



Economic Trust of  
the Southern Interior

# ANNUAL REPORT 2024

Revelstoke

Kootenay Rockies Tourism/Mitch Winton



**etsi** BC

Economic Trust of  
the Southern Interior



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We acknowledge the traditional, ancestral, unceded territories of the Ktunaxa, Nlaka'pamux, Secwépemc, Sinixt, Syilx, and Stó:lō Nations on whose land we live, work and play, and the 14 Chartered Métis Communities in our service area.



SHARON SHEPHERD  
BOARD CHAIR

## Message from the Board Chair

I'm delighted to provide my second report as Board Chair of ETSI-BC, for the period April 1, 2023 to March 31, 2024. It's been a positive year, with some exciting developments.

### Engaging Key Interest Holders

One of the positive things we as a Board regularly do is to host Roundtable Discussions at our in-person board meetings with funding recipients and key interest holders. This past year, we were delighted to hear from representatives of the Nelson & District Chamber of Commerce, Community Futures East and West Kootenay, and Selkirk College. We appreciate their time and efforts to help us understand the context of our work directly from them.

An important task we as a Board undertook this past year was to engage a facilitator to conduct a comprehensive review of our first Strategic Plan as ETSI-BC, in preparation for launching our 2024-27 plan on April 1, 2024. We appreciated all the input provided by our funding recipients and partners throughout the region, and we are gratified that the direction we set when we re-launched as ETSI-BC has been validated and supported.

### Province of BC Investing in ETSI-BC

We're proud of our partnerships with the Province of BC, and we were delighted to be

asked deliver both the Forest Impact Recovery (FIR) program and the Rural Transportation Enhancement on their behalf in FY2024. These programs delivered important funding support to many communities throughout the region to help them support their businesses and help people travel between communities. I'm excited that we provided more than \$3 million in Core and Partner Program funding in FY2024, which you'll learn more about in this Annual Report.

In March 2024, we received an additional contribution from the Province of BC of \$10 million, an investment which contributes to our important work helping our region's economy to grow and diversify. Many thanks to the Province of BC, and particularly Minister Brenda Bailey and her team, for their confidence and support.

### Our Investing Activities

In FY2024, the Finance Committee undertook the significant task of issuing an RFP for the management of our investment portfolio. I'd like to thank the Finance Committee and the ETSI-BC team for their excellent work on that

task. In June 2023, Vancouver-based Connor, Clark & Lunn (CC&L) was appointed to be our Investment Manager going forward. The transition from PH&N was carried out during the remainder of the fiscal year. Many thanks to the team at PH&N for their support since 2008.

### Looking Ahead

As my term on the Board comes to an end, I'm excited that the DRIPA Action Item 4.39 engagement with First Nations has begun, which will inform how the First Nations in our service area will participate in the governance of ETSI-BC.

As I prepare to hand over the Board Chair role to Paul Donald, our first Indigenous Board Chair, I'd like to thank Paul and the rest of the volunteer Board of ETSI-BC for your dedication and friendship.

I'd also like to congratulate our CEO, Laurel Douglas and her accomplished team, especially Mary, Renata and Paul on making Year 3 of our first 3-year Strategic Plan as ETSI-BC a great success. I am looking forward to being inspired by the innovative projects designed and delivered by the enterprising economic development practitioners in our region in the coming years.

June 2023 Board Meeting,  
Nelson, British Columbia

“*Relaunching as ETSI-BC has been so positive. There is new appreciation for our organization and how we can partner with communities to advance the economy of our region. All of us have developed a huge appreciation for working together.*”

Sharon Shepherd, ETSI-BC Board Member  
2006-11 and 2018-2024





LAUREL DOUGLAS  
CEO

## Message from the CEO

I'm delighted to share with you some results from Year 3 of our first Strategic Plan as ETSI-BC. We continued to refine our approach in FY2024, and have been pleased to support several important initiatives in our region during the year.

### Core Funding

In FY2024, we funded 109 projects, providing over \$3.1 million in funding on projects worth more than \$6 million, and those projects have helped create or maintain over 7,000 jobs in our region.

Funding applicants have shared that they appreciate the predictability of the ETSI-BC spring and fall funding intakes, and that our funding can be used to seed much larger projects. They also appreciate the hands-on support our Project Consultants provide, to help develop and execute impactful projects.

In FY2024, 81% of funding applications were successful, and successful applicants received more funding as a percentage of the amounts requested in FY2024 than the prior year (85% vs 81%).

We're pleased to continue supporting smaller communities and First Nations. In the three years of our first Strategic Plan as ETSI-BC, we supported 99 projects in communities with less than 5,000 residents, providing

\$2.6 million in funding to those projects. Almost \$4 million was provided to support 123 projects in communities with populations between 5K and 25K. We also provided 30 Indigenous-led projects funding of over \$1 million.

We're also proud of the impact of our funding partnership with Mitacs, which has helped them expand their benefit to our region. We supported 35 collaborative research, entrepreneurship and work-integrated learning projects at all six public post-secondary institutions in our region during the three years of our 2021-24 plan.

### Partner Programs

We are delighted to continue offering 18 of our Host Organizations funding to host Recovery Advisors in their communities throughout 2024, and gratefully acknowledge financial support from Province of BC's Rural Business and Community Recovery Initiative (RBCRI) for this program. This funding was targeted to support communities affected by on-going changes in the forest sector.

We were humbled to receive notes of appreciation acknowledging our team's great communication, organization, collaboration and ongoing support this past year. It was also uplifting to hear from Recovery Advisors themselves about how much they benefited personally and professionally from being involved with the program.

We were also pleased to have provided funding to support 22 rural transportation projects throughout the region, which included planning and partnership development, technology and communication as well as seasonal service delivery expansion. Thanks the Province of BC's Ministry of Transportation and Infrastructure for your financial support for this program.

### Adding Value to the Ecosystem

In everything we do at ETSI-BC, we are trying to create value for the ecosystem of economic development practitioners, not only through our funding, but also through access to resources, training and connections. In FY2024, we continued that important work by hosting and sponsoring events for local government elected officials and economic development practitioners, including supporting CED training at SFU and the BCEDA, offering two popular Data Webinar series, and launching the Data Diggers Community of Practice.

We've also been delighted to support our partners, by sponsoring the Kootenay Boundary EDPN, the KORE Summit, Accelerate Okanagan, Kamloops Innovation, KAST as well as events hosted by the Conference Board of Canada, TOTA, the Salmon Arm Business Forum, Kootenay Rockies Tourism, the Basin Food Summit, Cando Links to Learning, Community Futures, and the BCEDA to name a few.

Throughout FY2024, we shared stories of 38 funded projects and FIR Advisor profiles on the Stories page of our website, and we've had lots of interaction with our 886 LinkedIn followers. We hope you'll engage with us on LinkedIn and X.

### Gratitude

I'd like to thank the awesome ETSI-BC team: Mary Beadman, Mike Dorsel, Renata King, Aleece Laird, Jeet Panghali and Paul Wiest. This small group of people are doing great things for ETSI-BC and the communities we serve.

I would like to express appreciation to our volunteer Board members too. Many thanks to departing Board members Sharon Shepherd, who was a dedicated Board member from 2006-2011 and then 2018-2024, serving as Board Chair since October 2022, and Dr. Philip Barker, who served from 2018-2024 and held important roles including Vice-Chair and Finance Committee Chair.

ETSI-BC has had another rewarding year helping our region's communities realize their economic development aspirations. We're proud to partner with you and be called a 'difference maker,' as we were recently described by a key stakeholder.



From L to R: Paul Wiest, ETSI-BC Project Consultant; Brittny Anderson, MLA, Nelson-Creston; Laurel Douglas, ETSI-BC CEO; Trish Mandewo, President, UBCM

**150,000**  
Square Kms

**760,000**  
Residents

**9** Regional  
Districts

**33** First  
Nations

**53** Incorporated  
Municipalities

**14** Chartered Métis  
Communities

**+** Many Unincorporated  
Communities

## The ETSI-BC Service Area

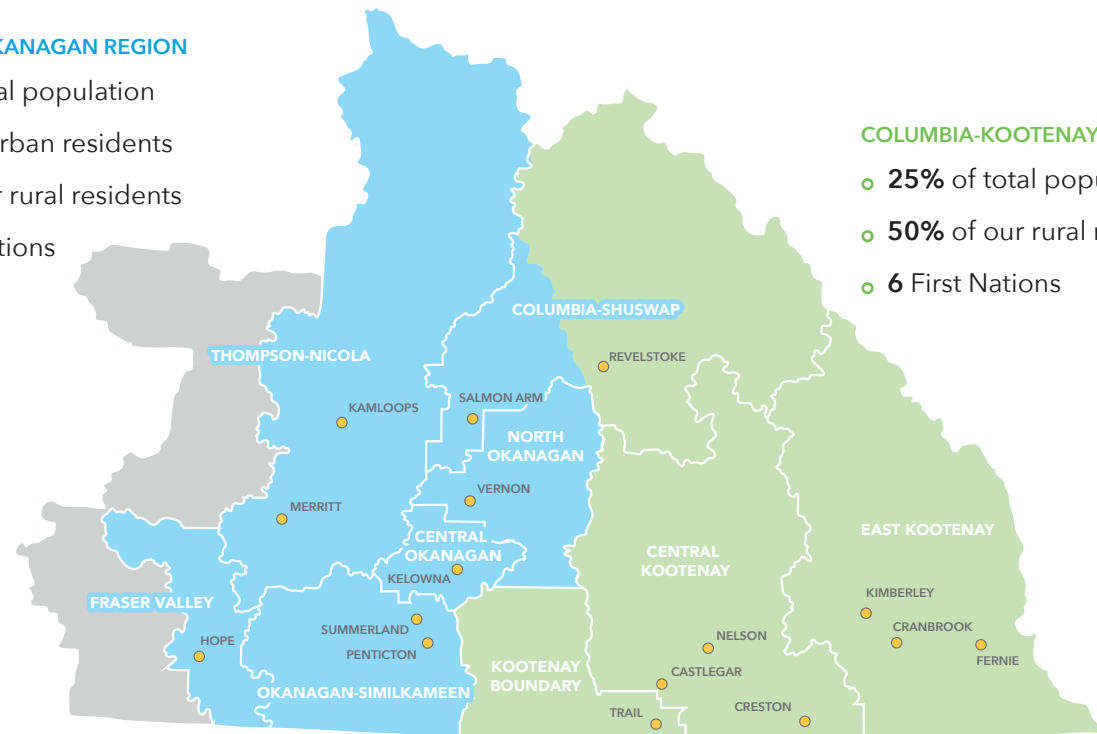
The ETSI-BC service area is a large and diverse region that ranges from Hope in the west, Blue River in the north, the Alberta border in the east and the US border in the south.

