



# SOUTH ISLAND PROSPERITY PROJECT

# 2017-2018 IMPACT REPORT





## A MESSAGE FROM THE CEO



In April, the South Island Prosperity Project (SIPP) began its third year, and we are quickly picking up speed. With just two-years under our belt, we are earning a reputation for the quality of our work and outstanding collaboration.

For day-to-day inspiration, we need not look further than our members. We are grateful for the support of a strong, diverse group of regional businesses, municipalities, First Nations, non-profits, industry associations, and post-secondary institutions. Last year, we increased our private-sector membership by 200%—a sign that our mission is resonating with our region’s largest business leaders.

At SIPP we know that economic development is about the playing the long game to ensure that we pass on prosperity to the next generation. To this end, we focus on tackling the major challenges of our region—and seizing the major opportunities. We need to ask ourselves tough questions. Will what we do today produce economic opportunities that are good for the whole region? Will it be sustainable? Does it respect our values and help us fulfill our mandate? Will it help create jobs of the future, or jobs that are not needed tomorrow?

We are thrilled to have the opportunity to share with you many important milestones and accomplishments in the following pages of our second Impact Report. We measure our impact through all our projects and initiatives, such as the *BusinessConnect* program, the 2017 Prosperity Index, our business development mission to China, the *IndigenousConnect* forum, Songhees Innovation Centre, Symposiums and Open Innovation Challenge, Vision 2040, a successful Smart Cities bid, and much more.

There’s still a lot more work ahead and, as we continue to push to greater heights, we need all hands on deck to make this possible. As we take this moment to reflect back on our past year, I want to share my deep gratitude for the support of our many partners who, together, are helping build our South Island legacy.

**Emilie de Rosenroll**  
CEO  
South Island Prosperity Project

# Thank you to our members!

We are deeply grateful to each of our members for your support. Thank you for your unprecedented commitment to collaboration in the South Island region.

