



**NEW
RELATIONSHIP
TRUST**

INVESTING IN FIRST NATIONS IN BRITISH COLUMBIA

2018/19
ANNUAL REPORT



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

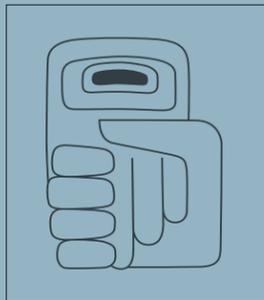


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INVESTING IN FIRST NATIONS COMMUNITIES
IN BRITISH COLUMBIA

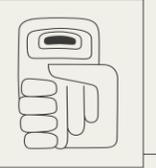
NEW RELATIONSHIP TRUST
INVESTING IN FIRST NATIONS IN BC

2018/19
ANNUAL REPORT



TABLE OF CONTENTS

OUR MISSION.....	9
OUR VISION.....	9
OUR GUIDING PRINCIPLES.....	9
MESSAGE FROM THE CHAIR AND CEO.....	10
2018 - 2019 FISCAL YEAR IN HIGHLIGHTS.....	12
13 YEARS OF NRT FUNDING.....	14
STRATEGIC INITIATIVES AT A GLANCE.....	16
IN FOCUS:	
• Perpetual Fund.....	18
• Governance.....	20
• Equity Matching.....	22
PARTNERSHIPS.....	24
STRATEGIC INITIATIVES:	
• Education.....	27
• Language.....	28
• Elders & Youth.....	30
• Economic Development.....	32
• Governance Capacity.....	34
NRT FOUNDATION.....	36
YES 2019.....	41
THE NRT TEAM.....	42
FINANCIAL OVERVIEW.....	44
FINANCIAL STATEMENTS.....	47



MISSION

OUR MISSION

NRT invests in the capacity development and transformation of First Nations governments and their citizens.

VISION

OUR VISION

Self-determined, self-sustaining, First Nations with effective governments and healthy empowered citizens.

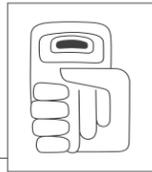
PRINCIPLES

OUR GUIDING PRINCIPLES

We believe in the spirit of cooperation and collaboration that respects and advances First Nations' decision-making, traditional teachings and laws.

To achieve our Vision and Mission, the following Guiding Principles will inform our shared work:

- Supporting First Nations in their capacity development efforts as they pursue individual and communal self-sufficiency
- Engaging in effective communications and engagement with those that we serve to strengthen and inform our activities
- Ensuring fair and equitable access to our services through the creation of transparent criteria that focus on initiatives that lead to measurable change at the individual, community and Nation levels
- Increasing the investment fund through responsible management, leveraging of our assets and pursuit of additional resources while not duplicating or replacing existing government or First Nations programs



MESSAGE FROM THE CHAIR AND CEO



Hugh Braker
Chair



Cliff Fregin
CEO

On behalf of the New Relationship Trust board and staff, we are pleased to present the 2018-2019 Annual Report, a retrospective on a truly exciting and pivotal year.

Our ongoing work in building capacity among First Nations in BC has remained robust: this fiscal year, the total strategic initiatives disbursements, including commitments, was \$4.7 million, bringing the 13-year funding total to \$63 million. We also administered an additional \$6.6 million in 2018 for special projects on behalf of the federal government.

These figures are the combined expression of many lives being changed for the better—of communities made stronger, of young peoples’ futures made brighter, of opportunities brought within reach. They represent the diverse First Nations communities we have proudly served since 2005, and hope to continue supporting for many years to come. There is reason for optimism about the future: as of March 31, 2018, the value of our investment fund remains at \$91.8 million. This is a reflection of prudent fiscal management and investment, and the strategic partnerships NRT has formed to extend its reach and impact.

NRT’s strategic priorities have always been driven by community feedback. Since NRT’s inception, First Nations in BC have been unequivocal about the five key priority areas: Education, Language, Elders and Youth, Economic Development and Governance Capacity. These are the priorities that NRT’s board and staff have placed at the centre of the organization’s focus, strategies and initiatives. In this report, we explore achievements in those priority areas across our diverse initiatives.

In the In Focus section of this report, we highlight NRT’s Matching Equity Initiatives, which bolster Indigenous entrepreneurs and First Nations community-based businesses in BC by providing much-needed cash equity at critical stages of business development. These have produced impressive results this year. The Entrepreneur Equity Matching Initiative provided matching grants to 185 entrepreneurs to launch, develop and expand their businesses in BC, leveraging a total of \$7,740,521 from NRT’s partnering Aboriginal financial institutions, or \$23 for every NRT dollar. Nine First Nations community businesses also received matching grants that leveraged \$3,814,550 or \$21 for every NRT dollar.

Equally noteworthy are our scholarships and bursaries initiatives, which have supported an unprecedented 354 Indigenous post-secondary students, awarding 200 bursaries and 154 scholarships—more than ever before. We know that eliminating financial

barriers to education improves educational outcomes for Indigenous students, presenting them with greater employment opportunities and the chance to achieve their life goals. This creates a transformational impact on students, their families and the health of their First Nations communities.

Last fall, the Young Entrepreneur Symposium connected 150 young Indigenous entrepreneurs from across Canada with some of the most seasoned professionals in their fields for three days of team-based challenges, designed to hone their skills and unleash their creative potential. The energy and enthusiasm was infectious, and the relationships established there will serve this next generation of business leaders and influencers for a lifetime. We look forward to the 13th edition of this inspiring event in November of this year.

2018 was an important year in that it also marked the fifth Regional Engagement Sessions, held every three years in communities across BC. The community sessions allow NRT to meet personally with members of First Nations in BC, provide updates on NRT’s activities, partnerships and financial position, answer questions and gather feedback via a survey (also available online) about the needs and priorities of BC First Nations communities to inform NRT’s strategic direction.

From the more than 1000 surveys submitted by members of nearly all of the First Nations in BC, the results were clear: NRT’s work must continue into the long-term. In addition to reiterating the five key priority areas, we also heard that effective governance is a vital underpinning to all capacity building efforts—it is the key to unlocking true autonomy and creating healthy, vibrant First Nations.

This input cemented two significant shifts in NRT’s strategic direction, determined by the NRT Board of Directors: the creation of a perpetual funding model to ensure NRT’s work continues many years into the future, and the shift to Nation-building as the primary strategic focus. Toward that end, this year saw the launch of the new Nation Governance Initiative, which will help communities improve their governance systems where they feel they need it most and promote self-determination by autonomous First Nations.

The timing of this transition is critical because of the current Nation-to-Nation fiscal relationship discussions, and the provincial and federal governments’ commitment to implementing the United Nations Declaration on the Rights of Indigenous Peoples. As decision-makers in our territories, First Nations communities can become healthy and prosperous once more.

As we transition toward supporting the strengthening of Nations, our board has implemented policies that will move the NRT fund to a perpetual model, to ensure the continued support of building stronger, more self-sufficient First Nations in BC for future generations. We have highlighted these two important changes in the In Focus section of this report.

