

Financial Report
2022/23

NEW RELATIONSHIP TRUST
Empowering First Nations in British Columbia

2022/23

Financial Report

EMPOWERING FIRST NATIONS COMMUNITIES

IN BRITISH COLUMBIA

New Relationship Trust

Empowering First Nations in BC

NRT is a capacity building catalyst for First Nations in B.C. We are committed to providing tools and funding opportunities to our clients that advance their Nation-building initiatives and establish resilient, healthy, and vibrant communities.



Financial Overview

HIGHLIGHTS

- Total assets **$157 million**
- Total revenues **$14.6 million**
- Funding grants to First Nations were **$13 million**
- Operating expenditures were **$0.75 million** and were **0.76%** of the total investment fund
- **Well managed** and committed to being efficient and ensuring our funds are used effectively

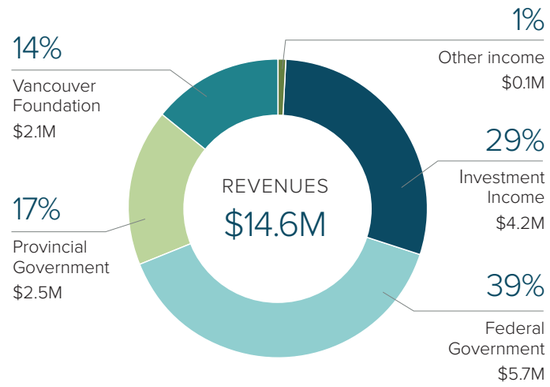
INVESTMENTS

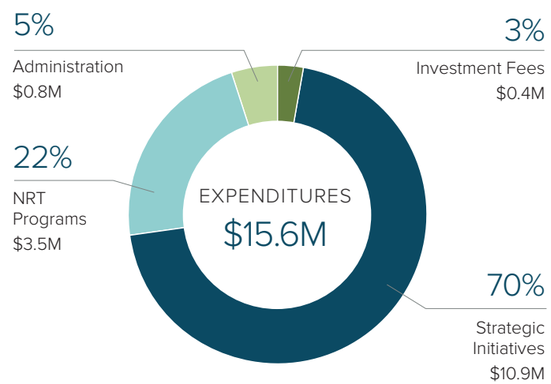
The portfolio was valued at **$99 million**, realized a return of **1.4%** for this fiscal year and **7.3%** since inception

	2023	SINCE INCEPTION
Earnings	$3.4 M	$90.9 M
Management Fees	$0.4 M	$6.8 M

Investment Strategy

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





NRT FINANCIAL REPORT 2022/23

NEW RELATIONSHIP TRUST

FINANCIAL STATEMENTS

MARCH 31 2023

NRT FINANCIAL REPORT 2022/23

NEW RELATIONSHIP TRUST
Empowering First Nations in British Columbia

Contents

INDEPENDENT AUDITORS' REPORT

For the year ended March 31, 2023

FINANCIAL STATEMENTS

Statement of Financial Position 1

Statement of Operations and Changes in New Assets 2

Statement of Cash Flows 4

Notes to the Financial Statements 5

Schedules 14

Independent Auditors' Report

TO THE BOARD OF NEW RELATIONSHIP TRUST:

Opinion

We have audited the financial statements of New Relationship Trust ("NRT"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NRT as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the NRT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Supplementary Information

We draw attention to the fact that the supplementary information included in Schedules 3(a) - 3(f) does not form part of the financial statements. We have not audited, or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the NRT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NRT or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NRT's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NRT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NRT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Surrey, British Columbia
August 1, 2023

