



# ANNUAL REPORT

## 2008-2009





Start of construction for the Vancouver Island University  
Centre for Shellfish Research, Deep Bay Field Station.

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## Message from the Chair

This is now the third year of full operations by the Island Coastal Economic Trust. Many changes have occurred over the past year, including major changes to the Trust's governance and changes to the economic conditions throughout the ICET region and the rest of British Columbia.

With the November 2008 local government elections, and subsequent Board elections, new members have been elected by our stakeholders to the Board of Directors. New members elected to the Board include: Charlie Cornfield (Mayor of Campbell River); Rob Hutchins (Mayor of Ladysmith); John Ruttan (Mayor of Nanaimo); and Joe Stanhope (Chair, Nanaimo Regional District).

New chairs to the two Regional Advisory Committees include Mayor Greg Phelps (Courtenay), North Island-Sunshine Coast Regional Advisory Committee and Gerry Giles (Chair, Cowichan Valley Regional District), Chair of the Central South Island Regional Advisory Committee.

Continuing Board members include Gerry Furney (Mayor of Port McNeill); Phil Kent (Mayor of Duncan), Ken McRae (Mayor of Port Alberni), Camela Tang, Bob Bennie, Dave Formosa, Dave Mannix and Dallas Smith.

I wish to acknowledge the contributions of outgoing Board members: Jack Peake, former chair; Gary Korpan; Roger McDonell; and Sandy Herle; and the outgoing chairs of the Central South Island Regional Advisory Committee and North Island-Sunshine Coast Regional Advisory Committee, Jon Lefebure and Starr Winchester. We greatly appreciated your contributions to the Trust and its member communities.

In January of this year, the Board was saddened by the sudden passing of the Honourable Stan Hagen. Stan was a great friend and colleague to many of us and as an elected member of the community he was totally committed to its overall betterment. As a member of the Trust, indeed, as one of its founders, he will be missed and not forgotten.

Since inception in March 2007 to March 31, 2009, the Board has approved 39 projects for a total ICET contribution value of \$32 million with a total value of \$192 million. As well as making significant new commitments for projects in the region during the last fiscal year, I am pleased to report that the list of completed projects is growing. Completed projects to date include:

- High Speed Infrastructure in the North Island
- North Coast Trail at Cape Scott Park
- Quatsino First Nation Dock Improvements
- Equipment for 7 Hills Community Golf Course in the North Island
- Ucluelet access and parking to Wild Pacific Coast Trail
- Cowichan 2008 North American Indigenous Games
- 2009 World Under-17 Hockey Challenge
- Regional Film Industry Development
- Access road to Dakota Ridge winter recreation area
- Alert Bay wharf and waterfront walkway
- Parksville Business Retention and Expansion project





During the last year, all of Canada, including the Trust's region, was affected by the global economic downturn that hurt many sectors of the economy, particularly, the resource sectors. Forestry, fisheries and mining suffered severe downturns. The tourism sector was also affected negatively. The full implications of these disturbing and unpredicted global forces have damaged many of our resource dependent communities from a very real human and community perspective. The Board struggles to address this challenge. Part of the solution will be the new partnerships that are anticipated with the government of Canada's new budgetary and program measures that will complement the work of the Trust.

I wish to thank all the members of the Regional Advisory Committees which meet regularly to review and make recommendations to the Board on all projects that have been submitted. Their continuing advice and insights underscores the community hands-on approach to the approval process in the Trust's region.

I also wish to acknowledge the work of our staff, Al Baronas, CEO; Al Sweet, CFO; Colleen Powell, Corporate and Program Administrator; and Denice Regnier, Administrative Assistant. The hard work of the Trust's consultants is commendable: thank you Doug Kalcsics, due diligence consultant (Kalcsics and Associates); Jamie Vann Struth, economics consultant (Vann Struth Consulting Group); Robert Dufour, graphic design and publications (Works Consulting); and Heidi Peterson, website design (Chameleon Creative Graphics).

As the main topic of this document, I enclose the 2008-2009 Audited Financial Statements.

A handwritten signature in blue ink, appearing to read 'Barry Janyk'.

Barry Janyk  
Chair  
July 2009



## About the North Island-Coast Development Initiative Trust

The Island Coastal Economic Trust (The Trust) was created by the government of British Columbia on February 27, 2006 under the North Island-Coast Development Initiative Trust Act (the Act) to help grow and diversify the economy of the North Island-Coast area—including the Sunshine Coast—by leveraging new investment and partnerships for regional economic development.

