

DEHCHO INVESTMENT MANAGEMENT BOARD (IMB)

JANUARY 2012 WINTER LEADERSHIP REPORT

Background

The Dehcho First Nations Master Trust Agreement (the Trust) was effective August 21, 2006 when the first settlement proceeds were received from Canada under the terms of the Settlement Agreement. A settlement of \$15,000,000.00 was received.

CIBC Trust Corporation of Canada (CIBC Trust) acts as the Corporate Trustee for the Trust.

The Trustee is responsible for ensuring that the Trust funds are received and invested as authorized under the Trust Agreement, and that all distributions of funds out of the Trust Accounts are properly authorized and documented.

The Trust Agreement requires that the Trustee provide an Annual Report concerning receipts, expenditures and investments of the Trust. This Annual Report is to be presented annually at the Dehcho First Nations Annual Assembly.

The Investment Management Board is required to provide a report twice a year. The first report will be presented at the Deh Cho First Nations Annual Assembly and the second report will be presented at the Deh Cho Winter Leadership meeting.

The year-end financial statements for the Trust is audited by Mckay & Partners, chartered accountants, from Yellowknife, NWT, who was jointly appointed by the Investment Management Board and the Trustee, to serve as “Independent Auditor” under the terms of the Trust Agreement.

Members of the Investment Management Board are appointed at the Dehcho First Nations Annual Assembly. The Investment Management Board members consist of a Chair, Vice-Chair, Secretary-Treasurer and Member at Large.

The Investment Management Board is responsible for the investment management of the Trust funds as well as administration and disbursement under the Terms of the Trust Agreement. The IMB board members accept the obligation to perform certain significant duties and assume board responsibilities in relation to the administration of the Trust to preserve and protect it for the benefit of the Dehcho First Nations and future generations of its membership.

Investment Management Board

With the term of the previous Board Chair and the addition of one additional seat to the Investment Management Board at the Fall Leadership Meeting, the vacancies were filled. The DFN Leadership appointed Eric Menicoche and Karen Felker effective November 2011 which makes for a Board of four. At our December 19, 2011 meeting our executive to the IMB was elected as follows:

- Mavis Cli-Michaud, Chair
- Eric Menicoche, Vice- Chair
- Karen Felker, Secretary Treasure

Richard Lafferty is also on the Investment Management Board and his term will end this year – June 2012. Darlene Sibbeston's, the former chair term ended June 2011.

The Trust Accounts

The Trust is comprised of seven (7) different Trust Accounts, each with its own set of rules regarding receipts and expenditures. The seven (7) Trust Accounts are:

1. **The Master Trust Account** – this Trust Account receives all the capital of Settlement Funds and any other contribution.
2. **The Immediate Opportunities Trust Account** – The funds in this Trust Account are invested to produce income. The income from this Trust Account is distributed out of the Trust to the *Business Venture Account*, which is an account governed by the terms of the Trust Agreement.
3. **The Economic Development Trust Account** – The income from this Trust Account is distributed out of the Trust to the *Economic Development Account*, which is an account governed by the terms of the Trust Agreement.
4. **The Community Development Trust Account** – The funds in this Trust Account are invested to produce income. The income from this Trust Account is distributed out of the Trust to the *Community Development Account*, which is an account governed by the terms of the Trust Agreement.
5. **The Elders Heritage Trust Account** – The income from this Trust Account is distributed out the Trust to the *Elders Heritage Account*, which is an account governed by the terms of the Trust Agreement.
6. **The Education Trust Account** - The income from this Trust Account is distributed out the Trust to the *Education Account*, which is an account governed by the terms of the Trust Agreement.
7. **The Land Acquisition Account** – In accordance with the Master Trust dated March 8, 2006. NO FUNDS are to be paid out of this account until DECEMBER 31, 2031. On December 31, 2031, the Land Acquisition account is to be established and 25% of the increase in the value of the Fund allocated every twenty five (25) years.

In 2011 the following funds were disbursed from the following accounts:

Immediate Opportunities Fund – North Nahanni Naturalist Lodge Ltd was given funding in the amount of \$30,000.00. This was the only application received and funded with a deadline of March 31, 2011. Proposals received with a deadline of Sept 30, 2011 did not meet the criteria of the Immediate Opportunities Fund. The next funding proposal deadline is March 31, 2012. Applications can be picked up at the DCFN office in Fort Simpson.

The Education Trust Account – The Dehcho First Nations was paid \$23,071.10 for their Scholarship fund.

Advance Tax Ruling

Since its inception in 2006, the Investment Management Board operated under the DCFN Mater Trust. Upon review, in the best interest of DCFN, it was decided to develop a “Replacement Trust” as defined by clause 43 of the Master Trust Agreement. The rationale for the decision was due to taxes being paid on the present Master Trust. As allowed under Clause 43 of the Master Trust Agreement the “Replacement Trust” is a working document until such time that we receive and Advance Tax Ruling from the Canada Revenue Agency.

The total market value of the Trust Accounts as of December 31, 2011.

INVESTMENTS AND MARKET VALUES as December 31,2011

| | |
|---------------------------------|--------------------------------|
| Master Trust Account | \$ 11,480.84 |
| Community Development Fund | \$ 2,709,213.83 |
| Economic Development Fund | \$ 2,558,917.93 |
| Elders Heritage Fund | \$ 785,353.20 |
| Education Fund | \$ 1,504,621.77 |
| Immediate Opportunities Fund | \$ 5,993,284.08 |
| Land Acquisition | \$ 1,557,134.07 |
| Investment Management Accounts: | |
| Business Ventures Account | \$ 452,994.99 |
| Community Development Account | \$ 64,789.01 |
| Elders Heritage Account | \$ 25,802.31 |
| Economic Development Account | \$ 199,596.43 |
| TOTAL MARKET VALUE | <u>\$ 16,606,371.20</u> |

IMB Chair's Report

In the past year, I have seen and been involved with the changes and have a better understanding of how the IMB operates by both the Board and the Trustee. There has been significant improvement in communication and this only ensures a good working relationship and the need to continue to focus in the best interests of the larger DFN membership.

Further, to also ensure inclusion and improved communication with DFN, Sara McLeod is providing administrative assistance on a part-time basis. We are very appreciative of Sara's assistance as we move forward with the Trust. A Service Agreement with DFN is being worked on.

The term of the Trustee (CIBC) was effective until December 31, 2011. However, they will remain in place until replaced as per the Trust Agreement. The IMB is and continues to be in the process of renewing and negotiating a Service Agreement with the present CIBC Trust Corporation. The continue relationship with the CIBC Trust Corporation will ensure continuity and no disruption in services provided.

In the New Year, the IMB met to develop a Strategic Plan, a first for the IMB, to help and assist us in being focused and results oriented as IMB members and further to ensure responsibility and accountability to the DFN.

As a closing note, with the appointment of Eric Menicoche and Karen Felker to the IMB, the DFN Leadership did not make a determination of length of term thus I would advise that a Resolution designating the terms would be advisable. All previous terms of the IMB members end in June prior to the DFN Annual Assembly.

It has been our pleasure to work on behalf of the all DFN and wish you success in your Leadership deliberations.

Respectfully,

Mavis Cli-Michaud

IMB Chair