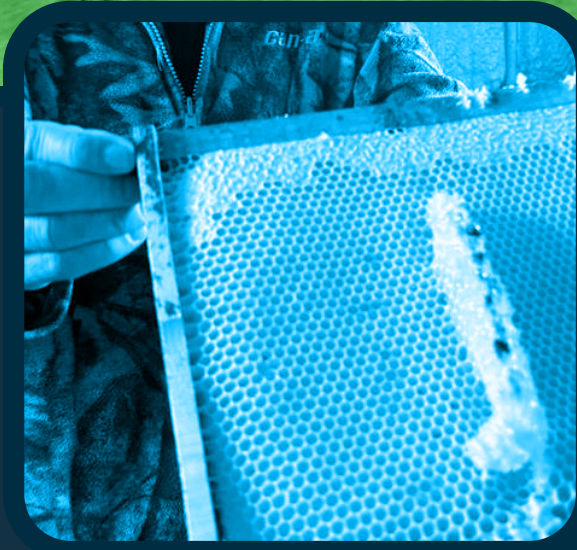


BC Hydro
Peace Agricultural
Compensation Fund

2024 Annual Report



Published March 31, 2025



Vision statement: Support the Peace Region's opportunity for agricultural production and agrifoods economic activity.

Fund principles:

- fairness and transparency
- regional decision-making
- professional and cost effective
- accountable
- inclusive



Message from the Chair

2024 was another impactful year for the BC Hydro Peace Agricultural Compensation Fund with \$244,824.00 in funds being approved by the Board to 14 Farming Infrastructure projects. It is a true honour to lead the important work of this fund and support local growers and producers as they seek to improve their operations for the future and benefit of our communities.

This year, we saw a trend emerge of applicants seeking grants to support their efforts to make their operations more drought resistant. This trend was visible through both irrigation-related projects for greenhouses and through watering systems for livestock. Supporting projects in this category is just one of the ways that we are acting upon our vision to support agricultural production and agrifoods economic activity in the region.

Once again, I am grateful for the thoughtful conversations and deliberations that my fellow volunteer board members are having around the board table. Throughout the year, we received 46 applications, requesting \$1,024,247 in funding. To ensure we are staying true to our intent of managing the original allocation of funding in a sustainable manner, providing a long-term and reliable source of financial support to the region, we had to make some challenging decisions and each of the directors provided valuable contributions and perspectives that highlight the importance of having regional-decision making prioritized in the fund management and allocation process.

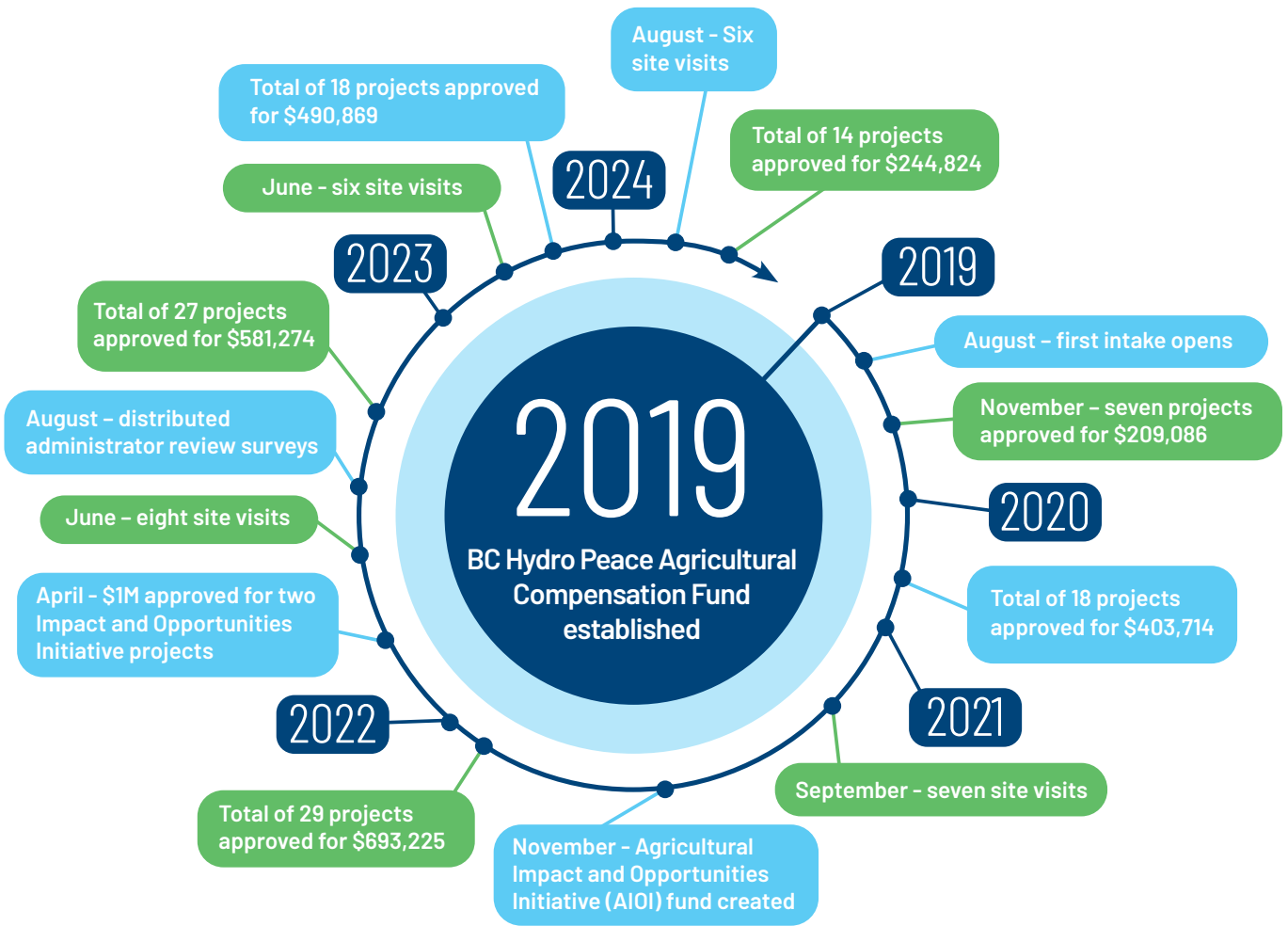
2024 was the first full year of having the new BC Peace Agricultural Fund website live with its identifiable branding separate from the fund administrator's website. This virtual platform is an excellent resource for people looking to learn more about the fund – from describing our two funding streams to celebrating past successes, and so much more, the website is a valuable educational tool. The website also features a revised application form. This new document has refreshed questions that provide a more holistic view of the proposed projects and how they will positively impact the applicant and agricultural community.

