



2010-2011
ANNUAL REPORT
INVESTING IN FIRST NATIONS IN BC



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2010-2011 ANNUAL REPORT
INVESTING IN FIRST NATIONS IN BC

MESSAGE FROM THE CHAIR + CEO

Kathryn Teneese and Cliff Fregin

In order for First Nations governments to truly achieve autonomy and build positive, healthy futures for their people, thriving economies are essential. Localized economies, in particular, help create employment opportunities for First Nation in their home communities; support new and emerging First Nation businesses, and provide governments with the capital they need to fund initiatives their communities need most – anything from language and cultural initiatives to infrastructure or health care. A healthy economy provides the foundation for a thriving culture and community.

Economic Development has been one of NRT's five strategic priorities since our first Strategic Plan was created in 2006. Yet, to date we have not reported extensively in this area as much of our efforts have been taking place behind the scenes. For the past four years, we have been working on a provincial strategy for First Nations Economic Development, together with First Nations leadership groups, government, industry and First Nations. The strategy will enable a comprehensive and cohesive approach to economic development for First Nations in BC.

In the last couple of years, we have expanded our focus on economic development, making great strides forward with initiatives that support First Nation individuals, businesses and governments. We have chosen to focus this year's Annual Report on economic development to showcase our recent progress in this area.

The report highlights the Entrepreneur's Equity Matching Initiative (EEMI), launched in 2010, and the BC First Nations Equity Fund (BCFNEF), created in 2009 and rolled out in 2010. The EEMI supports First Nation businesses – new and emerging – with funds that 'match' their equity-base. This support in turn helps them leverage additional funds from more traditional lending sources. The BCFNEF offers low interest loans to First Nation communities poised to participate in viable alternative energy projects. Both initiatives give recipients access to funds they may otherwise be unable to obtain.

Another highlight of 2010, which we share with you here, was the Young Entrepreneurs Symposium (YES), which we co-hosted. YES brought 120 young entrepreneurs in the making together for a once in a lifetime opportunity: three solid days of net-working, challenges, presentations from successful business people and a whole lot of fun.

All in all, we had a very successful year in 2010 – 2011. Of course we continued to build on our work in the other strategic areas of education, governance capacity, youth & Elders, and language & culture. We encourage you to read about our progress, and we look forward to working with you in 2011 and beyond!

The New Relationship Trust (NRT) is a non-profit organization dedicated to strengthening BC First Nations to become healthy, prosperous, and self-sufficient.

Respectfully,



Kathryn Teneese
Chair



Cliff Fregin
CEO

THE YEAR IN HIGHLIGHTS

2010 - 2011 NRT

\$6.2 million

Provided in project support

86.67%

of NRT support went directly to First Nation communities or individuals

137

Funded 137 First Nation students completing diplomas, certificates, and degrees in accredited post-secondary schools in BC

2

Welcomed two new Board members: George Saddleman and Hugh Braker

1%

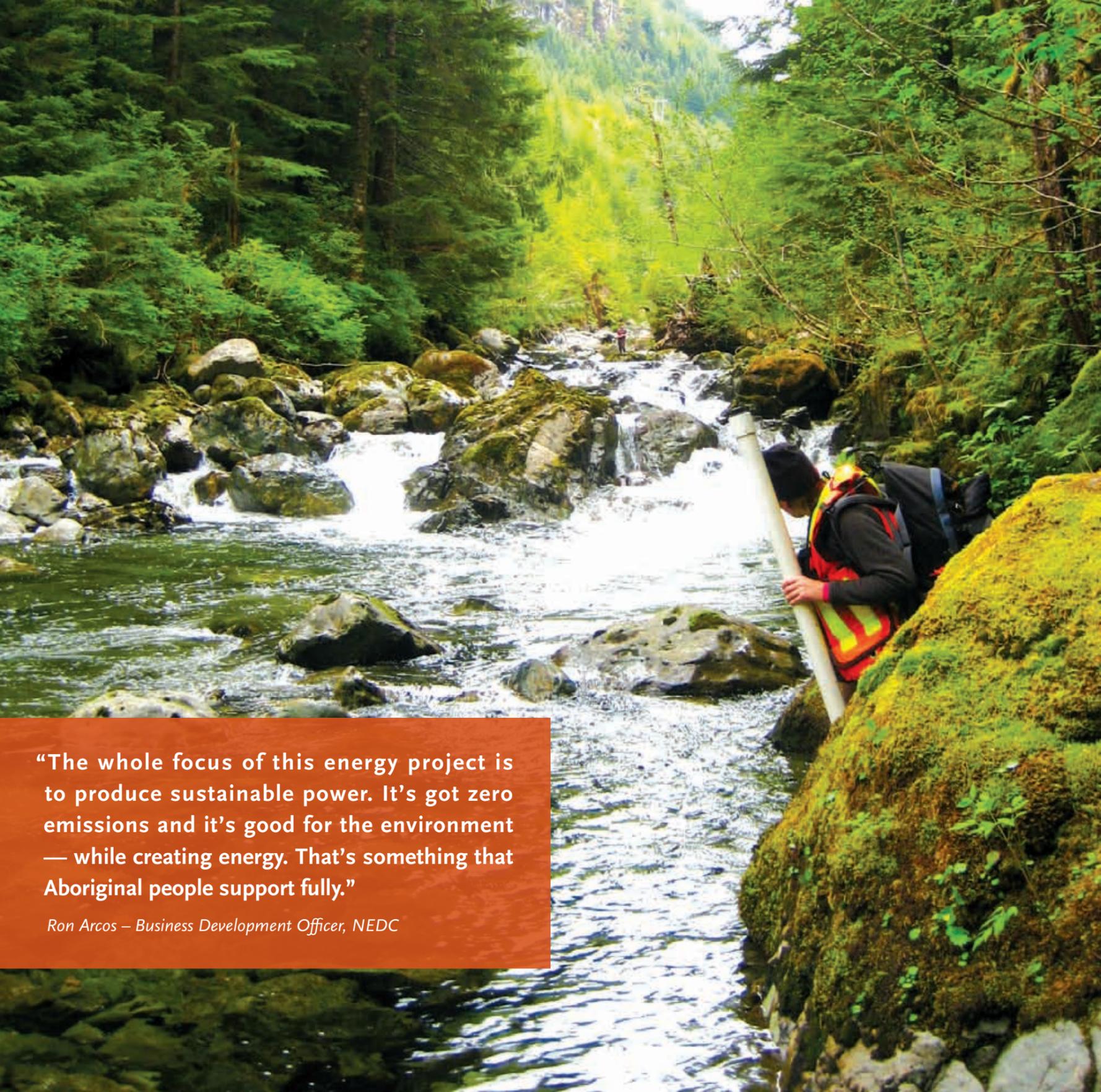
Kept administration costs to 1% of the investment portfolio



Co-hosted the Young Entrepreneurs Symposium, along with the Dreamcatcher Charitable Foundation (DCF)



Created the Entrepreneurs Equity Matching Initiative, providing equity for First Nation entrepreneurs and small businesses



BC First Nations Equity Fund

IN 2009, NRT PARTNERED with the All Nations Trust Company and the Nuu-chah-nulth Economic Development Corporation to create the BC First Nations' Equity Fund (BCFNEF). Each partner contributed \$1.667 million, creating a seed fund of \$5 million with plans to eventually grow the fund to \$50 million. The BCFNEF helps fill a financing gap by making affordable equity – in the form of low interest loans – available to First Nations looking to participate in viable economic development opportunities.

