Northern Passenger Transportation Service Fund

2025/26 Annual Report

NORTHERN DEVELOPMENT

Published May 30, 2026

This report is for the 2025/2026 fiscal year, beginning April 1, 2025 and ending March 31, 2026. All references to 2026 are for the 2026 fiscal year, unless otherwise indicated.

Photo credit: Province of BC

Overview 2025/26

Created by the Ministry of Transportation and Transit (MOTT) in March 2021, the Northern Passenger Transportation Service Fund (NPTS) began with a $7.9 million fund to improve passenger transportation in Northern B.C. The fund financially supports the BC Bus North inter-community long-haul service and facilitated the transition of the former Highway 16 Community Transportation Grant program to Northern Development's Northern Community Shuttle (NCS) program.

In March 2023, the Ministry granted an additional $5.25 million to the NPTS to extend both programs through fiscal 2026/27 (March 31, 2027) and to support the common booking platform for services in Northern B.C. In December 2024, the funding agreement was extended to March 31, 2028.

This funding demonstrates the Province of BC, through MOTT, and Northern Development's continued commitment to taking action to address challenges residents and visitors in the region face in accessing safe, reliable and affordable transportation options.


Photo: Province of BC

Funding Overview

$7.9 million

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

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

$5.25 million

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

- $250,000 was committed towards the Connected Network Project
- $1.3 million was committed towards the Northern Community Shuttle Program
- $1.9 million committed for BC Bus North
- Service contract extension to March 31, 2028

Fund Background

Following Greyhound's departure from Western Canada in 2018, a range of federal, provincial and local initiatives have emerged to help address gaps in interregional transportation. New inter-city services have been introduced by private operators on select routes, while Indigenous, municipal and regional district governments have supported local and regional travel through partnerships with BC Transit and investments in community shuttle services.

Additional support has come from health authorities and post-secondary institutions, which have developed or partnered on transportation options to help patients and students access essential services safely and reliably.

Prior to Northern Development being appointed administrator of the Northern Passenger Transportation Fund, the Ministry of Transportation and Transit was supporting long and short-haul transportation in Northern B.C. The following pages of this report will detail the results of the two current funding programs, which continue to meet the transportation needs that were addressed through the previous funding programs, which were:

- BC Bus North, which provided inter-city and long-haul service commencing in June 2018
- The Highway 16 Community Transportation Grant Program, which began supporting short-haul community shuttle operators in 2017 through the Highway 16 Transportation Action Plan

Photo: Michael Ambach

2025/26 Highlights

34,952

passengers using transportation services in Northern B.C.

15,786 passengers on BC Bus North

19,166 passengers on shuttles

930,327

kilometres travelled across the network

573,870 km travelled by BC Bus North

356,457 km travelled by shuttles

$1,229,504

in fare revenue collected across the network

$2,871,406

total operating costs for BC Bus North and NCS (including Northern Development and partner costs)

$145.45 average cost per passenger on BC Bus North

$30.02 average cost per passenger on shuttle services

NPTS Lifetime Statistics

April 2021 – March 2026

45 applications received

29 projects approved

$13,875,686

total funds approved

131,852 passengers serviced by all transit providers

- 51,490 BC Bus North rides
- 80,362 NCS shuttle rides
- $82.45 average cost per passenger, based on reported expenses

3,600,575 kilometres travelled across all services

- 2,112,409 kilometres travelled by BC Bus North
- 1,488,166 kilometres travelled by NCS shuttles
- $3.02 average cost per km, based on reported expenses

Inter-City Passenger Transportation Services for Northern BC

The Inter-City Passenger Transportation Services (IPTS) program is one of two funding streams under NPTS. It is designed to provide grant support for the delivery of consistent passenger service connecting communities across Northern B.C., while offering a hub system that allows smaller community shuttle providers to access long-distance travel options.

On April 1, 2022, BC Bus North, operated by Pacific Western Charters (PWC), continued operating with support through IPTS. This followed a one-year contract extension established in 2021 to ensure that reliable service continued without interruption as Northern Development assumed responsibility for the program. The 2022 funding agreement introduced a second round-trip weekly to Fort Nelson and was reoriented to strengthen connections to private charter operators in Dawson Creek, Valemount and Prince George, supporting onward travel to Grande Prairie, Jasper and Kamloops.

Ridership through IPTS remained steady in 2025/26 compared to the previous year, with a total of 15,786 rides being recorded in the year. The Prince George to Valemount route saw the largest percentage increase year over year, with ridership growing by 8.81% in the year. Demand for service travelling south also increased, with an additional 263 rides being recorded between Prince George and Kamloops, representing a 2.70% increase. Fort St. John to Fort Nelson saw passenger numbers increase by 4.01% when compared to the same time period.

In 2025/26, $1,883,250 in funding was approved for BC Bus North and $1,157,942 was collected in fare revenue, a modest increase over the previous year. With nearly 15,800 rides being provided to Northern B.C. residents and visitors to facilitate connections between communities in the region, terminus locations included Fort Nelson, Kamloops, Prince Rupert and Valemount. Throughout the year, 573,870 kilometres were travelled through BC Bus North, with the cost per kilometre equalling $4.00.

Modest increases in ridership and fare revenue reflect a steady and reliable service that is familiar to specific audiences in the region. While more ridership growth is possible, the steady numbers suggest a service that meets the needs of riders.

	2025/26 Ridership Total	2024/25 Ridership Total	Year-Over-Year	Year-Over-Year
Route 100 – Prince George to Prince Rupert	3,175	3,284	(109)	-3.32%
Route 200 – Prince George to Valemount	247	227	20	8.81%
Route 300 – Prince George to Fort St. John	1,573	1,943	(370)	-19.04%
Route 500 – Prince George to Kamloops	9,987	9,724	263	2.70%
Route 600 – Fort St. John to Fort Nelson	804	773	31	4.01%
Total	15,786	15,951	(165)	-1.03%

In 2024, a competitive grant intake process was undertaken to determine the future delivery of inter-city transportation services. Northern Development led the intake process, beginning with posting an expression of interest to notify potential applicants of the upcoming intake, followed by the formal intake. Submissions were reviewed with support from external consultants to ensure a thorough evaluation of service models, operational capacity and long-term viability.

