

# Financial Report
## 2023/24

NEW RELATIONSHIP TRUST
Empowering First Nations in British Columbia



2023/24

# 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 **$544.9 million,** consisting primarily of provincial and federal government funds we have been entrusted to administer. These funds will be used to support Indigenous communities and organizations throughout BC to build resilient and thriving communities.
- Total revenues **$80.2 million**
- Funding grants to First Nations were **$66.6 million**
- Operating expenditures were **$3.6 million** and represent **4.5%** of the total revenues
- **Well managed** and committed to efficient and effective use of our funds. It is our top priority to distribute funds to First Nations in a timely manner, with a streamlined application process that minimizes administrative barriers.

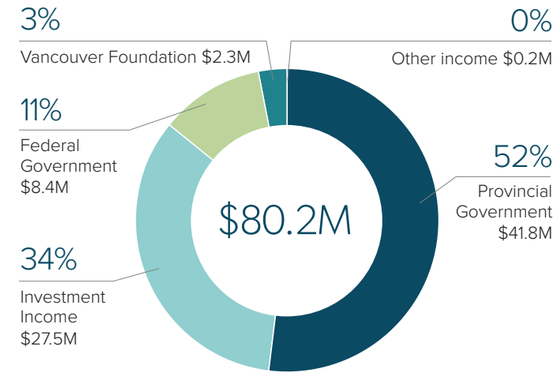
## INVESTMENTS

The portfolio was valued at **$107 million**, realized a return of **12.67%** for this fiscal year and **7.63%** since inception

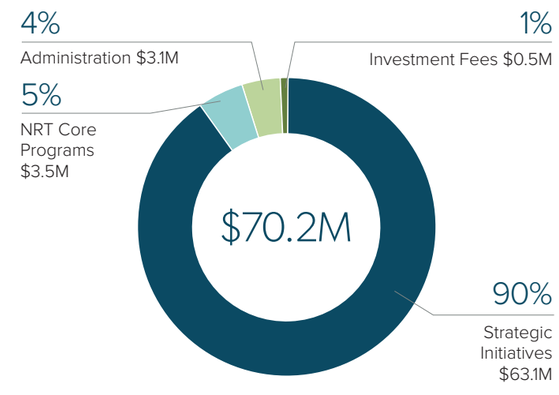
| | 2024 | SINCE INCEPTION |
|---|---|---|
| Earnings | $3.9 M | $94.8 M |
| Management Fees | $0.5 M | $7.2 M |

**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 rebuilding activities well into the future.

## REVENUES




## EXPENDITURES






NRT FINANCIAL REPORT 2023/24

NEW RELATIONSHIP TRUST

# FINANCIAL STATEMENTS

MARCH 31 2024





**NRT FINANCIAL REPORT** 2023/24

NEW RELATIONSHIP TRUST
Empowering First Nations in British Columbia

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For the year ended March 31, 2024

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# Independent Auditor's Report

## TO THE BOARD OF NEW RELATIONSHIP TRUST:

### Opinion

We have audited the financial statements of New Relationship Trust ("NRT"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NRT as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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

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

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

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**NRT FINANCIAL REPORT** 2023/24

# Independent Auditor's Report

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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
July 30, 2024