### THOMPSON-OKANAGAN REGION

- 75% of total population
- All of our urban residents
- 50% of our rural residents
- 27 First Nations

### COLUMBIA-KOOTENAY REGION

- 25% of total population
- 50% of our rural residents
- 6 First Nations



### ECONOMIC DATA FROM OUR SERVICE AREA

**102,183**  
Total Number of  
Businesses

**32,235**  
Small Businesses

**409,400**  
Total Labour Force



## Top 5 Industry Sectors by Employment



## 9 REGIONAL DISTRICTS

Central Kootenay  
 Central Okanagan  
 Columbia Shuswap  
 East Kootenay  
 Fraser Valley  
 (Hope, Electoral Areas A & B)  
 Kootenay-Boundary  
 North Okanagan  
 Okanagan Similkameen  
 Thompson Nicola  
 (except Electoral Areas E & I)

## 33 FIRST NATIONS

?akisq'nuk First Nation	Osoyoos Band	Spuzzum First Nation
?aqam First Nation	Penticton Band	Tk'emlúps te Secwépemc
Adams Lake Band	Peters First Nation	Union Bar First Nation
Boothroyd Band	Shuswap First Nation	Upper Nicola Band
Boston Bar First Nation	Shxw'ow'hamel First Nation	Upper Similkameen
Chawathil First Nation	Simpcw First Nation	Westbank First Nation
Coldwater Band	Sinixt First Nation	Whispering Pines/Clinton Band
Lower Nicola Band	Skawahlook First Nation	Yale First Nation
Lower Similkameen Band	Sketchestn Band	Yaqan Nu?kiy (Lower Kootenay Band)
Neskonlith Band	Skwlax te Secwepemculecw (Little Shuswap) Band	Yaqit ?a-knuq?i 'it (Tobacco Plains) First Nation
Nooaitch Band	Splatsin First Nation	
Okanagan Band		

For a complete list of the municipalities in our service area, please see the 'Who we Serve' page in the 'About' tab of our website [www.etsi-bc.ca](http://www.etsi-bc.ca)

# Governance

Governance of ETSI-BC is carried out by its Board of Directors and two Regional Advisory Committees (RACs).

The ETSI-BC Board is comprised of:

- **4 appointees** from the Columbia-Kootenay RAC
- **4 appointees** from the Thompson-Okanagan RAC
- **5 appointees** by the Province of BC

In FY2024, the Board had two committees, the Executive Committee and the Finance Committee.

## ETSI-BC Board Members as of June 2024



From L to R:  
(Front)  
Phil Barker,  
Diana Lockwood,  
Kevin Acton,  
Susan Clovechok,  
Sharon Shepherd,  
Paul Donald,  
Sue McKortoff,  
Peggy DeVries,  
Wayne Kaboni.  
(Back)  
Steve Morissette,  
Alan Harrison,  
Sue Cairns,  
Julie Kimmel,  
Laurel Douglas

## Regional Advisory Committees

Communities throughout our region contribute to our governance and funding decisions through two Regional Advisory Committees (RACs). Members include local government elected officials and MLAs.

The mandate of the RACs is to:

- Appoint/elect members to the Board of ETSI-BC (four from the Columbia-Kootenay and four from the Thompson-Okanagan regions)
- Provide advice to the Board on projects suitable for Trust funding
- Establish the terms of office for RAC members
- Provide opportunities for communities and regional district areas with populations under 500 to be represented on the RAC

Regional Districts and MLAs make their RAC appointments every two years. The two RACs have a joint meeting after each funding intake to recommend projects for approval by the Board of ETSI-BC.

## REGIONAL ADVISORY COMMITTEES

### Thompson-Okanagan Regional Advisory Committee

(TO-RAC) as of March 31, 2024

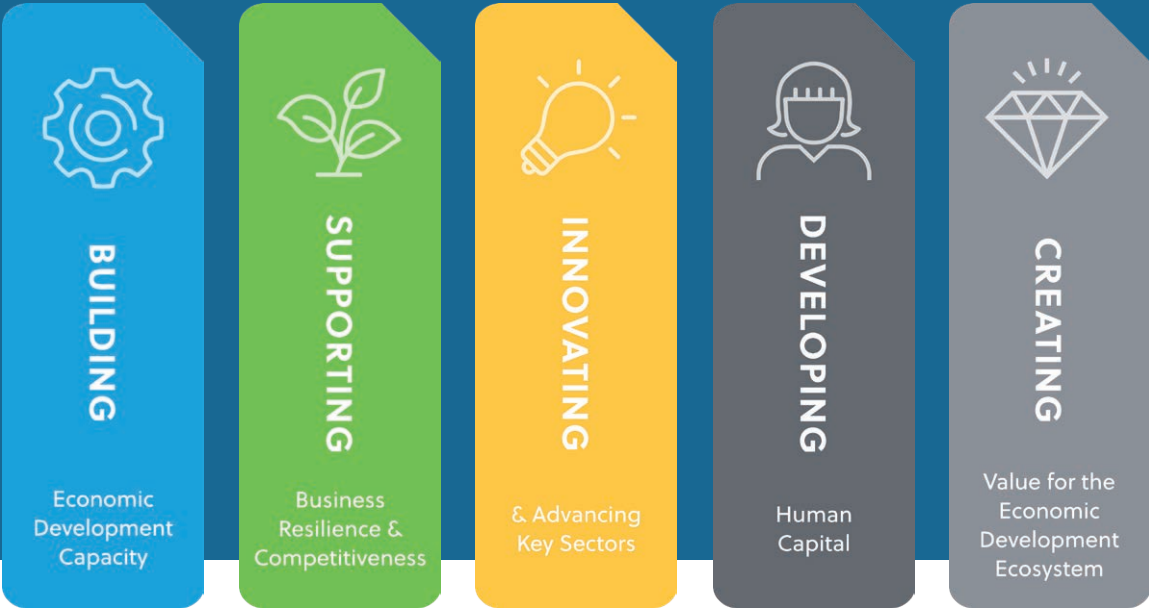
NAME	TITLE	LOCATION	REGIONAL DISTRICT
Kevin Acton	Mayor	Village of Lumby	RDNO
Merlin Blackwell	Mayor	District of Clearwater	TNRD
Julius Bloomfield	Mayor	City of Penticton	RDOS
Victor Cumming	Mayor	City of Vernon	RDNO
Alan Harrison	Mayor	City of Salmon Arm	CSRD
Ruth Hoyte	Mayor	District of Coldstream	RDNO
Blair Ireland	Mayor	District of Lake Country	RDCO
Martin Johansen	Mayor	Town of Oliver	RDOS
Julie Kimmel	Councillor	Municipality of Sun Peaks	TNRD
Greg Kylo	MLA	Shuswap	
David Laird	Director	Electoral Area M	TNRD
Norm Letnick	MLA	Kelowna-Lake Country	
Sue McKortoff	Mayor	Town of Osoyoos	RDOS
Gord Milsom	Mayor	City of West Kelowna	RDCO
Roly Russell	MLA	Boundary-Similkameen	
Jay Simpson	Director	Electoral Area F	CSRD
Victor Smith	Mayor	District of Hope	FVRD
Patrick Van Minsel	Mayor	District of Peachland	RDCO

### Columbia-Kootenay Regional Advisory Committee

(CK-RAC) as of March 31, 2024

NAME	TITLE	LOCATION	REGIONAL DISTRICT
Brittney Anderson	MLA	Nelson-Creston	
Sue Cairns	Councillor	City of Kimberley	RDEK
Susan Clovechok	Director	Electoral Area F	RDEK
Steve Fairbairn	Mayor	District of Elkford	RDEK
Diana Lockwood	Mayor	Village of Salmo	RDCK
Jessica Lunn	Mayor	Village of Slocan	RDCK
Grace McGregor	Director	Electoral Area C	RDKB
Steve Morissette	Mayor	Village of Fruitvale	RDKB
Walter Popoff	Director	Electoral Area H	RDCK
Tom Shypitka	MLA	East Kootenay	
Gary Sulz	Mayor	City of Revelstoke	CSRD
Linda Worley	Director	Electoral Area B	RDKB

# Our Strategic Pillars



We support economic development projects, with a focus on seeding projects in smaller, rural, First Nations, and disaster-affected communities, encouraging regional collaboration.

We work with the region’s non-profit business support organizations, industry groups, accelerators, and communities to help strengthen businesses and grow employment.

We support initiatives that encourage innovation, industry/cluster growth and the advancement of our key mandated sectors, while also encouraging transition to a Net Zero economy in the region.

We encourage post-secondary entrepreneurship training, work-integrated learning and joint research activities to foster local talent and connections with industry.

We focus on positive impact as we convene practitioners and provide opportunities to learn and share best practices.

## Strong Economy, Stronger Communities

ETSI-BC helps communities to realize their economic development aspirations by providing funding, resources and knowledge. Our partners include local governments, First Nations, non-profit business support organizations, and post-secondary institutions.

## Our Mission

The mission of the Economic Trust of the Southern Interior is to be a catalyst in strengthening and diversifying the economy of the BC Southern Interior by supporting strategic investments in economic development projects that will have long-lasting and measurable regional benefits.

## Helping Communities in the Southern Interior to Achieve Their Economic Development Goals

In this third year of our 2021-2024 Strategic Plan which led the organization into a new chapter as ETSI-BC, the Economic Trust of the Southern Interior, we committed to increase funding in support of our Five Strategic Pillars. We continued building the Trust’s investment portfolio, while also increasing our core granting activities. These activities were supplemented by our convening, knowledge-sharing and collaborative work with the region’s economic development practitioners. We also delivered Partner Programs on behalf of the Province of BC, namely the Forest Impact Recovery (FIR) Program and the Rural Transportation Enhancement (RTE) Program.

### Over \$3.1 Million in FY2024 Funding

We funded 109 projects in FY2024 throughout the ETSI-BC region, providing over \$3.1 million to projects with a total value of over \$6 million. These projects helped create or maintain more than 7,000 jobs.

