

TURNING IDEAS INTO ACTION

TANGIBLE RESULTS
ACROSS THE REGION

ANNUAL REPORT
2014/2015



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“WHEN FIRST NATIONS, LOCAL GOVERNMENT, NON-PROFITS AND THE PRIVATE SECTOR WORK TOGETHER, PROJECTS FLOURISH WITH GREATER RESULTS THAN THE SUM OF THE INDIVIDUAL CONTRIBUTIONS.

– Mayor Phil Kent
City of Duncan, and ICET Chair

STRONGER COMMUNITIES VIBRANT ECONOMIES

ICET FUNDING
COMMITTED

\$48.6 million

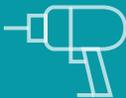


LEVERAGED
WITH

\$4.61
PER ICET DOLLAR



ENABLED
134
PROJECTS



25

ECONOMIC
DEVELOPMENT
READINESS



109

ECONOMIC
INFRASTRUCTURE

IN
52
COMMUNITIES



49%

SMALL
COMMUNITIES
<5,000



51%

LARGE
COMMUNITIES
5,000+



\$5.2
JOBS PER
\$100,000



\$45.8 million
DISBURSED
TO COMMUNITIES

2415



LONG TERM
JOBS

2685 YRS



SHORT TERM
CONSTRUCTION



\$10.4 million
ANNUAL PROVINCIAL
TAX REVENUE

“VISION AND IMPLEMENTATION TO DRIVE POSITIVE CHANGE”



ABOUT THE ISLAND COASTAL ECONOMIC TRUST

The \$50 million Island Coastal Economic Trust (ICET) was created by the Government of British Columbia in 2006 to support economic development initiatives on central and northern Vancouver Island and the Sunshine Coast.

ICET funds community-driven economic development initiatives in targeted sectors to spark new and sustainable regional economic growth and diversification. These sectors include: forestry, transportation, tourism, mining, small business, energy, agriculture and aquaculture, and economic development.

ICET is guided by a Board of Directors and two Regional Advisory Committees (RACs), which include more than 50 locally elected officials and MLAs and five appointees. This exceptional team of leaders collaborates to set regional priorities and build vital multi-regional networks.

The specific region where the Trust may invest is shown on the map opposite and may be viewed in detail on the Trust's web page at www.islandcoastaltrust.ca

Island Coastal Economic Trust region

- Central South Island
- North Island – Sunshine Coast
- Other

Regional Districts in Trust Regions:

- ACRD – Alberni Clayoquot Regional District
- CVRD – Comox Valley Regional District
- CoVRD – Cowichan Valley Regional District
- MWRD – Mount Waddington Regional District
- NRD – Nanaimo Regional District
- PRRD – Powell River Regional District
- SCRD – Sunshine Coast Regional District
- SRD – Strathcona Regional District



Denman Island Community Dock



STRATEGIC OBJECTIVES

- 1 LEVERAGE** ECONOMIC INVESTMENT IN THE ICET REGION
- 2 INVEST** IN ECONOMIC DEVELOPMENT INFRASTRUCTURE
- 3 SUPPORT** INVESTMENT ATTRACTION AND JOB CREATION
- 4 ADVANCE** REGIONAL COLLABORATION AND PLANNING
- 5 MAXIMIZE** THE IMPACT OF TRUST RESOURCES

OUR MISSION

ICET is a partner and catalyst to build a diverse and sustainable Island and Coastal economy

OUR VISION

The North Island and Sunshine Coast area is a diversified, globally competitive regional economy

OUR VALUES

- Integrity
- Transparency
- Accountability
- Collaboration

LETTER FROM THE CHAIR AND CEO

The Island Coastal Economic Trust has a simple mandate: invest in projects and activities that will diversify, invigorate, and grow the regional economy of the Island and Sunshine Coast.



Mayor Phil Kent
Chair

Our approach is to be a catalyst for growth, leveraging multiples sources of funding to create economic infrastructure and attract the investment that generates jobs and revenues across the region. Early on we invested heavily in the infrastructure we needed to move our economy forward in areas such as tourism and transportation, and we've supported projects that have enabled growth in industries like shellfish aquaculture.

As we move forward, we are taking the same direct approach to developing emerging sectors of our economy. The quality of life in our region is a significant factor in recruiting and retaining the talented professionals that fuel job growth in these 21st century sectors. Working together as a region, we can leverage investments to create the infrastructure and support networks to develop these high-value opportunities.

In this Annual Report, you will read stories that highlight the 'human' side of economic development. We want to showcase those projects that are creating tangible economic benefits, and introduce you to the people behind them.

Of course, as an economic development agency, we pay close attention to the numbers too.

Since our inception, we have committed a total of \$48.6M to support over 130 initiatives in over 50 communities. These investments have been key

to leveraging an additional \$224 million into our communities. In the past year, more than one-third of those leveraged dollars came from non-government sources, exceeding our target of 25%. The importance of that leveraging cannot be overstated. Bringing in funding partners — particularly from the private sector — has proven beneficial to the long term success and financial viability of these public infrastructure initiatives.

All of these dollars — public and private — invested in our communities translate into concrete results for people, businesses and government. Investments to date will yield 2415 long term jobs in addition to 2685 equally important short term construction jobs, keeping our small communities vibrant and moving forward during volatile economic times. They will also generate significant revenues for all levels of government.

As our communities build on recent successes, applications to our Economic Infrastructure Program are becoming more diverse. In 2015, projects approved included small business support, technology, agri-foods, aquaculture, aboriginal tourism and other tourism sectors with growth potential.

As we look forward to Fiscal 2016, we are focusing on supporting the growth of emerging sectors in the region such as technology, clean tech/green tech and aerospace. We will also continue to support some of the region's established sectors with strong growth potential such as agri-food, shellfish aquaculture and of course the tourism sector, particularly key sub sectors such as aboriginal tourism, agri-tourism, educational tourism, eco-tourism and cultural tourism.

Our Economic Development Readiness Program (EDRP) is also quickly maturing, with communities continuing their journey along the economic development continuum. A common theme is the increase in regional collaboration projects. Our report highlights one of the regional sectoral marketing initiatives as well as two of

the integrated economic planning initiatives between First Nations and communities.

In 2015, we worked closely with the Ministry of Jobs, Tourism and Skills Training on joint initiatives to support community economic recovery and diversification planning as well as emerging sector development. We also had the opportunity to highlight the Province of British Columbia's innovative economic development best practices as a key presenter at a regional economic development conference in Saskatchewan.

Closer to home, we continue to work collaboratively with regional economic development organizations. We're also strengthening relationships with First Nations across the region. Looking at the EDRP program as a benchmark, we're pleased to report that 20% of all projects approved involved collaboration between First Nations and other local governments and community organizations.

We've had success in raising the region's economic profile with earned media campaigns, garnering coverage in media outlets across the region, and across the country. Our social media efforts via Facebook are driving engagement and awareness, and the 100+ project summaries and feature stories on our website are helping applicants develop stronger projects and fostering a deeper understanding of high value economic investment.

With local government elections held in November 2014, we saw changes to both of our Regional Advisory Committees and Board of Directors. The Trust couldn't function without the dedication and passion of every elected official who works with us, and we thank those who served for the past many years. We also look forward to forging new relationships and experiencing the new perspectives brought to our organization by newly-elected representatives.

We were deeply saddened at the passing of Mayor Ted Lewis of Zeballos last summer, and his leadership and down-to-earth personality will be missed.

As we look forward to the coming year, our organization remains focused on its core mandate. We are proud of the accomplishments that our communities and organizations achieved in this past year, and we're looking forward to renewed activity in the coming year.

STATEMENT OF ACCOUNTABILITY

The 2014–2015 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 ended March 31, 2015.

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 represent the best judgement of management. Any significant limitations in the reliability of the data are identified in the report.

WHO WE ARE

ICET's governance structure is defined in its legislation, the *North Island Coast Development Initiative Trust Act*. This arms' length decision making model includes two regional advisory committees made up of local government representatives and MLAs who function as Board Advisors. The Board of Directors is the final decision making voice for the organization and is responsible for strategic planning and operations oversight.

BOARD OF DIRECTORS

ICET is governed by a Board of Directors consisting of 13 directors, 8 of whom are appointed by two Regional Advisory Committees (RACs), representing the Central South Island Region and the North-Island Sunshine Coast Region. The remaining 5 Directors are appointed by BC's Lieutenant Governor in Council.

The Board incorporates best practices into its governance procedures as guided by the [Governance and Disclosure for Public Sector Organizations](#).

The Board includes representatives from diverse areas in the ICET region, from its largest community to some of the smallest, as well as from other urban and rural areas. This diverse Board, complemented by the specific expertise of the provincial appointees, brings an exceptional skill set and wide ranging perspectives to the table. The full Board of Directors meets approximately seven to ten times per year.

REGIONAL ADVISORY COMMITTEES

The ICET Board is advised by two Regional Advisory Committees comprised of the mayors, Regional District Chairs and MLAs from the region. Regional Advisory Committees meet two to three times a year to review funding applications to the Trust and provide advice to the Board on strategic issues. The Chairs from each of the committees attend Board meetings as ex officio members.

The Regional Advisory Committees play a key role in ICET's operations. Their regional knowledge and ground truth perspective provides the Board with valuable information about local needs and economic environment. The RACs also bring the region's voice to the table in the development of strategy and policy, ensuring that no community is left unheard.

KEY STAFF AND CONTRACTORS

ICET favours a cost effective and responsive approach to regional funding delivery. The core staffing model is lean, comprised of a Chief Executive Officer and Project and Corporate Administrator. Finances and investments are managed by a contract Chief Financial Officer and team of accounting and financial professionals. Communications and economic analysis are provided on contract and additional consultants are used for due diligence and other specialized duties on an as-needed basis, in order to provide ICET with the high level expertise and flexibility needed for the diverse nature of its work.

NISCRAC MEMBERS

(NORTH ISLAND-SUNSHINE COAST REGIONAL ADVISORY COMMITTEE)

Mayor Teunis Westbroek
Qualicum Beach –
NISCRAC Chair

Mayor John MacDonald
Sayward –
NISCRAC Vice-Chair

Jim Abram
Chair, Strathcona
Regional District

Mayor Shirley Ackland
Port McNeill

Mayor Andy Adams
Campbell River

Mayor Jan Allen
Port Alice

Mayor Leslie Baird
Cumberland

Mayor Michael Berry
Alert Bay

Mayor Hank Bood
Port Hardy

Patrick Brabazon
Chair, Powell River
Regional District

Mayor Donnie Cox
Zeballos

Calvin Craigan
Sechelt Indian
Government District

Mayor Dave Formosa
Powell River

Scott Fraser
MLA, Alberni-Qualicum

Mayor Paul Ives
Comox

Mayor Larry Jangula
Courtenay

Bruce Jolliffe
Chair, Comox Valley
Regional District

Don McRae, MLA
Comox Valley

Mayor Bruce Milne
Sechelt

Garry Nohr
Chair, Sunshine Coast
Regional District

Mayor Josie Osborne
District of Tofino and Chair,
Alberni-Clayoquot Regional
District

Mayor Wayne Rowe
Gibsons

Dave Rushton
Mt. Waddington
Regional District

Mayor Mike Ruttan
Port Alberni

Mayor Jude Schooner
Tahsis

Nicholas Simons, MLA
Powell River-Sunshine Coast

Mayor Dianne St. Jacques
Ucluelet

Claire Trevena, MLA
North Island

Mayor Brad Unger
Gold River

BOARD OF DIRECTORS



Mayor Phil Kent
Duncan – *Board Chair*



Camela Tang
Provincial Appointee –
Vice Chair



Mayor Paul Ives
Comox – *Board Treasurer*



Mayor Josie Osborne
Tofino – *Board Secretary*



Dallas Smith
Provincial Appointee –
Member at Large



Mayor Andy Adams
Campbell River



Mayor Michael Berry
Alert Bay



Dave Mannix
Provincial Appointee



Mayor Bill McKay
Nanaimo



Arlette Raaen
Provincial Appointee



Joe Stanhope
Chair, Nanaimo
Regional District



Mayor Aaron Stone
Ladysmith



Kevin Tevington
Provincial Appointee



Mayor Teunis Westbroek
Qualicum Beach –
NISCRAC Chair, Ex-officio



Mayor Jon Lefebure
North Cowichan –
CSIRAC Chair, Ex-officio

CSIRAC MEMBERS

(CENTRAL SOUTH ISLAND REGIONAL ADVISORY COMMITTEE)

Mayor Jon Lefebure
North Cowichan –
CSIRAC Chair

Joe Stanhope
Chair, Nanaimo Regional
District – *RAC Vice-Chair*

Matteus Clement
Area Director, Cowichan
Valley Regional District

Mayor Ross Forrest
Lake Cowichan

Mayor Colin Haime
Lantzville

Mayor Phil Kent
Duncan

Leonard Krog, MLA
Nanaimo

Mayor Marc Lefebvre
Parksville

Mayor Bill McKay
Nanaimo

Bill Routley, MLA
Cowichan Valley

Doug Routley, MLA
Nanaimo-North Cowichan

**Honourable Michelle
Stilwell, MLA**
Parksville-Qualicum

Mayor Aaron Stone
Ladysmith

KEY STAFF AND CONTRACTORS

Line Robert
Chief Executive Officer

Denice Regnier
Project and Corporate
Administrator

Donna Cloutier
Chief Financial Officer

Judith Marriott
Accountant

Jamie Vann Struth
Consulting Economist

Stephen Harris
Communications
Consultant

WHAT WE DO

ICET's mission is to be a partner and catalyst to build a diverse and sustainable Island and Coastal economy. This mission is primarily achieved through strategic investments in key economic sectors, leveraging new funding and investment to the region, improving community economic development readiness and fostering regional collaboration and planning. Guided by its governing legislation, ICET invests its funds in initiatives that enhance the region's competitive position in eight key sectors: Forestry, Transportation, Tourism, Mining, Small Business, Energy, Agriculture and Aquaculture and Economic Development.

