

The background of the entire page is a photograph. In the foreground, there are branches with vibrant autumn leaves in shades of orange, yellow, and brown. In the background, a city skyline with several tall buildings is visible, though it is out of focus. The sky is a pale, hazy blue.

# FINANCIAL REPORT 2021/22



**NEW RELATIONSHIP TRUST**  
Empowering First Nations in British Columbia





**NEW RELATIONSHIP TRUST**  
Empowering First Nations in BC

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The New Relationship Trust (NRT) is an independent non-profit corporation dedicated to strengthening First Nations in BC through capacity building.

EMPOWERING FIRST NATIONS COMMUNITIES  
**IN BRITISH COLUMBIA**

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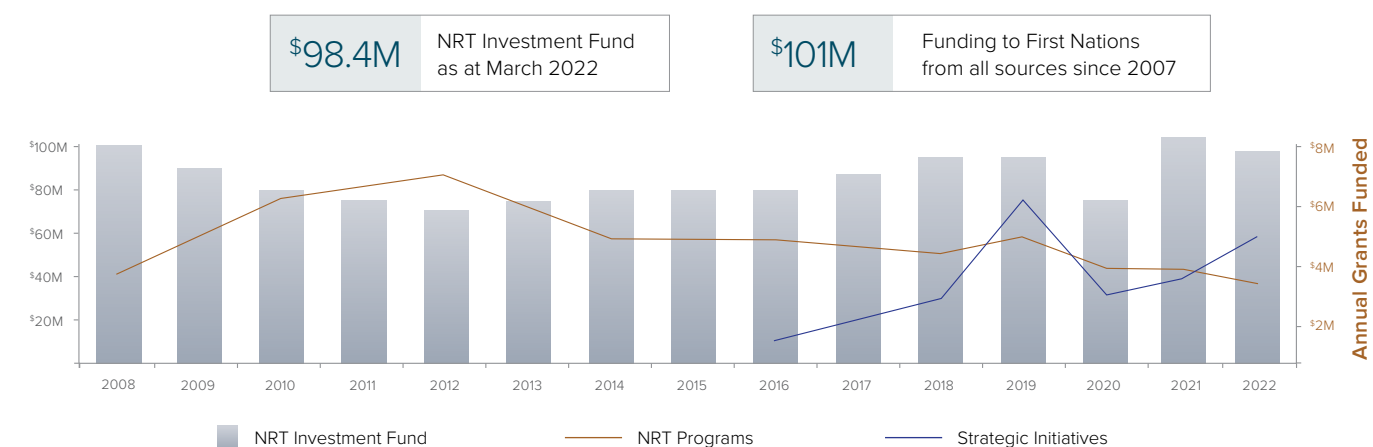
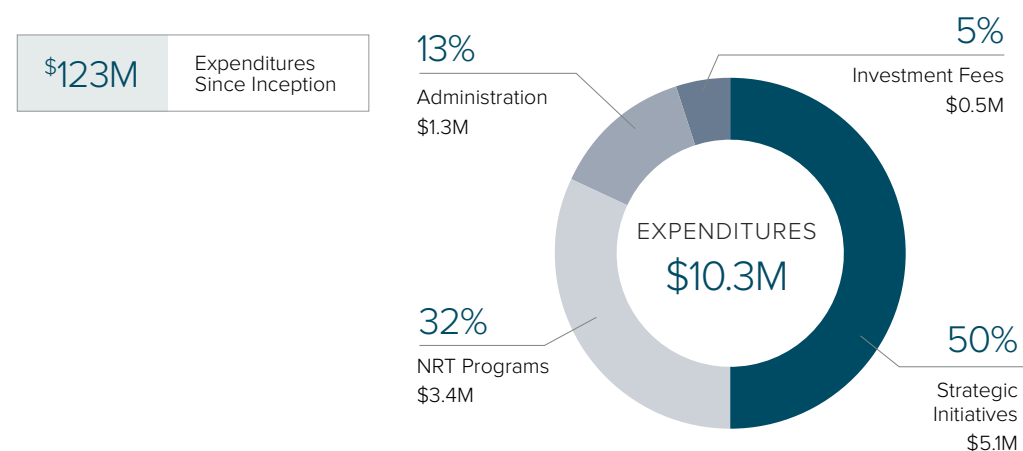
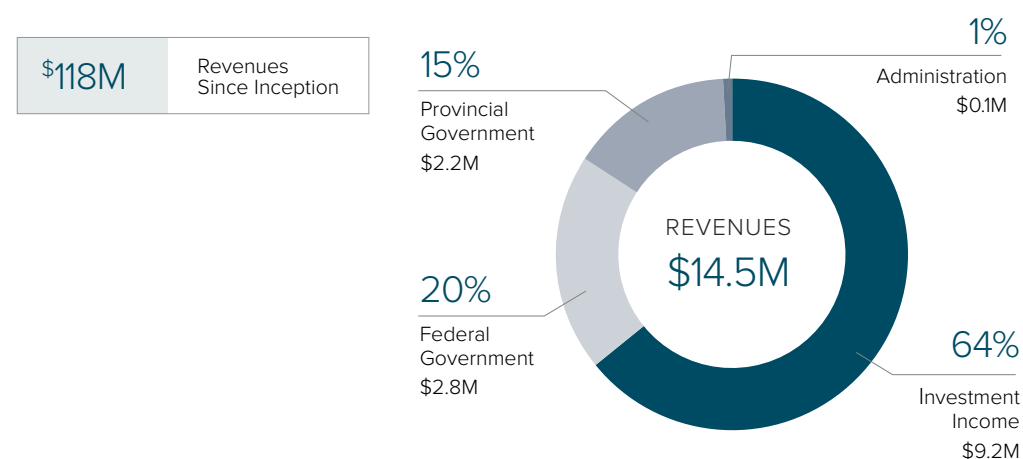
**2021/22**  
FINANCIAL REPORT