MNP LLP
Chartered Professional Accountants

New Relationship Trust
Statement of Financial Position
As at March 31, 2023

	Investment Fund	*NRT Programs Fund*	*Strategic Initiatives Fund*	*Operating Fund*	*2023*	*2022*
Assets						
Current						
Restricted cash *(Note 3)*	**313,698**	**-**	**56,765,085**	**91,818**	**57,170,601**	44,752,377
Accounts receivable	**-**	**-**	**-**	**137,470**	**137,470**	4,252
Government agencies receivable	**-**	**-**	**-**	**6,907**	**6,907**	2,045
Prepaid expenses	**-**	**-**	**-**	**60,326**	**60,326**	49,207
Due from NRT Foundation *(Note 4)*	**-**	**-**	**-**	**74,066**	**74,066**	44,996
	313,698	**-**	**56,765,085**	**370,587**	**57,449,370**	44,852,877
Investments *(Note 3)*	**98,810,764**	**-**	**-**	**-**	**98,810,764**	88,154,239
Capital assets *(Note 5)*	**-**	**-**	**-**	**937,147**	**937,147**	15,119
Due from (to) other funds	**(1,301,747)**	**1,478,446**	**-**	**(176,699)**	**-**	-
	97,822,715	**1,478,446**	**56,765,085**	**1,131,035**	**157,197,281**	133,022,235
Liabilities						
Current						
Cheques written in excess of available funds	**-**	**1,154,355**	**-**	**-**	**1,154,355**	-
Accounts payable and accruals	**349,029**	**324,091**	**1,748,450**	**193,888**	**2,615,458**	2,518,044
Deferred contributions *(Note 6)*	**-**	**-**	**55,016,635**	**-**	**55,016,635**	28,996,630
	349,029	**1,478,446**	**56,765,085**	**193,888**	**58,786,448**	31,514,674
Net Assets						
Invested in capital assets						
Invested in capital assets	**-**	**-**	**-**	**937,147**	**937,147**	15,119
Externally restricted	**97,473,686**	**-**	**-**	**-**	**97,473,686**	101,492,442
	-	**-**	**-**	**-**	**98,410,833**	101,507,561
	97,822,715	**1,478,446**	**56,765,085**	**1,131,035**	**157,197,281**	133,022,235

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2023

	Investment Fund	*NRT Programs Fund*	*Strategic Initiatives Fund*	*Operating Fund*	***2023***	*2022*
Revenue						
Administration	**-**	**-**	**-**	**-**	**-**	123,625
Capital gains *(Note 3)*	**959,993**	**-**	**-**	**-**	**959,993**	7,151,803
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	**-**	**-**	**1,471,369**	**-**	**1,471,369**	123,298
Investment income *(Note 3)*	**2,417,638**	**169,371**	**630,467**	**-**	**3,217,476**	2,126,094
Other income	**127,458**	**-**	**-**	**303**	**127,761**	50,000
PacifiCan	**-**	**-**	**4,251,981**	**-**	**4,251,981**	2,730,068
Province of British Columbia	**-**	**-**	**2,484,306**	**-**	**2,484,306**	2,220,933
Vancouver Foundation	**-**	**-**	**2,087,000**	**-**	**2,087,000**	-
	3,505,089	**169,371**	**10,925,123**	**303**	**14,599,886**	14,525,821
Grants to First Nation Communities *(Note 8)*						
Economic development	**-**	**550,000**	**-**	**-**	**550,000**	502,500
Education	**-**	**807,800**	**-**	**-**	**807,800**	901,600
Youth, Elders, Language and Culture	**-**	**434,700**	**-**	**-**	**434,700**	424,200
Nation-building capacity	**-**	**1,705,157**	**-**	**-**	**1,705,157**	1,532,636
Strategic Projects	**-**	**44,715**	**9,492,044**	**-**	**9,536,759**	4,429,738
	-	**3,542,372**	**9,492,044**	**-**	**13,034,416**	7,790,674
Expenses						
Administration expense (recovery)	**-**	**-**	**23,789**	**(23,789)**	**-**	114,000
Amortization	**-**	**-**	**-**	**4,536**	**4,536**	6,480
Communications	**-**	**-**	**44,514**	**107,247**	**151,761**	172,249
Conferences and sponsorships	**-**	**-**	**75,933**	**27,500**	**103,433**	16,890
Consulting	**-**	**-**	**359,522**	**34,293**	**393,815**	322,380
Governance	**-**	**-**	**-**	**62,189**	**62,189**	80,069
IT Salesforce development	**-**	**-**	**410,000**	**(410,000)**	**-**	-
Insurance	**-**	**-**	**286**	**13,400**	**13,686**	11,362
Investment management	**444,074**	**-**	**-**	**-**	**444,074**	525,732
Occupancy	**-**	**-**	**18,972**	**71,190**	**90,162**	71,190
Office overhead	**-**	**-**	**19,398**	**112,124**	**131,522**	159,548
Professional development	**-**	**-**	**-**	**2,591**	**2,591**	13,124
Professional fees	**-**	**-**	**-**	**66,229**	**66,229**	18,869
Telephone	**-**	**-**	**2,972**	**11,309**	**14,281**	13,551
Travel	**-**	**-**	**89,798**	**2,985**	**92,783**	48,497
Wages and benefits	**-**	**-**	**387,895**	**668,848**	**1,056,743**	949,793
Total expenses	**444,074**	**-**	**1,433,079**	**750,652**	**2,627,805**	2,523,734

