



Island Coastal Economic Trust Annual Report 2021-2022

icet ISLAND
COASTAL
ECONOMIC
TRUST

From the Chair & CEO.

In our sixteen years as communities' key strategic financial partner working to build a sustainable and resilient coastal economy, 2021 was a year like no other.

This past year has shown the enduring strength of islands and coastal communities as we faced immeasurable challenges. As we pause to reflect this year, we recognize the resiliency of so many people across our region rallying together with unwavering commitment to each other.

As the pandemic extended through a second year, coastal communities and businesses charged forward despite facing untold challenges. One of our largest industries—tourism—continued to be shut down from international visitation; disruptions to transportation infrastructure on the mainland impacted our food security and small business sector; a record-breaking heat wave devastated our agrifood sector while cooking the forests that encompass our communities; flooding and mudslides upended our lives, forcing evacuation orders; and migration to our communities jumped—we welcomed new residents with open arms but this severely impacted our housing availability and affordability. Along with these impacts on our economy, our region continued to see labour market shortages and industry decline impacting our way of life, particularly in rural communities.

And yet—as island and coastal peoples—we're facing these challenges together as we chart a hopeful path forward. Countless stories are unfolding across the coast that inspire

us. People are lifting each other up and building healthy, resilient, and more sustainable communities through investments with the Trust. We invite you to read the enclosed stories from people working together to realize positive change in their communities—a social enterprise on Gabriola Island that's recycling local textile waste into new island-made products, Huu-ay-aht First Nation's vision for tourism and wellbeing in Anacla and Bamfield, neighbours and artists working together to celebrate and build vitality in their small community of Campbellton, and more. Through these and other stories of local impact, we're proud to have funded 44 projects this year, with a focus on rural and First Nations communities. These projects are creating a direct economic impact in our region of more than \$7.7 million with the \$2.4 million in new funds approved by the Trust.

We are honoured that the provincial government entrusted us to steward economic recovery funds this year. We leaned into our support of rural communities facing economic transitions, delivering \$930,000 (\$1.83 million since March 2021) that created 21 dedicated economic recovery roles in local governments and First Nations this year. We've witnessed the incredibly positive work these people are leading—showing how vital these roles are beyond short-term recovery but for long-term rural development.

From the Chair & CEO

This has also been a time of transitions in a critical period for the Trust. We celebrated Line Robert's retirement as our CEO after 12 years of service. Line played a pivotal role in building strong relations across our region in creative and personalized ways while adapting our Trust to meet ever-changing economic conditions.

As we look to the future, our board has formed a new vision to see our Trust as a three-way partnership of local governments, First Nations, and the Province of British Columbia. To realize this and to lead our work in renewing the Trust, we recruited Brodie Guy as our new CEO. Brodie's consensus-building leadership style and deep experience building financially sustainable, high-impact trusts and funds across rural British Columbia are invaluable as our region faces new challenges.

Renewal of Island Coastal Economic Trust is imperative for us in 2022/23. Without new investment this year, the board of directors must initiate dissolution of the Trust in 2023/24—closing the doors on the only trust financing economic development across our vast region serving more than 500,000 British Columbians and Indigenous people.

The imminent risk that our islands and coastal communities lose their sole economic Trust calls on us to work swiftly to create a solution. As the community leaders comprising the board of Island Coastal Economic Trust, we view this moment as a generational opportunity to evolve our Trust into a sustainable long-term financial institution that's dedicated to socially responsible Environmental, Social and Governance (ESG) investing. We envision transforming the Trust into a permanent fund that builds healthy and resilient coastal communities at the front lines of climate change and empowers social impact in rural and First Nations communities for generations to come. Under our self-determining regional trust, we see First Nations and local governments governing together, implementing the Declaration on the Rights of Indigenous Peoples Act and together fostering strong, reciprocal relationships between islands and coastal communities. The opportunities we envision inspire us to create a new partnership with the provincial government to realize the renewal and transformation of our Trust into an enduring sustainable financial institution led by the islands and coastal communities we serve.

Here at Island Coastal Economic Trust, we look forward to continuing to build on our work together as we strengthen prosperity and wellbeing across Vancouver Island, the Sunshine Coast, and island and inlet communities from the Salish Sea to Cape Caution for years to come.

With gratitude,

Aaron Stone, Chair


Brodie Guy, CEO



Aaron Stone, Chair



Brodie Guy, CEO

A photograph of three orcas swimming in the water, with a dense forest in the background. The orcas are dark with white patches, and their dorsal fins are visible above the water. The water is a deep blue-grey, and the background is a thick line of evergreen trees under a hazy sky.

Together, we are working to build a sustainable and resilient coastal economy in reciprocal relationships with communities across the unceded territories of the Kwakwaka, Nuučaanuḥ, Éy7á7juuthem, Ligwilda'xw, Pəntl'áč, she shashishalhem, Hul'q'umi'num', diitiidʔaatx, SENĆOTEN, Lekwungen, and T'Sou-ke speaking peoples.

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Our Vision.

Our work is guided by a vision for the future; the need to be a strategic partner and driving catalyst supporting the creation of diverse, innovative, sustainable and resilient islands and coastal economies.

We support our region's communities along the economic development continuum with integrity, transparency and accountability.

Our programming approach is flexible and responsive to the rapidly changing economic environment.

Our Goals.

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



Our Region.

- Central South Island
- North Island – Sunshine Coast
- Outside of Region

Our Purpose.

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

Initially capitalized with \$50 million in 2006, an additional \$10 million funding contribution was committed towards a short-term extension of the Trust's mandate in 2017.

The Trust's role and programs have continuously evolved to meet a wide range of stakeholder needs. In 2020/21, the Province expanded the Trust's service area to include the Capital Regional District, Juan de Fuca, Salt Spring Island and the Southern Gulf Islands – places and people we are proud to work with and for.

More than half a million residents call this region their home. We work in close collaboration, forming high-trust relationships with people and organizations in metropolitan areas, First Nations governments, small towns, and unincorporated communities including those situated on islands and in coastal inlets.

Our investments into community-led projects are guided by our governing legislation and each funding agreement we commit towards community-led projects. Our funds are strategically invested to spur economic development across

key economic sectors including technology and innovation, small business, tourism, agriculture and aquaculture, transportation, forestry, and mining.

Since our inception more than 15 years ago, the Trust has invested more than \$55 million through partnerships with community-led initiatives spanning the entire region. This includes local governments, regional governments, First Nations, non-profits, industry organizations, educational institutions and others – all leading the way in developing resilient and sustainable coastal economies.

Communities have directly attracted more than \$300 million in new investment to their projects by leveraging our unique locally-driven and accountable funding model. Communities across the region have created significant permanent jobs, catalyzed the formation of new and revitalization of long-standing economic sectors, improved quality of life, and have spurred the transformational change needed to fulfill community needs and aspirations for more resilient and sustainable islands and coastal economies.

Our Programs.

We focus our community investments in two areas: infrastructure and economic development capacity. Our regional support programs further invest in community and region-led initiatives that align with the Trust's vision, mission and strategic goals.

Partnerships continue to be an integral part of our work; this past year has illustrated the value and importance of these collaborations as communities are emerging from two intensive years responding to the numerous pressures during the COVID-19 pandemic.



Madeira Park Nature Therapy Gardens started out as an overgrown, derelict piece of land but through the hard work of community members it was transformed into a beautiful outdoor community space. Photo courtesy of The Loon Foundation.



Capital and Innovation Program

DIVERSIFY

We support the development of vital regional and community-based public assets, amenities and services to support sustainable economic diversification and growth, innovation, as well as enhanced quality of life through our Capital and Innovation program. Through this program, we commit up to \$300,000 or half the cost of infrastructure projects.

Communities can access this program through Six funding streams

Industry and Business Support	Innovation Support
Innovative Infrastructure	Destination Trails
Strategic Tourism Infrastructure	Downtown Revitalization



The Wolf Tower in Port Alberni, celebrates Tseshaht culture and history. Photo by Heather Thomson.



Community Placemaking Program

THRIVE

Launched last May, our Community Placemaking program invests with communities to specifically address declining activity and vitality in downtown cores, Main Street, or business districts. We commit up to \$50,000 to projects and to ensure this program is nimble during this time emerging from the pandemic, we don't require projects to have other sources of funding.

Funding for this program is provided in partnership with 4VI (formerly Tourism Vancouver Island) and Destination BC, supporting Stronger BC – BC's *Economic Recovery Plan*.



Visit Campbellton's newest parklet to view local artist Alex Witcombe's driftwood creation. Photo by Brodie Guy.



Investment Readiness Program

READY

We invest in communities’ development of targeted strategies and tools to strengthen economic diversification and investment attraction, as well as strategic regional collaboration initiatives. Through this program, we actively engage with communities to support their evolving needs as they move along a continuum of economic development capacity building. Through our Investment Readiness program, we provide up to \$30,000 or half the cost of economic capacity building projects.

Communities can access this program through Six funding streams

Economic Development Strategy	Quick Start Implementation
Technology and Connectivity Strategy	Sectoral Development Strategy
Investment Attraction	Regional Collaboration



Information kiosks were installed as part of the Gold River Downtown Centre Improvement Project. Photo by Anita Lawrence.

Rural Business and Community Recovery Program

RECOVER

We launched this new short-term recovery-focused program, which we deliver on behalf of the Province of British Columbia, in February 2021. Through this program, we fund new employment positions in rural (populations under 25,000) and First Nations communities that strengthen their business and community economic recovery efforts. Through the Rural Recovery program, we provide up to \$70,000 to rural local governments, First Nations and to non profits. To ensure this program is nimble during this time emerging from the pandemic, we don't require communities to have other sources of funding.

Regional Support Programs

Sponsorships for regional events that promote economic development and diversification.

Bursaries to support community participation in economic development training.

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

Partnerships

Building and maintaining strong stakeholder and funding relations and partnerships are at the core of what we do. Periodically, and on a case-by-case basis, we engage directly in partnerships, providing our management expertise and leadership along with funding to address exceptional challenges or opportunities that are not eligible under our existing suite of programs.



Local Bike Racer Craig Richey rides the Kinsol Trestle Trail, in Cowichan Valley. Photo courtesy of Easton Cycling.

Opportunities Rising.

Challenges, it is said, can also provide an opportunity. An opportunity to change, to grow, to rethink and to rebuild. In the case of islands and coastal communities, the challenges of the past couple of years create an opportunity for us to shine a brighter light on the inspiring people across our region, the ideas they have brewing, and the collaborative regional partnerships they've formed.

In this section we highlight four stories about diverse and innovative initiatives happening in islands and coastal communities. Some of these stories, such as by the Huu-ay-aht First Nations in Anacla and Bamfield, build on their long-term vision and previous projects—offering authentic and nature-based Indigenous cultural tourism experiences. Others, such as the Campbellton Bridge Viewpoint story, are new examples of how challenges have spurred the development of safe and attractive outdoor public gathering spaces in small communities and neighbourhoods. In the stories from Gabriola Island

and Powell River, we're grateful to highlight how innovative thinking and strong entrepreneurial spirit are growing and diversifying local economies through sustainable transformation, creativity, and collaboration.