When the fund became available in early 2010, the community of Ehattesaht on Northern Vancouver Island was poised and ready to take advantage of it. For about five years, the Ehattesaht Tribe had been working with Vancouver-based Synex International to develop the Barr Creek Project, a 4.5 megawatt hydro electric plant located on Barr Creek, mid way between Tahsis and Zeballos. With the BCFNEF's initial focus on alternative

energy initiatives, Barr Creek was a great fit, and became BCFNEF's first funded project in April 2010.

With five years under its belt, the project has already been through a number of regulatory and environmental approvals as well as consultations. A year of construction is now underway and the plant is expected to begin operations in November 2011. Once complete, the project will sell electricity to BC Hydro, flowing directly into their powerlines from the plant. It is expected to produce enough electricity to feed about 3,000 – 4,000 homes.

Ehattesaht Tribe, who will be 20% owners, will realize a number of economic benefits. The plant will of course create revenue from the sale of power, and a number of jobs will be created in the community. And with the first project successfully underway, the BCFNEF will be looking for other viable initiatives from First Nations around the province.

“The whole focus of this energy project is to produce sustainable power. It’s got zero emissions and it’s good for the environment — while creating energy. That’s something that Aboriginal people support fully.”

Ron Arcos – Business Development Officer, NEDC



Strategic Initiatives

In 2010-2011, NRT continued to focus program support in five key areas: Education, Language & Culture, Elders & Youth, Governance Capacity, and Economic Development. \$6.2 million was spent on strategic initiatives.

EDUCATION | \$1.7 MILLION WENT TO EDUCATION SUPPORT.

NRT EDUCATION INITIATIVES SUPPORT FIRST NATION STUDENTS from Kindergarten through post-graduate levels. We also help post-secondary students acquire work skills and experience in their chosen fields of study through employment incentive funding.

SCHOLARSHIP AND BURSARIES: NRT scholarships provide funding support for First Nation students pursuing degrees at the Undergraduate, Masters, and Doctorate levels. Bursaries help students pursuing trades. Last year, a total of \$718,000 in grants helped 136 post-secondary students work towards a degree, diploma or certificate.

CHIEF JOE MATHIAS SCHOLARSHIP: In addition to NRT scholarships and bursaries, we partnered once again with the Chief Joe Mathias BC Aboriginal Scholarship Fund, contributing \$25,000 to support post-secondary students working toward a degree, certificate or diploma. 27 students were supported with NRT funds.

POST-SECONDARY EMPLOYMENT INCENTIVE: This funding initiative builds capacity in two ways: it assists First Nation communities and organizations in hiring a post-secondary student for the summer, and it helps First Nation students gain experience in their field of study. We provided \$445,000 in grants so that 70 students could get summer employment.

NEW PATHS FOR EDUCATION: We continued to partner with the First Nations Education Steering Committee (FNESC) to deliver the New Paths initiative, supporting learning opportunities in math, science and reading for K-12 students. The goal of this initiative is to increase the number of First Nation students graduating high school. NRT contributed \$500,000, benefitting 147 communities. Funds were used to purchase books, science equipment and other learning materials, and to support tutoring, teacher training, science fairs, and related activities.



GOVERNANCE CAPACITY

\$1.8 MILLION WENT TO CAPACITY INITIATIVES.

FIRST NATION COMMUNITIES NEED TOOLS, resources, and knowledge for self-governance and prosperity. NRT's governance capacity support helps build capacity at the community, regional and provincial levels.

DIRECT SUPPORT: Direct support funding assists communities to meet their unique capacity-building needs. Support is available in two streams: grants of up to \$25,000 for individual community projects, and grants of up to \$50,000 for collaborating groups of three communities. We provided \$973,760 in Direct Support funding for a total of 37 projects.

POLICY DEVELOPMENT: This initiative supports First Nation organizations with a provincial mandate to develop policies that will benefit

all First Nations in BC. Here, we supported six organizations with a total of \$277,000 in funds.

WEB PORTAL: In 2009-2010, we partnered with the First Nations Technology Council (FNTC) to create the First Nations in BC Web Portal. The portal houses capacity-related tools and resources for BC First Nations under one umbrella. In 2010-2011, we contributed an additional \$151,480 to continue to develop and populate the portal.

GRANT WRITER SUPPORT: This program provides funding for grant writer positions employed by First Nations governments and organization within the Northern Development Initiative Trust region. We provided \$261,500 in funds.



LANGUAGE & CULTURE

\$1.5 MILLION WAS ALLOCATED TO LANGUAGE & CULTURE INITIATIVES

NRT CONTINUES TO PARTNER WITH the First Peoples Heritage, Language and Culture Council (the First Peoples' Council) for the delivery of initiatives designed to revive and protect First Nation languages and cultural traditions. In 2010-2011, we supported eight distinct initiatives.

LANGUAGE AND CULTURE CAMPS: This program supports communities so they can offer language and cultural immersion camps for participants of all ages. NRT contributed **\$100,000** in funding supporting six camps and impacting **25** communities.

LANGUAGE AUTHORITIES AND LANGUAGE PLANS: This initiative supports collaboration among communities that share the same language so they can build tools, create plans and work together on language revitalization. NRT provided **\$150,000** funding five projects and impacting **85** communities.

PRE-SCHOOL LANGUAGE NESTS: This initiative provides pre-school age children with a full immersion experience for at least **15** hours per week in a school environment. NRT supported six language nest initiatives with a total of **\$100,000** in funding.

FIRSTVOICES: FirstVoices is a suite of web-based tools and services designed to support First Nation people to archive and learn about their languages and cultures. We provided **\$150,000** in support to FirstVoices, allowing **13** communities to develop online language lessons for the FirstVoices Language Tutor.

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



Last year, NRT funds totaling **\$200,000** reached nine projects in **31** communities; two resources were also developed.

ARTS ADMINISTRATOR AND CULTURAL MANAGER INTERNSHIPS: This initiative builds communities' capacity to manage arts and culture by supporting the professional development of arts administrators through mentorships or internships. We contributed **\$75,000** to five internships in five different communities. Additional projects were supported through a contribution from the BC Arts Council.

SHARING TRADITIONAL ARTS ACROSS GENERATIONS: This program supports the inter-generational transmission of the broad range of knowledge and skills based in traditional art practices. We provided **\$75,000** in support of seven projects in seven different communities. Additional projects were supported through a contribution from the BC Arts Council.

LANGUAGE TEACHER CERTIFICATION: The Developmental Standard Term Certificate (DSTC) program aims to increase the number of certified Aboriginal language teachers within First Nation communities. We continued to partner with FNEC on this initiative, contributing **\$500,000** in funding to support **13** DSTC projects.



ELDERS & YOUTH

WE PROVIDED MORE THAN **\$481,760** FOR ELDERS & YOUTH.

NRT SUPPORTS ELDERS AND YOUTH groups to build capacity at the community, regional and provincial levels. In 2010-2011, we provided **\$481,760** in support for **175** community-based projects and two province-wide initiatives.

ELDERS GRANTS: We supported Elders' groups, communities and organizations in their efforts to develop and deliver community programs that benefit and build capacity for Elders. We provided **\$216,500** for **87** Elders' projects. Projects included storytelling and culture camps, as well as participation in events and gatherings.

