

Island Coastal ECONOMIC TRUST



Annual Report 2009-2010





MISSION

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

VISION

The North Island and Sunshine Coast successfully transition to a more diversified, globally competitive resource and knowledge based regional economy



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Message from the Chair and CEO

When the Trust was established by Provincial legislation in 2006, the intent was to provide communities with funding, tools and decision making ability to support strategic investments in their own economies. Now, in our fourth year of operations, we are able to see - and measure - the results of these investments. Projects that were once only concepts are now reality, delivering on their promises to create new jobs and assist our local economies. We have highlighted a few of these throughout the report so you may get a sense of our actions and real impacts.

To date we have committed \$41 million for 70 projects worth over \$230 million. This past year we issued cheques for \$8.2 million in project expenses. In a region severely impacted by global issues, these funds have put people to work, helped businesses survive and stimulated spending in hard hit communities. These projects have enabled our communities to weather the storm, creating hope and excitement for the future. But most of all, these investments are leaving an infrastructure legacy that our region can build on to implement new diversification and growth strategies.

One of the unexpected positive impacts of the economic downturn for ICET projects was the federal government's Economic Action Plan. This opened the door to new and increased grant funding sources. Many of ICET's larger projects such as the Vancouver Island Mountain Centre, the Vancouver Island Discovery Centre, the Port Alberni Visitor Centre, the Powell River South Harbour Expansion Project and the Sunshine Coast Botanical Garden are able to proceed to construction thanks to the Community Adjustment Fund (CAF).

While the decline in the forestry sector continues to adversely impact the economy in the Trust region, especially on the North Island, we have played a role to help minimize the effects. Last year we entered into a partnership with the Province's Community Development Trust to provide the Job Opportunity Program (JOP) with up to \$2 million in matched funding. This has helped us retain our resource sector workforce and enabled them to develop new skills. With an economic revival in view, we are keeping forestry workers and equipment employed while building and improving our trail networks, one of the key aspects of the North Island and Sunshine Coast tourism strategy.

As we look forward, one of our biggest challenges for the next year will be to manage our declining capital while maximizing regional and economic benefits. We have now allocated more than 80% of our initial fund. We must now make difficult choices. While good projects face delays and implementation hurdles, we must defer to new projects that can put our money to work in the short term.

We would like to highlight the great work done by the Regional Advisory Committees. Their quarterly meetings and objective project reviews provide us with community insight and advice that adds significant value and relevance to the project approval process. These regional meetings, as well as the monthly Board meetings, have increased regional understanding and fostered a cross-pollination of ideas and solutions to our regional development challenges.

We also wish to acknowledge the work of Colleen Powell, Corporate and Program Administrator who retired last December. She was instrumental in the establishment of our organization and its processes.

As we move into the next phase of our development, we welcome our new project manager, Line Robert, who brings a new set of skills and energy to our team. Thanks also to the rest of our staff, Al Sweet, CFO and Denice Regnier, our Corporate Administrator. We appreciate the diligent work of the Trust's consultants: Doug Kalcsics, due diligence consultant (Kalcsics and Associates); Jamie Vann Struth, economics consultant (Vann Struth Consulting Group); Robert Dufour, graphic design and publications (Works Consulting); and Heidi Peterson, website design (Chameleon Creative Graphics).

As the main topic of this document, we enclose the 2009-2010 Audited Financial Statements.