Island Coastal Economic Trust's role has been, and will continue to be, a partner and catalyst to help build a sustainable and resilient coastal economy—working with and for the communities we're honoured to serve. We are proud to contribute to so many positive changes communities are leading; we hope the stories that follow inspire and enhance future developments to come.



This historic sign on Holberg Road in north Vancouver Island has never been more relevant, given what islands and coastal communities have faced and are overcoming in recent years. Photo by Brodie Guy.

Gabriola Island Recycling Organization

Judi Fisher's friend says she's changing the world one stitch at a time. For residents of Gabriola Island, Judi's passion and creativity as a designer and seamstress have become part of a larger effort to upcycle their community's waste textile stream.

A Story of Islands-based Innovation and Sustainability

Judi Fisher. Photo courtesy of Gabriola Island Recycling Organization.



"When I see single-use items, I see all their other uses too," says Judi, who was one of three design winners for Relove Local, the upcycled fabric product line that is a part of C2C Threads.

C2C Threads is the latest innovative entrepreneurial project, run by the Gabriola Island Recycling Organization (GIRO) and supported by ICET, to help grow a cohort of textile entrepreneurs and reduce waste by reusing and repurposing local clothing waste.

"Gabriola has always been ahead of the curve in terms of rethinking how we use waste," explains Michelle Kresnyak, GIRO's General Manager. "But we needed to better understand our residents' consumption habits to sustainably address the problem."

After a local survey was carried out, it was clear to GIRO that their community was supportive. But determining what and how the issue would be addressed remained unclear.

"I couldn't find a template for a circular economy textile makerspace anywhere," says Yarrow Koontz, creator of

the C2C Threads visioning document that includes a makerspace, workshop, space for production of shredded textile and textile repair work. "Today, we have the plan for a leading-edge and grassroots project. It will help revalue textile arts, reeducate on consumption and hold endless possibilities for what can be created from waste."

An example of the infinite possibilities of repurposed textile waste is the recently invented acoustic panels. The locally-made and 100% recyclable acoustic buffers are still in the research and development phase, but Michelle hopes they will be made mostly (or entirely) from discarded polyester, which makes up 40% of Gabriola's waste stream.

"They're perfect for cafes, restaurants, home offices... anywhere you might need noise reverberation reduction," says Michelle.

When the C2C Threads incubator program officially opens, in fall 2022 they expect 10-15 entrepreneurs and workshop facilitators. Participants can rent out space and equipment, while learning and collaborating from one another and experimenting on new designs. If innovative products, like the acoustic panels, and creative designers, like Judi, are examples of what's to come, ingenuity won't be in short supply at C2C Threads.

"(GIRO) has had to hold me back," says Judi, who creates everything from tote bags and bowl covers to unpaper towels, everything cloths and un-sponges for Relove Local. "Being a part of something that can make a difference on a bigger scale makes me proud. It means one less onion bag hooked on a bird's feet in the landfill."

And while Judi's daughters may tease her about the mounds of fabric she regularly sorts through, she remains up for the challenge and keen to create. She's currently apprenticing her own grand-daughter and constantly fleshing out more ideas, just one stitch at a time.

The Trust is contributing \$50,000 to the C2C Threads – Upcycle Textile Entrepreneurs Incubator project (2021) through the Capital and Innovation program.

Bamfield Huu-ay-aht Community Forest

The first time Wišqii visited the ancient Kiixin Village in Bamfield, he was 10-years-old. Little did the young Huu-ay-aht boy realize at the time, that just over three decades later he'd be back in this very spot working as a tour guide.

A Story of Building Indigenous Cultural and Nature-based Tourism

Wišqii, Robert Dennis Jr. Courtesy of Huu-ay-aht First Nations.



"I remember feeling very proud that day," recalls Wišqii, Robert Dennis Junior. "I've always been very attuned to our language, dance and songs, but this was the first time I visited our historical village and could see the structures of ancient houses."

Sharing the history and culture of the Huu-ay-aht people, through activities including guided nature tours is an integral part of the Nation's vision for economic development.

"Land for us is cultural and our whole life derives from land," says Huu-ay-aht Chief Councillor Robert Dennis. "It's very important for us to share our history and culture with visitors in our way, and we really appreciated the past work done between HFN and ICET to help achieve this."

Over the last several years, the Nation and Trust have partnered on a range of projects that help support the Huu-ay-aht people's vision of economic development.

"We want to shift from being a resource-dependent nation to one that is building a more diverse economy," continues Chief Dennis. "Cultural tourism plays a major

component of our (long-term) economic plan and a main reason for (developing) our trails."

Creating new walking routes and offering new amenities in Huu-ay-aht territory has also presented opportunities to create more local businesses and jobs, while also expanding visitor markets. Building new routes – such as the Anacla-Bamfield walking trail and the upcoming 2.5km connector trail and loop that joins East and West Bamfield – will attract a broader range of visitors. It will also support sustainable growth in the local hospitality and tourism sectors.

"Our tourism plans are to become a destination place where visitors are excited to be here, to connect with the land and to our people," says Chief Dennis. "It's also about allowing the Huu-ay-aht to showcase who we are, where we come from and to be proud of this."

For Huu-ay-aht Nation members, like Wišqii, guiding a wide range of ages and abilities along the Anacla-Bamfield trail inspires an unparalleled sense of pride. At the end of every tour, he stands on "Story Rock" and retells the ancient stories of his people's resiliency.

"These are exciting times for us," says Wišqii, who was a school teacher for 16 years before retiring to work as a guide. "The best part of my work today is that I am an educator outside the classroom."

In his traditional Huu-ay-aht language, Nuu-chah-nulth, Wišqii means someone who doesn't speak out of line. A name perfectly suited for someone welcoming guests to his nation's rich culture and history. And a name his boyhood self would certainly be proud to grow into.

The Trust is contributing \$25,000 towards the Bamfield Huu-ay-aht Connector Trail and Loop (2022) through the Capital and Innovation program and has previously contributed \$280,000 towards the Anacla-Bamfield Walking Trail (2017).

Campbellton Neighbourhood Association

Growing up, Deb Gyles spent many days playing at “Sandy Pool”, a small private beach alongside the Campbell River outside her grandparents’ house. At the time, frolicking in this section of the river or just further south, in the industrial neighbourhood of Campbellton, was relatively unheard-of.



A Story of Creating Community Identity and Connection

Deb Gyles. Photo by Brodie Guy



There wasn't a lot of river access in Campbellton back then," says Deb, who's been a realtor in Campbell River for nearly two decades. "The access points were dark and overrun by thorny bushes and trees. This left limited public access to the river and no opportunity to enjoy the hidden gem that is actually there."

Over the last few years, this tucked away section has been undergoing a transformation through a new project run by the Campbellton Neighbourhood Association (CNA). One of the community planning initiatives is known as Bridge Viewpoint. It was started in 2019 by the CNA, alongside a group of Vancouver Island University Masters students. It is also a part of the broader "Rescue the River" project and positioned to join a new seven-kilometre River Route trail system linking seven Campbellton trails.

"Bridge Viewpoint is part of this larger effort to revitalize and rebrand Campbellton River Village," says Laurel Cronk, Chair of CNA and a riverside homeowner herself. "We wanted to create a welcoming place for visitors and locals to experience the natural beauty of the area in an enhanced way – to feel like they are in the river itself."

To help create the sense of being at one with the environment, the Bridge Viewpoint project merges nature with interactive art all within an easily accessible neighbourhood gathering space. The public parkette, with salmon as its central focus, will feature a 50-foot-long mural designed by local artist Alex Witcombe. The piece is inspired by the photography of award-winning artist, Eiko Jones, whose underwater video trailer, *Heartbeat of the River*, will be accessible through a QR code onsite.

"Without ICET's support, we could never have enriched the project with the art," says Laurel, who is also grateful to the City of Campbell River's support. "The project would have just been another park... But now, it's the talk of the town!"

Community excitement around the project has manifested into an impressive level of collaboration and involvement.

"So many people are coming out to take care of it," says Laurel. "Areas that were once filled with garbage are now regularly cleaned. It's given a sense of pride to everyone."

And while Deb's days of frolicking at Sandy Pool may be behind her, she's more than pleased to see the unique transformation underway along the riverbank – one that's always secretly lurked behind those thorny bushes.

The Trust is contributing \$50,000 towards the Campbellton Revitalization Project (2021) through the Community Placemaking program.

Powell River Educational Services Society

For Ionatan Waisgluss, a tech entrepreneur who studied botany, Powell River ticks many boxes. When the 32-year-old moved to the qathet region from Toronto, in 2014, he was lured by the “magical geography of the ocean and mountains”.



A Story of Entrepreneurial Commitment and Creativity

lonatan Waisgluss. Photo by Rachelle Harvey.



"I was already interested in doing something on my own in tech," says lonatan, who immigrated to Canada from Argentina as a child. "The real turning point was when I saw the Business Planning Fundamentals course on Facebook. It really helped me to hunker down and officially launch my business."

The business planning course was put on by Coastline Colab, a coworking space and entrepreneurial support program, run by the Powell River Educational Services Society. It is part of the larger Powell River Entrepreneurial Ecosystem Development (EED) program, created in 2018, as a way to stimulate an entrepreneurship-oriented culture and eco-system. Since its start-up, the Society and Coastline Colab have grown through financing from the Island Coastal Economic Trust.

"The value of (EED) has grown and evolved," says Scott Randolph, Director of Properties, Development and Communication for the City of Powell River, a main partner. "COVID showed the need for programming for all businesses – from fostering new ones to strengthening existing ones."

Opening up new opportunities for all business is exactly what the space and programming have done. While COVID presented an initial delay to its opening, the team persevered. They pivoted and partnered with Spring Accelerator to launch a locally-packaged online Business Resilience program in July 2020. And over the next year and a half, Coastline Colab went to work. They held three rounds of the Spring Accelerator Program to 79 participants; offered four online workshops to 90 participants; and delivered two rounds of the Business Planning Fundamentals course to 14 registrants, alongside 50 hours of one-on-one start-up coaching to ten entrepreneurs – one of which was lonatan.

"It's been exciting to watch this space become its own little community within our larger community," says Rachelle Harvey, Program Coordinator and Community Manager for Coastline Colab. "It's created opportunities for the cross-pollination of ideas and collaboration. Even through the pandemic, it gave people that extra push to start their own businesses after seeing gaps in the market, and we had the programming to help make that move."

And making the move was exactly what lonatan did. After taking the course, he gained confidence in how he could more effectively grow his business, SquareByte.ca.

"I learned a different approach to getting my business out there," says lonatan. "I went from an inside-out approach to outside-in, where I really focused on what I could do for my clients. This was a valuable shift for me."

lonatan says the course has helped him create closer professional and personal connections in the business community. And fortunately for him, living in Powell River has allowed him to pursue his "intellectual passion" of working in the virtual world all the while still having access to that magical geography that brought him there in the first place.

The Trust contributed \$95,000 towards the Powell River Entrepreneurial Ecosystem Development Program (2019) through the Capital and Innovation Program.

Our Program Results.

