

Annual **2019-2020**
Report

Contents

At a Glance	1
Impacts	2
Investment Area	3
Guiding Principles	4
Criteria	5
New Projects	6
Funding by Community	13
Highlights	14
Board of Directors	18
Financial Highlights	19
Looking Forward	20

Cover photo and photos on page 1,3,19
by Mike Robertson

Message from the Chair

The past year brought both progress and change. NKDF welcomed talented new Directors and said a thankful goodbye to others. We listened to individuals and organizations in the communities, and where possible, funded projects that served the needs they identified as most important.

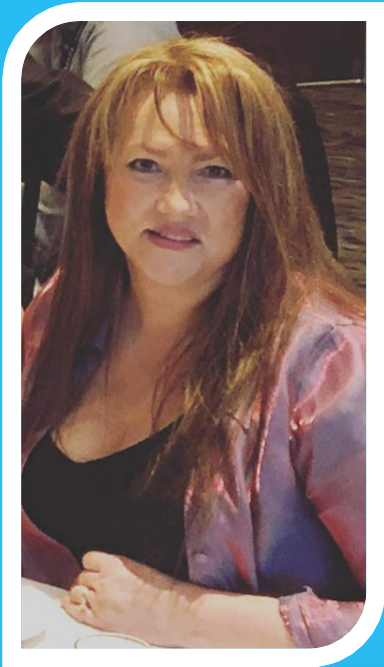
To further understand how we can best assist our communities, we completed an Economic Impact Analysis of past projects. The report brought us a better understanding of the impact of the projects we have funded and a better appreciation for the assets NKDF has contributed to.

From non-profit groups to Indigenous communities and local governments through to the dedicated volunteers, there is a genuine upsurge of positivity and focus on emerging strong from the current COVID-driven economic downturn. Economic development encompasses more than jobs. It is also about quality of life, health and safety, and opportunities. Vibrant communities attract and retain a diversity of skilled people. We will have to work together and innovate to identify opportunities and define new ways of working for this region. We continue to reach out to our communities during these difficult times to determine how we can best serve them.

We take pride in the fact that we are often the first funder for projects, providing that critical initial commitment of dollars. The success of NKDF funding programs over the past two decades has led to more demand than we can provide for under the current financial structure. We continue to seek ways to raise capital for the legacy fund and increase our capacity to fund projects identified as priorities by the communities.

