# 2016-17 ANNUAL REPORT



NEW
RELATIONSHIP
TRUST

INVESTING IN FIRST NATIONS IN BRITISH COLUMBIA

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



# NEW RELATIONSHIP TRUST INVESTING IN FIRST NATIONS IN BC 2016–17 ANNUAL REPORT

# INVESTING IN FIRST NATIONS COMMUNITIES IN BRITISH COLUMBIA

NEW RELATIONSHIP TRUST
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2016–17 ANNUAL REPORT

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# MISSION

## OUR VISION

A British Columbia where First Nations enjoy a high quality of life that includes vibrant cultures and languages, effective and independent governments, social justice, economic prosperity, and where all forms of education are valued and accessible.

# VISION

## OUR MISSION

Investing in First Nations in British Columbia to assist them in building their capacity.

# PRINCIPALS

## OUR GUIDING PRINCIPALS

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 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





This year, we've focused on capacity building for BC First Nations, and are excited to begin our 11th year serving the First Nations in British Columbia. Our Annual Report reflects the past year, showcasing our continued pursuit for a higher quality of life for BC First Nations through capacity development, and this year we highlight initiatives that we've administered on behalf of the Federal Government. New Relationship Trust successfully funded numerous projects and are honoured to highlight some of these key initiatives throughout this report.

Together with NRT staff & Board, we shape and refine NRT initiatives to provide support to First Nations where it is most effective. We continue to invest in the five strategic areas of: Governance Capacity, Education, Economic Development, Language & Culture, and Youth & Elders. These were the original priorities identified by First Nation communities in 2006, and were re-affirmed throughout our regional engagement sessions – the last one being in the fall of 2015. This report provides an overview of the influence we've had in growing the capacity of First Nations in communities throughout BC.

The total strategic initiatives disbursements for 2016-17 was $5,512,789. As of March 31, 2017, the value of our investment fund was $96,455,901. These monetary values represent numerous lives changed, degrees earned, opportunities given, capacity attained and dreams supported. We are honoured to highlight the past year's successes and look forward to the big goals ahead.

Our scholarship and bursary initiatives have had a stellar year. More and more First Nations students are receiving financial assistance through our foundation and its partners.  NRT awarded 130 Bursaries in 2016-17 totaling $261,000 and 116 scholarships totaling $865,500. Our goal is to continue to grow these numbers year after year, providing education that changes the lives of students for generations to come.

This year, the Entrepreneur Equity Matching Initiative (EEMI), has provided First Nation entrepreneurs with much needed cash equity, matching funds to start or expand their businesses throughout the province. EEMI proved very successful this past year. $312,703 of NRT's dollars contributed to 81 new and existing businesses to leverage more than $6,806,141 million. For every dollar that NRT contributed, $21.8 was leveraged.

In addition, under our Community Equity Matching Initiative (CEMI), NRT contributed $266,250 to 12 First Nation community projects, which leveraged $5,135,554.  For every dollar NRT contributed, $19.3 was leveraged. This work could not be accomplished without our partnership with the Aboriginal Financial Institutions (AFIs) around the province.

2016 ended on a high note for NRT, with the success of the 10th National Young Entrepreneurs Symposium (YES), held in Toronto, ON. More than 160 young Aboriginal entrepreneurs, and aspiring entrepreneurs from across Canada, attended the three-day event. More importantly, YES gave our leaders of the future a once-in-a-lifetime opportunity to develop business skills, network with peers and learn from mentors. YES continues to embrace the spirit of NRT: investing in First Nation communities and individuals to build capacity, and ultimately create stronger Nations. Our 2017 YES event is scheduled for November 27-30, 2017 in Vancouver.

This past year, the NRT Board of Directors have made progress in moving the New Relationship Trust towards a "perpetual fund'; this direction has been provided by the First Nations throughout BC. Our goal is to have the trust fund available for future generations. We look forward to the years ahead and expanding relationships with new partners to achieve this goal.

NRT Board continues to change on an annual basis, with one outgoing and one new Director this past year. As always, new Board members lend a fresh perspective to what we do at NRT.  This year, we are pleased to be joined by Miles Richardson of the Haida Nation.  We say farewell, and extend a warm thank you to outgoing Board member Kory Wilson. Kory chaired our Governance Committee and provided excellent leadership during her term on the board.

Our staff and Board continue to promote accountability and transparency in our funding activities and administration on a daily basis.  We are currently upgrading our 'Funding Map' on our website, where you will be able to see where our funds are spent in the First Nations communities of BC. We've also launched a new website that is more user-friendly, allowing potential applicants, donors, and partners to more easily find the up-to-date information they're looking for. Our goal is to limit barriers – big or small – to allow for continued and growing support of the BC First Nations.

We recognize the high demand for our project support and funding initiatives, and the challenges these bring. Our team is committed to providing meaningful initiatives that make a lasting difference in the lives of BC First Nations. Our goal is to continue to grow the NRT investment fund and to increase funding support and influential resources for First Nations families, students, and entrepreneurs, and their unique communities.

Respectfully,

**Hugh Braker**
Chair

**Cliff Fregin**
CEO

# 2016-2017
# FISCAL YEAR IN HIGHLIGHTS

**$5,525,228** IN STRATEGIC EXPENDITURES

**98** YOUTH PROJECTS FUNDED GOAL: 50

**$201,800** IN FUNDS ALLOCATED TO YOUTH PROJECTS

**1.16%** IN ADMINISTRATIVE COSTS

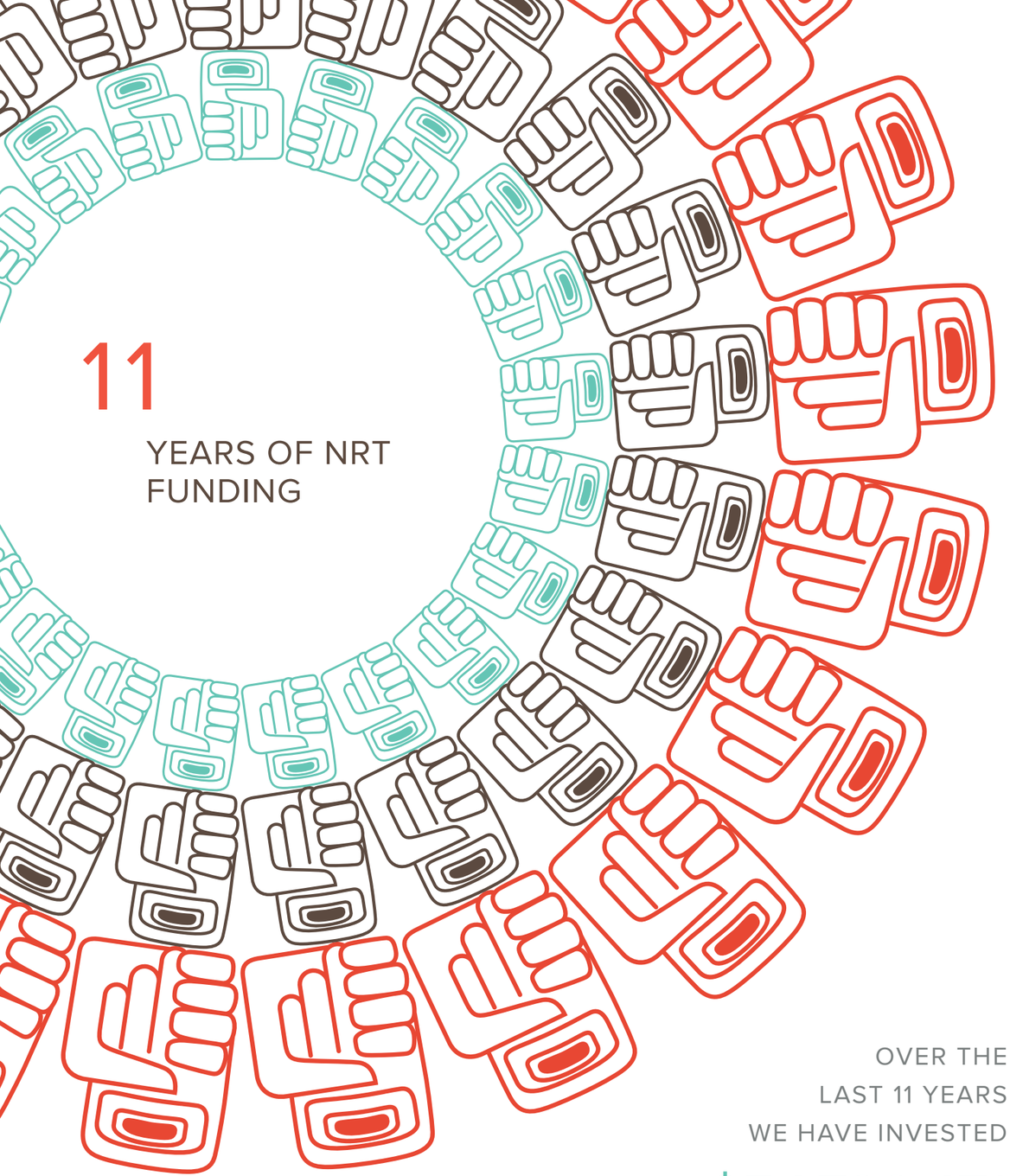
**247** POST-SECONDARY STUDENTS SUPPORTED

