



# Northern Passenger Transportation Service Fund

2023/24 Annual Report



Published May 30, 2024

*This report is for the 2024 fiscal year, beginning April 1, 2023 and ending March 31, 2024. All references to 2024 are for the 2024 fiscal year, unless otherwise indicated.*



# Overview 2023/24

The Northern Passenger Transportation Service Fund (NPTSF) was created after the Ministry of Transportation and Infrastructure (MOTI) approached Northern Development Initiative Trust (the Trust) in March 2021 to administer a \$7.9 million fund to improve passenger transportation in Northern B.C. The intent of the fund was to provide funding for the BC Bus North inter-community long-haul service, and to support the transition of the Highway 16 Community Transportation Grant program, which subsequently became Northern Development's Northern Community Shuttle program.

Initially a three-year funding commitment, the Ministry granted an additional \$5.25 million to Northern Development in fiscal 2022 (March 2023) to extend the programs until March 31, 2027 and support the development and implementation of a common booking application for services throughout Northern B.C.

Also in March 2023, the Ministry granted a further \$833,000 to Northern Development to carry out an inter-community transportation needs study and use the remaining dollars to find novel ways to advance transportation solutions in Northern B.C.

The five-year commitment is the result of the Province of B.C. and Northern Development taking action to address the continued challenges northerners face in accessing safe, reliable, and affordable transportation options and the obstacles that exist in connecting between existing services to travel further distances.

For fiscal 2023/24, the most notable change in the services was a significant increase in ridership of the BC Bus North service, largely due

to the addition of the Prince George to Kamloops route operated under Pacific Western Transportation's (PWT) Ebus brand. That route alone recorded 8,623 passengers during the year, which represents 2,747 more passengers than all other BC Bus North routes combined during the year. When the new route is added in, the BC Bus North system experienced a 176% increase in ridership in 2023/24 compared with 2022/23. This points to the impact of the work the Trust completed in 2022/23 with PWT to align and integrate routes and look for opportunities to add a connection through the Cariboo to the southern interior.

Elsewhere, the NPTSF was challenged in 2023/24 to reliably receive monthly reporting from shuttle service operators. This means that data regarding shuttle services contained in this report is partial as staff continue to connect and work with operators to provide the necessary reporting outlined in their funding agreements. The year also saw the Trust decommit funding to two shuttle services that were unable to operate, the Takla Nation's bus service and the District of Stewart's proposed service.

The year also marked a significant amount of effort on behalf of the Trust to carry out the inter-community transportation needs study, which for the second year in a row saw Trust staff and partners engage with key stakeholders and the public throughout its service area. Also, during 2023/24, the Trust continued to work with PWT on the development and advancement of the Connected Network common booking application, which has been branded OneBus and is scheduled for initial launch in summer 2024.



# Overview 2023/24



## \$7.9 million

Province of B.C. initial investment with Northern Development in 2021

- Approximately \$4.5 million was committed to Inter-City Passenger Transportation Services between April 1, 2022 and March 31, 2025
- Approximately \$3 million was committed to the Northern Community Shuttle Program for services to operate between April 1, 2022 and March 31, 2025



## \$5.25 million

Province of B.C. second investment with Northern Development in March 2023 to extend the Inter-City Passenger Transportation Services and Northern Community Shuttle Services until March 31, 2027 and also support the development of the Connected Network (OneBus)



## \$833,000

Province of B.C. third investment with Northern Development in March 2023 to support the Northern inter-community transportation needs study and support small transportation projects between April 1, 2023 and December 31, 2024



# Background

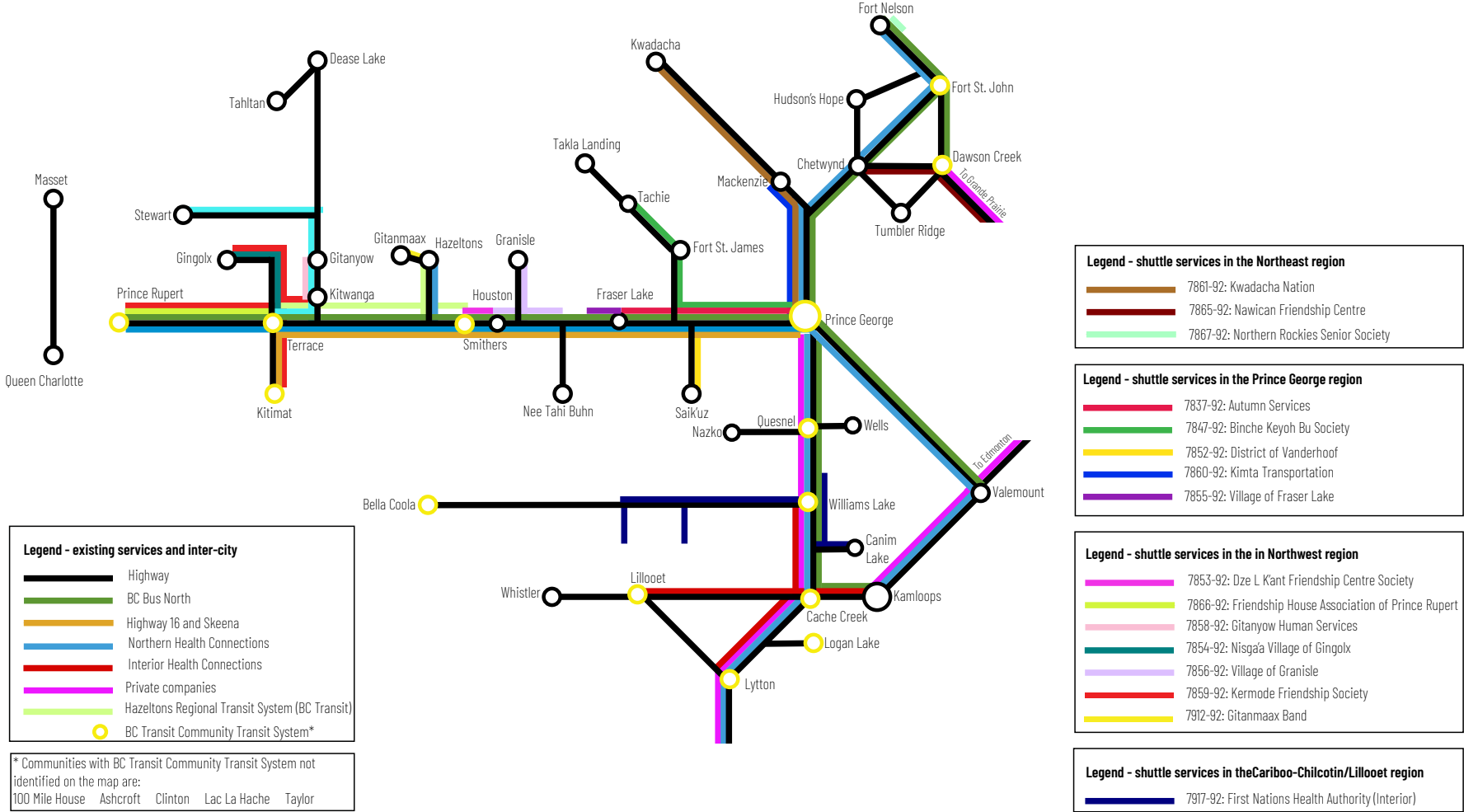
Federal, provincial, and municipal governments have established a variety of programs with the objective of providing interregional transportation services in the void created by Greyhound's 2018 departure from Western Canada. Private operators have also emerged to provide inter-city services on certain routes. Indigenous, municipal, and regional district governments are also supporting intra-city and limited inter-city transportation services through partnerships with BC Transit or funding of community buses. As well, health authorities and some post secondary institutions also provide direct transportation options or have partnered with other entities to ensure patients and students have access to safe, reliable transportation.

Prior to 2021, MOTI offered two programs that provided funding for transportation services.

- BC Bus North, which provided inter-city/long-haul service
- Highway 16 Community Transportation Grant Program which provided funding for short-haul shuttle operators



# Passenger Transportation Services in Northern B.C.



# 2023/24 Highlights

33,754

rides provided in Northern B.C.

14,499

passengers used the BC Bus North system

19,255

passengers used the shuttle services

1,085,026

in fare revenue collected across the network

967,417

kilometres travelled across the network

561,575

kilometres travelled by BC Bus North

405,842

kilometres travelled by shuttles

\$2,759,732

in total operating costs for BC Bus North and shuttles

\$139.53

average cost per passenger on BC Bus North

\$38.26

average cost per passenger on shuttle services



# 2023/24 Highlights



BC Bus North Prince George to Kamloops route commenced service and recorded more rides than all other routes combined



Connected Network common booking application project initiated and scheduled for launch summer 2024 as OneBus



Northern Inter-Community Transportation Study completed



First Nations Health Authority Highway 20 shuttle service commenced operations



Northern Community Transportation Booster Program developed, implemented and two projects funded



Kwadacha First Nation successfully purchased a passenger bus and is in final preparations to launch service beginning in 2024/2025





# NPTS Lifetime Statistics

March 2021 – March 2024

**31** applications received      **20** projects approved

**\$7,045,274**

total funds approved

**60,079** passengers served across network

- 19,753 rides provided via BC Bus North service
- 40,326 rides provided via shuttle services
- \$117 average cost per ride based on total amount approved

**1,779,770** kilometres travelled across all services

- 1,012,446 kilometres travelled by BC Bus North
- 767,324 kilometres travelled by shuttles
- \$4.15 average cost per kilometres based on total amount approved



# Inter-City Passenger Transportation Services (IPTS) for Northern BC

The Inter-City Passenger Transportation Services for Northern BC (IPTS) is one of two funding streams in the NPTSF. It is designed to provide grant assistance to financially support the delivery of a consistent passenger service to connect communities across Northern B.C. and offer a hub system that smaller community shuttle providers can connect to and access for long distance travel.

