



NORTHERN
DEVELOPMENT

2020

NORTHERN DEVELOPMENT INITIATIVE TRUST

ANNUAL REPORT

Building a
Stronger North

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Our Vision

Northern B.C. has world-class industries, diversified regional economies and growing, energetic communities.

Our Values

We strive to be trusted for our integrity, accountability, collaboration and passion. We are responsive, yet responsible.

Our Mission

The Trust exists to stimulate economic growth through strategic and leveraged investments that build a strong and diversified economy in central and northern B.C.

Our Ethics

As stewards of a public trust incorporated under legislation by the Province of British Columbia, we promise to:

- Dedicate ourselves to building economic capacity and sustainability throughout the Trust’s service area.
- Responsibly steward a capital base to support Trust area communities in perpetuity.
- Develop strong partnerships throughout the region and uphold the values of the communities we serve.

But not to:

- Favour one region, community or business over another.
- Adopt or promote a political affiliation or put our interests ahead of central and northern B.C.’s.

FOUR STRATEGIC PILLARS

- Funding
- Capacity Building
- Business Development
- Best Practices

2020 ANNUAL REPORT MESSAGE FROM THE CHAIR AND CEO

For many organizations across the province and country, 2020 was an unusual year to say the very least. At the Trust, our staff adapted quickly to working remotely while at the same time, working together to define the needs of the communities across our region. In a year when our team was not able to travel and physically meet with our regional advisors, small business owners, and community and non-profit leaders, we maintained our outreach virtually.

When the first lockdown occurred, Northern Development responded to the rapidly changing dynamics by introducing new programs and altering existing programs to better suit the business and community atmosphere during the pandemic.

In April, we expanded on the eligibility in our Business Façade program, allowing communities to direct funds to support various small business projects through shop local initiatives, marketing, digital upgrades such as website improvements or other project ideas. We also removed the matching funding requirement within the program for 2020.

We adjusted the Forestry Affected Business (FAB) Consulting Rebate to include industries impacted by the COVID-19 pandemic and renamed it the Small Business Recovery (SBR) Consulting Rebate. In 2020, we supported 42 projects for a total of \$698,082. Local downtown staples such as Bugwood Coffee in Smithers received a \$6,800 SBR rebate to work with a consultant on a business plan to expand into the industrial market.

We funded 11 Regional Business Liaison positions in various local offices throughout our service area to provide boots-on-the-ground business support services. We also partnered with different provincial organizations on Support Local BC which allows the public to purchase gift cards for our Love Northern BC businesses at no cost to the business owners. At the end of 2020, over \$35,000 in gift cards were purchased for LNBC through the Support Local website.

Connecting British Columbia's COVID-19 response funding was launched in the spring of 2020. A total of 47 projects were approved for an overall investment of \$1,225,520. This program offered internet service providers with upgraded network equipment to rapidly improve capacity and internet speeds in underserved communities throughout the province. The Province of B.C. also responded to the pandemic with an investment of \$90 million for the Economic Recovery Intake program. This was a one-time commitment encouraging rapid expansion of connectivity to drive regional economic development in rural areas, Indigenous communities and along B.C.'s highways. Twenty-one projects were approved with a total investment of \$37,007,381.

Despite the COVID-19 pandemic, Northern Development continued to move forward with Trust 2020 and we officially launched our six new community development programs, new website, online application system and refreshed brand on September 17, 2020.

The response to our virtual launch event was very positive as well as the response to the new online application system. In 2020, three programs were moved to the new online format – Business Façade Investment, Grant Writing Support and Economic Development Capacity Building. By the end of 2020, 142 accounts had been created and 149 applications submitted. We also officially introduced the new community development programs and bid a fond farewell to both our Community Halls and Recreation Facilities and Economic Diversification Infrastructure programs. The Trust's annual client satisfaction survey results indicated that 97 per cent

of stakeholders who responded had a positive experience working with Northern Development and believe that we are a highly effective economic development organization.

Throughout the year, the Trust endeavoured to be agile in our response to the constant economic uncertainty, while protecting our financial assets and putting them to good use for benefit of the region.

In 2020, we approved \$75.2 million into over 500 new projects, reflecting the continued demand for our funds in the region and the alignment between our programs and community priorities. Since 2005, the Trust has administered more than \$308 million into projects throughout the north, \$160 million of it stemming from Trust funds and the remaining \$148 million from funds we manage on behalf of our third-party partners.

Connecting BC continued its expansion in 2020 introducing the Core Universal Broadband Fund (UBF) and Rapid Response UBF intakes. These programs were designed to leverage provincial funding in support of UBF and provide ease in the application process with the use of the UBF application form for most of the documentation required.

The BC Hydro Peace Agricultural Compensation Fund changed the format of its program in 2020 by separating the fund into three streams: Events and Educational Initiatives, Farming Infrastructure, and Research and Demonstration Initiatives. Two intakes were held last year with a total of 38 applications submitted and 17 projects approved for \$393,714.

The Province initiated the \$25 million Northern Healthy Communities Fund (NHCF) in response to the increasing need for health and social services in communities that are impacted by significant infrastructure builds – namely the Coastal GasLink and LNG Canada projects. Northern Development is managing the fund with intakes planned for early 2021.

The pandemic caused significant market fluctuations in early 2020, but thanks to smart investment management, Northern Development earned returns of 8.86 per cent on its market investments of \$304 million in fiscal 2020. This is a significant return as markets rebounded from a drop earlier in the year and brings the five-year average return on Northern Development funds to 7.96 per cent.

As we move forward into 2021, the Trust as always remains committed to the many diverse communities and First Nations that we serve. There is still economic uncertainty as we continue to navigate through COVID-19, but regardless of what is on the horizon, Northern Development will adapt to ensure we provide funding support where it is most needed.



Margo Wagner
Board Chair



Joel McKay
Chief Executive Officer

2020 STATISTICS

\$75,217,306

approved for projects in 2020

\$1.8 billion

total approved project value since inception

\$180 million

total approved project value in 2020

APPLICATIONS AND APPROVALS

664

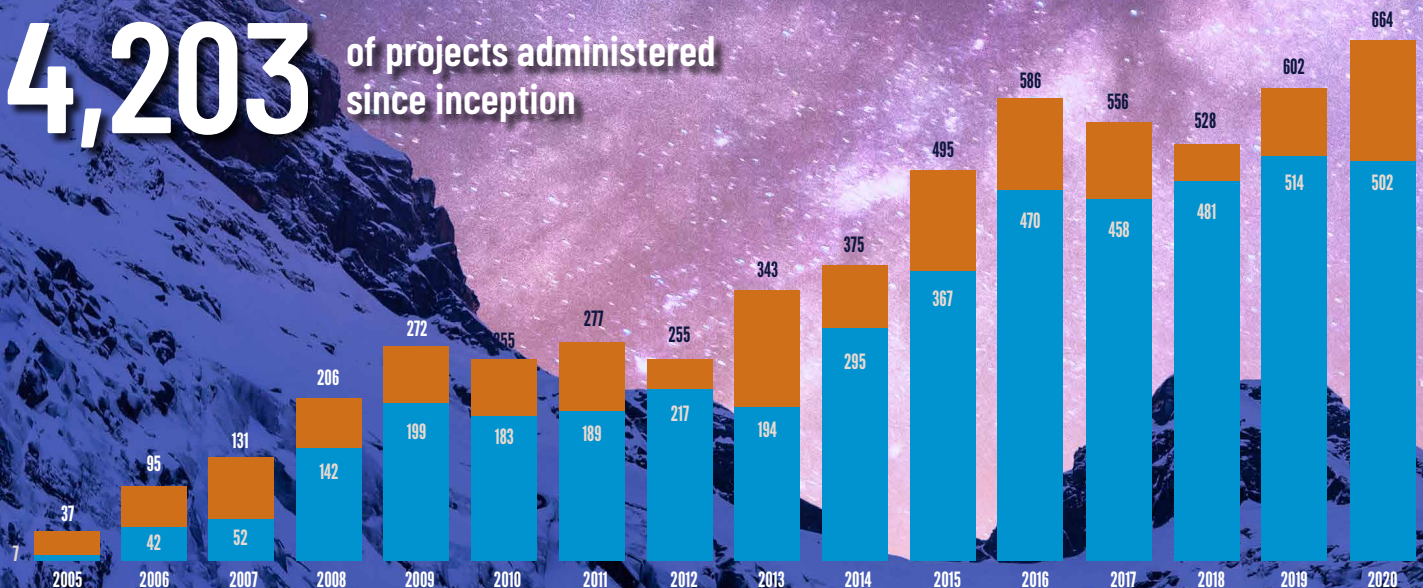
applications in 2020

502

approvals in 2020

4,203

of projects administered since inception



● # applications

● # approvals

* does not include Community Adjustment Fund

\$61,716,429

third-party funding approvals
administered in 2020

\$148,227,781

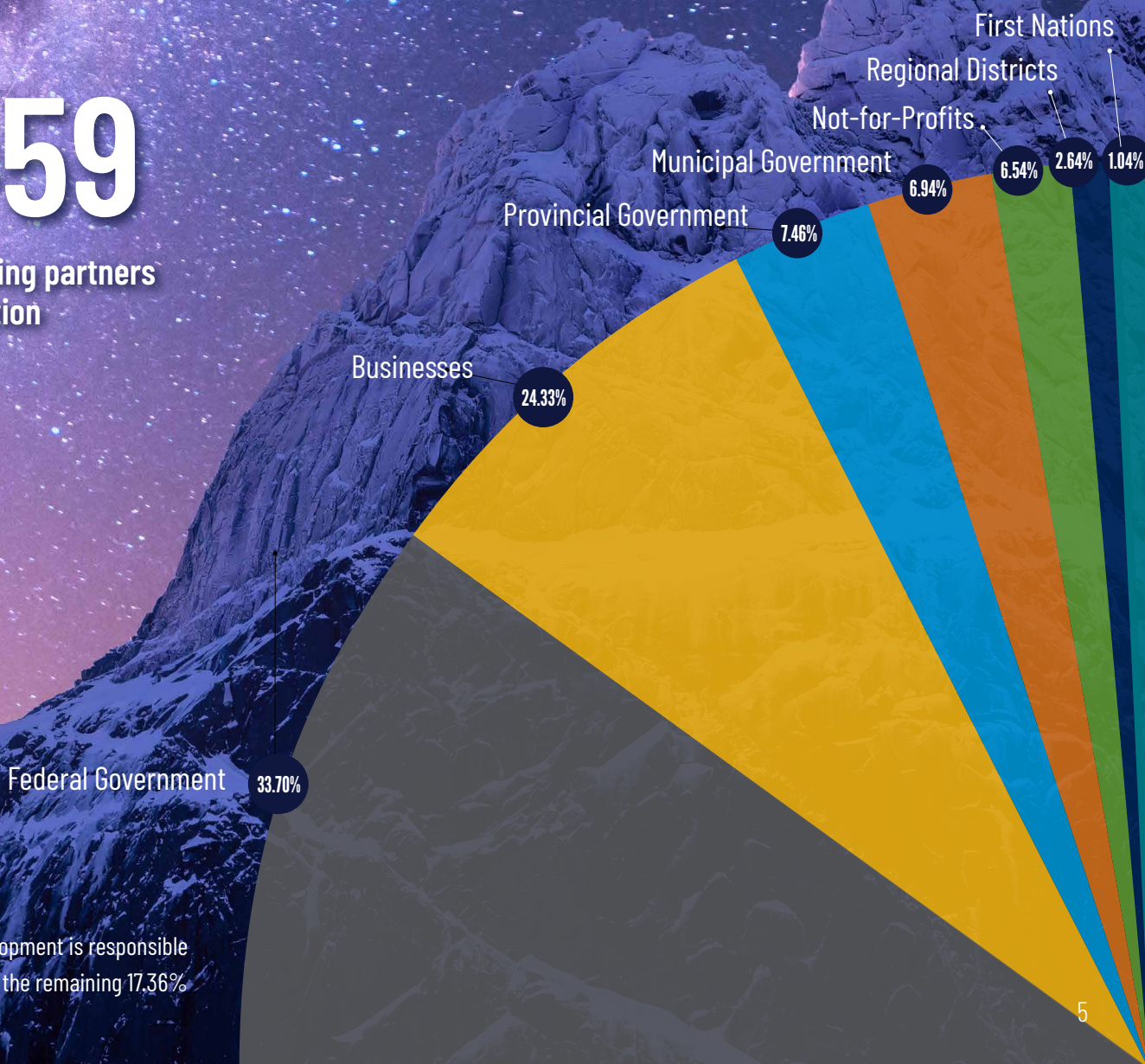
approved through third-party funding
since inception

373

third-party projects
since inception

1,459

unique funding partners
since inception



* Northern Development is responsible
for the remaining 17.36%

FUNDING PROGRAMS FOR COMMUNITIES

Northern Development recognizes that communities have a variety of needs that often require outside funding to be completed without financially burdening residents. To alleviate the potential financial burden, the Trust offers eight funding programs specifically for communities. These programs include infrastructure upgrades, community hall repairs, festival hosting and marketing plans.

\$11.4 million

invested into community development projects since 2005

1,688

projects approved since 2005

Community Development

BUSINESS FAÇADE IMPROVEMENT

This program provides local governments with \$20,000 in annual grant funding to enhance community appearance through business improvements such as façades, signage, murals, architectural features, siding, lighting and awnings.

2020 \$428,850 in funding for 26 communities

All Time \$2,529,471 for 168 communities

CAPITAL INVESTMENT ANALYSIS

This program provides local governments, First Nations and registered non-profits with up to \$10,000 in grant funding for the development of a comprehensive business case for a major building or infrastructure project.

2020 \$32,499 in funding for 4 projects

All Time \$382,256 for 46 projects

COMMUNITY FOUNDATION MATCHING GRANTS

This program provides communities with up to \$50,000 to assist with the establishment of a dedicated endowment within a registered community foundation. The funds can then be used to provide grants for community and social enhancement in the community area.

2020 \$0 in funding for 0 projects

All Time \$1,905,764 for 47 projects

COMMUNITY HALLS & RECREATION FACILITIES

This program provides local governments, First Nations and registered non-profits with a maximum of \$30,000 (\$50,000 in the Northeast Region) in funding to improve, expand or develop facilities throughout the region.

2020 \$1,188,202 in funding for 51 projects

All Time \$18,895,982 for 659 projects

Community Development

ECONOMIC DIVERSIFICATION INFRASTRUCTURE

This program provides up to \$250,000 in funding for local governments, First Nations and non-profit organizations in the region for projects that significantly strengthen the local economy via a major capital investment.

\$3,941,632 in funding **2020**
for 23 projects

\$71,860,048 for **All Time**
257 projects

FABULOUS FESTIVALS & EVENTS

This program provides non-profit organizations with up to \$5,000 in grant funding to support unique events and festivals throughout the region that generate destination tourism-based service sector revenues for the local economy.

\$15,000 in funding **2020**
for 5 projects

\$728,668 for **All Time**
247 projects

MARKETING INITIATIVES

This program provides up to \$20,000 in grant funding to support marketing initiatives that promote assets and products within the region in order to increase local revenues generated from outside the region.

\$250,380 in funding **2020**
for 16 projects

\$2,377,790 for **All Time**
183 projects

STRATEGIC INITIATIVES FUND

Launched in 2018, this program provides funding for up to 80 per cent of a project's value. Strategic projects that are large in scale, regional in impact and increase capacity within a First Nation or municipality align well with the program.

\$1,271,844 in funding **2020**
for 5 projects

\$3,087,276 for **All Time**
14 projects

“ Thank you very much for supporting so many diverse projects – the north is truly a better place because of the type of funding that you provide! ”

– Quote from the 2020 Annual Satisfaction Survey

New community development programs

On September 17, Northern Development announced six new community development funding programs in response to the changing needs of its service region. The new programs fund project types that were previously ineligible for funding from the Trust, such as public washrooms, playgrounds, dog parks, street furniture, lighting improvements and more.

The six new funding programs are:

- Community Places
- Recreation Infrastructure
- Cultural Infrastructure
- Economic Infrastructure
- Main Street Revitalization Planning
- Main Street Revitalization Capital

Learn more about the new programs, and other updates, that were introduced in September as part of Trust 2020 on page 12.

FUNDING PROGRAMS FOR BUSINESS DEVELOPMENT, CAPACITY BUILDING AND HOUSING

\$17.3 million

invested into business development since 2005

807 projects

“ We would not be where we are today, without the assistance of NDIT, so thank you! Sincerely, thank you! ”

- Quote from the 2020 Annual Satisfaction Survey

Business Development

Northern Development offers a range of business development programs suited to a diverse set of economic development priorities in central and northern B.C.

COMPETITIVENESS CONSULTING REBATE

This program provides a rebate to small and medium sized businesses engaged in multiple industries, including resource processing, manufacturing and transportation. In 2020, the

Trust introduced the Small Business Recovery Consulting Rebate to provide assistance to businesses impacted by the COVID-19 pandemic in a wider array of industries.

2020 \$1,048,417 in funding for 79 projects

All Time \$5,511,920 for 552 projects

NORTHERN INDUSTRIES INNOVATION FUND

This program provides incremental funding to support innovative projects that increase the competitiveness of local businesses in traditional industries throughout the Trust's service region. It is also intended to support economic diversification and/or the viability of businesses to mitigate the economic impact of the pine beetle epidemic.

