



Island Coastal Economic Trust Annual Report 2020-2021

icet ISLAND
COASTAL
ECONOMIC
TRUST



From the Chair & CEO.

Looking back at past annual reports can be revealing. What were we working on? What trends were on the rise? In what direction were we headed?

This recent reflection brought out key words and themes such as “year of change”, “innovation”, “leadership”, “memorable”, “transformation” and “catalyst for change”. Foretelling, to say the least.

The past year (and many months) have merged these topics into one – one large, long and incredibly profound moment in our shared path forward. We don’t need to express how challenging this time has been, for just about everyone. But we can’t help feeling incredibly grateful and proud of how this region has adapted and risen to the challenge.

We said good-bye to our former Chair, now the Honourable Josie Osborne, Minister of Municipal Affairs and MLA for the Mid Island-Pacific Rim. We extend our heartfelt congratulations and thanks for her role in guiding our organization towards a progressive regional vision. We also acknowledge Mayor Andy Adams and Mayor Leslie Baird for their valuable contributions, as we welcome incoming Board members Jesse Ketler, Chair of the Comox Valley Regional District, Mayor Martin Davis of Tahsis and Provincial Appointee John Elliott of the Stz’uminus First Nation. We look forward to new directions and ideas under the guidance of our current Chair Aaron Stone and executive team: Ian Morrison, Megan Hanacek, Dana Thorne and Roger Kishi.

When it comes to “year of change”, this past one bears new meaning. From the pandemic’s onset, ICET showcased some of its greatest strengths: the ability to be flexible, nimble and responsive to the particular needs on the ground. Working with long-standing partners, delivering third party funds and adapting our own programs to rapidly changing times was the order of the day.

But keeping an eye forward also demands periodic glances back. Have we been on the right path? Has earlier Trust support proved itself pertinent, even in today’s context? We believe the answer is yes!

In the pages that follow, you’ll read about some ICET projects – past and present – that illustrate the type of ingenuity driving this region, long before COVID’s encroachment on our lives.

Read about how regionally developed technology applications are at the heart of global and local change. One, a seafood traceability app developed by local fishers, has since spun into a successful business and emerging global leader in seafood traceability software. Another (soon to be launched) app, brings a tourism attraction to life with on-the-spot virtual nature, historical and Indigenous content. And finally, learn more about an investment attraction tool uniting Vancouver Island communities in their quest to market and grow the region as a technology hub.

When it comes to collaboration, several projects have come to the fore, reinforcing their continued relevance. The Coastal Communities Social Procurement Initiative has proven so successful in balancing jobs, business and community values that it’s been replicated and scaled across BC. On the Sunshine Coast, the Gibsons Public Market demonstrates its significance in bringing people together safely, while promoting local food production and transformation. The value of broadband connectivity has also never been as critical. The Strathcona Regional District’s planning work is setting the stage for the last-mile connections required to facilitate rural and remote access to crucial high-speed connectivity.

And while travel was likely not far, keeping to our backyards helped emphasize our good fortune. The value of the Island and Coastal region’s improved outdoor offerings – our ski hills, forests and marine trails, among others – provided immeasurable benefit and relief.

Sometimes it takes a catastrophe to know what you’ve got. Fortuitously, throughout the year’s setbacks and challenges, we know this region has a lot.

In closing, we would like to extend a warm welcome to the Juan de Fuca, Salt Spring Island and Gulf Island communities who have recently been added to our mandate area. Additional areas build opportunities to collaborate, grow and innovate. After these past many months, we can confidently say that fostering these types of opportunities is indeed the strongest way forward. For us all.



Aaron Stone, Chair



Line Robert, CEO



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Our Vision.

Our work is guided by a vision for the future; the need to be a strategic partner and driving catalyst supporting the creation of a diverse, innovative, sustainable and resilient Island and Coastal economy. We support our region's communities along the economic development continuum with integrity, transparency and accountability. Our programming approach is flexible and responsive to the rapidly changing economic environment.



Our Region.

- Central South Island
- North Island – Sunshine Coast
- Other, not eligible



Our Purpose.

The North Island Coast Development Initiative Trust (ICET) was created by the Province of British Columbia in 2006 to support economic diversification and growth in the Island and Coastal region.

Initially capitalized with \$50 million, an additional \$10 million was added in 2018 to pursue our mandate and expand our reach in technology and innovation.

The Trust's role and programs have continuously evolved to meet a wide range of stakeholder needs. In the fall of 2020 and winter of 2021, the Province amended ICET's regulation and expanded the service area originally defined by the Vancouver Island communities north of the Malahat, the Sunshine Coast and Powell River. The newly added areas include the Capital Regional District, Juan de Fuca, Salt Spring Island and the Southern Gulf Islands electoral areas.

Nearly half a million people reside in the ICET region. This includes a range of communities from larger metropolitan areas and mid-sized communities to small rural, remote and Island localities, as well as Indigenous communities. The Trust's legislated and decision-making model is both collaborative and community-centered. This is complemented by the "concept to completion" and individualized service delivery approach to each project.

Trust funds are guided by governing legislation and funding agreements. To enhance the region's competitive position, funds are strategically invested across key economic sectors. This includes technology and innovation, small business, tourism, agriculture and aquaculture, transportation, forestry, mining and economic development.

Since inception, more than \$55 million has been invested in partnership with more than 150 organizations. This includes local governments, regional governments, Indigenous communities, non-profits, industry organizations, educational institutions and other actors involved in the regional economic diversification eco-system.

More than \$300 million in new initiatives have been leveraged with this funding. This has led to the creation of long-term employment, new and revitalized industries, improved quality of life and the enduring, transformational change needed to fulfill community needs and aspirations and help build more resilient and sustainable Island and Coastal economies.



Our Goals.

- 1 Build Community & Regional Economic Resilience
- 2 Invest in Economic Infrastructure and Innovation
- 3 Support Regional Collaboration and Learning
- 4 Leverage Economic Investment in the ICET Region
- 5 Maximize the Impact of Trust Resources



Our Programs.

CAPITAL PROGRAMS

ICET invests in two core areas: CAPITAL Programs and CAPACITY Programs. The Regional Support Programs further support community and regionally led initiatives advancing ICET’s vision, mission and goals. Partnerships continue to be an integral part of the Trust’s work and this past year has illustrated the value and importance of these collaborations.

Diversify Capital and Innovation Program

FORMERLY KNOWN AS THE ECONOMIC INNOVATION AND INFRASTRUCTURE PROGRAM.

Supports the development of vital regional and community-based public assets, amenities and services to support sustainable economic diversification and growth, innovation, as well as enhanced quality of life.

Non-repayable Matching Funding contributions are available up to a maximum of \$300,000.

There are six funding streams:

- | | |
|----|----------------------------------|
| 1) | INDUSTRY AND BUSINESS SUPPORT |
| 2) | DOWNTOWN REVITALIZATION |
| 3) | STRATEGIC TOURISM INFRASTRUCTURE |
| 4) | DESTINATION TRAILS |
| 5) | INNOVATIVE INFRASTRUCTURE |
| 6) | INNOVATION SUPPORT |

A unique attribute of the DIVERSIFY Program is its sliding scale matching funding formula. This is designed to adjust for variations in economic vitality between communities applying for funding.

Small Capital Restart Program

Launched in June 2020, this temporary program was designed to address immediate business and industry restart and recovery needs within the pandemic context.

Small capital funds of up to \$15,000 are available until the program is fully subscribed or all health and safety restrictions have lifted.

Thrive

Launched in May 2021, THRIVE provides support to specifically address declining activity and vitality in downtown cores, Main Street or business districts.

Up to \$50,000, to a maximum of 100% of the eligible project budget, is available.

Funding for this program is provided in partnership with Tourism Vancouver Island (TVI) and the Vancouver, Coast and Mountains tourism region, managed by Destination BC (DBC) as part of StrongerBC: BC’s Economic Recovery Plan.



Our Programs.

CAPACITY PROGRAMS

Ready Capacity Building Program

FORMERLY KNOWN AS THE ECONOMIC DEVELOPMENT READINESS PROGRAM.

Supports the development of targeted strategies and tools to strengthen economic diversification and investment attraction, as well as regional marketing and collaboration initiatives. Designed with a “find your fit” formula, the program funding streams support evolving community needs as they move along the economic development continuum.

Up to \$30,000 in funding is available, up to a maximum of 50% of the eligible project budget.

There are six funding streams:

- | | |
|----|---|
| 1) | ECONOMIC DEVELOPMENT STRATEGY |
| 2) | QUICK START IMPLEMENTATION |
| 3) | INVESTMENT ATTRACTION TOOLS |
| 4) | TECHNOLOGY O CONNECTIVITY STRATEGY |
| 5) | SECTORAL DEVELOPMENT STRATEGY |
| 6) | REGIONAL COLLABORATION AND MARKETING STRATEGY |

Recover Rural Business and Community Recovery Program

FORMERLY KNOWN AS THE RURAL BUSINESS AND COMMUNITY RECOVERY PROGRAM.

This initiative is funded on behalf of the Province of British Columbia and was launched in February 2021. Funding supports new employment positions that strengthen business and community economic recovery in rural, remote and Indigenous communities with populations under 25,000.

Funding up to \$70,000 per organization, to a maximum of 100% of the eligible project budget was made available.

REGIONAL SUPPORT PROGRAMS

SPONSORSHIPS for regional events that promote economic development and diversification.

BURSARIES to support community participation in economic development training.

INTERNSHIPS related to economic development that increase participation of younger people in community and regional development.

PARTNERSHIPS

Building and maintaining strong stakeholder and funding relations and partnerships are at the core of what we do. Periodically, and on a case-by-case basis, ICET funds targeted partnerships that may address unanticipated events requiring additional support that is not available under current Trust programs.

During the COVID pandemic, ICET had the opportunity to demonstrate its agility and responsiveness alongside trusted regional partners. In collaboration with Tourism Vancouver Island (TVI) and the Innovation Island Technology Association (IITA), ICET helped to develop two iterative and focused rapid response adaptation and recovery programs. These two initiatives addressed critical challenges facing the tourism sector and initiated opportunities for businesses to transition to the digital economy.



Innovate. Collaborate. Escape.

If this past year has shown us anything, it's the value in resilience and adaptation. The last several months have reinforced the need to prioritize **innovation** – to rethink how we do things or to continue pursuing creative, outside-the-box thinking. Finding new ways, ideas and methods of shaping the world around us offer sustainable ways forward.

Contemporary times have also highlighted the need for **connection** – to be linked and to work together. Through collaboration, we are all ultimately stronger. What benefits one, can benefit many; carrying powerful ripple effects that generate momentum and energy.

We have also witnessed, over the past year, the interconnection between our economic and our social wellbeing. The economy is, after all, about people.

And people's physical and mental health have required safe, secluded and (for the most part) local respite – access to the outdoors being the ultimate **escape**.

In the pages that follow, you'll read about some ICET projects – both past and present – that illustrate the type of forward-thinking that has been happening in the region, in many cases long before COVID entered our lives.





Innovate through food traceability.



Innovate. This Fish.

It's not an entirely new process. But it has certainly become more relevant. Food traceability is now increasingly common, as ensuring the transparency and standards of what we eat has become a key part of being a conscious consumer and supporting local food production.