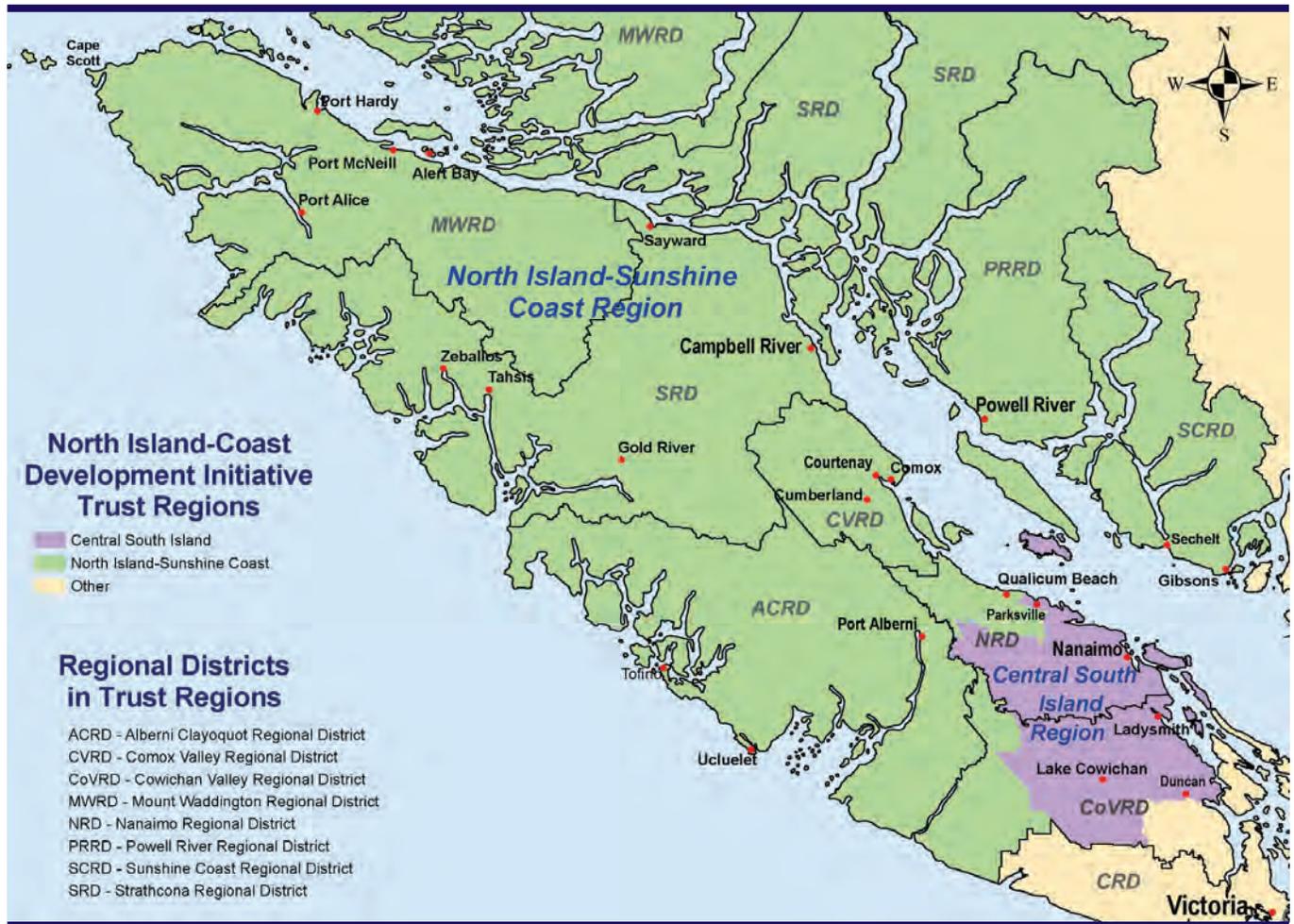


Barry Janyk
Chair



Al Baronas
Chief Executive Officer

TRUST AREA



ABOUT US

THE TRUST

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

The Government of British Columbia contributed \$50 million and the Board of Directors invested these funds in Municipal Finance Authority's Money Market pooled account to grow the Trust funds with prudence.

The intent of the Trust is to give communities, including First Nations, the funding and the ability to support strategic investment in the regional economy. This funding is provided through a matching funding grant program to create new and sustainable economic growth and jobs through strategic investment in these targeted sectors:

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

WHAT WE DO

TRUST GOALS

The investment goal of the Trust is to leverage economic development and diversification investments in the economies of the regions. For every dollar the Trust invests, it expects that an additional \$3.00 will be invested.

The Trust will be managed judiciously, consistent with the intent of the Act, Vision and Mission with an emphasis on sound strategic and operational planning and will be responsive to changing circumstances and opportunities.

Preference will be given to partnerships and leveraged investments that achieve the projected economic and diversification impacts for the broader region, with a bias for projects which have a broad regional impacts while recognizing that local benefits are of projects are also valuable.

To date, ICET leverages \$4.60 for every dollar invested.



Support for Olympic Opportunities

BIATHLON AUTOMATED TARGET PROJECT
ICET CONTRIBUTION – \$25,083,
TOTAL PROJECT BUDGET – \$100,373

With Mount Washington chosen as one of the premier training sites for the 2010 Olympics, ICET assisted the Comox Valley Economic Development Society and the Vancouver Island Biathlon Club in the purchase of state-of-the-art equipment required to host the visiting international teams. After the Olympics, the equipment will remain as a regional legacy that will not only enable Mt. Washington to host international calibre teams and events, but allow the region’s athletes to better prepare for national and international competition.



The project also features an innovative collaboration and sponsorship agreement with the target manufacturer to develop a new wireless system. With this partnership, Mount Washington was featured as a unique demonstration site for this new technology prior to, and during, the Olympic Games. The facility was a huge success with the hundreds of elite athletes from 22 teams including Germany, France, Finland, Sweden, Canada and the US who used it to prepare for the 2010 Games.

TOURISM VANCOUVER ISLAND
ICET CONTRIBUTION – \$469,257
TOTAL PROJECT BUDGET – \$734,513

The Tourism Vancouver Island “Strategy for 2010 and Beyond” project featured a number of initiatives designed to highlight our region to the world before, during and after the Olympic Games. Much of the strategy focused on preparation for the arrival of the World media. This included the preparation of pre-written media stories as well as the “A Taste of Vancouver Island” event, showcasing Island products at the 2010 Commerce Centre, on the eve of the Games.

One of the highlights of the strategy was the acquisition of High Definition B-roll film footage. Following the theme of live, work, play and invest, this footage will assist communities with tourism promotion as well as resident and investment attraction strategies.

“A golden opportunity to showcase our region to the world.”





Support for Forestry

JOB OPPORTUNITIES PROGRAM ICET CONTRIBUTION: \$2 MILLION

Through this partnership with British Columbia's Community Development Trust, ICET has allocated up to \$2 million in funding to help forestry workers get back to work and diversify the economy of the ICET region. This program has been a boost for resource dependent communities and businesses, enabling them to retain their workforce and equipment, pending economic recovery.

"Support for resource dependent workers, businesses and communities."

These projects have added new trails and improved existing trails. The legacy left behind will greatly enhance this region's ability to attract outdoor recreation enthusiasts and build on its reputation as wild and beautiful. The projects funded this past year include:

- San Josef Bay Trail
- Snowden Demonstration Forest
- Ripple Rock Trail
- Broughton Strait Recreation Initiative
- Alice Lake Loop Trail
- Sunshine Coast Recreation Corridor Trail
- MacMillan Provincial Park
- Sayward Forest Canoe Route

This initiative is ongoing and more projects will be approved in Spring 2010.

YELLOW CEDAR MARKETING INITIATIVE ICET CONTRIBUTION: \$ 110,000, TOTAL PROJECT BUDGET \$220,00

ICET supported the Vancouver Island Association of Wood Processors (VIAWP) in its initiative to develop new markets for wood products produced from BC Coastal Yellow Cedar. This project targeted the New Orleans and southern U.S. as a potential market for its products given that yellow cedar offers superior resistance to rot and insect damage and is a material perfectly suited for rebuilding the areas devastated by hurricane Katrina.