ELDERS GATHERING: We provided **\$25,000** toward the delivery of the 2010 Elders Gathering, which was hosted by the Adams Lake First Nation and held in Salmon Arm, BC.

YOUTH GRANTS: Youth Grants are targeted at projects that strengthen youth leadership skills, build capacity and/or provide mentorship opportunities. We provided **\$240,260** for **88** projects. Projects included language and culture archiving, theatre, and participation in traditional cultural activities.



ECONOMIC DEVELOPMENT

\$625,851 WAS ALLOCATED TO ECONOMIC DEVELOPMENT.

NRT ECONOMIC DEVELOPMENT SUPPORT is focused on supporting First Nation communities, businesses and individuals to take advantage of economic opportunities that further their own economic and business goals.

ENTREPRENEURS EQUITY MATCHING INITIATIVE: The EEMI is a new initiative launched in 2010. Working in partnership with five Aboriginal Capital Corporations and one Community Futures Development Corporation, NRT provides matching equity funds of up to **\$5,000** to BC First Nation entrepreneurs for new and or expanding businesses. In 2011, the EEMI will be extended to First Nation community businesses. In 2010-2011, NRT contributed **\$485,000** in matching funds, supporting **36** new and **66** existing BC First Nation businesses. NRT dollars leveraged an additional **\$6,697,656**.

BC FIRST NATIONS EQUITY FUND: In 2009, NRT partnered with the All Nations Trust Company and the Nuu-chah-nulth Economic Development Corporation to create the BC First Nations' Equity Fund (BCFNEF) limited partnership. Each

partner provided **\$1.667** million in seed money to the fund, for a total of **\$5** million in base funding, with a long-term goal of growing the fund to **\$50** million.

In 2010-2011, the BCFNEF became available to First Nation communities, offering low interest loans to communities in order that they may participate in viable economic development opportunities. The initial focus will be on alternative energy initiatives, such as micro-hydro projects (i.e. run-of river sites), and in 2010, the Barr Creek hydroelectric project was the first initiative to receive a loan through this fund.

PROVINCE WIDE STRATEGY: NRT's CEO, General Manager and one Board member served on the BC First Nations Economic Development Working Group, a group tasked with creating a province-wide economic development strategy for BC First Nations. This strategy receives input from the BC First Nations' leadership groups, government, industry and First Nations.



Entrepreneur Equity Matching Initiative

NEW IN 2010

THE ENTREPRENEUR EQUITY MATCHING INITIATIVE (EEMI) supports new or expanding First Nation businesses in BC by providing equity-matching funds of up to \$5,000. NRT partnered with five BC Aboriginal Capital Corporations (ACCs) and one Community Futures Development Corporation (CFDC) to roll out the fund. The ACC's and CFDC, who have existing processes and infrastructure to manage equity loans, administer NRT funds on our behalf; this means that all of the support allocated under this initiative goes directly to the businesses being supported.

In its first year, the response to the EEMI was extremely positive and the results are impressive. With just over \$485,000 in equity, NRT supported 36 new and 66 existing First Nation businesses. The Equity Matching Initiative assisted First Nation businesses to leverage funds to the tune of almost \$6.7 million.

Businesses supported included everything from hair salons to construction contractors; technology consulting firms to trucking fleets. The common denominator is that they must pursue a viable business opportunity, with confirmed equity and collateral and a sound business plan. They must also be First Nation owned but not necessarily located on reserve. In 2010, support went to 61 on and 41 off reserve businesses.

Building on the success of 2010, in 2011 — 2012 the EEMI will be expanded to include First Nation communities so they may apply for matching equity for viable, community-owned business opportunities.

NRT EQUITY MATCHING INITIATIVE

APRIL 1, 2010 - MARCH 31, 2011

	PARTNER	EEMI AMOUNT	CLIENT EQUITY	LOAN AMOUNT	OTHER FUNDING	TOTAL PROJECT	EXISTING BUSINESS	NEW BUSINESS	JOBS MAINTAINED	JOBS CREATED	ON RESERVE	OFF RESERVE
1	CFDC of CIFN	35,000.00	229,154.00	133,700.00	250,000.00	647,854.00	5	3	17	7	7	1
2	ANTCO	100,000.00	144,000.00	887,855.57	85,375.00	1,217,030.57	14	7	49	24	17	4
3	FNALA	75,000.00	89,108.00	508,466.00	0.00	870,574.00	13	2	12	10	12	3
4	NEDC	100,000.00	154,375.00	790,540.00	201,380.00	1,246,295.00	16	13	24	51	14	15
5	TACC	85,000.00	461,208.00	1,141,380.50	830,264.00	2,517,852.50	15	6	95	21	10	11
6	TRICORP	36,200.00	151,950.00	447,700.00	196,400.00	829,250.00	3	5	6	20	1	7
		431,200.00	1,299,795.00	3,904,442.07	1,563,419.00	7,128,856.07	66	36	204	133	61	41



MEASURING OUR PROGRESS

NRT EMPLOYS SHORT, MEDIUM AND LONG-TERM PERFORMANCE MEASURES TO ENSURE WE ARE REACHING OUR MANDATE AND GOALS.

TARGET	PROGRESS IN 2010 - 2011	PROGRESS TO DATE
Develop 5 Best Practice toolkits and facilitate training sessions to introduce them to BC First Nations	A workshop to incorporate 3 of the Best Practice reports commenced in early 2011 and will be delivered in early 2012	5 Best Practice Reports commissioned and published in 2009
Assist with creation of governance capacity self-assessment tool	Meetings to coordinate the creation of a governance self-assessment tool took place and will continue into 2011-2012	Ongoing discussions will take place with BC First Nation stakeholders to develop and deliver the self-assessment tool in 2011-2012
Fund up to 8 projects per year in the areas of Comprehensive Community Planning, Land Use Planning, Traditional Land Use Planning and Economic Development Planning	<ul style="list-style-type: none"> • 6 Comprehensive Community Planning projects funded • 6 Land Use Planning projects funded • 7 Traditional Land Use Planning projects funded • 7 Economic Development Planning projects funded • 10 Governance Capacity Development projects funded 	The number of projects funded in each area was in line with 2010-2011 targets
Fund up to 5 Policy Development projects per year for provincially mandated BC First Nation organizations	6 Policy Development projects were funded in 2010-2011	The number of Policy Development projects funded was in line with 2010-2011 targets
In partnership with the First Nations Technology Council, introduce a fully functional Resource Centre web portal that provides relevant examples of governance capacity building	BC First Nations' web portal launched in February, 2010	Ongoing work to populate the portal with resources
Create and distribute a brochure that showcases the NRT scholarships recipients	1st edition of annual Scholarship and Bursary Recipients brochure published in June 2011	The scholarship recipient brochure will be completed prior to target date
Assist up to 65 First Nation students with funding to attend post-secondary institutions, and up to 50 First Nation students per year in certificate and/or trades programs	76 scholarships and 60 bursaries: <ul style="list-style-type: none"> • 11 Doctorate • 23 Masters • 42 Undergraduate • 60 Certificate / Diploma 	505 scholarships and bursaries: <ul style="list-style-type: none"> • 42 Doctorate • 84 Masters • 199 Undergraduate • 180 Certificate / Diploma
Promote the hiring of First Nation graduates and post secondary students by establishing an NRT Education Database	Database of approved students is on the NRT website and is added to concurrently with the awarding of scholarships; 70 students hired through the employment subsidy initiative	NRT continuing to develop database – 505 approved student scholarships and bursaries to date. NRT researching additional support for First Nation students
Leverage an additional \$5 million in capital for First Nation language and cultural initiatives	NRT implemented data management software in 2010-2011 to track leveraged dollars associated with its funding agreements	Ongoing - collecting data through project management software
In partnership, support the digital archiving of up to 20 BC First Nation language dialects	Partnered with First Peoples' initiative FirstVoices to support new or ongoing archiving of 15 First Nation languages	A total of 20 different BC languages have received NRT funding for FirstVoices-related activities since fiscal 2007 – 2008.

