

New Relationship Trust Strengthening BC First Nations

Annual Report 2008 – 2009

Aam dim dip amgoohl wilaa loohl ganiye'etgum ČεČεhaθεČ taθqwal nišxwtº?akw nama4 Sima7wí Ucwalmícwts ku Lil'wat7úl K'ALII AKS WIL DIP KSI-DIWITKWHL bačidi½! GANJIJOGAM čεčεhaθεč taθ qwal taθ qwaltəms gije

DINI NI'AS qwaqwθəmštəm
ituwšumstənəqθəm
DUUBIIYUQwEEYIX ?IISAAK
ayakwałši ?aλniš ?iqḥmuut ciiqciqasa



Message from the Chair and CEO

Kathryn Teneese and Cliff Fregin

For this year's Annual Report, we chose to focus on the theme of languages, and to showcase the language revitalization work that NRT supported in

There are almost 60 First Nation languages and dialects in BC, and virtually all of them are endangered. We are losing Elders rapidly, and with them the vital link to languages and cultures. Often, Elders are the only fluent speakers in their communities. When they pass on they take with them words and phrases that no one else knows Sadly, these words and phrases are often the very ones that we need most - those describing core elements of our cultures, values, heritage, traditional laws and ways of being.

On a brighter note, through the work of First Peoples' Heritage Language and Culture Council (FPHLCC) and other groups, language revitalization is not only possible but it is happening in communities throughout BC. Last year, in partnership with FPHLCC, NRT supported eight unique language initiatives reaching more than a hundred communities. A full list of these initiatives can be found on page 11.

efforts at language revival is FirstVoices, a groundbreaking offering that helps communities archive their languages with the use of digital technology, and then create learning opportunities and resources from their own archives. In this report, we give you a window into some of the communities that NRT supported last year through FirstVoices. We traveled to Nisga'a, Ehettasaht / Nuchatlaht, and Sliammon communities and were impressed with the progress being made toward language preservation as well as the difference this work is making to First Nation people.

Perhaps one of the most exciting of FPHLCC's

By forging a partnership with FPHLCC, NRT was able to ensure the language support we provide goes to work quickly and that the funds go directly to communities. FPHLCC has been doing language work since 1990; they have the tools, skills and infrastructure to do so. By partnering, we avoid unnecessary and redundant spending and free up our dollars so they may be directly injected into programs.

Language and culture support is only one of five strategic priorities of NRT. In addition, we are working to support communities in their efforts

to build capacity, pursue economic development opportunities, engage youth and Elders, and promote education of First Nation people. All of our program areas evolved in 2008/09 as we listened to feedback from our stakeholders and refined our initiatives to meet community needs.

In keeping with our core principles, NRT bases our operations on the needs and priorities of our stakeholders. To this end, NRT will perform a round of community engagement sessions in the fall of 2009. (It will be our second; the first round of community meetings took place in 2006 when NRT was founded) We hope to hear from you in person when we come to your region in the fall, and in the interim we hope you enjoy reading about what we've been up to in the past year.

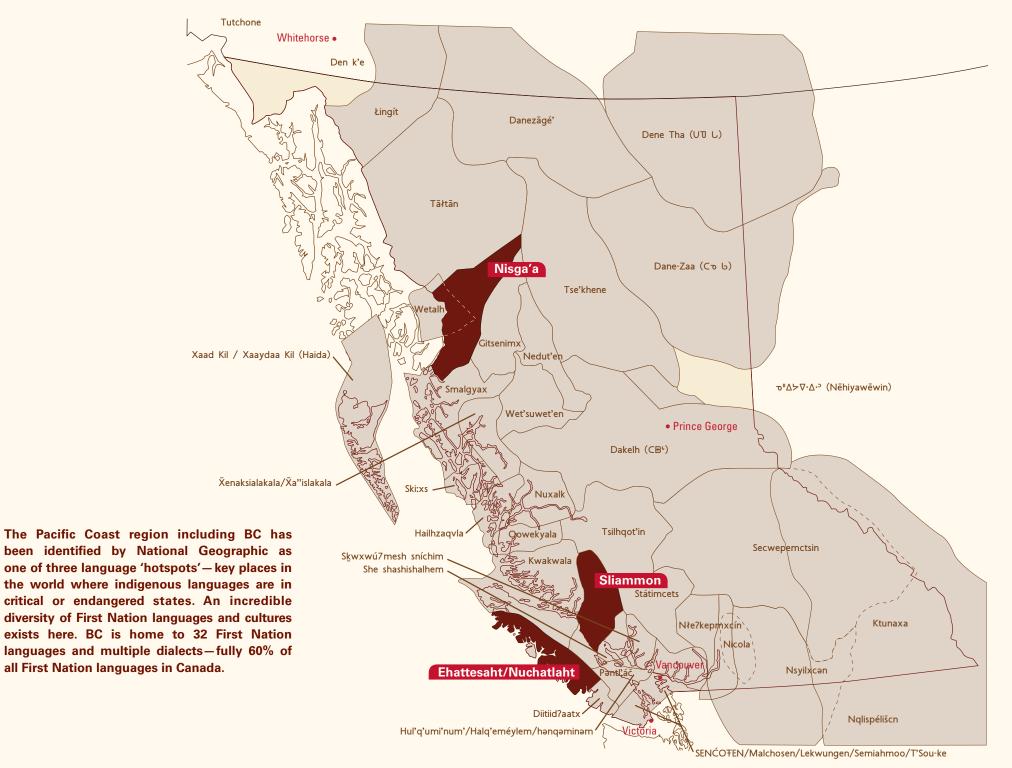
Respectfully,

Lihry Derees

More than a set of words, phrases and grammatical rules, even more than a means of communicating thoughts and ideas, each language is a tangible thread to a culture.

Embedded in a language are the core values, history, beliefs and unique ways of being of the people who speak it. Without the words, phrases, and gestures of our languages, how will we pass on our stories to our children? How will we teach them our ancestral laws?











Sliammon

Languages provide critical links to our homelands and histories. The Gitxsan are "people of the river of mist;" the Wet'suwet'en "people of the lower hills," and the Secwepemc "spread out people." The word Sliammon, or Tla'amin, comes from the older Tishosem, which translated means milky waters." This name refers to a time when the waters in front of Sliammon Village turned a milky white colour when thousands of herrings gathered to spawn there. The herring are long gone, but the name carries a reminder of a time when Sliammon people flourished in the abundance of their territory.

Today, about a thousand community members continue to live in the Sliammon Nation. Like many First Nation populations, a large percentage are young; more than half are under 25 years of age. In the past five years, Sliammon has lost more than a dozen Elders, and today only a handful of truly fluent speakers remain. With NRT's support, Sliammon's Culture Director David Louie and FirstVoices' Coordinator Randy Timothy are working with the remaining Elders to archive what they can of the language.

This work began over a decade ago, when a group of concerned matriarchs started to record their stories and songs on video. Today, along with his archiving work, Randy is transferring the videos to digital technology in order to preserve them. As a speaker with an estimated 30% fluency, one of Randy's challenges is being able to transcribe into writing the words of fluent Elders.

As he perseveres, the language archive continues to grow and as it does it supports work at the local Ahms Tah Ow (Our Teachings) school. Here, all are welcome to come to drop-in language classes twice a week. Slowly but surely, members of the community are reclaiming their language.

Sliammon FirstVoices Language Archive

- · 2001 words
- · 3 stories
- · 601 phrases
- · 2611 total entries

· 6 songs

2008/09 Strategic Initiatives

In 2008/09, NRT continued to focus support in five key areas: education, language & culture, Elders & youth, capacity, and economic development.

A total of \$5.6 million went to strategic initiatives in 2008/09.

More than 90% went directly to BC First Nation communities or individuals¹.