2020 \$423,625 in funding for 9 projects

All Time \$1,178,913 for 25 projects

\$31 million

invested into capacity building since 2005

1,372 projects

Capacity Building

Northern Development offers a range of capacity building programs suited to a diverse set of economic development priorities in its service region.

ECONOMIC DEVELOPMENT CAPACITY BUILDING

This program provides funding to local governments to hire and maintain an economic development officer position or to pursue economic development activities.

\$2,150,000 in funding for 43 projects **2020**

\$22,911,051 for 598 projects **All Time**

INTERNSHIPS

In 2020, Northern Development offers three internship programs: business development, First Nations government and local government. These 12-month positions increase the capacity of the host organization while providing valuable experiences for recent post-secondary graduates.

\$721,380 in funding for 15 internships **2020**

\$3,238,450 for 85 internships **All Time**

GRANT WRITING SUPPORT

This program provides annual funding to First Nation and local governments to support a grant writing position. The grant writer supports their community by preparing funding applications to access more funding dollars to support economic development projects and initiatives.

\$403,199 in funding for 51 positions **2020**

\$4,873,150 for 667 positions **All Time**

\$438,602

invested into housing projects since 2019

25 projects

Housing Programs

Northern Development offers three funding programs to local governments to support the planning and construction of new housing in Northern B.C.

COMMUNITY PLANNING FOR HOUSING

This program provides grant funding to local governments to assist with the cost of hiring a contract staff position to assess, and support the development of, the community's housing needs over a 12-month period.

\$40,000 in funding for 1 project **2020**

\$186,526 for 5 projects **All Time**

HOUSING NEEDS ASSESSMENT

This program provides one-time grant funding to local governments to develop a comprehensive housing needs assessment of the entire community.

\$50,000 in funding for 5 projects **2020**

\$172,076 for 18 projects **All Time**

NORTHERN HOUSING INCENTIVE

This is a 'Dollars to the Door' program that incentivizes the creation of new market-based housing units in communities. In turn, this will help retain seniors and attract workforce.

\$40,000 in funding for 1 project **2020**

\$80,000 for 2 projects **All Time**

FUNDING FOR FIRST NATIONS

47 of the Trust's approved projects in 2020 were for, or connected to, First Nations projects

\$4,904,096

invested into First Nations-related projects in 2020

SHACKAN INDIAN BAND SEES GROWTH IN NURSERY EXPANSION



Photos: Northern Development



Several years ago, the Shackan Indian Band purchased a small native plant nursery from the Nicola Tribal Association (NTA). However, the location of the nursery did not allow for it to thrive. The band began to relocate the existing greenhouses to a site with easy access to water and with a large enough area to increase the number of greenhouses and to build an office, workshop and retail store in the future.

"Moving and expanding the nursery's operations will allow us to employ more of our members and strengthen our economy," said Chief Jordan Joe of the Shackan Indian Band. "Developing a strong business in a larger facility will support our economic opportunities and contribute to the economic resiliency of Shackan and its members."

\$250,000 was approved for the Shackan Nursery expansion through the Economic Diversification Infrastructure program. This will allow for expanded operations at the nursery to increase production capacity in order to keep up with demand.

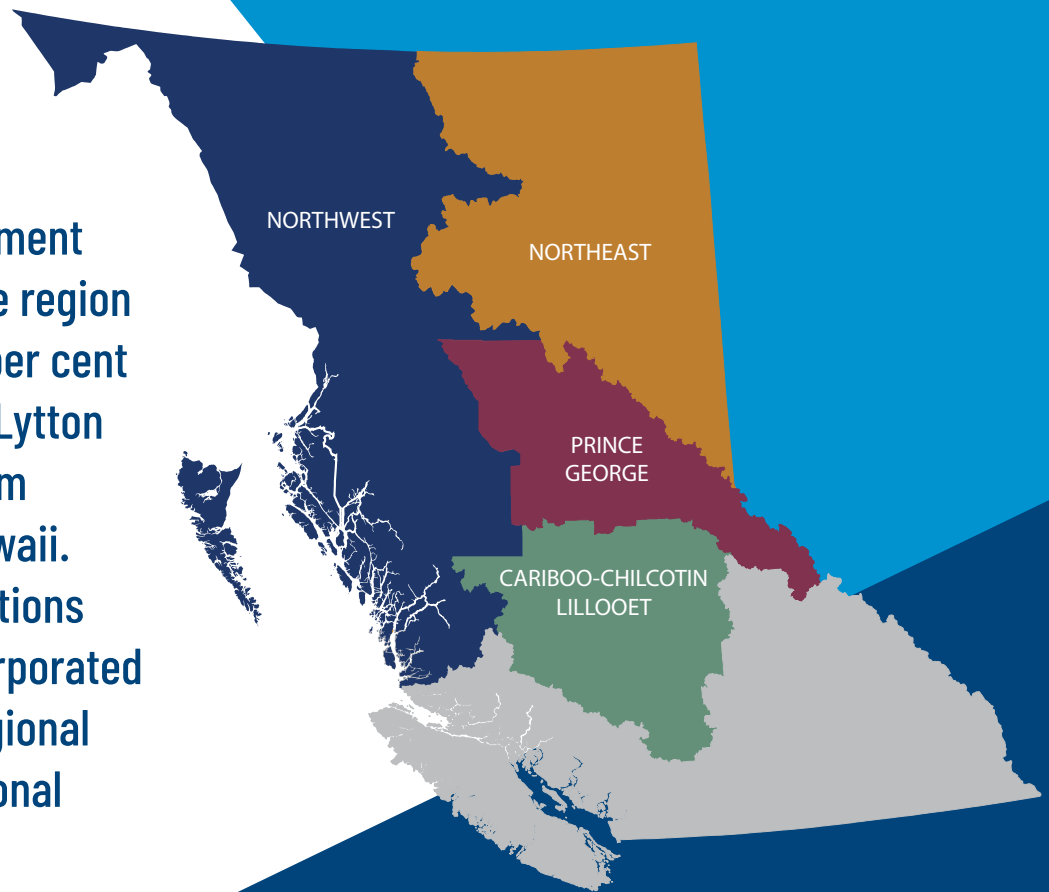
Northern Development's funding will be allocated toward the purchase and installation of two new greenhouses

and irrigation systems. The complete project includes site clearing and preparation, site servicing, relocating and recovering the existing greenhouses, installation of two new 600 square metre polycarbonate greenhouses and the purchase of a temporary structure to serve as a bathroom, administrative office and first aid station.

There is significant local demand for cultivation and a growing demand for climate appropriate native plants from landscaping companies, municipalities and the public. Through expansion of the nursery, the band will be able to supply the community with jobs and a source of revenue. Growing and selling native plants will continue to create a resilient economy at Shackan and throughout the Nlaka'pamux Territory.

"There is a steady need for ecological restoration projects and therefore a need for native plants, which we hope to bring to the market," said Chief Joe. "Through the relocation and expansion of our nursery and greenhouse operations, we will be able to serve our clients better, create new job opportunities and enhance our community's economic development."

The Northern Development Initiative Trust service region covers more than 70 per cent of the province, from Lytton to Fort Nelson and from Valemount to Haida Gwaii. It includes 88 First Nations communities, 39 incorporated communities, nine regional districts and one regional municipality.

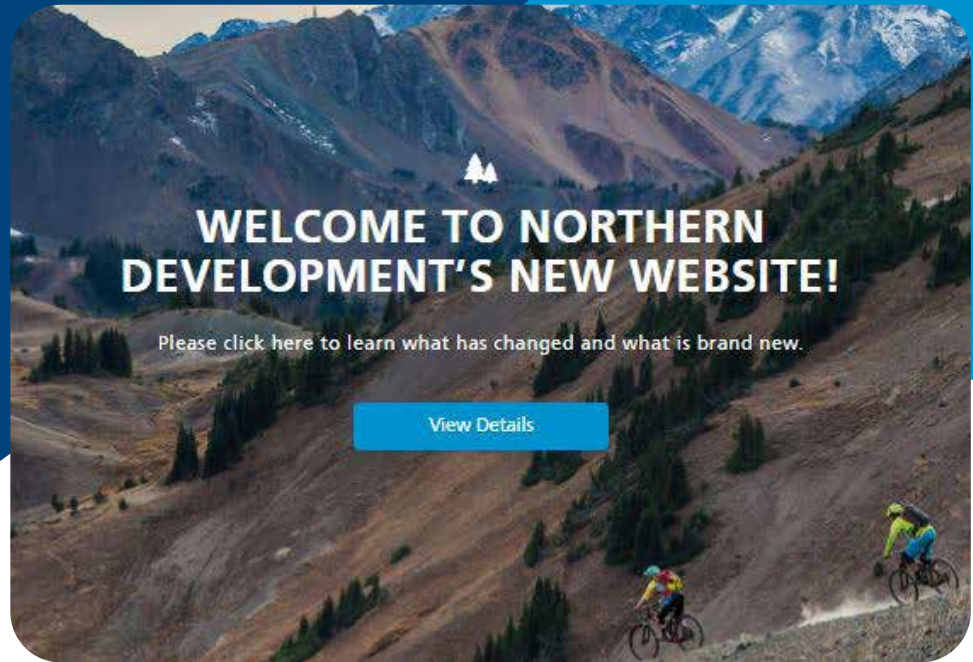


By legislated mandate, Northern Development project investments must fall within one of the following 10 primary investment areas:

These icons are used throughout the report to indicate the different primary investment areas each project supported.



TRUST 2020



Trust 2020 began in 2018 upon recognizing that our volume of business had increased significantly. We needed to address capacity and technology constraints, while at the same time, revitalize our community development program offerings. We created new positions in the organization to lead our internships programs and our partner programs. We then engaged our IT partners to create a new more functional website and design an online application system that allows our communities to apply easily online. Third, we reached out

to the communities we serve about how our community development programs could be updated to ensure they continue to meet current needs, but also are flexible for the future. Out of that process, we developed a new suite of programming. Thank you to all of our stakeholders for your continued support.

Joel McKay, CEO, Northern Development Initiative Trust

New programs:

These six new programs replace the Community Halls and Recreation Facilities and the Economic Diversification Infrastructure programs. However, projects that were previously funded under those two programs will still be eligible under the new programs.

In addition, the Trust has expanded its eligibility criteria to include such projects as playgrounds, dog parks, libraries, public washrooms and main street beautification.

Community Places:

Offers \$30,000 to a maximum 70 per cent for projects that supports the creation, restoration or enhancement of community places that will improve amenities and enhance the overall quality of life.

Cultural Infrastructure:

Offers \$100,000 to a maximum 70 per cent OR \$300,000 to a maximum 50 per cent for projects that support the creation, or improvement of, arts, heritage, culture and creative innovation spaces.

Economic Infrastructure:

Offers \$100,000 to a maximum 70 per cent OR \$300,000 to a maximum 50 per cent for projects of regional and local significance that contribute to economic growth and stronger communities.

Main Street Revitalization Planning:

Offers \$20,000 to a maximum 50 per cent to complete downtown revitalization planning.

Main Street Revitalization Capital:

Offers \$200,000 to a maximum 70 per cent to complete strategic public investments in public infrastructure within a community's downtown/main street area. (Lifetime maximum of \$500,000 per community).

Recreation Infrastructure:

Offers \$100,000 to a maximum 70 per cent OR \$300,000 to a maximum 50 per cent to create and support facilities that encourage resident attraction and retention while also increasing opportunities for sport tourism.

Please visit www.northerndevlopment.bc.ca for complete program details including eligible applicants and application forms.



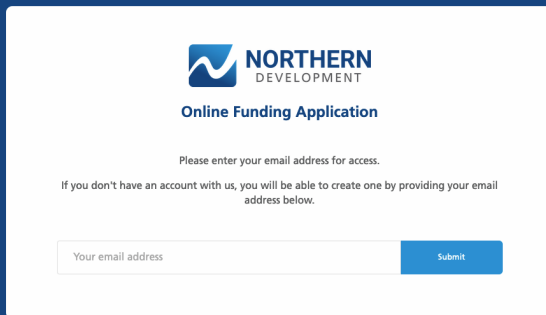
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Brand refresh, new website online applications

Trust 2020 also included a brand refresh complete with an updated logo, fresh colour scheme and a brand-new website.



NORTHERN
DEVELOPMENT



Online applications

The implementation of an online application system allows for increased efficiency and ease when applying. By the end of 2020, three programs were launched online: Business Façade Improvement, Economic Development Capacity Building and Grant Writing Support. A total of 142 accounts were created in the online system in 2020.

Launch of Trust 2020

Trust 2020 officially launched on September 17, 2020. The launch strategy included:

1. "Teaser" social media campaign
2. Facebook live event
3. Press release
4. Trust 2020 newsletter

Engagement on social campaign

Facebook®

318 reactions

117 comments

28 shares

Twitter

91 likes

23 retweets

3 replies

Instagram

185

engagements

LinkedIn

71 reactions

23 shares

5 comments

"Teaser" social media campaign

A 10-day social media campaign ran from September 8, 2020 until the launch date on September 17. Posts were made twice daily on Twitter, Instagram, LinkedIn and Facebook.

WELCOME TO OUR NEW WEBSITE!

Northern Development is pleased to launch our new website.

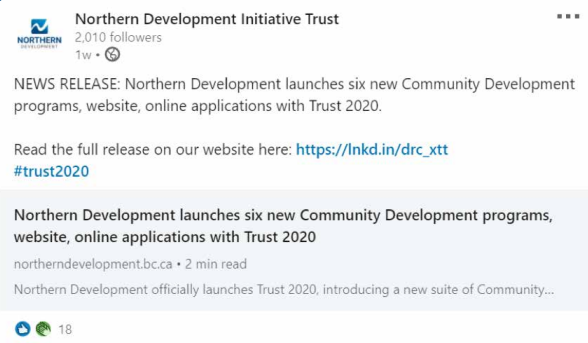
Everything you enjoyed and relied on in our old site is still available on this site, with improvements.

Trust 2020: Brand refresh, new website online applications

Facebook live event

Northern Development officially launched Trust 2020 through a virtual Facebook live event on September 17, 2020 to introduce the website and online application system as well as the six new community development programs.

Peak live viewers: 125
Minutes viewed: 4,357
Top audience: women, ages 45-54



Press Release

A press release was sent out through email and social media on September 17, 2020.

Number of news stories – measure sentiment (positive, negative, neutral) - 22 stories 100% positive sentiment, 324,490 combined total reach

Trust 2020 Newsletter

A newsletter announcing all the facets of Trust 2020 was released the day after the launch. A total of 614 people opened the newsletter through MailChimp with 98 click throughs.

Building a Stronger North

September 2020

Yesterday, Northern Development officially announced Trust 2020 - a multi-year project that brought improvements to many facets of the organization including six new community funding programs, technology upgrades, a brand evolution and a new website.

[Read the press release we issued yesterday afternoon.](#)
[Watch a recording of the Facebook Live announcement.](#)

[View the newsletter on Northern Development's new website](#)

NORTHERN DEVELOPMENT RESPONDS TO COVID-19

In order to assist independent businesses throughout the service region during COVID-19, Northern Development introduced two new programs during April and May of 2020. In addition, the Trust created a Business Resource page to provide online information resources for COVID-19 support.

SMALL BUSINESS RECOVERY REBATE PROGRAM

The Small Business Recovery (SBR) Consulting Rebate reimburses small and medium sized businesses (operators) for contracted consulting services. The program is designed to help businesses access the professional support they need to weather the economic downturn.

SBR offers a rebate of up to 85 per cent, to a maximum of \$25,000, for the cost of hiring a consultant to assist with business efforts.

Bugwood Coffee – Smithers

Like many local businesses, Bugwood Coffee on Smithers' Main Street was forced to close due to the COVID-19 pandemic. Although Bugwood Coffee Incorporated roasting operations were able to continue, many of the cafes that Bugwood supplied were also required to close.

"Coffee shops in the small-town corridors create and connect the community - that's what we do," said Nick Meyer, owner of Bugwood Coffee. "Seven days a week, season after season, members from all demographics in our town can be found cross-pollinating at our storefront. Our coffee shop is the social infrastructure for the core of downtown Smithers."

Thanks to a \$6,800 rebate through the SBR program, Meyer was able to work with a consultant on the development of an industrial customer base for roasted coffee products. The consultant developed a business plan and implementation strategy for Bugwood Coffee to expand into the industrial market, define a sales and marketing strategy and identify the marketing assets required for successful implementation.

"A year ago, it felt like I was captain of a ship lost at sea speaking to his crew," said Meyer. "Weather the storm, duck, and cover till help arrives!' Thinking to myself it may take a few years to recover but we'll get through this."

He added that the support from Northern Development provided the tools to help the business pivot and thrive.

"Six months after the pandemic started and in the middle of the project the conversations were no longer 'duck and cover,'" he said. "The conversation became, 'we need to hire more people.'"



Photo: Bugwood Coffee



Crystal Lake Resort – District of Vanderhoof

Crystal Lake Resort, south of Vanderhoof, is a locally owned wilderness experience complete with hunting and fishing opportunities and diverse accommodations. With a clientele based primarily in the United States, Crystal Lake felt the immediate effects after the US/Canada border closed due to the COVID-19 pandemic.