We have two Core Funding Intakes per year (spring and fall), and we issue Requests for Proposals at different times through the year to deliver Partner Programs and other funding support.

FY2024 Funding By Strategic Pillar		# of Projects	Funding Approved	Total Project Value	Jobs Created / Maintained
Pillar 1	Building Economic Development Capacity	38	\$669,600	\$2,315,553	808
Pillar 2	Supporting Business Resilience & Growth	19	\$1,350,375	\$1,704,345	5,202
Pillar 3	Innovating & Advancing Key Sectors	33	\$922,224	\$1,877,918	976
Pillar 4	Developing Human Capital	7	\$150,000	\$226,933	57
Pillar 5	Creating Value for the Ecosystem	12	\$48,950	\$48,950	2
<b>TOTAL SUPPORT</b>		<b>109</b>	<b>\$3,141,149</b>	<b>\$6,173,699</b>	<b>7,045</b>

### Over \$7.8 Million in Funding Since 2021

In the three years of our 2021-24 Strategic Plan combined, we supported 274 projects worth more than \$17 million by providing more than \$7.8 million in funding. Of this funding, more than \$3.7 million came from our Core budget, in support of 189 projects throughout the region. Our Core funding was leveraged by a factor of 3.22x for a total project value of over \$12 million.



“ ETSI-BC provided us the kind of support we really needed. The one-on-one contact and guidance available through the Trust are what make it stand out from other funders. ETSI-BC has worked hard at building a program that works for communities and organizations.”

Sandy Elzinga, Manager of Community Economic Development, Community Futures Boundary

Nakusp  
Kootenay Rockies Tourism/Mitch Winton

## More Than Just Funding

Funding tells only part of the story.

Other initiatives have been key to the value ETSI-BC adds to the region, including:

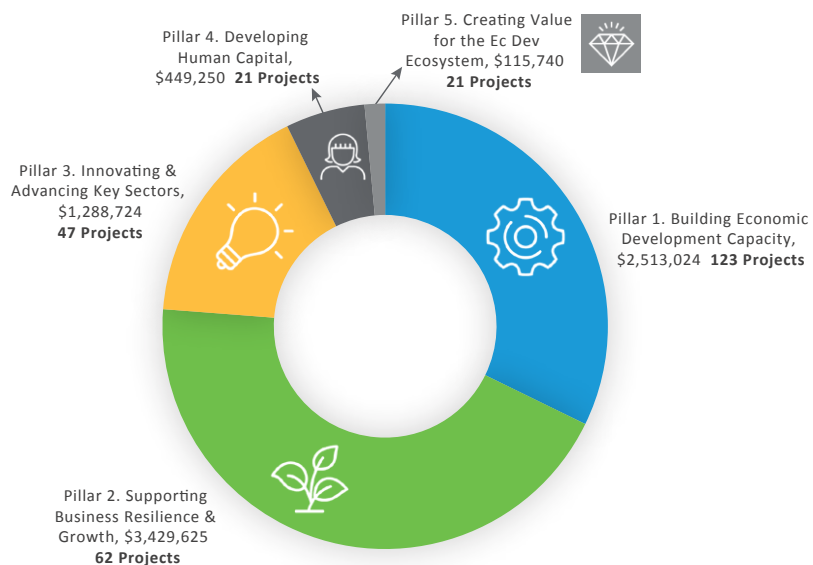
- Economic Development Practitioner Network support for the established network in the Kootenay-Boundary region, and the emerging network in the Thompson-Okanagan region

- Hosting two well-attended 'Using Data to your Advantage' Webinar Series and launching the 'Data Diggers' Community of Practice.
- Financial and promotional support for key service partners such as Community Futures BC, BC Economic Development Association (BCEDA), Mitacs and the Council for the Advancement of Native Development Officers (CANDO).

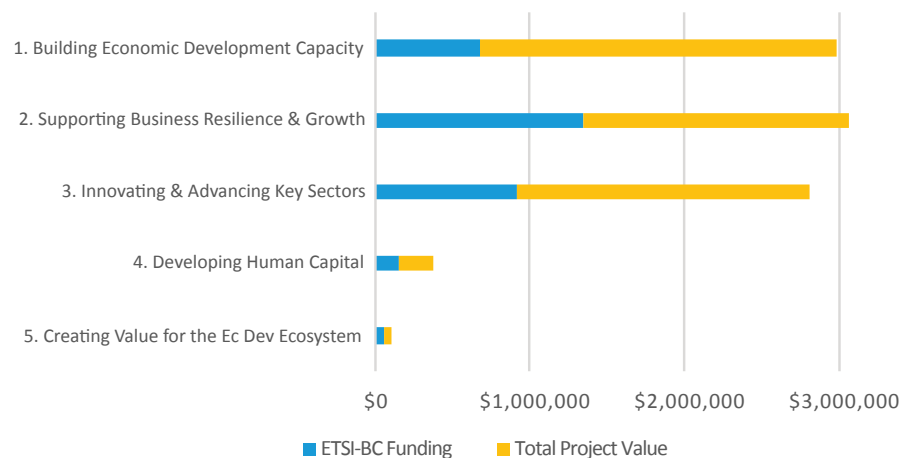
- Facilitation of the network of Recovery Advisors.
- Hands-on support and mentoring by Project Consultants.

More information on how ETSI-BC is creating value for the economic development ecosystem can be found in the detail by Strategic Pillar found in the next section of this Annual Report.

### FY2024 Projects by Strategic Pillar

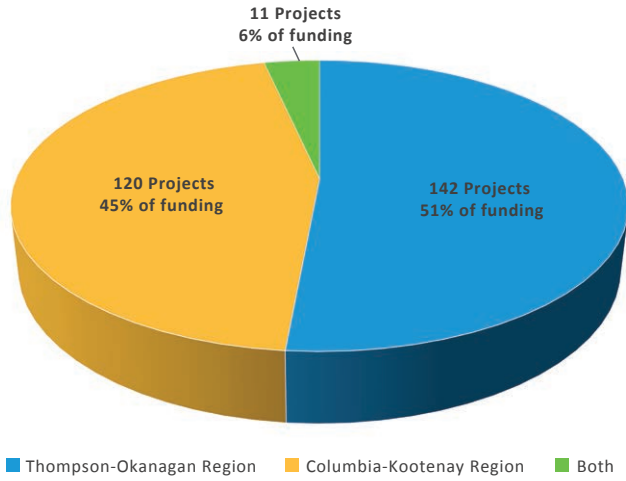


### FY2024 Funding + Project Value by Strategic Pillar

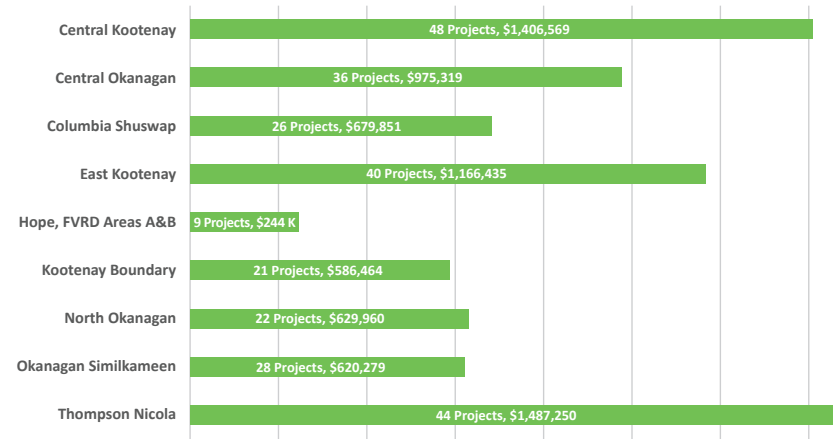


# IMPACT OF OUR 2021-24 STRATEGIC PLAN

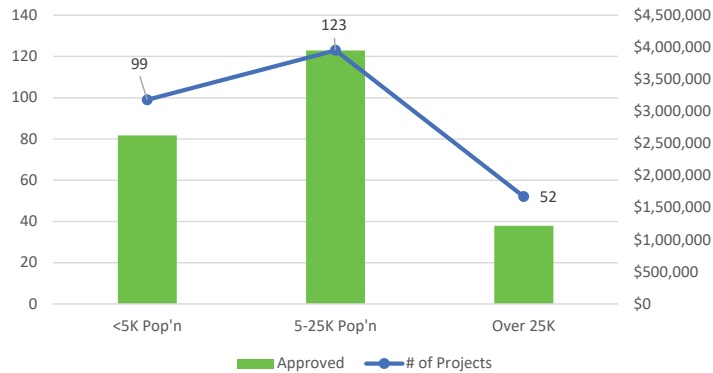
### Funding by Region 2021-24



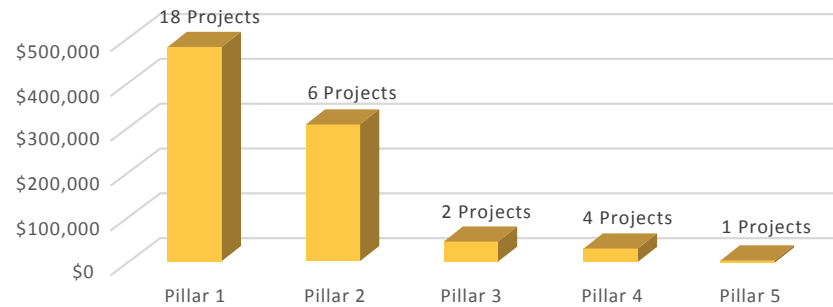
### Funding by Regional District



### Funding by Community Size



### Funding for Indigenous-Led Projects 2021-24





BUILDING

Economic Development Capacity

# Pillar 1: Building Economic Development Capacity

Through this Pillar, in FY2024, we supported First Nations, smaller, rural and disaster-affected communities in building their economic development capacity, as well as supporting economic development partnerships and collaborations.

## Key Objectives

1.1 Support smaller scale projects that enhance the capacity of smaller Southern Interior communities and First Nations to fulfill their economic development aspirations.

1.2 Support larger economic development projects within the Southern Interior with a priority on communities and First Nations with populations less than 25,000.