 **INDIVIDUALLY, WE ARE ONE DROP.  
TOGETHER, WE ARE AN OCEAN.**

-RYUNOSUKE SATORO



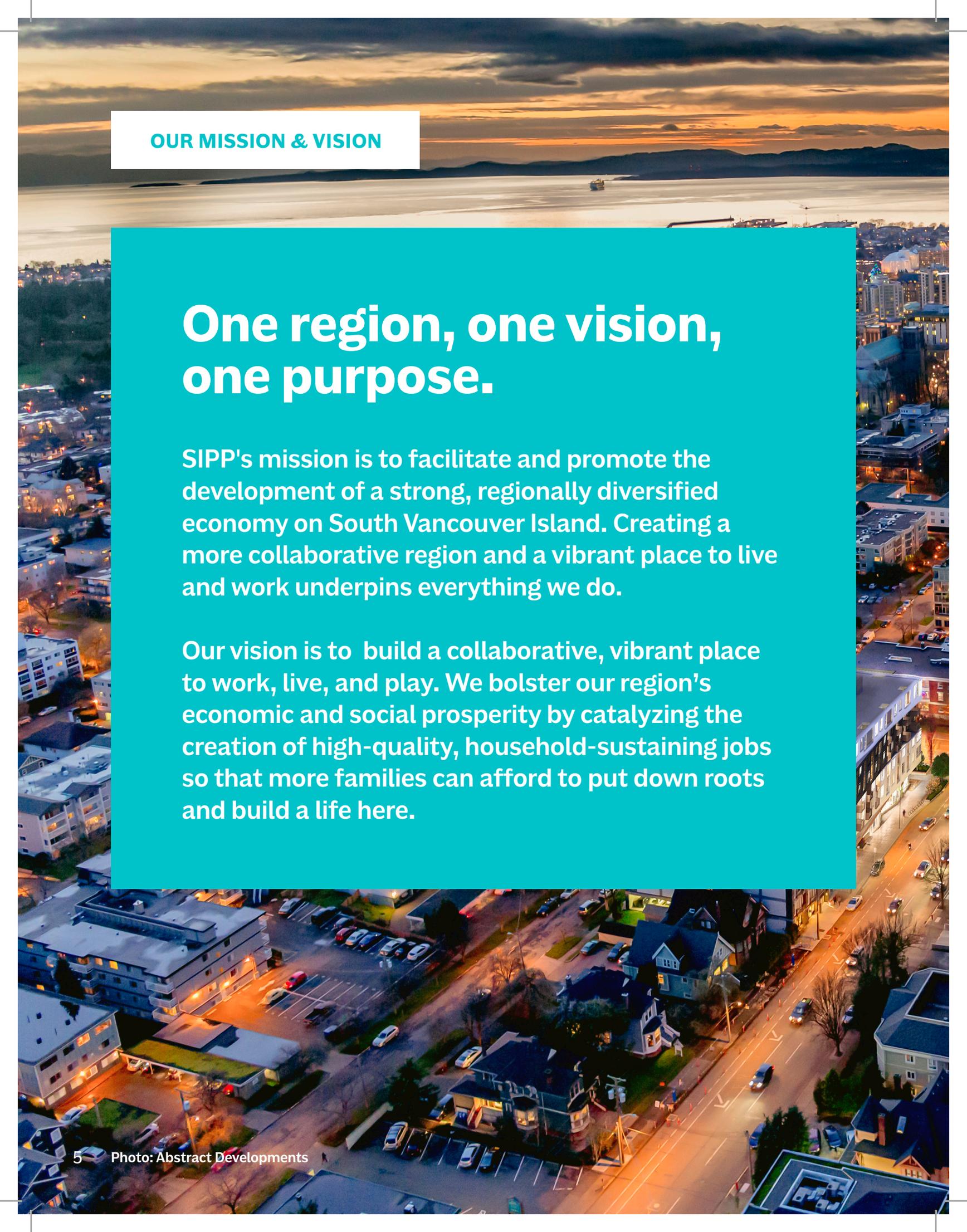


Tsartlip First Nation

Tseycum First Nation

Pauquachin First Nation

We are grateful to be doing our work on the territories of the Coast Salish and Nuu-chah-nulth peoples, known today as Lkwungen peoples (Esquimalt and Songhees Nations), WSÁNEĆ Nation (consisting of STÁUTW -Tsawout, BOKEĆEN – Pauquachin, WJOLELP – Tsartlip, and WSIKEM –Tseycum Nations), Scia'new Nation (Beecher Bay), T'Sou-ke Nation, and Pacheedaht Nation. We respect and, in partnership, build on the traditional knowledge of the Indigenous peoples who have thrived and prospered in the south island for millennia.

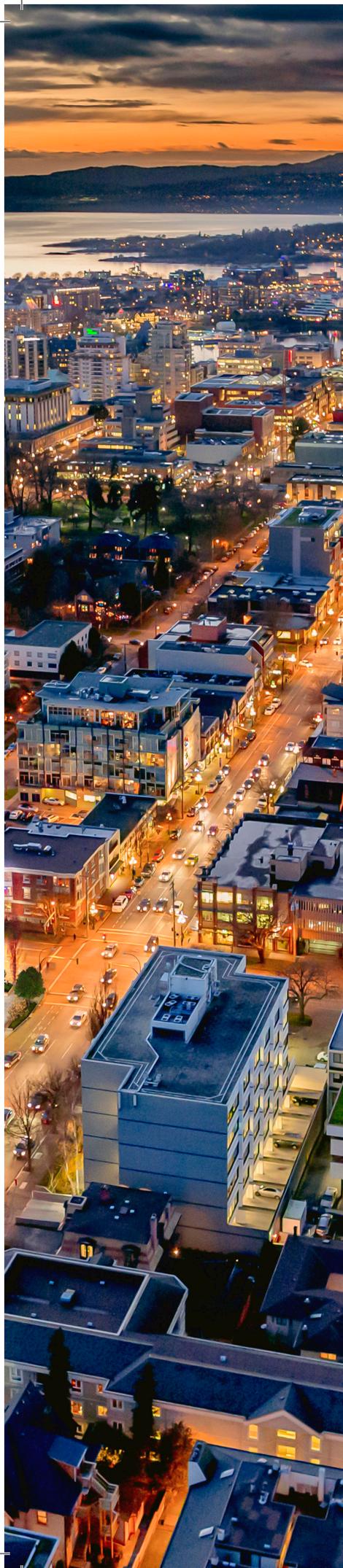


## OUR MISSION & VISION

# One region, one vision, one purpose.

SIPP's mission is to facilitate and promote the development of a strong, regionally diversified economy on South Vancouver Island. Creating a more collaborative region and a vibrant place to live and work underpins everything we do.

Our vision is to build a collaborative, vibrant place to work, live, and play. We bolster our region's economic and social prosperity by catalyzing the creation of high-quality, household-sustaining jobs so that more families can afford to put down roots and build a life here.



## Our Goals

As we deliver on this mission, we have the opportunity to work on diverse projects with a diverse group of collaborators. As we strive to improve the conditions that underpin prosperity, we know that every small action is part of a greater picture. To know what success looks like when we get there, we pursue clear, purposeful goals.

## What are we working toward?

Here are our five-year objectives (2017-2021):



**Jobs and Household Income:** Increase the median household income with targets to create 100 jobs with salary equivalent to \$80,000/year or more; 200 jobs with salaries ranging between \$60-80,000/year; and 200 jobs created with salaries ranging between \$45-60,000/year.



**First Nations:** Engage First Nations in dialogue around economic development initiatives and support self-directed economic development projects.



**Projects and Funding:** Increase the amount of provincial, federal and private sector funding flowing into the South Island economy and its businesses.

## WHAT IS OUR PURPOSE?

# Our Priorities

Five key priorities from our strategic plan guide everything we do, each with its own operating goal:

- 1 Cluster Development**  
**Goal:** Catalyze economic growth in key sectors and industries through advocacy and strategic partnerships.
- 2 Business Growth and Expansion**  
**Goal:** Stimulate and support the growth and expansion of established companies across the region by providing support, mentorship and access to training programs.
- 3 Business and Investment Attraction**  
**Goal:** Promote the South Island as an ideal choice for new businesses and investors through a diverse mix of marketing and recruitment tactics.
- 4 First Nations Economic Development**  
**Goal:** Engage First Nations in economic development and support First Nations-led economic development initiatives.
- 5 Collaboration, Communication and Research**  
**Goal:** Work with key partners and members on collaboration, communication, and research to support our mission and mandate.