| 14 | 17 | 85 | 131 |
|---|---|---|---|
| Doctorates | Masters | Bursaries | Undergraduates |

**81** FIRST NATIONS ENTREPRENEURS SUPPORTED

| 6 | 62 | 12 |
|---|---|---|
| Policy development projects approved for funding | Direct support projects approved. | First Nations Community Projects Supported |

**93** ELDER PROJECTS FUNDED GOAL: 80



11

YEARS OF NRT FUNDING

OVER THE LAST 11 YEARS WE HAVE INVESTED

**$54,738,471**

ACROSS ALL STRATEGIC AREAS

| | |
|---|---|
| **GOVERNANCE & CAPACITY** | **$18,360,071** |
| Direct Support | $11,077,540 |
| Policy Development & Coordination | $3,256,953 |
| Capacity Tools and Resources | $3,222,851 |
| Assertion Workshops | $311,190 |
| Economic Dev. Support Team (EDST) | $183,025 |
| Regional Engagements | $308,512 |
| **EDUCATION** | **$15,601,585** |
| Scholarships & Bursaries | $13,354,595 |
| K-12 Education Initiatives | $2,246,990 |
| **LANGUAGE & CULTURE** | **$10,019,500** |
| First Voices | $1,825,000 |
| BC Language Initiative | $2,100,000 |
| Language and Culture Camps | $750,000 |
| Master Apprentice | $1,482,250 |
| Language Authorities | $1,247,750 |
| Language Certification | $869,500 |
| Language Nest | $500,000 |
| Arts Administration and Culture Camps | $1,245,000 |
| **ECONOMIC DEVELOPMENT** | **$5,139,607** |
| BC Aboriginal Business Awards | $325,000 |
| Entrepreneurs Equity Matching | $3,572,030 |
| Other Initiatives | $1,242,577 |
| **ELDERS & YOUTH** | **$4,211,614** |
| Elders Gathering | $469,764 |
| Elders Grants | $1,755,562 |
| Youth Conferences | $340,849 |
| Youth Grants | $1,645,439 |
| **SPECIAL PROJECTS** | **$1,406,094** |
| Youth Entrepreneurs Symposium | $1,312,544 |
| Golf Fundraiser | $93,550 |

# STRATEGIC INITIATIVES
## AT A GLANCE

NRT SUPPORTS INITIATIVES IN THE FOLLOWING AREAS:

### SPECIAL PROJECTS

NRT continues the pursuit of a higher quality of life for BC First Nations through Special Projects focused on capacity development.

This year we highlight initiatives that we've administered on behalf of the Federal Government: the Aboriginal Labour Market Community Navigators, the BC Indigenous Clean Energy Initiative (BCICEI), and the Economic Development Support Team. We also host the annual Young Entrepreneurs Symposium (YES), and an annual Golf Tournament to raise support for post-secondary Scholarships and Bursaries.

**NRT NAVIGATORS:** to identify barriers and challenges, provide support, and build capacity among those working on employment and training initiatives at the community level.

**CLEAN ENERGY INITIATIVE:** to provide funds to Indigenous communities working on the development of clean energy projects, especially in remote and off-grid communities.

**ECONOMIC DEVELOPMENT SUPPORT TEAM:** to provide advisory and support services involving business development, implementation, evaluation and analysis phases of economic projects – tailored to the needs of First Nations communities.

### 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 & CULTURE

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:

# NEW RELATIONSHIP TRUST NAVIGATORS

The 2016-17 fiscal year marks the 3rd – originally set as the final – year of the Aboriginal Labour Market Community Navigator initiative, which is executed in partnership with Indigenous and Northern Affairs Canada.

The role of the Navigators is to identify barriers and challenges, provide support, and build capacity among those working on employment and training initiatives at the community level. It is critical for First Nations to have the capacity and tools to quickly and efficiently access necessary training and employment services to benefit from industry employment opportunities.

We look forward to the year ahead, as the Navigators initiative has been granted a 1-year extension to continue building capacity for BC First Nations by increasing awareness on emerging employment opportunities.

## SECURED $9.8+ MILLION AND 254 TRAINING PROGRAMS

In 2014, NRT hired one Coordinator and seven Navigators to work alongside First Nations employment and training coordinators, government representatives, industry, unions, training providers, and Aboriginal organizations and service providers. To date, the Navigators have assisted communities in securing over $9 million in training dollars and have assisted in coordinating 254 training programs. The funds and programs represent First Nations people in over 45 communities, across 5 aggregate regions: Lower Mainland, Coastal (Terrace & Prince Rupert), Burns Lake, Prince George, and Fort St. John.

See: Chart on page 19

BC communities have invested much time and efforts into their training plans, and have acknowledged the need to build their internal capacities to connect their members to available employment opportunities in their areas or throughout the province. The Navigators are continuing to support First Nations and assist in setting up training programs and job placement assistance.

## CONTINUED CAPACITY BUILDING IN 2017-18

We are proud to have assisted communities over the past 3 years by hosting 560 community meetings and providing 1,564 referrals, which will be expanded upon during the one-year extension. The additional year will allow Navigators to spend more time to move forward on projects such as: development of workforce inventories, industry traction, union engagement, and supports and input from various task forces. Our team strongly feels that the Navigator initiative helps build capacity and relationships with BC First Nations. Through the support of our government, the communities will continue to work hard to better connect with emerging employment opportunities within BC's growing resource sector.



## MEET THE NRT NAVIGATORS TEAM

**Back Left to Right:** Curtis Young-Mercer (Terrace), Brock Endean (Lower Mainland), Allie Auger (Fort St. John), Rochelle Saddleman (Coordinator), Penny St. Pierre (Fort St. John)

**Front Left to Right:** Gloria Catherall (Prince George), Jeannie Cranmer (Indigenous Recruitment Specialist), Tara William (Burns Lake), Jean Ryan (Prince Rupert)

| 3 YEAR ROLL-UP OF TARGETS | Total Referrals Provided | Total Community Meetings Held | Total Training Dollars Secured | Total Training Programs |
|---|---|---|---|---|
| Lower Mainland Aggregate | 326 | 72 | $20,500 | 21 |
| Terrace Aggregate | 218 | 86 | $2,323,500 | 21 |
| Prince Rupert Aggregate | 82 | 110 | $3,000,000 | 32 |
| Prince George Aggregate | 172 | 124 | $731,848 | 19 |
| Burns Lake Aggregate | 503 | 40 | $1,651,446 | 75 |
| Fort St. John Aggregate | 589 | 200 | $2,078,876 | 86 |
| **Totals** | **1,584** | **560** | **$9,806,170** | **254** |



SPECIAL PROJECTS:

# CLEAN ENERGY INITIATIVE

Year 1 of the BC Indigenous Clean Energy Initiative was a success, with 8 projects funded.