TRUST GOVERNANCE

Board of Directors



Mayor Barry Janyk
Gibsons
Board Chair



Mayor Phil Kent
Duncan
Board Vice-Chair



Mayor Gerry Furney
Port McNeill
Board Treasurer



Camela Tang
Provincial Appointee
Board Secretary



Bob Bennie
Provincial Appointee



Mayor Charlie
Cornfield
Campbell River



Mayor Rob Hutchins
Ladysmith



Mayor Ken McRae
Port Alberni



Dave Mannix
Provincial Appointee



Arlette Raaen
Provincial Appointee



Mayor John Ruttan
Nanaimo



Dallas Smith
Provincial Appointee



Joe Stanhope
Director
Nanaimo Regional
District



Mayor Greg Phelps
NORTH ISLAND-
SUNSHINE COAST
REGIONAL ADVISORY
COMMITTEE *Chair*



Gerry Giles
CENTRAL SOUTH ISLAND
REGIONAL ADVISORY
COMMITTEE *Chair*

Members of the North Island-Sunshine Coast Regional Advisory Committee

Mayor Greg Phelps, <i>Courtenay and Chair, Comox Valley Regional District</i> – RAC CHAIR	Al Huddleston, Chair, <i>Mt. Waddington Regional District</i>
Mayor Barry Janyk, <i>Gibsons</i> – RAC VICE CHAIR	Mayor Darren Inkster, <i>District of Sechelt</i>
Mayor Stewart Alsgard, <i>Powell River</i>	Mayor Paul Ives, <i>Comox</i>
Mayor Craig Anderson, <i>Gold River and Chair, Strathcona Regional District</i>	Mayor Edward Lewis, <i>Zeballos</i>
Mayor Fred Bates, <i>Cumberland</i>	Mayor John MacDonald, <i>Sayward</i>
Mayor Michael Berry, <i>Alert Bay</i>	Mayor Ken McRae, <i>Port Alberni</i>
Lou Biggemann, <i>Director Area “F”, Regional District of Nanaimo</i>	Don McRae, MLA, <i>Comox Valley</i>
Hira Chopra, Chair, <i>Alberni-Clayoquot Regional District</i>	Mayor Gail Neely, <i>Port Alice</i>
Mayor Charlie Cornfield, <i>Campbell River</i>	Colin Palmer, Chair, <i>Powell River Regional District</i>
Mayor Corrine Dahling, <i>Tahsis</i>	Mayor Bev Parnham, <i>Port Hardy</i>
Gary Feschuk, Chief Councillor, <i>Sechelt Indian Government District</i>	Mayor Eric Russcher, <i>Ucluelet</i>
Mayor John Fraser, <i>Tofino</i>	Donna Shugar, Chair, <i>Sunshine Coast Regional District</i>
Scott Fraser, MLA, <i>Alberni-Qualicum</i>	Nicholas Simons, MLA, <i>Powell River-Sunshine Coast</i>
Mayor Gerry Furney, <i>Port McNeill</i>	Claire Trevena, MLA, <i>North Island</i>
	Mayor Teunis Westbroek, <i>Qualicum Beach</i>

Members of the Central South Island Regional Advisory Committee

Gerry Giles, Director, *Cowichan Valley Regional District* – RAC CHAIR
 Joe Stanhope, Director, *Nanaimo Regional District* – RAC VICE-CHAIR
 Honourable Ron Cantelon, MLA, *Parksville-Qualicum*
 Mayor Ross Forrest, *Lake Cowichan*
 Mayor Colin Haime, *Lantzville*
 George Holme, *Director Area “E”, Regional District of Nanaimo*
 Mayor Rob Hutchins, *Ladysmith*
 Mayor Phil Kent, *Duncan*
 Leonard Krog, MLA, *Nanaimo*
 Mayor Ed Mayne, *Parksville*
 Bill Routley, MLA, *Cowichan Valley*
 Doug Routley, MLA, *Cowichan-Ladysmith*
 Mayor John Ruttan, *Nanaimo*
 Mayor Tom Walker, *North Cowichan*

Core Staff

Al Baronas CEO	Line Robert Project Manager	Al Sweet CFO	Denice Regnier Corporate Administrator
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Consulting Support

Doug Kalcsics – <i>Kalcsics & Associates</i>	Jamie Vann Struth – <i>Vann Struth Consulting Group</i>
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Support for Energy

GEO-EXCHANGE DISTRICT ENERGY UTILITY FOR UPPER GIBSONS

ICET CONTRIBUTION - \$244,080

TOTAL PROJECT BUDGET - \$975,000

This municipal energy utility project will reduce energy consumption, reduce community wide greenhouse gas emissions and provide long-term economic benefits to Gibsons and its residents.

The heating system will be operated as a community district heating system owned by the municipality. At full build-out it will service approximately 25% of the population of Gibsons, and result in energy savings of over 60% and green house gas reductions of over 90%.



“Investing in green technology”



Support for Aquaculture

**DEEP BAY FIELD STATION –
CENTRE FOR SHELLFISH RESEARCH
ICET CONTRIBUTION - \$1 MILLION
TOTAL PROJECT BUDGET - \$8.8 MILLION**

The Deep Bay Field Station will be a keystone facility to enhance the transfer of technology and innovation designed to support the development and expansion of a sustainable shellfish aquaculture industry in BC.



Agricultural field stations have played a transformative role in the “green revolution” of modern agriculture because they bring together industry, academic researchers and government – a tri-partite collaboration proven to be essential in supporting the innovation system that drives modern agriculture.



The Centre for Shellfish Research is duplicating this successful model - for shellfish cultivation – an opportunity for economic growth in coastal and First Nations communities.

**INTERNATIONAL CENTRE
FOR STURGEON STUDIES
ICET CONTRIBUTION - \$1,300,000
TOTAL PROJECT BUDGET - \$5,250,000**

Vancouver Island University is constructing the International Centre for Sturgeon Studies (ICSS) – a facility focused on the development of sturgeon aquaculture and securing a sturgeon industry for Canada’s Pacific Coast. Sturgeon species represent a high commercial value per fish, and have an estimated worldwide trade of more than \$500 million.