In 2009, ICET supported a partnership between the West Coast Area G Trollers Association and EcoTrust Canada. The idea was to develop a pioneering, technology-driven tool tracking every fish caught with its own traceability code. The project started off as a local solution to a global problem, as the European Union imposed new food regulations, which would negatively impact small independent fishing fleets and processors on Vancouver Island. This locally developed project has since spun into an award-winning technology software (ThisFish Tally) and tech company (ThisFish Inc.) that uses a cloud-based tool bringing buyers closer to their seafood source. By placing a unique fish tracking code on packaging labels, customers learn the story of their harvester, including any distinct or compelling information about what's on their plate.

Since launching the traceability database tool, ThisFish has been used by artisanal and industrial fisheries around the world. Today, there are 18 processing plants that use the ThisFish Tally software in Canada, the United States, Belize, Ecuador, the Philippines, Thailand and (soon to be) New Zealand. While the past year admittedly put "constraints" on their international growth, it also allowed them to focus their work within North America. As a result, the number of staff has doubled in size.

"Across the board people are realizing the value of digital transformation and integrating digital into their work. Within the seafood industry, there's been a greater focus on safety in the direct-to-consumer experience. Twelve years ago, there weren't a lot of companies doing traceability. Having early ICET support to implement this 'digital plumbing' was incredibly important for us. It helped validate our idea with our customers and convince investors that it was worth investing in."

Eric Enno Tamm,
CEO and co-founder, ThisFish



Innovate through technology connection.



Innovate. Elk Falls App.

Long before COVID was a word in our vernacular, the Museum at Campbell River was searching for innovative ways to remain relevant in the face of changing consumer preferences and to support the community's tourism offerings and growing reputation as a tech hub.

To help reach new audiences and bring part of the Museum's mandate outside, a solution transpired in the form of a unique, interactive and interpretive mobile app highlighting one of the area's most popular visitor attractions: Elk Falls Provincial Park.

The Elk Falls Alive app is expected to launch in the late summer 2021. The technology behind the novel *naturelive* software, developed by a local media and tech-based company, focuses on the natural environment, culture and history, including the local Indigenous heritage. Raising awareness and respect for local ecosystems – through a selection of nature images and videos, interviews with Elders and text – offers an authentic, place-based experience accessible both at the Park and remotely.

Despite some pandemic-related challenges to gain admission to the Park or access to Elders, the Elk Falls Alive app was one of the only projects that the Museum could continue safely working on over the past year.

"The app couldn't have happened at a better time. It will add real value in helping us reach students and other audiences that we don't normally reach. It was great to see new partners come aboard during the project, as they too saw the benefit and wanted to be a part of this innovation."

Sandra Parrish, Executive Director,
Museum at Campbell River

"The app offers a new attraction, without the brick and mortar, allowing people to extend their stay, tell their friends and return to Campbell River – all of which benefits our hotels and restaurants."

Mark Wunsch, Owner, Greencoast Media



Innovate through investment attraction.



Innovate. Tech Island.

As Vancouver Island transitions from its resource-based economy, new ways of diversifying have become paramount. Technology offers a key, long-term opportunity to expand, and communities in the region are witnessing promising growth in the sector.

Some contributing factors include the migration of tech professionals (both nationally and internationally) and the region's reputation as offering a high quality of life, relatively low cost of living and business-friendly environment. The pandemic has further emphasized the region's easy access to outdoor recreation. Together, these factors position Vancouver Island as a particularly attractive location for businesses and remote and knowledge workers.

To capitalize on the momentum, the Vancouver Island Coast Economic Development Association (VICEDA) launched a regional tech investment attraction initiative. This project builds on a recently developed regional tech strategy and a new online platform, launched in 2020. This platform, techisland.co, seeks to attract investors to the region by highlighting the advantages of a tech corridor of small to mid-sized communities located outside the major metropolitan areas.

"We're in the midst of populating our website now with stories of people who have made that move and further refining our target audience. It is apparent that the opportunity to launch this regional asset is valuable. Communities are seeing an increase in calls from all over – families, businesses, entrepreneurs – looking for information on relocation. This past year has been a good reminder of our value proposition – this space we have on offer on Vancouver Island with fresh air, clean outdoor living... And while with the COVID restrictions we won't see the full impact of this project until people are free to move, our communities are working together to create an eco-system that is attractive and that will grow year over year."

Rose Klukas, President, VICEDA



Collaborate through sustainable values.



Collaborate. Coastal Communities.

Social procurement is still an emerging best practice, but its potential to change the way we think about economic resilience couldn't be more opportune. When governments align purchasing decisions beyond price and quality – to consider social value, community outcomes and economic marginalization – buying practices can help build more resilient and sustainable communities.

In 2018, a pioneering group comprised of several member communities (Cumberland, Ladysmith, Cowichan Valley Regional District, Gibsons, Powell River, Tofino, Campbell River, Qualicum Beach and the City of Victoria) received ICET funding to develop the expertise, materials and training for adaptable strategic procurement adjustable to local governments. Through a “whole systems approach” the project supports the connection of social value suppliers and vendors to local procurement. Known as the Coastal Communities Social Procurement Initiative (CCSPI), the founding group has established the region as a knowledge centre for strategic procurement. Building on the project's success, in June 2021, the BC government provided funding to scale provincially, creating the British Columbia Social Procurement Initiative (BCSPI).

In the past two years, members have realized more than \$200 million in social procurement spend and delivered training to more than 150 individuals. There are currently 30 member governments and organizations and more than 50 pilot projects underway. For example, the District of Tofino “unbundled” a soft landscaping project tender, which enabled smaller local landscapers to bid. The result was that these smaller local companies gained procurement experience while also providing the community with cost savings and more efficient maintenance services.

“Social procurement helps governments turn local spend into community benefit and creates space for small businesses to demonstrate their own services – opening new markets for them. This past year, we’ve seen some quick wins in our region, as more members and local governments moved very quickly forward into adopting this shift in mindset through pilot projects. There’s still work to be done with both buyers and vendors, but social procurement is starting to generate additional value for communities.”

Kristi Fairholm Mader, Co-founding Director, Scale Collaborative



Collaborate through through community vision.



Collaborate. Gibsons Public Market.

Public markets have long been important spaces in supporting local food production, manufacturing and value-added products. They're also integral in bringing people together and helping build and maintain strong, healthy communities.

Over the years, the importance of local food supply chains has grown increasingly relevant, and the market concept has evolved from the seasonal, temporary outdoor gathering spaces to permanent facilities where small food processors can incubate and refine their products.

The Gibsons Public Market was established with these needs in mind, particularly as they relate to supporting new agricultural businesses in the Sunshine Coast region. Completed in March 2017, the Market offers a year-round opportunity to generate and access locally harvested and produced foods and manufactured products. The 15,000 square foot space also includes a community and arts space, the Nicholas Sonntag Marine Education Centre, a community kitchen, small business incubator areas and farmers' market activities. Not only has the Market become a sustainable hub for local growers, but it is also incentivizing youth to develop their own small food businesses and offers a prime regional visitor attraction.

"The Market is more than a noun, it's also a verb. During the pandemic we needed to figure out how to keep bringing people together in new ways. We were able to continue offering our space and reach new people through hybrid events, like our Annual Gala Fundraiser, live auctions and projections. We were also able to provide space for new food vendors; our pop-up shop remained open throughout 2020 with a rotation of entrepreneurs testing new food products; and our commercial kitchen has really taken off this past year – it has been booked seven days a week! For most of our merchants, visitors are their 'bread and butter', so we've continued to promote market operations. There's still great value in people continuing to visit 'their own backyards'. It just needs to be done in a safe and respectful way."

Vicki Raw, Executive Director, Gibsons Public Market



Collaborate through connectivity access.



Collaborate. Strathcona Regional District.

Historically, there’s been a gap between the broadband levels across BC’s urban and rural areas. The lack of basic connectivity affects the quality of life standards. This includes employment, education, health and safety, entertainment and social opportunities. Never has the need for strong and reliable internet access been more evident than this past year.

To help address the digital divide, the Strathcona Regional District (SRD) developed the Connected Coast project, which will receive \$40 million to build 34,000 kilometres of fibre-optic cable backbone infrastructure to 139 Island and Coastal communities before the end of 2021.

A series of community-specific plans were developed and supported with ICET funding in eight SRD areas to develop the appropriate last-mile solutions for their current and future needs. These locations include Cortes Island, Area A, Area B, Gold River, Kyuquot, Quadra Island, the Village of Sayward, Tahsis and the Village of Zeballos. Each strategy explores the digital aspirations – including challenges and opportunities – to ensure improved broadband; helps develop the technical plans to meet these objectives; and serves as business cases to access last-mile funding opportunities.

“Our local Economic Action Plan (2018) identified a lot of potential for growth across different sectors on Cortes, but a lack of reliable high-speed internet has been a huge challenge. COVID amplified the need to have an online market for our artisanal producers to sell their goods. We also see the need to attract more workers in the digital economy as we’re experiencing a generational shift. There’s exciting potential for us to bring in new community members with digital skills who require consistent access to internet to work here.”

Beatrix Baxter, Board Member, Cortes Community Economic Development Association



Escape through mountains.



Escape. Mount Cain Alpine Resort.

It's been called the "little mountain that could". As one of the North Island's most popular outdoor activity destinations, Mount Cain has proven its worth as a vital community-owned asset.

It is the region's largest employer of youth and a growing draw for visitors looking for high elevation powder and easy backcountry access. It's no wonder locals and visitors are keen to preserve and enhance this small alpine resort.

Over the years, the Mount Cain Alpine Society have pursued various ICET-supported projects offering both local and regional benefits. Between 2012 and 2018, four projects were completed including the construction of the Kapitany Lodge. These new facilities and capital works have allowed for greater numbers of overnight visitors, extended the length of the ski season, increased employment and enabled the development of new events and programming. As more people have been drawn to the mountain, neighbouring North Island communities have experienced the economic ripple effects of new visitors.

This past year, with ICET funding, Mount Cain adapted their public spaces to meet physical-distancing guidelines, including construction of a new, covered and heated outdoor beer garden.

"When COVID hit, it was very challenging. But, because of the work done over the past decade with support from ICET, we were more resilient and able to adapt to the changes required during a pandemic. The hill was very busy in 2020/21 and it's safe to say we have gradually increased both the number of visitors and staff. We saw more beginner skiers and new visitors than we had ever seen before. Families who normally played hockey or went to Hawaii tried something new. Our ability to adopt a COVID strategy made it possible for us to open and help get people outside, which is good for mental health. Even though our revenue for accommodations was way down, we sold more passes than ever before, so we are in good shape."

Jennifer Lash, Director, Mount Cain Alpine Society



Escape through water.



Escape. Salish Sea Marine Trail.

There is no lack of outdoor adventure activities in BC, particularly in the Island and Coastal region. But not all recreational sports are marketed to the same extent. This leaves some popular activities – such as paddle sports – with more limited tourism outreach and exposure.

