

**Columbia Basin Trust**

**2023/24**  
**Annual Service Plan Report**

**August 2024**



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Published by Columbia Basin Trust

## Board Chair's Accountability Statement



The Columbia Basin Trust 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 - 2025/26 Service Plan published in 2023. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink that reads "Jocelyn Carver". The signature is written in a cursive, flowing style.

Jocelyn Carver  
Board Chair, Columbia Basin Trust  
July 19, 2024

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## Letter from the Board Chair & CEO

Columbia Basin Trust (the Trust) works together with the people, organizations and communities of the Columbia Basin (Basin) to support their efforts to create a legacy of social, economic, and environmental well-being, now and for future generations. In 2023/24, the Trust accomplished this work through 64 active programs and initiatives, supporting more than 2,800 projects.

In 2023/24, the Trust delivered a total of \$80.8 million in direct benefits to the Basin, including \$53.1 million in programs and initiatives, \$8.5 million in real estate investments, \$13 million in new business loans, and \$6.2 million in capital investments related to broadband infrastructure and economic programs.

The Trust initiated new programs as it continued to implement and execute on the [Columbia Basin Management Plan \(CBMP\) Strategic Priorities 2020-2023](#) which focused on: community well-being, ecosystem enhancement, high-speed connectivity, housing, local food production and access, support for business renewal, and two integrated priorities: climate resilience and working with Indigenous Peoples.

In spring 2023, the Trust launched Our Trust, Our Future, an extensive public engagement process to inform a renewed CBMP that saw the Trust engage with Basin residents in person and online including at 23 community meetings and three symposia. In February 2024, the Trust released the renewed [CBMP 2024-2034](#) to Basin residents. The overarching theme of the new plan is health and resilience, with a focus on four areas: the Trust as an organization, relationships, Basin communities and the natural environment.

Our financial resources come from our investments and in 2023/24, our combined revenues exceeded target and totaled over \$95.5 million. With most of our investments in hydropower generation, the Brilliant Dam, Brilliant Expansion and Waneta Expansion facilities performed above target in profitability and reliability. A significant equipment failure at the Arrow Lakes Generating Station throughout 2023/24 resulted in revenues lower than targeted for the facility, impacting overall revenues from our hydropower investments.

The Trust met regularly with the Minister Responsible and held biweekly meetings with senior staff of the Ministry of Energy, Mines and Low Carbon Innovation (who support the Minister's governance responsibilities for the Trust) over the past year to discuss progress on the objectives identified in the [2021/22 Mandate Letter](#).



Jocelyn Carver  
Board Chair  
August 9, 2024



Johnny Strilaeff  
President & CEO  
August 9, 2024

## Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

## Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's 2021/22 [Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Columbia Basin Trust [2023/24 - 2025/26 Service Plan](#) and the actual results reported on in this annual report.

## Purpose of the Organization

The respective roles and responsibilities of the Government and the Trust are established in legislation and numerous agreements, including the [1995 Financial Agreement](#) and the [Columbia Basin Trust Act](#), as well as a [Memorandum of Understanding](#).

The Trust has two core functions:

1. Invest capital and manage the assets of the Trust (Investments).
2. Use the income earned from the Trust's investments to deliver benefits to the Basin (Delivery of Benefits).

These two core functions are supported by Corporate Operations, which includes administration, communications, finance and accounting, human resources, information services, procurement and records management.

The Trust also provides hydropower asset management services to Columbia Power Corporation (Columbia Power) under the terms of Shared Services Agreements.

Decisions related to the Trust's Investments and Delivery of Benefits activities are made within the context of its legislation and Board-approved [Statement of Investment Policies and Procedures](#).

The Trust sets its priorities in consultation with the residents of the region. The resulting CBMP provides a high-level road map to focus the Trust's work in the Basin. Greater direction is captured in specific strategic frameworks and plans.

## Operating Environment

The Trust continued to generate a stream of income from its hydropower facilities accounting for over 80 per cent of total revenues. In 2023/24, this revenue stream was negatively impacted by a unit failure at the Arrow Lakes Generating Station in April 2023, and the ensuing repair which lasted throughout the fiscal year. This reduction in revenue from hydropower facilities did not negatively impact the Trust's ability to achieve its strategic priorities and net income targets in 2023/24.

To mitigate the risk associated with reliance on hydropower revenue, the Trust continued to diversify investments and actively monitored revenue and expenditure forecasts. The recent trend of increasing interest rates will improve returns in some areas; however, any increases are subject to continued market changes, which may be transitory over the next few years. In addition, there was a continued focus on investment in maintenance and reliability activities at the hydropower facilities to ensure their long-term reliability and profitability.

During 2023/24, the Trust undertook an extensive public engagement process—Our Trust Our Future—to inform a renewed CBMP. This process included community open houses, three symposia, virtual meetings and other public input activities.

The new plan focuses on the health and resilience of four areas: the Trust as an organization, relationships, Basin communities and the natural environment, with specific goals within each area. The plan was shared with Basin residents in February 2024.

Throughout 2023/24, the Trust continued its work as set out in the 2020-2023 CBMP, focusing on six strategic priorities: community well-being; ecosystem enhancement; high-speed connectivity; housing; local food production and access; and support for business renewal as well as two integrated priorities—climate resilience and working with Indigenous peoples. The Trust also continued with many of its long-standing programs that support its mission to foster the social, economic and environmental well-being of the Basin.

# Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

## Goal 1: Sound investments for the benefit of Basin residents

**Objective 1.1:** A predictable, sustainable and appreciating income stream to fund Delivery of Benefits obligations and corporate operating expenses.

A growing portfolio of investments in hydropower facilities, commercial loans and real estate, and market securities will help maintain a predictable, sustainable and appreciating income stream and mitigate risk associated with a reliance on hydropower facilities.

### Key results

- With the exception of the Arrow Lakes Generating Station, hydropower facilities had minimal outages, with increases in revenue due primarily to Consumer Price Index adjustments embedded in power sales agreements.
- Within the private placements portfolio, the Trust approved 17 new commercial loans that were referred by partners and existing clients, and invested into Basin-based businesses, totalling \$13 million.
- The Trust also invested \$8.5 million into existing commercial real estate.

### Summary of progress made in 2023/24

Investment staff manage a portfolio comprised of hydropower facilities, private placements (commercial loans and real estate) and market securities. Investment staff maintained regular contact with financial institutions and referral partners, which resulted in a consistent source of new investment opportunities over the past year. Total new commercial loans totalled \$13 million.

The increased interest rate environment has had a beneficial effect on the Trust's short-term investments. The commercial loan portfolio has also benefited from the increase in rates, with continued improvement expected over the coming year on the assumption of current rates being largely unchanged.

Continued implementation of regular planned maintenance at the hydropower facilities is in place to manage routine issues; however, unplanned events can still occur. During the past



fiscal year, an unplanned failure of equipment, that was not detectable through routine maintenance, resulted in an outage to one of the generating units at Arrow Lakes Generating Station that extended through the full fiscal year. Dividends were held back to ensure cash availability for repairs and debt requirements while awaiting receipt of insurance proceeds.

**Performance measures and related discussion**

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
1.1(a) Return on Power Facilities (calculated as a cash-based return on investment) <sup>1,3</sup>	11.42%	10%	8.25%
1.1(b) Return on Private Placements (calculated as a cash-based return on investment) <sup>1,4</sup>	4.01%	6%	5.34%
1.1(c) Return on Market Securities <sup>2,5</sup>	(4.39%)	6%	10.0%

Data source:

<sup>1</sup>Returns are calculated based on audited year-end financial statements, which are approved by both external auditors and the Board of the Trust.

<sup>2</sup>Returns are calculated by British Columbia Investment Management Corporation in accordance with Global Investment Performance Standards.

<sup>3</sup>PM 1.1(a) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 10% and 10%, respectively.

<sup>4</sup>PM 1.1(b) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 6% and 6%, respectively.

<sup>5</sup>PM 1.1(c) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 6% and 6%, respectively.

Power facilities returns were below target due to a significant unplanned outage required for equipment repair at Arrow Lakes Generating Station. Despite an outage for most of the year, insurance coverage and strong financial results from the other facilities helped offset some of the costs and revenue losses.

Private placements results were slightly below target, but showed a significant increase compared to 2022/23, primarily due to higher interest rates on the commercial loan portfolio. Real estate returns also showed an increase year-to-year, offset slightly due to ongoing repairs and maintenance of certain real estate properties in the portfolio.

Market securities performance exceeded the target, reflecting both improved year-over-year market returns and deliberate adjustments to the portfolio mix towards higher-yielding investments, all while maintaining the target risk profile.

## Goal 2: Effective delivery of benefits for Basin residents

Objective 2.1: Benefits that serve to strengthen the social, economic and environmental well-being of the Basin and its residents and communities.

The Trust supports efforts by the people of the Basin to create a legacy of social, economic and environmental well-being and to achieve greater self-sufficiency for present and future generations.

### Key results

- More than 2,800 projects supported through 64 programs and initiatives in 2023/24.
- Committed \$53.1 million for grants and initiatives, and \$6.2 million in capital investments, which included the addition or construction of capital assets in 2023/24.
- In 2023/24, exceeded targets in housing, business loans, community assets, ecosystem enhancement and climate resilience.
- Released a renewed CBMP 2024-2034 in February 2024.

### Summary of progress made in 2023/24

The Trust continued to deliver on the focus areas set out in the 2020-2023 CBMP, including housing, high-speed connectivity, community well-being, ecosystem enhancement, local food production and access, support for business renewal, climate resilience and working with Indigenous Peoples.

The Trust launched two new programs: Farm SMART (Sustainable, Mitigation, Adaptation, and Resilience Transition) in September 2023 and Non-Profit SMART Grants in May 2023 to support Basin food producers, non-profits and First Nations in their efforts to increase their energy efficiency, adapt to the impacts of climate change, and/or reduce their greenhouse gas emissions. The Trust also reinstated two programs: the Buy Local Grants in November 2023 to further support Basin business renewal efforts and the Child Care Equipment and Small Improvements Grants in August 2023 to continue to strengthen child care in the Basin.

To inform a renewed CBMP, the Trust undertook an extensive in-person and online public engagement process. The [CBMP 2024-2034](#) was released to Basin residents in February 2024.

**Performance measures and related discussion**

<b>Performance Measure</b>	<b>2022/23 Actual</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
2.1(a) Per cent of Basin residents perceiving the Trust’s impact as positive <sup>1,3</sup>	84	N/A	N/A
2.1(b) Per cent of partners perceiving the Trust’s impact as positive <sup>1,4</sup>	94	N/A	N/A
2.1(c) Affordable Housing # of new affordable housing units funded <sup>2,5</sup>	57	30	93
2.1(d) Broadband # rural households with access to 50/10 Megabits per second (Mbps) service (cumulative) <sup>2,6</sup>	6,400	8,080	7,800
2.1(e) Broadband # Kilometers (km) of fibre backbone in place (cumulative) <sup>2,7</sup>	1,185	1,285	1,255
2.1(f) Business Value of new business loans provided (\$Millions) <sup>2,8</sup>	15.7	7.5	12.9
2.1(g) Community Assets # of existing indoor and outdoor community spaces being enhanced <sup>2,9</sup>	63	55	82
2.1(h) Ecosystem Health Area of aquatic habitat improved (square meters (m <sup>2</sup> )) <sup>2,10</sup>	910,800	4,000	13,111
2.1(i) Ecosystem Health Area of terrestrial habitat improved (hectares (ha)) <sup>2,11</sup>	424	2,000	348
2.1(j) Climate Resilience Equivalent Kilowatt-hour (ekWh) saved <sup>2,12,13</sup>	n/a	525,000	5,407,926

Data Source:

<sup>1</sup>The Trust first measured resident and partner perceptions in 2010 and has since conducted the surveys every two years. The results for these measures represent the percentage of those surveyed who are familiar with the Trust and agree that the Trust is making a positive difference in their community. Assessment of the targets takes place internally every two years.

<sup>2</sup>Results are internally monitored relative to each performance measure. The targets are assessed annually.

<sup>3</sup>PM 2.1(a) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as not applicable and not applicable, respectively.

<sup>4</sup>PM 2.1(b) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as not applicable and not applicable, respectively.

<sup>5</sup>PM 2.1(c) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 30 and 30, respectively.

<sup>6</sup>PM 2.1(d) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 8,080 and 9,080, respectively.

<sup>7</sup>PM 2.1(e) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 1,285 km and 1,385 km, respectively.