The owner, Dan Brooks, realized the need to include a domestic market as additional revenue and through a \$17,569 rebate via the SBR program, he hired a consultant to refine and develop this market based on the Crystal Lake Resort experience.

“With the collapse of international travel, tourism operators like me that previously catered to international visitors are now having to reimagine their business plans,” said Brooks. “Turning to a local tourism market means creating new products to cater to local needs.”

This multi-faceted project includes a marketing plan and destination marketing video that captures a larger domestic, Canadian-resident, clientele. As well, the development of a customer portal on the existing website enables clients to look at property options and book a trip based on their preferences.

The marketing plan will also include the design of print ready materials to ensure clients who are not yet comfortable with digital platforms can also learn about the resort through traditional advertisements.

“Redesigning websites and online content to advertise to these new markets is critical to our success,” said Brooks. “Northern Development’s support of reimagining and implementing new marketing strategies has helped rebuild our business on a different foundation and enabled us to look forward to 2021 with new optimism.”

ALCHEMY DANCE COLLECTIVE – FORT ST. JOHN

The Alchemy Dance Collective in Fort St. John first noticed a decline in enrolment in early 2020 when the downturn in the lumber industry caused a few families to drop out of dance classes due to less disposable income. The onset of COVID-19 caused an almost 50 per cent decrease of participants, which resulted in over a 50 per cent loss of income through lack of tuition fees, retail sales, dance competitions and year end recitals.

“We identified the need to refine the leadership and management priorities to further develop and build upon what each business owner best brings to the organization,” said Trent Bellamy, director of Alchemy Dance Collective. “We worked with a consultant to develop a comprehensive operational review to ensure the leadership team can effectively manage the

challenges of a global recession and build a strong foundation for future growth and success.”

The Alchemy Dance Collective was able to hire a consultant thanks to a \$7,331 rebate through the SBR program.

Through this project, the business leaders learned best practices and methods that will allow the dance collective to grow, as well as ways to make the best decisions for both operations and change management.

“We have applied practical leadership tools, knowledge and skills and formulated an action plan to expand on management capabilities to achieve business goals,” said Bellamy.

REGIONAL BUSINESS LIAISON PROGRAM

The Regional Business Liaison (RBL) program encourages Community Futures Development Corporations, Chambers of Commerce, local governments and other organizations to hire locally based talent to provide business support services for the region. Northern Development funds 100 per cent of eligible expenses up to \$75,000 for up to three regional business liaison positions per Northern Development region for a one-year term. *This program was a single intake offering in 2020.*

In 2020, Northern Development approved RBL positions for the following:

- Community Futures Nadina
- Community Futures Peace Liard
- Community Futures Cariboo Chilcotin Coast
- Community Futures Fraser Fort George
- Regional District of Bulkley-Nechako
- Fort Nelson Chamber of Commerce
- Fort St. John Chamber of Commerce
- Community Futures Sun Country
- Community Futures North Cariboo
- Haida Gwaii Community Futures
- Community Futures Pacific Northwest



Photo: Erik Sagmoen

Erik Sagmoen, Regional District of Bulkley-Nechako

“Many businesses in my area are having trouble finding and keeping employees. This was an issue before COVID-19. I hope that many of the businesses and non-profits I provide support come out of COVID-19 stronger than they were before.”



Photo: Youness Bourhim

Youness Bourhim, Fort Nelson and District Chamber of Commerce

“Businesses during this time need support to understand and access government and provincial subsidies and keep up with the changes to the various programs. People have really appreciated the contact, knowing someone is trying to help and that we will do all we can to support them.”

STRATEGIC INITIATIVES FUND: City of Prince Rupert

Northwest Food Systems Initiative provides food security, employment opportunities



Local food access, food security and social and economic resiliency are important factors for healthy and vibrant communities.

The City of Prince Rupert took those factors into consideration with the creation of the Northwest Food Systems Initiative. This project enhances the local food production/distribution network in the region, increases employment opportunities in the food production sector and promotes the recirculation of purchasing power by retaining food production spending within the local economy.

Thanks to a \$100,000 grant through Northern Development's Strategic Initiatives Fund, the City of Prince Rupert worked towards launching the initiative. The City also received funding assistance from MITACS and Ecotrust Canada, an organization that works with rural, remote and Indigenous communities to build healthy and resilient economies.

"The Northwest Food Systems Initiative includes two components, the first being the Kaien Island Urban Farm and second the Northwest Food Network," said City of Prince Rupert mayor, Lee Brain. "This initiative will be based in Prince Rupert, with engagement and partnership with organizations, businesses and food producers across Northwest B.C."

The Kaien Island Urban Farm will create a demonstration farm on a vacant lot in a prominent Prince Rupert downtown location. The Northwest Food Network will develop and enhance a trade network within the regional food economy, in particular the trade and sale of local food products between communities in the Northwest, including Haida Gwaii, Prince Rupert, Terrace, Hazelton, Smithers and beyond.

"The Kaien Island Urban Farm will pilot, maintain and evaluate place-based food growing, harvesting, maintenance and distribution," said Brain. "It will teach community members at large about small scale gardening and farming."

The Northwest Food Network facilitates local and regional seafood and agri-food trade between harvesters, growers, processors, retailers and consumers. This project will build local and regional food economies by facilitating agreements between local food producers and commercial retailers and restaurants. The overall intent of the initiative is to increase volume of local foods being sourced, sold and consumed in the Northwest.

"When Ecotrust Canada came to the City to assist with finding funding for this project, we felt it was a good fit in supporting two key goals that we've identified in recent community planning efforts - the revitalization of our downtown, and supporting broader aims of food security for our region," said Brain. "With their capacity and experience, we believe they are well positioned to deliver a project with lasting community impact."

NORTHERN INDUSTRIES INNOVATION FUND:

Spark Geo Consulting



Sparkgeo Consulting seeks to create data specialist jobs through NIIF rebate

AI, or Artificial Intelligence, is the ability for a machine to think and learn, while machine learning (ML) is a variety of AI that teaches a machine to do a digital job which a human could do, but not at the same pace.

Sparkgeo Consulting, a Prince George company that creates custom geospatial software, believes that you cannot have AI or ML without training data – and that is a job for humans.

“For instance, a human can look at an aerial photo and discern a vehicle in it. A human could look at a few hundred pictures a day; however, a human cannot be multiplied and then asked to work 24 hours a day until a task is complete,” said Will Cadell, CEO, Sparkgeo. “That is a much better job for a machine, but humans are still needed to teach the machines the tasks that need to be done.”

To further explore the idea of training data, Sparkgeo applied for and received a \$50,000 rebate through Northern Development’s Northern Industries Initiative Fund (NIIF). The project explores whether Sparkgeo can create a team of Artificial Intelligence (AI) data specialists from underemployed resource workers through the following:

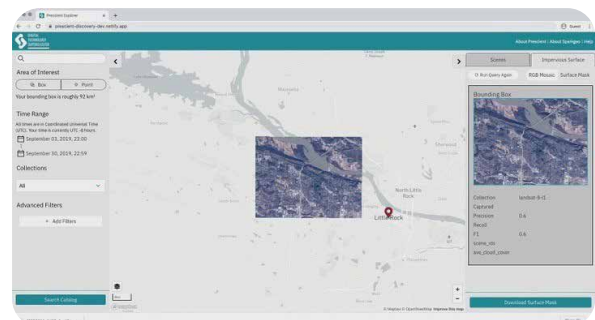
- Opening a data lab in Prince George
- Developing basic technology to capture training data
- Developing basic training procedures in the capture of training data
- Publicizing in an effort to attract both ends of the market

This project demonstrates that a resource community’s employment profile can be diversified with modern technology jobs.

“Through our work with geographic technology, we know that machine learning will revolutionize how our society at large uses data,” said Cadell. “We intend to be deeply involved in this market and we feel that our local community can benefit too.”

Sparkgeo believes that, given the recent downturn in the local resource economies, the company can find people interested in diversifying their skills into a very different industry.

“We have hired one person for this project and fully expect to continue to build a team around this topic,” said Cadell. “There is enormous potential in this technology and we intend to leverage it fully.”



NORTHWEST REGION

PROJECTS OVERVIEW

Total projects approved in region in 2020 **104**

\$3,286,089 approved for projects in region in 2020

1,081 total projects approved in region to date

\$38,601,646 invested into projects since 2005



Photo: Northern Development



Projects approved through business development programs in the Northwest Region in 2020

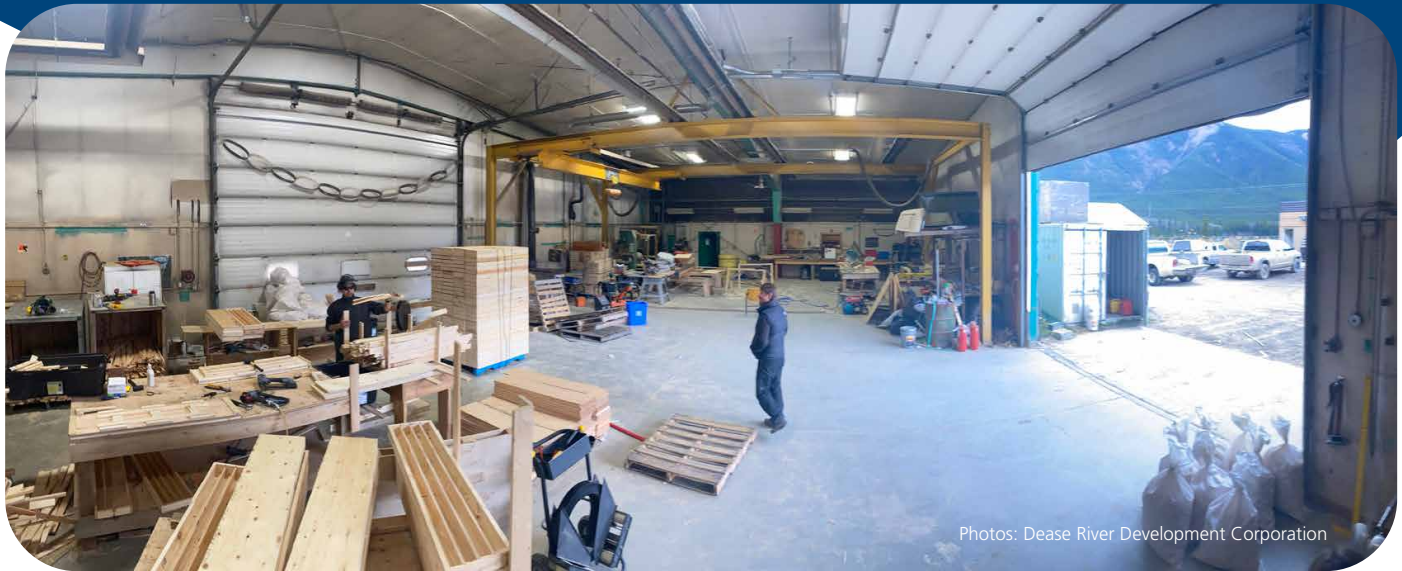
Competitiveness Consulting Rebate
6
\$86,715

SBR Consulting Rebate
8
\$117,471

FAB Consulting Rebate
0
\$0

Northern Industries Innovation Fund
0
\$0

NEW BUSINESS PLAN GUIDES DEASE RIVER SAWMILL



Photos: Dease River Development Corporation

For 12 years, the Dease River Development Corporation (DRDC), the economic development arm of the Dease River First Nation, has been contributing to the overall success of the Nation by growing the opportunities provided by abundant natural resources on their territory. Recently, DRDC identified a need to diversify their business as demand for their core products was dwindling. In 2020, DRDC successfully applied for a \$11,800 rebate through the Trust's Competitiveness Consulting Rebate.

"The rebate allowed us to hire a professional consultant to develop a five-year business plan to guide us through the next five years and beyond," said Elvis Fjellner, general manager, DRDC. "The business plan allows us to feasibly expand operations and diversify economic opportunities for Nation members. It also addresses some of the difficulties that we face due to our remote location and lack of infrastructure and identifies ways to work around or lessen these barriers to access a larger market."

DRDC is developing a cabin construction business to complement the existing products that they offer. They will continue supplying core boxes to geology drilling companies, making pallets and producing rough lumber. Diversifying will create increased revenue generation for the Dease River First Nation, its members and all the others living in Good Hope Lake. The new business plan includes options for how DRDC can develop their presence in Northern B.C. and expand their market to include other First Nations.



CULTURAL GATHERING SPACE AND COFFEE SHOP PLANNED FOR GITGA'AT FIRST NATION



In downtown Prince Rupert, Gitga'at First Nation owns a 10,000 square-foot commercial building that is home to a restaurant, laundromat and empty retail space on the main floor and office space on the upper floor. The building is managed by the Gitga'at Development Corporation. Gitga'at First Nation is undertaking a feasibility analysis to determine the optimal use for the empty retail space on the main floor and available space upstairs. To assist with the costs of the project, Gitga'at First Nation successfully applied for the maximum grant available through the Trust's Capital Investment Analysis program.

"Our goal is to create a cultural space upstairs and a viable retail business on the main level," said Paul Paterson, chief executive officer, Gitga'at Development Corporation. "The upper level is to create a sense of place within our building for Gitga'at members and community members to intermingle and participate in traditional activities. Downstairs, we hope to operate a coffee shop with food provided by Gitga'at caterers and the funding provided

by Northern Development will help us take a closer look at that possibility. The coffee shop will add to the activities available in downtown Prince Rupert and create another source of income for Gitga'at Development Corporation."

The format of the coffee shop will support Gitga'at entrepreneurs in the catering industry while also creating six new positions for members in the café.

It is a prime time for Gitga'at First Nation to be developing a new business as the demographics of Prince Rupert are shifting and more young professionals are being attracted to the area from larger urban centres. These professionals are accustomed to the amenities of large cities, including custom coffees and quality, homemade food and are willing to pay higher prices for excellent products. Indigenous tourism is also growing exponentially, and the new café will add to Prince Rupert's inventory of authentic Indigenous experiences.

In 2020, Northern Development approved 41 projects through the Capital Investment Analysis program, totaling \$289,756. The funding program supports the development of a comprehensive business case for projects that increase investment in the region and diversify the economy.

VILLAGE OF GRANISLE COMPLETES HOUSING NEEDS ASSESSMENT



Photos: Village of Granisle

The community of Granisle was built in the late 1960's to accommodate the employees of Noranda and Bell Copper mines. Three decades later, both mines closed and Granisle's population dwindled to 305. Today, Granisle is a peaceful retirement and recreational community with housing that no longer meets the needs of the current population. To identify the needs of the community, the Village of Granisle completed a housing needs assessment and received a \$10,000 grant from Northern Development to help with the costs of the \$25,060 project.

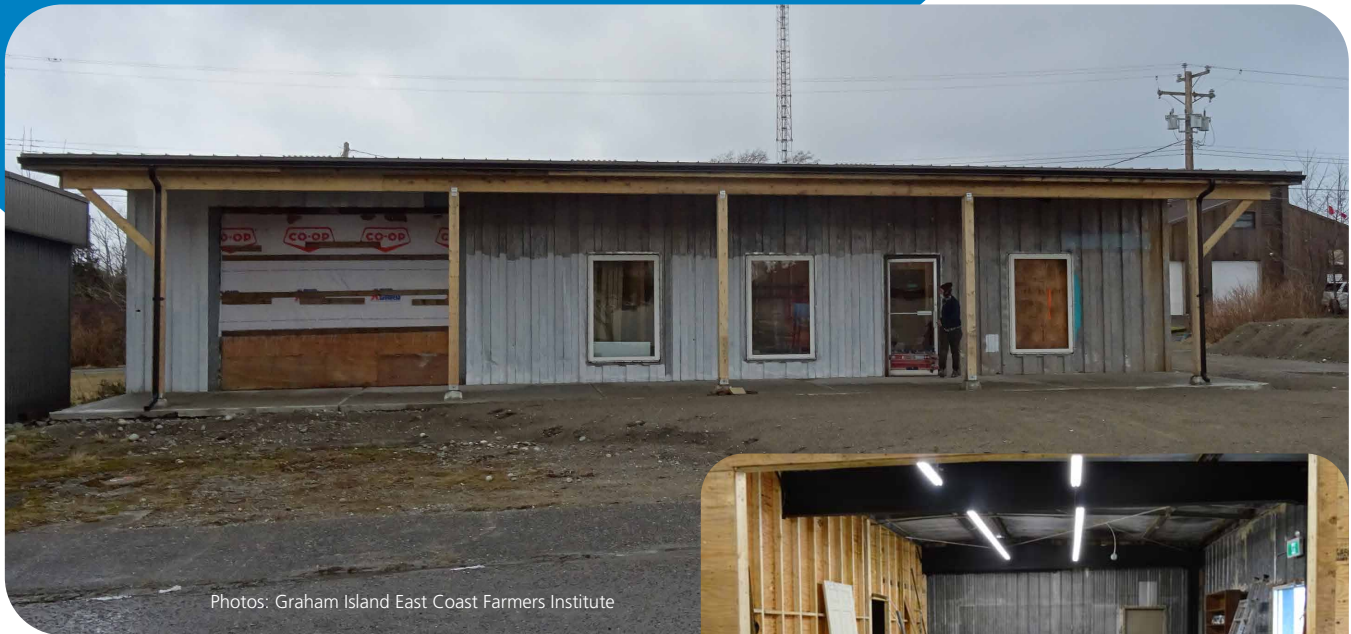
"Completing a housing needs assessment for our small community has provided us with quality insight into what current and future residents need," said Mayor Linda McGuire, Village of Granisle. "We've learned where our housing stock is strong and meeting needs and how we can improve for all members of our community. The completed Housing Needs Assessment allowed us to submit a grant application to another organization for a Seniors Housing Project in Granisle. If successful, this grant will allow us improve housing opportunities for some of the many seniors who choose to make Granisle their home."