Tables show NRT progress according to the short-term (one to three years) measures.

Tables show NRT progress according to the short-term (one to three years) measures.

TARGET	PROGRESS IN 2010 - 2011	PROGRESS TO DATE
Provide funding for up to 70 Youth projects per year	Supported 88 Youth projects in 2010 - 2011	198 Youth projects supported to date
Provide funding for up to 80 Elders projects year	Supported 87 Elders' projects in 2010 - 2011	218 Elders' projects supported to date
Provide financial support to the annual Elders Gathering	Provided \$25,000 in support for the 2010 – 2011 Elders' Gathering	Have supported the Elders' Gathering each year since 2007
In partnership with the BC ACCs, support up to 100 BC First Nation entrepreneurs per year by matching equity for business start-ups and/or expansion of businesses	Supported 102 BC First Nation entrepreneurs in the first year of the Entrepreneur Equity Matching Initiative	Support for the Entrepreneur Equity Matching will be expanded in 2011-2012 to include First Nation community-owned businesses as well
Provide equity participation loans for up to 5 projects	BC First Nation Equity Fund supported its first project – the Barr Creek micro-hydro project	NRT will continue to work with the Equity Fund to increase the number of projects funded
Leverage new project funding at a goal of 2:1	Ongoing - data collection underway	Ongoing - data collection underway
Maintain investment fund at \$80 million by March 31, 2012	Market value of investment fund at fiscal year-end March 31, 2011 was \$84 million Rate of return at fiscal year end was 9.38%	--
Limit annual administrative costs to less than 2% of the investment portfolio	Administration costs were 1% of total investment portfolio	Administration costs have been less than 1% of the investment portfolio each year to date
Develop and maintain at least 6 partnerships/protocols with other First Nation organizations in order to promote collaboration and prevent duplication of products and services	2010-2011 partnerships: <ul style="list-style-type: none"> • First Peoples' Heritage, Language and Culture Council • First Nations Education Steering Committee • National Centre for First Nations Governance • First Nations Technology Council • All Nations Trust Company • Nuu-chah-nulth Economic Development Corporation • Tribal Resource Investment Corporation • Tale'awtxw Aboriginal Capital Corporation • First Nations Agricultural Lending Association • Community Futures Development Corporation of Central Interior First Nations 	NRT continues to seek other partnership opportunities in order to promote collaboration and resource maximization
Initiate a minimum of 2 new partnerships per year	Partnerships initiated in 2010-2011: <ul style="list-style-type: none"> • Tribal Resource Investment Corporation • Tale'awtxw Aboriginal Capital Corporation • First Nations Agricultural Lending Association • Community Futures Development Corporation of Central Interior First Nations 	NRT continues to meet the target of 2 new partnerships per year

OUR PARTNERS

WORKING WITH PARTNER ORGANIZATIONS that have a parallel mandate and proven track record allows NRT to make the most effective use of our support funding. It also helps build strong, collaborative relationships within the First Nation community in BC. Current partners are:

FIRST NATIONS EDUCATION STEERING COMMITTEE (FNESC)

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

NATIONAL CENTRE FOR FIRST NATIONS GOVERNANCE (NCFNG)

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

FIRST PEOPLES' HERITAGE, LANGUAGE AND CULTURE COUNCIL (FIRST PEOPLES' COUNCIL)

First Peoples' Council assists BC First Nations in their efforts to revitalize their languages, arts and cultures. During the past 20 years, the First Peoples' Council has successfully distributed

over \$20 million to British Columbia's First Nation communities for language, arts and culture projects.

FIRST NATIONS TECHNOLOGY COUNCIL (FNTC)

FNTC was created by a First Nations' Summit resolution to support First Nation communities in BC with the full integration of technologies. FNTC's addresses its mandate by ensuring that First Nations have access to: high-speed Internet services; affordable, qualified technical support; and the skills required to access beneficial technologies.

NORTHERN DEVELOPMENT INITIATIVES TRUST (NDIT)

NDIT is an independent regional economic development corporation focused on stimulating economic diversification and job creation in central and northern BC.

Working with NDIT, NRT supports community economic development initiatives with funding for economic diversification infrastructure, feasibility studies, marketing, capacity building, grant writing, community halls, recreational facilities and community foundations.

ALL NATIONS TRUST COMPANY (ANTCO)

ANTCO is an Aboriginal-owned trust company that originated in 1984 to provide financial services to Aboriginal entrepreneurs. Since its inception, ANTCO has expanded its services to meet the financial needs of the greater Aboriginal community. ANTCO promotes self-sufficiency through marketing, financial resources and advisory services.

NUU-CHAH-NULTH ECONOMIC DEVELOPMENT CORPORATION (NEDC)

NEDC was incorporated in 1984 to assist the Nuu-chah-nulth to achieve economic and social independence through the contribution of financial assistance and advisory services to individual and tribal business development initiatives. NEDC has since expanded its mandate, now operating as an Aboriginal Capital Corporation as well as a Community Futures Corporation.

TALE'AWTXW ABORIGINAL CAPITAL CORPORATION (TACC)

TACC is an Aboriginal Financial Institution committed to supporting the success of Aboriginal Businesses within the Coast Salish Traditional Territories with business financing and support services. TACC aims to provide inspiration, tools, resources and information that Aboriginal businesses may use towards building, conceptualizing or expanding operations.

TRIBAL RESOURCES INVESTMENT CORPORATION (TRICORP)

TRICORP provides a range of financial services to First Nation entrepreneurs in Northern BC. Established in 1990 as an Aboriginal Capital Corporation, TRICORP's mandate is to provide financing for business activities that increase the number of permanent jobs, reduce unemployment and facilitate business ownership among First Nations people.

FIRST NATIONS AGRICULTURAL LENDING ASSOCIATION (FNALA)

FNALA provides financing for Aboriginal agricultural and agri-food producers. In addition to financing operations, FNALA is also involved in the following activities designed to increase the impact of the financing operation: 1. Increasing association lending activities by general promotion to Aboriginal people about agriculture and its economic and social opportunities; and 2. Fostering and encouraging the overall economic and social well-being of Aboriginal agriculture.

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF CENTRAL INTERIOR FIRST NATIONS (CFDCCIFN)

CFDCCIFN promotes and provides economic development support services to First Nation people in central interior BC. Programs include an Entrepreneurial Certificate program and a Self Employment Benefits program. Services include conferences, trade shows, community workshops and a Native artisans catalogue, trade show and sale.