MNP LLP
Chartered Professional Accountants



# New Relationship Trust
## Statement of Financial Position
*As at March 31, 2024*

| | *Investment Fund* | *Strategic Initiatives Fund* | *Operating Fund* | *2024* | *2023* |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Current** | | | | | |
| Restricted cash *(Note 4)* | **264,951** | **23,711,974** | **1,215,758** | **25,192,683** | 57,170,601 |
| Term deposits *(Note 5)* | **-** | **400,350,753** | **-** | **400,350,753** | - |
| Accounts receivable | **-** | **10,666,710** | **265,043** | **10,931,753** | 137,470 |
| Government agencies receivable | **-** | **-** | **6,562** | **6,562** | 6,907 |
| Prepaid expenses | **-** | **-** | **67,838** | **67,838** | 60,326 |
| Due from NRT Foundation | **-** | **-** | **-** | **-** | 74,066 |
| | **264,951** | **434,729,437** | **1,555,201** | **436,549,589** | 57,449,370 |
| **Investments** *(Note 4)* | **107,247,069** | **-** | **-** | **107,247,069** | 98,810,764 |
| **Capital assets** *(Note 6)* | **-** | **-** | **1,092,728** | **1,092,728** | 937,147 |
| **Due from (to) other funds** | **905,977** | **-** | **(905,977)** | **-** | - |
| | **108,417,997** | **434,729,437** | **1,741,952** | **544,889,386** | 157,197,281 |
| **Liabilities** | | | | | |
| **Current** | | | | | |
| Cheques written in excess of available funds | **-** | **-** | **-** | **-** | 1,154,355 |
| Accounts payable and accruals | **219,731** | **2,993,353** | **529,873** | **3,742,957** | 2,615,458 |
| Deferred contributions *(Note 7)* | **-** | **421,905,284** | **119,350** | **422,024,634** | 55,016,635 |
| | **219,731** | **424,898,637** | **649,223** | **425,767,591** | 58,786,448 |
| **Commitments** *(Note 8)* | | | | | |
| **Net Assets** | | | | | |
| Invested in capital assets | **-** | **-** | **1,092,729** | **1,092,729** | 937,147 |
| Externally restricted | **108,198,266** | **9,830,800** | **-** | **118,029,066** | 97,473,686 |
| | **-** | **-** | **-** | **119,121,795** | 98,410,833 |
| | **108,417,997** | **434,729,437** | **1,741,952** | **544,889,386** | 157,197,281 |

**Approved on behalf of the Board**

**Vice Chair - Wade Grant**

**Board Member - Mike Mearns**

*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, 2024*

| | *Investment Fund* | *Strategic Initiatives Fund* | *Operating Fund* | *2024* | *2023* |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Investment income *(Note 4)* | **3,902,569** | **22,795,930** | **804,689** | **27,503,188** | 4,177,469 |
| Other income | **-** | **104,570** | **68,378** | **172,948** | 127,761 |
| Crown-Indigenous Relations and Northern Affairs Canada (CIRNA) | **-** | **3,819,896** | **-** | **3,819,896** | 1,471,369 |
| Pacific Economic Development Canada | **-** | **4,602,533** | **-** | **4,602,533** | 4,251,981 |
| Province of British Columbia | **-** | **41,825,845** | **-** | **41,825,845** | 2,484,306 |
| Vancouver Foundation | **-** | **2,307,000** | **-** | **2,307,000** | 2,087,000 |
| | **3,902,569** | **75,455,774** | **873,067** | **80,231,410** | 14,599,886 |
| **Grants to First Nation Communities** *(Note 9)* | | | | | |
| Community AED | **-** | **-** | **55,259** | **55,259** | - |
| Economic development | **-** | **-** | **510,000** | **510,000** | 550,000 |
| Education | **-** | **-** | **493,400** | **493,400** | 807,800 |
| Nation-building capacity | **-** | **-** | **2,046,228** | **2,046,228** | 1,705,157 |
| Strategic Projects | **-** | **63,136,188** | **-** | **63,136,188** | 9,536,759 |
| Youth, Elders, and Language | **-** | **-** | **387,600** | **387,600** | 434,700 |
| | **-** | **63,136,188** | **3,492,487** | **66,628,675** | 13,034,416 |
| **Expenses** | | | | | |
| Administration expense (recovery) | **-** | **583,710** | **(583,710)** | **-** | - |
| Amortization | **-** | **-** | **14,185** | **14,185** | 4,536 |
| Communications | **-** | **22,254** | **237,397** | **259,651** | 151,761 |
| Conferences and sponsorships | **-** | **107,187** | **-** | **107,187** | 103,433 |
| Consulting | **-** | **549,307** | **42,028** | **591,335** | 393,815 |
| Governance | **-** | **-** | **98,512** | **98,512** | 62,189 |
| Insurance | **-** | **-** | **17,139** | **17,139** | 13,686 |
| Investment management | **470,187** | **-** | **-** | **470,187** | 444,074 |
| Occupancy | **-** | **27,612** | **71,190** | **98,802** | 90,162 |
| Office overhead | **-** | **8,251** | **185,092** | **193,343** | 131,522 |
| Professional development | **-** | **489** | **8,110** | **8,599** | 2,591 |
| Professional fees | **-** | **-** | **58,295** | **58,295** | 66,229 |
| Telephone | **-** | **5,930** | **14,872** | **20,802** | 14,281 |
| Travel | **-** | **102,317** | **15,479** | **117,796** | 92,783 |
| Wages and benefits | **-** | **1,081,729** | **472,704** | **1,554,433** | 1,056,743 |
| **Total expenses** | **470,187** | **2,488,786** | **651,293** | **3,610,266** | 2,627,805 |