The Housing Needs Assessment grant program was introduced in 2019 to help local governments identify their



housing needs. Quality housing options help retain seniors and attract workforce members. In turn, these residents increase business and employment opportunities within their community and region.

INDOOR MARKET RENOVATIONS SPARK CREATION OF ARTISAN CO-OP ON HAIDA GWAI



Photos: Graham Island East Coast Farmers Institute

On Haida Gwaii, the Graham Island East Coast Farmers Institute is hard at work renovating a former automotive shop into a year-round, indoor market and studio/gallery space. The 1,891 square-foot building is in a prominent location on Masset's Main Street across from the main supermarket and beside a hostel and popular café.

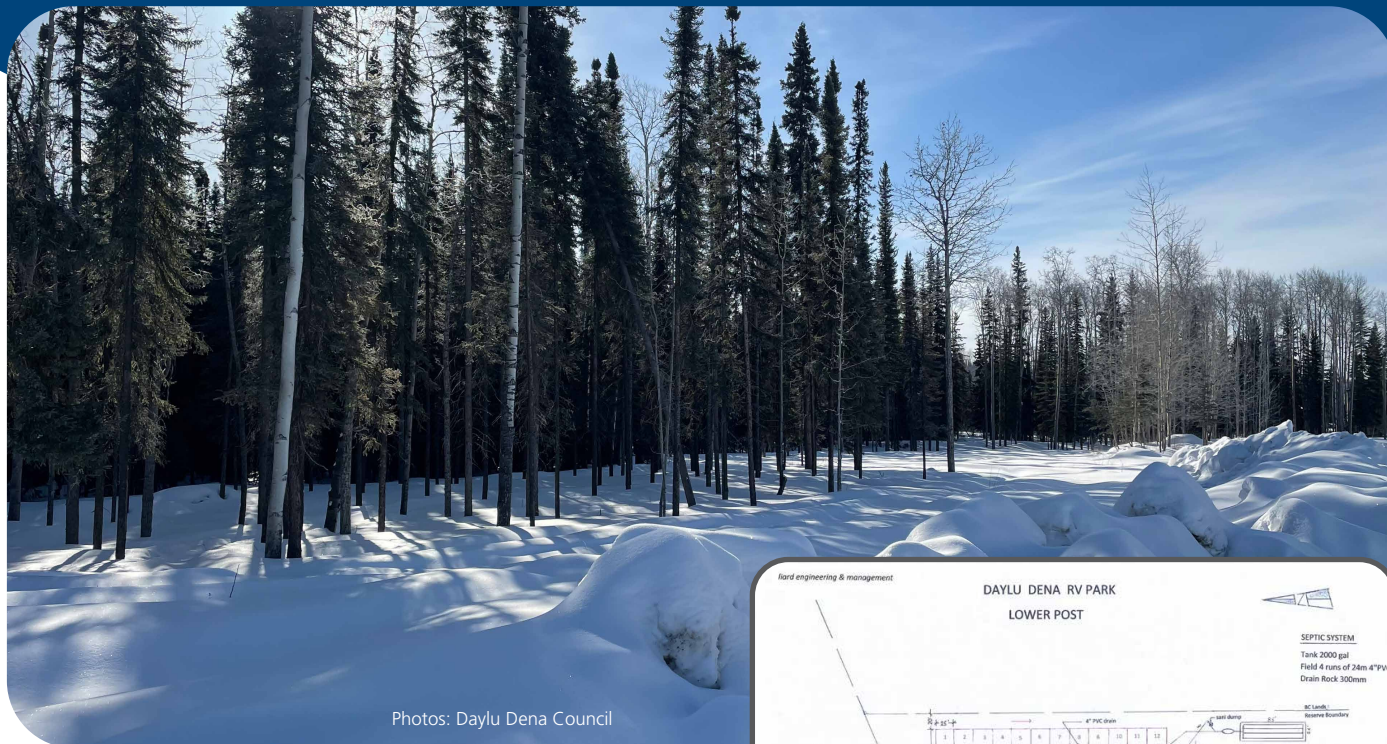
"Moving the Masset Market to an indoor location will allow the market to significantly grow its sales, both by bringing in more regular customers and also adding more year-round vendors," said Dan Abbott, president, Graham Island East Coast Farmers Institute. "Besides the advantage of moving to a heated indoor space in a high-profile part of Main Street, the new Masset Market building will offer vendors secure storage for their tables and dry goods, as well as easily accessible washrooms for vendors and visitors."



The project will create fresh vibrancy in the village's commercial core, encouraging visitors to spend more time in Masset and attracting new residents. Already, the plans to renovate and repurpose the building has sparked the creation of Masset Artisan Co-Op. The new artisans' co-op currently has eight members who are eagerly awaiting having a permanent place to work and sell their products.

In 2020, the Northern Development board approved \$93,089 through the Economic Diversification Infrastructure program for the renovations. This project is expected to directly create 10 permanent part-time jobs and five permanent seasonal jobs through the creation of the artisans' co-op and space for new market vendors.

NEW RV PARK PLANNED BY DAYLU DENA COUNCIL IN LOWER POST



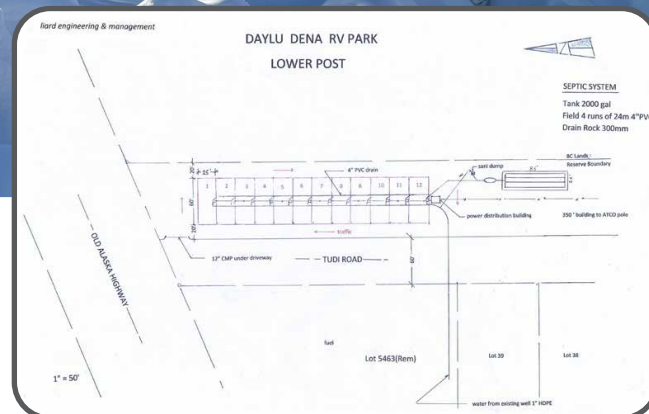
Photos: Daylu Dena Council

In summer 2020, Daylu Dena Council successfully applied for a \$196,704 grant through Northern Development's Economic Diversification Infrastructure program for the design and construction of an RV Park. Located approximately 10 kilometres south of the British Columbia/Yukon border, the new facility will provide a comfortable alternative camping location for people travelling the Alaska highway while diversifying and stimulating the economy in Lower Post.

The new campground will be a long-term asset for the Daylu Dena community, providing many benefits for their members. It will be located near the store and gas station, where there is a laundromat, showers and firewood for purchase.

“ This new RV Park will be a great way for Daylu Dena Council to share our rich culture and heritage while simultaneously allowing visitors to revel in the natural beauty of Northern B.C. and Kaska Territory. ”

Harlan Schilling, deputy chief, Daylu Dena Council



This will provide more amenities to guests and additional economic benefits.

Daylu Dena Council is constantly searching for new and innovative opportunities to create economic growth, employment opportunities and long-term assets for the Lower Post community and its members. The RV park will complement the Indigenous-owned gas station and store by adding to the authentic Indigenous businesses in Lower Post. Opening the RV Park is the first step of many that Daylu Dena Council hopes to take to showcase themselves in the future in the tourism sector.

NORTHEAST REGION

PROJECTS OVERVIEW

Total projects approved in region in 2020

68

\$2,197,679

approved for projects in region in 2020

Total projects approved in region to date

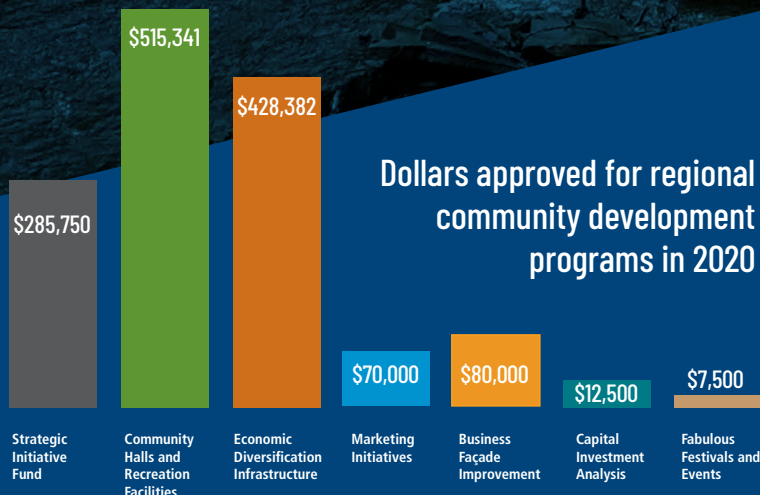
639

\$23,083,050

invested into projects since 2005



Photo: Northern Development



Projects approved through business development programs in the Northeast Region in 2020

Competitiveness Consulting Rebate

3
\$22,682

FAB Consulting Rebate

0
\$0

SBR Consulting Rebate

8
\$127,647

Northern Industries Innovation Fund

0
\$0

GO-AHEAD GIVEN FOR THE GOTTA GO INITIATIVE



Photo Credit: Destination BC/Andrew Strain

Organizations along the Alaska Highway have come together to develop and effectively manage roadside facilities, specifically rest stops, along the popular route in Northeastern B.C. These upgrades will contribute to a positive visitor experience for travelers and help attract and retain residents by improving the drive between Fort St. John and Fort Nelson – a route that is frequently made for various medical and service appointments.

In October 2020, the group was approved for \$285,750 through Northern Development's Strategic Initiatives Fund to develop two new washroom facilities and rest areas at Steamboat Mountain and Sikanni Hill and complete the rest stop at historic Mile 202.

"Enhancing rest stops and infrastructure along the Alaska Highway will go a long way in enhancing the route as a key tourism attractor for Northeastern B.C.," said Mayor Gary Foster, Northern Rockies Regional Municipality. "The Gotta Go rest stops will improve the experience of driving in this remote area by allowing people to relax more, enjoy the beautiful scenery and learn about the region through informational kiosks."

The kiosks will share information about culture, history, landscapes/natural features, emergency services, general safety in remote areas and unique management areas, such as the renowned Muskwa Kechika Management Area. These kiosks will follow a unifying theme and will connect visitors to the place they are travelling through.

The project will also connect organizations such as local governments, First Nations communities, provincial government, federal government and tourism organizations as they come together to develop the network of rest areas to benefit everyone.

The Gotta Go Initiative partners include the Peace River Regional District, Northern Rockies Regional Municipality, Ministry of Transportation and Infrastructure, Public Services and Procurement Canada and Northern BC Tourism Association.

CONSULTANT HELPS SHIFT BUSINESS TO STRONGER SUCCESS



Conducting caribou mortality investigations in the northern Rockies



Slashing access for the OGC Orphan Well Fund
photos: Shifting Mosaics Consulting

Shifting Mosaics Consulting, an ecological consulting company based in Fort Nelson, received a \$21,250 rebate through Northern Development’s Small Business Recovery Consulting Rebate to increase operational efficiency, develop marketing strategies and implement technology to benefit and grow their business. The challenges of the COVID-19 pandemic added to existing hardship brought about a few years earlier by the economic downturn in Fort Nelson. These difficulties led the company to seek work far from home, in the territories, Alberta and elsewhere.

“After working with our consultant, our company is operating more efficiently, strongly competing for major projects, attracting new clients and providing opportunities for our crew,” said Dr. Sonja Leverkus, owner and senior ecosystem scientist, Shifting Mosaics Consulting. “This project was specifically designed to help us step up and become a more credible service provider across our region, to avoid losing work to companies in other parts of B.C. and beyond. We’ve already seen major improvements in our ability to compete for major projects. We are now busier than ever and expect to see even more growth directly related to this project.”



The consultant provided a series of deliverables across six key areas: streamlined business technology including a video conference system and cloud document storage; a new website designed to convert visitors into clients; conference identity package with business cards, brochures, banners and other items designed to increase brand awareness; email marketing plan; public relations including a media kit, press release template, database of relevant reporters and strategy for maximizing media exposure; and social media with training to maximize engagement and return on investment.



Teaching 2020 Fire School in Fort Nelson with Treaty 8 community members.



Photos: Doig River First Nation

DOIG RIVER FIRST NATION INVESTS IN NEW CULTURAL SPACE



In early 2020, Doig River First Nation was approved for a \$50,000 grant through the Trust's Community Halls and Recreation Facilities program for the construction of a community arbour. Building an arbour will create a new cultural space that will strengthen cultural practices and result in a more dynamic, resilient and proud Nation.

"The new Tea Dance Arbor is an important cultural space within our community for our members to gather, drum, sing, dance and to celebrate our culture for future generations," said Chief Trevor Makadahay, Doig River First Nation. "We are looking forward to sharing our culture with all that come to visit our community on Doig Day, rodeo and other community events."

Once complete, the spacious facility will be able to host an array of community cultural events, including Doig Days, cultural festivals, tourism events, community dances, language gatherings and community

gatherings. The arbour will be fully covered and ready to withstand the area's snow load. Beneath the roof, there will be a stage and central fire pit to encourage community gathering.

The new arbour will provide both social and economic benefits for Doig River First Nation. Beyond providing a crucial cultural space for the community, the Nation is ready to welcome Indigenous tourists to the facility. The arbour will be a cornerstone to the future development of tourism focused development, creating meaningful employment for members on reserve. Revenue will be directly gathered from the new facility through event ticket sales, food sales and camping fees.



Photos: District of Hudson's Hope

WINTER CARNIVAL LIGHTS UP HUDSON'S HOPE



From January 21 to 27, 2020, Hudson's Hope hosted the 11th Annual Winter Carnival. The multi-day celebration of winter included the Polar Plunge into the Peace River, Winter Carnival Comedy Show and Dance, Canoe Pack and Portage Relay and many other community events.

"The Winter Carnival is a wonderful celebration of winter that many people of the Peace look forward to and enjoy each year," said Dave Heiberg, mayor, District of Hudson's Hope. "We're extraordinarily grateful that we were able to safely host this annual event in the first month of 2020 before the pandemic caused carnivals, festivals and other events to be cancelled or altered."

Northern Development provided a \$2,500 grant through the Fabulous Festivals and Event program to enhance the carnival. The funding was used for Polar Plunge promotional items and for family events that were held at the Cameron Lake Outdoor Centre.

GRIZFEST GAINS NEW DEN



Tumbler Ridge Days Society is the non-profit society that hosts Grizfest. The annual summer music festival could not be held in 2019 due to a lack of funds, which resulted in lost revenue for local businesses in the communities.

Members of Tumbler Ridge Days Society identified that a reoccurring challenge to the many events they host is a lack of permanent venue and so they applied for a \$250,000 grant to construct a fairground on land leased to them from the District of Tumbler Ridge.

“The new fairgrounds will provide extensive long-term benefits for residents and businesses in Tumbler Ridge,” said Terry Cosgrove, executive director, Tumbler Ridge Days Society. “Events and festivals are one of the fastest growing forms of tourism and are becoming increasingly popular in rural areas to revitalize local economies. The venue will be available to other community groups to support their events, helping create a vibrant culture for locals, businesses and visitors.”

In July 2020, Northern Development’s board of directors approved the application for the full amount through the Economic Diversification Infrastructure program. The new

Site of future fairground
Photo: Tumbler Ridge Days Society

fairgrounds will provide a foundation for the development of new and existing cultural events in Tumbler Ridge, benefiting residents and the surrounding communities.

“For many years Tumbler Ridge Days Society and numerous volunteers have brought visitors to the community to celebrate their love of music during Grizfest,” said Steven Tory, president, Tumbler Ridge UNESCO Global Geopark. “This is often their first step to experiencing the love for this place that many of us hold dear. I applaud the Tumbler Ridge Days Society’s efforts in this. The construction of this permanent infrastructure will help facilitate events and should make the neighbouring RV park more successful as well.”

