	Elders Subsidy (Off Reserve)	106,100.00
TOTAL 2017 CAP BUDGET		\$1,728,386.55

IMPLEMENTATION AGREEMENT

Administration

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

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

- ▶ **Administration** – Funding is allocated to the NCN Trust Office to provide continuous employment for 9 full time employees and operation and maintenance of Trust Office buildings and storage. Other Trust Office expenditures included renovations on the exterior of the Trust Office (i.e., repair framework around windows, all exterior wall panel, painting, replaced side door deck, window etc.)
 - ▶ **Professional Services** – Matthews-Lemieux Law Firm is retained for legal, 1T Knowledge Group is retained assisting with finance department and upgrades the Finance Accounting Software Sage Accpace; Q-power is retained as the webmaster to develop, update and host the Trust Office Website and 4 Summit Technologies Inc is retained to upgrade and maintain Trust Office Network and other equipment such as computers, laptop, printers, cells, etc.
 - ▶ **Auditing** – MNP is retained for semi-annual and annual financial audited statements.
 - ▶ **Corporate & Nelson House Trustees** – RBC Corporate Trustee & TD Waterhouse Corporate Trustee is retained to administer the terms of the trust indentures, keep accurate financial statements, conduct the business and invest assets of the trust.
 - ▶ **CAP/CIP Process** – Council had established the CAP-CIP Review Committee to enhance community involvement in decisions regarding expenditures to ensure compliance with the 1996 Agreement and the Wuskwatim PDA and to screen applications for funding prior to review and consideration of the overall recommended budget by Chief and Council. The CAP-CIP Committee must follow the funding criteria and limitations set out in each Indenture and in making its funding recommendations ensure that the terms and conditions in the Agreements can be met. It is understood that it is Chief and Council's responsibility under the Trust Indentures to make the final funding decisions that will ensure compliance with the two Agreements, while meeting community needs.
 - ▶ **Arena O & M** – in accordance to Article 11 of the NFA, NCN is obligated to contribute 10% 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 & 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.
- Manitoba Hydro is responsible for certain types of claims such as personal injury, death or illness caused by mercury contamination and any natural or man-made poisonous chemicals created by the CRD.

NCN Trust Implementation & Administration

Roles and Description

Manager – Joyce Yetman, Inter-governmental & Special Executive Director

To ensure effective implementation of all agreed components of the 1996 NFA Implementation

- ▶ To ensure assets and funds released from the Nisichawayasihk Trust are properly administered
- ▶ Involvement in ongoing negotiations with other parties in regard to the ongoing responsibilities of the other parties regarding the provisions of the NFA and the NHFN Implementation Agreement.
- ▶ To ensure the Trustees shall faithfully administer the terms of the Indenture or agreement.
- ▶ To retain the Trust Office's auditor, lawyer and technical consultant for professional services required by the Trust Indenture.
- ▶ To ensure the CAP-CIP Policy developed by the CAP-CIP Committee adhered to.
- ▶ Trust Building O & M

Funds Allocated

\$776,774.52

Usage of Funds

Funds were spent on salaries for eight employees, operation & maintenance of Trust Office Building, office supplies for all programs, security system, new company vehicle and continued renovations of the Trust Office Trailer.

Achievements

- ▶ Trust Office Administration Building Renovations
- ▶ Improved management, employee communication
- ▶ Trust Office provided donations & contributions to youth, elders and community events.
- ▶ WIO Finance Department moves into building, developed relationship, increased communication and improved financial reporting with the amalgamation of the two Trusts.
- ▶ Structured HR & Finance systems in place
- ▶ Employed casual help through out the year and two students during the summer
- ▶ Hiring of a full-time admin assistant
- ▶ Supports two employees taking training at ATEC in the Business Administration Program, employees work half time (mornings) and attend courses in afternoons. Employees are replaced in the workplace with other students.
- ▶ Started the process of centralizing the Finance Departments.
- ▶ Reorganizing of offices to accommodate the mover of Band Administration Employees as well as packing and archiving files and re-arranging offices.

Challenges

- ▶ Trust Office administrative funds used to accommodate program deficits
- ▶ High turnover in employee (admin assistant)

UPCOMING YEAR

Projected Budget

- ▶ 500k Annually is sufficient funds to operate

Goals and Objectives

- ▶ Continuation of the Re-organization of programs & organizations
- ▶ Restructuring of the Resource & Land Use Programs, administrative transfer funds for programs to NCN Government Office
- ▶ Implementation and setting up systems & processes on the Constitution
- ▶ Focus will be working with CNC, CEO and NCN Legal Advisor on creating Laws for our nation

ECONOMIC DEVELOPMENT

NCN Achimowin Radio Station



Roles and Description

Manager – Nora Thomas, NCN Radio Manager

To offer the community a variety of programs such as community news, weather, current events, top 20 songs of the week, talk shows etc.

Funds Allocated

\$60,000.00

Usage of Funds

Salaries & benefits.

Achievements

On air schedule was created from Monday to Friday and internet radio was revamped to target more audience through internet.

1. Continue to offer the community with variety of programs – weekend play lists, talks with the Chief, Reading Program with local school, elder's storytelling, gospel music for the bereaved, etc.
2. Ensure bingo related activities bring in a reliable source of revenue – Mini monster bingos are held once a month and noon hour bingos are held bi-weekly.
3. Reporting – reports for gaming commission are completed immediately after a bingo, quarterly reports are completed and submitted to the Gaming Commission and Trust Office.
4. Hire more Staff – two part time radio broadcasters, a full-time administrative assistant and one full time announcer were hired.
5. Audio equipment upgrade – music board was brought on stream to ensure the highest standard of broadcast signal is available, replaced microphones to improve sound quality and repaired and installed the transmitter. Community Safety – Manitoba Hydro Water fluctuations report, RCMP Public Assistance Notice, Crime Stoppers, Safety Tips, Health Related Advertisements, EMO Announcements and all public service announcements.

Challenges

Employee absenteeism, budgetary constraints, Radio Station Building is to old, poor air quality, poor ventilation, poor drainage from run-off water from hill-slope, no eaves troughs, and not connected to water/sewage system.

UPCOMING YEAR

Projected Budget

\$100,000.00

Goals and Objectives

To pursue more work placements from organizations where student will get more hands on experience participating in the workforce. Placements for Fine Option clients to save money on wages.

Summer Work Experience Program

Roles and Description	<p>Manager – Leonard Linklater</p> <p>Providing Summer Work Experience for full time students (Grade 8 grads, High school – gr 9-12, Grade 12 Grads and Post-secondary Students)</p>
Funds Allocated	\$50,000.00
Usage of Funds	HRDA Provided wages, safety equipment, fuel for equipment and transportation for our students from June to August 31, 2018.
Achievements	<ul style="list-style-type: none"> ▶ As weather permitted, our Earth teams were out in the community picking up garbage, cleaning up graveyards, cutting grass for the UC Church. They also went to Elders homes to clean up their yards (ex. garbage pick up, yard work). ▶ New grass cutters were purchased due to damage from previous years, as well as new blades for the lawn mowers. ▶ Additional students were placed in various NCN Organizations, in many different positions (Ex. admin assistants, recreation crew, public works labourers, etc.) ▶ We have successfully placed the students which came to apply with us with positions.
Challenges	We would like to find more local positions, as the anticipated number of students are increasing annually. We have already created the Earth Team, which we have broken down into 2 groups, one for July and one for August.

UPCOMING YEAR

Projected Budget	\$50,000.00
Goals and Objectives	We are hoping to locate more various positions for students to try new opportunities. As always, we encourage other NCN Organizations to ensure they have funding allocated towards Summer Students, so that we can benefit Nisichawayasihk Cree Nation as a whole.

EDUCATION

Lifeskills and Outdoor Education

Roles and Description

Manager – Frederica Prince for Life Skills/ Mr. Sean Davidson for Outdoor Education

Life Skills and Outdoor Education Program 2016-2017

I was given the opportunity to teach the Primary Life Skills grades 1-4 program last year. There are approximately 300 students in these grades. I was teaching Reading Recovery in the afternoon. Rosie Moore, was my Educational Assistant, subbed the afternoon program last year, with Life-Skills teacher, Nadine Yetman, grades, 5-8 (approximately 300 students in these grades). I helped Rosie with some lessons and activities, when Mrs. Yetman was busy with her administrative duties.

I was focused in adding Native Perspectives integrated into the program, because our students seem to lack in what it means to be Cree people, as many did not know how to answer the question relating to what it meant to be 'Cree'. Many students did not know what it meant for them to be native, or indigenous.

What we planned was working with the units of Family and Community, Cree Life Skills with some available indigenous traditional foods/food from the grocery stores, baking, making traditional jam from picked seasonal berries, sewing and indigenous crafts. There were of course, the familiar thematical crafts with favourite celebrations such as Halloween, Christmas, and Easter. It is important to provide instruction for the students to understand and appreciate the spirituality/religion/traditional values of the community, including history. One of the projects this year was based on Community Dwellings of the past, the tipi. Students learned about the tipi, and its traditional influence. They made a miniature tipi, in grades one to four. The students enjoyed the components of designing, and making this craft. It is essential that we provide instruction for preparing many kinds of meals in which students will demonstrate food handling safety and preparing Healthy meals based on Canada's Food Guide. We continue to provide instruction for Healthy Lifestyle practices in which the students will demonstrate the ability to make informed decisions for healthy living relating to personal hygiene, active living, healthy nutritional practices, substance use and abuse and taking care of our bodies.

I also taught students about the seven teachings; and asked Elders in our school to help me with the meaning from a Cree perspective. Some elders even translated the meaning behind the terms, such as Respect, Honesty, Love, Truth, Courage, Wisdom and Humility. Elders have been working in our school for this past school year, and more are now working in our schools in the new school year. We enjoy their help, ideas, and new wisdom especially helping students learn more about what it means to be indigenous.

It is also important to teach students about safety and self health; lessons were incorporated by learning about eating healthy, learning about how to balance lifestyles by being healthy in body, mind and soul. Taking care of themselves like personal hygiene, anti-bullying, and again, the seven teachings were integrated into such topics. More history of our Community will be taught in Life Skills this year.

As for the Outdoor Education Program, goals for that program were as follows: to provide instruction for basic wilderness first aid in which students will demonstrate practicing preventative safety, assembling first aid kit, tending to outdoor injuries and hypothermia.\ to provide instruction for local geographical characteristics in which students will learn about traditional uses for plants, navigation including GPS skills and map reading and interpreting local weather and climatic indicators in all seasons; and to provide instruction

for land-based survival skills in which students will demonstrate campsite preparation, planning, selection, pitching and breaking camp including survival measures responding to worst-case scenarios.

Frederica Prince, Life Skills Teacher/O.K. School

Funds Allocated

\$6,900.00

Usage of Funds

We used funds for groceries, and materials for the Life Skills program. Meals, etc. and materials were bought to make indigenous crafts. Some went to our guest elders for their contribution and help in our program. As far as I know, the outdoor ed. Program used funds as well for that program, as Mrs. Yetman would use for the Outdoor Education (for Mr. Davidson's use for materials for his program).

Achievements

I would like to say that this program is beneficial to all our 600 plus students, and they are NCN citizens, plus their parents who have mentioned that they were proud of both programs, that has more of an indigenous component, especially the traditional Cree teachings. I have not been able to compare in a graph/chart, as I have just taught this year. It is a new learning experience; but, sees the benefits to the success and pride the students have enlisted in while doing their projects. Most goals were met to a certain extent but some areas lacked due to a shortage of funding.

Challenges

I believe it was the funding for some materials that was not feasible, or impossible to get. For example, we needed hide for slippers and mitts, and were told that we could get some from the granny/grandpa program. We got a little, but they did not want to give too much. We ran out of materials, and some students were not given the opportunity to make traditional slippers. We had to make mitts out of other materials. Lack of materials, and time to get materials, or lacks of being able to order materials were pitfalls. We had to look for other project ideas that were not as exciting but had to make suffice. Some frustrations came about, but we survived.

UPCOMING YEAR

Projected Budget

Future funds will be allocated to same program goals but further expanding the classroom teaching tools for all classrooms to utilize. i.e. Medicine Wheel teachings, materials for drumming and art supplies.

Goals and Objectives

Life Skills programs will continue to strive for the goals from last year; and adding more goals every year; but. We are always looking to make improvements for the wellbeing of our students and success of our program.

The objectives or focus: we have added a new exciting unit to our program. We are looking at incorporating nature/tradition and mental/health and personal well-being, within our very own school. We are planning to plant and use plants, rocks, trees, flowers, and herbs and incorporating the medicine wheel teachings. Students will help by starting to plan and make a garden and making a place of beauty and to help people(students, staff, by making a "Medicine Wheel Garden within the school) This place will make people feel welcomed, and to experience a stress free environment, or if they need a place to de-escalate mainly during the spring/summer months. We are planning to make a "Medicine Wheel Garden Project" which will be located in the heart of the school; the courtyard. All Students from grades 1-8 will participate in this exciting unit. It will involve a lot of planning, materials, and ideas, and will not be an easy project to do, but we will plan and start it this coming

year. Perhaps, it may be used all winter as well, if we can place a sun-panel roof over the courtyard for future objectives or plans of the future. Something to think about.

We would like to plan local area/field trips and daily outings for the tradition of going on a hunting trip during all seasons (with the help of elders, or local hunters of course for gun safety/and teaching purposes) gathering berries, mushrooms (learn to pick non-poisonous of course), edible plants, and other plants both medicinal and used in cooking. We will take elders and other community members that are well emerged in such knowledge. We would like to use more I.T. in the classroom as well. We are hoping to engage in use of more videos, footage of traditional Cree and other indigenous practices via the internet or especially interconnecting with other Life Skills classes and other communities via teleconferencing live. We need a projector and use of our tablets as well. These are important educational equipment that we are/ or may be lacking currently in our program, and would very much like to have or need. We do have tablets, but due to lack of supplies or lack of internet availability in our program; we have not had access or opportunity to use properly.

SOCIAL DEVELOPMENT

Llewellynne Moodie

Roles and Description

Manager – NCN Parks and Recreation

To occupy children, teenagers, adults and elder on their unobligated time through recreation and sport.

Funds Allocated

\$371,439.99

Usage of Funds

- ▶ We used the funds to assist athlete's engaging in what ever sport or event they wanted to participate in. This was done through donation.
- ▶ We also contributed a lot of money towards the North American Indigenous Games which were held in Toronto, Ontario. We assist in the travel, accommodations and meals.
- ▶ We also assisted the school with all their sporting events.
- ▶ Most of the money was spent on activities for the entire community.
- ▶ Hosted the March Madness basketball tournament in Winnipeg.

Achievements

- ▶ The main highlight from last year, we raised over \$250,000.
- ▶ Taking the children from the school to Winnipeg to witness Disney on Ice.
- ▶ Allowing our community member to be a part of the North American Indigenous Games.
- ▶ Family involvement was achieved through the mentioned.

Challenges

Lack of parental involvement. **UPCOMING YEAR**

Projected Budget

Program budget estimate was great. We would require the same amount of funds for next year.

Goals and Objectives

Our objective for next year is to encourage even more parents and hopefully more volunteers.

OTHER

NCN Christmas Cheerboard

Roles and Description

Manager – Cheyenne Spence, Recreation Youth Coordinator

NCN provide Christmas gifts for all children 12 and under for all NCN children on reserve and provide Christmas hampers for all NCN citizens dwellings on and off reserve members residing in primary areas such as Leaf Rapids, Lynn Lake, SIL, Thompson, Winnipeg and Brandon.

Funds Allocated

\$50,000.00

Usage of Funds

- ▶ The funds were used for Gifts, food hampers, helpers, lunch.
- ▶ A budget of \$50,000.00, we spent \$25,410.00 on hampers and helpers, gas purchases we spent \$18,435.32 on Gifts and delivery from Samko Party services limited from Calgary Alberta. in total we have spent \$43,845.32 with a carry over of \$6,564.68. and an account with RBC IN THE SUM OF \$7,390.27 that was not touched.