“Supporting Innovation and Sustainable Development”

They are suited to land-based, closed containment production systems. ICSS has been a leader

in the sturgeon field, and has a collection of white sturgeon broodstock that is unique among public institutions in Canada.





Support for Tourism

ICET has actively supported the tourism sector with a range of tourism infrastructure initiatives designed to attract and retain visitors to our region. A sample of some projects approved this year include:

ALBERNI VALLEY VISITORS CENTRE

ICET CONTRIBUTION - \$706,192

TOTAL BUDGET - 1,512,384

Strategically located at the fork in the road leading into Port Alberni, the Alberni Valley Visitor Centre will be an attractive log building that will serve as a Gateway for visitors to the area as well as those heading out to the Pacific Rim region. The high profile visitor centre will promote local and regional tourism and First Nations attractions by capitalizing on the large number of visitors passing through on their way to Tofino and Ucluelet.

VANCOUVER ISLAND MOUNTAIN SPORTS CENTRE

ICET CONTRIBUTION - \$555,500

TOTAL PROJECT BUDGET - \$2.3 MILLION

The Vancouver Island Mountain Sports Centre will be a unique multi-functional building located at Mount Washington in the Comox Valley. Its facilities and hostel accommodation will serve athletes, community and school groups as well as visitors by hosting training camps, summer camps, field trips and retreats. The Centre will also facilitate the hosting of national and international sporting events.

SUNSHINE COAST BOTANICAL GARDENS

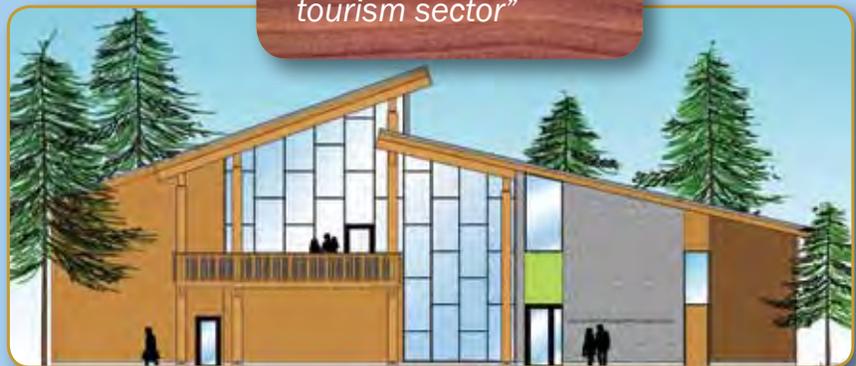
ICET CONTRIBUTION - \$370,295

TOTAL PROJECT BUDGET - \$1,481,185



The Sunshine Coast Botanical Garden is situated on an expansive 40 acre site and designed to attract gardening enthusiasts as well as tourists. The Botanical Garden will be one more “uniquely coastal” community amenity that entices tourists to explore the area and then stay for educational and recreational programs, cultural events and activities.

“Creating the building blocks of a strong tourism sector”

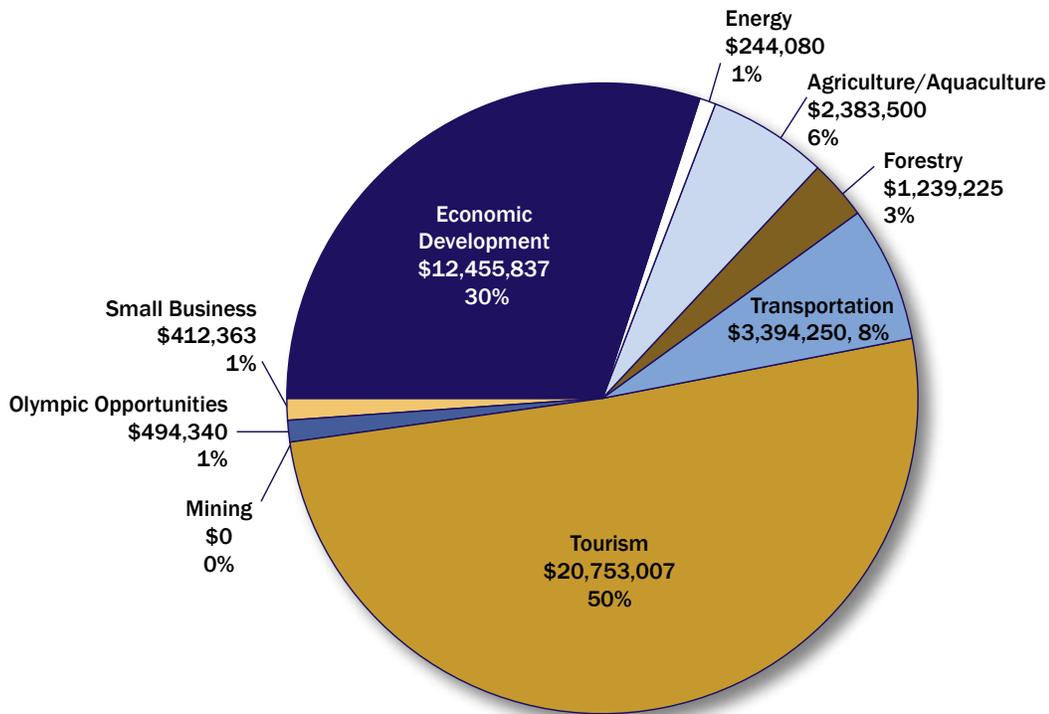


FUNDING APPROVAL TO DATE

\$41 million for 70 projects with a total investment value of \$232 million.

DISTRIBUTION OF ICET FUNDING COMMITMENTS BY SECTOR

Total \$41,376,601



FUNDING APPROVAL 2009-2010

In 2009-2010, \$11.5 million in funding was approved for 24 new projects representing a total investment of \$33.5 million in our communities.