Looking ahead to 2025, we anticipate proponents realizing the benefits of recently-completed projects to their operations. The Board also looks forward to continuing to work with the staff at Northern Development as they continue to carry out the administrative work related to this fund.

Rick Kantz

Chair, BC Hydro Peace Agricultural Compensation Fund

2024 Timeline



2024 Board Composition

Appointing Organizations	Member
B.C. Grain Producers	Ty Cusack
Peace River Forage Association	Sherri Collins
Peace River Regional Cattlemen's Association	Garry Pringle
B.C. Breeder and Feeder Association	Evan Keen
Peace Region Forage Seed Association	Blair Hill
Peace River Regional District Board	Chet Jans
Peace River Valley agricultural producer	Blane Meek
Member at large	Fred Lehmann
Member at large	vacant
Member at large	Rick Kantz (Chair)

2024 Overview

2024 marked the sixth year of the BC Hydro Peace Agricultural Compensation Fund (PACF). Two regular grant intakes were held which resulted in a total of \$224,824 approved for 14 projects.

\$224,824

APPROVED FOR **14** PROJECTS IN 2024

Farming Infrastructure

\$224,824 APPROVED FOR **14** FARMING INFRASTRUCTURE PROJECTS IN 2024



113 Projects approved to date through the Farming Infrastructure, Research and Demonstration Initiatives and Events and Educational Initiatives

\$2,622,991
APPROVED

2 Projects through Impact and Opportunities Initiative since inception

\$1 Million
APPROVED

BC Hydro Peace Agricultural Compensation Fund - 2024 Applications Approved

Project #	Program Category	Proponent	Project Name	Date Approved	Approved Amount
8927 88	Farming Infrastructure	Cody Johnson	Upgrade Corral Alley and Chute	2024-03-07	\$22,215.00
8946 88	Farming Infrastructure	Sunnyside Bookkeeping and Accounting	Rotational Grazing	2024-03-07	\$5,603.00
8955 88	Farming Infrastructure	Pegasus Ranch Ltd.	Pegasus Ranch Rotational Grazing	2024-03-07	\$12,124.00
8957 88	Farming Infrastructure	Whiskey Creek Ranch Ltd.	Let's Get Crackin' - a path for growth in egg production in the Peace	2024-03-07	\$27,865.00
8960 88	Farming Infrastructure	Sunset Prairie Livestock Association	SPLA Dugout Renovation	2024-03-07	\$50,000.00
8965 88	Farming Infrastructure	Dead Horse Creek Cattle Company Ltd.	Fencing - New Pasture	2024-03-07	\$4,262.00
8969 88	Farming Infrastructure	Ken and Erin Price	Sheep Handling Equipment	2024-03-07	\$33,423.00
8996 88	Farming Infrastructure	Kathleen Peck	Water Capacity and Irrigation Phase I	2024-03-07	\$13,008.00
9009 88	Farming Infrastructure	Kyle Bartels	Bartels Sheep Grain Feeders	2024-03-07	\$5,010.00
9290 88	Farming Infrastructure	David Braun	Braun Pasture Management	2024-11-07	\$12,875.00
9291 88	Farming Infrastructure	Shayne & Rachel Turnbull	Windy Valley Farm Fibre Processing Facility	2024-11-07	\$6,539.00
9292 88	Farming Infrastructure	Bryan and Bobbi-Lee Woodward	6T Ranch Livestock Upgrades	2024-11-07	\$20,000.00
9293 88	Farming Infrastructure	Bear Mountain Grazing Association	Bear Mountain Grazing Reserve Water Resiliency	2024-11-07	\$20,650.00
9300 88	Farming Infrastructure	Dalton & Chantel Odden	Ranch Temporary Wildlife Fencing	2024-11-07	\$11,250.00

\$244,824.00



Photo: Sunset Prairie Livestock Association



Photo: Julian Napoleon - Amisk Farm

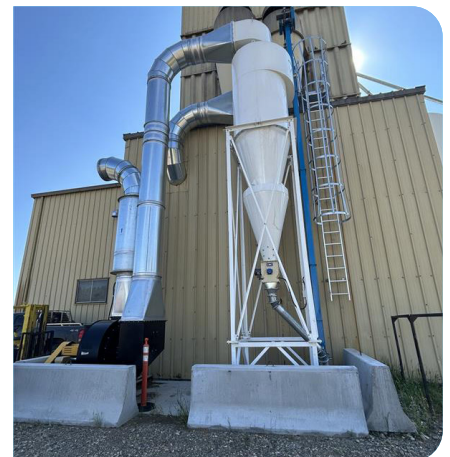


Photo: Fort St. John Seed Cleaning Cooperative Association

Applications Approved

Below is a snapshot of the varied projects that were approved by the BC Hydro Peace Agricultural Compensation Fund board of directors in 2024:

- **Kyle Bartels was approved for a \$5,010 Farming Infrastructure grant** to purchase and install two grain feeders for their first-generation sheep farm. The two feeders were assembled and filled with grain during the late stages of lambing season, during which they were used in the lambing area. When lambing was completed, the feeders were moved on trailers to pasture, allowing the lambs to continue accessing high protein feed during their entire growth and allowing the ewes to recover from lactating.

