Financial Planning Committee
Revised Agenda

Date: September 1, 2021
Time: 10:30 am - 3:00 pm
Location: Electronic Zoom Meeting

Pages

1. CALL TO ORDER

2. APPROVAL OF AGENDA

2.1. New Items and Re-Ordering of the Agenda

2.2. Approval of Agenda

3. ADOPTION OF MINUTES / COORDINATION

3.1. Minutes of Meetings

3.1.1. Financial Planning Committee draft minutes of February 17, 2021 3 - 11

3.2. Resolutions Without Meeting

None

3.3. Follow up Action List 12 - 14

4. TOWN HALL

5. DELEGATIONS

None

6. TRUST COUNCIL BUSINESS

6.1. March 31, 2021 Audited Financial Statements - RFD 15 - 39

The Audited Financial Statements will be a late item once forwarded from the Audit Committee at their meeting directly before the Financial Planning Committee.

That Financial Planning Committee receive the audited financial statements of Islands Trust including the Statement of Financial Position, the Statement of Operations, the Statement of Changes in Net Financial Assets, and the Statement of Cash Flows for the year ended March 31, 2021, and forward them to Trust Council for approval.

6.2. March 31, 2021 Allocated Financial Statements - Briefing 40 - 43

6.3. 2020/21 Statement of Financial Information - RFD 44 - 54

That Financial Planning Committee approve the 2020/21 Statement of Financial Information and forward it to Trust Council for information as presented/amended.

6.4. June 30, 2021 Quarterly Financial Report - RFD 55 - 61

That Financial Planning Committee forward the June 30, 2021 Financial Report to Trust Council for approval as presented/amended.

6.5. 2022/23 Draft Budget Assumptions, Principles, and Timelines - Briefing 62 - 69

1. Budget Assumptions and Principles
2. Budget Cycle Timeline

6.6. 2022/23 Budget Engagement Plan - RFD 70 - 73

That Financial Planning Committee approve the 2022/23 Budget Public Engagement project charter, dated August 26, 2021.

7. BUSINESS

7.1. Work Program 74 - 75

Top Priorities for approval by FPC.

7.2. FPC 2020-21 Annual Report Section - RFD 76 - 79

That Financial Planning Committee approve the attached text for inclusion in the 2020-21 Annual Report for submission to the Minister of Municipal Affairs.

8. NEW BUSINESS

9. NEXT MEETING

Wednesday, October 20, 2021 from 10:00 a.m. to 3:00 p.m.

10. ADJOURNMENT

*Approximate time is provided for the convenience of the public only and is subject to change without notice.

Islands Trust

Financial Planning Committee
Minutes of Regular Meeting

Date of Meeting: **February 17, 2021**
Location: **Electronic Meeting**

Members Present:
Peter Grove, Chair
Laura Busheikin, Regional Planning Committee Representative
Sue Ellen Fast, Executive Committee Representative
Peter Luckham, Executive Committee Representative
Deb Morrison, Trust Programs Committee Representative
Laura Patrick, Executive Committee Representative
Tahirih Rockafella, Local Trustee
Dan Rogers, Executive Committee Representative
Kate-Louise Stamford, Islands Trust Conservancy Board Representative

Regrets: Paul Brent, Vice Chair

Staff Present:
Russ Hotsenpiller, Chief Administrative Officer
Julia Mobbs, Director, Administrative Services
David Marlor, Director, Local Planning Services
Clare Frater, Director, Trust Area Services
Nancy Roggers, Finance Officer
Robert Barlow, Legislative Services Clerk/Recorder

1. CALL TO ORDER

The meeting was called to order at 10:34 a.m. Chair Grove offered gratitude for being able to work and meet on the traditional and treaty territories of the Coast Salish First Nations.

2. APPROVAL OF AGENDA

2.1 New Items and Re-ordering of the Agenda
The following addition was presented for consideration:
- Item 4.2, 2020/21 Financial Forecast Briefing, was not included in the original agenda package as a result of a technical issue and so was provided at the meeting.

2.2 Approval of Agenda
By general consent the Committee approved the agenda as amended.

3. ADOPTION OF MINUTES / COORDINATION

3.1 Minutes of Meetings
3.1.1 Financial Planning Committee Minutes of January 20, 2021

By general consent the Committee approved the minutes as presented.

3.2 Resolutions Without Meeting

None.

3.3 Follow up Action List

Director Mobbs provided a status update to all items that are currently in progress:

- The work with the Regional Planning Committee on the Islands Trust application processing service fees structure continues;
- A note discussing accounting for grants received by the Trust has been included in the Budget Assumptions and Principles document for Trust Council;
- An analysis of the cost effectiveness of the satellite offices continues;
- A review of Trust Council policy 6.5.1, Reserves and Surplus, will be presented at a later meeting.

4. TRUST COUNCIL BUSINESS

4.1 December 31, 2020 Financial Report - RFD

Director Mobbs presented the RFD, indicated that the third quarter financial report indicates that Islands Trust is overall spending less than anticipated against the financial plan for 2020/21. This is primarily due to the ongoing operational impacts of the COVID-19 pandemic that have substantially reduced travel, training, and meeting costs, as well as underspending on salaries due to staff vacancies, and on projects in the year to date.

FPC-2021-005
It was MOVED and SECONDED,
that Financial Planning Committee request the Q3 Financial Report include an explanation as to why the LTC project budget is underspent.

CARRIED

4.2 2020/21 Financial Forecast - Briefing

Received for information.

4.3 Forecasted Overspending in Specific Areas - Briefing

Received for information.

4.4 Amendments to Policy 6.3.2 'Special Property Tax Requisition' - RFD for TC

It was noted that this RFD is heading to the March Trust Council meeting and is shared with FPC for information in its role of advising Trust Council of financial matters and in acknowledgement that recommendations in the policy may influence discussion on the current draft budget under review by FPC. It was also noted that staff continue to refine amendments to this policy prior to advancing it to Trust Council's upcoming meeting.

FPC-2021-006
It was MOVED and SECONDED,
that Financial Planning Committee ask staff to procure advice on SSIWPA funding proposals and its compliance with the *Islands Trust Act*.

CARRIED

Discussion continued and included the following:

- The proposed language in section 2.2 may impact the budget process for all local trust committee projects, as opposed to applying specifically to projects considered for funding under special property tax requisitions.
- There may be a need to replicate the language in other Trust Council policies.

4.5 2021/22 Budget D2V2: Changes Since Last Review - Briefing

Director Mobbs presented an overview of the revisions to the draft budget since last review in January 2021.

Committee recessed at 11:44 a.m. and resumed at 12:15 p.m.

4.6 2021/22 Budget Consultation Feedback - Briefing

This briefing provided the results of the public consultation process for Trust Council's draft 2021/22 budget, which took place between January 22 and February 7, 2021. Director Frater indicated that a response from over 900 individuals was received, which is a substantial increase from previous years. She noted a few errors in the briefing that will be corrected before forwarding to the Trust Council.

Discussion included:

- The range of comments is similar to other years' comments including comments that indicate a lack of understanding about the Islands Trust's jurisdiction and how that relates to other governments responsibilities.
- One new set of comments is in regards to the impact of the Covid-19 pandemic.
- The real estate market for Trust Area properties is changing rapidly and impacting property values and affordability.
- There are various challenges as to how to interpret and understand the public feedback received.
- Director Frater will separate responses for each local trust area.

4.7 Draft 2021/22 Budget Recommendation to Trust Council

4.7.1 Draft Budget Session Outline

Director Mobbs noted that there will be approximately two hours of time at the upcoming Trust Council meeting to discuss financial matters, including the budget.

4.7.2 Draft 2021/22 Budget Assumption and Principles – Briefing

Director Mobbs reviewed some highlights of the document and noted a correction that will be made to the briefing prior to it being forwarded to the Trust Council.

Discussion included:

- Freshwater Sustainability funding needs to be included in the document;
- Point 16, Local Planning Services, needs to be clarified
- Point 19, General Surplus, may need to be amended after the Committee addresses agenda item 5.2, Surplus Sensitivity Analysis.

