

## Appendix 2.2 Annual Performance Report

Under the *Provincial Sales Tax Act*, all designated recipients, including designated recipients not subject to the renewal application requirement, must report back to the Province annually. As such, all designated recipients (or the designated recipient’s service provider), are required to complete the following Annual Performance Report as well as a Financial Report (refer to Appendix 2.1) **by May 31 of each year.**

All designated recipients are required to fill in the sections below.

**Only** those designated recipients that receive the three percent tax rate will be required to report out on additional metrics (as indicated below).

A description/instructions pertaining to each performance metric is provided in grey text as a guide only. Please delete the grey text and provide your response accordingly.

**Designated Recipient:** Hornby Island Community Economic Enhancement Corp \_\_\_\_\_

Report Completed: 04/05/2024

**Designated Accommodation Area:** Hornby Island

**Reporting period:** Jan 1- Dec 31 2023 \*or for first year of term, indicate accordingly

1. Effective tourism marketing, programs and projects	
MRDT-funded tourism marketing, programs and projects maximize the potential for increased visitation and growth in tourism business activity, employment and incremental tourism revenue.	
Mandatory Metric	Designated Recipient Response
<b>MRDT Revenue</b>	Hornby Island Community Economic Enhancement Corp received a total of \$94,901.28 MRDT revenue during the 2023 calendar year. It is important to note that OAP revenues were not fully received by HICEEC. HICEEC has been in regular communication with DBC and the Ministry of Finance to resolve the issue.
<b>MRDT activities, tactics, investment efforts and outcomes</b> (as per your One-Year Tactical Plan)	<p>The 2023 calendar year was an important time for HICEEC to engage with Hornby Island community members, government(s) and tourism stakeholders. Like many places, tourism on Hornby Island was significantly impacted by the COVID pandemic and other challenges such as housing availability and affordability.</p> <p>To optimize HICEEC’s MRDT-funded activities to maximize benefits for businesses and community members, HICEEC undertook a comprehensive engagement process in 2023. This initiative focused on how MRDT could be used most effectively, challenges related to tourism, as well as opportunities for the community to leverage tourism as a vehicle for community vibrancy.</p> <p>Chief among the discussions was the use of MRDT funds to support affordable housing. It was clear from stakeholder input that a lack of housing for tourism workers was severely impacting business operations</p>

	<p>and economic development opportunities. Following this, HICEEC decided to increase MRDT funding for affordable housing-related initiatives.</p> <p><b>Engagement:</b> HICEEC continued with its regular stakeholder engagement program in 2023. This includes a season launch networking event in the Spring, as well as an annual awards event in the fall. Although these events are oriented towards tourism, MRDT funds were not used for these events.</p> <p><b>Tourism Strategic Planning:</b> HICEEC identified that community and stakeholder needs had changed on Hornby Island since the development of Hornby Island’s 5-Year MRDT Strategic Business Plan. As a result, HICEEC worked with a qualified contractor to lead a tactical planning process focused on identifying optimal uses of MRDT, as well as opportunities and challenges relating to tourism development as identified by stakeholders. A total of \$10,000 was invested in the development of this plan and required engagement activities. Although much of this work was undertaken in 2023, the project will be funded using 2024 MRDT revenues as the project concluded in the spring of 2024.</p> <p>As a result of this project, HICEEC has a new tactical plan for the 2024 calendar year that better aligns with community and stakeholder needs.</p> <p><b>Affordable Housing Strategy:</b> HICEEC allocated significant human and financial resources towards the development of a community economic development strategy and affordable housing plan.</p> <p><b>Accrual of Funds:</b> Like many small MRDT-funded organizations, the HICEEC Board opted to carry forward some MRDT funds from the 2023 calendar year to enable more significant and targeted investments for 2024. Much of the carry forward was allocated to affordable housing uses, while the remainder of funds will support 2024 tourism-related programs as identified in the 2024 tactical plan. A total of \$125,000 of accruals were directed to affordable housing and \$20,250 to tourism-related programs for 2024.</p>
<b>Key Learnings</b>	

**2. Effective local-level stakeholder support and inter-community collaboration**

Designated recipients are responsible for engaging with key stakeholders, establishing local-level support, and seeking out efficiencies through collaborative activities to inform appropriate decision-making regarding investments.