In addition to the direct benefits to the lambs and ewes, the feeders helped to protect the poor dry pasture and reduce damage to the land. Bartels sourced the grain from the local area, providing a

supply of quality feed while providing benefits to the nearby farmer. Feeding lambs with local barley allows them to be finished more efficiently for sale and allows Bartels to avoid the fluctuating costs and unpredictable supply of hay while still producing a cost effective, local option in the Peace.

By increasing feeding efficiency, the young family can save time from the labour-intensive method they were using in 2023. This provides them with the opportunity to work towards their business plan goal of expanding to 200 head from 90 and transition to full-time farming.



Photos: Kyle Bartel

- **Canadian Acres was approved for a \$13,008 Farming Infrastructure grant** to complete the first phase of their water capacity and irrigation project in response to the negative effects of drought on the farm. Based in Charlie Lake, their operations include a regenerative agriculture rotational grazing cell design that supports a one-acre market garden/orchard, 88 acres of hay, and livestock.

This is the second project Canadian Acres has received a Peace Agricultural Compensation Fund grant for – the first being a basic irrigation system project that began in 2020. This year’s project allowed the applicant to effectively respond to drought pressures on their property, successfully implement auto irrigation systems in the greenhouse and nursery/crop areas, and more effectively water their crops in a way that minimized runoff, evaporation and water waste.

With reliable water throughout the entire growing season, Canadian Acres successfully propagated and grew more than 500 fruit and nut trees in the nursery. In other areas, they planted 4,500 cloves of garlic, after losing 80% of their garlic crop in 2023 due

to lack of proper moisture and irrigation sources. Additionally, the funding allowed them to continue their cider and food orchard project in a significant and meaningful way.



- Cody Johnson was approved for a \$22,215 Farming Infrastructure grant** to upgrade their existing corral alley and chute. The project was completed in the late spring, with the grant accounting for 50% of the \$41,644 project. As a result more cattle can be processed in a day, and in a safer environment for both the livestock and staff. The investment in a hydraulic chute system provides more safe access points for administering injections to the cattle in a well-contained space, protecting both the livestock, veterinarian, and other staff. It is anticipated that the better flow in the corral alley and chute, along with a quieter, hydraulic gate, will reduce the amount of stress experienced by the cattle, in turn reducing sickness and the number of aborted calves after handling.

The adjustable corral alley and chute have an intentionally designed flow through the alley and methods for blocking sightlines, creating a smoother process for staff and cattle. The ease of the new system will reduce the number of people required to be on hand on processing days, providing operational savings to Johnson. Additionally, the streamlined process will allow for the cattle to be processed faster, creating an opportunity from nearby farms to benefit



from having their cattle processed on the same day when a veterinarian is on site, saving additional expenses and reducing travel time.



Photos: Cody Johnson

- **Sunset Prairie Livestock Association was approved for a \$50,000 Farming Infrastructure grant** to renovate the dugouts on their 13,500-acre community pasture. Located on rough, steep terrain and rocky soil, the pasture near Sunset Prairie is relied on by 20 ranching families to support more than 2,100 cow/calf pairs and 500 yearlings annually since the 1950s, when it was originally designated as a crown grazing reserve.

As a result of the project, water sustainability was improved, an imperative adjustment to support the livelihood, safety, and animal welfare of all the bovines that access the community pasture. Additionally, it also decreases the pressure on sensitive riparian areas nearby while providing an opportunity for hydration to wildlife passing by.

In the spring and summer months of 2023, the SPLA realized a shortage of moisture supply, followed by an intensive amount of evaporation in the dugouts. By taking proactive steps to strengthen their groundwater storage, they are demonstrating why they are one of the best-managed grazing reserves in B.C. and protecting the economic viability of the pasture.



Completed Project Reviews

In August 2024, Northern Development staff visited six successful grant applicants, including those who received funding prior to 2024. Below are the details of the site visits:

Project Name: Production Facility
Proponent Name: Hasberry Farms Inc.
Date Approved: November 16, 2023
Amount Approved: \$50,000

Outcomes: The grant funding allowed Hasberry Farms to purchase a large freezer for berry storage and kitchen equipment to better store and produce haskap berries. Currently, six varieties of haskap plants are grown on the property and sold through a u-pick model. Looking ahead, Hasberry Farms Inc. is looking to market more haskap juice products as they continue to expand their operations.



Project Name: Amisk Farm Season Extension
Proponent Name: Julian Napoleon
Date Approved: March 8, 2023
Amount Approved: \$28,320

Outcomes: Napoleon intentionally uses his farm to help address food sovereignty issues in the Moberly Lake area in a variety of ways, including providing discounted and free produce to locals in need of nutritious food at low or no cost. With the funding, Napoleon purchased a new greenhouse and moved earth on the property to make better use of the land. Since completing the project, he has continued to improved the farm by building a storage cellar, office and tilling more garden beds.



Photo: Julian Napoleon - Amisk Farm

Project Name: Nordic Vale Honey Farm Expansion

Proponent Name: Nordic Vale Honey Farm

Date Approved: November 19, 2020

Amount Approved: \$19,864

Outcomes: The family-owned apiary in the Dawson Creek area utilized the grant to purchase honeybee hive equipment and honey processing equipment. This equipment purchase has made their honey processing practices more efficient and less time-consuming. Nordic Vale Honey Farm produces and sells unpasteurized honey and wax products.