We continue to focus on our core business – investing in economic development and diversification – through our Capital and Capacity Building programs and regional support initiatives. We augment our core business by adding value for communities when we delivered targeted program funding on behalf of and in collaboration with government and our partners.

Our Program Results



Funding in our Region This Year

Total Funding Approved in 2021-22	\$2.43M
From the Trust's Regional Development Account	\$1.27M
From the Trust's Delivery of Partner Programs	\$1.16M

Communities developed 44 projects this year with Trust funding, including 20 infrastructure projects (\$1.39M in funding) and 24 capacity initiatives (\$1.04M in funding).



2022 Investment in the Region in 2021-22 \$7.76M

Communities and non-profits leveraged the Trust's contributions to bring in a total of \$7.76M to the region, equating to \$3.19 of new investment in our region for every dollar invested by the Trust.



Total Funding for Indigenous-led Initiatives in 2021-22 \$0.83M

First Nations governments and community-owned enterprises developed 12 projects with funding from the Trust, equating to one quarter of projects approved for funding in 2021-22.

Since Inception of the Trust

\$56 million (\$56,012,728) in Trust funds have been invested into communities.

\$240.78 million (240,789,944) has been leveraged and attracted to the region by communities in partnership with the Trust.

\$4.51 has been leveraged by communities for every dollar invested projects by the Trust.

Communities have directly created 2,450 permanent jobs in partnership with the Trust, along with creating at least 2,550 temporary and construction jobs across our region.

Measuring Our Results.

We employ a wide range of assessment criteria to measure our organizational effectiveness, including the outcomes, impacts, and learning that is realized from the projects we invest in. We evaluate both the immediate and long-term outcomes towards a long-term assessment of the impacts communities are achieving through their work with the Trust.

Each year, we analyze and publish aggregated community and Trust outcome data for both qualitative and quantitative performance measures – and we adaptively manage the Trust as we hear from communities, government, and our partners with the challenges and opportunities they face. In all cases, these outcomes have a reciprocal relationship with our strategic objectives and priorities as we measure how we are performing in our efforts and we learn from the resulting outcomes communities are achieving in partnership with us. Supporting this, we publish comparative year-over-year data in our annual reports and we lean into transparency as a core value of our organization with stories from funded projects and regular updates on social media along with our comprehensive website resources. Our

intent is to empower our communities, government, and our readers with information to assess our performance from historic, holistic, and forward-looking perspectives.

As community priorities evolve, and as we adaptively manage our funding programs (introducing new programs, or adjusting program criteria), the data from preceding fiscal periods may not match previously published annual reports. This can be attributed to communities withdrawing their projects, funding commitments expiring, projects being reclassified, or funded project costs being less than budgeted which results in the Trust disbursing less funding than initially approved. If you have any questions about our annual reports, please contact us – we always welcome conversations and interest in the work we do and the efforts we support in our region.



Capital and Innovation Program

DIVERSIFY

Our Capital and Innovation Program funds local and regional projects that bolster economic growth and diversification, regional collaboration, and long-term economic and environmental sustainability.

Under this program, the Trust provides up to \$300,000 for infrastructure projects with three matched funding streams 1:1 funding for remotely located and formerly resource dependent communities, 1:2 funding for mid-sized and rural communities, and 1:3 for larger urban communities. This ensures the Trust's infrastructure funding is accessible for smaller communities that may face more financial challenges than larger centers.

In 2021-22, Indigenous-led projects focusing on tourism and marine infrastructure were prioritized across several rural areas of our region. In urban areas, communities and non-profits spearheaded projects focusing on technology and business development – demonstrating our region's leadership in building capacity for sustainable innovation.

2021-22 Highlights

\$1.2 million was approved for ten projects which were distributed across the region in urban communities as well as in rural and remote areas.

More than 45% of program funding was approved to Indigenous-led initiatives supporting the start-up of new tourism hubs and marine business development.

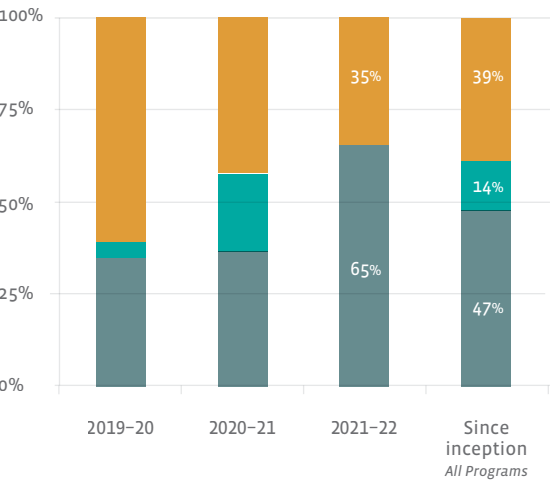
30% of funding was approved for initiatives focused on economic recovery through technology investments and circular economy innovation.

66% of funding was approved for rural communities with populations less than 5,000.

Capital and Innovation Program

Supporting Communities Across Three Matched Fund Levels

Capital and Innovation Program



- 1:1 Remotely located and formerly resource dependent communities
- 1:2 Mid-sized and rural communities
- 1:3 Larger, urban communities

Funding by Community Size

Capital and Innovation Program
Five-year Project Funding Average



- 40% <5,000 residents
Remotely located and resource dependent communities
- 32% 5,000-19,999 residents
Mid-sized and rural communities
- 28% 20,000+ residents
Larger, urban communities



The traditional territory of the Kwikwasut'inuxw Haxwa'mis First Nation offers breathtaking views of Broughton Archipelago. Photo courtesy Jamie Pond.

Capital and Innovation Program Approved Funding 2021-2022

Alberni Clayoquot Regional District

West Coast Multi-Use Extension Trail \$200,000 approved

Photo courtesy of Alberni Clayoquot Regional District.



To support extending the existing multiuse pathway 1.2km from Ucluelet to the south end of the ʔapsčiiik t'ašii trail, near the Pacific Rim Visitor Centre at Ucluelet junction. Upon completion, the pathway will provide the final link to 40km of uninterrupted, safe pathway to explore the Pacific Rim National Park from Ucluelet and experience the region in an entirely new, sustainable way.

Bamfield Huu-ay-aht Community Forest Society

Bamfield Huu-ay-aht Community Forest Trail \$25,000 approved

To support a 2.5km trail in an Old Growth forest between East and West Bamfield, currently connected only by boat. The principal section of trail will be through the Bamfield Huu-ay-aht Community Forest and will cross Huu-ay-aht First Nation Treaty Settlement lands at the Pachena River estuary in Bamfield Inlet.

City of Campbell River

Modern Entrepreneur Innovation Series \$31,136 approved

To address the growing need to engage differently with community entrepreneurs and their markets, including a podcast, speaker series, online business hub, and hackathon in Campbell River.

City of Port Alberni

Growing an Innovation Economy in Port Alberni \$84,820 approved

To develop an ecosystem to foster and support an innovation economy in Port Alberni. Support services will include a modern entrepreneur workshop series, online learning system, food innovation master classes and an investor place-based summit. An entrepreneur-in-residence will be hired to mentor entrepreneurs and a local angel investors group will be formed to provide venture capital for new business ideas.

Echo Bay Developments Ltd. (Kwíkw̓s̓ut'inuxw Haxwa'mis First Nation)

Echo Bay Indigenous Interpretive Trail \$109,785 approved

To support the redevelopment of a public trail in the world-renowned Broughton Archipelago region between the Echo Bay Marina and Kwaxwalawadi (Echo Bay Marine Park) via Billy Proctor's museum, a regional visitor attraction site. Interpretive signage that highlights the region's rich Indigenous history, will be a key feature of the project.

Capital and Innovation Program Approved Funding 2021-2022

Gabriola Island Recycling Organization

**C2C Threads Upcycle Textile
Entrepreneur Incubator**
\$50,000 approved

Photo courtesy of JWC Environmental



To establish a circular economy initiative that will develop a maker and workshop facility, offer small business support, and enable textile waste to be upcycled and repurposed on Gabriola Island. The project includes the construction of a new building to host a community-owned production facility that will produce shredded textile products and provide equipment for new upcycle textile entrepreneurs.

Ka:'yu:'k't'h' / Che:k'tles7et'h' First Nations

Fair Harbour Revitalization
\$300,000 approved

To construct a new dock at the Fair Harbour marina and campground, modernizing the existing end-of-life dock structure with a fully serviced, concrete float system anchored to the existing breakwater. The new, fully serviced dock will support increased recreational moorage demand, creating new opportunities for marine tourism and to solidify Fair Harbour as the entry point to Kyuquot Sound.

Sheringham Point Lighthouse Preservation Society

**Sheringham Point Lighthouse
Historic Site Upgrades**
\$89,900 approved

To add historical elements and interpretive information to augment the visitor experience at this heritage site near the rural community of Shirley on the coastline of Juan de Fuca strait. A new Interpretive Centre will display key historical artifacts and access improvements will include two additional trail spurs, a reconfigured site entrance and a new wheelchair accessible viewing platform.



Photo courtesy of Sheringham Point Lighthouse Preservation Society

Vancouver Island Coast Economic Developers Association

Circular Economy Accelerator Program
\$42,000 approved

To initiate a circular economy pilot program supporting islands and coastal businesses in taking innovative steps to reduce waste and emissions while increasing their revenues and reducing costs.



Community Placemaking Program

THRIVE

The overarching goal of this new program is to restore vibrancy and excitement to downtowns, Main Streets, and business districts—supporting small businesses and tourism.

As local governments and First Nations rethink their approaches to creating vibrancy and activity in the center of their communities, the Trust provides up to \$50,000 or 100% of an infrastructure project budget that will increase commercial activity, visitor attraction and resident engagement.

Launched in partnership with funds from 4VI (formerly Tourism Vancouver Island) and Destination BC, the Trust offers this streamlined one-stop program to facilitate rapid and responsive funding for impactful projects in rural islands and coastal communities.

In 2021-22, communities partnered with business organizations, arts groups, museums, and local non-profits to develop exciting new initiatives that strengthen their communities and support small businesses with a focus on recovery from the pandemic.

2021-22 Highlights

\$446,000 was approved for ten projects across the region.

70% of funded projects were led by rural communities with populations under 5,000.

Three of the projects showcase First Nations' culture and provide educational interpretation.

Every funding project includes outdoor tourism assets as communities responded to the COVID-19 pandemic but with focus on long-term and year-round infrastructure.

Community Placemaking Program Approved Funding 2021-2022

Alberni Clayoquot Regional District

The Revitalization of Bamfield's West Park \$50,000 approved

To build a new outdoor gathering space in Bamfield's West Park. Features include a weather-sheltered pavilion, carvings and signage showcasing the Huu-ay-aht people and stories, as well as interactive forest walks.

Campbellton Neighbourhood Association

Campbellton Bridge Viewpoint \$50,000 approved

Photo courtesy of Campbellton Neighbourhood Association



To support the beautification of a vacant lot on the bank of the Campbell River. Once complete this public parkette will provide a much-needed neighbourhood gathering space that will allow visitors to soak up the beauty of their surroundings.

City of Courtenay

4th Street Parklet \$45,300 approved

To create a multipurpose outdoor space that will allow locals and visitors to gather in a central location. The structure will include modular shelters and seating, as well as photos and interpretive signage that express the history and culture of the area.