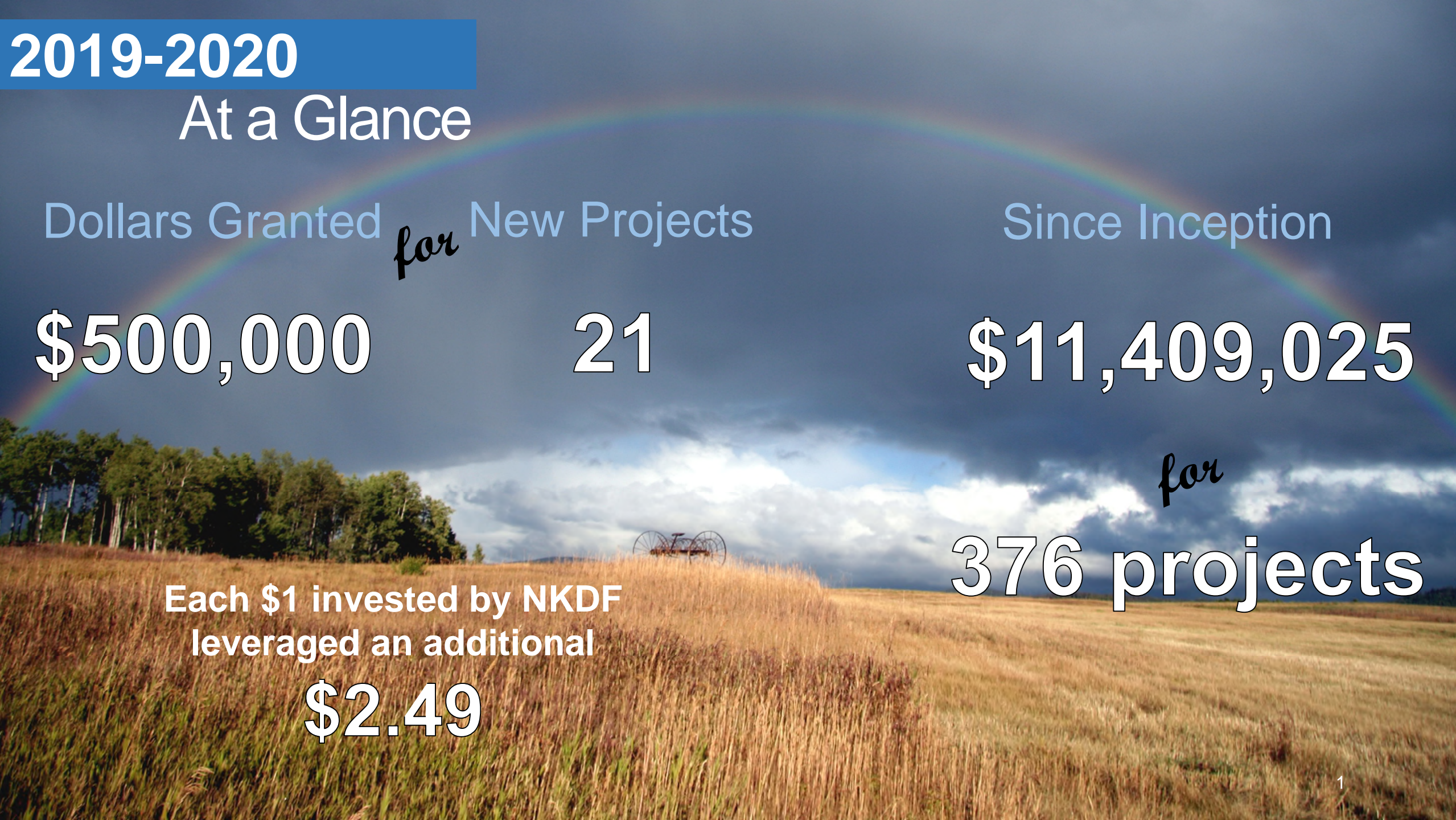
I would like to recognize my fellow Board Members and the Management Team, who have done exceptional work this past year. Its rewarding to see how the group's efforts, fueled by the energy of many volunteers, have enabled NKDF to play a vital role in success of the communities and the region.

We are also grateful for the support and confidence of the Province of BC and Rio Tinto, the original funders of the Northern Development Fund. We look forward to continuing to work together to strengthen our region and contribute to the overall economic success of our Province.



Cindy Shelford, Chair

A handwritten signature in dark ink, likely belonging to Cindy Shelford. The signature is stylized and fluid, with a long, sweeping horizontal line extending to the right.