The $4.2 million BC Indigenous Clean Energy Initiative (BCICEI) is delivered in partnership with Western Economic Diversification Canada (WD) through the Strategic Partnerships Initiative (SPI). BCICEI provides funds to Indigenous communities working on the development of clean energy projects. This three-year initiative was created to fill the gap of non-repayable grants that are not readily available to clean energy projects, especially in remote and off-grid communities, where energy costs are high due to dependence on diesel generators.

## 8 PROJECTS, 21 MEGAWATTS

The first year of the initiative provided over $1 million in funding for 8 Clean Energy projects that are expected to produce 21 megawatts (MW) of energy. NRT received a total of 56 applications from all regions in BC, of which 17 were from communities identifying as remote, off-grid and/or diesel-dependent – this resulted in $6.6 million of requested BCICEI funds for 442 MW of Indigenous Clean Energy Projects.

NRT and WD developed a BCICEI Funding Alternatives and Key Resources guide book to assist unsuccessful applicants in pursuing alternate funding sources in the Clean Energy sector. NRT also works directly with applicants, in advance of the intake deadline, to offer support in submitting strong applications to the competitive BCICEI fund.

Recently, one of NRT's funded projects sent their first invoice to BC Hydro for the sale of their produced Clean Energy power – a great success for this community and for the BC Indigenous Clean Energy Initiative.

## $1.2 MILLION BUDGET

In 2017-2018, the funding budget for Year 2 has been increased to $1.2 million.

The following First Nation communities received a total of $1,006,638 (including holdbacks not yet paid out) in 2016/17 funding to assist the advancement of 8 Clean Energy projects in BC:

- ADAMS LAKE-NESKONLITH IRRIGATION LINE MICRO-HYDRO PROJECT, ADAMS LAKE INDIAN BAND
- SARITA RIVER HYDROPOWER PROJECT, HUU-AY-AHT FIRST NATION
- WALKING FORWARD WITH SOLAR PROJECT, K'OMOKS FIRST NATION ECONOMIC DEVELOPMENT CORPORATION
- GEOTHERMAL COREHOLE TEST WELL GREENHOUSE PROJECT, KITSELAS DEVELOPMENT CORPORATION
- BIOENERGY SYSTEM PROJECT, KWADACHA NATION
- BIOMASS HEATING PROJECT, BABINE NATION
- DISTRICT HEATING SYSTEM BUILDING RETROFITS PROJECT, OLD MASSETT VILLAGE COUNCIL
- ELECTRICAL LOAD REDUCTION AND GROUND SOURCE HEAT PUMP FOR COMMUNITY BUILDINGS PROJECT, SEABIRD ISLAND BAND

SPECIAL PROJECTS:

# ECONOMIC DEVELOPMENT SUPPORT TEAM

The Economic Development Support Team (EDST) is comprised of Aboriginal business specialists who work on a case-by-case basis to provide advisory and support services to First Nations in BC. With 10 Advisors throughout BC, EDST equips First Nations to take the “next steps” regarding complex business decisions. Support and advice are tailored to the specific needs of each community, which may involve business development, implementation, evaluation and/or analysis phases of economic projects.

## EDST WAS SET FOR 12 PROJECTS – WE’VE ALREADY DOUBLED THIS!

EDST was originally designed to support 12 First Nations projects, but we’ve already doubled this number in the 2nd year of this 3-year initiative. In the last fiscal year, there’s been 15 new First Nations who applied for EDST support. Since inception, we’ve received 32 applications and we are currently working with 24 First Nations on various economic development initiatives. Demand for economic development and assistance in the communities is quite high, and our team is working hard to meet the demand and to increase our influence.

In January 2017, EDST hosted a capacity building forum for First Nations called “Maximizing First Nations Economic Opportunities” at the Morris J. Wosk Centre for Dialogue. There were over 65 First Nations representatives and partners involved in the 10 workshops held over two-days. Each of the workshops fit within the six steps of the EDST Framework for providing support: Prepare, Plan, Engage, Negotiate, Implement and Evaluate. The workshops included PowerPoint presentations, which were videotaped to be used in the online learning EDST modules, which will come out in 2017.

For the 2017-2018 fiscal year, the Economic Development Support Team goal is to continue to increase the team’s ability and resources to further support BC First Nations in business development and economic projects in the coming years.

The EDST provides advisory and support services to First Nations in BC, allowing them to take the "next steps" regarding complex business decisions. Support and advice are tailored to the specific needs of each community.



# ENCOURAGING ACCESS TO EDUCATION

STRATEGIC INITIATIVES:

## EDUCATION

Education is key to independence for 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
- Scholarships and bursaries for post-secondary students
- Support for First Nations communities for kindergarten to grade 12 (K-12) initiatives

### SUPPORTING K-12 INITIATIVES

NRT supports initiatives that increase the First Nations high school graduation rate. In 2012, NRT created the K-12 Education Grants initiative, which provides funds to First Nations in BC to deliver K-12 projects at the community level. Eligible projects fall into three categories: English / literacy, math and science.

### NRT SCHOLARSHIPS AND BURSARIES

NRT will continue to provide scholarships and bursaries to assist First Nations students in achieving post-secondary education and training goals. This program awards funding based on qualification criteria and the student's proposed contributions back to First Nations communities.

Scholarships will be awarded for students pursuing undergraduate, masters and PhD degrees. Bursaries will be awarded for certificate, diploma, associate degree and trades programs.

The New Relationship Trust Foundation will seek to partner with corporations, organizations, First Nations, and public and private scholarship organizations in order to support more First Nations students.

STRATEGIC INITIATIVES:

# LANGUAGE & CULTURE

Preservation of First Nations languages and cultures builds self-identity and enhances cultural pride. Virtually all of BC's First Nation languages are in danger; the timing is critical. In partnership with the First Peoples Culture Council (FPCC), NRT supports initiatives that protect and revive First Nations languages and cultural traditions.

## PROTECTING AND REVIVING LANGUAGES & CULTURES

Sixty percent of the First Nations languages in Canada are spoken in BC. With 34 First Nations languages and more than 60 dialects, BC has the most diverse array of indigenous languages in the country. However, many of these dialects are in danger of being lost. Preservation of First Nations languages and cultures builds self-identity and enhances cultural pride. Under this strategic direction, NRT has prioritized language revitalization due to the current crisis facing First Nations languages in BC.

## LANGUAGE & CULTURE PROGRAMS

### Language and Culture Camps

We support language and culture immersion camps for participants of all ages.

### Master Apprentice

This new initiative pairs learners with fluent speakers, to create a new generation of fluency.

### Pre-school Immersion

This new immersion program is for pre-school students and their parents.

### Language Authorities

The initiative supports collaboration among communities that share the same language, so they can build tools and work together on language revitalization.

### First Voices

This suite of web-based tools assists First Nations to archive and learn about their languages and cultures. NRT support is distributed to language communities and organizations, so they could upgrade their existing archives and develop lessons and training.

### BC Language Initiative

The BC Language Initiative supports First Nations communities and organizations in their efforts to revitalize languages through documentation, language classes, immersion programs, material and curriculum development and promotion.

### Arts Administrator and Cultural Manager Internships

This initiative helps communities build capacity to manage arts and culture by supporting internships and mentorships.