FPC-2021-007
It was MOVED and SECONDED,
that Financial Planning Committee amend the second paragraph in item 16 of the 2021/22 Draft Budget Assumptions and Principles document by replacing the paragraph with the words “OCP and LTCs project budgets will be fairly distributed across the Trust Area”.

CARRIED

4.7.3 Draft 2021/22 Budget Overview and Highlights – Briefing

Director Mobbs reviewed the briefing which includes a comparison to previous budgets and also to the current year forecast.

Discussion included:

- a desire to add more detail to staffing costs to indicate whether staff are funded from grants or taxes, and whether they are temporary/permanent or full-time/part-time;
- a desire to include the significance or impact of staff positions to help clarify the value of those positions;
- the Public Service Agency will not be setting the rate for benefits expense for base salaries until late March 2021, and therefore an approximate rate is being used;

- need to clarify if there is staff capacity available to undertake the proposed projects;
- The potential significant draw on the General Revenue Surplus fund would result in a lower than policy-recommended minimum value in the fund as set by Trust Council policy. Therefore, in order to adhere to that policy, the Committee would need to recommend a reduction of the use of those funds or an increase in taxation or a decrease in spending or some combination thereof. The current presented budget would result in a balance in the fund that would be approximately $290,000 less than the minimum as set by the current policy.
- The Trust's historical use of surplus funds to support strategic plan projects items is not sustainable.

Trustee Rockafella left the meeting at 2:16 p.m.

The Committee recessed at 2:16 p.m. and reconvened at 2:30 p.m.

4.7.4 Draft 2021/22 Budget Funding Requests

4.7.4.1 Summary

The value of the Strategic Plan Projects and new staffing positions were discussed.

4.7.4.2 Business Cases - Strategic Plan Projects and Staffing

FPC-2021-008
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the Eelgrass Mapping Phase 1 be removed from the 2021/22 Budget.
CARRIED

Chair Grove had technical difficulties and lost connection. Trustee Luckham assumed the position of Chair.

FPC-2021-009
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the Stewardship Education Program be reduced to $9,000 to fund the Climate Change workshops from an Indigenous perspective.
CARRIED

Chair Grove returned to the meeting and resumed being the Chair.

FPC-2021-010
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the "develop a set of climate change performance criteria" be removed from the 2021/22 budget.

CARRIED

FPC-2021-011
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the Broadcast Meetings item be funded from operations.

CARRIED

FPC-2021-012
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the Bylaw Communications position be removed from the budget.

CARRIED

FPC-2021-013
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the September Trust Council meeting be held electronically and the budget be adjusted accordingly.

CARRIED

FPC-2021-014
It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the Governance Review be removed from the budget.

CARRIED

Committee recessed at 3:42 and returned at 3:50 p.m.

4.7.4.3 LTC Project Requests >$5,000

FPC-2021-015
It was MOVED and SECONDED,
that Financial Planning Committee include $45,000 for the Salt Spring Housing Action Initiative in fiscal year 2021/22 funded from surplus.

CARRIED

4.7.4.4 ITC Budget Request

Provided for information.

4.7.5 SSIWPA Special Tax Requisition - RFD

Provided for information.

4.7 Draft 2021/22 Budget Recommendation to Trust Council - continued

FPC-2021-016
It was MOVED and SECONDED,
that Financial Planning Committee refer all budget documents with recommended amendments to Trust council.

DEFEATED

FPC-2021-017
It was MOVED and SECONDED,
that Financial Planning Committee forward a recommended amended budget to Council including the pre-amended budget and the list of recommended amendments made by FPC.

CARRIED

4.8 Ministry Bylaws for Trust Council

4.8.1 Financial Plan Bylaw No. 181 - RFD

FPC-2021-018
It was MOVED and SECONDED,
that Financial Planning Committee request staff to amend the five year financial plan to increase taxes as necessary and keep surplus at a minimum of 80 percent of the current policy minimum.

CARRIED

4.8.2 Revenue Anticipation Bylaw No. 182 - RFD

FPC-2021-019
It was MOVED and SECONDED,

that Financial Planning Committee forward Financial Plan Bylaw 181 and Revenue Anticipation Bylaw 182 to Trust Council for decision.

CARRIED

4.9 Financial Planning Committee Work Program

Director Mobbs recommended the following items to be the Top Priorities for the Committee:

1. Budget 2021/22: Finalize for Trust Council and forward Financial Plan Bylaw 181 to the Ministry for approval
2. 2020/21 Financial Statement Audit
3. Review Trust Council Policy 6.5.1 Reserves and Surplus

By general consent the Committee adopted the recommended Top Priorities.

Trustee Patrick requested that an item for discussion for the next meeting is "work that needs to be done to reduce drawing from surplus over the next year before the next budget is done to be added to the Projects list".

FPC-2021-020
It was MOVED and SECONDED,
that Financial Planning Committee forward the amended top priorities list to Trust Council for approval.

CARRIED

5. BUSINESS

5.1 Property Tax Notice Insert - Briefing

Director Frater presented the briefing, and received some feedback on a draft Islands Trust tax notice insert for 2021/22.

5.2 Surplus Sensitivity Analysis - Briefing

The Briefing was presented for information, and to inform discussion of potential amendments to Policy 6.5.1 Reserves and Surplus. This will be discussed at the next meeting.

6. NEW BUSINESS

None

7. TOWN HALL & DELEGATIONS

None

8. NEXT MEETING

Wednesday, May 19, 2021, from 10:00 a.m. to 3:00 p.m.

9. ADJOURNMENT

By general consent the meeting adjourned at 4:53 p.m.

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Peter Grove, Chair

Certified Correct:

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Robert Barlow, Legislative Services Clerk/Recorder

Minutes are not official until adopted at a subsequent meeting.

Follow Up Action Report

Financial Planning Committee

14-Apr-2020

Activity	Responsibility	Dates	Status
1 that the Financial Planning Committee work with the Regional Planning Committee (formerly the Local Planning Committee) in regards to Islands Trust application fees structure.	David Marlor	Target: 19-May-2021	Completed

12-Nov-2020

Activity	Responsibility	Dates	Status
1 staff to include an updated Budget Assumptions and Principles to Trust Council that includes a note in regards to accounting for grants received.	Julia Mobbs	Target: 09-Mar-2021	Completed
2 that Financial Planning Committee ask staff to bring back an analysis of the cost effectiveness of the satellite offices (items #13-#17 in the appendix to the Draft Budget Reductions Option briefing) including how often they are used and alternatives.	Clare Frater David Marlor Julia Mobbs Kate Emmings	Target: 19-May-2021	In Progress

20-Jan-2021

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee request staff to recommend changes to policy 6.5.1 for review by Financial Planning Committee.	Julia Mobbs	Target: 19-May-2021	In Progress

17-Feb-2021

Activity	Responsibility	Dates	Status

Follow Up Action Report

Financial Planning Committee

17-Feb-2021

Activity	Responsibility	Dates	Status
1 that Financial Planning Committee request the Q3 Financial Report include an explanation as to why the LTC project budget is underspent.	Julia Mobbs	Target: 19-Feb-2021	Completed
2 that Financial Planning Committee ask staff to procure advice on SSWIPA funding proposals and it's compliance with the Islands Trust Act.	David Marlor	Target: 19-Feb-2021	Completed
3 that Financial Planning Committee amend the second paragraph in item 16 of the 2021/22 Draft Budget Assumptions and Principles document by replacing the paragraph with the words "OCP and LTCs project budgets will be fairly distributed across the Trust Area".	Julia Mobbs	Target: 19-Feb-2021	Completed
4 that Financial Planning Committee recommend to Trust Council that the Eelgrass Mapping Phase 1 be removed from the 2021/22 Budget.	Julia Mobbs	Target: 19-Feb-2021	Completed
5 that Financial Planning Committee recommend to Trust Council that the Stewardship Education Program be reduced to $9,000 to fund the Climate Change workshops from an Indigenous perspective.	Julia Mobbs	Target: 19-Feb-2021	Completed
6 that Financial Planning Committee recommend to Trust Council that the "develop a set of climate change performance criteria" be removed from the 2021/22 budget.	Julia Mobbs	Target: 19-Feb-2021	Completed
7 that Financial Planning Committee recommend to Trust Council that the Broadcast Meetings item be funded from operations.	Julia Mobbs	Target: 19-Feb-2021	Completed