Achievements

- ▶ We had had done an inventory of past gifts ordered and saved a lot of money. we ordered 500 hampers for each household at a cheap price of \$48.00. We had volunteers, that helped pack gifts, deliver gifts and hampers to each area of the community.
- ▶ That each household, and child received a gift this year, we saved a lot on the budget. All the help we received to meet the deadline we had a budget of \$50,000.00, and we saved money on gifts and hampers.

Challenges

- ▶ Inventory should be done at the end, that way we don't have boxes from 2 years to a year piling up on the new gifts ordered.
- ▶ We plan a winter wonderland open to the organizations as part of their donation to the Christmas Cheer board event and sadly nobody had participate from any organization.

UPCOMING YEAR

Projected Budget

The budget will remain on gifts, hampers, helpers, lunch, gas Purchase Orders for delivery of gifts and hampers.

Goals and Objectives

The goal is to get more volunteers to task more people for each area, our population is growing rapidly per household. To have more people helping during the day during working hours if need be. To get a full inventory of each child 12 and under from housing administration, as they will be doing this update for the year 2018.

Elders Subsidy on Reserve Program

Roles and Description

Manager – Joyce Yetman, Inter-governmental & Special Executive Director

To provide a monthly subsidy to NCN Elders that live off reserve.

- ▶ An annual list of NCN elders that are 65+ of obtained the Band Membership Clerk, this list is updated regularly.
- ▶ Elders on the list receive a subsidy cheque of \$100.00 on the 15th of each month.
- ▶ The cheques are mailed out to the elders after the 15th of each month.

Funds Allocated

\$137,500.00

Usage of Funds

Subsidy cheques in the amount of \$100.00 were issued monthly to all elders residing on reserve.

Achievements

- ▶ A total of \$137,500.00 was paid out, with one hundred twenty-five (127) elders receiving subsidy, two (2) more elders applied and qualified for the subsidy; and nine (9) elder passed on during the year.
- ▶ At the end of the year we have a listing off one hundred and eighteen (118) elders that will continue to receive monthly subsidy payment.
- ▶ Same as the program achievements.

Challenges

There have been no challenges or obstacles during this reporting period.

UPCOMING YEAR

Projected Budget

As there are elders turning 65 every year and our list of elders increase, we will require at least \$150,000.00 annually.

Goals and Objectives

- ▶ Advertise the Elders Subsidy Program on NCN's website.
- ▶ Ensure that elders that are eligible for the subsidy program receive the monthly subsidy honorarium.
- ▶ Purchase wreaths for elders that pass on.

TASKINIGAHP TRUST



WUSKWATIM IMPLEMENTATION OFFICE

WIO Agreement & Management Special Project Unit

Establishment of the Wuskwatim Implementation Office (WIO) 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 continued throughout the Wuskwatim construction period until project completion. WIO acted as a liaison with Manitoba Hydro, TaskinigaHP Power Corporation (TPC), Wuskwatim Power Limited Partnership (WPLP) and Nisichawayasihk Cree Nation

With construction complete, the role of the Implementation Office will be transitioning to other priorities. During the transition the WIO will retain its current role as follows:

- ▶ Ensures effective implementation of all agreed components of the PDA
- ▶ Ensures that the PDA commitments in contracts are honoured as specified such as (Aski' Otutoskeo Limited – AOL, Debris Management Program – DMP)
- ▶ Ensure all related parties fulfill responsibilities to NCN
- ▶ Acts as a liaison and maintains on-going discussion with Manitoba Hydro, TPC, WPLP, Monitoring Advisory Committee and NCN
- ▶ WIO provides the management and financial support for AOL, DMP and other funding agreements.
- ▶ WIO & Community Consultants coordinate and manage the deliveries of all NCN Newsletters, Year-In-Reviews, etc.

There are many ongoing obligations in the Wuskwatim PDA and related matters including without limitation to;

- ▶ **CRD Consultations & Final Licensing** – Chief & Council in conjunction with WIO Management, NCN Legal Counsel and Environmental Advisor held community consultation meetings and meet with the Province and then submitted their CRD Final Report Licensing for review and approval by the end of September 2016. We are currently waiting on the province to finalize the report.
- ▶ **Consultation & Finalization of the interim Wuskwatim License** – Chief & Council decided that they will not start the process with consultation and finalization of the interim Wuskwatim Licensing until the CRD License is finalized;
- ▶ **Negotiate a new Monitoring Agreement, Heritage Agreement, amendments to the Water Rental Agreement** – still negotiating with Manitoba Hydro. Chief & Council have assigned AOL personnel to review and update the Heritage Agreement.
- ▶ There are ongoing consultations for the Debris Management (10 year agreement)
- ▶ AOL is a service provider to Wuskwatim – this agreement is under renegotiation but is also a long term agreement and is expected to provide stable funding for up to 2.5 staff positions that are currently in the WIO office

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 Mb Hydro as it is their on-going obligation.

Cultural and Heritage

Heritage Agreement and plans were a critical component of the Wuskwatim Project, leading to the development and implementation of a unique model. The plan is to be reviewed and extended to NCN's Resource Management Area through negotiation with the province and Manitoba Hydro.

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.

WIO Management & Special Projects Unit will become the ongoing repository for heritage matters to ensure that any developments are done in a manner that is consistent with NCN protocols, customary laws and traditional practices.

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 law for our Nation.

Constitution, Self-Government and Legislative Development

The development of the NCN Constitution was coordinated by Wuskwatim Implementation Office as part of having proper legal framework in place to amend NCN Trusts. The constitution will be completed and law-making responsibilities assumed on a self-government model. The passage of the constitution is the first step in embarking on a self-government negotiation process. Chief and Council need to be able to develop and implement such laws in accordance with the law making processes they operate under particularly as NCN transitions from the Indian Act to its own constitutional framework.

It is anticipated that as soon as the constitution is in place, Council will pursue the development and finalization of a finance law that will maximize NCN's ability to access

funds, amendments or rewriting of the NCN Election Law, development of an NCN citizenship law that includes mechanisms that have been dealt with under the Indian Act, and education law, marital property laws, and land laws. These will be the special projects that WIO will pursue within the next year.

NCN continues 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.

Debris Management

AOL has a 10 year Debris Management contract for NCN as part of the CRD final license issues, they are working in 6 areas, and this year they focused 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, 2- supervisors and 18 field workers hired for 15 weeks.

The water levels were expected to rise on Three Point Lake, Footprint Lake and Osik Lake. The rise in water levels will flood most of Debris piles created to date. All piles were monitored and discussions with Manitoba Conservation Sustainable Development determined the issuance of burning permits.

The NCN DMP paid special attention to the Harmful Alteration Disruption & Destruction (HADD) sites on 3-PT Lake. The water levels are down making easy access to debris accumulating in the two sites.

The AOL planning session determined that work in the Wuskwatim area needed special attention to the HADD sites and Soil Bio-Engineering Stabilization and Restoration sites. A list of priority sites were identified including the Boat launch area, Wuskwatim Village and Heritage sites were cleared of debris.

As the water levels continue to rise, the upper end of Notigi Control Structure will be monitored waiting for the water levels to be drawn down.

During the 2016 Season there was the field workers cleared debris on the shoreline and stocked 562 piles totalling 16,946.75 m³ as per table listed below:

Zone #	Area	# of Piles	Total m3	Details	Burnt Pile
1	Karsak & Pemich			2 year break, redirect focus to Wapisu Lake	
2	Rat Lake, Mynarski Lakes & Suwannee Lake	61	2,110.48 m ³		yes
3	Notigi Lake, Misinagua Lake			2 year break, redirect focus to Osik Lake	
4	Wapisu Lake, Churchill River Diversion, Rat River	192	6,056.26 m ³		114 piles burnt and 78 piles were not burnt
5	IR 170, 170a, 170b	183	5,331.16 m ³		Yes
6	Foot Print River & Osik Lake	69	2,116.25 m ³		Yes
7	Wuskwatim Lake	29	1,012.20 m ³		Yes
Total		562	16,946.75 m³		

Socio-economic and Environmental Monitoring

Ethinesewin Monitoring

Ethinesewin is the traditional knowledge and collective wisdom of *Nisichawayasi* Nehethowuk (the people from where the three rivers meet and who speak the language of the four winds) that has been communicated orally for generations.

Like the traditional knowledge systems of other Aboriginal peoples, *Ethinesewin* includes observation, classification, description and recording observations and results. The central focus of *Ethinesewin* is on relationships with and between the land, nature and people.

Nisichawayasi Nehethowuk, and in particular the NCN Elders, have been creating an understanding through *Ethinesewin* with Manitoba Hydro and Aski 'Otutoskeo Ltd (AOL). as an integral part of the environmental monitoring activities conducted during station construction and the current Wuskwatim operational phase. The communicating of *Ethinesewin* is vital to ensuring the project achieves *Kistethichikewin*, meaning the conduct of a person must adhere to the sacred responsibility to treat all things with respect and honour, according to *Kihche'othasowewin* (the Great Law of the Creator).

NCN Elders conducted their Spring/Summer annual 2017 environmental monitoring activities with the work plan set up by AOL by inspection and evaluating the Wuskwatim Generating Station/Wuskwatim Access Road/Soil Bio engineering Stabilization and Restoration sites on Wuskwatim Lake. The NCN elders were particular in investigating the downstream end of the generating station. A safety discussion on the turbulence flow of the river was done and was determined that the use of a boat and motor was not a practical option.

Orientation and Safety Reviews

The spring/summer tour the NCN Elders team reviewed the list of planned inspection tasks and were asked to provide their initial perspective of *Nisichawayasi* Nehethowuk customary law principles plus any of their own personal customs and principles that may apply. Some of this year's participants had participated in previous inspections, while others were joining the team for the first time. Each inspection task was discussed using a background and history of work to date that has been accumulated in a summary table.

As part of this initial orientation, the AOL coordinators

managing the inspection tour reviewed the emergency job action plan with the inspection team.

Review of Findings and Recommendations Compiled from Previous Years' *Ethinesewin* Tours and Participants

The summary table compiled by Manitoba Hydro has been a useful tool in helping with the history of the *Ethinesewin* recommendations and WPLP responses. The team agreed that, as the project will be operating for a long time, there should be both a written ongoing record for all monitoring as well as the traditional oral history of *Ethinesewin* to ensure that all of the accumulating knowledge will be passed on. The traditional knowledge includes the influence of moons and seasons on climate, weather, animals, plants and *Ethinuwuk* (individuals) as well as seasonal harvesting cycles and practices. It has not been easy for the technical and traditional knowledge systems to work together, but the Elders think that the collaboration should be continued and developed further into a balanced teaching tool that highlights both knowledge systems.

Wuskwatim G.S. Forebay

A boat tour was arranged in the work plan but further assessment of the ongoing changes related to the initial establishment of the reservoir's water level at its full supply level and its ongoing operation within a narrow range, plus study of the shoreline conditions along the forebay's north and south shores and at Wuskwatim Falls and the channel improvement area.

The forebay is considered by NCN Elders to be one of the most impacted areas of the entire project. The history told in stories shared by NCN Elders tell us that Wuskwatim Falls and Taskinigaph Falls, have been a significant Harvesting area of fish by our ancestors. The absent sound of the rapids has been noticed by all of NCN Elders.

Heritage

There visits made to known grave sites and maintenance of the sites were performed. Aniskowatesewe Kanache Pumenikewin means people must act in accordance with the sacred responsibility to protect heritage resources. The NCN Elders strongly believe that the records of such sites need to be shared with the community so that the Nisichawayasi Nehethowuk history and culture is preserved.

There were discovery/disturbance of human remains found in the Wuskwatim Channel improvements area during construction and a discovery of human remains in a tributary by Wuskwatim falls. The construction of the Wuskwatim

G.S. project further establish our ancient existence in the Wuskwatim Lake area. The Elders feel that it is here, in particular, where shoreline erosion repair and rehabilitation should be carried out.

One noticeable difference that the NCN Elders *Ethinesewin* Monitoring team noticed during the inspection since the Wuskwatim G.S. became operational is the water flows through Wuskwatim falls and Taskinigaph falls area are much less visible with the raised water level in the Wuskwatim G.S. forebay. To make a determination from *Ethinesewin* perspective, it is difficult to compare the flows going through the Generating Station relative to what they were prior to construction. The Elders asked if the differences in water flow affect the fish quality.

The NCN Chief and Council provided a mandate to AOL to initiate contact with Manitoba Heritage Branch to provide a list of NCN ancestors that are currently in temporary custody. A list of 23 of NCN ancestors were provided for the Wuskwatim Lake area. So began the task of bringing the ancestors back to Wuskwatim lake area for repatriation.

Figure 1: Wuskwatim Lake & Wuskwatim G.S. forebay

O'skotimi Pawistik	2
Sekanisiwin	13 (plus soils)
Kecinehow	1
Conikanisihk	1
Astacikonahk	4
Wuskwatim Forebay	2

The *Ethinesewin* monitoring past tours identified a repatriation site in the Moostoochi bay area (where cows were taken to feed), but was quickly determined that the identified site was too close to shore. A new site needed to found further inland where they would be protected. A huge mound was discovered providing enough room for repatriating of Wuskwatim ancestors. An archeologist was brought in to perform test digs to ensure that the site was not previously used. The archeologist determined that the site ideal site and can proceed in applying for a licence for repatriation site.

There was much work and preparation that needed to be done before the Wuskwatim lake ancestor's arrival. The repatriating site was immediately cleared of all brush and rocks were brought in to construct a medicine wheel. The NCN Elders were provided much guidance and knowledge in what was important for the repatriation site and the most important is that the water could be seen, so the trail into the site was cleared and extra wider to ensure Wuskwatim Lake could be seen.

Six experimental sites on Wuskwatim Lake for Soil Bioengineering stabilization and restoration

Site #3

The NCN Ethinesewin monitoring assessment of this site is the crib wall installation hasn't been effective in protection from wind and wave effect of Wuskwatim Lake. The NCN elders noticed erosion of shoreline preventing better success. The concerns that the NCN Elders raised is the dead stout

steaks and live wire exposure is becoming a safety concern for animals. There is success to the live drain trenches, and brush mattresses as the red willow and dog wood willows were in bloom.

Figure 2: Soil bioengineering stabilization & Restoration site # 3



Crib wall protection



Dead stout steaks

Site #4

The NCN Elders expressed concern to the lack of success of the diamond willows methodology used the lack of budding and leafing is evident. The accumulation of debris on the

shoreline was also of concern to the Ethinesewin monitoring assessment.

Figure 3: Soil bioengineering stabilization & Restoration site # 4



Accumulation of shoreline debris



Diamond willow steaks

Site #5

The Ethinesewin monitoring assessment of this site is lots the budding and leafing in the willows. The elders enjoyed the

success of this site, but the noticeable debris along the shore is an issue to the Ethinesewin monitoring group.

Figure 4: Soil bioengineering stabilization & Restoration site #5



Budding and leafing



Debris on shoreline a concern

Site #6

The Ethinesewin monitoring of this site is especially significant to the NCN elders as this site offers a beach shore and remnants of a log cabin is found on this site. Once again the Ethinesewin monitoring assessment made by elders

expressed concern with the debris along the shore. This site has had 2 previous visits by NCN debris management program.

Figure 5: Soil bioengineering stabilization & Restoration site #6



Success is evident on this site



Debris an on going concern

Harmful Alteration Destruction Disruption (HADD) Sites:

Three point Lake (3-PT)

HADD Site 1:

The low water levels on 3-pt Lake the NCN debris management program visited this site to assess and determine if any maintenance work was required. The site had no accumulating debris on the exposed shore.

HADD Site 2:

The NCN debris management crew visited this site and determined that no accumulating debris was noticed therefore no maintenance work was required.

Wapisu Lake

HADD Site 1

The NCN debris management program central focus of operation was on Wapisu lake. The HADD site was visited and was determined that no maintenance of debris work was required.