Following this process, Northern Development's Board approved a new service provider in July 2025. Extensive planning and coordination for the transition between service providers was undertaken after the decision, allowing time for coordination and implementation while maintaining continuity of service across the network with minimal impact to passengers.

IPTS TIMELINE

February 2022
Northern Development hosts two Indigenous passenger transportation roundtables

May-June 2022
Community consultation in eight rural and remote communities

July, 2022
IPTS program launched and intake opens

August, 2022
IPTS intake closes

July-August 2022
Trust staff notify existing long-haul providers of IPTS via email and phone

September 2022
Trust staff and Watt Consulting Group review applications

October 2022
Trust asks clarification questions to applicants

December 1, 2022
Pacific Western Charters Ltd. approved for $2,490,000 to operate BC Bus North between April 1, 2023, through March 31, 2025

April 1, 2023
Pacific Western Charters Ltd. continues to operate BC Bus North service, adding the Prince George to Kamloops route

July 2024
Expression of interest posted to BC Bid to notify transportation operators

August - Sept 2024
Intake for service between April 1, 2025 and March 31, 2028 open

February 2025
Six-month extension to current BC Bus North contract awarded while assessment of applications received in the intake continues

July 2025
Decision made for a new BC Bus North service provider for implementation in 2026

September 2025
Contract extension to current BC Bus North operator awarded to ensure smooth transition to new provider

Total funds approved to date

$9,503,625

2022/23 Funding Approved	2023/24 Funding Approved	2024/25 Funding Approved	2025/26 Funding Approved
$1,650,000	$1,240,000	$1,250,000	$1,883,250

51,490
Rides provided since 2022

2,112,409
Kilometres travelled since 2022

$3,491,896
Fare revenue collected since 2022

$4.00
Cost per kilometre travelled in 2025/26

NCS Overview

The Northern Community Shuttle (NCS) program builds on the foundation of the Ministry of Transportation and Transit's Highway 16 Community Transportation Grant Program, expanding support to communities across Northern Development's service region. Through the program, $3 million was made available to introduce or enhance passenger transportation options on routes under 300 kilometres. These services are designed to connect residents to larger centres, where they can access essential services and link to longer-haul transportation options such as BC Bus North, Northern Health Connections, BC Transit and local transit systems.

Since launching in 2022, NCS has supported the development of community-based shuttle services that prioritize safe, reliable and affordable transportation. The first intake of projects wrapped up on March 31, 2025, following three years of stable funding that helped operators establish consistent service and build ridership across their communities.

In August 2024, a second intake opened with approximately $1 million available to support continued and expanded service. Eight shuttle services were approved to operate between April 1, 2025, and March 31, 2027.

Beginning April 1, 2025, these services launched or continued operations across Northern B.C., marking the next phase of the program. With support for both capital and operating costs, communities are maintaining existing routes, introducing service improvements and responding to evolving local transportation needs. Together, these shuttles continue to strengthen regional connectivity, ensuring residents have safe and reliable access to the services and opportunities that support daily life.

Second Intake of NCS Funding Terms

Capital Costs

Up to 75% of costs to a maximum of $100,000 towards eligible capital expenses

Operating Costs

Up to 75% of costs to a maximum of $150,000 towards eligible operating expenses

*** Maximum total funding cannot exceed 75% of the total budget (capital and operating) to a maximum of $200,000**

NCS Timeline

October 2021
Northern Development conducts community consultation in 30 communities

November 2021
NCS program launched and intake opens

January, 2022
NCS intake closes

January-February 2022
Trust staff and Watt Consulting Group review 29 applications

February 23, 2022
Trust approves 18 shuttle applications, committing $3,049,027

March-April 2022
Trust staff and Watt Consulting Group work with each applicant to finalize shuttle service plan, launch services and educate about reporting requirements

April 1, 2022
Applicants begin operating services with NCS funding until March 31, 2025

August - October 2024
Intake for service between April 1, 2025 and March 31, 2027

October 2024 – January 2025
Trust staff and Watt Consulting Group review submitted applications

February 26, 2025
Trust approves eight shuttle applications, committing $1,323,034

April 1, 2025
Eight shuttle services begin operations for service until March 31, 2027