*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, 2024*


| | *Investment Fund* | *Strategic Initiatives Fund* | *Operating Fund* | *2024* | *2023* |
|---|---|---|---|---|---|
| *(Continued from previous page)* | **(470,187)** | **(2,488,786)** | **(651,293)** | **(3,610,266)** | 1,274,764 |
| **Excess (deficiency) of revenue over expenses before other items** | **3,432,382** | **9,830,800** | **(3,270,713)** | **9,992,469** | (1,062,335) |
| **Other items** | | | | | |
| Unrealized gain/(loss) on investments | **8,417,985** | **-** | **-** | **8,417,985** | (2,034,393) |
| **Excess (deficiency) of revenue over expenses** | **11,850,367** | **9,830,800** | **(3,270,713)** | **18,410,454** | (3,096,728) |
| **Net assets beginning of year** | **97,473,686** | **-** | **937,147** | **98,410,833** | 101,507,561 |
| **NRT Foundation assets acquired** *(Note 3)* | **2,300,508** | **-** | **-** | **2,300,508** | - |
| **Interfund transfers** *(Note 10)* | **(3,426,295)** | **-** | **3,426,295** | **-** | - |
| **Net assets, end of year** | **108,198,266** | **9,830,800** | **1,092,729** | **119,121,795** | 98,410,833 |

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

# New Relationship Trust
## Statement of Cash Flows
*For the year ended March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Cash provided by (used for) the following activities** | | |
| **Operating** | | |
| Excess (deficiency) of revenue over expenses | **18,410,456** | (3,096,728) |
| Amortization | **14,185** | 4,536 |
| Unrealized losses (gains) on investments | **(8,417,985)** | 2,034,393 |
| Investment income reinvested, net of fees | **(2,722,948)** | (3,228,551) |
| | **7,283,708** | (4,286,350) |
| Changes in working capital accounts | | |
| Accounts receivable | **(7,916,983)** | (133,218) |
| Government agencies receivable | **345** | (4,862) |
| Prepaid expenses | **(7,512)** | (11,120) |
| Accounts payable and accruals | **1,127,496** | 97,415 |
| Deferred contributions | **364,130,699** | 26,020,005 |
| | **364,617,753** | 21,681,870 |
| **Investing** | | |
| Advances to NRT foundation | **-** | (29,070) |
| Repayment of advances to NRT foundation | **74,066** | - |
| Purchase of assets | **(169,766)** | (926,564) |
| Purchase of investments | **(2,987,624)** | (10,000,000) |
| Proceeds on disposal of investments | **5,692,252** | 537,633 |
| Purchase of term deposits | **400,350,753)** | - |
| Net assets acquired from NRT Foundation | **2,300,508** | - |
| | **395,441,317)** | (10,418,001) |
| **Increase in restricted cash resources** | **(30,823,564)** | 11,263,869 |
| **Restricted cash resources, beginning of year** | **56,016,246** | 44,752,377 |
| **Restricted cash resources, end of year** | **25,192,682** | 56,016,246 |
| **Cash resources are composed of:** | | |
| Restricted cash | **25,192,682** | 57,170,601 |
| Cheques issued in excess of available funds | **-** | (1,154,355) |
| | **25,192,682** | 56,016,246 |

*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, 2024*

### 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 nine 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 three funds: Investment, Strategic Initiatives and Operating Fund. The Investment fund is 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 was brought into the Strategic Initiatives Fund during the year to streamline reporting on the funds that had similar purposes.