Wuskwatim Lake

HADD site W-1

The Ethinsewin monitoring crew inspected this site and determined that further maintenance work to debris accumulation was required. The crew began a winching out the debris cutting to 3 foot lengths and later burned in the fall once a burn permit was obtained.

Wuskwatim Access Road

Stream Crossings

The *Ethinsewin* monitoring tour of the stream crossing raised no concerns by the NCN elders. The NCN elders inspected the culverts, erosion protection measures and revegetation growth, along the Wuskwatim Access Road. The streams shows good flow with no obstruction by beaver activities.

Ditches

A big concern raised by the NCN elders is the Alpha Alpha plant and how it has become so noticeable in the ditches. The NCN elders observed the Alpha Alpha plant is killing of the black spruce seedling and jack pine seedlings. An attempt to pull out the plant proved to be strenuous to a man. The roots are embedded into the soil that it's become impossible to yank from ground. The NCN elders raised a big concern in how the Alpha Alpha plant is traveling with its roots system and might start taken over the forest stands.

Borrow Pits

The decommissioning and reclamation of the borrow pits were assessed and determined by NCN elders that the jack pine seedlings are doing extremely well.

Aquatic and Terrestrial Life

The *Ethinsewin* monitoring planning team instructed all involved in assessments and inspection to note any wildlife observed or detected during the field work. The locations of the sightings of animals were to be noted and recorded.

Medicinal Plants

Once the NCN elder's arrival to the Wuskwatim village medicinal plants are requested for a medicinal use. There is much harvested and medicine prepared and offered to the elders while in Wuskwatim and to take home to family and friends.

- ▶ Napakasihk – Balsam Fir
- ▶ Wekis – ginger root
- ▶ Pusakan – trembling aspen (poplar tree) Fungus
- ▶ Pi Ki meh – Birch tree fungus
- ▶ Black Bear – Bear grease (to treat sores and scabs)

Wuskwatim Lake Boat Launch

The *Ethinsewin* monitoring of the Wuskwatim lake boat launch has a noticeable amount of debris accumulation. The *Ethinsewin* monitoring crew as part of their task for the season is to cut to three foot lengths and pile at a staging site identified. The Manitoba hydro personnel used their loader with bucket and hauled to the waste management area. The break water protection berm has been noticed and noted to have eroded from the effects of wind and waves. The beacon placement on the berm is being threatened from falling into the lake.

Burntwood River Downstream Boat Launch

Ayakwamisiwin means a person must be cautious of their actions where there is uncertainty. The Burntwood River downstream of the Wuskwatim Generating Station is a more turbulent than previously observed. The *Ethinsewin* monitoring tour of NCN elders noted that warning signs and route guides are provided at the site.

For recreational users possibly using the Wuskwatim Generating Station portage route in the downstream direction, the warning signs will be very important. All

travellers up and down river must be aware of operational downstream fluctuations, as well as the skills and precautions of lake travel. Communication should be made available for dangerous downstream travel.

Wuskwatim G.S. forebay

One noticeable difference that the NCN Elders Ethinesewin Monitoring team noticed during the inspection since the Wuskwatim G.S. became operational is the water flows through Wuskwatim falls and Taskinigaph falls area are much less visible with the raised water level in the Wuskwatim G.S. forebay. To make a determination from Ethinesewin perspective, it is difficult to compare the flows going through the Generating Station relative to what they were prior to

construction. The Elders asked if the differences in water flow affect the fish quality.

Erosion

There is an adverse effect noticed all around the wuskwatim lake shores, the Burntwood River and the North/ South brooks. There is noticeable fresh vegetation in the water, slumping of clay shores, and loss of shoreline. The Ethinesewin Monitoring by NCN elders are expressing concern that it be addressed by conducting shoreline clearing. The NCN elders believe this will ease the stress the shoreline are experiencing.

Figure 6: Burntwood River/Early Morning Rapids



Erosion of shoreline



Slumping of shoreline



New vegetation in the water



Slumping of shoreline

Background

The Taskinigahp Trust was created in June of 2006. The duties and responsibilities of the Trustees are contained in the trust indenture, which was created by the Nisichawayasihk Cree Nation to administer the funds associated with the Wuskwatim Dam Project. The Trust currently is comprised of four accounts, namely The Community Development Account, The Claims Account, the Resource Account and the resource sub account.

Each Year the trustees are required to provide to Chief and Council, and, upon request, any members of Nisichawayasihk Cree Nation, with an annual report on the financials 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 audits reports and opinions requested by the Trustees and narrative report on expenditures from the Trust and the Trust operations including how the Transmission benefits were used.

TASKINIGAHP TRUSTEES



Shirley Linklater



Darcy B. Linklater Jr.



James Warren



Jacqueline Hunter

CORPORATE TRUSTEE

The Canada Trust Company
(TD Wealth Private Trust)

FINANCIAL OPERATIONS REPORT

Capital Payments Received by the Trust

Initial settlement proceeds, in the amount of \$5,700,000.00 were received from Hydro in accordance with the adverse effects Agreement in 2008.

Annuity Income

NCN and MB Hydro entered into a supplementary agreement which provided for an Annuity Payment of \$2,500,000. Of this amount 90% (\$2,250,000) is available in the year received for community programs and services and 10%(\$250,000) is credited to the seven generations growth account for future uses.

Transmission Benefits

Transmission benefits, in the amount of \$284,340 were received for the period. Of this amount 75% (\$213,255) is available for resource projects in the year received and 25% (\$71,085) is retained to generate future income.

Water Rental Payments

Water rental payments totaled \$1,573,704 for the year. Of this amount 90% (\$1,416,334) is available in the year received for community programs and services and 10% (\$157,370) 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/(losses) realized for the period from Trust investments was \$146,083.

Capital Payments Disbursed from the Trust

Capital payments paid to NCN totaled \$4,654,535. Of this amount \$4,391,101 represents payment from the Community Development Account, which were applied towards various projects approved by CIP, \$213,434 represents payments from the resource account to the Fishers and Trappers Associations and \$50,000. From the claims account for damages to personal property. As at December 31, there remained an amount of \$1,046,760 owing to NCN for the 2016 CIP budget.

Investment Activities of the Trust

The funds held in the community development, Resource and Claims account are invested in a ladder bond portfolio consisting of Federal and Provincial Government bonds and corporate bonds. Funds held in the seven generation Growth Accounts are invested in a mix of money markets, bond and equity mutual funds. All investments meet the investment parameters of the trust indenture. All investments decisions, with the exception of short term investments, require the approval of the NCN Trustees. The sale of any investment requires 21 day's notice to be provided to Chief and Council and Members.

Investments held at December 31, 2016

As at December 31, 2016 the Trust had a total value of \$5,289,391

The auditor's Financial reports and opinion are attached.

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

THE NELSON HOUSE TRUSTEES

THE CANADA TRUST COMPANY

TASKINIGHAP TRUST IMPLEMENTATION & ADMINISTRATION

NCN Trust Office – Taskinigahp Implementation

Roles and Description	<p>Manager – Joyce Yetman, NCN Trust Director</p> <ul style="list-style-type: none"> ▶ To ensure the Nelson House Trustees shall faithfully administer the terms of the Trust Indenture & PDA. ▶ To retain the auditor's, legal counsel and technical consultants for the professional services required by the PDA. ▶ To ensure the CAP/CIP Policy developed by the CC Committee is adhered to. ▶ Update and coordination of the Multi-year plan. ▶ Finance Department Amalgamations and reorganization of the Finance Department. ▶ To ensure funds released for Housing & Infrastructure are properly administered.
Funds Allocated	\$817,054.00
Usage of Funds	Funds were spent on Claims Program, Community Involvement Process, Corporate Trustee Fees, legal fees, consulting fees & honoraria, Nelson House Trustee Honoraria, Financial & audit expenses, Self Governance
Achievements	<ul style="list-style-type: none"> ▶ Ensured appropriate forms and required documents were completed when accessing funds from the Trust. ▶ NCN Trust Office Management oversaw the consolidation and production of monthly and annual program/project activity and financial reports. Additionally, management coordinated a tracking progress of programs and projects funded by trust. ▶ MNP was retained for auditing and assisting the Finance Department as required as well as Annual Report & Audited Financial States were completed. ▶ 1T Knowledge Group was retained for assisting and upgrading the Finance Accounting Software Sage Accpac and Finance Department. ▶ The Corporate Trustee (TD Waterhouse) and Nelson House Trustees had one meeting during this year to discuss investment opportunities. ▶ The Corporate Trustee on behalf of the Nelson House Trustees maintained current, accurate and complete financial records of the Taskinigahp Trust and submitted to Chief and Council and the Nelson House Trustees quarterly transactions and investments statements. ▶ Valerie Matthews-Lemieux Law Firm was retained for Legal Services; specializing in law development, providing NCN practical, effective, and timely legal and strategic advice. ▶ Q-Power was retained for NCN Trust Office Website maintenance and graphic designer and printing of annual reports. ▶ The CAP/CIP Committee implemented the Community Involvement Process as per CAP/CIP Policy. ▶ Management & legal counsel ensure that all provisions are adhered to the PDA. As well as ensuring that all PDA commitments in contracts (AOL & DMP) are honoured as specified as well as all parties are adhered to the agreements.

- ▶ Management liaises with directors of TPC and Manitoba Hydro to ensure that all parties adhere to the agreements.
- ▶ Management ensured the Monitoring Advisory Committee (MAC) terms of references are being implemented and attended the quarterly MAC meetings.
- ▶ NCN Trust Office Management continue to coordinate the delivery of the monthly NCN Achimowina, contracted Consultants continue to deliver the newsletters door to door in Winnipeg, Thompson, Leaf Rapids and NCN As well as, Newsletters are delivered to organizations and businesses in NCN.
- ▶ The Resource & Land Use Programs and Park's & Recreation Program were transferred to the Government Office by April 1, 2018.
- ▶ It was announced at the General Assembly and the staff meeting that the NCN Trust Office will be known as the Inter-governmental Relations & Special Projects Department.
- ▶ Chief and Council had accessed a loan from an external source in the amount of \$11,000 million for Housing & Infrastructure, NCN is obligated to set aside \$1,000,000.00 from the Taskinagahp Trust to pay back the Infrastructure & Housing as a Forward Commitment.
- ▶ \$1,000,000.00 was allocated from the Taskinagahp Trust funds available for the Housing/Infrastructure Forward Commitment Loan, these funds were transferred to one of NCN's bank accounts.
- ▶ Implemented and coordinated all special projects assigned by Chief & Council as follows:
 - Multi-plex construction progressing.
 - Election Law Amendments were completed and approved by Chief & Council in March 2018, the amendments were used in the Chief & Council elections held in August 2018.
 - Finalize Constitution by contracting two elders/translators to translate Othasowewin (Constitution) from English to Nehetho and to record the translation in roman orthography and syllabics, this project was completed in August 2018.
 - Finance Law was finalized and approved by Chief & Council in May 2018.
 - MRP and Allotment Laws preparatory meetings commenced in May 2018, tasks were assigned to the LER Department, follow-up meeting was conducted in October 2018; LER Department were assigned a task list to be pursued once tasks were completed Chief & Council are to meet to review.
 - CNC & Inter-governmental and Special Projects technical team met with AANDC to discuss the self-government negotiation process & the next steps to follow on Self-Determination of in February 2018.
 - In April 2018, CNC & Technical team met with Westbank First Nation to see how Westbank transitioned from its land code to its self-government agreement (primarily the inclusion of land issues into the self-government agreement); as well as other areas such as:
 - Enforcement issues including negotiation of the Agreement for dedicated RCMP officers to enforce Westbank Laws and the timing of same in relation to the Westbank Land Code and Self-Government Agreement;
 - Transfer payments/formulas and negotiation of same in the context of the self-government agreement; and

- Pitfalls that cause delay that need to be considered and avoided to conclude self-government negotiations as quickly as possible.
- Ongoing role with LABRC in relation to Westbank once Westbank transitioned to its Self-government Agreement
- In April 2018, CNC & Technical Team met with Whitecap First Nation (Dakota) to get a tour of the various projects they have undertaken pursuant to the passing of their land code as well as had discussions on a number of issues related to Whitecap's self-government negotiations. Other discussions were in the following areas:
 - How Whitecap First Nation intends to transition from its land code to its self-government agreement;
 - The pros and cons of proceeding with taxation and revenue assessments under the Statistical and Financial Management Act instead of a First Nation constitution;
 - Pitfalls that caused delay in concluding the Whitecap Agreement in Principle that NCN should try to avoid so negotiations can be concluded as quickly as possible;
 - Transfer payment formulas under consideration in the self-government negotiations.
- In June 2018, CNC, Technical Team met with Chief Abel Bosum, Grand Council of Eeyou Istchee, James Bay Cree Nation to discuss their Nations experiences with the use of litigation as a strategic tool of self-government negotiations as well as the following topics;
 - James Bay First Nation successes and disappointments of the Peace of the Braves Agreement;
 - Transfer payments/formulas and negotiation of same in the context of self-government negotiations to ensure fair, stable funding mechanisms are in place;
 - Pitfalls that caused delay in the conclusion of their self-government agreement that NCN should consider and try to avoid so negotiations can be concluded as quickly as possible, recognizing that the political and socio-economic issues are likely quite different in our respective communities and challenges faced in implementing James Bay Constitution and self-government.
- In November CNC, Technical Team and Policy Analysts hosted neighborhood meeting in NCN, Leaf Rapids, Thompson, and Winnipeg, to have open communication and listen to the priorities of NCN Citizens as they bring forth ideas on how CNC can achieve these priorities particularly through self-government negotiations. As well as to discuss with the NCN Citizenship on how CNC can pursue a viable economic development to increase revenues and to meet our citizens needs; as well as negotiating and implementing the best possible self-government agreements with Canada and Manitoba
- Survey's were distributed during the neighborhood meetings and NCN citizens were assisting in completing surveys when required.
- The Senior Policy Analysts compiled a report based on the outcomes of the surveys, this report was presented to CNC and will be presented at the next General Assembly as information to the NCN citizens.

Challenges

- ▶ Program deficits
- ▶ Administration funds used to accommodate program deficits
- ▶ Program Reporting from Department Managers is always behind which holds up completion of annual report that results in funds not transferred to Taskinigahp Trust.

UPCOMING YEAR

Projected Budget

As the WIO & Taskinigahp Trust & NCN Trust Office have amalgamated and are now the Inter-governmental Relations & Special Projects Department, it has taken on a new role of being a flow through of funding and be more into developing and implementing NCN laws. We will require more funds in the development of laws, community consultation, general assemblies, door-to-door consultation, etc.

- ▶ \$800 k (projection)
- ▶ Projection may change, it all depends on what the incoming Chief & Council objectives and goals will be as well as the amount of funding NCN will achieve from proposals submitted to the federal government on law development.

Goals and Objectives

- ▶ Implementation and setting up systems & processes on the Constitution and Finance Law
- ▶ Focus will be working with CNC, CEO and NCN Legal Advisor on creating Laws for our nation with priorities on laws be as follows:
 - Community Protection Law
 - Citizenship Law
 - Education Law
 - Marital Property & Allotment Law
 - Child Welfare Law
 - Advisory Council
 - Consultation Law
- ▶ Coordination & Delivery of NCN Achimowina (Newsletters)

Wuskwatim Implementation Office/Special Projects Unit

Roles and Description

Manager – Joyce Yetman, Inter-governmental & Special Executive Director

To ensure the effective Implementation of all agreed components of the Project Development Agreement (PDA) and Supplementary Agreements.