# FINANCIAL OVERVIEW

“WELL MANAGED,  
WITH A COMMITMENT  
TO EFFICIENCY AND EFFECTIVE  
USE OF OUR FUNDS.”

## HIGHLIGHTS



## INVESTMENT ACTIVITY

	2022	SINCE INCEPTION
Earnings, net of capital losses	\$9.2 M	\$87.5 M
Realized returns	5.09%	7.71%
Management Fees	\$0.5 M	\$6.3 M

### Investment Strategy

The Investment Strategy is to focus on well managed, high quality, diversified long-term investments so NRT is positioned to minimize its exposure and risk of realizing unnecessary losses. A key goal of NRT’s financial strategy is growing the investment fund in order to support sustainable and ongoing Nation re-building activities well into the future.





NEW RELATIONSHIP TRUST  
**FINANCIAL STATEMENTS**

MARCH 31 2022







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For the year ended March 31, 2022

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## INDEPENDENT AUDITORS' REPORT

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### TO THE BOARD OF NEW RELATIONSHIP TRUST:

#### Opinion

We have audited the financial statements of New Relationship Trust ("NRT"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net 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 NRT as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### 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 NRT 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 and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing NRT'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 NRT or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITORS’ REPORT

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 NRT’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 NRT’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 NRT 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.

Surrey, British Columbia  
October 13, 2022

MNP LLP  
Chartered Professional Accountants



New Relationship Trust  
Statement of Financial Position  
As at March 31, 2022

	Investment Fund	NRT Programs Fund	Strategic Initiatives Fund	Operating Fund	2022	2021
<b>Assets</b>						
<b>Current</b>						
Restricted cash (Note 4)	10,246,532	3,894,915	30,522,025	88,905	44,752,377	6,089,309
Accounts receivable	-	-	-	4,252	4,252	6,052
Government agencies receivable	-	-	-	2,045	2,045	1,459
Prepaid expenses	-	-	-	49,207	49,207	23,918
Due from NRT Foundation (Note 5)	-	-	-	44,996	44,996	26,237
	10,246,532	3,894,915	30,522,025	189,405	44,852,877	6,146,975
<b>Capital assets (Note 6)</b>	-	-	-	15,119	15,119	21,599
<b>Investments (Note 4)</b>	88,154,239	-	-	-	88,154,239	98,373,136
<b>Due from (to) other funds</b>	3,597,807	(3,643,615)	-	45,808	-	-
	101,998,578	251,300	30,522,025	250,332	133,022,235	104,541,710
<b>Liabilities</b>						
<b>Current</b>						
Accounts payable and accruals	506,136	251,300	1,525,395	235,213	2,518,044	623,837
Deferred contributions (Note 7)	-	-	28,996,630	-	28,996,630	2,569,186
	506,136	251,300	30,522,025	235,213	31,514,674	3,193,023
<b>Commitments (Note 8)</b>						
<b>Net Assets</b>						
<b>Invested in capital assets</b>						
Invested in capital assets	-	-	-	15,119	15,119	21,599
Externally restricted	101,492,442	-	-	-	101,492,442	101,327,088
	101,492,442	-	-	15,119	101,507,561	101,348,687
	101,998,578	251,300	30,522,025	250,332	133,022,235	104,541,710