The government of British Columbia contributed \$50 million to the Regional Account of the Trust. The Board of Directors invested these funds in Municipal Finance Authority's Money Market pooled account to grow the Trust funds safely and with prudence. The Trust's investments to date has resulted in safe but positive growth yielding 4% interest on its initial \$50 million contribution from the government of British Columbia.

The Act sets out that the purpose of the \$50 million Regional Account is to support investment within the following sectors in the Trust area:

- Forestry
- Transportation
- Tourism
- Mining
- Olympic Opportunities
- Small Business
- Economic Development
- Agriculture and Aquaculture
- Energy

The intent of the Trust is to give communities, including First Nations, the funding and the ability to support strategic investment in the regional economy.

The Trust provides funding to create new and sustainable economic growth and jobs through strategic investment in targeted sectors within the regional economy. Communities control the Trust and make the decisions regarding the most prudent approach to realize economic benefits. This unique initiative benefits communities north of the Malahat on Vancouver Island and on the Sunshine Coast.

## The Trust Grant Program

The elements of the Trust's investment grant program was developed at the Round Table Strategic Planning Conference in 2006 which framed the program outline and general guidelines. It has a funding "matching" policy to even out the opportunities between communities that lack resources or are heavily resource dependent vis-à-vis communities with stronger resources.

The Trust established a website at [www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca) which contains information about its genesis, legislation, Strategic Plans, and the On Line Application Guidelines for applicants to review, download application guidelines, and review examples of approved and announced projects.



Very simply, the Trust supports economic development legacies, sometimes referred to as “economic infrastructure” typified by examples such as expansions and upgrades of airports, harbours, visitor and interpretive centres, trails, and marketing of the region and specific community economic promotion initiatives. All approved project announcements are posted on the Trust’s website including all Annual Reports.

## Trust Governance

The Act governing the Trust provided for a governance built with 13 Directors, 8 of which are appointed by the two Regional Advisory Committees (RACs) representing the Central South Island region and the North Island-Sunshine Coast region. The RACs are comprised of the mayors within the region, the chairs of each regional district, and Members of the Legislative Assembly. The remaining 5 directors are appointed by the provincial government and represent specific expertise of the economic opportunities and constraints of the ICET region.

## Board of Directors

Mayor Barry Janyk, *Gibsons – Board Chair*  
 Mayor Phil Kent, *Duncan – Board Vice-Chair*  
 Mayor Gerry Furney, *Port McNeill – Board Treasurer*  
 Camela Tang – *Provincial Appointee – Board Secretary*  
 Bob Bennie – *Provincial Appointee*  
 Mayor Charlie Cornfield, *Campbell River*  
 Dave Formosa – *Provincial Appointee*  
 Mayor Rob Hutchins, *Ladysmith*  
 Mayor Ken McRae, *Port Alberni*  
 Dave Mannix – *Provincial Appointee*  
 Mayor John Ruttan, *Nanaimo*  
 Dallas Smith – *Provincial Appointee*  
 Joe Stanhope, *Chair, Nanaimo Regional District*



## Regional Advisory Committees

Under the Trust's governing legislation, two Regional Advisory Committees have been created representing mayors, chairs of Regional Districts, and Members of the Legislative Assembly, including:

- The North Island-Sunshine Coast Regional Advisory Committee
- The Central South Island Regional Advisory Committee

The role of the Regional Advisory Committees is to elect members as directors to the Trust Board; to provide advice and recommendations to the board on project eligibility and support for Trust funding; to establish the terms of office for its members; and to provide representation for communities and regional district areas under 500 in population. Each of the two Regional Advisory Committees meets four times a year to review and make recommendations to the Board for all projects received by the Trust. Since inception, these committees have reviewed over 125 project applications.

The Chairs of the Regional Advisory Committees are: Greg Phelps, Mayor of Courtenay for the North Island-Sunshine Coast Regional Advisory Committee and Gerry Giles, Chair, Cowichan Valley Regional District, for the Central South Island Regional Advisory Committee.