<sup>8</sup>PM 2.1(f) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 7.5M and 7.5M, respectively.

<sup>9</sup>PM 2.1(g) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 55 and 55, respectively.

<sup>10</sup>PM 2.1(h) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 4,000m<sup>2</sup> and 4,000m<sup>2</sup>, respectively.

<sup>11</sup>PM 2.1(i) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 2,000ha and 2,000ha, respectively.

<sup>12</sup>PM 2.1(j) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 300,000ekWh and 300,000ekWh, respectively.

<sup>13</sup>This performance measure was not included in the 2022/2023 Service Plan.

2.1(a) and 2.1(b) The Trust first measured resident and partner perceptions in 2010 and has since conducted the surveys every two years. This data was not collected during 2023/24.

2.1(c) The Trust exceeded its target in 2023/24 by supporting the development of a significant number of affordable housing projects. This was made possible by the availability of more third-party funding, such as from federal and provincial sources, leading to a higher-than-anticipated number of projects that were ready to proceed.

2.1(d) and (e) In 2023/24, the Trust missed its targets due to delays in one major project. The Trust actively worked on two Canadian Radio-television and Telecommunications Commission (CRTC) Broadband Fund fibre optic backbone projects (Fruitvale-Nelson and Kimberley-Wasa). The Fruitvale-Nelson project was completed and targets for this project were met. Kimberley-Wasa was paused due a forest fire and a delay in receiving an archaeological permit (now received). The extension of Kimberley-Wasa was confirmed in May 2024 and the project is expected to be complete by the end of the 2024 calendar year.

2.1(f) The value of new Business Loans exceeded target, reflecting a continued high level of activity that was partially carried over from 2022, primarily in the real estate development area. The Trust saw a slowing of demand in the latter half of 2023, with a return to volumes near target into the 2024 calendar year.

2.1(g) The Trust exceeded its target, primarily due to receiving more community asset applications than anticipated through the open intake Community Development Program. Programs like Community Readiness, Trail Enhancement Grants, and Non-profit SMART produced close to the targeted number of applications.

2.1(h & i) The Trust exceeded its Ecosystem Health target for aquatic habitat as several large aquatic projects were funded and completed in 2023/24. The actual hectares of terrestrial habitat improved is below the forecast as the Trust did not receive as many terrestrial large-scale projects from community organizations in 2023/24 as compared to aquatic projects.

2.1(j) The Trust exceeded its Equivalent Kilowatt-hour (ekWh) saved target in 2023/24 due to expanding and allocating additional budget to providing retrofit grants to Basin non-profits and businesses through the Non-Profit SMART, Business SMART and Farm SMART programs.

ekWh targets are based on calculations provided in building specific professional engineering reports and/or quotes provided by solar installers.

## Goal 3: Efficient corporate operations

Objective 3.1: Maintain cost-effective operations to maximize new investment opportunities and Delivery of Benefit activities in the region.

To ensure the Trust is able to maximize the availability of resources for the achievement of Goals 1 and 2, it must continually ensure that its Corporate Operations are cost-effective.

### Key results

- The Trust continued to maintain cost-effective operations and overall administration expenses were under budget.
- Automated manual processes within Information Management System to significantly improve efficiency within Power Operations and Delivery of Benefits.
- Completed a compensation benchmarking review and made adjustments to ensure the Trust remains competitive and its compensation philosophy is fairly represented.
- Expanded use of electronic funds transfers and automation of cheque processing to vendors and funding recipients.

### Summary of progress made in 2023/24

The Trust remains committed to maintaining cost-effective operations through close oversight of all Corporate Operations budgets and ongoing reviews of all operations to implement process improvements and gain operational efficiencies. Specifically, manual processes were replaced by automation within our Information Management System and customization of metrics and KPI data was completed to support work within Delivery of Benefits. This project successfully eliminated duplication efforts and provided annual time savings of over 450 hours. The use of electronic funds transfers for new vendors and funding recipients was further encouraged, and the automation of cheque processing was expanded to all companies. These automations will reduce manual errors, processing times and operational costs.

The Trust carried out a comprehensive compensation benchmarking review and completed actions that were identified in the report to ensure the Trust's compensation philosophy is fairly represented and that it remains competitive against its relevant comparators. The benchmarking review and subsequent actions strengthen the ability of the Trust to attract and retain necessary talent.

**Performance measures and related discussion**

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
3.1(a) Ratio of Regional Reinvestment <sup>1</sup>	101%	80-90%	101%

Data source: Columbia Basin Trust

<sup>1</sup>PM 3.1(a) targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 80-90% and 80-90% respectively.

The Ratio of Regional Reinvestment measures the percentage of annual revenue that is committed to the Trust’s two core functions—Delivery of Benefits and the Investment Program. The Trust exceeded its target in 2023/24 due to the utilization of available cash for Delivery of Benefits activities for both grants and capital expenditures, and new investments in commercial loans and real estate.

## Financial Report

For the auditor's report and audited financial statements, see [Appendix C](#). These documents can also be found on the Trust website.

## Discussion of Results

In 2023/24, the Trust experienced another strong year with total revenues exceeding budget expectations by approximately \$1 million. Revenues from power facilities were negatively impacted by a significant unplanned outage at Arrow Lakes Generating Station lasting for most of the year; however, insurance coverage offset some of the costs and revenue losses. Healthy financial results at the Trust's other three hydropower facilities (Brilliant Dam, Brilliant Expansion and Waneta Expansion), stronger-than-anticipated gains in market securities, as well as continuing high interest rates on short-term investments, were important contributors to the overall health of the Trust's financial standing.

With above-targeted returns for its other investments and with considered and careful planning and action, the Trust was able to minimize the impact of reduced hydropower revenue to the most critical aspect of its work—the delivery of benefits to Basin residents. The Trust successfully delivered over \$53.1 million in direct benefits to residents and communities through its programming and initiatives this year. Spending was closely monitored throughout all corporate administration and Delivery of Benefits areas as the financial impacts from the outage at the Arrow Lakes Generating Station remained uncertain throughout the year.

Administration expenses totaled \$8.5 million and were under budget by \$1.2 million due primarily to lower staff remuneration costs.

## Financial Summary

(\$000s)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
<b>Revenues</b>				
Power Facilities	79,065	79,583	74,369	(5,214)
Power Facilities Recoveries	3,900	4,400	4,400	-
Market Securities	1,866	1,000	3,303	2,303
Private Placements: Real Estate	741	1,358	1,182	(176)
Private Placements: Commercial Loans	1,629	1,613	2,232	619
Broadband Operations	1,045	1,581	1,208	(373)
Short-Term Investments	1,969	2,000	3,179	1,179
Commercial Investments Rent	997	1,058	1,013	(45)
Other	3,779	1,446	3,733	2,287
Restricted Investment Income	733	713	1,068	355
<b>Total Revenue</b>	<b>95,724</b>	<b>94,752</b>	<b>95,687</b>	<b>935</b>
<b>Expenses</b>				
Delivery of Benefits				
Community Initiatives	35,456	23,824	30,978	(7,154)
Broadband Initiatives <sup>2</sup>	2,777	4,318	3,984	334
Economic Initiatives	2,146	2,490	2,315	175
Other Initiatives	2,998	4,215	3,046	1,169
Social Initiatives	3,337	2,747	3,072	(325)
Water and Environment Initiatives	7,323	7,456	7,618	(162)
Youth Initiatives	1,360	2,185	2,071	114
Programs Under Development	-	8,000	-	8,000
<b>Total Delivery of Benefits</b>	<b>55,397</b>	<b>55,235</b>	<b>53,084</b>	<b>2,151</b>
Power Project Administration Expenses	3,900	4,400	4,400	-
Trust Administration Expenses	8,170	9,685	8,498	1,187
Commercial Investment Expenses	786	841	782	59
Financing Costs	17,525	17,407	17,407	-
Loss Due to Impairment	192	-	21	(21)
<b>Total Expenses</b>	<b>85,970</b>	<b>87,568</b>	<b>84,192</b>	<b>3,376</b>
<b>Annual Surplus</b>	<b>9,754</b>	<b>7,184</b>	<b>11,495</b>	<b>4,311</b>
<b>Total Debt</b>	<b>5,608</b>	<b>5,842</b>	<b>5,608</b>	<b>(234)</b>
<b>Accumulated Surplus</b>	<b>529,871</b>	<b>544,655</b>	<b>545,698</b>	<b>1,043</b>



<sup>1</sup> The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>2</sup> Broadband Initiatives includes direct Columbia Basin Broadband Corporation (CBBC) expenses, as well as other broadband initiatives delivered through CBBC. See Appendix B for separate financial information for this subsidiary.

<sup>3</sup> Economic Initiatives includes direct Columbia Basin Development Corporation (CBDC) expenses, as well as other economic initiatives delivered through CBDC. See Appendix B for separate financial information for this subsidiary.

## Administration Expenses

(\$000s)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
<b>Expenses</b>				
Staff Remuneration and Development	9,126	10,745	9,853	892
Office and General	901	915	897	18
Amortization	338	426	336	90
Professional Fees	357	405	387	18
Corporate Travel and Meetings	316	319	324	(5)
Communications	484	515	485	30
Board and Committee	165	325	198	127
Information Technology	383	435	418	17
<b>Subtotal</b>	<b>12,070</b>	<b>14,085</b>	<b>12,898</b>	<b>1,187</b>
Less: Allocation to Power Project Administration	(3,900)	(4,400)	(4,400)	-
<b>Total Administration Expenses</b>	<b>(8,170)</b>	<b>9,685</b>	<b>8,498</b>	<b>1,187</b>

## Variance and Trend Analysis

The unplanned outage that occurred this year at the Arrow Lakes Generating Station negatively impacted revenues from power facilities as certain costs were not recoverable under insurance policies.

Power facilities revenues are estimated to increase year-to-year as the contractual power sales agreements include annual increases determined by the change to the Consumer Price Index (CPI). In addition, while budgets also include estimates for unplanned outages, it is possible that actual unplanned outages are higher than forecast. This may result in additional maintenance costs or negatively impact power facilities revenues, as experienced this year.

The realized returns within the market securities portfolio remain unpredictable as markets fluctuate year-to-year.

Delivery of Benefits budgets include amounts for programs under development, as part of the Trust's work is to support communities in being responsive to evolving demand in the Basin. In 2023/24, all of this budget was utilized and transferred to various initiatives as approved by the Board. This allocation may or may not be fully utilized in any given year based on opportunities and partnerships within the Basin.

## Risks and Uncertainties

To meet ongoing commitments, the Trust requires a stable stream of revenue. Over 80 per cent of Trust revenues come from power facilities and power facilities recoveries, providing a predictable revenue stream. The long-term power sales agreements with BC Hydro and FortisBC in Canadian dollars mitigate currency and pricing risks, and interest rate risks were mitigated with fixed rates in long-term project financing. If the power facilities experience operational challenges and revenues are reduced, as we experienced this past year at one of the facilities, the Trust's ability to deliver benefits or make new investments may be impacted.

Financial markets are volatile, and returns may vary significantly when measured over the short-term. A one per cent change in return would have an approximate impact of \$860,000 on revenue given the current level of market investment. Fluctuating interest rates have a direct effect on the income from commercial loans. Changes in the economic environment influence the performance of business loans. A one per cent change in return would have an approximate impact of \$340,000 on revenue given the current level of investment. New investments continue to be made and are priced to reflect current market rates. The portfolio continues to grow with a diverse mix of opportunities.

Fluctuating interest rates also have a direct impact on returns from short-term investments. A one per cent change in interest rates would have an approximate impact of \$430,000 on revenue, given the current level of investment. Short-term investments are generally under one year in maturity, and the portfolio is managed to ladder maturities to reduce interest rate risk.

## Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the [2021/22 Mandate Letter](#) from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>Implement the strategic priorities identified by Basin residents and included in the Columbia Basin Management Plan (CBMP) Strategic Priorities 2020-2022.</p>	<ul style="list-style-type: none"> <li>• The CBMP was extended to the end of 2023.</li> <li>• A renewed Columbia Basin Management Plan 2024-2034 was approved in February 2024.</li> </ul>
<p>Maintain an active and cooperative relationship with partners in power project management and operations to ensure the projects deliver optimized financial returns and are managed in the best long-term interests of the owners.</p>	<ul style="list-style-type: none"> <li>• There is an active and cooperative relationship with the Columbia Power Board of Directors.</li> <li>• Trust Power Operations staff work closely with contractors like FortisBC to ensure the successful operation of all facilities.</li> </ul>

## Appendix B: Subsidiaries and Operating Segments

### Active Subsidiaries

#### Columbia Basin Broadband Corporation (CBBC)

CBBC is a wholly owned subsidiary of the Trust formed in 2011. CBBC is working with Basin communities and rural areas to improve connectivity through a region-wide fibre optic network which will contribute to economic and social development in the Basin.

