

**English and Wabigoon Rivers Remediation Project
2017-2018 Trustee Annual Report**

English and Wabigoon Rivers Remediation Trust

May 31, 2018

Ministry of the Environment and Climate Change
Attention: Assistant Deputy Minister – Drinking Water and Environmental Compliance Division
135 St Clair Ave W 8th Floor
Toronto ON M4V 1P5

Ministry of the Environment and Climate Change
Attention: Chair of the English and Wabigoon Rivers Remediation Panel
135 St Clair Ave W 14th Floor
Toronto ON M4V 1P5

Grassy Narrows First Nation Chief and Council
General Delivery
Grassy Narrows ON P0X 1B0

Wabaseemoong Independent Nations Chief and Council
General Delivery
Whitedog ON P0X 1P0

Eagle Lake First Nation Chief and Council
PO Box 1001
Migisi Sahgaigan ON P0V 3H0

Wabauskang First Nation Chief and Council
PO Box 339
Ear Falls ON P0V 1T0

Dear Sir/Madam,

We are pleased to provide our Annual Report for the period ending March 31, 2018 and enclose the following:

- Account Summary Report outlining the financial affairs of the Trust for the period ending March 31, 2018. You will note there were no disbursements of Trust Funds during the period.
- Audited Financial Statements prepared by Ernst & Young LLP.

Please contact me should you have any questions.

Yours truly,



Steve Partridge
Director of Aboriginal Trust Services – Eastern Canada
BMO Trust Company
(519) 667-1154
1-844-204-0515
steve.partridge@bmo.com

Account Summary Report: 865-31550 (ENGLISH AND WABIGOON RIVERS REMEDIATION)

Reporting Period: January 1, 2018 to March 31, 2018

Account Summary

Account Number	Account Type	Asset Type	Account Name	\$ Value on Mar 31, 2018
865-31550	-TRUST	Investable	ENGLISH AND WABIGOON RIVERS	85,000,000.00
865-31550	-TRUST	Miscellaneous	ENGLISH AND WABIGOON RIVERS	10.00
Total Account				85,000,010.00

Income Transaction Activity

Inflows	\$ Current Period	\$ YTD	Outflows	\$ Current Period	\$ Fiscal YTD
Interest	0.00	0.00	Fees	0.00	0.00
Dividends	0.00	0.00	Sales Tax	0.00	0.00
Fund Distributions	0.00	0.00	Disbursements and Withdrawals	0.00	0.00
Return of Capital	0.00	0.00	Transfer To Capital	0.00	0.00
Contributions	0.00	0.00	Total Outflows	0.00	0.00
Transfer From Capital	0.00	0.00			
Total Inflows	0.00	0.00			

Capital Transaction Activity

Inflows	\$ Current Period	\$ YTD	Outflows	\$ Current Period	\$ Fiscal YTD
Interest	0.00	0.00	Fees	0.00	0.00
Dividends	0.00	0.00	Sales Tax	0.00	0.00
Fund Distributions	0.00	0.00	Disbursements and Withdrawals	0.00	0.00
Return of Capital	0.00	0.00	Transfer To Income	0.00	0.00
Contributions	85,000,010.00	0.00	Total Outflows	0.00	0.00
Transfer From Income	0.00	0.00			
Total Inflows	85,000,010.00	85,000,010.00			

We're here to help.

Steve Partridge
Director Aboriginal Trusts
519-667-1154
STEVE.PARTRIDGE@BMO.COM

Janet McRae
Trust Associate
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JANET.MCRAE@BMO.COM

www.bmoprivatebanking.com/statementguide

Account Summary Report: 865-31550 (ENGLISH AND WABIGOON RIVERS REMEDIATION)

Reporting Period: January 1, 2018 to March 31, 2018

Capital Transaction Activity (Continued)

Security Transactions	\$ Current Period	\$ Fiscal YTD	Pending Transactions	\$ Current Period
Sale of Investments	0.00	0.00	Pending Sales	0.00
Purchase of Investments	0.00	0.00	Pending Purchases	0.00
Maturities of Investments	0.00	0.00	Total Pending Transactions	0.00
Corporate Actions	0.00	0.00		
Total Security Transactions	0.00	0.00		

Additional Information:

This BMO Private Banking statement is your custodial account statement from BMO Trust Company. Where BMO Private Investment Counsel Inc. (BPIC) is the portfolio manager for the account(s), this is also your portfolio management account statement from BPIC.

All information is reported on a settlement date basis in Canadian Dollars unless otherwise noted.

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For important disclosure on this statement see the terms and conditions booklet or the client account agreement for this/these account(s).