TEAM

2010 BOARD OF DIRECTORS

Kathryn Teneese, CHAIR
Michael Bonshor, VICE CHAIR
Gloria Morgan
UNTIL NOVEMBER 2010
Terry Kuzma
Judith Sayers
Leona Sparrow
UNTIL NOVEMBER 2010
Catherine Panter
Hugh Braker
JOINED DECEMBER 2010
George Saddleman
JOINED DECEMBER 2010

STAFF

Cliff Fregin, CEO
Chanze Gamble, GENERAL MANAGER
Lana Plante, PROJECT OFFICER
Miranda Stirling, PROJECT OFFICER

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2010 Young Entrepreneurs Symposium (YES)

IN NOVEMBER OF 2010, NRT CO-HOSTED the Young Entrepreneurs Symposium with the Dreamcatcher Foundation. The event brought 120 young Aboriginal entrepreneurs and entrepreneurs-to-be together for three exciting days of challenges, networking, inspiration and fun, all intended to help them develop critical business skills they will need for the future.

At YES, the 120 delegates were organized into teams and over three days competed on a number of challenges, including creating a company name and logo, and producing a commercial for Tim Hortons. Teams were judged by a panel of 'experts,' and awards were presented at a closing gala ceremony. In addition to the challenges, the program included presentations, panel discussions, and opportunities to network and make valuable connections.

The 18 panel speakers included successful executives, young leaders, women in business and celebrities. Keynote speakers were Rick Hansen, the 'Man In Motion,' who spoke passionately about the obstacles he has overcome in his life, Sean Wise of Dragon's Den, who gave advice on pitching business ideas, and Milton Wong, who

urged delegates to keep learning and make the most of every experience. Mr. Wong's message was certainly taken to heart by the YES attendees.

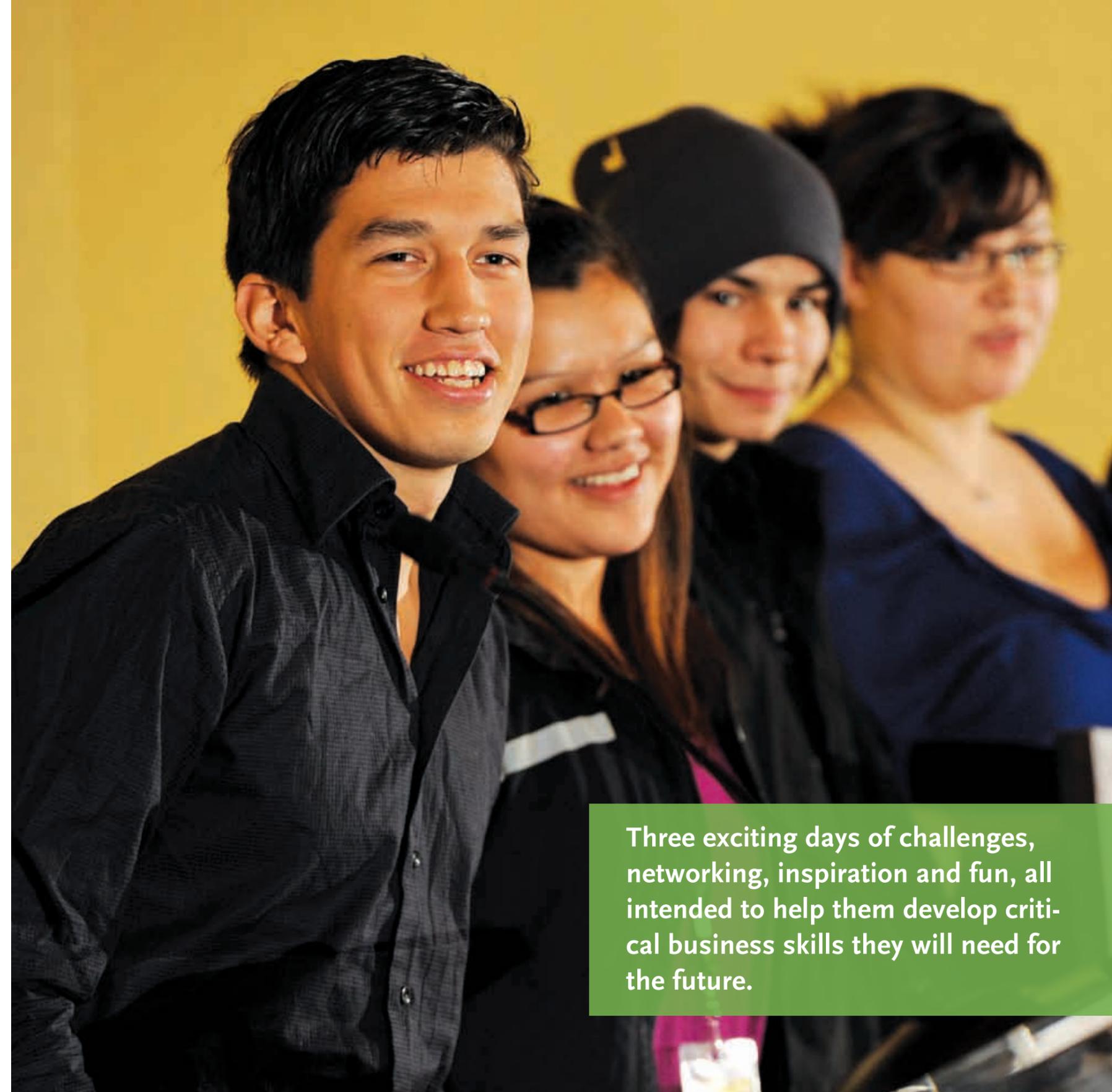
Speakers and delegate alike had a great time, and everyone walked away with new and valuable connections and knowledge. NRT is currently working on a BC YES event scheduled for November 30, 2011.



Rick Hansen, CEO, Rick Hansen Leadership Group



Dreamcatcher Charitable Foundation



Three exciting days of challenges, networking, inspiration and fun, all intended to help them develop critical business skills they will need for the future.

FINANCIAL OVERVIEW

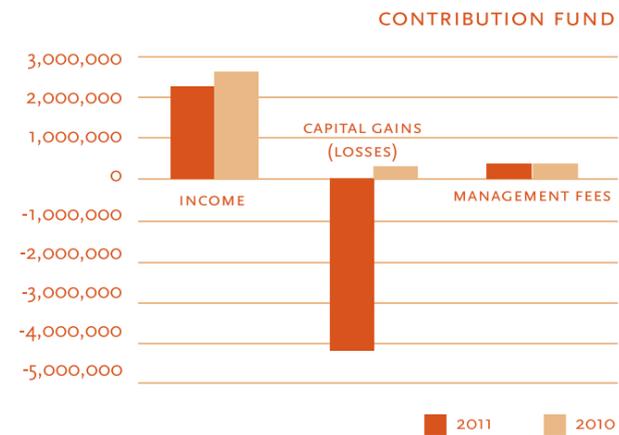
HIGHLIGHTS

- NRT's total assets at year end were \$87.9 million and consisted mainly of investments and restricted cash. This is slight decrease compared to prior year.
- The market value of the investment portfolio was \$84 million, a 2% decrease compared to prior year.
- A cumulative unrealized loss of \$3.8 million was recorded under Net Assets. A significant improvement compared to prior year's cumulative unrealized loss of \$13.1 million.
- Strategic expenditures and commitments were \$6.18 million, an 8% increase compared to prior year.
- Operating expenditures were \$0.8 million, a slight decrease compared to prior year.