The Strategic Initiatives Fund, which comprises of the formally known, NRT Programs Fund and 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.

***Revenue recognition***

NRT uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the Investment 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 and term deposits***

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. Term deposits are measured at their fair value being the underlying deposit plus accrued interest.

**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 % |
| Furniture and fixtures | 20 % |
| Grant manager software | 30 % |

***Long-lived assets***

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

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

***Measurement uncertainty (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 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. Investments are carried at their fair market value, which is based on market rates.

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.



New Relationship Trust
Notes to the Financial Statements
*For the year ended March 31, 2024*

**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.

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

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

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.

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.

***Combinations by Not-for-Profit Organizations***

Combinations are transactions or events involving not-for-profit organizations and are accounted for using either the merger or acquisition method. The accounting treatment for a combination depends on the facts and circumstances of the transaction.

**Mergers**

A combination is accounted for as a merger only when all the required criteria are met. However, a combination between not-for-profit organizations under common control is required to be accounted for as a merger.

As of the combination date, the combined carrying values of the assets, liabilities and net assets of the entities subject to the combination are recognized by the NRT and measured at the amounts reported in the financial statements of the combining entities and are adjusted to achieve uniformity of accounting policies across the combining entities.

**Acquisitions**

A combination is accounted for as an acquisition when the criteria to account for the combination as a merger are not met.

Acquisition related costs are expensed in the period in which the costs are incurred and services are received.

**3. Combination**

During the year, the NRT entered into a combination that involved a previously related not-for-profit organization.

**Acquisition**

On January 23, 2024, NRT merged with New Relationship Trust Foundation, the "Foundation", a not-for-profit organization whose purpose is to represent First Nations clients and is responsible for advancing education by providing scholarships, bursaries and awards for First Nations students pursuing post-secondary education. The primary reason for the combination was to streamline the operations of the Foundation as all of the current activities can be performed under the Trust.

The combination has been accounted for as a merger in accordance with Section 4449, *Combinations by Not-for-Profit Organizations* of Canadian Accounting Standards for Not-for-profit Organizations, and accordingly, the results of operations from January 23, 2024 have been included in the financial statements of the NRT.





**3. Combination** *(Continued from previous page)*

There was no consideration transferred in the merger. The amounts recognized for the assets acquired and liabilities assumed at the acquisition date are as follows:

| | **Amount recognized** |
|---|---|
| **Net assets acquired** | |
| Cash | 2,424,858 |
| Accounts payable | (5,000) |
| Deferred contributions | (119,750) |
| Net contribution | 2,300,108 |

**4. Investments**

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

The Investment fund held $264,951 in cash as at March 31, 2024 representing proceeds from recent equity sales.

| | ***2024*** | | | *2023* |
|---|---|---|---|---|
| | ***Fair Value*** | ***Cost Base*** | ***Cumulative Unrealized Gain*** | *Cumulative Unrealized Gain* |
| **Investment Fund** | | | | |
| Mercer Global Investments | **76,758,026** | **66,955,680** | **9,802,346** | 1,485,158 |
| Greystone Real Estate LP | **8,423,305** | **6,772,848** | **1,650,457** | 2,083,793 |
| Addenda Commercial Mortgage | **10,593,621** | **10,799,310** | **(205,689)** | (315,111) |
| IFM Global Infrastructure (Canada) B, L.P. | **11,472,117** | **10,000,000** | **1,472,117** | 1,027,142 |
| Total Investments | **107,247,069** | **94,527,838** | **12,719,231** | 4,280,982 |

Investment income earned during the year is comprised as follows:

| | **Investment Fund** | **Operating Fund** | **Strategic Initiatives Fund** | ***2024*** | *2023* |
|---|---|---|---|---|---|
| Interest and dividend income | 2,295,984 | 804,689 | 22,795,930 | 25,896,603 | 3,217,476 |
| Capital gains (losses), net | 1,606,585 | - | - | 1,606,585 | 959,993 |
| | 3,902,569 | 804,689 | 22,795,930 | 27,503,188 | 4,177,469 |

**5. Term deposits**

Investments are comprised of guaranteed investment certificates measured at amortized cost of $400,350,753 (2023 - $NIL) bearing interest from 5.99% to 6.27% (2023 - %NIL) per annum maturing between May 2024 and February 2025.