## Members of the North Island-Sunshine Coast Regional Advisory Committee

Mayor Greg Phelps, *Courtenay* – RAC CHAIR  
 Mayor Barry Janyk, *Gibsons* – RAC VICE CHAIR  
 Mayor Stewart Alsgard, *Powell River*  
 Mayor Craig Anderson, *Gold River and Chair, Strathcona Regional District*  
 Mayor Fred Bates, *Cumberland and Chair, Comox Valley Regional District*  
 Mayor Michael Berry, *Alert Bay*  
 Lou Biggemann, *Director Area “F”, Regional District of Nanaimo*  
 Hira Chopra, *Chair, Alberni-Clayoquot Regional District*  
 Mayor Charlie Cornfield, *Campbell River*  
 Mayor Corrine Dahling, *Tahsis*  
 Gary Feschuk, *Chief Councillor, Sechelt Indian Government District*  
 Mayor John Fraser, *Tofino*  
 Scott Fraser, *MLA, Alberni-Qualicum*  
 Mayor Gerry Furney, *Port McNeill*

Honourable Stan Hagen, *MLA, Comox Valley (DECEASED)*  
 Al Huddleston, *Chair, Mt. Waddington Regional District*  
 Mayor Darren Inkster, *District of Sechelt*  
 Mayor Paul Ives, *Comox*  
 Mayor Edward Lewis, *Zeballos*  
 Mayor John MacDonald, *Sayward*  
 Mayor Ken McRae, *Port Alberni*  
 Mayor Gail Neely, *Port Alice*  
 Colin Palmer, *Chair, Powell River Regional District*  
 Mayor Bev Parnham, *Port Hardy*  
 Mayor Eric Russcher, *Ucluelet*  
 Donna Shugar, *Chair, Sunshine Coast Regional District*  
 Nicholas Simons, *MLA, Powell River-Sunshine Coast*  
 Claire Trevena, *MLA, North Island*  
 Mayor Teunis Westbroek, *Qualicum Beach*

## Members of the Central South Island Regional Advisory Committee

Gerry Giles, *Chair, Cowichan Valley Regional District* – RAC CHAIR  
 Joe Stanhope, *Chair, Nanaimo Regional District* – RAC VICE-CHAIR  
 Ron Cantelon, *MLA, Nanaimo-Parksville*  
 Mayor Ross Forrest, *Lake Cowichan*  
 Mayor Colin Haime, *Lantzville*  
 George Holme, *Director Area “E”, Regional District of Nanaimo*

John Horgan, *MLA, Malahat-Juan de Fuca*  
 Mayor Rob Hutchins, *Ladysmith*  
 Mayor Phil Kent, *Duncan*  
 Leonard Krog, *MLA, Nanaimo*  
 Mayor Ed Mayne, *Parksville*  
 Doug Routley, *MLA, Cowichan-Ladysmith*  
 Mayor John Ruttan, *Nanaimo*  
 Mayor Tom Walker, *North Cowichan*

## Staff and Consultants

### Core Staff

Al Baronas – Chief Executive Officer  
 Colleen Powell – Corporate and Program Administrator  
 Al Sweet – Chief Financial Officer  
 Denice Regnier – Administrative Assistant

## Consulting Support

The Trust utilizes a number of professional consultants on an 'as required' basis to assist with its work for due diligence, policy development, economic analysis, desktop publishing, website development, and audits. This allows for a cost effective adjustment to the Trust's workload without expanding the core staff of the organization.



## Mission Statement and Concepts for the Strategic plan

The Board of Directors held its first meeting on February 28, 2006. On July 13 and 14, 2006, the Regional Advisory Committees elected their representatives to the Board. At this meeting the Board adopted the following initial mission statement and objectives for the Trust and provided direction regarding the preparation of the first Three Year Strategic Plan.

The Board continues to support and work with its original primary mission, vision and objective.

*The Island Coastal Economic Trust's primary objective is to be a partner and the catalyst to build a diverse and sustainable Island and Coastal economy.*

*Its long range Vision is to evolve to a more diverse, globally competitive resource and knowledge-based regional economy.*



Quatse Salmon Stewardship Centre in Port Hardy



## Development of the Strategic Plan and Annual Updates

Prior to the Trust investing in the nine sectors, the Board was required to establish a three year strategic plan with goals for each year relating to the fulfillment of the purposes identified in the Act. The Strategic Plan is to be updated annually. The third Strategic Plan was posted on the Trust's website on March 31, 2009 at [www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca). Previous Plans are available on the website.