On April 1, 2022 BC Bus North, operated by PWT, seamlessly continued operating with funding through IPTS. This followed a one-year contract extension that was established in 2021 to ensure the reliable service continued without interruption as Northern Development assumed responsibility for NPTSF from MOTI's previous transportation grant program.

The 2022 funding agreement introduced a second round-trip weekly to Fort Nelson and was reoriented to ensure smooth connections to private charter operators in Dawson Creek, Valemount and Prince George for connections to Grand Prairie, Jasper, and Kamloops, respectively. In 2023/24, the service continued without incident. The addition of a new route between Prince George and Kamloops demonstrated a strong desire from members of the public to travel between the Central Interior and Thompson-Okanagan, easily outperforming all other routes with a total ridership of 8,623 through the year. The next most used route was between Prince George and Prince Rupert with a total ridership of 3,417, following by Prince George to Fort St. John at 1,703, Dawson

Creek to Fort Nelson at 520 and Prince George to Valemount at 236. Overall ridership for the year was 14,499 compared with 5,254 the prior year. The growing ridership of BC Bus North represents a 176% increase over the previous year, though that is almost entirely attributable to the Prince George to Kamloops route. If that route is removed from ridership numbers, the service saw a slight increase year-over-year to 5,876 riders compared with 5,254 the previous year.

There was a 2.1% increase in ridership on the Prince George to Prince Rupert route year-over-year, a 31% increase on the Prince George to Fort St. John route, a 44.8% increase on the Dawson Creek to Fort Nelson route and a -4.8% decline on the Prince George to Valemount route. The overall increase in ridership is on track with PWT's expectations as the service continues its recovery from ridership lows experienced through the COVID-19 pandemic.

The introduction and additional ridership from the Prince George to Kamloops route resulted in the overall average cost per passenger being reduced to \$139.53 in 2023 compared with \$338.86 the year prior. This was also reflected in the average cost per kilometre driven on the service, which was reduced to \$2.07 from \$4.42. Total kilometres driven for BC Bus North increased to 977,152 in 2023 compared with 402,553, entirely attributable to the Prince George to Kamloops route. As such, the total operating cost of the service increased to \$2.02 million in 2023 compared with \$1.78 million the year prior.



	2022/23 Ridership Total	2023/24 Ridership Total	Year-Over-Year Ridership Total	Year-Over-Year Ridership Total
Route 100 – Prince George to Prince Rupert	3,348	3,417	69	2.1%
Route 200 – Prince George to Valemount	248	236	-12	-4.8%
Route 300 – Prince George to Fort St. John	1,299	1,703	404	31.1%
Route 400 – Dawson Creek to Fort Nelson	359	520	161	44.8%
Route 500 – Prince George to Kamloops	N/A	8,623	N/A	N/A
<b>Totals</b>	<b>5,254</b>	<b>14,499</b>	<b>9,245</b>	<b>176%</b>

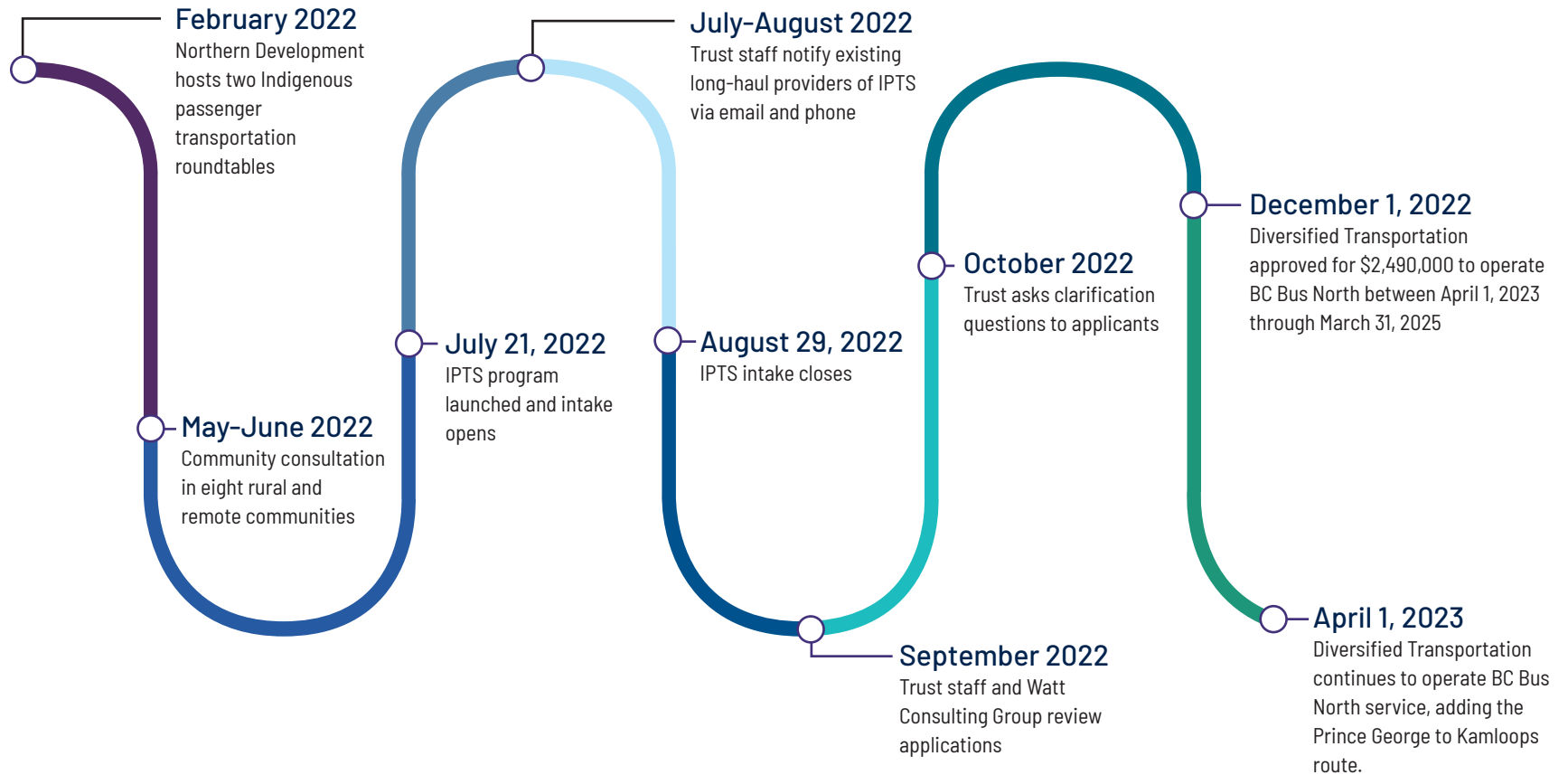
Fortunately, the fare revenue from the Prince George to Kamloops route offset the increase in operating costs. Fare revenue increased 317% year-over-year to \$977,152. As a result, there was no additional costs to Northern Development during the 2024 fiscal year. As per the current agreement with PWT, Northern Development provides approximately \$1.25 million in funding for the BC Bus North network each year, which was down from \$1.68 million the year before, which represents a 26% reduction in the cost of the service since Northern

Development assumed funding responsibility for it. This while the service has realigned schedules to improve transfers with private charters, added the Prince George to Kamloops route and increased ridership 176%.

Today, funds provided by the Province of B.C. to the Trust to fund BC Bus North represent 61% of the total cost of the service.