Approved on behalf of the Board

  
Wade Grant (Oct 11, 2022 12:38 PDT)  
Director

  
Wade Grant (Oct 11, 2022 15:39 PDT)  
Director

The accompanying notes are an integral part of these financial statements



**New Relationship Trust  
Statement of Operations**  
*For the year ended March 31, 2022*

	<i>Investment Fund</i>	<i>NRT Programs Fund</i>	<i>Strategic Initiatives Fund</i>	<i>Operating Fund</i>	<b>2022</b>	2021
<b>Revenue</b>						
Administration	-	-	-	<b>123,625</b>	<b>123,625</b>	111,270
Capital gains <i>(Note 4)</i>	<b>7,151,803</b>	-	-	-	<b>7,151,803</b>	3,058,084
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	-	-	<b>123,298</b>	-	<b>123,298</b>	100,000
Investment income <i>(Note 4)</i>	<b>2,091,557</b>	<b>34,537</b>	-	-	<b>2,126,094</b>	1,150,319
Other income	-	-	<b>50,000</b>	-	<b>50,000</b>	2,000
PacifiCan	-	-	<b>2,730,068</b>	-	<b>2,730,068</b>	1,527,864
Province of B.C.	-	-	<b>2,220,933</b>	-	<b>2,220,933</b>	1,658,031
	<b>9,243,360</b>	<b>34,537</b>	<b>5,124,299</b>	<b>123,625</b>	<b>14,525,821</b>	7,607,568
<b>Funding grants to First Nations (Note 9)</b>						
Economic development	-	<b>502,500</b>	-	-	<b>502,500</b>	482,500
Education	-	<b>901,600</b>	-	-	<b>901,600</b>	959,200
Youth, Elders, Language and Culture	-	<b>424,200</b>	-	-	<b>424,200</b>	240,300
Nation-building capacity	-	<b>1,532,636</b>	-	-	<b>1,532,636</b>	1,879,618
Special projects	-	-	-	-	-	120,100
Strategic projects	-	-	<b>4,429,738</b>	-	<b>4,429,738</b>	3,095,978
	-	<b>3,360,936</b>	<b>4,429,738</b>	-	<b>7,790,674</b>	6,777,696
<b>Expenses</b>						
Administration	-	-	<b>114,000</b>	-	<b>114,000</b>	111,270
Advertising and promotion	-	-	<b>105,647</b>	<b>66,602</b>	<b>172,249</b>	136,192
Amortization	-	-	-	<b>6,480</b>	<b>6,480</b>	9,257
Consulting	-	-	<b>207,251</b>	<b>115,129</b>	<b>322,380</b>	210,070
Governance	-	-	-	<b>80,069</b>	<b>80,069</b>	49,623
Insurance	-	-	-	<b>11,362</b>	<b>11,362</b>	9,822
Investment management	<b>525,732</b>	-	-	-	<b>525,732</b>	408,054
Occupancy	-	-	-	<b>71,190</b>	<b>71,190</b>	71,190
Office	-	-	<b>2,954</b>	<b>156,594</b>	<b>159,548</b>	70,971
Professional development	-	-	-	<b>13,124</b>	<b>13,124</b>	2,000
Professional fees	-	-	-	<b>18,869</b>	<b>18,869</b>	26,286
Sponsorship	-	-	-	<b>16,890</b>	<b>16,890</b>	20,000
Telephone	-	-	<b>3,450</b>	<b>10,101</b>	<b>13,551</b>	9,575
Travel	-	-	<b>8,734</b>	<b>39,763</b>	<b>48,497</b>	7,934
Wages and benefits	-	-	<b>252,525</b>	<b>697,268</b>	<b>949,793</b>	667,350
	<b>525,732</b>	-	<b>694,561</b>	<b>1,303,441</b>	<b>2,523,734</b>	1,809,594
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>8,717,628</b>	<b>(3,326,399)</b>	-	<b>(1,179,816)</b>	<b>4,211,413</b>	(979,722)