Education

\$2.85 million went to education support in 2008/09.

NRT Education initiatives support scholastic opportunities for First Nation students at all levels, from Kindergarten through to post-graduate work. In addition, we help post-secondary students acquire work skills and experience in their chosen fields of study through employment subsidy initiatives with First Nation communities.

Scholarship: NRT scholarships, introduced in 2007, provide funding support for First Nation students pursuing degrees at the Undergraduate, Masters, and Doctorate levels. Last year, \$643,000 helped more than 80 post-secondary students pursue their educational goals.

Bursaries: Last year, we added Bursary Awards for students pursuing trades. In 2008/09, 60 students were awarded a \$2,000 bursary.

New Paths for Education: We partnered with the First Nations Education Steering Committee (FNESC) to support learning opportunities in math, science and reading for K-12 students. The goal of this initiative is to increase the number of First Nation students graduating high school.

NRT's contribution of over \$700,000 was used to purchase books, science equipment and other learning materials, and to support tutoring, teacher training, science fairs, and related activities

Employment Subsidies: This funding initiative builds capacity in two ways: it assists First Nation communities and organizations in hiring a student for the summer, and it helps First Nation students gain experience in their field of study. Last year, we approved in excess of \$460,000 in grants so that 75 students could get summer jobs with a BC First Nation community.

Language Teacher Certification: The Developmental Standard Term Certificate (DSTC) program aims to increase the number of certified Aboriginal language teachers within First Nations communities. We partnered with FNESC on this initiative again in 2008/09, contributing more than \$550,000 in funding to support DSTC work in 10 First Nation

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Capacity

\$1.7 million was allocated to capacity initiatives.

First Nation communities need tools, resources, and knowledge for self-governance and prosperity. NRT's capacity initiatives help build capacity at both community and provincial levels.

Direct Support: At the start of the 2008/09 fiscal year, NRT launched a Direct Support initiative for groups of three or more First Nation communities working collectively to build capacity. Feedback during the year prompted us to open this initiative up to individual communities as well for their capacity building efforts. By fiscal year-end, almost \$900,000 in support was approved for 29 community initiatives.

new!

Policy Development: We also launched a support initiative for Policy Development initiative that was made available for BC First Nation organizations with a provincial mandate. Here, we supported seven organizations for a total of \$425,000 in funds. Projects funded will benefit all First Nations in BC.

Best Practices Reports: For a cost of just over \$210,000, NRT commissioned five Best Practices reports to be written in 2008/09 that will serve as reference documents for BC First Nations. The

five streams include Comprehensive Community Planning, Consultation and Accommodation, Environmental Assessments, Governance, and Land Use Planning. NRT is currently working on release dates for these reports and identifying tools, templates and other resources for BC First Nations.

Tools and Resources: Here, we continued to build on previous work to develop tools and resources to assist First Nation communities to support capacity building, economic development, and better communication. In partnership with the First Nations Technology Council (FNTC), we initiated work on a web portal that will house the Best Practice reports and other capacity-related tools and resources that can be shared by First Nations throughout the province. NRT contributed \$20,000 to the website and another \$33,000 for related information sharing sessions. The website is expected to launch in November 2009.

Revenue Gaming Initiative: NRT provided \$100,000 to a First Nations Revenue-Sharing Gaming Committee to lobby the BC Government to enter into a revenue-gaming sharing agreement with BC First Nations. This initiative is ongoing.



Language & Culture

We contributed just over \$1.17 million in support to eight distinct initiatives.

In 2008/09, NRT continued to partner with the First Peoples Heritage, Language and Culture Council (FPHLCC) to work toward language and cultural revitalization in BC. All of the initiatives described below were administered and supported by FPHLCC.

Language and Culture Camps: This three-year program, created in 2007, is in its second year and helps communities run language and cultural immersion camps for participants of all ages. NRT supported nine language and culture camps in 2008/2009, which affected 37 communities by providing a total of \$150,000 in funds.

Master Apprentice: The Master Apprentice initiative supports the pairing of language learners with fluent speakers working together intensively within an immersion-style learning context. NRT funds totaled \$150,000, supporting seven teams, each speaking a different language. All seven were returning master-apprentice teams that were continuing in a three-year endeavour.

Language Authorities: This three-year initiative supports collaboration among communities that share the same language so they can work together to set goals and plan the revitalization and protection of their languages. NRT provided \$100,000 in 2008/09, funding three projects and impacting 29 communities.

Language Nests: Language Nests fully immerse preschool children in their language and culture to foster a new generation of speakers. NRT supported four Language Nest initiatives in four communities with a total of \$100,000 in funding.

First Voices: We provided \$250,000 in support to the FirstVoices program for language archiving and web-tool creation. NRT funds supported one new and six ongoing language archives.

BC Language Initiative: The BCLI supports projects that revitalize languages through documentation, language classes, immersion programs, material and curriculum development and promotion. First Nations communities and organizations are eligible. NRT funds totaling \$250,000 reached 12 projects in 35 communities; 767 resources were also developed.

Arts Support: We provided \$150,000 in support for three Arts initiatives: Aboriginal Arts Administrators, Sharing Traditional Arts Across Generations and the mapping of Aboriginal Arts and Culture in BC.

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Elders & Youth

We provided \$243,000 for Elders & Youth projects.

In 2008/09, we responded to stakeholder requests to support Elders and youth at the community level. Accordingly, we altered this strategy in order to channel funding into grant initiatives for these two groups. We received an overwhelming response to our call for proposals, and were able to support 80 unique projects.

Many projects involved both youth and Elders, bringing the two groups together to share knowledge about heritage and cultural traditions.

new!

Elders Grants: Elders' projects included storytelling and culture camps, as well as participation in events, language and gatherings. We provided more than \$100,000, supporting 44 Elders' projects.

Elders Gathering: We supported the 2008 Elders Gathering in Prince Rupert with a contribution of \$25,000

new!

Youth Grants: Youth projects included language and culture archiving, theatre, and participation in traditional cultural activities. We provided almost \$120,000 for 36 projects, including BC Assembly of First Nations, Youth Council training.



Economic Development

\$1.1 million was targeted to this initiative last year.

NRT has established a goal of building an Equity Fund that will allow First Nation communities to participate in viable economic projects in their regions.

Equity Fund: In 2008/09 we approved \$1 million in seed money for a First Nations Equity Participation Fund. An additional \$100,000 was allocated toward development costs required to establish the fund. We established a goal of leveraging funding to grow the Equity Fund to \$50 million through public and private partnerships.

Province Wide Strategy: We continued to contribute to a province-wide economic development strategy for First Nations, a process receiving input from the Leadership Council, the Provincial government, industry and First Nations.







Nisga'a

Located in four distinct communities that perch on the banks of the mighty Nass River, the Nisga'a have historically been leaders in efforts to preserve and protect First Nation cultures and rights in BC. It's not surprising, therefore, that they were among the earliest participants of FirstVoices, signing on when the initiative was launched in 2001. Nor is it unusual that they remain leaders in language archiving today.

When FirstVoices initially approached the Nisga'a, they had already made considerable progress toward documenting their language. Beginning in the late 1960's, the late Dr. Bertram McKay worked with Elders to begin documentation work that ultimately resulted in a Nisga'a dictionary with thousands of entries. The language was already being taught in the schools from K-12, and post-secondary students could learn about the Nisga'a language and culture at the Wilp Wilxo'oskwhl Nisga'a Institute (WWNI).

Long time language champion Verna Williams has worked tirelessly since the early days to facilitate language instruction and recording. Verna led the effort to create a Nisga'a dictionary in the '70's and today acts as Nisga'a's FirstVoices coordinator

through WWNI. With the assistance of several language students, Verna has spent hundreds of hours traveling to each of the four Nisga'a communities, recording Elders and other speakers and adding to the archive each year.