Looking to the coming year, NRT’s board and staff are committed to supporting the continued transformation of First Nations in BC across its range of initiatives to bring renewed prosperity, true autonomy, health and happiness for our people.

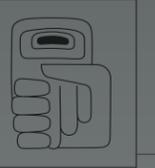
Respectfully,

Hugh Braker
Chair

Cliff Fregin
CEO

2018/2019

FISCAL YEAR IN HIGHLIGHTS



19 NATION GOVERNANCE PROJECTS FUNDED

50 K-12 PROJECTS FUNDED

86 FIRST NATIONS ENTREPRENEURS AND 9 COMMUNITY BUSINESSES SUPPORTED

1.34% IN ADMINISTRATIVE COSTS

\$6.6M

ADMINISTERED FOR SPECIAL PROJECTS ON BEHALF OF THE FEDERAL GOVERNMENT

354

POST-SECONDARY STUDENTS SUPPORTED

200

BURSARIES

104

UNDERGRADS

30

MASTERS

20

DOCTORATES

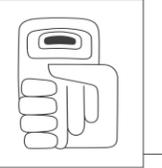
\$1.38M

FOR DIRECT SUPPORT PROJECTS

\$4.7M

IN STRATEGIC EXPENDITURES

13 YEARS OF NRT FUNDING



OVER THE LAST
13 YEARS
WE HAVE INVESTED
\$63,871,578
ACROSS ALL
STRATEGIC AREAS

GOVERNANCE & CAPACITY

\$22,533,984

Direct Support	\$13,870,728
Policy Development & Coordination	\$3,564,584
Capacity Tools and Resources	\$3,235,526
Tribal Council Policy	\$181,150
Nation Governance Policy	\$410,000
Assertion Workshops	\$311,190
Economic Dev. Support Team (EDST)	\$467,870
Best Practices	\$113,190
Regional Engagements	\$379,746

EDUCATION

\$17,346,385

Scholarships & Bursaries	\$7,715,403
New Paths Grade-School Learning Enhancements	\$2,953,334
Post-Secondary Employment Subsidies	\$2,285,107
Development Certificate for FN Language Teacher	\$1,600,751
K- Education Initiatives	\$2,791,790

LANGUAGE & CULTURE

\$10,544,500

First Voices	\$1,850,000
BC Language Initiative	\$2,235,000
Language and Culture Camps	\$750,000
Master Apprentice	\$1,617,250
Language Authorities	\$1,372,750
Language Certification	\$869,500
Language Nest	\$500,000
Arts Administration and Culture Camps	\$1,350,000

ECONOMIC DEVELOPMENT

\$6,354,133

BC Aboriginal Business Awards	\$390,000
Entrepreneurs Equity Matching	\$4,506,556
Other Initiatives	\$1,457,577

ELDERS & YOUTH

\$5,036,114

Elders Gathering	\$524,764
Elders Grants	\$2,154,762
Youth Conferences	\$390,849
Youth Grants	\$1,965,739

SPECIAL PROJECTS

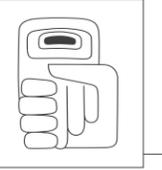
\$2,056,462

Youth Entrepreneurs Symposium	\$1,928,452
Golf Fundraiser	\$128,010

TO DATE,
98% OF THE
203
FIRST NATIONS
IN BC HAVE
ACCESSED NRT
FUNDING SINCE
IT WAS INITIATED
IN 2006.

STRATEGIC INITIATIVES

AT A GLANCE



IN FOCUS

This year we take a closer look at two important developments in how NRT will continue to support capacity building in First Nations in BC, both now and into the future: a shift in focus to governance as the key building block and the initiatives that support it; and the adoption of policies that will help ensure the NRT fund is available in perpetuity to meet the long-term capacity building needs of First Nations in BC.

We also explore NRT's Equity Matching initiatives to help entrepreneurs and communities develop, launch and grow their businesses.

PERPETUAL FUND

Feedback from First Nations in BC has been clear: the NRT fund must continue to support future generations. NRT's board has adopted spending and investment policies that will help make the fund perpetual.

GOVERNANCE

NRT has three governance initiatives to help First Nations in BC to reassert their decision-making authority within their own territories: Nation Governance initiative (new in 2018), Tribal Council Policy Initiative and Direct Support Initiative.

EQUITY MATCHING

NRT's Equity Matching initiative supports economic development by giving Indigenous entrepreneurs and First Nations communities in BC access to matching grants that help their businesses develop.

NRT SUPPORTS INITIATIVES IN THE FOLLOWING AREAS:

EDUCATION

Education Initiatives encourage First Nations youth to pursue higher education and help communities to implement local education initiatives for kindergarten to grade 12 students.

LANGUAGE

Language & Culture Initiatives protect and preserve our First Nation languages and increase the number of trained teachers of those languages.

ELDERS & YOUTH

Elders & Youth Initiatives support community based projects, activities and events for Youth and Elders.

ECONOMIC DEVELOPMENT

Economic Development support is focused on the creation of a province-wide strategic direction for our First Nation communities to further their individual and collective economic development goals.

GOVERNANCE CAPACITY

Governance Capacity Initiatives help build capacity within First Nations communities, so they can effectively participate in, and benefit from, land-use planning, resource revenue-sharing, and economic development opportunities.

SPECIAL PROJECTS

NRT also supports Special Projects. We host the annual Young Entrepreneurs Symposium (YES), and each year we host an annual Golf Tournament to raise more funds for post-secondary Scholarships and Bursaries.

IN FOCUS

PERPETUAL FUND



After 13 years of supporting capacity development among First Nations in BC, the New Relationship Trust is looking to a longer future. At the 2015 and 2018 Regional Engagement Sessions, feedback from First Nations leaders and community members was clear: we need to maintain the NRT fund for future generations.

NRT's investment strategy going forward is to support sustainable and ongoing self-determination project funding for First Nations.

STRATEGIC SPENDING AND INVESTMENT

In 2018-2019, NRT's board took concrete steps toward ensuring the fund will continue in perpetuity, by adopting spending and investment policies that will keep the fund's principal intact and in pace with inflation. These policies will allow the fund's investment strategy to remain flexible in changing markets by setting variable annual spending targets that protect the core investment fund in lean years and help it grow when markets are robust.

A key goal of NRT's investment strategy going forward is to support sustainable and ongoing self-determination project funding for First Nations. NRT's investment strategy will continue to focus on independent expertise to manage and oversee the fund; resilience through asset diversification; and regular reviews of the portfolio and investment strategy to anticipate changes to the market and new opportunities.

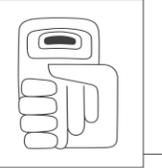
FUND GROWTH

In tandem with these spending and investment policies, the NRT board and staff are looking to develop additional ways to increase the fund, to further secure its longevity and maintain the annual spending needed to maximize impact across the organization's many strategic initiatives. By establishing collaborative partnerships, leveraging program funds from government and other organizations, and other capital growth activities, the NRT fund will continue to serve the capacity needs of First Nations in BC for many years to come.