# IPTS TIMELINE



Total funds approved to date

\$4,171,269

2022/23 Funding Approved

\$1,681,269

(Includes \$130,000 contingency for initial approval year)

19,753

rides provided since 2022

2023/24 Funding Approved

\$1,240,000

964,128

kilometres travelled since 2022

2024/25 Funding Approved

\$1,250,000

\$1,211,752

in fare revenue collected since 2022

\$3.60 cost per kilometre travelled in 2023/24



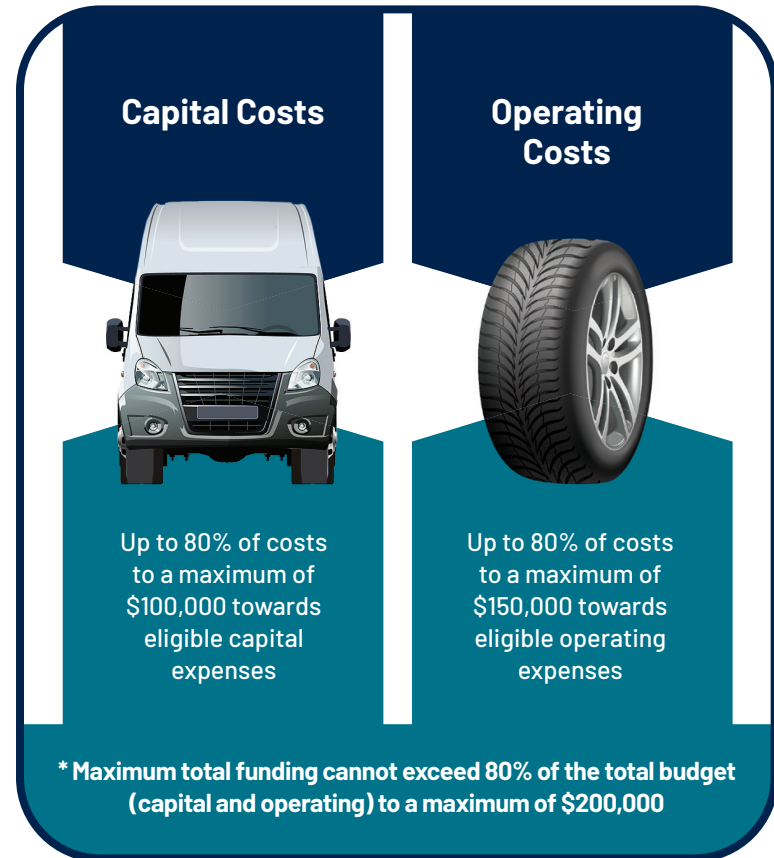
# Northern Community Shuttle

The Northern Community Shuttle (NCS) funding program is the successor to MOTI's Highway 16 Community Transportation Grant Program. Expanded by Northern Development to benefit all communities in its service region, NCS made \$3 million available to introduce or improve passenger transportation options on routes that are less than 300 kilometres. A priority of these shuttle services is to bring passengers to or from larger centres where they can connect with BC Bus North.

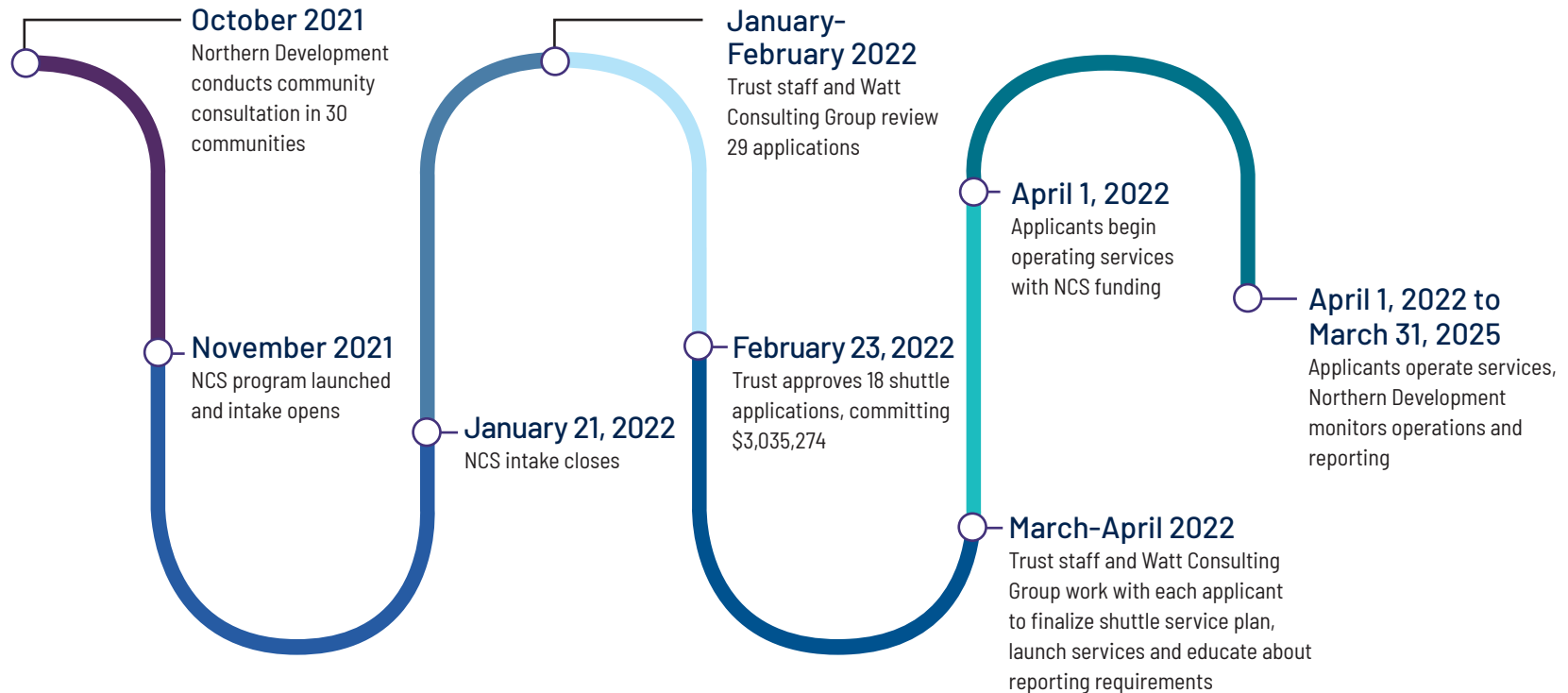
Beginning on April 1, 2022, organizations approved for funding through NCS began offering passenger transportation services to their communities and surrounding areas. Through NCS, all grant recipients have three years of guaranteed funding to subsidize their services and keep them affordable for passengers.

Recognizing the variety of costs that make up a transportation service, funding for both capital and operational expenses was available.

Each NCS provider is responsible for the marketing and advertisement of their shuttle service. Proponents adopt the best method(s) of communication for their operations and communities. The most common advertising methods include proponents' websites and social media channels, with Facebook being the most popular social media platform. Other methods include word-of-mouth referrals, poster advertisements, referrals from other agencies and brochures within the community.

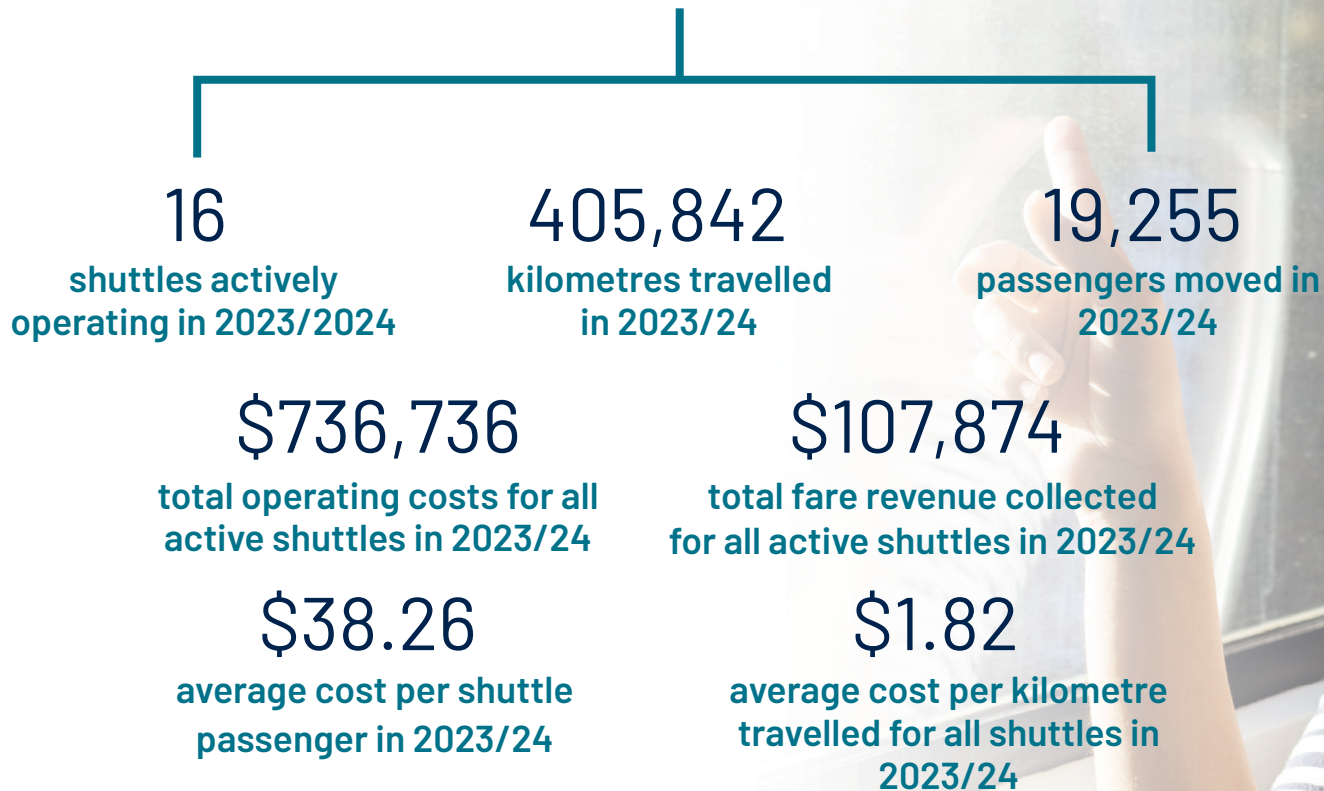


# NCS Timeline



Total funds approved to date

**\$3,035,274**



\*As of the time of this report, Northern Development is still working closely to finalize reporting with nine active shuttle providers. Based on the outcome, these numbers may vary.