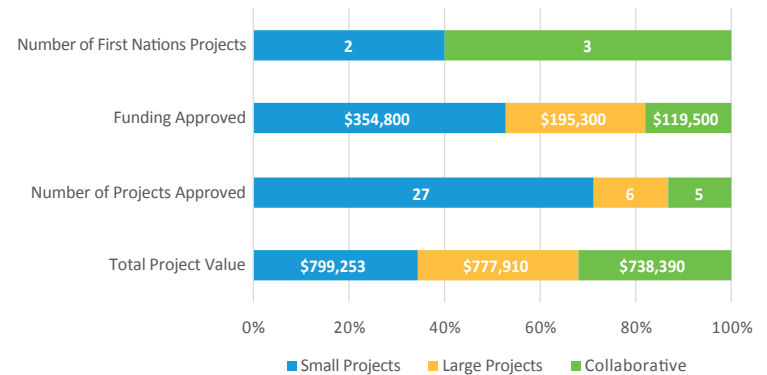
1.3 Support economic initiatives that encourage meaningful collaboration between local governments and First Nations communities, and regional collaboration among communities.

1.4 Help develop the region’s economic development capacity through training, resources, data and dialogue.

## Key FY2024 Results

- We approved over \$669K in support of 38 projects worth over \$2.3M.
- Of these, 5 projects were Indigenous-led.

## Pillar 1 Projects by Size and Type



“This funding made a significant difference to our organization, food processing businesses across the region, and our community. We are very grateful!”

Lana Fitt, Economic Development Manager, Salmon Arm Economic Development Society





SUPPORTING

Business  
Resilience &  
Competitiveness

## Pillar 2: Supporting Business Resilience & Competitiveness

Through this Pillar, ETSI-BC works in partnership with the region's non-profit business support organizations, accelerators, industry groups, First Nations and local governments and their respective economic development corporations (if applicable). In FY2024, we funded programs and services that address the region's incremental business support needs.

### Key Objectives

- 2.1 Supporting business recovery, resiliency and competitiveness activities of the region's non-profit business support organizations and industry groups.
- 2.2 Providing access to meaningful business resources.

### Key FY2024 Results

#### *Forest Impact Recovery Program*

This pillar is achieved through our delivery of the Forest Impact Recovery (FIR) Program, which ETSI-BC offers with funding from the Province of BC.

- 18 host organizations (communities, First Nation organizations and non-profit business support organizations) were provided with funding.
- Host Organizations:
  - 11 in the Thompson-Okanagan and Fraser Valley regions, 7 in the Columbia-Kootenay region.
  - 4 First Nations and local government economic development groups, 7 Chambers of Commerce, 5 Community Futures organizations.
- Recovery Advisors provided a wealth of supports, from marketing and e-commerce expertise to referrals and research, all of which is building capacity and resilience in those businesses and communities.
  - 21 Recovery Advisors included 12 women and 2 Indigenous Advisors.
- The network of Host Organizations and Advisors were provided with facilitated networking opportunities, creating a high level of collaboration and sharing of best practices.

Kaslo  
Kootenay Rockies Tourism/Mitch Winton

*"I am so appreciative of the contributions ETSI-BC makes towards economic development in our region. Many projects would not be possible without you."*

Theresa Wood, Recovery Advisor



INNOVATING

& Advancing  
Key Sectors

## Pillar 3: Innovating and Advancing Key Sectors

As part of this Pillar, we support initiatives that encourage innovation, industry / cluster growth and the advancement of our key mandated sectors, while also encouraging transition to a Net Zero economy in the region.

### Key Objectives

- 3.1 Support for sector-based initiatives, collaboration, and partnerships in the region that help stimulate business growth and innovation.
- 3.2 Support industry to become more environmentally sustainable and transition to a Net Zero economy.
- 3.3 Support initiatives that will increase investment in emerging local businesses and sectors

### Key FY2024 Results

- We approved \$284,500 in support of 10 projects worth over \$871,800 under this Pillar.

### **Regional Transportation Enhancement Program**

With funding from the Province of BC, a study was carried out from May to August 2023 that identified issues and opportunities related to rural inter-city passenger transportation in the Southern Interior of BC. Following the release of the study, the Regional Transportation Enhancement (RTE) Funding Program was launched. The Funding Intake was open from September 18 to October 31, 2023. A total of \$650,000 was available to fund projects with an end date of October 15, 2024.

With help from the Province, the ETSI-BC RTE Funding Program provides one-time grants to enhance transportation plans, partnerships, technology, service communication, and seasonal connections between communities in the Southern Interior of BC. A primary focus of this funding program is on enhancing transportation opportunities in Indigenous, smaller, and more rural communities that may currently have little or no transportation access.

*“ Whether it’s for medical care, outdoor recreation, visiting loved ones, or traveling for work, this partnership between the Province of BC and ETSI-BC to expand transit options will help make life better and more affordable for us all. ”*

Roly Russell, Parliamentary Secretary for Rural Development and MLA for the Boundary Similkameen



RTE Consultant Erin Toop at 2024 CTRF Conference, Kelowna, BC

- So far, 23 organizations have been approved for over \$637,000 in funding, in support of projects worth over \$1 million.
- Projects were led by First Nations, local governments, non-profit organizations, and private enterprises that partnered with public or non-profit entities.



ETSI-BC Board Members and Staff at the AKBLG Convention



DEVELOPING

Human Capital

## Pillar 4: Developing Human Capital

Through this Pillar, we help enhance the development of local talent by supporting entrepreneurship programming, work-integrated learning opportunities and research partnerships between the region’s post-secondary institutions and its businesses, non-profits, First Nations and municipalities. This helps encourage new venture creation, assists students and graduates to find meaningful jobs in the region, and helps create local solutions to industry challenges.

### Key Objectives

- 4.1 Investing in entrepreneurship programming and connections with industry to encourage new venture creation and help students find meaningful jobs in the region.
- 4.2 Supporting regional research projects that connect post-secondary and industry and helping develop practical skills of local students and recent graduates.

### Key FY2024 Results

#### *Entrepreneurship Programming and Work Integrated Learning Support*

ETSI-BC supported projects at all six of the region’s public Post-Secondary Institutions in this area of focus:

ORGANIZATION	PROJECT	FUNDING	PROJECT SUMMARY
College of the Rockies & Selkirk College	Kootenay Youth Entrepreneurship	\$32,500	Introduce youth, students, and recent graduates to the fundamentals of entrepreneurship and provide skills training and experiences to aid in skills and career development.
Nicola Valley Institute of Technology	Co-operative Education/ Work Integrated Learning Initiative	\$12,500	Students will participate in the Co-op Education Preparation course, which will help them with pre-employability skills development, job coaching and mentoring, job search and work placement
Okanagan College	Work-Integrated Learning Preparation Workshops	\$20,000	Workshops will prepare both students and employers for Work-Integrated Learning (WIL) Co-op education work terms focused on building and supporting workplace skills for success and mutually beneficial Co-op education experiences.
Thompson Rivers University	Tourism Innovation Lab	\$20,000	Students will develop an innovative tourism product through research and industry mentorship.
UBC Okanagan	e@UBC Support	\$20,000	Students, staff and recent graduates benefit from training and mentorship support as they explore start-up ideas and build connections within the Okanagan innovation ecosystem.



Thompson Rivers University, Tourism Innovation Lab, Kamloops

## Research Partnerships

Through the research funding partnership with Mitacs in FY2024, ETSI-BC provided \$45,000 in funding for the employer portion of Mitacs projects. In FY2024, 12 projects were funded, in partnership with five public Post-Secondary Institutions in the region.

“ We are very proud of the collaboration with ETSI-BC, which has enabled multiple impactful projects in BC’s Southern Interior. ”

Dr. John Hepburn, CEO of Mitacs

ORGANIZATION	PROJECT	INDUSTRY PARTNER	ETSI-BC MANDATED FOCUS SECTOR
College of the Rockies	Wet Waste Disposal Strategy	Canadian Mountain Holidays	Economic Development
Okanagan College	Understanding High Performing eCommerce Marketing and Automation to Support the Success of Local Retail and Futureproof Post-Secondary Marketing Education	Shop Hopper	Economic Development, Small Business
Selkirk College	Technology Integration in the Natural Resources Sector	Nakusp and Area Community Forest, Cooper Creek Cedar, Slocan Integral Forestry Co-operative, South Kootenay Lake Community Services Society, Harrop Proctor Community Forest, Regional District Central Kootenay	Economic Development, Economic Development, Forestry
	Rural Resilience Research Internships	Community Futures East Kootenays, Regional District Kootenay Boundary	Economic Development
Thompson Rivers University	Preparing BC for Future Fire Seasons	City of Kamloops	Economic Development, Forestry
UBC Okanagan	The ‘Solar Village’ project: A net-zero subdivision development	Create Solar	Economic Development Energy
	Social impact measurement toolkits and course development	Impact Toolbox	Economic Development, Small Business
	AI-Enabled Assessment of Climate Change Impacts on Drinking Water Sources	Crim Tech Inc	Economic Development, Small Business
	A Blockchain-Enabled Database for Sensitive Data Governance and OCAP Compliance	Living Lakes Canada	Economic Development, Small Business
	Thompson-Okanagan priority ecosystem inventory for climate change adaptation	Thompson-Okanagan Tourism Organization	Tourism
	Integrating Effective Food Waste Reduction Strategies into the Brokol App	Brokol Enterprises Inc	Economic Development, Small Business
UBC	Columbia Valley Green Energy Cost Reduction and CO2 Mitigation Project	Regional District East Kootenay	Economic Development Energy



CREATING

Value for the  
Economic  
Development  
Ecosystem

## Pillar 5: Creating Value for the Economic Development Ecosystem

We help add value to the economic development ecosystem by nurturing continuous learning and foster collaborative knowledge sharing. We aim to create an environment that inspires new approaches, facilitates dialogue among practitioners, and encourages the sharing of best practices.

### Key Objectives

- 5.1 Building and supporting collaborative networks throughout the Southern Interior
- 5.2 Ensuring that ETSI-BC programs are relevant to the region's stakeholders
- 5.3 Effectively stewarding the assets, brand, internal operations, RAC relations, and partnerships of ETSI-BC to ensure long-term viability and credibility of the organization

### Key FY2024 Results

#### Education

In FY2024, Community Futures East Kootenay was engaged to develop the curriculum for a new Data 201 webinar series for economic development practitioners. This series featured five webinars delivered by Robyn Peel with guest speakers from around the region.