ICET PROGRAMS

ICET invests its funds primarily through its two grant programs: The Economic Infrastructure Program and the Economic Development Readiness Program. Through its programs, ICET acts as an enabler for community and regionally led economic development initiatives that advance its vision, mission and goals. ICET also provides sponsorship funding, bursaries and initiates partnerships that allow the organization to further deliver on its mandate.

ECONOMIC INFRASTRUCTURE PROGRAM

The Economic Infrastructure Program supports the development of a wide range of economic diversification infrastructure projects in targeted sectors, with non-repayable matching contributions up to a maximum of \$400,000. This program is designed to enable communities, non-profits, First Nations and other eligible applicants to develop the infrastructure required to support strategic economic development initiatives. One of the highlights of this infrastructure funding program is its matching funding criteria which is based on a community economic performance analysis. To adjust for variations in economic vitality between communities applying for funding, ICET relies upon a sliding scale matching funding formula.

ECONOMIC DEVELOPMENT READINESS PROGRAM

The Economic Development Readiness Program provides non-repayable matching funding up to a maximum of \$30,000. This program helps communities and the region improve their economic readiness through the development of economic strategies and the tools required to attract economic investment. The program also serves to improve the region's competitive position through the development of sectoral strategies, regional marketing programs and investment attractive initiatives.

SPONSORSHIPS

Sponsorship support is provided to a select number of regional or provincial events occurring in the ICET region, promoting economic development or one of ICET's mandated sectors.

BURSARIES

Bursaries are provided to support increased participation in economic development training. These bursaries are offered to applicants who might not otherwise be able to attend and to support the participation of the younger demographic in economic development.

PARTNERSHIPS

ICET initiates and collaborates on select partnership initiatives with key regional partners

STAKEHOLDER AND FUNDING PARTNER RELATIONS

Building and maintaining partnerships with stakeholders is a critical success factor for the Trust. The Trust's engagement practices help develop strong relationships with communities and other stakeholders in the region. ICET achieves meaningful engagement in a variety of ways, guided by its core business needs, vision, mission and values and the needs of stakeholders. Networking opportunities, meetings and presentations are scheduled on a continuous basis to strengthen relations, help to link partners as well as develop new regional and provincial partnership opportunities.





OPERATIONAL RISK MANAGEMENT

ICET applies a variety of tools to ensure sound management of its funds and incorporates risk management into its operational activities. These management practices have a positive influence on decision making, accountability and transparency. Some of the key operational risk management practices include the following:

DUE DILIGENCE AND PERFORMANCE MONITORING

ICET has a thorough due diligence process prior to project approval and has a number of protocols and systems in place to minimize the risks inherent to grant funding. There is an established detailed selection criteria in place for each grant program to help guide the decision making process. Projects must align with ICET's investment sectors as well as local, regional and provincial priorities. Once a project is approved, strict conditions provide ICET with assurance that the applicant has all of the requirements to ensure successful project completion.

The monitoring of grant contributions is an ongoing function of ICET staff, to ensure that funds are used effectively to attain expected results. Grant recipients are required to provide financial and operational reports addressing project progress. Upon project completion applicants must provide a full performance report and financial statement in order to receive the final balance of funding, subject to ICET's holdback policy.

DATA MANAGEMENT

ICET's project data is tracked and maintained in custom-designed databases. Information is managed centrally from initial receipt of an application through the approval process. The central database model also enables regular performance measurement analysis of funding allocations, such as those found in this report. This performance analysis is prepared by a consulting economist in accordance with accepted methodologies.

FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

ICET is committed to protecting the privacy of people whose personal information is held by the organization through responsible information management practices. Any personal information provided to ICET is collected, used and disclosed in accordance with the [Freedom of Information and Protection of Privacy Act](#). Security measures have been integrated into the design, implementation and day-to-day operating practices as part of ICET's commitment to the protection of personal information it holds.

TRANSPARENCY

ICET remains committed to transparency and to keeping stakeholders and the region informed of its activities. The ICET website is a key information portal for the organization. It has been designed to enable efficient stakeholder access to information about governance, strategic planning, performance reporting, financial reporting as well as detailed information about all approved project investments. In addition, the website provides value added resources, best practices and detailed regional economic analysis information. ICET also uses Facebook and regular news releases to ensure stakeholders are fully informed of its strategic initiatives, investment decisions and performance reporting.

PERFORMANCE RESULTS

STRATEGIC FRAMEWORK

ICET's primary strategy has been to administer simple, flexible grant programs to enable communities, non-profits and First Nations to develop economic development infrastructure and strengthen their economic development readiness. Through the delivery of its grant programs, ICET acts as a catalyst or enabler for community and regionally led economic development programs and activities which advance ICET's objective to build a diverse and sustainable Island and Coast economy.

PERFORMANCE MEASUREMENT

ICET uses a variety of robust performance measures to assess its performance. This includes a wide range of assessment criteria which consider both the short term and long term impacts of projects within the specific community or regional context. As an enabler ICET can help to address outcomes such as regional economic advantage, increased or safeguarded employment, increased or maintained incomes and economic diversification. These outcomes are measured individually and at the community or regional aggregate level. Performance measurement also takes into account the gestation period which may be longer for certain types of economic development initiatives.

The qualitative and quantitative performance measures presented in this report have been chosen for their probative value to the reader. They have been presented in relation to ICET's objectives and strategic priorities. All efforts have been made to provide measures which are transparent and to offer comparative data, enabling the reader to assess ICET's performance from a historic and holistic perspective.

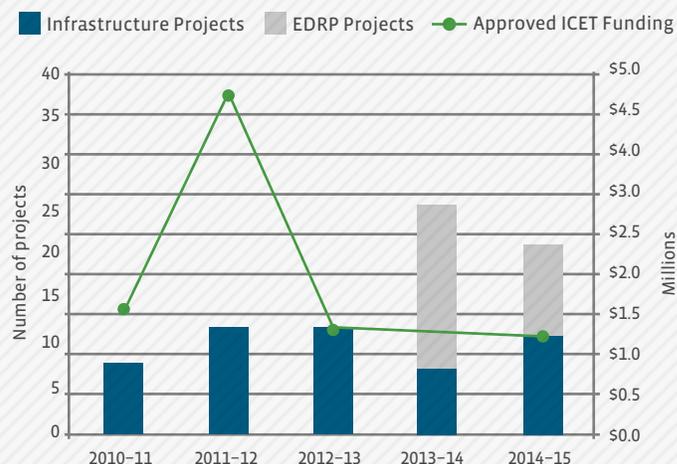
NOTE: Historic data may not match previous ICET annual reports due to reclassifications of projects after initial approval. For example, approved projects that do not meet all subsequent conditions will not be funded or sources of matching funding may increase, resulting in increased leverage.

KEY PERFORMANCE HIGHLIGHTS

ICET continues to focus on its core business, investing in economic development and diversification through its Economic Infrastructure Program as well as investing in community economic development planning and readiness with its Economic Development Readiness Program.

In fiscal 2015, \$1.4 million was disbursed to projects underway. Fund disbursements and commitments total \$48.6 million and have leveraged 4.6 dollars per dollar invested. The dollars invested represent an estimated 2415 new long term jobs BC wide or 5.2 jobs per \$100,000 investment.

Projects Approved and ICET Funding



In the past year, ICET approved 19 new projects, representing a total ICET commitment of \$1.3 million for regional project investments totaling \$4.7 million. While the total number of project approvals is slightly less than the previous year, the total value of projects approved is almost identical.

These new project approvals leveraged \$2.71 per dollar invested which represents the highest leveraging ratio of the past three years. More than one third was leveraged from non-government sources, exceeding ICET's target of 25%.

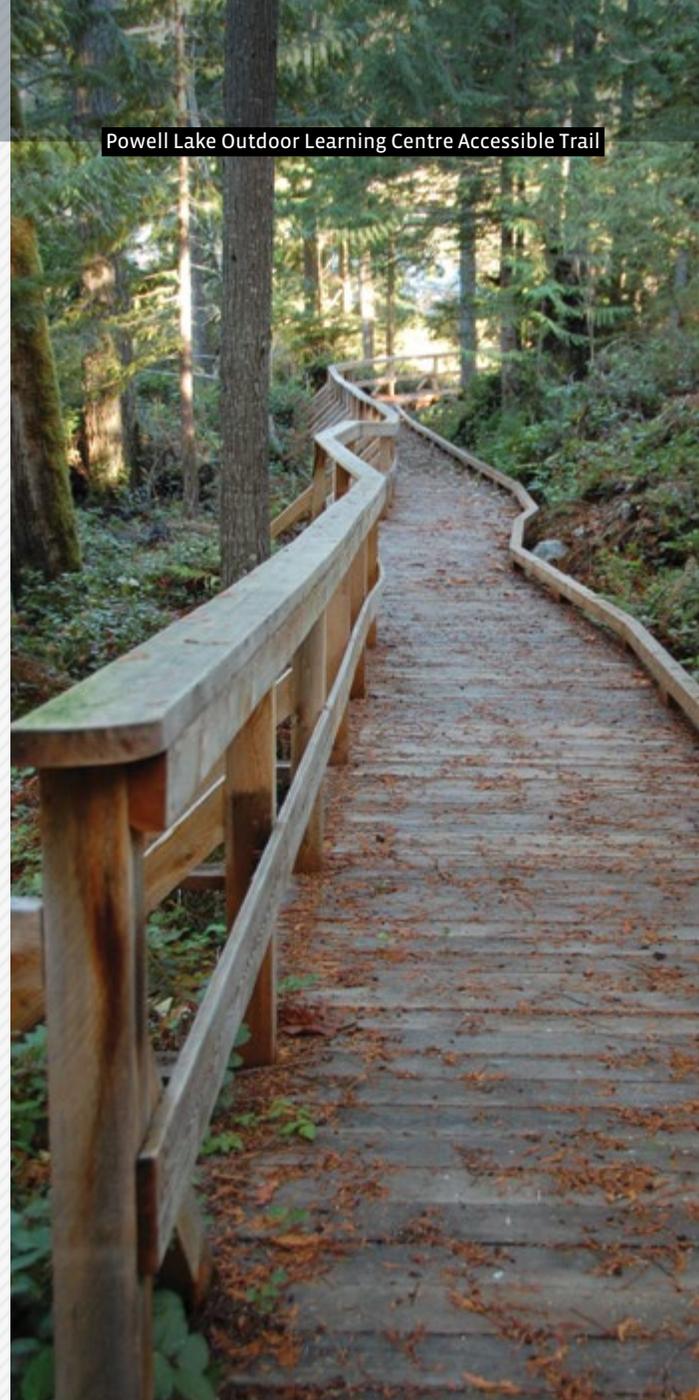
The Economic Infrastructure Program continues to be ICET's flagship program. Investments in the past year supported a diverse range of projects, with small business and technology representing a growing percentage of project approvals. These investments included a tech incubator, broadband infrastructure, agri-business, small scale food processing as well as aquaculture business support. Tourism continued to play an important role with a wide range of tourism sectors supported including marine tourism, arts and cultural tourism, sport tourism, educational tourism, agri-tourism and aboriginal tourism. Interest in the program continues to be high, with more diverse inquiries, broader range of applicants and more diverse sources of funding.

The Economic Development Readiness Program (EDRP), now in its second year, continues to support local and regional economic development planning. A total of 9 new EDRP projects were approved, with several initiatives focused on regional collaboration and marketing as well as First Nations and community collaborations.

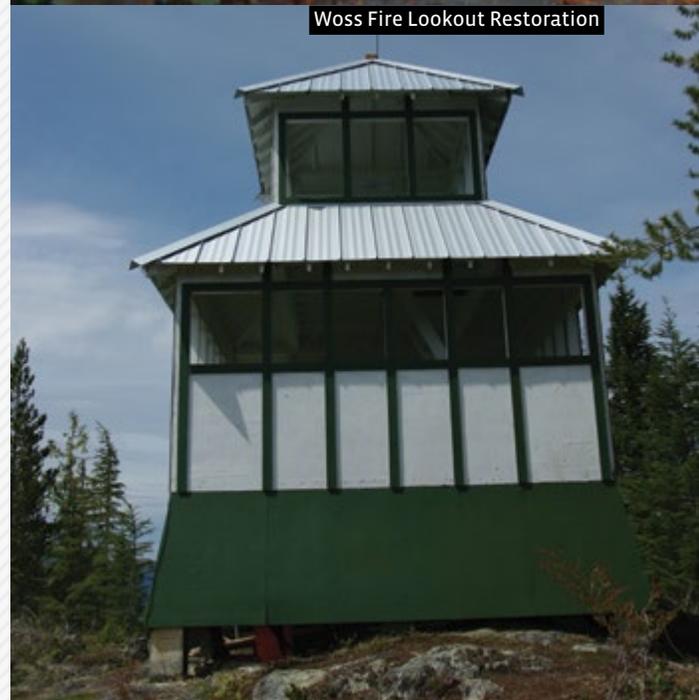
More than two thirds of funding went to communities in the 1:1 and 1:2 matching areas, representing those communities with serious economic challenges or those with moderate economic growth.

ICET continues to build relationships with its partners in the region providing sponsorship for key economic development and sectoral events and working to support emerging sectors. The region is reaping the benefits of increased outreach and relationship building with First Nations communities with increased project approvals from First Nations and increased joint economic initiatives between First Nations and the region's communities.

Powell Lake Outdoor Learning Centre Accessible Trail



Woss Fire Lookout Restoration



OBJECTIVE 01

LEVERAGE ECONOMIC INVESTMENT IN THE ICET REGION.

ICET uses its \$50 million funding allocation as a lever to attract incremental investment from other levels of government, non-government sources and private sector sources, in individual project investments as well as larger community and regional investments.

MAINTAINING LEVERAGING TARGETS

ICET funding was leveraged with \$2.71 in funding from other sources in fiscal 2015, which is consistent with the previous year's leveraging of \$2.68. Considering that more than two thirds of 2015 funding was distributed to communities requiring only 1:1 or 1:2 leveraging, this demonstrates that applicants are successfully diversifying their funding sources to increase project leveraging beyond the minimum required.