The activities of CBBC are considered a delivered benefit to Basin residents; therefore, any losses incurred by CBBC are addressed through the Delivery of Benefits budget.

The CBBC Board comprises the following members:

- Ron Miles, Chair
- Wendy Booth
- Greg Deck
- Ron Oszust
- Owen Torgerson

#### Financial Summary

(\$000)	2022/23 Actual	2023/24 Budget	2023/24 Actual
Revenues	1,602	1,581	1,864
Expenses	2,777	4,318	3,984
<b>Net Income</b>	<b>(1,175)</b>	<b>(2,737)</b>	<b>(2,120)</b>

#### Discussion of Variance

The deficit for CBBC was lower than budgeted by \$617,000 due largely to a decrease in expected amortization, as a result of delays in planned capital projects and a decrease in the use of external professional fees. In addition, revenues were higher than budgeted due to an increase in contract revenues and investment income.

### Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to Mar 31, 2024 (\$000)	Estimated Cost to Complete (\$000)	Anticipated Total Cost* (\$000)
<b>Connect the Basin Project</b>	2026/27	\$349	\$75,754	\$76,103

**Objective:** To ensure that Basin residents have access to reliable and affordable high-speed connectivity through a combination of fibre backbone and fibre-to-the-home technology.

**Costs:** \*Total project costs are estimated to be \$82 million. Values presented above represent capital expenditures on the project only.

**Benefits:**

- 5,429 homes will be connected to CBBC’s fibre optic network and will have the ability to access reliable and affordable high-speed internet.
- Fibre-to-the-home technology will be expanded to 59 Basin communities.
- Additional gateway capacity and redundancy will be added to the network to ensure reliable and low latency connectivity.

**Risks:**

- Permitting delays
- Increases in project costs
- Potential labour shortages
- Supply chain disruption

### Columbia Basin Development Corporation (CBDC)

CBDC is a wholly owned subsidiary of the Trust formed in 2016 to lead and support efforts to advance economic growth, job creation, innovation and entrepreneurial opportunity for a prosperous and sustainable Basin economy. Current macroeconomic conditions are difficult to predict; however, a significant increase in demand due to an economic slowdown may exceed capacity of program offerings.

The Trust considers the activities of CBDC a delivered benefit to Basin residents, so any losses incurred by CBDC will be addressed through the Delivery of Benefits budget. CBDC activities align with the Trust’s mandate, CBMP and fiscal plan.

The CBDC Board comprises the following members:

- Don McCormick, Chair
- Jocelyn Carver

- Krista Turcasso

### Financial Summary

(\$000)	2022/23 Actual	2023/24 Budget	2023/24 Actual
Revenues	456	446	536
Expenses	2,148	2,490	2,337
<b>Net Income</b>	<b>(1,692)</b>	<b>(2,044)</b>	<b>(1,801)</b>

### Discussion of Variance

The deficit for CBDC was less than budgeted due to the undersubscription of one program.

## Nominee Holding Companies

#### **CBT Commercial Finance Corp.**

Holds Trust interests in business loans and investments.

#### **CBT Real Estate Investment Corp.**

Holds Trust interests in real estate investments.

#### **CBT Property Corp.**

Holds Trust interests in corporate real estate.

#### **CBT Arrow Lakes Development Corp.**

Holds Trust interests in the Arrow Lakes Generating Station with Columbia Power.

#### **CBT Brilliant Expansion Power Corp.**

Holds Trust interests in the Brilliant Expansion with Columbia Power.

#### **CBT Power Corp.**

Holds Trust interests in the Brilliant Dam with Columbia Power.

#### **CBT Waneta Expansion Power Corp.**

Holds Trust interests in the Waneta Expansion with Columbia Power.

#### **Columbia Basin Housing Society**

A wholly controlled entity of CBT Property Corp.

## **Appendix C: Auditor's Report and Audited Financial Statements**

**COLUMBIA BASIN TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2024**

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## **RESPONSIBILITY FOR FINANCIAL REPORTING**

Management is responsible for the preparation of the accompanying consolidated financial statements and all of the information contained in the Annual Report of Columbia Basin Trust (the Trust). The consolidated financial statements have been prepared in accordance with the financial reporting provisions of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia and include amounts that are based on estimates and judgements. Management believes that the consolidated financial statements fairly present the Trust's consolidated financial position and results of operations. The integrity of the information presented in the consolidated financial statements, including estimates and judgements relating to matters not concluded by fiscal year end, is the responsibility of management. The consolidated financial statements have been approved by the Trust's Board of Directors.

Management has established and maintained appropriate systems of internal controls which are designed to provide reasonable assurance that the Trust's assets are safeguarded and reliable financial records are maintained to form a proper basis for preparation of consolidated financial statements. These systems include formal written policies and appropriate delegation of authority and segregation of responsibilities within the organization.

KPMG LLP has been appointed by the Trust's Board of Directors to express an opinion as to whether the consolidated financial statements have been prepared, in all material respects, in conformity with the financial reporting provisions of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. The Auditor's report follows and outlines the scope of their examination and their opinion on these consolidated financial statements.

The Board of Directors, through the Finance and Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Finance and Audit Committee, comprised of directors who are not employees, meets regularly with the external auditors and management to satisfy itself that each group has properly discharged its responsibility to review the consolidated financial statements before recommending approval by the Board of Directors. The external auditors have full and open access to the Finance and Audit Committee, with and without the presence of management.



Johnny Strilaeff  
President & CEO



Christine Lloyd, CPA, CGA  
Executive Director, Finance & Operations



KPMG LLP  
200 - 3200 Richter Street  
Kelowna BC V1W 5K9  
Tel 250-979-7150  
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## INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of Columbia Basin Trust, and  
To the Minister of Finance, Province of British Columbia*

### **Opinion**

We have audited the consolidated financial statements of Columbia Basin Trust (the Trust), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated of remeasurement gains and losses for the year then ended
- the consolidated statement of changes in accumulated operating surplus for the year end ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policy information

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

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2024 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***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 ethical 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.



### ***Emphasis of Matter – Financial Reporting Framework***

We draw attention to note 2(a) in the financial statements, which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express and opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Kelowna, Canada

May 24, 2024

**COLUMBIA BASIN TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*(in thousands)*

<b>AS AT MARCH 31</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>FINANCIAL ASSETS</b>			
Cash		\$ 13,614	\$ 16,994
Short-term investments	4	43,388	48,161
Accrued interest and other accounts receivable	5	6,754	7,475
Market securities	6	86,376	78,741
Loans receivable	7	14,560	9,416
Private placements - commercial loans	8	33,878	32,851
Private placements - commercial investment	9	2,375	2,375
Private placements - real estate investments	10	12,889	11,605
Investment in power facilities	11	974,739	966,043
		1,188,573	1,173,661
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	12	2,210	2,191
Employee future benefits		452	424
Debt	13	5,779	5,608
Deferred contributions	14	10,942	9,801
Delivery of benefits initiatives	15	54,666	43,622
Due to Waneta Expansion Power Corporation	16	609,928	618,828
		683,977	680,474
Net Financial Assets		504,596	493,187
<b>NON-FINANCIAL ASSETS</b>			
Prepaid expenses		508	1,145
Tangible capital assets	17		
Tangible capital assets - corporate		2,699	1,726
Tangible capital assets - delivery of benefits		23,347	18,809
Tangible capital assets - investments		14,548	15,004
Total tangible capital assets		40,594	35,539
		41,102	36,684
<b>ACCUMULATED SURPLUS</b>		<b>\$ 545,698</b>	<b>\$ 529,871</b>
Accumulated Surplus is comprised of:			
Accumulated Operating Surplus		\$ 539,055	\$ 527,560
Accumulated Remeasurement Gains		6,643	2,311
		\$ 545,698	\$ 529,871
Commitments	7, 23		
Subsequent event	28		

Approved on behalf of the Board of Directors:

Jocelyn Carver  
Chair



Bill van Yzerloo  
Chair, Finance and Audit Committee



The accompanying notes are an integral part of these consolidated financial statements.

**COLUMBIA BASIN TRUST**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

(in thousands)

<b>FOR THE YEAR ENDED MARCH 31</b>	<b>Note</b>	<b>Budget</b>	<b>2024</b>	<b>2023</b>
		(Note 27)		
<b>REVENUES</b>				
Power facilities	11	\$ 79,583	\$ 74,369	\$ 78,966
Power facilities recoveries	18	4,400	4,400	3,900
Market securities		1,000	3,303	1,866
Short-term investments		2,000	3,179	1,969
Grants	19	1,432	2,688	3,112
Private placements - commercial loans		1,613	2,232	1,629
Broadband operations		1,149	1,208	1,045
Private placements - real estate investments	10	1,358	1,182	741
Restricted investment income	16	713	1,068	733
Other	20	446	1,045	667
Commercial investments rent		1,058	1,013	997
		94,752	95,687	95,625
<b>EXPENSES</b>				
	21			
Community initiatives		27,457	34,166	39,133
Water and environment initiatives		8,275	8,337	7,983
Other initiatives		14,089	4,690	4,014
Power facilities administration	18	4,400	4,400	3,900
Broadband initiatives		4,318	3,984	2,777
Social initiatives		3,475	3,711	4,196
Economic initiatives		3,377	3,094	2,916
Youth initiatives		2,635	2,466	1,628
Investment initiatives		2,135	1,916	1,706
Financing costs	16	17,407	17,407	17,426
		87,568	84,171	85,679
Impairment loss	7	-	21	192
<b>ANNUAL OPERATING SURPLUS</b>		<b>\$ 7,184</b>	<b>\$ 11,495</b>	<b>\$ 9,754</b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLUMBIA BASIN TRUST**  
**CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
*(in thousands)*

<b>FOR THE YEAR ENDED MARCH 31</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Accumulated remeasurement gains, beginning of year		\$ 2,311	\$ 7,793
Unrealized gains (losses) on market securities		4,002	(5,988)
Less realized losses reclassified to the Statement of Operations		330	506
Net change for the year		4,332	(5,482)
<b>ACCUMULATED REMEASUREMENT GAINS, end of year</b>	<b>6</b>	<b>\$ 6,643</b>	<b>\$ 2,311</b>

**CONSOLIDATED STATEMENT OF CHANGE IN ACCUMULATED OPERATING SURPLUS**  
*(in thousands)*

<b>FOR THE YEAR ENDED MARCH 31</b>	<b>2024</b>	<b>2023</b>
Accumulated operating surplus, beginning of year	\$ 527,560	\$ 517,806
Annual operating surplus	11,495	9,754
<b>ACCUMULATED OPERATING SURPLUS, end of year</b>	<b>\$ 539,055</b>	<b>\$ 527,560</b>

The accompanying notes are an integral part of these consolidated financial statements.

**COLUMBIA BASIN TRUST**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
*(in thousands)*

<b>FOR THE YEAR ENDED MARCH 31</b>	<b>Budget</b>	<b>2024</b>	<b>2023</b>
	<b>(Note 27)</b>		
<b>ANNUAL OPERATING SURPLUS</b>	\$ 7,184	\$ 11,495	\$ 9,754
Acquisition of prepaid expenses	-	(508)	(1,145)
Use of prepaid expenses	-	1,145	616
Acquisition of tangible capital assets	-	(7,249)	(3,885)
Net book value of tangible capital assets disposed	-	-	88
Amortization of tangible capital assets	320	2,194	1,670
	320	(4,418)	(2,656)
Effect of remeasurement gains (losses)	-	4,332	(5,482)
Change in Net Financial Assets	7,504	11,409	1,616
NET FINANCIAL ASSETS, beginning of year	493,187	493,187	491,571
<b>NET FINANCIAL ASSETS, end of year</b>	<b>\$ 500,691</b>	<b>\$ 504,596</b>	<b>\$ 493,187</b>

The accompanying notes are an integral part of these consolidated financial statements.