IN FOCUS GOVERNANCE



The past year marked a shift in NRT's strategic focus. By placing governance capacity building at the forefront, NRT helps First Nations in BC to move successfully toward self-determination, addressing the Calls to Action of the Truth and Reconciliation Commission and the Principles of the United Nations Declaration of the Rights of Indigenous Peoples.

Grants are available through three initiatives:

- Nation Governance Initiative (new in 2018)
- Tribal Council Policy Initiative
- Direct Support Initiative

NATION GOVERNANCE

In 2018, NRT launched the Nation Governance initiative to support First Nations in completing Nation-building and self-determination projects to research, explore, and assert First Nations rights and title.

"First Nations have the inherent right to self-determination and to self-government," said Scott Fraser, Minister of Indigenous Relations and Reconciliation. "Investing in governance capacity building is a vital part of supporting those rights and I applaud the New Relationship Trust for creating the Nation Governance Initiative to advance this important work."

“ First Nations have the inherent right to self-determination and to self-government. ”

SCOTT FRASER
Minister of Indigenous Relations
and Reconciliation

TRIBAL COUNCIL

The Tribal Councils Policy Initiative supports policy development in BC at the tribal council level, and promotes information and resource sharing amongst the councils. Tribal councils in BC can apply for policy development in one of NRT's five areas of strategic priority: Economic Development, Education, Elders and Youth, Governance Capacity, and Language.

DIRECT SUPPORT

NRT provides direct support to First Nations in BC for capacity building initiatives according to the communities' unique capacity needs.

"Direct Support continues to build capacity for First Nations in BC. We have seen the benefits these funds can do for a First Nation, and we are working towards ensuring each First Nation in BC has taken advantage of the funds available to build capacity in their community," explains NRT CEO Cliff Fregin.

IN FOCUS

EQUITY MATCHING



Healthy First Nations communities require sustainable economic opportunities in order to prosper and achieve their goals. NRT has developed two parallel initiatives to support current and aspiring First Nations entrepreneurs and communities to create thriving businesses through the support of NRT's financial grants.

The **Entrepreneur Equity Matching Initiative (EEMI)** and the **Community Equity Matching Initiative (CEMI)** support new or expanding First Nations businesses in BC by providing matching equity grants through BC Aboriginal financial institutions (AFIs).

Created in 2010, the EEMI assists First Nations entrepreneurs in BC to obtain financing for their businesses. In 2011, NRT expanded Equity Matching Initiative to First Nations community business projects in BC.

“ Our intent for developing this initiative was to offer support to First Nations businesses at the stages when it will be most beneficial. ”

CLIFF FREGIN
CEO of NRT

Through these initiatives, the AFIs can leverage the NRT equity matching funds to provide new lending opportunities to establish, modernize or expand viable First Nations businesses in BC. The AFIs also promote Indigenous self-sufficiency through marketing, financial resources and advisory services within the specific BC region or industry that they serve.

“The Aboriginal financial institutions in BC have made huge contributions to First Nations businesses through their commitment to offer small business financing and support to our communities. NRT created the Equity Matching Initiatives to support BC First Nations to secure much needed debt-financing for their new or expanding business,” said Cliff Fregin, CEO of NRT. “Our intent for developing this initiative was to offer support to First Nations businesses at the stages when it will be most beneficial.”

NRT will continue to offer to expand outreach efforts in partnership with AFIs to ensure potential applicants are aware of this opportunity.



PARTNERSHIPS



NRT establishes and maintains partnerships with First Nations, public and private organizations that share common goals and values in order to leverage funds and minimize administrative costs.



NRT'S CURRENT PARTNERS ARE:

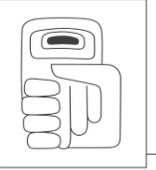
- All Nations Trust Company (ANTCO)
- Nuu-chah-nulth Economic Development Corporation (NEDC)
- Tale'awtxw Aboriginal Capital Corporation (TACC)
- Tribal Resource Investment Corporation (TRICORP)
- Community Futures Development Corporation of Central Interior First Nations (CFDCCIFN)
- Stó:lō Community Futures
- BC Treaty Commission
- First Nations Health Authority

- Native Fishing Association
- Department of Indigenous Services Canada (DISC) – Strategic Partnerships Initiative
- Western Economic Diversification Canada
- First Nations Leadership Council:
 - BC Association of First Nations (BCAFN)
 - First Nations Summit (FNS)
 - Union of BC Indian Chiefs (UBCIC)

TARGET	2018-2019	STATUS
Develop and maintain at least 6 partnerships with other First Nations organizations to promote collaboration and prevent duplication of products and services	12 Partnerships developed and/or maintained	Goal exceeded



STRATEGIC INITIATIVES: **EDUCATION**



“Empowering through education”

Education is key to building strong First Nations. Assisting First Nations individuals to pursue and complete their education and training goals is a high priority for NRT.

The NRT education strategy currently has the following components:

- Support for the NRT Foundation to attract private and public contributions
- Provide scholarships and bursaries for First Nations post-secondary students
- Support for First Nations communities for K-12 initiatives

SUPPORTING K-12 INITIATIVES

The New Relationship Trust has committed \$250,000 in 2018-2019 to fund Kindergarten to Grade 12 (K-12) projects that are delivered by First Nations in BC. With the commitment to K-12 education projects at the First Nations community level, K-12 grants provide funding to BC First Nations to assist in the delivery of educational projects relating to English and Literacy, Math and Science, such as reading workshops and the purchase of educational supplies and technology.

NRT SCHOLARSHIPS & BURSARIES

In 2018-2019, NRT committed \$400,000 for scholarships and \$200,000 for bursaries to assist First Nations students in achieving post-secondary education and training goals. This initiative awards funding based on qualification criteria and the student's proposed contribution back to First Nations communities.

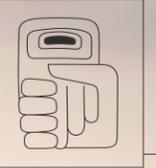
- Scholarships are awarded to students pursuing undergraduate, masters and doctorate degrees
- Bursaries are awarded for certificate, diploma, associate degree and trades programs

PARTNERSHIPS

In order to deepen its impact, the NRT supports the NRT Foundation to create partnerships with First Nations, corporations, organizations, and public and private scholarship organizations to increase the capacity of BC First Nations through investments in education. These partnerships provide additional funding for specific fields of study to enable the NRT Foundation to award more scholarships and bursaries each year. For example, the NRT Foundation has developed a partnership with the BC Government to award Indigenous Early Years scholarships and bursaries to Indigenous students enrolled in Early Childhood Education programs.



STRATEGIC INITIATIVES: LANGUAGE



“Protecting and revitalizing First Nations languages”

With 34 First Nations languages and more than 60 dialects, BC has the most diverse array of Indigenous languages in the country:

60% of the First Nations languages in Canada are spoken in BC. However, virtually all of BC’s First Nations languages are in danger. The United Nations declared 2019 as the Year of Indigenous Languages, highlighting the critical loss of Indigenous languages. The timing is crucial to focus on language protection and revival.