Continued on next page

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2023

	Investment Fund	*NRT Programs Fund*	*Strategic Initiatives Fund*	*Operating Fund*	***2023***	*2022*
Total expenses (continued from previous page)	**444,074**	**-**	**1,433,079**	**750,652**	**2,627,805**	2,523,734
Excess (deficiency) of revenue over expenses before other items	**3,061,015**	**(3,373,001)**	**-**	**(750,349)**	**(1,062,335)**	4,211,413
Other items						
Unrealized loss on investments	**(2,034,393)**	**-**	**-**	**-**	**(2,034,393)**	(4,052,539)
Excess (deficiency) of revenue over expenses	**1,026,622**	**(3,373,001)**	**-**	**(750,349)**	**(3,096,728)**	158,874
Net assets beginning of year	**101,492,362**	**-**	**-**	**15,199**	**101,507,561**	101,348,687
Interfund transfers *(Note 9)*	**(5,045,298)**	**3,373,001**	**-**	**1,672,297**	**-**	-
Net assets, end of year	**97,473,686**	**-**	**-**	**937,147**	**98,410,833**	101,507,561

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Statement of Cash Flows
For the year ended March 31, 2023

	2023	*2022*
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**(3,096,728)**	158,874
Amortization	**4,536**	6,480
Unrealized losses (gains) on investments	**2,034,393**	4,052,539
Investment income reinvested, net of fees	**(3,228,551)**	(6,716,104)
	(4,286,350)	(2,498,211)
Changes in working capital accounts		
Accounts receivable	**(133,218)**	1,799
Government agencies receivable	**(4,862)**	(586)
Prepaid expenses	**(11,120)**	(25,289)
Accounts payable and accruals	**97,414**	1,894,208
Deferred contributions	**26,020,005**	26,427,444
	21,681,869	25,799,365
Investing		
Advances to NRT foundation	**(29,070)**	(18,759)
Purchase of assets	**(926,564)**	-
Purchase of investments	**(10,000,000)**	(3,949,354)
Proceeds on disposal of investments	**537,633**	16,831,816
	(10,418,001)	12,863,703
Increase in restricted cash resources	**11,263,868**	38,663,068
Restricted cash resources, beginning of year	**44,752,377**	6,089,309
Restricted cash resources, end of year	**56,016,245**	44,752,377
Cash resources are composed of:		
Restricted cash	**57,170,600**	44,752,377
Cheques issued in excess of available funds	**(1,154,355)**	-
	56,016,245	44,752,377

The accompanying notes are an integral part of these financial statements

New Relationship Trust
Notes to the Financial Statements
For the year ended March 31, 2023

1. Incorporation and nature of the organization

New Relationship Trust (“NRT”) was incorporated under the authority of 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:

Cash and cash equivalents

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

Fund accounting

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

The Investment Fund reports on NRT’s initial $100,000,000 contribution by the Province along with the related investment income earned on this contribution less investment management fees.

The NRT Programs Fund reports on NRT’s funding to First Nations through grants.

The Strategic Initiatives Fund reports on NRT’s specific purpose projects and activities.

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

Controlled entity

NRT’s financial statements do not include the accounts of New Relationship Trust Foundation (the “Foundation”) which is controlled by NRT as the director’s of NRT appoint the Board of Directors of the Foundation. The required disclosures have been provided in Note 11.