PRINCE GEORGE REGION

PROJECTS OVERVIEW

Total projects approved in region in 2020

106

\$3,017,569

approved for projects in region in 2020

Total projects approved in region to date

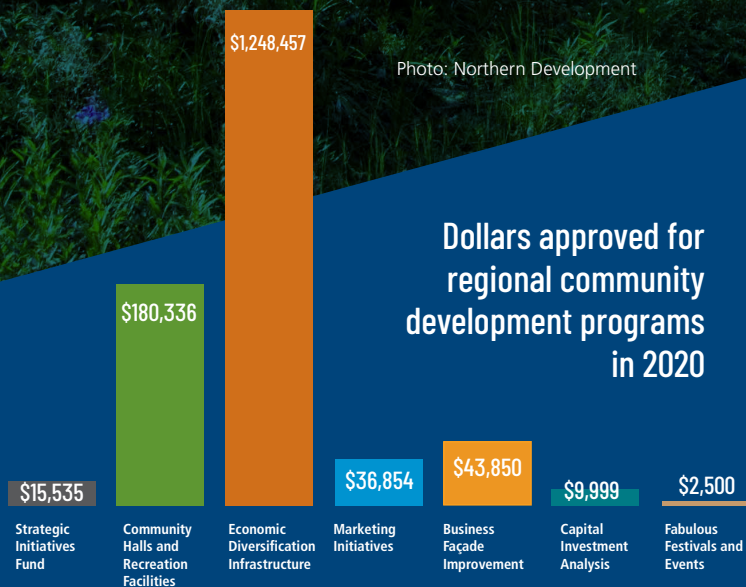
1,007

\$57,380,653

invested into projects since 2005



Photo: Northern Development



Dollars approved for regional community development programs in 2020

Projects approved through business development programs in the Prince George Region in 2020

Competitiveness Consulting Rebate

17
\$132,665

SBR Consulting Rebate

23
\$385,337

FAB Consulting Rebate

4
\$45,468

Northern Industries Innovation Fund

7
\$327,025

RECYCLE - REUSE
DROPOFF AT
2593 BURRARD
MONDAY - FRIDAY
8:30 - 3:00
ALL ITEMS MUST BE
REPAIRABLE &

VANDERHOOF
MEN
SO
NO
Y
P4
ay



Photo: Northern Development



MENSHED SOCIETY PLANTS PERMANENT ROOTS IN VANDERHOOF

The Vanderhoof Mensed Society acquired a permanent home in 2020 to benefit its members and the residents of Vanderhoof. Purchasing the building they formerly rented creates increased opportunity for the Society to generate additional revenue and provide more support for their members and community.

"Celebrating the purchase of our building in October was a definite highlight in a year that was challenging for so many members," said John Alderliesten, president, Vanderhoof Mensed Society. "As an organization, we focus on the mental and physical well-being of our members, and the permanency of this facility provides a greater sense of security for the future. Additionally, we will be increasing our various revenue streams, particularly the construction of docks and sheds, which allows us to better serve our community."

The purchase of a building on Burrard Street in Vanderhoof was made possible with a \$216,611 grant through Northern Development's Economic Diversification Infrastructure fund. This means that the members, who are otherwise at risk of being isolated due to retirement, illness, injuries or the death of a spouse, have a place to set down roots and provide value to their community. To date, the Vanderhoof Mensed Society has over 70 members.

"I work in health care and am frequently in contact with community members who need help with tasks that they are unable to afford or do themselves," said Valerie Pagdin, occupational therapist. "I have asked the MenShed for help on many occasions, and they have never yet been unable to respond to my requests. Without the help of the Mensed, many of my clients would be struggling or unsafe in their homes. I have been very grateful for their help."

The Mensed Society is part of an international organization that supports and improves the mental and physical health of older men. Members gather to work on projects and to build relationships with each other. The projects vary from woodworking, mechanical, snow removal, furniture building and other tasks, which are suited to the members' unique skillsets.

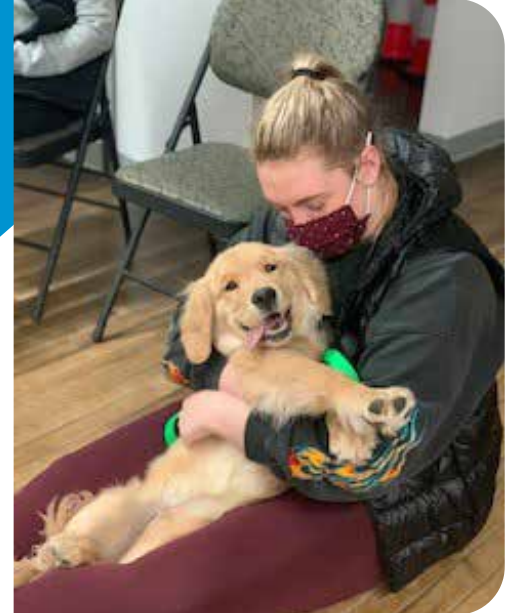


Photo: Northern Development

TEACHING AN OLD DOG NEW TRICKS: NOEL PEPIN CANINE MOVES TO ONLINE OBEDIENCE CLASSES



Photos: Noel Pepin Canine



Noel Pepin Canine is a business that has been working with dogs and their owners for more than two decades to help them reach their training goals. Prior to the COVID-19 pandemic and associated restrictions, Noel Pepin Canine would connect in-person with up to 300 people per week. After the limitations were implemented, this number dropped to 50 and forced the business to reduce staff while sustaining a significant financial impact.

In May, Noel Pepin Canine successfully applied for a \$20,604 rebate through Northern Development's recently announced Small Business Recovery (SBR) Consulting Rebate. The SBR was announced on April 8 as an adjustment to the former Forestry Affected Business Consulting Rebate. The SBR provides a rebate of 85 per cent to a maximum of \$25,000. This is the highest percentage of rebate that businesses are eligible to receive through any of the Trust's business development programs.

"This project was necessitated by the COVID-19 pandemic and new physical distancing restrictions," said Noel Pepin, owner, Noel Pepin Canine. "The pandemic made us look to online options to continue operating a sustainable business. We look forward to resuming teaching in-person and continuing to build our online platform, so the two different lesson styles complement each other and provide even more benefits to our new and existing clients."

The project included Noel Pepin Canine working with a professional agency to develop a digital training series, learning management system and full-scale digital marketing strategy. As a result, existing clients continue to have access to a trainer they are familiar with. Now, with the training options hosted on a virtual platform, people in Northern B.C. and other remote areas can participate in quality education for their canine companion without travelling to a larger community.



TAKLA NATION LAYS GROUNDWORK TO DEVELOP TOURISM AMENITIES

Takla Nation was approved for a \$250,000 grant through the Economic Diversification Infrastructure program to renovate the Takla Trading Post (TTP), a crucial business hub in Takla Landing. Located approximately 320 kilometres northwest of Prince George, the TTP consists of a grocery store, motel and café.

“Takla Nation would like to thank Northern Development Initiative Trust for providing the funding to renovate the Takla Trading Post, in Takla Landing through its Economic Diversification Infrastructure Fund,” said Chief John Allen French, Takla Nation. “Takla is progressively moving forward and through these exciting new projects we are able to come together as a Nation with values of traditional knowledge, health, and culture. The much-needed funding for renovations gives us the opportunity to create an indigenous eco-tourism centre in Takla and the northern region.”

The funding provides 70 per cent of the budget necessary for the first steps of transitioning the facility into an Indigenous eco-tourism centre. The project will allow the Takla Nation to offer Indigenous eco-tourism activities and improve their economic development opportunities.



“This project is consistent with Takla’s economic development and resource diversification goals and strategies for the next five years,” continued Chief French. “The project will bring jobs to the community and also support members who want to come home to Takla. The newly renovated TTP will provide the space for community-owned business to offer tourism-related activities and become a destination location for Takla’s strongly valued Indigenous history and culture.”

This project will create six permanent employment positions for band members in facility management and operations, tourism and support services. The Nation’s development of tourism offerings also provides opportunities for members to create their own tourism businesses and help grow the destination’s tourism offerings.

The application for this project was submitted by Ananya Bhattacharya, a 2018 intern through the Trust’s First Nations Government Internship program. After completing her internship in 2019, Bhattacharya became Takla Nation’s first Research Analyst, a position that was created to work closely with Chief and council and the general manager of operations.

ENVIRONMENTAL ORGANIZATION REAPS THE BENEFITS OF MARKETING INITIATIVES PROGRAM



REAPS
RECYCLING & ENVIRONMENTAL
ACTION PLANNING SOCIETY



SCHOOL PROGRAMS + PUBLIC PROGRAMS GOING GREEN + ABOUT REAPS + PUBLICATIONS



The Recycling and Environmental Action Planning Society (REAPS) is a Prince George-based organization dedicated to fostering environmental stewardship in the Regional District of Fraser-Fort George. After decades of raising community awareness on the importance of reducing, reusing and recycling, REAPS board of directors identified a need to renew its logo, website and other brand elements. To reduce the costs of this endeavor, REAPS successfully applied to Northern Development's Marketing Initiatives funding program for a \$20,000 grant.

"We're grateful to have received a grant from Northern Development to support us through our brand evolution process," said Terri McClymont, executive director, REAPS. "As a local non-profit focused on working with residents to reduce the amount of waste destined for the landfill, this external financial support allows us to modernize our visual identity while continuing our public outreach and educational initiatives."

The Marketing Initiatives program provides up to \$20,000 in grant funding to a maximum of 50 per cent of the eligible budget for project budgets. Eligible projects include branding development and evolutions, business attraction initiatives, resident recruitment initiatives, wayfinding and other interpretive signage, print advertising campaigns and others.



VISITOR CENTRE UPGRADES DIVERSIFY FORT ST. JAMES' ECONOMY

In 2020, the District of Fort St. James completed substantial improvements to the Fort St. James Visitor Information Centre to improve the attractiveness of the facility and increase its energy efficiency. Visitors' expectations are adjusting and these upgrades will create a more comfortable experience for those who seek the facility for in-person services, including those visiting the area to explore the Fort St. James National Historic Site.

"Investing in tourism is an important step for Fort St. James," said Mayor Bob Motion, District of Fort St. James. "Diversifying our economy is crucial for short-term and long-term well-being of our community and residents. The Fort St. James National Historic Site, our stunning natural surroundings and vibrant people are some of the key elements that attract people to our area in Northern B.C. Our updated Visitor Information Centre will go a long way in providing them with a memorable experience once they arrive in town."

In 2019, the Fort St. James Visitor Centre welcomed 991 people through its doors. In a town of approximately 1,500 people, each visitor is a welcome addition to the community and economy. The improvements will grow revenue for the District of Fort St. James through increased sales in the Visitor Centre while decreasing costs through energy savings.

Benefits will go beyond the building and into other businesses in the area as travelers spend more time in the community and purchase goods and services. The revenue generated by visitors is especially welcome after the local sawmill closed in 2019 and is expected to reopen in 2022.

The District of Fort St. James received a \$19,980 grant through the Community Halls and Recreation Facilities grant program for the \$29,705 project. Northern Development approved funding for the project in March 2020 and the project was completed and funding was disbursed in November 2020.

CARIBOO-CHILCOTIN / LILLOOET REGION

PROJECTS OVERVIEW

Total projects approved in region in 2020

91

\$4,001,691

approved for projects in region in 2020

Total projects approved in region to date

1,062

\$31,111,482

invested into projects since 2005



Projects approved through business development programs in the Cariboo-Chilcotin/Lillooet Region in 2020

Competitiveness Consulting Rebate

1
\$10,357

FAB Consulting Rebate

6
\$52,448

SBR Consulting Rebate

3
\$67,627

Northern Industries Innovation Fund

2
\$96,600

Photo: Northern Development



Photos: City of Quesnel



WATERFRONT DEVELOPMENT MAKES A BIG SPLASH



In October, Northern Development announced the approval of its single largest investment through the Strategic Initiatives Fund: \$855,559 for the City of Quesnel for the first stage of its multi-year waterfront development project. After thorough research and public consultation over more than 12 months, the plan was approved in December 2019 and received the 2020 Gold Winner in Excellence in Planning Practice – Small Town and Rural Areas award from The Planning Institute of British Columbia.

“Quesnel City Council is thrilled to have Northern Development once again invest in our community’s transition plan,” said Quesnel Mayor Bob Simpson. “This particular investment will enable us to accelerate the implementation of our waterfront development strategy, a key component of our plan to position Quesnel as an attractive destination for visitors, residents and investors.”

In its entirety, the Quesnel Waterfront Plan includes conceptual plans and an implementation framework for

improvements to areas along the Fraser and Quesnel Rivers. Long-term plans include upgraded trails, river access, Indigenous interpretive elements, celebration of water, public art, an RV park and much more.

The first phase, which received funding through the Strategic Initiatives Fund, has three components that will be completed in the downtown area to increase Quesnel’s marketability as a tourism destination while creating opportunities for economic transformation. The trio of components are renovations to the Fraser footbridge entrance, planning for Indigenous interpretive elements along the waterfront and improved lighting along the Riverfront Trail, the city’s most well-known trail.

This stage of the Quesnel Waterfront Plan is expected to be completed by October 2021 and has a budget of \$1,069,450. It is anticipated the project will increase tourism visitation and increase the length of stay by visitors. Downtown businesses are also expected to benefit from the development as more people spend time in the downtown area.

Funding for this project is through Northern Development’s Strategic Initiatives Fund. Launched in 2018, this versatile funding program allows local government and First Nations to apply for funding for innovative projects that are not eligible for funding through the Trust’s other programs. Projects must be large in scale, strategic in nature and support long term economic transformation and sustainability.



Photos: Chemo RV



CONSULTANT PROVIDES ROADMAP FOR RV DEALERSHIP

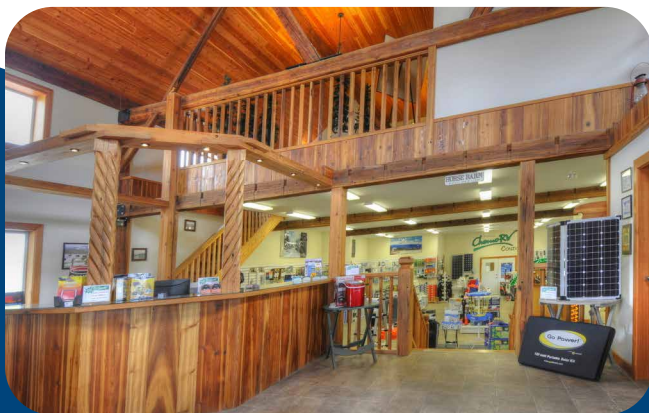
In the Cariboo, mill closures and curtailments reduced residents' discretionary income, resulting in negative impacts in a variety of industries including leisure and recreational vehicles. Chemo RV Sales and Service, B.C.'s leading recreational vehicle dealer, is coping with the downturn and expects the real impact of the forestry losses to be felt in 2021.

"The mill closures and curtailments has made it difficult to forecast staffing requirements, inventory amounts and plan for the future," explained Jay Bell, dealer principal, Chemo RV. "After working with our coaches, it gained us a new perspective and taught us the skills to navigate through unforeseen times. Even with the unexpected challenge of COVID-19, it has been an incredibly difficult and rewarding year."



To bring some stability to the company during a tumultuous time, Chemo RV successfully applied for a \$15,000 rebate through Northern Development's Forestry Affected Business Consulting Rebate. The rebate provides partial cost recovery for the expense of hiring an external professional consultant.

Chemo RV identified a consultant who will work with them to bring stability to the company, help them keep the big picture in mind when making decisions regarding staff reductions, provide training for owner and management and reduce the owner's stress. The contract includes a variety of key deliverables, including a strategic planning document to help guide the company in the future, sales funnel development and 10 months of one-on-one business coaching for the owner and general managers.



LYTTON FOOD HUB TAKES ROOT



Seeds have been planted for Lytton First Nation to develop the Lytton Food Hub. This new facility will support local food producers and processors by providing accessible key infrastructure and equipment while growing synergies between entrepreneurs, processors and producers to provide reliable benefits.

The Lytton First Nation completed extensive planning and research to develop a food hub, and secured funding from a variety of sources, including \$75,000 from Northern Development's Economic Diversification Infrastructure program.

"The biggest advantage that the hub will offer is the ability for farm members to save time by accessing an additional sales channel for some of their products," said Chief Janet Webster, Lytton First Nation. "Ideally, farm operators will join the hub and experience an increase in efficiency and a decrease in personal time and costs, allowing them to increase capacity to a point where their true success and profitability potential aligns."

The Lytton Food Hub will also provide extensive benefits to members of the Lytton First Nation and others in the region.

"The First Nations' perspective on health and wellness recognizes that the health of an individual relies on the environment, social connections, economics, culture, the land and community," said Casey Neathway, regional manager, environmental public health services, First Nations Health Authority. "Each of these aspects of wellness is connected to healthy and sustainable food and food systems. Access to whole, wild and traditional foods for Indigenous populations not only fosters physical health, but also leads to increased mental, cultural and spiritual wellness. The provision of a food hub, located within a First Nation and in close proximity to many others, would reduce barriers to accessing these foods."

The Lytton Food Hub will provide food and beverage processing, product development and business planning services, white-labelling, access to food aggregation, distribution and storage and space for storefront, offices and meeting rooms. Key users of the new facility will be local farmers and foragers, small processors, distributors, retailers, institutional buyers and the general public.

REELING IN PROVINCIAL TRAVELERS



LAND OF HIDDEN WATERS RESPONSIBLE TRAVEL THINGS TO DO GETTING HERE STORIES f @



EXPERIENCE NORTH AMERICA'S BEST STILLWATER FISHING IN BC'S LAND OF HIDDEN WATERS

March 10, 2020



FIND FROZEN WATERFALLS & SCENIC WILDERNESS WITH THIS GUIDE TO WINTER FOR NON-SKIERS

January 18, 2021



FALL ROAD TRIP: HIDDEN WINERIES & UNNAMED WATERFALLS IN BC'S LAND OF HIDDEN WATERS

August 24, 2020



WHEN NATURE WAKES UP: A SPRING ROAD TRIP IN BC'S LAND OF HIDDEN WATERS

March 6, 2020



ICE FISHING ADVENTURES IN KAMLOOPS, BC

March 10, 2020



THESE TWO IMPORTANT PEOPLE IN FISHING COME TOGETHER FOR A STILLWATER EXPERIENCE IN KAMLOOPS

Screenshot of stories on the new Fishing Highway Tourist Association website

Early in 2020, before the COVID-19 pandemic drastically shifted travel plans for tourists around the world, the Fishing Highway Tourist Association was approved for a \$20,000 Marketing Initiatives grant to educate visitors about the natural beauty and abundant opportunities that exist in the South Cariboo. Even with various travel restrictions, the Land of Hidden Waters campaign has already been very successful.