NRT has prioritized language preservation and revitalization in response to the ongoing crisis facing First Nations languages in BC.

LANGUAGE SUPPORT

In 2018-2019, the BC Government announced a \$50 million grant to the First Peoples Cultural Council to help revitalize Indigenous languages in BC. In consideration of NRT’s policy to not duplicate government funding, NRT’s language funding was redirected to First Nations youth groups for language revitalization projects.

The New Relationship Trust allocated \$200,000 for 2018-2019 to assist First Nations youth groups in British Columbia to implement language revitalization initiatives. Up to \$4,000 is available for First Nations and/or community language projects per year.



STRATEGIC INITIATIVES: ELDERS & YOUTH



“Today’s and tomorrow’s knowledge keepers.”

Investing in Elders and Youth is integral for building healthy and vibrant futures for First Nations: Elders hold the connection to the past, and Youth carry our teachings into the future.

In 2018-2019, NRT allocated \$700,000 for First Nations Elders and Youth Grants, including \$200,000 newly directed to Youth Grants for projects that are specific to First Nations language revitalization.

ELDERS GRANTS

The NRT BC First Nation Elders Grant Initiative provides support for groups, communities and organizations representing First Nation Elders in BC to develop and deliver community programs that benefit and build capacity for Elders, including storytelling, culture camps and participation in events and gatherings.

The Elders Grant Initiative provides grants of up to \$2500 to assist First Nations Elders in their communities.



YOUTH GRANTS

The NRT BC Youth Grant Initiative supports projects that build capacity in First Nations Youth in BC in areas such as leadership, mentorship, team building and language. Priority is given to youth groups, and projects include language archiving, participation in traditional cultural activities and attending the Gathering Our Voices Aboriginal Youth Conference. NRT also provided funds to the BC Association of Friendship Centres to support the annual Gathering Our Voices Aboriginal Youth Conference

Youth grants fund up to \$2,500 per First Nations Youth group project.

TARGET	2018-2019	TO DATE	STATUS
Provide funding for up to 50 youth projects per year	63 youth projects funded	1006 youth projects funded	Goal exceeded
Provide funding for up to 80 Elders projects per year	90 elder projects funded	998 elder projects funded	Goal exceeded
Provide financial support to an annual gathering or initiative that builds capacity for BC First Nations Youth	Provided \$60,000 to support four youth gatherings/conferences	20 youth gatherings funded	Goal exceeded



STRATEGIC INITIATIVES: ECONOMIC DEVELOPMENT



ENTREPRENEURS EQUITY MATCHING INITIATIVE AND COMMUNITY EQUITY MATCHING INITIATIVE

NRT allocated \$600,000 in 2018-2019 for initiatives that assist First Nations entrepreneurs with equity matching funds up to \$5,000 and First Nations community businesses up to \$25,000.

NRT partners with Aboriginal financial institutions (AFIs) in BC to provide equity matching funding to emerging First Nations businesses. Funds are administered by the partner AFIs. First Nations entrepreneurs and communities in BC can access these funds directly through these institutions.

- All Nations Trust Company (ANTCO)
- Nuuchahnulth Economic Development Corporation (NEDC)
- Tale'awtxw Aboriginal Capital Corporation (TACC)
- Tribal Resource Investment Corporation (TRICORP)
- Community Futures Development Corporation of Central Interior First Nations (CFDCIFN)
- Stó:lō Community Futures Development Corporation
- Native Fishing Association

INDIGENOUS CLEAN ENERGY INITIATIVE

The New Relationship Trust works with the federal government to deliver the Indigenous Clean Energy Initiative (ICEI), which provides support and capacity-building funds to Indigenous communities developing clean energy projects. The funding provides support for the planning and implementation of clean energy projects, such as hydro, wind, biomass, solar, marine, or geothermal projects. ICEI also targets energy efficiency projects, and energy storage, and assists some remote communities in reducing their dependency on conventional diesel power generation.

Funded through the federal government's Strategic Partnerships Initiative (SPI), ICEI supports the following objectives:

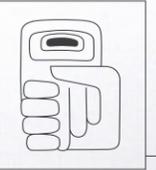
- Developing local clean energy and energy efficiency projects in Indigenous communities;
- Building Indigenous capacity;
- Creating benefits including ownership, revenue sharing, business development, and local employment; and
- Identifying pathfinding opportunities for further funding and partnerships on clean energy.

OTHER INITIATIVES

NRT seeks public and private partnerships to support capacity building for First Nations in the economic and business development sector. In addition, NRT is researching 'access to capital' opportunities, which allow First Nations in BC to participate in viable economic opportunities.

TARGET	2018-2019	TO DATE	STATUS
Provide matching equity for business start-ups and/or expansion of businesses within BC for:			
Up to 50 First Nations entrepreneurs	86 First Nations entrepreneurs	784 First Nations entrepreneurs	Goal exceeded
10 First Nations communities	9 First Nations communities	63 First Nations communities	Goal not met

STRATEGIC INITIATIVES: GOVERNANCE CAPACITY



Building governance capacity helps First Nations and their communities move successfully toward self-determination. In order to support Nation-building and cooperation amongst First Nations communities in BC, NRT encourages initiatives that foster cooperation between communities and facilitates the sharing of information and outcomes amongst Nations.

NATION GOVERNANCE

In 2018-2019, NRT allocated \$500,000 to support First Nations in completing Nation-building and self-determination projects to research, explore, and assert First Nations rights and title. Projects funded through this initiative will help improve governance systems and structures in the present-day context so that First Nations may advance their authority and jurisdiction over their lands, waters, resources, citizens, and services.

Examples of projects may include:

- Facilitating the enactment of traditional laws in a modern era;
- Processes to develop these laws and address infringement;
- Defining territorial and shared boundaries, as well as relationships with other First Nations and governments;
- Codifying territorial and natural resource management; and
- Developing internal and external engagement protocols.

TRIBAL COUNCIL

NRT allocated \$250,000 in 2018-2019 to the Tribal Councils Policy Initiative for policy development in BC at the tribal council level, while also promoting information and resource sharing amongst the councils.

Tribal councils in BC can apply for up to \$25,000 for policy development projects in one of NRT's five areas of strategic priority: Economic Development, Education, Elders and Youth, Governance and Language. Examples of projects may include:

- regional governance and business models to organize First Nations, government and industry;
- joint business partnerships between First Nations to leverage negotiation opportunities and revenue sharing agreements.

DIRECT SUPPORT

NRT committed \$1.6M in Direct Support to BC First Nations for capacity building initiatives in 2018-2019. Funds support diverse initiatives such as land use planning, GIS mapping, governance terms of reference, economic development strategies, financial policies, impact/benefit analyses and community engagement initiatives.

NRT funding is offered in two streams: grants up to \$25,000 for individual communities, and grants up to \$50,000 for three or more collaborating communities.