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

Revenue recognition

NRT uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the Investment Fund, NRT Programs Fund, and Strategic Initiatives Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the General 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.

Investments

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

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

Capital assets

Capital assets are initially recorded at cost.

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

	Rate
Computer software	30 %
Grant manager software	30 %

The Foundation expenses all research costs as they are incurred. Development costs are expensed as incurred unless they meet the criteria for deferral and subsequent amortization in accordance with the guidance in Section 3064 Goodwill and Intangible Assets.

Long-lived assets

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

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

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and due from NRT Foundation are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets

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

Financial instruments

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

Arm's length financial instruments

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

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

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

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

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

Financial instruments *(Continued from previous page)*

Related party financial instruments

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

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

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

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

NRT has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

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

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

Financial asset impairment

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

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

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

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

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

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

Financial instruments *(Continued from previous page)*

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.

Foreign currency translation

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

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

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".

The Investment fund held $313,698 in cash as at March 31, 2023 representing proceeds from recent equity sales.

	Fair Value	*Cost Base*	***2023 Cumulative Unrealized Gain***	*2022 Cumulative Unrealized Gain*
Investment Fund				
Mercer Global Investments	**66,724,295**	**65,239,137**	**1,485,158**	4,572,525
Greystone Real Estate LP	**11,083,793**	**9,000,000**	**2,083,793**	1,885,127
Addenda Commercial Mortgage	**9,975,534**	**10,290,645**	**(315,111)**	(142,277)
IFM Global Infrastructure (Canada) B, L.P.	**11,027,142**	**10,000,000**	**1,027,142**	-
Total Investments	**98,810,764**	**94,529,782**	**4,280,982**	6,315,375

Investment income earned during the year is comprised as follows:

	Investment Fund	**NRT Programs Fund**	**Strategic Initiatives Fund**	***2023***	*2022*
Interest and dividend income	2,417,638	169,371	630,467	3,217,476	2,126,094
Capital gains (losses), net	959,993	-	-	959,993	7,151,803
	3,377,631	169,371	630,467	4,177,469	9,277,897

4. Due from NRT Foundation

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

5. Capital assets

	Cost	***Accumulated amortization***	***2023 Net book value***	*2022 Net book value*
Computer software	**238,119**	**227,536**	**10,583**	15,119
Grant manager software	**926,564**	**-**	**926,564**	-
	1,164,683	**227,536**	**937,147**	15,119

Capital assets with a carrying value of $926,564 are not in use and therefore have not been amortized in the current year.

6. Deferred contributions

Deferred contributions for the year ended March 31, 2023 consist of the following:

	2023	*2022*
BC Co-op Associations	**325,000**	
Crown Indigenous Relations and Northern Affairs Canada (CIRNA)	**1,058,630**	778,445
PacifiCan	**2,648,573**	5,218,185
Province of British Columbia	**48,071,432**	23,000,000
Vancouver Foundation	**2,913,000**	
	55,016,635	28,996,630

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

	2023	*2022*
Balance, beginning of year	**28,996,630**	2,569,186
Amount received during the year	**36,314,661**	31,501,743
Less: Amount recognized as revenue during the year	**(10,294,656)**	(5,074,299)
Balance, end of year	**55,016,635**	28,996,630

7. Commitments

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

2024	34,873
2025	7,235
	42,108

7. Commitments *(Continued from previous page)*

NRT has committed in fiscal 2023 to the following funding grants to First Nations, and other fund initiatives to be disbursed subsequently to March 31, 2023:

Clean Energy	6,192,054
Education	14,400
Elders, Youth & Language	52,300
Nation Building	194,087
	6,452,841

8. Grants to First Nation Communities

	2023	*2022*
Economic development:		
Equity matching	**550,000**	502,500
Education:		
Scholarships and bursaries	**700,000**	700,000
K-12 education initiative	**107,800**	201,600
	807,800	901,600
Elders, Youth & Language	**434,700**	424,000
Nation Building	**1,705,157**	1,532,636
Strategic projects:		
Clean Energy	**6,258,840**	4,429,738
Governance	**1,000,920**	-
Resiliency and Recovery	**1,947,000**	-
Other Initiatives	**329,999**	-
	9,536,759	4,429,738
	13,034,416	7,790,474

9. Interfund transactions

During the year, NRT transferred $3,373,001 from the Investment Fund to the NRT Programs Fund and $1,672,297 to the Operating Fund to fund the current year's program grants and administrative expenses.