Project Name: Optical Sorter

Proponent Name: South Peace Grain Cleaning Cooperative Association

Date Approved: April 21, 2022

Amount Approved: \$254,000

Outcomes: Funded through the Impact and Opportunities Initiative, the South Peace Grain Cleaning Cooperative Association purchased an optical sorter. The new equipment filters, sorts, and cleans oats based on shape. As a result, wild oats and other foreign materials can be removed, allowing the processed product to be sold through the food grade category. Additionally, people using the equipment can sort a mixture into multiple, unique gradable products.



Photo: South Peace Grain Cleaning

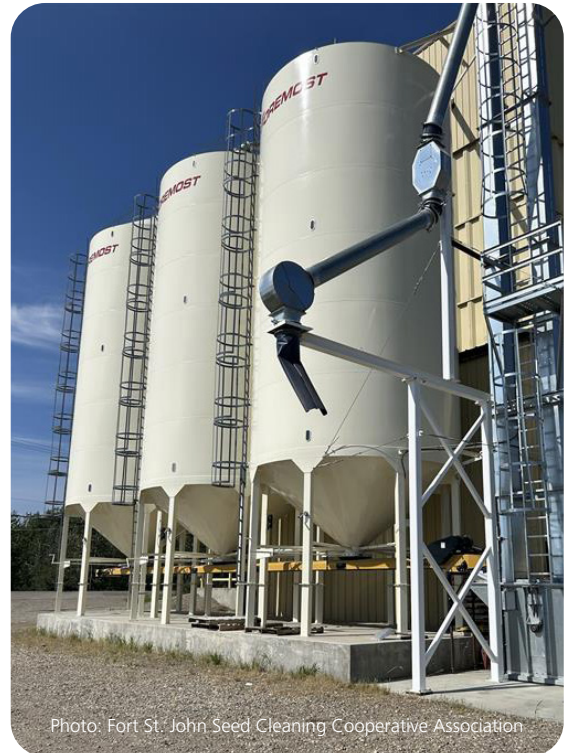
Project Name: Plant Improvements

Proponent Name: Fort St. John Seed Cleaning Cooperative Association

Date Approved: April 21, 2022

Amount Approved: \$746,000

Outcomes: Funded through the Impact and Opportunities Initiative, the Fort St. John Seed Cleaning Cooperative Association purchased and installed a Cimbría chrome colour sorter in its seed cleaning plant. The state-of-the-art equipment contributes to a higher quality, cleaner product by removing unwanted seeds and foreign objects from all grains, cereal crops, seeds, and pulses.



Project Name: Crown Range Watering System and New Pasture Fencing

Proponent Name: Dead Horse Creek Cattle Company Ltd.

Date Approved: November 16, 2022

Amount Approved: \$19,470

Outcomes: This project had two components to improve the quality of life for livestock while out to pasture. A portion of the project was the purchase of four water buggies that can easily be moved throughout the fields, providing livestock with reliable access to water during drought. The second portion of the project included the purchase of electric fencing materials to finish fencing on a new pasture.



Five-Year and Financial Management Plan

The Five-Year and Financial Management Plan for the BC Hydro PACF are required documents for the successful administration of the fund according to BC Hydro's Agricultural Mitigation and Compensation Plan (AMCP). The Board of Directors, together with Northern Development, developed the plan in autumn 2018 before it was submitted to BC Hydro in October for approval.

The plan clearly defines the roles and responsibilities of the Board, Fund Administrator and BC Hydro, provides an in-depth overview of the financial management structure of the fund, including investment policies, a five-year budget, a three-year grant distribution model, expense policies, audited processes and a process for project reviews.

The Five-Year and Financial Management Plan was updated and approved by the Board in 2024 and submitted to BC Hydro.



Photo: Dead Horse Creek Cattle Company Ltd.

Fund Investment

In 2024, the funds were invested with Mawer Investment Management until being moved to British Columbia Investment Management Corporation in the fall. Funds were managed in alignment with Northern Development's Statement of Investment Policies and Procedures.

The funds will continue to be managed in such a way to preserve the initial \$20 million capital, while generating strong enough returns to support future funding intakes.

Independent Audited Financial Statement

KPMG is the appointed auditor of Northern Development Initiative Trust ("the Trust"). They perform an audit of the Trust's financial statements and specified audit procedures over the balance sheet of the BC Hydro PACF. It is important to note that since the decision-making process rests with the BC Hydro PACF Board, which is independent of Northern Development's Board, the funds are deemed to be a liability owed to BC Hydro. As such, there are no revenue or expenses shown on the Trust's income statement. The Trust has provided Appendix C, which shows the actual revenue and expenses compared to the budget for informational purposes. Northern Development's 2024 Financial Audit will be presented at the June 2025 Annual Public Meeting. The Auditors issued a clean audit report for fiscal 2024 and a report confirming the fair market value of the investments and bank balance.

The report also confirms that the BC Hydro PACF balance sheet is recorded in the Trust's general ledger and included in the audited financial statements as funds administered in accordance with Canadian generally accepted standards for specified auditing procedures.

Refer to:

Appendix A

Report on Specified Auditing Procedures

Appendix B

Northern Development Independent Auditors' Report

Appendix C

Actual versus Budget

Appendix A

Report on Agreed-Upon Procedures

NORTHERN DEVELOPMENT INITIATIVE TRUST

Year ended December 31, 2024



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Telephone 250 563-7151
Fax 250 563-5693

AGREED-UPON PROCEDURES REPORT

To the Board of Directors of Northern Development Initiative Trust and British Columbia Hydro and Power Authority

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of providing Northern Development Initiative Trust with information to assist in complying with British Columbia Hydro and Power Authority reporting requirements (“Purpose”) and may not be suitable for another purpose.