City of Langford

Station Avenue Revitalization \$25,000 approved

To add to the revitalization of The Langford Station, three murals will be installed and will focus on the area's train history, the local Indigenous culture, and the arts, and will be designed to allow viewers to become part of the mural experience.

Cumberland Business Association

Rooted in Place: A Celebration of Cumberland's History and Future \$50,000 approved

To support community connection, and community pride through largescale, multifaceted artwork that highlights the villages' unique coal mining history, and celebrates the mountain biking legacy.

District of Port Hardy

Port Hardy Welcome Space \$48,400 approved



Photo courtesy of the District of Port Hardy

To develop a new seating and greenspace area which will enhance the downtown core while also showcasing the history of the Kwakiutl / Kwakwaka'wakw peoples.

Community Placemaking Program Approved Funding 2021-2022

Kaatza Historical Society

Ts'uubaa-asatx & Kaatza Gathering Space **\$50,000 approved**

To create a prominent outdoor seating area centred around a new and locally carved totem pole, alongside historical information panels in front of the Kaatza Station Museum.

Salt Spring Chamber of Commerce

Murals on Salt Spring **\$50,000 approved**

To create vibrancy in Ganges Village, four unique murals will be strategically installed and serve as the focal point for the new public art walking tour.

Shawnigan Residents Association

Shawnigan Village Gathering Space **\$28,000 approved**

To support walking and cycling between the lakeshore and the village centre, four distinct seating and viewscape sites will be constructed. Unique and artistically designed bicycle racks, will be installed along the path which will also function as public art.

Town of Gibsons

Gibsons Public Art Path **\$50,000 approved**



Photo courtesy of the Town of Gibsons

To construct a public Art Path that will take users on a route through some of the town's most scenic natural assets, including stops at existing public art displays, as well as additional commissioned artworks at strategic sites along the trail.

Small Capital Restart Program

closed May 2021

The Small Capital Restart program was launched in 2020 as a rapid response to the onset of the pandemic. The program supported immediate, short-term, COVID-related business and industry restart, resilience and sustainability projects. The program evolved and was replaced with the Community Placemaking (Thrive) program in partnership with 4VI and Destination BC to address communities' post-pandemic priorities and opportunities. One project, Madeira Park Garden Al Fresco Square led by The Loon Foundation was approved with \$15,000 in 2021-22 before the program was renewed and replaced.



Rural Recovery Program

RECOVER

In early 2021, we launched the first year of our Rural Recovery program – investing funds provided by the Province of British Columbia through a service delivery agreement – to equip rural communities with professionals dedicated to working with local businesses, First Nations, and local governments to spur economic recovery from the pandemic and major economic disruptions in the region.

Under this program, the Trust works in close partnership with rural communities to provide up to \$70,000 or 100% of the salary for new business advisors, community economic development professionals, and specialized economic recovery positions that are self-determined based on community need.

Since the launch of this program with the Province, rural communities have developed new human resource capacity supporting a wide range of impactful initiatives that are increasing community resiliency and developing economic diversification initiatives.

With the expertise and capacity created by these professional roles (see highlights on right), rural and First Nations communities have accessed new funds to develop strategies focused on economic development, internet connectivity, waterfront development, housing and workforce plans, and infrastructure planning to move priority capital projects forward.

2021-22 Highlights

\$0.93M was approved to support **20 new staff** positions dedicated to community economic recovery.

Since the program's launch in March 2021, **the Trust has approved \$1.83M**, enabling rural and First Nations communities to create a total of **39 dedicated new positions**.

The professionals hired under this program work in **34 communities**, serving the majority of rural islands and coastal communities in our region.

70% of positions have been created in our region's least populated communities, including one-fifth of the positions being created by First Nations' organizations.

To date, the professionals hired under this program have aided local businesses to access pandemic response and recovery funding offered by governments and to adapt business operations such as establishing corporate websites, a social media presence, and launching e-commerce platforms during pandemic lockdowns.

Rural Recovery Program Funded positions

APPLICANT	EMPLOYMENT POSITION	AMOUNT
Cortes Community EDA	Community Recovery Coordinator/Liaison (2)	\$46,000
Economic Development Cowichan	Economic Development Analyst	\$70,000
Gwa'sala 'Nakwaxda'xw	Digital Marketing Coordinator	\$50,000
Huu-ay-aht First Nation	Tourism Marketing Coordinator	\$20,000
Ka:'yu:'k't'h'/Che:k:tləs7et'h' First Nations	Economic Development Coordinator	\$60,000
Kwikwəsut'inuxw Haxwa'mis First Nation	Community Development Coordinator	\$42,000
Ladysmith Chamber of Commerce	Economic Recovery Specialist	\$50,000
Salt Spring Island Agricultural Alliance	Food System Developer	\$18,720
Sointula Resource Centre Society	Community Economic Development /Tourism Development (2)	\$45,000
Southern Gulf Islands CRC Society	Community Economic Development Director	\$70,000
Stz'uminus First Nation	Business Recovery Advisor	\$50,000
Sunshine Coast Tourism	Tourism Recovery Specialist	\$45,000
Tofino Chamber of Commerce	Business Advisor	\$29,242
Tourism Bowen Island Association	Tourism Recovery Coordinator	\$36,000
Town of Port McNeill	Manager of Economic Development	\$70,000
Uchucklesaht Tribe Government	Community Economic Development Coordinator	\$70,000
Village of Gold River	Economic Recovery and Resiliency Coordinator	\$50,000
Village of Port Alice	Economic Development Officer	\$39,000
Wei Wai Kum First Nation	Economic Recovery Coordinator	\$65,000

To review the full list of positions funded and the total funding approved across the region in 2021-22 please visit islandeconomictrust.ca/recover



Investment Readiness Program

READY

The key priority of the Investment Readiness program is to support local and First Nations governments, industry associations, and local non-profits with funds to realize the sustainable development of vibrant, investment-ready communities.

Offered as a multi-stream capacity building program the Trust provides up to \$30,000 or 50% of a project budget to fund economic development strategies, sectoral planning, technology strategies, investment attraction, regional marketing, and collaboration between communities.

In 2021-22, communities leveraged this program to support economic development, internet connectivity, investment attraction, and sectoral development projects. Each project addresses the unique priorities of each community – building new capabilities, creating important new assets, and overcoming challenges that increase economic development capacity across our region.

2021-22 Highlights

\$115,000 approved for five projects across the region.

80% of funded projects were led by small, rural, and remote communities.

40% of funds were approved for Indigenous-led projects.

All five projects were led by communities that had staffed a business or community economic recovery professional through the Rural Recovery Program—embodying how the Trust's funding programs interconnect to support community economic development capacity in our region.

Investment Readiness Program Approved Funding 2021-2022

Economic Development Cowichan

Cowichan Valley Connectivity Strategy \$30,000

To support a strategy outlining the roadmap required to build out connectivity in the Cowichan region's underserved rural communities.

Kwikwasut'inuxw Haxwa'mis First Nation

Gwa'yas'dums Community Connectivity Strategy \$10,000 approved

Photo courtesy of Kwikwasut'inuxw Haxwa'mis First Nation



To invest in strategy outlining short and long-term solutions to internet connectivity throughout Gwa'yas'dums on Gilford Island in the Broughton Archipelago.

Sunshine Coast Regional Economic Development Organization

Investment Attraction \$30,000 Approved

To assist with the development of detailed community-owned land opportunity assessments, develop required government policy recommendations, and create market-facing promotional materials to attract investment to the Sunshine Coast. The project will also include the creation and integration of a lands assessment tool within the Sunshine Coast's investment attraction website.

Uchucklesaht Tribe Government

Economic Development Strategic Plan \$30,000 approved



Photo courtesy of Uchucklesaht Tribe Government

To support the formation of an economic development strategy for the Uchucklesaht Tribe Government based on economic priorities and available business opportunities. The strategic plan encompasses business environment scans, sectoral research, public and private sector funding identification, economic opportunity research and assessment, and formalization of Uchucklesaht's economic development priorities.

Village of Gold River

Gold River Waterfront Plan \$15,000 approved

To conduct preliminary analyses establishing the needs of waterfront stakeholders in Gold River and to provide a preliminary development plan for the community's waterfront area.



The Kwaxwālawadi Interpretive Trail will introduce visitors to the culture and history of our people, including an ancient village site with remnants of a shell midden still visible. This trail is part of our Comprehensive Community Plan to increase tourism within our traditional territory, to support the local economy and provide an authentic cultural and learning experience.

Chief Rick Johnson, Kwikwāsut'inuxw Haxwa'mis First Nation

Investing in Indigenous-led Initiatives

Island Coastal Economic Trust is deeply committed to building high-trust, reciprocal relationships through our service and financing of all communities situated in the unceded territories of the Kwakwaka, Nuuchahnulth, Éyá7juuthem, Ligwilda'xw, Pəntl'áč, she shashishalhem, Hul'q'umi'num', diitiidʔaatx, SENĆOTEN, Lekwungen, and T'Sou-ke speaking peoples.

We aim to grow our understanding of Indigenous peoples' laws, customs, and histories as we work in respectful and reciprocal relationships to build a resilient and sustainable coastal economy here in these special places we're privileged to call home.

Since our inception, numerous strategic projects led by First Nations governments, non-profits, and community-owned enterprises have moved forward with funding contributions from the Trust. In 2021-22, one-quarter of all funded projects were Indigenous-led.

2021-22 Highlights

\$831,785 was approved for 12 projects led by First Nations across the region

- **Seven** funded by the Rural Recovery Program
- **Three** funded by the Capital and Innovation Program
- **Two** funded by the Investment Readiness Program

In total, Indigenous-led projects comprised **one-quarter** of all funded projects

Funding was invested in **nine** different First Nations communities

Since the Trust's Inception

31 projects led by First Nations have been funded with \$3,828,807

- **Fifteen** funded by the Capital and Innovation Program
- **Seven** funded by the Investment Readiness Program
- **Nine** funded by the Rural Recovery Program



The Mowachaht/Muchalaht First Nation Welcome Figure welcomes residents and tourists to the ancient Mowachaht village of Yuquot.
Photo by Brodie Guy

Investing in Indigenous-led Initiatives

And yet, while First Nations have always been eligible for funding, their role in the Trust's community-led decision-making structure has been limited by the legislative provisions in the Act that governs the Trust. The Trust board of directors has called for amendments to our legislation over the past decade, and we are grateful to share two meaningful updates on our efforts that were realized in 2021-22:

1. An independent legislative review of the Act governing the Trust was led by Kekinusuqs *Dr. Judith Sayers*, Su-taxwiye *Dr. Sarah Morales*, Wayne Rowe, and Frank Leonard. This committee provided key recommendations to the Province of British Columbia with respect to the governance and sustainability of the Trust including:
 - **It is past time that Indigenous governments have a defined role in Trust governance.** *There is an opportunity to combine recapitalization with a renewed vision for the Trust that sees it as a 3-way partnership between Indigenous governments, local governments and the provincial government.*
2. The Province of British Columbia released its historic Action Plan for the Declaration on the Rights of Indigenous Peoples Act (DRIPA), which was developed in consultation and cooperation with Indigenous Peoples. The 89 specific actions that provincial ministries are responsible for implementing by 2027 include the following action by the Ministry of Jobs, Economic Recovery, and Innovation to work with Island Coastal Economic Trust:
 - Work with the Province's Economic Trusts and First Nation partners to develop a mechanism that ensures inclusion of First Nations at a regional decision-making level.