TARGET	2018-2019	TO DATE	STATUS
Fund up to 12 community projects per year in each of the following areas: Land Use Planning, Traditional Land Use Planning, Economic Development Planning, Negotiations and Impact Benefit Agreements	54 projects funded	603 projects funded	Goal exceeded

ABOUT THE NEW RELATIONSHIP TRUST FOUNDATION



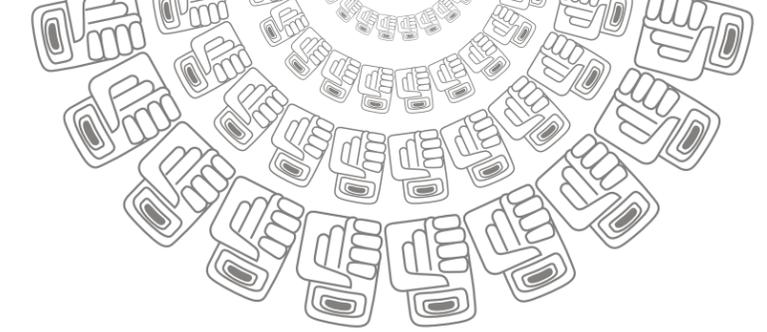
The NRT Foundation is a charitable non-profit society that was created in 2011 by the NRT to advance the education goals of Indigenous students in BC. The NRT Foundation focuses on fundraising and distributing Scholarships and Bursaries.



NRT FOUNDATION



**NEW
RELATIONSHIP
TRUST
FOUNDATION**



MISSION:

To assist Indigenous Peoples in BC separately and collectively to meet their education goals, and to support the educational component of Indigenous language revitalization.

In 2011, NRT created the NRT Foundation to seek additional funding partners for education awards and to issue tax receipts to companies and individuals that contribute funds. This strategic decision allows the Foundation to use its charitable status to attract additional support for NRT's education initiatives.

In 2012, the Foundation assumed oversight of NRT's education initiatives. In the short term, the Foundation is seeking to leverage donations of \$1.5 million over the next three years. The long-term goal is to build an endowment fund of \$30 million over the next ten years.

To date, the Foundation has leveraged in excess of \$3,522,000 in support from new partners.

“ I am thankful each day that I am able to further my education and build towards my dream of being a doctor and serving my community. Thank you so much for the opportunity to follow my dreams and believing in me. ”

NRT FOUNDATION GOLF TOURNAMENT

In 2018, the NRT Foundation 8th Annual Charity Golf Tournament raised \$40,984 toward the NRT Foundation Scholarship and Bursary program.

RYAN DANROTH
Doctorate Scholarship Recipient

TARGET	2018-2019	TO DATE	STATUS
Produce annual recipient brochure.	Brochure produced and distributed.	9 Annual brochures produced and distributed.	Goal met annually.
Provide up to 40 scholarships & 60 bursaries annually.	Scholarships and bursaries fully allocated for 2018-2019 <ul style="list-style-type: none"> • 200 Bursaries • 104 Undergrads • 30 Masters • 20 Doctorates 	OVERALL: <ul style="list-style-type: none"> • 1,150 Bursaries at \$2,403,500 • 728 Undergraduate at \$3,505,000 • 243 Masters at \$2,367,500 • 138 Doctorates at \$2,582,500 • 124 Chief Joe Mathias awards at \$114,000 	Goal exceeded annually.
Via NRT Foundation, attract \$1.5 million for scholarships and bursaries.	NRT will work with the NRT Foundation to attract additional scholarship and bursary funds.	To date, \$3,522,000 has been raised from new partners, and \$221,479 from the NRT Foundation Golf Tournament.	Goal exceeded to date.
Establish a database of scholarship & bursary recipients.	All Scholarship and Bursary recipients were added into the database.	Database established and recipients added.	Goal met annually.



YES 2019

LEARN, LAUGH & LIVE

THE YOUNG ENTREPRENEUR SYMPOSIUM

The Young Entrepreneurs Symposium (YES) brings young Indigenous entrepreneurs and entrepreneurs-to-be together with First Nation, Canadian and international business leaders and role models to help build the skills, knowledge and networks they need to be the leaders of tomorrow.

Participants tackle three days of challenge-based activities in a setting that provides an optimum mix of mentoring, networking, competition, and fun. Teams of delegates participate in a series of competitions designed to help build skills and gain valuable business knowledge. Cash prizes are awarded to the top three teams at the gala.

YES provides an opportunity for young entrepreneurs to raise their profile in the business world, highlighting their skills, driving attitude and innovative ideas. YES is also an opportunity to connect with peers, building the business network of tomorrow's influencers.

SHAPING GENERATIONS OF YOUNG INDIGENOUS ENTREPRENEURS

Nearly 150 Indigenous youth from across Canada attended the 12th annual YES in 2018, taking part in a heady four days of powerful presentations, spirited panel discussion and demanding team challenges that fuse leadership skills, imagination and problem-solving. Delegates have access to top-level business acumen delivered by seasoned entrepreneurs, stimulating both personal and professional development.

Since the event's inception, more than 1,000 young Indigenous entrepreneurs have given confidence to their dreams while grounding themselves in the business fundamentals of planning, sales and marketing.

**YES 2019 will take place
Nov 18 – 21, 2019 in Richmond, BC.**

“ I went into YES feeling nervous, shy, uncomfortable, and intimidated. I left feeling confident in that whatever I do, I know I will succeed. I will accomplish great things, we all will! ”

MARCIA BENSON

“ Sweat, tears and courage produced the next generation of Aboriginal leaders and business people. YES shows we have the ability to rise to challenges and create our own solutions! ”

FRED CATTROLL

“ I am grateful and lucky to be one of the five Inuit from Nunavik to attend the symposium...I gained so much knowledge and wisdom from all the keynote speakers and panelists. My daughter wants to become an actress and... in the back of my mind, I was always pessimistic because of the isolation we (Inuit) live in. Now, after attending YES, I will do whatever it takes to fulfill her dreams. I will become a better mother, and role model for kids and youth. Nakurmiik (Thank you) YES! My life has truly changed! ”

MINNIE ANNAHATAK

THE NRT TEAM

2018 / 19



BOARD OF DIRECTORS

- Hugh Braker
CHAIR
- David Jimmie
VICE CHAIR
- Terry Kuzma
SECRETARY
- Liz Logan
- Byron Louis
- Miles Richardson
- Angela Wesley

NRT STAFF

- Cliff Fregin
CHIEF EXECUTIVE OFFICER
- Kim Brazil
CHIEF FINANCIAL OFFICER
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GENERAL MANAGER
- Marie Alaimo
SENIOR PROJECT OFFICER
- Lana Plante
PROJECT OFFICER
- Cole Sayers
INDIGENOUS CLEAN
ENERGY COORDINATOR
- Terri J. Bell
EXECUTIVE COORDINATOR
- Ashlee Dehart
ADMINISTRATIVE ASSISTANT

NRT FOUNDATION

- Rochelle Saddleman
PARTNERSHIPS AND
MARKETING MANAGER

AUDITORS

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White Rock, BC V4B 2P7

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Services Company
1066 West Hastings Street
Suite 1600
Vancouver, B.C. V6E 3X1

INVESTMENT COUNCIL

Mercer
550 Burrard Street, Suite 900
Vancouver, BC, V6C 3S8

“We are looking forward,
we are ready to meet the
next millennium. Together.”