In 2016, the BC Marine Trails Network Association decided to capitalize on the 257 kilometre Salish Marine Trail (SMT) by attaching it to the TransCanada Trail. The intent was to draw paddle craft and small self-propelled boats to new regional paddling routes, options, ecotourism offerings and adventure tourism draws. But without a concerted promotional strategy, the SMT risked remaining mere “dots on a map”. This project focused on marketing the lesser-known sites, located outside the major urban centres. The strategy, completed in 2019, added an extra layer of exposure by promoting Service Hubs – areas connecting local businesses and services with marine trail users. A key part of this effort was the Indigenous involvement. An Engagement Program was developed with 19 First Nations outlining the steps needed to manage visitors on traditional territory.

“The BC Marine Trails’ First Nations Engagement Program is a six-step process to promote respectful relations around land use. We’ve worked collaboratively on a marine trail code of conduct, which has also helped strengthen reconciliation work with First Nations. This has been even more relevant today, because we can safely say that there’s been an increase in trail users with some sites even being filled up over this past year... Marine trails offer a different type of nature experience than land. You can paddle past seals, harlequin ducks or a river otter or even see an orca or gray whale nearby. Paddling is a filter for the mind. The immersion into nature, the closeness to the sea and its environment, helps cleanse one’s thoughts and pushes the stresses away. There are many health benefits to being outdoors, while offering safe socializing at a distance.”

Paul Grey, President, BC Marine Trails and co-author of three paddling books about Vancouver Island



Escape through forest.



Escape. North Coast Trail.

Over the past year, the North Island's exceptional outdoor offerings – its remote forests, streams, lakes and coastlines – has provided a much needed reprieve for local and BC based visitors. As one of the region's prime multi-day hiking attractions, the North Coast Trail located in Cape Scott Provincial Park, has been top of list for many.

The North Coast Trail is ICET's first ever supported project. Funds were used to build this 43 kilometre trail, which is considered a "Class III Wilderness Trail" a level referencing the skill needed to navigate the rugged terrain. In the years following the trail's opening, neighbouring communities, including the Town of Port Hardy and the Town of Port McNeill, saw the economic impacts of this project. New transportation businesses were created, followed by a rise in new guide outfitters and full-time seasonal jobs. More accommodation options also emerged, helping meet the growing demand in visitors, including a new and younger, adventure-seeking demographic.

"It has changed the North Island. Even before COVID, the number of hikers was steadily increasing each year, as more visitors – including international visitors – continue to look for new and challenging trails. This project was very well received in Port Hardy and the timing couldn't have been better. Tourism has offered a real way forward."

Cathy Denham, Volunteer, North Vancouver Island Trails Society

"The initial trail improvements helped give people a reason to come up to the North Island and explore. This past year was far more localized and focused in attracting local and provincial visitors. More people wanted to see their own backyards. By making the trip up, people use the services in and out of the area, not just in Cape Scott. They also stayed for longer, which benefits the surrounding communities, and a lot of people are sure to come back again next year."

Ben McGibbon, Project Manager, 43K Wilderness Solutions

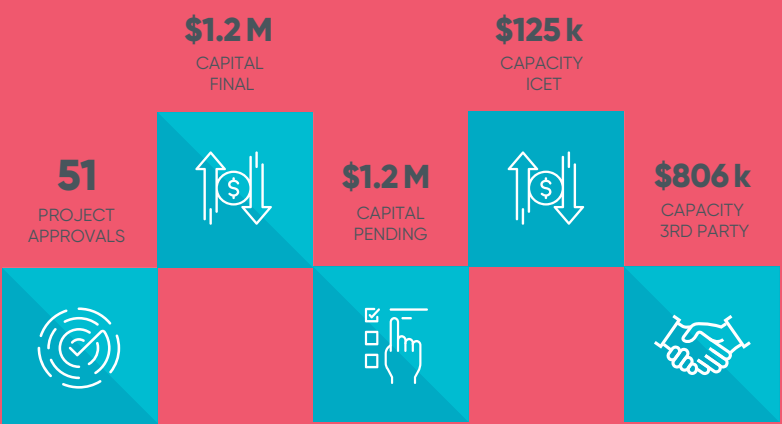


Our Program Results.

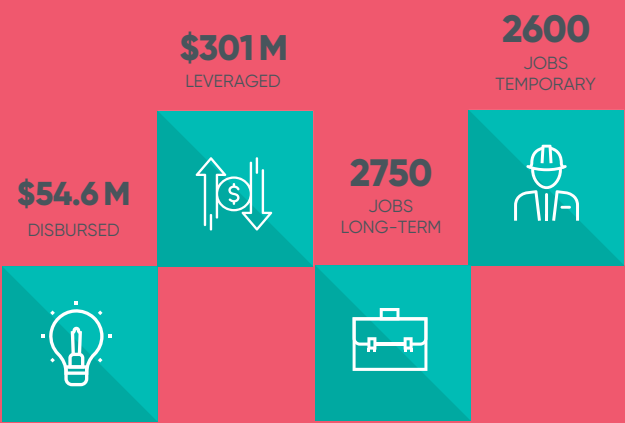
ICET continues to focus on its core business – investing in economic development and diversification – through its own Capital and Capacity Building Programs and regional support initiatives, as well as by delivering targeted program funding on behalf of third parties.

Our Program **Results**

2020 highlights



Since ICET's inception



Measuring our results

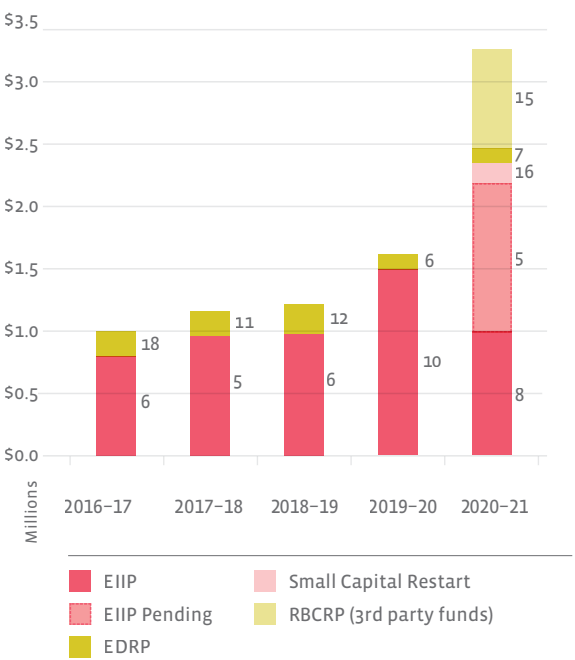
A wide range of assessment criteria are used to measure ICET organization and project performance. Both immediate and long-term benefits are considered as they may impact within the community or regional context.

This report's qualitative and quantitative performance measures have been chosen for their probative value and are presented in relation to

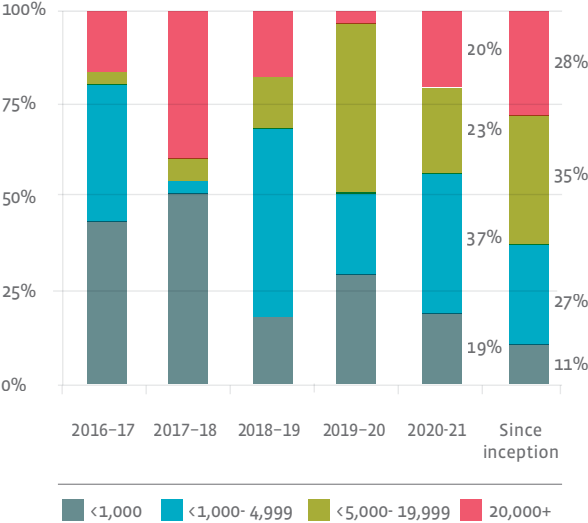
the Trust's objectives and strategic priorities. Every effort has been made to provide comparative data and transparency. The intent is to allow the reader to assess ICET's performance from a historic and holistic perspective.

Historic data may not match previous annual reports due to project reclassification, cancellation or smaller funding disbursements than initially approved.

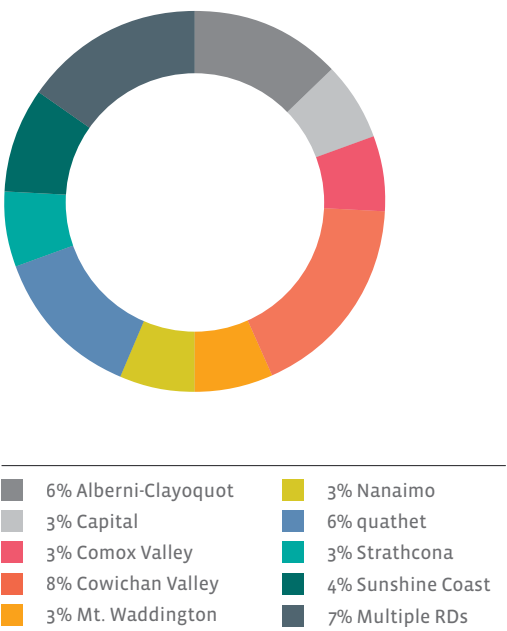
Approved Funding and Number of Projects by Program



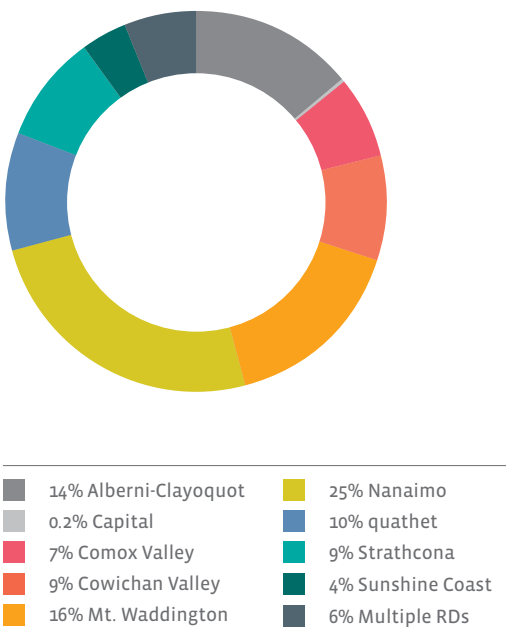
Funding by Community Size, All Programs



Number of Projects by Regional District 2020-2021, All Programs



Total Funding by Regional District Since Inception, All Programs





Economic Infrastructure & Innovation Program

[EIIP]

NOW KNOWN AS THE
DIVERSIFY CAPITAL
AND INNOVATION
PROGRAM

The key priority of the Economic Infrastructure and Innovation Program (EIIP) is to enable local and regional projects that provide incremental benefits and bolster economic growth and diversification, regional cooperation and long-term economic and environmental sustainability.

Over this past fiscal, \$1 million in new projects received final approvals with an additional \$1.2 million pending final Stage 2 approval. The program's unique matching level formula ensures that more than half of all funding will be going to communities with the greatest need.

Indigenous tourism, agri-tourism and eco-tourism amenities were prioritized through a series of projects emphasizing year-round tourism activity and low barrier amenities.

"This project directly contributes to the Sunshine Coast destination development strategy and will offer product development and experience enhancements that cultivate a unique sense of place. Tourism businesses will also be encouraged to elevate their visitor experience, providing accessible, inclusive, authentic and experiential tourism products that meet visitor demands and extend into the shoulder seasons."