We applaud the provincial government on this commitment. We are actively engaged in efforts to realize inclusion of First Nations in all levels of the Trust's governance structure in partnership with First Nations and the provincial government, alongside a significant infusion of capital that will empower First Nations and local governments to meaningfully engage in decision-making under this vital renewal of the Trust as an inclusive, self-determining, community-led organization serving all communities in the island-coastal region.



The historic Sheringham Lighthouse in Shirley was the first project to receive ICET funding in the Juan de Fuca and Southern Gulf Island Region. Photo by Colin Dudeck.

Investing in Juan de Fuca and the Southern Gulf Islands

We've been honoured to extend our mandate to foster economic resiliency in more than 10 rural islands and coastal communities. Working with and for the communities across Juan de Fuca and the Southern Gulf Islands has been made possible by the vision of the Province of British Columbia, who revised our governing regulation in September 2020. This past year was our first in these new coastal regions; in this time we've developed strong working relationships and have made new investments creating immediate, positive impact in these rural and islands communities.

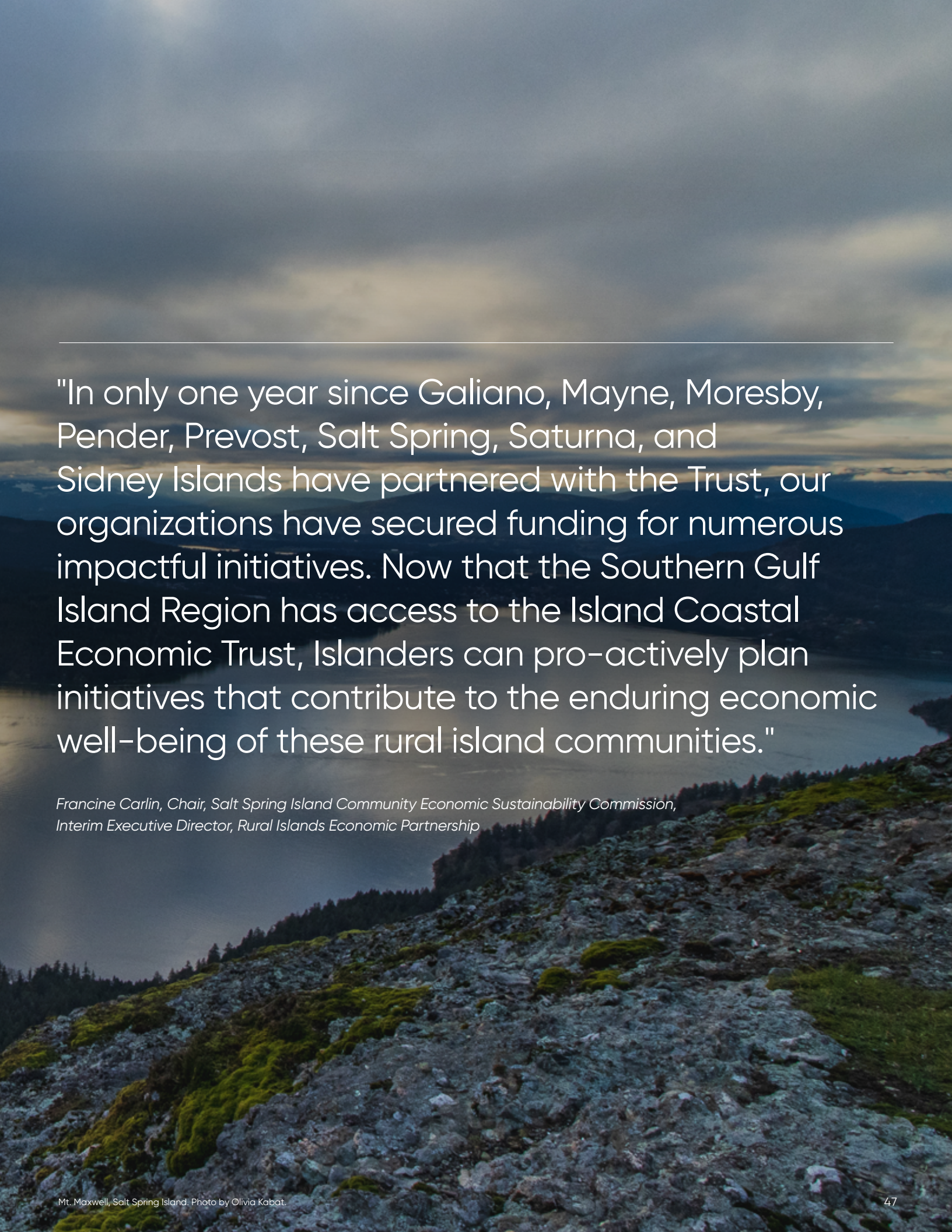
The board of Island Coastal Economic Trust extends our deep gratitude to the provincial government for recognizing the Trust's vital role in supporting rural and islands communities by expanding our region and enabling these positive impacts. We also recognize the leadership of the people and communities in the Juan de Fuca and Southern Gulf Islands who are actively partnering with us to leveraging the impact of this, their Trust, to develop sustainable, resilient local economies.

2021-22 Highlights

\$233,870 approved to nine projects led by Juan de Fuca and Southern Gulf Islands communities and non-profit organizations

Funding spans all of the Trust's programs

- **Five** Rural Recovery positions
- **One** Capital and Innovation project
- **One** Business District Vitality project
- **One** sponsorship
- **One** economic development bursary



"In only one year since Galiano, Mayne, Moresby, Pender, Prevost, Salt Spring, Saturna, and Sidney Islands have partnered with the Trust, our organizations have secured funding for numerous impactful initiatives. Now that the Southern Gulf Island Region has access to the Island Coastal Economic Trust, Islanders can pro-actively plan initiatives that contribute to the enduring economic well-being of these rural island communities."

*Francine Carlin, Chair, Salt Spring Island Community Economic Sustainability Commission,
Interim Executive Director, Rural Islands Economic Partnership*

Our Governance.

The North Island-Coast Development Initiative Trust Act defines the governance structure for the Island Coastal Economic Trust. This regionally-led decision making model that is independent from government includes two Regional Advisory Committees (RACs) who provide strategic advice to the Board. The Board of Directors is comprised of leaders from across the region and is accountable for final decision on recommendations provided to it by the RACs as well as for the governance and oversight of the Trust.

Management Team Our Chief Executive Officer Brodie Guy leads a dedicated team of professionals who work closely with communities through reciprocal relationships. Brodie oversees our stewardship of the Trust's investments, fosters strong high-trust and collaborative relationships with communities, and operates a nimble and cost-effective, approach to funding initiatives in the region.

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

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

We would like to extend a warm welcome to Lori Iannidinardo who was elected to our board by our Central-South Island Regional Advisory Committee this year, and to express our gratitude for the leadership of Ian Morrison who had served as director of the Trust for many years.

Board of Directors



MAYOR AARON STONE

Ladysmith,
Board Chair



JOHN JACK

Chair, Alberni-Clayoquot
Regional District,
Board Vice-Chair



MEGAN HANACEK

Provincial Appointee,
Board Treasurer



DANA THORNE

Provincial Appointee,
Board Secretary



MAYOR MARTIN DAVIS

Tahsis



JOHN ELLIOTT

Provincial Appointee



LORI IANNIDINARDO

Chair, Cowichan Valley
Regional District



JESSE KETLER

Chair, Comox Valley
Regional District



ROGER KISHI

Provincial Appointee



BARRY O'NEILL

Provincial Appointee



MAYOR AL SIEBRING

District of
North Cowichan



MAYOR DARNELDA SIEGERS

Sechelt



MAYOR MICHELLE STAPLES

Board Member at Large,
Duncan

Regional Advisory Committees (RACS)

Comprised of the municipal mayors, regional district chairs and Members of the Legislative Assembly (MLAs) from the region, the RACs each meet two to three times a year to review funding requests and provide strategic advice to the board. The chairperson from each of the RACs attends the Trust's board meetings as an ex officio member.

The RACs play a key role in Trust governance. Leaders appointed to the RACs provide their local and regional

knowledge, ground truth in program design, and offer unique perspectives that ensures the Trust board is equipped with valuable information from locally elected leadership throughout the region, including recommendations on key funding decisions. The RACs provide all participating local governments with an equal voice in regional decision-making and development of strategy and policy.

North Island–Sunshine Coast Regional Advisory Committee NISCRAC

MAYOR BOB WELLS

Courtenay, Chair

MAYOR SHARIE MINIONS

Port Alberni, Vice-Chair

MAYOR ANDY ADAMS

Campbell River

MAYOR RUSS ARNOTT

Comox

MICHELE BABCHUK

MLA, North Island

MAYOR MARK BAKER

Sayward

MAYOR LESLIE BAIRD

Cumberland

MAYOR BILL BEAMISH

Gibsons

MAYOR DENNIS BUCHANAN

Alert Bay

PATRICK BRABAZON

Chair, qathet Regional District

MAYOR KEVIN CAMERON

Port Alice

MAYOR JULIE COLBORNE

Zeballos

MAYOR MARTIN DAVIS

Tahsis

MAYOR DENNIS DUGAS

Port Hardy

MAYOR DAVE FORMOSA

Powell River

ANDREW HORY

Chair, Mount Waddington
Regional District

JOHN JACK

Chair, Alberni-Clayoquot
Regional District

JESSE KETLER

Chair, Comox Valley
Regional District

MAYOR DAN LAW

Tofino

RONNA RAE LEONARD

MLA, Courtenay-Comox

STUART MCLEAN

Director, Regional District
of Nanaimo

DONNA MCMAHON

Vice-Chair, Sunshine Coast
Regional District

MAYOR MAYCO NOEL

Ucluelet

HONOURABLE JOSIE OSBORNE

MLA, Mid-Island Pacific Rim

CHIEF WARREN PAULL

Sechelt Nation

MAYOR DARNELDA SIEGERS

Sechelt

HONOURABLE NICHOLAS SIMONS

MLA, Powell River-Sunshine Coast

MAYOR BRAD UNGER

Gold River and Chair,
Strathcona Regional District

MAYOR GABRIELE WICKSTROM

Port McNeill

MAYOR BRIAN WIESE

Qualicum Beach

Central South Island Regional Advisory Committee CSIRAC

MAYOR MARK SWAIN

Lantzville, Chair

MAYOR BOB DAY

Lake Cowichan, Vice-Chair

TYLER BROWN

Chair, Regional District
of Nanaimo

SONIA FURSTENAU

MLA, Cowichan Valley

MIKE HICKS

Director, Capital Regional District
(Juan de Fuca)

HONOURABLE JOHN HORGAN

MLA, Langford-Juan de Fuca

LORI IANNIDINARDO

Chair, Cowichan Valley
Regional District

MAYOR LEONARD KROG

Nanaimo

HONOURABLE SHEILA MALCOLMSON

MLA, Nanaimo

MAYOR ED MAYNE

Parksville

ADAM OLSEN

MLA, Saanich North
and the Islands

DOUG ROUTLEY

MLA, Nanaimo-North Cowichan

MAYOR AL SIEBRING

North Cowichan

MAYOR MICHELLE STAPLES

Duncan

MAYOR AARON STONE

Ladysmith

ADAM WALKER

MLA, Parksville-Qualicum

Key Personnel

BRODIE GUY

Chief Executive Officer

LINE ROBERT

former Chief Executive Officer
(August 2012 - April 2022)

DONNA CLOUTIER

Chief Financial Officer

DENICE REGNIER

Manager Programs and
Corporate Affairs

AMANDA FORTIER

Communications Officer

HILARY MUTH

Special Projects and
Communications Coordinator

KATI STROH

Accounting Technician

Our Strategic Risk Management and Mitigation.