# Shuttle provides critical transportation options for residents of Mackenzie

In February 2022, Northern Development committed approximately \$199,000 to Kimta Transportation to setup and operate a shuttle-style transportation service for residents of Mackenzie, McLeod Lake, Bear Lake and into Prince George. The service departs Mackenzie in the mornings, pick ups residents there and makes stops in other community along Highway 97 before arriving in Prince George for a stop and rest and a return trip home later in the day. The service allows residents of those communities easy access to a regional centre for medical appointments, shopping, and to see friends and family and has been a welcome and necessary addition to the area.

"Greyhound Canada's decision to suspend services to Northern British Columbia in 2018 was a devastating blow to residents of small rural communities, including Mackenzie. As our community has no medical specialists, nor optometrists or dentists; travel to Prince George for these services became a major challenge for some residents, particularly during the winter months. The creation of the Kimta Transportation Society and their exceptional efforts has helped address this gap. Their daily shuttle service to Prince George has been well received by the community and now provides safe reliable transportation for those who require it. The District of Mackenzie is very grateful to Northern Development Initiative Trust for their support." – Mayor Joan Atkinson, District of Mackenzie



*"Ann and I have enjoyed the service to Prince George, especially to the Airport. I can plan a trip without involving another person delivering a ride. The service is reliable, convenient, trustworthy, and available. I would say it is essential for a remote town with no other public transport such as Mackenzie. Seniors, students, homemakers, business people, non-drivers, and economy minded people can use this service with gratitude."*

– Chris and Ann Simpson, Mackenzie, B.C.



# Approved Northern Community Shuttle Projects

Project #	Proponent	Project Name	Committed Funds	Approved Date
7837-92	Autumn Services Society for Senior Support	Fraser Lake Get Up and Go Program	Capital: \$80,000.00 Operating: \$60,160.00 Total: \$140,160.00	2/23/2022
7847-92	Binche Keyoh Bu Society	TEAM Bus	Operating: \$150,000.00	2/23/2022
7851-92	Takla Nation	Bus Service	Capital: \$86,400.00 Operating: \$100,000.00 Total: \$186,400.00	2/23/2022
7852-92	District of Vanderhoof	Community Transportation	Operating: \$150,000.00	2/23/2022
7853-92	Dze L K'ant Friendship Centre Society	Community Connections	Operating: \$150,000.00	2/23/2022
7854-92	Nisga'a Village of Gingolx	Spirit of Gingolx Shuttle	Capital: \$98,707.20 Operating: \$101,292.80 Total: \$200,000.00	2/23/2022
7855-92	Village of Fraser Lake	Community Transportation Service	Operating: \$150,000.00	2/23/2022
7856-92	Village of Granisle	Community Transportation	Capital: \$54,575.00 Operating: \$117,476.00 Total: \$172,051.00	2/23/2022
7858-92	Gitanyow Human Services	Gitanyow Connections Program	Operating: \$128,640.00	2/23/2022
7859-92	Kermod Friendship Society	Transportation	Capital: \$38,400.00 Operating: \$87,936.00 Total: \$126,336.00	3/23/2022





Photos: Northern Development

Project #	Proponent	Project Name	Committed Funds	Approved Date
7860-92	Kimta Transportation Society	Shuttle	Capital: \$48,990.00 Operating: \$150,000.00 Total: \$198,990.00	2/23/2022
7861-92	Kwadacha First Nation	Community Shuttle	Capital: \$77,500.00 Operating: \$105,350.00 Total: \$182,850.00	2/23/2022
7865-92	Nawican Friendship Centre	Shuttle Service	Capital: \$69,407.00 Operating: \$130,593.00 Total: \$200,000.00	2/23/2022
7866-92	Friendship House Association of Prince Rupert	Friendship Ending Violence Against Women	Capital: \$100,000.00 Operating: \$100,000.00 Total: \$200,000.00	2/23/2022
7867-92	Northern Rockies Seniors Society	Seniors Bus	Operating: \$150,000.00	2/23/2022
7903-92	District of Stewart	Shuttle	Capital: \$80,000.00 Operating: \$120,000.00 Total: \$200,000.00	2/23/2022
7912-92	Gitanmaax Band	Transportation	Operating: \$150,000.00	2/23/2022
7917-92	First Nations Health Authority	Wellness Centre Shuttle Program	Capital: \$75,000.00 Operating: \$87,438.19 Total: \$200,000.00	2/23/2022

**Total**

**\$3,035,274.00**



# Connected Network

In March 2023, the Province of BC committed \$250,000 to the development and implementation of Connected Network. Other funding for the \$1,030,000 project comes from Northern Development and Pacific Western Transportation (Diversified).

For service providers, Connected Network will be a crucial platform to be represented on, raising awareness about routes and schedules, resulting in increased ridership and related revenues. Each transportation operator can load their service information, schedule, and relevant booking information into the Connected Network database.

All transportation service providers who have received grant funding from Northern Development may join the Connected Network for no cost. Private charter companies will be able to join the platform for a fee.

As of March 31, 2024, the application was fully built, integrated with PWT's existing booking software and GIS and was ready for testing. The network, which will be called OneBus, is expected to launch in summer 2024.

*“Last year witnessed the creation and development of the One Bus app, comprising of a connected network of transportation operators that work in conjunction to provide a seamless travel experience for BC residents, even in far remote rural locations. A first of its kind, this one-stop-shop travel app is*

*designed to offer peace-of-mind and convenience at a touch of a button. Scheduled to go live mid-2024, the exciting new app will eventually connect operator to operator across not just the province but Canada in general too.”*

– Steven Tulloch, Director of Marketing and Business Development,  
Pacific Western Transportation



# Northern Inter-Community Transportation Study

In March 2023, the Trust's Board approved a new funding agreement with the Ministry to administer approximately \$833,000 to carry out an inter-community transportation needs study and use the remaining dollars to find novel ways to advance transportation solutions in Northern B.C. To assist with the study, Northern Development continued its partnership with Watt Consulting Group to engage with the public and key stakeholders to assess the current state of transportation in Northern B.C. and make recommendations on potential improvements.

The recommendations were divided into four broad categories: communications and coordination, funding, policy and regulatory frameworks and technical studies. Among the feedback captured was the need to raise awareness of the services that are available in the North through a marketing and awareness campaign, the need for an easier way to book and transfer between services and more integrated, improved and reliable services throughout the North.

The study was submitted to the Ministry in August for consideration.

[Northern BC Inter-Community Transportation Study](https://northerndevelopment.bc.ca)  
([northerndevelopment.bc.ca](https://northerndevelopment.bc.ca))



# Marketing and Awareness Campaign

One of the most consistent messages heard throughout the public engagement period for the Inter-Community Transportation study was that residents were simply unaware of the services that are currently available for passengers in Northern B.C. While each service (those funded publicly and other private operators) advertises in their own way, efforts are not coordinated. The intent of the marketing and awareness campaign is to have a competent communications and marketing firm undertake a one-year campaign to increase visibility of the services that are available, which should translate into increased ridership.

Following a procurement process in the fall of 2023, Northern Development retained Monogram Communications of Prince George to lead the work. The campaign, which launched in May 2024, will run through the spring, summer and fall, wrapping up by the end of the calendar year. \$125,000 in funding from the contract with the Ministry was committed toward the initiative.



Photo: Northern Development



# Northern Community Transportation Booster Program

In the fall of 2023, the Board approved the creation of the Northern Community Transportation Booster program, which was intended to provide funding for local and Indigenous governments in Northern B.C. to commence or increase their ability to plan for passenger transportation in and around their communities.

The program was designed to maximize accessibility for local and Indigenous governments, with maximum project funding of 100% (meaning no leveraged funding was required to receive the grant) to a total amount of \$25,000. The maximum grant amount was derived from experience supporting economic development capacity work, but also from a desire to spread the remaining dollars in the study contract throughout the region to provide as many communities as possible with the opportunity to participate, no matter their side. Trust staff issued a survey to all local and Indigenous governments within the region to gauge initial interest to ensure the program would be well subscribed. The survey received 80 responses and 83% of the responses were positive toward the launch of the program.

## Funds Disbursed to Date

At this time, no funds have been disbursed to the two successful Booster Program proponents, as projects have not completed. It is not anticipated that those funds will be disbursed until December 2024 once final reporting has been submitted to Northern Development. Of the \$125,000 allocated to the 'Bus the North' marketing campaign, \$23,150.92 has been disbursed as of March 31, 2024. This is comprised of \$16,144.79 to Monogram Communications and \$7,006.13 to Watt Consulting Group.