Follow Up Action Report

Financial Planning Committee

17-Feb-2021

Activity	Responsibility	Dates	Status
8 that Financial Planning Committee recommend to Trust Council that the Bylaw Communications position be removed from the budget.	Julia Mobbs	Target: 19-Feb-2021	Completed
9 that Financial Planning Committee recommend to Trust Council that the September Trust Council meeting be held electronically and the budget be adjusted accordingly.	Julia Mobbs	Target: 19-Feb-2021	Completed
10 that Financial Planning Committee recommend to Trust Council that the September Trust Council meeting be held electronically and the budget be adjusted accordingly.	Julia Mobbs	Target: 19-Feb-2021	Completed
11 that Financial Planning Committee include $45,000 for the Salt Spring Housing Action Initiative in fiscal year 2021/22 funded from surplus.	Julia Mobbs	Target: 19-Feb-2021	Completed
12 that Financial Planning Committee forward a recommended amended budget to council including the pre-amended budget and the list of recommended amendments made by FPC.	Julia Mobbs	Target: 19-Feb-2021	Completed
13 that Financial Planning Committee request staff to amend the five year financial plan to increase taxes as necessary and keep surplus at a minimum of 80 percent of the current policy minimum.	Julia Mobbs	Target: 19-Feb-2021	Completed
14 that Financial Planning Committee forward Bylaw 181 and 182 to Trust Council for disposition.	Julia Mobbs	Target: 19-Feb-2021	Completed

REQUEST FOR DECISION

To:	Financial Planning Committee	**For the Meeting of:**	September 1, 2021
From:	Audit Committee	**Date Prepared:**	August 25, 2021

SUBJECT: MARCH 31, 2021 AUDITED FINANCIAL STATEMENTS

RECOMMENDATION:
That Financial Planning Committee receives the audited financial statements of the Islands Trust including the Statement of Financial Position, the Statement of Operations, the Statement of Changes in Net Financial Assets, and the Statement of Cash Flows for the year ended March 31, 2021, and forwards them to Trust Council for approval.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:
The Independent Auditor's report indicates that, in their opinion, the financial statements present fairly, in all material aspects, the financial position of the Islands Trust as at March 31, 2021.

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1 PURPOSE:
To forward the audited financial statements for Islands Trust to Trust Council for their approval.

2 BACKGROUND:
The Audit Committee has reviewed the year-end audited financial statements and auditor's report with the external auditors, KPMG LLP, and has forwarded the information to Financial Planning Committee as attached.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None**.**

FINANCIAL: None**.**

POLICY: None**.**

IMPLEMENTATION/COMMUNICATIONS:
Once approved by the Islands Trust Council, the year-end audited financial statements and auditor's report will be forwarded to the Minister of Municipal Affairs and Housing as required by the *Islands Trust Act, S. 19* and made available to the public via the Islands Trust website.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S):

Islands Trust Council Bylaw No. 178

Islands Trust Act S. 18 requires the Islands Trust appoint an auditor to audit the accounts and transactions of the Islands Trust Council and local trust committees, and requires that the auditor report to the Islands Trust Council and to the Minister.

5 ATTACHMENT(S):

- Islands Trust March 31, 2021 Audited Financial Statements and audit report

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RESPONSE OPTIONS

Recommendation:
That Financial Planning Committee receives the audited financial statements of the Islands Trust including the Statement of Financial Position, the Statement of Operations, the Statement of Changes in Net Financial Assets, and the Statement of Cash Flows for the year ended March 31, 2021, and forwards them to Trust Council for approval.

Alternative: None.

Prepared By: Director, Administrative Services
Reviewed By: David Marlor, Director, Local Planning Services on behalf of the CAO

Financial Statements of

ISLANDS TRUST

Year ended March 31, 2021

ISLANDS TRUST

Financial Statements

Year ended March 31, 2021

Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Islands Trust (the “Trust”) are the responsibility of the Trust's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Trust’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Trust, acting through its Audit Committee, meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Trust Council. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination and their opinion on the Trust’s financial statements.

Chief Administrative Officer	*Director of Administration Services*

DRAFT *- August 26, 2021*

INDEPENDENT AUDITORS' REPORT

To the Trustees of Islands Trust and the Minister of Municipal Affairs and Housing

Opinion

We have audited the financial statements of Islands Trust which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Islands Trust as at March 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 **"*Auditors' Responsibilities for the Audit of the Financial Statements*"** section of our auditors' report.

We are independent of the Entity 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 public sector accounting standards, 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 Island Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Islands Trust or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Islands Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Island Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Islands Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants

Victoria, Canada
____________________, 2021

ISLANDS TRUST

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash and cash equivalents (note 2)	$ 4,806,743	$ 1,092,028
Accounts receivable	208,046	243,553
Investments (note 3)	-	2,930,428
	5,014,789	4,266,009
Liabilities:		
Accounts payable and accrued liabilities	776,043	447,260
Wages and benefits payable	1,418,674	1,318,019
Deferred revenue	159,144	32,387
Employee benefit obligations (note 4)	251,349	189,781
Obligations under capital leases (note 5)	31,555	43,727
Cost recovery deposits (note 13(b))	19,290	4,029
	2,656,056	2,035,203
Net financial assets	2,358,733	2,230,806
Non-financial assets:		
Tangible capital assets (note 6)	403,190	501,281
Prepaid expenses	165,919	150,836
	569,109	652,117
Commitments (note 11)		
Contingent liabilities (note 12)		
Accumulated surplus (note 7)	$ 2,927,843	$ 2,882,923

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

Approved by the Trust Council:

____________________________ Trustee

____________________________ Trustee

__DRAFT__ - August 26, 2021

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	Budget	2021	2020
	(note 9)		
Revenue:			
Property tax - general	$ 6,783,140	$ 6,783,141	$ 6,696,752
Property tax levy - Bowen Island municipality	303,021	303,026	329,634
Property tax - special requisition	75,500	75,500	98,500
Government transfers (note 8)	180,000	397,000	193,201
Fees and sales	115,000	168,378	102,051
Interest income	85,000	22,054	102,281
Other income	12,000	3,688	161,853
Total revenue	7,553,661	7,752,787	7,684,272
Expenses (note 10):			
Council services	1,350,007	1,165,825	1,217,690
Local trust committee services	5,953,425	5,602,994	5,691,915
Trust conservancy services (note 13)	891,379	939,048	763,014
Total expenses	8,194,811	7,707,867	7,672,619
Annual surplus	(641,150)	44,920	11,653
Accumulated surplus, beginning of year	2,882,923	2,882,923	2,871,270
Accumulated surplus, end of year	$ 2,241,773	$ 2,927,843	2,882,923

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

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2021, with comparative information for 2020

	Budget	2021	2020
	(note 9)		
Annual surplus (deficit)	$ (641,150)	$ 44,920	$ 11,653
Acquisition of tangible capital assets	-	(85,982)	(288,451)
Acquisition of leased tangible capital assets	-	(4,687)	-
Amortization of tangible capital assets	140,000	188,760	174,759
Loss on disposal of capital assets	-	-	570
	(501,150)	143,010	(101,469)
Acquisition of prepaid expenses	-	(15,083)	(51,790)
Change in net financial assets	(501,150)	127,926	(153,259)
Net financial assets, beginning of year	2,230,806	2,230,806	2,384,065
Net financial assets, end of year	$ 1,729,656	$ 2,358,733	$ 2,230,806