'Data Diggers' Community of Practice

“ One common message I have heard over and over is gratitude and appreciation for the funding received from ETSI-BC and the great work of you and your team! Everyone certainly recognizes the benefits and opportunities they can pursue because of ETSI-BC's funding. Job well done! ”

Kandice Morrison, Director,  
Community Economic Development,  
Southern Interior, Pacifican

## Dialogue

During FY2024, ETSI-BC supported many organizations and engaged in dialogue through sponsorships and speaking engagements at the:

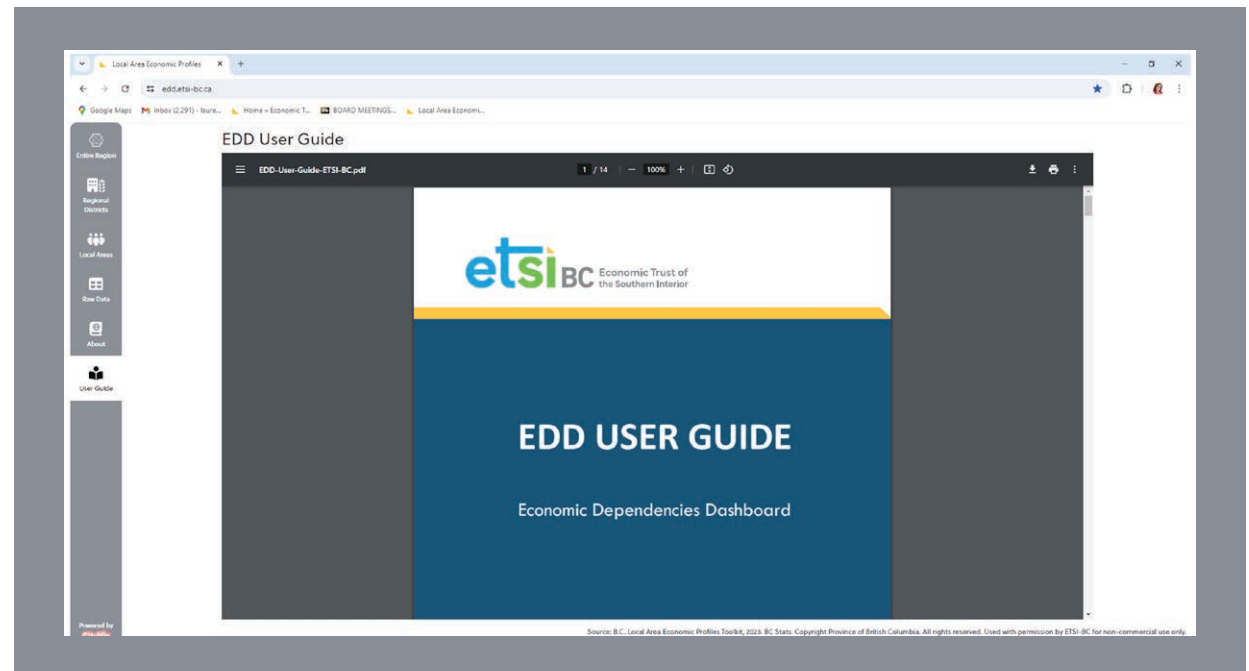
- BC Economic Development Association Summit in Penticton, May 2023
- Kootenay Economic Development Practitioners Network, October 2023
- Kootenay Outdoor Rec-Tech Summit in Kimberley, October 2023, hosted by KORE
- Fall Business Forum in Salmon Arm, November 2023 hosted by CF Shuswap
- Tourism Industry Conference, November 2023 hosted by Kootenay Rockies Tourism Association
- Council for the Advancement of Native Development Officers (CANDO) BC Links to Learning conference in Vancouver, December 2023
- Community Futures Pan West Conference in Kelowna, February 2024
- Canadian Home Builders Housing Summit, March 2024
- Association of Kootenay-Boundary Local Governments convention in Cranbrook April 2024
- Southern Interior Local Government Association convention in Osoyoos May 2024

In addition, we hosted several gatherings of key stakeholders to increase awareness of each other, share best practices and coordinate our respective offerings. We:

- Hosted a Roundtable with the region's Public Post-Secondary Institutions and Accelerators, and hosted monthly meetings of the FIR Advisors.
- Hosted a Roundtable featuring entrepreneurship and work-integrated learning practitioners at the region's six public post-secondary institutions to share updates and best practices.

## Other Support for the Ecosystem

- Provided rebates to five organizations to support their BCEDA Economic Development Learning Exchange and the SFU Community Economic Development courses.
- Local Area Economic Dependencies Dashboard launching June 2024, will provide a detailed resource on the Southern Interior for Economic Development Practitioners.



# Projects Approved by RAC Region

## Columbia-Kootenay Region

Organization	Project	Funding Approved	Community
Akisknuq First Nation	Tourism Amenity Needs Assessment	\$15,000	Windermere
Arrow & Slocan Lake Community Services	ASLCS Medical Bus Expansion	\$47,974	Nakusp
Basin Food (Columbia Basin Trust)	Basin Food Expo 2023	\$1,000	Creston
Big White Mountain Chamber of Commerce	Business Walk & Shop Local Program	\$5,750	Big White
Boundary Country Regional Chamber of Commerce	Boundary Forest Impact Advisor	\$75,000	Grand Forks
Boundary Country Regional Chamber of Commerce	Grand Forks Ambassador Program	\$15,000	Grand Forks
Castlegar & District Chamber of Commerce	West Kootenay Regional Shuttle Feasibility Study	\$25,000	Castlegar
Castlegar & District Chamber of Commerce	EDPN	\$15,000	Castlegar
Castlegar & District Chamber of Commerce	Castlegar & District Forest Impact Recovery Advisor	\$75,000	Castlegar
Castlegar & District Community Services Society	Volunteer Driver Services in the West Kootenay Boundary Region: Planning & Partnership Development	\$19,250	Castlegar
Castlegar City of (Rotary Club of Castlegar Sunrise)	Ecolink Castlegar to Selkirk	\$11,000	Castlegar
Community Futures Central Kootenay	West Kootenay Regional Business Start Up Advisor	\$75,000	Nelson
Community Futures Central Kootenay	Rural ride-hailing feasibility study	\$25,000	Nelson
Community Futures Central Kootenay	Climate Resilient Kootenay Businesses	\$30,000	Nelson
Community Futures Central Kootenay	Kootenay Regional Film Studio Feasibility Study	\$35,000	Nelson
Community Futures East Kootenay	Data 101	\$6,925	Cranbrook
Community Futures East Kootenay	Social Enterprise & Entrepreneurial Support for Non-Profit Org'ns	\$15,000	Cranbrook
Community Futures Revelstoke	Business & Sectoral Transition Support	\$75,000	Revelstoke
Christina Gateway Community Development Association	Christina Lake on the Move	\$25,000	Christina Lake
College of the Rockies	Kootenay Entrepreneurship Program	\$12,500	Cranbrook
Columbia Valley Chamber of Commerce	Columbia Valley Transit Review & Needs Assessment	\$20,740	Invermere



## Columbia-Kootenay Region

Organization	Project	Funding Approved	Community
Columbia Valley Chamber of Commerce	Downtown Street Closure Feasibility	\$3,000	Invermere
Community Energy Association	Lower Kootenay Band Electric Health Shuttle Study	\$25,000	Creston
Cranbrook Chamber of Commerce	East Kootenay Consortium of Recovery Advisors	\$200,000	Cranbrook
Creston Valley Chamber of Commerce	Creston Valley Chamber of Commerce Economic Revitalization Plan	\$15,000	Creston
Creston Valley Tourism Society	Creston Valley Tourism Society 5-Year Plan & MRDT Consultation	\$15,000	Creston
District of Elkford	Elkford Economic Development Strategy	\$15,000	Elkford
Fernie Chamber of Commerce	Economic Development Service Establishment Bylaw -Elk Valley	\$9,500	Fernie
Fields Forward Society	Business Development & Marketing Incubator	\$35,000	Creston
Foresight Cleantech Accelerator Centre	Feasibility of Small Diameter Logging & Slash Bundling Technology	\$29,500	Nelson
Golden Community Economic Development Society	Commercial & Industrial Property Resource Project	\$14,950	Golden
Golden Cycling Club	Economic Impact Study 2023	\$10,100	Golden
Greater Trail Community Skills Centre	EcoRenovate: Building a Sustainable Future Awareness Campaign	\$15,000	Trail
Kimberley & District Chamber of Commerce	Kimberley BC Business Retention & Expansion Survey	\$15,000	Kimberley
Kootenay Carshare Cooperative	Air Carshare Communication Enhancement Project	\$25,000	Nelson
Kootenay Employment Service Society	Feasibility Study for Affordable Housing Community Shared Transportation in the Creston Valley	\$25,000	Creston
Kootenay Employment Services Society	Creston-Kootenay Lake FIR Advisor	\$50,000	Creston
Kootenay Outdoor Recreation Enterprise Society (KORE)	Kore Summit 2023	\$1,050	Kimberley
Kootenay Outdoor Recreation Enterprise Society (KORE)	#KootenayApproved	\$35,000	Kimberley
Kootenay Rockies Tourism Association	Building Regional Cannabis Trails	\$15,000	Kimberley
Kootenay Rockies Tourism Association	Kootenay Rockies Tourism Conference	\$1,050	Kimberley
Lower Columbia Community Development Team Society	Incredible Farmers' Market Expansion & Sustainability	\$30,000	Trail
Lower Columbia Initiatives Corporation	West Kootenay Border Crossing Impact Assessment	\$15,000	Trail
Lower Columbia Initiatives Corporation	Southern Interior Food Distribution Model Expansion & Implementation	\$35,000	Trail
Nakusp & Area Development Board	Community Economic Diversification Plan for Nakusp & Area	\$50,000	Nakusp