## 6. Capital assets

| | Cost | Accumulated amortization | 2024 Net book value | 2023 Net book value |
|---|---|---|---|---|
| Computer software | **238,119** | **238,119** | **-** | 10,583 |
| Furniture and fixtures | **36,016** | **3,602** | **32,414** | - |
| Grant manager software | **1,060,314** | **-** | **1,060,314** | 926,564 |
| | **1,334,449** | **241,721** | **1,092,728** | 937,147 |

Capital assets with a carrying value of $1,060,314 (2023 - $926,564) are not in use and therefore have not been amortized in the current year.

## 7. Deferred contributions

Deferred contributions for the year ended March 31, 2024 consist of the following:

| | 2024 | 2023 |
|---|---|---|
| BC Co-op Associations | **220,430** | 325,000 |
| Crown Indigenous Relations and Northern Affairs Canada (CIRNA) | **4,326,925** | 1,058,630 |
| Pacific Economic Development Canada | **1,147,188** | 2,648,573 |
| Province of British Columbia | **412,354,591** | 48,071,432 |
| Vancouver Foundation | **3,606,000** | 2,913,000 |
| Natural Based Solution Foundation | **250,150** | - |
| Education Funds | **119,350** | |
| | **422,024,634** | 55,016,635 |

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:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning of year | **55,016,635** | 28,996,630 |
| Amount received during the year | **419,677,843** | 36,314,661 |
| Less: Amount recognized as revenue during the year | **(52,659,844)** | (10,294,656) |
| Balance, end of year | **422,034,634** | 55,016,635 |

## 8. Commitments

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

| | |
|---|---|
| 2025 | 28,574 |
| 2026 | 7,144 |
| | 35,718 |





## 8. Commitments *(Continued from previous page)*

During the year, NRT committed to the following funding grants to First Nations, and other fund initiatives to be disbursed subsequently to March 31, 2024:

| | |
|---|---|
| Clean Energy | 13,619,843 |
| Declaration Act Engagement | 154,960,000 |
| Indigenous Food Sovereignty and Security | 1,533,808 |
| Nation Building Grants | 691,665 |
| Indigenous Recovery and Resiliency | 576,000 |
| Employment Labour Market | 28,020 |
| Youth, Elders, Language and Culture | 48,400 |
| Education | 12,800 |
| | 171,470,536 |

## 9. Grants to First Nation Communities

| | 2024 | 2023 |
|---|---|---|
| **Economic development:** | | |
| Equity matching | **510,000** | 550,000 |
| **Education:** | | |
| Scholarships and bursaries | **391,000** | 700,000 |
| K-12 education initiative | **102,400** | 107,800 |
| | **493,400** | 807,800 |
| Elders, Youth & Language | **387,600** | 434,700 |
| Nation Building | **2,101,487** | 1,705,157 |
| **Strategic projects:** | | |
| Cannabis | **1,396,125** | 310,000 |
| Clean Energy | **9,038,019** | 6,258,840 |
| Declaration Act | **41,600,000** | - |
| Food Sovereignty and Security | **7,977,964** | - |
| Governance Capacity Development | **640,000** | 1,000,920 |
| Labour Market Fund | **177,080** | - |
| Recovery and Resiliency | **2,307,000** | 1,947,000 |
| Other initiatives | **-** | 19,999 |
| | **63,136,188** | 9,536,759 |
| | **66,628,675** | 13,034,416 |

## 10. Interfund transactions

During the year, NRT transferred $3,426,295 from the Investment Fund and $658 from the Strategic Initiatives Fund to the Operating Fund to fund the current year's program grants and administrative expenses.

**11. Related party transactions**

Included in Funding Grants to First Nations expenses for the current year are $355,000 (2023 - $700,000) paid to the Foundation. The expenses occurred in the normal course of operations and were recorded at carrying amount at the date of transaction.

**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 increased because the prime rate was increased by 0.25% 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 decreased, which is expected to decrease income attributable to the investments.