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

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 44,920	$ 11,653
Items not involving cash:		
Amortization of tangible capital assets	188,760	174,759
Loss on disposal of tangible capital assets	-	570
Changes in non-cash operating assets and liabilities:		
Accounts receivable	35,507	(178,917)
Wages and benefits payable	100,655	134,056
Accounts payable and accrued liabilities	328,783	(18,574)
Deferred revenue	126,757	3,226
Employee benefit obligations	61,568	53,575
Cost recovery deposits	15,261	(23,148)
Prepaid expenses	(15,083)	(51,790)
Net change in cash from operating activities	887,128	105,410
Capital activities:		
Acquisition of tangible capital assets	(85,982)	(288,451)
Investing activities:		
Redemption of (purchase of) investments	2,930,428	(181,040)
Financing activities:		
Principal payments on obligations under capital leases	(16,859)	(16,943)
Change in cash and cash equivalents	3,714,714	(381,024)
Cash and cash equivalents, beginning of year	1,092,028	1,473,052
Cash and cash equivalents, end of year	$ 4,806,743	$ 1,092,028
Supplemental cash flow information:		
Assets acquired under capital lease	$ 4,687	$ -

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

Islands Trust (the “Trust”) is incorporated under the Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic impacted the Trust’s operations resulting in a decrease in certain types of revenue, and changes in expenses and cash flows.

1. Significant accounting policies:

The financial statements of Islands Trust are prepared by management in accordance with Canadian public sector accounting principles for local governments as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the trust council and the local trust committees.

The Trust occasionally conducts work on behalf of development applicants on a cost-recovery basis. These trust activities are not included in the financial statements.

(*i*) Consolidated entities:

The Trust does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(*ii*) Funds held in trust:

The Trust administers operations of The Islands Trust Conservancy. The annual expenses of The Islands Trust Conservancy are reported by the Trust in accordance with The Islands Trust Act (note 13).

(b) Basis of accounting:

The Trust follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

1. Significant accounting policies (continued):

(c) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability under section PS 3200 of public sector accounting standards.

Revenue unearned in the current period is recorded as deposits or deferred revenue.

Tax revenue is recognized on an accrual basis.

(d) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(e) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on restricted funds is added to the investment and forms part of the deferred revenue balance.

(f) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

A gratuity is also available to employees upon retirement. The cost of this benefit is paid by the Public Service Pension Plan.

(g) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

(*i*) an environmental standard exists;

(*ii*) contamination exceeds the environmental standard;

(*iii*) the Trust is directly responsible or accepts responsibility;

(*iv*) it is expected that future economic benefits will be given up; and

(*v*) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

1. Significant accounting policies (continued):

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(*i*) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	5
Computers	3
Leasehold improvements	lesser of remaining term of the lease and useful life

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Trust's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

The Islands Trust is fortunate to have, and to be mandated to protect, many natural assets in the Trust Area that reduce the need for engineered infrastructure that might otherwise be required by other government agencies to provide various services to the islands. This includes island aquifers (water storage and filtration); streams, ditches and wetlands (rain water management); forests (carbon sequestration); and foreshore areas (natural seawalls). Canadian public sector accounting standards do not provide for the valuation and recording of such assets in the financial statements. As such, these natural assets are not reported in these financial statements. Nevertheless, the Trust acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure that is managed by other government agencies.

(*ii*) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(*iii*) Works of art and historical treasures:

Works of art and historical treasures are not recorded as assets in these financial statements.

(*iv*) Interest capitalization:

The Trust does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(*v*) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenues and expenses during the period. Estimates include assumptions used in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

2. Cash and cash equivalents:

	2021	2020
Bank account balances	$ 4,806,743	$ 1,092,028

3. Investments:

There are no investments held at March 31, 2021. At March 31, 2020, investments consisted of guaranteed investment certificates with a cost plus accrued interest that approximated market value. The stated interest rates were 2.16% and the maturity dates ranged from April 2020 to August 2020.

4. Employee benefit obligations:

	2021	2020
Vacation pay	$ 206,998	$ 154,612
Compensatory time off	44,351	35,169
	$ 251,349	$ 189,781

Vacation pay and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout on approved retirement, or upon termination or death.

Other pension plans:

The Trust and its employees contribute to the Public Service Pension Plan (a jointly trusteed pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2020, the plan has about 67,000 active members and approximately 51,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of $2,667 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2023. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Trust paid $350,126 (2020 - $339,085) for employer contributions to the plan in fiscal 2021.

5. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

2022	$ 15,446
2023	15,446
2024	4,166
2025	1,056
Total minimum lease payments	36,114
Less amounts representing interest (at rates ranging from 4.70% to 5.20%)	4,559
Present value of net minimum capital lease payments	$ 31,555

Interest of $2,366 (2020 - $2,367) relating to capital lease obligations has been included in expenses on the statement of operations.

6. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2021	Total 2020
Cost:						
Balance, beginning of year	$ 10,000	$ 249,552	$ 266,804	$ 386,975	$ 913,331	$ 651,850
Additions	-	4,687	85,982	-	90,669	288,451
Disposals	-	(5,213)	-	-	(5,213)	(26,970)
Balance, end of year	10,000	249,026	352,786	386,975	998,787	913,331
Accumulated amortization:						
Balance, beginning of year	10,000	147,668	178,486	75,896	412,050	263,691
Additions	-	37,591	73,287	77,882	188,760	174,759
Disposals	-	(5,213)	-	-	(5,213)	(26,400)
Balance, end of year	10,000	180,046	251,773	153,778	595,597	412,050
Net book value, end of year	$ -	$ 68,980	$ 101,013	$ 233,197	$ 403,190	$ 501,281

Contributed tangible capital assets:

There were no contributed assets received during 2021 or 2020.

In fiscal 1994, the Denman Island Ratepayers' Association donated $10,000 which was used by the Trust to purchase the Denman Island Old School Site from School District #71. The Trust agreed to facilitate the sale of the school site between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community. The Denman Island Ratepayers' Association has leased the building on the site from the Trust for 99 years for a total fee of $10.

6. Tangible capital assets (continued):

Included in tangible capital assets is assets under capital leases with a net book value of $31,790 (2020 - $43,712).

7. Accumulated surplus:

Accumulated surplus consists of:

	2021	2020
Invested in tangible capital assets	$ 371,636	$ 457,554
General Revenue Fund	2,463,288	2,218,831
Local Trust Committee Project Specific Reserve Fund	-	121,272
Special property tax requisition fund	93,030	85,266
	$ 2,927,843	$ 2,882,923

8. Government transfers:

Government transfers recorded as revenue on the statement of operations are comprised of:

	2021	2020
Provincial operating grant	$ 180,000	$ 180,000
Provincial restricted grant	30,000	-
Federal restricted grant	187,000	-
Salt Spring Island Water Protection Project	-	7,672
Transport Canada	-	2,772
Other	-	2,757
	$ 397,000	$ 193,201

9. Budget data:

The budget data presented in these financial statements is based upon the 2021 operating budget approved by Trust Council on April 20, 2020. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	$ 8,054,811
Less appropriation from surplus	(501,150)
	7,553,661
Expenses	8,054,811
Plus amortization expense	140,000
	8,194,811
Annual deficit	$ (641,150)

10. Classification of expenses by object:

	2021	2020
Staff salaries and benefits	$ 4,848,823	$ 4,803,756
Traveling/training and recruitment	46,386	183,064
Council and trustee costs	743,057	892,660
Elections	-	61
Office operations	972,074	976,337
Programs	597,481	370,836
Legal	311,286	270,006
Amortization	188,760	175,329
Loss on disposal of assets	-	570
	$ 7,707,867	$ 7,672,619

11. Commitments:

The Trust is committed to leases for rented premises. Minimum future payments in the next five years are as follows:

2022	$ 320,699
2023	298,392
2024	241,568
2025	117,642
2026	-

12. Contingent liabilities:

In the normal course of operations, claims for alleged damages are made against the Trust. The Trust records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Trust is covered through an independent insurance program against certain claims.