The time and effort have paid off. Thanks to the language work of Verna, WWNI and a number of dedicated Elders and teachers, Nisga'a has one of the top FirstVoices archives both in volume and quality of content. Looking forward, Nisga'a is poised to lead the next phase of language revitalization. Using the robust language archive, Nisga'a will pilot the FirstVoices language tutor, a new tool that helps teachers create a variety of educational tools and resources and track students' progress, all in Nisga'a of course.

Nisga'a FirstVoices Archive

- · 3484 words
- 9 stories
- · 1039 phrases
- 4547 total entries

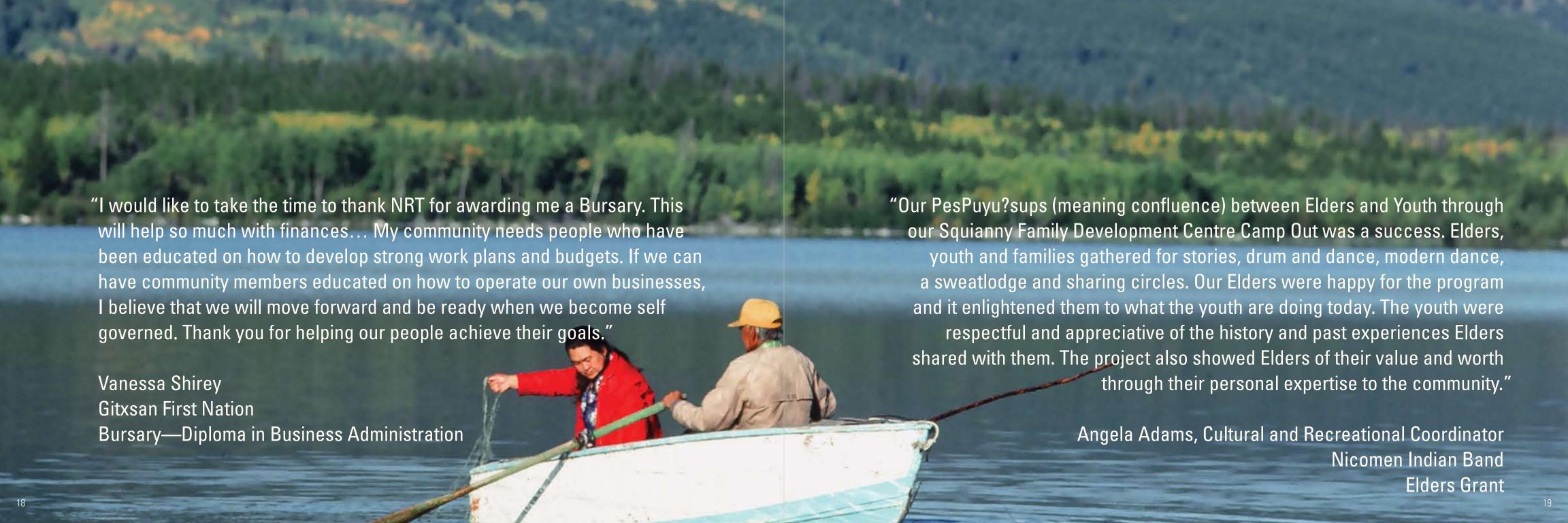
· 15 songs

Measuring Our Progress

NRT employs short, medium and long-term performance measures to ensure we are reaching our mandate and goals. The following table shows NRT progress according to the short-term (one to three years) measures.

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Target	Progress in 2008/09 (Year two)	Progress to date			
Assist 200 First Nation students in graduating from post- secondary institutions by May 2010; Assist an additional 100 students to complete certificate programs and/or trades certification	140 scholarships and bursaries: 13 Doctorate 17 Masters 50 Undergraduate 60 Certificate / Diploma	237 scholarships and bursaries: 21 Doctorate 40 Masters 116 Undergraduate 60 Certificate / Diploma			
Compile a database of BC First Nation students attending/ graduating post-secondary institutions; Promote hiring of First Nation graduates —to build First Nations' capacity	Database of approved students is on the NRT website and is added to concurrently with the awarding of scholarships; 75 students hired through the employment subsidy initiative	NRT continuing to develop database—237 approved students to date. NRT researching additional support for First Nation students			
Leverage new project funding at a goal of 2:1	NRT leveraged less than 1:1 in 2008/09	NRT is presently instituting project management software to better track leveraging of funds			
Maintain investment fund at \$80 million by March 31, 2012, considering current global economic crisis.	Market value of investment fund at fiscal year end was \$79,666,422 Rate of return in 2008/09 was -14.09%	_			
Develop four consultation templates agreed to by the Province and First Nations to be used in negotiating lands, resources, title, rights, and/or revenue-sharing agreements	Work on templates to begin in 2009/2010	Partnership required with First Nation leadership in order to accomplish templates			
Enter into six partnerships/protocols with other First Nation organizations in order to promote collaboration and prevent duplication of products and services	 2008/09 Partnerships: First Peoples' Heritage, Language and Culture Council First Nations Education Steering Committee British Columbia Capacity Initiative Council National Centre for First Nations Governance 	Relationships currently in development: First Nations Technology Council First Nations Energy Council			
Leverage an additional \$5 million in capital for First Nation language initiatives	On-going, to date leveraging close to \$2 million for language	On-going			
Support the establishment of First Nation Economic Development Strategic Plan for British Columbia—which is supported by First Nations	Supported the BC Leadership Council to develop a draft First Nations Economic Development Strategy	Continue to work to formalize First Nations Economic Development Council—which is the goal of the First Nations Economic Development Strategy			
Initiate First Nations equity/venture capital fund to support economic development initiatives, with a goal of a \$50 million fund	Seed capital of \$1 million approved by NRT Board of Directors	Negotiation with potential partners—establishment of Equity Fund to occur in 2009/10			



Our Partners

Working with partner organizations that have a parallel mandate and proven track record allows NRT to make the most effective use of our support funding. It also helps build strong, collaborative relationships within the First Nation community in BC. Our current partners include:

First Nations Education Steering Committee (FNESC)

FNESC works as a collective organization to facilitate First Nations support in the area of education, and to communicate with both the federal and provincial governments to ensure that First Nations concerns are being addressed. FNESC also provides relevant and up-to-date information to First Nations about government policies and programs, undertakes research to support effective First Nations education, and facilitates communication amongst First Nations and with other education organizations.

National Centre for First Nations Governance (NCFNG)

NCFNG has a two-pronged mandate. First, it supports First Nations as they seek to implement effective self-governance and second, it assists First Nations in the further development of their day-to-day government operations. The Centre also supports First Nations in their efforts to develop their jurisdictional authorities.

First Peoples Heritage, Language and Culture Council (FPHLCC)

First Peoples' Council assists BC First Nations in their efforts to revitalize their languages, arts and cultures. During the past 19 years, the First Peoples' Council has successfully distributed over \$20 million to British Columbia's Aboriginal communities for language, arts and culture projects.