Responsibilities of the Engaging Party

Northern Development Initiative Trust has acknowledged that the agreed-upon procedures performed are appropriate for the purpose of the engagement.

Northern Development Initiative Trust is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Canadian Standard on Related Services (CSRS) 4400, Agreed-Upon Procedures Engagements.

An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Northern Development Initiative Trust and reporting the findings, which are the factual results of the agreed-upon procedures performed.

We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

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Professional Ethics

We have complied with ethical requirements, including those pertaining to independence, relevant to assurance engagements in Canada.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with Northern Development Initiative Trust.

Procedures	Findings
Confirm the fair market value of the investment account held for the BC Hydro Agricultural Fund with the British Columbia Investment Management Corporation.	No exceptions.
Confirm the bank balance held for the BC Hydro Agricultural Fund with the Royal Bank of Canada.	No exceptions.
Confirm the BC Hydro Agricultural Fund Balance Sheet provided for December 31, 2024 is recorded in the general ledger and included in the audited financial statements of the Northern Development Initiative Trust as funds administered for others liability.	No exceptions.

Chartered Professional Accountants

Prince George, Canada

March 3, 2025

BC Hydro Agricultural Fund

Balance sheet as at December 31, 2024

with comparative information for 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 466,048	\$ 19,909
Accounts receivables	1,500	346
Total Current Assets	467,548	20,255
Investments		
Investments	20,000,000	20,000,000
Accumulated market change	11,496,961	8,844,379
Accumulated withdrawals	(5,535,895)	(4,103,819)
Accumulated repayments	1,101,842	1,101,842
Net total investments	27,062,908	25,842,402
TOTAL ASSETS	\$ 27,530,456	\$ 25,862,657
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable & accrued liabilities	\$ 281,538	\$ 900,028
Funds administered for other parties	27,248,918	24,962,629
	27,530,456	25,862,657
Equity		
Externally Restricted - Uncommitted	-	-
Externally Restricted - Committed	-	-
Unrestricted	-	-
TOTAL EQUITY	-	-
TOTAL LIABILITIES AND EQUITY	\$ 27,530,456	\$ 25,862,657

Appendix B

Financial Statements of

Northern Development Initiative Trust

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP
177 Victoria Street, Suite 400
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, 2024
- 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, 2024 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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

Chartered Professional Accountants

Prince George, Canada

March 3, 2025

Northern Development Initiative Trust
Statement of Financial Position
 As at December 31, 2024, with comparative information for 2023

	Unrestricted and Endowment	Restricted							Total			
		Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcoot Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2024	2023
ASSETS												
Current Assets												
Cash	9,930,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 830,078	\$ 271,140,880	\$ 281,900,974	\$ 295,169,855
Accounts receivable and accrued interest	33,566	-	-	-	2,500	-	-	-	2,729	870,457	873,186	1,482,320
Prepaid expenses	141,166	-	-	-	-	-	-	-	-	-	141,166	165,915
Current portion of loans receivable (Note 2)	-	-	-	5,737	-	-	-	387,463	-	-	393,200	1,625,692
Total Current Assets	10,104,748	-	-	8,237	-	-	-	387,463	832,807	272,011,337	283,344,592	298,423,782
Other Non-Current Assets												
Loans receivable (Note 2)	-	-	-	-	-	-	-	1,183,923	-	-	1,183,923	4,161,492
Investments (Note 3)	39,507,975	-	89,258,282	29,753,492	34,782,250	44,532,170	38,864,211	28,188,164	-	-	337,361,750	305,415,342
Tangible capital assets (Note 4)	-	106,002	-	-	-	-	-	-	-	-	-	106,002
TOTAL ASSETS	\$ 49,612,723	\$ 106,002	\$ 89,258,282	\$ 29,753,492	\$ 34,782,250	\$ 44,532,170	\$ 40,435,597	\$ 29,020,971	\$ 272,011,337	\$ 621,986,267	\$ 608,122,874	
LIABILITIES AND EQUITY												
Current Liabilities												
Accounts payable and accrued liabilities (Note 5)	173,164	-	1,193	-	-	-	-	-	-	52,663	227,020	308,767
Due to (from) other funds	2,724,177	-	(2,724,177)	-	-	-	-	-	-	-	-	-
Funds administered for others (Note 6)	-	-	-	-	-	-	-	28,350,100	-	-	28,350,100	26,715,985
Unearned revenue (Note 7)	4,386,041	-	-	-	-	-	-	-	-	-	4,386,041	5,746,834
Current portion of obligation under capital lease (Note 8)	-	6,546	-	-	-	-	-	-	-	-	6,546	6,388
Total Current Liabilities	7,283,382	6,546	(2,722,984)	-	-	-	-	28,350,100	-	52,663	32,969,707	32,777,974
Other Non-current Liabilities												
Obligation under capital lease (Note 8)	-	6,708	-	-	-	-	-	-	-	-	6,708	13,254
TOTAL LIABILITIES	7,283,382	13,254	(2,722,984)	-	-	-	-	28,350,100	-	52,663	32,976,415	32,791,228
Equity												
Endowment fund (Note 9)	25,000,000	-	-	-	-	-	-	-	-	-	25,000,000	25,000,000
Externally restricted - uncommitted	-	-	89,113,473	27,802,242	30,757,559	41,477,512	38,325,108	670,871	124,311,195	382,082,040	332,208,224	332,208,224
Externally restricted - committed	-	-	2,867,793	1,951,250	4,024,691	3,054,658	2,110,489	-	147,647,479	164,515,723	208,138,431	208,138,431
Invested in tangible capital assets (Note 10)	-	92,748	-	-	-	-	-	-	-	-	92,748	102,616
Unrestricted	17,329,341	-	-	-	-	-	-	-	-	-	17,329,341	9,882,375
TOTAL EQUITY	42,329,341	92,748	91,981,266	29,753,492	34,782,250	44,532,170	40,435,597	670,871	271,988,674	589,019,852	575,331,646	
Contingencies (Note 11)	-	-	-	-	-	-	-	-	-	-	-	-
Commitments (Note 12)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY	\$ 49,612,723	\$ 106,002	\$ 89,258,282	\$ 29,753,492	\$ 34,782,250	\$ 44,532,170	\$ 40,435,597	\$ 29,020,971	\$ 272,011,337	\$ 621,986,267	\$ 608,122,874	