### Sharing Traditional Arts Across Generations

This initiative supports the inter-generational transmission of traditional arts skills and knowledge.

| Target | 2016 - 2017 | To Date | Status |
|---|---|---|---|
| Leverage $1 million for First Nations language and culture. | Leveraged $1,730,598 in funding. | $6,700,598 in funding leveraged to date. | Goal exceeded. |







STRATEGIC INITIATIVES:

# ELDERS & YOUTH

Our Elders hold the wisdom of past generations. Our Youth are the key to the future. Both groups are essential to strong, healthy Nations.

## SUPPORTING INITIATIVES THAT ENGAGE YOUTH AND ELDERS

Each year, NRT supports initiatives for both Elders and Youth groups to build capacity at the community, regional and provincial levels. Based on feedback received from community members, we will focus support on community-based projects, activities and events.

NRT will continue to support projects that assist groups, communities and organizations representing First Nations Elders & Youth in BC, develop and deliver projects at the First Nations community level, benefit and build capacity, support and strengthen youth leadership, governance, entrepreneurship, and promote youth mentorship and networking opportunities.

## ELDERS GRANTS

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

## ELDERS GATHERING

Each year, NRT provides financial support to the Annual Elders Gathering, helping Elders throughout the province to have inter-social and community links that bind them together as a Nation. It allows them to intermingle with like-minded, like-aged individuals and their families, to reveal common grounds that strengthen those links.

## YOUTH GRANTS

The NRT BC First Nation Youth Grant Initiative provides incentives for groups representing First Nation youth in British Columbia to develop and deliver projects that strengthen youth leadership skills, build capacity and/or provide mentorship opportunities. Types of projects include language archiving, participation in traditional cultural activities and attending the Gathering Our Voices Aboriginal Youth Conference.

## BC ASSOCIATION OF FRIENDSHIP CENTRES

NRT provides funds to the BC Association of Friendship Centres to support the annual Gathering Our Voices Aboriginal Youth Conference.

| Target | 2016 - 2017 | To Date | Status |
|---|---|---|---|
| Fund up to 50 youth projects per year. | 98 projects funded | 870 Youth Groups funded in total | Goal exceeded |
| Fund to 80 Elders projects per year. | 93 projects funded | 810 Elders Groups funded in total | Goal exceeded |
| Support annual Elders Gatherings. | $50,000 in support provided | 10 Elders Gatherings funded | Goal met |
| Fund annual gathering or initiative that builds capacity for BC First Nations Youth. | $25,000 was provided for a youth governance conference | 15 Youth Gatherings funded | Goal met |

STRATEGIC INITIATIVES:

# ECONOMIC DEVELOPMENT

Healthy First Nations communities require a sustainable level of prosperity to achieve their goals and support their programs. By taking advantage of economic development opportunities, First Nations can prosper.

## FOSTERING AND ADVANCING ECONOMIC DEVELOPMENT OPPORTUNITIES

NRT's Economic Development strategy has the following focus areas:

### Equity Matching Initiatives

In 2010, NRT launched the Entrepreneur Equity Matching Initiative (EEMI) to support First Nations entrepreneurs in BC by partnering with BC Aboriginal Capital Corporations (ACCs) to provide matching equity for new or expanding businesses in the province.

This exciting opportunity assists entrepreneurs in obtaining financing for their businesses, as well as assisting ACCs in identifying new lending opportunities in their service areas. In 2011, NRT expanded the EEMI to First Nation community business projects in BC by introducing the Community Equity Matching Initiative (CEMI).

NRT will continue to offer equity matching to both business and community projects and will expand outreach efforts in partnership with ACCs to ensure potential applicants are aware of this opportunity.

### West Coast Energy Fund

Created in partnership between Indigenous and Northern Affairs Canada – Strategic Partnerships Initiative and NRT, the West Coast Energy Fund (WCEF) is a $5 million capital fund that is available to support Aboriginal entrepreneurial and community businesses in BC that are related to oil and gas and liquefied natural gas (LNG) projects. It is delivered by selected Aboriginal Capital Corporations and Aboriginal Community Futures organizations.

### Other Economic 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 | 2016 - 2017 | To Date | Status |
|---|---|---|---|
| Provide matching equity annually for up to: | | | |
| 50 First Nations entrepreneurs. | 81 First Nations entrepreneurs | 599 First Nations entrepreneurs | Goal exceeded. |
| 10 First Nations communities. | 12 First Nations communities | 48 First Nations communities | Goal exceeded. |





STRATEGIC INITIATIVES:

# GOVERNANCE CAPACITY

Building governance capacity helps First Nations and their communities move successfully toward independence and self governance.

## DIRECT SUPPORT FOR GOVERNANCE CAPACITY BUILDING

NRT provides direct support to BC First Nations for capacity building initiatives. Support is provided according to each communities' unique capacity needs.

NRT funding is offered in two streams: grants for individual communities, and grants for three or more collaborating communities.

Direct Support funding is intended to help First Nation communities build capacity in the areas that they need it most. A total of $1.5 million has been allocated for direct support in 2017-2018. Funding is available in two streams:

- A maximum of $25,000 per project is available to individual First Nations.
- A maximum of $50,000 per project is available to groups of three First Nations who are collaborating on a capacity building initiative.

## NATION COUNCIL POLICY INITIATIVE

The Nation Councils Policy Initiative supports policy development in BC at the Nation and tribal council level, and promotes information and resource sharing amongst the councils.

NRT has allocated $250,000 in 2017-2018 for Nation Councils Policy Initiative funding. Up to $25,000 is available per project and a maximum of two projects per council, depending on funding availability.

## POLICY DEVELOPMENT

NRT supports BC First Nation organizations with a provincial mandate to pursue policy development initiatives that directly benefit all First Nation citizens in BC.

Policy Development funding is available to First Nation organizations with a province-wide mandate.

NRT has allocated $250,000 in funding for Policy Development initiatives in the 2017-2018 fiscal year.

NRT will support up to $50,000, or 75%, of eligible project costs (proponents must contribute the other 25%) towards policy development projects for the benefit of BC First Nation communities and citizens.

## CAPACITY TOOLS & RESOURCES

Additional Capacity support is being used to develop tools and resources that will benefit all First Nations communities. Specifically, in partnership with the First Nations Technology Council:

- NRT has partnered with the First Nations Technology Council to develop the First Nations in BC Knowledge Network for sharing capacity tools, resources, and networking. This initiative is available at: www.fnbc.info
- NRT has developed best practice studies for Governance, Consultation & Accommodation, Comprehensive Community Planning, Land Use Planning, and Environmental Assessments.
- Best Practice Reports are available at: www.newrelationshiptrust.ca/resources

NEW RELATIONSHIP TRUST FOUNDATION

## ABOUT THE NEW RELATIONSHIP TRUST FOUNDATION

The NRT Foundation is a charitable non-profit organization that was created in 2011 by the NRT to advance the education goals of First Nations in British Columbia. The NRT Foundation focuses on three key areas:  Scholarships, Bursaries, and K-12 Education Grants.



# NEW RELATIONSHIP TRUST FOUNDATION

Mission: To assist Aboriginal peoples in BC separately and collectively to meet their education goals, and to support the educational components of Aboriginal language revitalization.

Through the NRT Foundation, NRT will seek additional support for existing education initiatives and will issue tax receipts to companies and individuals that contribute funds.

In 2011, NRT created the New Relationship Trust Foundation. 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 $1.25 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 $1,998,550 in support from new partners. The Foundation will continue to seek donations from the private and public sectors for education support.

## NRT Foundation Golf Tournament

In 2016, the New Relationship Trust Foundation 6th Annual Golf Tournament raised $30,970 toward supporting the NRT Foundation.