- ▶ WIO management ensure that all provisions of the PDA are adhered to and all parties specified in the PDA fulfill their responsibilities.
- ▶ Ensure all the PDA commitments in contracts are honoured as specified. Such as Aski Ototoskewak Limited, Debris Management Program and Sodexho Partnership
- ▶ WIO provide a valuable support and advocacy role for citizens and the community
- ▶ Responsibilities of WIO/Special Project Unit includes but is not limited to:
- ▶ AOL which has a 10 year DMP Agreement and environmental monitoring agreement (currently under re-negotiations)
- ▶ Heritage Agreement (under renegotiation and extension)
- ▶ PDA, PDA Supplement #1, and PDA Supplement #2
- ▶ Constitution and Laws
- ▶ CRD/Wuskwatim Final Licensing
- ▶ Wuskwatim Final Licensing
- ▶ Co-ordination of Major Infrastructure Projects arising out of the PDA negotiations
- ▶ WIO Management continue to hire NCN consultants to deliver newsletters door to door to on & off reserve (Thompson, Winnipeg, Leaf) and distribute newsletters to NCN's and other organizations in Thompson.
- ▶ In June 2016, WIO become under the management of the NCN Trust Office, the process of planning and amalgamation commenced during this period, and will continue until completion
- ▶ A committee of five (5) NCN was appointed by Chief and Council to oversee phase 1 of the multiplex

Funds Allocated

\$300,000.00

Usage of Funds

- ▶ Funds were spent on salaries for three employees, 5 community consultants, community newsletters deliveries, phase on (1) of the Multi-Plex

Achievements

- ▶ WIO Management continues to hire NCN Consultants to delivery newsletters door to door to on & off reserve (Thompson, Winnipeg, Leaf Rapids) and distribute newsletters to NCN's organizations in NCN and other organizations in Thompson
- ▶ Planning of the Multi-Plex are well under way, committee have been reviewing blue prints, designs and images of different multi-plexes
- ▶ Management have met with WIO, AOL and DMP to start discussing the plans of amalgamating the NCN Trust Office with WIO Financa Departments
- ▶ Providing a City Zone System for delivery of NCN Newsletters
- ▶ City Zoning System for NCN newsletter delivery
- ▶ Current NCN Delivery Lists (updated monthly)
- ▶ Increased communication with management and WIO, AOL, DMP employees
- ▶ Structured HR & Finance system in place

Challenges

- ▶ Resistance from WIO employees, with new management
- ▶ Resistance with amalgamation
- ▶ Consistency in updating NCN Delivery Lists
- ▶ NCN Newsletter Consultants getting familiar with structure system
- ▶ Lack of communication, direction with management and Chief and Council

UPCOMING YEAR

Projected Budget

- ▶ Will require at least \$600 – \$700 K, to retain WIO employees, operation & maintenance costs of WIO building, and to fund & oversee the special projects identified by Chief and Council in NCN Strategic Plan.

Goals and Objectives

- ▶ Re-organization of program & projects funded by Nisichawayasihk (CAP) and Taskinigahp (CIP) Trust
- ▶ Continue with the amalgamation of NCN Trust Office and WIO Finance Department

Housing and Infrastructure Forward Commitment Loan

Roles and Description

Manager – Joyce Yetman

- ▶ The Nation has been working diligently to reduce the overcrowding in housing units by building twelve bungalow homes for NCN citizens interested in homeownership, build a Solar Plex with 4 units to accommodate single families, 24 Unit mobitel to house families while their homes are being renovated, an 8 Plex and 3 unit housing renovation project to bring home to living conditions.
- ▶ High School Renovations Project was required at the OK School for health and safety reasons. The roof and foundation required major repairs,
- ▶ Multi Plex for the recreation department and for the Nation to utilize for multi purposes,
- ▶ Woman's Shelter to assist woman who are experiencing issues with common law, family issues and provide service that will work with them until they get opportunities to be on their own.
- ▶ Winnipeg Receiving home to house our citizens whom are dealing with health issues and to accommodate family dealing with loved ones with critical illnesses.
- ▶ Creating new sub division master plans for future housing lots, commercial building such as a new nursing station and Elementary and High Schools with up to date infrastructure to accommodate our growing young populations.
- ▶ The Nation amended the Taskinigahp Trust to allow us to fund programming for multiple years. The Nation borrowed \$20,611,335.00 from RBC. The Nation has committed 1 million every year for 10 year period under the forward commitment amendment under Taskinigahp Trust.

Funds Allocated

\$1,000,000.00

Usage of Funds

Achievements

Allowing the Nation to commit to Programming/Projects over a longer period of time. Decrease the housing shortfall for our citizens, gives the citizens to have options to home ownership. Improves our infrastructure to construct new housing units and new facilities. To improve our nation's water & Sewer infrastructure, reduced the housing short log, insure service our available for women in our Nation and family dealing with critical illnesses.

Challenges

Providing reports of the projects

UPCOMING YEAR

Projected Budget

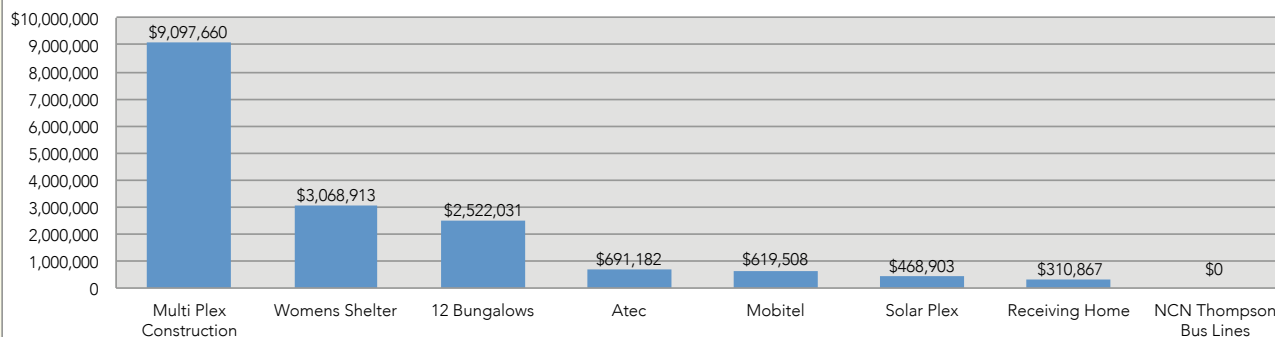
\$1,000,000.00

Goals and Objectives

Eliminate our housing back log, improve our infrastructure, accommodate our growing population, improve our economy.

NCN LOAN SUMMARY

Total \$16,779,064



EDUCATION

Human Resources Specialist

Roles and Description

Manager – Kim Linklater

Administration: Executive Management Team

Funds Allocated

\$93,150.00

Usage of Funds

1. Salary & Benefit for Executive Director of HR
2. Professional Development & Training
3. Recruitment Fees (advertisements)
4. Projects i.e. casual workers

Achievements

- ▶ On going recruitment for numerous departments
- ▶ Orientation
- ▶ Training and sharing of resources from local entities
- ▶ Internal/External Resourcing for Managers, Staff and EMT
- ▶ Implementing policy, writing letters, providing HR expertise
- ▶ Working with Legal in the capacity of labourer disputes and Human Rights complaints.
- ▶ Policies, legislation, some training although there should be more focus on professional development. Recruiting of HR Assistant.

Challenges

- ▶ Time management – HR overwhelmed with the amount of tasks that are requested.
- ▶ Inputting of manual timesheets into system to track employee leaves.
- ▶ Updating and developing of all job descriptions x 180 positions.
- ▶ Salary Scales incomplete but are in the plan with Finance
- ▶ Finance amalgamation

UPCOMING YEAR

Projected Budget

\$170,000.00 for Salaries, expenses, benefits, Professional Development and resources that will assist Human Resources in attaining its full and successful intentions and obligations.

Goals and Objectives

Professional Development, ongoing training, upskilling existing employees, succession plans etc...

EDUCATION

Healthy Breakfast Program

Healthy Snack Program

Hot Lunch Program

Roles and Description

Manager – Matilda Gibb

- ▶ Breakfast Program provides nutritious breakfasts to students who are not able to eat this essential meal
- ▶ By providing healthy breakfasts comprised of hot cereals, toast, and fruit students are able to enhance their ability to focus on learning outcomes
- ▶ Breakfast is available daily and open to any student
- ▶ Snack Program is provided to both schools Monday to Friday
- ▶ Fresh fruit is prepared and distributed to classrooms
- ▶ Hot Lunch Program provides healthy hot lunches to any student in attendance at both schools on a daily basis

Funds Allocated

Information is available by contacting Shirley Callow Acting Financial Comptroller for the Nisichawayasi Nehetho Culture and Education Authority \$46,000.00

Usage of Funds

Information is available by contacting Shirley Callow for specific details of how funds were spent throughout the year.

Achievements

- ▶ Able to accommodate the increased number of students by not turning away any students Estimated projected numbers of students was exceeded in mid-October but was able to raise cost per meal to \$1per meal to offset food costs
- ▶ Creative menu planning that was cost effective yet nutritious such as making fresh bannock to supplement bread purchases
- ▶ Snack program included students from Nursery to Grade Twelve and we were able to provide fresh fruit to all students who attend both schools for the duration of the 10 month school year (600+ at OK Elementary and 200+ at NNOC)
- ▶ Participants in the Breakfast Program at OK Elementary was open to all students with an average of 100+ students attending Monday to Friday
- ▶ Hot Lunch Program participants averaged 120+ additional 20+ Full Time Kindergarten students at OK and approximately 15-20 at NNOC

Nutritious Breakfast Program

- ▶ Nutritious breakfasts were provided to any student attending school Monday to Friday
- ▶ Healthy breakfasts were provided to enhance students' abilities to learn and perform at optimal levels in the classroom

Healthy Snack Program

- ▶ Successfully and consistently provided healthy snacks to all students in attendance at both schools throughout the calendar year consisting of fresh fruits

Hot Lunch Program

- ▶ Provided healthy and nutritious lunches to all students both at OK Elementary and NNOC starting in early October and ending mid-April

- ▶ Funds were no longer available to sustain the program due to the high cost of food and a substantial rise in the numbers of students participating in the program exceeded our projected numbers for 2017-2018

Challenges

- ▶ Rising food costs to purchase nutritious meals and snacks was an ongoing challenge
- ▶ Escalating number of students participating in the program on a daily basis making it a challenge to feed all students exceeding the projected cost per student occurred sooner than anticipated with the early onset of colder weather in mid-October
- ▶ Providing supervision for the high numbers of students participating in program was always an administrative concern to ensure that all students remained safe and injury free during the duration of the breakfast and hot lunch meals
- ▶ Hiring a certified cook who was able to prepare meals that were healthy and palatable to students from Kindergarten to Grade Twelve was difficult to achieve
- ▶ Finding a certified substitute cook in the absence of the cook due to health issues was a challenge
- ▶ Limited space to accommodate the high numbers of students to eat their meals was always a daily challenge for staff
- ▶ Weekly food orders not arriving in a timely manner

Nutritious Breakfast Program

- ▶ Nutritious breakfasts were provided to any student attending school Monday to Friday
- ▶ Healthy breakfasts were provided to enhance students' abilities to learn and perform at optimal levels in the classroom

Healthy Snack Program

- ▶ Successfully and consistently provided healthy snacks to all students in attendance at both schools throughout the calendar year consisting of fresh fruits

Hot Lunch Program

- ▶ Provided healthy and nutritious lunches to all students both at OK Elementary and NNOC starting in early October and ending mid-April
- ▶ Funds were no longer available to sustain the program due to the high cost of food and a substantial rise in the numbers of students participating in the program exceeded our projected numbers for 2017-2018
- ▶ Staff and administrators noted that there was a steadily increasing number of students at OK School attending the Breakfast Program thereby increasing attendance overall in the mornings
- ▶ Students were coming to school knowing that they will be provided breakfast and a snack later in the morning
- ▶ Also by staying for the Hot Lunch Program they are being provided with a second healthy meal and remaining at school for the full day
- ▶ This current budget was not able to sustain the Hot Lunch program beyond mid-April
- ▶ Previously we applied for all three programs in one application
- ▶ In the 2019 application we applied for each program separately requesting additional funds to meet the rising food costs, and escalating numbers of students participating in the three programs

UPCOMING YEAR

Projected Budget

- ▶ Staff and administrators noted that there was a steadily increasing number of students at OK School attending the Breakfast Program thereby increasing attendance overall in the mornings
- ▶ Students were coming to school knowing that they will be provided breakfast and a snack later in the morning
- ▶ Also by staying for the Hot Lunch Program they are being provided with a second healthy meal and remaining at school for the full day
- ▶ This current budget was not able to sustain the Hot Lunch program beyond mid-April
- ▶ Previously we applied for all three programs in one application

In the 2019 application we applied for each program separately requesting additional funds to meet the rising food costs, and escalating numbers of students participating in the three programs

Goals and Objectives

- ▶ We hope to be able to continue to offer all three programs to be sustainable for a longer duration
- ▶ Specifically the hot lunch program to ensure that students remain in school for the full day and will be provided a second healthy meal to sustain their focus

Improvements to focus on next year will include :

1. Addressing staffing issues
 - ▶ Difficult to recruit certified cooks who are in good health to meet the demands of planning menus, preparing nutritious meals for our students etc.
 - ▶ Our Lifeskills teacher and her educational assistant successfully completed the training to be certified in Safe Food Handling and are able to become substitutes whenever needed
 - ▶ Increased the number of educational assistants to supervise the Breakfast and Hot Lunch Programs to ensure the safety of all students participating
2. Rising food costs
 - ▶ Fresh fruit is costly
 - ▶ Purchasing yogurt tubes instead of exclusively providing fresh fruit in the snack program

Seeking additional funding from community

ATEC Operation and Maintenance

Roles and Description

Manager – Jim Moore, ATEC Director

Operations & Maintenance – Covers ATEC's Telephone/Fax/Satellite/Internet; Building Maintenance; Building Utilities and Employee MERCS

Funds Allocated

\$207,000 was allocated to ATEC in 2018 – \$124,200 was applied to ATEC Operations & Maintenance.

Usage of Funds

NCN CAP/CIP TRUST PROCEEDS						
REVENUE	O & M	JAN-MAR	APR-JUNE	JULY-SEPT	OCT-DEC	BALANCE
Jan 2018 Cap Approval	\$124,200.00	64,942.61	71,311.03	56,564.88	73,836.16	\$142,454.68
EXPENSES						
Telephone/Satellite/Internet	\$35,000.00	18,403.24	10,567.68	12,670.65	13,537.91	\$20,179.48
Building Maintenance	\$20,000.00	16,481.24	13,314.75	25,182.61	34,165.19	\$69,143.79
Building Utilities	\$42,200.00	22,166.25	22,133.69	11,108.58	21,316.74	\$34,525.26
Employee Mercs	\$27,000.00	7,891.88	25,294.91	7,603.04	4,816.32	\$18,606.15
BALANCE	\$ —	\$64,942.61	\$71,311.03	\$56,564.88	\$73,836.16	\$142,454.68

Achievements

- ▶ ATEC being the instrument which is owned by the First Nation provides services to our people that are Not in Employment, Education or Training (NEET). ATEC received limited financial supports in 2018, however, we are still able to achieve and accomplish the following:
- ▶ ATEC graduated the following students throughout 2018: 15 MSDP; 12 Aboriginal Business Students; 8 Health Care Aides; 4 Robotics; 10 Intro to Technology; 12 Carpentry Trades received their Level 1 Apprenticeship and 5 College Prep students moved into MSDP, this equals 68 individuals and their families where directly impacted. These students academic and employability skills have increased, and they are more apt to continue to further themselves.
- ▶ Contribution received via CAP/CIP has helped keep ATEC doors open in 2018, this has had a positive impact in students as they are equipped with the skills required to successfully gain employment or move forward academically.
- ▶ As per the goals and objectives set out in this proposal, all goals and objectives were met in 2018:
 - ▶ Telephone/Fax/Satellite/Internet – communications services paid as agreed.
 - ▶ Building Maintenance – Building maintenance was done throughout the year.
 - ▶ Building Utilities – Hydro bills were paid as agreed.
 - ▶ Employee MERCS – All MERCS were paid as agreed.