## Trust Goals

- The investment goal of the Trust is to leverage economic development and diversification investments in the economies of the regions. For every dollar the Trust invests, it expects that an additional \$3.00 will be invested. To date, Trust investments are exceeding this target and have reached the \$5.00 range for every Trust dollar invested.
- The Trust will be managed judiciously, consistent with the intent of the Act, Vision and Mission with an emphasis on sound strategic and operational planning and will be responsive to changing circumstances and opportunities.
- Preference will be given to partnerships and leveraged investments that achieve the projected economic and diversification impacts for the broader region while recognizing that local benefits of projects are also valuable.



## Nanaimo Airport



### Groundbreaking Ceremony – Nanaimo Airport, April 4, 2009

From left to right: Viola Wyse, Snuneymuwx First Nation Chief Counsellor; Nanaimo Airport Commission Chair, Jerry Pink; BC Premier Gordon Campbell; ICET Chair, Mayor Barry Janyk; Minister of Agriculture & Lands, Ron Cantelon; and Minister of Advanced Education & Labour Market Development, Murray Coell.





## 2008 Goals and Accomplishments

The Board's goals for 2008 included the following:

1. Continue the implementation process of receiving, reviewing and approving projects under the modified application process.

*The Board approved an additional number of projects of approximately \$7.3 million in ICET funds with a total anticipated budget of \$32.2 million as set out below:*

### PROJECTS APPROVED FROM APRIL 1, 2008 TO MARCH 31, 2009

| Project Name                                                            | 2008 - 2009<br>ICET Financial<br>Commitment | Total Project<br>Budget |
|-------------------------------------------------------------------------|---------------------------------------------|-------------------------|
| Vancouver Island Mountain Adventure Centre                              | \$555,500                                   | \$2,222,500             |
| Nanaimo Assembly Wharf Port Cruise Facility                             | \$3,500,000                                 | \$18,500,000            |
| Mt. Cain Infrastructure and Capital Improvement Project                 | \$118,650                                   | \$237,300               |
| Campbell River Harbour Revitalization Project                           | \$150,000                                   | \$1,374,280             |
| 2009 World Under-17 Hockey Challenge                                    | \$100,000                                   | \$1,126,430             |
| Tsu-ma-as Transformation Centre                                         | \$1,700,000                                 | \$3,900,000             |
| Cowichan Bay Harbour Improvement and Expansion Project                  | \$187,000                                   | \$664,358               |
| Stamp River Anglers' Trail and Signage Component Project                | \$84,000                                    | \$168,200               |
| Cumberland Village Square                                               | \$27,225                                    | \$108,900               |
| West Bamfield Dockside Services                                         | \$13,000                                    | \$26,000                |
| Vancouver Island-Sunshine Coast 2010 & Beyond Strategic Plan            | \$400,000                                   | \$1,375,000             |
| Mt. Cain Hostel Lodge Construct & T-Bar Upgrade Project                 | \$90,000                                    | \$300,000               |
| Historic Alberni Inlet CNPR Trail                                       | \$76,000                                    | \$152,280               |
| Comox Valley International Marketing and Investment Attraction Campaign | \$50,000                                    | \$210,000               |
| Campbell River Downtown Revitalization Project                          | \$250,000                                   | \$1,888,850             |
| <b>Total Committed</b>                                                  | <b>\$7,301,375</b>                          | <b>\$32,254,098</b>     |



2. Begin to publish a regular newsletter to inform the public about the projects that are underway.
  - Two newsletters were published: September and December 2008.
3. Upgrade the website to show approved projects on-line.
  - *Work continues to incorporate photos of projects underway to show construction progress.*
4. Continue to seek partnerships and coordinate project information with like minded organizations.
  - *A continuing consultative process is underway with organizations such as, the Government of British Columbia, Western Economic Diversification, Community Futures offices, economic development officers in various communities, Fisheries and Oceans Canada – Small Craft Harbours, Coast Opportunity Funds, West Coast Community Adjustment Program (WestCCAP), Rural Economic Diversification Initiative (REDI-BC), Coast Sustainability Trust and others.*
5. Update the financial matching formula for communities when additional Census data becomes available.
  - *Study to be completed in May 2009.*
6. Produce an “economic scorecard” report to show the economic impacts of the projects being carried out. Study completed by Vann Struth Consulting Group in November 2008 titled Project Evaluation Report. Highlights are set out below:

*The 13 projects analyzed in this report were chosen to represent a cross-section of the different types of projects funded by ICET. Several of the larger projects were chosen, so even though only 32% of all projects were analyzed, they represent 66% of the total project budgets (\$126.6 million) and 57% of ICET's total funding (\$18.5 million).*

*The combined economic impact results for the 13 projects are shown in the table below.*

### Summary of Economic Impact Analysis for 13 Projects

|                                                                   | Local | Additional<br>Non-Local | Total         |
|-------------------------------------------------------------------|-------|-------------------------|---------------|
| Permanent Employment (jobs)                                       | 865   | 166                     | 1,031         |
| Temporary (short-term) Employment<br>(person-years of employment) | 648   | 631                     | 1,278         |
| Permanent Annual Value-added (GDP)*                               |       |                         | \$50 million  |
| Municipal Revenue (annual)*                                       |       |                         | \$1.1 million |
| Provincial Revenue (annual)*                                      |       |                         | \$4.8 million |
| Federal Revenue (annual)*                                         |       |                         | \$4.1 million |
| Permanent Jobs per \$100,000 ICET Funding                         | 4.7   | 0.9                     | 5.6           |
| Value-added (GDP) per Permanent Job*                              |       |                         | \$48,700      |

*\*Not including North Island High-Speed Infrastructure project, which did not include GDP and government revenue estimates.*



*On average, each \$100,000 of ICET funding helps to support 4.7 jobs in local communities, and a further 0.9 jobs elsewhere in BC. Under the reasonable assumption that even 0.3 of these non-local jobs are also based in the ICET area, it can safely be stated that Island Coastal Economist Trust helps to support five permanent full-time jobs in the Island/Coastal region for every \$100,000 of project funding. (Vann Struth Consulting, Project Evaluation Report, October 2008, p. 10-11.)*

7. Strengthen the administrative capacity of the Trust to address the growing number of approved projects.
  - *Denice Regnier retained as full time administrative assistant.*
  - *The increased use of the Trust's consultants reflects the continuing demand for Trust funds and advice.*
  - *This increased demand for securing Trust funds has resulted in the Trust's staff and consultants working closer with applicants and undertaking coaching for economic development initiatives.*
8. Seek additional financial resources.
  - *Advocacy for specific projects for matching funding from other agencies and programs – and levels of governments – continues on a regular basis. The Trust also requested a financial “top up” for its Regional Account from the Province of British Columbia and continues to advocate for additional funding for the future.*

## 2009 Goals

1. Adjust programs where appropriate to assist short term unemployment in the resource sectors, particularly forestry, where these contribute to long term economic infrastructure consistent with the Trust's Strategic Plan and provide immediate employment opportunities.
2. Advocate for matching funds from senior levels of government for approved projects to respond to the international and national economic downturn.
3. Place priority on projects that can be approved expeditiously and can start implementation within 12 months in the target region, without adversely affecting the goals of the Strategic Plan.
4. Refine and fine tune the on line Application Guidelines incorporating new policies established by the Board.
5. Continue the development of partnerships with other funding organizations to coordinate economic development funding, reduce duplication of “due diligence” between funding agencies to ensure maximum application of public funding to communities during the current economic downturn.
6. Continue the administration of approved projects.
7. Develop evaluation framework for approved projects.
8. Continue to work directly with communities and project applicants to provide technical assistance and strengthen local and regional capacity.
9. Develop a new strategy for regions and smaller communities to increase their capacity and skills for economic development.
10. Expand communication activities to broaden public and stakeholder awareness of ICET projects and process.
11. Continue to seek additional financial resources.

Stamp River Anglers' Trail



Cowichan Bay Harbour Improvement Project



Left to right: Mayor Phil Kent, former ICET Chair Jack Peake, The Honourable Ida Chong, Minister of Technology, Trade and Economic Development, and MLA John Horgan at the Cowichan Valley Trail funding announcement.

Port of Nanaimo Centre



Left to right: former ICET Chair Jack Peake, Nanaimo Port Authority Chair Ross Fraser and Premier Gordon Campbell at the Nanaimo Assembly Wharf Port Cruise Facility funding announcement.