Team

2008/09 BOARD OF DIRECTORS

2008:

Nathan Matthew, Chair Kathryn Teneese, Vice Chair Michael Bonshor Dawn Farrell

Gloria Morgan (Yaw Yawt all Xa Xa7 t'e Boonlip)
Yvonne Smith
Terry Kuzma

2009:

Kathryn Teneese, Chair
Michael Bonshor, Vice Chair
Gloria Morgan (Yaw Yawt all Xa Xa7 t'e Boonllp)
Terry Kuzma
Judith Sayers
Leona Sparrow
Vacant (Provincial appointment)

STAFF

Cliff Fregin, CEO
Derek Sagima, CFO (left NRT October, 2008)
Lana Plante
Cheryl Cardinal

LEGAL COUNCIL

Boughton Law Corporation

Suite 700 - 595 Burrard Street, P.O. Box 49290 Vancouver, BC V7X 1S8

AUDITORS

KNV Chartered Accountants LLP

15261 Russell Avenue White Rock, BC V4B 2P7

CUSTODIAN

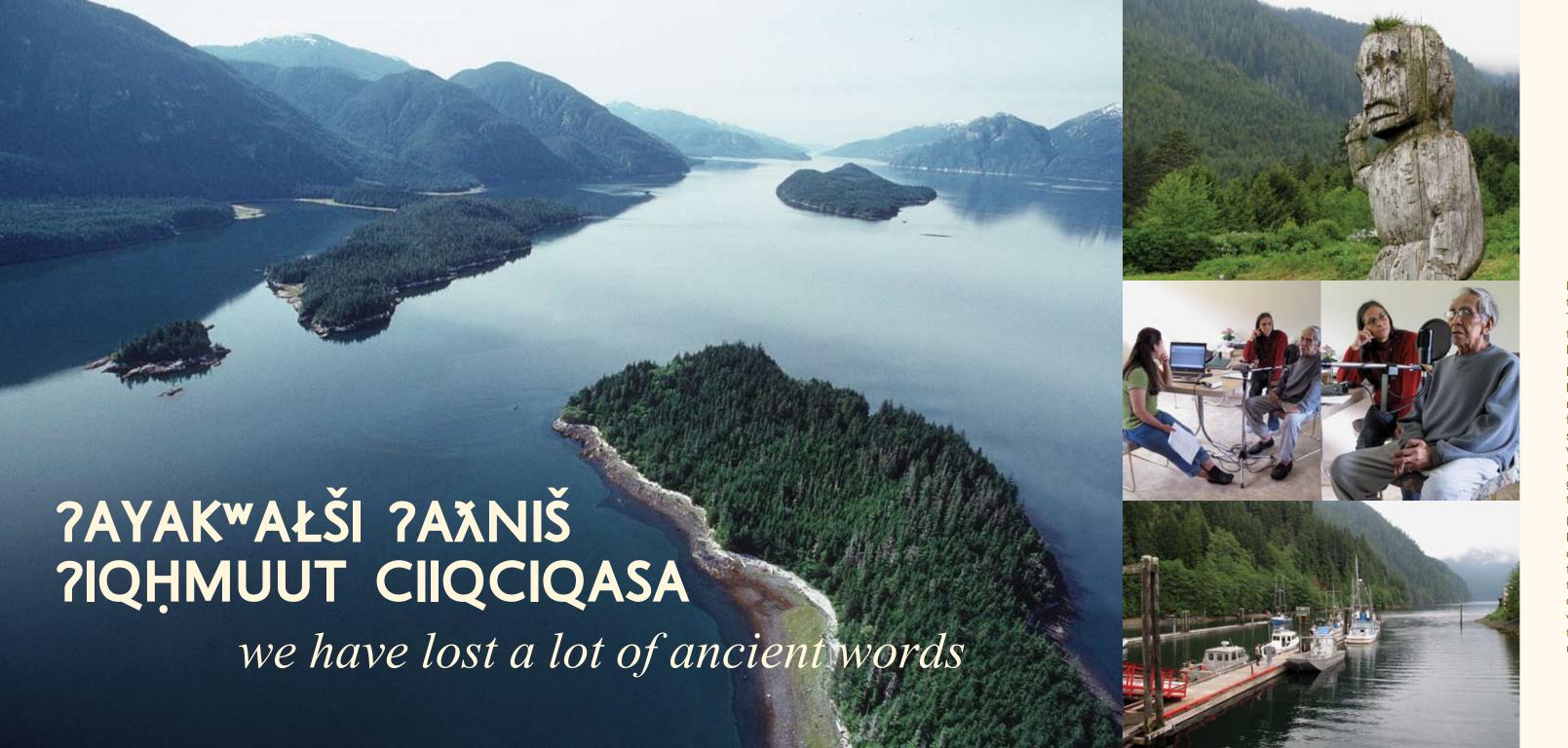
CIBC Mellon Global Securities Services Company

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

INVESTMENT COUNCIL

Aon Consulting Inc.

900 Howe Street 5th Floor Vancouver, B.C. V6Z 2M4



Ehattesaht & Nuchatlaht

Ehattesaht and Nuchatlaht are two of the 14 tribes that make up the larger Nuu chah nulth First Nation. The two tribes speak similar but distinct dialects of the t'aat'aaqsapa language, part of the Wakashan Language Family.

Most of the 480 members of Ehattesaht and Nuchatlaht reside in villages at Ehatis (Zeballos) and nearby Oclujce. Others are scattered amongst the fjords and inlets of the Esperanza Inlet, while more still live in urban centres like Port Alberni and Vancouver. Despite challenges faced by geography, the Ehattesaht and Nuchatlaht tribes have made great strides with their language revitalization efforts, thanks largely to a number of devoted individuals.

Language activist Victoria Wells coordinates the FirstVoices effort, working with youth and Elders to capture recordings and then translate and transcribe them. Victoria's aunt Fidelia Haiyupis—able to speak, translate and transcribe—was the central member of a team of Elders who contributed. A number of volunteers, including youth like Julie Smith, embraced the technology and helped with recording and uploading audio files to the web portal.

The benefits of Ehattesaht / Nuchatlaht's archiving effort are far greater than expected. Much progress has been made toward the intended goal of creating a digital language archive and learning tools. In addition, participants made discoveries about their history and culture. Youth learned new technological skills. And Elders who rarely have an opportunity to tell their stories had a chance to do so—in their own languages. Overall, a healing took place as the community came together to work toward a common goal.

Looking forward, Victoria is working to get the language archives and tools used in the local schools and for youth to get credit for the use of FirstVoices technology. And of course with the help of Elders and dedicated volunteers, the language archive continues to grow.

Ehattesaht / Nuchatlaht FirstVoices Archive

- · 1604 words
- · 2 stories
- 405 phrases
- · 2011 total entries

Management Discussion & Analysis

This section of the Report provides an overview and analysis of NRT's activities for the fiscal year ended March 31, 2009. The Management Discussion and Analysis should be read in conjunction with NRT's Audited Financial Statements for the year ended March 31, 2009.



FINANCIAL HIGHLIGHTS

- NRT's total assets at year end were \$79.6 million and consisted mainly of investments and restricted cash. This is a decrease of 19% compared to prior year.
- The market value of the investment portfolio was \$78.9 million. A cumulative unrealized loss of \$24.6 million was recorded under Net Assets.
- Strategic expenditures and commitments were \$5.9 million, an increase of 29% compared to prior year.
- Operating expenditures were \$770,649, a decrease of 6% compared to prior year.
- The Board of Directors approved \$762,095 appropriation from the Strategic Fund to the Operating Fund to finance governance, administration and operating expenditures incurred during the year

OPERATIONS OVERVIEW

Contribution Fund

The Contribution Fund earned income from investments held in institutional pooled funds managed by professional investment managers.

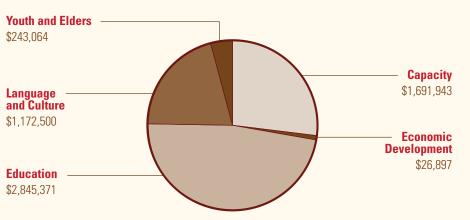
	2008/09	2007/08
Interest & Dividend Income	3,299,759	2,674,925
Capital Gains	1,620	3,778,911
Investment Management Fees *	351,190	330,081
Management Fees as Percentage of Average Total Investments	0.45%	0.34%

^{*}The investment portfolio was placed under professional management as of June 2007

Strategic Fund

The NRT strategic plan envisions spending \$23.2 million over the next three years (fiscal 2009/10 through fiscal 2011/12) on enhancing capacity within First Nation governments, encouraging and ensuring access to education, protecting and reviving languages and cultures, supporting initiatives that engage Youth and Elders, and fostering and advancing economic development opportunities. \$7.6 million was allocated for disbursement in fiscal 2008/09.