Total funds approved through NCS program

$4,372,061

26
Number of shuttles approved

8
Number of shuttles operating as of March 31, 2026

356,457
kilometres travelled in 2025/26

19,166
passengers moved in 2025/26

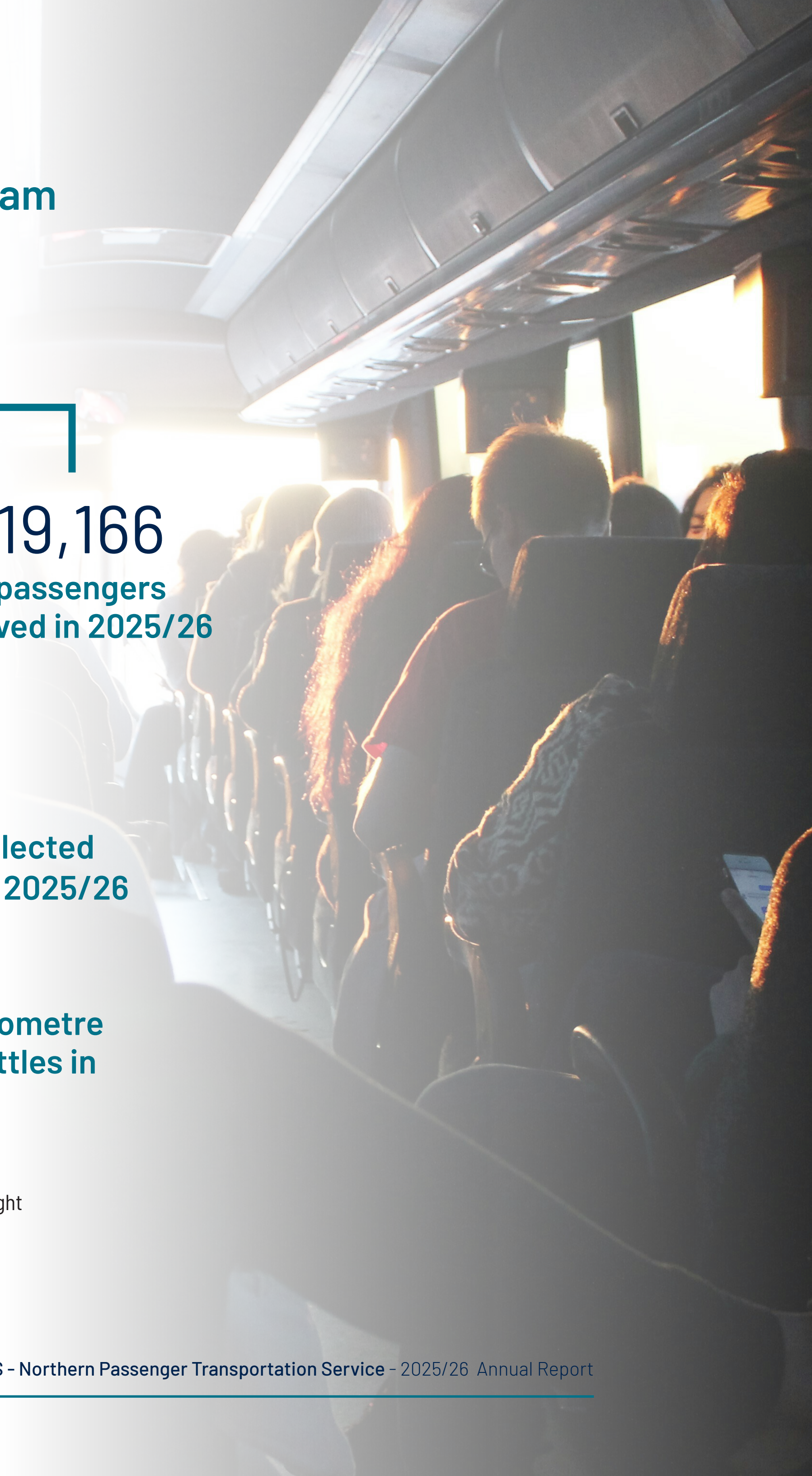
$575,297
total operating costs for all active shuttles in 2025/26

$71,563
total fare revenue collected for all active shuttles in 2025/26

$30.02
average cost per shuttle passenger in 2025/26

$1.61
average cost per kilometre travelled for all shuttles in 2025/26

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



Vanderhoof-Saik'uz shuttle provides stable service

When long-distance transportation options became limited across northern B.C., communities were left searching for reliable ways to stay connected. In Vanderhoof and Saik'uz, that connection now arrives daily, at no cost to riders.

The Vanderhoof Service Shuttle provides a consistent transportation link between the two communities and the broader Highway 16 corridor. Supported through the Northern Community Shuttle program in 2024-2025, the service reflects a growing network designed to ensure residents can travel safely and affordably to the places that matter.

Operating five days a week, the shuttle runs three times daily between Saik'uz and Vanderhoof, while also completing multiple loops within Vanderhoof itself. In addition to its scheduled service, the shuttle includes a dedicated on-call period of one and a half hours each day. Drivers also accept calls throughout the day and do their best to accommodate riders whenever possible, helping ensure the service responds to residents' needs.

For many residents, the shuttle is more than a convenience, it is an essential service. By removing cost as a barrier and offering flexible, responsive transportation, the shuttle provides a dependable way to attend medical appointments, access post-secondary education at

Photo: Province of BC

College of New Caledonia, pick up groceries, manage banking and connect with local businesses and services. Just as importantly, it ensures that people can make these trips with confidence, knowing they have a safe way to return home.

Community shuttle services like this one play a critical role in addressing transportation gaps that have existed since the loss of Greyhound in 2018. By focusing on shorter routes and local connections, they help bridge distances between communities while linking riders to larger transportation networks.

Today, the Vanderhoof Service Shuttle continues to be well utilized by residents of both Vanderhoof and Saik'uz, demonstrating the ongoing need for safe transportation. Through consistent service and a strong focus on accessibility, it is helping strengthen connections, support independence and improve quality of life, one trip at a time.

Approved Northern Community Shuttle Projects - Intake 1

Project #	Proponent	Committed Funds		Approved Date
7837-92	Autumn Services Society for Senior Support	Capital: Operating: Total:	$80,000.00 $60,160.00 $140,160.00	2/23/2022
7847-92	Binche Keyoh Bu Society	Operating:	$150,000.00	2/23/2022
7851-92	Takla Nation	Capital: Operating: Total:	$100,000.00 $100,000.00 $200,000.00	2/23/2022
7852-92	District of Vanderhoof	Operating:	$150,000.00	2/23/2022
7853-92	Dze L K'ant Friendship Centre Society	Operating:	$150,000.00	2/23/2022
7854-92	Nisga'a Village of Gingolx	Capital: Operating: Total:	$98,707.20 $101,292.80 $200,000.00	2/23/2022
7855-92	Village of Fraser Lake	Operating:	$150,000.00	2/23/2022
7856-92	Village of Granisle	Capital: Operating: Total:	$54,575.00 $117,476.00 $172,051.00	2/23/2022
7858-92	Gitanyow Human Services	Operating:	$128,640.00	2/23/2022
7859-92	Kermode Friendship Society	Capital: Operating: Total:	$38,400.00 $87,936.00 $126,336.00	2/23/2022
7860-92	Kimta Transportation Society	Capital: Operating: Total:	$48,990.00 $150,000.00 $198,990.00	2/23/2022
7861-92	Kwadacha First Nation	Capital: Operating: Total:	$77,500.00 $105,350.00 $182,850.00	2/23/2022
7865-92	Nawican Friendship Centre	Capital: Operating: Total:	$69,407.00 $130,593.00 $200,000.00	2/23/2022
7866-92	Friendship House Association of Prince Rupert	Capital: Operating: Total:	$100,000.00 $100,000.00 $200,000.00	2/23/2022
7867-92	Northern Rockies Seniors Society	Operating:	$150,000.00	2/23/2022