— EXCERPT FROM THE TSLEIL-WAUTUTH NATION DECLARATION

FINANCIAL OVERVIEW

HIGHLIGHTS

- NRT's total assets at year-end were \$94.8 million and consisted primarily of investments and restricted cash.
- The market value of the investment portfolio was \$91.8 million. The cumulative unrealized gain on investments was \$11.9 million.
- Strategic initiative expenditures, including commitments were \$4.7 million.
- Other initiative expenditures for Special Projects were \$6.6 million
- Operating expenditures were \$1.2 million.

OPERATIONS

Contribution Fund

The Contribution Fund earned \$5.5 million of income from investments held in institutional pooled funds managed by professional investment managers.

	2019	2018
Income	\$2.10 M	\$3.35 M
Capital Gains	\$3.44 M	\$1.26 M
Management Fees	\$0.43 M	\$0.44 M

Strategic Fund

The Strategic Fund had revenues of \$0.43 million of which \$0.08 was from investments held in institutional pooled funds managed by professional investment managers.

Strategic expenditures focus on enhancing capacity within First Nation governments, encouraging access to education, supporting initiatives that engage youth and elders, and fostering and advancing economic development opportunities.

Other Initiatives Fund

In NRT's continued efforts to support capacity development initiatives for BC First Nations, we administered \$6.6 million for special projects on behalf of the Federal Government.

Operating Fund

Operating expenditures consisted mainly of staffing costs, governance, professional fees, and communication. NRT continues to be well managed, with clean and organized records. Actual operating expenditures were 1.34% of the total investments for the year ended March 31, 2019. This meets the Board of Director's performance target to limit administrative costs to less than 2% of the investment portfolio.

	2019	2018
Operating Expenditures	\$1,231,892	\$1,065,911
Operating Expenditures as % of Total Investments	1.34%	1.15%

INVESTMENTS

Market and Portfolio Performance

The investment portfolio valued at \$91.8 million, realized a return of 7.0% for the year ended March 31, 2019. On a relative basis, the investment portfolio was below its benchmark by 0.6%.

INVESTMENTS	2019	2018
Fair Value	\$91.8 M	\$92.6 M
Cost Base	\$79.9 M	\$81.1 M
Cumulative Unrealized Gain	\$11.9 M	\$11.5 M

The NRT Finance Committee is closely monitoring the investment portfolio and consults with a professional, independent investment advisory firm to ensure that portfolio is consistent with NRT's investment policy and strategic goals.

One year returns

	CANADIAN EQUITY FUND	GLOBAL EQUITY FUND	BOND FUND	TOTAL PORTFOLIO
Fund Return	6.50%	7.90%	5.20%	7.00%
Benchmark	8.10%	8.40%	5.30%	7.60%
Excess return vs Benchmark	-1.60%	-0.50%	-0.10%	-0.60%

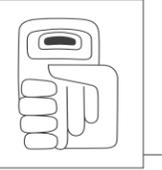
Investment Strategy

NRT's short-term portfolio objective is to preserve capital and manage cash flows over the next year. Short-term investments are held in money market and fixed income funds.

NRT's long-term portfolio objectives are to preserve capital in real terms, generate sufficient annual cash flow to meet expenditure objectives, and increase cash flows to meet rising expenditures over the long-term.

By focusing on well managed, high quality, diversified long-term investments, 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 2019



New Relationship Trust Contents

For the year ended March 31, 2019

	<i>Page</i>
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations and Change in Net Assets.....	2
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5
Schedules	
Schedule 1 - Contribution Fund Revenues and Expenses.....	13
Schedule 2 - Strategic Fund Revenues and Expenses.....	14
Schedule 3 - Other Initiatives Fund Revenues and Expenses.....	15
Schedule 4 - Operating Fund Revenues and Expenses.....	16

Independent Auditor's Report

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, 2019, and the statements of operations and change in net assets, cash flows and related schedules 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, 2019, 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.

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.

New Relationship Trust
Statement of Financial Position
As at March 31, 2019

- 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

July 4, 2019

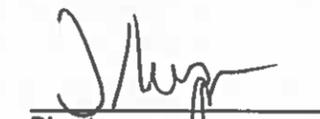
MNP LLP

Chartered Professional Accountants

	Contribution Fund	Strategic Fund	Other Initiatives Fund	Operating Fund	2019	2018
Assets						
Current						
Restricted cash	-	-	2,750,678	-	2,750,678	3,785,315
Accounts receivable	-	-	-	80,821	80,821	6,551
Government agencies receivable	-	-	-	21,337	21,337	24,149
Prepaid expenses	-	-	-	19,966	19,966	12,657
Investments (Note 3)	-	45,990	-	-	45,990	167,517
	-	45,990	2,750,678	122,124	2,918,792	3,996,189
Capital assets (Note 4)	-	-	-	35,665	35,665	45,355
Investments (Note 3)	91,372,614	435,475	-	-	91,808,089	92,431,002
Due from (to) other funds	(933,221)	29,896	901,472	1,853	-	-
	90,439,393	511,361	3,652,150	159,642	94,762,546	96,472,546
Liabilities						
Current						
Accounts payable and accruals	103,410	359,258	608,877	123,977	1,195,522	649,042
Deferred contributions (Note 5)	-	-	1,580,790	-	1,580,790	56,417
Due to NRT Foundation (Note 6)	-	152,103	-	-	152,103	149,124
	103,410	511,361	2,189,667	123,977	2,928,415	854,583
Commitments (Note 7)						
Net Assets						
Invested in capital assets	-	-	-	35,665	35,665	45,355
Externally restricted (Note 8)	90,335,983	-	1,462,483	-	91,798,466	95,572,608
	90,335,983	-	1,462,483	35,665	91,834,131	95,617,963
	90,439,393	511,361	3,652,150	159,642	94,762,546	96,472,546

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Statement of Operations and Change in Net Assets
For the year ended March 31, 2019