2008/09 STRATEGIC EXPENDITURES & COMMITMENTS



Notes number seven (7) and eight (8) to the audited financial statements disclose in detail how \$1 million was committed and how the \$4.9 million was disbursed, in relation to the strategic plan for a total of \$5.9 million.

The strategic fund earned \$462,621 of investment revenue, which was used to finance operating expenditures.



Operating expenditures consisted mainly of salaries and benefits, governance, consulting, occupancy, and professional fees. Actual operating expenditures were 0.98% of the average total investments during the year, which met the Board's goal to limit administrative costs to 1% of the investment portfolio.

	2008/09	2007/08
Operating Expenditures	770,649	822,276
Operating Expenditures as Percentage of Average Total Investments	0.98%	0.84%

INVESTMENTS AND ECONOMIC FACTORS

Investment Policy

The Board of Directors developed and adopted an investment strategy and policy to govern the investments and related net investment income. The overall objective of the policy is to maintain a sustainable investment fund.

The main features of the investment policy are:

- ongoing engagement with a professional, independent Investment Advisory firm to advise management and Directors on investment policy, strategy, performance and on investment management firms;
- ongoing engagement with a professional Custodian to hold NRT's investments and provide an independent accounting of all investment transactions;
- monitoring of three professional Investment Management firms, each managing one of the long-term components of the investment fund; either fixed income, global equities, or Canadian equities;
- diversifying investments amongst companies, geographic regions, strategies, and Investment Managers, and
- rebalancing of the investment portfolio to maintain a long-term target asset diversification mix, quarterly if necessary.

The performance of the Investment Managers is monitored over a longer-term to better match the underlying strategy of the investment portfolio and to accommodate short-term market and management fluctuations. Specifically, Investment Managers are monitored at the end of each quarter by comparing their four year rolling rate of return to their underlying rolling four year benchmark. NRT's investments are subject to external capital market risks (e.g. interest, inflation, exchange rates, commodity prices, geo-political factors), as well as risks associated with asset and geographic diversification, and Investment Manager performance, and accordingly may suffer losses from time to time.

Financial Market and Portfolio Performance

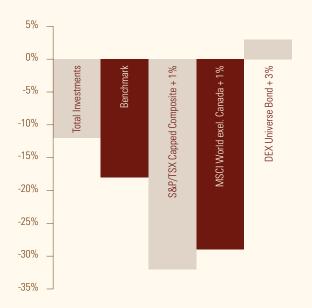
Since June 30, 2008, the financial markets have declined significantly in response to the US sub-prime mortgage collapse and global credit crisis. The economic decline and market volatility has negatively impacted the value of NRT's investment portfolio. The Finance Committee has reviewed the situation with AON, NRT's Investment Advisory firm and the Board of Directors have decided to maintain the current investment policy and asset mix. An anticipated market recovery is expected in the near future.

	2008/09	2007/08
Short-term Investments	11,968,007	17,336,452
Long-term Investments	66,919,327	81,056,802
Total Investments	78,887,334	82,034,090

The total investment portfolio rate of return for the year ended March 31, 2009 was -14.09%. On a relative basis, the investment portfolio lost less than the portfolio benchmark rate of return of -17.26% for the year. In the first two months of the 2009/10 fiscal year, the long-term investment portfolio recovered \$4.2 million in unrealized losses.

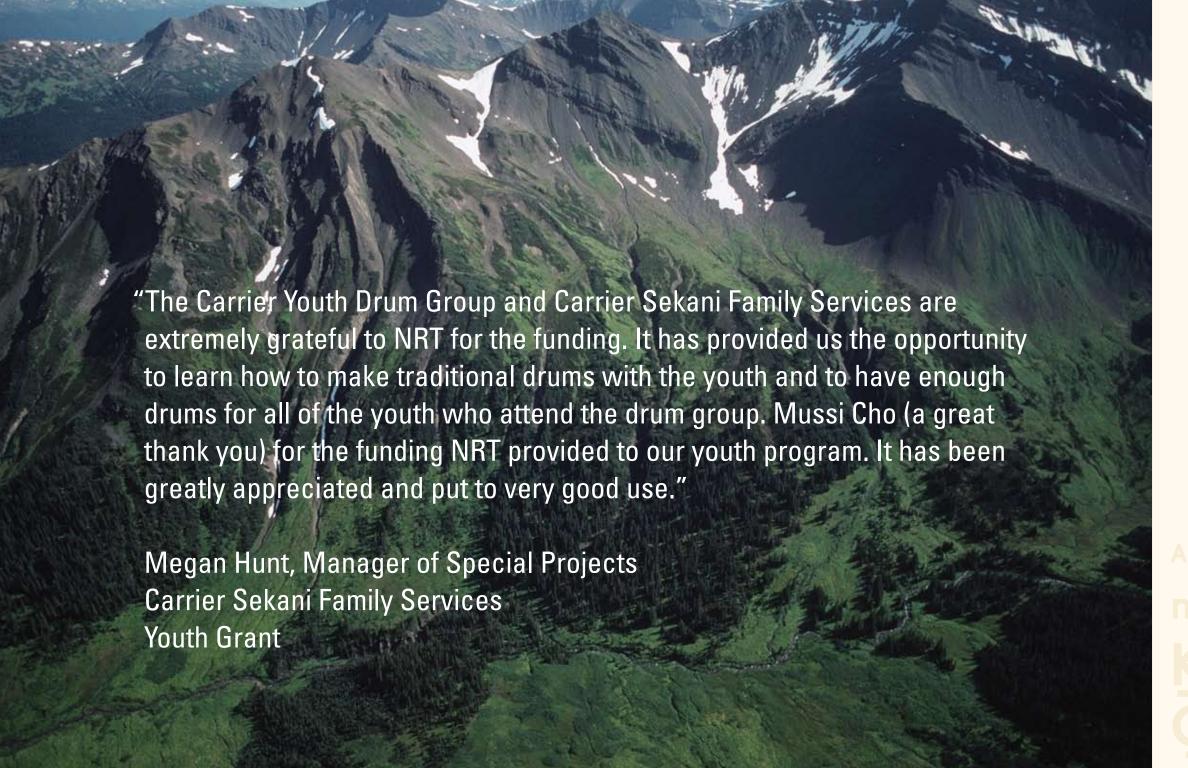


ONE YEAR RETURN



NRT's short-term portfolio objective is to preserve capital and manage cash flows over the next 1 ½ years. Short-term investments are held in money market and short-term 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 grow cash flows to meet rising expenditures over the long-term. By focusing on well managed, high quality, diversified long-term investments, NRT will avoid realizing unnecessary losses. The goal is to maintain the investment fund at \$80 million by March 31, 2012.