7903-92	District of Stewart	Capital: Operating: Total:	$80,000.00 $120,000.00 $200,000.00	2/23/2022
7912-92	Gitanmaax Band	Operating:	$150,000.00	2/23/2022
7917-92	First Nations Health Authority	Capital: Operating: Total:	$75,000.00 $125,000.00 $200,000.00	2/23/2022
Amount Approved			**$3,049,027.00**	

Approved Northern Community Shuttle Projects - Intake 2

Project #	Proponent	Committed Funds		Approved Date
9317-92	Autumn Services Society for Senior Support	Capital: Operating: Total:	$69,119.00 $118,027.00 $187,139.00	2/26/2025
9327-92	Dze L K'ant Friendship Centre Society	Operating:	$73,050.00	2/26/2025
9328-92	Village of Fraser Lake	Operating:	$80,089.00	2/26/2025
9329-92	Village of Granisle	Capital: Operating: Total:	$63,631.00 $136,369.00 $200,000.00	2/26/2025
9330-92	Kimta Transportation Society	Capital: Operating: Total:	$46,831.00 $150,000.00 $196,831.00	2/26/2025
9331-92	Northern Rockies Seniors Society	Capital: Operating: Total:	$38,250.00 $150,000.00 $188,250.00	2/26/2025
9333-92	District of Vanderhoof	Capital: Operating: Total:	$50,000.00 $150,000.00 $200,000.00	2/26/2025
9334-92	Yekooche First Nation	Capital: Operating: Total:	$47,675.00 $150,000.00 $197,675.00	2/26/2025
Amount Approved			**$1,323,034.00**	

Connected Network

On March 31, 2026 the Connected Network platform was closed following consultation with the Ministry of Transportation and Transit and a decision by Northern Development's executive committee. The application experienced challenges with integrating other service providers onto the platform and had limited traffic and bookings.

Originally launched in 2024, and operated to March 31, 2026, the Connected Network application (publicly known as OneBus) was designed to increase the visibility of routes, schedules and service offerings across the region. Grant funding was committed to the project from both the Ministry of Transportation and Transit and Northern Development. Unused project funding from the Ministry of Transportation and Transit will be reallocated to fund future service delivery.

Program Governance and Structure

Delivered by Northern Development with funding from the Province of B.C., NPTS provides grant funding to support safe and affordable passenger transportation across Northern B.C. The program plays a key role in building connections between communities and improving access to essential services throughout the region.

Program oversight is supported by the Northern Passenger Transportation Service Fund Advisory Committee which provides guidance on programs, helping with design, eligibility criteria and funding recommendations to the Trust. Northern Development's Indigenous Advisory Committee also contributes feedback to help ensure the program reflects the priorities and perspectives of Indigenous communities throughout the region.

Northern Development is responsible for the program design and administration of the Fund, including application intake, client service, contract management and ongoing program reporting. The Trust oversees project approvals, with all funding decisions over $100,000 ratified by the Board of Directors to ensure strong governance and accountability.

Funding recipients under both IPTS and NCS provide regular reporting to Northern Development to support program monitoring and evaluation. While monthly reporting was required for earlier NCS projects, the current intake has shifted to quarterly reporting to better align with operator capacity, particularly for smaller and community-based providers. This reporting informs Northern Development's quarterly and annual updates to the Province of B.C., which include project status, program metrics, financial reconciliation and overall program performance.


Photo: Northern Development

Grant Disbursements

Financial disbursements and reporting requirements vary by program to support the needs and capacity of operators. At the start of each agreement, the total approved funding is calculated to be distributed evenly across the lifetime of the agreement.

To be responsive to fluctuating service levels and costs, proponents submit annual financial reporting to Northern Development. Staff review the reporting and compare reported expenditures to initial budget and previous financial disbursements. If there is a discrepancy, future payments may be adjusted to reflect actual project spending.

As the fund administrator, Northern Development staff proactively work with proponents to ensure reliable service delivery for the lifetime of the project. This includes understanding and supporting cashflow and the financial sustainability of the service.

Financial Management

The Trust operates on a January to December fiscal year. In accordance with policy, financial statements and the annual report are published on the Trust's website and submitted to the Province of B.C. by April 30 each year.

The 2025 financial statements are included at the end of this report.

Funds not yet disbursed are held by the Trust and released as project requirements are met. Prior to disbursement, Northern Development's finance staff review all claims to ensure recipients have fulfilled the terms and conditions outlined in their contribution agreements.


Photo: Lheidli T'enneh First Nation

Appendix A

Financial Statements of

Northern Development Initiative Trust

And Independent Auditor's Report thereon

Year ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Northern Development Initiative Trust

Opinion

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

- the statement of financial position as at December 31, 2025
- 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, 2025 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