*Continued on next page*

*The accompanying notes are an integral part of these financial statements*

**New Relationship Trust  
Statement of Operations**  
*For the year ended March 31, 2022*

	<i>Investment Fund</i>	<i>NRT Programs Fund</i>	<i>Strategic Initiatives Fund</i>	<i>Operating Fund</i>	<b>2022</b>	2021
<b>Excess (deficiency) of revenue over expenses before other items</b> <i>(Continued from previous page)</i>	<b>8,717,628</b>	<b>(3,326,399)</b>	-	<b>(1,179,816)</b>	<b>4,211,413</b>	(979,722)
<b>Other items</b>						
Unrealized gain (loss) on investments	<b>(4,052,539)</b>	-	-	-	<b>(4,052,539)</b>	21,159,201
<b>Excess (deficiency) of revenue over expenses</b>	<b>4,665,089</b>	<b>(3,326,399)</b>	-	<b>(1,179,816)</b>	<b>158,874</b>	20,179,479
<b>Net assets beginning of year</b>	<b>101,327,088</b>	-	-	<b>21,599</b>	<b>101,348,687</b>	81,169,208
<b>Interfund transactions</b> <i>(Note 10)</i>	<b>(4,499,735)</b>	<b>3,326,399</b>	-	<b>1,173,336</b>	-	-
<b>Net assets, end of year</b>	<b>101,492,442</b>	-	-	<b>15,119</b>	<b>101,507,561</b>	101,348,687

*The accompanying notes are an integral part of these financial statements*



**New Relationship Trust**  
**Statement of Cash Flows**  
*For the year ended March 31, 2022*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	158,874	20,179,479
Amortization	6,480	9,257
Unrealized losses (gains) on investments	4,052,539	(21,159,201)
Investment income reinvested, net of fees	(6,716,104)	(3,347,483)
	(2,498,211)	(4,317,948)
Changes in working capital accounts		
Accounts receivable	1,799	102,375
Government agencies receivable	(586)	17,433
Prepaid expenses	(25,289)	(3,372)
Accounts payable and accruals	1,894,208	(116,370)
Deferred contributions	26,427,444	(1,807,820)
	25,799,365	(6,125,702)
<b>Investing</b>		
Advances to NRT Foundation	(18,759)	(15,637)
Purchase of investments	(3,949,354)	(6,703,912)
Proceeds on disposal of investments	16,831,816	9,631,761
	12,863,703	2,912,212
<b>Increase (decrease) in restricted cash resources</b>	38,663,068	(3,213,490)
<b>Restricted cash resources, beginning of year</b>	6,089,309	9,302,799
<b>Restricted cash resources, end of year</b>	44,752,377	6,089,309

The accompanying notes are an integral part of these financial statements

**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**1. Incorporation and nature of the organization**

New Relationship Trust ("NRT") was incorporated under the authority of the Province of British Columbia (the "Province") on March 23, 2006 through enactment of the New Relationship Act, Bill 11 - 2006 and is registered as a not-for-profit organization and thus is exempt from income taxes under Part I of the Income Tax Act ("the Act"). In order to maintain its status as a registered not-for-profit organization under the Act, NRT must meet certain requirements within the Act. In the opinion of management these requirements have been met.

**Impact on operations of COVID-19 (coronavirus)**

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. NRT's operations were impacted by COVID-19 due to closure of operations, cancellation of events, and fluctuations of investment values.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on NRT as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**2. Change in accounting policy**

**Financial instruments**

**Financial instruments in a related party transaction, risk disclosures and other amendments**

Effective April 1, 2021 (hereafter referred to as the "initial date of application"), the NRT adopted the Accounting Standards Board's revised recommendations for the measurement and disclosure of financial instruments in a related party transaction, as well as revisions to risk disclosures, in Section 3856 *Financial Instruments*. The revised standard provides additional guidance and requirements for the measurement of financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments").

Revised Section 3856 clarifies that an entity must provide relevant entity-specific information to enable users to evaluate the nature and extent of each type of risk arising from financial instruments. The amendments remove the requirement to separately disclose the risks arising from derivatives from the risks arising from other financial instruments.

Revised Section 3856 requires the following related party financial instruments to be initially measured at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the NRT may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. If the election is not made, these instruments are subsequently measured at amortized cost. Subsequently investments in equity instruments quoted in an active market and derivatives instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are measured at fair value. All other financial instruments arising in a related party transaction are subsequently measured using the cost method.