Challenges

The huge amount of snowfall required a great deal of snow removal, at first, we hired contractors to remove snow from roof, then we invited the probation guys to come and help with snow removal, however this was process was too slow, we finally hired public works tractor to remove the snow close to the building. By removing the snow from the roof and building it saved ATEC from having to repair damage done from a leaking roof or from flooding.

Due to the heavy rainfall experienced the water is seeping into the facility through the foundation, engineers were called in to assess the situation and they found that the foundation has sunk several inches which adds to the problem of seepage. In order to lessen the damage, clay was put around the foundation to seal it.

Building Maintenance costs were high this year due to obsolete equipment, a certified electrician and plumber were hired to ensure that the building was operational, parts were ordered in smaller quantities in order to make it feasible and affordable.

UPCOMING YEAR

Projected Budget

CAP/CIP has approved ATEC with \$216,000 for 2019 year. \$127,000 will be applied under Operations and Maintenance.

Goals and Objectives

Education is key to having a prosperous Nation. ATEC as an education institution, knows that it is important to continued writing proposals, so that we can continue to educate our members thereby lessening the financial dependence on the Nation.



ATEC Student Support Services

Roles and Description

Manager – Jim Moore, ATEC Director

Student Supports – Covers a portion of wages for MSDP Instructor; Retention Support and Tutor plus transportation costs.

Funds Allocated

\$82,800 was applied to ATEC Student Supports.

Usage of Funds

NCN CAP/CIP TRUST PROCEEDS						
REVENUE	STUDENT SUPPORTS	JAN-MAR	APR-JUNE	JULY-SEPT	OCT-DEC	BALANCE
Jan 2018 Cap Approval	\$82,800.00	24,740.92	21,012.98	18,266.81	21,948.79	\$3,169.50
EXPENSES						
MSDP Instructor	\$36,000.00	10,096.17	8,653.86	10,096.17	10,096.17	\$2,942.37
Tutor Wages	\$13,200.00	5,036.25	4,646.20	—	5,520.00	\$2,002.45
Retention Support	\$17,600.00	7,875.00	6,150.00	6,736.50	4,230.00	\$7,391.50
Transportation	\$16,000.00	1,733.50	1,562.92	1,434.14	2,102.62	\$9,166.82
BALANCE	\$ —	\$24,740.92	\$21,012.98	\$18,266.81	\$21,948.79	\$3,169.50

Achievements

- ▶ ATEC graduated the following students throughout 2018: 15 MSDP; 12 Aboriginal Business Students; 8 Health Care Aides; 4 Robotics; 10 Intro to Technology; 12 Carpentry Trades received their Level 1 Apprenticeship and 5 College Prep students moved into MSDP, this equals 66 individuals and their families where directly impacted. These students academic and employability skills have increased, and they are more skilled to continue to grow improve their circumstances.
- ▶ For those students that did not complete their programming, they were also impacted as they have become aware of the requirements for success, that education does not come free, it requires commitment, dedication and persistence.
- ▶ Contribution received via CAP/CIP has helped keep ATEC doors open in 2018 and has impacted our students with the skills they need to successfully gain employment or move forward academically.
- ▶ It is important to note that the gap between the uneducated and the educated in the adult population of our Nation is increasing yearly. By providing funding to ATEC, we can shorten the gap each year by continuing to give students the academic and employability skills required to have a positive impact on students, families and community.
- ▶ ATEC provides education and training to the adult learners of NCN, the impact is generational in nature, as one generation educates themselves the rising generation begins to desire improvement. Students begin to feel good about themselves because they are growing, self respect and self confidence is rising, and students begin to set higher goals and continue to improve themselves.
- ▶ As per the goals and objectives set out in this proposal, all goals and objectives were met in 2018:

- ▶ MSDP Instructor – continues to teach the MSDP students as soon as students begin to drop off, he sends them letters to remind them of their academic goals.
- ▶ Tutor – continues to tutor those students who require supports in various subjects.
- ▶ Retention Support continues to encourage students to attend, for those students who fall behind in attendance, she goes into the students to enquire as to why they are missing classes.
- ▶ Transportation – students were picked up and dropped off during school days, this is most helpful to those students that must drop off their children in daycare.

Challenges

- ▶ External social impacts that students faced in 2018 may have prevented them from succeeding include the following: drugs, alcohol, gambling, social media, childcare, homelessness, family breakups and justice issues. ATEC staff tried to resolve these issues by providing transportation, housing, daycare, counselling, encouraging, supporting and guiding students during their academic journey.
- ▶ Internal challenges faced in 2018 were financial in nature, revenue's decreased due to cutbacks, yet our student populations had increased. The decrease in revenue had a negative impact as we had to lay off several staff and put added pressure on the existing staff to step up by taking on more roles in order to continue operations.
- ▶ Internet capabilities were also a challenge as we were unable to fully assess students due to the slow internet which had resulted in student being discouraged gave up from completing the required assessments. ATEC does not have the financial means to overcome the internet issue, however ATEC is looking at delivering paper-based assessments instead of relying on the internet.
- ▶ Majority of ATEC students were in class ½ day and work experience ½ day. Students earned while they learned which has had a positive impact in commitment and skill development, thanks to NCN HRDA for finding the funding to cover the cost of student wages.

UPCOMING YEAR

Projected Budget

NCN CAP/CIP TRUST PROCEEDS	
REVENUE	STUDENT SUPPORTS
Jan 2019 Cap Approval	\$89,000.00
EXPENSES	
MSDP Instructor	\$36,000.00
Tutor Wages	\$20,800.00
Retention Support	\$24,960.00
Transportation	\$7,240.00
BALANCE	\$ —

Goals and Objectives

- ▶ EdStudent Supports will continue to cover the MSDP Instructor, Retention Support and Tutor plus transportation costs as these are vital functions in supporting the student population.
- ▶ ATEC income needs to increase in order to hire more staff to assist in the growth of the student populations, students want education, however financial supports continue to be limited.

N.C.E.A. Post-Secondary Student Enhancement

Roles and Description

Manager – William Gamblin
\$50 per student bi-weekly living allowance supplement

Funds Allocated

\$46,000

Usage of Funds

Funds were used to provide a bi-weekly living allowance supplement of \$50 per student.

Achievements

Fifty seven NCN post-secondary students benefitted from the bi-weekly supplement who were able to continue their programs and able to live independently. As listed in the reports, the rest of the identified objectives have been met.

Provided bi-wkly allowance supplements to NCN post-secondary students as per ACCPCC general ledger.

Challenges

Projecting actual number of students in each term.
Co-ordinating our fiscal year to the academic year and the NCN Trust fiscal year.

UPCOMING YEAR

Projected Budget

\$60,000 for the 2019 fiscal year. The funds will be used to supplement post-secondary student living allowances by \$50.00 bi-weekly.

Goals and Objectives

To provide an allowance that will allow post-secondary students to live independently so that they can continue in their programs.

JUSTICE

NCN Community Patrol

Roles and Description	<p>Manager – Wayne Spence</p> <p>Funding for 8 Community Patrol (seasonal program June – Sept)</p>
Funds Allocated	\$49,000.00
Usage of Funds	Funds allocated to this program is used for our employee's wages. 8 community members.
Achievements	<ul style="list-style-type: none"> ▶ This program ensures that the citizens of the community are safe and enforcing the curfew by-law of 11 pm for youth ages 17 and under. Reporting any crimes being committed to both FNSO'S and RCMP. Patrolling the business areas to prevent break ins. ▶ The objectives that the patrol program were all met in the 2 months that the program ran. The program runs in the summer when the children of the community are out of school for the summer holidays. Patrol members assisted RCMP when requested, community patrol enforced the NCN curfew by-law sending youth home before 11 pm. Reported to the RCMP and FNSO'S on people being in the community while on banishment orders. Patrol reported to the dog control officer of any dogs running at large. ▶ This program runs for 8 weeks and the main objective that is concentrated on is the curfew by-law. This program works closely with CFS as children in care are always reported being out after 11pm <ol style="list-style-type: none"> 1) Work in collaboration with the RCMP to enhance public safety within NCN. 2) Enforce NCN curfew by-law 3) Enforce NCN Dog By-law 4) Traffic Control 5) Enforcement of C&C Banishment BCR.
Challenges	<p>One of our challenges this year was finding coverage for employees that were missing work, we hired 8 community members and all had to have drivers licenses only 6 had their licences. The other two members were the runners chasing children that would run away from them. Our biggest challenge was when the children of the community began to make this a game and run when patrol would show up in their areas. A major concern was the children getting hurt as they would run into the wooded areas expecting patrol members to chase them. We advised the patrol members not to chase them instead asked the fnsos and rcmp to apprehend them which they did.</p>
UPCOMING YEAR	
Projected Budget	<p>Our budget needs an increase of over \$20,000 to meet the needs of our staff. The funds received will be used to increase our base salary which starts at \$12.75 for patrol and increase to \$13.00.</p>
Goals and Objectives	<p>As the community is expanding we would need more people hired to patrol the community. One objective would be that the community patrol would be assigned certain areas to patrol as we know which areas are the problem areas. Another area is to hire people with vehicles as we do supply gas p.o's to the drivers with their own vehicle.</p>

NCN First Nation Safety Officer

Roles and Description

Manager – Wayne Spence

On going funding for 12 full time staff.

Funds Allocated

\$101,430.00

Usage of Funds

Funds allocated to this program is used for our employee's wages.

Achievements

This program ensures that our citizens are protected having a check stop on the highway to enforce our liquor by-law, responding to calls with in the community.

We were able to maintain our objective by employing trained fnso's

Challenges

One of our challenges this year was finding coverage for employees that were missing work, we have 12 trained personal on a regular work schedule and finding replacements is a challenge. Another challenge is having enough drivers as we need personal with valid drivers licences preferably a class 4 licence. Everyone was given a memo to get their drivers licence by the end of this fiscal year.

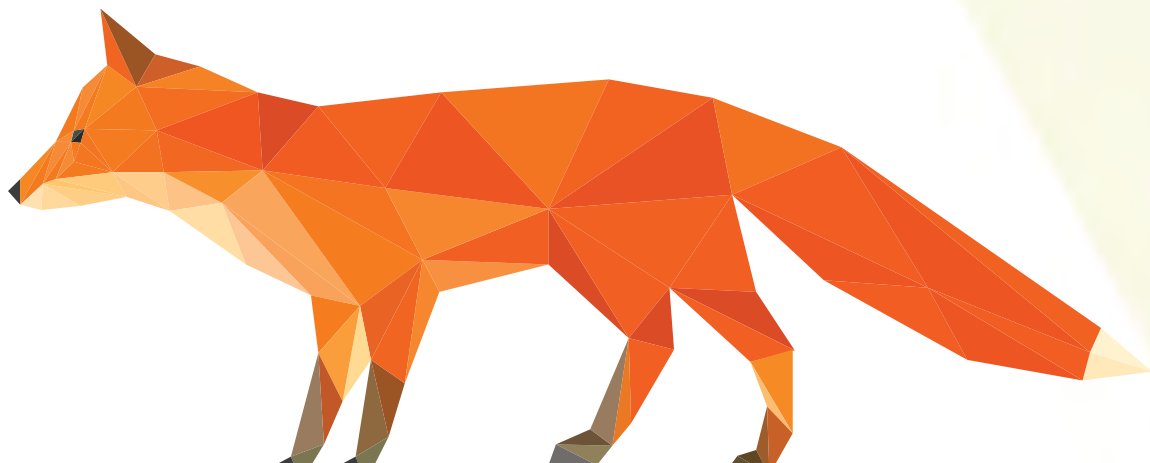
UPCOMING YEAR

Projected Budget

Our budget needs an increase of over \$200,000.00 to meet the needs of our staff. The funds received will be used to increase our base salary which starts at \$12.75 for level 1 fnso to 1 \$13.50.

Goals and Objectives

Train our existing fnso's up too level2 in the First Nation's Safety Officers program.



PUBLIC WORKS

Steel Garbage Bins

Roles and Description	Manager – Greg Tays Purchase of 28 steel garbage bins.
Funds Allocated	\$25,760.00
Usage of Funds	\$21,000.00 was used for 28 bins. The remainder was used for shipping.
Achievements	28 housing units now have a steel garbage bin. And additional 28 garbage bins.
Challenges	N/A
UPCOMING YEAR	
Projected Budget	—
Goals and Objectives	Purchase more steel garbage bins.

Diagnostic Machine

Roles and Description	Manager – Greg Tays Purchase of Diagnostic machine for sewer and water trucks.
Funds Allocated	\$14,760.00
Usage of Funds	\$12,378.00 was spent on the diagnostic machine. The balance was not used.
Achievements	We can now diagnose problems with our trucks and do repairs, or know what the problems with the vehicles are before we send them out for repairs. Purchased a diagnostic machine.
Challenges	N/A
UPCOMING YEAR	
Projected Budget	—
Goals and Objectives	—

SAFETY MEASURES

NCN Emergency Service – Emergency Medical Services

Roles and Description	Manager – Wayne Spence
Funds Allocated	\$29,863.66
Usage of Funds	Purchased Zoll automated defibrillator to enhance our ambulance service on life threatening calls. Purchasing a Waterax Skid Unit Rancher invoice attached. Turnout gear fire fighter. Rescue Rope, hand tools.
Achievements	Being able to purchase the skid unit which will be used for grass fires and brush fires. Purchasing a unit to combat grass fires that will roll and go.
Challenges	The challenge is using our fire truck to fight grass fires from the road, with this new equipment which will be mounted on a 4x4 chassis we will be able to get around houses and not use the fire truck.

UPCOMING YEAR

Projected Budget	To be able to purchase more updated equipment to keep our community safe.
Goals and Objectives	To have better equipment upgrades. Be able to respond faster to emergencies and having to proper equipment to better manage the emergency.

NCN Emergency Service – Fire Equipment

Roles and Description	Manager – Wayne Spence
Funds Allocated	\$45,717.35
Usage of Funds	Funds used to purchase Zoll defibrillator for ambulance.
Achievements	Equipment will greatly enhance ambulance staff to perform CPR on patients as it is all automated. This equipment eliminates medics to perform manual cpr and also monitors patients vital signs while in transport. We met our objectives to better enhances our medics a hands free environment to monitor a patient while in transport.
Challenges	Funding was not adequate as the monitor was slightly higher than what was in the original quote and had to purchase additional equipment and programs for the defibrillator.

UPCOMING YEAR

Projected Budget	With the purchase of this equipment our goal is to now purchase the soft wear to be able to do electronic PCR's (patient condition report) Funds will be allocated to the purchase of a monitor to be able to send out pcr's while on route to the hospital.
Goals and Objectives	Be able to provide quality care to patients while on route to health facilities.

NCN Emergency Service – Fire Protection

Roles and Description

Manager – Wayne Spence

On going funding for 2 full time fire fighters, fire chief and deputy fire chief.

Funds Allocated

\$82,800.00

Usage of Funds

Funds allocated to this program is used for our 2 employee's fire chief and deputy fire chief and volunteer fire fighters.

Achievements

This program ensures that our citizens are protected by having presentations in the schools on fire safety and doing inspections on equipment in our businesses in our community. We have annual presentations along with the RCMP on drug and alcohol abuse and a week fun activity events for the school on community safety.

We were able to maintain our fire department with two full time staff.

Challenges

Every year we have a shortage of trained volunteer fire fighters. Our department only has 3 level 1 fire fighters and this poses a great concern, we will need more people trained, at any fire we should have at least 6-10 fire fighters.

UPCOMING YEAR

Projected Budget

Our goal for this coming fiscal year it to train more fire fighters and add 4 full time fire fighters, in total we would have 6 employee's estimated funding needed for this is \$104,832.00 plus \$84,800.00. Total for fire protection is \$189,682.00

Goals and Objectives

Fire fighting training (basic and level one ff) Upgrade building.



RESOURCE AND LAND USE PLANNING

Country Foods Program

Roles and Description

Manager – Malcom Hunter

The Country Foods Program operates yearly and has two main functions, to distribute traditional foods to Nisichawayasihk Cree Nation (NCN) Citizens and to maintain Leftrook Lake camping facilities. It provides full time employment for three NCN citizens (Manager and two Traditional labourers). It also provides temporary employment for other NCN citizens whenever the need arises and utilizes the **Fine Option Program**.