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

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

Other Information

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

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

February 25, 2026

Appendix B

Northern Development Initiative Trust

Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

	Unrestricted and Endowment	Restricted									Total	
	Operating	Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcotin Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2025	2024
ASSETS												
Current Assets												
Cash	$ 6,250,987	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 606,857	$ 245,648,939	$ 252,506,783	$ 281,900,974
Accounts receivable and accrued interest	14,083	-	-	-	-	-	-	-	1,325	548,794	564,202	909,252
Prepaid expenses	170,222	-	-	-	-	-	-	-	-	-	170,222	141,166
Current portion of loans receivable (Note 2)	-	-	-	-	-	-	-	406,837	-	-	406,837	393,200
Derivative financial instruments (Note 3)	1,954,053	-	4,550,176	1,446,494	1,582,125	1,695,145	2,194,318	1,923,939	1,395,209	-	16,741,459	-
Total Current Assets	8,389,345	-	4,550,176	1,446,494	1,582,125	1,695,145	2,194,318	2,330,776	2,003,391	246,197,733	270,389,503	283,344,592
Other Non-Current Assets												
Loans receivable (Note 2)	-	-	-	-	-	-	-	839,270	-	-	839,270	1,183,923
Investments (Note 4)	43,214,372	-	100,628,284	31,989,566	34,989,092	37,488,545	48,527,890	42,548,382	31,119,531	-	370,505,662	337,361,750
Tangible capital assets (Note 5)	-	60,586	-	-	-	-	-	-	-	-	60,586	106,002
Derivative financial instruments (Note 3)	1,972	-	4,592	1,460	1,597	1,711	2,215	1,942	1,405	-	16,894	-
TOTAL ASSETS	**$ 51,605,689**	**$ 60,586**	**$ 105,183,052**	**$ 33,437,520**	**$ 36,572,814**	**$ 39,185,401**	**$ 50,724,423**	**$ 45,720,370**	**$ 33,124,327**	**$ 246,197,733**	**$ 641,811,915**	**$ 621,996,267**
LIABILITIES AND EQUITY												
Current Liabilities												
Accounts payable and accrued liabilities (Note 6)	87,726	-	-	-	-	-	-	-	-	214,850	302,576	227,020
Due to (from) other funds	(157,716)	-	157,716	-	-	-	-	-	-	-	-	-
Funds administered for others (Note 7)	-	-	-	-	-	-	-	-	30,912,927	-	30,912,927	28,350,100
Unearned revenue (Note 8)	3,731,557	-	-	-	-	-	-	-	-	-	3,731,557	4,386,041
Current portion of obligation under capital lease (Note 9)	-	6,708	-	-	-	-	-	-	-	-	6,708	6,546
Derivative financial instruments (Note 3)	1,958,858	-	4,561,364	1,450,050	1,586,015	1,699,313	2,199,713	1,928,669	1,398,612	-	16,782,594	-
Total Current Liabilities	5,620,425	6,708	4,719,080	1,450,050	1,586,015	1,699,313	2,199,713	1,928,669	32,311,539	214,850	51,736,362	32,969,707
Other Non-current Liabilities												
Obligation under capital lease (Note 9)	-	-	-	-	-	-	-	-	-	-	-	6,708
Derivative financial instruments (Note 3)	1,980	-	4,610	1,466	1,603	1,717	2,223	1,949	1,411	-	16,959	-
TOTAL LIABILITIES	5,622,405	6,708	4,723,690	1,451,516	1,587,618	1,701,030	2,201,936	1,930,618	32,312,950	214,850	51,753,321	32,976,415
Equity												
Endowment fund (Note 10)	25,000,000	-	-	-	-	-	-	-	-	-	25,000,000	25,000,000
Externally restricted - uncommitted	-	-	96,913,835	29,999,828	31,868,800	33,233,151	44,307,683	41,169,331	752,832	107,536,627	385,782,087	382,082,040
Externally restricted - committed	-	-	3,545,527	1,986,176	3,116,396	4,251,220	4,214,804	2,620,421	58,545	138,446,256	158,239,345	164,515,723
Invested in tangible capital assets (Note 11)	-	53,878	-	-	-	-	-	-	-	-	53,878	92,748
Unrestricted	20,983,284	-	-	-	-	-	-	-	-	-	20,983,284	17,329,341
TOTAL EQUITY	45,983,284	53,878	100,459,362	31,986,004	34,985,196	37,484,371	48,522,487	43,789,752	811,377	245,982,883	590,058,594	589,019,852
Contingencies (Note 12)												
Commitments (Note 13)												
TOTAL LIABILITIES AND EQUITY	**$ 51,605,689**	**$ 60,586**	**$ 105,183,052**	**$ 33,437,520**	**$ 36,572,814**	**$ 39,185,401**	**$ 50,724,423**	**$ 45,720,370**	**$ 33,124,327**	**$ 246,197,733**	**$ 641,811,915**	**$ 621,996,267**