Please see pages 11 through 28 for specific details on exactly what we have accomplished in each of the five areas and what we have planned next.



## KEY ACCOMPLISHMENTS IN 2017-18

**This past year we made excellent progress in our five strategic priorities. We are confident that we can continue to take our work to even greater heights in the coming years.**

### **Here are some highlights from last year:**

- ✓ One in ten shortlisted, among 126 applicants, for the Canada-wide Smart Cities Challenge competition for a chance to win \$10 million in federal investment to the region for multimodal 'smart' mobility and transportation solutions;
- ✓ Held two open public Symposiums to engage the community on our Smart South Island Vision 2040 our national submission, welcoming a total of 500+ residents and creative problem-solvers;
- ✓ Convened our first Open Innovation Challenge, a four-month public competition, sponsored by Island Savings, a Division of First West Credit Union, to find the best and brightest local innovators, resulting in 69 submissions and three \$15,000 prizes to catalyze new innovations;
- ✓ Spearheaded Vision 2040, in collaboration with municipal, First Nations, and non-profit community leaders—our long-term regional vision that describes how we will make our future more prosperous by using 'smart city' approaches;

- ✓ Launched *IndigenousConnect*, a monthly peer forum to promote entrepreneurship and leadership development, where participants share experience and expertise and learn from industry experts;
- ✓ With Songhees Nation and Animikii, developed a successful application for \$93,410 in support for the Songhees Innovation Centre through Western Economic Diversification Canada;
- ✓ Launched the 2017 Prosperity Index, our flagship economic indicators publication, made possible by the generous support of Coastal Community Credit Union;
- ✓ Conducted the “South Island Smart City Readiness Assessment” report to gauge our community’s level of readiness to tackle Smart City initiatives and competitive advantages to become a smart cities industry leader;
- ✓ Hosted the 2017 Prosperity Summit, an international investment attraction forum in partnership with GLOBE Vancouver, an international sustainable business and clean-tech event that draws 10,000 delegates;
- ✓ Worked with 16 companies in our *BusinessConnect* program, pairing clients with experienced, recognized experts to help them develop and grow their businesses;
- ✓ Created tangible impacts for companies in our *BusinessConnect* program through advisory services and trade mission to China, resulting in more than \$1 million in short-term business development with long-term potential;
- ✓ Signed a Memorandum of Understanding with Shanghai to foster mutually beneficial economic collaboration between the jurisdictions in priority areas like smart cities.

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# Cluster Development

Cluster development is about future-proofing our region. Our long-term goals are not quick wins or easy to achieve, but they will have a long-term, far-reaching impact if we continue to work collaboratively.

Our region is an ideal location for talent-driven companies that do business anywhere in the world—we are enterprising and innovative; boast an unparalleled quality of life, and possess a highly-educated, highly-skilled and loyal workforce. When we work together, the opportunities that lie ahead are endless.

## Cluster development is most effective when it narrows in on:



Attracting more public investments in the regional economy.



Improving collaboration and connectivity between businesses, academia, government, and supporting organizations.



Mid- and long-term opportunities and barriers that impact many sectors and industries.

## ACCOMPLISHMENTS

**What are ‘smart cities’ and how can being ‘smart’ help us solve our challenges and forge new paths? These are the questions we set out to answer as we explored the possibilities for the future of the South Island region.**



### Vision 2040

This year we released Vision 2040 in collaboration with our community, municipal, and First Nations leaders. The publication outlines our desire to see significant changes made to quality of life and economic vitality through the use of data and connected technologies in five key themes: transportation and mobility, housing and affordability, economic resilience and inclusion, environmental health, and health and wellness. We held several information sessions and engaged over 500 citizens in public symposiums to ensure our Vision was truly citizen-inspired. Vision 2040 also sets out the guiding set of principles for our submission to Canada’s Smart Cities Challenge. Read the full document on our website at [www.smartsouthisland.ca](http://www.smartsouthisland.ca).

### Our Canada Smart Cities Challenge Proposal

In 2017, the Government of Canada announced the Smart Cities Challenge—a competition designed to inspire communities to submit their best strategies and plans for improving the lives of local residents through the use of innovation and connected technology. From 126 competing applicants, we are thrilled to report we have been shortlisted and are now one of 10 communities and regions competing for one of two \$10 million prizes. Overall, there were 200 applications from across the country and 20 finalists for all three prize categories. Read the full submission on our website at [www.smartsouthisland.ca](http://www.smartsouthisland.ca)

**"Canada's Smart Cities Challenge is a significant opportunity and true validation of the power of public and private collaboration. Two years ago, before achieving this level of regional collaboration, this concept wouldn't have been possible. The possibilities now are endless."**

**– South Island Prosperity Project CEO Emilie de Rosenroll**



**Smart South Island Symposium**

On November 25, SIPP brought together over 300 residents, local leaders, First Nations, entrepreneurs, and investors for a Smart South Island Symposium public engagement event to think about how we can work together to become a smarter region to solve our region's top challenges. The event was facilitated by Charles Montgomery, author of *Happy City*, and expert in bringing people together to think about creative change.