Account Holdings Report: 865-31550 (ENGLISH AND WABIGOON RIVERS REMEDIATION)

Reporting Period: January 1, 2018 to March 31, 2018

Security	Quantity	\$ Mkt Price	\$ Mkt Value Including Accrued Income	\$ Accrued Income	\$ Cost	\$ Unrealized Gain (Loss)	% of Account	% of Class	% Yield
Capital Preservation									
Cash & Equivalents - Canadian									
Cash									
Capital Canadian Dollar	85,000,000	1.00	85,000,000.00	0.00	85,000,000.00	0.00	100.00	100.00	0.01
			85,000,000.00	0.00	85,000,000.00	0.00	100.00	100.00	
Total Cash & Equivalents - Canadian			85,000,000.00	0.00	85,000,000.00	0.00	100.00	100.00	
Total Capital Preservation			85,000,000.00	0.00	85,000,000.00	0.00	100.00		
Miscellaneous									
Miscellaneous									
Personal Assets									
Serial number FTT1464961	10	1.00	10.00	0.00	10.00	0.00	0.00	100.00	0.00
			10.00	0.00	10.00	0.00	0.00	100.00	
Total Miscellaneous			10.00	0.00	10.00	0.00	0.00	100.00	
Total Miscellaneous Assets			10.00	0.00	10.00	0.00	0.00		
Total Account Market Value			85,000,010.00	0.00	85,000,010.00	0.00	100.00		

Securities Regulations require a report of account holdings to be issued at least quarterly.

U.S. Securities are reported in Canadian Dollars using an exchange rate of USD/CAD 1.2903 where applicable.

"Cost" also referred to as the "book cost", is the total amount paid to purchase the security, including any transaction charges related to the purchase, adjusted for reinvested distributions, returns of capital and corporate reorganizations.

'ND' denotes a value that cannot be determined at this time.

'N/A' denotes a value that is not currently available.

Unless otherwise indicated, assets are held in Nominee name, BMO Trust Company holds all mutual funds in its name and BMO Nesbitt Burns holds all other securities in its name.

Account Transactions Report: 865-31550 (ENGLISH AND WABIGOON RIVERS REMEDIATION)

Reporting Period: January 1, 2018 to March 31, 2018

Date	Description	\$ Amount +/-
Capital Activity		
Inflows		
Contributions		
27-03-18	cash receipt , 2789186T67570	85,000,000.00
27-03-18	free receipt , Serial number FTT1464961, 10 SH	10.00
		85,000,010.00
Total Inflows		85,000,010.00

Transactions involving the sale or transfer of securities as shown on this statement are disclosed to the appropriate taxation authorities on a yearly basis. The resulting income or capital gains must be reported on your annual tax return. Please keep this statement for income tax purposes.

Securities Regulations require a report of account transactions to be issued at least quarterly.

Please review your statement carefully and let us know within 45 days if any item(s) on this report appears incorrect. While every reasonable effort is made to provide the information set out in this statement, BPICl makes no guarantee for the accuracy of this information, including the average cost on individual securities or exact value of securities or other assets at the time of transfer.

Glossary

Refer to statement guide for a more comprehensive glossary of key terms

Annualized Returns represent the compounded average performance returns of your Portfolio or Account, per year, for the period of time being reviewed. However, returns for time periods under 1 year are not compounded. This information allows you to easily compare returns across different investments or accounts, over different periods of time. For example, while a 3-year annualized return of 5% means that an investment effectively provided an average return of 5% a year, it does not provide insight into how widely returns fluctuated from year to year.

Asset Class is a grouping of securities that exhibit similar characteristics and attributes (such as risk levels, geography or industry) and often behave similarly in the marketplace. Your statement presents two broad asset classes: Capital Preservation and Capital Appreciation. Each asset class is further divided into sub-asset classes, in order to help you understand the diversification of your investment holdings.

BPICI refers to BMO Private Investment Counsel Inc.

Calendar Year Returns represent the performance of your Portfolio or Account over an individual calendar year (January 1 to December 31), stated as the percentage gained or lost per dollar invested on January 1.

Cost of a security held in your Account typically represents the book value which is the total amount you paid to purchase the security, including any transaction charges related to the purchase, and adjusted for reinvested distributions, returns of capital and corporate reorganizations. In certain circumstances, cost may be represented as a market value or a blend of book value and market value.

Investment Value Added is the difference between what you deposited in your Account or Portfolio (referred to as "Cumulative Net Invested" over time, meaning contributions less disbursements and withdrawals) and your Account or Portfolio's ending investment value for the period.

Miscellaneous Assets typically represent personal assets such as holding companies, jewellery and real estate. These assets are not being managed by BPICI, and they are not investable via standard investment management channels. These assets are being reported on your statement in order to present you a more holistic view of your assets. Miscellaneous Assets are typically excluded from any performance return information presented in your statement.

Money-Weighted Returns calculations take into account the timing and size of Contributions, Disbursements and Withdrawals into or out of your Portfolio or Account. Money-Weighted Returns (MWR) represent your personal rates of return on your investments and are specific to you. As opposed to Time-Weighted Returns, Money-Weighted Returns cannot be used to objectively measure the performance of your investment manager relative to capital markets returns or to another investment manager.

Nominee Name as referenced in the Account Holdings Report means that unless otherwise indicated in this statement, all of your assets are held in "Nominee name" by a BMO custodian. As our client, you are the owner of the investment but in order for BPICI to facilitate trading on your behalf, the investment is registered in 'Nominee Name'. For your mutual fund holdings the 'Nominee' is BMO Trust Company, and for all other securities it is BMO Nesbitt Burns.