## Columbia-Kootenay Region

Organization	Project	Funding Approved	Community
Next Gen Transit	Bus Operator Class 2 Driver Training	\$25,200	Trail
Outdoor Recreation Council of British Columbia	Outdoor Recreation Communities Toolkit	\$15,000	Revelstoke
Regional District of Central Kootenay	Establishing a Values Based Approach To Governance	\$25,000	Nelson
Selkirk College	Kootenay Entrepreneurship Program	\$20,000	Castlegar
Slocan Valley Chamber of Commerce	New Denver Visitor centre feasibility study	\$15,000	New Denver
Tourism Big White Society	Big White Mountain Community Shuttle	\$65,000	Kelowna
Tourism Fernie Society	Planning for Future Transportation Partnership Options & Services	\$10,000	Fernie
Tourism Fernie Society	Local Tourism Shuttle App & E-Commerce Development	\$15,000	Fernie
Tourism Golden Association	GPS Vehicle Tracking & Consumer App	\$6,228	Golden
Tourism Golden Association	Golden-Kicking Horse Connector Community Service Expansion	\$58,833	Golden
Trails to The Boundary Society	Social Enterprise Opportunities for Rural Economic Development	\$15,000	Rock Creek
Village of Canal Flats	Columbia Valley Data Driven Economic Development Project	\$35,000	Canal Flats
Whitewater Ski Resorts	Whitewater Ski Resort Shuttle expansion	\$65,000	Nelson
		<b>\$1,679,550</b>	

## Thompson-Okanagan Region

Organization	Project	Funding Approved	Community
Armstrong Spallumcheen Chamber of Commerce	Forest Impact Recovery (FIR) -North Okanagan	\$75,000	Armstrong
Barriere Chamber of Commerce	Destination Barriere: Live, Work & Play	\$15,000	Barriere
Barriere, District of	Barriere Business Development Officer	\$75,000	Barriere
Bursaries	FY2024 -BCEDA, SFU -Ec Dev Training	\$2,875	Kelowna
Business Alliance for Artisan Fermenters and Distillers	Job Sharing Project for Artisan Beverage Producers	\$20,000	Oliver
Canadian Home Builders Assn	Housing Summit	\$2,000	Kelowna
Canadian Transportation Research Forum	Sponsorship RTE	\$4,500	Kelowna
Cando	Cando BC Links to Learning	\$1,000	Vancouver
CF Central Interior First Nations	FIR -CIFN	\$75,000	Kamloops
CF North Okanagan	North Okanagan Community Health Clinic	\$15,000	Vernon
CF Shuswap	Fall Business Forum	\$1,000	Salmon Arm
CF Sun Country	Forest Impact Recovery Program	\$50,000	Merritt
CF Thompson Country	Forestry Business Recovery Coordinator	\$75,000	Kamloops
District of Clearwater	Post Mill Closure Initiative	\$75,000	Clearwater
District of Peachland	Peachland Downtown Revitalization Implementation Strategy	\$35,000	Peachland
District of Sicamous Development Corporation	Highlighting Sicamous: Investment & Community Profiles	\$15,000	Sicamous
Falkland Historical Society	Tourism Info Centre & Bistro	\$22,300	Falkland
FIR Subject Matter Experts	FIR Advisor Training	\$12,875	Kelowna
Interior Logging Association	Supporting Business in the Forestry Sector	\$75,000	Vernon
Kamloops Food Policy Council	Strengthening the Kamloops Regional Food Supply Chain	\$28,000	Kamloops
Kelowna Chamber of Commerce	Southern Interior Regional Economic Summit II	\$50,000	Kelowna
Kelowna Chamber of Commerce	Creating a Collaborative Network	\$15,000	Kelowna
Lake Country, The District of	The District of Lake Country's Integrated Transit Strategy: Phase 3	\$25,000	Lake Country
Lower Nicola Indian Band	Aspen Solar & Storage Project	\$35,000	Merritt
Lumby District and Chamber of Commerce	Forest Impact Advisor	\$37,500	Lumby
Merritt & District Chamber of Commerce	Merritt & District Chamber of Commerce Build Back Community Project	\$75,000	Merritt

## Thompson-Okanagan Region

Organization	Project	Funding Approved	Community
Merritt & District Chamber of Commerce	Chamber of Commerce 3-year Strategic and Tactical Plan	\$10,000	Merritt
Mitacs	Research Partnership	\$45,000	Kelowna
Neskonlith Indian Band	Forest Impact Recovery (FIR) Advisor	\$75,000	Chase
Nicola Valley Institute of Technology	Co-operative Education/Work Integrated Learning Initiative	\$12,500	Merritt
North Bend Community Association	North Bend Hall -Community Space Preservation	\$15,000	North Bend
Okanagan Circular Society	OCS Community Solar Initiative	\$40,000	Kelowna
Okanagan College	Work-Integrated Learning Preparation Workshops	\$20,000	Kelowna
Okanagan College	Okanagan College Transportation Review	\$24,999	Kelowna
Osoyoos Indian Band	OIB Communications Strategy for Nk'Mip Forestry	\$15,000	Osoyoos
Regional District of Central Okanagan	Recovery Business Advisor, Central Okanagan	\$50,000	Kelowna
Regional District Okanagan Similkameen	Naramata Community Revitalization Plan	\$15,000	Penticton
Salmon Arm & District Chamber of Commerce	Strategic Vision for the Salmon Arm Chamber of Commerce	\$5,000	Salmon Arm
Salmon Arm Folk Music Society	Strategic Planning RootsandBlues	\$10,000	Salmon Arm
SD 23	iGen	\$1,000	Kelowna
Shuswap Economic Development Society	Shuswap Economic Development Office and workhubs	\$25,000	Sorrento
Shuswap Economic Development Society	Scotch Creek Business Facade Pilot	\$15,000	Sorrento
Silver Star Resort Association	Transportation Connectivity to Silver Star from Vernon and the North Okanagan	\$25,000	Vernon
Skwłāx te Secwepemcúłecw - Little Shuswap Lake Band	Skwłāx te Secwepemcúłecw Business Park Recovery and Expansion	\$15,000	Chase
Thompson Okanagan Tourism Association	Thompson Okanagan Transportation Connectivity Engagement	\$25,000	Kelowna
Thompson Rivers University	TRU Tourism Innovation Lab	\$20,000	Kamloops
TOTA	TOTA Summit	\$1,050	Penticton
Town of Oliver	Station Street Concept Plan Update	\$15,000	Oliver
University of British Columbia	Supporting UBC Okanagan Students, Researchers and Entrepreneurs	\$20,000	Kelowna
Westbank First Nation & OKIB Partnership	Connected Communities Campaign	\$25,000	Kelowna
Whispering Pines Clinton Indian Band	Economic Transit Planning Feasibility Study	\$25,000	Kamloops
		<b>\$1,461,599</b>	



Co-Operative Educationwork Integrated Learning Initiative,  
Nicola Valley Institute of Technology, Merritt



Kootenay Regional Film Studio Feasibility Study, CFCK, Nelson



Workforce Development,  
Venture Kamloops, Kamloops

“ The ETSI BC team is the best funding partner/  
economic development champion out there. Such  
great communication, organization, collaboration  
and ongoing support. You guys are building the  
model of success and I hope more funders take  
note of the incredible work you all do. The projects  
the ETSI BC ... is funding have an opportunity to  
focus on recovery while at the same time build  
resiliency. That’s pretty awesome! ”

Jaime Mayes, Consultant, O’Leary & Associates,  
which works with the Neskonlith Indian Band

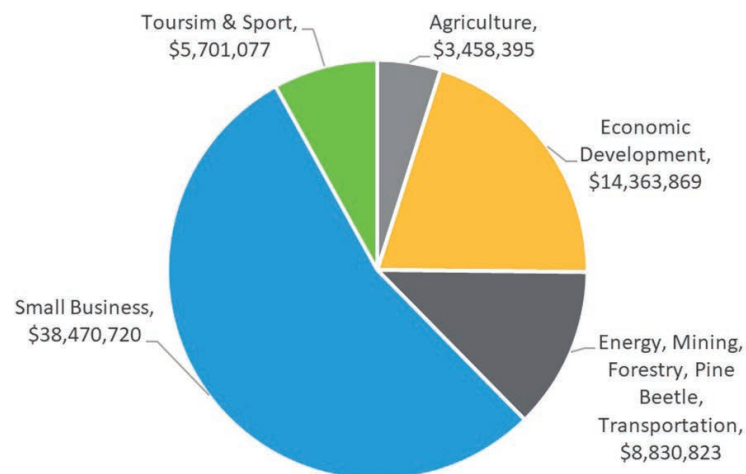
TOTAL

**\$70.8**  
million

# Funding by Mandated Focus Area

Our enabling legislation has key areas of sector focus which ETSI-BC funds. Our funding has been allocated across these sectors as follows:

Cumulative Investment by Mandated Focus Area 2008-2024



## Fiscal 2024 and Cumulative Funding

<b>Agriculture</b> (\$124,000 in FY2024)	Agriculture includes manufacture of products used in the agriculture industry; research and development in agri-business and biotech; community-based food and herb production; nurseries; community-based abattoir services; organic gardening training and certification services and community based agriplex/multipurpose buildings.	\$3,458,395
<b>Economic Development</b> (\$675,600 in FY2024)	Economic Development includes investment in education in trades; STEM, and business academic programs; innovation and entrepreneurship programs; business advocacy; inter-national market development; business incubators; research and development; business productivity training; broadband initiatives and community investment in conference and training centers.	\$14,363,869
<b>Energy, Mining, Forestry/ Pine Beetle Recovery, Transportation</b> (\$2,100,099 in FY2024)	Energy includes research and development of energy related technology; energy efficiency products and services; and bio-energy solutions. Mining includes value-added manufacturing. Forestry includes investments related to community forests and value-added processing. Pine Beetle Recovery includes research and development; market development; and manufacture of value-added products. Transportation includes commercial transportation services; airport hazard equipment; and heliport construction.	\$8,830,823
<b>Small Business</b> (\$153,000 in FY2024)	Small Business includes investment in technology and main street business enterprises including software development, communications; fire prevention; health care; pharmaceuticals; composite manufacturing; electronics manufacturing; retail and wholesale; micro-breweries and other business activities.	\$38,470,720
<b>Tourism &amp; Sport</b> (\$88,450 in FY2024)	Tourism includes heritage-based tourism, agri-tourism, trail development, arts, culture, sport tourism, and sport. Includes community investments into training facilities and equipment that have been or will be used to train future Olympians and future community use.	\$5,701,077
<b>TOTAL</b>		<b>\$70,824,884</b>



## Investment Portfolio

The ETSI-BC investment portfolio was managed by Philips, Hagar, and North Investment Management (PH&N) since 2008. During FY2024, ETSI-BC appointed Connor, Clark & Lunn of Vancouver to be its Investment Manager.

The portfolio increased in value from \$41,847,481 on March 31, 2023 to \$45,502,705 on March 31, 2024, an increase of 8.7% year over year.