	Contribution Fund	Strategic Fund	Other Initiatives Fund	Operating Fund	2019	2018
Revenue						
Administration	-	-	-	385,415	385,415	209,172
Indigenous and Northern Affairs Canada (INAC)	-	-	550,000	-	550,000	-
Investment income (Note 3)	5,544,214	84,533	166,317	-	5,795,064	4,658,605
Western Economic Diversification Canada	-	-	1,475,000	-	1,475,000	1,958,000
Other funding/revenue	-	343,635	137,681	-	481,316	329,482
Province of BC	-	-	-	-	-	53,583
	5,544,214	428,168	2,328,998	385,415	8,686,795	7,208,842
Strategic Expenses (Note 11)						
Economic development	-	708,300	-	-	708,300	506,226
Education	-	851,000	-	-	851,000	893,800
Elders and youth	-	421,700	-	-	421,700	402,800
Governance capacity	-	2,313,155	-	-	2,313,155	1,860,758
Language and culture	-	-	-	-	-	525,000
Special projects	-	359,065	-	-	359,065	330,924
West Coast Energy	-	-	4,502,718	-	4,502,718	-
Clean Energy	-	-	657,516	-	657,516	1,006,274
	-	4,653,220	5,160,234	-	9,813,454	5,525,782
Expenses						
Administration	-	-	385,632	-	385,632	209,391
Advertising	-	-	73,137	36,967	110,104	83,046
Amortization	-	-	-	13,910	13,910	17,996
Communication	-	-	-	68,030	68,030	36,068
Consulting	-	-	465,812	8,817	474,629	460,681
Governance	-	-	-	144,043	144,043	95,787
Insurance	-	-	-	9,590	9,590	9,496
Investment management	429,200	22,099	-	-	451,299	466,990
Occupancy	-	-	3,750	58,978	62,728	89,636
Office	-	-	3,334	42,420	45,754	39,672
Planning and community meetings	-	-	57,443	-	57,443	85,792
Professional development	-	-	-	6,646	6,646	4,731
Professional fees	-	-	-	97,173	97,173	120,688
Salaries and benefits	-	-	354,630	640,730	995,360	1,151,815
[User defined 5]	-	-	-	41,221	41,221	-
Telephone	-	-	8,176	12,860	21,036	24,142
Training and skills development	-	-	-	-	-	689,463
Travel	-	-	127,148	50,507	177,655	201,504
	429,200	22,099	1,479,062	1,231,892	3,162,253	3,786,898
Excess (deficiency) of revenue over expenses before other items	5,115,014	(4,247,151)	(4,310,298)	(846,477)	(4,288,912)	(2,103,838)

Continued on next page

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Statement of Operations and Change in Net Assets
For the year ended March 31, 2019

	Contribution Fund	Strategic Fund	Other Initiatives Fund	Operating Fund	2019	2018
Excess (deficiency) of revenue over expenses before other items (Continued from previous page)	5,115,014	(4,247,151)	(4,310,298)	(846,477)	(4,288,912)	(2,103,838)
Other items						
Gain on disposal of capital assets	-	-	-	17,804	17,804	-
Unrealized gains (losses) on investments	478,142	9,134	-	-	487,276	(1,019,401)
Excess (deficiency) of revenue over expenses	5,593,156	(4,238,017)	(4,310,298)	(828,673)	(3,783,832)	(3,123,239)
Net assets beginning of year	89,799,827	-	5,772,781	45,355	95,617,963	98,741,202
Interfund transactions (Note 9)	(5,057,000)	4,238,017	-	818,983	-	-
Net assets, end of year	90,335,983	-	1,462,483	35,665	91,834,131	95,617,963

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(3,783,832)	(3,123,239)
Amortization	13,910	17,996
Gain on disposal of capital assets	(17,804)	-
Realized and unrealized gains on investments	(3,208,650)	(243,723)
	(6,996,376)	(3,348,966)
Changes in working capital accounts		
Accounts receivable	(74,270)	(2,261)
Government agencies receivable	2,812	13,398
Prepaid expenses	(7,309)	(1,755)
Accounts payable and accruals	546,481	(85,998)
Deferred contributions	1,524,373	56,417
	(5,004,289)	(3,369,165)
Investing		
Repayment to NRT Foundation	2,979	21,665
Purchase of equipment	(6,417)	(5,206)
Funding provided for asset purchases	20,000	-
Purchase of investments	(8,315,295)	(12,018,636)
Proceeds on disposal of investments	12,268,385	16,119,740
	3,969,652	4,117,563
Increase (decrease) in cash resources	(1,034,637)	748,398
Restricted cash resources, beginning of year	3,785,315	3,036,917
Restricted cash resources, end of year	2,750,678	3,785,315

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, 2019

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.

2. 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:

Fund accounting

NRT follows the restricted fund method of accounting for contributions, and maintains four funds: Operating Fund, Contribution Fund, Strategic Fund and Other Initiatives Fund. The Contribution, Strategic, and Other Initiatives funds are externally restricted by the Province of British Columbia for specific purposes in accordance with the New Relationship Trust Act. Contributions received from Indigenous and Northern Affairs Canada ("INAC") and Western Economic Diversification Canada are externally restricted.

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

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 Strategic Fund reports on NRT's strategic initiatives and activities.

The Other Initiatives Fund reports on NRT's new initiatives and 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.

Capital assets

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

	Method	Rate
Computer software	declining balance	30 %
Furniture and fixtures	declining balance	20 %
Office equipment	declining balance	30 %

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

2. **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 Contribution Fund, Strategic Fund, and Other 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.

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 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

NRT recognizes its financial instruments when NRT becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 10.)

At initial recognition, NRT may irrevocably elect to subsequently measure any financial instrument at fair value. NRT has not made such an election during the year.

NRT subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. 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 the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

NRT assesses impairment of all of its financial assets measured at cost or amortized cost. 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. If so, 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; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues 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 of revenues over expenses in the year the reversal occurs.

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

3. **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".

	Fair Value	Cost Base	2019 Cumulative Unrealized Gain(loss)	2018 Cumulative Unrealized Gain(loss)
Contribution Fund				
Fixed Income	16,745,296	17,140,258	(394,962)	(746,175)
Canadian Equity	33,995,090	34,151,072	(155,982)	(934,137)
Global Equity	40,632,228	28,084,469	12,547,759	13,198,985
	91,372,614	79,375,799	11,996,815	11,518,673
Strategic Fund				
Money Market	45,990	45,990	-	-
Fixed Income	435,475	445,746	(10,271)	(19,406)
	481,465	491,736	(10,271)	(19,406)
Total Investments	91,854,079	79,867,535	11,986,544	11,499,267
Current				
Long-term	45,990	45,990	-	-
	91,808,089	79,821,545	11,986,544	11,499,267
Total Investments	91,854,079	79,867,535	11,986,544	11,499,267

Investment income earned during the year is comprised as follows:

	Contribution Fund	Strategic Fund	Other Initiatives Fund	2019	2018
Interest and dividend income	2,103,008	84,533	166,317	2,353,858	3,395,480
Capital Gains, net	3,441,205	-	-	3,441,205	1,263,125
	5,544,213	84,533	166,317	5,795,063	4,658,605

4. **Capital assets**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer software	231,189	195,524	35,665	43,159
Furniture and fixtures	-	-	-	1,827
Office equipment	-	-	-	369
	231,189	195,524	35,665	45,355

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

5. Deferred contributions

Deferred contributions represent contributions received from the Province for the MACAW Indigenous Gender-Based Analysis as well as the British Columbia Clean Energy Initiative (BCICEI). 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:

	2019	2018
Balance, beginning of year	56,417	-
Amount received during the year	1,580,790	100,000
Less: Amount recognized as revenue during the year	<u>(56,417)</u>	<u>(43,583)</u>
Balance, end of year	<u>1,580,790</u>	<u>56,417</u>

6. Due to NRT Foundation

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

7. Commitments

NRT occupies leased premises until May 1, 2023 with future aggregate lease payments as follows:

2020	\$	71,190
2021	\$	71,190
2022	\$	71,190
2023	\$	71,190

NRT has committed in fiscal 2019 to the following strategic fund initiatives to be disbursed subsequent to March 31, 2019:

Clean energy initiative	\$	758,413
Direct support		172,167
Policy development initiatives		201,377
K-12 grants		58,000
Best Practice		11,550
Other capacity initiatives		7,000
Elder's and youth grants		<u>89,500</u>
	\$	<u>1,298,007</u>

8. Externally restricted net assets

NRT received a \$100,000,000 grant from the Province, which is subject to externally imposed restrictions, to be used for expenditures specific to enhancing First Nations Governance, leadership, and institutional and human resources capacity to address social, cultural, and economic needs and priorities. On an annual basis, the NRT's Board of Directors determines the amount of the externally restricted net assets that are required to fund the current year's expenditures, reducing the externally restricted net assets, net of any investment income earned on the restricted investments.