<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Extent of Local-level Stakeholder Engagement</b>	<p><b>Engagement:</b></p> <ul style="list-style-type: none"> <li>• HICEEC continued with its regular stakeholder engagement program in 2023. This includes a season launch networking event in the Spring, as well as an annual awards event in the fall. Although these events are oriented towards tourism, MRDT funds were not used for these events.</li> </ul> <p><b>Tourism Strategic Planning:</b></p> <ul style="list-style-type: none"> <li>• HICEEC identified that community and stakeholder needs had changed on Hornby Island since the development of Hornby Island’s 5-Year MRDT Strategic Business Plan. As a result, HICEEC worked with a qualified contractor to lead a tactical planning process focused on identifying optimal uses of MRDT, as well as opportunities and challenges relating to tourism development as identified by stakeholders. A total of \$10,000 was invested in the development of this plan and required engagement activities. Although much of this work was undertaken in 2023, the project will be funded using 2024 MRDT revenues as the project concluded in the spring of 2024.</li> <li>• As a result of this project, HICEEC has a new tactical plan for the 2024 calendar year that better aligns with community and stakeholder needs.</li> </ul> <p><b>Affordable Housing Strategy:</b></p> <ul style="list-style-type: none"> <li>• HICEEC allocated significant human and financial resources towards the development of a community economic development strategy and affordable housing plan.</li> </ul>

<b>Stakeholder Satisfaction</b>	<p>Hornby Island conducted a stakeholder satisfaction survey early in 2024. The survey was completed by 75 stakeholders and provided several important key learnings relating to use of MRDT funds on Hornby Island:</p> <ul style="list-style-type: none"> <li>● Stakeholders are looking for rapid responses relating to affordable housing. It is difficult for HICEEC to take the level of action desired at this time due to a lack of affordable housing revenues. Communicating the long-term aspect of affordable housing and managing community expectations will be important moving forward. It will also be important for HICEEC to communicate its affordable housing plan, timelines and desired results.</li> <li>● As a community where the arts thrive, stakeholders have identified an opportunity to partner with the arts sector to support the Arts Centre (once it opens) and other arts-related activities. HICEEC is currently working to support the arts sector with funding related to visitor servicing.</li> <li>● Lastly, it is clear that tourism is an important but contentious issue on Hornby Island. The survey used to collect data was written in a way that indicated that HICEEC is looking to increase visitor volume and did not create much space for stakeholders to provide input regarding how tourism can be better balanced or managed. We will adapt the survey for next year to enable a broader range or responses that better capture the nuances of stakeholder sentiment.</li> </ul> <p>Overall, the survey indicates strong levels of knowledge about HICEEC and the MRDT program and provides actionable data as we implement the 2024 tactical plan.</p>
<b>Community Collaboration</b>	<p>Hornby Island Economic Enhancement Society is working closely with tourism operators as well as other community groups such as Hornby Arts and the Hornby Island Arts Centre which is currently under construction. Conversations are currently underway with the Council regarding investment and collaborative opportunities.</p>

<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Community Collaboration</b>	<p>Examples of collaborative activities include:</p> <ul style="list-style-type: none"> <li>● Meetings and discussions with Hornby Arts</li> <li>● Meetings and discussions with 4VI and Experience Comox Valley regarding collaboration opportunities</li> <li>● Designed a program to support events on Hornby Island using MRDT funding to be implemented in 2024</li> </ul>
<p><b>3. Marketing Efforts Are Coordinated and complementary to provincial marketing strategies and tactics:</b>            Designated recipients are responsible for ensuring their marketing efforts complement and do not duplicate those of Destination British Columbia to avoid overlap at the community level and dilution of BC’s marketing message in key domestic and international markets.</p>	
<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Provincial Alignment</b>	<p>Hornby Island Economic Enhancement Corporation did not undertake and marketing activities with MRDT revenue. That said, HICEEC owns and operates HornbyIsland.com which is a self funding informational and accommodation booking platform. Messaging on this website is based closely on community input and needs and focuses on inspiring more responsible and community-minded visitation to Hornby Island.</p>
<b>Coordinated with Destination British Columbia on Travel Media and Travel Trade Activities</b>	No activities to report on.