We identify, manage, and mitigate risks through our strong and well-developed internal controls, our continuous improvement of organizational policies and procedures, and our development of risk management systems. Risk management is vital to our governance and operations, and we view our effective risk management as highly correlated with our strategic goals and objectives. Through our track record of effective risk management over 15 years, we have realized many positive outcomes with respect to the Trust's decision making, accountability and transparency.

Operational

Governance and risk management policies are reviewed annually by the board and regularly by the CEO and CFO. The CEO and CFO prepare detailed plans for the board to evaluate, discuss and form effective mitigation plans to address short and medium-term risks. These include:

- Financial sustainability of the Trust
- Evolving role and impact of the Trust in island-coastal regional development
- Human Capital
- Board Succession and Continuity
- Technology and Data Security

Organizational

Transparency is one of our primary core values. Stakeholders and the general public are regularly informed of key initiatives, funding approvals, investment decisions, and performance reporting through effective communications (online, direct, and in-person). Our organizational risk mitigation includes, but is not limited to:

- The board's leadership by its dedicated executive and governance committee
- Close high-trust working relationships with project leads (inclusive of monitoring, evaluation and learning)
- Clear, actionable, robust policies and procedures that are adhered to

Our Strategic Risk Management and Mitigation.

Privacy and Security

Protecting peoples' and organizations' privacy is a clear, absolute imperative in all of our work and is the bedrock of our business. We work to ensure responsible information management practices are paramount, meeting and exceeding all regulatory requirements and upholding the trust placed in us by the people and communities we serve. To balance transparency needs with privacy and security, the following measures are in place:

- Compliance with the Freedom of Information and Protection of Privacy Act
- Security measures for all information technology and systems
- Segregation of duties (authorization, custody, record keeping, reconciliation) across all operational processes

Financial

Ensuring that disbursements are expensed for costs identified in approved project and infrastructure plans as intended and are attaining expected results requires monitoring and evaluation. The following measures help support financial risk management:

- Robust accounting procedures and external auditing
- Independent investment advisor (actuarial) review of investment policy and performance
- Segregation of duties with respect to oversight and authorization of project disbursements and reporting
- Effective systems and procedures including segregation of of third-party funds under management
- Board review of management-prepared financial statements at each meeting with annual publication of audited financial statements

Our Financial Performance.

Island Coastal Economic Trust creates value for the region by investing its founding capital in economic development initiatives. Founded and capitalized by the Province of British Columbia with \$50 million and extended by the Province in 2017 with \$10 million – responding to the needed economic transition and economic infrastructure requirements in islands and coastal communities since 2006 – the board determined it must approach its mandate with a sinking fund strategy.

Our Financial Performance.

Based on its capitalization, this strategy has been effective as the capital entrusted to the Trust has been deployed to maximize impact across the more than 100 communities served across a vast region with more than 500,000 residents, including many rural, remotely located, and formerly resource dependent communities where the Trust plays a vital role in financing a shift to sustainable economic development.

Based on its performance over 15 years, the communities are now calling on the Trust to renew its mandate and transform into a permanent fund through a generational investment that will realize a new partnership between the Province of British Columbia with First Nations and local governments in the region.

The Trust adheres to best practices in corporate governance and financial management while ensuring its operations are efficient and cost-effective. Operational expenses are financed by interest income and an operational reserve is allocated separately from the \$60 million Regional Development Account.

In addition to its sinking Regional Development Account, the Trust partners with the Province of British Columbia to administer funds and programs on behalf of government. The Trust has also partnered with tourism development agencies to administer funds and programs. These "third-party" funds are invested and administered separately from the Regional Development Account and presented within the Trust's audited financial statements.

2021-22 Highlights

At fiscal year end March 31, 2022, the Trust had:

\$56.1 million in cumulative funding commitments to projects and initiatives

\$53.3 million in total funds disbursed throughout the region

\$5.4 million project fund balance:

\$0.9 million was committed under the Capital and Innovation Program for projects approved for Stage 2 applications in 2022-23

\$4.5 million remaining for new project funding and the Trust's operating reserve

\$1.5 million operating reserve balance

\$1.6 million third-party fund balance

Our Investments and Investment Income.

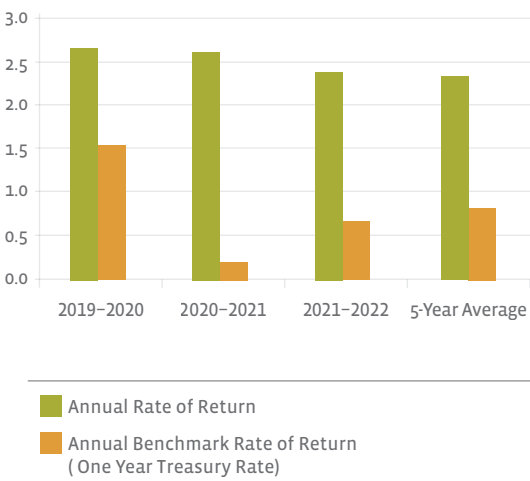
As a result of the level of capital the Trust was founded with in relation to the economic transition and infrastructure needs of the 100+ islands and coastal communities the Trust serves, the board has been required to maintain liquidity within its investment portfolio to ensure funds are available for community-led projects.

As a result, the board of directors adopted a conservative investment approach at inception of the Trust – focusing on maximizing liquidity to responsively support communities and to manage investment risk, preserving the capital for the short-term time horizon the Trust operates within based on its capitalization.

The board of directors has invested its fund in the Municipal Finance Authority Short-term Bond Fund based on independent investment advice it secures from a leading BC actuarial firm. In 2021-22, the Trust’s investments realized \$211,000 in interest income and a gain of \$34,000 as a result of redemptions. The realized return on investment in 2021-22 was is 2.3%. This exceeds the benchmark one-year treasury rate of return of 0.8%.

Fund performance and investment revenues continue to be monitored closely by the board of directors, CEO and CFO, and the Trust’s independent investment advisor. Given prevailing market conditions in early 2022, the board is evaluating its investment strategy given the rising interest rate environment, devaluation of bonds, and the short-term nature of the Trust’s investments and timeline to dissolution of the organization, should the Trust not be successful in partnering with the Province of British Columbia, First Nations, and local governments in renewal and transformation of the Trust into a permanent fund by 2023-24.

Investment Performance



*Excludes unrealized gains/losses

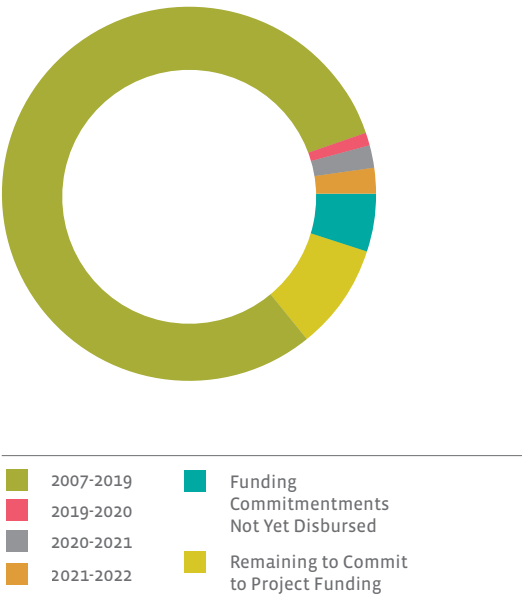
Investment income is dependent on both the amount of capital invested and the rate of return earned on investments. The Trust’s investments are decreasing over its lifespan as project funding is disbursed from the sinking Regional Development Account.

Our Funding Disbursements

In 2021-22, the Trust disbursed \$1.85M million to approved projects, partnerships and sponsorships. This includes \$1.03M from the Regional Development Account and \$0.82M from third-party program management funds delivered for the Province of British Columbia (Rural Recovery Program) and 4VI and Destination BC (Business District Vitality Program).

Disbursement of funds are subject to the Trust reviewing a reimbursement request for work which has been completed for approved projects. As a result disbursements often do not occur in the same year as the project funding was approved and committed by the Trust board of directors. As a responsive, community-led and -focused Trust, funding disbursements are inconsistent from year to year, subject to the unique situation for each funding recipient or project, and may not accurately reflect the actual value and volume of project work completed by funding recipients in that fiscal year.

Disbursements by Fiscal Year and Remaining Funds

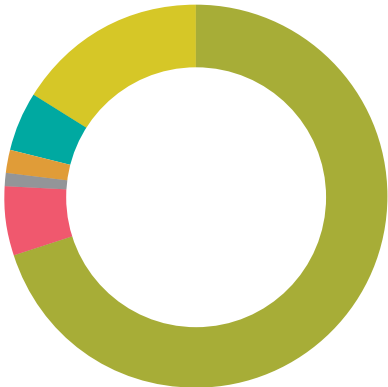


Our Operations and Administration.

In 2021-22, the Trust’s operating and administration expenses totaled \$598,467. This compares with total operating and administration expenses of \$538,799 in 2020-21.

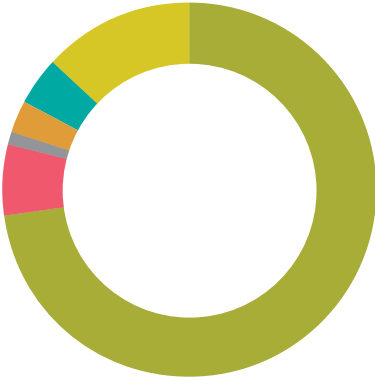
This nominal 59,668 (11%) increase in overall expenditures is reflective of a combination of effects: lack of travel in 2020-21 during the onset of the pandemic and subsequent health order lockdowns, inflation impacts on a range of operating costs, and the retirement of the Trust’s long-serving former CEO which necessitated an executive search process. Most of the Trust’s operating and administration expenses are fixed in nature with minimal year-to-year fluctuation apart from ongoing inflation.