Alert Bay Wharf and Waterfront Walkway



Alert Bay

# NORTH ISLAND–COAST DEVELOPMENT INITIATIVE TRUST

## Financial Statements 2008 - 2009

March 31, 2009

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**R. B. BALLAM**  
CERTIFIED GENERAL ACCOUNTANT

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## AUDITOR'S REPORT

To the Board of Directors of  
North Island – Coast Development Initiative Trust

I have audited the balance sheet of North Island – Coast Development Initiative Trust as at March 31, 2009 and the statements of operations and fund balance and cash flow for the year then ended. These financial statements are the responsibility of the Trust's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Certified General Accountant

June 23, 2009

## NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

### BALANCE SHEET

AS AT March 31, 2009

| ASSETS                                     |    | 2009                     | 2008                        |
|--------------------------------------------|----|--------------------------|-----------------------------|
| Current assets                             |    |                          |                             |
| Cash and short-term deposits               | \$ | 37,800                   | \$ 33,563                   |
| Accounts receivable                        |    | 15,413                   | 4,026                       |
| Prepaid expenses                           |    | <u>9,706</u>             | <u>12,526</u>               |
| Total current assets                       |    | 62,919                   | 50,115                      |
| Investments (Note 3)                       |    | 50,230,903               | 52,289,831                  |
| Capital Assets (Note 4)                    |    | <u>22,570</u>            | <u>23,527</u>               |
|                                            | \$ | <u><u>50,316,392</u></u> | <u><u>\$ 52,363,473</u></u> |
| LIABILITIES                                |    |                          |                             |
| Current liabilities                        |    |                          |                             |
| Accounts payable and accrued liabilities   | \$ | <u>64,595</u>            | <u>\$ 65,205</u>            |
| FUND BALANCES                              |    |                          |                             |
| Invested in Capital Assets                 |    | 22,570                   | 23,527                      |
| Externally Restricted - Uncommitted        |    | 15,080,735               | 24,464,135                  |
| Externally Restricted - Committed (Note 5) |    | 30,402,977               | 25,076,418                  |
| Unrestricted                               |    | <u>4,745,515</u>         | <u>3,734,188</u>            |
|                                            |    | <u>50,251,797</u>        | <u>53,298,268</u>           |
|                                            | \$ | <u><u>50,316,392</u></u> | <u><u>\$ 53,363,473</u></u> |

### APPROVED BY THE BOARD



Barry Janyk, Director



Gerry Furney, Director

## NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

### STATEMENT OF OPERATIONS AND FUND BALANCE

FOR THE PERIOD ENDED March 31, 2009

|                                                | <u>2009<br/>Operating</u> | <u>2009<br/>Project</u> | <u>2009<br/>Total</u> | <u>2008<br/>Total</u> |
|------------------------------------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| <b>REVENUES</b>                                |                           |                         |                       |                       |
| Investment income                              | \$ 1,566,467              | \$ -                    | \$ 1,566,467          | \$ 2,328,665          |
| Total Revenue                                  | <u>1,566,467</u>          | <u>-</u>                | <u>1,566,467</u>      | <u>2,328,665</u>      |
| <b>EXPENSES</b>                                |                           |                         |                       |                       |
| Advertising, travel and communications         | 35,645                    | -                       | 35,645                | 12,985                |
| Audit                                          | 2,000                     | -                       | 2,000                 | 2,110                 |
| Bank charges and interest                      | 132                       | -                       | 132                   | 121                   |
| Capital expenditures                           | 5,560                     | -                       | 5,560                 | 11,873                |
| Conference costs                               | 9,772                     | -                       | 9,772                 | -                     |
| Consultants                                    | 14,611                    | -                       | 14,611                | 25,728                |
| Contract services                              | 26,352                    | -                       | 26,352                | 19,716                |
| Directors meeting costs                        | 79,309                    | -                       | 79,309                | 45,011                |
| Due Diligence                                  | 68,173                    | -                       | 68,173                | 81,675                |
| Grants                                         | -                         | 3,056,841               | 3,056,841             | 1,459,447             |
| Insurance                                      | 13,505                    | -                       | 13,505                | 14,036                |
| Internet and web site                          | 4,261                     | -                       | 4,261                 | 4,635                 |
| Legal fees                                     | 23,290                    | -                       | 23,290                | 339                   |
| Office and sundry                              | 13,154                    | -                       | 13,154                | 12,742                |
| Regional advisory meeting costs                | 40,234                    | -                       | 40,234                | 35,184                |
| Rent                                           | 9,963                     | -                       | 9,963                 | 8,931                 |
| Salaries and benefits                          | 203,844                   | -                       | 203,844               | 152,078               |
| Telephone and utilities                        | 5,335                     | -                       | 5,335                 | 2,860                 |
| Total Expenses                                 | <u>555,140</u>            | <u>3,056,841</u>        | <u>3,611,981</u>      | <u>1,889,471</u>      |
| EXCESS OF REVENUE OVER<br>EXPENDITURE          | 1,011,327                 | (3,056,841)             | (2,045,514)           | 439,194               |
| FUND BALANCE BEGINNING<br>OF YEAR              | <u>3,734,188</u>          | <u>48,540,553</u>       | <u>52,274,741</u>     | <u>51,835,547</u>     |
| FUND BALANCE COMMITTED<br>END OF YEAR (Note 5) | -                         | 30,402,977              | 30,402,977            | 25,076,418            |
| FUND BALANCE UNCOMMITTED<br>END OF YEAR        | <u>\$ 4,745,515</u>       | <u>\$ 15,080,735</u>    | <u>\$ 19,826,250</u>  | <u>\$ 27,198,323</u>  |

## NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

### STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED March 31, 2009

|                                                    | 2009               | 2008             |
|----------------------------------------------------|--------------------|------------------|
| OPERATING ACTIVITIES                               |                    |                  |
| Cash (used in) provided by operations              |                    |                  |
| Net (loss) income                                  | \$ (2,045,514)     | \$ 439,194       |
| Add (deduct): charges to income not involving cash |                    |                  |
| Capital expenditures included in operations        | <u>5,560</u>       | <u>11,873</u>    |
|                                                    | (2,039,954)        | 451,067          |
| Net change in non-cash working capital             |                    |                  |
| Accounts receivable                                | (11,387)           | (1,311)          |
| Accounts payable and accrued liabilities           | (612)              | 58,196           |
| Prepaid expenses                                   | <u>2,821</u>       | <u>(11,575)</u>  |
|                                                    | <u>(2,049,132)</u> | <u>496,377</u>   |
| INVESTING ACTIVITIES                               |                    |                  |
| Additions to capital assets                        | (5,560)            | (11,873)         |
| Net increase in investments                        | (1,566,071)        | (2,328,326)      |
| Redemption of long-term investments                | <u>3,625,000</u>   | <u>1,870,000</u> |
|                                                    | <u>2,053,369</u>   | <u>(470,199)</u> |
| INCREASE IN CASH                                   | 4,237              | 26,178           |
| CASH, beginning of period                          | <u>33,563</u>      | <u>7,385</u>     |
| CASH, end of year                                  | <u>\$ 37,800</u>   | <u>\$ 33,563</u> |

## NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2009

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#### 1. AUTHORITY

The North Island - Coast Development Initiative Trust is a not-for profit organization incorporated under the North Island - Coast Development Initiative Trust Act October 2005.

The Trust is partner and catalyst to build diverse and sustainable Island and coastal communities.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

##### Fund Accounting

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

The Operating Fund accounts for the organizations general activities.

The Restricted Fund reports contributions restricted to activities outlined in the Trust's strategic plan.

##### Revenue recognition

Externally restricted contributions received for the Operating Endowment Account are recognized as revenue in the year received. All other externally restricted contributions received are recognized in the Operating Fund as revenue in the year in which the related expenses are incurred.

Investment income is recognized when the income becomes due.

##### Externally restricted - committed funds

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

##### Externally restricted - uncommitted funds

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

##### Grants and repayable grants

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

## NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2009

#### Capital Assets

Capital assets are recorded at cost. Depreciation and amortization are provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

|                                 |     |                     |
|---------------------------------|-----|---------------------|
| Computer equipment              | 30% | diminishing balance |
| Furniture, fixtures & equipment | 20% | diminishing balance |

#### Income taxes

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

#### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 amount of revenues and expenses during the reporting period. Actual results could differ from the estimates.