***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.





| | ***2024*** | *2023* |
|---|---|---|
| **Revenue** | | |
| Investment income | **2,295,984** | 2,417,638 |
| Other income | - | 127,458 |
| Capital gains | **1,606,585** | 959,993 |
| | **3,902,569** | 3,505,089 |
| **Expenses** | | |
| Investment management | **470,187** | 444,074 |
| **Excess of revenue over expenses before other items** | **3,432,382** | 3,061,015 |
| **Unrealized gain (loss) on investments and assets** | **8,417,985** | (2,034,393) |
| **Excess of revenue over expenses** | **11,850,367** | 1,026,622 |

## New Relationship Trust

### Schedule 2 - NRT Programs Fund Revenues and Expenses

*For the year ended March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Revenue** | | |
| Investment income | - | 169,371 |
| **Expenses** | | |
| Economic development | - | 594,715 |
| Education | - | 807,800 |
| Elders, Youth & Language | - | 434,700 |
| Nation Building | - | 1,705,157 |
| | **-** | **3,542,372** |
| **Deficiency of revenue over expenses** | - | (3,373,001) |



## New Relationship Trust

### Schedule 3 - Strategic Initiatives Fund Revenues and Expenses

*For the year ended March 31, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Revenue** | | |
| Investment income | 22,795,930 | 630,467 |
| Other funding income | 104,570 | |
| Crown-Indigenous Relations and Northern Affairs Canada (CIRNA) | 3,819,895 | 1,471,369 |
| Pacific Economic Development Canada | 4,602,534 | 4,251,981 |
| Province of British Columbia | 41,825,845 | 2,484,306 |
| Vancouver Foundation | 2,307,000 | 2,087,000 |
| | **75,455,774** | 10,925,123 |
| **Funding Grants to First Nation Communities** | | |
| Strategic Initiatives | **63,136,188** | 9,492,044 |
| **Expenses** | | |
| Administration | 583,710 | 23,789 |
| Communications | 22,254 | 44,514 |
| Conferences and sponsorship | 107,187 | 75,933 |
| Consulting | 549,307 | 359,522 |
| Insurance | - | 286 |
| IT salesforce development | - | 410,000 |
| Occupancy | 27,612 | 18,972 |
| Office | 8,251 | 19,398 |
| Professional development | 489 | - |
| Telephone | 5,930 | 2,971 |
| Travel | 102,317 | 89,798 |
| Wages and benefits | 1,081,729 | 387,895 |
| | **2,488,786** | 1,433,079 |
| **Excess (deficiency) of revenue over expenses** | 9,830,800 | - |

## New Relationship Trust

### Schedule 3a – British Columbia Co-operative Association (BCCA)

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| British Columbia Co-operative Association (BCCA) | - | 325,000 |
| Contributions deferred | (220,430) | - |
| Prior year unexpended funding | 325,000 | (325,000) |
| | **104,570** | **-** |
| **Expenses** | | |
| Administration expense | 56,179 | **-** |
| Office overhead | 35 | **-** |
| Travel | 51 | **-** |
| Wages & benefits | 48,305 | **-** |
| | **104,570** | - |
| **Excess (deficiency) of revenue over expenses** | - | - |

## New Relationship Trust

### Schedule 3b – SPI BC Indigenous Cannabis Initiative

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Crown-Indigenous Relations and Northern Affairs Canada | 1,250,000 | 1,250,000 |
| Province of B.C. | 3,500,000 | 1,250,000 |
| Contributions deferred | (5,149,249) | (2,117,260) |
| Prior year unexpended funding | 2,117,260 | - |
| | **1,718,011** | **382,740** |
| **Funding Grants to First Nation Communities** | **1,396,125** | **310,000** |
| **Expenses** | | |
| Administration expense | 57,058 | 3,789 |
| Consulting | 178,622 | 48,215 |
| Travel | 3,266 | - |
| Wages & benefits | 82,940 | 20,736 |
| | **1,718,011** | **382,740** |
| **Excess (deficiency) of revenue over expenses** | - | - |