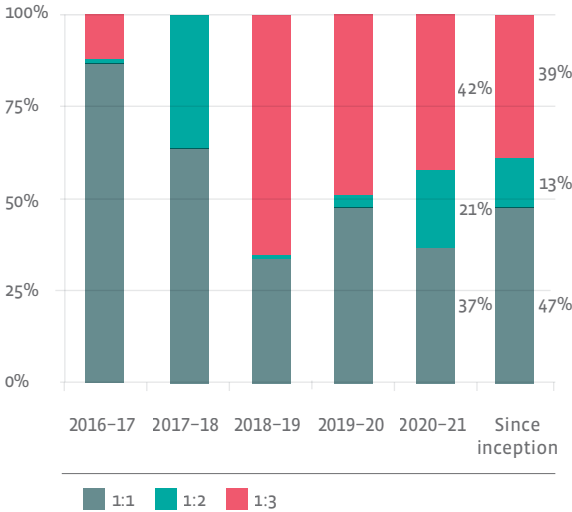
Hugh Prichard, Project Manager,
Powell Forest Canoe Route Project

In Port Alberni's Harbour Quay, the Story Tower project is repurposing a 40-year-old clock tower to highlight Indigenous culture and history. This initiative complements other Indigenous tourism sites and initiatives in the area and will serve as an important anchor enhancing the viability and vitality of uptown businesses.

The Ahousaht First Nations, through its Maaqutusiis Hahoulthee Stewardship Society, is developing new marine infrastructure at Meares Island's only barge landing site. This piece of foundational infrastructure is critical to the development of new cultural and nature-based visitor experiences in this remote community. It will help address known market gaps and opportunities on Vancouver Island's West Coast and support environmentally sustainable economic diversification.



Funding by Matching Level,
Economic Infrastructure &
Innovation Program



Average Funding
by Community Size*



* Last 5 years



Capital Programs Diversify

“This project will not only allow for an improved visitor experience, but will also provide catalysts for new business development in the area, cultural programming for children and youth and cultural benefits through community activities and safe gathering spaces.”

Lori Treloar, Executive Director, Shawnigan Lake Museum

Other projects, such as the Shawnigan Lake Museum and Powell Forest Canoe Route, are receiving funds to help elevate and expand their cultural and natural offerings. By creating more space at the Museum and improving campsite and trail amenities at the Powell Forest Canoe Route, both projects will help enable year-round tourism infrastructure and attract new markets to the region.

Support for **emerging and key growth sectors** is a long-standing ICET priority and one which has increasingly manifested in value-added, agri-food processing and innovation. The Cowichan Green Project targets small scale farmers, food processors and other organizations requiring access to a certified commercial kitchen to help scale their products to market.

Innovative projects, such as the Scale Collaborative Business Legacies Incubator, are demonstrating efficient use of capital through collaboration and will help to retain employment, business and non-profits in smaller and rural communities.



Current museum



Proposed South Elevation, facing street



Proposed West Elevation

Economic infrastructure and innovation (EIIP) Project Approvals

FINAL APPROVAL	APPLICANT	ICET COMMITMENT	TOTAL BUDGET
Ahousaht Matsquiht Dock and Barge Landing Site	Maaqutusiis Hahoulthee Stewardship Society	\$189,050	\$424,832
Sechelt Wharf Avenue Improvement Project	District of Sechelt	\$171,268	\$685,075
Story Tower	City of Port Alberni	\$76,818	\$153,636
Lantzville Commercial Core Revitalization	District of Lantzville	\$133,000	\$400,000
Shawnigan Lake Museum Expansion	Shawnigan Lake Museum Society	\$250,000	\$1,278,146
Cowichan Commercial Kitchen	Cowichan Green Society	\$30,000	\$698,900
Business Legacies Incubator	Scale Institute Society	\$47,500	\$147,500
Powell Forest Canoe Route Revitalization	Powell River Educational Services Society	\$102,259	\$409,037
TOTAL		\$999,895	\$4,197,126
5 Pending Stage 2 Projects		\$1,208,985	\$8,743,243



Small Capital Restart Funding Program

[SCRFP]

NOW KNOWN AS THE
THRIVE SMALL CAPITAL
PROGRAM

The Small Capital Restart Funding Program (SCRFP) was initially launched in June of 2020 to support immediate, short-term, COVID-related business and industry restart, resilience and sustainability.

Two of the hardest hit sectors of the past year – the tourism and small business sectors – received support through the development of safe al fresco dining options, as well as expanded outdoor recreation opportunities. Approximately \$175,000 was committed to support 16 small capital projects across the region.

Tofino, Ladysmith, Sechelt and Duncan all put in place public outdoor dining areas and patios allowing local restaurants to mitigate capacity constraints and drive residents and visitors into the downtown core areas. This enabled both residents and visitors to contribute to local business, while also partaking in safe entertainment options, such as the 39 Days of July music festival in Duncan.

The Mount Cain Alpine Society, Cumberland Wilderness Society, Gibsons Public Market and Galiano Conservancy Association received funds to develop safe and expanded use alternatives for their facilities. The reconfigured ski lodge and outdoor beer tent at Mt Cain helped keep both staff and skiers safe, while expansion of camping facilities in Cumberland helped keep the organization and local business afloat by enabling increased campsite-use, despite social distancing requirements.

Nearly half of all approved projects supported the adoption of technology and innovation. In the arts and culture sector, the Tidemark, Sid Williams and

“I can see now that this situation facilitated thinking outside the box. There’s no wrong way. Just do something. What an advantage and opportunity that this upside world is creating. No theatre would go where we’re going if it wasn’t for COVID. There is opportunity through tragedy.”

Jim Kent, Managing Director and Technical Director, Tidemark Theatre



Small Capital Restart Funding Project Approvals

FINAL APPROVAL	APPLICANT	ICET COMMITMENT	TOTAL BUDGET
Streaming the Tide and Beyond	Tidemark Theatre Society	\$15,000	57,400
Al Fresco Dining Pop Up Park	District of Tofino	\$15,000	56,500
Livestreaming from the SID	Sid Williams Theatre Society	\$15,000	30,000
Downtown Ladysmith Economic Recovery	Town of Ladysmith	\$13,490	26,980
Duncan Station Street Common Open Air Food Court	Downtown Duncan Business	\$8,188	16,376
Sechelt On Street Patio Program	Sechelt Downtown Business Association	\$3,500	7,000
Economic Summit - Pivoting to a Virtual Format	Vancouver Island Economic Alliance	\$6,350	19,699
Cumberland Walk-in Campsites	Cumberland Lake Wilderness Society	\$8,789	17,577
Hub Resiliency through Technology	Cowichan Station Area Association	\$8,252	16,504
Gatehouse Theatre Digital Platform	Gate House Community Association	\$15,000	35,900
Harbour Quay Business Enhancement	City of Port Alberni	\$15,000	43,990
Mount Cain 2020/21 Season	Mount Cain Alpine Park Society	\$14,390	28,780
Chemainus Theatre Livestreaming	Chemainus Theatre Society	\$5,000	10,000
Powell River Mobile Smart App for Visitors	Powell River Tourism Society	\$3,550	7,100
Gibsons Public Market - Amplify our Community Impact	Gibsons Community Building Society	\$15,000	30,250
Millard Learning Centre Backcountry Campsite	Galiano Conservancy Association	\$14,800	29,600
TOTAL		\$176,309	\$433,656

Chemainus Theatres, as well as the Cowichan Station Area Association all transitioned to new digital and hybrid service delivery models with the help of additional equipment. On the North Island, the Gate House Community Association acquired a mobile drive-in theatre to deliver community events in a different way, while also creating supplementary revenue and partnership opportunities. The Vancouver Island Economic Alliance (VIEA) were also able to quickly pivot their 14th Annual Economic Summit online with the help of new technology. On the Sunshine Coast, the Powell River Visitors Centre developed a unique mobile app for visitors and locals, supporting restart and recovery in the local business community.

“From visitors enjoying a snack from a local eatery, youth meeting up after school and seniors enjoying a coffee and great conversation in a COVID safe way, the patio tables have allowed the Town to create social hubs throughout the downtown where people could safely come together.”

Mayor Aaron Stone, Ladysmith



Economic Development Readiness Program

[EDRP]

NOW KNOWN AS THE
READY CAPACITY
PROGRAM

Despite challenges created by the pandemic, ICET communities continued to move forward with strategic economic readiness initiatives. More than \$125,000 in grant funding supported seven Economic Development Readiness Program (EDRP) projects throughout the region.

Investments in initiatives, such as the Powell River Investment Lands Attraction Strategy, Cortes Community Commons project and the Vancouver Island Economic Alliance (VIEA) Foreign Direct Investment Strategy, demonstrate how communities are working to create **sustainable development of attractive and investment-ready communities** and a **thriving collaborative region**. Through such initiatives as the Vancouver Island Coast Economic Development Association (VICEDA) Regional Tech Attraction Initiative, the Mount Waddington Regional District's (MWRD) Home-based Workers Attraction project and the qathet Regional District's (qRD) Connectivity Strategy, communities are actively participating in the **growth of a robust regional tech and innovation eco-system**.

This past year has also highlighted the need to continue prioritizing support for **environmentally sustainable economic diversification**, as well as **tech and innovation leadership**. Opportunities to facilitate connections between small communities and the tech sector – to target the mobile workforce and entice knowledge sector entrepreneurs to choose small, rural and remote communities – will ultimately create the critical mass to position all communities for the new economy.



"We've been witnessing, in recent years, an increase in the number of knowledge workers – in the areas of computer graphics, software development, engineering and general business consulting – establish their home-based businesses here. It is clear there is an opportunity to capitalize and build on this sector as a key driver of economic growth in our region."

Andrew Hory, Chairman, Regional District of Mount Waddington



"Some residents and businesses in our communities are at a severe disadvantage because of their lack of access to high-speed internet. This project will facilitate a united approach to support a thriving, inclusive and sustainable community. It will allow the region to fully develop its potential by enabling our local businesses to attract new investment and mobile workers."

Patrick Brabazon, Board Chair, qathet Regional District

Economic Development Readiness Program (EDRP) Project Approvals

FINAL APPROVAL	APPLICANT	ICET COMMITMENT	TOTAL BUDGET
Powell River City-Owned Property Strategy	City of Powell River	\$20,000	40,000
Powell River Resident Attraction Campaign	City of Powell River	\$10,000	20,000
qathet last Mile Connectivity Strategy	qathet Regional District	\$22,700	42,555
Home Based Knowledge Worker Attraction Plan	Regional District of Mount Waddington	\$20,000	40,000
Regional Technology Attraction Marketing Initiative	Vancouver Island Coast Economic Developers Association	\$15,000	30,000
Cortes Community Commons - Quick Start	Cortes Community Economic Development Association	\$15,000	33,950
Vancouver Island Foreign Direct Investment Strategy	Vancouver Island Economic Alliance	\$22,500	47,000
TOTAL		\$125,200	\$253,505



Rural Business and Community Recovery Program

[RBCRP]

NOW KNOWN AS THE
RECOVER CAPACITY
BUILDING PROGRAM

The Rural Business and Community Recovery Program (RBCRP) is a demonstration of the Trust’s commitment to pursue sustainable funding delivery opportunities that are aligned with its strategic priorities and can provide necessary regional benefits.