2019-2020

At a Glance

Dollars Granted *for* New Projects

\$500,000

21

Since Inception

\$11,409,025

for

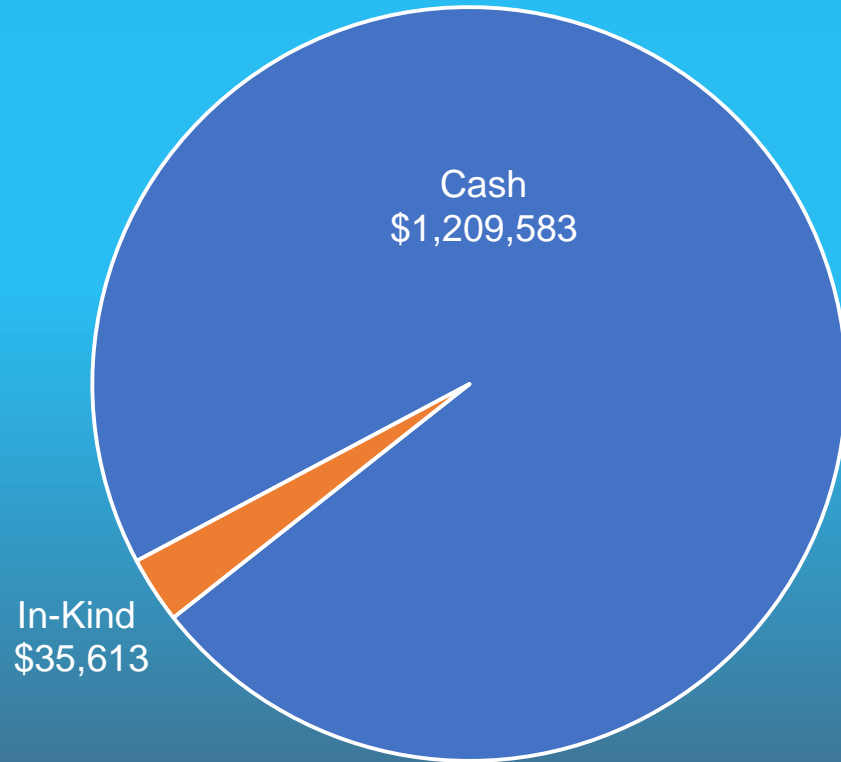
376 projects

Each \$1 invested by NKDF
leveraged an additional

\$2.49

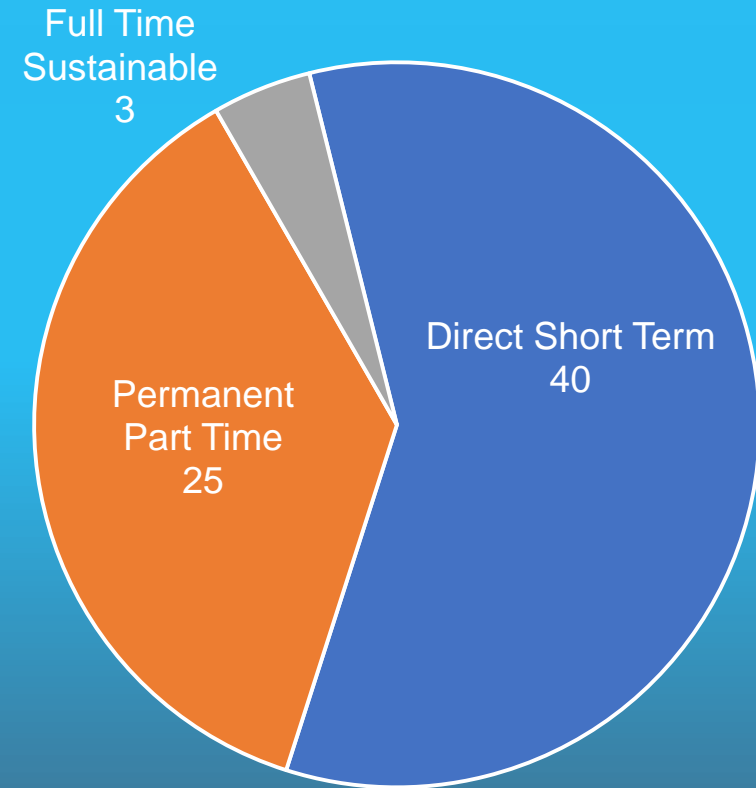
Impacts

*Project Funding Secured by Recipients in Addition to NKDF Grant Funding of \$500,000



*as projected by funding recipients at application stage

**Jobs Created



**as projected by funding recipients at application stage
diffuse employment created through increased economic activity is not included

Investment Area

The Nechako-Kitamaat Development Fund Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir.



Guiding Principles

Community Economic Development

NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private businesses.

Sustainable Employment

Creating new jobs and enhancing existing jobs are priorities of NKDF.

Job Creation and Enhancement

A priority of the Fund will be to support long term employment - both full time and seasonal.

Criteria

NKDF supports projects that address one or more of the following key aspects of economic development in the NKDF investment area:

Infrastructure



The public facilities, equipment or installations needed to support business, jobs, community stability, including items that enhance the quality of life and develop communities' ability to attract and retain residents and businesses. Examples: lighting, water, sewer, transportation, telecommunications, recreation facilities and beautification.

Human Development



The skills training that enable people and organizations to increase employment and economic activity. Examples: workshops and courses.