Average Funding Leverage



Leverage on ICET Funding by Source

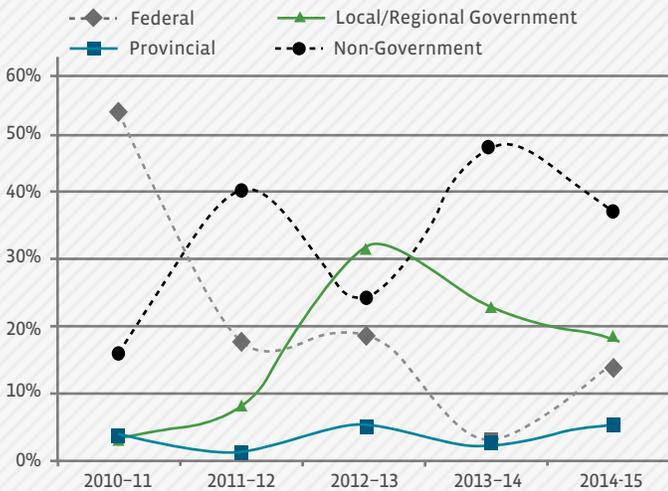
Funding Source	2010-11	2011-12	2012-13	2013-14	2014-15	Since Inception
Federal	\$2.04	\$0.50	\$0.81	\$0.09	\$0.51	\$1.10
Provincial	\$0.12	\$0.03	\$0.19	\$0.06	\$0.16	\$0.87
Local/Regional Government	\$0.10	\$0.22	\$1.42	\$0.81	\$0.66	\$1.60
Non-Government	\$0.58	\$1.19	\$1.06	\$1.72	\$1.38	\$1.04
Total Leverage	\$2.84	\$1.95	\$3.48	\$2.68	\$2.71	\$4.61

DIVERSIFICATION OF MATCHING FUNDING SOURCES

New matching funding sources for Fiscal 2015 included more than a dozen different public sector sources such as Pacific Salmon Foundation, National Research Council, Canadian Heritage, Investment Agriculture Foundation as well as 2 Community Forest Reserve Funds. Matching funding also included more than a dozen new private sector sources. The cumulative leveraging ratio for funds is 1:4.6 which is well above ICET's target of 1:3.

In Fiscal 2015, non-government sources of matching funding represented more than one third of total project budgets, down slightly from the 2014 high of more than 40%. This exceeds ICET's strategic target of at least 25%. Local government share of budgets is down slightly while Federal government share of funding has increased by approximately 10%. Provincial funding has historically represented a smaller share of ICET budgets, given ICET's preference to leverage its provincially sourced funding with funding from other sources.

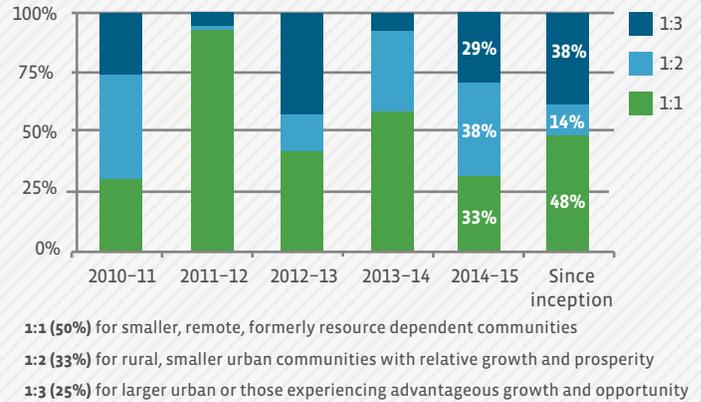
Share of Total Project Budgets



The benefit of a fund like ICET is that it provides a steady source of matching funding enabling communities to move forward with projects at the most opportune time for them. This is especially important for smaller communities who may not be able to respond in the very tight timelines which have become commonplace for many senior government

funding programs. It also enables the region to maximize the attraction of other sources of funding when they are available. When senior government funding sources are scarce, the ICET fund provides an opportunity to match local or other non-government funding sources, keeping the economy vibrant during economic downturns.

Distribution of ICET Funding by Matching Level



The distribution of ICET funding by matching level in Fiscal 2015 was quite even for each of the matching categories. There was a decrease of 28% in funding allocations to 1:1 communities, those with the most challenging economic conditions, compared to 2014. Communities in the 1:2 category saw a small increase of 10%. The largest increase was 18% in the 1:3 communities. These faster growing communities typically have larger projects but in recent years have had significantly reduced volumes of project applications, due to the absence of senior government matching funding programs.

SUPPORTING APPLICANTS

Applicants are strongly encouraged, early in the project development stages, to contact ICET staff for information and clarification regarding the application process, program guidelines as well as referrals to funding sources and other supports. For the Economic Development Readiness Program, the validation of the concept by staff is a preliminary condition to the submission of an application. This support continues through the project approval and implementation processes as well as post completion. ICET staff provide unique life-cycle support to applicants, not provided by typical grant programs.

This increasingly collaborative process has led to stronger approval outcomes for those applicants who take advantage of the opportunity. This process has also led to some new collaborations and partnerships and improved project financing, resulting in stronger projects with broader results.

RECAPITALIZATION OF THE FUND

The region's stakeholders, Regional Advisory Committee members and Board of Directors have mandated ICET to work with government to explore recapitalization options.

The availability of the \$50 million fund has been the key to the region's ability to leverage federal funding and private funding to successfully diversify its economy and provide economic stimulus during the recent economic challenges. The region has created significant momentum through targeted infrastructure improvements and now needs to build on that momentum to facilitate the emergence of new economic sectors and to maximize the impact of the existing sectors and infrastructure.



The ICET application process was indeed one of my most rewarding experiences in my 40 plus year professional career. Needless to say we are grateful with the successful outcome, but what has made this rewarding is the experience and process we had to go through to reach this outcome. There is a rigorous application process which not only challenges the applicant to ensure that the project will succeed but assures the public that ICET officials are doing their appropriate due diligence. When we received approval for Stage One funding, we were able to leverage this to attract other major funding. A perfect example in our case is the new corporate non profit partnership with TELUS. Communities will succeed and be sustained when there is a seamless working relationship amongst the non-profit, corporate and public sector. Clearly our relationship with ICET supports and embellishes this principle...

GERRY ZIPURSKY, EXECUTIVE DIRECTOR, GIBSONS COMMUNITY BUILDING SOCIETY

Gibsons Public Market Concept Drawing

Credit: Scott Davis Design in collaboration with Stephen Hanneman Architect





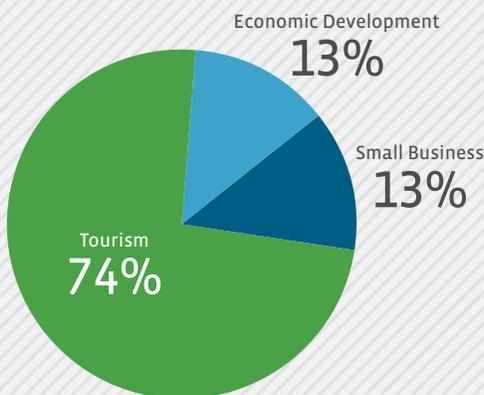
OBJECTIVE 02

INVEST IN ECONOMIC DEVELOPMENT INFRASTRUCTURE

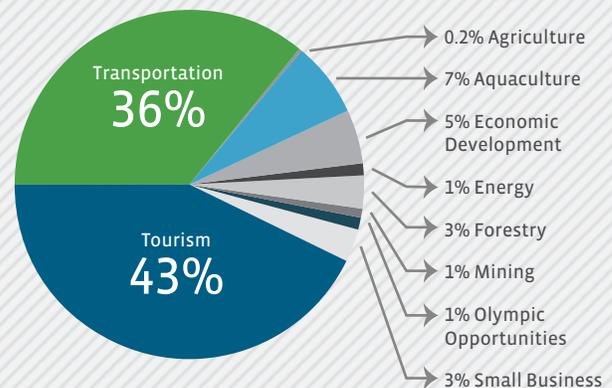
ICET supports strategic investment in key local and regional economic development infrastructure, with a strong focus on incremental economic benefits, economic growth and diversification, regional cooperation and long term economic and environmental sustainability. This is done primarily through its Economic Infrastructure Grant Program.

These investments are made in the sectors specified in ICET’s legislation: forestry, transportation, tourism, mining, small business, energy, agriculture and aquaculture, and economic development. Specific project investments and program results are detailed on page 22.

ICET Funding by Sector, 2014–15



ICET Funding by Sector since Inception



SUPPORT FOR EMERGING SECTORS

ICET has been working proactively with sectoral stakeholders and governments to identify emerging sectors and any role that ICET can play in supporting these sectors.

During the past year, ICET has met with a wide range of industry organizations and government staff with a primary focus on the energy sector. This included working with provincial staff to identify areas where ICET can support business development and procurement opportunities for the region’s businesses and communities related to the development of major projects in the LNG sector. ICET has also been meeting with organizations involved in alternative energy development in the region

including run of the river, tidal energy and a wide range of clean tech initiatives.

The organization has been monitoring and providing support to the emerging technology business sector, craft beverage sector, agri-food sector as well as working with provincial government staff and industry to help advance the aerospace sector in the region. Historically, ICET has been a key supporter of the shellfish aquaculture sector and continues to monitor and support this important economic driver for BC, with approximately 50% of provincial production centred in the Baynes Sound area.



ECONOMIC INFRASTRUCTURE PROGRAM

The Economic Infrastructure Program has been ICET's flagship program since inception. It enables community investment in targeted, incremental, economic development infrastructure initiatives.

In Fiscal 2015, ICET received applications from 14 new applicant organizations, demonstrating the success of its community and industry outreach strategy. These applications represented a diversity of sectors. Some of these types of initiatives are new to ICET such as technology business development, small scale food processing, social enterprise development, alternative energy, knowledge and innovation while others are from key regional sectors such as tourism, marine tourism, arts and tourism, small business, aquaculture and transportation. The organization continues to receive inquiries and work with potential applicants from new sectors including clean technology/green technology, aerospace, small business and technology innovation.

In Fiscal 2015, economic development and small business represented more than one quarter of ICET project funding allocations. This breaks down more specifically into technology business development, small scale food processing and agri-food business development, as well as broadband infrastructure. This

is greater than the historic average share of approximately 5% of total projects for each of these sectors. This can be attributed to the fact that communities are developing initiatives which build on the improved community amenities and infrastructure, contributing to the attraction of new residents and investment and the emergence and growth of sectors such as technology and agri-food.

Tourism, also played a significant part in 2015 project approvals, with a wide range of projects amalgamating tourism with business and industry development. This includes projects related to sport tourism, tourism and the arts, agri-tourism, visitor orientation, marine tourism attraction as well as aboriginal tourism.

Historically, tourism has played an important role in the ICET region's diversification strategy. Increasingly, tourism projects such as the newly approved Malahat First Nation are leveraging the same infrastructure improvements for use by tourists, community and industry. Also, the region continues to recognize that the benefits of tourism go far beyond the traditional hospitality sector jobs by creating amenities which attract new residents and investment and contribute to the sense of "place".

New Economic Infrastructure Approvals Fiscal 2015:	ICET Commitment	Total Budget
FINAL STAGE TWO APPROVALS		
SDECB Economuseum: Vancouver Island Network Phase 2	\$75,000	\$301,000
Malahat Marine Collaboration	\$400,000	\$1,854,000
Comox Marine Centre and Meeting Place	\$320,045	\$1,280,180
West Coast Aquatic Stewardship Centre	\$140,000	\$370,120
FINAL ONE STEP APPROVALS		
Mt Cain Building and Lodging Project	\$48,500	\$97,000
Powell River Academy of Music Centre for the Arts	\$10,000	\$42,000
SquareOne Tech Incubator	\$50,000	\$200,000
Texada Food Hub	\$22,100	\$44,200
Lasqueti Island Broadband Infrastructure Project	\$20,000	\$42,400
Cortes Island Visitor Kiosk	\$7,500	\$18,000
STAGE ONE PENDING (subject to Stage 2 approval)		
2 applications pending	\$800,000	\$3,071,125
TOTAL	\$1,893,145	\$7,320,025



NEW PROJECT SPOTLIGHT: MALAHAT MARINE COLLABORATION

In the past few years, ICET has prioritized increased collaboration with First Nations communities in its strategic objectives. This has also been happening at an organic level in communities throughout the region. The Malahat Marine Collaboration project is one such example. In partnership with the CVRD, local business and service groups, the Malahat First Nation is embarking on an important nation-building initiative to develop a boat launch and boardwalk which will serve as a platform to attract new

tourism to the area and build new tourism related businesses and aboriginal tourism products. The infrastructure created will also serve a new commercial shellfish aquaculture joint business venture. The aquaculture business and increased tourism are expected to create more than 50 long term jobs in the next 3-5 years. In addition to the incremental economic benefits, the new amenities will improve the liveability and quality of life for the Malahat Nation and their Mill Bay area neighbors.



PROJECT PROFILE

SUNSHINE COAST TRAIL AND
POWELL LAKE OUTDOOR LEARNING CENTRE



Credit: Emma Levez Larocque



Credit: Emma Levez Larocque



Credit: Emma Levez Larocque

SUNSHINE COAST TRAIL AND OUTDOOR LEARNING CENTRE ATTRACTS VISITORS, RESIDENTS AND STUDENTS TO THE COMMUNITY



POWELL RIVER PARKS and Wilderness Society — the visionaries and stewards of the Sunshine Coast Trail — recently hosted the 23rd annual Marathon Shuffle, with more than 300 participants taking to the backcountry trail to enjoy the abundant natural beauty of the region.

The success of the trail has surpassed the expectations of those involved in the project who carefully stewarded their vision and resources to create an outdoor recreation attraction that Vancouver Island Tourism and Trails ranks second only to the West Coast Trail.

“The Sunshine Coast Trail is now Canada’s longest hiking trail and accommodates both day trips and multi-day excursions of up to 14 days,” says Eagle Walz, President of the Powell River Parks and Wilderness Society. “We have been successful in protecting the natural environment along the trail by working with BC Parks and now have a long corridor of preserved wilderness.”