OPERATIONS

CONTRIBUTION FUND

The Contribution Fund earned income from investments held in institutional pooled funds managed by professional investment managers. A capital loss was incurred this year due to the Board of Directors' decision to change Canadian Equity fund manager due to underperformance by the fund. The Board of Directors are anticipating improvements in the rate of return for the Canadian Equity fund to ensure that both short and long term performance targets will be met.

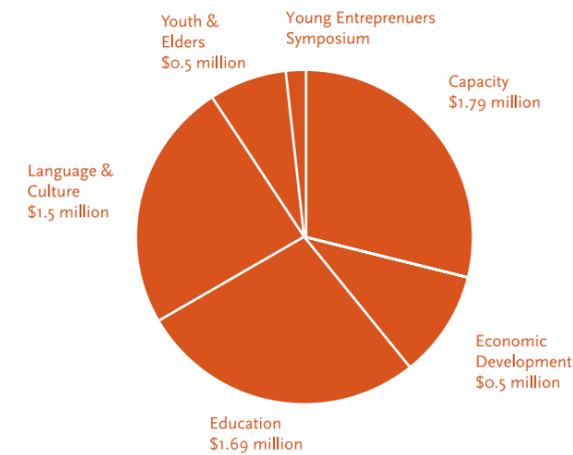


STRATEGIC FUND

The Strategic Fund earned \$0.08 million of interest and dividend income from investments held in institutional pooled funds managed by professional investment managers. This income was used to partially finance operating expenditures.

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

2011 STRATEGIC EXPENDITURES & COMMITMENTS



The audited financial statements disclose in detail how \$0.6 million was committed and \$6.19 million was disbursed in 2011. Refer to notes number nine (9) and eleven (11) of the audited financial statements.

OPERATING FUND

Operating expenditures consisted mainly of salaries and benefits, governance, communications, occupancy, and professional fees. Actual operating expenditures were 1% of the total investments for the year ended March 31, 2011. This meets the Board of Director's performance target to limit administrative costs to less than 2% of the investment portfolio.

	2011	2010
Operating Expenditures	\$841,628	\$847,826
Operating Expenditures as Percentage of Average Total Investments	1.00%	0.99%

INVESTMENTS

FINANCIAL MARKET AND PORTFOLIO PERFORMANCE

	2011	2010
Short-term Investments	7,000,000	7,000,000
Long-term Investments	77,042,313	78,799,175
Total Investments	84,042,313	85,799,175

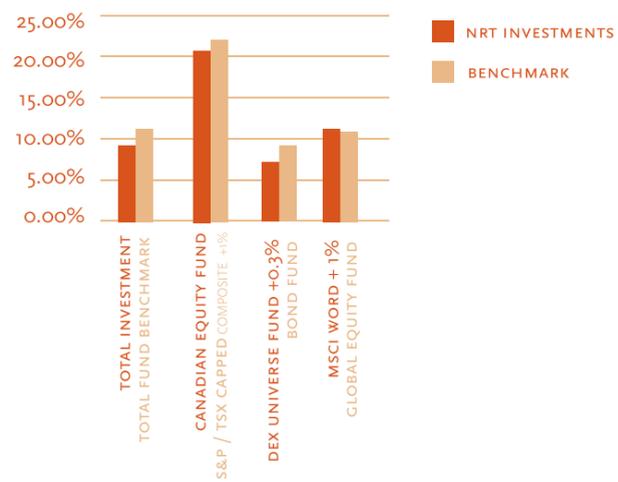
The total investment portfolio rate of return for the year ended March 31, 2011 was **9.38%**. On a relative basis, the investment portfolio gained slightly less than the portfolio benchmark rate of return of **10.70%** for the year.

ECONOMIC OUTLOOK

Weakening global economic expansion and a slowing Canadian economy will bring uncertainty and volatility to the financial markets. There is some positive news on the horizon with global economy projected to grow by approximately **4.2%** to **4.5%** over the next year, according to many economists.

The impact on NRT's investment portfolio value is unknown. The Finance Committee is closely monitoring the investment portfolio and consulting with professional, independent investment advisory firm to develop a plan that is consistent with NRT's investment policy and strategic goals.

ONE YEAR RETURN



INVESTMENT STRATEGY

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

NRT's long-term portfolio objectives are to preserve capital in real terms, generate sufficient annual cash flow to meet expenditure objectives, and grow cash flows to meet rising expenditures over the long-term. By focusing on well managed, high quality, diversified long term investments, NRT will avoid realizing unnecessary losses. The short-term goal is to maintain the investment fund at **\$80 million** by March 31, 2013.

NRT will be looking into the viability and logistics of allocating up to **5%** of its investment portfolio to invest directly into BC First Nation investment opportunities in the future.

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.



Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Directors of,
New Relationship Trust:

We have audited the accompanying financial statements of NEW RELATIONSHIP TRUST, which comprise the statement of financial position as at March 31, 2011 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


 Chartered Accountants LLP

June 20, 2011

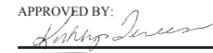



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NEW RELATIONSHIP TRUST
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2011 AND 2010

ASSETS					
	Contribution Fund	Strategic Fund	Operating Fund	2011 Total	2010 Total
CURRENT ASSETS:					
Restricted cash and cash equivalents (Note 4)	\$ 23,671	\$ 2,049,288	\$ -	\$ 2,072,959	\$ 576,514
Investments (Note 5)	-	7,000,000	-	7,000,000	7,000,000
Accounts receivable	126	34,835	26,455	61,416	136,535
Prepaid expenses	-	-	20,908	20,908	18,308
Total current assets	23,797	9,084,123	47,363	9,155,283	7,731,357
INVESTMENTS (Note 5)	76,197,299	845,014	-	77,042,313	78,799,175
OTHER INVESTMENTS (Note 6)	-	1,666,767	-	1,666,767	1,666,767
EQUIPMENT (Note 7)	-	-	59,352	59,352	52,429
DUE FROM (TO) OTHER FUNDS	10,004,227	(10,010,852)	6,625	-	-
	\$ 86,225,323	\$ 1,585,052	\$ 113,340	\$ 87,923,715	\$ 88,249,728
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities	\$ 92,211	\$ 142,942	\$ 53,988	\$ 289,141	\$ 372,097
Promissory note (Notes 6 and 8)	-	80,000	-	80,000	1,666,667
Total current liabilities	92,211	222,942	53,988	369,141	2,038,764
Promissory note, net of current portion (Notes 6 and 8)	-	1,330,000	-	1,330,000	-
Total liabilities	92,211	1,552,942	53,988	1,699,141	2,038,764
COMMITMENTS (Note 9)					
NET ASSETS:					
Invested in equipment	-	-	59,352	59,352	52,429
Externally restricted funds	90,023,856	-	-	90,023,856	99,318,983
	90,023,856	-	59,352	90,083,208	99,371,412
Cumulative net unrealized gains (losses) on available for sale financial instruments (Notes 2(a) and 5)	(3,890,744)	32,110	-	(3,858,634)	(13,160,448)
Total net assets	86,133,112	32,110	59,352	86,224,574	86,210,964
	\$ 86,225,323	\$ 1,585,052	\$ 113,340	\$ 87,923,715	\$ 88,249,728

APPROVED BY:

 Director
 Director
 The accompanying Notes are an integral part of this statement.