13. Trust activities:

(a) Trust Conservancy:

The Trust pays the administration expenses of The Islands Trust Conservancy (the “Conservancy”) which is related through the composition of the Conservancy’s Board. The Conservancy is empowered to accept donations, grants and bequests and to hold land and other property in compliance with a plan approved by the Ministry of Municipal Affairs and Housing. The Conservancy’s Board is comprised of three members from Trust Council and up to three members appointed by the Minister of Municipal Affairs and Housing.

For financial reporting purposes, the Trust and the Conservancy are reported on separately. These financial statements present the financial position and results of operations of the Trust.

The Conservancy’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These expenses are summarized as follows:

	2021	2020
Operations and Property Management	$ 701,124	$ 527,344
Board	5,378	19,043
Administration	232,546	216,627
	$ 939,048	$ 763,014

13. Trust activities (continued):

(b) Cost-recoveries:

The Trust administers trust activities on behalf of development applicants on a cost-recovery basis. These activities are included in cost recoveries and are as follows:

	2021	2020
Cash received during the year	$ 32,550	$ 58,025
Cash paid during the year	17,289	81,173

The net payable from development applicants of $19,290 (2020 - $4,029) is included in cost recoveries on the statement of financial position.

Islands Trust

Statement of Financial Position
For The Year Ending March 31, 2021

Two adjustments were made to the financial statements subsequent to TC's review in June 2021, and before the audit began.
These adjustments are summarised here.
The impact of these adjustments is shown numerically in the FS comparisons presented in the following pages.
Changes of $1/$2 are a result of rounding in the final financial statements.

ADJ#1:
Reclassification of amounts from investments to cash, to reflect investments that had matured at year-end and were not yet reinvested.
ADJ#2:
Late salaries and benefits accrual.

	2021			
	Audited FS	**Draft FS - June TC review**	*Change*	*Comments*
Financial assets:				
Cash and cash equivalents (note 2)	4,062,041	4,806,743	*(744,702)*	*See ADJ#1*
Accounts receivable	208,046	208,046	-	
Investments (note 3)	744,702		*744,702*	*See ADJ#1*
	5,014,789	5,014,789	-	
Liabilities:				
Accounts payable and accrued liabilities	776,043	776,043	-	
Wages and benefits payable	1,360,730	1,418,674	*(57,944)*	*See ADJ#2*
Deferred revenue	159,144	159,144	-	
Employee benefit obligations (note 4)	251,349	251,349	-	
Obligations under capital leases (note 5)	31,555	31,555	-	
Cost recovery deposits (note 13(b))	19,290	19,290	-	
	2,598,112	2,656,055	*(57,944)*	
Net financial assets	2,416,677	2,358,733	*57,944*	
Non-financial assets:				
Tangible capital assets (note 6)	403,192	403,190	*2*	
Prepaid expenses	165,919	165,919	-	
	569,111	569,109	*2*	
Commitments (note 11)				
Contingent liabilities (note 12)				
Accumulated surplus (note 7)	2,985,787	2,927,843	*57,944*	

Islands Trust

Statement of Operations

For The Year Ending March 31, 2021

	Budget (note 9)	2021 Audited FS	2021 Draft FS - June TC review	Change	Comments
Revenue:					
Property tax - general	6,783,140	6,783,141	6,783,141	-	
Property tax levy - Bowen Island Municipality	303,021	303,026	303,026	-	
Property tax - special requisition	75,500	75,500	75,500	-	
Government transfers (note 8)	180,000	397,000	397,000	-	
Fees and sales	115,000	168,378	168,378	-	
Interest income	85,000	22,054	22,054	-	
Other income	12,000	3,688	3,688	-	
Total revenue	7,553,661	7,752,787	7,752,787	-	
Expenses (note 10):					
Council services	1,350,007	1,165,825	1,165,825	-	
Local trust committee services	5,953,425	5,545,050	5,602,994	*(57,944)*	*See ADJ#2*
Trust Conservancy services (note 13)	891,379	939,048	939,048	-	
Total expenses	*8,194,811*	7,649,923	7,707,867	*(57,944)*	
Annual surplus (deficit)	*(641,150)*	102,864	44,920	*57,944*	
Accumulated surplus, beginning of year	*2,882,924*	2,882,924	2,882,923	*1*	
Accumulated surplus, end of year	*2,241,774*	2,985,788	2,927,843	*57,945*	

Islands Trust

Statement of Net Financial Assets
For The Year Ending March 31, 2020

	Budget (note 9)	2021 Audited FS	2021 Draft FS - June TC review	*Change*	*Comments*
Annual surplus (deficit)	*(413,629)*	102,864	44,920	*57,944*	*See ADJ#2*
Acquisition of tangible capital assets	-	(85,982)	-85,982	*0*	
Acquisition of tangible capital assets via capital lease	-	(4,687)	-4,687	*(0)*	
Amortization of tangible capital assets	*140,000*	188,759	188,760	*(1)*	
Loss on disposal of capital assets	-	-		-	
	(273,629)	200,954	143,010		
Acquisition of prepaid expenses	-	(15,084)	-15,083	*(1)*	
Change in net financial assets	*(273,629)*	185,870	127,926	*57,944*	
Net financial assets, beginning of year	*2,230,806*	2,230,807	2,230,806	*1*	
Net financial assets, end of year	*1,957,177*	2,416,677	2,358,733	*57,944*	

Islands Trust
Statement of Cashflows
For The Year Ending March 31, 2021

	2021			
	Audited FS	**Draft FS - June TC review**	*Change*	*Comments*
Cash provided by (used in):				
Operating activities:				
Annual surplus	102,864	44,920	*57,944*	*See ADJ#2*
Items not involving cash:				
Amortization of tangible capital assets	188,759	188,760	*(1)*	
Loss (gain) on disposal of tangible capital assets	-		-	
Extinguishing of obligations under capital leases	-		-	
Changes in non-cash operating assets and liabilities:				
Accounts receivable	35,508	35,507	*1*	
Wages and benefits payable	42,711	100,655	*(57,944)*	*See ADJ#2*
Accounts payable and accrued liabilities	328,782	328,783	*(1)*	
Deferred revenue	126,757	126,757	-	
Employee benefit obligations	61,569	61,568	*1*	
Cost recovery deposits	15,261	15,261	-	
Prepaid expenses	(15,084)	-15,083	*(1)*	
Net change in cash from operating activities	887,127	887,128		
Capital activities:				
Acquisition of tangible capital assets	(85,982)	(85,982)	-	
Investing activities:				
Redemption of (investment in) investments	2,185,726	2,930,428	*(744,702)*	*See ADJ#1*
Financing activities:				
Principal payments on obligations under capital leases	(16,859)	(16,859)	-	
Change in cash and cash equivalents	2,970,012	3,714,714	*(744,702)*	
Cash and cash equivalents, beginning of year	1,092,028	1,092,028	-	
Cash and cash equivalents, end of year	4,062,041	4,806,743	*(744,702)*	
Supplemental cash flow information:				
Assets acquired under capital lease	(4,687)	(4,687)	-	

BRIEFING

To:	Financial Planning Committee	**For the Meeting of:**	September 1, 2021
From:	Director, Administrative Services	**Date Prepared:**	August 25, 2021
SUBJECT:	**March 31, 2021 Allocated Financial Statements**		

PURPOSE:

To provide Financial Planning Committee with allocated Financial Statements for the fiscal year ending March 31, 2021.

BACKGROUND:

In 2006/07, Local Trust Committees (LTCs) had concerns about their ability to conduct business and to undertake community planning projects due to the amount of planning staff available. In response to these concerns Trust Council requested the Finance Department to develop a process to allocate revenues and expenditures to LTCs based on actual financial results for the fiscal period.

The process of allocating revenues and expenses to Local Trust Committees was revised in 2015/16, and was further refined in 2017/18. The process is completed through three major steps:

1. Revenues and expenses directly attributed to Local Trust Areas

The Islands Trust financial system tracks most financial transactions by location code (among other segments) which enables such expenses to be reported by specific Local Trust Committee (and other work units). The first step in the process is to report this information.