**4. Fiscal prudence and accountability**

All designated recipients must be accountable, transparent, and make fiscally prudent investments in community tourism marketing.

<b>Mandatory Metric</b>	<b>Designated Recipient Response</b>
<b>Effective Financial Management</b>	The completed attached Financial Report outlines HICEEC's financial performance for 2023.
<b>Streamlined Administrative Costs</b>	Hornby Island Economic Enhancement Corporation did not use MRDT revenues for administrative purposes in 2023. This is because existing core funding to operator HICEEC is funded through a Regional District Service
<b>Leveraging of Other Marketing Funds</b>	Not applicable.

By signing this form, you certify the accuracy and completeness of the information provided above.

Designated Recipient's Authorized Signing Authority Name	Designated Recipient's Authorized Signing Authority Title
Date	Designated Recipient's Authorized Signing Authority Signature

## Appendix 2.4 Annual Affordable Housing MRDT Report

The following table must be completed if the designated recipient wishes to use MRDT revenues on affordable housing initiatives, regardless of whether revenues are solely from online accommodation platforms or from general MRDT revenues. If you have submitted a previous report through your annual reporting requirements, only provide details on changes in the categories below. This report must be submitted by May 31 of every year.

Project Name and Address
<b>Hornby Island Economic Enhancement Affordable Housing Initiative</b>
Project Rationale and Details
There have been no changes to HICEEC's affordable housing plans. HICEEC is continuing to accrue funds in a dedicated fund to support a future affordable housing project.
MRDT Contribution
HICEEC has increased its MRDT contribution towards affordable housing as detailed in the 2024 tactical plan. A total of \$125,000 of 2023 revenues have been directed to future affordable housing projects.
Housing Provider/Project Owners/Project Lead
Not yet identified.

**Funding Partner(s)**

Not yet identified

**Contribution from Funding Partner(s)**

Not applicable

**Estimated Completion Date**

No changes.

**Number of Housing Units Completed**

No housing units have been completed to date.



## Appendix 2.1 Financial Report

Under the *Provincial Sales Tax Act*, all designated recipients, including designated recipients not subject to the renewal application requirement, must report back to the Province annually in the form of a Financial Report **by May 31 of each year.**

The Financial Report must show how all of the money received from the tax was spent and certify that all of the money received from the tax was used solely for approved purposes. The Financial Report must show that spending of money received from the tax was consistent with the Five-Year Strategic Business Plan. The Financial Report must also show the amounts, sources, and uses of all other tourism revenues.

**Please do not add lines or customize this template as the data has to be consistently consolidated across all 60+ designated accommodation areas. Please use the "Other" sections to describe any significant items not listed.**

**Designated Recipient:** Hornby Island Economic Enhancement Corporation

**Designated Accommodation Area:** Hornby Island

**Date Prepared:** May 31, 2024

**MRDT Repeal Date (if applicable):** June 1, 2027

**Total MRDT Funds Received:** \$94,901.28

**Year Ending:** December 31, 2023

### Section 1: MRDT Budget Variance Report

Designated recipients **must** complete the table as provided below. Refer to Appendix 2.3 for further expense line item descriptions.