**Open Innovation Challenge and 'Dragon's Den-style' Symposium on March II**

SIPP announced the details of our Open Innovation Challenge, sponsored by Island Savings, a Division of First West Credit Union, at our Smart South Island Symposium on November 25, inviting teams to pitch us their 'smartest' ideas for a chance to win one of three \$15,000 prizes. We held a series of public information sessions and even set up a booth at the Hillside Shopping Centre on a busy Saturday where we connected with hundreds of residents to discuss the Challenge and the smart cities concept.

The four-month long challenge culminated on March II, at our Open Innovation Challenge Symposium. Ten finalists were chosen from 69 submissions for this free public competition, and the winners were selected by a combination of a live audience vote and a panel of expert judges who assessed and questioned the presenters about their strategy, sustainability, practicality, and the accessibility of their project to the community.

We were blown away by how much engagement we received from a diverse range of backgrounds—non-profits, academia, businesses, and private citizens. In all, we received 69 applications, which resulted in 10 finalists, and ultimately three prize winners who took away \$15,000 each.

Thank you to our media sponsors, Douglas Magazine and Times Colonist, and to University of Victoria, our venue sponsor.



**"Thank you for a wonderful opportunity and learning experience. Our team is so appreciative of the expertise and support the SIPP team provided. This experience will enable us to move our project to the next level in preparation for pitching to potential investors and supporters."**

**—Lori McLeod, Executive Director, Eldercare Foundation, Open Innovation Challenge Finalist**





## Our \$10 Million Smart City Proposal

For the next several months, we will put together our smart city proposal for the chance to win \$10 million. We chose the theme of transportation for this proposal because it's one of the biggest enablers or (constraints) to economic growth—and it ties to economic resilience, affordability, sustainability, and social inclusion. Our proposal focuses on:

- Integrated Multimodal Mobility as a Service (MaaS) – a platform to integrate various travel mode options like public transit, ride hailing and taxis, car and bike sharing, and other options.
- Smart transportation planning and a single-payment mobility platform – developing an integrated payment app that will allow people to plan and pay for their journey easily in one place.
- The Smart South Island Inspiration Centre – a free, open digital interaction space and later a living laboratory for business, citizens, governments, students, and academics. The Centre will combine data insights, visualization, and simulation. It will also house best practices for smart mobility and transportation, highlighting that our region is on its way to becoming a Canadian smart cities leader among mid-sized cities.



## What people are saying about SIPP's Smart South Island efforts:



“SIPP's smart transportation proposal has the potential to improve people's quality of life through the use of technology to create a more efficient transportation system for South Island residents.”

– **Hon. Bruce Ralston, Minister of Jobs, Trade and Technology**



“SIPP is an innovative way to further the growth and development we are experiencing on South Vancouver Island. Through collaboration with First Nations, to private business, to individuals and everyone in-between, this project will certainly improve the quality of life in the communities it touches.”

– **Elizabeth May, OC, MP, Saanich-Gulf Islands, Leader of the Green Party of Canada**



“In my role as BC’s Innovation Commissioner, I have been very impressed by SIPP’s Vision 2040. SIPP has been instrumental in mobilizing its partners to put the region on a pathway to become more innovative, using technology and data to solve real-world challenges and improve livability for its residents.”

– **Dr. Alan Winter, BC’s Innovation Commissioner**



“SIPP has undertaken instrumental work for our community. I am confident it has the necessary experience and resources to succeed with its Smart South Island initiative, which would be instrumental to Greater Victoria. As the MP for Victoria I will continue to promote and support the Smart South Island initiative.”

– **Murray Rankin, QC, MP for Victoria**



“Affordable and active transportation options can help build healthy and inclusive communities, while contributing to smart growth and economic development across a region. I commend SIPP’s work to view these challenges through a regional perspective and foster collaborative and innovative solutions.”

– **Hon. Claire Trevena, Minister, Minister of Transportation and Infrastructure**

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## Business Growth and Expansion

One of our priorities is to focus on increasing exports, internationalization, and growing companies. SIPP's *BusinessConnect* program offers guidance on topics such as financial modelling, governance, operations, and scaling. Read on to see how *BusinessConnect* is helping local companies and what it means for the future of these businesses.



**“WHEN YOU DO THE RESEARCH, YOU SEE THAT THE MAJORITY OF JOB CREATION COMES FROM HELPING SCALE COMPANIES THAT ALREADY EXIST.”**

— Emilie de Rosenroll, CEO

## ACCOMPLISHMENTS

### Business Development through BusinessConnect

This year we helped several companies strategize and provided advisory services on how to grow their businesses at home and abroad. Read on to hear exactly how we helped.



Limbic Media



“The Prosperity Project brought a seasoned and high-calibre advisor to the table that, over several weeks, helped us uncover opportunities hidden within our company’s financials. Having credible outside analysis of our business helped us to strategize and restructure our business and ultimately led to us raising the additional capital we needed to propel a product launch. We’re now taking the product to new markets and will have better tools in place to manage results.”

– Justin Love, President, Limbic Media

Limbic Media is a Victoria-based company that transforms public spaces with high-tech interactive art and light installations that are truly astonishing. Through a unique approach to interactive displays, Limbic Media creates some of the world’s most advanced interactive technologies. The company joined SIPP on its trade mission to China last year to explore international export opportunities.