New Relationship Trust Financial Statements

March 31, 2009

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AUDITORS' REPORT

To the Directors, New Relationship Trust:

We have audited the statement of financial position of NEW RELATIONSHIP TRUST as at March 31, 2009 and the statements of operations and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of New Relationship Trust as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

May 11, 2009

Chartered Accountants LLP

KNV CHARTEBED

NEW RELATIONSHIP TRUST STATEMENT OF FINANCIAL POSITION MARCH 31, 2009 AND 2008

				_			2000		2000
	Contribution Fund		Strategic		Operating Fund		2009 Total		2008 Total
	Fullu		Fund	Ω	Note 2(b))		Total		Total
				(1	10tc 2(b))				
CURRENT ASSETS:	A 22.571	Φ.	6 22 000	φ.		Φ.	500 550	l a	7. 200
Restricted cash (Note 4)	\$ 23,671	\$	675,898	\$	-	\$	699,569	\$	71,289
Investments (Note 5) Accounts receivable	237		7,600,000 17,467		19,150		7,600,000 36,854		8,525,000 77,416
Prepayments	- 231		- 17,407		12,987		12,987		14,301
1 7								L	
Total current assets	23,908		8,293,365		32,137		8,349,410		8,688,006
DIMEGENTED (AL., 5)	66.010.227		4.260.007				71.007.004		00.000.25
INVESTMENTS (Note 5)	66,919,327		4,368,007		-		71,287,334		89,868,254
EQUIPMENT (Note 6)	-		-		29,678		29,678		38,232
DUE FROM (TO) OTHER FUNDS	376,777		(407,942)		31,165				
DOETROM (10) OTHER TONDS	*								
	\$ 67,320,012	\$	12,253,430	\$	92,980	\$	79,666,422	\$	98,594,492

CURRENT LIABILITIES:										
Accounts payable and accrued liabilities	\$ 81,070	\$ 478,244	\$ 63,302	\$ 622,616	\$ 205,132					
COMMITMENTS (Note 7)										
NET ASSETS: Invested in equipment Externally restricted funds	91,832,973	11,774,259	29,678	29,678 103,607,232	38,232 105,891,855					
	91,832,973	11,774,259	29,678	103,636,910	105,930,087					
Cumulative net unrealized gains (losses) on available for sale financial instruments (Note 2(a) and 5)	(24,594,031)	927		(24,593,104)	(7.540.727)					
	. , , ,		20.550							
Total net assets	67,238,942	11,775,186	29,678	79,043,806	98,389,360					
	\$ 67,320,012	\$ 12,253,430	\$ 92,980	\$ 79,666,422	\$ 98,594,492					
<u> </u>										

OVED BY:

John Director, Director

The accompanying Notes are an integral part of this statement.

KN-V CHARTEBED ACCOUNTANTS

Page 4

Page 5 NEW RELATIONSHIP TRUST STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

			(Note 2(b))		
\$	3,301,379	\$ 462,621	\$ -	\$ 3,764,000 \$	7,359,584
	-	991,193	-	991,193	494,008
	-	26,897	-	26,897	100,751
	-	2,480,396	-	2,480,396	2,029,368
	-	1,172,500	-	1,172,500	1,000,000
	-	243,064	-	243,064	187,890
	-	4,914,050	-	4,914,050	3,812,017
			23 130	23 130	23,036
					11,733
					-
	_				63,820
	_	_			65,196
	_	_			6,329
	351.190	21.288		372,478	343,640
	-		49.185		50,910
	_	_			19,472
	_	_			2,109
	_	_	44,613	44,613	47,875
	_	_		_ ^	1,278
	_	_	376,177	376.177	481,068
	_	_	13,141	13,141	14,839
	-	-	30,342	30,342	34,611
	351,190	21,288	770,649	1,143,127	1,165,916
	2.050.190	(4 472 717)	(770.640)	(2.202.177)	2,381,651
	2,950,169	(4,472,717)	(770,049)	(2,293,177)	2,361,031
	-	(762,095)	762,095		-
	88,882,784	17,009,071	38,232	105,930,087	103,548,436
6	01 922 072	¢ 11.774.250	¢ 20.679	¢ 102.626.010. ¢	105 020 087
	s	351,190 - - - - - - - - - - - - - - - - - - -	- 991,193 - 26,897 - 1,172,500 - 1,172,500 - 243,064 - 4,914,050	- 991,193 - 26,897 - 11,712,500 - 11,712,500 - 243,064 - 10,310 -	- 991,193 - 991,193 - 26,897 - 26,897 - 2,480,396 - 2,480,396 - 1,172,500 - 1,172,500 - 243,064 - 243,064 - 4,914,050 - 4,914,050 23,130 23,130 10,310 10,310 73,243 73,243 73,243 73,243 59,217 59,217 - 57,092 57,092 - 10,488 10,488 351,190 21,288 - 372,478 10,310 10,488 351,190 21,288 - 372,478 18,005 - 5,706 5,706 - 44,613 44,613 376,177 376,177 - 13,141 13,141 30,342 30,342 351,190 21,288 770,649 1,143,127 2,950,189 (4,472,717) (770,649) (2,293,177) - (762,095) 762,095 - (762,095) 762,095

The accompanying Notes are an integral part of this statement.



NEW RELATIONSHIP TRUST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

177) \$ 2,381,651
310 11,733
2,393,384
562 (52,501)
314 75,231
484 70,481
360 93,211
756) (10,558)
496 -
953) (105,933,981)
787 (105,944,539)
280 (103,457,944)
289 103,529,233
569 \$ 71,289
,,,

The accompanying Notes are an integral part of this statement.



Page 6

Page 7

NEW RELATIONSHIP TRUST NOTES TO FINANCIAL STATEMENTS MARCH 31, 2009

1. DESCRIPTION OF THE NEW RELATIONSHIP TRUST

The New Relationship Trust ("NRT") was established as a not-for-profit corporation by the Province of British Columbia (the "Province") on March 23, 2006 through enactment of the New Relationship Act, Bill 11 – 2006.

The Province subsequently provided a \$100 million grant to NRT to assist First Nations to build their own capacity to participate in the processes and activities envisioned by, and that evolve out of, the new relationship between the Province and First Nations by enhancing First Nation governance, leadership and institutional and human resources capacity to address social, cultural and economic needs and priorities.

Canada Revenue Agency issued an advance tax ruling on May 10, 2007 which exempts NRT from income tax otherwise payable under Part I of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

All financial instruments are classified into one of the following five categories: (1) loans and receivables; (2) assets held to maturity; (3) assets available for sale; (4) financial liabilities; and (5) held-for-trading. Financial instruments designated as held-for-trading or available-for-sale are recorded at fair market value while most other financial instruments are recorded at amortized cost.

NRT's financial assets and liabilities are classified and measured as follows:

- (i) Cash and cash equivalents are classified as held for trading and are measured at fair value. Gains and losses related to periodic revaluation are recorded in net income.
- (ii) Portfolio investments are classified as available for sale and are measured at fair value.

 Gains and losses related to the periodic revaluation are recorded in net assets.
- (iii) Accounts receivable are classified as loans and receivables and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method
- (iv) Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method.

KNV CHARTERED ACCOUNTANTS

NEW RELATIONSHIP TRUST

NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fund Accounting

NRT follows the restricted fund method of accounting for contributions. All of NRT's funds are externally restricted by the Province of British Columbia to specific purposes in accordance with the New Relationship Trust Act. The Strategic and Operating Funds are also subject to internal restrictions. The financial statements have been segregated into funds whose purposes are as follows:

(i) Contribution Fund

The Contribution Fund reports the original \$100 million contributed by the Province along with the related investment income earned on this contribution less investment management fees and amounts appropriated to other funds.

(ii) Strategic Fund

The Strategic Fund reports on NRT's strategic initiatives and activities and includes funds transferred from the Contribution Fund to finance such activities.

(iii) Operating Fund

The Operating Fund reports on NRT's operations, administration and governance activities and includes equipment to perform such activities; it also includes amounts transferred from the Strategic Fund to finance such activities.

(c) Equipment

Equipment is recorded at cost and amortized over its estimated useful life using the declining balance method at the following rates:

Computer equipment and software	309
Office equipment	309
- · · · ·	

In the year of acquisition, the above rates are reduced by one-half.

(d) Revenue Recognition

Restricted contributions are recognized as revenue of the Contribution Fund.

Restricted net investment income is recognized as revenue of the Contribution Fund and Strategic Fund based on the appropriations approved by the Board.