It is anticipated the remaining uncommitted dollars from the contract will be transferred to support the Inter-City Passenger Transportation Service and Northern Community Shuttle programs, in consultation with the Ministry in 2024.

Despite positive feedback from local and Indigenous governments within the region during the development of the program, only two applications were received. After assessment, both applications were approved representing \$50,000 in committed funds.

The two projects under the Booster Program are:

- **#8954-92: \$25,000 for the 'Bulkley-Nechako Transit Service Amendment Bylaws' project** from the Regional District of Bulkley-Nechako which includes the process of reviewing the service, funding options, provincial support, service levels, ridership and municipal and electoral area participation to determine the future of this service.
- **#9013-92: \$25,000 for 'Project Navigate NRRM'** from the Northern Rockies Regional Municipality to comprehensively assess transportation needs of the community and enhance the current state of rural, regional and inter-community passenger transportation within the regional municipality.



# Program Governance and Structure

Northern Development received funding from the Province of BC to develop and launch NPTS, providing grant funding to service providers for safe, reliable, and affordable passenger transportation. The Northern Passenger Transportation Service Fund Advisory Committee was established to provide guidance for the program, help with design and eligibility requirements and make recommendations to the Trust.

Northern Development is responsible for the administrative duties associated with the Fund and provides administrative support to the advisory committee. The Trust is responsible for the design and administration of the program, including application intake management, client service, project approval decisions, contracts, and reporting. All project approvals that exceed \$100,000 in funding are ratified by the Trust's Board of Directors.

Funding recipients provide monthly reporting to the Trust. With that information, Northern Development provides quarterly and annual reporting to the Province of BC that includes project status updates, program metrics, full account reconciliations and other relevant information.





# Grant Disbursements

Recipients of Northern Community Shuttle funding receive monthly grant disbursements after providing monthly reporting. Through the NCS funding agreement, organizations can receive a maximum of \$200,000 over three years, to a maximum of 80 per cent of their eligible budget.

Monthly grant disbursements help the proponent maintain healthy cash flow as they operate shuttles. Upon entering the funding agreement, Northern Development divided the total grant committed by the number of months the service will be operating with NCS support and the proponent receives the same disbursement amount monthly for the duration of their agreement. Northern Development is aware that in some months, the amount being disbursed through NCS exceeds what the service provider expended in the month.

Northern Development considers this acceptable as organizations spent 2022 setting up the service and adjusting to its implications on their operations. At the end of the 2023/24 fiscal year, Northern Development evaluated what had been disbursed and what had been spent and will work through 2024 to adjust remaining disbursements to proponents as needed.

# Financial Management

The Trust operates on a January to December fiscal year. Per policy, the Trust publishes its financial statements and annual report on its website each year and submits them to the Province of BC by April 30 of every year.

The statements for 2023 are attached at the end of this report. Funds that have not yet been distributed are held at the Royal Bank of Canada and disbursed as completed. Finance staff at Northern Development must complete reviews to determine that the applicants have met the obligations of the project as set out in their contribution agreements.

## List of attachments

- 2023/2024 Financial Statements
- Appendix B



Financial Statements of

**Northern Development Initiative Trust**

And Independent Auditor's Report thereon

Year ended December 31, 2023



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Prince George BC V2L 5R8  
Canada  
Telephone 250 563-7151  
Fax 250 563-5693

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Northern Development Initiative Trust

### ***Opinion***

We have audited the financial statements of Northern Development Initiative Trust (the Trust), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2023 and its results of 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 auditor's report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Schedule of Externally Restricted – Committed Funds.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Schedule of Externally Restricted – Committed Funds as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged With Governance for the Financial Statements***

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

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

Those charged with Governance are responsible for overseeing the Trust's financial reporting process.

### ***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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust's 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants

Prince George, Canada

March 1, 2024

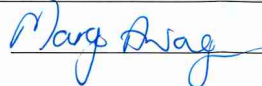
# Northern Development Initiative Trust


## Statement of Financial Position

As at December 31, 2023, with comparative information for 2022

	Unrestricted and Endowment	Restricted									Total	
	Operating	Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcotin Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2023	2022
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash	\$ 7,510,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,113	\$ 287,200,332	\$ 295,169,855	\$ 197,972,436
Short term investments (Note 2)	-	-	-	-	-	-	-	-	-	-	-	2,534,442
Accounts receivable and accrued interest	46,846	-	-	-	-	-	-	-	119,533	1,295,941	1,462,320	1,317,146
Prepaid expenses	165,915	-	-	-	-	-	-	-	-	-	165,915	182,150
Due from other funds	22,571	-	-	-	-	-	-	-	-	-	22,571	175,159
Current portion of loans receivable (Note 3)	-	-	1,261,209	-	5,584	-	-	358,899	-	-	1,625,692	1,657,305
<b>Total Current Assets</b>	<b>7,745,742</b>	<b>-</b>	<b>1,261,209</b>	<b>-</b>	<b>5,584</b>	<b>-</b>	<b>-</b>	<b>358,899</b>	<b>578,646</b>	<b>288,496,273</b>	<b>298,446,353</b>	<b>203,838,638</b>
<b>Other Non-Current Assets</b>												
Loans receivable (Note 3)	-	-	2,704,693	-	5,684	-	-	1,451,115	-	-	4,161,492	5,766,991
Investments (Note 4)	33,008,910	-	76,460,426	28,775,916	30,374,849	32,365,150	41,543,744	36,136,713	26,749,634	-	305,415,342	282,976,844
Tangible capital assets (Note 5)	-	122,258	-	-	-	-	-	-	-	-	122,258	168,590
<b>TOTAL ASSETS</b>	<b>\$ 40,754,652</b>	<b>\$ 122,258</b>	<b>\$ 80,426,328</b>	<b>\$ 28,775,916</b>	<b>\$ 30,386,117</b>	<b>\$ 32,365,150</b>	<b>\$ 41,543,744</b>	<b>\$ 37,946,727</b>	<b>\$ 27,328,280</b>	<b>\$ 288,496,273</b>	<b>\$ 608,145,445</b>	<b>\$ 492,751,063</b>
<b>LIABILITIES AND EQUITY</b>												
<b>Current Liabilities</b>												
Accounts payable and accrued liabilities (Note 6)	125,443	-	54,284	20,130	21,245	22,598	29,070	25,080	343	10,574	308,767	322,084
Due to other funds	-	-	22,548	-	-	-	-	-	-	23	22,571	175,159
Funds administered for others (Note 7)	-	-	-	-	-	-	-	-	26,715,985	-	26,715,985	24,889,260
Unearned revenue (Note 8)	5,746,834	-	-	-	-	-	-	-	-	-	5,746,834	3,532,520
Current portion of obligation under capital lease (Note 9)	-	6,388	-	-	-	-	-	-	-	-	6,388	6,234
<b>Total Current Liabilities</b>	<b>5,872,277</b>	<b>6,388</b>	<b>76,832</b>	<b>20,130</b>	<b>21,245</b>	<b>22,598</b>	<b>29,070</b>	<b>25,080</b>	<b>26,716,328</b>	<b>10,597</b>	<b>32,800,545</b>	<b>28,925,257</b>
<b>Other Non-current Liabilities</b>												
Obligation under capital lease (Note 9)	-	13,254	-	-	-	-	-	-	-	-	13,254	19,642
<b>TOTAL LIABILITIES</b>	<b>5,872,277</b>	<b>19,642</b>	<b>76,832</b>	<b>20,130</b>	<b>21,245</b>	<b>22,598</b>	<b>29,070</b>	<b>25,080</b>	<b>26,716,328</b>	<b>10,597</b>	<b>32,813,799</b>	<b>28,944,899</b>
<b>Equity</b>												
Endowment fund (Note 10)	25,000,000	-	-	-	-	-	-	-	-	-	25,000,000	25,000,000
Externally restricted - uncommitted	-	-	78,268,075	26,067,656	27,894,618	28,823,887	38,419,873	35,718,927	611,952	96,403,236	332,208,224	235,359,053
Externally restricted - committed	-	-	2,081,421	2,688,130	2,470,254	3,518,665	3,094,801	2,202,720	-	192,082,440	208,138,431	196,151,127
Invested in tangible capital assets (Note 11)	-	102,616	-	-	-	-	-	-	-	-	102,616	142,714
Unrestricted	9,882,375	-	-	-	-	-	-	-	-	-	9,882,375	7,153,270
<b>TOTAL EQUITY</b>	<b>34,882,375</b>	<b>102,616</b>	<b>80,349,496</b>	<b>28,755,786</b>	<b>30,364,872</b>	<b>32,342,552</b>	<b>41,514,674</b>	<b>37,921,647</b>	<b>611,952</b>	<b>288,485,676</b>	<b>575,331,646</b>	<b>463,806,164</b>
Contingencies (Note 12)												
Commitments (Note 13)												
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 40,754,652</b>	<b>\$ 122,258</b>	<b>\$ 80,426,328</b>	<b>\$ 28,775,916</b>	<b>\$ 30,386,117</b>	<b>\$ 32,365,150</b>	<b>\$ 41,543,744</b>	<b>\$ 37,946,727</b>	<b>\$ 27,328,280</b>	<b>\$ 288,496,273</b>	<b>\$ 608,145,445</b>	<b>\$ 492,751,063</b>