JSF Technologies



“JSF Technologies would not hesitate to recommend SIPP to other companies in our region who are looking for business advisory services. Over time, SIPP’s advisors helped us to uncover new opportunities. They provided guidance on hiring additional employees, finding software development partners, and rebranding. SIPP’s support helped us gain valuable recognition; I was recently named Leader of the Year at the 2018 VIATEC awards.”

– Valerie Foster, CEO, JSF Technologies

JSF Technologies is a Central Saanich-based machine-shop company that produces ultra-high quality machined components for a diverse array of applications, from subsea instruments to high pressure gas systems to aerospace. SIPP worked with JSF Technologies to restructure their staffing model so they could make more informed and effective decisions. As a result, the company was able to hire new team members who have become instrumental in supporting JSF Technologies’ record-setting sales over the last two quarters.



### Caboost, Open Innovation Challenge Winner



“SIPP played a key role in helping me explore the possibilities and continues to provide mentorship as I develop my business. I love using innovation and technology to push the boundaries of what’s possible and using that technology to make a real difference in our community.”

– **Simon Park, Caboost**

Simon Park’s invention is a small electric trailer that clips onto any bike and provides electric drive assistance. It’s an affordable, versatile alternative to an electric bike.



### Life Cycles, Open Innovation Challenge Winner



“Each year more than 300 volunteers and 500 homeowners register on our web-based platform to participate in our project. Together, with SIPP’s support, we are cultivating community and caring for the urban orchard.”

– **Matthew Kemshaw, LifeCycles Executive Director**

LifeCycles Fruit Tree Project team will turn waste into abundance with their plan to glean fruit from trees that would ordinarily be ignored. Their goal is to rescue more than 45,000kg of fruit annually from backyards across the South Island and to care for the trees to sustain this abundance for generations.



### Nal-Pal, Open Innovation Challenge Winner



“We’re going to be able to make a big impact because of the support we received from SIPP. The Open Innovation Challenge galvanized us to go out and look for partners on this project, including IBM.”

– **Derek Jacoby, Nal-Pal**

Nal-Pal is an app that saves lives by connecting people who possess an overdose kit with those who need them, via an App specially designed to address the growing need for people to access emergency Naloxone kits.



## West Coast Micro Greens, Open Innovation Challenge Finalist



“Through the Open Innovation Challenge, we discovered our company’s potential. SIPP’s BusinessConnect advisors evaluated our business plan and provided guidance on narrowing our focus. We’re now moving forward with new, valuable insight.”

– Ty James, Farmer/Entrepreneur, West Coast Micro Greens

West Coast Micro Greens is an innovative Saanich business that will create a regional platform for food processing that operates through three distinct technologies: fresh, frozen, and dried processing.

## UP NEXT

### Future Innovator Challenge

Planning is well underway for our upcoming Future Innovator Challenge, in partnership with post-secondary institutions and high schools in the region. Launching this September, this second challenge will ask students to solve real-world, real-time problems using data and connected technologies.



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# Business and Investment Attraction

We promote the South Island as a location of choice for new businesses and investors through marketing and attraction activities. This expands the local tax base, creates new jobs, and builds a concentration of companies that lead to competitive advantages that help attract talent and develop other industry capacity. Read on to learn more about our work in this area and what it means for the future of our region.



## ACCOMPLISHMENTS

### Daitan Group Moving to Victoria

Daitan Group is a rapidly-growing technology company founded in Brazil in 2004 with its North American headquarters in San Ramon, California. In August 2017, SIPP hosted a delegation led by Daitan's CEO and co-founder, Augusto Cavalcanti, to explore the viability of our region as a location to position a Canadian-subsiary that will support Daitan's substantial client base in North America. After working with SIPP over the last few months, Daitan determined that Greater Victoria was the best choice for their office. Daitan Group expects to begin operations in fall 2018 with 10-15 employees over the course of 2018. If their plans come to fruition, they could locate 10-20% of their global workforce in the region over the next two years, representing at least 100 more employees.



**“We would recommend SIPP’s services to any company. They have been very helpful along every step of the way, and their team of advisors played an important role in our decision to open an office here. SIPP helped us with analysis of Vancouver versus South Island and walked us through the steps, and the connections, needed to get our company here from Brazil. We look forward to our future in Greater Victoria.”**

**—Augusto Cavalcanti, CEO, Daitan Group**



### China Business Delegation

Diversification of the region’s trade markets is an important response to USA protectionist policies. To this end, SIPP worked over several weeks to prepare and organize a business-to-business trade delegation for eight local companies in Shanghai and Shenzhen, China. Beyond the B2B agenda, SIPP’s goals for the trip were to assess investment prospects, build relationships and share knowledge in clean energy, sustainable technology, and Smart Cities technology and practices.

Several developments are in progress as a result of the trip:

- Representatives of China Media Capital, China’s largest film and media holding company, recently travelled to the South Island to assess investment opportunities that were showcased to them in Shanghai.