> The support of New Relationship Trust Foundation (NRTF) has been absolutely vital to my academic success. I am grateful to NRTF for not only supporting my education, but the education of so many other amazing and inspiring First Nations students. Thank you!
>
> - Cherry Smiley, Concordia University

| Target | 2016 - 2017 | To Date | Status |
|---|---|---|---|
| Produce annual recipient brochure. | Brochure produced and distributed. | 7 annual brochures produced and distributed. | Goal met annually. |
| Provide up to 40 scholarships & 60 bursaries annually. | Scholarships and bursaries fully allocated for 2016-2017.<br>• 131 Bursaries<br>• 85 Undergrads<br>• 17 Masters<br>• 14 Doctorate | Overall:<br>• 769 Bursaries at $1,539,000<br>• 527 Undergraduate at $2,555,500<br>• 187 Masters at $1,807,500<br>• 100 Doctorate at $1,902,500<br>• 132 Chief Joe Mathias at $139,000 | Goal exceeded annually. |
| Via NRT Foundation, attract $750,000 for scholarships and bursaries. | NRT will work with the NRT Foundation to attract additional scholarship and bursary funds. | To date, $1,998,550 has been raised from new partners, and $147,861 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 2017
LEARN, LAUGH & LIVE

# THE YOUNG ENTREPRENEUR SYMPOSIUM

The Young Entrepreneurs Symposium (YES) brings young Aboriginal Entrepreneurs and entrepreneurs-to-be together with business leaders and role models to help foster the skills, knowledge and networks they need to be the business leaders of tomorrow.

## OVER 150 YOUNG ABORIGINAL BUSINESS PEOPLE FROM ACROSS CANADA

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.

Delegates have access to top-level business acumen delivered by seasoned entrepreneurs that are absorbed to further personal and professional development. At YES, young Aboriginal entrepreneurs sharpen their vision and add confidence to their dreams.

150 budding young Aboriginal business people from across Canada are expected to attend YES, which will feature a motivational line-up of panelists and speakers from a variety of backgrounds, many of which have supported YES in previous years.

## YES 2017 will be held in Vancouver, BC from November 27 - 30, 2017.

> I wanted to say Miigwetch for all the hard work you guys do for all of us delegates. If it wasn't for you, I would not be able to attend such an amazing event. It truly was life changing and motivating to listen to such inspirational speakers, but also to meet peers from all over Canada who are doing some amazing work. I hope to attend again next year in Vancouver!
>
> - Teri Jack

> This was my first time attending a YES conference, and it was amazing! If and when you get the chance to attend one of the YES conferences, attend it. It's something very different, and fun. YES offers a unique experience that you can only experience at YES. You will meet new people, make new friends, and make new memories. It is something that you have to experience in order to fully understand.
>
> - Philip Mattawashish

> For the panels, the biggest impacts that stuck out to me were from former YES Participants. I really appreciated how vulnerable and raw they had the strength to be for all the other youth in the room, and to see how they have accomplished so much after YES really speaks to how the conference aims to engage and empower youth. Their stories often had themes that many other Aboriginal youth face on a daily basis, and especially the extent to which these two women have faced and overcome adversity, I believe, really speaks to what these conferences are aiming to do - to empower our Aboriginal youth.
>
> - Cheyenne





# PARTNERSHIPS

As outlined in the organization's 2017-2020 strategic plan, NRT will establish and maintain partnerships with First Nations and public and private organizations that share common goals and values in order to leverage funds and minimize administrative costs.

## NRT'S CURRENT PARTNERS

First Peoples' Cultural Council (FPCC)

First Nations Technology Council (FNTC)

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

Indigenous and Northern Affairs Canada (INAC)

Western Economic Diversification Canada

First Nations Leadership Council:

First Nations Summit (FNS)

BC Association of First Nations (BC AFN)

Union of BC Indian Chiefs (UBCIC)

# THE NRT TEAM 2016-17

## BOARD OF DIRECTORS

Hugh Braker
CHAIR

David Jimmie
VICE CHAIR

Terry Kuzma
SECRETARY

Debra Hanuse

Byron Louis

Miles Richardson

Angela Wesley

## NRT STAFF

Cliff Fregin
CHIEF EXECUTIVE OFFICER

Chanze Gamble
GENERAL MANAGER

Matthew Cook-Contois
SENIOR PROJECT OFFICER

Lana Plante
PROJECT OFFICER

Rochelle Saddleman
NAVIGATOR COORDINATOR

Veronica Ghostkeeper-Gerow
EDST COORDINATOR

Savanah Seaton
INDIGENOUS CLEAN ENERGY COORDINATOR

Amy Morrison
ADMINISTRATIVE ASSISTANT

Kim Brazil
CHIEF FINANCIAL OFFICER

## FOUNDATION

Mathew Hupfield
ADVANCEMENT COORDINATOR

## AUDITORS

MNP
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

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




# FINANCIAL OVERVIEW

## HIGHLIGHTS

NRT's total assets at year-end were $99.6 million and consisted primarily of investments and restricted cash.

The market value of the investment portfolio was $96.5 million, up 12% from the prior year.

The cumulative unrealized gain on investments is $12.5 million, up $6.58 million from the prior year due to the strong performances in our Global and Canadian Equity funds.

Strategic expenditures and commitments were $5.52 million. Operating expenditures were $1.1 million.

## OPERATIONS

### Contribution Fund

The Contribution Fund earned $4 million of income from investments held in institutional pooled funds managed by professional investment managers.

| | 2017 | 2016 |
|---|---|---|
| Income | $1.7 million | $2.3 million |
| Capital Gains | $2.3 million | $3.7 million |
| Management Fees | $0.42 million | $0.35 million |

### Strategic Fund

The Strategic Fund had revenues of $0.298 million of which $.06 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, protecting and reviving languages and cultures, supporting initiatives that engage youth and elders, and fostering and advancing economic development opportunities.

### Operating Fund

Operating expenditures consisted mainly of staffing costs, governance, professional fees, and occupancy. Actual operating expenditures were 1.16% of the total investments for the year ended March 31, 2017. This meets the Board of Director's performance target to limit administrative costs to less than 2% of the investment portfolio.

| | 2017 | 2016 |
|---|---|---|
| Operating Expenditures | $1,117,636 | $955,977 |
| Operating Expenditures as % of Total Investments | 1.16% | 1.11% |



## INVESTMENTS

### Market and Portfolio Performance

The investment portfolio realized a return of 12.4% for the year, ending March 31, 2017. On a relative basis, the investment portfolio was below its benchmark by 1.5%.

| investments | 2017 | 2016 |
|---|---|---|
| Short-term | $7,000,000 | $7,000,000 |
| Long-term | $89,455,900 | $79,230,076 |
| Total | $96,455,900 | $86,230,076 |

| Fund | Return | Benchmark | |
|---|---|---|---|
| Canadian Equity Fund | 19.5% | S&P/TSX Composite | 18.6% |
| Global Equity Fund | 14.4% | MSCI World | 19.0% |
| Bond Fund | 2.6% | FTSE TMX Universe | 1.5% |
| Total | 12.4% | | 13.9% |

### Economic Outlook

It is expected that both the global and Canadian economies will continue to gain momentum in 2017. Many economists are projecting growth around 3.5% for the global economy and around 2.6% for Canada. The impact this will have on NRT's investment portfolio is unknown. 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.