**COLUMBIA BASIN TRUST**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*(in thousands)*

<b>FOR THE YEAR ENDED MARCH 31</b>	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM (APPLIED TO) OPERATING ACTIVITIES</b>		
Cash received from private placements - commercial loans	\$ 2,156	\$ 1,477
Cash received from other loans	892	405
Cash received from broadband operations	4,654	2,167
Cash received from short-term investments	3,157	1,946
Cash received from market securities	3,303	1,866
Cash received from tenants	1,082	1,030
Cash paid for operating expenses	(6,120)	(12,638)
Cash paid for delivery of benefits initiatives, net of external funding received	(41,082)	(40,220)
	<u>(31,958)</u>	<u>(43,967)</u>
<b>CASH FLOWS FROM (APPLIED TO) INVESTING ACTIVITIES</b>		
Purchase of short-term investments and market securities	(19,600)	(34,221)
Redemption of short-term investments and market securities	21,070	40,083
Issuance of commercial loans	(12,987)	(15,698)
Repayment of commercial loans	11,952	7,833
Issuance of other loans	(6,550)	(4,243)
Repayment of other loans	1,465	1,355
Real estate investments	(1,818)	(4,138)
Dividends received from real estate investments	1,716	1,647
Dividends received from power facilities investments	65,673	80,105
	<u>60,921</u>	<u>72,723</u>
<b>CASH FLOWS FROM (APPLIED TO) CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(7,249)	(3,885)
Disposal of tangible capital assets	-	88
	<u>(7,249)</u>	<u>(3,797)</u>
<b>CASH FLOWS FROM (APPLIED TO) FINANCING ACTIVITIES</b>		
Repayment of debt	(20)	(732)
Interest paid on debt	(18,169)	(18,183)
Contributions to WEPC sinking fund	(7,095)	(6,517)
Advances from community foundations, net	190	326
	<u>(25,094)</u>	<u>(25,106)</u>
<b>DECREASE IN CASH</b>	<b>(3,380)</b>	<b>(147)</b>
<b>CASH, beginning of year</b>	<b>16,994</b>	<b>17,141</b>
<b>CASH, end of year</b>	<b>\$ 13,614</b>	<b>\$ 16,994</b>

Interest collected during the year was \$6.2 million (fiscal 2023 - \$3.8 million).

Interest paid during the year was \$18.4 million (fiscal 2023 - \$18.4 million).

**COLUMBIA BASIN TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended March 31, 2024**  
*(Tabular amounts in thousands)*

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**1. NATURE OF COLUMBIA BASIN TRUST**

Columbia Basin Trust (the Trust) is a corporation established by the *Columbia Basin Trust Act*. The purpose of the Trust is to manage its assets for the ongoing economic, social and environmental well-being of the Columbia Basin (the Basin) region. The sole share of the Trust is held by the Minister of Finance on behalf of the Province of British Columbia (the Province). The Trust reports to the Minister of Finance.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Trust's consolidated financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the Trust are as follows:

**(a) Basis of accounting**

The consolidated financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia (Section 23.1) supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The *Budget Transparency and Accountability Act* requires that the consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for public sector organizations in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer supported organizations to adopt Canadian public sector accounting standards without any elections available to government not-for-profit organizations.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- i. Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of deferred capital contributions and recognition of revenue are accounted for over the fiscal periods during which the tangible capital asset is used to provide services.
- ii. Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards, which state that:

- i. Government transfers that do not contain a stipulation that creates a liability be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met; and

**COLUMBIA BASIN TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended March 31, 2024**  
*(Tabular amounts in thousands)*

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**2. (a) Basis of accounting (continued)**

- ii. Externally restricted contributions be recognized as revenue in the period in which the stipulations are met.

**(b) Basis of consolidation**

- i. Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of organizations which are wholly owned and controlled by the Trust. Controlled organizations are consolidated except for government business partnerships and government business enterprises (notes 2(b)(ii) and (iii)). Intercompany transactions, balances, and activities are eliminated on consolidation.

The following entities are wholly owned and controlled by the Trust and are fully consolidated:

- CBT Commercial Finance Corp.
- CBT Arrow Lakes Power Development Corp.
- CBT Brilliant Expansion Power Corp.
- CBT Power Corp.
- CBT Property Corp.
- CBT Waneta Expansion Power Corp.
- CBT Real Estate Investment Corp.
- Columbia Basin Broadband Corporation (CBBC)
- Columbia Basin Development Corporation (CBDC)

- ii. Investment in Government business partnerships:

Government business partnerships (GBPs) are accounted for using the modified equity method. Under the modified equity method, the Trust's investment consists of its percentage investment in the GBP, its equity interest in the GBP's earnings and other changes in equity. No adjustments are made for accounting policies that are different from those of the Trust and intercompany transactions and balances are not eliminated.

The following GBPs of the Trust are consolidated using the modified equity method:

Power facilities:

- Arrow Lakes Power Corporation (ALPC) – 50% interest
- Brilliant Power Corporation (BPC) – 50% interest
- Brilliant Expansion Power Corporation (BEPC) – 50% interest
- Waneta Expansion Power Corporation (WEPC) – 50% interest

Real estate:

- Castle Wood Village – 50% interest
- Columbia Village – 50% interest
- Crest View Village – 50% interest
- Garden View Village – 50% interest
- Joseph Creek Village – 50% interest
- Kootenay Street Village – 50% interest
- Lake View Village – 50% interest
- Mountain Side Village – 50% interest
- Mount St. Francis – 50% interest
- Rocky Mountain Village – 50% interest

**COLUMBIA BASIN TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended March 31, 2024**  
*(Tabular amounts in thousands)*

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**2. (b) Basis of consolidation (continued)**

iii. Investment in Government business enterprises:

Government business enterprises (GBEs) are accounted for using the modified equity method. Under the modified equity method, the Trust's investment consists of its percentage investment in the GBE, its equity interest in the GBE's net income, and other changes in equity. No adjustments are made for accounting policies that are different from those of the Trust and inter-entity transactions and balances are not eliminated.

Red Mountain Hostel (77% interest) is a GBE of the Trust and is consolidated in these financial statements using the modified equity method.

**(c) Tangible capital assets and amortization**

Tangible capital assets are recorded at cost, which includes amounts directly related to the acquisition, construction, design, development, improvement or betterment of the assets. Costs include overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the construction of the asset. The cost, less residual value of the tangible capital assets, excluding land, is amortized on a straight-line basis over the expected useful lives as follows:

<b>Category</b>	<b>Years</b>
Automobiles	8
Hardware and software	3 - 7
Broadband hardware	3 - 15
Office furniture and equipment	5
Fibre optics	25
Buildings	25 - 35
Tenant improvements	Lease term or improvement useful life

Tangible capital assets are written down to their residual value when conditions indicate they no longer contribute to the Trust's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the statement of operations. Transfers of capital assets from related parties are recorded at carrying value.

**(d) Revenue recognition**

Revenues are recognized in the period in which the revenue transaction or event has occurred, and performance obligation has been met.. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- i. Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for over the fiscal period during which the tangible capital asset is used to provide services.

**COLUMBIA BASIN TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended March 31, 2024**  
*(Tabular amounts in thousands)*

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**2. (d) Revenue recognition (continued)**

- ii. Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

Contributions are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

**(e) Expenses**

Expenses are reported on an accrual basis when the goods have been received or the services have been provided. The cost of all goods consumed and services received during the year is expensed. Expenses are classified by function on the statement of operations. The Trust allocates administration costs by identifying an appropriate basis of allocating and applying that basis consistently each year.

Government transfers are recognized in the consolidated financial statements in the period in which the amounts of the transfers are authorized and any eligibility criteria have been met by the recipient.

**(f) Taxes**

The Trust and its wholly owned subsidiaries are exempt from income taxes under paragraph 149(1)(d) of the *Income Tax Act*. The Trust is also exempt from Federal Large Corporations Tax under subsection 181.1(3) of the *Income Tax Act*.

**(g) Financial instruments**

Derivatives and equity instruments quoted in an active market are measured at fair value. The Trust measures other specific financial instruments at cost and amortized cost to correspond with how they are evaluated and managed.

Financial instruments measured at fair value are classified as level one, two or three for the purposes of describing the basis of the inputs used to measure the fair values, as described below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

All financial instruments measured at fair value are measured using Level 1 criteria. There were no transfers between hierarchies during the year ended March 31, 2024.

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**2. (g) Financial instruments (continued)**

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

Financial instruments measured using amortized cost are financial assets or financial liabilities that are measured at initial recognition minus principal repayments, plus or minus cumulative amortization using the effective interest method and minus any impairment losses. The effective interest rate method is used to determine interest revenues or expenses.

For portfolio investments measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

Financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations and any related fair value changes previously recorded in the statement of remeasurement gains and losses are reversed to the extent of the impairment. Impairment losses are not reversed for a subsequent increase in value.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Trust has designated its financial instruments as follows:

i. Cash:

Cash includes cash on hand and demand deposits. The Trust presents its statement of cash flows using the direct method.

ii. Portfolio investments:

Short-term investments include investments quoted in an active market are measured at fair value and other investments are measured at cost or amortized cost. These investments are highly liquid and held for the purpose of meeting short-term cash commitments. Investments measured at fair value recognize any changes in fair value in the statement of remeasurement gains and losses.

Market securities equity and debt investments quoted in an active market are measured at fair value. The Trust invests in long-term investments through pooled fund products managed by the British Columbia Investment Management Corporation (BCI), a corporation established under the *Public Sector Pension Plans Act*. The Trust has a diversified securities portfolio that includes short-term deposits, bonds and equities. Market securities are measured at fair value with changes in fair value recognized in the statement of remeasurement gains and losses.

Private placements - commercial investments that have an equity interest are measured at cost, less any amounts written off to reflect a permanent decline in value.

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**2. (g) Financial instruments (continued)**

iii. Loans receivable:

Private placements - commercial loans as well as loans receivable are measured at amortized cost less any amount for impairments. Impairment losses are recorded to reflect loans receivable at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exists. Impairments are recognized in the statement of operations. Interest is accrued on loans receivable to the extent it is deemed collectable.

iv. Debt and other financial assets and financial liabilities:

Debt, accrued interest and other assets, and accounts payable and accrued liabilities are measured at amortized cost using the effective interest rate method.

**(h) Employee future benefits**

Employee future benefits consist of an employee pension plan, retirement benefits and sick leave benefits.

The Trust and its employees make contributions to the Public Sector Pension Plan, which is a multi-employer defined benefit pension plan. Multi-employer defined benefit pension plans are accounted for as defined contribution plans. As a result, the Trust's contributions are expensed as paid.

The Trust provides a retirement allowance to all employees who have accumulated 20 years or more of service with the Trust. An actuarially determined accrued liability for the retirement allowance has been recorded in the statements and has been determined using management's best estimate of employee retention, salary escalation, long-term inflation and discount rates.

The Trust provides their employees with sick leave benefits that accumulate but do not vest. All employees are entitled to eight sick days per calendar year, which may be carried over, to a maximum of 120 days. An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are calculated using management's best estimate of salary escalation, long-term inflation rates and discount rates.

**(i) Measurement uncertainty**

The preparation of these consolidated financial statements 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 consolidated financial statements and the reported amounts of the revenues and expenses during the period. Estimates applied in the preparation of the consolidated financial statements include assumptions used for recording specific impairments and general loan loss provisions on commercial loans and loans receivable, the useful lives of tangible capital assets, and indicators of any impairment on its commercial investment.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from these estimates.

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**3. COMPARATIVE FIGURES**

Certain prior year figures have been reclassified to conform with the current year's presentation.

**4. SHORT-TERM INVESTMENTS**

Short-term investments consist of a portfolio of guaranteed investment certificates (GICs) held at financial institutions. GICs earn interest at rates ranging from 5.4% to 5.5%, and reach maturity between August 2024 and February 2025.

**5. ACCRUED INTEREST AND OTHER ACCOUNTS RECEIVABLE**

Accrued interest and other accounts receivable consist of accrued interest on short-term investments, accounts receivable, accrued interest on commercial loans and power facilities recoveries.

**6. MARKET SECURITIES**

The Trust has a diversified securities portfolio that includes short-term deposits, and bond and equity pooled funds. The Trust's investment in market securities is as follows:

	Fair value hierarchy level	2024	2023
Market value	1	\$ 86,376	\$ 78,741
Cost		79,733	76,430
Accumulated remeasurement gains		\$ 6,643	\$ 2,311

During fiscal year 2024, the Trust recognized realized losses on market securities of \$330,000 (fiscal 2023 - loss of \$506,000).