Previously, the NRT initially measured related party financial instruments at either the carrying amount or exchange amount in accordance with Section 3840 *Related Party Transactions*. Subsequent to initial recognition, related party financial instruments were measured in accordance with extant Section 3856.



2. Change in accounting policy (Continued from previous page)

Transition

The NRT applied the changes in accounting policies resulting from the adoption of revised Section 3856 retrospectively and prior periods have been restated. Financial instruments exchanged in a related party transaction that do not exist at the date of initial application and were impaired or modified in the immediately preceding fiscal year have not been restated in accordance with Section 3856. In addition, the following transitional provisions were applied to related party financial instruments that exist at the date of initial application:

- The cost of a financial instrument that has repayment terms is determined using the undiscounted cash flows, excluding interest and dividend payments, of the instrument less any impairment, as at the beginning of the earliest comparative period presented in these financial statements
- The cost of a financial instrument that does not have repayment terms is deemed to be the carrying amount of the instrument in the financial statements of the entity less any impairment, at the beginning of the earliest comparative period presented in these financial statements
- Fair value of a financial instrument that is an investment in debt or equity instruments that are quoted in active market; a debt instrument where inputs significant to the determination of fair value of the instrument are observable; or, a derivative contract, is determined at the beginning of the earliest comparative period presented in these financial statements.

The retrospective application of this change in accounting policy did not have a material impact on the results of operations and financial condition of the NRT.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents

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

Fund accounting

NRT follows the restricted fund method of accounting for contributions, and maintains four funds: Investment, NRT Programs, Strategic Initiatives and Operating Fund. The Investment, and NRT Programs funds, are externally restricted by the Province for specific purposes in accordance with the New Relationship Trust Act. The Strategic Initiatives contributions received from the Province of British Columbia ("the Province"), and PacifiCan are externally restricted.

The Investment Fund, formally known as the Contribution Fund, reports on NRT's initial \$100,000,000 contribution by the Province along with the related investment income earned on this contribution less investment management fees.

The NRT Programs Fund, formally known as the Strategic Initiatives Fund, reports on NRT's funding to First Nations through grants.

The Strategic Initiatives Fund, formally known as the, Other Initiatives Fund reports on NRT's specific purpose projects and activities.

The Operating Fund reports on NRT's operations, administration and governance activities and includes equipment to perform such activities.

Controlled entity

NRT's financial statements do not include the accounts of New Relationship Trust Foundation (the "Foundation") which is controlled by NRT as the director's of NRT appoint the Board of Directors of the Foundation. The required disclosures have been provided in Note 12.

All transactions with the controlled entity are disclosed as related party transactions.

3. Significant accounting policies (Continued from previous page)

Revenue recognition

NRT uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the Investment Fund, NRT Programs Fund, and Strategic Initiatives Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Operating Fund because there is not an appropriate restricted fund.

Unrestricted contributions are recognized in the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue in the respective fund when earned.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded immediately in the excess of revenues over expenses.

Capital assets

Capital assets are initially recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer software	30 %

Long-lived assets

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

NRT writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to NRT's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When NRT determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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 revenues and expenses during the reporting period.

Accounts receivable and due from NRT Foundation 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 capital assets.

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

Financial instruments

The NRT recognizes financial instruments when NRT becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, NRT may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. NRT has made such an election during the year.



**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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

NRT subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of NRT's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Related party financial instruments**

NRT initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 11).

At initial recognition, NRT may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

NRT subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

**Financial asset impairment**

NRT assesses impairment of all its financial assets measured at cost or amortized cost. NRT groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, NRT determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, NRT reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

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

For related party debt instruments initially measured at cost, NRT reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, NRT reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the assets at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

NRT reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

**Foreign currency translation**

These financial statements have been presented in Canadian dollars, the principal currency of NRT's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

**4. Investments**

Investments are held by a custodian and are comprised of institutional pooled funds managed by professional investment managers. Investment activities are governed by the Board-approved NRT "Statement of Investment Policy and Procedures".

The Investment fund held \$10 million in cash as at March 31, 2022 representing proceeds from recent equity sales. These funds were in the process of being re-invested in an Infrastructure asset fund which was completed in April 2022.