### 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 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 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, 2017

# New Relationship Trust
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*For the year ended March 31, 2017*


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## Independent Auditors' Report

To the Board of Directors of New Relationship Trust:

We have audited the accompanying financial statements of New Relationship Trust, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

*Opinion*
In our opinion, the financial statements present fairly, in all material respects, the financial position of New Relationship Trust as at March 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

# New Relationship Trust
## Statement of Financial Position
*As at March 31, 2017*

| | Contribution Fund | Strategic Fund | Other Initiatives Fund | Operating Fund | 2017 | 2016 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Current** | | | | | | |
| Restricted cash and cash equivalents | - | - | 3,036,917 | - | 3,036,917 | 8,626,182 |
| Accounts receivable | - | - | 2,000 | 2,290 | 4,290 | 32,015 |
| Government agencies receivable | - | - | - | 37,547 | 37,547 | 23,533 |
| Prepaid expenses | - | - | - | 10,902 | 10,902 | 20,436 |
| Due from NRT Foundation | - | - | - | - | - | 1,566 |
| Investments *(Note 3)* | - | 6,000,000 | - | 1,000,000 | 7,000,000 | 7,000,000 |
| | - | 6,000,000 | 3,038,917 | 1,050,739 | 10,089,656 | 15,703,732 |
| **Capital assets** *(Note 4)* | - | - | - | 58,145 | 58,145 | 65,286 |
| **Investments** *(Note 3)* | 88,982,842 | 473,058 | - | - | 89,455,900 | 79,230,076 |
| **Due from (to) other funds** | 2,897,179 | (5,953,275) | 4,000,497 | (944,401) | - | - |
| | 91,880,021 | 519,783 | 7,039,414 | 164,483 | 99,603,701 | 94,999,094 |
| **Liabilities** | | | | | | |
| **Current** | | | | | | |
| Accounts payable and accruals | 110,890 | 392,324 | 125,488 | 106,338 | 735,040 | 841,399 |
| Due to NRT Foundation *(Note 5)* | - | 127,459 | - | - | 127,459 | - |
| | 110,890 | 519,783 | 125,488 | 106,338 | 862,499 | 841,399 |
| **Contingencies** *(Note 6)* | | | | | | |
| **Commitments** *(Note 7)* | | | | | | |
| **Net Assets** | | | | | | |
| Invested in capital assets | - | - | - | 58,145 | 58,145 | 65,286 |
| Externally restricted | 91,769,131 | - | 6,913,926 | - | 98,683,057 | 94,092,409 |
| | 91,769,131 | - | 6,913,926 | 58,145 | 98,741,202 | 94,157,695 |
| | 91,880,021 | 519,783 | 7,039,414 | 164,483 | 99,603,701 | 94,999,094 |

**Approved on behalf of the Board**

# New Relationship Trust
## Statement of Operations and Change in Net Assets
*For the year ended March 31, 2017*

| | Contribution Fund | Strategic Fund | Other Initiatives Fund | Operating Fund | 2017 | 2016 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Administration | - | - | - | 131,885 | 131,885 | 439,834 |
| Indigenous and Northern Affairs Canada (INAC) | - | 50,000 | 1,419,000 | - | 1,469,000 | 5,956,182 |
| Investment income *(Note 3)* | 4,059,745 | 62,175 | - | - | 4,121,920 | 6,039,057 |
| Western Economic Diversification Canada | - | - | 1,250,000 | - | 1,250,000 | 200 |
| Other funding/revenue | - | 185,587 | 123,817 | - | 309,404 | 226,994 |
| Province of BC | - | - | 25,775 | - | 25,775 | 25,000 |
| | 4,059,745 | 297,762 | 2,818,592 | 131,885 | 7,307,984 | 12,687,267 |
| **Strategic Expenses** *(Note 10)* | | | | | | |
| Economic development | - | 736,250 | - | - | 736,250 | 591,250 |
| Education | - | 846,990 | - | - | 846,990 | 1,000,000 |
| Elders and youth | - | 448,800 | - | - | 448,800 | 477,200 |
| Governance capacity | - | 2,116,555 | - | - | 2,116,555 | 2,103,368 |
| Language and culture | - | 975,000 | - | - | 975,000 | 750,000 |
| Special projects | - | 350,278 | - | - | 350,278 | 270,720 |
| Clean Energy Community Projects | - | - | 805,310 | - | 805,310 | - |
| | - | 5,473,873 | 805,310 | - | 6,279,183 | 5,192,538 |
| **Expenses** | | | | | | |
| Administration | - | - | 131,885 | - | 131,885 | 447,562 |
| Advertising | - | - | 24,448 | 34,052 | 58,500 | 57,198 |
| Amortization | - | - | - | 21,583 | 21,583 | 23,606 |
| Communication | - | - | - | 75,658 | 75,658 | 61,018 |
| Consulting | - | - | 337,198 | 9,144 | 346,342 | 305,765 |
| Governance | - | - | - | 129,544 | 129,544 | 74,428 |
| Insurance | - | - | - | 9,881 | 9,881 | 10,530 |
| Investment management | 420,474 | 20,457 | - | - | 440,931 | 426,853 |
| Occupancy | - | - | 23,250 | 64,219 | 87,469 | 72,990 |
| Office | - | - | 5,461 | 34,682 | 40,143 | 37,147 |
| Planning and community meetings | - | - | 81,983 | - | 81,983 | 18,441 |
| Professional development | - | - | - | 8,087 | 8,087 | 415 |
| Professional fees | - | - | - | 107,531 | 107,531 | 71,593 |
| Salaries and benefits | - | - | 666,018 | 563,269 | 1,229,287 | 1,129,239 |
| Telephone | - | - | 14,713 | 9,905 | 24,618 | 20,730 |
| Training and skills development | - | - | 49,851 | - | 49,851 | 111,006 |
| Travel | - | - | 131,465 | 50,081 | 181,546 | 164,699 |
| | 420,474 | 20,457 | 1,466,272 | 1,117,636 | 3,024,839 | 3,033,220 |
| **Excess (deficiency) of revenue over expenses before other items** | 3,639,271 | (5,196,568) | 547,010 | (985,751) | (1,996,038) | 4,461,509 |

*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, 2017*

| | *Contribution Fund* | *Strategic Fund* | *Other Initiatives Fund* | *Operating Fund* | ***2017*** | *2016* |
|---|---|---|---|---|---|---|
| **Excess (deficiency) of revenue over expenses before other items** *(Continued from previous page)* | **3,639,271** | **(5,196,568)** | **547,010** | **(985,751)** | **(1,996,038)** | 4,461,509 |
| **Other items** | | | | | | |
| Unrealized gains (losses) on investments | **6,586,719** | **(7,174)** | **-** | **-** | **6,579,545** | (4,590,469) |
| **Excess (deficiency) of revenue over expenses** | **10,225,990** | **(5,203,742)** | **547,010** | **(985,751)** | **4,583,507** | (128,960) |
| **Net assets beginning of year** | **87,725,493** | **-** | **6,366,916** | **65,286** | **94,157,695** | 94,286,655 |
| **Interfund transactions** *(Note 8)* | **(6,182,352)** | **5,203,742** | **-** | **978,610** | **-** | - |
| **Net assets, end of year** | **91,769,131** | **-** | **6,913,926** | **58,145** | **98,741,202** | 94,157,695 |

# New Relationship Trust
## Statement of Cash Flows
*For the year ended March 31, 2017*

| | ***2017*** | *2016* |
|---|---|---|
| **Cash provided by (used for) the following activities** | | |
| **Operating** | | |
| Excess (deficiency) of revenue over expenses | **4,583,507** | (128,960) |
| Amortization | **21,583** | 23,606 |
| Investment in Partnership | **-** | 1,846 |
| Realized and unrealized (gain)loss on investments | **(8,889,222)** | 882,248 |
| | **(4,284,132)** | 778,740 |
| Changes in working capital accounts | | |
| Accounts receivable | **27,725** | 46,427 |
| Government agencies receivable | **(14,014)** | (9,127) |
| Prepaid expenses | **9,534** | 4,774 |
| Accounts payable and accruals | **(106,359)** | 399,766 |
| | **(4,367,246)** | 1,220,580 |
| **Investing** | | |
| Repayment to NRT Foundation | **129,026** | 10,905 |
| Purchase of equipment | **(14,441)** | (19,031) |
| Purchase of investments | **(32,977,217)** | (10,686,146) |
| Proceeds on disposal of investments | **31,640,613** | 14,738,745 |
| Proceeds from disposal of other investments | **-** | 302,389 |
| | **(1,222,019)** | 4,346,862 |
| **Increase (decrease) in cash resources** | **(5,589,265)** | 5,567,442 |
| **Cash resources, beginning of year** | **8,626,182** | 3,058,740 |
| **Cash resources, end of year** | **3,036,917** | 8,626,182 |

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

## 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 million 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 11.