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

Northern Development Initiative Trust

Statement of Operations and Fund Balances

As at December 31, 2025, with comparative information for 2024

	Unrestricted and Endowment	Restricted									Total	
	Operating	Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcotin Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2025	2024
REVENUE												
Investment income, net of fees (Note 4)	$ 1,282,275	$ -	$ 2,967,867	$ 949,160	$ 1,037,174	$ 1,114,870	$ 1,431,428	$ 1,254,115	$ 21,994	$ -	$ 10,058,883	$ 2,657,737
Interest income	211,013	-	-	-	159	-	-	-	1,414	7,838,204	8,050,790	14,569,252
Contributions (Note 14)	-	-	-	-	-	-	-	-	60,000	4,500,000	4,560,000	10,240,000
Net unrealized gains	3,419,309	-	7,854,444	2,497,838	2,749,937	2,971,220	3,803,479	3,325,416	58,555	-	26,680,198	26,583,462
Financial services revenue	-	-	-	-	-	-	-	-	-	-	-	25,000
Third party revenue	1,294,487	-	-	-	-	-	-	-	-	-	1,294,487	1,435,792
TOTAL REVENUE	**6,207,084**	**-**	**10,822,311**	**3,446,998**	**3,787,270**	**4,086,090**	**5,234,907**	**4,579,531**	**141,963**	**12,338,204**	**50,644,358**	**55,511,243**
EXPENSES												
ADMINISTRATION EXPENSES												
Amortization	-	58,253	-	-	-	-	-	-	-	-	58,253	55,387
General administration	193,912	-	-	-	-	-	-	-	-	-	193,912	198,669
S/C, fees, dues, licenses	9,800	-	-	-	-	-	-	-	2	5,009	14,811	13,469
Office expenses	291,179	-	-	-	-	-	-	-	-	-	291,179	291,801
Professional services	282,905	-	-	-	-	-	-	-	-	-	282,905	262,326
Rentals and maintenance	72,829	-	-	-	-	-	-	-	-	-	72,829	78,305
Office supplies	28,313	-	-	-	-	-	-	-	-	-	28,313	23,269
Salaries and benefits	1,588,100	-	-	-	-	-	-	-	-	-	1,588,100	1,624,083
TOTAL ADMINISTRATION EXPENSES	2,467,038	58,253	-	-	-	-	-	-	2	5,009	2,530,302	2,547,309
BOARD & RAC EXPENSES												
Board costs	51,758	-	-	-	-	-	-	-	-	-	51,758	57,939
RAC - Prince George	5,063	-	-	-	-	-	-	-	-	-	5,063	5,143
RAC - Northeast	4,408	-	-	-	-	-	-	-	-	-	4,408	6,242
RAC - Cariboo-Chilcotin/Lillooet	6,723	-	-	-	-	-	-	-	-	-	6,723	7,283
RAC - Northwest	8,768	-	-	-	-	-	-	-	-	-	8,768	9,740
TOTAL BOARD & RAC EXPENSES	76,720	-	-	-	-	-	-	-	-	-	76,720	86,347
TOTAL ADMINISTRATION COSTS	**2,543,758**	**58,253**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**5,009**	**2,607,022**	**2,633,656**
INCREMENTAL PROJECT EXPENSES												
Salesforce implementation	-	-	-	-	-	-	-	-	-	-	-	482,927
TOTAL INCREMENTAL PROJECT EXPENSES	-	-	-	-	-	-	-	-	-	-	-	482,927
Grants and loans	-	-	2,344,215	1,214,486	1,285,517	1,383,969	1,244,590	1,352,969	1,455	38,298,986	47,126,187	38,920,700
Fair value adjustment for interest free loans receivable (Note 2)	-	-	-	-	-	-	-	(127,593)	-	-	(127,593)	(214,246)
NET GRANTS	-	-	2,344,215	1,214,486	1,285,517	1,383,969	1,244,590	1,225,376	1,455	38,298,986	46,998,594	38,706,454
TOTAL EXPENSES	**2,543,758**	**58,253**	**2,344,215**	**1,214,486**	**1,285,517**	**1,383,969**	**1,244,590**	**1,225,376**	**1,457**	**38,303,995**	**49,605,616**	**41,823,037**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$ 3,663,326**	**$ (58,253)**	**$ 8,478,096**	**$ 2,232,512**	**$ 2,501,753**	**$ 2,702,121**	**$ 3,990,317**	**$ 3,354,155**	**$ 140,506**	**$ (25,965,791)**	**$ 1,038,742**	**$ 13,688,206**
Fund Balances, Beginning of Year	42,329,341	92,748	91,981,266	29,753,492	32,483,443	34,782,250	44,532,170	40,435,597	670,871	271,958,674	589,019,852	575,331,646
Investment in Capital Assets	(19,383)	19,383	-	-	-	-	-	-	-	-	-	-
Transfer	10,000	-	-	-	-	-	-	-	-	(10,000)	-	-
FUND BALANCES, END OF YEAR	**$ 45,983,284**	**$ 53,878**	**$ 100,459,362**	**$31,986,004**	**$ 34,985,196**	**$ 37,484,371**	**$ 48,522,487**	**$ 43,789,752**	**$ 811,377**	**$ 245,982,883**	**$590,058,594**	**$589,019,852**

Northern Development Initiative Trust

Statements of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

		2025		2024
Cash provided by (used in):				
Operating activities:				
Excess of revenue over expenditures	$	1,038,742	$	13,688,206
Items not involving cash:				
Amortization		58,253		55,387
Net unrealized gains		(26,680,198)		(26,583,462)
Accrued interest on loans receivable		(158)		(228,681)
Fair value adjustment for interest free loans receivable		(127,593)		(214,246)
		(25,710,954)		(13,282,796)
Changes in non-cash operating working capital:				
Accounts receivable		345,050		553,068
Prepaid expenses		(29,056)		24,749
Funds administered for others		2,562,827		1,634,115
Accounts payable and accrued liabilities		75,556		(81,747)
Unearned revenue		(654,484)		(1,360,793)
		(23,411,061)		(12,513,404)
Financing:				
Repayment of obligations under capital lease		(6,546)		(6,388)
Investing				
Investments		(6,463,714)		(5,362,946)
Repayment of loans receivable		458,767		4,652,988
Acquisition of tangible capital assets		(12,837)		(39,131)
Derivative financial instruments		41,200		-
		(5,976,584)		(749,089)
Increase (decrease) in cash		(29,394,191)		(13,268,881)
Cash, beginning of year		281,900,974		295,169,855
Cash, end of year	$	252,506,783	$	281,900,974

See accompanying notes to financial statements.

Nature of Operations

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

1. Significant accounting policies:

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

(a) Restricted fund method of accounting:

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

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

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

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

(b) Investments:

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

(c) Tangible capital assets:

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

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

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

(d) Externally restricted - uncommitted funds:

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

(e) Externally restricted - committed funds:

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

1. Significant accounting policy (continued):

(e) Externally restricted - committed funds (continued):

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

(f) Revenue recognition:

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

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions with related expenses are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized to the extent received or receivable.

(g) Grants and repayable grants:

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

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

(h) Income taxes:

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

(i) Foreign currency translation:

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

(j) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. An item subject to such estimates and assumptions include the carrying amount and collection of loans receivable. Actual results could differ from those estimates.

(k) Financial instruments:

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

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

1. Significant accounting policy (continued):

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

(l) Cloud computing arrangement:

The simplification approach is used to record cloud computing expenditures. In applying this approach, the expenditures in the arrangement are treated as the supply of services. Included on the Statement of Operations and Fund Balances in incremental project expenses are Salesforce implementation expenditures of $nil (2024 - $482,927). Included in administrative costs are Salesforce licensing fees of $65,621 (2024 - $56,326) and Sage licensing fees of $33,224 (2024 - $33,224).