The trail has also become an important part of the Sunshine Coast economy, attracting visitors from around the world, as well as being a community asset that helps to recruit and retain people living and working in the region.

Free-to-use visitor huts are being built along the trail, with 12 huts completed so far. The enhancements to the Trail have created a world class piece of infrastructure making both day hikes and multi-day excursions comfortable and fun.

THE TRAIL SYSTEM IS A HIGHLY-VALUED ASSET FOR THE REGION AND OUR BUSINESS.

Paul Kamon, Marketing Director with Sunshine Coast Tourism, said that number one request at the Visitor Centre is for information about the Trail, and that has translated into growth opportunities for local businesses.

John Hermesen owns Footprint Nature Explorations, a kayaking and hiking guiding company on the Sunshine Coast. The trail and huts have become a key part of their business.

“We often use the trail for evening hikes after a day kayaking, and we take day-trippers for hikes using the huts

for lunch,” Hermesen explained. “The trail system is a highly-valued asset for the region and our business.”

With many clients already coming from Western Europe, Hermesen recently scored a public relations coup with a feature article about the company and the region in the Holland Herald, the in-flight magazine of KLM Airlines.

“That single story will reach 2.2 million people in July,” he said.

Visitors coming to Powell River to explore the trail discover the beauty of the area, and many have chosen to bring their families and businesses to the community.

The Sunshine Coast Trail expansion project also included the development of the Powell Lake Outdoor Learning Centre, developed in collaboration with School District 47. Designed to facilitate programs in eco adventure, sustainability and ecology, the facilities were specifically designed to accommodate participants with disabilities.

By partnering with Terracentric Coastal Adventures, School District 47 is able to provide outstanding outdoors and camp experiences that further develop the growing education-tourism sector of Powell River’s economy.

One of many economic boosts that are partially attributed to the Sunshine Coast Trail and Powell Lake Outdoor Learning Centre is a projected \$23M investment from China’s Sino Bright School. The company plans to build a new school and dormitories for up to 400 students on lands which were jointly owned by the City and Tla’amin First Nation beside Brooks Secondary School.

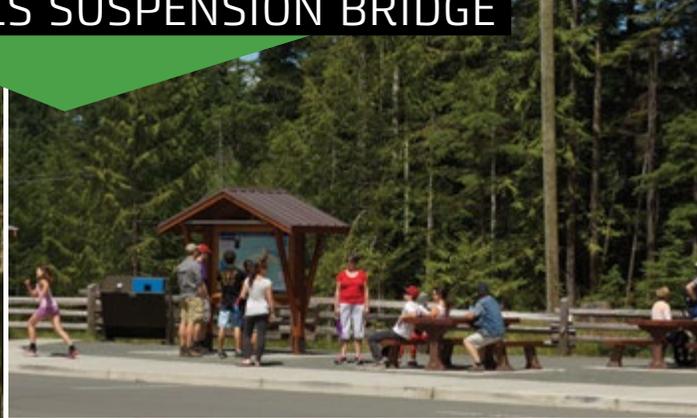
The small, friendly population and pristine natural environment attracted the school for international students to the area.

Approximately 80 students from Sino Bright’s schools attend a summer immersion program hosted at the Powell Lake Outdoor Learning Centre. The success of the program at the Centre has been the catalyst for the partnership between Sino Bright and School District 47 leading to the planned permanent year-round campus in the community.



PROJECT PROFILE

ELK FALLS SUSPENSION BRIDGE



ELK FALLS SUSPENSION BRIDGE PROJECTED TO DOUBLE VISITORS TO THE PARK

Free-to-use-forever, the bridge is already a major tourist draw

THE NEWLY COMPLETED Elk Falls Suspension Bridge in Campbell River spans 60 metres and, along with a cantilevered viewing platform, provides spectacular views of Elk Falls never before possible.

The vision of the Rotary Club of Campbell River, the bridge was developed in partnership with BC Parks and BC Hydro. With funding from community, government, business and ICET, it is a demonstration of the important role non-profits can play in rallying support for economic development.

“We expect annual visitors to Elk Falls will double, although I think that estimate is conservative,” said Lorrie David Bewza of the Rotary Club of Campbell River.

According to the Campbell River Visitors Centre, travellers to the area spend \$76.53 per person per day, and the huge increase in tourists could mean millions of new visitor dollars spent in the region.

Since opening on May 9, 2015, the 83-stall parking lot has been full most weekends. In the first few weeks of early season operation, an average of two thousand visitors per day have been enjoying the new amenity. With the arrival of summer, those numbers are increasing, and project proponents are seeing their projections around economic impact coming to fruition.

region and 9 jobs outside the region. Early visitation numbers indicate that the bridge will likely more than double Park visitation in the first year, exceeding the anticipated increases far ahead of schedule.

Bewza noted that the project enjoyed the support of local government and the Wei Wai Kum, K’omoks, Homalco, and We Wai Kai First Nations, along with the financial support of BC Hydro, Community Futures Strathcona, BC Parks to match ICET’s contribution of \$325,000.

BC Parks embraced the Rotary Club’s idea to build the suspension bridge, recognizing that it would instantly make Elk Falls Provincial Park a world-class destination that would contribute to their mandate to develop eco-tourism on Vancouver Island.

With a general idea of where they wanted the bridge located, the Campbell River Rotary Club needed to determine the safest site to anchor the bridge. BC Hydro shared their geotechnical report and topographical survey for the area, allowing the Rotary Club to use project funds on the design, engineering and construction of the bridge.

To safely accommodate the increase in visitors the suspension bridge would generate, a new parking lot was required. BC Hydro, inspired about the possibilities for the community, stepped up to the plate to convert a temporary parking lot into a permanent 83 unit parking lot that would properly accommodate visitors, RVs and tour buses.

A memorandum of understanding has been signed between BC Parks, BC Hydro and the Campbell River Rotary Club ensuring that access to the bridge be free for all visitors in perpetuity.

The Elk Falls Suspension Bridge project is a successful pilot for infrastructure development that can be replicated around British Columbia, bringing together non-profit groups, government, business and other stakeholders to help realize a community vision.

WE EXPECT ANNUAL VISITORS TO ELK FALLS WILL DOUBLE, ALTHOUGH I THINK THAT ESTIMATE IS CONSERVATIVE

An economic impact assessment prepared by ICET estimated that the bridge would generate approximately 50,000 new visitor days, generating \$3.1 million in economic impact after 3-5 years. This also translates into 35 permanent new jobs in the



PROJECT PROFILE

SQUAREONE TECH INCUBATOR



SQUAREONE INCUBATOR: DEVELOPING THE NEXT GENERATION OF ENTREPRENEURS

INNOVATION ISLAND'S SquareOne Tech Incubator in Nanaimo exists to support tech entrepreneurs and emerging companies. In addition to a physical space, the incubator provides mentorship, expert consulting advice, and connections across sectors. As of April, 2015, 14 companies and 23 entrepreneurs were working from SquareOne.

Shawn Adrian and Gavin Vickery are co-founders of Input Logic — a software firm that got its start at SquareOne.

“We started as a consultancy, with a few products: Quote Robot and Postachio,” Adrian explained.

After meeting Paris Gaudet, Executive Director of Innovation Island, the founders moved into the SquareOne offices, and the business began to grow.

The support has clearly helped, as Input Logic has raised about \$500,000 so far, and revenue is growing. Most exciting is the fact that the company is in expansion, looking to hire two full-time developers.

“We’re part of the Venture Acceleration Program, and that is a great system that helps us refine our business model,” Adrian explained. “We have to demonstrate that our financials are sound, and that our metrics are accurate; it forces us to be accountable, and that in turn makes us a more attractive company for investment.”

As part of its mandate to foster entrepreneurial development and business growth in the region, Square One has also welcomed 25 students and two faculty from the Entrepreneurship Program at Vancouver Island University. Holding classes at Square One’s tech incubator and co-working space has provided the opportunity for students to connect directly with entrepreneurs.

“Being able to provide space for students to continue their business development ideas at SquareOne is an outcome we didn’t expect. Students are excited and optimistic about what they can create, and that energy adds to the incubator environment,” explained Gaudet.

“**IN ADDITION TO A PHYSICAL SPACE, THE INCUBATOR PROVIDES MENTORSHIP, EXPERT CONSULTING ADVICE, AND CONNECTIONS ACROSS SECTORS.**”

“The space itself is a big benefit,” Adrian said. “There’s no ‘mental’ overhead. We don’t have to think about all of the office administrative stuff, which means we can focus on the business.”

Companies working out of SquareOne get access to expert advice from mentors, and having a community of start-ups working together also gives the entrepreneurs the chance to bounce ideas of each other, and practice their pitches.

\$50,000
ICET INVESTMENT

38
ENTREPRENEURS
ASSISTED

JULY 4,
2014
LAUNCH DATE

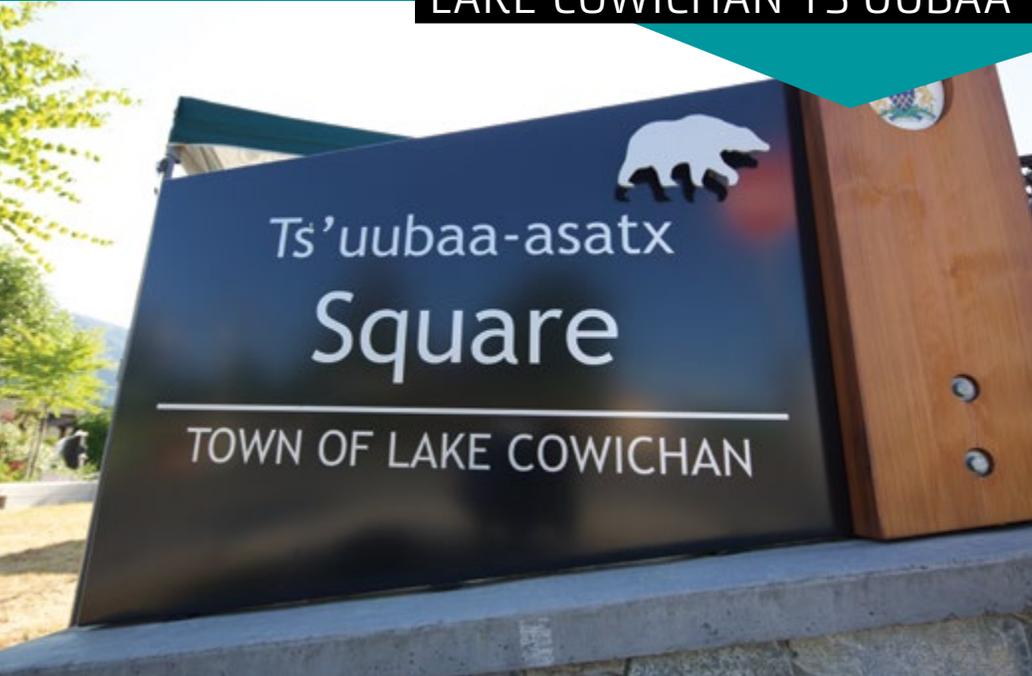
\$2.2
MILLION
RAISED

5
EMPLOYEES
HIRED



PROJECT PROFILE

LAKE COWICHAN TS'UUBAA-ASAXT SQUARE





TS'UUBAA-ASATX SQUARE GIVES LAKE COWICHAN CONFIDENCE IN ECONOMIC FUTURE

THE TOWN OF LAKE COWICHAN was left with an economy in need of revitalization after twenty years of decline in the local forest industry.

One of the side-effects of an economic slump is the lack of investment in Town amenities and public spaces.

With an aim towards the future, the Town of Lake Cowichan embarked on a downtown revitalization plan that featured a new Town Square. By linking the existing Ohtaki and Forest Workers' Memorial Parks, and adjacent to the new library in the heart of downtown, the new square has quickly become the town's centrepiece.

"When we received our funding from ICET, our local First Nation wasn't really in the picture when it came to this project," said Lake Cowichan CAO Joe Fernandez. "We then started talking about naming the Square, and that's when they came forward with the name Ts'uubaa-asatx."

The goal of a revitalization project like this one is to spur additional economic activity, and the Ts'uubaa-asatx Square has certainly delivered.

The new square has provided the perfect host site for the development of a new Farmers Market. The Farmers Market is adding to the expansion of business in the community through its role as a business incubator. Not only are farmers and growers using the market, home-based 'micro-businesses' are able to use the space to sell their handcrafted wares, and develop their customer base.

From business expansions like those planned at South Shore Cabinetry or Country Grocer to new restaurants starting up, the inclusion of the Farmers Market at the square as well as the building of the new library, the project is meeting its targets of leveraging the initial investment to create economic growth in the community.

Fernandez said that seeing those businesses expanding, investing, and growing creates a snowball effect for more investment from other retailers, restaurateurs, and service industry entrepreneurs.

"There's a renewed sense of confidence, and people have more faith that the town is alive and well," said Fernandez. "New and growing businesses, a visible connection with the First Nations in the area, all of it points to a town with a future."



THERE'S A RENEWED SENSE OF CONFIDENCE,
AND PEOPLE HAVE MORE FAITH THAT THE TOWN
IS ALIVE AND WELL

Meaning 'the people from the front of the lake, by the rivers, by the streams', the naming ceremony was a significant step forward for the Town and the Cowichan tribe. Capitalizing on the opportunities presented by the new Square, the First Nation offered to carve a totem, on site.

"Not a day goes by that I don't see people down there, talking to the carver and getting engaged in the process," said Lake Cowichan Mayor Ross Forrest. "The totem gives the site so much more interest. It's fantastic."

SAMPLING OF NOTABLE VANCOUVER ISLAND PRODUCTIONS:

SCARLETT LETTER
TWILIGHT: NEW MOON, BREAKING DAWN, ECLIPSE
FINAL DESTINATION 2
A-TEAM
SUPERMAN MAN OF STEEL
DAWN OF THE PLANET OF THE APES
GODZILLA
BOSTON LEGAL
ALONE IN THE WILD
AMAZING RACE
PLANET EARTH
BLUE PLANET
BBC, CBC, IMAX, KNOWLEDGE NETWORK
DOCUMENTARIES



Shana/Elk Falls

PROJECT PROFILE

INFILM



Superman/Uclulet



Godzilla/Nanaimo

INFILM ATTRACTS INTERNATIONAL PRODUCTIONS TO NORTHERN VANCOUVER ISLAND

FROM THE MAJESTIC forest in the Twilight film series to the bustling highway in a Ford “Go Further” commercial, INfilm — the Vancouver Island North Film Commission — provides location services covering 22,000 square miles services to the film industry, generating more than \$78M in economic impact.