The marketing campaign drove more than 10,000 people to the Fishing Highway 24 website, and 92 per cent of those visits were from British Columbia. Building awareness about what the Fishing Highway has to offer will benefit

local businesses, such as accommodators, food and beverage providers, supply shops and attractions.

“When we applied for a Marketing Initiatives grant for our new marketing campaign and content creation, we had no idea about the impact COVID-19 was going to have on the tourism industry,” said Irene Meili, chair, Fishing Highway Tourist Association. “However, in a very unexpected way, the timing of this campaign exceeded our expectations in encouraging British Columbians to explore their backyard and places they may have never considered visiting before.”

In addition to a comprehensive marketing campaign, the Fishing Highway Tourist Association also hired a photographer and videographer to every corner of their region, capturing quality content of each partner that comprises their organization. These visual assets will be used by the Association and its partners in upcoming marketing efforts and to help build a cohesive identity.



HERITAGE POTATO HOUSE EYES UPGRADES

In March, Potato House Sustainable Community Society was approved for a \$15,000 grant to upgrade the upper level of the heritage Potato House to create programming space for community members and visitors. The renovations will allow visitors to experience more heritage content in the house, increasing the opportunity to harness tourism interest and engage the public in local history and culture.

“Upgrading the upper level of the historic Potato House will result in many benefits for our society and the Williams Lake community,” said Mary Forbes, executive director, Potato House Sustainable Community Society. “The refreshed space will be able to host 25 people for classes, workshops or other community events. Renting the space will be a new source of revenue, allowing us to carry out our mandate of environmental sustainability more effectively.”

This project builds upon the 2015 renovations that were completed on the Potato House’s main floor with the

assistance of a \$30,000 grant from Northern Development. The earlier project allowed the Potato House Sustainable Community Society to identify and work with local contractors who are familiar with best practices when working in heritage buildings, the goal is to have these professionals return to work on the upper level.

“During these extraordinary COVID-19 times, this project has been a source of income for local contractors in a house that is not lived in and thus significantly safer,” explained Forbes. “Everyone at the Potato House is thrilled to keep moving forward on a positive story journey courtesy of the support from Northern Development.”

LOVE NORTHERN BC SUPPORTS LOCAL BUSINESSES IN INNOVATIVE WAYS DURING PANDEMIC

Love Northern BC, Northern Development's online shop local platform for local, independent businesses, found new and innovative ways to support business owners and encourage sales during a time when few ventured outside their homes.



TO DATE, THE SUPPORT LOCAL BC PROGRAM HAS REACHED \$850,000 IN SALES, DIRECTLY BENEFITTING LOCAL, INDEPENDENT BUSINESSES ACROSS THE PROVINCE. NORTHERN BC BUSINESSES HAVE SOLD MORE THAN \$35,000 IN GIFT CERTIFICATES.

Shop Local Online

In the spring, Northern Development partnered with Support Local BC, to promote the purchase of gift cards from Love Northern BC businesses. Support Local BC provides a place for communities and businesses throughout the province to support each other. It connects all regions and is a platform where you can support your favourite local businesses by purchasing gift cards for future use. Northern BC is represented on Support Local BC by more than 200 businesses from 28 communities.



Plaid Friday Goes Digital

Plaid Friday kicks off the holiday shopping season as a 'shop local' alternative to Black Friday. Typically, the network of community champions would host tradeshows, public gatherings and late night shopping. These events were not possible due to social distancing requirements, so the team had to rethink how to bring the Plaid Friday spirit to all corners of the region.

With the help of a social media and a regional radio campaign, Love Northern BC challenged folks to take a selfie showing how they supported local, independent businesses on Plaid Friday for their chance to win one of twenty branded prize packs. Contest entries came from communities such as Queen Charlotte City, Valemount, Fort St. John and Quesnel!

PILOT INTERNSHIP PROGRAM BENEFITS BUSINESSES



In 2020, Northern Development piloted the Business Development Internship program alongside the well-established Local Government and First Nations Government Internship programs. Combined, the three programs led to the creation of 15 12-month positions for recent post-secondary graduates in Northern B.C. The internship programs increase capacity for host organizations and contributes to a stronger economy.

Business Development Internship

The pilot internship program provided grant funding to three Community Futures Development Corporations within the Trust's service region to assist with the costs of hosting a business intern for a 12-month period.

Host Community Futures are located in:

- Ashcroft
- Houston
- Prince Rupert

"Through these internships the next generation of business developers will get hands-on experience working with entrepreneurs and community leaders," said John Farrell, general manager, Community Futures Pacific Northwest. "This is an exciting time for Prince Rupert as we reinvent ourselves as Canada's next great port city and this partnership with NDIT to provide added capacity could not have come at a better time."

Local Government Internship

The Local Government Internship program introduced seven recent post-secondary graduates to the realm of local government in Northern B.C. in 2020. The program enhances the capacity of host governments providing benefits to the intern, government and community.

Host local governments:

- City of Williams Lake
- District of Fort St. James
- North Coast Regional District
- Northern Rockies Regional Municipality
- Regional District of Bulkley-Nechako
- Village of Ashcroft
- Village of Telkwa

First Nations Government Internship

2020 was the fourth year of the First Nations Government Internship benefiting First Nations in central and northern B.C. The program is a partnership between Northern Development and the Department of Indigenous Services Canada.

Host First Nation governments:

- Lytton First Nation
- McLeod Lake Indian Band
- Takla Nation (hosted two interns)
- Williams Lake First Nation



Dylan Sellars

"The highlights of my internship have been the breadth of opportunities that the band has provided me," said Dylan Sellars, First Nations Government Intern, Williams Lake First Nation. "I would advise anyone that is thinking of joining this program to pursue it because of the opportunity to learn from knowledgeable mentors and building a network of like-minded professionals that are able to assist you now and in the future."



Photo: Ethan Fredeen

Ethan Fredeen

"My participation with the Local Government Internship has made the shift from being a student to working professional a seamless transition," said Ethan Fredeen, Local Government Intern, District of Fort St. James. "I have had the opportunity through my mentor to participate in a wide array of projects that fall under the scope of land use planning and policy analysis."

THIRD-PARTY FUND ADMINISTRATION

BC Hydro Peace Agricultural Compensation Fund

In August 2018, Northern Development was appointed as the financial administrator of the BC Hydro Peace Agricultural Compensation Fund.

The Peace Agricultural Compensation Fund (PACF) is a \$20 million fund that supports agricultural priorities in the Peace Region.

In 2020, 17 projects were approved for a total of \$393,714. Some of the successful projects are:

- University of British Columbia: Faculty of Land and Food Systems – \$65,470 for their research project about crop disease and pathogens affecting cereal crops in the Peace Region
- Boreal Gardens – \$47,303 for the installation of a 510 square foot dome greenhouse on the Indigenous-owned farm in Charlie Lake
- Nordic Vale Honey Farm – \$19,864 for the purchase of upgraded honey and wax processing equipment

BC Hydro Go Fund

The BC Hydro Generating Opportunities (GO) Fund was established in 2016 with \$800,000 to be distributed over eight years to organizations that provide services to vulnerable populations in B.C.'s northeast including children, families and seniors.

In 2020, seven projects totaling \$56,300 were approved for worthy projects in the Northeast region. Some of the successful projects are:

- Friends of Hudson's Hope Society - \$10,000 to stock their food bank with healthier food options and to include fresh food options in Christmas hampers
- Chetwynd Social Planning Society - \$7,500 for the Chetwynd Circus Camp. This camp focuses on kids who don't have the opportunity to be involved in sports. The kids work on juggling, clowning, tumbling and other activities
- Whiskey Jack Nordic Ski Club Society - \$10,000 for ski equipment for youth and families. A larger ski inventory will increase the club's offering to the community and with a sufficient supply of cross-country skis, it can also offer "ski days" to School District 60 students



HIGHLIGHTS

	NUMBER OF PROJECTS	TOTAL FUNDS
Connecting British Columbia - Phase 2 (Intake 1 - CTI)	1	\$2,633,411
Connecting British Columbia - Phase 2 (Intake 2 - LM)	1	\$907,721
Connecting British Columbia - Phase 2 (Intake 3 - T1)	2	\$5,800,000
Connecting British Columbia - Phase 3 (Funding Intake in Support of COVID-19 Response)	47	\$1,225,520
Connecting British Columbia - Phase 3 (Last-Mile, Transport)	15	\$11,286,302
Connecting British Columbia - Phase 3 (Regional Connectivity Plan Funding)	1	\$15,000
Connecting British Columbia - Phase 4 (Economic Recovery Intake)	21	\$37,007,381

Connecting BC: COVID-19 Response

In response to the COVID-19 pandemic, the Province of B.C. introduced two new streams of Connecting BC programs.

Connecting British Columbia's COVID-19 response funding was launched in April of 2020. The program offered internet service providers with immediate network equipment upgrades to rapidly improve capacity and internet speeds in underserved communities throughout the province.

In September, as part of B.C.'s Economic Recovery Plan, the Connecting BC program was granted \$90 million to encourage rapid expansion of connectivity to drive regional economic development in rural areas, Indigenous communities and along B.C.'s highways. The Economic Recovery Intake was a one-time commitment to fund connectivity infrastructure projects that will quickly help realize the benefits of connectivity to British Columbians.

Third-party fund administration

The Trust's balanced approach to fund management and prioritization of best practices has earned it a reputation as a responsible and effective partner for delivering funding on behalf of senior levels of government and other organizations.

2020: \$59.5 million
for **118** projects

All-time: \$145 million
for **371** projects

Northern Development's active portfolio of third-party fund management

- Prince George Agricultural Fund
- 2015 Canada Winter Games Legacy Fund
- Northwest Readiness
- BC Hydro GO Fund
- BC Hydro Peace Agricultural Compensation Fund
- Connecting British Columbia
- BCIC Young Innovators Fund
- Indigenous Services Canada - First Nations Government Internship Program
- BC Northern Healthy Communities Fund
New 2020

2020 STATE OF THE NORTH ECONOMIC REPORT

The 2020 State of the North Report reviews the year and includes traditional economic indicator information, overviews of core economic sectors such as forestry, agriculture, mining and energy and regional profiles for the Northwest, Northeast, North Central and Cariboo-Chilcotin/Lillooet areas.

The report, which was independently researched by MNP, indicates the short-term outlook for the northern economy remains uncertain due to the indeterminate long-term effects of the COVID-19 pandemic. Overall, the impact of COVID-19 has been more moderate in the North as the region's economy is less reliant on the hospitality and recreation sectors. As of October 2020, employment levels were down three per cent year-over-year compared with five per cent in B.C. as a whole.

Highlights of the 2020 report include:

- In Northern B.C., the impact of COVID-19 has been more moderate than in other areas of the province as the region's economy is less reliant on the tourism, restaurant, hotel and recreation sectors. As of October 2020, employment levels were down three per cent year-over-year, compared with five per cent in B.C. as a whole and six per cent in the Lower Mainland
- At the beginning of 2020, the Northeast region had the lowest unemployment rate in the province. Beginning in mid-March, COVID-19- related business closures and layoffs led to increasing unemployment rates across the province. Unemployment rates peaked in Q2, reaching 12.3 per cent in B.C. and 11.6 per cent in Northern B.C.
- Beginning in early May 2020, softwood lumber prices began to increase as a combination of pent-up demand and low inventories from COVID-19-related shutdowns, record-low interest rates and increased interest in repairs and renovations led to a strong demand for building materials across North America. Lumber prices increased by over 170 per cent from April to September reaching all-time highs in early September 2020

To delve deeper into the portions of the State of the North report, Northern Development connected with industry experts to add context and share insight on specific topics. The Trust combined this knowledge and more data into the Northern Dispatch.

In 2020, Northern Development produced one edition of Northern Dispatch: The State of the Economy in Northern B.C. Read the report in its entirety at northerndevelopment.bc.ca/northern-dispatch.

GOVERNANCE

Northern Development Initiative Trust is governed by a 13-member board of directors. Board members are appointed in two ways: five are regional business leaders appointed by the Province of British Columbia and eight are appointed by the four regional advisory committees. Every director must reside in the Trust's service region.

The board meets quarterly and when is required. They are responsible for setting and maintaining the Trust's strategic priorities, making decisions based on policy

and being an effective team to stimulate economic development in Northern B.C.

Each year, the composition of the board changes slightly as various terms end, elections are held in local governments and regional advisory committees change. As a result, some directors that served in 2019 are no longer on the board. In 2020, Northern Development's board of directors included:



Margo Wagner
board chair
Cariboo Regional District
Cariboo-Chilcotin/Lillooet Region



Lori Ackerman
vice-chair
City of Fort St. John
Northeast Region



Wendy Benyk
finance chair
Provincial Appointee
Northwest Region



Lyn Hall
City of Prince George
Prince George Region



Alison Hoskins
Provincial Appointee
Prince George Region



Carol Leclerc
City of Terrace
Northwest Region



Barry Pages
Village of Masset
Northwest Region



Mark Parker
Regional District of Bulkley-Nechako
Prince George Region



Wayne Plenert
Provincial Appointee
Northeast Region



Dan Rose
Peace River Regional District
Northeast Region



Fred Sam
Provincial Appointee
First Nations Representative



Sally Watson
Thompson-Nicola Regional District
Cariboo-Chilcotin/Lillooet Region



Julie Ziebart
Provincial Appointee
Northeast Region

REGIONAL ADVISORY COMMITTEES

Northern Development's board is advised by four regional advisory committees. These four committees are comprised of 67 locally elected leaders and each committee elects a chair, vice-chair and two members to join the board. This method ensures that local knowledge from the Trust's diverse communities is incorporated into all decisions.

The regional advisory committees meet every quarter to review funding applications, policy recommendations, strategic plans and to discuss economic challenges that the region may be facing.

2020 Cariboo-Chilcotin/Lillooet Regional Advisory Committee (RAC) Members

Mitch Campsall (chair)
District of 100 Mile House

Donna Barnett
MLA - Cariboo South

Sal DeMare
Squamish-Lillooet Regional District

Chad Mernett
Cariboo Regional District

Bob Simpson
City of Quesnel

Santo Talarico
Village of Cache Creek

Garry Youd
District of Logan Lake

Margo Wagner (vice-chair)
Cariboo Regional District

Vivian Birch-Jones
Squamish-Lillooet Regional District

Gabe Fourchalk
District of Wells

Coralee Oakes
MLA - Cariboo North

Craig Smith
City of Williams Lake

Jackie Tegart
MLA - Fraser Nicola

Marilyn Anderson
Village of Ashcroft

Tiffany Callewaert-Haugen
Village of Lytton

Jen Leach
District of Lillooet

Steve Rice
Thompson-Nicola Regional District

Susan Swan
Village of Clinton

Sally Watson
Thompson-Nicola Regional District

2020 Northeast Regional Advisory Committee (RAC) Members

Lori Ackerman (chair)
City of Fort St. John

Mike Bernier
MLA - Peace River South

Karen Goodings
Peace River Regional District

Patricia Markin
District of Hudson's Hope

Barb Smith
Village of Pouce Coupe

Gary Foster (vice-chair)
Northern Rockies Regional Municipality

Dan Davies
MLA - Peace River North

Leonard Hiebert
Peace River Regional District

Wayne Plenert
Provincial Appointee

Bradley Sperling
Peace River Regional District

Clay Bassendowski
District of Chetwynd

Rob Fraser
District of Taylor

Joanne Kirby
District of Tumbler Ridge

Dan Rose
Peace River Regional District

Julie Ziebart
Provincial Appointee

2020 Northwest Regional Advisory Committee (RAC) Members

Carol Leclerc (chair)

City of Terrace

Wendy Benyk

Provincial Appointee

Kazamir Falconbridge

Village of Port Clements

Darrell Hill

Village of Burns Lake

Linda McGuire

Village of Granisle

Jennifer Rice

MLA - North Coast

Reid Skelton-Morven

City of Prince Rupert

Casda Thomas

Town of Smithers

Barry Pages (vice-chair)

Village of Masset

Knut Bjorndal

District of Port Edward

Mark Fisher

Regional District of Bulkley-Nechako

Gail Lowry

District of New Hazelton

Eric Nyce

Regional District of Kitimat-Stikine

Ellis Ross

MLA - Skeena

Dennis Sterritt

Village of Hazelton

Johanne Young

North Coast Regional District

Tim Anderson

District of Houston

Doug Donaldson

MLA - Stikine

Rob Goffinet

District of Kitimat

Annette Morgan

Village of Telkwa

Kris Olsen

Village of Queen Charlotte

Samuel Schooner

Central Coast Regional District

Maureen Tarrant

District of Stewart

2020 Prince George Regional Advisory Committee (RAC) Members

Gerry Thiessen (chair)

District of Vanderhoof

Shirley Bond

MLA - Prince George-Valemount

Mike Morris

MLA - Prince George-Mackenzie

John Rustad

MLA - Nechako Lakes

Owen Torgerson

Village of Valemount

Art Kaehn (vice-chair)

Regional District of Fraser-Fort George

Lyn Hall

City of Prince George

Mark Parker

Regional District of Bulkley-Nechako

Fred Sam

Provincial Appointee

Joan Atkinson

District of Mackenzie

Alison Hoskins

Provincial Appointee

Gene Runtz

Village of McBride

Sarah Storey

Village of Fraser Lake

BEST PRACTICES IN FUND MANAGEMENT

Managing the Trust's funds in a sustainable manner for perpetuity is vital to the economic well-being of Northern B.C. By preserving the original capital infusion into the Trust of \$185 million, the capital investment will continue to benefit the region long into the future.