ICET PROJECTS APPROVED FROM APRIL 1, 2009 TO MARCH 31, 2010

Project Name	2009-2010 ICET Financial Commitment	Total Project Budget
Alberni Valley Visitors Centre	\$706,192	\$1,512,384
BC Forest Discovery Centre and Visitor Co-Location	\$224,050	\$672,155
Biathlon Range Target Automation Project at Mt. Washington	\$25,083	\$100,373
Campbell River Airport Runway Improvement Project	\$2,310,000	\$8,331,250
Campbell River Community Promotion and Attractions Strategy	\$36,000	\$115,438
Craig Street Revitalization Project	\$190,000	\$766,217
Duncan-Cowichan Visitors Centre	\$520,000	\$1,274,100
Fanny Bay Harbour Loading Ramps	\$515,000	\$1,700,000
Geo-Exchange District Energy Utility for Upper Gibsons	\$244,080	\$976,320
Homalco Wildlife Tours	\$195,000	\$473,900
International Centre for Sturgeon Studies	\$1,300,000	\$5,250,000
Job Opportunity Program Partnership	\$2,000,000	\$4,000,000
'Namgis First Nation Waterfront Enhancement Project	\$499,300	\$1,326,000
Pacific to Plate: Marketing Sustainable Seafood	\$49,668	\$212,466
Powell River Visitor Attraction and Marketing Tool Development Program	\$50,000	\$244,479
Quatse Salmon Stewardship Centre - Phase 2 - Interpretive Displays	\$175,000	\$350,000
Raft Cove Recreational Site and Trail Improvement Project	\$52,600	\$120,067
Regional Film Industry Development Project	\$43,250	\$129,750
Small Business Productivity & Competiveness Program	\$39,750	\$79,500
Sunshine Coast Trail Initiative	1,471,050	\$3,284,450
Sunshine Coast Botanical Garden	\$370,295	\$1,481,185
The Runners Trail - Joining Alberni to Cowichan	\$450,000	\$929,000
West Bamfield Dock Improvements	\$50,000	\$185,000
Woss Regional Trails Development and Upgrade Program	\$15,000	\$30,000
Total Committed	\$11,531,318	\$33,544,034

ICET PROJECTS COMPLETED TO DATE

Project Name	ICET Financial Commitment	Total Project Budget
2009 World Under-17 Hockey Challenge	\$100,000	\$1,126,430
Alert Bay Municipal Wharf Upgrade & Scenic Seaside Boardwalk	\$324,000	\$702,755
Biathlon Range Target Automation Project	\$25,083	\$100,373
Business Retention & Expansion	\$8,500	\$45,500
Campbell River Downtown Revitalization Project	\$250,000	\$1,888,850
Cape Scott North Coast Trail	\$249,920	\$699,920
City of Nanaimo Port of Nanaimo Centre	\$2,000,000	\$72,500,000
Coal Harbour Dock Expansion	\$100,000	\$1,246,700
Cowichan 2008 North American Indigenous Games	\$100,000	\$10,320,000
City of Duncan - Craig Street Revitalization Project	\$190,000	\$766,217
Cumberland Village Square	\$27,225	\$108,900
Dakota Ridge Winter Recreation Area - Access Road	\$234,608	\$938,482
High Speed Infrastructure Development for Coal Harbour and Zeballos	\$72,625	\$127,700
Mount Cain Infrastructure and Hostel Lodge Project	\$208,650	\$537,650
Nanaimo Airport Expansion Project	\$5,000,000	\$24,200,000
Port Alberni Uptown Redevelopment	\$247,000	\$494,000
Purple Banner Studio & Gallery Guide	\$3,000	\$14,140
Quatse Salmon Stewardship Centre	\$175,000	\$1,406,000
Raft Cove Recreational Site and Trail Improvement Project	\$52,600	\$120,067
Regional Film Industry Development Project	\$37,720	\$122,854
Seven Hills Golf and Country Club Enhancements	\$24,765	\$49,530
Small Business Productivity & Competiveness Program	\$39,750	\$79,500
Ucluelet Wild Pacific Trail	\$95,000	\$285,000
Value Added Wood Products Marketing Forum	\$6,000	\$26,350
Vancouver Island Forestry Festival	\$3,700	\$37,000
Woss Regional Trails Development and Upgrade Program	\$15,000	\$30,000
Total Committed	\$9,590,146	\$117,973,918



Support for Small Business

DOWNTOWN REVITALIZATION PROJECTS

PORT ALBERNI UPTOWN REDEVELOPMENT

ICET CONTRIBUTION - \$247,000
TOTAL PROJECT BUDGET - \$494,000

CUMBERLAND VILLAGE SQUARE

ICET CONTRIBUTION - \$27,225
TOTAL PROJECT BUDGET - \$108,900

CAMPBELL RIVER DOWNTOWN REVITALIZATION

ICET CONTRIBUTION - \$250,000
TOTAL PROJECT BUDGET - \$1,888,850

CRAIG STREET REVITALIZATION PROJECT

ICET CONTRIBUTION - \$190,000;
TOTAL PROJECT BUDGET - \$766,217



Revitalizing the downtown core is an important step towards stimulating economic growth, encouraging job creation and providing support for small business.

SMALL BUSINESS PRODUCTIVITY AND COMPETITIVENESS PROGRAM
ICET CONTRIBUTION - \$39,750
TOTAL PROJECT BUDGET - \$79,500

This project provided small businesses in Campbell River and region with the opportunity to attend productivity and competitiveness workshops. In addition, 11 interested participants then benefitted from personalized consultations and site visits culminating in a comprehensive business diagnostic

focused on increasing their business's productivity, competitiveness, profitability and liquidity.



"Supporting the backbone of the Island and Coastal economies"

RESULTS AND HIGHLIGHTS OF 2009-2010

The specific goals and actions for 2009 were focused on addressing the serious economic downturn. We also worked to refine and streamline our administrative processes to adjust to the larger volume of projects underway. Finally, we continued to advocate with funding agencies to assist applicants in their search for matching funding.