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 % |

Leasehold improvements are amortized on a straight-line basis over the term of the underlying lease, being 5 years.

New Relationship Trust
Notes to the Financial Statements
*For the year ended March 31, 2017*

## 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 ASPNO 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 9.)

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.

## 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* | ***2017 Cumulative Unrealized Gain(loss)*** | *2016 Cumulative Unrealized Gain(loss)* |
|---|---|---|---|---|
| **Contribution Fund** | | | | |
| Fixed Income | **11,474,248** | **12,112,669** | **(638,421)** | (362,568) |
| Canadian Equity | **32,581,888** | **32,098,375** | **483,513** | (2,034,157) |
| Global Equity | **44,926,707** | **32,236,527** | **12,690,180** | 8,345,278 |
| | **88,982,843** | **76,447,571** | **12,535,272** | 5,948,553 |
| **Strategic Fund** | | | | |
| Money Market | **283,752** | **283,752** | **-** | - |
| Fixed Income | **6,189,305** | **6,205,909** | **(16,604)** | (9,429) |
| | **6,473,057** | **6,489,661** | **(16,604)** | (9,429) |
| **Total Investments** | **95,455,900** | **82,937,232** | **12,518,668** | 5,939,124 |
| Current | **7,000,000** | **7,000,000** | **-** | - |
| Long-term | **89,455,900** | **76,937,232** | **12,518,668** | 5,939,124 |
| **Total Investments** | **96,455,900** | **83,937,232** | **12,518,668** | 5,939,124 |

Investment income earned during the year is comprised as follows:

| | **Contribution Fund** | **Strategic Fund** | ***2017*** | *2016* |
|---|---|---|---|---|
| Interest and dividend income | **1,750,068** | **62,175** | **1,812,243** | **2,330,836** |
| Capital Gains, net | **2,309,677** | **-** | **2,309,677** | **3,708,221** |
| | **4,059,745** | **62,175** | **4,121,920** | **6,039,057** |

## 4. Capital assets

| | *Cost* | ***Accumulated amortization*** | ***2017 Net book value*** | *2016 Net book value* |
|---|---|---|---|---|
| Computer software | **219,567** | **164,233** | **55,334** | 61,512 |
| Furniture and fixtures | **21,023** | **18,739** | **2,284** | 2,855 |
| Office equipment | **10,930** | **10,403** | **527** | 753 |
| Leasehold improvements | **1,426** | **1,426** | **-** | 166 |
| | **252,946** | **194,801** | **58,145** | 65,286 |

New Relationship Trust
Notes to the Financial Statements
*For the year ended March 31, 2017*

## 5. Due to NRT Foundation

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

## 6. Commitments

NRT occupies leased premises until October 31, 2019 with future aggregate lease payments as follows:

| | |
|---|---|
| 2018 | $ 64,515 |
| 2019 | 38,471 |
| | 102,986 |

NRT has commited in fiscal 2017 to the following strategic fund initiatives to be disbursed subsequent to March 31, 2017:

| | |
|---|---|
| Direct support | $ 183,993 |
| Policy development initiatives | 121,216 |
| K-12 grants | 56,000 |
| Other capacity initiatives | 32,000 |
| National policy initiatives | 28,150 |
| Elder's and youth grants | 27,500 |
| | $ 448,859 |

## 7. Externally restricted net assets

NRT received a $100 million 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, for future expenditures associated with new initiatives and activities. The INAC 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 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.

## 8. Interfund transactions

During the year, NRT transferred $5,203,742 from the Contribution Fund to the Strategic Fund and $978,610 to the Operating Fund for the purpose of accumulating money in the funds for program needs.

## 9. Related party transactions

Included in strategic expenses for the current year are $720,000 (2016 - $1,120,000) to the Foundation. The expenses were incurred in the normal course of operations and recorded at the exchange amount, as follows:

- Scholarships and bursaries contributed of $600,000 (2016 - $500,000)
- Administration funding of $105,000 (2016 - $105,000)
- Golf tournament sponsorship of $15,000 (2016 - $15,000)

## 10. Strategic Fund

| | ***2017*** | *2016* |
|---|---|---|
| **Economic Development:** | | |
| BC Aboriginal Business Awards | **25,000** | 50,000 |
| Entrepreneurs Equity Matching Initiative | **591,250** | 426,250 |
| Other initiatives | **120,000** | 115,000 |
| | **736,250** | 591,250 |
| **Education:** | | |
| Scholarships and Bursaries | **600,000** | 500,000 |
| K-12 Education Initiative | **246,990** | 500,000 |
| | **846,990** | 1,000,000 |
| **Elders and Youth:** | | |
| Elders Gathering | **50,000** | 50,000 |
| Elders Grants | **184,400** | 200,000 |
| Youth Grants | **214,400** | 227,200 |
| | **448,800** | 477,200 |
| **Governance Capacity:** | | |
| Direct Support for Governance Capacity Building | **1,492,283** | 1,284,712 |
| Policy Development | **411,662** | 434,651 |
| Capacity Tools and Resources | **88,793** | 208,170 |
| Assertion Workshop | **-** | 20,400 |
| Economic Development Support Team | **123,817** | 50,719 |
| Regional Engagements | **-** | 104,716 |
| | **2,116,555** | 2,103,368 |
| **Language and Culture:** | | |
| First Voices | **225,000** | - |
| B.C. Language Initiative | **200,000** | 200,000 |
| Master Apprentice | **200,000** | 200,000 |
| Language Authorities | **190,000** | 190,000 |
| Arts Adminstrator and Cultural Manager Internships | **160,000** | 160,000 |
| | **975,000** | 750,000 |
| **Special Projects:** | | |
| Young Entrepreneurs Symposium | **333,568** | 255,720 |
| Golf Fundraiser | **16,710** | 15,000 |
| | **350,278** | 270,720 |
| | **5,473,873** | 5,192,538 |

New Relationship Trust
Notes to the Financial Statements
*For the year ended March 31, 2017*

## 11. 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 non-profit charitable organization registered under the Income Tax Act of Canada and as such, is exempt from income taxes.