Return on investment

Northern Development has a Statement of Investment Policies and Procedures to guide investing decisions, asset management and set goals for the performance of assets. The Trust's accounts are invested with Mawer Investments Inc. into a balanced portfolio and fixed income instruments. These investments generate an annual return on the capital base which is then re-invested into the region.

Granting allocation

The amount of funds made available through grants is decided by Northern Development's staff on an annual basis. Each year, the team reviews the balance in each funding account and existing commitments before deciding how much money will be available to grant applicants. This process ensures accurate and sustainable disbursements while protecting the capital base to guarantee longevity.

2020 total grant allocation

\$16.5 million

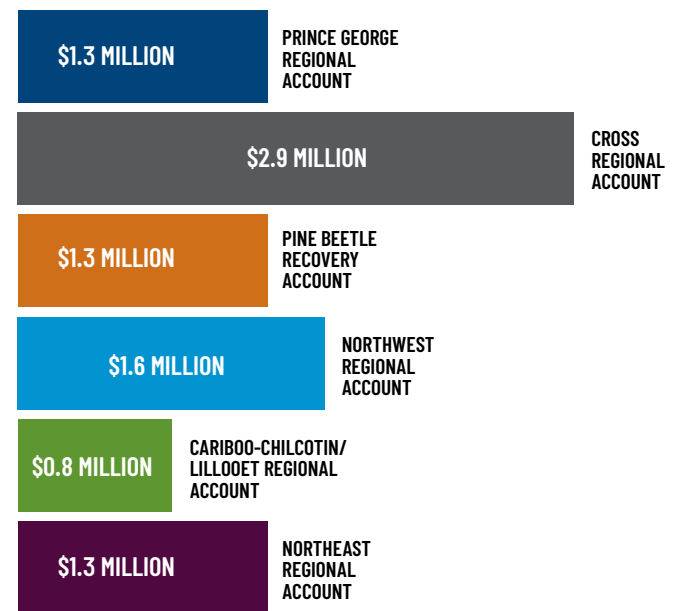
* not including third-party programs

2020 8.86% ROI

2020 \$25.5 million in investment income

Average ROI since 2005 7.23%

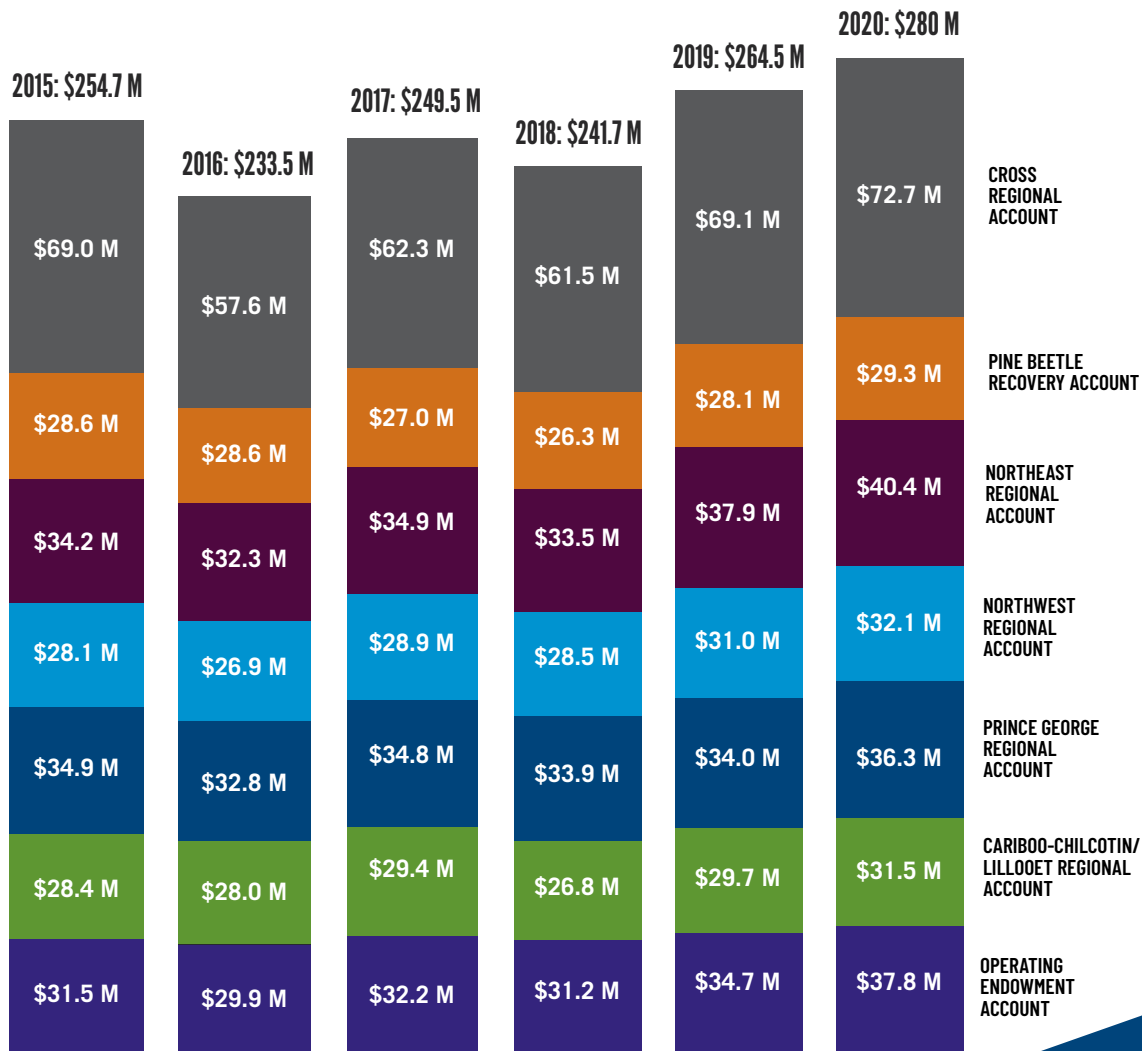
2020 granting disbursed by account

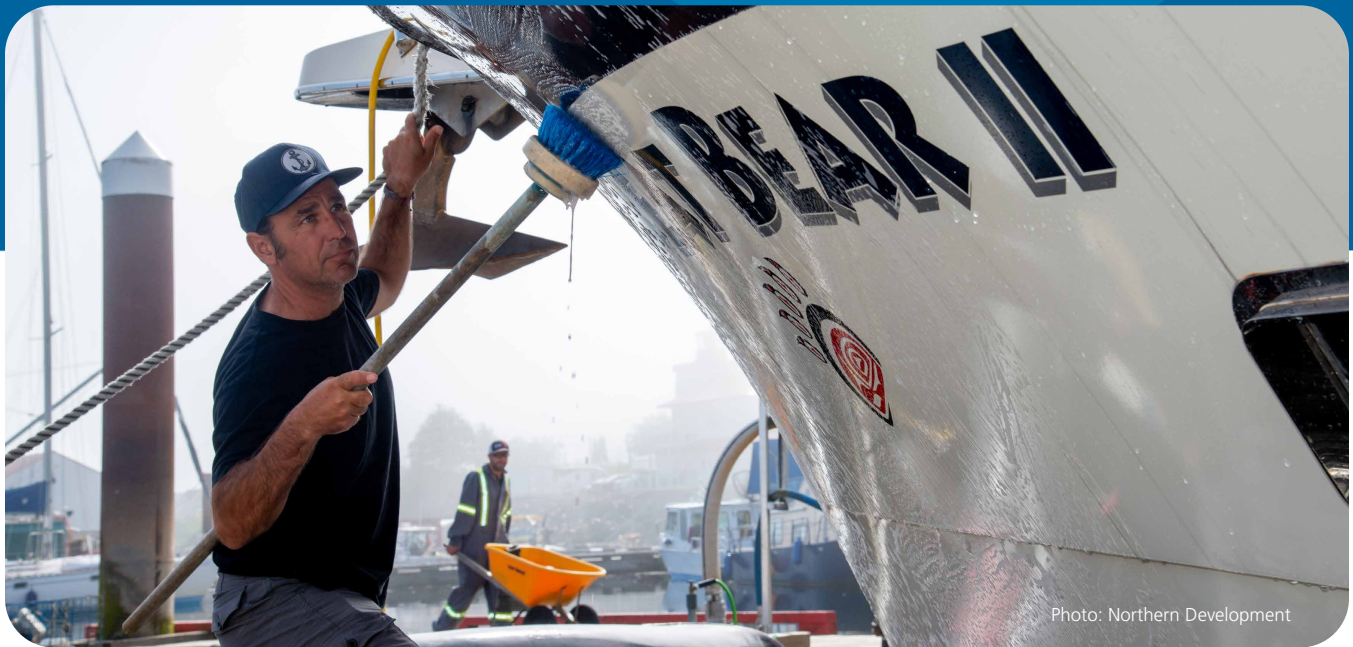


Account balances

When Northern Development received its first capital infusion of \$185 million, the money was divided into seven strategic accounts: \$20 million was disbursed to each of the Trust's four regional development accounts, \$50 million was earmarked for cross regional initiatives, \$30 million was to support the recovery from the mountain pine beetle epidemic and \$25 million went into an operating endowment account. All of these accounts are guided by the Trust's financial management plan and ensure that the funds are sustainably managed so they can be relied on by the region for decades to come.

Investment Account Balances





OPERATIONS

Public accountability and reporting

Northern Development strives to be known as a friendly and approachable organization that serves central and northern B.C. Each year, the Trust conducts an annual client satisfaction survey to touch base with clients and identify areas of improvement. In 2020, 97 per cent of respondents said that their overall experience with Northern Development has been positive.

Continuous improvement

Northern Development embodies a culture of continuous improvement through board governance education, modern financial operations, the introduction of an online applications system for funding programs and other intentional habits. The commitment to up-to-date best practices alleviates risk and facilitates quality interactions with clients and stakeholders.

“ It’s great that there is an organization that can provide funding which responds to the needs of small communities so that the funds make a real difference at the local level. I think it definitely helps that NDIT is ‘northern’ so that they understand what is happening in our region. ”

– Quote from the 2020 Annual Satisfaction Survey

“ We have been so encouraged, privileged and honoured to have the support of Northern Development. We are so thankful for organizations like yours. Thank you for working with us! ”

– Quote from the 2020 Annual Satisfaction Survey

OUR TEAM

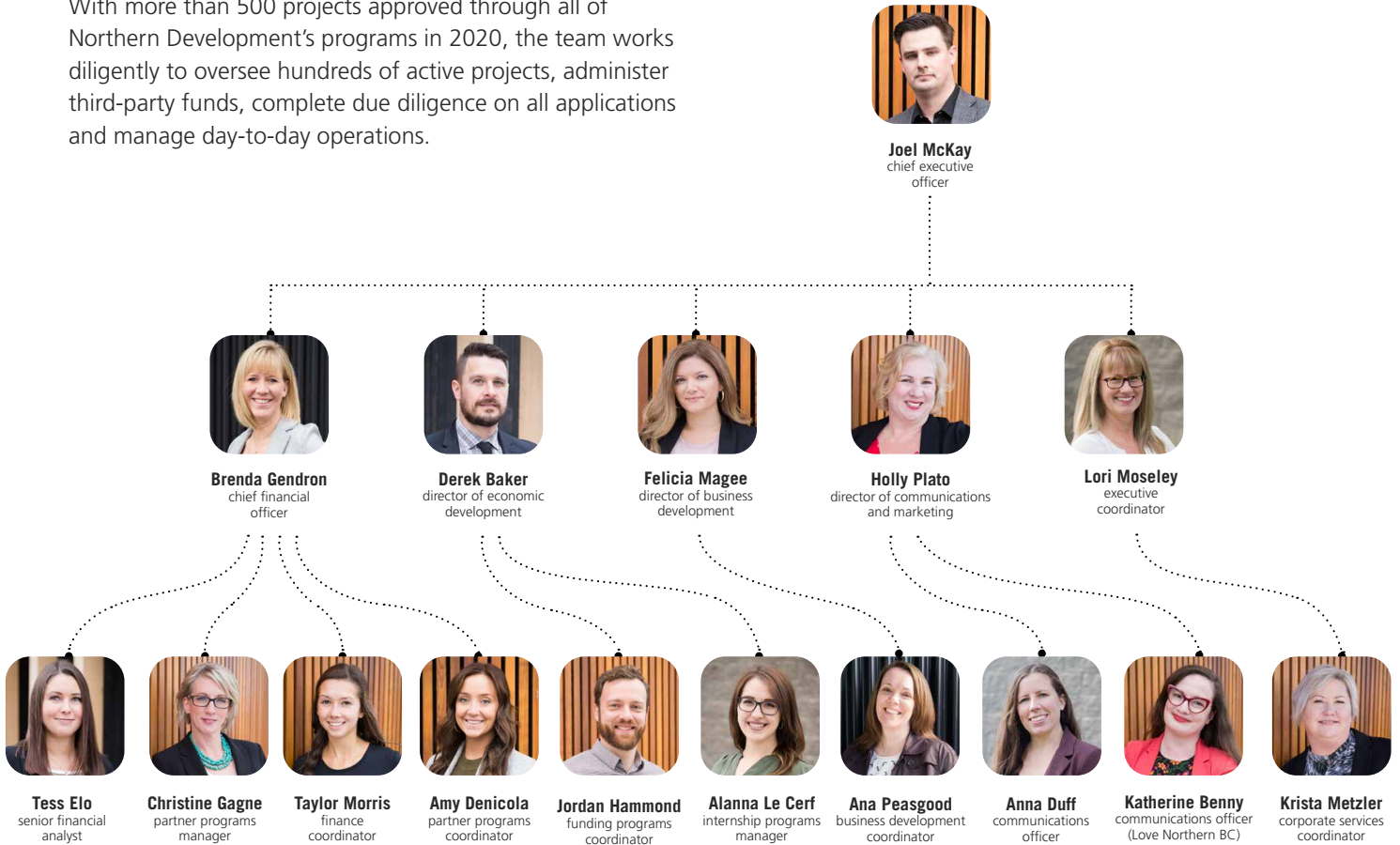
Northern Development's staff team is a focused group of high-performing individuals that work to stimulate Northern B.C.'s economy. The staff is dedicated to building relationships with organizations, governments and businesses in their service region and beyond through the Trust's partner programs.

With more than 500 projects approved through all of Northern Development's programs in 2020, the team works diligently to oversee hundreds of active projects, administer third-party funds, complete due diligence on all applications and manage day-to-day operations.



Photo: Northern Development

2020 STAFF TEAM





ABOUT NORTHERN DEVELOPMENT

Northern Development Initiative Trust combines smart thinking and funding to stimulate the economy in Northern B.C. The Trust was created for the north and is led by the people of the north. Together with communities and partners, Northern Development finds ways to say “yes” to economic diversification throughout Northern B.C.

www.northerndevelopment.bc.ca

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Prince George, B.C. V2L 3L2
northerndevelopment.bc.ca
250-561-2525

Financial Statement of

**NORTHERN DEVELOPMENT
INITIATIVE TRUST**

And Independent Auditors' Report thereon

Year ended December 31, 2020



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

INDEPENDENT AUDITORS' 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, 2020
- 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, 2020 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.