ADMINISTRATION AND PROGRAMS

Adjust programs where appropriate to assist short term unemployment in the resource sectors

- ICET and the Province of British Columbia's Community Development Trust entered into a partnership agreement, the Job Opportunities Program (JOP), and allocated up to \$2 million in ICET funds to create employment and diversify the economy of the ICET region through the development and improvement of trails on the North Island and Sunshine Coast.

Prioritize projects that can proceed to implementation within 12 months

- Updated Application Guidelines to require that Stage 2 applications be submitted within 6 months of Stage 1 approval
- Updated Letters of Intent and Contribution Agreements to require that projects be underway within 6 months of Stage 2 approval
- Reviewed project evaluation criteria to prioritize "shovel" ready projects

Refine and Fine-tune Application Guidelines

- Consultations with regional stakeholders as well as a third party assessment of the regional economic indicators resulted in changes being made to the ICET matching requirements to reflect some significant economic changes in communities.

Continue the administration of approved projects

- \$8,207,383 in project funding grants were disbursed this year
- Improvements were made to client invoicing procedures resulting in more effective financial management
- Improvements were made to project reporting practices resulting in improved tracking of measureable economic impacts

Develop the Evaluation Framework

- Participated in meetings with the Ministry of Community and Rural Development staff and the two other economic development trusts to develop the strategy for the required five year review of the Trust's legislation

FINANCIAL MANAGEMENT

Advocate for matching funds from senior levels of government

- Advocated for many projects with the Government of Canada and helped to facilitate the review of ICET supported projects, particularly with Canada's Economic Action Plan programs.
- Made a formal presentation to the federal BC Caucus to advocate for federal funding of projects in the ICET region.

Continue to seek additional financial resources

- Met several times with the Minister of Rural and Community Development and provided updates on ICET activities, provided information on its current financial status as well as its future expectations

2010 Priorities and Actions

- Continue to maintain or exceed additional investment and leveraging targets
- Focus on the consistent implementation of the Strategic Plan in concert with the Application Guidelines
- Manage declining capital to maximize regional and community benefits, effective project management and efficient financial administration
- Prioritize effective communications with a focus on ICET successes and impact in the region
- Undertake the required Year 5 review of the Trust's legislation
- Continue to seek additional financial resources



PARTNERSHIPS AND OUTREACH

Maintain and reinforce the development of partnerships

- Organized a tour of the ICET region with the Deputy Minister, Ministry of Small Business, Technology and Economic Development and facilitated economic development forums in Nanaimo, the Cowichan Valley and the City of Port Alberni
- Entered into a \$2 million partnership with the Community Development Trust's Job Opportunities Program
- Entered into a partnership with the Ministry of Small Business, Technology and Economic Development and the Business Development Bank of British Columbia to provide assistance aimed at improving productivity and competitiveness for small business in Campbell River
- Developed a collaborative relationship with the Department of Fisheries and Oceans, Small Craft Harbours; Western Economic Diversification, Rural BC Secretariat, Community Futures and Members of Parliament in the ICET Region.

Continue to work directly with communities and project applicants

- Offered technical assistance and coaching to clients prior to application
- Provided timely advice and assistance during the application process
- Conducted several project site visits to offer ongoing technical support during project implementation
- Participated in community economic development stakeholder meetings

Develop strategies for regions and smaller communities to increase local capacity

- Participated in the Community Centred Agreement Initiative, a pilot project with Ministry of Community and Rural Development officials, municipal officials and economic development stakeholders in the City of Port Alberni that will support the community's future economic development.

COMMUNICATIONS

Expand Communication Activities

- Produced and distributed two newsletters
- Prepared and circulated over 20 news releases announcing new projects
- Organized several media events to announce projects
- Designed and erected signage for projects that are underway
- Continued to update and make enhancements to the ICET website to reflect ongoing changes



Support for Transportation

NANAIMO AIRPORT EXPANSION PROJECT
ICET CONTRIBUTION - \$5 MILLION
TOTAL PROJECT BUDGET - \$25 MILLION

The recently completed Nanaimo Airport Expansion Project (Phase I) has resulted in an extended runway and a new Instrument Landing System to provide increased landing reliability in inclement weather as well as accommodate larger aircraft.

This expanded facility will help the mid-Island region, from Duncan to Nanaimo, build on its growing role as a destination and support a strong, diverse regional economy.

Work (Phase II) continues to expand the terminal facility, which is scheduled for completion in 2011.



CAMPBELL RIVER AIRPORT RUNWAY IMPROVEMENT PROJECT
ICET CONTRIBUTION - \$2,310,000
TOTAL PROJECT BUDGET - \$8,331,25

The City of Campbell River is extending the Campbell River Airport runway to expand the airport's capacity to offer a wider range of services. This initiative is an essential building block in the City's economic diversification strategy to attract aviation support and other industries to the land adjacent to the airport.



*"Strategic Investment in
Regional Economic Priorities"*



Support for Marine Tourism

**PORT MCNEILL HARBOUR
REDEVELOPMENT PROJECT**
ICET CONTRIBUTION: \$3,500,000;
TOTAL PROJECT BUDGET: \$7,937,000

**MALCOLM ISLAND HARBOUR MARINE
VISITOR CENTRE & MARKET SQUARE**
ICET CONTRIBUTION: \$248,500;
TOTAL PROJECT BUDGET: \$602,910

ALERT BAY MUNICIPAL WHARF UPGRADE
ICET CONTRIBUTION: \$324,000,
TOTAL PROJECT BUDGET: \$702,755

**'NAMGIS WATERFRONT
ENHANCEMENT PROJECT(BOARDWALK)**
ICET CONTRIBUTION: \$499,300,
TOTAL PROJECT BUDGET: \$1,326,000



In the past two years, ICET has invested in four separate marine tourism projects on the North Island. Each of these Harbours provides a unique experience that will generate marine tourism benefits to Port McNeill, Malcolm Island and Cormorant Island. However, together, they become a Triad Destination that will attract boaters to the Broughton Archipelago. This is an excellent example of ICET investments delivering on their promise of regional economic diversification.