Revenues received are allocated as follows:

- Fees and sales revenues – allocated by specific LTC, as tracked in the accounting system.
- Property tax revenues (LTAs) – allocated to LTCs based on net converted assessment values per BC Assessment.
- Special Property tax levies – allocated to the LTC for which it was levied.
- Property tax levy (BIM) – allocated to BIM.
- Provincial Grant/Interest and other income – allocated to LTCs and Island Municipalities based on net converted assessment values per BC Assessment.
- Grant Income – allocated by specific LTC, as tracked in the accounting system.

2. LPS Administration expenses allocated to Local Trust Committees

Planning staff and bylaw enforcement officers record their time in the Time Collection System. Time allocation options for planning and bylaw staff are limited to the following categories:

- LPS Admin Staff - where all LPS admin staff working and related travel time would be reported.

- LPS Planner Administration - where Planner time spent on LTC, council committee and trust council meeting attendance, preparation and travel would be recorded.
- LPS Planner Current Planning – where planner time for application processing would be recorded. This includes time spent at public meetings, travel for site visits, research and reporting, and general work associated with application processing.
- LPS Planner Projects – this includes planner time spent working on LTC work program items and Islands Trust wide planning projects, including related travel.
- LPS Project [specific project name] – these codes capture time spend on specific LTC planning projects.
- LPS Region Management – review and preparation of documents for meetings, staff support and mentoring, and related travel.
- LPS Cost Recovery – specific applications operating under cost-recovery agreements have time codes set up for staff time tracking.
- Bylaw Enforcement –BE time and related travel time worked by bylaw enforcement staff
- General Leave – paid time off for all staff who record time such as vacation time
- General Administration – staff meetings, training, conferences and related travel for all staff who record time

The data collected by staff in the time collection system is used to develop allocation percentages for each of the three planning office: Victoria, Salt Spring Island, and Gabriola Island. These percentages are used to allocate certain LPS-administrative expenses attributable to Local Planning Services, as follows:

- *Planning Costs, Northern Office* – allocated based on the percentage of planning time in the Northern office reported to specific Local Trust Committees.

- *Planning Costs, Southern Office* - allocated based on the percentage of planning time in the Southern office reported to specific Local Trust Committees.

- *Planning Costs, Salt Spring Island* – allocated 100% to Salt Spring Island Local Trust Committee.

- *Director LPS Costs* – allocated to each Local Trust Committee based on the percentage of total planning time reported to a specific Local Trust Committee by all offices.

- *LTC Executive Committee expenses* - allocated to each Local Trust Committee based on the percentage of total planning time reported to a specific Local Trust Committee by all offices.

- *Bylaw costs* – allocated based on the percentage of bylaw enforcement officer administrative assistant, and manager time reported to specific Local Trust Committees.

3. Non-LPS Administration expenses allocated to Local Trust Areas and Island Municipalities

Trust Council Expenses – allocated to each Local Trust Committee based on their percentage of assessed values in relation to all Local Trust Areas, including Island Municipalities.

Trust Conservancy Expenses – allocated to each Local Trust Area based on their percentage of assessed values in relation to all Local Trust Areas, including Island Municipalities.

General Administrative Expenses

- *Non-LPS related* – allocated to each Local Trust Area based on their percentage of assessed values in relation to all Local Trust Areas, including Island Municipalities.

- *LPS-related* – allocated to Local Trust Committees only (excludes Island Municipalities) based on their percentage of assessed values in relation to all Local Trust Committees.

The inclusion of Island Municipalities was new as of fiscal 2018. Previous year's statements will not show these separately.

Conclusions:

- The time collection system is only as reliable as the users of the system. It has been noted that there are staff not using the system to record their time in a timely manner. As such, estimates of time allocations are made at the end of the year. Such estimates reduce the accuracy of the information used for allocation purposes in the allocated financial statements. Staff have been reminded that this information in important and should be input on a weekly basis. New processes requiring management tracking and follow-up are being worked on which should help increase the accuracy and usefulness of the data collected;

- The process to produce the Allocated Financial Statements remains an imperfect reflection of Local Trust Area resource use, due to the many services that are shared throughout the Islands Trust organization.

ATTACHMENT: March 31, 2021 Allocated Financial Statements.

FOLLOW-UP:

Forward to Trust Council for information, if desired.

Prepared By: Director, Administrative Services
Reviewed By: David Marlor, Director, Local Planning Services, on behalf of the CAO