Northern Development Initiative Trust Approval:

 Board Chair

 Vice Chair

**Northern Development Initiative Trust**  
**Statement of Operations and Fund Balances**

As at December 31, 2023, with comparative information for 2022

	Unrestricted and Endowment	Restricted									Total	
	Operating	Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcotin Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2023	2022
<b>REVENUE</b>												
Investment income, net of fees (Note 4)	\$ 1,007,426	\$ -	\$ 2,335,795	\$ 878,870	\$ 928,509	\$ 987,966	\$ 1,267,447	\$ 1,101,976	\$ 15,145	\$ -	\$ 8,523,134	\$ 8,977,073
Interest income	355,279	-	322,097	-	576	-	-	-	(2,702)	13,370,638	14,045,888	3,568,544
Contributions	-	-	-	-	-	-	-	-	222,258	99,191,135	99,413,393	9,500,000
Net unrealized gains (losses)	2,518,619	-	5,678,736	2,214,012	2,340,441	2,429,896	3,150,062	2,729,634	32,713	-	21,094,113	(38,858,430)
Financial services revenue	15,000	-	-	-	-	-	-	-	-	-	15,000	2,000
Third party revenue	1,224,853	-	-	-	-	-	-	-	-	-	1,224,853	1,014,664
<b>TOTAL REVENUE</b>	<b>5,121,177</b>	<b>-</b>	<b>8,336,628</b>	<b>3,092,882</b>	<b>3,269,526</b>	<b>3,417,862</b>	<b>4,417,509</b>	<b>3,831,610</b>	<b>267,414</b>	<b>112,561,773</b>	<b>144,316,381</b>	<b>(15,796,149)</b>
<b>EXPENSES</b>												
<b>ADMINISTRATION EXPENSES</b>												
Amortization	-	57,088	-	-	-	-	-	-	-	-	57,088	59,304
General administration	141,165	-	-	-	-	-	-	-	-	-	141,165	127,909
S/C, fees, dues, licenses	7,440	-	-	-	-	-	-	-	-	2,931	10,371	9,161
Office expenses	267,298	-	-	-	-	-	-	-	-	-	267,298	209,354
Professional services	164,104	-	-	-	-	-	-	-	-	-	164,104	198,383
Rentals and maintenance	64,477	-	-	-	-	-	-	-	-	-	64,477	46,953
Office supplies	21,207	-	-	-	-	-	-	-	-	-	21,207	25,656
Salaries and benefits	1,575,874	-	-	-	-	-	-	-	-	-	1,575,874	1,650,573
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>2,241,565</b>	<b>57,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,931</b>	<b>2,301,584</b>	<b>2,327,293</b>
<b>BOARD &amp; RAC EXPENSES</b>												
Board costs	42,577	-	-	-	-	-	-	-	-	-	42,577	19,587
RAC - Prince George	5,459	-	-	-	-	-	-	-	-	-	5,459	2,765
RAC - Northeast	5,797	-	-	-	-	-	-	-	-	-	5,797	2,976
RAC - Cariboo-Chilcotin/Lillooet	7,213	-	-	-	-	-	-	-	-	-	7,213	2,950
RAC - Northwest	4,933	-	-	-	-	-	-	-	-	-	4,933	7,144
<b>TOTAL BOARD &amp; RAC EXPENSES</b>	<b>65,979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,979</b>	<b>35,422</b>
<b>TOTAL ADMINISTRATION COSTS</b>	<b>2,307,544</b>	<b>57,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,931</b>	<b>2,367,563</b>	<b>2,362,715</b>
<b>INCREMENTAL PROJECT EXPENSES</b>												
Software upgrades	-	-	-	-	-	-	-	-	-	-	-	17,406
Sage implementation	7,482	-	-	-	-	-	-	-	-	-	7,482	22,444
Salesforce implementation	60,056	-	-	-	-	-	-	-	-	-	60,056	-
Website upgrades & integration	-	-	-	-	-	-	-	-	-	-	-	35,142
<b>TOTAL INCREMENTAL PROJECT EXPENSES</b>	<b>67,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,538</b>	<b>74,992</b>
Grants and loans	-	-	2,609,847	1,730,503	1,771,396	699,697	1,238,241	2,289,086	-	20,138,519	30,477,289	41,870,943
Write down of loan receivable	-	-	-	-	2,269	-	-	-	-	-	2,269	-
Fair value adjustment for interest free loans receivable (Note 3)	-	-	-	-	-	-	-	(123,760)	-	-	(123,760)	206,067
<b>NET GRANTS</b>	<b>-</b>	<b>-</b>	<b>2,609,847</b>	<b>1,730,503</b>	<b>1,773,665</b>	<b>699,697</b>	<b>1,238,241</b>	<b>2,165,326</b>	<b>-</b>	<b>20,138,519</b>	<b>30,355,798</b>	<b>42,077,010</b>
<b>TOTAL EXPENSES</b>	<b>2,375,082</b>	<b>57,088</b>	<b>2,609,847</b>	<b>1,730,503</b>	<b>1,773,665</b>	<b>699,697</b>	<b>1,238,241</b>	<b>2,165,326</b>	<b>-</b>	<b>20,141,450</b>	<b>32,790,899</b>	<b>44,514,717</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 2,746,095</b>	<b>\$ (57,088)</b>	<b>\$ 5,726,781</b>	<b>\$ 1,362,379</b>	<b>\$ 1,495,861</b>	<b>\$ 2,718,165</b>	<b>\$ 3,179,268</b>	<b>\$ 1,666,284</b>	<b>\$ 267,414</b>	<b>\$ 92,420,323</b>	<b>\$ 111,525,482</b>	<b>\$ (60,310,866)</b>
Fund Balances, Beginning of Year	32,153,270	142,714	74,622,715	27,393,407	28,869,011	29,624,387	38,335,406	36,255,363	344,538	196,065,353	463,806,164	524,117,030
Investment in Capital Assets	(16,990)	16,990	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 34,882,375</b>	<b>\$ 102,616</b>	<b>\$ 80,349,496</b>	<b>\$ 28,755,786</b>	<b>\$ 30,364,872</b>	<b>\$ 32,342,552</b>	<b>\$ 41,514,674</b>	<b>\$ 37,921,647</b>	<b>\$ 611,952</b>	<b>\$ 288,485,676</b>	<b>\$ 575,331,646</b>	<b>\$ 463,806,164</b>

# Northern Development Initiative Trust

## Statements of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenditures	\$ 111,525,482	\$ (60,310,866)
Items not involving cash:		
Amortization	57,088	59,304
Net unrealized (gains) losses	(21,094,113)	38,858,430
Accrued interest on loans receivable	(322,601)	(246,093)
Accrued interest on short-term investments	-	(34,442)
Fair value adjustment for interest free loans receivable	(123,760)	206,067
Write down of loans receivable	2,269	-
	90,044,365	(21,467,600)
Changes in non-cash operating working capital:		
Accounts receivable	(145,174)	(1,317,146)
Prepaid expenses	16,235	(116,172)
Funds administered for others	1,826,725	(4,022,943)
Accounts payable and accrued liabilities	(13,317)	(1,113,327)
Unearned revenue	2,214,314	(339,664)
	93,943,148	(28,376,852)
Financing:		
Repayment of obligations under capital lease	(6,234)	(6,084)
Investing		
Investments	(1,344,385)	11,302,208
Repayment of loans receivable	2,081,204	2,051,074
Disposition (acquisition) of short-term investments	2,534,442	(2,500,000)
Acquisition of tangible capital assets	(10,756)	(8,890)
	3,260,505	10,844,392
Increase (decrease) in cash	97,197,419	(17,538,544)
Cash, beginning of year	197,972,436	215,510,980
Cash, end of year	\$ 295,169,855	\$ 197,972,436

See accompanying notes to financial statements.



# Northern Development Initiative Trust

## Notes to Financial Statements

Year ended December 31, 2023

### Nature of Operations

Northern Development Initiative Trust (the "Trust"), a not-for-profit organization incorporated under the Northern Development Initiative Trust Act, operates primarily to be a catalyst for Northern B.C. and grow a strong diversified economy by stimulating sustainable economic growth through strategic and leveraged investments.

#### 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Trust's significant accounting policies are as follows:

##### (a) Restricted fund method of accounting:

The Trust follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Trust's general activities.

The Restricted Funds are comprised of Invested in Capital Assets, Cross Regional Account, Pine Beetle Recovery Account, Cariboo-Chilcotin Lillooet Regional Development Account, Northwest Regional Development Account, Northeast Regional Development Account, Prince George Regional Development Account, Other Trust Funds and Province of British Columbia Account and report contributions restricted to activities outlined in their respective strategic plans. The Invested in Capital Asset fund reports the assets, liabilities, revenues and expenses related to the tangible capital assets of the Trust. The Other Trust Funds are comprised of the Prince George Agricultural Fund, Canada Winter Games Fund, Department of Indigenous Service Canada Fund, Nechako Valley Regional Cattlemen's Association Fund, British Columbia Innovation Council Fund, North Central Local Government Association Fund, BC Hydro AG Fund, and BC Hydro GO Fund and report contributions restricted to activities outlined in their respective strategic plans.