- Three of eight client companies that SIPP worked to introduce to the China market, Limbic Media, CAVU Designwerks and Dreamcraft Attractions have been back to China for follow-up meetings. Limbic Media hopes to launch their product into China later in 2018. CAVU and DreamCraft have already moved into multi-million dollar project deals.
- The Shenzhen Foundation for International Exchange and Cooperation engaged SIPP to become the first Canadian city on their CityPLUS platform, a free platform being developed to serve for city-to-city cooperation and knowledge-sharing.
- SIPP held meetings with the Canadian Migration Institute to connect with Shanghai-based technology sector workers who are interested in moving to the region by taking advantage of the new BC tech pilot program (through the Provincial Nominee Program). This would help address the need for talent in the region's technology sector.
- SIPP hosted several business roundtables (Shanghai and Shenzhen) to engage these groups in the Greater Victoria Prosperity Summit and in GLOBE Vancouver in March 2018. Several companies traveled to Canada for these activities.

### Memorandum of Understanding with Shanghai

SIPP's MOU on two-way economic collaboration with the Shanghai Promotion Center of Smart City Development is one of the most exciting developments to come out of our mission to China. The purpose of MOU is to:

- Encourage high-level visits to broaden and enhance communication and cooperation between the participants;
- Encourage two-way economic collaboration missions by business enterprises, and their participation in trade and investment promotion activities related to Smart City initiatives (exhibitions, fairs, conferences) and match-making arrangements to enhance information exchange and foster mutual cooperation;
- Promote mutually beneficial economic collaboration between the jurisdictions in priority sectors related to smart cities planning; and
- Meet annually to review progress and discuss new opportunities for cooperation on Smart City initiatives.

We are looking forward to the exciting partnerships that come out of this MOU.

### CAVU Designwerks Deal

CAVU Designwerks is a Victoria-based integrator of new technology into innovative theme park attractions. Their sister company is DreamCraft Attractions, a business with expertise in the field of virtual and augmented Reality. CAVU joined SIPP on the China Mission.

“As CEO of CAVU and Chairman of DreamCraft Attractions, I was invited to be part of the region’s trade mission to Shanghai. Being included in that mission was a great honour and opened up opportunities to connect with potential key partners. We have since followed up with those potential partners and are now formulating a plan to work together. I want to thank Mayor Helps for her leadership while in Shanghai. I also want to thank the South Island Prosperity Project for fostering a truly unifying approach among the region’s businesses to explore international business opportunities.”



– Peter R. Schnabel, CEO and Founder, CAVU Designwerks

### UP NEXT

We are planning two lean, targeted trips to Seattle and San Francisco to attract new companies and investment to the region, and are developing our regional marketing strategy nested within the Cascadia Innovation Corridor and surrounding areas.

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## First Nations Economic Development

One of our priorities is to engage First Nations in economic development and support First-Nations-led economic initiatives. The South Island is home to ten First Nations and over 9,940 First Nations people (Census 2016), a rapidly growing segment of our population when compared to the national average. We recognize and acknowledge that First Nations entrepreneurship holds greater significance than simply job creation, but is also about harnessing unique skills, experiences, and assets of First Nations to create a more prosperous future.

## ACCOMPLISHMENTS

### Songhees Innovation Centre Funding

In partnership with Songhees and Animikii, SIPP helped spearhead a successful application for \$93,410 in support through Western Economic Diversification Canada.



### IndigenousConnect

We partnered with the Songhees Innovation Centre to launch *IndigenousConnect*—a monthly, face-to-face forum with a goal to engage more Indigenous leaders and entrepreneurs in economic development and entrepreneurial endeavours. Transitioning from a dialogue series to a full-fledged monthly forum in March 2018, the program is open to all First Nation and Indigenous peoples.

## UP NEXT

We are currently exploring the concept of a Symposium on indigenous 'smart' mobility and economic development with several key partners.



Carol Anne Hilton MBA, CEO  
Transformation International

### Indigenomics is a new word coined by Carol Anne Hilton, CEO and Founder of The Indigenomics Institute. What does it mean?

“Indigenomics honours the powerful thinking of Indigenous wisdom of local economy, relationships and human values. Indigenomics is about increasing the role and visibility of Indigenous peoples in the new economy. It is about understanding indigenous ways of being and worldview. Indigenomics draws on ancient principles that have supported indigenous economies for thousands of years, and works to implement them as modern practices.”

“Indigenomics welcomes you to an Indigenous worldview. It brings to the forefront human values and practice. It invites dialogue, and thought-provoking insight into possibility of the Indigenous relationship both in Canada and beyond. It explores the pathway of the threshold of the indigenous relationship and modern economies.”

These concepts will guide us in considering the best way forward with First Nations particularly when it comes to our *IndigenousConnect* program.

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## Research, Collaboration, and Communication

As the region's economic development agency that brings together local governments with dozens of other key stakeholders, collaboration and partnership is at our core. Through our research, projects, and public events, we foster a collaborative atmosphere where the sum is always greater than the parts.

### ACCOMPLISHMENTS

#### **Lead Investor Workshops and Breakfast Series**

We held three breakfasts with our lead investors to learn about their priorities, foster collaboration, and talk about how to best participate and benefit from SIPP initiatives such as trade missions and Smart South Island. We received positive evaluations indicating that 100% of attendees planned to attend future workshops.

### 2017 Prosperity Index

We published our 2017 Prosperity Index—a report card based on international standards (called ISO). This flagship publication will enable us to measure regional economic performance against internationally comparable city regions. The Index is SIPP's flagship economic publication.