	<i>Fair Value</i>	<i>Cost Base</i>	<i>2022 Cumulative Unrealized Gain</i>	<i>2021 Cumulative Unrealized Gain</i>
<b>Investment Fund</b>				
Mercer Global Investments	67,528,506	62,955,981	4,572,525	10,273,435
Greystone Real Estate LP	10,885,127	9,000,000	1,885,127	94,479
Addenda Commercial Mortgage	9,740,606	9,882,883	(142,277)	-
<b>Total Investments</b>	<b>88,154,239</b>	<b>81,838,864</b>	<b>6,315,375</b>	10,367,914



**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**4. Investments** *(Continued from previous page)*

Investment income earned during the year is comprised as follows:

	Investment Fund	NRT Programs Fund	2022	2021
Interest and dividend income	2,091,557	34,537	2,126,094	1,150,320
Capital gains (losses), net	7,151,803	-	7,151,803	3,058,084
	<b>9,243,360</b>	<b>34,537</b>	<b>9,277,897</b>	<b>4,208,404</b>

**5. Due from NRT Foundation**

The amount due from the Foundation is unsecured, non-interest bearing and due on demand.

**6. Capital assets**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer software	238,119	223,000	15,119	21,599

**7. Deferred contributions**

Deferred contributions for the year ended March 31, 2022 consist of the following:

	2022	2021
Clean Energy	28,218,185	2,569,186
Rebuilding Nationhood	778,445	-
	<b>28,996,630</b>	<b>2,569,186</b>

Recognition of these amounts as revenues is deferred to periods when the specified expenditures take place. Changes in the deferred contributions balance are as follows:

	2022	2021
Balance, beginning of year	2,569,186	4,377,006
Amount received during the year	31,501,743	1,500,000
Less: Amount recognized as revenue during the year	(5,074,299)	(3,307,820)
Balance, end of year	<b>28,996,630</b>	<b>2,569,186</b>

**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**8. Commitments**

The NRT has entered into various lease agreements with estimated minimum annual payments as follows:

2023	71,190
2024	5,933
	<b>77,123</b>

NRT has committed in fiscal 2022 to the following funding grants to First Nations, and other fund initiatives to be disbursed subsequently to March 31, 2022:

Clean Energy Initiative	5,577,034
Nation Building Grants	369,556
Youth, Elders, Language and Culture	123,200
Education	36,800
	<b>6,106,590</b>

**9. Funding Grants to First Nations**

	2022	2021
<b>Economic development:</b>		
Entrepreneurs equity matching initiative	<b>502,500</b>	482,500
<b>Education:</b>		
Scholarships and bursaries	<b>700,000</b>	705,600
K-12 education initiative	<b>201,600</b>	253,600
	<b>901,600</b>	959,200
<b>Youth, Elders, Language &amp; Culture:</b>		
Elders grants	<b>191,000</b>	97,400
Youth grants	<b>154,000</b>	82,400
Youth language initiative	<b>79,200</b>	60,500
	<b>424,200</b>	240,300
<b>Nation-building capacity</b>	<b>1,532,636</b>	1,879,618
<b>Special projects:</b>		
Young entrepreneurs symposium	-	120,100
<b>Strategic projects:</b>		
MACAW	-	1,341
Clean Energy	<b>4,429,738</b>	3,094,637
	<b>4,429,738</b>	3,095,978
	<b>7,790,674</b>	6,777,696



**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**10. Interfund transactions**

During the year, NRT transferred \$3,326,399 from the Investment Fund to the NRT Programs Fund and \$1,173,336 to the Operating Fund to fund the current year's program grants and administrative expenses.

**11. Related party transactions**

Included in Funding Grants to First Nations expenses for the current year is \$700,000 (2021 - \$705,000) paid to the Foundation. The expenses occurred in the normal course of operations and were recorded at the carrying value at the date of the transaction:

- Scholarships and bursaries contributed of \$600,000 (2021 - \$600,000);
- Administration funding of \$100,000 (2021 - \$105,000).

**12. Controlled entity**

The Foundation is responsible for advancing education by providing scholarships, bursaries and awards for First Nations students pursuing post-secondary education. The Foundation also provides financial assistance for books, equipment and other educational supplies. The Foundation is a not-for-profit charitable organization registered under the Income Tax Act of Canada and as such, is exempt from income taxes.