2021-22 Operating Expenses



- | | |
|------------------|---------------------------------------|
| Salaries & Wages | Board/RACs |
| Occupancy Costs | Administration |
| Legal and Audit | Professional Fees & Contract Services |

2020-21 Operating Expenses



- | | |
|---|-----------------|
| Salaries & Wages | Legal and Audit |
| Professional Fees and Contract Services | Board and RACs |
| Administration | Occupancy Costs |

Our Partnerships and Funding Delivery Agreements

Province of British Columbia

Rural Recovery Program

In 2020–21, the Province of British Columbia extended a funding delivery agreement to the Trust for administration of a new \$1.83 million rural economic recovery program. The Trust subsequently launched the Rural Recovery program in February 2021. The full program allocation was fully subscribed by rural and First Nations communities by April 2022. Also in 2022, the Province provided the Trust with an agreement to administer an additional \$290,000 in funding for the Rural Recovery program, enabling the Trust to provide further funding for additional rural and First Nations communities while also providing funding extensions for previously funded communities to continue staffing their economic recovery specialists through to fall 2022.

In 2021–22, \$0.72M was disbursed through the Rural Recovery program. Funds are disbursed based on progress reporting provided by funding recipients. The Trust's costs to deliver and administer the Rural Recovery program are recovered from the Province of British Columbia based on actual expenditures incurred, and do not generate income for the Trust.

4VI (Tourism Vancouver Island) and Destination BC

Business District Vitality Program

In 2022, the Trust entered into an agreement to manage a new contribution of \$300,000 from Tourism Vancouver Island (now operating as 4VI) and \$50,000 from Destination BC. This funding is deployed as matching funds for the Community Placemaking program which was launched by the Trust in tandem with these new partnerships. Through this program and partnerships, the Trust provides one-stop, total funding access for program applicants throughout the region.

Since launch of this new program in 2021–22, the Trust has approved \$446,720, encompassing \$235,860 in funds from its partners and \$210,860 from the Trust's Regional Development Account. At March 31, 2022, \$100,000 in funding from the Trust's partners has been disbursed to approved projects.

Looking Ahead Funding Program and Operations Forecast

In 2022–23, management anticipates the approval of up to \$2 million in new project funding as well as disbursements of up to \$2 million for previously project funding commitments from the Regional Development Account. In terms of partnerships and funding delivery agreements, the Trust anticipates completing all agreements with full disbursement of funds in 2022–23.

Management expects increased demand for infrastructure funding in 2022–23 with an anticipated continuation of infrastructure-focused recovery funding from the Government of Canada and Province of British Columbia. As the Trust serves as a vital matching source of non-government funds considered “outside the funding stack” by both the provincial and federal governments, islands and coastal communities rely on the Trust as their own-source funding to secure government infrastructure investments in the region.

Despite the anticipated availability of government infrastructure funding in 2022–23, there are many economic pressures facing islands and coastal communities that may hinder efforts. The region is facing an unprecedented skilled workforce and labour shortage and exceptional inflationary pressures are increasing cost overrun risk for previously funded projects that are now under construction. These effects may dampen

enthusiasm for infrastructure projects in rural and smaller community that may have limited financial capacity to undertake larger initiatives in the current environment.

Management is also anticipating a higher volume of funding requests for funding from the Investment Readiness program. As rural and First Nations communities move economic recovery priorities with the new staffing they’ve created through the Rural Recovery program, the Investment Readiness program uniquely supports a wide range of economic development and recovery projects that are an ideal source of funding for economic recovery specialists to move initiatives forward with.

In terms of operations and administration of the Trust in 2022–23, the Trust forecasts a nominal increase due its long-serving former CEO’s retirement in August 2022 and overlap period with new CEO commencing employment with the Trust in April 2022. Additionally, inflationary effects in early 2022 indicate operating costs such as travel for the board of directors, regional advisory committees, and management will increase this year. The frequency of travel will significantly increase year-over-year given health order restrictions eliminating community meetings and travel for most of 2021–22.

Our Statement of Accountability

The 2021-2022 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 twelve months ending March 31, 2022.

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

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



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Island Coastal Economic Trust

Opinion

We have audited the financial statements of Island Coastal Economic Trust (the "Trust"), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

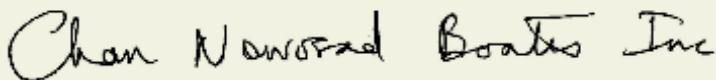
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Campbell River, BC

June 24, 2022

ISLAND COASTAL ECONOMIC TRUST

Statement of Financial Position

March 31, 2022

2022

2021

ASSETS

Current Assets

Cash	\$ 1,602,012	\$ 1,799,841
Accounts receivable	290,000	382,500
GST receivable	2,181	5,105
Prepaid expenses	<u>10,169</u>	<u>9,441</u>
	1,904,362	2,196,887

Tangible Capital Assets (Note 3)

12,081 8,277

Long Term Investments (Note 4)

9,383,773 11,514,770

\$ 11,300,216 \$ 13,719,934

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 92,358	\$ 316,138
Government remittances payable	12,793	13,156
Deferred Contributions (Note 5)	2,698,995	2,951,240
Funds Administered for Others (Note 6)	<u>1,583,142</u>	<u>1,864,715</u>
	4,387,288	5,145,249

Deferred Contributions (Note 5)

5,849,052 6,983,468
10,236,340 12,128,717

NET ASSETS

Operating Fund

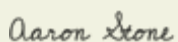
1,051,795 1,582,940

Capital Asset Fund

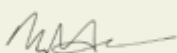
12,081 8,277
1,063,876 1,591,217

\$ 11,300,216 \$ 13,719,934

Approved by the Directors:



Aaron Stone, Chair



Megan Hanacek, Treasurer

ISLAND COASTAL ECONOMIC TRUST

Statement of Changes in Net Assets

Year ended March 31, 2022

	Operating Fund	Capital Asset Fund	2022	2021
Net assets beginning of year	\$ 1,582,940	\$ 8,277	\$ 1,591,217	\$ 1,415,483
Surplus (deficiency) of revenues over expenditures	(523,993)	(3,348)	(527,341)	175,734
Purchase of tangible capital assets	<u>(7,152)</u>	<u>7,152</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u>\$ 1,051,795</u>	<u>\$ 12,081</u>	<u>\$ 1,063,876</u>	<u>\$ 1,591,217</u>

ISLAND COASTAL ECONOMIC TRUST

Statement of Operations

Year ended March 31, 2022

	Budget 2022	2022	2021
Revenue			
Province of BC contributions	\$ 493,144	\$ 352,085	\$ 230,565
Investment income	158,050	211,394	255,170
Third party cost recoveries	-	67,062	19,245
	<u>\$ 651,194</u>	<u>\$ 630,541</u>	<u>\$ 504,980</u>
Expenditures			
Advertising, travel and communications	36,500	24,123	19,594
Amortization	5,000	3,348	2,371
Consultants and due diligence	45,000	41,632	20,740
Contract services	37,000	34,256	32,926
Directors' expenses	20,500	6,774	4,414
Insurance	8,500	7,935	7,847
Interest and bank charges	800	472	571
Internet and website	25,000	8,312	3,140
Memberships	1,500	912	1,366
Office and sundry	15,000	13,460	11,810
Professional fees	11,000	8,614	7,756
Regional advisory committee expenses	17,000	2,950	5,046
Rent	23,000	22,755	22,478
Telephone	4,000	3,316	3,220
Third party expenses	-	67,062	19,245
Wages, benefits and training	<u>446,121</u>	<u>419,607</u>	<u>395,520</u>
	<u>695,921</u>	<u>665,528</u>	<u>558,044</u>
	(44,727)	(34,987)	(53,064)
Gain on Disposition of Investments	44,727	34,987	53,064
Change in Fair Value of Investments	<u>(126,050)</u>	<u>(527,341)</u>	<u>175,734</u>
Surplus (Deficiency) of Revenues over Expenditures from Operations	<u>\$ (126,050)</u>	<u>\$ (527,341)</u>	<u>\$ 175,734</u>
Project Revenues			
Province of BC contributions	<u>-</u>	<u>1,034,576</u>	<u>1,093,718</u>
Project Expenditures			
Investment Readiness Program	-	162,863	114,550
Capital and Innovation Program	-	740,168	723,072
Regional Support Programs	-	71,456	150,300
Small Capital Restart Program	<u>-</u>	<u>60,089</u>	<u>105,796</u>
	<u>-</u>	<u>1,034,576</u>	<u>1,093,718</u>
Surplus (Deficiency) of Revenue over Expenditures	<u>\$ (126,050)</u>	<u>\$ (527,341)</u>	<u>\$ 175,734</u>

ISLAND COASTAL ECONOMIC TRUST

Statement of Cash Flows

Year Ended March 31, 2022

2022

2021

Cash Flows From Operating Activities:

Surplus of Revenues over Expenditures	\$ (527,341)	\$ 175,734
Items not involving cash:		
Amortization of tangible capital assets	3,348	2,371
Change in Fair Value of Investments	<u>527,341</u>	<u>(175,734)</u>
	<u>3,348</u>	<u>2,371</u>
Changes in non-cash working capital		
Prepaid expenses	(728)	(77)
Accounts receivable	92,500	(375,902)
Accounts payable and accrued liabilities	(223,780)	308,867
Government remittances payable	2,561	1,441
Deferred contributions	(352,085)	(230,565)
Deferred contributions - other funds	<u>(281,573)</u>	<u>1,864,715</u>
	<u>(763,105)</u>	<u>1,568,479</u>
	<u>(759,757)</u>	<u>1,570,850</u>

Cash Flows From Investing Activities:

Purchase of Tangible Capital Assets	(7,152)	(3,756)
Project Expenditures	(1,034,576)	(1,093,718)
Proceeds from Redemption of Investments	<u>1,603,656</u>	<u>1,141,955</u>
	<u>561,928</u>	<u>44,481</u>

Net Increase (Decrease) in Cash (197,829) 1,615,331

Cash - Beginning of Year 1,799,841 184,510

Cash - End of Year \$ 1,602,012 \$ 1,799,841

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2022

1. Organization and Purpose:

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

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

2. Significant Accounting Policies:

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

Tangible Capital Assets

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

Furniture & equipment	20% declining balance
Computer equipment	30% declining balance

Revenue Recognition

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

Project Expenses

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

Accounting Estimates

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

Financial Instruments

Measurement of financial instruments

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

Impairment

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

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2022

3. Tangible Capital Assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture, fixtures and equipment	\$ 23,961	\$ 22,295	\$ 1,666	\$ 2,083
Computer equipment	<u>43,523</u>	<u>33,108</u>	<u>10,415</u>	<u>6,194</u>
	<u>\$ 67,484</u>	<u>\$ 55,403</u>	<u>\$ 12,081</u>	<u>\$ 8,277</u>

4. Long Term Investments:

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

	2022	2021
Money market fund	\$ 65,346	\$ 65,223
Short term bond fund	<u>9,318,427</u>	<u>11,449,547</u>
	<u>\$ 9,383,773</u>	<u>\$ 11,514,770</u>

The book value of the short term bond fund at March 31, 2022 is \$9,511,772 (2021 - \$11,115,552). The book value of the money market fund at March 31, 2022 and March 31, 2021 approximates its market value on those dates.