Northern Development Initiative Trust Approval: _____ Board Chair
 _____ Vice Chair

Northern Development Initiative Trust
Statement of Operations and Fund Balances
As at December 31, 2024, with comparative information for 2023

Unrestricted and Endowment	Invested in Capital Assets	Restricted							Total		
		Cross Regional	Pine Beetle	Cariboo-Chilcoot/Lillooet Regional Development	Northwest Regional Development	Northwest Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2024	2023
Operating											
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
339,901	-	764,833	255,177	277,988	300,159	331,277	5,785	-	2,657,737	8,523,134	
380,732	-	239,638	-	363	-	-	-	13,948,519	14,568,252	14,045,888	
5,000,000	-	5,000,000	-	-	-	-	-	240,000	10,240,000	99,413,393	
3,367,272	-	7,474,724	2,634,007	2,803,064	3,043,848	3,347,451	53,164	-	26,583,462	21,094,113	
25,000	-	-	-	-	-	-	-	-	25,000	15,000	
1,435,792	-	-	-	-	-	-	-	-	1,435,792	1,224,853	
10,548,697	-	13,479,195	2,889,184	3,081,415	3,344,007	3,678,728	58,919	14,188,519	55,511,243	144,316,381	
	55,387	-	-	-	-	-	-	-	55,387	57,088	
198,669	-	-	-	-	-	-	-	-	198,669	141,165	
8,485	-	-	-	-	-	-	-	4,984	13,469	10,371	
291,801	-	-	-	-	-	-	-	-	291,801	267,298	
262,326	-	-	-	-	-	-	-	-	262,326	164,104	
78,305	-	-	-	-	-	-	-	-	78,305	64,477	
23,269	-	-	-	-	-	-	-	-	23,269	21,207	
1,624,083	-	-	-	-	-	-	-	-	1,624,083	1,575,874	
2,486,938	55,387	-	-	-	-	-	-	4,984	2,547,309	2,301,584	
57,939	-	-	-	-	-	-	-	-	57,939	42,577	
5,143	-	-	-	-	-	-	-	-	5,143	5,459	
6,242	-	-	-	-	-	-	-	-	6,242	5,797	
7,283	-	-	-	-	-	-	-	-	7,283	7,213	
9,740	-	-	-	-	-	-	-	-	9,740	4,953	
86,347	-	-	-	-	-	-	-	-	86,347	65,919	
2,573,285	55,387	-	-	-	-	-	-	4,984	2,633,656	2,367,563	
482,927	-	-	-	-	-	-	-	-	482,927	7,482	
482,927	-	-	-	-	-	-	-	-	482,927	60,056	
		1,847,425	1,891,478	962,844	904,309	1,379,024	-	30,710,537	38,920,700	30,477,289	
		-	-	-	-	(214,246)	-	-	(214,246)	2,269	
		1,847,425	1,891,478	962,844	904,309	1,164,778	-	30,710,537	38,706,454	30,355,798	
3,056,212	55,387	1,847,425	1,891,478	962,844	904,309	1,225,083	1,164,778	30,715,521	41,823,037	32,790,899	
7,482,485	(55,387)	11,631,770	997,706	2,118,571	2,439,698	3,017,496	2,513,950	(16,527,002)	13,688,206	111,525,482	
34,882,375	102,616	80,349,496	28,755,786	30,364,872	32,342,552	41,514,674	37,921,647	288,485,676	575,331,646	463,806,164	
(45,519)	-	-	-	-	-	-	-	-	-	(123,760)	
42,329,341	92,748	91,981,266	29,753,492	32,483,443	34,782,250	44,532,170	40,435,597	271,968,674	589,019,852	575,331,646	

Northern Development Initiative Trust

Statements of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 13,688,206	\$ 111,525,482
Items not involving cash:		
Amortization	55,387	57,088
Net unrealized gains	(26,583,462)	(21,094,113)
Accrued interest on loans receivable	(228,681)	(322,601)
Fair value adjustment for interest free loans receivable	(214,246)	(123,760)
Write down of loans receivable	-	2,269
	(13,282,796)	90,044,365
Changes in non-cash operating working capital:		
Accounts receivable	553,068	(145,174)
Prepaid expenses	24,749	16,235
Funds administered for others	1,634,115	1,826,725
Accounts payable and accrued liabilities	(81,747)	(13,317)
Unearned revenue	(1,360,793)	2,214,314
	(12,513,404)	93,943,148
Financing:		
Repayment of obligations under capital lease	(6,388)	(6,234)
Investing		
Investments	(5,362,946)	(1,344,385)
Repayment of loans receivable	4,652,988	2,081,204
Disposition of short-term investments	-	2,534,442
Acquisition of tangible capital assets	(39,131)	(10,756)
	(749,089)	3,260,505
Increase (decrease) in cash	(13,268,881)	97,197,419
Cash, beginning of year	295,169,855	197,972,436
Cash, end of year	\$ 281,900,974	\$ 295,169,855

See accompanying notes to financial statements.