### 3. INVESTMENTS

The Trust's investments are held with the Municipal Finance Authority in the following fund:

|                   | <u>2009</u>          | <u>2008</u>          |
|-------------------|----------------------|----------------------|
| Money Market Fund | \$ <u>50,230,903</u> | \$ <u>52,289,831</u> |

### 4. CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

|                                 | <u>Cost</u>      | <u>Accumulated<br/>Depreciation</u> | <u>Net<br/>2009</u> | <u>Net<br/>2008</u> |
|---------------------------------|------------------|-------------------------------------|---------------------|---------------------|
| Computer equipment              | \$ 17,906        | \$ 9,622                            | \$ 8,284            | \$ 9,520            |
| Equipment, furniture & fixtures | <u>20,324</u>    | <u>6,038</u>                        | <u>14,286</u>       | <u>14,007</u>       |
|                                 | \$ <u>38,230</u> | \$ <u>15,660</u>                    | \$ <u>22,570</u>    | \$ <u>23,527</u>    |

## NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2009

#### 5. SCHEDULE OF EXPENDED AND COMMITTED FUNDS

|                                   | <b>2008</b>                | <b>2009</b>                | <b>2009</b>                 |
|-----------------------------------|----------------------------|----------------------------|-----------------------------|
|                                   | <b><u>Expended</u></b>     | <b><u>Expended</u></b>     | <b><u>Committed</u></b>     |
| 2009 Under 17 Hockey              | \$ -                       | \$ 76,689                  | \$ 100,000                  |
| 7 Hills Golf Course Enhancement   | 6,420                      | 13,375                     | 13,375                      |
| Alberni Inlet Trail CNPR Trail    | -                          | -                          | 76,000                      |
| Alert Bay Boardwalk               | 114,090                    | 149,074                    | 149,891                     |
| Campbell River Downtown           | -                          | -                          | 250,000                     |
| Campbell River Marina             | -                          | 120,000                    | 150,000                     |
| Coal Harbour Dock Expansion       | -                          | 100,000                    | 100,000                     |
| Comox Valley Marketing            | -                          | -                          | 50,000                      |
| Cowichan Fisherman's Wharf        | -                          | 168,300                    | 187,000                     |
| Cowichan Indigenous Games         | -                          | 100,000                    | 100,000                     |
| Cowichan Valley Trail             | -                          | -                          | 1,743,891                   |
| Cumberland Village Square         | -                          | -                          | 27,225                      |
| Dakota Ridge Access Road          | -                          | 234,608                    | 234,608                     |
| Deep Bay Field Station            | -                          | -                          | 1,000,000                   |
| High Speed Infrastructure         | 57,326                     | 15,299                     | 15,299                      |
| Mt. Cain Capital Improvements     | -                          | 68,912                     | 118,650                     |
| Mt. Cain T Bar Replacement        | -                          | 30,000                     | 90,000                      |
| Nanaimo Airport Expansion         | -                          | 293,827                    | 5,000,000                   |
| Nanaimo Cruise Ship Terminal      | -                          | -                          | 3,500,000                   |
| North V I Integrated Tourist Plan | -                          | 24,898                     | 137,500                     |
| Parksville & Qualicum Film 2010   | -                          | -                          | 7,337                       |
| Parksville BASE                   | 5,057                      | 3,443                      | 3,443                       |
| Port Alberni Uptown Development   | -                          | -                          | 247,000                     |
| Port Hardy Marina                 | -                          | -                          | 1,994,000                   |
| Port McNeill Harbour              | -                          | 236,023                    | 3,500,000                   |
| Port of Nanaimo Centre            | 1,000,000                  | 1,000,000                  | 4,000,000                   |
| Powell River South Harbour        | -                          | -                          | 2,237,830                   |
| Powell River Wharf & Infill       | -                          | -                          | 1,481,342                   |
| Quatse Salmon Centre              | -                          | 140,000                    | 175,000                     |
| Regional Film Industry Dev.       | 11,800                     | 18,684                     | 25,920                      |
| Stamp River Anglers Trail         | -                          | 16,294                     | 84,000                      |
| TAVI 2010 Strategic Plan          | -                          | 80,969                     | 400,000                     |
| The North Island Trail            | 187,907                    | 62,013                     | 62,013                      |
| Tsu-ma-as Transformation Centre   | 24,463                     | 12,745                     | 1,700,000                   |
| V. I. Mountain Adventure Centre   | -                          | -                          | 555,500                     |
| Vancouver Island Discovery Ct.    | -                          | -                          | 720,537                     |
| West Bamfield Dockside            | -                          | -                          | 13,000                      |
| Wild Pacific Trail                | 52,384                     | 39,509                     | 42,616                      |
| Yellow Cedar Marketing Initiative | -                          | 52,179                     | 110,000                     |
| <b>Total</b>                      | <b>\$ <u>1,459,447</u></b> | <b>\$ <u>3,056,841</u></b> | <b>\$ <u>30,402,977</u></b> |

# Island Coastal



## ECONOMIC TRUST

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