10. Related party transactions

Included in Funding Grants to First Nations expenses for the current year are $700,000 (2022 - $700,000) paid to Foundation. The expenses occurred in the normal course of operations and were recorded at carrying amount at the date of transaction:

- Scholarships and bursaries contributed of $600,000 (2022 - $600,000);
- Administration funding of $100,000 (2022 - $100,000).

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 not-for-profit charitable organization registered under the Income Tax Act of Canada and as such, is exempt from income taxes.

The Foundation has not been consolidated in the NRT's financial statements. Audited financial statements of New Relationship Trust Foundation are available upon request. Financial summaries of this unconsolidated entity, as at March 31, 2023 and 2022, and for the years then ended, are as follows:

Financial Position

	2023	*2022*
Total assets	**3,213,289**	2,957,670
Total liabilities	**232,063**	101,181
Total net assets	**2,981,226**	2,856,489

Statement of Operations

Total revenue	**1,454,735**	1,454,382
Total expenses	**1,329,998**	1,314,690
Excess of revenue over expenses	**124,737**	139,692

Cash Flows

Cash provided by operations	**354,324**	266,383
Cash used in financing and investing activities	**(38,704)**	(90,714)
Increase in cash resources	**315,620**	175,669

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 the interest rates. Changes in market interest rates may have an effect on the cash flows 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.

During the year, NRT's exposure to interest rate risk decreased because the prime rate was increased by 4% in response to inflationary pressures in the economy. As a result, investment income increased in the year. Subsequent to year end, the prime lending rate increased again, which is expected to increase income attributable to the investments.

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

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 the 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.

	2023	*2022*
Revenue		
Investment income	**2,417,638**	2,091,557
Other income	**127,458**	-
Capital gains	**959,993**	7,151,803
	3,505,089	9,243,360
Expenses		
Investment management	**444,074**	525,732
Excess of revenue over expenses before other items	**3,061,015**	8,717,628
Unrealized loss on investments and assets	**(2,034,393)**	(4,052,539)
Excess of revenue over expenses	**1,026,622**	4,665,089

New Relationship Trust

Schedule 2 - NRT Programs Fund Revenues and Expenses

For the year ended March 31, 2023

	2023	*2022*
Revenue		
Investment income	**169,371**	34,537
Expenses		
Economic development	**594,715**	502,500
Education	**807,800**	901,600
Elders, Youth & Language	**434,700**	424,200
Nation Building	**1,705,157**	1,532,636
	3,542,372	3,360,936
Deficiency of revenue over expenses	**(3,373,001)**	(3,326,399)

New Relationship Trust

Schedule 3 - Strategic Initiatives Fund Revenues and Expenses

For the year ended March 31, 2023

	2023	*2022*
Revenue		
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	**1,471,369**	123,298
Investment income	**630,467**	-
Other income	**-**	50,000
PacifiCan	**4,251,981**	2,730,068
Province of British Columbia	**2,484,306**	2,220,933
Vancouver Foundation	**2,087,000**	-
	10,925,123	**5,124,299**
Funding Grants to First Nation Communities		
Strategic Initiatives	**9,492,044**	4,429,738
Expenses		
Administration	**23,789**	114,000
Communications	**44,514**	105,648
Consulting	**359,522**	207,251
Insurance	**286**	**-**
IT salesforce development	**410,000**	-
Occupancy	**18,972**	**-**
Office	**19,398**	2,954
Sponsorship	**75,933**	-
Telephone	**2,972**	3,449
Travel	**89,798**	8,734
Wages and benefits	**387,895**	252,525
	1,433,079	694,561
Excess (deficiency) of revenue over expenses	**-**	-