Northern Development Initiative Trust

Notes to Financial Statements

Year ended December 31, 2024

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 9).

(b) 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.

(c) 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%

(d) Externally restricted - uncommitted funds:

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

(e) 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, 2024

1. Significant accounting policy (continued):

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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, 2024

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.

(l) Cloud computing arrangement:

The simplification approach is used to record cloud computing expenditures. In applying this approach, the expenditures in the arrangement are treated as the supply of services. Included on the Statement of Operations and Fund Balances in incremental project expenses are Salesforce implementation expenditures of \$482,927 (2023 - \$60,056) and Sage implementation expenditures of \$nil (2023 - \$7,482). Included in administrative costs are Salesforce licensing fees of \$56,326 (2023 - \$56,512) and Sage licensing fees of \$33,224 (2023 - \$27,011).

2. Loans receivable:

	2024	2023
Cross Regional Development Account - Prince George		
Repaid during the year	\$ -	\$ 3,965,902
Cariboo-Chilcotin Lillooet Regional Development		
Repayable in annual installments including interest at 3.7% due September 2025	5,737	11,268
Prince George Regional Development Account		
Repayable in annual installments over the next four years of \$452,873 in 2025, \$452,873 in 2026, \$339,362 in 2027, \$314,838 in 2028, and \$300,400 in 2029, non-interest bearing. Due July 2029	1,794,935	2,219,245
	1,800,672	6,196,415
Current portion of loans receivable	(458,610)	(1,719,666)
Current portion of fair value adjustment	65,410	93,974
	(393,200)	(1,625,692)
Fair value adjustment for interest free loans receivable	(223,549)	(409,231)
	\$ 1,183,923	\$ 4,161,492

During the year, the Trust recorded a recovery of \$214,246 (2023 - \$123,760) for the change in fair value adjustment for interest free loans receivable. This recovery was a result of fluctuations in the discount rate used to determine the adjustment.

3. Investments:

	2024	2023
Cash equivalents:		
Cash	\$ -	\$ 129,995
Mawer Canadian Money Market	-	21,549,081
	-	21,679,076
Fixed income balances:		
BCI Canadian Money Market	33,138,997	-
BCI Government Bond Fund	102,716,200	-
Mawer Canadian Bond Pooled Fund	-	98,996,419
	135,855,197	98,996,419

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Investments (continued):

Equity balances:

BCI Indexed Canadian Equity Fund	66,930,138	-
BCI Emerging Markets Equity Fund	16,179,427	-
BCI Indexed Global Equity Fund	102,204,046	-
BCI Private Equity Backed Fund	1,021	-
Mawer Canadian Equity Pooled Fund	-	57,515,883
Mawer Global Small Cap Fund	-	21,154,732
Mawer Global Equity Series	-	106,069,232
	185,314,632	184,739,847

Credit balances:

BCI Private Debt Limited Partnership	2,000	-
BCI Corporate Bond Fund	16,189,921	-
	16,191,921	-

\$ 337,361,750 \$ 305,415,342

Investment income is presented net of management fees charged for the year ended December 31, 2024, of \$754,738 (2023 - \$765,899)

4. Tangible capital assets:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Assets under capital lease	\$ 34,947	\$ 25,629	\$ 9,318	\$ 16,309
Computer hardware	448,304	410,620	37,684	14,561
Computer software	169,234	169,234	-	-
Furniture and fixtures	177,859	172,357	5,502	10,683
Leasehold improvements	217,283	163,785	53,498	80,705
Vehicles	77,473	77,473	-	-
	\$ 1,125,100	\$ 1,019,098	\$ 106,002	\$ 122,258

5. Accounts payable and accrued liabilities:

	2024	2023
Accounts payable and accrued liabilities	\$ 156,135	\$ 262,540
Payroll and withholding taxes	70,885	46,227
	\$ 227,020	\$ 308,767

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
	19,642	25,876
Repayment schedule		
2023	-	6,811
2024	6,811	6,811
2025	6,811	6,811
2026	6,811	6,811
Total minimum lease payments	20,433	27,244
Less amount representing interest at a rate of 2.45%	(791)	(1,368)
Present value of capital lease payments	19,642	25,876
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, 2024

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 40% (2023 - 60%) of its portfolio in global equities and no more than 10% (2023 - 0%) of its portfolio in emerging markets. As at December 31, 2024, global equities represents approximately 30% (2023 - 42%) and emerging markets represents approximately 5% (2023 - 0%) of the Trust's investment 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, 2024, the Trust's investment holdings were aligned with their target asset allocations. Equity investments represent approximately 55% (2023 - 60%) of the holdings. It is estimated that a 10% change in returns would change the fair value of the equities portfolio by \$18,531,463 (2023 - \$18,473,985).

As at December 31, 2024, the Trust's annual return on investments was approximately a gain of 10.11% (2023 -11.45%).

(c) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered, resulting in a financial loss. It arises principally from debt instruments held, including government bonds and corporate bonds. Government bonds represent approximately 30% (2023 - 0%) of the Trust's investment holdings. Credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Trust has invested in AAA bonds to mitigate this risk. Corporate bonds represent approximately 5% (2023 - 0%) of the Trust's investment holdings. The corporate bond portfolio invests in high quality AAA to BBB bonds as well as higher risk BB to B bonds. Investment diversification is used to manage this 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, 2024, all loan recipients are in full compliance of their agreement.

(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 2023.

(e) Interest rate risk:

The Trust's fixed income securities, credit 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 \$nil (2023 - \$3,965,902). As at December 31, 2024, fixed income securities represent approximately 40% (2023 - 39%) of the Trust's investment holdings and credit securities represent approximately 5% (2023 - 0%) 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 \$2,660,825 (2023 - \$2,109,546). 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 \$129,008 (2023 - \$123,698) for employer contributions to the Plan during the year.

16. Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. These changes do not affect prior year surplus.

Northern Development Initiative Trust
Schedule of Externally Restricted - Committed Funds
Year ended December 31, 2024
(Unaudited)

SCHEDULE 1

Account	Total Funding Approved	Grants and loans		2024	2023
		2024 Disbursements	2023 Disbursements	Outstanding Commitments	Outstanding Commitments
Cross Regional Account	\$ 57,922,603	1,847,425	\$ 2,609,847	2,867,793	\$ 2,081,421
Pine Beetle Recovery Account	37,470,580	1,891,478	1,730,503	1,951,250	2,688,130
Cariboo-Chilcotin/Lillooet Regional Development Account	23,991,483	962,844	1,771,396	2,859,363	2,470,254
Northwest Regional Development Account	27,706,277	904,309	699,697	4,024,691	3,518,665
Northeast Regional Development Account	21,201,843	1,225,083	1,238,241	3,054,658	3,094,801
Prince George Regional Development Account	30,691,743	1,379,024	2,289,086	2,110,489	2,202,720
Other Trust Funds	30,632,727	-	-	-	-
Province of British Columbia	252,848,636	30,710,537	20,138,519	147,647,479	192,082,440
TOTAL	\$ 482,465,892	\$ 38,920,700	\$ 30,477,289	\$ 164,515,723	\$ 208,138,431

Appendix C

Statement of Operations and Fund Balances

For the 12 months ending December 31, 2024

	2024 Budget	2024	2023	2022	2021	2020
REVENUE						
Investment Income	\$ 1,124,794	\$ 277,045	\$ 861,311	\$ 896,721	\$ 1,411,150	\$ 1,254,343
Net Unrealized Gains/Losses	\$ -	\$ 2,375,536	\$ 1,945,869	\$ (3,545,772)	\$ 1,790,467	\$ 818,293
Interest Income	\$ -	\$ 10,678	\$ 5,854	\$ 1,237	\$ 1,810	\$ 2,974
TOTAL REVENUE	\$ 1,124,794	\$ 2,663,259	\$ 2,813,034	\$ (2,647,814)	\$ 3,203,427	\$ 2,075,610
EXPENSES						
Administration Fee	\$ 75,000	\$ 75,000	\$ 75,000	\$ 175,000	\$ 75,000	\$ 50,000
Investment Management Fees	\$ 65,585	\$ 62,315	\$ 70,622	\$ 70,408	\$ 72,856	\$ 64,682
Bank Service Charges	\$ -	\$ 62	\$ 124	\$ 232	\$ 53	\$ 32
Website Consulting	\$ 3,500	\$ 1,021	\$ 15,303	\$ 263	\$ -	\$ -
Board Costs*	\$ 19,070	\$ 11,079	\$ 14,355	\$ 11,085	\$ 3,750	\$ 3,983
Five Year Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incorporation of new organization	\$ 39,500	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 202,655	\$ 149,477	\$ 175,404	\$ 256,988	\$ 151,659	\$ 118,697
Grants Disbursed**	\$ 750,000	\$ 826,067	\$ 629,945	\$ 991,480	\$ 319,278	\$ 278,129
TOTAL GRANTS DISBURSED	\$ 750,000	\$ 826,067	\$ 629,945	\$ 991,480	\$ 319,278	\$ 278,129
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES						
	\$ 172,139	\$ 1,687,715	\$ 2,007,685	\$ (3,896,282)	\$ 2,732,490	\$ 1,678,784
Fund Balance, Beginning of Year	\$ 25,842,635	\$ 25,842,635	\$ 23,834,950	\$ 27,731,232	\$ 24,998,742	\$ 23,319,958
Fund Balance, End of Year	\$ 26,014,774	\$ 27,530,350	\$ 25,842,635	\$ 23,834,950	\$ 27,731,232	\$ 24,998,742

*Board Costs are based on in-person meetings quarterly

**The timing of disbursements cannot be accurately determined. Therefore, the budget is based on approvals, however actuals show the disbursements. Refer to the table below for additional information on approvals

Grant Allocation Budget

	Total	2024	2023	2022	2021	2020
Allocation	\$ 4,500,000	\$ 750,000	\$ 750,000	\$ 1,750,000	\$ 750,000	\$ 500,000
Approved						
March Intake	\$ 1,324,725	\$ 173,510	\$ 383,714	\$ 400,976	\$ 176,483	\$ 190,042
November Intake	\$ 1,089,181	\$ 71,314	\$ 107,155	\$ 180,298	\$ 516,742	\$ 213,672
IOI Intake	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
Total Approved	\$ 3,413,906	\$ 244,824	\$ 490,869	\$ 1,581,274	\$ 693,225	\$ 403,714
Remaining Allocation	\$ 1,086,094	\$ 505,176	\$ 259,131	\$ 168,726	\$ 56,775	\$ 96,286
Decommitted	\$ 164,367	\$ -	\$ -	\$ -	\$ 154,367	\$ 10,000
Slippage	\$ 117,890	\$ 1,639	\$ 17,007	\$ 82,797	\$ 3,935	\$ 12,512
Amount added back to Uncommitted Account Balance*	\$ 1,368,351	\$ 506,815	\$ 276,138	\$ 251,523	\$ 215,077	\$ 118,798
Grants Disbursed	\$ 3,044,899	\$ 826,067	\$ 629,945	\$ 991,480	\$ 319,278	\$ 278,129
Grants Remaining to be disbursed	\$ 281,435					

*Remaining dollars available in grant allocation are rolled into the capital base of the funds to increase the allowable granting allocation for future years. This builds addition into the fund.