With ICET serving as a delivery agent for \$1.83 million in Province of BC recovery funding, the program was launched in February 2021. The application criteria were customized to support community economic development capacity building by encouraging business and community economic recovery, diversification and growth. Through the direct funding of new, temporary employment positions in rural, remote and Indigenous communities (with populations under 25,000) community capacity will be strengthened based on their unique needs.

The program was highly popular, evidenced by the participation of more than 120 organizations in the Zoom information sessions. The program was also oversubscribed, receiving more than \$4 million in funding requests.

After two rapid intake periods, in March and April of 2021, a total of 37 new positions have been approved for funding support. This includes 10 positions providing regional and sub-regional services, 22 new jobs in communities under 5,000 (including nine in Indigenous communities) and five positions serving other small communities. The program will fund up to 100% of the cost to hire business advisors, community economic recovery coordinators and other specialized positions adapted to community, business and sectoral recovery needs.



Rural Business and Community Recovery Program Approved projects

INTAKE 1		
APPLICANT	EMPLOYMENT POSITION	AMOUNT
Community Futures Central Island	Rural Recovery Coaches (2)	\$70,000
Rural Islands Economic Partnership	Shared Business Services Coordinator	\$30,000
Sunshine Coast Regional Economic Development Organization	Small Business Manager	\$62,000
Tourism Association of Vancouver Island	Community Tourism Officer	\$63,000
Ucluelet Chamber of Commerce	Regional Digital Marketplace Manager	\$50,000
City of Port Alberni	Small Business Support Specialists (2)	\$62,000
City of Powell River	Community Development Officer	\$50,000
Salt Spring Chamber of Commerce	Economic Vibrancy Coordinator	\$49,000
District of Lantzville	Economic Development Officer-Recovery	\$62,000
District of Port Hardy	Economic Development Recovery Officer	\$70,000
Ditidaht Development Corporation	Recovery and Resiliency Officer	\$54,000
Hornby Island Community Economic Enhancement	Business Ambassador	\$17,000
Malahat Nation	Economic Development Officer	\$65,000
Village of Tahsis	Tourism Recovery Specialist	\$61,000
WorkLink Employment Society	Rural Economic Development Officer	\$41,000

Rural Business and Community Recovery Program Approved projects

INTAKE 2*		
APPLICANT	EMPLOYMENT POSITION	AMOUNT
Uchucklesaht Tribe Government	Community Economic Development Coordinator	\$70,000
Town of Port McNeill	Manager of Economic Development	\$70,000
Ka'yu:'k't'h'/Che:k:tlies7et'h' First Nations	Economic Development Coordinator	\$60,000
Southern Gulf Islands CRC Society	Community Economic Development Director	\$70,000
Wei Wai Kum First Nation	Economic Recovery Coordinator	\$65,000
Economic Development Cowichan	Economic Development Analyst	\$70,000
Gwa'sala 'Nakwaxda'xw	Digital Marketing Coordinator	\$50,000
Cortes Community EDA	Community Recovery Coordinator/Liaison (2)	\$46,000
Huu-ay-aht First Nation	Tourism Marketing Coordinator	\$20,000
Sointula Resource Centre Society	Community Economic Development / Tourism Development (2)	\$45,000
Stz'uminus First Nation	Business Recovery Advisor	\$50,000
Village of Port Alice	Economic Development Officer	\$39,000
Ladysmith Chamber of Commerce	Economic Recovery Specialist	\$50,000
Sunshine Coast Tourism	Tourism Recovery Specialist	\$45,000
Kwikwasut'inuxw Haxwa'mis First Nation	Community Development Coordinator	\$42,000
Village of Gold River	Economic Recovery and Resiliency Coordinator	\$50,000
Tourism Bowen Island Association	Tourism Recovery Coordinator	\$36,000

*Approved projects from the second intake are included in Fiscal 2021-22.



Partnership Programs

TWO PARTNER PROGRAMS TO ADDRESS COVID-RELATED BUSINESS RESTART AND RECOVERY

TVI's Tourism Resiliency Program

TVI's program has provided direct, one-on-one, urgent support to the region's more than 3000 tourism and hospitality sector businesses over the past year. When the program launched, in early April 2020, nearly 300 viewers attended the initial introductory webinar. A few months later, TVI's program was recognized as a best-practices approach and scaled provincially, as the BC Tourism Resiliency Network. More than a year after the program was initiated, it continues to be as relevant to the recovering tourism industry as when it first debuted.



TVI's Tourism Resiliency Program

- 18 Program Experts
- 15 Program Advisors
- 430 Meetings
- 315 Business support plans prepared
- 440 Businesses served
- 88 Women-owned businesses
- 33 Indigenous-owned businesses
- 1 Youth-owned business

Success Stories

I-Hos Gallery (Courtenay)

Ramona Johnson, who has been running the Indigenous art gallery since it opened 25 years ago, had to reduce staff numbers and had no funds for marketing.

"VICTRP has provided us with the reassurance that we are doing the right things and the best we can for the situation we are in. What really helped was meeting with a Marketing Program Expert to have that third-party help guide me in developing a new marketing plan."

Ramona Johnson, Store manager



Merridale Cidery & Distillery (Cobble Hill)

A pioneer in British Columbia and Vancouver Island's agritourism experiences, this small craft producer is also a farm, manufacturer, wholesaler, retailer and hospitality provider.

"We had to pivot and reinvent just about everything we do. It has meant changes to the entire way we do business, and some aspects of our business have stopped altogether."

Janet Docherty, Owner

Kwa'ililas Hotel (Port Hardy)

This Indigenous-owned and operated hotel stayed open to North Island essential workers during the pandemic, though they still experienced a 70% reduction in revenues.

"The Resiliency Program helped us to train and develop our staff on COVID protocols, market ourselves with a sense of safety in our messaging, ensure the safety and sanitization of staff and guests and help maintain some personnel over a very challenging year."

Enrique Toledo, General Manager, KEDC Tourism



KCFN Marina and Campground LP (Kyuquot)

Operating four businesses in Kyuquot, BC (including Walters Cove Resort, Fair Harbour Marina and Campground, Houpsitas Village Suites), expects a 65% reduction of what was projected for the 2020/21 fiscal year.

"It was helpful to have one point of contact to go to for advice on all three businesses. Wading through the plethora of emails from all the different sectors and associations we belong to was overwhelming and redundant. All organizations have tried to help in their own way, but the centralized support provided by the tourism resiliency program has been key."

Terry Schultz, General Manager

Kingfisher Wilderness Adventures & Coastal Rainforest Safaris (Port McNeill)

Andrew Jones established Kingfisher Wilderness Adventures over 20 years ago and had started a new business partnership within the past year, Coastal Rainforest Safaris, when COVID-19 hit.

"Having someone to talk to who understands the needs of tourism is very beneficial versus other people I had talked to elsewhere who had very little knowledge of the challenges that a seasonal tourism business faces."

Andrew Jones, Founder and Owner



IITA's Digital Economy Response Program (DER3)

The DER3 program was designed to support small businesses' adaptation to operational restrictions (and other pandemic related change) by transitioning to digital services. Clients were provided with one-to-one services and technical consultations that support the development or expansion of their online presence or the adoption of technology-based tools to better serve their needs. The program, launched in early April 2020, also helped curate regional service providers and experts, providing a matching service when required. DER3 was also scaled provincewide within a few months of its launch.

IITA's Digital Economy Response Program (DER3)

- 9** DER3 Team Members
- 392** Small to Medium Businesses Served
- 216** Island-Based Service Providers Resourced
- 65** Towns, Cities and Communities Served

Success Stories

Kelly Corbett (Nanoose Bay, B.C.)

Kelly, a local artist, wanted to improve her digital offering by expanding and elevating her online sales. As a result of participating in the DER3 program, Kelly increased her first quarter sales in 2021 by approximately 60%, as compared to the same period in 2020.

"This program provided motivation to focus on my digital presence. I've had my best year of sale ever! It went beyond my expectations."

Kelly Corbett, artist



God's Pocket Resort (Port Hardy, B.C.)

This off-the-grid, North Vancouver Island resort was forced to cancel the vast majority of their 2020 bookings (100% of spring bookings and more than 50% of fall bookings). At the time, their website had no online booking or scheduling capability. With DER3's help, their new website is set to launch in the summer of 2021.

"The DER3 Team's motivational energy was supported by deep expertise that helped us break through the perceived barriers that were stopping us from getting started and informed how we should ideally proceed."

Antoine Moret & Claus Eckbo, Owners



Salt Spring Sea Salt (Salt Spring Island, B.C.)

This artisanal Fleur de Sel sea salt company needed help expanding their social media presence and building a digital marketing strategy. Through DER3's help, Salt Spring Sea Salt significantly increased their online sales on Instagram and Facebook to include more direct-to-consumer online business and have doubled their production over the past year.

"You guys are the best! This program needs to be extended forever."

Carolyn Kvajic and Philippe Marill, Owners and founders



Our Governance.

The North Island Coast Development Initiative Trust Act defines the governance structure for the Island Coastal Economic Trust (ICET). This arms' length decision making model includes two Regional Advisory Committees (RACs) who provide strategic advice to the Board. The Board of Directors is the final decision-making voice for the organization and is responsible for governance and oversight.

Board of Directors Consists of 13 directors, eight of whom are appointed by the two RACs, representing the Central South Island Region and the North-Island Sunshine Coast Region. The remaining five Directors are appointed by BC's Lieutenant Governor in Council.

The Board includes representatives from communities and rural areas throughout the region. This diverse Board, complimented by the specific expertise of the provincial appointees, brings an exceptional skill set and wide range of perspectives to the table. The Board of Directors usually meets seven to nine times per year.

Regional Advisory Committees Comprised of the mayors, Regional District Chairs and MLAs from the region, the RACs meet two to three times a year to review funding

requests and provide strategic advice to the Board. The Chairs from each of the committees attend Board meetings as ex officio members.

The RACs play a key role in organization governance. Their regional knowledge and ground truth perspective provides the Board with valuable information about local needs, regional priorities and economic environment. The RACs provide all participating communities with an equal voice in regional decision-making and development of strategy and policy.

Management team Regional funding delivery is provided through a cost-effective, responsive approach. The core staffing model is lean and is supplemented with contract professionals and consultants on an as-needed basis.