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NEW RELATIONSHIP TRUST
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	Contribution Fund	Strategic Fund	Operating Fund	2011 Total	2010 Total
REVENUES:					
Investment income (loss) (Note 5)	\$ (1,975,730)	\$ 82,892	\$ -	\$ (1,892,838)	\$ 2,973,421
Economic development action plan implementation project	-	-	-	-	123,686
Other funding	-	43,500	-	43,500	-
	(1,975,730)	126,392	-	(1,849,338)	3,097,107
STRATEGIC EXPENSES (Note 11):					
Capacity	-	1,806,246	-	1,806,246	2,276,174
Economic development	-	625,851	-	625,851	44,986
Economic development action plan implementation project	-	-	-	-	208,175
Education	-	1,938,009	-	1,938,009	2,077,139
Language and culture	-	1,250,000	-	1,250,000	1,002,500
Young Entrepreneurs Symposium	-	96,209	-	96,209	-
Youth and elders	-	480,260	-	480,260	494,724
	-	6,196,575	-	6,196,575	6,103,698
OPERATING EXPENSES:					
Advertising	-	-	27,304	27,304	15,000
Amortization	-	-	18,531	18,531	13,120
Communication	-	-	66,737	66,737	90,749
Consulting fees	-	-	26,991	26,991	54,034
Governance	-	-	52,338	52,338	62,542
Insurance	-	-	10,943	10,943	10,781
Investment management	379,519	21,143	-	400,662	411,081
Occupancy	-	-	49,201	49,201	51,180
Office	-	-	30,363	30,363	26,937
Professional development	-	-	9,399	9,399	5,250
Professional fees	-	-	53,581	53,581	48,492
Salaries and benefits	-	-	448,339	448,339	413,972
Telephone	-	-	10,770	10,770	13,425
Travel	-	-	37,132	37,132	42,344
	379,519	21,143	841,629	1,242,291	1,258,907
Deficiency of revenues over expenses	(2,355,249)	(6,091,326)	(841,629)	(9,288,204)	(4,265,498)
APPROPRIATIONS (Note 12)	(1,938,484)	1,089,932	848,552	-	-
BALANCE, BEGINNING OF YEAR	94,317,589	5,001,394	52,429	99,371,412	103,636,910
BALANCE, END OF YEAR	\$ 90,023,856	\$ NIL	\$ 59,352	\$ 90,083,208	\$ 99,371,412

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NEW RELATIONSHIP TRUST
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	2011	2010
CASH WAS PROVIDED FROM (USED IN):		
Operating Activities:		
Excess of revenues over expenses	\$ (9,288,204)	\$ (4,265,498)
Item not involving cash - Amortization	18,531	13,120
	(9,269,673)	(4,252,378)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	75,119	(99,681)
Increase in prepayments	(2,600)	(5,321)
Decrease in accounts payable and accrued liabilities	(82,956)	(250,519)
Net changes	(10,437)	(355,521)
	(9,280,110)	(4,607,899)
Investing Activities:		
Purchase of equipment	(25,454)	(35,872)
Proceeds from sale of investments	39,870,614	10,192,525
Purchase of investments	(28,811,938)	(5,671,709)
Investment in partnership	-	(1,666,667)
Investment in corporation	-	(100)
	11,033,222	2,818,177
Financing Activity:		
Increase (decrease) in promissory note	(256,667)	1,666,667
Increase (decrease) in cash	1,496,445	(123,055)
CASH, BEGINNING OF YEAR	576,514	699,569
CASH, END OF YEAR (Note 4)	\$ 2,072,959	\$ 576,514

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NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

1. DESCRIPTION OF THE NEW RELATIONSHIP TRUST

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

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

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

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

(ii) Portfolio investments are classified as available for sale and are measured at fair value. Gains and losses related to the periodic revaluation are recorded in net assets.

(iii) Accounts receivable are classified as loans and receivables and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method.

(iv) Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method.

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NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fund Accounting

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

(i) Contribution Fund

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

(ii) Strategic Fund

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

(iii) Operating Fund

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

(c) Equipment

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

Computer equipment and software	30%
Office equipment	30%
Furniture	20%

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

(d) Revenue Recognition

Restricted contributions are recognized as revenue of the Contribution Fund.

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

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

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cash and Cash Equivalents

NRT's policy is to disclose bank accounts and term deposits as cash and cash equivalents with a maturity period of a year or less from the date of acquisition. Restricted cash and cash equivalents are those pledged for security and/or have other restrictions (Note 4).

(f) Expenses

Expenses are recorded on an accrual basis.

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

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

(g) Allocation of Expenses

NRT uses fund accounting, however expenses are allocated to individual accounts. The individual expense accounts are presented on the financial statements based on the category type for grouping purposes, except for investment management expenses, which are allocated based on the total value of investments held in the Contribution and Strategic Funds.

(h) Use of Estimates

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

(i) Investments Subject to Significant Influence

Investments for which significant influence exists are recorded using the equity method. Under the equity method, the investment is initially recorded at cost and is increased by NRT's share of the net earnings since acquisition. The carrying value is reduced by any draws received from a partnership, dividends received from a corporation and/or NRT's share of net losses.

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK POLICIES

The fair values of financial instruments other than investments, which include cash, accounts receivable, accounts payable, and promissory notes payable approximate their carrying values due to their short-term nature. NRT manages its investments according to its cash needs and in such a way to maximize its income (Note 5).

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

Credit Risk

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

Currency Risk

Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. The total value of investments exposed to currency risk amounts to \$21,107,299 (Note 5). NRT does not use derivative instruments to reduce its exposure to currency risk.

Interest Rate Risk

Interest rate risk relates to the possibility that fixed income investments will change in value due to future fluctuations in market interest rates. NRT has hired three financial managers to manage its cash and investments based on its cash flow needs and to optimize its investment income. The total value of investments exposed to interest rate risk amounts to \$36,800,820 (Note 5). NRT does not use derivative instruments to reduce its exposure to interest rate risk.

Market Risk

Market risk relates to the possibility that the equity investments will change in value due to future fluctuations in market prices. As the equity investments are held at cost, those investments are exposed to market risk to the extent that a decrease in market value is not considered temporary. The investment policy established by NRT limits market risk by limiting the maximum exposure to any single security to holdings of less than 10% of the total portfolio. It also limits equity holdings to less than 10% of the total voting shares or available public float. The total value of investments exposed to market risk amounts to \$47,241,493 (Note 5). NRT does not use derivative instruments to reduce its exposure to market risk.

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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4. RESTRICTED CASH

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

Investment	Rate	Maturity	Contribution Fund	Strategic Fund	2011 Total	2010 Total
Operating accounts	0 - 1.0%	On demand	\$ -	\$ 2,049,288	\$ 2,049,288	\$ 552,843
Term deposit (Note 9)	1.6%	Nov. 23, 2011	23,671	-	23,671	23,671
Total			23,671	2,049,288	2,072,959	576,514
Less - current portion			23,671	2,049,288	2,072,959	576,514
Long-term			\$ NIL	\$ NIL	\$ NIL	\$ NIL

As at March 31, 2011, funds classified as restricted cash and held in the term deposit relate to a security deposit that served as collateral for the operating lease. Funds classified as restricted cash and held in the operating account relate to fund held for eligible expenditures on operating and strategic programs.