Filmmakers looking for the perfect site to match their scripts can now access INfilm’s INlocation service, a searchable online database that has grown from 3,000 to more than 36,000 images.

Funded in part by ICET, the database offers a comprehensive and diverse range of options for filmmakers looking for the perfect spot that balances the demands of their time, script and budget.

FILMMAKERS CAN FIND WHAT THEY ARE
LOOKING FOR FROM ANYWHERE IN THE WORLD,
AT ANY TIME OF DAY.

“Providing an online searchable location database has been the foundation of our success in attracting the incredible projects that have come to our communities,” said Joan Miller, Vancouver Island North Film Commissioner. “Filmmakers can find what they are looking for from anywhere in the world, at any time of day.”

Often, by the time filmmakers are looking for locations on INfilm’s website, they are already behind on securing the sites they need, having spent their time scouting nearby their base of operations. By providing professional and responsive service, INfilm has been able to attract top tier business to North Vancouver Island and many are repeat customers.

INfilm is a certified member of the Association of Film Commissioners International and has been able to learn best practices from around the world. Productions that come to the region are consistently impressed with the support provided, and when the opportunity arises, they bring their business back to the community.

“It comes down to providing world-class service, and thanks to support throughout our region, we have been able to create a network of people who know how to work effectively with production teams,” says Miller.

“The growing film industry on Vancouver Island has added an exciting and beneficial market to the overall business mix within the tourism market,” said Adele Larkin, General Manager of Ucluelet’s Black Rock Oceanfront Resort. “With the size and scope of the projects coming into Ucluelet we have seen an increase in our business levels, predominately in the shoulder seasons which supports the overall success of our resort and our valued team.”

Larkin said that ‘It isn’t just about room-nights’, explaining that the benefits are felt throughout the community at local shops and restaurants.

“We are so grateful for this relatively new stream of business and appreciate the benefits it brings to our entire community,” she said.

INfilm goes beyond its borders when providing customer service. By cultivating great relationships with industry organizations throughout British Columbia, INfilm connects productions with partners in other areas that can meet their needs, taking a collaborative approach to success.

It is this approach that has brought productions like the recently completed History Channel survival reality series “Alone” to the region, an eight-episode story filmed in the northern Vancouver Island wilderness in collaboration with the Quatsino First Nation. Part of Alone’s launch includes a contest to visit Vancouver Island promoted to the channel’s 20 million Facebook followers. This type of public relations coup is the next frontier for INfilm. The organization is working with Tourism Vancouver Island, communities and business to maximize opportunities for this type of international exposure to grow the region’s film tourism potential.



ICET will invest in projects, planning and training to support the development of attractive, liveable, competitive, investment ready communities capable of attracting high value investment and job creation for the region. This is done through its infrastructure investments and the Economic Development Readiness Program.

COLLABORATION WITH BC GOVERNMENT INITIATIVES

The ICET Board and staff continue to prioritize ongoing communication and collaboration with Ministry of Jobs, Tourism and Skills Training (JTST). This includes meetings with regional staff as well as senior staff and officials, to ensure that ICET priorities align with provincial priorities and initiatives. This will include the promotion of Ministry initiatives to the region's stakeholders, sharing information about ICET communities and economic conditions or providing support related to specific government programs or priorities.

In Fiscal 2015, ICET collaborated closely with JTST staff to develop a joint approach to support for Port Alice and the North Island region in the wake of important resource industry curtailments. This included a joint funding partnership to support local and regional economic diversification planning and project implementation. ICET also engaged in discussions with Ministry staff around opportunities to support the increased participation of Island businesses in large project procurement as well as opportunities for the region's burgeoning aerospace sector.

Communication and collaboration also occurs with other Ministries, based on the region's immediate needs and project submissions. In Fiscal 2015 this has included the Ministry of Advanced Education, Ministry of International Trade, Ministry of Forests, Lands and Natural Resource Operations, Ministry of Transportation as well as the Ministry of Technology, Innovation and Citizen's services.

PROMOTING HIGH VALUE PROJECTS AND INVESTMENTS

In order to facilitate an increase in high value projects and investments in the region, ICET has been proactively sharing best practices and economic statistics and analysis to support regional decision making and highlight high value business and investment trends and opportunities.

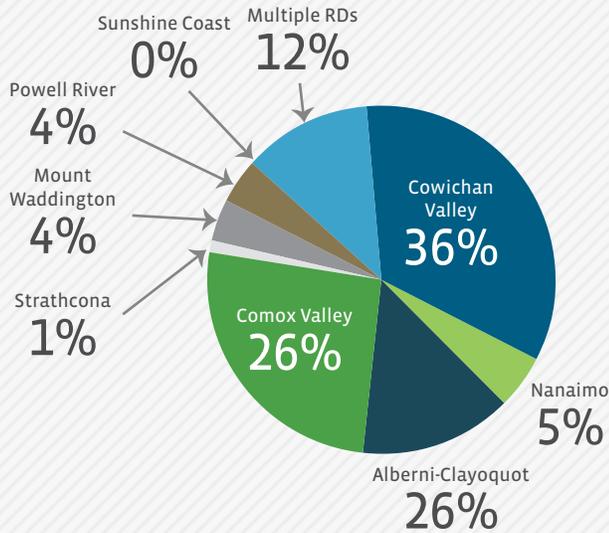
Three of the new website sections, featuring project summaries, project success stories and economic analysis have each been getting as many visits as the most popular grant information pages. These web usage metrics reinforce the anecdotal information from stakeholders confirming that this information is being used to inform local economic decision making, to develop stronger projects and to increase and diversify funding sources. These high value opportunities and best practices have also been shared on social media and reinforced in all organizations communications, publications and during media interviews.

DISTRIBUTION OF FUNDING BY REGIONAL DISTRICT AND COMMUNITY SIZE

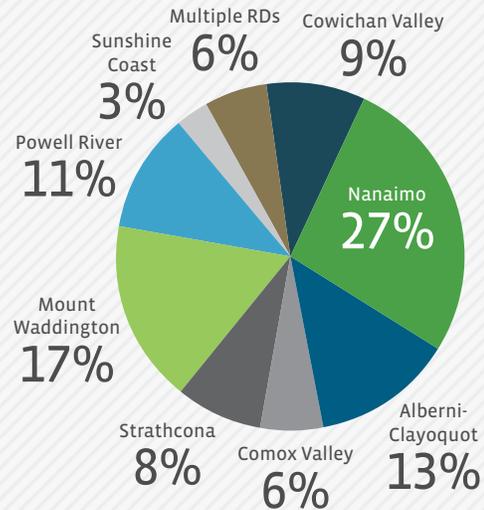
The ICET funding programs are designed to support the best projects throughout the region, regardless of where they are located. This regional thinking approach will support initiatives based on community need, local and regional benefits as well as readiness to proceed. There are no community or regional quotas or allocations. Despite this, ICET funding has been distributed widely to communities of all sizes and vitality.

In Fiscal 2015, 44% of projects approved were situated in communities with less than 5000 residents. This is of particular significance given that in the current economic context, it has been very challenging for small communities to access economic development funding from senior levels of government. Funding programs are designed for communities with significant

ICET Funding by RD, 2014-15



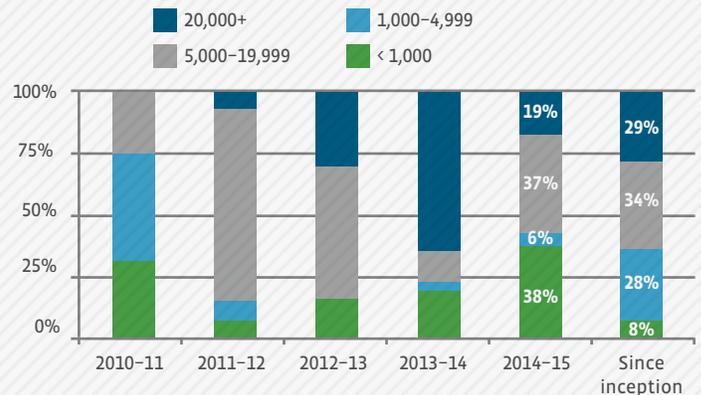
ICET Funding by RD, Since Inception



administrative and rapid response capacity and target larger projects or sectors which may not exist in smaller communities or do not align with their priorities. The result is that small communities have been increasingly shut out of public economic development funding opportunities and are challenged to develop the economic initiatives and amenities required to attract new residents and investment.

The perception of the ICET region is changing. Previously known as a retirement location, recent demographic analysis indicates its smaller communities are fast becoming a region of choice for younger Canadians leaving larger centres to seek a better quality of life. This demographic group of mobile professionals, mobile tech sector workers and young semi-retirees bring significant investment, brain capital, and enterprising spirit to the region and are contributing to progressive, positive change in our smaller communities. While some of the more remote communities have yet to see these benefits, recent improvements in telecommunications capacity as well as the proactive economic development planning, infrastructure investment and community amenity investment will help to accelerate change in those communities in the years to come.

Distribution of ICET Funding by Community Size



ECONOMIC DEVELOPMENT READINESS PROGRAM

Launched in 2013, the response to the Economic Development Readiness program has been impressive. To date, 25 projects have been approved to address the economic development and investment readiness of communities as they move through the economic development continuum. The goal of the program is to support and accelerate communities' ability to effectively plan for, and respond to, economic opportunity. Interest in the program continues to be high with over two dozen concept approval requests, resulting in a dozen concept approvals and 9 final project approvals in 2015.

In the first year of the program the bulk of project approvals were for new economic development strategies and the development of investment readiness tools in smaller communities. Recent approvals are more diverse and feature regional collaboration initiatives. This includes an important number of First Nations and community economic collaborative projects. This recent trend can also be seen in our economic infrastructure program demonstrating that communities and First Nations are finding common ground in economic development initiatives and creating new and inclusive economic boundaries.

EDRP APPROVALS Fiscal 2015:	ICET COMMITMENT	TOTAL BUDGET
Advancing the Pacific Rim Knowledge and Innovation Economy	\$29,950	\$59,900
CVRD Community Regional Profile	\$30,000	\$60,000
Marine Tourism Sector Marketing	\$29,400	\$108,800
Oceanside Initiatives Economic Development Strategic Plan	\$10,000	\$20,000
Hornby Island Economic Action Plan	\$5,000	\$10,000
Kelsey Bay Harbour Needs Analysis	\$5,705	\$11,140
Community Based Visitor Experience Survey	\$8,500	\$17,000
Marine Tourism and Marketing and Sector Development Phase 2	\$30,000	\$97,300
Gabriola Island Economic Asset Mapping	\$16,250	\$33,000
TOTAL APPROVED	\$164,805	\$417,410

EDRP BY THE NUMBERS

SINCE PROGRAM INCEPTION 2013







PROJECT PROFILE

PACIFIC RIM KNOWLEDGE AND INNOVATION STRATEGY



EDUCATION AND LEARNING ARE A NEW FOCUS FOR PACIFIC RIM TOURISM

COMMUNITIES AND FIRST NATIONS

on the Pacific Rim have long known that there is a 'shadow market' of people coming to the region for educational opportunities. What was not known was the size and origin of that market, and what infrastructure, amenities, and services they might need.

"Education and learning are key components of traveler motivations, particularly here on the west coast of the Island. With that in mind, we're working together to understand and enhance opportunities for increased international educational tourism, particularly in the off-season," said Tofino Mayor Josie Osborne.

“
EDUCATION AND LEARNING ARE KEY COMPONENTS
OF TRAVELER MOTIVATIONS, PARTICULARLY HERE
ON THE WEST COAST OF THE ISLAND

A diverse group, ranging from high school students on field trips to post secondary students doing research as well as international visitors seeking First Nations and Cultural learning experiences and guided Elder College tours have been identified as educational visitors to the region. To foster a regional approach to expanding educational, cultural and ecological tourism opportunities, the *Advancing Pacific Rim Knowledge and Innovation* project successfully brought the Districts of Ucluelet and Tofino, and the Tla-o-qui-aht and Ucluelet First Nations together in a collaborative research and planning process.

Simply put, the project is about understanding the market, evaluating and understanding the region's infrastructure and capacity to deliver and developing an action plan that works for all communities. Market research determined that people wanted the learning opportunities that the communities had identified: education about ocean and coastal environments; surfing and yoga lessons; and the opportunity to learn more about the Nuu-Chah-Nulth cultures in the area.

Kati Martini, Program Coordinator with Remote Passages Marine Excursions, said that building on the existing

market makes sense. "Schools and learning institutions are already an important part of our early season business," she explained. "Growing the educational tourism market will allow marine tour operators to provide increased employment in the shoulder seasons." Samantha Hackett, Director of Operations at Long Beach Lodge echoed those comments: "Educational tourism means an increase in visitation and awareness, and a way to keep our staff interested."

The project found that in order to meet the needs of high school and university groups visiting the region, more affordable accommodation and conference space needs to be created, or existing facilities need to adjust their rates during the off season to accommodate youth. "People want to come to the west coast to learn about the environment and enjoy the amazing recreation opportunities, we just need to make it easier and more affordable for them," said Tawney Lem, Manager of West Coast Aquatic, the project's coordinating body. Visitors are unsure of how to access cultural tours and experiences with local First Nations, and this process has identified the need for a central point of contact for visitors.

The process has done more than develop a joint economic strategy. An open community session was held — the first ever of its kind — to discuss regional development and 44 different organizations attended with very diverse interests present. It signals a change to cooperative regional development, sharing the opportunities rather than competing for the same markets.