Planning and Research

The background information a region or industry sector requires for making sound decisions about future investments. Examples: product testing, market research, needs assessments, surveys and strategic planning.

Promotion and Brokering

The process of building new organizations, partnerships and markets. Examples: marketing plans and joint ventures.



New Projects

Live Burn Building Fraser Lake Fire Rescue Society



NKDF contributed \$72,668 toward the installation of a live burn building at the Regional Training Centre. This facility will be used to train firefighters and industry first responders from rural northern BC communities.



Innovation Centre Village of Fraser Lake

\$80,000 was granted to the Village of Fraser Lake for the Fraser Lake Innovation Centre. This funding will be used to renovate a building to serve as the Innovation Centre with the goal of expanding services and training offered in the community and to create and provide a community space.

Friendship Centre Kitchen District of Vanderhoof



NKDF granted \$50,000 to assist with the upgrade of the kitchen facility at the Friendship Centre to a commercial standard. This will assist with increasing the use of the hall and increase capacity and opportunities for catering companies.

New Projects

Pump House and Concession Rebuild

Lakes District Fair Association

\$40,000 was granted toward the drilling of a new well and building a pump house and concession building at the Exhibition Grounds in Burns Lake.

Trails to Resilience and Recovery Initiative

Stellat'en First Nation



NKDF contributed \$40,000 for this project. Stellat'en First Nation will develop 3,000 metres of single-track nature trails suitable for hiking, trail running and cycling along the Stellaquo River.



Tractor

Nechako Valley Exhibition Society

NKDF granted \$13,819 to assist with the purchase of a tractor to sustain the Exhibition Grounds and to facilitate numerous annual events.

New Projects

Drop-in Centre Sunrise Services for Seniors



\$6,000 was provided to establish a drop-In centre located in Burns Lake that provides services for seniors and their families, caregivers and health care professionals.



History Book of the Cheslatta Carrier Nation Cheslatta Carrier Nation

\$37,500 was granted to Cheslatta Carrier Nation to assist with the research and writing of a history book of the Cheslatta Carrier Nation. This book will serve as an educational tool for use by libraries, archives, academic institutions and social agencies.

Summer Festival Series Vanderhoof Farmers' Market



The Vanderhoof Farmer's Market received \$1,300 to host the Farmer's Market Summer Festival Series that promoted local musicians and artists, and increased the number of visitors to the market.



New Projects

Aviation Fuel System Vanderhoof Flying Club

NKDF granted \$35,000 toward acquiring the aviation fuel system at the Vanderhoof Airport in order to enhance the services offered and increase capacity.

Beacon Theatre Repairs Lakes District Film Society



NKDF contributed \$40,000 in funding toward completing structural repairs of the Burns Lake Beacon Theatre Building. These repairs will allow the Beacon Theatre to continue to operate. The Theatre maintains seven to eight employees and often provides the first job for many of the Lakes District youth.

Fire Department SCBA Replacement Village of Fraser Lake

Village of Fraser Lake received \$35,000 to purchase self-contained breathing apparatus (SCBA) for use by the Fire Department when attending fire, hazmat, and road rescue calls.

New Projects

Wayfinding Signage District of Vanderhoof

District of Vanderhoof was granted \$7,800 to go toward installing wayfinding signage throughout the community of Vanderhoof to attract and direct tourists to recreational facilities and amenities.



Draft example of signage

Tourism Master Plan Village of Burns Lake

The Village of Burns Lake was awarded \$14,800 to develop a tourism plan and establish a tourism framework with the goal of growing the tourism sector in Burns Lake and the surrounding Lakes District.

Boat Launch Parking Village of Fraser Lake



\$1,725 in funding was granted to assist with the rehabilitation of the parking area at the White Swan public boat launch.



New Projects

Canoes

Vanderhoof Air Cadets

899 Air Cadet Squadron received \$3,000 for the purchase of canoes and related equipment to expand the program and increase the local capacity for youth and recreation organizations.

Softball Fields

Village of Fraser Lake



\$18,000 was granted to the Village of Fraser Lake to rehabilitate two softball fields in order to increase capacity to host tournaments.