*Sponsored by Coastal  
Community Credit Union*

### South Island Smart City Readiness Assessment

We published the 'Smart South Island Readiness Assessment' to gauge our community's level of readiness to tackle Smart City initiatives across five themes: economic resiliency and inclusion, environmental health, housing and affordability, human health, and transportation and mobility. The full report is available at [www.smartsouthisland.ca](http://www.smartsouthisland.ca).

### "This is Prosperity" (Newsletter):

We sent out eight editions of our newsletter keeping our stakeholders up to date on our latest activities and developments. We now have more than 400 business and community leaders subscribed to our monthly updates.

### Media

We gained a significant amount of media coverage in many venues over the past year, including more than 30 articles in local newspapers and magazines, three radio spots, and five TV news segments.

### Completing our suite of marketing tools

We launched two websites and began to grow a social media following on Twitter and Facebook.

 [www.southislandprosperity.ca](http://www.southislandprosperity.ca)

[www.smartsouthisland.ca](http://www.smartsouthisland.ca)

 @southislandprosperity

 @SIProsperity

### Presenting our story

We made more than 20 presentations to municipal councils, local organizations, and conferences to audiences within and outside BC to share our story and tell people about our region.

## UP NEXT

We will publish our 2018 Prosperity Index in the new year.

## LETTER FROM THE SIPP BOARD CHAIR



What a year! With two years behind us, it's clear that we have laid a great foundation. Today, we are not only seeing the results of our efforts, but we are hearing it from those around us. I hope this report has given you clear picture of what we've accomplished, and where we're taking the organization. SIPP is an organization we should all be proud of as it works for everyone.

It's incredible to see the power of collaboration and how it translates into results we can measure for our communities. And people are noticing. Not only are we becoming more well-known in the region, but we are also gaining national profile. Being shortlisted for Canada's Smart Cities Challenge is incredible validation that we are on the right track.

If the success we have experienced so far is any indication of what the future holds, we are all in for an amazing year. Thank you to our Board of Directors, volunteers, committee members, our CEO, and the entire team for making it happen.

**Craig Norris**  
Board Chair  
South Island Prosperity Project



## KEY OBJECTIVES FOR 2018/19

### Cluster Development

Recommended Actions	Timeframe
Vision 2040	April
Agri-food Project	July – September 2018
Future Innovator Challenge	September 2018 – January 2019
Future Innovator Challenge and Symposium	January 2019
Submission of Smart Cities Challenge	
Final proposal	May 2018 – January 2019

### Business Growth and Expansion

Recommended Actions	Timeframe
Export / Scale-Up Workshops	June & October 2018

### Business Investment and Attraction

Recommended Actions	Timeframe
In-market business development mission	June & October 2018
Annual Prosperity Forum	January 2019
Support inbound and outbound trade	Ongoing
Promoting the South Island's investment opportunities to domestic and foreign investors	Ongoing

### First Nations Economic Development

Recommended Actions	Timeframe
IndigenousConnect Forums (8 in total)	Ongoing
South Island First Nations Economic Development Conference and Roundtable	October 2018 – December 2018

### Collaboration, Communication, and Research

Recommended Actions	Timeframe
Annual Impact Report	June 2018
Lead Investor Roundtable (3 in total)	Ongoing
Lead Investor Workshop	July 2018 – September 2018
Presentation on Pacific North West Strategy to private stakeholders	October



**FINANCIAL STATEMENTS**

**YYJ PROSPERITY ASSOCIATION**  
**(dba South Island Prosperity Project Society)**

Year ended March 31, 2018



**KPMG LLP**

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Chartered Professional Accountants  
Victoria, Canada  
May 16, 2018

**INDEPENDENT AUDITORS' REPORT**

To the Members of YYJ Prosperity Association (dba South Island Prosperity Project Society)

**Report on the Financial Statements**

We have audited the accompanying financial statements of YYJ Prosperity Association (dba South Island Prosperity Project Society), which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of YYJ Prosperity Association (dba South Island Prosperity Project Society) as at March 31, 2018, and its results of operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements have been applied on a basis consistent with that of the preceding year.

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Statement of Financial Position

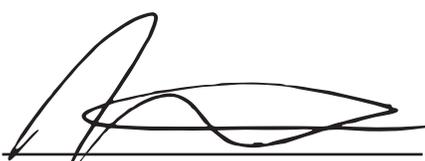
March 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 245,779	\$ 195,338
Accounts receivable	20,939	10,277
Grant receivable	147,390	-
Prepaid expenses	9,000	3,522
	423,108	209,137
Equipment (note 3)	7,618	2,782
	<b>\$ 430,726</b>	<b>\$ 211,919</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 53,394	\$ 13,607
Deferred revenue	225,812	163,067
	279,206	176,674
Net assets	151,520	35,245
	<b>\$ 430,726</b>	<b>\$ 211,919</b>

See accompanying notes to financial statements.