Moving forward, the region is now looking at the creation of a central administrative hub, which may be a new enterprise or expansion of an existing association. Work also includes coordinating efforts with the Destination Marketing Organization to ensure that the focus stays on the less busy fall and spring seasons. Lem said that with the assessments and research completed, communities are ready to move forward.

"Everyone is excited about the opportunity to work together to launch new economic opportunities."



PROJECT PROFILE

CORMORANT ISLAND ECONOMIC DEVELOPMENT STRATEGY





TURNING IDEAS INTO ACTION:

CORMORANT ISLAND ECONOMIC DEVELOPMENT

STRATEGY BRINGS COMMUNITIES TOGETHER

'CONSULTATION', 'COLLABORATION', 'community engagement' and 'partnering with First Nations' are all phrases that often make their way into economic development proposals. The challenge is to go beyond the words and actually do the hard work that moves communities to action and results.

On Cormorant Island, the Village of Alert Bay and the 'Namgis First Nation have done just that. Their joint economic development strategy is called 'Tides of Change'. It's a model for the ICET region, show-casing how groups can work cooperatively to leverage strengths into a project that exceeds any individual stakeholder's capacity.

FOR THIS PLAN TO WORK, IT HAD TO BE A TRUE PARTNERSHIP BETWEEN THE VILLAGE AND THE 'NAMGIS...

"The 'Namgis First Nation and Village of Alert Bay knew that Cormorant Island needed a strategy to develop our local economy," said Adriana Proton, Deputy CAO of Alert Bay. "Some of the priorities our citizens identified were attracting new businesses, increasing the number of entrepreneurs and managers, and creating good jobs."

Diversifying the economy, attracting and retaining residents, and increasing self-sufficiency are other key objectives of the project. The Cormorant Island strategy is not only focused on collaboration internally; the stakeholders are connecting to other plans and tactics underway across the region. With many communities embarking on harbour and marina development, creating joint harbour and marine tourism products and promotions makes sense.

"For this plan to work, it had to be a true partnership between the Village and the 'Namgis, and from the beginning, we all focused on ensuring the entire community was engaged," said Sharon Gordon, 'Namgis First Nation. "From the initial resident survey to the creation of the implementation plan, there was a tangible sense of working cooperatively for the good of the project."

Tides of Change has five core categories of action: harbour development; business support and entrepreneurship; quality of life; downtown revitalization; and tourism. The categories include short, medium, and long-term actions. Several categories have actions listed as 'quick-start', and those pieces are already underway.

One of the actions from the plan was to hire an Economic Development Officer to implement Tides of Change. However, it would take time to find the right person and the partners wanted to ensure immediate implementation. To this end, one of the project consultants from Tides of Change, Colleen Hamilton from EcoPlan, relocated to Alert Bay for part of the Spring to begin implementing some of the 'quick start' actions from the plan. Hamilton's work included supporting the farmers market, developing heritage signage, litter control programs, and helping with the recruitment of a permanent Economic Development Officer.

"It's important that strategic plans like this one have defined implementation steps and timelines, and it's great to get something 'on the ground' quickly to begin building momentum," Hamilton explained. "Going forward, ensuring that we're measuring, monitoring, and evaluating our progress is a key factor in the success of large projects like this one."

The long-term economic vision for the people and communities of Cormorant Island is that coordinated investment, promotion and development will build on the existing economy, culture, history, and infrastructure.

Adriana Proton commented that there was strong community agreement on top priorities, and that any development needed to be in-line with community values. "Working together, we're going to improve the business environment and create a solid base for entrepreneurs and small business," she explained. "That means improved vibrancy and a stronger year-round economy based on community values."

OBJECTIVE 04

ADVANCE REGIONAL COLLABORATION AND PLANNING

ICET facilitates and provides financial or operational assistance to support regional collaboration, key networking or learning events as well as long term regional or sectoral planning initiatives. This collaboration happens internally at Board and RAC meetings as well as externally with participation in events and meetings with stakeholders.

BOARD AND REGIONAL ADVISORY COMMITTEE MEETINGS

The unique Trust governance structure has contributed significantly to the advancement of regional collaboration. The collaborative best practices developed in our region would not have been possible without the strong attendance and participation of the 50 Board and RAC members at the Trust in-person meetings.

In Fiscal 2015, ICET held nine Board of Directors meetings (7 in-person, 2 conference call) three North Island Sunshine Coast RAC meetings and three Central South Island RAC meetings (2 in-person, one email consultation). These in person meetings

enable frank discussions, the development of regional vision and the development of the trust and understanding required for successful collaborative relationships. In Fiscal 2015, four special presentations were delivered at these meetings by guest speakers highlighting successful regional best practices.

PRESENTATIONS AND PARTICIPATION AT ECONOMIC DEVELOPMENT EVENTS

This past year, ICET participated in a wide range of economic development and sectoral events and meetings in order to learn and share best practices, as well as increase knowledge about the region and its potential in targeted sectors. This included a number of federal government roundtable consultations, provincial government hosted events as well as targeted meetings with provincial and federal government staff from various ministries and departments.

ICET was present, as a participant or sponsor at a number of sectoral events in resource sectors such as forestry, geoscience and mining, and LNG as well as key regional sectors such as



ÉCONOMUSÉE British Columbia
Artisans at Work Project

Credit: Derek Ford

shellfish aquaculture, agriculture and agri-foods. ICET also participated in events in emerging sectors such as clean tech/ green tech, technology and innovation, creative industries, social enterprise and aerospace. The organization was an active participant in the provincial rural economic development consultation process as well as a participant and presenter at economic development conferences at the regional, provincial and national levels.

In November of 2015, ICET was invited to be a key speaker at the Regina Regional Planning Summit, to share governance and regional collaboration best practices. This provided the opportunity to highlight BC's role as a leader in innovative economic development practices. Over the past few years, ICET has garnered significant interest from a number of economic development organizations and researchers in Canada and the US, interested in its regional governance model and its best practices.

ICET is an active member of several economic development organizations and provides significant in-kind support with strategic development, event planning and logistics.

OUTREACH AND ECONOMIC COLLABORATION WITH FIRST NATIONS

One of ICET's key strategic priorities in the past few years has been to develop strong long term relationships with First Nations communities and organizations. This outreach strategy, formally

initiated three years ago, has resulted in a growing number of project inquiries, applications and project approvals from First Nations communities and organizations. Of note is the fact that most of the recent economic infrastructure program applications and approvals from First Nations involve strong partnerships and/or financial support from communities and business. With respect to the Economic Development Readiness program, 20% of all projects approved involve economic development planning collaborations between communities and First Nations.

During Fiscal 2015, ICET staff continued to build relationships with the region's First Nations communities and staff from First Nations Tribal Councils and Economic Development organizations. Relationship outreach, in person visits and project development meetings were held with staff or leadership from the Malahat First Nation, K'omoks First Nation, Cowichan Tribes, Stz'uminous First Nation, Tseshaht First Nation as well as Nuuchahnulth Economic Development Corporation, Musgamagw Dzawada'enuxw Tribal Council, Nanwakolas Council and Aboriginal Tourism BC. This is in addition to ongoing project work with 'Namgis First Nation, Homalco First Nation and Kwikwasut'inuxw Haxwa'mis First Nation. Interestingly, this work with the region's First Nations has also attracted several program inquiries from First Nations located outside of the ICET mandate area.



Alert Bay

Credit: Joli White, Vancouver Island North Tourism

CONFERENCE AND EVENT SPONSORSHIPS:

SUPPORT FOR INDUSTRY SECTORS

Through sponsorship of relevant conferences and events, ICET is helping some of our emerging economic sectors grow and develop by supporting education, sharing of best practices, and creation of opportunities for connection and partnerships.

In Fiscal 2015 ICET supported the following events:

The Vancouver Island Economic Alliance 2014 State of the Island Economic Summit brought together over 500 delegates with a focus on regional economic development and collaboration and included plenary sessions and workshops featuring high profile presenters on the future of transportation, women in business, resource sector development, First Nations partnerships, tourism attraction, aerospace and green technology.

The Nanwakolis Council forestry brunch panel —The New Relationship...A look back and a look forward attracted dozens of Vancouver Island First Nations leaders, local government, industry CEOs, non-government organizations and senior government representatives.

The 2015 Islands Agriculture Show, the only agriculture trade show serving the farm community on Vancouver Island was held for the first time in the Comox Valley and attracted 63 exhibitors with 12 educational sessions and over 500 people visiting the show over the two days.

The Pacific Toast Expo brought together coastal wine, spirit, beer and cider producers for a series of professional and industry development workshops, and panel discussions to support business expansion and awareness of pacific coastal producers and their award winning products.

In the upcoming year, ICET will be supporting events related to other emerging sectors on the Island and Coast such as Clean Tech and Aerospace as well as continuing to support innovation in some of the region's key sectors such as Shellfish Aquaculture.

BURSARIES:

GROWING CAPACITY THROUGH TRAINING AND NETWORKING

Economic development, particularly in smaller and rural communities, often relies on non-profit groups and volunteers. With tight (or non-existent) budgets, it can be difficult to get to courses and sectoral events for education and best-practices knowledge exchange.

ICET HAS PROVIDED MORE THAN 30 BURSARIES

ICET is committed to building capacity for economic development through investments in educational opportunities and skills training. Over the past two years, it has provided more than 30 bursaries: nine bursaries for the BCEDA Western Economic Development course and 22 bursaries for the VIEA 'State of the Island Economic Summit'.

VIEA 2014 State of the Island Economic Summit





It was a wonderful experience. I made lots of connections and came away with a number of ideas about how we can better serve the members of our community and attract more visitors to the region.



Attending the VIEA Economic Summit was a great opportunity as it introduced me to people, concepts, and practices which I need to support economic development in our small community. Without the ICET bursary, our Village Council could not have afforded the registration for the conference.



I was grateful for the opportunity to meet and mingle with the other participants and I found the sessions on tourism product development and crowd sourcing particularly useful.



The Western Economic Development Course demystified the essentials of economic development. I was excited to take away a number of practical tools relating to community profiling and the calculation of economic benefits to effectively integrate into project planning for our community.



PROJECT PROFILE

MARINE TOURISM MARKETING AND SECTOR DEVELOPMENT



Credit: Robert Scriba, Knight Inlet Lodge



Credit: Canadian Tourism Commission

BOAT TOURISTS BRING BILLIONS IN ECONOMIC ACTIVITY TO REGION

WHEN YOUR REGION'S COASTLINE

is measured in thousands of kilometers, it only makes sense to focus on marketing to boat tourists.

That's the thinking behind the BC Ocean Boating Tourism Association and their marketing and tourism product-development plan that was partially-funded by ICET.

"The tourist in a boat has very different needs than the tourist in a car," said David Mailloux, Chair of the BCOBTA. "No other place recognizes the marine tourism market like we do, and no other place can offer our mix of amenities and wild nature."

“ONE OF OUR FUNDAMENTAL OBLIGATIONS IS TO SERVE AND SUPPORT THE MANY BUSINESSES THAT MAKE UP THE MARINE TOURISM SECTOR”

Launched on April 15 of this year, www.ahoybc.com is the one-stop site for marine tourists coming to coastal BC. Information about marinas and harbours, communities, First Nations cultures, tours, safety, and more are available.

A companion site — www.ahoybc.org — exists to support stakeholders in the marine tourism industry. Building on the fact that recreational boating in BC generates \$1.3B in economic activity per year, the industry site's mandate is to collaboratively market BC's coastal regions as a marine tourism destination.

"One of our fundamental obligations is to serve and support the many businesses that make up the marine tourism sector," said BCOBTA General Manager Michael McLaughlin. "Marina operators, repair shops,

provisioning, land-based tourist services, and more - those are all part of this industry, and their economic impact is significant."

The association is developing a database of businesses in the marine service industry, further adding to the broad economic benefits that accrue from enhanced tourism numbers. Analysis by the BCOBTA demonstrates that daily spending by marine tourists in the region adds up to \$350M per year, not factoring in some of the higher ticket spending such as marine repairs, boat storage or boating equipment purchases.

The project has the added benefit of supporting several of the region's remote communities, home to some of the most unique harbours and ocean playgrounds. For many communities, the marinas and the tourism they attract are the primary source of seasonal income for their residents. Increasing their visibility and increasing visitation will help to support the development of additional marine services and attract new investment to these regions.

"The reaction from both the boaters and the stakeholders in the industry has been immediately positive," said Jon French, Port McNeill Harbour Manager. "Whether it's a public harbour or a private marina, on our own we simply can't market ourselves internationally the way we can when we work together. The website is driving marine tourist traffic, and that's positive for everyone in the region."

ICET has been a partner in funding more than \$20M in marine infrastructure investments around the region. Wharf and dock upgrades, harbour improvements, amenity areas and more are part of the larger efforts to create economic activity through the high-value marine tourist population.

SOURCES:

<http://www.hellobc.com/vancouver-island/regional-geography.aspx>

<http://ahoybc.org/promoting-ocean-boating-in-bc>

OBJECTIVE 05

MAXIMIZE THE IMPACT OF TRUST RESOURCES

ICET will ensure that Trust resources are maximized with frugal administrative practices, continuous improvement of operations and programs, strong accountability processes as well as implementation and sharing of best practices to promote state of the art administrative and economic development practices. Some of the administrative initiatives and priorities from the past year have been highlighted below.

IMPROVE COMMUNICATIONS AND INCREASE REGIONAL PROFILE

ICET's new format for news releases, new Facebook presence and the increase in economic analysis, best practices and other relevant regional information continues to gain increased media attention and raise the region's economic profile.

The new format for release of project announcements and other organization news and analysis continues to be effective as demonstrated by the large number of web clicks as well as stories picked up by third party media outlets within and outside the region. Of particular interest is the fact that one of ICET's economic analysis pieces was published in other parts of BC as well as Saskatchewan and Ontario. Also, in Fiscal 2015 the number of radio interviews doubled from previous years, helping to increase awareness and economic development literacy in the region. Attention from the Capital region and provincial media outlets has also contributed to the increase in recognition of the region's economic development opportunities and initiatives underway.

In the past year, ICET's Facebook presence increased by 77% through increased social interaction, "shares" and comments. The Facebook page is used to share funding opportunities from ICET and other funders in a timely manner, to share project success stories and best practices, new economic trends, highlight the work of project champions and share any other information of interest to our stakeholders.