New Relationship Trust

Schedule 3a - Community Energy Diesel Reduction (CEDR) Revenues and Expenses

For the year ended March 31, 2023

	(Unaudited) *2023*
Revenue	
Investment income	**630,466**
Province of British Columbia	**2,292,936**
	2,923,402
Funding Grants to First Nation Communities	**2,209,173**
Expenses	
Administrative expense	**20,000**
Communications	**11,320**
Consulting	**104,807**
Insurance	**286**
IT salesforce development	**200,000**
Occupancy	**18,972**
Office overhead	**18,859**
Sponsorship	**25,933**
Telephone	**2,971**
Travel	**49,143**
Wages and benefits	**261,938**
	2,923,402
Excess (deficiency) of revenue over expenses	-

New Relationship Trust

Schedule 3b - Clean Energy (CEI #23172) First Nation Revenues and Expenses

For the year ended March 31, 2023

	(Unaudited) *2023*
Revenue	
Western Economic Diversification Canada	**1,682,369**
Contributions deferred	**(484,653)**
	1,197,716
Funding Grants to First Nation Communities	**1,013,774**
Expenses	
Marketing	**9,424**
Professional services	**4,518**
Incremental operating costs	**50,000**
Incremental salaries and benefits	**50,000**
Outreach and engagement	**70,000**
	1,197,716
Excess (deficiency) of revenue over expenses	-

New Relationship Trust

Schedule 3c – Clean Energy (CEI #15542) First Nation Revenues and Expenses

For the year ended March 31, 2023

	(Unaudited) *2023*
Revenue	
PacifiCan	**3,054,265**
Funding Grants to First Nation Communities	**3,035,892**
Expenses	
Communications	**3,770**
Consulting	**12,910**
Travel	**1,693**
	3,054,265
Excess (deficiency) of revenue over expenses	-

New Relationship Trust

Schedule 3d - Indigenous Governance Advisory Team (IGAT) Revenues and Expenses

For the year ended March 31, 2023

	(Unaudited) *2023*
Revenue	
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	**501,554**
Other revenue (NRT contribution)	**24,714**
Prior year unexepended funding	**778,446**
	1,304,714
Funding Grants to First Nation Communities	**1,000,920**
Expenses	
Communications	**-**
Consutling	**190,215**
Office overhead	**20,538**
Travel	**37,820**
Wages and benefits	**55,221**
	1,304,714
Excess (deficiency) of revenue over expenses	-

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Schedule 3e - BC Indigenous Cannabis Fund (ICBF) Revenues and Expenses

For the year ended March 31, 2023

	(Unaudited) *2023*
Revenue	
Crown-Indigenous Relations and Northern Affairs Canada (CIRNA)	**1,250,000**
Other revenue, Province of BC	**1,250,000**
Contributions deferred	**(2,117,260)**
	382,740
Funding Grants to First Nation Communities	**310,000**
Expenses	
Administration expense	**3,789**
Consulting	**48,215**
Wages and benefits	**20,736**
	382,740
Excess (deficiency) of revenue over expenses	**-**

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Schedule 3f – Vancouver Foundation Recovery and Resiliency Fund Revenue and Expenses

For the year ended March 31, 2023

	(Unaudited) *2023*
Revenue	
Vancouver Foundation	**2,087,000**
Funding Grants to First Nation Communities	**1,947,000**
Expenses	
IT salesforce development	**140,000**
	2,087,000
Excess (deficiency) of revenue over expenses	**-**

New Relationship Trust

Schedule 4 - Operating Fund Revenues and Expenses

For the year ended March 31, 2023

	2023	*2022*
Revenue		
Administration	**-**	123,625
Other income	**303**	-
	303	**123,625**
Expenses		
Administration recovery	**(23,789)**	-
Amortization	**4,536**	6,480
Communications	**107,247**	66,602
Consulting	**34,293**	115,129
Governance	**62,189**	80,069
Insurance	**13,400**	11,362
IT salesforce development	**(410,000)**	-
Occupancy	**71,190**	71,190
Office	**112,124**	156,594
Professional development	**2,591**	13,124
Professional fees	**66,229**	18,869
Sponsorship	**27,500**	16,890
Telephone	**11,309**	10,101
Travel	**2,985**	39,763
Wages and benefits	**668,848**	697,268
	750,652	1,303,441
Deficiency of revenue over expenses	**(750,349)**	(1,179,816)



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