Unrestricted contributions are recognized as revenue in the relating appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



Page 8

Page 9

NEW RELATIONSHIP TRUST

NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Expenditures

Expenditures are recorded on an accrual basis.

Strategic expenditures relate to initiatives and activities which are undertaken in accordance with the NRT's strategic plan. The strategic plan is reviewed and revised annually on the basis of stakeholder feedback, and is approved by the Board of Directors.

Administration expenditures relate to initiatives and activities which are undertaken to support the governance of the NRT and implementation of its strategic plan.

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(g) General Standards of Financial Statement Presentation

On April 1, 2008, NRT has adopted Section 1400 of the Canadian Institute of Chartered Accountants which requires management to make an assessment of the Organization's ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

(h) Capital Disclosures

On April 1, 2008, NRT has adopted Section 1535 of the Canadian Institute of Chartered Accountants which requires the Organization to disclose information about its objectives, policies, and processes for managing capital, quantitative information about what the Organization regards as capital, and information regarding its compliance with any externally imposed capital requirements and the consequences of any non-compliance.

3. FINANCIAL INSTRUMENTS

The fair values of financial instruments other than investments, which include cash, accounts receivable and accounts payable, approximate their carrying values due to their short-term nature.

Investments are exposed to credit risk and price risk. Price risk comprises currency, interest rate and market risk.

Credit risk

Credit risk relates to the possibility that a loss may occur from the failure of another party to comply with the terms of a contract. The investment policy established by NRT limits credit risk by limiting the maximum exposure to any one single security issuer and by investing only in securities from counterparties with a minimum rating of at least "BBB" as defined by Moody's, Standard & Poors or Dominion Bond Rating Service.



NEW RELATIONSHIP TRUST

NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

3. FINANCIAL INSTRUMENTS (Continued)

Currency risk

Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. The total value of investments exposed to currency risk amounts to \$15,077,429 (Note 5). NRT does not use derivative instruments to reduce its exposure to currency risk.

Interest rate risk

Interest rate risk relates to the possibility that fixed income investments will change in value due to future fluctuations in market interest rates. NRT has hired three financial managers to manage its cash and investments based on its cash flow needs and to optimize its investment income. The total value of investments exposed to interest rate risk amounts to \$48,064,841 (Note 5). NRT does not use derivative instruments to reduce its exposure to interest rate risk.

Market risk

Market risk relates to the possibility that the equity investments will change in value due to future fluctuations in market prices. As the equity investments are held at cost, those investments are exposed to market risk to the extent that a decrease in market value is not considered temporary. NRT does not use derivative instruments to reduce its exposure to market risk. The investment policy established by NRT limits market risk by limiting the maximum exposure to any single security to holdings of less than 10% of the total portfolio. It also limits equity holding to less than 10% of the total voting shares or available public float. The total value of investments exposed to market risk amounts to \$30,822,493 (Note 5). NRT does not use derivative instruments to reduce its exposure to market risk.

4. RESTRICTED CASH

Restricted cash is comprised of operating accounts and a term deposit and is recorded at cost, which approximates fair market value. Restricted cash consists of the following:

Investment	Rate	Maturity	Co	ontribution Fund	ı	Strategic Fund	2009 Total	2008 Total
Operating accounts Term deposit (Note		On demand Nov. 23, 2009	\$	23,671	\$	675,898 -	\$ 675,898 23,671	\$ 47,618 23,671
Total Less - current portion	n			23,671 23,671		675,898 675,898	699,569 699,569	71,289 71,289
Long-term			\$	NIL	\$	NIL	\$ NIL	\$ NIL

Funds classified as restricted cash as at March 31, 2009 relate to a security deposit that served as collateral for the operating lease, and eligible expenditures on administrative and strategic programs.



Page 10

NEW RELATIONSHIP TRUST NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

Page 11

5. INVESTMENTS

	Fair Value	Cost Base	2009 Unrealized Gain (Loss)	2008 Unrealized Gain (Loss)
Contribution Fund				
Fixed Income	\$ 36.096.834	\$ 36,061,189	\$ 35,645	\$ 833,697
Canadian Equity	15,745,064	28,923,698	(13,178,634)	(3,592,010
Global Equity	15,077,429	26,528,471	(11,451,042)	(4,804,095
	66,919,327	91,513,358	(24,594,031)	(7,562,408
Strategic Fund				
Money Market - Short-term	7,600,000	7,600,000	-	=
Money Market - Long-term	3,429,281	3,429,281	-	-
Fixed Income	938,726	937,799	927	21,681
	11,968,007	11,967,080	927	21,681
Total Investments	\$ 78,887,334	\$103,480,438	\$ (24,593,104)	\$ (7,540,727
Current	\$ 7,600,000	\$ 7,600,000	\$ -	\$ -
Long-term	71,287,334	95,880,438	(24,593,104)	(7,540,727
Total Investments	\$ 78,887,334	\$103,480,438	\$ (24,593,104)	\$ (7,540,727

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".

Investments are recorded at fair value. Fair value is based on the quoted market price as at March 31, 2009.

Investment income earned during the year is comprised as follows:

	(Contribution Fund	Strategic Fund	2009	2008
Interest and Dividend Income Capital Gains, Net	\$	3,299,759 1,620	\$ 462,621	\$ 3,762,380 1,620	\$ 3,580,673 3,778,911
	\$	3,301,379	\$ 462,621	\$ 3,764,000	\$ 7,359,584

KNV CHARTERED ACCOUNTANTS

NEW RELATIONSHIP TRUST

NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

6. EQUIPMENT

	Cost	ccumulated mortization	2009 Net Book Value	2008 Net Book Value
Computer equipment and software Office equipment Furniture	\$ 30,893 7,413 19,333	\$ 16,060 3,948 7,953	\$ 14,833 3,465 11,380	\$ 19,056 4,951 14,225
	\$ 57,639	\$ 27,961	\$ 29,678	\$ 38,232

7. COMMITMENTS

a) Operating Fund

NRT has entered into an operating lease for its premises ending in 2011. Future minimum lease obligations are as follows:

2010	\$	50,9
2011	_	50.9
	\$	101,9

NRT has authorized a letter of credit for \$ 23,671 in favour of the lessor.

b) Strategic Fund

NRT is committed to fulfilling certain contractual obligations in relation to its Strategic initiatives. The obligations and the initiatives to which they relate are summarized as follows:

ew Paths Grade-school Learning Enhancement	\$	216,620
evelopmental Certificate for First Nations Language Teacher		143,355
irect Support and Policy Development Program		700,750
cholarships	_	5,000
	\$	1.065.725

KNV CHARTERED

Page 12

NEW RELATIONSHIP TRUST NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

8. STRATEGIC EXPENDITURES

	2009	2008
CAPACITY:		
BC Capacity Initiative	\$ -	\$ 200,000
Governance Assessments	-	175,000
Development of First Nations Administrators Curricula	-	64,164
Youth Leadership	-	40,000
Land Referral Workshop	-	14,844
Best Practice Reports	212,893	- '
Direct Support and Policy Development Program	645,000	-
Gaming Revenue Initiative	100,000	-
Information Sharing Sessions	33,300	-
	991,193	494,008
ECONOMIC DEVELOPMENT:		
First Nations Energy Summit		75,000
First Nations Economic Development Strategy	26,897	25,751
First Nations Economic Development Strategy	26,897	100.751
	20,897	100,731
EDUCATION:		
Scholarships	763,000	717,500
New Paths Grade-School Learning Enhancement	701,912	486,125
Post-Secondary Employment Subsidies	464,934	414,805
Developmental Certificate for First Nations Language Teacher	550,550	410,938
	2,480,396	2,029,368
A ANGUA GE AND GUI TUDE		
LANGUAGE AND CULTURE:	250,000	250,000
First Voices	250,000	250,000
BC Language Initiative	250,000	250,000
Language and Culture Camps Master - Apprentice	150,000	150,000
	150,000	150,000
Language Nests Language Authorities	100,000	100,000
Culture Centres and Art	100,000	100,000
Culture Centres and Art	172,500 1,172,500	1,000,000
	1,172,300	1,000,000
YOUTH AND ELDERS:		
Annual Elders Gathering	25,000	125,000
Elders Projects	100,064	-
Sponsorship of the 2008 North American Indigenous Games	- '	50,000
Unified Aboriginal Youth Conference	-	12,890
Youth Training and Grant Program	118,000	<u>- ′</u>
	243,064	187,890
TOTAL STRATEGIC EXPENDITURES	\$ 4,914,050	\$ 3,812,017

NEW RELATIONSHIP TRUST

NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2009 (Continued)

9. APPROPRIATIONS

During the year, the Board approved the transfer of \$762,095 (2008 - \$821,101) from the Strategic Fund to the Operating Fund.