ISLANDS TRUST
Allocated Financial Statements
For the year ended March 31, 2021

	LTC Bal/Win	LTC Denman	LTC Gabriola	LTC Galiano	LTC Gambier	LTC Hornby	LTC Lasqueti	LTC Mayne	LTC N. Pender	LTC Salt Spring	LTC Saturna	LTC S. Pender	LTC Thetis	BIM	**Total**
Direct Revenue															
Fees & Sales	16,459	15,110	19,015	16,782	9,376	15,291	5,775	16,995	3,430	47,150	3,872	(162)	(715)	-	**168,378**
Property Tax Levy - General	5,425	251,512	919,263	451,527	445,354	366,856	102,368	451,021	672,916	2,692,376	170,073	106,663	147,787	303,026	**7,086,167**
Special LTC Tax Requisition	-	-	-	-	-	-	-	-	-	75,500	-	-	-	-	**75,500**
Grant income for projects	-	-	-	(1,083)	-	-	-	-	-	645	-	-	-	-	**(438)**
Total Direct Revenue	**21,884**	**266,622**	**938,278**	**467,226**	**454,730**	**382,147**	**108,143**	**468,016**	**676,346**	**2,815,671**	**173,945**	**106,501**	**147,072**	**303,026**	**7,329,607**
LTC Direct Expenses - Operating															
Computer - internet charges	-	-	-	908	-	-	-	-	-	-	-	-	-	-	**908**
FN Protocol Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Legal - general	-	418	9,357	10,280	3,147	-	-	-	8,961	15,603	-	-	-	-	**47,765**
Legal - bylaw enforcement litigation	-	12,646	1,798	2,407	2,756	90	5,436	1,981	21,875	33,576	565	-	5,000	-	**88,130**
Legal - litigation	-	687	86,258	14,519	-	-	-	-	4,567	1,776	-	11,105	-	-	**118,913**
LTC Trustee Expenses	-	300	-	225	122	-	-	-	-	352	-	-	-	-	**1,000**
LTC Meeting Expenses	164	2,639	4,673	3,205	1,241	1,797	2,144	2,514	2,833	5,279	688	909	1,172	-	**29,258**
LTC Local Exp APC Meeting Expenses	-	283	109	706	-	1,201	212	442	95	109	-	-	121	-	**3,278**
LTC Local Exp Communications	-	915	809	2,357	-	687	-	780	-	604	-	-	35	-	**6,187**
LTC Local Exp Special Projects	-	-	-	643	-	-	-	-	-	250	-	-	-	-	**893**
Notices - Statutory & Non-Statutory	-	1,398	2,280	1,356	610	1,122	10	3,282	1,504	1,140	916	-	846	-	**14,464**
Office - Lease costs	-	1,680	-	7,838	-	-	-	1,200	7,199	-	1,800	-	-	-	**19,717**
Office - outside services	-	-	-	1,805	-	-	-	-	406	-	-	-	-	-	**2,211**
Trustee Remuneration	-	16,007	32,732	17,419	15,580	16,112	12,095	17,178	22,339	61,765	12,466	11,078	12,943	-	**247,714**
Trustee Remuneration - Benefits	-	4,765	4,394	3,871	5,577	4,373	4,531	4,123	5,636	5,844	4,874	2,107	4,465	-	**54,561**
LTC Direct Operating Subtotal	**164**	**41,738**	**142,410**	**67,539**	**29,033**	**25,382**	**24,428**	**31,500**	**75,416**	**126,297**	**21,310**	**25,199**	**24,582**	**-**	**634,999**
LTC Direct Expenses - LTC Projects															
Project - Funded by Special requisition		-	-	-	-	-	-	-	-	67,736	-	-	-	-	**67,736**
Projects - Trust Wide	58	8,699	33,573	16,062	14,960	12,608	3,723	15,604	24,983	96,158	5,862	3,782	5,214	-	**241,287**
LTC Projects - LTC Specific	-	-	4,540	2,039	-	(723)	441	1,561	5,792	9,196	2,608	2,238	254	-	**27,945**
LTC Projects Subtotal	**58**	**8,699**	**38,112**	**18,100**	**14,960**	**11,885**	**4,164**	**17,164**	**30,776**	**173,090**	**8,470**	**6,021**	**5,468**	**-**	**336,968**
Total Direct Expenses (Operating + Projects)	**222**	**50,437**	**180,523**	**85,640**	**43,994**	**37,267**	**28,591**	**48,664**	**106,192**	**299,387**	**29,780**	**31,219**	**30,050**	**-**	**971,967**
Direct Revenues less Direct Expenses	**21,662**	**216,185**	**757,755**	**381,587**	**410,736**	**344,880**	**79,552**	**419,352**	**570,154**	**2,516,284**	**144,165**	**75,282**	**117,022**	**303,026**	**6,357,640**
Indirect Planning Expenses															
Allocate Planning Costs - Northern Team	1,948	158,903	266,929	2,104	137,468	133,240	56,441	1,766	5,208	23,998	2,104	1,025	70,205	-	**861,339**
Allocate Planning Costs- Southern Team	-	897	11,176	237,422	1,690	6,485	966	186,973	292,259	17,868	76,242	65,851	-	-	**897,830**
Allocate Planning Costs - SSI Team	-	-	-	-	-	-	-	-	-	742,573	-	-	-	-	**742,573**
Allocate Director LPS	406	33,242	57,357	37,676	28,901	28,773	11,909	29,693	46,923	207,232	12,396	10,542	14,625	-	**519,676**
Allocate LTC Executive expenditures	67	5,490	9,473	6,223	4,773	4,752	1,967	4,904	7,750	34,227	2,047	1,741	2,415	-	**85,832**
Allocate Bylaw Team	-	11,028	32,350	9,198	11,685	11,842	454	8,572	15,127	110,158	63	1,267	845	-	**212,589**
Total Indirect Planning Expenses	**2,421**	**209,561**	**377,286**	**292,623**	**184,519**	**185,092**	**71,737**	**231,909**	**367,267**	**1,136,057**	**92,852**	**80,427**	**88,090**	**-**	**3,319,839**
Net surplus (shortfall) before Administrative	**19,241**	**6,624**	**380,469**	**88,964**	**226,217**	**159,788**	**7,815**	**187,442**	**202,887**	**1,380,227**	**51,313**	**(5,145)**	**28,932**	**303,026**	**3,037,801**
Administrative Expenses															
Allocate Trust Council	158	23,712	91,516	43,783	40,781	34,368	10,149	42,535	68,103	262,117	15,980	10,310	14,213	140,145	**797,871**
Allocate Trust Conservancy	103	15,385	59,378	28,407	26,460	22,299	6,585	27,598	44,187	170,068	10,368	6,689	9,222	90,930	**517,677**
Allocate Net Administration	385	57,601	222,312	105,462	99,065	83,488	24,653	103,326	165,435	636,737	38,820	25,045	34,527	80,475	**1,677,333**
Total Administrative Allocation	**646**	**96,697**	**373,207**	**177,653**	**166,306**	**140,155**	**41,386**	**173,458**	**277,725**	**1,068,922**	**65,168**	**42,045**	**57,963**	**311,550**	**2,992,880**
Net Surplus (Shortfall) incl. Special Taxes	**18,595**	**(90,073)**	**7,262**	**(88,689)**	**59,912**	**19,633**	**(33,571)**	**13,985**	**(74,837)**	**311,305**	**(13,856)**	**(47,190)**	**(29,031)**	**(8,524)**	**44,920**
Made up of:															
Surplus from SSIWPA										7,764					7,764
Other Surplus (Shortfall)	18,595	(90,073)	7,262	(88,689)	59,912	19,633	(33,571)	13,985	(74,837)	303,541	(13,856)	(47,190)	(29,031)	(8,524)	37,156
	18,595	**(90,073)**	**7,262**	**(88,689)**	**59,912**	**19,633**	**(33,571)**	**13,985**	**(74,837)**	**311,305**	**(13,856)**	**(47,190)**	**(29,031)**	**(8,524)**	**44,920**

REQUEST FOR DECISION

To:	Financial Planning Committee	**For the Meeting of:**	September 1, 2021
From:	Director Administrative Services	**Date Prepared:**	August 25, 2021

SUBJECT: **2020/21 STATEMENT OF FINANCIAL INFORMATION (SOFI)**

RECOMMENDATION:
That the 2020/21 Statement of Financial Information be forwarded to Trust Council for information as presented/amended.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:
The SOFI is an annual legislated reporting requirement which is informative for all trustees. As such, communication of this report to Trust Council is appropriate as desired by the Financial Planning Committee.

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1 **PURPOSE:**
The Statement of Financial Information (SOFI) is provided to Financial Planning Committee for information, prior to submission to the Ministry of Municipal Affairs ("the Ministry"). It has been historical practice at Islands Trust that Financial Planning Committee forward the SOFI to Trust Council prior to submitting the report to the Ministry.

2 BACKGROUND:
In June of each year, Trust Council receives the audited Financial Statements for the Islands Trust. These are subsequently included in the Islands Trust Annual Report and forwarded to the Ministry.

The SOFI is an associated financial report that provides more detailed information with respect to expenditures included in the financial statements. The SOFI report is prepared as per the Financial Information Act (FIA) Guidance Package requirements and parameters. The reporting components and deadlines are defined in the Financial Information Act (the "Act"). Section 2 (3) of the Act states the following:

"Within 6 months after the end of each fiscal year of a corporation, it must prepare a statement of financial information for that fiscal year that includes the following:

(a) a schedule showing

(i) in respect of each employee earning more than a prescribed amount, the total remuneration paid to the employee and total amount paid for the employee's expenses, and

(ii) a consolidated total of all remuneration paid to all other employees;

(b) a schedule showing

(i) the total amount paid to each supplier of goods or services during the fiscal year that is greater than a prescribed amount, and

(ii) a consolidated total of all other payments made to suppliers of goods or services during that fiscal year."

The Islands Trust Finance Officer prepares this financial information annually. Following review by the Director, Administrative Services, the CAO, and Financial Planning Committee, the report is submitted to the Ministry to fulfill the legislated requirement.

It has been historical practice at Islands Trust that Financial Planning Committee forward the SOFI to Trust Council in addition to submitting the report to the Ministry.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: The SOFI will be submitted to the Ministry by September 30, 2021 to ensure compliance with legislated deadlines, and will be posted to the Islands Trust website.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S): None.

5 **ATTACHMENT(S):** 2020/21 Statement of Financial Information

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RESPONSE OPTIONS

Recommendation:
That the 2020/21 Statement of Financial Information be forwarded to Trust Council for information as presented/amended.

Alternative:
That the 2020/21 Statement of Financial Information be received by Financial Planning Committee for information.

Prepared By: Director, Administrative Services
Reviewed By: David Marlor, Director, Local Planning Services on behalf of the CAO

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned represents the Trust Council of Islands Trust and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

____
Peter Luckham
Chair, Islands Trust Council

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act ("the Act") have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Islands Trust Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of Trust Council. The Audit Committee meets with management and the external auditors two times a year.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act, including the Statement of Financial Information. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit Committee of Trust Council and meet with it twice each year.

On behalf of Islands Trust,

Julia Mobbs
Director, Administrative Services

Islands Trust

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Islands Trust has not given any guarantees or indemnities under the Guarantees and Indemnity Regulation.

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Islands Trust and its non-unionized employees during fiscal year 2020/21.

Prepared under the Financial Information Regulation, Schedule 1,
Subsection 6 (7).