Performance Analysis is a section of your statement (if applicable to your Account or Portfolio) that presents the performance of your investments in percentage terms (i.e. the gains and losses of each investment over a specified period of time, including realized and unrealized capital gains and losses, plus income from investments). There are two Return Calculation methods used by BPICI: Time-Weighted and Money-Weighted.

Portfolio means all of the accounts covered by this statement. The Portfolio Summary Report, which is presented at the beginning of your statement, if applicable, provides an aggregated view of your accounts, and is followed by individual Account Summary Reports, for each Account in your Portfolio.

Since <date> refers to the date on which we started certain calculations provided in your statement. In the Value Over Time sections of your Summary Reports, the 'Since <date>' refers to the date on which you opened your account, whereas for a Portfolio, it refers to the earliest account open date of all the accounts included in the Portfolio. In the Performance Analysis section the 'Since <date>' refers to the start date of a particular performance return calculation.

Time-Weighted Returns calculations do not reflect the impact of Contributions, Disbursements and Withdrawals into or out of your Portfolio or Account. As such, as opposed to Money-Weighted Returns, Time-Weighted Returns (TWR) can be used to objectively measure the performance of your investment manager relative to capital markets returns or to another investment manager.

English and Wabigoon Rivers Remediation Trust

Financial statements

Period from March 23, 2018 to March 31, 2018



Independent auditors' report

To the Trustee of the
English and Wabigoon Rivers Remediation Trust

We have audited the accompanying financial statements of the **English and Wabigoon Rivers Remediation Trust**, which comprise the statement of financial position as at March 31, 2018, and the statements of revenue and expenses and changes in net assets and cash flows for the period from March 23, 2018 to March 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **English and Wabigoon Rivers Remediation Trust** as at March 31, 2018, and the results of its operations and changes in its net assets for the period from March 23, 2018 to March 31, 2018 in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Canada
May 31, 2018

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



A member firm of Ernst & Young Global Limited

English and Wabigoon Rivers Remediation Trust

Statement of financial position

As at March 31

	2018 \$
Assets	
Cash	<u>85,000,010</u>
Net assets	
Unrestricted	<u>85,000,010</u>
<i>See accompanying notes</i>	

English and Wabigoon Rivers Remediation Trust

**Statement of revenue and expenses
and changes in net assets**

Period from March 23, 2018 to March 31, 2018

	2018
	\$
	<hr/>
Revenue	
Contributions	85,000,010
	<hr/>
Expenses	—
	<hr/>
Excess of revenue over expenses for the period	85,000,010
	<hr/>
Net assets, beginning of period	—
	<hr/>
Net assets, end of period	85,000,010
	<hr/>
<i>See accompanying notes</i>	

English and Wabigoon Rivers Remediation Trust

Statement of cash flows

Period from March 23, 2018 to March 31, 2018

	2018 \$
Operating activities	
Excess of revenue over expenses for the period	85,000,010
Cash provided by operating activities	85,000,010
Net increase in cash during the period	85,000,010
Cash, beginning of period	—
Cash, end of period	85,000,010

See accompanying notes

English and Wabigoon Rivers Remediation Trust

Notes to financial statements

March 31, 2018

1. Description and purpose of the trust

The English and Wabigoon Rivers Remediation Trust [the "Trust"] is a trust established pursuant to the *English and Wabigoon Rivers Remediation Funding Act, 2017*, which came into force on December 14, 2017. The Trust was settled by the Province of Ontario by the payment of an initial contribution of \$10 and a further contribution of \$85,000,000 on March 23, 2018. The Trust is a charitable purpose trust under the laws of Ontario and is a tax exempt organization under paragraph 149(1)(l) of the *Income Tax Act*.

The Trust was established to provide funding for the remediation of contaminants in the English and Wabigoon Rivers, including:

- [a] preventing and reducing the risk of a discharge of contaminants;
- [b] reducing the presence, concentration or bio-availability of contaminants, including their presence and concentration in fish;
- [c] post-remediation monitoring and other remediation activities that may be specified by the Minister;
- [d] costs or reimbursement of expenses related to activities of the English and Wabigoon Rivers Remediation Panel [the "Panel"] and approved persons from other Indigenous communities, including their remuneration;
- [e] administration of the Trust, including the remuneration of the Trustee;
- [f] supporting community engagement in connection with the work of the Panel; and
- [g] any additional activities or matters that are identified as eligible for funding.

2. Summary of significant accounting policies

These financial statements were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations", which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Revenue recognition

The Trust follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Income earned on interest-bearing accounts is recorded in the statement of revenue and expenses and changes in net assets.

English and Wabigoon Rivers Remediation Trust

Notes to financial statements

March 31, 2018

3. Financial instruments

The Trust is exposed to various financial risks through transactions in financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust's deposits are held with a highly-rated financial institution.