Page 13



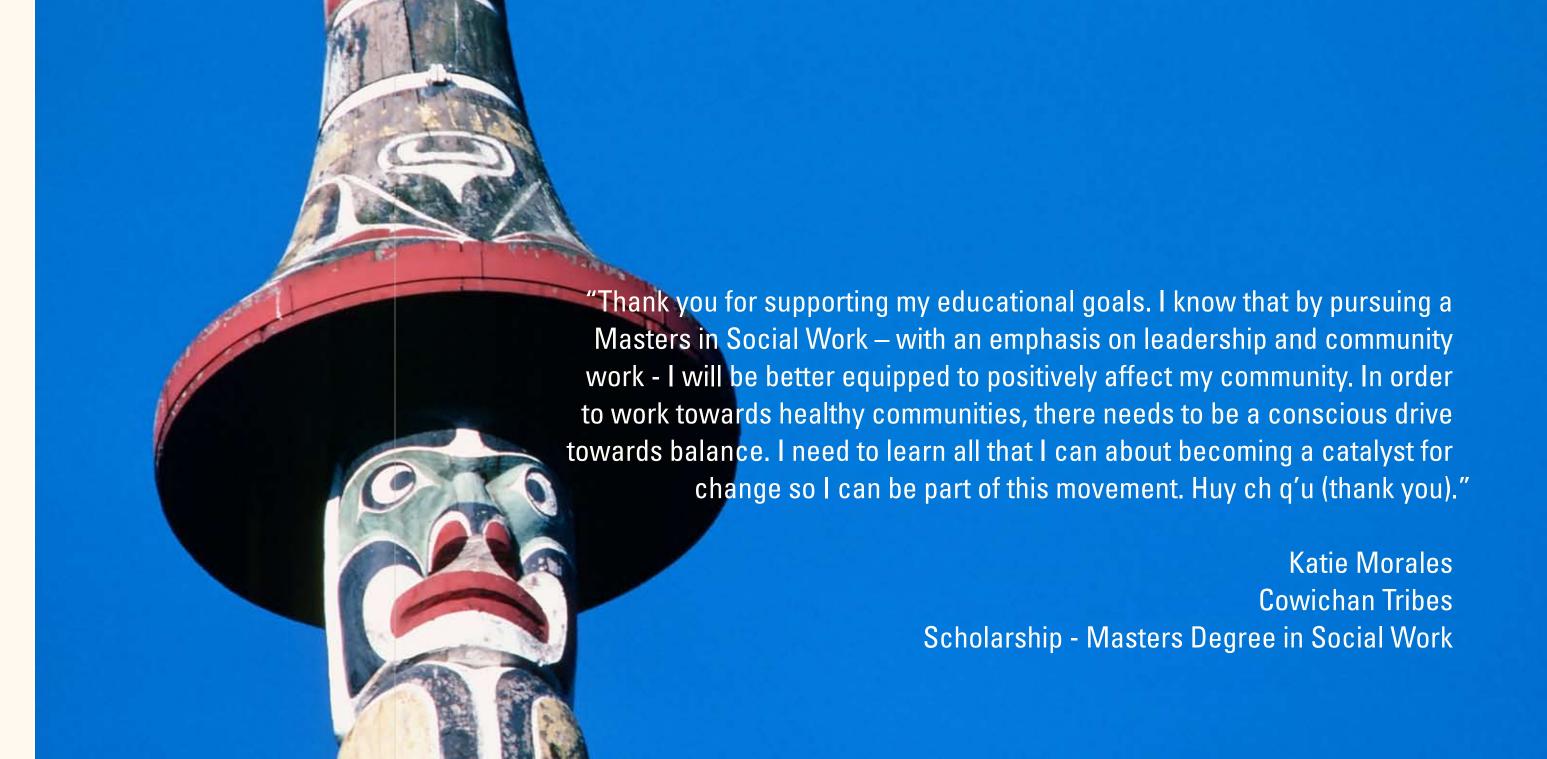
Page 14

Mission

Investing in First Nation governments in British Columbia to support their authority and jurisdiction.

Vision

A better British Columbia where First Nations have efficient and effective governments, vibrant cultures and languages, social justice, and economic prosperity.



Images

GARY FIEGEHEN

Cover

Nisga'a mask. One of many of the artifacts being returned to the Nisga'a as part of their Treaty which will be presented in the new museum being built in Nisga'a territory.

Page 4

Canoe racing at a gathering on Seabird Island, in Stol'o territory.

Page 9

Daisy Clayton photographed at one of the Nisga'a conventions at Kincolith.

Page 10

Mt. Fowler and Hastings Arm. One of the 4 sacred mountains the Nisga'a sought refuge on during the flood.

Page 12

Nisga'a fisherman with his grandchildren in Port Edward.

Page 13

Nisga'a fishing for oolichan at Fishery Bay on the Nass River.

Page 14

Ancient Nisga'a petroglyph on a rock outcrop in the Nass R. below Old Aiyansh.

Page 15

- Nisga'a mask carved by Dennis Nyce. The figure represents a Nox Nox, a mythical creature.
- Dennis Nyce, Nisga'a carver.
- The late Nisga'a fisherman, Kelly Stephens on his Gill Netter teaching his grandson.

Page 18 & 19

Fishing on Cochin Lk. in the Nemiah Valley at Emily Lulua's camp.

Page 20

Mother and child detail of totem pole in Gitwinksihlkw carved by Alver Tait, Nisga'a carver.

Page 22

Galsgiyst, in Observatory Inlet, where a group of Nisga'a women escaped from a raiding Haida raiding party.

Page 28

Skeena Mountains.

Page 37

Totem pole.

BROCK RADELET

Page 2

Mach klis sum, a welcome figure belonging to Chief Walter Michael of the Nuchatlaht Tribe, at Oclujce.

Page 6

Beach on Powell Lake near Sliammon reservation.

Page 7

- Sliammon Ahms Ta-ow School.
- Sliammon FirstVoices Coordinator Randy Timothy.
- Inside the Ahms Ta-ow School.
- Wall mural at the Ahm Ta-ow School.

Page 23

- Nuchatlaht welcome figure Mach klis sum.
- FirstVoices recording session with volunteer Julie Smith, Coordinator Victoria Wells, and Nuchatlaht Elder Alban Michael (Waa iih Kamš).
- Nuchatlaht Elder Alban Michael and FirstVoices Coordinator Victoria Wells.
- The wharf at Zeballos.

JULIE GORDON

Page 15

- Nisga'a language teacher and FirstVoices Coordinator Verna Williams.
- Nisga'a Elder Herbert Morven.

Page 24

View from Gingolx Village, Nisga'a territory.

Page 25

Detail of Nisga'a totem pole in New Aiyansh.



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