2. Loans receivable:

	2025	2024
Cariboo-Chilcotin Lillooet Regional Development		
Repaid during the year	$ -	$ 5,737
Prince George Regional Development Account		
Repayable in annual installments over the next four years of $452,873 in 2026, $339,362 in 2027, $314,838 in 2028, and $300,400 in 2029, non-interest bearing. Due July 2029	1,361,437	1,794,935
	1,361,437	1,800,672
Current portion of loans receivable	(452,873)	(458,610)
Current portion of fair value adjustment	46,036	65,410
	(406,837)	(393,200)
Fair value adjustment for interest free loans receivable	(115,330)	(223,549)
	$ 839,270	$ 1,183,923

During the year, the Trust recorded a recovery of $127,593 (2024 - $214,246) for the change in fair value adjustment for interest free loans receivable. This recovery was a result of fluctuations in the discount rate used to determine the adjustment.

3. Derivative financial instruments:

			Fair Values	
	Nominal value	Maturity	Asset	Liability
Current				
FX forward	$ 206,201	2026	$ 16,741,267	$ 16,782,402
FX spot	(73)	2026	192	192
	206,128		16,741,459	16,782,594
Non-current				
Cross currency swap	1,569	2027	1,475	1,551
Interest rate swap	-	2027	15,419	15,408
	1,569		16,894	16,959
	$ 207,697		$ 16,758,353	$ 16,799,553

4. Investments:

		2025		2024
Fixed income balances:				
Cash		3,205		-
Canadian Money Market Fund ST1		11,268,974		33,138,997
U.S. Dollar Money Market Fund ST3		9,172,389		-
Government Bond Fund		93,644,033		102,716,200
		114,088,601		135,855,197
Equity balances:				
Indexed Canadian Equity Fund		60,280,550		66,930,138
Emerging Markets Equity Fund		18,674,640		16,179,427
Indexed Global Equity Fund		95,481,289		102,204,046
Private Equity Fund		16,854,033		1,021
		191,290,512		185,314,632
Credit balances:				
BCI QuadReal Real Estate Debt		4,835,258		-
Mortgage Limited Partnership		2,943,975		-
Private Debt Limited Partnership		13,423,207		2,000
Corporate Bond Fund		26,667,657		16,189,921
		47,870,097		16,191,921
Real asset balances:				
BCI QuadReal Multi-Asset Realty		3,502,375		-
Real Estate Limited Partnership		2,732,895		-
Infrastructure Fund		2,176,992		-
Infrastructure Limited Partnership		8,844,190		-
		17,256,452		-
	$	370,505,662	$	337,361,750

Investment income is presented net of management fees charged for the year ended December 31, 2025, of $742,895 (2024 - $690,665).

5. Tangible capital assets:

						2025		2024
		Cost		Accumulated amortization		Net book value		Net book value
Assets under capital lease	$	34,947	$	32,617	$	2,330	$	9,318
Computer hardware		461,141		430,571		30,570		37,684
Computer software		169,234		169,234		-		-
Furniture and fixtures		177,859		177,247		612		5,502
Leasehold improvements		217,283		190,209		27,074		53,498
Vehicles		77,473		77,473		-		-
	$	1,137,937	$	1,077,351	$	60,586	$	106,002

6. Accounts payable and accrued liabilities:

		2025		2024
Accounts payable and accrued liabilities	$	273,893	$	156,135
Payroll and withholding taxes		28,683		70,885
	$	302,576	$	227,020

7. Funds administered for others:

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

		2025		2024
Opening balance	$	28,350,100	$	26,715,985
Contributions		-		100,000
Investment income, net of fees		3,263,257		2,644,862
Administrative fees		(150,000)		(75,000)
Grants		(536,317)		(973,720)
Bank charges		(381)		(44)
Board travel		(12,156)		(13,081)
Website consulting		(1,576)		(1,023)
Funds returned		-		(47,879)
	$	30,912,927	$	28,350,100

8. Unearned revenue:

Unearned revenue consists of administrative fees that have been received but are recognized as income over time as they are earned.

		2025		2024
Connecting British Columbia	$	2,618,082	$	3,406,074
Ministry of Transportation		310,824		458,119
Northern Healthy Communities		329,637		462,660
Rural and Remote Employment Initiatives		473,014		-
Nechako Valley Rancher Cattlemen's Association		-		57
Rural Business & Community Recovery		-		59,131
	$	3,731,557	$	4,386,041

9. Obligation under capital lease:

		2025		2024
Wells Fargo lease with an implied interest rate of 2.45%, repayable in quarterly instalments of $1,703. Due October 2026 and secured by equipment held by the Trust with a net book value of $2,330.	$	6,708	$	13,254
		6,708		13,254
Repayment schedule				
2025		-		6,811
2026		6,811		6,811
Total minimum lease payments		6,811		13,622
Less amount representing interest at a rate of 2.45%		(103)		(368)
Present value of capital lease payments		6,708		13,254
Less current portion		6,708		6,546
	$	-	$	6,708

During the year the Trust recognized $265 (2024 - $423) of interest on the capital lease.

10. Endowment fund:

The Endowment Fund was established to receive proceeds of $25,000,000 from the Government of British Columbia pursuant to terms of the Northern Development Initiative Trust Act ("NDIT Act"). Interest or other income earned from the money invested may be used to cover operating expenditures incurred by the directors and officers of the Trust to perform their obligations under the NDIT Act. Income earned on the endowment is recorded fully in the Operating Fund. Included in operations is investment income of $1,282,275 (2024 - $339,901) and net unrealized gains of $3,419,309 (2024 - $3,367,272) for the year ended December 31, 2025.

11. Invested in tangible capital assets:

Invested in tangible capital assets is calculated as follows:

		2025		2024
Opening balance	$	92,748	$	102,616
Amortization		(58,253)		(55,387)
Acquisition of capital assets		12,837		39,131
Repayment of obligation under capital lease		6,546		6,388
	$	53,878	$	92,748

12. Contingencies:

The Trust has a revolving demand facility agreement with RBC with a maximum limit of $10,000,000 by way of RBP based loans, letters of credit, and letters of guarantee. These facilities are secured by a general security agreement placing a first priority interest in present and future property of the Trust. The balance of these facilities at December 31, 2025 are $nil (2024 - $nil).