5. Deferred Contributions:

	2022	2021
Deferred contributions beginning of year	\$ 9,934,708	\$ 11,258,991
Revenue recognized - Project Revenue	(1,034,576)	(1,093,718)
Revenue recognized - Operational Revenue	<u>(352,085)</u>	<u>(230,565)</u>
	8,548,047	9,934,708
Less: Current - Committed	<u>(2,698,995)</u>	<u>(2,951,240)</u>
Deferred contributions end of year	<u>\$ 5,849,052</u>	<u>\$ 6,983,468</u>

At March 31, 2022 the Trust had committed funds totaling \$2,698,995 (2021 - \$2,951,240) to Board approved projects. Because the costs for the above referenced projects have not yet been expended, the funds remain in deferred contributions at year-end. The committed amounts have been presented as current on the statement of financial position with the anticipation that they will be expended in the next fiscal year although due to project constraints or capacity constraints of the receiving party, the funds may in fact be expended beyond the next fiscal year.

Total uncommitted funds at March 31, 2022 were \$5,849,052 (2021 - \$6,983,468).

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2022

6. Funds Administered for Others:

	2022	2021
Deferred contributions beginning of year	\$ 1,864,715	\$ -
Funding received during the year	590,000	1,882,500
Investment income, net of fees	16,308	1,460
Disbursements	(820,819)	-
Administrative costs	(67,062)	(19,245)
	<u>\$ 1,583,142</u>	<u>\$ 1,864,715</u>

On January 22, 2021 the Trust entered into an agreement with the Province of BC under the Rural Business and Community Recovery Program (RBCRP) to support community economic recovery from the COVID-19 pandemic. The program is used to create temporary employment opportunities to support business and communities in the Trust's region.

As of March 31, 2022, \$1,731,962 (2021 - \$806,000) has been committed for eligible projects and \$720,819 (2021 - NIL) has been disbursed.

On March 26, 2021 the Trust entered into a partnership and funding agreement with Vancouver Coast and Mountains Tourism Region, managed by Destination BC, and received a one time contribution to the Community Placemaking program (THRIVE). This funding complements ICET funds for eligible Sunshine Coast applicants to ICET's Community Placemaking program designed to fund capital projects which address downtown vitality. The program was launched in April 2021.

As of March 31, 2022 \$446,720 (2021 - NIL) has been committed under the program and \$100,000 (2021 - NIL) has been disbursed.

7. Lease Agreement:

The Trust leases its office space. The current lease term is a one year lease starting on March 1, 2022. The Trust pays an annual lease rate of \$14.30 per square foot or approximately \$14,300 a year exclusive of strata fees and taxes.

8. Financial Risks:

Liquidity risk

Liquidity risk is the risk that the Trust will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. There has been no change to the risk exposures during the year ended March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the value of or cash flows from interest-bearing financial instruments will fluctuate due to changes in the levels of market interest rates. The Trust's interest rate risk is directly related to investments in fixed income instruments with the Municipal Finance Authority (MFA). The Trust's interest rate risk is managed by regular monitoring of the investments by management and an actuarial firm that serves as the board's independent investment advisor.

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2022

SCHEDULE 1 - CAPITAL AND INNOVATION PROGRAM

	Approved and Committed	2006-2020 Spent	2021 Spent	2022 Spent	Future Committed
Completed prior to 2021 fiscal year	\$ 49,297,847	\$ 49,297,847	\$ -	\$ -	\$ -
Alberni Valley Regional Food Hub	300,000	58,067	211,933	30,000	-
Caycuse Recreation Site	237,440	94,123	106,791	36,526	-
Community Benefit Hub	86,559	26,086	41,744	18,729	-
Cowichan Bay Patio Portal	25,000	-	-	25,000	-
Lantzville Commercial Core Revitalization	133,000	-	-	133,000	-
Sayward Working Waterfront Trail	178,827	165,375	13,452	-	-
Sturgeon Pavilion	17,553	13,698	3,855	-	-
Tofino to PRNP Connector	385,122	117,733	267,389	-	-
Upper SC Entrepreneurial Eco-System	94,925	-	-	94,925	-
Total Completed Projects	50,756,273	49,772,929	\$ 645,164	\$ 338,180	-
Ahousat Dock and Barge Landing	\$ 189,050	\$ -	\$ -	\$ 7,901	\$ 181,149
Bamfield Huu-ay-aht Comm Forest Trail	25,000	-	-	10,000	15,000
Benson Creek Falls Access	103,125	-	40,656	52,157	10,312
Business Legacies Initiative	47,500	-	-	24,360	23,140
C2C Threads Textile Entrepreneur	50,000	-	-	-	50,000
Campbell River Entrepreneur Innovation	31,136	-	-	-	31,136
Circular Economy Accelerator Program	42,000	-	-	-	42,000
Cowichan Commercial Kitchen	30,000	-	-	-	30,000
Echo Bay Indigenous Interpretive Trail	109,785	-	-	-	109,785
Elk Falls Alive App	42,500	-	21,234	16,987	4,279
Fair Harbour Dock Revitalization	300,000	-	-	-	300,000
Growing Port Alberni Innovation Economy	84,820	-	-	-	84,820
Hornby Island Arts Centre	175,000	-	10,623	51,243	113,134
Hornsby Crawler Interpretive Programs	15,000	-	5,395	8,105	1,500
Parksville Outdoor Theatre	204,750	-	-	17,108	187,642
Powell Forest Canoe Route Revitalization	102,259	-	-	12,823	89,436
Qualicum Beach East Village Revitalization	250,000	-	-	201,304	48,696
Sechelt Wharf Avenue Improvement	171,268	-	-	-	171,268
Shawnigan Lake Museum Expansion	250,000	-	-	-	250,000
Sheringham Pt. Lighthouse Enhancements	89,900	-	-	-	89,900
Story Tower	76,818	-	-	-	76,818
West Coast MUP	200,000	-	-	-	200,000
Total Uncompleted Projects	\$ 2,589,911	\$ -	\$ 77,908	\$ 401,988	\$ 2,110,015
Total Economic Infrastructure Program Funding	53,346,184	49,772,929	723,072	740,168	2,110,015
Completed IRP Projects (Schedule 2)	1,280,695	1,042,410	114,550	123,735	-
Uncompleted IRP Projects (Schedule 2)	236,750	-	-	39,128	197,622
Total IRP Spending	1,517,445	1,042,410	114,550	162,863	197,622
Small Capital Restart Program (Schedule 3)	167,140	-	105,796	60,089	1,255
THRIVE Small Capital Programs	210,859	-	-	-	210,859
Regional Support Programs	768,063	367,063	150,300	71,456	179,244
Total Other Programs Spending	1,146,062	367,063	256,096	131,545	391,358
Total Project Spending	\$ 56,009,691	\$ 51,182,402	\$ 1,093,718	\$ 1,034,576	\$ 2,698,995

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2022

SCHEDULE 2 - INVESTMENT READINESS PROGRAM

	Approved and Committed	2006-2020 Spent	2021 Spent	2022 Spent	Future Committed
Completed Prior to 2020 Fiscal Year	\$ 954,137	\$ 954,137	\$ -	\$ -	\$ -
BC Farmers' Market Trail Expansion	29,770	21,661	8,109	-	-
Campbell River Sector Profiles	9,000	-	9,000	-	-
Comox Valley Agri-Food Innovation	30,000	27,000	3,000	-	-
Comox Valley Tech Strategy	10,000	5,000	5,000	-	-
Cowichan Small Scale Food Processing	5,633	4,535	1,098	-	-
Gabriola Econ Development Website	10,586	-	-	10,586	-
Home Base Knowledge Worker Study	19,615	-	-	19,615	-
Hornby and Denman Digital Road Map	16,759	16,759	-	-	-
Ladysmith Invest Attraction Portal	27,500	-	27,500	-	-
Port Alberni Industrial Land Strategy	30,000	-	-	30,000	-
Port McNeill Downtown Improvement	14,467	-	14,467	-	-
Gold River Downtown Improvement Plan	14,934	-	-	14,934	-
Powell River City - Owned Land Strategy	20,000	-	-	20,000	-
West Coast Land Strategy	27,030	-	27,030	-	-
Powell River Resident Attraction	7,868	-	-	7,868	-
Qathet RD Last Mile Broadband Strategy	20,732	-	-	20,732	-
SRD Last Mile Broadband Strategy	19,346	-	19,346	-	-
Zeballos ED Quick Start	13,318	13,318	-	-	-
Total Completed IRP Projects	1,280,695	1,042,410	114,550	123,735	-
Cortes Commons Quick Start	\$ 15,000	\$ -	\$ -	\$ 11,735	\$ 3,265
Cowichan Valley Connectivity Strategy	30,000	-	-	-	30,000
Gold River Waterfront Plan	15,000	-	-	-	15,000
Gwa'yas'dums Community Connectivity	10,000	-	-	-	10,000
KCFN Econ Development Strategy	29,500	-	-	-	29,500
Port Alberni Invest Attraction Digital Hub	22,500	-	-	-	22,500
Regional Technology Attraction Campaign	15,000	-	-	7,143	7,857
SCREDO Investment Attraction Strategy	30,000	-	-	-	30,000
Uchucklesaht Economic Development	30,000	-	-	-	30,000
VIEA FDI - Strategy for VI & Gulf	22,500	-	-	20,250	2,250
YFN Economic Development Strategy	17,250	-	-	-	17,250
Total Uncompleted IRP Projects	236,750	-	-	39,128	197,622
Total IRP Spending	\$ 1,517,445	\$ 1,042,410	\$ 114,550	\$ 162,863	\$ 197,622


ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2022

SCHEDULE 3 - SMALL CAPITAL RESTART PROGRAM

	Approved and Committed	2021 Spent	2022 Spent	Future Committed
Chemainus Theatre Live Streaming	\$ 4,917	\$ -	4,917	\$ -
Cumberland Walk-in Campsites	8,308	8,308	-	-
Downtown Ladysmith Economic Recovery	13,490	13,490	-	-
Economic Summit - Pivoting to a New	6,350	6,350	-	-
Gatehouse Theatre Digital Platform	15,000	15,000	-	-
Gibsons Public Market	12,368	-	12,368	-
Hub Resiliency through Technology	8,252	8,252	-	-
Livestreaming at the SID	14,913	14,913	-	-
Madeira Park Nature Therapy Gardens	15,000	-	13,745	1,255
Millard Learning Centre	14,800	-	14,800	-
Mt. Cain 2020/2021 Season	10,709	-	10,709	-
Powell River Tourism Technology	3,550	-	3,550	-
Sechelt On Street Patio Program	3,015	3,015	-	-
Station Street Open Air Summer Food	6,468	6,468	-	-
Streaming the Tide and Beyond	15,000	15,000	-	-
Tofino Al Fresno Dining Pop Up Park	15,000	15,000	-	-
Total Small Capital Program	\$ 167,140	\$ 105,796	\$ 60,089	\$ 1,255



Our office is situated within the unceded traditional territories of the K'ómoks First Nation, spanning the lands and seas of the Pentlatch, E'iksan, Sahtloot and Sasitla peoples. In our work, we aim to grow our understanding of Indigenous peoples' laws, customs, and histories as we work in respectful and reciprocal relationships to build a resilient and sustainable coastal economy.

Island Coastal Economic Trust

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