Preparing, processing and storage of traditional food are done at the Distribution Centre while camping, family gatherings and ceremonial activities are performed at the Leftrook Lake camping facilities. These facilities are available to all NCN citizens where they can enjoy learning traditional lifestyle of our ancestors.

Funds Allocated

\$184,000

Usage of Funds

Administration: \$140,000
Equipment O & M: \$14,000
Capital Purchase: \$18,000
Utilities: \$12,000
Upgrades: \$8,000
Miscellaneous: \$8,000

Achievements

1. Three full time positions: manager and two traditional workers,
2. Hired fifteen temporary employees
3. Utilized the Fine Option Program where two people worked their required hours.
4. The CFP staff successfully completed and acquired Safety certificates in Chain saw program, Intermediate First Aid: CPR C & AED, and Wilderness First Aid.
5. Complied Safety Data Sheet binder to ensure employees are aware of safety when handling with hazardous substances or materials.
6. The workers harvested 7,765.75 pounds of wild food (fish, caribou, moose, ducks, geese, wild berries and medicinal plants) and served 1070 NCN Citizens and also served 9 groups/organisations.
7. New steps were installed at the both front entrances to ensure safety for all people.
8. Also 2 new snowmobiles were purchased. Maintenance were also done on snowmobile machine and truck.

Majority of the goals and objectives planned were successfully completed this year. The only objective not completed was the upgrade of the Leftrook Lake facility due to aforementioned obstacles but will continue to an effort to complete task.

Challenges

- ▶ There was less harvesting and maintenance done at Leftrook Lake area due to unexpected low water levels on this channel. The only other option was the airline however was only utilized once due to high costs involved.
- ▶ The opportunity to harvest in other areas such as Wuskwatim Lake and other NCN resource areas were fully utilized.

UPCOMING YEAR

Projected Budget

The budget estimate for next year is \$192,000. It will focus on employment, operation and maintenance of the two facilities (distribution center and Leftbrook Lake camping facilities), purchase new equipment, overall maintaining and monitoring program to ensure plans and targets are achieved.

Goals and Objectives

- ▶ Provide employment for NCN citizens.
- ▶ Continue providing traditional food to NCN citizens.
- ▶ Continue upgrading Distribution Centre and perform maintenance work at Leftbrook Lake camping facilities.
- ▶ Revise/update Country Foods Program policies.
- ▶ Purchase new equipment.
- ▶ Assist with local gardening.

Fisheries Program

Roles and Description

Manager – Eddy Primrose, Fish & Trap Manager

- ▶ To provide employment opportunities to N.C.N members through the fishing industry
- ▶ To mitigate & subsidize N.C.N fishers as compensation from the 1996 N.F.A implementation agreement.
- ▶ Promote Fishing industries to have more fisherman licensed
- ▶ Target fisheries to earn a minimum of \$8,400.00/annum to be eligible for employment benefits

Funds Allocated

\$168,000

Usage of Funds

- ▶ Used to subsidize fishers as compensation on the adverse affects of hydro development.
- ▶ Purchase equipment for the commercial fisher i.e. nets, knives.
- ▶ Pay for utilities and expenses for two buildings.
- ▶ Maintenance on two fisherman's vehicles.
- ▶ Maintenance on company outboard motors and boats.
- ▶ Pay season staff at the fish plant.
- ▶ Drivers/runners.
- ▶ Hire 1 manager

Achievements

- ▶ Seeing fishers attaining their goal, like employment benefits.

We able to finish two fishing seasons even though we had major breakdowns. We have the ability to improvise in time of distress and break downs.

Challenges

- ▶ Vehicle breakdowns.
- ▶ Employees not showing up for work, fish plant can't shut down once it starts.

UPCOMING YEAR

Projected Budget

\$168,000.00

Goals and Objectives

- ▶ To stream line and be more economical in the business.
- ▶ Efficiency.

Jack Moore Traditional Program

Roles and Description

Manager – Morely Moore

Teach the students of OK and NNOC school the traditions of the Nisichawayasihk Cree culture.

Funds Allocated

\$275,000.00

Usage of Funds

Salaries of the employees, hooked up water and sewer tanks, program supplies.

Achievements

Many students enrolled and participated, trapping program was successful. We made an instructional video.

Students enjoyed the program and learned a lot about trapping and the Cree culture.

Challenges

A storage site was burnt and a lot of equipment was lost, a couple snowmobiles were stolen.

UPCOMING YEAR

Projected Budget

\$350,000.00 for salaries and so we can replace the damaged and stolen equipment which was lost.

Goals and Objectives

A new alternate camp.

NCN Lands Department

Roles and Description

Manager – Ed Vystrycl, NCN Lands Consultant

Lands program provides governance and management services of NCNs 18 reserve lands (61,000 acres). Recently ratified a land code to enable NCN to govern reserve lands through a land management system that we develop as a community. Now have the ability to enact our own land, natural resource and environmental laws that guide land use of our reserve lands.

Funds Allocated

\$100,000.00

Usage of Funds

- ▶ Land Code Development Process
- ▶ Staff wages, equipment, supplies, office overhead

Achievements

- ▶ 3 staff
- ▶ 10 term community consultants
- ▶ Community engagement workshops & communication efforts
- ▶ First comprehensive Environmental Issues screening for IR 170.
- ▶ Land Code Ratification Vote – successful vote (1332 Votes cast – 89% approval)
- ▶ Land Code development and ratification – complete
- ▶ Land Use Plan for IR 170 – engineering firm retained by Council
- ▶ Good governance structures for organization – draft org structure pending approval
- ▶ Access additional external funds – accessed additional funds from various sources

Challenges

- ▶ Deficit from land code ratification vote
- ▶ Challenging team dynamics – legal counsel too involved in admin matters & decision making, operates under no protocol with day to day admin and lands team
- ▶ Public misperception of land code
- ▶ TLE Coordinator resignation – set back on new land additions
- ▶ Lack of communication and protocol across the broader Nations organizational structure

UPCOMING YEAR

Projected Budget

- ▶ \$600,000

Staff wages/salary, office overhead, environmental management, organizational planning and development, land management system – admin and legal frameworks, committee meetings, community engagement

Goals and Objectives

1. Strong administrative framework – anticipate 4-5 full time staff, establishment of land advisory committee & land tribunal
 2. Land Law Development
 3. Environmental Management Plan
 4. Good communication and clear protocols
 5. 5 Year strategic and operational plan
- Add more new lands to reserve

NCN Resource Management

Roles and Description

Manager – NCN Resource Management Board

The Nelson House Resource Management Board was established under Article 6 of the Nelson House Northern Flood Implementation Agreement signed on March 16, 1996 between Nisichawayasihk Cree Nation (NCN), Canada, Manitoba and Manitoba Hydro.

The purpose is to provide sustainable and integrated land use and resource management within the Nelson House Resource Management Area (RMA). In its planning role the Board devotes special attention to topics of priority and concern to people with long term rights and interests in the ecological condition of the RMA.

Funds Allocated

\$150,000.00

Usage of Funds

- ▶ The funding received was allocated toward Land Use Planning initiative such as gathering information, workshops, research and community meetings.
- ▶ The RMB secured a mapping consultant late in the year called the “Firelight Group” to assist with the final stage of the Land Use Plan for the resource management area.
- ▶ Board functions, honorariums, travel and meetings.
- ▶ Staff wages/salaries.
- ▶ Office overhead costs.

Achievements

- ▶ Major focus for the NCN Resource Management Board during this reporting period was Land Use Planning.
- ▶ Ongoing RMB quarterly Meetings
- ▶ Monthly local NRS and RMB meetings.
- ▶ External funding to support land use planning.
- ▶ Provincial & National networking with conservation orgs and other FNs.
- 1. Species Habitat Mapping
- 2. Monthly meeting to ensure implementation of Article 6 of CIA- Keep LUP initiative on track and report
- 3. NCN RMB Central Office
- 4. Information Management and GIS mapping system
- 5. Quarterly joint RMB meetings
- 6. Regular NRS & RMB meetings

Challenges

- ▶ Ongoing provincial issuance of permits & licences (ie. 45 day notifications)
- ▶ Lack of communication by leadership on issuance of permits & licenses (provincial maneuvering to create internal confusion – ie. contact C&C but not RMB and vice versa)
- ▶ Lack of process & protocol regarding the duty to consult
- ▶ Senior management interference with admin and budget decisions – board function/ composition, budget allocation, hiring of new staff
- ▶ Regular & timely financial updates from Trust administration (non-responsive)

UPCOMING YEAR

Projected Budget

- ▶ \$300,000 – staff wages & salary; board functions; land use plan development and implementation; organizational development; land guardians program design and establishment; overhead; technical/professional services

Goals and Objectives

1. Land Use Planning completion & implementation
2. Cohesive Resource Management Team
3. Community engagement and input – ex. Workshops, Community survey – resource based economic development
4. Monthly meeting to ensure implementation of Article 6 of CIA
5. RMA Consultation Process
6. Organizational development, structure and board governance
7. Improved internal communications
8. Monthly financial reporting and updates.
9. Lands Stewards Program, program design and training
10. Resource Management Plans – ex. Watershed management plan, Leftrook lake management plan, signage and trail maintenance, forest management, mineral strategy
11. Special projects – ex. Summer students, tree planting, highway spring cleanup

Trappers Program

Roles and Description

Manager – Ed Primrose, Fishers & Trappers Program Manager

To mitigate and subsidize NCN Trapper to compensate for the adverse effects of the 1996 NFA implementation. The trappers have a start up program that allows them to utilize to purchase order for fuel, supplies and groceries; they can pay for the purchase orders once they show production. The trappers sell to the fur buyer and provide a receipt to the Nelson House Trappers Association manager to receive 80% subsidy.

Funds Allocated

\$175,000.00

Usage of Funds

- ▶ Purchased a new snowmobile & truck
- ▶ Maintenance on snowmobile
- ▶ Maintenance on Truck
- ▶ Trail cut program
- ▶ Salaries and wages
- ▶ Equipment purchases – Traps, knives, axes & snares

Achievements

We had a trappers course in December with 17 new trappers' certified. The course was done by the Natural Resource Department out of Thompson.

- ▶ We did trail work on some of our resource area, and we continue to work the land in this manner
- ▶ We still continue to subsidize our resource user that work the land.

Challenges

- ▶ Weather can be the biggest obstacle when you're working the land, at the end of 2018 between November & December we weren't able to do any trail work or trap because of the warm weather, it comes down to safety.
- ▶ Resource users don't have snowmobiles to do contract with us or trap for that matter.
- ▶ Company snowmobiles are used for trailing a lot of time, but it cost a lot of wear & tear on our machinery
- ▶ The fur prices continue to be low, trappers are not as motivated to go out for the return they get for the fur.

UPCOMING YEAR

Projected Budget

- ▶ Marking trails for our territory
- ▶ GPS our Territory
- ▶ Continue opening our traplines
- ▶ \$175,000.00

Goals and Objectives

- ▶ Reallocate vacated trapline
- ▶ Make sure our traplines are allocated to NCN members and develop a policy that reflects this though.

SOCIAL DEVELOPMENT

Elders Program

Roles and Description

Manager – Charlene Kobliski

- ▶ To provide support and promote and sustain healthy relationships with the elders.
- ▶ Participants will be provided with one on one counselling when required
- ▶ To provide traditional teaching that allow participants to share knowledge that they have with others. Encourage group discussion and story telling Achithokiwin
- ▶ To promote healthy living to participants. Provide promotional information on healthy living and have translations made by program manager.
- ▶ To Educate community members on traditional teachings aimed at promoting cultural identity while learning values and norms of our ancestors
- ▶ To provide a safe setting for elders to develop peer mentor relationships and social networking with each other.

Funds Allocated

\$34,500.00

Usage of Funds

Deliver weekly activities and teaching to the elders. Special events and feasts.

Achievements

We had our annual holiday events, cultural camps, bingo events, crafts, home visits, family supports.

Decrease in funding limits our ability to provide more recreational activities for the elders.

Challenges

Decrease in funding limits our ability to provide more recreational activities for the elders.

UPCOMING YEAR

Projected Budget

All goals were meet, although we limited supply for distribution of items for them to take home.

Goals and Objectives

\$75,000.00 All goals were meet, although we limited supply for distribution of items for them to take home.

Off Reserve Assistance 2018

Roles and Description	Manager – Yvonne Hart
Funds Allocated	\$41,400.00
Usage of Funds	See Attached Spread sheet
Achievements	<p>A total of 123 members were helped in various situations.</p> <p>NCN continues to support their members in various situations where resources are needed and not otherwise available to them.</p>
Challenges	Payments were made directly to landlords, or the rents sometimes didn't get paid.

UPCOMING YEAR

Projected Budget	It is estimated that the needs of the members are higher, probably more likely to be \$100,000.00
Goals and Objectives	Various adjustments are made as situation arise. Generally we verify all situations of the requests.

OTHER

Elders Subsidy Off Reserve Program

Roles and Description

Manager – Joyce Yetman

- ▶ To provide a monthly subsidy to NCN Elders that live off reserve.
- ▶ An annual list of NCN elders that are 65+ of obtained the Band Membership Clerk, this list is updated regularly.
- ▶ Elders on the list receive a subsidy cheque of \$100.00 on the 15th of each month.
- ▶ The cheques are mailed out to the elders after the 15th of each month.

Funds Allocated

\$142,200.00

Usage of Funds

Subsidy cheques in the amount of \$100.00 were issued monthly to all elders residing on reserve.

Achievements

- ▶ A total of \$137,500.00 was paid out, with one hundred twenty-five (127) elders receiving subsidy, two (2) more elders applied and qualified for the subsidy; and nine (9) elder passed on during the year.
- ▶ At the end of the year we have a listing off one hundred and eighteen (118) elders that will continue to receive monthly subsidy payment.

Challenges

There have been no challenges or obstacles during this reporting period.

UPCOMING YEAR

Projected Budget

As there are elders turning 65 every year and our list of elders increase, we will require at least \$150,000.00 annually.

Goals and Objectives

- ▶ Advertise the Elders Subsidy Program on NCN's website.
- ▶ Ensure that elders that are eligible for the subsidy program receive the monthly subsidy honorarium.
- ▶ Purchase wreaths for elders that pass on.

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Nisichawayasihk Trust Office Financial Statements

December 31, 2018

Nisichawayasihk Trust Office Contents

For the year ended December 31, 2018

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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 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 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 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 the Chief and Council and management to discuss their audit findings.