Board of Directors



MAYOR AARON STONE
Ladysmith,
Board Chair



IAN MORRISON
Director, Cowichan Valley
Regional District,
Board Vice-Chair



MEGAN HANACEK
Provincial Appointee,
Board Treasurer



DANA THORNE
Provincial Appointee,
Board Secretary



ROGER KISHI
Provincial Appointee,
Member at Large



MAYOR MARTIN DAVIS
Tahsis
(from Feb 2021)



JOHN ELLIOTT
Provincial
Appointee
(from Feb 2021)



JOHN JACK
Chair,
Alberni-Clayoquot
Regional District



JESSE KETLER
Comox Valley
Regional District Chair
(from Oct 2020)



BARRY O'NEILL
Provincial
Appointee



MAYOR AL SIEBRING
District of
North Cowichan



MAYOR DARNELDA SIEGERS
Sechelt



MAYOR MICHELLE STAPLES
Duncan



MAYOR JOSIE OSBORNE
Tofino,
Board Chair
(until Sept 2020)



MAYOR ANDY ADAMS
Campbell River,
Board Treasurer
(until Jan 2021)



MAYOR LESLIE BAIRD
Cumberland,
Board Secretary
(until Jul 2020)

Central South Island Regional Advisory Committee CSIRAC

MAYOR MARK SWAIN
Lantzville, RAC Chair

IAN MORRISON
Director, Cowichan Valley
Regional District, RAC Vice-Chair

TYLER BROWN
Chair, Regional District of
Nanaimo (from Jan 2021)

MAYOR BOB DAY
Lake Cowichan

SONIA FURSTENAU
MLA, Cowichan Valley

MIKE HICKS
Director, Capital Regional District
Juan de Fuca electoral area
(from Oct 2020)

HONOURABLE JOHN HORGAN
MLA, Langford-Juan de Fuca
(from Oct 2020)

MAYOR LEONARD KROG
Nanaimo

HONOURABLE SHEILA MALCOLMSON
MLA, Nanaimo

MAYOR ED MAYNE
Parksville

ADAM OLSEN
MLA, Saanich North and the
Islands (from October 2020)

DOUG ROUTLEY
MLA, Nanaimo-North Cowichan

MAYOR AL SIEBRING
North Cowichan

MAYOR MICHELLE STAPLES
Duncan

MAYOR AARON STONE
Ladysmith

ADAM WALKER
MLA, Parksville-Qualicum
(from Oct 2020)

MICHELLE STILWELL
MLA, Parksville-Qualicum
(until Sept 2020)

IAN THORPE
Chair, Regional District of
Nanaimo (until Dec 2020)

NISCRAC Members NORTH ISLAND-SUNSHINE COAST REGIONAL ADVISORY COMMITTEE

MAYOR BOB WELLS
Courtenay, RAC Chair

MAYOR SHARIE MINIONS
Port Alberni, RAC Vice-Chair

MAYOR ANDY ADAMS
Campbell River

MAYOR RUSS ARNOTT
Comox

MICHELE BABCHUK
MLA, North Island
(from Oct 2020)

MAYOR LESLIE BAIRD
Cumberland

MAYOR MARK BAKER
Sayward (from Nov 2020)

MAYOR BILL BEAMISH
Gibsons

MAYOR DENNIS BUCHANAN
Alert Bay

PATRICK BRABAZON
Chair, qathet Regional District

MAYOR KEVIN CAMERON
Port Alice

MAYOR JULIE COLBORNE
Zeballos

MAYOR MARTIN DAVIS
Tahsis

MAYOR DENNIS DUGAS
Port Hardy

MAYOR DAVE FORMOSA
Powell River

ANDREW HORY
Chair, Mount Waddington
Regional District

JOHN JACK
Chair, Alberni-Clayoquot
Regional District

JESSE KETLER
Chair, Comox Valley
Regional District

MAYOR DAN LAW
Tofino

RONNA RAE LEONARD
MLA, Comox Valley

STUART MCLEAN
Director, Regional District of
Nanaimo (from Feb 2021)

MAYOR MAYCO NOEL
Ucluelet

HONOURABLE JOSIE OSBORNE
MLA, Mid-Island Pacific Rim
(from Oct 2020)

CHIEF WARREN PAULL
Sechelt Nation

LORI PRATT
Chair, Sunshine Coast
Regional District

MAYOR DARNELDA SIEGERS
Sechelt

HONOURABLE NICHOLAS SIMONS
MLA, Powell River-Sunshine Coast

MAYOR BRAD UNGER
Gold River and Chair,
Strathcona Regional District

MAYOR GABRIELE WICKSTROM
Port McNeill

MAYOR BRIAN WIESE
Qualicum Beach

SCOTT FRASER
MLA, Mid-Island Pacific Rim
(until Sep 2020)

CLAIRE TREVENA
MLA, North Island
(until Sept 2020)

Management Team

LINE ROBERT
Chief Executive Officer

DONNA CLOUTIER
Chief Financial Officer

DENICE REGNIER
Manager Programs and
Corporate Affairs

AMANDA FORTIER
Communications Officer

KATI STROH
Accounting Technician

JAMIE VANN STRUTH
Consulting Economist



Our Risk Mitigation.

Risk is mitigated through the development of internal controls, continuous improvement of organizational policies and procedures and development of risk management tools. These management practices have a positive influence on decision making, accountability and transparency.

Operational

Governance and risk management policies are reviewed annually, and detailed plans are developed to address short and medium-term risks. These include:

- PERSONNEL RETENTION
- SUCCESSION PLANNING
- BOARD RESOURCING
- DIGITAL SECURITY AND TECHNOLOGY USE

Organizational

Transparency is a core Trust value. Stakeholders and the general public are regularly informed of key initiatives, investment decisions and performance reporting through communications (digital and traditional). Other organizational risk mitigation efforts include:

- STRONG EXECUTIVE COMMITTEE AND GOVERNANCE PLANNING
- REGULAR PROJECT MONITORING AND MEASUREMENT PRACTICES
- CLEAR AND ROBUST POLICIES AND PROCEDURES
- TRACKED PROJECT DATABASE

Privacy and Security

Protecting people's privacy and ensuring responsible information management practices are paramount concerns. To balance transparency needs with privacy and security, the following measure are in place:

- COMPLIANCE WITH THE FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT
- SECURITY MEASURES FOR ALL IT SYSTEMS AND TECHNOLOGY
- MULTIPLE CHECKS AND BALANCES IN ALL OPERATIONAL PROCESSES

Financial

Ensuring that funds are used as intended and are attaining expected results demands a thorough due diligence process with documented protocols and systems. The following measures help support financial risk management:

- ROBUST ACCOUNTING PROCEDURES, INCLUDING THIRD PARTY AUDITS
- BOARD OVERSIGHT OF PROJECT DISBURSEMENTS AND FINANCIAL STATEMENTS
- CLEAR PROCESSES AND STRONG OVERSIGHT OF THIRD-PARTY FUND MANAGEMENT
- REGULAR PUBLICATION OF FINANCIAL STATEMENTS AND SUMMARIES OF FINANCIAL CONTROLS





Our Financial Highlights.

The following analysis reflects events known to management up to June 30, 2021. It is intended to help the reader understand ICET operations, financial performance as well as present and future obligations. It should be read in conjunction with the annual audited statements and related notes.

Our Financial Highlights.

Fund Summary as of March 31, 2021

ICET achieves its objectives by investing its capital and interest in economic development initiatives, using the \$60 million allocation plus interest income earned. Operational expenses have been financed by interest income and operational reserves allocated from the capital amount.

ICET also administers funds and programs on behalf of third parties. Funds under management are invested and administered separately from the legislated North Island Coast Development Initiative Trust (ICET fund), but reflected in the audited financial statements.

Investments and Income

A conservative investment approach has been used since inception, to preserve capital availability for short-term allocation needs. Based on current market conditions and professional advice, all ICET capital is invested in the Municipal Finance Authority Short-Term Bond Fund. The MFA funds generated \$255,170 in interest income and realized a gain of \$53,064, as a result of redemptions. The realized return on investment for the past year is 2.6%. This is well in excess of the benchmark one-year treasury rate of return of 0.2%.

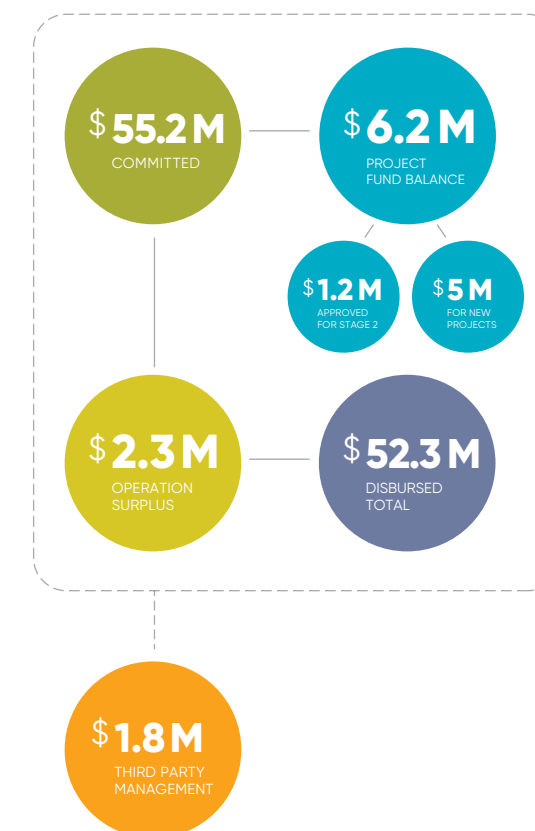
Fund performance and investment revenues will continue to be monitored closely by contract professionals, staff and Board to ensure a balance between maximum earnings and the preservation of capital and availability of funds for the organization's short-term financial needs.

Project Disbursements

During the 2021 fiscal year, \$1.09 million was disbursed to approved projects, partnerships and sponsorships. This represents an increase from the previous year's disbursements however is lower than anticipated due to postponement of project start dates and other pandemic related delays. Disbursements are subject to applicant reimbursement requests for work, which has been completed and may not occur in the same year as project funding commitments. Disbursements are inconsistent from year to year, subject to reasons unique to each applicant, and may not accurately reflect the actual value and volume of project work completed by applicants in that fiscal year.

Operations

In Fiscal 2021, operating expenses totaled \$538,799 compared to \$562,081 in the previous year. This represents a decrease of 4.2%, primarily due to reduced Board, Regional Advisory and staff travel and meeting costs. Most of the organization's operating costs are fixed in nature and fluctuate very little from year to year.



Our Financial Highlights.

Third Party Fund Management

In 2021, ICET entered into an agreement to manage \$1.83 million in economic recovery funding on behalf of the Province of BC. These funds are invested separately from the ICET fund.

The Rural Business and Community Recovery Program was launched in February of 2021. Program funding was partly allocated in March 2021 and fully subscribed in April 2021.

There were no third party funds disbursed in fiscal 2021. Funding to successful projects will be disbursed on an ongoing basis until December of 2022, based on actual

recipient expenditures. Program management costs are recovered based on actual expenditures and do not generate incremental revenue.

Operations and Expenditures Forecast

For the 2022 fiscal year, management anticipates the approval of up to \$2 million in new project funding, as well as disbursements of up to \$2 million to previously approved projects. This does not include approvals or disbursements of third party funds.