New Relationship Trust 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, 2017 and 2016, and for the years then ended, are as follows:

### New Relationship Trust Foundation

**Financial Position**

| | **2017** | **2016** |
|---|---|---|
| Total assets | **$ 2,801,624** | **$ 1,928,518** |
| Total liabilities | **$ 1,158,864** | **$ 288,913** |
| Total net assets | **1,642,760** | **1,639,605** |

**Statement of Operations**

| | | |
|---|---|---|
| Total revenues | **$ 1,365,597** | **$ 1,672,918** |
| Total expenses | **1,362,442** | **1,273,745** |
| Excess of revenues over expenses | **$ 3,155** | **$ 399,173** |

**Cash Flows**

| | | |
|---|---|---|
| Cash provided by operations | **$ 860,503** | **$ 494,905** |
| Cash provided by financing and investing activities | **(129,025)** | **(10,905)** |
| Increase in cash resources | **$ 731,478** | **$ 484,000** |

## 12. 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.

***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.

## 13. 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 NRT believes that it is in compliance with the guidelines.



| | ***2017*** | *2016* |
|---|---|---|
| **Revenue** | | |
| Investment income | **4,059,745** | 5,990,121 |
| **Expenses** | | |
| Investment management | **420,474** | 350,297 |
| | **3,639,271** | 5,639,824 |
| **Unrealized gain (loss) on investments** | **6,586,719** | (4,571,294) |
| **Excess of revenue over expenses** | **10,225,990** | 1,068,530 |

# New Relationship Trust

## Schedule 2 - Schedule of Strategic Fund Revenues and Expenses

*For the year ended March 31, 2017*

| | ***2017*** | *2016* |
|---|---|---|
| **Revenue** | | |
| Indigenous and Northern Affairs Canada (INAC) | **50,000** | 25,000 |
| Investment income | **62,175** | 48,936 |
| Other funding/revenue | **185,587** | 156,395 |
| | **297,762** | 230,331 |
| **Strategic Expenses** | | |
| Economic development | **736,250** | 591,250 |
| Education | **846,990** | 1,000,000 |
| Elders and youth | **448,800** | 477,200 |
| Governance capacity | **2,116,555** | 2,103,368 |
| Language and culture | **975,000** | 750,000 |
| Special projects | **350,278** | 270,720 |
| | **5,473,873** | 5,192,538 |
| **Expenses** | | |
| Investment management | **20,457** | 76,556 |
| | **(5,196,568)** | (5,038,763) |
| **Unrealized loss on investment** | **(7,174)** | (19,175) |
| **Deficiency of revenue over expenses** | **(5,203,742)** | (5,057,938) |

# New Relationship Trust

## Schedule 3 - Schedule of Other Initiatives Fund Revenues and Expenses

*For the year ended March 31, 2017*

| | ***2017*** | *2016* |
|---|---|---|
| **Revenue** | | |
| Indigenous and Northern Affairs Canada (INAC) | **1,419,000** | 5,931,182 |
| Western Economic Diversification Canada | **1,250,000** | - |
| Other funding/revenue | **123,817** | 70,599 |
| Province of BC | **25,775** | 25,000 |
| | **2,818,592** | 6,026,781 |
| **Strategic Expenses** | | |
| Clean Energy Community Projects | **805,310** | - |
| **Expenses** | | |
| Administration | **131,885** | 447,562 |
| Advertising | **24,448** | 34,740 |
| Consulting | **337,198** | 295,765 |
| Occupancy | **23,250** | 12,000 |
| Office | **5,461** | 11,301 |
| Planning and community meetings | **81,983** | 18,441 |
| Salaries and benefits | **666,018** | 594,309 |
| Telephone | **14,713** | 12,821 |
| Training and skills development | **49,851** | 111,006 |
| Travel | **131,465** | 112,445 |
| | **1,466,272** | 1,650,390 |
| **Excess of revenue over expenses** | **547,010** | 4,376,391 |

# New Relationship Trust

## Schedule 4 - Schedule of Operating Fund Revenues and Expenses

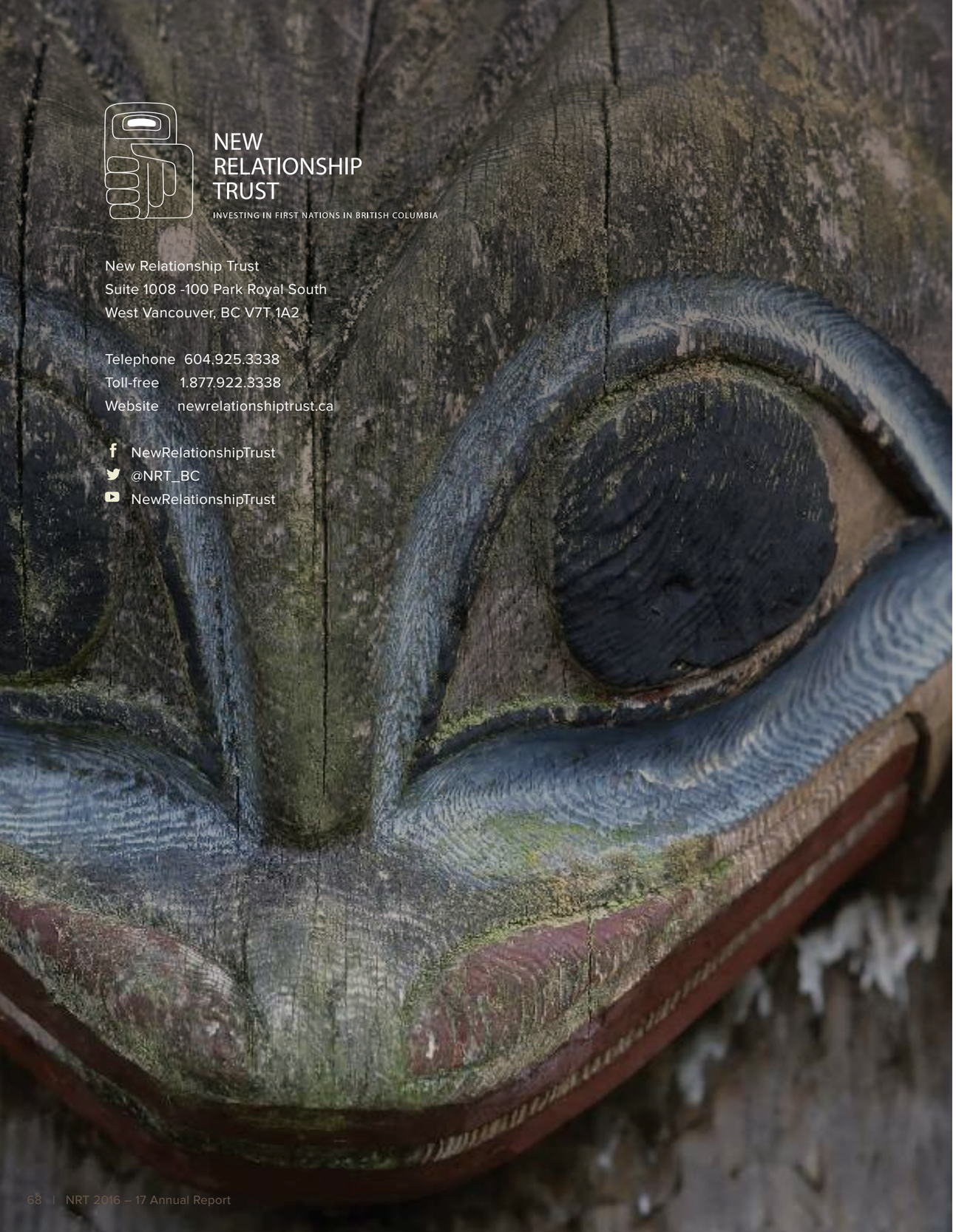
*For the year ended March 31, 2017*

| | ***2017*** | *2016* |
|---|---|---|
| **Revenue** | | |
| Administration | **131,885** | 439,834 |
| Western Economic Diversification Canada | **-** | 200 |
| | **131,885** | 440,034 |
| **Expenses** | | |
| Amortization | **21,583** | 23,606 |
| Communication | **75,658** | 61,018 |
| Consulting | **9,144** | 10,000 |
| Insurance | **9,881** | 10,530 |
| Office | **34,682** | 25,846 |
| Professional development | **8,087** | 415 |
| Professional fees | **107,531** | 71,593 |
| Occupancy | **64,219** | 60,990 |
| Salaries and benefits | **563,269** | 534,930 |
| Governance | **129,544** | 74,428 |
| Telephone | **9,905** | 7,909 |
| Travel | **50,081** | 52,254 |
| Advertising | **34,052** | 22,458 |
| | **1,117,636** | 955,977 |
| **Deficiency of revenue over expenses** | **(985,751)** | (515,943) |

“We have always been here, and we will always be here. Our People are here to care for our land and water.”

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