SHARE PROJECT AND ECONOMIC DEVELOPMENT BEST PRACTICES

In fiscal 2015 ICET continued to use multiple approaches to communicate economic development best practices to its stakeholders as well as other interested parties outside the region. This included presentations from the CEO at conferences, events and meetings.

More than 100 project summaries have been posted to the ICET website and the balance of project summaries are in development. These summaries serve to share best practices between applicants and include relevant project descriptions, funding sources, completion reports and full disclosure of project finances to ensure transparency. They can be viewed at:

<http://www.islandcoastaltrust.ca/projects>

Project "stories" and case studies have also been developed. In the past year, 8 new stories were posted to the website and an additional 8 stories are in development. These stories and case studies provide applicants and stakeholders with a stronger understanding of what makes a project successful and how that success can be measured in both quantitative and qualitative terms. They also go beyond the numbers to provide insight as to a project's impact on "real" people and businesses on the ground. These stories and case studies can be viewed at:

<http://www.islandcoastaltrust.ca/media-stories>

In Fiscal 2015, ICET's Facebook page included more than 50 posts sharing ICET project successes and best practices as well as best practices from other jurisdictions. Additional best practices information is shared individually to project applicants and community leaders at Regional Advisory Committee and Board meetings.

IMPROVE ADMINISTRATIVE SYSTEMS AND TOOLS

Some of the new tools developed in 2015 include improved project reporting and project tracking forms for the Economic Development Readiness program. As well internal financial reporting forms have been modified to provide our Board members with improved monthly snapshots of financial performance as well as simplified longer term views of the organization's finances.

Staff continues to provide applicants with timely reimbursement of project expenses. In line with its strategic targets, more than 90% of project reimbursement cheques are mailed within 14-21 days of receipt of required documents.

An unforeseen move to new premises in February of 2015 has provided ICET with the opportunity and increased space availability to improve its document management systems and improve its archiving systems.

IMPLEMENT MANAGEMENT AND GOVERNANCE BEST PRACTICES

During the past year, ICET has begun the process of consolidating and improving its governance and policy documents, based on the organization's evolution and current best practices models. The balance of governance documents will be completed and approved early in the next fiscal year.

Due to the retirement of the principal of ICET's financial audit firm, an RFP was issued and a new audit firm was selected for a three year term beginning in April of 2016.

ICET's staff and ad hoc Board Committee has also been working with the Board Resourcing and Development office to ensure the timely appointments for the 5 provincially appointed Board Members whose terms all expire at the end of August.



FUTURE OUTLOOK

The 2015-2017 Strategic Plan addresses ways that ICET can improve its operations and mitigate some of the external economic conditions beyond its control. The organization continues to look forward with optimism and determination to maintaining its key role in supporting the region's economic aspirations.

ICET's first priority will continue to be the recapitalization of the fund. The organization will target its strategies and operations to ensure that the region is equipped with globally competitive economic infrastructure, development plans, tools and best practices and well prepared for the rapid economic changes that have been the hallmark of the past decade.

ICET will continue to focus on diversification of the regional economy, by working with emerging sectors such as the aerospace sector, the clean tech/green tech sector as well as other emerging sectors. ICET will also continue to monitor and support sectors with strong growth potential in the region such as technology, creative industries, shellfish aquaculture, agri-foods and agri-business development, international education and aboriginal tourism.

In collaboration with provincial staff, ICET will continue to explore opportunities to support the region's businesses, particularly around the opportunities for major project procurement as well as the business sector's capacity to access these opportunities, improve productivity and grow.

ICET will maintain its focus on outreach and relationship development with the region's First Nations and ensure that our programs fully support First Nations economic development aspirations. The organization would also like to build on the successful collaborations happening between First Nations and communities by sharing these best practices at conferences and through web, social media and other communications.

ICET's work to highlight the region's profile and best practices will continue into the upcoming year. The organization will continue to develop best practices project stories, topical economic analysis, as well as public presentations. The use of social media will be expanded to include a video channel which will feature project and best practices content related to regional initiatives.

The bursaries for economic development networking and training events have proven very popular and effective in engaging smaller communities and economic development organizations with limited financial means. The program will be expanded to 20 bursaries for the VIEA Summit and the scope of use of the economic development training bursaries will be expanded to include training and travel for qualified participants.

The region has been attracting a younger demographic in recent years and ICET will prioritize the involvement and integration of this younger demographic in economic development work. This will include bursaries specifically targeting this group, an economic development intern program as well as presentations to young professionals organizations throughout the region.

In the past two years, matching funding from non-government funding sources has been at an all-time high, representing more than 40% of total project funding. This involvement from non-government partners has proven very beneficial for regional initiatives, leading to stronger, more integrated projects as well as improved short term and long term financing. ICET will continue to encourage applicants to exceed the target of at least 25% of non-government funding for ICET funded projects.

The Economic Development Readiness program has been very successful in proactively addressing regional gaps in capacity and economic development planning. ICET will support communities and will encourage them to take advantage of the program to continue their progression along the economic development continuum. The program will also target the development of regional collaborative ventures which build on existing infrastructure, such as the recent Trails Strategy and Ocean Boating marketing initiatives. As well, initiatives which are inclusive and complement other regional priorities will be strongly encouraged.

ECONOMIC ANALYSIS: MAKING MEANING OF DATA

In addition to supporting communities, First Nations and non-profit organization with economic infrastructure investments, ICET is a respected leader when it comes to regional and sectoral economic analysis.

Our website's [Economic Indicators](#) page (see below) provides an at-a-glance dashboard of key metrics that are important to the job creators and policy makers in our region: population growth and projections; building permit values; ferry passenger traffic; employment rates and more are available. In the past year ICET has posted approximately 50 dashboard graphic updates and prepared more than 20 detailed demographic and regional economic analysis pieces.

We also provide more detailed economic analysis on significant issues and opportunities across the Island and Sunshine Coast. Some examples of the analysis we provide includes:

"YOUTH RETENTION AND ATTRACTION IN THE ICET REGION"

This report looked at the patterns around in- and out-migration. It confirmed that when it comes to people in their 20's, the region experienced a net loss. However, as people aged into their 30's, there was a marked increase in migration into the region. As people settle into careers and families, the benefits of the quality of life in smaller Island and Sunshine Coast communities attracts some of those same people back home.

"VOTING WITH THEIR FEET: ACTUAL QUALITY OF LIFE RANKINGS"

This analysis took a deeper look into the sometimes controversial 'best places to live in Canada' lists that crop up in media outlets every year, providing information that was just as relevant to media outlets in Ontario, Saskatchewan and other parts of BC.

Our economic analysis took a different - and incredibly straightforward approach to the methodology: The communities that are most desirable as a place to live are, quite simply, the communities that attract the most new residents compared to the number of former residents who move away.

Looking at people in their prime working years (25-49), all seven of the ICET region-communities came out on the positive side of the ledger, offering a firm rebuke of the myth that in-migration is limited to retirees.

Both of those reports not only garnered widespread media attention across Canada, they also provided valuable data for local economic development organizations, and employers seeking more than just raw census data.

WWW.ISLANDCOASTALTRUST.CA/ECONOMIC-INDICATORS



MANAGEMENT DISCUSSION AND ANALYSIS

The following financial management discussion and analysis (MD&A) is the responsibility of ICET management and reflects events known to management up to June 30, 2015. It is intended to help the reader understand ICET operations, financial performance and present and future obligations. It should be read in conjunction with the annual audited financial statements and related notes.

2015 FINANCIAL HIGHLIGHTS

ICET's primary objective is to build a diverse and sustainable Island and Coastal Economy. This is achieved by investing all of its capital in economic development initiatives, drawing down the initial \$50 million allocation. Operational expenses have been financed by income and operational reserves generated from the capital.

CAPITAL AND INTEREST

COMMITTED: \$48.6M

DISBURSED: \$45.8M

PROJECT FUND BALANCE: \$4.7M:

- ▶ COMMITTED STAGE 1: \$800,000
- ▶ FOR NEW PROJECTS: \$3.9M

OPERATIONS SURPLUS: \$1.9M

INVESTMENTS

ICET has adopted a conservative investment approach in order to preserve its capital and keep it available for short term allocation. The remaining capital is invested in the Municipal Finance Authority (MFA) Money Market Fund, Intermediate Fund and Bond Fund.

Return on Investment (ROI) for the 2015 Fiscal year was 2.1%. This rate of return was higher than anticipated and higher than the 2014 low of 1.3%. It is also slightly lower than the 5 year average of 2.3%. The ROI continues to exceed the market index of 1 year treasury bills, ICET's performance benchmark.

Rate of Return on MFA Investments



Significant fluctuations in the bond market are expected to continue in the upcoming year, subject to speculation around interest rate hikes. Budget projections for interest income have been conservatively estimated based on these uncertain market conditions. ICET staff and Board will continue to monitor the performance of its investments funds to ensure a balance between maximum earnings and the preservation of capital and availability of funds for short term financial needs.

PROJECT DISBURSEMENTS

During the 2015 Fiscal year, \$1.4 million was disbursed to approved projects, partnerships and sponsorships. This represents a decrease of \$2.1 million from the previous year's disbursements. It must be noted that these disbursements are lower than anticipated and are subject to applicant reimbursement requests which may be delayed for a number of reasons. Disbursements do not always accurately reflect the actual value of project work completed in that fiscal year.

While project volumes are consistent with previous years, the dollar value of projects since 2010 is significantly smaller. The reduction in ICET's maximum project allocation, the lack of significant matching funding sources in recent years, as well as a more conservative spending environment and the completion of previous years' larger projects have resulted in smaller projects and project disbursements.

With commitments of \$48.6 million and disbursements of \$45.8 million, the balance of project funding left to disburse is \$7.6 million.



million. This includes \$2.8 million which has been formally committed to approved projects, but not yet disbursed.

The amount available for future projects is \$4.7 million. This includes existing Stage 1 project commitments of \$800,000, leaving \$3.9 million available for new project intake.

OPERATIONS

For the 2015 Fiscal year, operating expenses totaled \$479,928 a reduction of \$8,551 from the previous year. This represents an annual decrease of 1.8% from 2014 and a total decrease of 16% since 2012.

These continued expenditure reductions have been the result of streamlining processes, reviewing service and supply contracts and adjusting human resource allocations. Most of the organization's operating costs are fixed in nature and will fluctuate very little from year to year.

Since inception, ICET's average operations cost is less than 15% of funds disbursed. This percentage includes Board costs as well as all programming, services and operations in addition to grant funding.

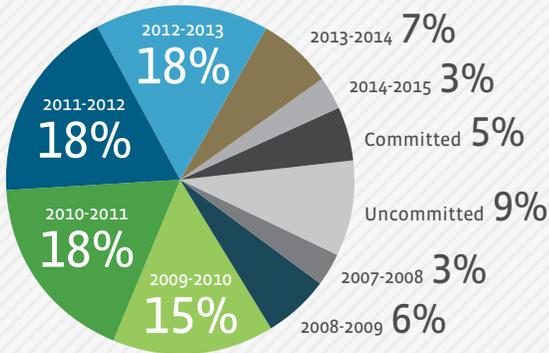
OPERATIONS AND EXPENDITURES FORECAST

For the 2016 fiscal year, management anticipates the approval of \$1.5 million in new project funding and disbursements of up to \$2.0 million to approved projects. Given the availability of new federal capital funding sources in the upcoming year, the number of project applications should increase. This may not translate to a larger number of project approvals as project funding requests are expected to be larger. The declining fund balance may also affect the volume of projects which can be approved based on funding availability.

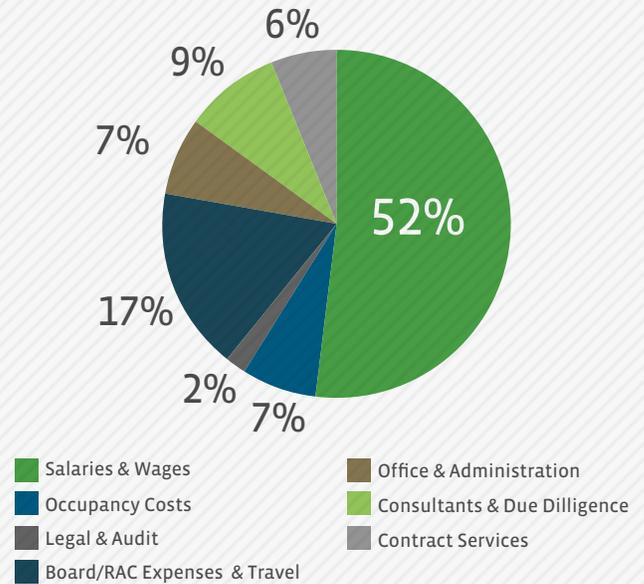
Ladysmith Marina Floating Visitor Center



ICET Funds Disbursed to Approved Projects



2015 Operating Expenses



The past 2 years have seen a large number of applications to the new Economic Development Readiness Program. This volume is expected to level in fiscal 2016. Operating and staffing costs will fluctuate very little from 2015 despite the anticipated increased volume of work required to fulfill the strategic objectives.

The operational reserve balance will continually decline over the foreseeable future due to operating losses sustained annually. A recapitalization of the fund will be required to sustain the organization's objectives and programs.

INTERNAL CONTROLS

The management team is responsible for establishing and maintaining adequate internal controls over financial reporting. This process is designed by the Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

Internal controls of the MFA investments are designed to manage financial risk. Investments are currently limited to MFA funds and returns are reviewed at every monthly board meeting.

All project reimbursement requests are subject to a review by staff for eligibility and legitimacy before payment. Staff approvals, including the full details of the request, are

subsequently forwarded to Board Executive members for approval and signature prior to payment. All other organization expenses are authorized by two duly authorized ICET signatories.

Based on this evaluation, management concluded that internal controls over financial reporting were effective at March 31, 2015, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

In Fiscal 2015, there was no change in ICET's internal control over financial reporting that materially affected or is reasonably likely to materially affect ICET's internal control over financial reporting in the future.