Management expects constant demand for capital funding as the economy recovers, with new programs

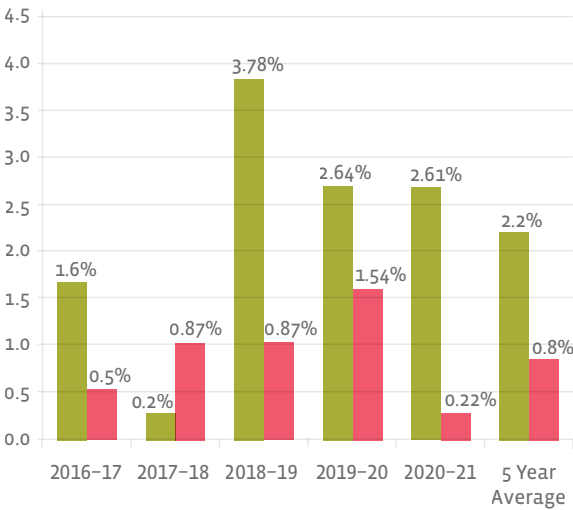
receiving a larger number of project applications due to pent up demand for previously unmet needs. Anticipated senior government recovery funding is also expected to create additional demand on ICET grant funding resources, as these new matching funding sources create opportunities for communities to realize larger scope capital initiatives.

Management is also anticipating a higher volume of funding requests for capacity funding, as communities take full advantage of the new positions available through the Business and Recovery program to rethink their economic development strategies and priorities

in light of the pandemic-related changes in economic conditions and consumer behaviours.

Based on the current operational and financial structure, operating and staffing costs are expected to fluctuate very little from 2021, with the exception of incremental staffing expenditures required for third party fund administration (managed outside of ICET funds), and a return to more “normal” travel and meeting expenditures.

Rate of Return on MFA Investments*



■ ICET ■ 1 Year Treasury

*Excludes unrealized gains/losses

Funds Disbursed to Approved Projects



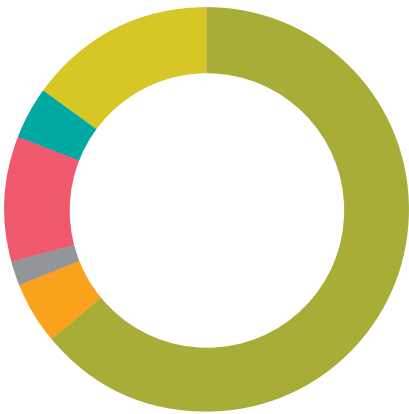
■ 80% 2007-2018 ■ 2% 2020-2021
■ 2% 2018-2019 ■ 5% Committed
■ 1% 2019-2020 ■ 10% Uncommitted

2021 Operating Expenses



■ 73% Salaries & Wages ■ 4% Office and Administration
■ 6% Occupancy Costs ■ 13% Consultants & Contract Services
■ 1% Legal and Audit
■ 3% Board/RAC Expenses & Travel

2020 Operating Expenses



■ 64% Salaries & Wages ■ 4% Office and Administration
■ 5% Occupancy Costs ■ 15% Consultants & Contract Services
■ 2% Legal and Audit
■ 10% Board/RAC Expenses & Travel



Our Statement of Accountability.

The 2020–2021 Island Coastal Economic Trust Annual Report was prepared under the direction of the CEO and the Board, according to the British Columbia Performance Reporting Principles and the North Island Coast Development Initiative Trust Act. The Board is accountable for the contents of the report and how it has been prepared.

The information presented represents the actual performance of the Island Coastal Economic Trust for the 12 months ending March 31, 2021.

The Board is responsible for ensuring internal controls are in place so that performance information is measured and reported accurately and in a timely fashion.

The measures presented are consistent with the organization's mission, goals and objectives and focus on aspects critical to understanding our performance. The report contains estimates and interpretive information that represents the best judgement of management. Any significant limitations in the reliability of the data are identified in the report.

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Island Coastal Economic Trust,

Opinion

We have audited the financial statements of Island Coastal Economic Trust (the "Trust"), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO).

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 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 these financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.
- We 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.

Chan Nowosad Boates Inc

Chartered Professional Accountants
Campbell River, BC

June 25, 2021

ISLAND COASTAL ECONOMIC TRUST

Statement of Financial Position

March 31, 2021	2021	2020
ASSETS		
Current Assets		
Cash	\$ 1,799,841	\$ 184,510
Accounts receivable	382,500	-
GST receivable	5,105	11,703
Prepaid expenses	<u>9,441</u>	<u>9,364</u>
	2,196,887	205,577
Tangible Capital Assets (Note 3)		
	8,277	6,892
Long Term Investments (Note 4)	<u>11,514,770</u>	<u>12,480,991</u>
	\$ <u>13,719,934</u>	\$ <u>12,693,460</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 316,138	\$ 7,271
Government remittances payable	13,156	11,715
Deferred Contributions (Note 5)	2,951,240	2,536,319
Funds Administered for Others (Note 6)	<u>1,864,715</u>	<u>-</u>
	5,145,249	2,555,305
Deferred Contributions (Note 5)		
	<u>6,983,468</u>	<u>8,722,672</u>
	<u>12,128,717</u>	<u>11,277,977</u>
NET ASSETS		
Operating Fund		
	1,582,940	1,408,591
Capital Asset Fund	<u>8,277</u>	<u>6,892</u>
	<u>1,591,217</u>	<u>1,415,483</u>
	\$ <u>13,719,934</u>	\$ <u>12,693,460</u>

Approved by the Directors:



Aaron Stone, Chair



Megan Hanacek, Treasurer

ISLAND COASTAL ECONOMIC TRUST

Statement of Changes in Net Assets

Year ended March 31, 2021

	Operating Fund	Capital Asset Fund	2021	2020
Net assets beginning of year	\$ 1,408,591	\$ 6,892	\$ 1,415,483	\$ 1,347,157
Surplus (deficiency) of revenues over expenditures	178,105	(2,371)	175,734	68,326
Purchase of tangible capital assets	(3,756)	3,756	-	-
Net assets end of year	\$ 1,582,940	\$ 8,277	\$ 1,591,217	\$ 1,415,483

ISLAND COASTAL ECONOMIC TRUST

Statement of Operations

Year ended March 31, 2021

	Budget 2021	2021	2020
Revenue			
Province of BC contributions	\$ 476,200	\$ 230,565	\$ 221,101
Investment income	173,482	255,170	330,368
Third party cost recoveries	30,375	19,245	-
	\$ 680,057	\$ 504,980	\$ 551,469
Expenditures			
Advertising, travel and communications	42,500	19,594	30,419
Amortization	5,000	2,371	1,597
Consultants and due diligence	45,000	20,740	29,570
Contract services	37,000	32,926	39,678
Directors' expenses	36,000	4,414	26,578
Insurance	8,500	7,847	8,176
Interest and bank charges	800	571	543
Internet and website	25,000	3,140	6,534
Memberships	1,500	1,366	750
Office and sundry	12,000	11,810	10,140
Professional fees	11,000	7,756	7,980
Regional advisory committee expenses	28,000	5,046	15,620
Rent	23,500	22,478	22,510
Telephone	4,000	3,220	3,360
Third party expenses	30,375	19,245	-
Wages, benefits and training	390,727	395,520	358,626
	700,902	558,044	562,081
	(20,845)	(53,064)	(10,612)
Gain on Disposition of Investments	20,845	53,064	10,612
Unrealized Gains (Losses) on Investments	(57,955)	175,734	68,326
Surplus (Deficiency) of Revenues over Expenditures from Operations	\$ (57,955)	\$ 175,734	\$ 68,326
Project Revenues			
Province of BC contributions	-	1,093,718	704,288
Project Expenditures			
Economic Development Readiness Program	-	114,550	98,608
Economic Infrastructure and Innovation Program	-	723,072	580,383
Regional Support Programs	-	150,300	25,297
Small Capital Restart Program	-	105,796	-
	-	1,093,718	704,288
Surplus (Deficiency) of Revenue over Expenditures	\$ (57,955)	\$ 175,734	\$ 68,326

ISLAND COASTAL ECONOMIC TRUST

Statement of Cash Flows

Year Ended March 31, 2021	2021	2020
Cash Flows From Operating Activities:		
Surplus of Revenues over Expenditures	\$ 175,734	\$ 68,326
Items not involving cash:		
Amortization of tangible capital assets	2,371	1,597
Unrealized Gains on Investments	<u>(175,734)</u>	<u>(68,326)</u>
	<u>2,371</u>	<u>1,597</u>
Changes in non-cash working capital		
Prepaid expenses	(77)	81
Accounts receivable	(375,902)	(3,845)
Accounts payable and accrued liabilities	308,867	1,510
Government remittances payable	1,441	1,709
Deferred contributions	(230,565)	(221,101)
Deferred contributions - other funds	<u>1,864,715</u>	<u>-</u>
	<u>1,568,479</u>	<u>(221,646)</u>
	<u>1,570,850</u>	<u>(220,049)</u>
Cash Flows From Investing Activities:		
Purchase of Tangible Capital Assets	(3,756)	(4,161)
Project Expenditures	(1,093,718)	(704,288)
Proceeds from Redemption of Investments	<u>1,141,955</u>	<u>959,060</u>
	<u>44,481</u>	<u>250,611</u>
Net Increase in Cash	1,615,331	30,562
Cash - Beginning of Year	<u>184,510</u>	<u>153,948</u>
Cash - End of Year	<u>\$ 1,799,841</u>	<u>\$ 184,510</u>

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

1. Organization and Purpose:

The Island Coastal Economic Trust (the "Trust") is a not-for-profit organization incorporated under the North Island Coast Development Initiative Trust Act on February 27, 2006. The Trust is exempt from tax under Paragraph 149(1)(c) of the Income Tax Act.

The Trust is a partner and catalyst to build a diverse, innovative and sustainable Island and Coastal economy.

2. Significant Accounting Policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and their significant accounting policies include the following:

Tangible Capital Assets

Tangible capital assets are recorded at cost and amortized using the following annual rates:

Furniture, fixtures and equipment	20% declining balance
Computer equipment	30% declining balance

Revenue Recognition

The Trust follows the deferral method of accounting for contributions. Government funding and grants, initially recognized as deferred contributions on receipt, are recognized as revenue when the resulting project, operating or investment costs associated with their intended use are recognized. Investment income is recognized when the income is realized and becomes due to the Trust.

Project Expenses

Amounts which are awarded to third parties by the Trust are recognized when the conditions of the signed funding agreement are met.

Accounting Estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Those estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Estimates made by management include the useful life of tangible capital assets as well as the amount of deferred revenue that will be recognized in the subsequent fiscal year and that is current.

Financial Instruments

Measurement of financial instruments

The Trust measures its financial assets and liabilities at fair value. The Trust subsequently measures all of its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and government remittances payable. Financial assets measured at their fair value at year-end include long term investments and accounts receivable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

3. Tangible Capital Assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Furniture, fixtures and equipment	\$ 23,961	\$ 21,878	\$ 2,083	\$ 2,604
Computer equipment	<u>36,371</u>	<u>30,177</u>	<u>6,194</u>	<u>4,288</u>
	<u>\$ 60,332</u>	<u>\$ 52,055</u>	<u>\$ 8,277</u>	<u>\$ 6,892</u>

4. Long Term Investments:

Long Term Investments are held with the Municipal Finance Authority of BC.

	2021	2020
Money market fund	\$ 65,223	\$ 64,927
Short term bond fund	<u>11,449,547</u>	<u>12,416,064</u>
	<u>\$ 11,514,770</u>	<u>\$ 12,480,991</u>

The book value of the short term bond fund at March 31, 2021 is \$11,115,552 (2020 - \$12,257,802). The book value of the money market fund at March 31, 2021 and March 31, 2020 approximates its market value on those dates.