Revenues (MRDT and Non-MRDT)	Current Year		
	Budget \$	Actual \$	Variance
Starting Carry Forward (All Net Assets - Restricted and Unrestricted) – Should match ending C/F from the previous annual financial report	\$62,262.49	\$62,262.49	0
General MRDT (net of admin fees)	\$122,600.00	\$87,382.86	(\$35,217.14)
MRDT from online accommodation platforms (OAP)	\$10,000.00	\$8,306.05	(\$2,481.58)
Local government contribution			
Stakeholder contributions (i.e. membership fees)	\$20,000	0	(\$20,000)
Co-op funds received (e.g. DBC coop, DMO-led projects)			
Grants - Federal			
Grants - Provincial			

Grants/Fee for Service - Municipal			
Retail Sales			
Interest			
Other (please describe):			
<b>Total Revenues (Excluding Carry Forward)</b>	<b>\$152,600</b>	<b>\$95,688.91</b>	<b>(\$56,911.09)</b>

<b>Expenses (MRDT &amp; Non-MRDT)</b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Variance</b>
<b>Marketing</b>			
Marketing staff – wage and benefits			
Media advertising and production			
Website - hosting, development, maintenance	\$10,000	0	\$10,000
Social media			
Consumer shows and events	\$20,000	0	\$20,000
Collateral production and distribution			
Travel media relations			
Travel trade			
Consumer-focused asset development (imagery, video, written content)			
Other (please describe):			
<i>Subtotal</i>	\$30,000	0	\$30,000
<b>Destination &amp; Product Experience Management</b>			
Destination and product experience management staff – wage and benefits			
Industry development and training			
Product experience enhancement and training			
Research, evaluation, analytics,	\$10,000	0	\$10,000
Other (please describe):			
<i>Subtotal</i>	\$10,000	0	\$10,000
<b>Visitor Services</b>			
Visitor Services – wage and benefits	\$5,000	0	\$5,000
Visitor Services operating expenses	\$28,000	0	\$28,000
Other (please describe):			
<i>Subtotal</i>	\$33,000	0	\$33,000

<b>Meetings, Conventions, Events and Sport</b>			
Staff – wage and benefits			
Meetings, conventions, conferences, events, sport etc.			
<i>Subtotal</i>			
<b>Administration</b>			
Management and staff unrelated to program implementation - wage and benefits	\$16,100	\$18,513.50	(\$2,413.50)
Finance staff – wage and benefits			
Human Resources staff – wages and benefits			
Board of Directors costs	\$1,000	0	\$1,000
Information technology costs – workstation-relate costs (i.e. computers, telephone, support, networks)			
Office lease/rent	\$ 3,600.00	\$ 3,600.00	0
General office expenses[TV1]			
<i>Subtotal</i>	\$20,700	\$22,113.20	(\$1,413.20)

Expenses (MRDT & Non-MRDT)	Budget \$	Actual \$	Variance
<b>Affordable Housing</b>			
Funded by OAP Revenue	\$10,000	0	\$10,000
Funded by General MRDT Revenues (if applicable)	\$155,000	0	\$155,000
<i>Subtotal</i>	\$165,000	0	\$165,000
<b>Other</b>			
All other wages and benefits not included above	\$1,000	0	\$1,000
Other activities not included above (please describe)			
<i>Subtotal</i>	\$1,000	0	\$1,000
<b>Total Expenses</b>	\$166,000	\$22,113.20	\$143,886.80
<b>Total Revenue Less Total Expenses (Surplus or Deficit)</b>			
<b>Ending Carry Forward (Previous Year C/F plus Surplus or Deficit – Restricted and Unrestricted)</b>		\$135,838.20	

**Section 2: Actual Spending by Market – LEISURE ONLY**

Geographic Market	Total Marketing Budget by Market	% of Total \$ by Market
BC		
Alberta		
Ontario		
Other Canada ( <i>please specify</i> )		
Washington State		
California		
Other USA ( <i>please specify</i> )		
Mexico		
China		
UK		
Germany		
Australia		
Japan		
Other International ( <i>Please specify</i> )		
<b>Total</b>		

By signing this form, you certify that the above information is an accurate representation of the actual tourism related expenditures for the jurisdiction defined under the terms of the Municipal and Regional District Tax. **Form MUST be signed by the Designated Recipient, not the service provider.**

Designated Recipient's Authorized Signing Authority Name Karen Ross	Designated Recipient's Authorized Signing Authority Title Executive Director, Hornby Island Community Economic Enhancement Corporation
Date June 26, 2024	Designated Recipient's Authorized Signing Authority Signature

Karen Ross (electronic signature)