## New Relationship Trust

### Schedule 3c – Remote Community Diesel Reduction (CEDR)

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Province of British Columbia | 3,000,000 | 3,000,000 |
| Investment Income | 1,383,673 | 630,466 |
| Prior year unexpended funding | 23,707,064 | 23,000,000 |
| Contributions deferred | (24,456,096) | (23,707,064) |
| | **3,634,641** | **2,923,402** |
| **Funding Grants to First Nation Communities** | **2,880,637** | **2,209,173** |
| **Expenses** | | |
| Governance | 6,402 | 3,623 |
| Professional fees | 172,392 | 301,956 |
| Program administration | 192,609 | 146,712 |
| Wages & benefits | 382,601 | 261,938 |
| | **3,634,641** | **2,923,402** |
| **Excess (deficiency) of revenue over expenses** | - | - |

## New Relationship Trust

### Schedule 3d – SPI BC Regional Indigenous Clean Energy Initiatives

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Crown-Indigenous Relations and Northern Affairs Canada | 2,877,300 | - |
| Contributions deferred | (2,877,300) | - |
| | - | - |
| **Funding Grants to First Nation Communities** | - | |
| **Expenses** | - | |
| | - | - |
| **Excess (deficiency) of revenue over expenses** | - | - |

## New Relationship Trust

### Schedule 3e - Clean Energy First Nation (CEI #23172) - Strategic Partnerships Initiative

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Crown-Indigenous Relations and Northern Affairs Canada | 1,627,369 | 1,682,369 |
| Pacific Economic Development Canada | 3,101,149 | - |
| Contributions deferred | - | (484,653) |
| Prior year unexpended funding | 484,653 | - |
| | **5,213,171** | **1,197,716** |
| **Funding Grants to First Nation Communities** | **5,090,666** | **1,013,774** |
| **Expenses** | | |
| Marketing | 1,350 | 9,424 |
| Operating costs | 4,517 | 50,000 |
| Outreach and engagement | 60,000 | 70,000 |
| Professional services | 6,640 | 4,518 |
| Wages and benefits | 49,998 | 50,000 |
| | **5,213,171** | **1,197,716** |
| **Excess (deficiency) of revenue over expenses** | **-** | **-** |



## New Relationship Trust

### Schedule 3f – Clean Energy (CEI #15542)

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Pacific Economic Development Canada | | |
| Contributions deferred | (1,147,188) | (2,163,920) |
| Prior year unexpended funding | 2,163,920 | 5,218,185 |
| | **1,016,732** | **3,054,265** |
| **Funding Grants to First Nation Communities** | **1,016,732** | **3,035,892** |
| **Expenses** | | |
| Communications | - | 3,770 |
| Consulting | - | 12,910 |
| Travel | - | 1,693 |
| | **1,016,732** | **3,054,265** |
| **Excess (deficiency) of revenue over expenses** | **-** | **-** |

## New Relationship Trust

### Schedule 3g – Governance Capacity Development Program

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Crown-Indigenous Relations and Northern Affairs Canada | 942,526 | 501,554 |
| Other revenue (NRT contribution) | - | 24,714 |
| Prior year unexpended funding | - | 778,446 |
| | **942,526** | **1,304,714** |
| **Funding Grants to First Nation Communities** | **640,000** | **1,000,920** |
| **Expenses** | | |
| Administration expense | 56,450 | - |
| Advisory committee | 1,819 | - |
| Communications | 6,788 | - |
| Consulting (coaches & training) | 227,797 | 190,215 |
| Final conference (travel & mtg costs) | - | - |
| Office overhead | - | 20,538 |
| Travel | 9,672 | 37,820 |
| Wages & benefits | - | 55,221 |
| | **942,526** | **1,304,714** |
| **Excess (deficiency) of revenue over expenses** | **-** | **-** |



## New Relationship Trust

### Schedule 3h – Indigenous Labour Market Fund (LMF)

*For the year ended March 31, 2024*

| | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|
| **Revenue** | | |
| Province of British Columbia | 23,305,738 | - |
| Investment Income | 1,394,747 | - |
| Contributions deferred | (23,305,738) | - |
| | **1,394,747** | **-** |
| **Funding Grants to First Nation Communities** | **177,080** | **-** |
| **Expenses** | | |
| Governance | 2,957 | - |
| Program administration | 50,000 | - |
| Wages & benefits | 69,225 | - |
| | **299,262** | **-** |
| **Excess (deficiency) of revenue over expenses** | **1,095,485** | **-** |