Included in the Other Initiatives Fund are amounts externally restricted by INAC and BCICEI, for future expenditures associated with new initiatives and activities. The INAC and BCICEI expenditures are subject to repayment should NRT not incur expenditures equal to the contributions received for the designated purposes. As at the date of the financial statements, INAC and BCICEI has not requested repayment of the surplus of contributions in excess of expenditures, and as such, no liability has been reflected in the NRT's financial statements.

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

9. Interfund transactions

During the year, NRT transferred \$4,238,017 from the Contribution Fund to the Strategic Fund and \$818,984 to the Operating Fund for the purpose of accumulating money in the funds for program needs.

10. Related party transactions

Included in strategic expenses for the current year is \$720,000 (2018 - \$720,000) to the Foundation. The expenses are recorded as follows:

- Scholarships and bursaries contributed of \$600,000 (2018 - \$600,000)
- Administration funding of \$105,000 (2018 - \$105,000)
- Golf tournament sponsorship of \$15,000 (2018 - \$15,000)

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

11. Strategic Fund

	2019	2018
Economic Development:		
BC Aboriginal Business Awards	40,000	25,000
Entrepreneurs Equity Matching Initiative	558,300	376,226
Other initiatives	110,000	105,000
	708,300	506,226
Education:		
Scholarships and Bursaries	600,000	600,000
K-12 Education Initiative	251,000	293,800
	851,000	893,800
Elders and Youth:		
Elders Gathering	5,000	50,400
Elders Grants	216,000	182,800
Youth Grants	200,700	169,600
	421,700	402,800
Governance Capacity:		
Direct Support	1,425,550	1,367,638
Nations Governance	410,000	-
Policy Development	179,665	309,116
Best Practices	46,850	36,840
Capacity Tools and Resources	42,175	-
Economic Development Support Team	137,681	147,164
Regional Engagements	71,234	-
	2,313,155	1,860,758
Language and Culture:		
First Voices	-	25,000
B.C. Language Initiative	-	135,000
Master Apprentice	-	135,000
Language Authorities	-	125,000
Arts Administrator and Cultural Manager Internships	-	105,000
	-	525,000
Special Projects:		
Young Entrepreneurs Symposium	340,720	275,188
Golf Tournament Sponsorship	18,345	16,115
	359,065	291,303
	4,653,220	4,479,887

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

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, 2019 and 2018, and for the years then ended, are as follows:

Financial Position	2019	2018
Total assets	\$ 3,338,335	\$ 2,707,840
Total liabilities	\$ 1,142,208	\$ 831,062
Total net assets	2,196,177	1,876,778
Statement of Operations		
Total revenues	\$ 2,073,333	\$ 1,759,819
Total expenses	1,797,128	1,525,801
Excess of revenues over expenses	\$ 276,205	\$ 234,018
Cash Flows		
Cash provided by operations	\$ 623,267	\$ (179,507)
Cash provided by financing and investing activities	(54,243)	(1,610,250)
Increase (decrease) in cash resources	\$ 569,024	\$ (1,789,757)

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.

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.

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2019

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

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.

14. Economic dependence

NRT's primary source of revenue is provincial government grants. The grant funding can be cancelled if NRT does not observe certain established guidelines. NRT's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the guidelines associated with initial funding and current year contributions. As at the date of these financial statements management believes that it is in compliance with the guidelines.

New Relationship Trust
Schedule 1 - Contribution Fund Revenues and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Investment income	5,544,214	4,610,412
Expenses		
Investment management	429,200	444,425
	5,115,014	4,165,987
Unrealized gain (loss) on investments and assets	478,142	(1,016,599)
Excess of revenue over expenses	5,593,156	3,149,388

New Relationship Trust
Schedule 2 - Strategic Fund Revenues and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Investment income	84,533	48,193
Other funding/revenue	343,635	182,318
	428,168	230,511
Strategic Expenses		
Economic development	708,300	506,226
Education	851,000	893,800
Elders and youth	421,700	402,800
Governance capacity	2,313,155	1,860,758
Language and culture	-	525,000
Special projects	359,065	291,303
	4,653,220	4,479,887
Expenses		
Investment management	22,099	22,565
	(4,247,151)	(4,271,941)
Unrealized gain (loss) on investments	9,134	(2,802)
Deficiency of revenue over expenses	(4,238,017)	(4,274,743)

New Relationship Trust
Schedule 3 - Other Initiatives Fund Revenues and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Western Economic Diversification Canada	1,475,000	1,958,000
Investment income	166,317	-
Province of BC	-	53,583
Indigenous and Northern Affairs Canada (INAC)	550,000	-
Other funding/revenue	137,681	147,164
	2,328,998	2,158,747
Strategic Expenses		
West Coast Energy Projects	4,502,718	-
MACAW Project	-	39,621
Clean Energy Projects	657,516	1,006,274
	5,160,234	1,045,895
Expenses		
Administration	385,632	209,391
Advertising	73,137	54,192
Consulting	465,812	444,181
Occupancy	3,750	22,000
Office	3,334	2,467
Planning and community meetings	57,443	85,792
Salaries and benefits	354,629	579,195
Telephone	8,177	11,885
Training and skills development	-	689,463
Travel	127,148	155,433
	1,479,062	2,253,999
Deficiency of revenue over expenses	(4,310,298)	(1,141,147)

New Relationship Trust
Schedule 4 - Operating Fund Revenues and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Administration	385,415	209,172
Expenses		
Advertising	36,967	28,855
Amortization	13,910	17,996
Communication	68,030	36,068
Consulting	8,817	16,500
Governance	144,043	95,787
Insurance	9,590	9,496
Occupancy	58,978	67,636
Office	42,420	37,205
Office relocation	41,221	-
Professional development	6,646	4,731
Professional fees	97,173	120,688
Salaries and benefits	640,730	572,621
Telephone	12,860	12,257
Travel	50,507	46,071
	1,231,892	1,065,911
Other items		
Gain on disposal of capital assets	17,804	-
Deficiency of revenue over expenses	(828,673)	(856,739)

“All Nations. All people.
Together.”

— 2018 REGIONAL ENGAGEMENT SURVEY PARTICIPANT,
SAMAHQUAM NATION





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