Approved by the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Statement of Financial Position

Year ended March 31, 2018 with comparative information for 2017

	2018	2017
<b>Revenues:</b>		
Membership dues	\$ 815,780	\$ 476,976
Grant revenue	\$ 207,917	\$ -
Other income	1,035	280
	1,024,732	\$ 477,256
<b>Expenses:</b>		
Salaries and benefits	377,940	172,294
Consulting	286,367	144,335
Program advertising	128,485	81,497
Operations and occupancy	87,203	71,495
Travel and transportation	26,159	12,533
Amortization	2,303	557
	908,457	482,711
Excess (deficiency) of revenue over expenses	\$ 116,275	\$ (5,455)
Net assets, beginning of year	\$ 35,245	\$ 40,700
Net assets, end of year	\$ 151,520	35,245

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Statement of Cash Flows

Year ended March 31, 2018 with comparative information for 2017

	2018	2017
Cash provided by (used in):		
<b>Operations</b>		
Excess (deficiency) of revenue over expenses	\$ 116,275	\$ (5,455)
Items not involving cash:		
Amortization	2,303	557
Change in non-cash operation working capital		
Accounts receivable	(10,662)	30,423
Grant receivable	(147,390)	-
Prepaid expenses	(5,478)	(3,522)
Accounts payable and accrued liabilities	39,786	13,607
Deferred revenue	62,745	163,067
	57,579	198,677
<b>Investing</b>		
Purchase of equipment	(7,138)	(3,339)
Increase in cash	50,441	195,338
Cash, beginning of year	\$ 195,338	-
Cash, end of year	\$ 245,779	\$ 195,338

See accompanying notes to financial statements.

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Notes to Financial Statements

Year ended March 31, 2018

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South Island Prosperity Project Society (the “Society”) was incorporated on March 2, 2016 under the Society Act (British Columbia) to facilitate and promote development of a strong, diversified economy in South Vancouver Island. The Society is a non-profit organization under the Income Tax Act and is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

**I. Significant accounting policies:**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**(a) Revenue recognition:**

The Society follows the deferral method of accounting for contributions. Contributions related to capital assets are recognized as revenue on the same basis as the amortization expense related to these assets. Other restricted contributions are recognized in revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable and collection is reasonably assured. Membership fees received in advance of the year to which they relate are recorded as deferred revenue.

**(b) Equipment:**

Equipment is comprised of computer equipment recorded at cost. Contributed equipment is recorded at fair value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful life of the assets of 3 years.

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Notes to Financial Statements

Year ended March 31, 2018

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Equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market and derivative contracts that are not designated in a qualifying hedging relationship are subsequently measured at fair value and all changes in the fair value are recognized in the statement of operations in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not made any elections to carry 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

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Notes to Financial Statements

Year ended March 31, 2018

indicator of impairment, the Society 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 the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (d) Use of estimates:

The preparation of 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. Actual results could differ from those estimates.

### 2. Capital assets:

March 31, 2018	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 10,478	\$ 2,860	\$ 7,618
March 31, 2017	Cost	Accumulated amortization	Net book value
Computer equipment	\$3,339	\$ 557	\$ 2,782

# YYJ Prosperity Association

(dba South Island Prosperity Project Society)

## Notes to Financial Statements

Year ended March 31, 2018

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### 3. Financial risks and concentration of risk:

**(a) Interest rate risk:**

Interest rate risk refers to the adverse consequences of interest rate changes in the Society's cash flows, financial position and income. The Society is not exposed to significant interest rate risk as its cash is invested in a bank account earning a fixed rate of interest.

**(b) Credit risk:**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Society monitors the credit risk of customers through routine review of outstanding receivables.

**(c) Liquidity risk:**

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

**(d) Currency risk:**

The majority of the Society's transactions are denominated in Canadian dollars, however, the Society is exposed to foreign exchange risk on transactions denominated in currencies other than Canadian dollars.

### 4. Employee and contractor remuneration:

BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration, the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the year ending March 31, 2017, the Society paid remuneration of \$203,117 to 1 employee and 1 contractor, each of whom received total annual remuneration of \$75,000 or greater.



WHO WE ARE

SOUTH ISLAND  
**PROSPERITY  
PROJECT**

 **(778) 265-8128**

 **info@southislandprosperity.ca**

 **#240 - 730 View Street Victoria BC V8W 1J8**

 [www.southislandprosperity.ca](http://www.southislandprosperity.ca)  
[www.smartsouthisland.ca](http://www.smartsouthisland.ca)

 [@southislandprosperity](https://www.facebook.com/southislandprosperity)

 [@SIProsperity](https://twitter.com/SIProsperity)

**Thank you! We owe our success to a strong and talented team and a committed Board of Directors.**

## 2017-2018 BOARD OF DIRECTORS

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**Craig Norris**  
*Chair*

**Frank Bourree**  
*Vice Chair*

**Sean Midwood**  
*Secretary/Treasurer*

**Deirdre Campbell**  
*Board Director*

**Pedro Marquez**  
*Board Director*

**Christina Clarke**  
*Board Director*

**Ray Brougham**  
*Board Director*

**Jill Doucette**  
*Board Director*

**Jacques Van Campen**  
*Board Director*

## TEAM

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**Emilie de Rosenroll**  
*CEO*  
ederosenroll@southislandprosperity.ca

**Raman Kapil**  
*CFO & CIO (acting)*  
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SOUTH ISLAND  
**PROSPERITY**  
**PROJECT**