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- 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 24, 2021

Northern Development Initiative Trust

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	Unrestricted and Endowment	Restricted								Total		
	Operating and Endowment Account	Invested in Tangible 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	2020	2019
ASSETS												
Current Assets												
Cash	\$689,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,704	\$ 207,227,282	\$209,891,524	\$ 98,051,939
Accounts receivable	143,669	-	-	-	-	-	-	-	6,668	3,781,626	3,931,963	4,011,495
Prepaid expenses	38,041	-	-	-	-	-	-	-	-	-	38,041	38,492
Current portion of loans receivable (Note 2)	-	-	269,500	-	6,930	-	82,157	506,847	-	-	865,434	2,053,862
Total Current Assets	871,248	-	269,500	-	6,930	-	82,157	506,847	1,981,372	211,008,908	214,726,962	104,155,788
Other Non-Current Assets												
Loans receivable (Note 2)	-	-	6,534,122	-	23,971	-	46,741	2,772,879	-	-	9,377,713	9,002,529
Investments (Note 3)	37,818,586	-	72,708,724	29,266,338	31,501,847	32,065,020	40,400,662	36,277,089	24,230,225	-	304,268,491	288,140,222
Tangible capital assets (Note 4)	-	156,424	-	-	-	-	-	-	-	-	156,424	78,559
TOTAL ASSETS	\$ 38,689,834	\$ 156,424	\$ 79,512,346	\$ 29,266,338	\$ 31,532,748	\$ 32,065,020	\$ 40,529,560	\$ 39,556,815	\$ 26,211,597	\$ 211,008,908	\$ 528,529,590	\$ 401,377,098
LIABILITIES AND EQUITY												
Liabilities												
Accounts payable and accrued liabilities (Note 5)	473,834	-	195,735	20,961	22,562	22,966	28,936	25,983	132	-	791,109	363,775
Funds administered for others (Note 6)	-	-	-	-	-	-	-	-	25,927,935	-	25,927,935	24,403,768
Unearned revenue	3,880,334	-	-	-	-	-	-	-	-	-	3,880,334	2,229,654
	4,354,168	-	195,735	20,961	22,562	22,966	28,936	25,983	25,928,067	-	30,599,378	26,997,197
Equity												
Endowment fund (Note 7)	25,000,000	-	-	-	-	-	-	-	-	-	25,000,000	25,000,000
Externally restricted - uncommitted	-	-	75,522,777	25,275,114	28,502,228	29,698,112	38,702,326	35,140,508	203,530	112,326,550	345,371,145	283,433,789
Externally restricted - committed (Schedule 1)	-	-	3,793,834	3,970,263	3,007,958	2,343,942	1,798,298	4,390,324	80,000	98,682,358	118,066,977	57,275,186
Invested in tangible capital assets (Note 8)	-	156,424	-	-	-	-	-	-	-	-	156,424	78,559
Unrestricted	9,335,666	-	-	-	-	-	-	-	-	-	9,335,666	8,592,367
TOTAL EQUITY	34,335,666	156,424	79,316,611	29,245,377	31,510,186	32,042,054	40,500,624	39,530,832	283,530	211,008,908	497,930,212	374,379,901
Contingencies (Note 9)												
Commitments (Note 10)												
TOTAL LIABILITIES AND EQUITY	\$ 38,689,834	\$ 156,424	\$ 79,512,346	\$ 29,266,338	\$ 31,532,748	\$ 32,065,020	\$ 40,529,560	\$ 39,556,815	\$ 26,211,597	\$ 211,008,908	\$ 528,529,590	\$ 401,377,098

Northern Development Initiative Trust

Statement of Operations and Fund Balances

For the 12 Months ending December 31, 2020

Operating and Endowment Account	Unrestricted and Endowment	Restricted									Total	
	Invested in Tangible 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	2020	2019	
REVENUE												
Investment income, net of fees (Note 3)	\$ 1,902,715	\$ -	\$ 3,648,451	\$ 1,474,794	\$ 1,577,798	\$ 1,607,316	\$ 2,031,828	\$ 1,823,356	\$ 9,251	\$ -	\$ 14,075,509	\$ 8,547,936
Interest income	6,329	-	187,501	-	1,246	16	7,703	-	-	887,157	1,089,952	1,240,537
Contributions	-	-	-	-	-	-	-	-	80,000	113,100,000	113,180,000	60,580,000
Net unrealized gains	1,234,544	-	2,468,982	972,983	1,050,206	1,086,371	1,367,034	1,222,592	5,978	-	9,408,690	28,946,446
Financial services revenue	2,000	-	-	-	-	-	-	-	-	-	2,000	2,000
Third party revenue	299,321	-	-	-	-	-	-	-	-	-	299,321	166,670
TOTAL REVENUE	3,444,909	-	6,304,934	2,447,777	2,629,250	2,693,703	3,406,565	3,045,948	95,229	113,987,157	138,055,472	99,483,589
TOTAL REVENUE	3,444,909	-	6,304,934	2,447,777	2,629,250	2,693,703	3,406,565	3,045,948	95,229	113,987,157	138,055,472	99,483,589
EXPENSE												
ADMINISTRATION EXPENSES												
Amortization	-	52,534	-	-	-	-	-	-	-	-	52,534	70,307
Direct project expenses	-	-	3,750	3,750	-	-	-	-	-	-	7,500	7,770
General administration	88,419	-	-	-	-	-	-	-	-	-	88,419	150,035
S/C, fees, dues, licences	6,895	-	-	-	-	-	-	-	-	151	7,046	7,259
Office expense	147,868	-	-	-	-	-	-	-	-	-	147,868	157,576
Professional services	100,470	-	-	-	-	-	-	-	-	-	100,470	122,179
Rentals and maintenance	36,584	-	-	-	-	-	-	-	-	-	36,584	38,569
Office supplies	27,624	-	-	-	-	-	-	-	-	-	27,624	26,835
Salaries and benefits	1,485,721	-	-	-	-	-	-	-	-	-	1,485,721	1,221,231
Third party expenses	299,321	-	-	-	-	-	-	-	-	-	299,321	166,670
TOTAL ADMINISTRATION EXPENSES	2,192,902	52,534	3,750	3,750	-	-	-	-	-	151	2,253,087	1,968,430
BOARD & RAC EXPENSES												
Board costs	49,194	-	-	-	-	-	-	-	-	-	49,194	95,757
RAC - Northeast	4,191	-	-	-	-	-	-	-	-	-	4,191	5,844
RAC - Prince George	4,427	-	-	-	-	-	-	-	-	-	4,427	7,205
RAC - Cariboo-Chilcotin/Lillooet	4,783	-	-	-	-	-	-	-	-	-	4,783	7,905
RAC - Northwest	5,735	-	-	-	-	-	-	-	-	-	5,735	8,559
TOTAL BOARD & RAC EXPENSES	68,330	-	-	-	-	-	-	-	-	-	68,330	125,270
TOTAL ADMINISTRATION COSTS	2,261,232	52,534	3,750	3,750	-	-	-	-	-	151	2,321,417	2,093,700
Software upgrades	54,949	-	-	-	-	-	-	-	-	-	54,949	18,973
Website upgrades and integration	209,984	-	-	-	-	-	-	-	-	-	209,984	80,914
Rebranding	45,046	-	-	-	-	-	-	-	-	-	45,046	-
TOTAL INCREMENTAL PROJECT EXPENSES	309,979	-	-	-	-	-	-	-	-	-	309,979	99,887
Grants and loans (Schedule 1)	-	-	3,020,126	1,259,751	826,792	1,631,664	1,315,811	1,344,797	80,000	2,782,914	12,261,855	21,823,135
Less: repayable portion	-	-	-	-	-	-	-	-	-	-	-	(3,004,000)
Fair value adjustment for interest free loans receivable (Note 2)	-	-	-	-	-	-	-	(388,090)	-	-	(388,090)	911,168
	-	-	3,020,126	1,259,751	826,792	1,631,664	1,315,811	956,707	80,000	2,782,914	11,873,765	19,730,303
TOTAL EXPENSES	2,571,211	52,534	3,023,876	1,263,501	826,792	1,631,664	1,315,811	956,707	80,000	2,783,065	14,505,161	21,923,890
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	873,698	(52,534)	3,281,058	1,184,276	1,802,458	1,062,039	2,090,754	2,089,241	15,229	111,204,092	123,550,311	77,559,699
Fund Balances, Beginning of Year	33,592,367	78,559	76,035,553	28,061,101	29,707,728	30,980,015	38,409,870	37,441,591	268,301	99,804,816	374,379,901	296,820,202
Investment in Capital Assets	(130,399)	130,399	-	-	-	-	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ 34,335,666	\$ 156,424	\$ 79,316,611	\$ 29,245,377	\$ 31,510,186	\$ 32,042,054	\$ 40,500,624	\$ 39,530,832	\$ 283,530	\$ 211,008,908	\$ 497,930,212	\$ 374,379,901

NORTHERN DEVELOPMENT INITIATIVE TRUST

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 123,550,311	\$ 77,559,699
Items not involving cash:		
Amortization	52,534	70,307
Net unrealized gains	(9,408,690)	(28,946,446)
Accrued interest on loans receivable	(196,466)	(317,691)
Fair value adjustment for interest free loans receivable	(388,090)	911,168
	113,609,599	49,277,037
Change in non-cash operating working capital:		
Accounts receivable	79,532	(3,923,206)
Prepaid expenses	451	3,096
Funds administered for others	1,524,167	2,286,551
Accounts payable and accrued liabilities	427,333	141,316
Unearned revenue	1,650,680	1,522,697
	117,291,762	49,307,491
Investing:		
Investments	(6,719,580)	3,065,977
Repayment of loans receivable	1,397,802	1,982,612
Advances on loans receivable	-	(3,004,000)
Acquisition of tangible capital assets	(130,399)	(16,627)
	(5,452,177)	2,027,962
Increase in cash	111,839,585	51,335,453
Cash, beginning of year	98,051,939	46,716,486
Cash, end of year	\$ 209,891,524	\$ 98,051,939

See accompanying notes to financial statements.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements

Year ended December 31, 2020

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 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 Account and report contributions restricted to activities outlined in their respective strategic plans. The Other Trust Funds are comprised of the Western Economic Diversification Community Adjustment Fund, Young Innovator Scholarship Fund, New Relationship Trust Fund, Northwest Powerline Fund and Prince George Agriculture 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 7).

(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.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(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	10%
Vehicles	33%

(d) Externally restricted - uncommitted funds:

Uncommitted externally restricted funds represent 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 the 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, 2020

1. Significant accounting policies (continued):

(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.

(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.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(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.

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.

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.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Loans receivable:

	2020	2019
Cross Regional Development Account - Prince George. Repayable in monthly installments with annual totals over the next five years of \$481,342 in 2021, \$1,405,943 in 2022, \$1,375,044 in 2023, \$1,344,403 in 2024, and \$1,313,244 in 2025, including interest at bank prime rate (December 31, 2020 - 2.45%). Due February 2027.	\$ 6,803,622	\$ 7,041,749
Cariboo-Chilcotin Lillooet Regional Development Account. Repayable in annual installments in the next four years of \$8,031 in 2021, 2022 and \$5,894 in 2023, 2024 and 2025, including interest between 3.0% and 3.7%. Due September 2025.	30,901	37,686
Northwest Regional Development Account. Loan was repaid during the year.	-	13,997
Northeast Regional Development Account. Repayable in annual installments in the next two years of \$87,400 in 2021, and \$47,306 in 2022, including interest at 4.0%. Due September 2022.	128,898	488,395
Prince George Regional Development Account. Repayable in annual installments in the next five years of \$476,679 in 2021, \$492,928 in 2022, and \$489,809 in 2023, \$452,873 in 2024 and 2025, non-interest bearing. Due July 2029.	3,802,803	4,385,732
	<u>10,766,223</u>	<u>11,967,559</u>
Current portion of loans receivable	(865,434)	(2,053,862)
Fair value adjustment for interest free loans receivable	(523,077)	(911,168)
	<u>\$ 9,377,713</u>	<u>\$ 9,002,529</u>

During the year, the Trust recorded a recovery of \$388,090 for the change in the fair value adjustment for interest free loans receivable. The recovery was as a result of fluctuations in the discount rate used to determine the adjustment.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Investments:

The Trust's investments are held with Mawer Investment Management Ltd. at fair value.

	2020	2019
Cash equivalents:		
Mawer Canadian Money Market	\$ 7,482,462	\$ 13,243,991
Fixed income balances:		
Mawer Canadian Bond Pooled Fund	92,120,679	85,835,849
Mawer Global Bond Fund	6,214,986	6,128,359
	98,335,665	91,964,208
Equity balances:		
Mawer Canadian Equity Pooled Fund	47,259,131	42,565,070
Mawer Small Cap Fund	21,824,748	20,259,803
Mawer Global Equity Series	129,366,485	120,107,150
	198,450,364	182,932,023
	\$ 304,268,491	\$ 288,140,222

Investment income is presented net of management fees charged for the year ended December 31, 2020 of \$758,980 (2019 - \$745,622).

4. Tangible capital assets:

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 363,081	\$ 337,737	\$ 25,344	\$ 53,089
Computer software	163,418	162,261	1,157	1,060
Furniture and fixtures	158,433	148,677	9,756	6,089
Leasehold improvements	175,160	54,993	120,167	9,942
Vehicles	77,473	77,473	-	8,379
	\$ 937,565	\$ 781,142	\$ 156,424	\$ 78,559

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

5. Accounts payable and accrued liabilities:

	2020	2019
Accounts payable and accrued liabilities	\$ 768,626	\$ 353,907
Payroll and withholding taxes	22,483	9,868
	\$ 791,109	\$ 363,775

6. 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:

	2020	2019
Opening balance	\$ 24,403,768	\$ 22,117,217
Contributions	98,000	198,000
Investment income, net of fees	2,043,557	3,279,885
Administrative fees	(50,000)	(25,000)
Grants	(565,129)	(1,161,764)
Bank charges	(31)	(22)
Board travel	(2,230)	(4,548)
	\$ 25,927,935	\$ 24,403,768

7. 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 \$1,902,715 (2019 - \$1,121,631) and net unrealized gains of \$1,234,544 (2019 - \$3,761,525) for the year ended December 31, 2020.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Invested in tangible capital assets:

Invested in tangible capital assets is calculated as follows:

	2020	2019
Opening balance	\$ 78,559	\$ 132,239
Amortization	(52,534)	(70,307)
Acquisitions of capital assets	130,399	16,627
	\$ 156,424	\$ 78,559

During the year, transfers from the Operating Fund to the Invested in Tangible Capital Assets Fund due to the acquisition of tangible capital assets amounted to \$130,399 (2019 - \$16,627).

9. Contingencies:

The Trust is contingently liable as guarantor of loans with unrelated parties in the amount of \$711,075 (2019 - \$751,496).

The Trust has a demand credit facility for a standby letter of credit authorized to \$15,000,000, secured by a general security agreement placing a first-priority interest in all present and future property of the Trust. As at December 31, 2020, there was one letter of credit issued for a total of \$1,000,000 expiring November 2021.

10. Commitments:

In addition to committed funds disclosed in Schedule 1, the Trust leases premises under a lease which expires May 2022. The minimum lease payments in the next two years are as follows:

2021	\$ 120,569
2022	50,237
	\$ 170,806

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

11. 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 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, 2020, global equities represents approximately 50% (2019 - 49%) 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, 2020, the Trust's investment holdings were aligned with their target asset allocations. Equity investments represent approximately 65% (2019 - 64%) of the holdings. It is estimated that a 1% change in returns would change the fair value of the equities portfolio by \$1,984,504 (2019 - \$1,829,320).

As at December 31, 2020, the Trust's annual return on investments was approximately 8.9% (2019 - 15.5%).

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Trust is not known at this time.

At the time of approval of these financial statements, the Trust has experienced the following indicators of financial implications in the fiscal year and undertaken the following activities in relation to the COVID-19 pandemic.

- Experienced temporary declines in the fair value of investments and investment income
- Closure of the Trust office based on public health recommendations
- Mandatory working from home requirements for those able to do so

Due to the pandemic, the current environment presents uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

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

(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. During the year, the Trust granted a loan deferral and interest only payments for the loan receivable from the Cross Regional Development Account - Prince George. The Trust does not believe that their credit risk exposure has significantly increased as a result of the deferral provided.

(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 2019.

(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 \$6,803,622 (2019 - \$7,041,749). As at December 31, 2020, fixed income securities represents approximately 35% (2019 - 37%) of the Trust's investment holdings. It is estimated that a 1% change in interest rates would change the fair value of the portfolio by \$1,058,040 (2019 - \$1,050,731). The Trust employs investment diversification to manage this risk.

NORTHERN DEVELOPMENT INITIATIVE TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2020

12. 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 61,698 active members and 45,139 retired members. Active members include more than 90 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, 2020. The valuation shows an improvement in the actuarial position for the Basic Account, from a surplus of \$1,074 million as at March 31, 2017, to a surplus of \$2,667 million as at March 31, 2020. 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 \$122,143 (2019 - \$111,613) for employer contributions to the Plan during the year.

Northern Development Initiative Trust
Schedule of Externally Restricted - Committed Funds
Year ended December 31, 2020

SCHEDULE 1

Account	Total Funding Approved (unaudited)	Grants and loans		2020	2019
		2020 Disbursements	2019 Disbursements	Outstanding Commitments	Outstanding Commitments
Cross Regional Account	\$ 47,689,423	\$ 3,020,126	\$ 3,584,685	\$ 3,793,834	\$ 2,696,410
Pine Beetle Recovery Account	33,422,342	1,259,751	2,310,584	3,970,263	3,058,978
Cariboo-Chilcotin/Lillooet Regional Development Account	18,105,860	826,792	1,262,846	3,007,958	2,240,281
Northwest Regional Development Account	21,315,181	1,631,664	1,906,224	2,343,942	2,565,632
Northeast Regional Development Account	14,399,764	1,315,811	959,469	1,798,298	2,342,805
Prince George Regional Development Account	25,358,921	1,344,797	5,269,594	4,390,324	4,334,052
Province of British Columbia	115,260,429	2,782,914	6,465,770	98,682,358	39,957,028
Other Trust Funds	30,612,727	80,000	63,963	80,000	80,000
TOTAL	\$ 306,164,647	\$ 12,261,855	\$ 21,823,135	\$ 118,066,977	\$ 57,275,186