## New Relationship Trust

### Schedule 3i – Province of British Columbia Contribution Agreement

*For the year ended March 31, 2024*

| | *Community Energy Diesel Reduction* | *BC Indigenous Clean Energy Initiative* | *First Nations Declaration Act Engagement* | *Indigenous Food Soverignty and* | *(Unaudited) 2024* |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Province of British Columbia | 30,000,000 | 140,000,000 | 200,000,000 | 30,000,000 | **400,000,000** |
| Investment Income | 1,611,000 | 7,508,631 | 9,447,164 | 1,450,715 | **20,017,510** |
| Contributions deferred | (30,000,000) | (140,000,000) | (167,625,166) | (23,267,968) | **(360,893,134)** |
| | **1,611,000** | **7,508,631** | **41,821,998** | **8,182,747** | **59,124,376** |
| **Funding Grants to First Nation Communities** | **-** | **49,984** | **41,600,000** | **7,977,964** | **49,627,948** |
| **Expenses** | | | | | |
| Governance | | | | 1,208 | **1,208** |
| Professional fees | | 2,835 | | 550 | **3,385** |
| Program administration | | 95,575 | 120,000 | 91,796 | **307,371** |
| Wages & benefits | | 235,922 | 101,998 | 111,229 | **449,149** |
| | **-** | **384,316** | **41,821,998** | **8,182,747** | **50,389,061** |
| **Excess (deficiency) of revenue over expenses** | **1,611,000** | **7,124,315** | **-** | **-** | **8,735,315** |



## New Relationship Trust

### Schedule 3j – Vancouver Foundation

*For the year ended March 31, 2024*

| | *Recovery and Resiliency Indigenous-Led Partner Grant* | *Lighthouse Organizations Fund Indigenous-Led* | *(Unaudited) 2024* | *(Unaudited) 2023* |
|---|---|---|---|---|
| **Revenue** | | | | |
| Vancouver Foundation | - | 3,000,000 | 3,000,000 | 5,000,000 |
| Contributions deferred | (606,000) | (3,000,000) | (3,606,000) | (2,913,000) |
| Prior year unexpended funding | 2,913,000 | - | 2,913,000 | |
| | **2,307,000** | **-** | **2,307,000** | **2,087,000** |
| **Funding Grants to First Nation Communities** | **2,307,000** | **-** | **2,307,000** | **1,947,000** |
| **Expenses** | | | | |
| Wages & benefits | - | - | - | 140,000 |
| | **2,307,000** | **-** | **2,307,000** | **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, 2024*

| | ***2024*** | *2023* |
|---|---|---|
| **Revenue** | | |
| Investment income | 804,689 | - |
| Other income | 68,378 | 303 |
| | **873,067** | **303** |
| **Funding Grants to First Nation Communities** | | |
| Community AED | 55,259 | - |
| Economic development | 510,000 | - |
| Education | 493,400 | - |
| Elders, Youth & Language | 387,600 | - |
| Nation Building | 2,046,228 | - |
| | **3,492,487** | **-** |
| **Expenses** | | |
| Administration recovery | (583,710) | (23,789) |
| Amortization | 14,185 | 4,536 |
| Communications | 237,397 | 107,247 |
| Consulting | 42,028 | 34,293 |
| Governance | 98,512 | 62,189 |
| Insurance | 17,139 | 13,400 |
| IT salesforce development | - | (410,000) |
| Occupancy | 71,190 | 71,190 |
| Office | 185,092 | 112,124 |
| Professional development | 8,110 | 2,591 |
| Professional fees | 58,295 | 66,229 |
| Sponsorship | - | 27,500 |
| Telephone | 14,873 | 11,309 |
| Travel | 15,479 | 2,985 |
| Wages and benefits | 472,704 | 668,848 |
| | **651,293** | 750,651 |
| **Deficiency of revenue over expenses** | **(3,270,713)** | (750,348) |





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Empowering First Nations in British Columbia