Director of
Operations

Independent Auditor's Report

To THE MEMBERS OF THE NISCHAWASYUK TRUST OFFICE

Opinion

We have audited the financial statements of Nis-chawasyuk Trust Office (the "Trust Office"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Office as at December 31, 2018, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entities in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

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 13 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Trust Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Office's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust Office's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba

July 23, 2018

MNP LLP
Chartered Professional Accountants

Nisichawayasihk Trust Office
Statement of Financial Position

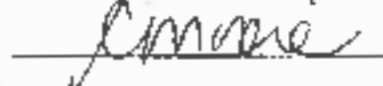
As at December 31, 2018

	2018	2017 (Restated)
Financial assets		
Cash	2,317,080	1,832,853
Accounts and advances receivable	8,007	29,447
Short-term investments (Note 3)	101,022	100,883
Due from related entities (Note 6)	872,586	1,031,165
	3,298,745	3,094,278
Liabilities		
Accounts payable and accrued liabilities	149,840	234,119
Due to related entities (Note 7)	167,849	233,484
	317,489	467,613
Net financial assets	2,981,256	2,628,665
Non-financial assets		
Tangible capital assets (Schedule 1)	141,377	137,573
Accumulated surplus (Note 6)	3,122,633	2,764,238

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, 2018

	2018 Budget	2018	2017 (restated)
Revenue			
Nisichawayasihk Trust funding (Note 6)	1,728,387	1,728,387	1,854,800
Transfer from Iaskingahp Trust Office (Note 6)	312,900	343,833	1,066,687
Other revenue	-	336,307	840,709
Transfer from Nisichawayasihk Cree Nation (NCH)	-	95,979	80,000
Loan recoveries	-	498	45,922
Equipment recoveries	-	3,752	25,125
Interest income	-	34,182	18,484
	2,040,887	2,542,838	3,531,707
Expenses			
Implementation Agreement	751,775	780,149	697,524
Capital Projects	94,204	-	225
Economic Development	101,200	179,443	230,492
Education	43,988	43,888	289
Public Works	40,480	-	25,000
Resource and Land Use Planning	284,800	307,876	921,424
Social Development	371,440	549,307	988,883
Other Programs	298,300	280,060	183,581
Claims Program	50,000	37,509	43,485
Land Management	23,000	26,409	455,253
Total expenses	2,040,887	2,184,541	3,552,396
Annual surplus (deficit)	-	358,295	(20,689)
Accumulated surplus, beginning of year, as previously stated	2,053,802	2,053,802	2,090,388
Correction of an error (Note 12)	-	710,438	894,039
Accumulated surplus, beginning of year, as restated	2,053,802	2,764,238	2,784,927
Accumulated surplus, end of year	2,053,802	3,122,533	2,764,238

Nisichawayasihk Trust Office
Statement of Change in Net Financial Assets
For the year ended December 31, 2018

	2018 Budget	2018	2017 (Restated)
Annual surplus (deficit)	-	398,395	(20,689)
Purchases of tangible capital assets	-	(45,599)	(58,854)
Amortization of tangible capital assets	-	41,795	36,803
Increase (decrease) in net financial assets	-	354,591	(40,740)
Net financial assets, beginning of year	2,525,655	2,626,865	2,687,405
Net financial assets, end of year	2,525,655	2,981,256	2,626,865

Nisichawayasihk Trust Office

Statement of Cash Flows

For the year ended December 31, 2018

	2018	2017
Cash provided by (used for) the following activities:		
Operating activities:		
Cash provided by Nisichawayasihk Trust	1,693,230	1,632,978
Cash provided by Taskingahk Trust Office	616,257	1,126,149
Cash provided by other sources	217,712	746,948
Cash provided by NCH	95,979	80,000
Interest income	34,182	18,484
Cash used for program expenses	(1,305,976)	(2,118,403)
Cash provided to related entities for program expenses	(232,089)	(418,783)
Cash used for salaries, benefits, casual labour and honoraria	(689,379)	(1,273,801)
	429,017	(205,808)
Financing activities:		
Decrease (increase) in short term investments	109	25
Capital activities:		
Purchases of tangible capital assets	(45,659)	(56,854)
Increase (decrease) in cash resources	384,427	(282,637)
Cash resources, beginning of year	1,932,553	2,195,280
Cash resources, end of year	2,317,080	1,932,553

Nisichawayasihk Trust Office

Notes to the Financial Statements

For the year ended December 31, 2018

1. Operations

The Nisichawayasihk Trust Office (the "Trust Office") was established in May 1986 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 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.

Cash and cash equivalents

Cash and cash equivalent includes balances with bank.

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.

Net financial assets

The Trust Office's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Trust Office is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position which is accumulated surplus.

Non-financial assets

The Trust Office's tangible capital assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Nisichawayasihk Trust Office Notes to the Financial Statements For the year ended December 31, 2018

2. Significant accounting policies (Continued from previous page)

Revenue recognition

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

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: 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.

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.

Short-term investments

Short-term investments are valued at current plus interest.

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, 2018

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 (\$1,728,387 for the year ended December 31, 2018). Of this amount, the funding of the Claims Fund has a first priority over other programs (funded \$50,000 for the year ended December 31, 2018).

Community Development Fund

The Community Development Fund includes transactions related to implementing the Agreement, administering the Nisichawayasihk Trust Office and various programs including 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 composed 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

	2018	2017
Nisichawayasihk Trust	2,073	1,986
Nisichawayasihk Trust Office	46,912	33,720
	48,985	35,706

Nisichawayasihk Trust Office Notes to the Financial Statements For the year ended December 31, 2018

5. Short-term investments

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

	2018	2017
G.I.C., renewed October 1, 2018 and maturing December 31, 2018, bearing interest of 0.10% per annum	48,421	46,312
G.I.C., renewed November 3, 2018 and maturing November 5, 2019, bearing interest at 1.15% per annum	54,671	54,671
	<u>103,092</u>	<u>100,983</u>

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

6. Due from related entities

	2018	2017 (Restated)
Nisichawayasihk Trust	862,566	827,409
Tasunigahp Trust Office	-	203,788
Festival Committee	10,000	-
	<u>872,566</u>	<u>1,031,197</u>

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 \$1,728,387 (2017 - \$1,654,800) to Nisichawayasihk Trust Office to fund programs in accordance with the Community Approval Process.

During the year, Tasunigahp Trust Office transferred \$343,030 (2017 - \$1,066,667) to Nisichawayasihk Trust Office to fund programs in accordance with the Community Involvement Process.

Nisichawayasihk Trust Office
Notes to the Financial Statements
For the year ended December 31, 2018

7. Due to related entities

	2018	2017 (Restated)
Atokluw Training and Employment Centre	43,989	-
Gilbert McDonald Arena	-	55,000
Nelson House Development Corporation	-	99,000
Nisichawayasihk Cree Nation	29,888	29,888
Nisichawayasihk Cree Nation Human Resources Development Authority	23,000	37,500
Ottawa Gas Bar	900	12,108
Taskinagahp Trust Office	69,838	-
Three River Store	1,434	-
	167,849	233,494

Amounts due 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, Nisichawayasihk Trust Office has approved transfers of \$372,305 (2017 - \$30,494) to related entities to fund programs in accordance with the Community Approval Process.

	2018	2017
Nisichawayasihk Cree Nation	176,307	25,225
Gilbert McDonald Arena	-	55,000
Nisichawayasihk Cree Nation Human Resources Development Authority	46,000	50,000
Nisichawayasihk Education Authority	43,888	269
Taskinagahp Trust Office	106,100	-

Nisichawayasihk Trust Office Notes to the Financial Statements For the year ended December 31, 2018

8. Accumulated surplus

Accumulated surplus is comprised of the following:

	2018	2017 (Restated)
Accumulated surplus from operations	2,981,258	2,825,685
Equity in tangible capital assets	141,377	137,573
	<u>3,122,633</u>	<u>2,963,258</u>

9. Expenses by object

	2018	2017 (Restated)
Advertising, promotion, donations and memberships	39,979	79,548
Amortization	41,793	36,803
Casual labour	36,565	78,078
Christmas hampers and gifts	37,777	44,357
Compensation for claims	37,508	43,465
Honoraria	89,398	164,268
Interest and bank charges	8,643	8,621
Investment care and management fees	88,891	45,965
Meetings, training and education	20,902	138,714
Miscellaneous	145,836	345,047
Professional, consulting, and support fees	47,270	80,839
Purchases of non capital goods, supplies and services	105,840	217,155
Recreational programming and events	219,010	390,018
Repairs and maintenance	56,204	155,857
Salaries, wages and benefits	595,398	1,030,757
Subsidies and start-up loans to community members	143,732	215,007
Transfers to related programs (Note 7)	372,398	130,289
Travel	105,492	257,082
Utilities, telephone and internet	84,326	90,275
	<u>2,184,841</u>	<u>3,552,385</u>

10. Comparative figures

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

11. Correction of an error

During the year, the Trust Office determined that certain related party accruals from 2006 to 2017 were recorded in error. Previously, accruals were recorded when the budgeted funding was approved as opposed to when the entity became eligible and the transfer of funding was approved. As a result, certain program expenses and related party accruals were overstated. The retroactive correction of this error has resulted in the prior year opening retaining earnings increasing by \$694,039, prior year expenses decreasing by \$16,397, prior year due from related parties and due to related parties both decreasing by \$16,000 and \$728,438, respectively.

Nisichawayasihk Trust Office
Schedule 1 - Tangible Capital Assets
For the year ended December 31, 2017

	Office and other equipment	Trailer improvements	Vehicle	2016	2017
Cost					
Balance, beginning of year	239,095	71,188	384,952	695,235	838,381
Acquisition of tangible capital assets	-	-	45,599	45,599	56,954
Balance, end of year	239,095	71,188	430,551	740,834	895,235
Accumulated amortization					
Balance, beginning of year	210,359	19,743	327,560	557,662	520,859
Annual amortization	6,689	11,048	24,058	41,795	38,803
Balance, end of year	217,048	30,791	351,618	599,457	557,662
Net book value of tangible capital assets	22,047	40,397	78,933	141,377	137,573
2017 Net book value of tangible capital assets	22,047	40,397	78,933	141,377	137,573

Nisichawayasihk Trust Office
Schedule 2 - Statement of Financial Position by Fund

As At December 31, 2018

(Unaudited)

	Community Development Fund	Claims Fund	Investment and Heritage Fund	2018	2017 (Restated)
Financial assets					
Cash	2,267,899	49,181	-	2,317,080	1,932,653
Accounts and advances receivable	8,007	-	-	8,007	29,447
Short-term investments	101,092	-	-	101,092	100,983
Due between funds	2,268	(2,268)	-	-	-
Due from related entities	872,566	-	-	872,566	1,031,195
	3,251,833	46,912	-	3,298,745	3,094,278
Liabilities					
Accounts payable and accrued liabilities	149,640	-	-	149,640	234,119
Due to related entities	167,849	-	-	167,849	233,484
	317,489	-	-	317,489	467,613
Net financial assets	2,934,344	46,912	-	2,981,256	2,626,665
Non-financial assets					
Tangible capital assets	141,377	-	-	141,377	137,573
Accumulated surplus	3,075,721	48,912	-	3,122,633	2,784,238

Nisichawayasihk Trust Office
Schedule 3 - Statement of Operations and Accumulated Surplus by Fund

For the year ended December 31, 2018

(Unaudited)

	Schedule	2018 Budget	Community Development Fund	Claims Fund	Investment and Heritage Fund	2018	2017 (Revised)
Revenue							
Nisichawayasihk Trust funding		1,728,387	1,678,387	50,000	-	1,728,387	1,654,826
Transfers from Nisichawayasihk Trust Office		312,800	343,833	-	-	343,833	1,066,657
Transfer from Nisichawayasihk Cree Nation		-	83,979	-	-	83,879	80,000
Other revenue		-	338,307	-	-	338,307	847,405
Loan recoveries		-	498	-	-	498	43,972
Interest income		-	33,484	701	-	34,185	18,484
Equipment recoveries		-	3,752	-	-	3,752	25,125
		2,940,887	2,482,235	80,701	-	2,942,839	3,553,407
Expenditure by program							
Implementation Agreement	4	751,775	780,192	-	-	760,148	895,456
Capital Projects	5	98,204	-	-	-	-	775
Economic Development	6	101,200	179,443	-	-	179,443	235,492
Education	7	43,948	43,988	-	-	43,988	369
Public Works	8	40,480	-	-	-	-	25,000
Resource and Land Use Planning	9	364,500	307,878	-	-	307,878	915,213
Social Development	10	371,440	349,307	-	-	349,307	990,583
Other Programs	11	288,300	288,060	-	-	288,060	183,561
Claims Program	12	50,000	-	37,500	-	37,500	43,403
Land Management	13	23,000	28,404	-	-	28,404	458,872
		2,940,887	2,147,033	37,500	-	2,184,641	3,554,098
Annual surplus, (deficit)		-	345,202	13,192	-	358,385	(20,682)
Accumulated surplus, beginning of year, as previously stated		2,932,407	2,629,082	23,720	-	2,953,892	2,600,885
Correction of an error		-	710,436	-	-	710,436	694,035
Accumulated surplus, beginning of year, as restated		-	2,730,518	23,720	-	2,754,238	2,794,920
Accumulated surplus, end of year		2,963,802	3,075,721	46,912	-	3,122,833	2,764,233

Nisichawayasihk Trust Office
Implementation Agreement
Schedule 4 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018 Budget	2018	2017 (Revised)
Revenue			
Nisichawayasihk Trust funding	1,728,387	728,775	719,700
Transfer from Taskunigahk Trust Office	312,500	33,333	10,667
Other revenue	-	12,791	9,092
Interest income	-	31,986	17,088
	2,040,887	804,885	756,547
Expenses			
Administration	\$39,875	\$65,827	516,181
Arena O&M	-	-	55,000
Community approval process	70,000	85,708	30,889
Corporate trustee fees	85,500	58,591	45,585
Nelson House trustees	20,400	9,300	10,800
Professional services	55,000	40,728	37,409
	781,775	760,149	697,824
Annual surplus	1,289,112	44,736	64,723

Nisichawayasihk Trust Office
Capital Projects
Schedule 5 - Schedule of Revenue and Expenses

*For the year ended December 31, 2018
(Unaudited)*

	2018 Budget	2018	2017
Revenue			
Nisichawayasihk Trust funding	96,204	96,204	-
Expenses			
Capital projects program expenditures	96,204	-	225
Annual surplus (deficit)	-	96,204	(225)

Nisichawayasihk Trust Office
Economic Development
Schedule 6 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018 Budget	2018	2017
Revenue			
Nisichawayasihk Trust funding	101,200	101,200	110,000
Other revenue	-	81,703	155,261
	101,200	182,903	265,261
Expenses			
NCN Achimowin radio station	85,200	133,443	189,492
Summer student employment	46,000	46,000	50,000
	101,200	179,443	239,492
Annual surplus	-	3,460	29,769

Nisichawayasihk Trust Office
Education
Schedule 7 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018 Budget	2018	2017
Revenue			
Nisichawayasihk Trust funding	43,988	43,888	268
Expenses			
Life skills/outdoor education	6,900	6,900	268
ATEC operations and maintenance	37,088	37,088	-
	43,988	43,988	268
Annual surplus			

Nisichawayasihk Trust Office
Public Works
Schedule 8 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018 Budget	2018	2017
Revenue			
Nisichawayasihk Trust funding	40,480	40,480	25,000
Expenses			
Animal control	-	-	25,000
Diagnostic Machine	14,720	-	-
Steel garbage bins	25,760	-	-
	40,480	-	25,000
Annual surplus	-	40,480	-

Nisichawayasihk Trust Office
Resource and Land Use Planning
Schedule 9 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018 Budget	2018	2017 (Revised)
Revenue			
Transfer from Taskingahp Trust Office	264,500	264,500	950,000
Loan recoveries	-	496	45,922
Equipment sales	-	3,762	25,125
Other revenue	-	27,860	15,142
	264,500	296,708	1,036,189
Expenses			
Country Foods	61,333	72,362	209,983
Fishermen Association	53,667	55,011	255,967
Jack Moore elder traditional	61,333	69,559	165,579
NCN resource management	34,500	51,563	149,078
Trappers	53,667	88,161	141,917
	264,500	307,876	921,424
Annual surplus (deficit)	-	(10,968)	114,765

Nisichawayasihk Trust Office
Social Development
Schedule 10 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018	2018	2017
Revenue			
Nisichawayasihk Trust funding	371,440	371,440	551,431
Interest income	-	1,496	1,118
Other revenue	-	213,853	317,386
	371,440	586,789	869,947
Expenses			
Parks and Recreation	371,440	\$49,307	944,561
Youth resource centre	-	-	43,922
	371,440	\$49,307	988,883
Annual surplus (deficit)	-	37,482	(118,936)

Nisichawayasihk Trust Office
Other Programs
Schedule 11 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Nisichawayasihk Trust funding	298,300	289,300	198,400
Expense			
Christmas cheerboard	30,000	35,088	18,435
Elders subsidy (on reserve)	142,200	139,872	165,125
Elders subsidy (off reserve)	106,100	106,100	-
	298,300	280,060	183,561
Annual surplus	-	16,240	14,839

Nisichawayasihk Trust Office
Claims Program
Schedule 12 - Schedule of Revenue and Expenses
For the year ended December 31, 2018
(Unaudited)

	2018 Budget	2018	2017
Revenue			
Nisichawayasihk Trust funding	50,000	50,000	50,000
Interest earnings	-	701	278
	50,000	50,701	50,278
Expenses			
Claims	50,000	37,509	43,485
Annual surplus	-	13,192	6,813

Nisichawayasihk Trust Office
Land Management
Schedule 13 - Schedule of Revenue and Expenses

For the year ended December 31, 2018

(Unaudited)

	2018	2018	2017
	Budget		(Revised)
Revenue			
Transfer from Taskingsahp Trust Office	23,000	46,000	100,000
Other revenue	-	-	143,816
Transfer from HCN	-	96,879	80,000
	23,000	141,879	323,816
Expenses			
Advertising	-	-	18,975
Board expenses	-	-	42,921
Office	-	8,554	111,081
Professional fees	-	-	5,489
Salaries and benefits	23,000	16,704	149,005
Special projects	-	-	2,014
Travel	-	1,161	125,166
	23,000	26,409	455,253
Annual surplus (deficit)	-	115,470	(131,437)

Taskinigahp Trust Office Financial Statements

December 31, 2018

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TASKINIGAHP TRUST TRUSTEES' FINANCIAL OPERATIONS REPORT FOR 2018

Nisichawayasihk Trustees

- Willie Moore
- Darcy B. Linklater, JR.
- James Warren
- Jacqueline Hunter

Corporate Trustee

- The Canada Trust Company
(TD Wealth Private Trust)

Background

The Taskinigahp Trust was created in June of 2006. The duties and responsibilities of the Trustees are contained in the Trust Indenture, which was created by the Nisichawayasihk Cree Nation to administer funds associated with the Wuskwatim dam project. The Trust currently has five accounts, namely, the Community Development Account, Claims Account, Resource Account, Resource Sub-Account and the Seven Generations Growth Account.