*“Capitalizing on our unique
maritime environment and
marine assets”*



UNDER CONSTRUCTION!



Raft Cove trail work



Port McNeill Harbour



VIU: International Centre for Sturgeon Studies



VIU: Deep Bay Field Station

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST

Financial Statements

March 31, 2010



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DUNCAN SABINE COLLYER PARTNERS LLP

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MANAGEMENT CONSULTANTS

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AUDITORS' REPORT

 RAN-ONE | member
building business value

To the Directors of North Island - Coast Development Initiative Trust

We have audited the balance sheet of North Island - Coast Development Initiative Trust as at March 31, 2010 and the statements of operations and fund balance and cash flow for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements for the year ended March 31, 2009 were audited by another accounting firm and are presented for comparative purposes only.

Duncan Sabine Collyer Partners LLP

Port Alberni, B.C.
July 9, 2010

CERTIFIED GENERAL ACCOUNTANTS

ROBERT J. DUNCAN* CGA CAFM DONALD H. JONES* BCOM CGA CAFM

DEBRA NIXON BAccS CGA CAFM
ASSOCIATE

* DENOTES PROFESSIONAL CORPORATION

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

BALANCE SHEET

AS AT March 31, 2010

ASSETS

	2010	2009
Current assets		
Cash and short-term deposits	\$ 539,355	\$ 37,800
Accounts receivable	-	15,413
Prepaid expenses	<u>9,206</u>	<u>9,706</u>
Total current assets	548,561	62,919
Investments (Note 3)	41,965,846	50,230,903
Capital Assets (Note 4)	<u>21,003</u>	<u>22,570</u>
	<u>\$ 42,535,410</u>	<u>\$ 50,316,392</u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	\$ <u>23,066</u>	\$ <u>64,595</u>

FUND BALANCES

Invested in Capital Assets	21,003	22,570
Externally Restricted - Uncommitted	3,027,679	15,080,735
Externally Restricted - Committed (Note 5)	34,248,649	30,402,977
Unrestricted	<u>5,215,013</u>	<u>4,745,515</u>
	<u>42,512,344</u>	<u>50,251,797</u>
	<u>\$ 42,535,410</u>	<u>\$ 50,316,392</u>

APPROVED BY THE BOARD



Barry Janyk *Chair*



Gerry Furney *Treasurer*

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST
STATEMENT OF OPERATIONS AND FUND BALANCE
FOR THE PERIOD ENDED March 31, 2010

	<u>2010</u> <u>Operating</u>	<u>2010</u> <u>Project</u>	<u>2010</u> <u>Total</u>	<u>2009</u> <u>Total</u>
REVENUES				
Investment income	\$ 1,085,219	\$ -	\$ 1,085,219	\$ 1,566,467
Total Revenue	<u>1,085,219</u>	<u>-</u>	<u>1,085,219</u>	<u>1,566,467</u>
EXPENSES				
Advertising, travel and communications	30,429	-	30,429	35,645
Audit	2,100	-	2,100	2,000
Bank charges and interest	334	-	334	132
Capital expenditures	4,509	-	4,509	5,560
Conference costs	19,200	-	19,200	9,772
Consultants	39,084	-	39,084	14,611
Contract services	27,586	-	27,586	26,352
Directors meeting costs	65,026	-	65,026	79,309
Due Diligence	77,338	-	77,338	68,173
Grants	-	8,207,383	8,207,383	3,056,841
Insurance	10,184	-	10,184	13,505
Internet and web site	7,750	-	7,750	4,261
Legal fees	7,084	-	7,084	23,290
Office and sundry	11,913	-	11,913	13,154
Regional advisory meeting costs	34,472	-	34,472	40,234
Rent	16,443	-	16,443	9,963
Salaries and benefits	254,986	-	254,986	203,844
Telephone and utilities	7,283	-	7,283	5,335
Total Expenses	<u>615,721</u>	<u>8,207,383</u>	<u>8,823,104</u>	<u>3,611,981</u>
EXCESS OF REVENUE OVER EXPENDITURE	469,498	(8,207,383)	(7,737,885)	(2,045,514)
FUND BALANCE BEGINNING OF YEAR	<u>4,745,515</u>	<u>45,483,711</u>	<u>50,229,226</u>	<u>52,274,741</u>
FUND BALANCE COMMITTED END OF YEAR (Note 5)	-	34,248,649	34,248,649	30,402,977
FUND BALANCE UNCOMMITTED END OF YEAR	<u>\$ 5,215,013</u>	<u>\$ 3,027,679</u>	<u>\$ 8,242,692</u>	<u>\$ 19,826,250</u>

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED March 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Cash used in operations		
Net loss	\$ (7,737,885)	\$ (2,045,514)
Add (deduct): charges to income not involving cash		
Capital expenditures included in operations	<u>4,509</u>	<u>5,560</u>
	(7,733,376)	(2,039,954)
Net change in non-cash working capital		
Accounts receivable	15,411	(11,387)
Accounts payable and accrued liabilities	(41,528)	(612)
Prepaid expenses	<u>500</u>	<u>2,821</u>
	<u>(7,758,993)</u>	<u>(2,049,132)</u>
INVESTING ACTIVITIES		
Additions to capital assets	(4,509)	(5,560)
Net increase in investments	(1,084,943)	(1,566,071)
Redemption of long-term investments	<u>9,350,000</u>	<u>3,625,000</u>
	<u>8,260,548</u>	<u>2,053,369</u>
INCREASE IN CASH	501,555	4,237
CASH, beginning of period	<u>37,800</u>	<u>33,563</u>
CASH, end of year	<u>\$ 539,355</u>	<u>\$ 37,800</u>

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

1. AUTHORITY

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

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

The Operating Fund accounts for the organizations general activities.