**7. LOANS RECEIVABLE**

The Trust provided Mount St. Francis, a joint venture subsidiary of the Trust, with a \$10.5 million loan in fiscal 2023 for construction of a senior care facility in Nelson, BC. The loan bears interest at Canadian Imperial Bank of Commerce's (CIBC) prime commercial lending rate, to be repaid within 90 days of project completion (scheduled for October 2024).

The Trust provides funding through the Impact Investment Fund to businesses challenged with obtaining financing from other sources. These loans are secured by assets and personal guarantees and currently have terms extending no further than 15 years.

The Trust provided the Trail airport with a non-interest bearing \$1 million loan with annual principal payments of \$50,000 over a term of 20 years. At March 31, 2024, the outstanding balance was \$700,000 (discounted to present value \$511,000).

The Trust provided funding through the Small Business Working Capital Loans program to provide working capital and operating funds to Basin-based small businesses and social enterprises to assist with the challenges of COVID-19. The Trust also provided funding through the Basin Food Producer Loans program to help bolster the region's



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**7. LOANS RECEIVABLE (continued)**

food supply, create employment and alleviate longer-term economic impacts caused by the pandemic. The loan terms for both of these related programs bear interest of 2% over a maximum term of five years. At March 31, 2024, the outstanding balance of the loans in these two programs totaled \$697,000 (discounted to present value \$671,000). The Trust recognized impairment losses totaling \$21,000 in fiscal 2024 for two loans under the Small Business Working Capital Loans program.

The Trust provides funding through the Economic Development program to support business development throughout the Basin. The Trust provided one loan under this program in fiscal 2023 with a term of 25 years.

Loans receivable are as follows:

	<b>2024</b>	<b>2023</b>
Mount St. Francis loan bearing interest at CIBC prime	\$ 10,500	\$ 4,200
Impact Investment Fund bearing interest from 5.0% to 11.2%	2,711	3,057
Trail airport non-interest bearing	511	537
Small Business Working Capital Loans bearing interest at 2%	378	566
Economic Development loan bearing interest at CIBC prime	342	860
Basin Food Producer Loans bearing interest at 2%	293	405
	14,735	9,625
Less: impairment loss/provision*	(175)	(209)
	<b>\$ 14,560</b>	<b>\$ 9,416</b>

\*Impairment loss \$21,000 (fiscal 2023 - \$192,000); loan provision \$154,000 (fiscal 2023 - \$17,000).

**8. PRIVATE PLACEMENTS – COMMERCIAL LOANS**

The Trust provides commercial loans that are generally secured by real estate and currently have terms extending no further than 25 years.

Commercial loans are as follows:

	<b>2024</b>	<b>2023</b>
Commercial loans bearing interest from 3.65% to 10.7%	\$ 34,117	\$ 33,082
Less: impairment loss	(239)	(231)
	<b>\$ 33,878</b>	<b>\$ 32,851</b>

**9. PRIVATE PLACEMENTS – COMMERCIAL INVESTMENT**

Commercial equity investment in a private company is accounted for as a portfolio investment and measured at cost, net of impairment.

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**10. PRIVATE PLACEMENTS - REAL ESTATE INVESTMENTS**

The Trust's real estate investments are comprised of the following:

- 50% ownership interest in ten seniors housing facilities throughout the Basin.
- 77% ownership interest in Red Mountain Hostel located in Rossland, BC.

These investments are accounted for as investments in GBPs and GBEs using the modified equity method. See Note 2(b).

Condensed supplementary financial information, representing the Trust's interests, for private placements – real estate investments is as follows:

**(a) Financial position:**

	Current Assets	Non- Current Assets	Total Assets	Current Liabilities	Non- Current Liabilities	Total Liabilities	Net Assets
<b>March 31, 2024</b>							
Castle Wood Village - 50%	\$ 156	\$ 2,583	\$ 2,739	\$ 222	\$ 2,160	\$ 2,382	\$ 357
Columbia Village - 50%	145	3,604	3,749	319	3,077	3,396	353
Crest View Village - 50%	254	2,765	3,019	276	2,067	2,343	676
Garden View Village - 50%	417	2,126	2,543	185	1,791	1,976	567
Joseph Creek Village - 50%	308	6,203	6,511	383	5,552	5,935	576
Kootenay Street Village - 50%	113	10,903	11,016	319	10,421	10,740	276
Lake View Village - 50%	220	3,923	4,143	120	2,873	2,993	1,150
Mountain Side Village - 50%	79	1,939	2,018	82	1,473	1,555	463
Red Mountain Hostel - 77%	500	2,764	3,264	37	1,211	1,248	2,016
Rocky Mountain Village - 50%	48	1,922	1,970	209	1,156	1,365	605
<i>Projects under development:</i>							
Mount St. Francis - 50%	1,522	15,617	17,139	6,272	5,017	11,289	5,850
	\$ 3,762	\$ 54,349	\$ 58,111	\$ 8,424	\$ 36,798	\$ 45,222	\$ 12,889

**March 31, 2023**

Castle Wood Village - 50%	\$ 543	\$ 2,789	\$ 3,332	\$ 632	\$ 2,350	\$ 2,982	\$ 350
Columbia Village - 50%	156	3,768	3,924	290	3,246	3,536	388
Crest View Village - 50%	293	2,952	3,245	335	2,245	2,580	665
Garden View Village - 50%	414	2,265	2,679	182	1,961	2,143	536
Joseph Creek Village - 50%	75	6,636	6,711	828	5,052	5,880	831
Kootenay Street Village 50%	94	11,350	11,444	313	10,778	11,091	353
Lake View Village - 50%	240	4,129	4,369	135	2,982	3,117	1,252
Mountain Side Village - 50%	87	2,066	2,153	147	1,541	1,688	465
Red Mountain Hostel - 79%	419	2,996	3,415	55	1,285	1,340	2,075
Rocky Mountain Village - 50%	96	2,069	2,165	238	1,337	1,575	590
<i>Projects under development:</i>							
Mount St. Francis - 50%	523	5,712	6,235	35	2,100	2,135	4,100
	\$ 2,940	\$ 46,732	\$ 49,672	\$ 3,190	\$ 34,877	\$ 38,067	\$ 11,605

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**10. PRIVATE PLACEMENTS - REAL ESTATE INVESTMENTS (continued)**

**(b) Results of operations:**

	Expenses						Surplus (deficit)
	Revenue	Finance Charges	Operations	Amortization	Total		
<b>March 31, 2024</b>							
Castle Wood Village - 50%	\$ 525	\$ 81	\$ 34	\$ 215	\$ 330	\$ 195	
Columbia Village - 50%	528	165	30	225	420	108	
Crest View Village - 50%	560	123	28	207	358	202	
Garden View Village - 50%	363	86	7	139	232	131	
Joseph Creek Village - 50%	1,094	376	110	441	927	167	
Kootenay Street Village - 50%	813	302	1	448	751	62	
Lake View Village - 50%	550	146	14	209	369	181	
Mountain Side Village - 50%	311	63	8	126	197	114	
Red Mountain Hostel - 77%	101	68	33	127	228	(127)	
Rocky Mountain Village - 50%	374	51	27	147	225	149	
	\$ 5,219	\$ 1,461	\$ 292	\$ 2,284	\$ 4,037	\$ 1,182	

**March 31, 2023**

Castle Wood Village - 50%	\$ 525	\$ 87	\$ 281	\$ 194	\$ 562	(37)
Columbia Village - 50%	528	136	38	222	396	132
Crest View Village - 50%	560	86	60	203	349	211
Garden View Village - 50%	363	84	11	138	233	130
Joseph Creek Village - 50%	1,094	306	370	425	1,101	(7)
Kootenay Street Village - 50%	813	310	5	448	763	50
Lake View Village - 50%	547	127	32	208	367	180
Mountain Side Village - 50%	311	66	18	126	210	101
Red Mountain Hostel - 79%	105	75	35	143	253	(148)
Rocky Mountain Village - 50%	374	56	41	148	245	129
	\$ 5,220	\$ 1,333	\$ 891	\$ 2,255	\$ 4,479	\$ 741

**(c) Investment in private placements - real estate:**

	Castle Wood Village	Columbia Village	Crest View Village	Garden View Village	Joseph Creek Village	Kootenay Street Village	Lake View Village	Mount St. Francis	Mountain Side Village	Red Mountain Hostel	Rocky Mountain Village	Total
	50%	50%	50%	50%	50%	50%	50%	50%	50%	77%*	50%	
<b>March 31, 2024</b>												
Opening balance	\$ 350	\$ 388	\$ 665	\$ 536	\$ 831	\$ 353	\$ 1,252	\$ 4,100	\$ 465	\$ 2,075	\$ 590	\$ 11,605
Dividends	(188)	(143)	(191)	(100)	(422)	(139)	(283)	-	(116)	-	(134)	(1,716)
Investment	-	-	-	-	-	-	-	1,750	-	68	-	1,818
Surplus (deficit)	195	108	202	131	167	62	181	-	114	(127)	149	1,182
	\$ 357	\$ 353	\$ 676	\$ 567	\$ 576	\$ 276	\$ 1,150	\$ 5,850	\$ 463	\$ 2,016	\$ 605	\$ 12,889

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**10. (c) Investment in private placements - real estate (continued)**

	Castle Wood Village	Columbia Village	Crest View Village	Garden View Village	Joseph Creek Village	Kootenay Street Village	Lake View Village	Mount St. Francis	Mountain Side Village	Red Mountain Hostel	Rocky Mountain Village	Total
	50%	50%	50%	50%	50%	50%	50%	50%	50%	79%	50%	
<b>March 31, 2023</b>												
Opening balance	\$ 575	\$ 399	\$ 645	\$ 512	\$ 1,260	\$ 442	\$ 1,281	\$ -	\$ 480	\$ 2,185	\$ 594	\$ 8,373
Dividends	(188)	(143)	(191)	(106)	(422)	(139)	(209)	-	(116)	-	(133)	(1,647)
Investment	-	-	-	-	-	-	-	4,100	-	38	-	4,138
Surplus (deficit)	(37)	132	211	130	(7)	50	180	-	101	(148)	129	741
	\$ 350	\$ 388	\$ 665	\$ 536	\$ 831	\$ 353	\$ 1,252	\$ 4,100	\$ 465	\$ 2,075	\$ 590	\$ 11,605

\*Additional equity contributions from Red Mountain Hostel joint venture partner in fiscal 2024 decreased the Trust's equity ownership to 77% (fiscal 2023 - 79%).

**(d) Non-current assets:**

The Trust's investment in private placements - real estate is as follows:

	Land	Building and Equipment	2024	2023
Operating facilities	\$ 3,940	\$ 64,748	\$ 68,688	\$ 68,718
Projects under development	-	15,617	15,617	5,712
Less: accumulated amortization	-	(29,956)	(29,956)	(27,698)
	\$ 3,940	\$ 50,409	\$ 54,349	\$ 46,732

**(e) Non-current liabilities:**

**i. Long-term debt**

Long-term debt consisting of the Trust's interest in mortgage loans are included in current and non-current liabilities of the real estate entities. These loans bear interest at rates varying between 3.2% and 6.3% and mature between September 2024 and August 2034. Loans are repayable in monthly payments of principal and interest, amortized over 25 years and secured by first charges, both fixed and floating, over the senior housing facilities' assets.

**ii. Indemnities by joint venturers**

The joint venturers of the Trust's real estate investments gave separate indemnities for mortgage proceeds totaling \$36.9 million (fiscal 2023 - \$32.9 million).

**(f) Contingencies:**

In June 2010, the BC Housing Management Commission (BC Housing) provided Lake View Village, a seniors housing facility located in Nelson, BC, with a government grant to allow for subsidized suites. Under this agreement, Lake View Village received a forgivable loan in the amount of \$855,000, which was applied directly to the mortgage on the property. Under the terms and conditions of the agreement, if the loan is defaulted within the first 10 years, \$855,000 is repayable to BC Housing. Thereafter, the forgivable loan amount is reduced by 1/15th per year. As at March 31, 2024, the balance of the forgivable loan was \$627,000 (fiscal 2023 - \$684,000). The Trust's share is 50%.

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**11. INVESTMENT IN POWER FACILITIES**

The Trust's investment in power facilities comprises ownership interests in four entities that are jointly controlled with Columbia Power Corporation (Columbia Power), a party related through common control by the Province. These investments are accounted for as GBPs using the modified equity method. See listing of investments and consolidated entities in Note 2(b).