The Operating Endowment Account reports restricted resources contributed for endowment. Investment income earned on endowment resources is used for purposes prescribed in the Northern Development Initiative Trust Act (Note 10).

##### (b) Short-term investments:

Short-term investments are recorded at fair value and include term deposits, which are highly liquid, with terms to maturity up to one year at the date of the Statement of Financial Position.

##### (c) Investments:

Investments are recorded at fair value. The difference between historical cost and fair value is recorded as an unrealized gain or loss and recorded in the excess (deficiency) of revenue over expenditures in the period in which the difference occurred. Gains and losses realized during the year are computed using the average cost method and recognized directly in the excess (deficiency) of revenue over expenditures.

##### (d) Tangible capital assets:

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Assets acquired under capital lease are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital asset no longer contributes to the Trust's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Computer hardware	33%
Computer software	100%
Furniture and fixtures	20%
Leasehold improvements	16%
Vehicles	33%
Assets under capital lease	20%

##### (e) Externally restricted - uncommitted funds:

Uncommitted externally restricted funds represents funds not committed at year end to specific project proposals.

##### (f) Externally restricted - committed funds:

Committed externally restricted funds represent funds at year end for specific project proposals that have been approved by the Board of Directors and cash disbursement will not occur until a future date after year end once the conditions of the signed funding agreement are met.

# Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policy (continued):

### (f) Externally restricted - committed funds (continued):

Funds committed are recorded as a payable when the final review of the project claim is completed and approved by management.

### (g) Revenue recognition:

Externally restricted contributions received for the Cross Regional Account, Pine Beetle Recovery Account, Cariboo-Chilcotin Lillooet Regional Development Account, Northwest Regional Development Account, Northeast Regional Development Account, Prince George Regional Development Account, Other Trust Funds and Province of British Columbia are recognized as revenue in the year received. All other externally restricted contributions received are recognized in the Operating Fund as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue 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. Unrestricted contributions with related expenses are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized to the extent received or receivable.

### (h) Grants and repayable grants:

Grants and repayable grants awarded by the Trust are recognized when the conditions of the signed funding agreement are met.

Grants are advanced to proponents from time-to-time based on the conditions of the funding agreement. Funds advanced are expensed on advancement as it is considered that project requirements will be met and the funds are unlikely to be returned.

### (i) Income taxes:

No provision has been made for income taxes in these financial statements as the Trust is exempt under Paragraph 149(1)(c) of the Income Tax Act.

### (j) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies, and that have not been hedged, are translated into Canadian dollars at the rates of exchange in effect at the statement of financial position date. Other assets, liabilities and items affecting earnings are translated into Canadian dollars at rates of exchange in effect at the date of the transaction. Gains or losses arising from these foreign currency transactions are included in the determination of excess (deficiency) of revenue over expenditures.

### (k) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenue and expenses during the year. An item subject to such estimates and assumptions include the carrying amount and collection of loans receivable. Actual results could differ from those estimates.

### (l) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. Management has elected to carry loans receivable at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

# Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 1. Significant accounting policy (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Trust expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## 2. Short-term investments

	2023	2022
Non-redeemable GIC held with RBC, matured September 11, 2023, 4.45% per annum	\$ -	\$ 1,682,869
Non-redeemable GIC held with RBC, matured September 11, 2023, 4.45% per annum	-	699,506
Non-redeemable GIC held with RBC, matured September 11, 2023, 4.45% per annum	-	152,067
	<b>\$ -</b>	<b>\$ 2,534,442</b>

## 3. Loans receivable:

	2023	2022
Cross Regional Development Account - Prince George Repayable in monthly installments with annual totals over the next five years of \$1,505,698 in 2024, \$1,414,130 in 2025, \$1,323,323 in 2026, and \$183,817 in 2027, including interest at bank prime rate (December 31, 2023 - 7.20%). Due February 2027.	\$ 3,965,902	\$ 5,229,376
Cariboo-Chilcotin Lillooet Regional Development Repayable in annual installments in the next two years of \$5,894 in 2024 and 2025 including interest at 3.7% Due September 2025.	11,268	18,856
Prince George Regional Development Account Repayable in annual installments over the next five years of \$452,873 in 2024, \$452,873 in 2025, \$452,873 in 2026, \$339,362 in 2027, and \$314,838 in 2028, non-interest bearing. Due July 2029	2,219,245	2,803,028
	6,196,415	8,051,260
Current portion of loans receivable	(1,719,666)	(1,758,710)
Current portion of fair value adjustment	93,974	101,405
	(1,625,692)	(1,657,305)
Fair value adjustment for interest free loans receivable	(409,231)	(626,964)
	<b>\$ 4,161,492</b>	<b>\$ 5,766,991</b>

During the year, the Trust recorded a recovery (expense) of \$123,760 (2022 - (\$206,067)) for the change in fair value adjustment for interest free loans receivable. The expense was a result of fluctuations in the discount rate used to determine the adjustment.

## 4. Investments:

	2023	2022
Cash equivalents:		
Cash	\$ 129,995	\$ -
Mawer Canadian Money Market	21,549,081	24,946,910
	<b>21,679,076</b>	<b>24,946,910</b>

# Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 4. Investments (continued):

Fixed income balances:		
Mawer Canadian Bond Pooled Fund	98,996,419	86,628,354
Equity Balances:		
Mawer Canadian Equity Pooled Fund	57,515,883	53,792,972
Mawer Global Small Cap Fund	21,154,732	17,978,924
Mawer Global Equity Series	106,069,232	99,629,684
	184,739,847	171,401,580
	\$ 305,415,342	\$ 282,976,844

Investment income is presented net of management fees charged for the year ended December 31, 2023, of \$765,899 (2022 - \$767,883)

## 5. Tangible capital assets:

	2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value
Assets under capital lease	\$ 34,947	\$ 18,638	\$ 16,309	\$ 23,298
Computer hardware	409,174	394,613	14,561	20,412
Computer software	169,234	169,234	-	-
Furniture and fixtures	177,859	167,176	10,683	16,646
Leasehold improvements	217,283	136,578	80,705	108,234
Vehicles	77,473	77,473	-	-
	\$ 1,085,970	\$ 963,712	\$ 122,258	\$ 168,590

## 6. Accounts payable and accrued liabilities:

	2023	2022
Accounts payable and accrued liabilities	\$ 262,540	\$ 271,526
Payroll and withholding taxes	46,227	50,558
	\$ 308,767	\$ 322,084

## 7. Funds administered for others:

These funds are controlled by other organizations and are pooled for investment purposes with the Trust's cash and investments. Accordingly, these financial statements include assets administered for other organizations with a corresponding liability comprised of the following:

	2023	2022
Opening balance	\$ 24,889,260	\$ 28,912,203
Contributions	100,000	98,000
Investment income, net of fees	2,814,976	(2,755,232)
Administrative fees	(75,000)	(175,000)
Grants	(983,456)	(1,179,133)
Bank charges	(137)	(233)
Board travel	(14,355)	(11,082)
Website consulting	(15,303)	(263)
	\$ 26,715,985	\$ 24,889,260

# Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 8. Unearned revenue:

	2023	2022
Connecting British Columbia	\$ 4,412,626	\$ 2,467,658
Northern Healthy Communities	641,682	761,813
Ministry of Transportation	579,494	302,992
Nechako Valley Rancher Cattlemen's Association	57	57
Rural Business & Community Recovery	112,975	-
	<u>\$ 5,746,834</u>	<u>\$ 3,532,520</u>

## 9. Obligation under capital lease:

	2023	2022
Wells Fargo lease with an implied interest rate of 2.45%, repayable in quarterly instalments of \$1,703. Due October 2026 and secured by equipment held by the Trust with a net book value of \$16,308.	\$ 19,642	\$ 25,876
	<u>19,642</u>	<u>25,876</u>
Repayment schedule		
2023	-	6,811
2024	6,811	6,811
2025	6,811	6,811
2026	6,811	6,811
Total minimum lease payments	<u>20,433</u>	<u>27,244</u>
Less amount representing interest at a rate of 2.45%	(791)	(1,368)
Present value of capital lease payments	<u>19,642</u>	<u>25,876</u>
Less current portion	6,388	6,234
	<u>\$ 13,254</u>	<u>\$ 19,642</u>

During the year the Trust recognized \$577 (2022 - \$727) of interest on the capital lease.

## 10. Endowment fund:

The Endowment Fund was established to receive proceeds of \$25,000,000 from the Government of British Columbia pursuant to terms of the Northern Development Initiative Trust Act ("NDIT Act"). Interest or other income earned from the money invested may be used to cover operating expenditures incurred by the directors and officers of the Trust to perform their obligations under the NDIT Act. Income earned on the endowment is recorded fully in the Operating Fund. Included in operations is investment income of \$1,007,426 (2022 - \$1,058,700) and net unrealized gains of \$2,518,619 (2022 - loss of \$5,188,266) for the year ended December 31, 2023.