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Directors of Island Coastal Economic Trust

I have audited the accompanying financial statements of Island Coastal Economic Trust, which comprise the statement of financial position as at March 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Island Coastal Economic Trust as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Port Alberni, BC

R. Anderson & Associates Inc.

CHARTERED ACCOUNTANT

ISLAND COASTAL ECONOMIC TRUST

Statement of Revenues and Expenditures

Year Ended March 31, 2015

	Budget 2015	2015	2014
REVENUES			
Investment income	\$ 96,430	\$ 217,068	\$ 167,998
EXPENSES			
Advertising, travel and communications	40,500	36,783	36,334
Amortization	-	2,843	3,378
Consultants and due diligence	60,000	45,379	47,606
Contract services	32,000	27,371	30,435
Directors' expenses	57,000	36,497	47,623
Insurance	10,500	10,200	10,224
Interest and bank charges	850	661	860
Internet and web site	8,400	4,697	10,720
Memberships	2,400	1,160	1,840
Office and sundry	6,580	11,991	5,244
Professional fees	10,000	10,710	10,304
Regional advisory meeting costs	34,000	26,643	17,900
Rent	18,000	16,804	16,443
Telephone	3,000	2,024	1,803
Wages, benefits and training	244,314	246,165	247,765
Capital expenditures	5,000	-	-
	532,544	479,928	488,479
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(436,114)	(262,860)	(320,481)
PROJECT EXPENSES			
EDRP funding	437,858	178,560	42,718
Economic Infrastructure Program funding	3,801,867	1,243,909	3,506,337
Partnerships and Sponsorships	62,000	18,070	16,270
	4,301,725	1,440,539	3,565,325
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (4,737,839)	\$ (1,703,399)	\$ (3,885,806)

ISLAND COASTAL ECONOMIC TRUST

Statement of Changes in Net Assets

Year Ended March 31, 2015

	Operating Fund	Project Fund	Capital Asset Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 2,218,771	\$ 8,962,221	\$ 11,321	\$ 11,192,313	\$ 15,078,119
Deficiency of revenues over expenses	(260,017)	(1,440,539)	(2,843)	(1,703,399)	(3,885,806)
NET ASSETS - END OF YEAR	\$ 1,958,754	\$ 7,521,682	\$ 8,478	\$ 9,488,914	\$ 11,192,313

Committed funds - Schedule 1	2,817,256
Uncommitted funds	<u>4,704,426</u>
Total project funds	<u>7,521,682</u>

ISLAND COASTAL ECONOMIC TRUST**Statement of Cash Flows****Year Ended March 31, 2015**

	2015	2014
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (1,703,399)	\$ (3,885,806)
Item not affecting cash:		
Amortization of capital assets	2,843	3,378
	(1,700,556)	(3,882,428)
Changes in non-cash working capital:		
Accounts payable	(10,788)	17,773
Deferred income	30,000	-
Prepaid expenses	1,556	(248)
Government agencies payable	97	431
	20,865	17,956
Cash flow used by operating activities	(1,679,691)	(3,864,472)
INVESTING ACTIVITIES		
Purchase of capital assets	-	(2,260)
Long term Investments	1,683,005	4,032,070
Cash flow from investing activities	1,683,005	4,029,810
INCREASE IN CASH FLOW	3,314	165,338
Cash - beginning of year	194,336	28,998
CASH - END OF YEAR	\$ 197,650	\$ 194,336
CASH CONSISTS OF:		
Cash	\$ 197,650	\$ 194,336

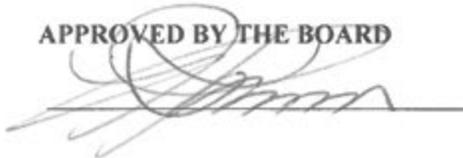
ISLAND COASTAL ECONOMIC TRUST

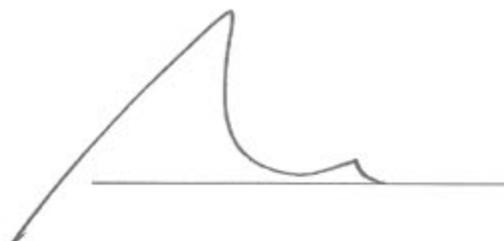
Statement of Financial Position

March 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 197,650	\$ 194,336
Prepaid expenses	9,527	11,083
	207,177	205,419
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	8,478	11,321
LONG TERM INVESTMENTS <i>(Note 5)</i>	9,337,187	11,020,192
	\$ 9,552,842	\$ 11,236,932
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 26,741	\$ 37,529
Government agencies payable	7,187	7,090
Deferred income	30,000	-
	63,928	44,619
NET ASSETS		
Operating fund	1,958,754	2,218,771
Project fund	7,521,682	8,962,221
Capital asset fund	8,478	11,321
	9,488,914	11,192,313
	\$ 9,552,842	\$ 11,236,932

APPROVED BY THE BOARD

 Director

 Director

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

Year Ended March 31, 2015

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture, fixtures & equipment	\$ 21,510	\$ 17,082	\$ 4,428	\$ 5,535
Computer equipment	28,106	24,056	4,050	5,786
	\$ 49,616	\$ 41,138	\$ 8,478	\$ 11,321

5. LONG TERM INVESTMENTS

	2015	2014
Money Market Fund	\$ 1,737,788	\$ 3,195,174
Intermediate Fund	4,385,597	4,465,475
Short term Bond Fund	3,213,802	3,359,543
	\$ 9,337,187	\$ 11,020,192

These investments are held with the Municipal Finance Authority of BC and are carried at amortized cost.

6. FINANCIAL RISK AND CONCENTRATION OF RISK

The trust is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the trust's risk exposure and concentration as of March 31, 2015.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The trust is exposed to this risk mainly in respect of its accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the 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
Project Expenditure Report
March 31, 2015

(Schedule 1)

	Approved & Committed	2006-2013 Spent	2014 Spent	2015 Spent	Future Committed
Uncompleted Projects					
Chemainus Town Square	200,000			180,000	20,000
China Creek Bridge	26,945		18,111	8,766	68
Community Carbon Marketplace	147,689		9,394	21,601	116,694
Comox Marine Centre	320,045				320,045
Cortes Island Visitor Kiosk	7,500				7,500
Cowichan Regional Visitor Centre	638,500		487,011		151,489
Cowichan Valley Trail	1,743,891	1,585,693			158,198
Davis Bay Wharf Improvement	150,000			120,760	29,240
Economuseum 2 - Artisans at Work	75,000				75,000
Elk Falls Suspension Bridge	325,000			228,521	96,479
Geoscience Project	400,000		320,000	75,558	4,442
Gwayasdums Bighouse Restoration	120,000		89,267	30,177	556
Holmalco Wildlife Tours	195,000	160,341	15,159		19,500
Kelly's Bridge	37,600				37,600
Lasqueti Broadband Infrastructure	20,000			6,895	13,105
Malahat Marine Collaboration	400,000				400,000
Mt. Cain Building and Lodging	48,500			27,738	20,762
Northfield Visitor Kiosk	152,500	72,085	42,754		37,661
Port Alberni Port Authority	3,407,000	2,355,776	284,825	53,878	712,521
Powell River Academy for the Arts	10,000				10,000
Seaplane Base Boat Launch	45,837				45,837
Sid Williams Theatre	20,000		13,820		6,180
Squareone Tech Incubator	50,000			6,035	43,965
Texada Food Hub	22,100				22,100
Tidemark Theatre	153,000		19,838	97,056	36,106
West Bamfield Docks	37,028	6,821	5,822	1,130	23,255
West Coast Aquatic Stewardship Centre	140,000				140,000
Woss Fire Lookout Tower	39,886		14,728	15,503	9,655
EDRP Funding (from page 12)	480,576		42,718	178,560	259,298
Sponsorships and Partnerships	34,340		16,270	18,070	0
Total Uncompleted Projects	9,447,937	4,180,716	1,379,717	1,070,248	2,817,256

continues

ISLAND COASTAL ECONOMIC TRUST
Project Expenditure Report
March 31, 2015

(Schedule 1)

	Approved & Committed	2006-2013 Spent	2014 Spent	2015 Spent	Future Committed
Completed Projects					
Bear Cove Recreation	400,000	239,340	80,660	80,000	0
Biathlon Project	25,083	25,083			0
Campbell River Airport	2,310,000	2,310,000			0
Campbell River Marina	150,000	150,000			0
Coal Harbour Dock Expansion	182,095	182,095			0
Comox Valley Harbour	400,000	400,000			0
Cowichan Valley Estuary	87,500	87,500			0
Deep Bay Harbour Expansion	88,918	80,026	8,892		0
Ecomuseum Project	46,300	46,300			0
Gibsons Geothermal	244,080	244,080			0
Gibsons Harbour Upgrade	326,668	197,644	129,024		0
Heriot Bay Wharf	450,000	450,000			0
INFILM Film Industry Development	38,295	31,043	7,252		0
Ladysmith Marina	543,750	543,750			0
Ladysmith Maritime Society Dock	21,573			21,573	0
Mt. Cain Capital Improvements	208,650	208,650			0
Nanaimo Cruise Ship Terminal	3,500,000	2,800,000	700,000		0
North Vancouver Island Tourist Plan	137,500	123,750	13,750		0
Pacific to Plate	48,677	26,128	22,549		0
Port Hardy Marina	1,994,000	1,994,000			0
Port McNeill Harbour	3,500,000	3,500,000			0
Powell River South Harbour	2,237,830	1,790,264	447,566		0
Powell River Wharf and Infill	1,422,169	1,185,073	237,096		0
Renfrew Town Square	126,500		10,983	115,517	0
Rumble Beach Marina	140,000			140,000	0
Salmon Brewster Equine Trail	40,000	40,000			0
Sechelt Groves Society	6,681	6,681			0
Sunshine Coast Information Park	55,357	55,357			0
Sunshine Coast Trail	1,471,050	1,176,839	294,211		0
The Runners Trail	419,581	360,000	59,581		0
Tofino Streetscape	132,007		118,806	13,201	0
Ucluelet Aquarium	515,000	515,000			0
Yellow Cedar Marketing Initiative	109,926	109,926			0
Wild Pacific Trail - Section H	55,238		55,238		0
Completed prior to 2013 fiscal year	17,703,505	17,703,505			0
Total Completed Projects	39,137,933	36,582,034	2,185,608	370,291	0
Total Project Spending	48,585,870	40,762,750	3,565,325	1,440,539	2,817,256

ISLAND COASTAL ECONOMIC TRUST
Project Expenditure Report
March 31, 2015

(Schedule 1)

	Approved & Committed	2006-2013 Spent	2014 Spent	2015 Spent	Future Committed
EDRP Projects					
Sayward ED Strategy	16,000			16,000	0
Parksville Oceanside Initiatives	30,000		19,708	10,292	0
Malcolm Island Comm Strategic Plan	12,500			11,839	661
Sunshine Coast Region ED Charter	7,500				7,500
Sunshine Coast Reg Signage Strategy	5,000			4,103	897
Zeballos Economic Development Strategy	16,000			14,256	1,744
Port McNeill Econ. Development Strategy	25,000			23,822	1,178
TVI - Economic Growth Through Tourism	30,000		10,994	18,975	31
West Coast Leadership Initiative	30,000			24,231	5,769
Enhance Cowichan Valley Agriculture	20,000		9,519	9,519	962
SRD - Reg Tourism Service & Strategy	18,524			18,524	0
Vancouver Island Trails Strategy	30,000				30,000
MWRD Sectoral Strategic Plan	12,500			6,000	6,500
Tahsis Economic Development Society	30,000				30,000
Comorant Island Econ Development Plan	30,000				30,000
Pacific Rim Know & Innov Economy	29,950				29,950
Cowichan Region Community Profile	30,000				30,000
Marine Tourism Sectoral Marketing	29,400			20,999	8,401
Kelsey bay Harbour Needs	5,705				5,705
Oceanside Initiatives #2	10,000				10,000
Hornby Island Economic Action	5,000				5,000
Marine Tourism Marketing and Sector Development, Phase 2	30,000				30,000
Community-Based Visitor Experience Survey	8,500				8,500
Gabriola Island Economic Assets Mapping	16,500				16,500
VIEA - First Nations Portal	2,497		2,497		0
Total EDRP Funding	480,576	0	42,718	178,560	259,298



BUILD IT AND THEY WILL COME

HERE'S WHAT OUR INTERNATIONAL VISITORS ARE SAYING ON TRIPADVISOR:

#4



Ucluelet Aquarium

#4 of 296 museums in BC

5 stars 363 reviews

"Awesome display using touch tanks" 07/20/2015

"Brilliant—absolute must see" 06/22/2015

#1



Cowichan Valley Trail

#1 of 6 things to do in Lake Cowichan

5 stars 11 reviews

"Miles and Miles of wonderful trails." 07/02/2015



Kinsol Trestle

5 stars 40 reviews

Certificate of Excellence

"TRESTLE-TERRIFIC" 06/24/2015

#2



Elk Falls Suspension Bridge

#2 of 33 things to do in Campbell River

5 stars 116 reviews Certificate of Excellence

"Awesome Bridge over canyon" 07/24/2015

#1



Quatse Salmon Interpretive Center

#1 of 8 things to do in Port Hardy

●●●●● 33 reviews

"Must go for a visit!" 07/2015



Sunshine Coast Trail

●●●●● 9 reviews

*"Coastal by nature...
180 kms of hiking heaven"* 05/19/2015

#6



Wild Pacific Trail

#6 of 2,552 things to do in British Columbia

●●●●● 935 reviews  Certificate of Excellence

"Nothing like it in the world" 07/04/2015

"Wild and wonderful" 07/04/2015

WHEN ICET WAS CREATED IN 2008 MOST OF THESE PROJECTS WERE JUST AN IDEA OR A SKETCH ON A PAGE.

WORKING TOGETHER WITH COMMUNITIES, WE'VE HELPED TURN IDEAS INTO ACTION. NEW TOURIST ATTRACTIONS ACROSS OUR REGION ARE BRINGING VISITORS FROM ALL AROUND THE WORLD.