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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5. INVESTMENTS

	Fair Value	Cost Base	2011 Unrealized Gain (Loss)	2010 Unrealized Gain (Loss)
Contribution Fund				
Fixed Income	\$ 28,955,806	\$ 27,721,082	\$ 1,234,724	\$ 1,511,847
Canadian Equity	26,134,194	24,379,439	1,754,755	(6,906,789)
Global Equity	21,107,299	27,987,522	(6,880,223)	(7,804,823)
	76,197,299	80,088,043	(3,890,744)	(13,199,765)
Strategic Fund				
Money Market - Short-term	3,462,467	3,462,467	-	-
Fixed Income - Short-term	3,537,533	3,537,533	-	-
	7,000,000	7,000,000	-	-
Fixed Income - Long-term	845,014	812,904	32,110	39,317
	7,845,014	7,812,904	32,110	39,317
Total Investments	\$ 84,042,313	\$ 87,900,947	\$ (3,858,634)	\$ (13,160,448)
Current	\$ 7,000,000	\$ 7,000,000	\$ -	\$ -
Long-term	77,042,313	80,900,947	(3,858,634)	(13,160,448)
Total Investments	\$ 84,042,313	\$ 87,900,947	\$ (3,858,634)	\$ (13,160,448)

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

Investments are recorded at fair value. Fair value is based on the quoted market price as at March 31, 2011.

Investment income (loss) earned (incurred) during the year is comprised as follows:

	Contribution Fund	Strategic Fund	2011	2010
Interest and dividend income	\$ 2,267,727	\$ 82,892	\$ 2,350,619	\$ 2,741,757
Capital gains (losses), net	(4,243,457)	-	(4,243,457)	231,664
	\$ (1,975,730)	\$ 82,892	\$ (1,892,838)	\$ 2,973,421

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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6. OTHER INVESTMENTS

Other investments are comprised as follows:

	Ownership	2011	2010
B.C. First Nations Equity Fund Limited Partnership	33%	\$ 1,666,667	\$ 1,666,667
B.C. First Nations Equity Fund Inc.	33%	100	100
Total investments		\$ 1,666,767	\$ 1,666,767

NRT entered into a limited partnership for the purpose of establishing a capital fund to assist B.C. First Nation individuals, businesses and communities to pursue sustainable economic development opportunities in B.C. NRT's equity contribution consisted of a promissory note in the amount of \$1,666,667 of which \$256,667 was contributed in the current fiscal year (Note 8). At March 31, 2011 the Partnership had immaterial income and therefore no adjustment has been recorded in the financial statements for NRT's interest in the partnership.

NRT purchased 100 shares of B.C. First Nations Equity Fund Inc. ("BCFNEFI") for \$100. BCFNEFI is the general partner in the B.C. First Nations Equity Fund Limited Partnership. At March 31, 2011, BCFNEFI had immaterial income and therefore no adjustment has been recorded in the financial statements for NRT's interest in BCFNEFI.

7. EQUIPMENT

	Cost	Accumulated Amortization	2011 Net Book Value	2010 Net Book Value
Computer equipment and software	\$ 87,665	\$ 40,712	\$ 46,953	\$ 38,955
Office equipment	10,276	6,589	3,687	3,910
Furniture	21,023	12,311	8,712	9,564
	\$ 118,964	\$ 59,612	\$ 59,352	\$ 52,429

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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8. PROMISSORY NOTE

The promissory note payable is non-interest bearing, unsecured and due on demand (Note 6). NRT's management has obtained confirmation that a portion of the promissory note will not be requested with in the next year; accordingly the promissory note is analyzed as follows:

	2011	2010
B.C. First Nations Equity Fund Limited Partnership	\$ 1,410,000	\$ 1,666,667
Less - current portion	(80,000)	(1,666,667)
	\$ 1,330,000	\$ NIL

9. COMMITMENTS

(a) Operating Fund

NRT has entered into an operating lease for its premises ending in October 2011. Future minimum lease obligations are \$28,980.

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

(b) Strategic Fund

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

New Paths Grade School Learning Enhancement	\$ 250,000
Developmental Certificate for First Nations Language Teacher	250,000
Direct Support	60,000
BC First Nations Technology Council	25,000
First Nations Summit	10,000
Elder's & Youth Grants	9,000
BC First Nations Technology Council - Web Portal	5,000
National Centre for First Nations Governance	5,000
	\$ 614,000

10. CAPITAL DISCLOSURES

NRT's capital is made up of net assets. NRT's capital management objective consists of ensuring that it continues as a going concern in order to fulfil its mission. NRT manages its capital structure by preparing and monitoring its annual budgets to maintain a satisfactory level of capital.

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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11. STRATEGIC EXPENSES

	2011	2010
CAPACITY:		
Best Practice Reports	\$ 29,500	\$ 16,662
Direct Support and Policy Development Program	1,425,496	2,019,713
Grant Writer Support	261,250	-
Information Sharing Sessions	-	3,700
Inherent Rights Workshop	50,000	-
Other Initiatives	40,000	236,099
	1,806,246	2,276,174
ECONOMIC DEVELOPMENT:		
BC Aboriginal Business Awards	50,000	-
Equity Matching Initiative	485,000	-
Feasibility Study	40,066	-
First Nations Economic Development Strategy	40,445	44,986
Other Initiatives	10,340	-
	625,851	44,986
ECONOMIC DEVELOPMENT ACTION PLAN:		
Non-reimbursed costs	-	84,489
Reimbursed costs	-	123,686
	-	208,175
EDUCATION:		
Scholarships	743,000	747,500
New Paths Grade-School Learning Enhancement	500,000	461,212
Post-Secondary Employment Subsidies	445,009	479,164
Developmental Certificate for First Nations Language Teacher	250,000	389,263
	1,938,009	2,077,139
LANGUAGE AND CULTURE:		
First Voices	150,000	150,000
B.C. Language Initiative	200,000	250,000
Language and Culture Camps	100,000	100,000
Master - Apprentice	150,000	150,000
Language Nests	100,000	100,000
Language Authorities	150,000	100,000
Language Certification	250,000	-
Culture Centres and Art	150,000	152,500
	1,250,000	1,002,500
YOUNG ENTREPRENEURS:		
Young Entrepreneurs Symposium	96,209	-
YOUTH AND ELDERS:		
Annual Elders Gathering	22,500	24,540
Elders Projects	219,500	229,184
Youth Training and Grant Program	238,260	241,000
	480,260	494,724
TOTAL STRATEGIC EXPENSES	\$ 6,196,575	\$ 6,103,698

NEW RELATIONSHIP TRUST
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011 (Continued)

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12. APPROPRIATIONS

During the year, the Board approved the following transfers:

- (i) \$1,938,484 (2010 - \$NIL) from the Contribution Fund to the Strategic Fund.
- (ii) \$848,552 (2010 - \$870,577) from the Strategic Fund to the Operating Fund.



VISION

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

MISSION

Investing in First Nations in British Columbia

GUIDING PRINCIPLES

- Respect for First Nations' decision-making authority
- Fairness and Equity
- Transparency and Accountability
- Sustainable Management of the Fund

In addition to the Guiding Principles, in providing resources to the First Nations in BC, NRT will:

- Reflect the intent and purpose of the New Relationship vision
- Support Nation re-building
- Communicate effectively with First Nations in British Columbia
- Encourage First Nation participation in NRT's activities and initiatives
- Not replace or duplicate existing Government or First Nation programs
- Leverage NRT funds wherever possible
- Increase the investment fund in order to provide more benefit
- Balance spending with investment to ensure support is available for future generations



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