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

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 in 2008.

Annuity Income

NCN and Manitoba Hydro entered into a supplementary agreement which provided for an Annuity Payment of \$2,500,000. Of this amounts 90% (\$2,250,000) is available in the year received for community programs and services and 10% (\$250,000) is credited to the Seven Generations Growth Account for future uses.

Transmission Benefits

Transmission Benefits, in the amount of \$318,191 were received for the period. Of this amount 75% (\$238,643) is available for Resource projects in the year received and 25% (\$79,548) is retained to generate future income.

Water Rental Payments

Water rental payments totalled \$1,619,105 for the year. Of this amount, 90% (\$1,457,195) is available in the year received for community programs and services and 10% (\$161,910) is credited to the Seven Generations Growth Account for future uses.

Dividend Loan Proceeds

Dividend loan proceeds transferred from NCN totalled \$228,087. Of this amount, 90% (\$205,278) is available for community programs and services and 10% (\$22,809) 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/(losses) realized for the period from Trust investments was \$165,978.

Capital Payments Disbursed from the Trust

Payments paid to NCN totalled \$3,842,113. Of this amount, \$2,929,613 represents payments from the Community Development Account, which were applied towards various projects approved by CIP, \$862,500 represents payments from the Resource Account to the Fishers and Trappers Associations and \$50,000 from the Claims Account for damage to personal property.

Investment Activities of the Trust

The funds held in the Community Development, Resource and Claims accounts are invested in a ladder bond portfolio consisting of Federal and Provincial Government bonds and corporate bonds. Funds held in the Seven Generations Growth Accounts are invested in a mix of money market, bond and equity mutual funds. All investments 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 Members.

Investments held at December 31, 2018

As at December 31, 2018 the Trust had a total value of \$6,808,889.

The Auditor's financial report and opinion are attached.

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

THE NELSON HOUSE TRUSTEES







THE CANADA TRUST COMPANY

Per: 

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 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 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 external auditors. The Chief and Council are also responsible for recommending the appointment of the external auditors for Taskinigahp 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 the Chief and Council and management to discuss their audit findings.



Director of
Operations

Independent Auditor's Report

To the Members of Nisichawayasihk Cree Nation:

Opinion

We have audited the financial statements of Taskinigahp Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2018, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2018, and the results of its operations, remeasurement gains (losses) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

August 13, 2019

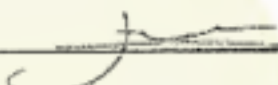
MNP LLP
Chartered Professional Accountants

Taskinigahp Trust
Statement of Financial Position

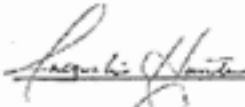
As at December 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents	746,737	202,531
Accounts receivable (Note 4)	266,980	604,240
Investments	7,653,614	6,857,743
	8,667,331	7,664,514
Liabilities		
Due to Taskinigahp Trust Office (Note 5)	1,858,442	1,627,305
Accumulated surplus and net financial assets (Note 6)	6,808,889	6,037,209

Approved by the Trustees



Trustee



Trustee



Trustee



Trustee



Trustee

Taskinigahp Trust Statement of Operations

For the year ended December 31, 2018

	2018 Budget	2018	2017
Revenue			
Annuity income	2,250,000	2,500,000	2,500,000
Dividend loan proceeds transferred from Nisichawayasihk Cree Nation (Note 5)	-	228,087	152,905
Interest income	78,900	165,978	128,403
Realized gains (losses) on investments	-	14,986	127,593
Transmission benefits	213,255	318,191	304,651
Water power rental income	1,300,000	1,619,105	1,551,636
	3,842,155	4,846,347	4,765,187
Transfers			
Transfer to Taskinigahp Trust Office (Note 5)	3,842,113	3,842,113	4,021,030
Transfer from Taskinigahp Trust Office (Note 5)	-	(26,522)	(30,761)
	3,842,113	3,815,591	3,990,269
Annual surplus	42	1,030,756	774,918
Accumulated operating surplus, beginning of year	5,948,284	5,948,284	5,173,366
Accumulated operating surplus, end of year	5,948,326	6,979,040	5,948,284

Taskinigahp Trust
Statement of Remeasurement Gains (Losses)

For the year ended December 31, 2018

	2018 <i>Budget</i>	2018	2017
Accumulated remeasurement gains (losses), beginning of year	88,925	88,925	116,025
Realized (gains) losses on investments	-	(14,986)	(127,593)
Unrealized gains (losses) on investments	-	(244,090)	100,493
Accumulated remeasurement gains (losses), end of year	88,925	(170,151)	88,925

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

For the year ended December 31, 2018

	<i>2018</i>	<i>2018</i>	<i>2017</i>
	<i>Budget</i>		
Accumulated operating surplus, beginning of year	5,948,284	5,948,284	5,173,366
Accumulated remeasurement gains (losses), beginning of year	88,925	88,925	116,025
Accumulated surplus and net financial assets, beginning of year	6,037,209	6,037,209	5,289,391
Annual surplus (deficit)	42	1,030,756	774,918
Realized (gains) losses on investments	-	(14,986)	(127,593)
Unrealized gains (losses) on investments	-	(244,090)	100,493
Accumulated surplus and net financial assets, end of year	6,037,251	6,808,889	6,037,209

Taskinigahp Trust
Statement of Cash Flows
For the year ended December 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Cash from annuity income	2,500,000	2,500,000
Cash from dividend income	228,087	152,905
Cash from interest income	157,996	137,578
Transmission benefits	622,842	-
Water power rental income	1,659,696	1,559,622
Cash transfer to Taskinigahp Trust Office	(3,584,453)	(3,409,724)
	1,584,168	940,381
Investing activities		
Purchases of investments	(6,539,742)	(8,214,515)
Redemption of investments	5,499,780	7,357,594
	(1,039,962)	(856,921)
Increase (decrease) in cash resources	544,206	83,460
Cash resources, beginning of year	202,531	119,071
Cash resources, end of year	746,737	202,531

Taskinigahp Trust
Notes to the Financial Statements
For the year ended December 31, 2018

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 the 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, the water power rental income 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 of \$5,700,000 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 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. 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. Dividend loan proceeds are recognized as revenue on a cash basis as transferred from Nisichawayasihk Cree Nation.

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 year in which they become known.

Financial instruments

Taskinigahp Trust
Notes to the Financial Statements
For the year ended December 31, 2018

2. Significant accounting policies *(Continued from previous page)*

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: 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.

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: 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.

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, 2018

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 (\$722,337 of restricted capital existed at December 31, 2018 (\$642,789 - 2017)).

Taskinigahp Trust

Notes to the Financial Statements

For the year ended December 31, 2018

3. Internal restrictions (Continued from previous page)

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 and Taskinigahp Trust Office Claims Accounts 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 December 31, 2018, \$26,522 was transferred to the Seven Generations Growth Account (\$30,761 at December 31, 2017).

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

	2018	2017
Accrued interest	22,429	14,447
Province of Manitoba	244,551	285,142
Manitoba Hydro	-	304,651
	266,980	604,240

Taskinigahp Trust Notes to the Financial Statements

For the year ended December 31, 2018

5. Due to Taskinigahp Trust Office

During the year, Taskinigahp Trust was authorized to transfer \$3,842,113 (2017 - \$4,021,030) to Taskinigahp Trust Office to fund programs in accordance with the Community Involvement Process. The Taskinigahp Trust Office transferred \$26,522 (2017 - 30,761) to the Taskinigahp Trust. 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.

In addition, the Nisichawayasihk Cree Nation transferred dividend loan proceeds of \$228,087 (2017 - \$152,905) to the Taskinigahp Trust.

6. Accumulated surplus and net financial assets

	2018	2017
Accumulated operating surplus	6,979,040	5,948,284
Accumulated remeasurement gains	(170,151)	88,925
	<u>6,808,889</u>	<u>6,037,209</u>

7. Fair value of financial instruments

Financial instruments recorded at fair value in Taskinigahp 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 investments (\$7,653,614 - 2018 and \$6,857,743 - 2017). The cost base of the investments at December 31, 2018 was \$7,823,765 (December 31, 2017 - \$6,768,818).

- 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.

Taskinigahp Trust Notes to the Financial Statements *For the year ended December 31, 2018*

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.

Taskinigahp Trust
Schedule 1 - Statement of Financial Position by Fund
As at December 31, 2018
(Unaudited)

	Community Development Account	Resource Account General	Resource Account Savings	Claims Account	Saven Generations Account	Saven Generations Growth Account	2018	2017
Financial assets								
Cash	253,418	16,501	225,853	6,758	-	250,407	746,737	202,531
Accounts receivable	229,223	583	3,508	13	-	33,853	286,989	604,240
	482,641	11,084	229,361	6,771	-	284,260	1,013,717	806,771
Investments	3,879,892	460,000	538,830	10,000	-	2,764,892	7,653,614	6,857,743
	4,362,533	471,584	767,991	16,771	-	3,048,952	8,697,351	7,664,514
Liabilities								
Due to (from) Taskinigahp Trust Office	1,858,442	-	-	-	-	-	1,858,442	1,627,365
Due between funds	(557,279)	471,584	(6,122)	(15,048)	-	107,365	-	-
	1,301,163	471,584	(6,122)	(15,048)	-	107,365	1,858,442	1,627,365
Accumulated surplus and net financial assets	3,061,370	-	774,113	31,819	-	2,941,587	6,838,889	6,037,209

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

For the year ended December 31, 2018
(Unaudited)

	Community Development Account	Resource Account General	Resource Account Savings	Claims Account	Seven Generations Account	Seven Generations Growth Account	2018	2017
Revenue								
Annuity income	2,350,000	-	-	-	-	250,000	2,500,000	2,500,000
Dividend income	205,278	-	-	-	-	22,869	228,087	152,905
Interest income	77,663	2,499	16,982	107	-	69,627	165,976	128,463
Realized gains (losses)	(3,866)	-	(6,516)	-	-	25,368	14,986	127,593
Transmission revenue	-	238,643	79,548	-	-	-	318,191	304,851
Water power rental income	1,457,195	-	-	-	-	161,910	1,619,105	1,551,636
	3,986,270	241,142	89,114	107	-	529,714	4,846,347	4,765,167
Transfers								
Transfer between funds	(50,000)	-	-	50,000	-	-	-	-
Transfer from Taskinigahp Trust Office	-	-	-	-	-	26,522	26,522	30,761
Transfer to Taskinigahp Trust Office	(3,558,072)	(241,142)	(9,566)	(33,333)	-	-	(3,842,113)	(4,021,030)
	(3,608,072)	(241,142)	(9,566)	16,667	-	26,522	(3,815,591)	(3,990,269)
Annual surplus (deficit) from operations	378,198	-	79,548	16,774	-	556,236	1,030,756	774,918
Accumulated surplus from operations, beginning of year	2,507,482	-	695,666	15,045	-	2,730,171	5,948,284	5,173,366
Accumulated surplus from operations, end of year	2,885,680	-	775,154	31,819	-	3,286,407	6,979,040	5,948,284
Accumulated remeasurement gains (losses), beginning of year								
Realized (gains) losses on investments	170,383	-	(4,973)	-	-	(76,465)	88,925	116,025
Unrealized gains (losses) on investments	3,866	-	6,516	-	-	(25,368)	(14,986)	(127,593)
Unrealized gains (losses) on investments	1,430	-	(3,584)	-	-	(242,987)	(244,090)	100,493
Accumulated remeasurement gains (losses), end of year	175,709	-	(1,041)	-	-	(344,820)	(170,161)	88,925
Accumulated surplus and net financial assets, end of year								
	3,661,370	-	774,113	31,819	-	2,941,587	6,808,889	6,037,209

Taskinigahp Trust
Schedule 3 - Statement of Investments

As at December 31, 2018
(Unaudited)

	2018	2017
Community Development Account		
Treasury Bills:		
Canada Treasury Bill, 1.6% due 7/03/2019	199,284	-
Money Market:		
TD Investment Savings Account	2,054,000	1,511,000
Corporate bonds:		
Trans-CDA pipelines 2.5% due 01/08/2022	262,434	249,192
American Express Canada, 2.31% due 29/03/2018	-	295,617
Bank of Nova Scotia Deposit Note, 2.13% due 15/06/2020	596,370	598,344
Canadian Natural Resources, 2.60% due 03/12/2019	496,920	502,165
Riocan REIT Ser-Y, 2.83% due 03/10/2022	268,884	273,092
Royal Bank of Canada, 2.77% due 11/12/2018	-	201,718
	1,626,608	2,120,128
	3,870,892	3,631,128
Resource Account - Savings		
Treasury Bills:		
Canada Treasury Bill, 1.6% due 7/03/2019	89,678	-
Money Market:		
TD Investment Savings Account	90,000	-
Corporate bonds:		
Trans-CDA pipelines 2.5% due 01/08/2022	49,862	47,346
American Express Canada, 2.31% due 29/03/2018	-	7,015
Bank of Nova Scotia, 2.13% due 15/06/2020	99,395	99,724
HSBC Bank Canada, 2.938% due 14/01/2020	100,354	101,365
Hydro One Inc. Series 25, 3.2% due 13/01/2022	60,653	61,914
Riocan REIT Ser-Y, 2.83% due 03/10/2022	48,888	49,653
Royal Bank of Canada, 2.77% due 11/12/2018	-	201,718
	350,152	568,735
	538,830	568,735
Resource Account - General		
Money Market:		
TD Investment Savings Account	460,000	-
Claims Account		
Money Market:		
TD Investment Savings Account	10,000	-
Seven Generations Growth Account		
Money Market Funds:		
RBC Canadian Money Market Fund	150,255	42,434
Bond Funds:		
PH&N Total Return Bond FD Ser-F	894,480	266,596
Equity Funds:		
Capital Group Global Equity Fund	870,033	299,732
FRKB Canadian Dividend Fund	850,124	2,069,119
	2,764,892	2,657,880
	7,653,614	6,857,743

The cost of the investments as December 31, 2018 was \$7,823,766 (2017 - \$6,768,818).



**NISICHAWAYASIIHK
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