**(a) Arrow Lakes Power Corporation (ALPC)**

The Trust's wholly owned subsidiary, CBT Arrow Lakes Power Development Corp., has a 50% ownership interest in ALPC. The purpose of ALPC is to operate the 185 megawatt (MW) Arrow Lakes Generating Station adjacent to Hugh Keenleyside Dam in Castlegar, BC, and a 48-kilometre transmission line from the power plant to British Columbia Hydro and Power Authority's (BC Hydro) Selkirk substation. ALPC sells the entitlement energy and capacity generated from this facility.

**(b) Brilliant Power Corporation (BPC)**

The Trust's wholly owned subsidiary, CBT Power Corp., has a 50% ownership interest in BPC. The purpose of BPC is to act as lessor of the Brilliant Dam and Generating Station (Brilliant Power Facility) and Brilliant Terminal Station assets. The Brilliant Power Facility and Brilliant Terminal Station are currently leased to FortisBC Inc., a regulated utility operating in British Columbia, according to the finance lease terms. The Brilliant Power Facility is located on the Kootenay River, three kilometers upstream of the confluence with the Columbia River in Castlegar, BC.

**(c) Brilliant Expansion Power Corporation (BEPC)**

The Trust's wholly owned subsidiary, CBT Brilliant Expansion Power Corp., has a 50% interest in BEPC. The purpose of BEPC is to operate Brilliant Expansion, a 120 MW power generation facility adjacent to the Brilliant Dam in Castlegar, BC. BEPC sells the entitlement energy and capacity generated from this facility.

**(d) Waneta Expansion Power Corporation (WEPC)**

The Trust's wholly owned subsidiary, CBT Waneta Expansion Power Corp., has a 50% interest in WEPC. The purpose of WEPC is to operate the 340 MW generation facility (Waneta Expansion) adjacent to the Waneta Dam near Trail, BC, and a 10-kilometre transmission line from the power plant to BC Hydro's Selkirk substation. WEPC sells the entitlement energy and capacity generated from this facility.

The Waneta Expansion was previously owned by the Waneta Expansion Limited Partnership (WELP), of which Fortis Inc. held a 51% interest, Columbia Power a 32.5% interest, and the Trust a 16.5% interest. On April 17, 2019, the Trust and Columbia Power purchased Fortis Inc.'s 51% interest in WELP. The purchase agreement was completed through a series of transactions and amalgamations, which resulted in the creation of WEPC through a business combination to hold the Trust and Columbia Power's interest (a 50/50 partnership).

The acquisition transaction was identified as a business combination with WEPC identified as the acquirer. A purchase price allocation was performed to measure the fair value of identifiable assets acquired and liabilities assumed by WEPC at the acquisition date. The Trust purchased additional shares (33.5%) in WEPC for the purchase price of \$651 million to have equal ownership in WEPC between the Trust and Columbia Power. The structure of this additional purchase of shares required the Trust to be responsible for 66% of the debt required for the purchase from Fortis Inc. See Note 16.

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**11. (d) Waneta Expansion Power Corporation (continued)**

In applying the modified equity basis of accounting to its interest in WEPC, the Trust makes annual adjustments for related party transactions where the underlying investment remains within the reporting entity. The Trust's original investment in WELP of 16.5% is accounted for on a cost basis, with the additional 33.5% investment accounted for at fair value at acquisition. The entire amount of the investment is recorded at fair value within WEPC. The fair value increment on the original investment, adjusted for annual amortization of related assets, is eliminated on consolidation. WEPC adjustments in the tables below also include development costs incurred by the Trust for the purchase of Fortis Inc.'s 51% interest in the Waneta Expansion Limited Partnership.

Condensed supplementary financial information, representing the Trust's 50% interest, for investment in power facilities is as follows:

**(e) Financial position:**

	Current Assets	Property, Plant & Equipment	Lease Receivable	Non- Current Assets	Total Assets	Current Liabilities	Non- Current Liabilities	Total Liabilities	Net Assets
<b>March 31, 2024</b>									
ALPC* - 50%	\$ 22,255	\$ 99,562	\$ -	\$ -	\$ 121,817	\$ 10,537	\$ 138,763	\$ 149,300	\$ (27,483)
BPC - 50%	12,532	-	170,236	6,561	189,329	8,903	10,854	19,757	169,572
BEPC - 50%	5,310	94,784	-	706	100,800	627	-	627	100,173
WEPC** - 50%	20,802	894,789	-	490,207	1,405,798	4,956	489,672	494,628	911,170
	\$ 60,899	\$ 1,089,135	\$ 170,236	\$ 497,474	\$ 1,817,744	\$ 25,023	\$ 639,289	\$ 664,312	\$ 1,153,432
WEPC adjustment									(178,693)
									\$ 974,739
<b>March 31, 2023</b>									
ALPC - 50%	\$ 12,805	\$ 100,955	\$ -	\$ -	\$ 113,760	\$ 10,047	\$ 143,783	\$ 153,830	\$ (40,070)
BPC - 50%	12,405	-	168,723	6,612	187,740	9,096	17,416	26,512	161,228
BEPC - 50%	4,730	96,541	-	672	101,943	689	-	689	101,254
WEPC* - 50%	20,447	909,251	-	490,769	1,420,467	4,880	490,233	495,113	925,354
	\$ 50,387	\$ 1,106,747	\$ 168,723	\$ 498,053	\$ 1,823,910	\$ 24,712	\$ 651,432	\$ 676,144	\$ 1,147,766
WEPC adjustment									(181,723)
									\$ 966,043

\*ALPC total assets for the year ended March 31, 2024, include amounts receivable from insurance recoveries of \$10.7 million, as a result of major repairs to one of the generating units.

\*\*WEPC assets and liabilities contain amounts due from the owners and due to the Province for a long-term debt arrangement to fund the acquisition of Fortis Inc.'s 51% ownership in WELP. Each owner purchased additional shares to restore the ownership to the originally mandated 50/50 partnership between the Trust and Columbia Power. The Trust's share of the long-term debt is \$604.8 million (fiscal 2023 - \$613.7 million). See Note 16.

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**11. INVESTMENT IN POWER FACILITIES (continued)**

**(f) Investment in power facilities:**

	<b>ALPC</b>	<b>BPC</b>	<b>BEPC</b>	<b>WEPC</b>	<b>Total</b>
	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	
<b>March 31, 2024</b>					
Opening balance	\$ (40,070)	\$ 161,228	\$ 101,254	\$ 743,631	\$ 966,043
WEPC adjustment	-	-	-	3,029	3,029
Dividends	-	(7,750)	(12,023)	(45,900)	(65,673)
Surplus	12,587	16,094	10,942	31,717	71,340
	<b>\$ (27,483)</b>	<b>\$ 169,572</b>	<b>\$ 100,173</b>	<b>\$ 732,477</b>	<b>\$ 974,739</b>
<b>March 31, 2023</b>					
Opening balance	\$ (43,792)	\$ 153,500	\$ 103,030	\$ 754,444	\$ 967,182
WEPC adjustment	-	-	-	3,029	3,029
Dividends	(15,700)	(7,500)	(11,680)	(45,225)	(80,105)
Surplus	19,422	15,228	9,904	31,383	75,937
	<b>\$ (40,070)</b>	<b>\$ 161,228</b>	<b>\$ 101,254</b>	<b>\$ 743,631</b>	<b>\$ 966,043</b>

**(g) ALPC negative equity:**

In fiscal 2012, ALPC issued \$350 million principal amount Series B bonds, due in April 2041. The proceeds from the Series B bond issue were used to pay for the \$45.6 million owing on ALPC's series A bond redemption, and the net proceeds of \$285.6 million were distributed by dividend to the owners, Columbia Power and CBT Arrow Lakes, for investment in the Waneta Expansion and future project development. The dividend to the owners created a deficit in ALPC of \$56.1 million. ALPC ended fiscal 2012 with a deficit of \$60.3 million after incurring net losses of \$4.2 million that year. Total cumulative dividends of \$272.9 million less cumulative net income of \$278.3 million since fiscal 2012 have decreased the deficit to \$54.9 million at the end of fiscal 2024. The Trust's share is 50%.

As ALPC's negative equity position has been caused by the payment of dividends rather than by operating losses, the Trust continues to record its investment in ALPC as a long-term financial asset that is recorded on a modified equity basis on the consolidated statement of financial position. The Trust's future share of ALPC's net income will reduce the negative equity balance and the Trust's future share of any additional dividends will increase the negative equity balance. Contracts entered into for the delivery of electricity over the next 21 years are expected to generate sufficient revenue and cash flow to fund on-going operations for the foreseeable future.

**(h) Results of operations:**

	Revenue	Expenses			Total	Surplus
		Finance Charges	Operations	Amortization		
<b>March 31, 2024</b>						
ALPC* - 50%	\$ 33,414	\$ 8,106	\$ 10,070	\$ 2,651	\$ 20,827	\$ 12,587
BPC - 50%	25,258	1,610	7,521	33	9,164	16,094
BEPC - 50%	18,175	7	5,197	2,029	7,233	10,942
WEPC - 50%	68,912	14,035	8,477	14,683	37,195	31,717
	<b>\$ 145,759</b>	<b>\$ 23,758</b>	<b>\$ 31,265</b>	<b>\$ 19,396</b>	<b>\$ 74,419</b>	<b>\$ 71,340</b>
WEPC adjustment						3,029
					<b>\$</b>	<b>74,369</b>

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**11. (h) Results of operations (continued)**

	Expenses					Total	Surplus
	Revenue	Finance Charges	Operations	Amortization			
<b>March 31, 2023</b>							
ALPC - 50%	\$ 36,624	\$ 8,367	\$ 6,178	\$ 2,657	\$ 17,202	\$ 19,422	
BPC - 50%	25,028	2,080	7,687	33	9,800	15,228	
BEPC - 50%	17,263	7	5,265	2,087	7,359	9,904	
WEPC - 50%	67,104	13,807	7,239	14,675	35,721	31,383	
	<b>\$ 146,019</b>	<b>\$ 24,261</b>	<b>\$ 26,369</b>	<b>\$ 19,452</b>	<b>\$ 70,082</b>	<b>\$ 75,937</b>	
WEPC adjustment						3,029	
						<b>\$ 78,966</b>	

\*ALPC revenues include insurance recoveries of \$18.1 million as a result of major repairs to one of the generating units during the year ended March 31, 2024 (2023 - nil). Insurance recoveries include amounts for business interruption of \$15.6 million and property damage of \$2.5 million (2023 - nil). Operations expenses, for the year ended March 31, 2024, include major repair expenses of \$2.8 million (2023 - nil).

**(i) Non-current liabilities:**

**Long-term debt**

ALPC has long-term debt that consists of Series B bonds due April 5, 2041. The Series B bonds are secured on a limited recourse basis by charges against Arrow Lakes Generating Station and Transmission assets, related material contracts, licenses, permits, approvals, authorizations and insurance coverage.

BPC bonds (Series A, B, C) are redeemable in whole or in part at any time before May 31, 2026, at a price equal to the greater of the principal amount then outstanding, or a price calculated to provide a yield to maturity based on the current yield of a matching-duration Government of Canada bond plus 0.30%, 0.31% and 0.23% respectively. The bonds are secured on a limited recourse basis by charges against Brilliant Dam assets and revenues.

WEPC has long-term debt that consists of Series A and B bonds maturing June 30, 2050 requiring semi-annual coupon payments and annual payments to a sinking fund for debt retirement. See Note 16.

Power facilities bonds are as follows (at the Trust's 50% interest):

	Coupon Rate	Effective Rate		2024	2023
ALPC - Series B	5.52%	5.59%	\$	143,843	\$ 148,594
BPC - Series A	8.93%	9.06%		10,165	13,641
BPC - Series B	6.86%	7.00%		2,694	3,648
BPC - Series C	5.67%	6.39%		4,609	6,258
WEPC - Series A	2.95%	2.60%		265,346	265,750
WEPC - Series B	2.95%	2.76%		224,326	224,483
				650,983	662,374
Current portion of bonds				(11,694)	(10,942)
			<b>\$</b>	<b>639,289</b>	<b>\$ 651,432</b>

Bond amounts stated above are inclusive of financing costs of \$4.5 million (fiscal 2023 - \$4.7 million).



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**11. INVESTMENT IN POWER FACILITIES (continued)**

**(j) Contingencies**

The Trust's power project operating and development activities are affected by federal, provincial and local government laws and regulations. Under its agreements with its Bondholders, BPC and ALPC have agreed to comply or cause compliance in all material respects with such laws and regulations, as well as to maintain all material franchises. Under current regulations, the venturers are required to meet performance standards to minimize or mitigate the negative impacts of their proposed projects. The impact, if any, of future legislative or regulatory requirements on specific projects and their related deferred costs cannot currently be estimated.