Walking Track

Burns Lake and District Seniors Society

Burns Lake and District Seniors Society received \$7,500 to assist with resurfacing the 400m oval walking track, which will enable it to be used year-round.

New Projects

Waste Water Dump Fence Village of Fraser Lake



The Village of Fraser Lake received \$2,599 Lake for the installation of a chain link fence at the waste water dump station to facilitate an expansion of services.

Solar Energy Power Village of Fraser Lake

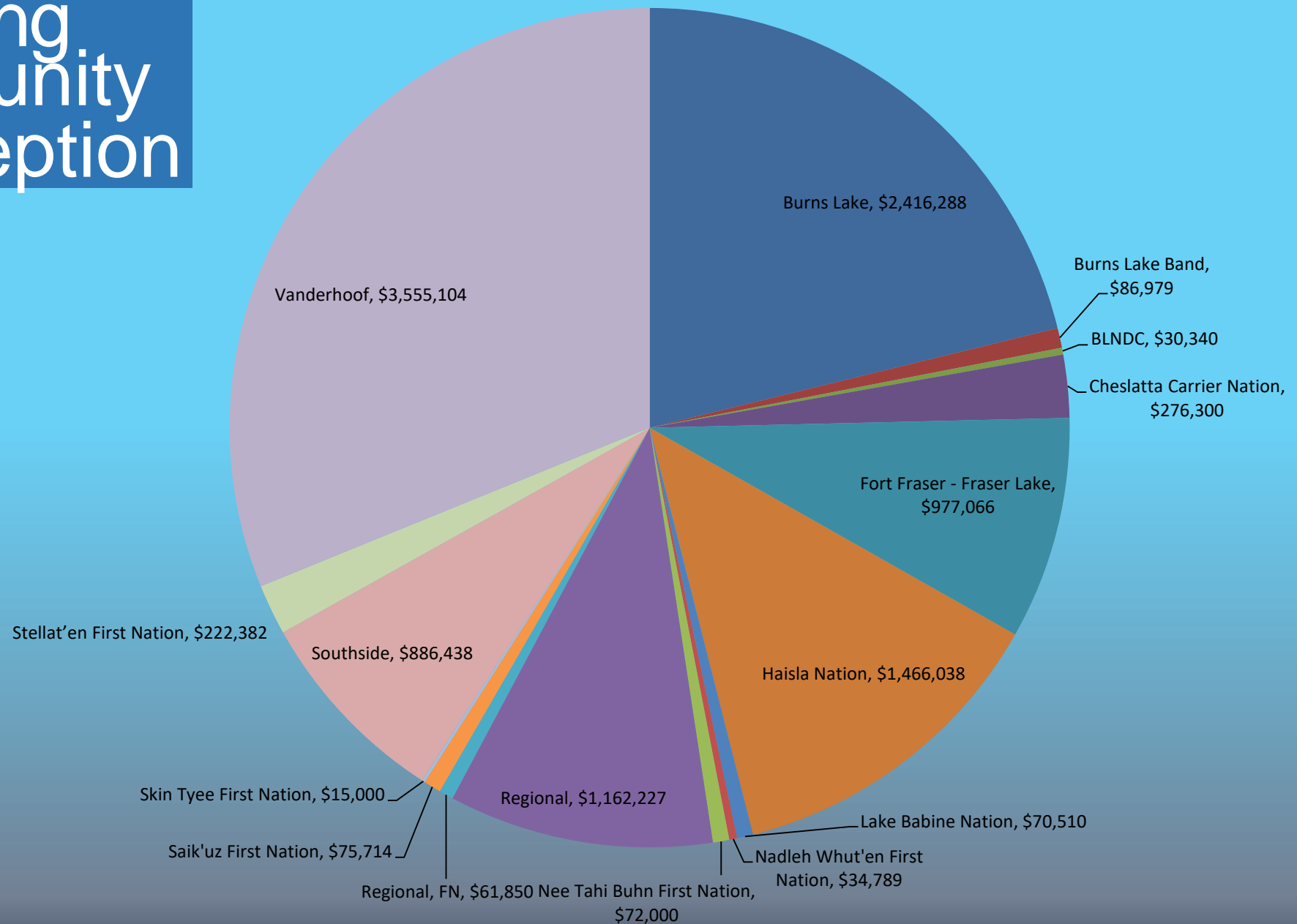
\$9,836 was granted to assist the Village of Fraser Lake with the installation of a solar energy system into the Recreation Complex in order to reduce costs and sell power back to grid.