## 11. Invested in tangible capital assets:

Invested in tangible capital assets is calculated as follows:

	2023	2022
Opening balance	\$ 142,714	\$ 187,044
Amortization	(57,088)	(59,304)
Acquisition of capital assets	10,756	8,890
Repayment of obligation under capital lease	6,234	6,084
	<u>\$ 102,616</u>	<u>\$ 142,714</u>

# Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 12. Contingencies:

The Trust has a revolving demand facility agreement with RBC with a maximum limit of \$10,000,000 by way of RBP based loans, letters of credit, and letters of guarantee. These facilities are secured by a general security agreement placing a first priority interest in present and future property of the Trust. The balance of these facilities at December 31, 2023 are \$nil (2022 - \$nil).

The Trust has provided certain partner program contracts to the Canada Revenue Agency in regards to Government Sales Tax requirements. The potential exposure is unknown at this time and the outcome of the ruling is not determinable.

## 13. Commitments:

Trust leases premises under lease which expires May 2027. The minimum lease payments in the next five year are as follows:

2024	139,734
2025	139,734
2026	139,734
2027	58,223
	\$ 477,425

The Trust has entered into an agreement with Belmar Consulting Ltd to implement a new software. The total amount payable over the next year is \$388,407.

## 14. Financial risks and concentration of credit risk:

### (a) Currency risk:

The Trust is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Trust purchases investments denominated in a foreign currency. The Trust does not currently enter into forward contracts to mitigate this risk. In order to minimize currency risk, the Trust has a policy to invest no greater than 60% of its portfolio in global equities. As at December 31, 2023, global equities represents approximately 42% (2022 - 42%) of the holdings.

### (b) Market risk:

The Trust derives revenue from its cash equivalents, equity and fixed income investments which are subject to market fluctuations. Market risk is managed and mitigated through diversification between asset classes in which the Trust has set asset allocation guidelines in their investment policy. As at December 31, 2023, the Trust's investment holdings were aligned with their target asset allocations. Equity investments represent approximately 60% (2022 - 61%) of the holdings. It is estimated that a 10% change in returns would change the fair value of the equities portfolio by \$18,473,985 (2022 - \$17,140,158).

As at December 31, 2023, the Trust's annual return on investments was approximately a gain of 11.45% (2022 - a loss of 9.8%).

### (c) Credit risk:

The Trust is exposed to credit risk from the possibility that borrowers may default on their obligations. Management attempts to mitigate this risk by ensuring that proper due diligence is performed before loans are extended. As of December 31, 2023, all loan recipients are in full compliance of their agreement. The Trust does not believe that their credit risk exposure has been changed from 2022.

### (d) Liquidity risk:

Liquidity risk is the risk that the Trust will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2022.

# Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 14. Financial risks and concentration of credit risk (continued):

(e) Interest rate risk:

The Trust's fixed income securities and certain loans receivable are subject to interest rate risk. Rising interest rates would impact the value of these investments and loans. The Trust is exposed to prime lending rate fluctuations on loans receivable in the amount of \$3,965,902 (2022 - \$5,229,376). As at December 31, 2023, fixed income securities represents approximately 39% (2022 - 39%) of the Trust's investment holdings. It is estimated that 1.75% change in interest rates would change the fair value of the portfolio by \$2,109,546 (2022 - \$1,952,567). The Trust employs investment diversification to manage this risk.

## 15. Employee future benefits:

The Trust, and its employees, contribute to the BC Public Service Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has 70,780 active members and 55,267 retired members. Active members include approximately 100 contributors from the provincial government, crown corporations, government agencies and not-for-profit organizations.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation was performed as at March 31, 2023. The valuation shows an improvement in the actuarial position for the Basic Account, from a surplus of \$2,667 million as at March 31, 2020, to a surplus of \$4,491 million as at March 31, 2023. The actuary does not attribute portions of the surplus to individual employers. Consequently, the Trust's share of this surplus cannot be determined. The main reasons for the improvement in the actuarial position are that the investment returns were higher than were assumed and actual salary increases were lower than the long-term assumption offset by an excess investment return transfer to the Inflation Adjustment Account and changes in the economic assumptions. The Trust paid \$123,968 (2022 - \$133,654) for employer contributions to the Plan during the year.

# Northern Development Initiative Trust

## Schedule of Externally Restricted - Committed Funds

Year ended December 31, 2023

(Unaudited)

# SCHEDULE 1

Account	Total Funding Approved	Grants and loans		2023	2022
		2023 Disbursements	2022 Disbursements	Outstanding Commitments	Outstanding Commitments
<b>Cross Regional Account</b>	\$ 55,288,165	2,609,847	\$ 3,060,347	2,081,421	\$ 2,790,361
<b>Pine Beetle Recovery Account</b>	36,315,982	1,730,503	1,359,267	2,688,130	3,260,195
<b>Cariboo-Chilcotin/Lillooet Regional Development Account</b>	22,639,529	1,771,396	2,440,090	2,470,254	3,265,800
<b>Northwest Regional Development Account</b>	26,295,940	699,697	1,686,309	3,518,665	3,060,842
<b>Northeast Regional Development Account</b>	20,016,903	1,238,241	1,772,821	3,094,801	3,066,098
<b>Prince George Regional Development Account</b>	29,404,950	2,289,086	1,518,711	2,202,720	4,703,723
<b>Other Trust Funds</b>	30,632,727	-	20,000	-	-
<b>Province of British Columbia</b>	266,573,059	20,138,519	30,013,398	192,082,440	176,004,108
<b>TOTAL</b>	<b>\$ 487,167,255</b>	<b>\$ 30,477,289</b>	<b>\$ 41,870,943</b>	<b>\$ 208,138,431</b>	<b>\$ 196,151,127</b>



**Appendix B - Northern Transportation Service Proponent Financials**

**Northern Community Shuttle Program**

Apr 1, 2023 to Mar 31, 2024

<b>Project #</b>	<b>7837</b>	<b>7852</b>	<b>7853</b>	<b>7854*</b>	<b>7855</b>	<b>7856</b>	<b>7858*</b>	<b>7860</b>	<b>7866</b>	<b>7867*</b>	<b>7917*</b>	<b>TOTAL</b>
<b>Operating Funds Disbursed</b>	20,053	50,000	50,000	33,764	50,000	39,159	21,440	51,429	33,333	50,000	41,970	441,148
Insurance	1,889	-	7,468	-	1,457	2,832	-	5,163	8,209	-	-	27,018
Fuel	12,528	19,048	5,130	28,142	4,299	11,218	3,953	12,541	9,409	16,806	2,333	125,408
Office & General	8	-	1,714	-	449	1,131	-	2,562	1,114	-	-	6,978
Wages & Benefits/Contractor	6,190	98,010	25,500	-	29,267	42,414	-	79,799	19,770	-	-	300,949
R&M	1,543	17,484	4,859	-	4,654	10,477	-	4,660	10,131	-	-	53,809
Rental	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	33,724	-	-	38,984	-	-	46,741	56,680	176,128
<b>Total Reported Expenses</b>	<b>22,159</b>	<b>134,543</b>	<b>44,671</b>	<b>61,866</b>	<b>40,126</b>	<b>68,071</b>	<b>42,937</b>	<b>104,725</b>	<b>48,634</b>	<b>63,547</b>	<b>59,013</b>	<b>955,311</b>
<b>Net Income</b>	<b>(2,105.69)</b>	<b>(84,542.97)</b>	<b>5,329.02</b>	<b>(28,102.00)</b>	<b>9,874.06</b>	<b>(28,912.21)</b>	<b>(21,496.91)</b>	<b>(53,295.82)</b>	<b>(15,300.62)</b>	<b>(13,546.91)</b>	<b>(17,043.00)</b>	<b>(249,143.05)</b>
<b>Capital Funds Disbursed</b>	-	-	-	-	-	54,575	-	-	80,000	-	75,000	209,575

**Note 1** Not all providers are included, as some have not reported to the Trust. The Trust continues to work with these proponents to complete required reporting.

**\*Note 2** These expenses are compiled based on reports received from the recipients. The Trust is still verifying the eligibility and accuracy of these expenses.

**Note 3** Payments have stopped for some proponents who have not responded to numerous reporting requests throughout the past two years. Once caught up, NDIT will assess reinstatement.

**Inter-City Passenger Transportation Program**

Apr 1, 2023 to Mar 31, 2024

<b>Project #</b>	<b>8244*</b>
<b>Operating Funds Disbursed</b>	1,250,000
Driver Costs	301,869
Fuel - diesel	154,405
Fuel - gas	1,325
Driver Support Costs	45,063
Vehicle Costs	205,247
Shop Costs	194,342
Operations Costs	667,053
Facility Costs	10,833
Admin Costs	112,842
Computer Expenses	13,107
Depreciation	140,622
<b>Total Costs</b>	<b>1,846,708</b>
<b>Net Income</b>	<b>(596,708.00)</b>



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