**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of payables and accruals for asset retirement obligations, information technology services, broadband services, employee benefits, sales taxes and administrative expenses.

**13. DEBT**

The Trust has two term loans secured by a collateral mortgage over real estate (a third term loan was fully paid in fiscal 2023). The Trust also accepts funds from various Community Foundations for investment purposes which are classified as loans.

Debt shown on the consolidated statement of financial position is measured at amortized cost and is comprised of the following:

	<b>2024</b>	<b>2023</b>
Mortgages, interest rate 3.5%, maturing January 2026	\$ 688	\$ 707
Demand loans, interest rate 5.0%, no specific repayment terms	5,091	4,901
	<b>\$ 5,779</b>	<b>\$ 5,608</b>

The total interest expense in the table below is included in investment initiatives expense in the consolidated statement of operations:

	<b>2024</b>	<b>2023</b>
Mortgages	\$ 25	\$ 39
Demand loans	264	250
	<b>\$ 289</b>	<b>\$ 289</b>

Scheduled principal repayments for subsequent fiscal years is as follows:

2025	\$ 5,112
2026	667
	<b>\$ 5,779</b>

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**14. DEFERRED CONTRIBUTIONS**

Deferred capital contributions represent the unamortized amount of grants received from various entities for the purchase of broadband tangible capital assets. Deferred capital contributions are recognized in revenue at the same rate that amortization of the applicable tangible capital asset is recorded.

Deferred revenue represents funding received in fiscal 2023 under the Community Wildfire program, completed in fiscal 2024. Deferred revenue is recognized in revenue as expenses are incurred.

Deferred contributions at March 31 are as follows:

	<b>Deferred Capital Contributions</b>		<b>Deferred Revenue</b>		<b>Total</b>
<b>March 31, 2024</b>					
Opening balance	\$ 8,151	\$	1,650	\$	9,801
Contributions received	3,398		-		3,398
Transfers to revenue	(607)		(1,650)		(2,257)
	<u>\$ 10,942</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>10,942</u>
<b>March 31, 2023</b>					
Opening balance	\$ 4,742	\$	106	\$	4,848
Contributions received	3,930		4,000		7,930
Transfers to revenue	(521)		(2,456)		(2,977)
	<u>\$ 8,151</u>	<u>\$</u>	<u>1,650</u>	<u>\$</u>	<u>9,801</u>

**15. DELIVERY OF BENEFITS INITIATIVES**

Delivery of benefits initiatives refers to activities that the Trust undertakes to support the efforts of the people of the Basin to create a legacy of social, economic and environmental well-being. Delivery of benefits liabilities does not include future commitments. See Note 23.

		<b>2024</b>		<b>2023</b>
Liabilities, beginning of year	\$	43,622	\$	33,436
Funds authorized		54,263		56,810
Funds recovered/rescinded		(1,179)		(1,413)
Funds paid		(42,040)		(45,211)
Liabilities, end of year	<u>\$</u>	<u>54,666</u>	<u>\$</u>	<u>43,622</u>

**16. DUE TO WANETA EXPANSION POWER CORPORATION**

WEPC is jointly owned by the Trust's wholly owned subsidiary, CBT Waneta Expansion Power Corporation, and Columbia Power. WEPC is the owner of the Waneta Expansion and related transmission assets. See Note 11(d). In April 2019, the Trust purchased additional shares in WEPC (33.5%) to have equal ownership between the Trust and Columbia Power.

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**16. DUE TO WANETA EXPANSION POWER CORPORATION (continued)**

The structure of this additional purchase of shares requires the Trust to make payments to WEPC in an amount approximately equal to 66% of the long-term debt held in WEPC. The Trust has recorded an amount due to WEPC and this liability matches the terms of the fiscal agency loan provided to WEPC. The amount of the interest portion of the payments is \$9.1 million semi-annually, with the principal portion of the payments equal to those expected for the sinking fund contributions of WEPC to fully retire CBT Waneta's debt obligations no later than 2050. See Note 11(i).

Due to WEPC is composed of identical terms to the corresponding long-term debt held in WEPC which consists of the following debt issuances:

	2024	2023
<b>WEPC BONDS: SERIES A</b>		
Long-term debt (coupon rate 2.95%, effective rate 2.60%, maturing June 2050)	\$ 328,431	\$ 328,431
Accrued interest	2,734	2,734
Premium on long-term debt	22,010	22,589
Deferred financing costs	(1,849)	(1,898)
	351,326	351,856
<b>WEPC BONDS: SERIES B</b>		
Long-term debt (coupon rate 2.95%, effective rate 2.76%, maturing June 2050)	286,629	286,629
Accrued interest	2,386	2,386
Premium on long-term debt	9,949	10,204
Deferred financing costs	(1,876)	(1,924)
	297,088	297,295
Total gross long-term debt	652,139	652,973
Less: deferred financing costs	(3,725)	(3,822)
	648,414	649,151
Less: WEPC sinking fund balance	(38,486)	(30,323)
	\$ 609,928	\$ 618,828

<b>Original debt issuance:</b>						2024	2023
	Premium	Interest and Fees	Net Proceeds	Coupon Rate	Effective Rate	Carrying Amount	Carrying Amount
WEPC - Series A	\$ 24,757	\$ 4,840	\$ 353,869	2.95%	2.60%	\$ 351,326	\$ 351,856
WEPC - Series B	11,133	5,366	298,929	2.95%	2.76%	297,088	297,295
	\$ 35,890	\$ 10,206	\$ 652,798			\$ 648,414	\$ 649,151

Total interest expense for the year is as follows:

	2024	2023
Series A	\$ 9,159	\$ 9,172
Series B	8,248	8,254
	\$ 17,407	\$ 17,426

The Trust is required to make semi-annual coupon interest payments of \$9.1 million (fiscal 2023 - \$9.1 million) and annual sinking fund contributions for debt retirement to WEPC.

Contributions are invested by the Province's Debt Management Branch. Interest earned on sinking fund investments are held within the fund for future debt retirement. Restricted interest income totaled \$1.1 million (fiscal 2023 - \$733,000).

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**16. DUE TO WANETA EXPANSION POWER CORPORATION (continued)**

Sinking fund payments over the next five years and thereafter are as follows:

2025	\$	7,506
2026		8,050
2027		8,696
2028		9,250
2029		9,674
Thereafter		349,682
	\$	392,858

**17. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated Amortization	2024	2023
<b>Corporate</b>				
Land	\$ 410	\$ -	\$ 410	\$ 224
Building	4,219	2,599	1,620	1,025
Tenant improvements	747	709	38	17
Automobiles	303	84	219	80
Office furniture and equipment	528	481	47	50
Hardware and software	2,419	2,054	365	330
	\$ 8,626	\$ 5,927	\$ 2,699	\$ 1,726
<b>Delivery of benefits</b>				
<i>Economic initiatives</i>				
Land	\$ 188	\$ -	\$ 188	\$ 188
Building	1,481	402	1,079	1,130
	1,669	402	1,267	1,318
<i>Broadband initiatives</i>				
Broadband hardware	8,843	4,811	4,032	2,897
Fibre optics	17,461	2,566	14,895	11,825
	26,304	7,377	18,927	14,722
<i>Grain Elevators</i>				
Land	102	-	102	102
Building	3,094	43	3,051	2,667
	3,196	43	3,153	2,769
	\$ 31,169	\$ 7,822	\$ 23,347	\$ 18,809
<b>Investments</b>				
Land	\$ 3,404	\$ -	\$ 3,404	\$ 3,404
Buildings*	13,544	2,400	11,144	11,600
	\$ 16,948	\$ 2,400	\$ 14,548	\$ 15,004
<b>Total tangible capital assets</b>	<b>\$ 56,743</b>	<b>\$ 16,149</b>	<b>\$ 40,594</b>	<b>\$ 35,539</b>

\*Investment buildings cost and net book value include asset retirement obligations of \$603,000 and \$437,000, respectively (fiscal 2023 - \$603,000 and \$477,000).

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**18. POWER FACILITIES RECOVERIES AND ADMINISTRATION**

The Trust and Columbia Power implemented an Asset Management Services Agreement effective January 1, 2020, wherein the Trust provides support, on a cost recovery basis, to Columbia Power in all areas of power facility operations including human resources, accounting, payroll, records management, information technology, and other support functions. Columbia Power remains the appointed Manager of the four jointly owned power assets under this agreement. Staff are employed directly by the Trust and all employment benefits and related costs are paid by the Trust. There are no direct employees of Columbia Power.

**19. GRANTS**

CBBC entered into Contribution Agreements for the *Connecting BC Program*, the *Canadian Radio-Television and Telecommunications Commission Broadband Fund*, and the *Connect the Basin Program*. These programs extend and/or enhance high-capacity broadband infrastructure in rural and remote communities to provide access to quality broadband services. The *Connecting BC Program* completed in fiscal 2023. The *Canadian Radio-Television and the Telecommunications Commission Broadband Fund* is expected to be completed by December 2024 and the *Connect the Basin Program* by spring 2027. The Trust also entered into an agreement with the Province for a Community Wildfire program completed in fiscal 2024.

**20. OTHER REVENUES**

Other revenues for the Trust consist of the following:

**Interest revenue**

The Trust receives interest revenue from four loan programs and a loan to a joint venture subsidiary.

**Loan programs:**

The Impact Investment Fund program provides capital to businesses challenged with obtaining financing from other sources. The Small Business Working Capital Loans program supports working capital for Basin-based small businesses facing challenges related to COVID-19. The Basin Food Producer Loans program assists food producers challenged with increased COVID-19-related demand. The Economic Development program supports business development throughout the Basin.

The Trust also provided Mount St. Francis, a joint venture subsidiary of the Trust, with a loan in fiscal 2023 for construction of a senior care facility in Nelson, BC.

**Rental revenue**

The Trust receives rental revenue from commercial properties located in Creston and Trail, BC.

**Other revenue**

Other revenues include external funding and fees collected for various delivery of benefits events and projects as well as loan recoveries and discounts.

	<b>2024</b>	<b>2023</b>
Interest revenue	\$ 857	\$ 372
Other revenue	118	262
Rental revenue	70	33
	<b>\$ 1,045</b>	<b>\$ 667</b>

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**21. EXPENSES**

In addition to the direct benefits provided to Basin communities, the Trust has also allocated administration services and costs to each major initiative area (with the exception of CBBC) using an appropriate cost allocation methodology. In the case of CBBC and CBDC, administration costs are tracked separately and expensed directly to these initiative areas.

The following table lists the community benefits expensed, funding benefits that were recovered or rescinded, and the allocation of the Trust's administration services and costs to each major initiative area:

<b>March 31, 2024</b>	<b>Community Benefits</b>	<b>Benefits Recovered/ Rescinded</b>	<b>Administration Allocation</b>	<b>Total Expenses</b>
<b>Trust</b>				
Community initiatives	\$ 31,660	\$ (682)	\$ 3,188	\$ 34,166
Water and environment initiatives	7,887	(269)	719	8,337
Other initiatives	3,165	(119)	1,644	4,690
Social initiatives	3,146	(74)	639	3,711
Economic initiatives	-	-	779	779
Youth initiatives	2,071	-	395	2,466
Investment initiatives	-	-	1,916	1,916
Power facilities administration	-	-	4,400	4,400
	47,929	(1,144)	13,680	60,465
<b>CBBC</b>				
Broadband administration	3,984	-	-	3,984
	3,984	-	-	3,984
<b>CBDC</b>				
Economic initiatives	2,214	(35)	-	2,179
Economic administration	136	-	-	136
	2,350	(35)	-	2,315
	\$ 54,263	\$ (1,179)	\$ 13,680	\$ 66,764

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**21. EXPENSES (continued)**

<b>March 31, 2023</b>	<b>Community Benefits</b>	<b>Benefits Recovered/ Rescinded</b>	<b>Administration Allocation</b>	<b>Total Expenses</b>
<b>Trust</b>				
Community initiatives	\$ 35,923	\$ (467)	\$ 3,677	\$ 39,133
Water and environment initiatives	7,614	(291)	660	7,983
Other initiatives	3,105	(107)	1,016	4,014
Social initiatives	3,437	(100)	859	4,196
Economic initiatives	-	-	770	770
Youth initiatives	1,362	(2)	268	1,628
Investment initiatives	-	-	1,706	1,706
Power facilities administration	-	-	3,900	3,900
	51,441	(967)	12,856	63,330
<b>CBBC</b>				
Broadband administration	2,777	-	-	2,777
	2,777	-	-	2,777
<b>CBDC</b>				
Economic initiatives	2,456	(446)	-	2,010
Economic administration	136	-	-	136
	2,592	(446)	-	2,146
	\$ 56,810	\$ (1,413)	\$ 12,856	\$ 68,253