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

13. Commitments:

The Trust leases premises under lease for $12,170 monthly which expires May 2027. The Trust has a contract with Salesforce for $50,319 yearly which expires September 2029. The minimum payments in the next five years are as follows:

2026		196,353
2027		111,166
2028		50,319
2029		37,739
2030		-
	$	395,577

14. Contributions:

		2025		2024
Ministry of Social Development and Poverty Reduction	$	4,500,000	$	-
Local Government Management Association of British Columbia		60,000		-
Ministry of Jobs and Economic Growth		-		10,000,000
Ministry of Municipal Affairs		-		240,000
	$	4,560,000	$	10,240,000

In 2025, the funding from the Ministry of Social Development and Poverty Reduction is provided to address current economic gaps and potential economic impacts created by tariffs through several funding streams intended to help support rural and remote communities of Northern British Columbia.

15. Financial risks and concentration of credit risk:

(a) Currency risk:

The Trust is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Trust purchases investments denominated in a foreign currency. In order to minimize currency risk, the Trust has a policy to invest no greater than 40% (2024 - 40%) of it's portfolio in global equities and no more than 10% (2024 - 10%) of it's portfolio in emerging markets. As at December 31, 2025, global equities represents approximately 26% (2024 - 30%) and emerging markets represents approximately 5% (2024 - 5%) of the Trust's investment holdings.

(b) Market risk:

The Trust derives revenue from its cash equivalents, equity and fixed income investments which are subject to market fluctuations. Market risk is managed and mitigated through diversification between asset classes in which the Trust has set asset allocation guidelines in their investment policy. As at December 31, 2025, the Trust's investment holdings were aligned with their target asset allocations. Equity investments represent approximately 52% (2024 - 55%) of the holdings. It is estimated that a 10% change in returns would change the fair value of the equities portfolio by $19,129,051 (2024 - $18,531,463).

As at December 31, 2025, the Trust's annual return on investments was approximately a gain of 12.01% (2024 - 10.11%).

(c) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered, resulting in a financial loss. It arises principally from debt instruments held, including government bonds and corporate bonds. Government bonds represent approximately 25% (2024 - 30%) of the Trust's investment holdings. Credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Trust has invested in AAA bonds to mitigate this risk. Corporate bonds represent approximately 7% (2024 - 5%) of the Trust's investment holdings. The corporate bond portfolio invests in high quality AAA to BBB bonds as well as higher risk BB to B bonds. Investment diversification is used to manage this risk.

The Trust is exposed to credit risk from the possibility that borrowers may default on their obligations. Management attempts to mitigate this risk by ensuring that proper due diligence is performed before loans are extended. As of December 31, 2025, all loan recipients are in full compliance of their agreement.

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

(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 2024.

(e) Interest rate risk:

The Trust's fixed income securities, credit securities, and certain loans receivable are subject to interest rate risk. Rising interest rates would impact the value of these investments and loans. The Trust is exposed to prime lending rate fluctuations on loans receivable in the amount of $nil (2024 - $nil). As at December 31, 2025, fixed income securities represent approximately 31% (2024 - 40%) of the Trust's investment holdings and credit securities represent approximately 13% (2024 - 5%) of the Trust's investment holdings. It is estimated that 1.75% change in interest rates would change the fair value of the portfolio by $2,834,277 (2024 - $2,660,825). The Trust employs investment diversification to manage this risk.

16. Employee future benefits:

The Trust, and its employees, contribute to the BC Public Service Pension Plan (the "Plan"), a jointly trusteed 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 79,532 active members and 57,519 retired members. Active members include approximately 100 contributors from the provincial government, crown corporations, government agencies and not-for-profit organizations.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation was performed as at March 31, 2023. The valuation shows an improvement in the actuarial position for the Basic Account, from a surplus of $2,667 million as at March 31, 2020, to a surplus of $4,491 million as at March 31, 2023. The actuary does not attribute portions of the surplus to individual employers. Consequently, the Trust's share of this surplus cannot be determined. The main reasons for the improvement in the actuarial position are that the investment returns were higher than were assumed and actual salary increases were lower than the long-term assumption offset by an excess investment return transfer to the Inflation Adjustment Account and changes in the economic assumptions. The Trust paid $129,042 (2024 - $129,008) for employer contributions to the Plan during the year.

Northern Development Initiative Trust

SCHEDULE 1

Schedule of Externally Restricted - Committed Funds

Year ended December 31, 2025

(Unaudited)

Account	Total Funding Approved	Grants and loans 2025 Disbursements	Grants and loans 2024 Disbursements	2025 Outstanding Commitments	2024 Outstanding Commitments
Cross Regional Account	$ 61,761,842	$ 2,344,215	$ 1,847,425	$ 3,545,527	$ 2,867,793
Pine Beetle Recovery Account	38,836,830	1,214,486	1,891,478	1,986,176	1,951,250
Cariboo-Chilcotin/Lillooet Regional Development Account	25,572,483	1,285,517	962,844	3,116,396	2,859,363
Northwest Regional Development Account	29,424,277	1,383,969	904,309	4,251,220	4,024,691
Northeast Regional Development Account	23,645,843	1,244,590	1,225,083	4,214,804	3,054,658
Prince George Regional Development Account	32,704,244	1,352,969	1,379,024	2,620,421	2,110,489
Other Trust Funds	30,752,727	1,455	-	58,545	-
Province of British Columbia	289,284,693	38,298,986	30,710,537	138,446,256	147,647,479
TOTAL	**$ 531,982,939**	**$ 47,126,187**	**$ 38,920,700**	**$ 158,239,345**	**$ 164,515,723**

NORTHERN
DEVELOPMENT

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