Arena Lighting Village of Fraser Lake

The Village of Fraser Lake has been steadily updating the lighting in the arena and complex since 2015. This has included upgrades to the area ice / hard surface, upstairs complex, dressing rooms, and all exterior lights. This \$690 in funding will assist with replacing non-efficient low light output light fixtures in the lobbies of the arena and complex.



Total Funding by Community Since Inception



Highlights

Strategic Priority Successes

“Fund projects that maximize economic benefits for communities, giving priority to projects that include a regional, connectivity component.”



The Board of Directors received and reviewed 32 applications this year. 21 were approved for funding. Directors worked to balance community priorities with available funds and chose projects that contributed to economic, community development and recreation.

Among the highlights are the Village of Fraser Lake Innovation Centre that provides new amenities to support business, the Stellat'en Trails development project that increases recreation and tourism, the District of Vanderhoof Wayfinding Signage project Plan that expands tourism opportunities.

Connectivity bandwidth and coverage continues to be an issue in the rural and often remote communities that make up the NKDF investment area. We continue to monitor the efforts and needs of the communities in this area and seek meaningful ways in which NKDF can participate in the future.



Highlights

Strategic Priority Successes

“Explore ways to target funding toward more diverse, collaborative, and regional projects.”

In order to encourage organizations to collaborate on regional projects, the Board of Directors set aside \$50,000 in funding for projects that, in addition to meeting the regular grant criteria, involved a collaboration of two or more organizations and provided benefits to two or more communities within the NKDF investment area.

One project was approved for regional funding. The Fraser Lake Fire Rescue Society Live Burn Building project involved a collaboration between the Fraser Lake Fire Rescue Society, the Village of Fraser Lake, Nadleh Whut'en First Nation and Stellat'en First Nation. The facility is being used to train firefighters and industry first responders from rural northern BC communities.



Highlights

Strategic Priority Successes

“Canvas communities and organizations to solicit feedback and determine the effectiveness of NKDF programs and potential new initiatives and measure success.”

The strength of NKDF lies in the ability to respond to the needs of the communities and approve funding for projects that support these needs as identified by those who live and work there. Eight of the nine Board seats this year were held by Directors who live in the communities we invest in. At each Board meeting, Directors report on the economic activity and needs and challenges of their respective communities. This year, these updates prioritized the specific needs of the business community.

Throughout the year, meeting locations rotated around the communities and were combined with project tours, visits with community organizations and outreach to municipalities and First Nations government representatives. In May the Board met in Fraser Lake followed by Kitimat in September. March outreach to the Vanderhoof Mayor and Council and Saik'uz Chief and Council was postponed in light of the COVID situation.

As part of the Economic Impact Study, a representative cross-section of 40 previously funded NKDF projects were selected for interviews. Organizations were contacted and individuals given an opportunity to provide feedback. Interviews were also conducted with community and regional representatives including elected officials, senior municipal and regional district staff in particular Chief Administrative Officers and Economic Development Officers, and elected and senior staff representatives of First Nations, and representatives of other non-profit organizations active in the region.