The following comprises the Trust's, CBBC's and CBDC's expenses by object:

	<b>Trust</b>	<b>CBBC</b>	<b>CBDC</b>	<b>Total</b>
<b>March 31, 2024</b>				
Amortization*	\$ 336	\$ 1,344	\$ -	\$ 1,680
Board and committee expenses	198	4	6	208
Commercial investment expenses*	781	-	121	902
Communications	485	-	-	485
Corporate travel and meetings	324	10	-	334
Delivery of benefits initiatives	46,785	-	2,179	48,964
Information technology	418	357	-	775
Network costs	-	1,131	-	1,131
Office and general	898	233	9	1,140
Professional fees	387	30	-	417
Staff remuneration and development	9,853	875	-	10,728
	\$ 60,465	\$ 3,984	\$ 2,315	\$ 66,764

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**21. EXPENSES (continued)**

		Trust		CBBC		CBDC		Total
<b>March 31, 2023</b>								
Amortization*	\$	338	\$	841	\$	-	\$	1,179
Board and committee expenses		165		6		9		180
Commercial investment expenses*		786		-		129		915
Communications		484		-		-		484
Corporate travel and meetings		316		9		-		325
Delivery of benefits initiatives		50,474		-		2,010		52,484
Information technology		383		289		-		672
Network costs		-		981		-		981
Office and general		901		162		(2)		1,061
Professional fees		357		53		-		410
Staff remuneration and development		9,126		436		-		9,562
	\$	63,330	\$	2,777	\$	2,146	\$	68,253

\*Amortization of \$514,000 (fiscal 2023 - \$491,000) included in commercial investment expenses.

**22. CONTRACTUAL RIGHTS**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Trust's contractual rights arise because of contracts entered into for broadband services, real estate leases and power facilities sales agreements. The Trust's share of contractual rights is as follows:

	2025	2026	2027	2028	2029
Future power facilities revenue	\$ 124,401	\$ 128,372	\$ 130,680	\$ 129,046	\$ 132,781
Future real estate rental revenue	5,684	4,333	2,860	2,302	2,031
Future broadband revenue and project funding	28,945	17,600	17,477	526	274
	\$ 159,030	\$ 150,305	\$ 151,017	\$ 131,874	\$ 135,086

**23. CONTRACTUAL OBLIGATIONS**

Contractual obligations are obligations that become liabilities in the future when the terms of an agreement are met. The Trust's contractual obligations include long-term agreements related to the BPC power facility and various agreements for delivery of benefits initiatives. The Trust entered into an operating lease agreement for office space in Nakusp with terms expiring September 30, 2025. The Trust's share of contractual obligations is as follows:

	2025	2026	2027	2028	2029
Future power facilities capital and expenses	\$ 6,396	\$ 7,498	\$ 7,863	\$ 7,308	\$ 5,628
Future delivery of benefits expenses	360	46	40	-	-
Future office and general (rent) expense	39	20	-	-	-
	\$ 6,795	\$ 7,564	\$ 7,903	\$ 7,308	\$ 5,628

**24. RELATED PARTY TRANSACTIONS**

The Trust is indirectly related through common control to all Province of British Columbia ministries, agencies, crown corporations and public sector organizations that are included in the provincial government reporting entity. Any related party transactions are recorded on a cost recovery basis.



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**25. PUBLIC SERVICE PENSION PLAN**

The Trust and its employees contribute to the Public Service Pension Plan (PSPP) in accordance with the *Public Sector Pension Plans Act* (Act). The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The PSPP is a multi-employer defined benefit pension plan. Under joint trusteeship, the risks and rewards associated with the PSPP's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in future contributions.

The most recent actuarial valuation as at March 31, 2023 indicated that the PSPP is fully funded and is sufficient to pay the current and future lifetime pensions of all members. Contributions to the PSPP by the Trust in fiscal 2024 were \$798,000 (fiscal 2023 - \$716,000). No provision, other than the Trust's required employer pension contributions, has been made in the accounts of the Trust for this liability. The next valuation date for the PSPP is scheduled for fiscal 2026.

**26. RISK MANAGEMENT**

**(a) Credit risk**

Credit risk refers to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust extends credit within its commercial loans and investments. To mitigate the Trust's exposure to credit risk, an assessment of the credit worthiness of a borrower is carried out prior to the placement of a commercial loan or investment. The Trust's exposure to credit risk is as indicated by the carrying value of its commercial loans and investments.

The maximum exposure to credit risk at March 31 was:

	<b>2024</b>	<b>2023</b>
Accrued interest and other assets	\$ 6,754	\$ 7,475
Loans receivable	14,560	9,416
Commercial loans	33,878	32,851
Commercial investment	2,375	2,375

**(b) Liquidity risk**

Liquidity risk refers to the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities. The Trust monitors and maintains its liquidity to ensure sufficient capacity to repay its financial liabilities when they become due. The Trust considers that it has sufficient liquidity to meet its financial obligations.

The maximum exposure to liquidity risk at March 31 was:

	<b>2024</b>	<b>2023</b>
Accounts payable and accrued liabilities	\$ 2,210	\$ 2,191
Debt	5,779	5,608
Delivery of benefits liabilities	54,666	43,622
Due to WEPC	609,928	618,828

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**26. (b) Liquidity risk (continued)**

Financial liabilities maturity schedule:

	Carrying value	Contractual cash flow	2025	2026	2027	2028	2029	Thereafter
Accounts payable and accrued liabilities	\$ 2,210	\$ 2,210	\$ 2,210	\$ -	\$ -	\$ -	\$ -	\$ -
Debt	5,779	5,779	5,112	667	-	-	-	-
Delivery of benefits liabilities	54,666	54,666	30,269	12,035	6,920	4,791	651	-
Due to WEPC*	609,928	843,911	25,650	26,195	26,840	27,395	27,818	710,013

\* Due to WEPC contractual cash flow includes both bond sinking fund and interest payments.

**(c) Market risk**

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market prices. Market risk comprises of three types: currency, interest rate and price.

**i. Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust realizes all significant revenues and expenses in Canadian dollars and is therefore not significantly exposed to currency fluctuations.

**ii. Interest rate risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to significant interest rate risk for current liabilities due to the short-term nature of its current liabilities. The Trust's short-term investments and commercial loans are subject to variable interest rates. Sensitivity analyses: A change of 100 basis points in short-term investment interest rates would increase or decrease revenues by \$434,000. A change of 100 basis points in commercial loans market rates would increase or decrease revenues by \$331,000.

**iii. Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As the Trust's market securities portfolio is affected by global market conditions, the maximum exposure to price risk at the reporting date was:

	2024	2023
Market securities	\$ 86,376	\$ 78,741

**COLUMBIA BASIN TRUST**  
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**Year Ended March 31, 2024**  
*(Tabular amounts in thousands)*

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**27. BUDGETED FIGURES**

Budgeted figures have been provided for comparison purposes and have been derived from the Trust's annual budget approved by the Board of Directors in January 2023.

**28. SUBSEQUENT EVENT**

In April 2024, during a planned maintenance repair on one of the two generating units at the Arrow Lakes Generating Station, an unexpected failure was discovered. Investigations into the failure root cause are ongoing. Preliminary repair duration is estimated to be four months. Power facilities revenue may be negatively impacted in fiscal 2025, and management is working with Arrow Lakes Power Corporation's insurance providers on policy coverage. An estimate on the impact on revenues and income cannot be reasonably determined at this time.

**COLUMBIA BASIN TRUST**  
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*(Tabular amounts in thousands)*

**Schedule A: Tangible capital assets additional financial information**

<b>Corporate</b>	<b>Land</b>	<b>Building</b>	<b>Tenant Improve- ments</b>	<b>Auto- mobiles</b>	<b>Office Furniture and Equipment</b>	<b>Hardware and Software</b>	<b>Total</b>
<b>March 31, 2024</b>							
<b>Cost</b>							
Opening balance	\$ 224	\$ 3,507	\$ 724	\$ 135	\$ 510	\$ 2,304	\$ 7,404
Additions	186	712	23	168	18	202	1,309
Disposals	-	-	-	-	-	(87)	(87)
	410	4,219	747	303	528	2,419	8,626
<b>Accumulated amortization</b>							
Opening balance	-	(2,482)	(707)	(55)	(460)	(1,974)	(5,678)
Amortization	-	(117)	(2)	(29)	(21)	(167)	(336)
Disposals	-	-	-	-	-	87	87
	-	(2,599)	(709)	(84)	(481)	(2,054)	(5,927)
	\$ 410	\$ 1,620	\$ 38	\$ 219	\$ 47	\$ 365	\$ 2,699

<b>Delivery of Benefits</b>	<b>Land</b>	<b>Building</b>	<b>Broadband Hardware*</b>	<b>Fibre Optics</b>	<b>Total</b>
<b>March 31, 2024</b>					
<b>Cost</b>					
Opening balance	\$ 290	\$ 4,184	\$ 7,010	\$ 13,745	\$ 25,229
Additions	-	391	1,833	3,716	5,940
	290	4,575	8,843	17,461	31,169
<b>Accumulated amortization</b>					
Opening balance	-	(387)	(4,113)	(1,920)	(6,420)
Amortization	-	(58)	(698)	(646)	(1,402)
	-	(445)	(4,811)	(2,566)	(7,822)
	\$ 290	\$ 4,130	\$ 4,032	\$ 14,895	\$ 23,347

<b>Investments</b>	<b>Land</b>	<b>Building</b>	<b>Total</b>
<b>March 31, 2024</b>			
<b>Cost</b>			
Opening balance	\$ 3,404	\$ 13,544	\$ 16,948
Additions	-	-	-
	3,404	13,544	16,948
<b>Accumulated amortization</b>			
Opening balance	-	(1,944)	(1,944)
Amortization	-	(456)	(456)
	-	(2,400)	(2,400)
	\$ 3,404	\$ 11,144	\$ 14,548

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*(Tabular amounts in thousands)*

**Schedule A: Tangible capital assets additional financial information (continued)**

Corporate	Land	Building	Tenant Improve- ments	Auto- mobiles	Office Furniture and Equipment	Hardware and Software	Total
<b>March 31, 2023</b>							
<b>Cost</b>							
Opening balance	\$ 205	\$ 3,494	\$ 724	\$ 135	\$ 499	\$ 2,057	\$ 7,114
Additions	19	13	-	-	11	247	290
	224	3,507	724	135	510	2,304	7,404
<b>Accumulated amortization</b>							
Opening balance	-	(2,367)	(675)	(27)	(432)	(1,842)	(5,343)
Amortization	-	(115)	(32)	(28)	(28)	(132)	(335)
	-	(2,482)	(707)	(55)	(460)	(1,974)	(5,678)
	\$ 224	\$ 1,025	\$ 17	\$ 80	\$ 50	\$ 330	\$ 1,726

Delivery of Benefits	Land	Building	Broadband Hardware*	Fibre Optics	Total
<b>March 31, 2023</b>					
<b>Cost</b>					
Opening balance	\$ 290	\$ 2,958	\$ 6,306	12,168	\$ 21,722
Additions	-	1,226	792	1,577	3,595
Disposals	-	-	(88)	-	(88)
	290	4,184	7,010	13,745	25,229
<b>Accumulated amortization</b>					
Opening balance	-	(329)	(3,659)	(1,533)	(5,521)
Amortization	-	(58)	(454)	(387)	(899)
	-	(387)	(4,113)	(1,920)	(6,420)
	\$ 290	\$ 3,797	\$ 2,897	11,825	\$ 18,809

Investments	Land	Building	Total
<b>March 31, 2023</b>			
<b>Cost</b>			
Opening balance	\$ 3,404	\$ 13,544	\$ 16,948
Additions	-	-	-
	3,404	13,544	16,948
<b>Accumulated amortization</b>			
Opening balance	-	(1,508)	(1,508)
Amortization	-	(436)	(436)
	-	(1,944)	(1,944)
	\$ 3,404	\$ 11,600	\$ 15,004

\*Includes \$929,000 (fiscal 2023 - \$116,000) for unamortized development costs for projects expected to commence in a subsequent year.