### Asset Allocation

AS OF MARCH 31, 2024	% OF TOTAL PORTFOLIO
Market Value	\$45,502,705
Long Term Asset Mix (% of total market value)	
Equities	50%
Fixed Income	30%
Non-Traditional	20%
Short Term	0%

ETSI-BC Team at BCEDA Conference;  
Paul Wiest, Laurel Douglas, Renata King

# Audited Financial Statements

## Southern Interior Development Initiative Trust ("ETSI-BC") Financial Statements

For the Year Ended March 31, 2024

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Kelowna, BC, V1Y 0B5

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## Independent Auditor's Report

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To the Board of Directors of the Southern Interior Development Initiative Trust ("ETSI-BC")

### Opinion

We have audited the financial statements of the Southern Interior Development Initiative Trust doing business as the Economic Trust of the Southern Interior ("ETSI-BC"), which comprise the statement of financial position as at March 31, 2024, the statements of operations and fund balances 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 ETSI-BC as at March 31, 2024, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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 ETSI-BC 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 Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing ETSI-BC'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 ETSI-BC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ETSI-BC's financial reporting process.

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BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



### 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.

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 ETSI-BC'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 ETSI-BC'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 ETSI-BC 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.

*BDO Canada LLP*

Chartered Professional Accountants

Kelowna, British Columbia  
June 21, 2024

2

**Southern Interior Development Initiative Trust ("ETSI-BC")  
Statement of Financial Position**

March 31	Regional Account Fund	Externally Restricted Fund-RBCR/FIR	Externally Restricted Fund-MOTI/RTE	2024	2023
<b>Assets</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 11,035,741	\$ 282,400	\$ 132,447	\$ 11,450,588	\$ 3,510,330
Accounts receivable	-	-	-	-	6,030
Partner program funding receivable (Note 2)	-	-	-	-	833,333
Temporary investments (Note 3)	1,017,897	-	-	1,017,897	2,030,685
Prepaid expenses	5,025	-	-	5,025	18,431
Current portion of development initiatives (Note 4)	502,085	-	-	502,085	873,260
	<u>12,560,748</u>	<u>282,400</u>	<u>132,447</u>	<u>12,975,595</u>	<u>7,272,069</u>
Development initiatives (Note 4)	680,365	-	-	680,365	1,896,407
Managed Investment Portfolio (Note 5)	45,421,578	-	-	45,421,578	41,867,481
Self-Managed GIC Investments (Note 6)	2,501,038	-	-	2,501,038	-
Property and equipment	10,580	-	-	10,580	10,930
	<u>\$ 61,174,309</u>	<u>\$ 282,400</u>	<u>\$ 132,447</u>	<u>\$ 61,589,156</u>	<u>\$ 51,046,887</u>
<b>Liabilities and Fund Balances</b>					
<b>Current</b>					
Accounts payable and accrued liabilities (Note 7)	\$ 211,056	\$ 282,400	\$ 47,361	\$ 540,817	\$ 246,167
<b>Fund balances</b>					
Investment in property and equipment	10,580	-	-	10,580	10,930
Regional account fund	60,952,673	-	-	60,952,673	48,534,827
Externally restricted fund	-	-	85,086	85,086	2,254,963
	<u>60,963,253</u>	<u>-</u>	<u>85,086</u>	<u>61,048,339</u>	<u>50,800,720</u>
	<u>\$ 61,174,309</u>	<u>\$ 282,400</u>	<u>\$ 132,447</u>	<u>\$ 61,589,156</u>	<u>\$ 51,046,887</u>

On behalf of the Board:

DocuSigned by:  
 Phil Barker \_\_\_\_\_ Director  
C2890987F5143B

DocuSigned by:  
 SHARON SHEPHERD \_\_\_\_\_ Director  
ABE304E6E63643E

The accompanying notes are an integral part of these financial statements.

**Southern Interior Development Initiative Trust ("ETSI-BC")  
Statement of Changes in Fund Balances**

For the year ended March 31	Investment in Property and Equipment	Regional Account Fund	Externally Restricted Fund-RBCR/FIR	Externally Restricted Fund-MOTI/RTE	2024	2023
Balance, beginning of the year	\$ 10,930	\$ 48,534,827	\$ 1,421,630	\$ 833,333	\$ 50,800,720	\$ 49,097,817
Excess (deficiency) of revenues over expenses	(2,943)	12,400,446	(1,401,637)	(748,247)	10,247,619	1,702,903
Purchase of capital assets	2,593	(2,593)	-	-	-	-
Interfund transfers	-	19,993	(19,993)	-	-	-
Balance, end of the year	<u>\$ 10,580</u>	<u>\$ 60,952,673</u>	<u>\$ -</u>	<u>\$ 85,086</u>	<u>\$ 61,048,339</u>	<u>\$ 50,800,720</u>

The accompanying notes are an integral part of these financial statements.

**Southern Interior Development Initiative Trust ("ETSI-BC")  
Statement of Operations**

For the year ended March 31	Regional Account Fund	Externally Restricted Fund- RBCR/FIR	Externally Restricted Fund- MOTU/RITE	2024	2023
<b>Revenue</b>					
Income on development initiatives	\$ 79,948	\$ -	\$ -	\$ 79,948	\$ 177,468
Fees and other	17,856	-	-	17,856	14,460
Province of BC Contribution	10,000,000	-	-	10,000,000	-
Partner Program Funding	-	-	-	-	2,323,333
Gain on Sale of Shares	-	-	-	-	211,000
	<u>10,097,804</u>	<u>-</u>	<u>-</u>	<u>10,097,804</u>	<u>2,726,261</u>
<b>Direct expenses</b>					
Grants	1,082,300	1,350,375	587,524	3,020,199	1,425,761
Provision for development initiatives	163,780	-	-	163,780	16,642
Recovery of development initiatives	(372,916)	-	-	(372,916)	(75,000)
	<u>873,164</u>	<u>1,350,375</u>	<u>587,524</u>	<u>2,811,063</u>	<u>1,367,403</u>
<b>Net revenue in excess (deficit) of direct expenses</b>	<u>9,224,640</u>	<u>(1,350,375)</u>	<u>(587,524)</u>	<u>7,286,741</u>	<u>1,358,858</u>
<b>General and administrative expenses:</b>					
Amortization	2,943	-	-	2,943	2,986
Board costs	36,497	-	-	36,497	23,199
Program delivery and consulting fees	160,354	28,395	-	188,749	162,289
Insurance	10,676	-	-	10,676	5,940
Office and administration	85,172	-	55,560	140,732	133,262
Professional fees	27,623	-	105,163	132,786	41,863
Salaries and benefits	285,478	22,867	-	308,345	296,479
	<u>608,743</u>	<u>51,262</u>	<u>160,723</u>	<u>820,728</u>	<u>668,018</u>
<b>Excess (deficiency) of revenues over expenses from operations</b>	<u>8,615,897</u>	<u>(1,401,637)</u>	<u>(748,247)</u>	<u>6,466,013</u>	<u>690,840</u>
<b>Investments</b>					
Fair value re-measurement of investments	4,503,590	-	-	4,503,590	(540,196)
Gain (loss) on disposal of investments, net	(874,992)	-	-	(874,992)	1,025
Income earned	375,867	-	-	375,867	1,741,309
Investment management fees paid	(222,859)	-	-	(222,859)	(190,075)
	<u>3,781,606</u>	<u>-</u>	<u>-</u>	<u>3,781,606</u>	<u>1,012,063</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 12,397,503</u>	<u>\$ (1,401,637)</u>	<u>\$ (748,247)</u>	<u>\$ 10,247,619</u>	<u>\$ 1,702,903</u>

The accompanying notes are an integral part of these financial statements.

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**Southern Interior Development Initiative Trust ("ETSI-BC")  
Statement of Cash Flows**

For the year ended March 31	2024	2023
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$10,247,619	\$ 1,702,903
Adjustments for non-cash items:		
Amortization of PPE	2,943	2,986
Fair value re-measurement of investments	(4,503,590)	509,511
(Gain) loss on disposal of investments	874,992	(1,025)
Investment income	(148,357)	(1,741,309)
Provision for development initiative losses	(209,136)	(58,358)
	<u>6,264,471</u>	<u>414,708</u>
<b>Changes in non-cash working capital:</b>		
Accounts receivable	839,362	(289,363)
Prepaid expenses	13,406	(13,743)
Accounts payable and accrued liabilities	294,650	(383,370)
Deferred contributions	-	(6,500)
	<u>1,196,354</u>	<u>2,362,556</u>
<b>Changes in development initiatives</b>		
Repayments of development initiatives	<u>9,208,243</u>	<u>2,084,288</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(45,644,649)	(7,872,005)
Proceeds on disposal of investments	44,379,257	4,598,889
Purchase of capital assets	(2,593)	(2,395)
	<u>(1,267,985)</u>	<u>(3,275,511)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>7,940,258</u>	<u>(1,191,223)</u>
<b>Cash and cash equivalents, beginning of the year</b>	<u>3,510,330</u>	<u>4,701,553</u>
<b>Cash and cash equivalents, end of the year</b>	<u>\$11,450,588</u>	<u>\$ 3,510,330</u>

The accompanying notes are an integral part of these financial statements.