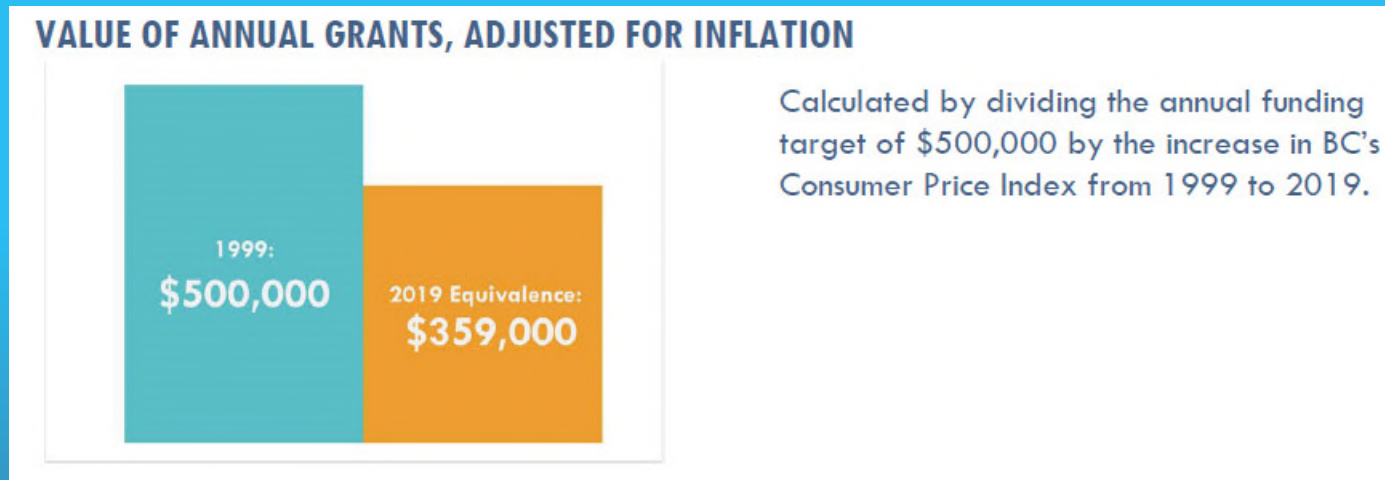
Results of these community interviews will be used to set strategic priorities for the upcoming year.



Highlights

Strategic Priority Successes

“Create a business plan in order to facilitate efforts to increase the capital and investment returns for NKDF programs.”

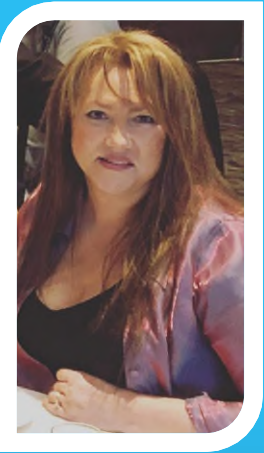


In November NKDF retained Vann Struth Consulting Group Inc. to prepare an analysis of the economic and social impacts created by the organization. The analysis is a step toward developing a business case to aid the Board's efforts to attract more capital for the legacy fund.

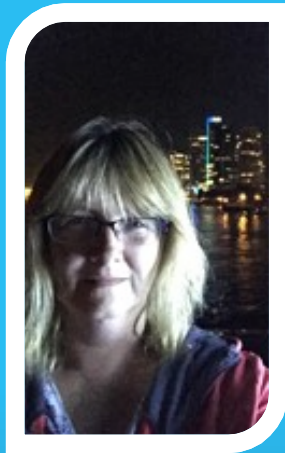
The report recognizes customer's appreciation for NKDF's ability to be the "first funder" for many projects, enabling applicants to leverage funding from local and other funders, such as Northern Development Initiative Trust, provincial associations or Crown corporations, other provincial or federal grant programs, and major corporations. On average, NKDF has funded 21% of total project budgets and each NKDF dollar has leveraged \$3.72 funding from other sources. Once in-kind contributions are included, this number increases to \$3.85 for each dollar invested

Board of Directors

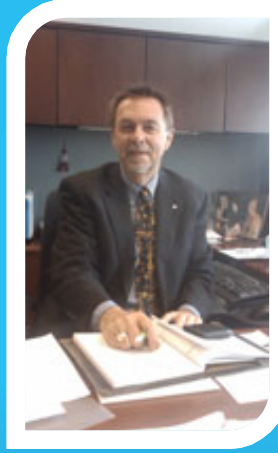
The NKDF Society is governed by a northern-based Board of government appointed Directors who live in the investment area and represent a range of skill sets and interests. Board seats during the past year were held by:



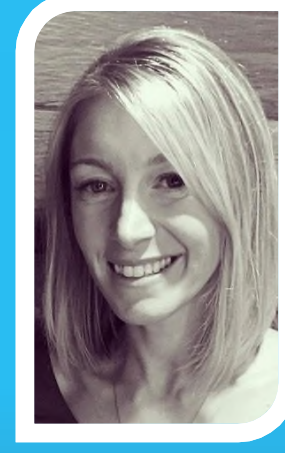
Cindy Shelford, Chair
Burns Lake



Doris Fraser, Secretary/Treasurer
Kitamaat Village



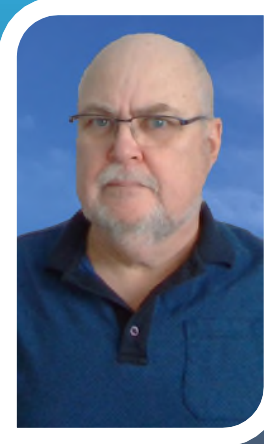
Greg Goodwin, Province of BC
Victoria



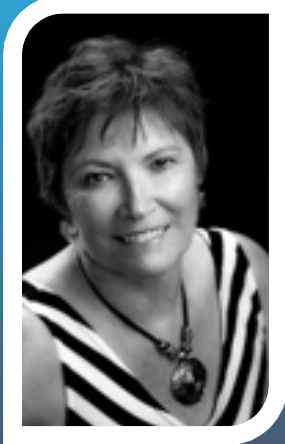
Danielle De Kay, Rio Tinto
Vanderhoof



Mike Robertson
Southside



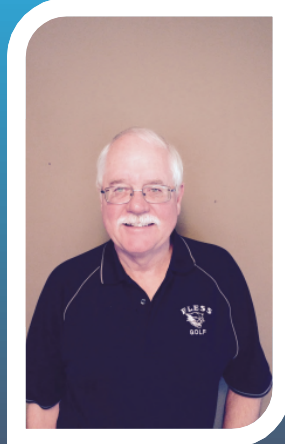
Tom Clement
Vanderhoof



Kathie LaForge
Vanderhoof



Carolyn Leigh
Vanderhoof



Jamie Neilson
Fraser Lake

Outgoing Directors

Lianne Olson, Rio Tinto
Kim Stewart, Kitamaat Village
Ray Klingspohn, Vanderhoof

Financial Highlights

Revenue	2019-2020
Contribution Agreement Funding - Province of BC	\$500,000
Investment Income	\$83,309
Total	\$583,309

Expenses	2019-2020
Administration Expenses	\$115,970
Special Project – Economic Impact Study	\$25,710
Grant Payments	\$502,957
Total	\$644,637

Financial Assets	
Cash – Administration Fund	\$44,909
Cash – Grant Fund	\$89,551
*Short term Investments	\$1,938,245
GST Receivable	\$2,981
Liabilities – Accounts Payable	\$4,899
Net Financial Assets	\$2,070,787

*Short term investments consist of investments classified as held-for-trading. NKDF short term investments are held with Phillips Hager and North (PHN).

Combined assets: The balance of the original \$15 million dollar contributions from Rio Tinto and the BC Government (managed by BCI) had a fair market value in the amount of \$14,219,699.10 at March 31, 2020.

Annual Audit: The annual audit of the NKDF was completed in May 2020 by Edmison-Mehr Chartered Accountants (Smithers). The audited statements are available at www.nkdf.org and upon request.



Looking Forward

Building on past strengths and successes the Board will focus on the following priorities in the upcoming year:

1. Prioritize support for projects that aid in COVID-19 economic recovery measures.
2. Follow through on the recommendations from the Economic Impact Report.
3. To create a business plan to facilitate efforts to increase the capital and investment returns for NKDF programs.
4. To canvas communities and organizations to solicit feedback and determine the effectiveness of NKDF programs and potential new initiatives and measure success.
5. To explore ways to target funding toward more diverse, collaborative, and regional projects that maximize economic benefits for the communities, giving priority to projects that include a connectivity component.