The Foundation has not been consolidated in the NRT's financial statements. Audited financial statements of New Relationship Trust Foundation are available upon request. Financial summaries of this unconsolidated entity, as at March 31, 2022 and 2021, and for the years then ended, are as follows:

Financial Position	2022	2021
Total assets	\$ 2,957,670	\$ 2,775,999
Total liabilities	\$ 101,181	\$ 59,202
Total net assets	2,856,489	2,716,797
<b>Statement of Operations</b>		
Total revenues	\$ 1,454,382	\$ 1,947,432
Total expenses	1,314,690	1,452,405
Excess of revenues over expenses	\$ 139,692	\$ 495,027
<b>Cash Flows</b>		
Cash provided by operations	\$ 266,383	\$ (124,841)
Cash provided by financing and investing activities	(90,714)	(38,438)
Increase (decrease) in cash resources	\$ 175,669	\$ (163,279)

**13. Financial instruments**

NRT, as part of its operations, carries a number of financial instruments. It is management's opinion that the NRT is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**New Relationship Trust**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2022*

**13. Financial instruments** *(Continued from previous page)*

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flow associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

NRT is exposed to interest rate risk through its investments in interest bearing instruments.

***Liquidity risk***

Liquidity risk is the risk that NRT will encounter difficulty in meeting obligations associated with financial liabilities. NRT enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors; etc., for which repayment is required at various maturity dates.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. NRT's investments in publicly-traded securities and corporate bonds exposes NRT to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. NRT enters into transactions to investments denominated in US dollars currency for which the related revenues and expenses are subject to exchange rate fluctuations.



**New Relationship Trust**  
**Schedule 1 - Schedule of Investment Fund Revenues and Expenses**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Investment income <i>(Note 4)</i>	2,091,557	1,114,343
Capital gains <i>(Note 4)</i>	7,151,803	3,058,084
	9,243,360	4,172,427
<b>Expenses</b>		
Investment management	525,732	408,054
<b>Excess of revenue over expenses before other items</b>	8,717,628	3,764,373
<b>Unrealized gain (loss) on investments and assets</b>	(4,052,539)	21,159,201
<b>Excess of revenue over expenses</b>	4,665,089	24,923,574

**New Relationship Trust**  
**Schedule 2 - Schedule of NRT Programs Fund Revenues and Expenses**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	-	100,000
Investment income <i>(Note 4)</i>	34,537	35,977
	34,537	135,977
<b>Funding grants to First Nations</b>		
Economic development	502,500	482,500
Education	901,600	959,200
Youth, elders, language & culture	424,200	240,300
Nation-building capacity	1,532,636	1,879,618
Special projects	-	120,100
	3,360,936	3,681,718
<b>Deficiency of revenue over expenses</b>	(3,326,399)	(3,545,741)

**New Relationship Trust**  
**Schedule 3 - Schedule of Strategic Initiatives Fund Revenues and Expenses**  
*For the year ended March 31, 2022*

	2022	2021
<b>Revenue</b>		
Province of British Columbia	2,220,933	1,658,031
PacifiCan	2,730,068	1,527,864
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	123,298	-
Other income	50,000	2,000
	5,124,299	3,187,895
<b>Nation-Building Grants</b>		
West Coast Energy Projects	4,429,738	3,095,978
<b>Project funding</b>	-	-
<b>Expenses</b>		
Administration	114,000	111,270
Advertising and promotion	105,648	125,201
Consulting	207,251	121,188
Office	2,954	6,602
Salaries and benefits	252,525	173,575
Telephone	3,450	2,400
Travel	8,734	3,409
	694,562	543,645
<b>Deficiency of revenue over expenses</b>	(1)	(451,728)



New Relationship Trust

Schedule 4 - Schedule of Operating Fund Revenues and Expenses

For the year ended March 31, 2022

	2022	2021
<b>Revenue</b>		
Administration	123,625	111,270
<b>Expenses</b>		
Advertising and promotion	66,602	10,991
Amortization	6,480	9,257
Consulting	115,129	88,882
Governance	80,069	49,623
Insurance	11,362	9,822
Occupancy	71,190	71,190
Office	156,594	64,369
Professional development	13,124	2,000
Professional fees	18,869	26,286
Sponsorship	16,890	20,000
Telephone	10,101	7,175
Travel	39,763	4,525
Wages and benefits	697,268	493,775
	1,303,441	857,895
<b>Deficiency of revenue over expenses</b>	<b>(1,179,816)</b>	<b>(746,625)</b>



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