5. Deferred Contributions:

	2021	2020
Deferred contributions beginning of year	\$ 11,258,991	\$ 12,184,380
Revenue recognized - Project Revenue	1,093,718	704,288
Revenue recognized - Operational Revenue	<u>230,565</u>	<u>221,101</u>
	9,934,708	11,258,991
Less: Current - Committed	<u>(2,951,240)</u>	<u>(2,536,319)</u>
Deferred contributions end of year	<u>\$ 6,983,468</u>	<u>\$ 8,722,672</u>

At March 31, 2021 the Trust had committed funds totaling \$2,951,240 (2020 - \$2,536,319) to Board approved projects. Because the costs for the above referenced projects have not yet been expended, the funds remain in deferred contributions at year-end. The committed amounts have been presented as current on the Statement of Financial Position with the anticipation that they will be expended in the next fiscal year although due to project constraints or capacity constraints of the receiving party, the funds may in fact be expended beyond the next fiscal year.

Total uncommitted funds at March 31, 2021 were \$6,983,468 (2020 - \$8,722,672).

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

6. Funds Administered for Others:

	2021	2020
Deferred contributions beginning of year	\$ -	\$ -
Contributions	1,882,500	-
Investment income, net of fees	1,460	-
Administrative costs	<u>(19,245)</u>	<u>-</u>
	<u>\$ 1,864,715</u>	<u>\$ -</u>

On January 22, 2021 the Trust entered into a shared cost arrangement with the Province of BC under the Rural Business and Community Recovery Program (RBCRP) to support COVID-19 pandemic recovery. The program will be used to create temporary employment opportunities to support business and communities in the Trust's region.

As of March 31, 2021, \$806,000 has been committed for eligible projects and no funds have yet been disbursed.

On March 26, 2021 the Trust entered into a shared cost arrangement with Vancouver Coast and Mountains Tourism Region, managed by Destination BC, and received a one time contribution to the funding program referred to as the THRIVE Small Capital program. This funding will match ICET funds for eligible Sunshine Coast applicants to the THRIVE program designed to fund capital projects which address downtown vitality. The program was launched in April 2021.

As of March 31, 2021 none of the funding received from Destination BC had been committed or disbursed under the program.

7. Lease Agreement:

The Trust leases its office space. The current lease term expires on August 31, 2021 and is replaced by a new 2 year lease starting on September 1, 2021. The current annual lease rate under the lease term is \$14.15 a square foot or approximately \$14,150 a year. Starting on September 1, 2021 the Trust will pay an annual lease rate of \$14.30 a square foot or approximately \$14,300 a year exclusive of strata fees and taxes.

8. Financial Risks:

Liquidity risk

Liquidity risk is the risk that the Trust will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. There has been no change to the risk exposures during the year ended March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Trust manages exposure through its normal operating and financing activities. The Trust is exposed to interest rate risk primarily through its long term investments held with the Municipal Finance Authority of BC.

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

9. COVID-19:

The global outbreak of the coronavirus disease (COVID-19) continues to cause economic uncertainties that are likely to have a material impact on the annual operations of the Trust. The extent, if any, of the continued impact of COVID-19 on the Trust and its operations for the year ended March 31, 2022 cannot be determined at this time.

10. Comparative Information:

Certain comparative information has been reclassified where necessary to conform with the presentation of the financial statements in the current year.

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

SCHEDULE 1 - ECONOMIC INFRASTRUCTURE AND INNOVATION PROGRAM:

	Approved and Committed	2006-2019 Spent	2020 Spent	2021 Spent	Future Committed
Completed prior to 2020 fiscal year	\$ 48,067,310	\$ 48,067,310	\$ -	\$ -	\$ -
Forests Forever Exhibit	354,702	295,885	58,817	-	-
MARS Wildlife Eco Centre	236,000	212,400	23,600	-	-
Norovirus Detection Tool	5,629	5,629	-	-	-
Ragged Edge Community Network	50,000	45,000	5,000	-	-
Sayward Working Waterfront Trail	178,827	165,375	-	13,452	-
Secret Beach Marina	400,000	291,742	108,258	-	-
Sturgeon Pavilion	17,553	-	13,697	3,856	-
Texada Food Hub	19,207	19,207	-	-	-
Tofino to PRNP Connector	385,122	-	117,734	267,388	-
Vancouver Island Alpine Hut	90,000	90,000	-	-	-
Wild Pacific Trail Connector	75,000	-	75,000	-	-
Total Completed Projects	49,879,350	49,192,548	402,106	284,696	-
Ahousat Dock and Barge Landing	\$ 189,050	\$ -	\$ -	\$ -	\$ 189,050
Alberni Valley Regional Food Hub	300,000	-	58,067	211,933	30,000
Benson Creek Falls Access	103,125	-	-	40,656	62,469
Business Legacies Initiative	47,500	-	-	-	47,500
Caycuse Recreation Site	237,440	-	94,124	106,791	36,525
Community Benefit Hub	86,559	-	26,086	41,745	18,728
Community Unity Trail	387,080	-	-	-	387,080
Cowichan Bay Patio Portal	25,000	-	-	-	25,000
Cowichan Commercial Kitchen	30,000	-	-	-	30,000
Elk Falls Alive App	42,500	-	-	21,234	21,266
Gibsons Landing Harbour Dock Expansion	165,000	-	-	-	165,000
Hornby Island Arts Centre	175,000	-	-	10,623	164,377
Hornby Crawler Interpretive Programs	15,000	-	-	5,394	9,606
Lantzville Commercial Core Revitalization	133,000	-	-	-	133,000
Parksville Outdoor Theatre	204,750	-	-	-	204,750
Powell Forest Canoe Route Revitalization	102,259	-	-	-	102,259
Qualicum Beach East Village Revitalization	250,000	-	-	-	250,000
Sechelt Wharf Avenue Improvement	171,268	-	-	-	171,268
Shawnigan Lake Museum Expansion	250,000	-	-	-	250,000
Story Tower	76,818	-	-	-	76,818
Upper SC Entrepreneurial Eco-System	95,000	-	-	-	95,000
Total Uncompleted Projects	\$ 3,086,349	\$ -	\$ 178,277	\$ 438,376	\$ 2,469,696
Total Economic Infrastructure Program Funding	52,965,699	49,192,548	580,383	723,072	2,469,696
Completed EDRP Projects (Schedule 2)	1,116,611	930,483	98,608	87,520	-
Uncompleted EDRP Projects (Schedule 2)	298,450	13,318	-	27,030	258,102
Total EDRP Spending	1,415,063	943,801	98,608	114,550	258,104
Small Capital Restart Program (Schedule 3)	173,536	-	-	105,796	67,740
Regional Support Programs	673,063	341,766	25,297	150,300	155,700
Total Other Programs Spending	846,599	341,766	25,297	256,096	223,440
Total Project Spending	\$ 55,227,361	\$ 50,478,115	\$ 704,288	\$ 1,093,718	\$ 2,951,240

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

SCHEDULE 2 - ECONOMIC DEVELOPMENT READINESS PROGRAM

	Approved and Committed	2006-2019 Spent	2020 Spent	2021 Spent	Future Committed
Completed Prior to 2020 Fiscal Year	\$ 848,227	\$ 848,227	\$ -	\$ -	\$ -
BC Farmers' Market Trail Expansion	29,770	-	21,661	8,109	-
Campbell River Employment Lands Strategy	10,000	-	10,000	-	-
Campbell River Sector Profiles	9,000	-	-	9,000	-
Campbell River Tech Strategy	10,000	-	10,000	-	-
Comox Valley Agri-Food Innovation	30,000	15,000	12,000	3,000	-
Comox Valley Tech Strategy	10,000	2,500	2,500	5,000	-
Cowichan Small Scale Food Processing	5,633	-	4,535	1,098	-
FDI Attraction Tools	29,005	27,000	2,005	-	-
Gabriola Island ED Quick Start	5,000	2,980	2,020	-	-
Hornby and Denman Digital Road Map	16,759	-	16,759	-	-
Ladysmith Invest Attraction Portal	27,500	-	-	27,500	-
MWRD Workforce Attraction	30,000	23,670	6,330	-	-
Port McNeill Downtown Improvement	14,467	-	-	14,467	-
SRD Last Mile Broadband Strategy	19,346	-	-	19,346	-
UBERE Program	12,175	11,106	1,069	-	-
Ucluelet Econ Development Web Tools	9,731	-	9,731	-	-
Total Completed EDRP Projects	1,116,611	930,483	98,608	87,520	-
Cortes Commons Quick Start	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Gabriola Econ Development Website	14,000	-	-	-	14,000
Gold River Downtown Improvement Plan	15,000	-	-	-	15,000
Home Based Knowledge Worker Study	20,000	-	-	-	20,000
KCFN Econ Development Strategy	29,500	-	-	-	29,500
Port Alberni Industrial Land Strategy	30,000	-	-	-	30,000
Port Alberni Invest Attraction Digital Hub	22,500	-	-	-	22,500
Powell River City-Owned Land Strategy	20,000	-	-	-	20,000
Powell River Resident Attraction Campaign	10,000	-	-	-	10,000
Qathet RD Last Mile Connectivity Strategy	22,700	-	-	-	22,700
Regional Technology Attraction Campaign	15,000	-	-	-	15,000
West Coast Land Strategy	30,000	-	-	27,030	2,970
VIEA FDI - Strategy for VI & Gulf	22,500	-	-	-	22,500
YFN Economic Development Strategy	17,250	-	-	-	17,250
Zeballos ED Quick Start	15,000	13,318	-	-	1,682
Total Uncompleted EDRP Projects	298,450	13,318	-	27,030	258,102
Total EDRP Spending	\$ 1,415,063	\$ 943,801	\$ 98,608	\$ 114,550	\$ 258,104

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2021

SCHEDULE 3 - SMALL CAPITAL RESTART PROGRAM:

	Approved and Committed	2021 Spent	Future Committed
Chemainus Theatre Live Streaming	\$ 5,000	\$ -	\$ 5,000
Cumberland Walk-in Campsites	8,308	8,308	-
Downtown Ladysmith Economic Recovery	13,490	13,490	-
Economic Summit - Pivoting to a New	6,350	6,350	-
Gatehouse Theatre Digital Platform	15,000	15,000	-
Gibsons Public Market	15,000	-	15,000
Harbour Quay Business Enhancement	15,000	-	15,000
Hub Resiliency through Technology	8,252	8,252	-
Livestreaming at the SID	14,913	14,913	-
Millard Learning Centre	14,800	-	14,800
Mt. Cain 2020/2021 Season	14,390	-	14,390
Powell River Tourism Technology	3,550	-	3,550
Sechelt On Street Patio Program	3,015	3,015	-
Station Street Open Air Summer Food	6,468	6,468	-
Streaming the Tide and Beyond	15,000	15,000	-
Tofino Al Fresno Dining Pop Up Park	15,000	15,000	-
Total Small Capital Program	\$ 173,536	\$ 105,796	\$ 67,740



Island Coastal Economic Trust

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