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

Revenue recognition

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

Investment income is recognized when the income becomes due.

Externally restricted - committed funds

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

Externally restricted - uncommitted funds

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

Grants and repayable grants

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

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Capital Assets

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

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

Income taxes

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

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from the estimates.

3. INVESTMENTS

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

	<u>2010</u>	<u>2009</u>
Money Market Fund	\$ <u>41,965,846</u>	\$ <u>50,230,903</u>

4. CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net 2010</u>	<u>Net 2009</u>
Computer equipment	\$ 22,347	\$ 12,773	\$ 9,574	\$ 8,284
Equipment, furniture & fixtures	<u>20,324</u>	<u>8,895</u>	<u>11,429</u>	<u>14,286</u>
	<u>\$ 42,671</u>	<u>\$ 21,668</u>	<u>\$ 21,003</u>	<u>\$ 22,570</u>

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

5. SCHEDULE OF EXPENDED AND COMMITTED FUNDS

	2009	2010	2010
	<u>Expended</u>	<u>Expended</u>	<u>Committed</u>
2009 Under 17 Hockey	\$ 76,689	\$ 22,266	\$ 23,311
7 Hills Golf Course Enhancement	13,375	-	-
Alberni Inlet Trail CNPR Trail	-	-	76,000
Alberni Visitor Centre	-	-	706,192
Alert Bay Boardwalk	149,074	-	-
Biathlon Project	-	18,812	25,083
Campbell River Airport	-	-	2,310,000
Campbell River Attractions	-	-	36,000
Campbell River Downtown	-	250,000	250,000
Campbell River Marina	120,000	-	30,000
Coal Harbour Dock Expansion	100,000	-	-
Coast Cultural Alliance	-	3,000	3,000
Comox Valley Marketing	-	-	50,000
Cowichan Fisherman's Wharf	168,300	-	18,700
Cowichan Indigenous Games	100,000	-	-
Cowichan Valley Trail	-	-	1,743,891
Craig Street Revitalization	-	-	190,000
Cumberland Village Square	-	-	27,225
Dakota Ridge Access Road	234,608	-	-
Deep Bay Field Station	-	201,329	1,000,000
Fanny Bay Harbour	-	-	515,000
Gibsons Geothermal	-	11,053	244,080
High Speed Infrastructure	15,299	-	-
INFILM Film Industry Dev.	-	22,181	43,250
Job Opportunities Program	-	708,712	2,000,000
Ladysmith Marina	-	-	543,750
Lighthouse County Regional Trail	-	-	62,500
Mt. Cain Capital Improvements	98,912	85,272	109,738
Namgis Waterfront	-	-	499,300
Nanaimo Airport Expansion	293,827	4,456,173	4,706,173
Nanaimo Cruise Ship Terminal	-	-	3,500,000
North V I Integrated Tourist Plan	24,898	48,988	112,602
Pacific to Plate	-	-	49,668
Parksville BASE	3,443	-	-
Port Alberni Uptown Development	-	-	247,000
Port Hardy Marina	-	-	1,994,000
Port McNeill Harbour	236,023	1,706,122	3,263,977
Port of Nanaimo Centre	1,000,000	-	-
Powell River South Harbour	-	-	2,237,830
Powell River Wharf & Infill	-	-	1,481,342
Quatse Salmon Centre	140,000	35,000	210,000
Raft Cove / Marble River Trail	-	-	52,600
Regional Film Industry Dev.	18,684	6,900	7,236

NORTH ISLAND – COAST DEVELOPMENT INITIATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

SCHEDULE OF EXPENDED AND COMMITTED FUNDS CONTINUED

	2009	2010	2010
	<u>Expended</u>	<u>Expended</u>	<u>Committed</u>
Sechelt Value Added Forum	-	6,000	6,000
Small Business Dev. Program	-	-	39,750
Stamp River Anglers Trail	16,294	50,180	67,706
Sunshine Coast Botanical	-	70,999	370,295
Sunshine Coast Trail	-	-	1,471,050
TAVI 2010 Strategic Plan	80,969	228,955	388,287
The North Island Trail	62,013	-	-
The Runners Trail	-	234,425	450,000
Tourism Powell River	-	-	50,000
Tsu-ma-as Transformation Centre	12,745	-	1,687,255
V. I. Mountain Adventure Centre	-	-	555,500
Vancouver Island Discovery Ct.	-	-	720,537
Wild Pacific Trail	39,509	-	-
Woss Regional Trails	-	14,376	15,000
Yellow Cedar Marketing Initiative	<u>52,179</u>	<u>26,640</u>	<u>57,821</u>
Total	<u>\$ 3,056,841</u>	<u>\$ 8,207,383</u>	<u>\$ 34,248,649</u>



WORKING WITH COMMUNITIES

Our philosophy at the Island Coastal Economic Trust is to work in collaboration with communities and applicants. Our staff has expertise in community economic development and understands the challenges in project development and implementation that some organizations face.

Our collaborative approach to project development and monitoring begins even before an application is submitted. Our staff work with applicants to confirm they understand our funding requirements and processes. We review submissions so that they are not rejected for trivial reasons or due to a misunderstanding of our policies and criteria. We are flexible with our processes and timelines to ensure that applicants have the best chance for a successful outcome.

We go out to the Island and Coastal communities to meet with applicants and, if required, advise on process and planning. We also believe in facilitating regional information sharing, joint planning and partnerships in order to increase a project's impact and chances of success.

Once projects are in our system, we continue to work with applicants, providing them with technical advice, advocating on their behalf with funders and other agencies. When projects get underway we continue to offer any required assistance with project management, financial management and related expertise.

These relationships with communities and applicants are the key to our organization's success. They strengthen our ability to bring together individual project proponents and diverse communities to help them move towards regional economic expansion and diversification.

Island Coastal



ECONOMIC TRUST

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