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## Southern Interior Development Initiative Trust ("ETSI-BC") Notes to Financial Statements

March 31, 2024

### 1. Summary of Significant Accounting Policies

<b>Nature of operations</b>	<p>Southern Interior Development Initiative Trust doing business as Economic Trust of the Southern Interior ("ETSI-BC") was formed in February 2006 under the Southern Interior Development Initiative Trust Act (the "Act") and shortly thereafter received a one-time contribution from the Province of British Columbia. ETSI-BC is a not-for-profit entity and is exempt from income tax under section 149 of the Income Tax Act.</p> <p>ETSI-BC uses its endowment to contribute to stronger communities in the Southern Interior by helping build a strong and diversified economy. With a special focus on the region's smaller and First Nations communities, the organization works with the region's local governments, economic development practitioners, non-profit business support organizations, post-secondary institutions, industry associations, and accelerators to help grow and diversify the region's economy. ETSI-BC partners with these organizations and provides grant funding to:</p> <ul style="list-style-type: none"> <li>• Help expand economic opportunity in communities</li> <li>• Assist its partners as they support local businesses</li> <li>• Encourage entrepreneurship and the creation of meaningful jobs</li> <li>• Connect the region's post-secondary institutions to industry</li> <li>• Provide support to key sectors of the region's economy to innovate and be more sustainable.</li> </ul> <p>ETSI-BC creates value for the economic development ecosystem by facilitating meaningful connections, fostering collaboration and sharing of best practices, and by stewarding its assets in the best interest of the region, maximizing its grant funding each year while protecting the Trust's remaining capital for future generations.</p>
<b>Basis of accounting</b>	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

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## Southern Interior Development Initiative Trust ("ETSI-BC") Notes to Financial Statements

March 31, 2024

### 1. Summary of Significant Accounting Policies (continued)

<b>Fund accounting</b>	<p>ETSI-BC reports its activities on a fund accounting basis. ETSI-BC currently has a General Fund (with a SNII balance), a Regional Account Fund, which is externally restricted, and an Externally Restricted Fund which is externally restricted.</p> <p>The Regional Account Fund includes balances which are invested in property and equipment and represents the amount currently available for development initiatives and administrative costs.</p> <p>The Externally Restricted Funds include balances of contributions received from external sources that are subject to external restrictions. The RBCR/FIR fund reports the assets, liabilities, revenues and expenses related to the Rural Business and Community Recovery Program. The MOTI/RTE fund reports the assets, liabilities, revenues and expenses related to the Rural, Regional and Inter-City Transportation Contribution Agreement.</p>															
<b>Revenue recognition</b>	<p>Income in the Regional Account Fund is recognized when the service has been provided or earned, provided that collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the price is fixed or determinable.</p> <p>Restricted contributions are recognized as revenue in the Externally Restricted Fund in the year in which the contributions are received.</p> <p>Unrestricted contributions are recognized in the General Fund in the year in which the related disbursements are incurred.</p>															
<b>Cash and cash equivalents</b>	Cash and cash equivalents include cash on hand and short-term deposit which are highly liquid with original maturities of less than three months. Any cash or cash equivalents held in investment portfolios is included with investments.															
<b>Temporary investments</b>	Temporary investments are stated at the lower of cost and market value.															
<b>Property and equipment</b>	<p>Property and equipment are stated at cost, less accumulated amortization. Amortization is provided using the declining balance method and following annual rates:</p> <table border="0" style="margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: left;">Method</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td>Furniture and fixtures</td> <td>Declining balance</td> <td>20%</td> </tr> <tr> <td>Computer hardware</td> <td>Declining balance</td> <td>30%</td> </tr> <tr> <td>Computer software</td> <td>Declining balance</td> <td>50%</td> </tr> <tr> <td>Leasehold improvements</td> <td>Declining balance</td> <td>20%</td> </tr> </tbody> </table>		Method	Rate	Furniture and fixtures	Declining balance	20%	Computer hardware	Declining balance	30%	Computer software	Declining balance	50%	Leasehold improvements	Declining balance	20%
	Method	Rate														
Furniture and fixtures	Declining balance	20%														
Computer hardware	Declining balance	30%														
Computer software	Declining balance	50%														
Leasehold improvements	Declining balance	20%														

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## Southern Interior Development Initiative Trust ("ETSI-BC") Notes to Financial Statements

March 31, 2024

### 1. Summary of Significant Accounting Policies (continued)

**Use of estimates** The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of development initiatives. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known or are revised.

**Financial instruments** Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. ETSI-BC accounts for all convertible debt instruments by initially measuring the equity component of the non-publicly trading entity at \$Nil. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. ETSI-BC has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, ETSI-BC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount ETSI-BC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

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## Southern Interior Development Initiative Trust ("ETSI-BC") Notes to Financial Statements

March 31, 2024

### 2. Partner Program Funding Receivable

During the year, ETSI-BC received \$Nil (2023 - \$1,490,000) in funding from the Province of British Columbia under their Rural Business and Community Recovery Program ("RBCRC") to support smaller communities and businesses primarily in rural areas to help them deal with economic impacts from changes in the forestry sector. The ETSI-BC Program is called the Forest Impact Recovery ("FIR") Program. FIR Advisors have been engaged by various 'Host Organizations' throughout the region.

During the year, ETSI-BC received \$Nil (2023 - \$833,333) in funding from the Province of British Columbia via the Ministry of Transportation and Infrastructure ("MOTI") to research inter-city passenger transportation needs and opportunities in the BC Southern Interior. A funding program was created by ETSI-BC, called the Rural Transportation Enhancement ("RTE") Program, which funded planning, communication and service expansion initiatives.

As at March 31, 2024, ETSI-BC had \$Nil (2023 - \$833,333) receivable from the Province of British Columbia.

### 3. Temporary Investments

ETSI-BC holds a short term guaranteed investment certificate ("GIC") in a credit union with the following terms:

	2024	2023
1 year non-redeemable GIC, maturing on December 09, 2024, bearing interest of 5.75% with interest paid on maturity.	\$ 1,000,000	\$ 2,000,000
Accrued Interest	17,897	30,685
	\$ 1,017,897	\$ 2,030,685

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**Southern Interior Development Initiative Trust ("ETSI-BC")  
Notes to Financial Statements**

**March 31, 2024**

**4. Development Initiatives**

As at March 31, 2024, there are development initiatives, measured at amortized cost, and secured by general security agreements, outstanding as follows:

	2024	2023
Loans - term	\$ 311,505	\$ 1,279,132
Loans - convertible	949,480	1,369,609
Loans via Community Futures	6,248	14,846
Equity - common shares	<u>2,360,335</u>	<u>3,895,871</u>
	3,627,568	6,559,458
Less: provision for losses	<u>(2,445,118)</u>	<u>(3,789,791)</u>
Net Development initiatives	1,182,450	2,769,667
Less: current portion	<u>(502,085)</u>	<u>(873,260)</u>
Total	<u>\$ 680,365</u>	<u>\$ 1,896,407</u>

a) Loans - term

ETSI-BC has 2 (2023 - 5) direct loans outstanding which bear interest at rates that range from 9.25% to 13.20% per annum. Interest and principal amounts are due at various dates between October 1, 2024 and September 1, 2025.

b) Loans - convertible

ETSI-BC has 2 (2023 - 2) convertible loans that bear interest at 0% per annum. Interest and principal amounts are due at various dates between August 1, 2024 and March 15, 2025. The loans are convertible to common shares of the companies, which are non-publicly traded, at the option of ETSI-BC. No fair value has been ascribed to the convertible options since the fair value of the shares of the companies cannot be readily determined by ETSI-BC since it does not have access to that information.

c) Loans via Community Futures

ETSI-BC has 1 (2023 - 1) loan made via Community Future's Southern Interior Business Investment Fund which bears interest at 9.45%.

d) Equity - common shares

ETSI-BC has 4 (2023 - 4) common share investments.

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**Southern Interior Development Initiative Trust ("ETSI-BC")  
Notes to Financial Statements**

**March 31, 2024**

**5. Managed Investment Portfolio**

The carrying amounts of investments are comprised of the following:

	2024	2023
Bonds, measured at amortized cost	\$16,108,877	\$ 13,733,704
Equities, measured at fair value	27,286,705	25,185,640
Real estate funds, measured at fair value	1,099,720	2,948,137
Infrastructure Fund	<u>926,276</u>	<u>-</u>
	<u>\$45,421,578</u>	<u>\$ 41,867,481</u>

Details of investment activity during the year is as follows:

	2024	2023
Opening balance	\$41,867,481	\$ 39,392,230
Income earned and reinvested	148,357	1,704,498
Withdrawals, redemptions, and sales	(42,379,257)	(3,740,180)
Deposits, contributions, and purchases	42,379,258	5,240,179
Gain (loss) on disposal of investments, net	(874,992)	1,025
Investment management fees paid	<u>(222,859)</u>	<u>(190,075)</u>
	40,917,988	42,407,677
Fair value re-measurement	<u>4,503,590</u>	<u>(540,196)</u>
	<u>\$45,421,578</u>	<u>\$ 41,867,481</u>

Included in sales and purchases of investments above are sales and purchases within the portfolio.

During the year, ETSI-BC changed investment managers from Phillips Hager & North ("PH&N") to Connor Clark & Lunn ("CCGL") following an extensive RFP process in which several investment management options were considered with the help of a consultant that specializes in this field.

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**Southern Interior Development Initiative Trust ("ETSI-BC")  
Notes to Financial Statements**

**March 31, 2024**

**6. Self-Managed GIC Investments**

ETSI-BC holds a long term guaranteed investment certificate ("GIC") in a credit union with the following terms:

	2024	2023
2 year non-redeemable GIC, maturing on March 28, 2026, bearing interest of 5.05% with interest paid on maturity	\$ 2,500,000	\$ -
Accrued Interest	1,038	-
	\$ 2,501,038	\$ -

**7. Grants Payable and Cancelled**

Included in accounts payable is \$487,261 (2023 - \$53,000) relating to grants approved and not yet paid. This amount arises from legally enforceable contribution agreements that obligate ETSI-BC to future payments upon the completion of funded projects.

The difference between grants approved and grant expense is reconciled as follows:

Grants Approved	\$ 3,141,149	
Total Grants	3,020,199	
Cancelled Grants	\$ 120,950	

The conditions for these grants were not met therefore funding was not disbursed and the amount is excluded from the grants expense.

**8. Financial Instrument Risk**

ETSI-BC manages its investment portfolio to earn investment income and invests according to a policy approved by the Board. ETSI-BC is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

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**Southern Interior Development Initiative Trust ("ETSI-BC")  
Notes to Financial Statements**

**March 31, 2024**

**8. Financial Instrument Risk (continued)**

**Concentration of risk:**

(a) Credit risk

Credit risk refers to the risk that development initiative counterparties may default on their contractual obligations resulting in a financial loss. Management mitigates this risk by limiting exposure to each counterparty by dollar amount and industry sector, by maintaining a balanced portfolio and by ensuring that proper due diligence is performed before funding is committed. ETSI-BC assesses development initiatives on a continuous basis and provides for any amounts that are not collectible in the provision for losses.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. ETSI-BC is exposed to this risk on its investments in U.S. and other international equities quoted in an active market. At year end, ETSI-BC has \$Nil (2023 - \$16,822,954) in U.S. and other international equities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. ETSI-BC is exposed to interest rate risk with respect to its investments in bonds and its loans receivable.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. ETSI-BC is mainly exposed to other price risk through its investments in equities.

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**etsi**BC

Economic Trust of  
the Southern Interior

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