On behalf of Islands Trust,

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Julia Mobbs
Director, Administrative Services

SCHEDULE OF ELECTED OFFICIALS REMUNERATION AND EXPENSES

For the year ended March 31, 2021

Prepared as required by Financial Information Regulation, Schedule 1, section 6

ELECTED OFFICIAL		POSITION	TOTAL REMUNERATION & TAXABLE BENEFITS	EXPENSES
Adams,	Linda	ITCB Provincial appointee	$ 900	-
Allen,	Alexander	Trustee	11,631	-
Brent,	Paul	Trustee	11,208	-
Busheikin,	Laura	Trustee	13,329	50
Clake,	Donald	ITCB Provincial appointee	750	-
Colbourne,	Scott	Trustee	21,078	-
Critchley,	David	Trustee	12,479	56
Dodds,	Jeanine	Trustee	12,864	-
Fast,	Sue Ellen	Trustee, Council Vice Chair	43,078	591
Fenton,	Lawrence	Trustee	11,846	-
Grove,	Peter	Trustee	35,508	352
Hannon,	Susan	ITCB Provincial appointee	300	-
Johonston,	Peter	Trustee	9,622	-
Kaile,	Michael	Trustee	4,375	-
Langereis,	Kees	Trustee	21,541	-
Luckham,	Peter	Trustee, Council Chair	59,526	3,054
Maude,	David	Trustee	12,864	-
McConchie,	Benjamin	Trustee	15,245	-
Middleton,	Lee	Trustee	9,808	-
Morrison,	Deborah	Trustee	16,358	50
Patrick,	Laura	Trustee, Council Vice Chair	73,761	418
Peterson,	Timothy	Trustee	11,222	-
Rockafella,	Tahirih	Trustee	12,785	-
Rogers,	Dan	Trustee, Council Vice Chair	50,868	1,044
Scott,	Grant	Trustee	11,631	-
Stamford,	Kate-Louise	Trustee, ITCB Chair	14,365	519
Thorn,	Cameron	Trustee	9,114	-
Wolverton,	Jane	Trustee	14,884	387
Wright,	Stephen	Trustee	9,114	-
TOTAL			**$ 532,054**	**$ 6,521**

Islands Trust

SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
For the year ended March 31, 2021
Prepared as required by Financial Information Regulation, Schedule 1, section 6

EMPLOYEE	POSITION		TOTAL REMUNERATION & TAXABLE BENEFITS		EXPENSES
Beeston, David	Information Systems Coordinator	$	80,512		387
Cermak, Stefan	Regional Planning Manager		106,077		1,068
Chadwick, Narissa	Island Planner		85,320		578
Eggen, Marnie	Island Planner		84,944		1,248
Emmings, Kate	Manager, Islands Trust Conservancy		92,120		265
Frater, Clare	Director of Trust Area Services		106,019		286
Hippola, Dilani	Senior Policy Advisor		82,138		123
Hotsenpiller, Russel	Chief Administrative Officer		180,758		471
Kauer, Heather	Regional Planning Manager		96,121		276
Kojima, Robert	Regional Planning Manager		108,885		-
Marlor, David	Director of Local Planning Services		118,542		532
Mobbs, Julia	Director of Administrative Services		125,428		3,429
Roggers, Nancy	Finance Officer		79,752		993
Smith, Bradley	Island Planner		92,031		3,262
Thiel, Carmen	Legislative Services Manager		102,102		711
Van Bakel, Mark	Manager, Information Systems		89,121		88
Wilcox, Lisa	Senior Intergovernmental Policy Analyst		79,716		478
Youmans, Jason	Island Planner		85,367		101
TOTAL OVER $75,000		**$**	**1,794,956**	**$**	**14,294**
TOTAL $75,000 OR LESS			**2,075,100**		30,965
GRAND TOTAL			**3,870,056**	**$**	**45,259**

Islands Trust

RECONCILIATION OF EMPLOYEE REMUNERATION AND EXPENSES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

The variance between the Schedule of Employee Remuneration and Expenses ("the Schedule") to the Annual Financial Statements is attributable to a number of factors including:

- The Schedule is prepared on a cash basis whereas the Financial Statements are prepared on an accrual accounting basis.
- The Schedule includes amounts paid for gross salary and wages, unused vacation pay-outs, and taxable benefits only.
- The Financial Statements includes employer-related payroll costs such as remittances for CPP, EI, EHT, pension plan contributions, etc.

On behalf of Islands Trust,

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Julia Mobbs
Director, Administrative Services

Islands Trust

SCHEDULE OF PAYMENTS TO SUPPLIERS
For the year ended March 31, 2021
Prepared as required by Financial Information Regulation, Schedule 1, section 7

SUPPLIERS NAME		AMOUNT PAID
AON REED STENHOUSE	$	185,452
BC HYDRO CAD		54,005
BLACKMAN SUPPORT SERVICES		124,519
CARRINA MASLOVAT		35,111
COLLIERS MACAULEY NICOLLS		286,998
ECONICS SERVICES INC		52,500
ESRI CANADA LIMITED		26,309
GRAPHICALLY SPEAKING		42,673
GW SOLUTIONS		62,996
MEADOWWOOD VILLAGE DEVELOPMENT		42,063
MINISTER OF FINANCE - EMPLOYEE BENEFITS		963,927
MINISTER OF FINANCE - QUEENS PRINTER		27,782
OPEN STORAGE SOLUTIONS		33,149
PACIFIC BLUE CROSS		37,170
RECEIVER GENERAL - TRUSTEE REMUNERATIONS		91,296
SAANICH NATIVE PLANTS		49,558
SHANNON COWAN CONSULTING		62,676
SHAW BUSINESS SOLUTIONS		40,194
SHI CANADA		26,278
TELUS MOBILITY		30,071
YOUNG ANDERSON		330,807
TOTAL PAYMENTS OVER $25,000	**$**	**2,605,533**
TOTAL PAYMENTS $25,000 OR LESS	$	800,767
GRAND TOTAL	**$**	**3,406,300**

Islands Trust

RECONCILIATION OF PAYMENTS FOR GOODS AND SERVICES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

The variance between the Schedule of Payments to Suppliers of Goods and Services ("the Schedule") to the Annual Financial Statements is attributable to a number of factors including:

- The Schedule is prepared on a cash basis whereas the Financial Statements are prepared on an accrual accounting basis.
- The schedule includes disbursements for purchases of capital assets, which are not included in expenses in the Financial Statements.
- The Schedule includes GST paid to suppliers, where applicable, whereas the annual Financial Statements do not.
- The Schedule excludes disbursements for staff and trustee remuneration, as well as non-cash amortization expense, whereas these items are included in the Financial Statements.

On behalf of Islands Trust,

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Julia Mobbs
Director, Administrative Services

Islands Trust
Description of Vendor Services reported in SOFI 2020/21
For trustee information only. Not to be included in official SOFI report.

SUPPLIER	AMOUNT	DESCRIPTION OF SERVICES PROVIDED
AON REED STENHOUSE	185,452	*Insurance*
BC HYDRO CAD	54,005	*Office Lease and associated costs - Salt Spring Island*
BLACKMAN SUPPORT SERVICES	124,519	*Technical support/computer hardware and software purchases*
CARRINA MASLOVAT	35,111	*ITC Species at Risk work and property mangement plans*
COLLIERS MACAULEY NICOLLS	286,998	*Office Lease and associated costs - Victoria*
ECONICS SERVICES INC	52,500	*Freshwater sustainability strategy project work*
ESRI CANADA LIMITED	26,309	*Mapping software licensing*
GRAPHICALLY SPEAKING	42,673	*Website Development services*
GW SOLUTIONS	62,996	*Southern Islands Groundwater Sustainability Strategy and SSI Groundwater monitoring project*
MEADOWWOOD VILLAGE DEVELOPMENT	42,063	*Office Lease and associated costs - Gabriola Island*
MINISTER OF FINANCE - EMPLOYEE BENEFITS	963,927	*Employee benefit costs paid to BCPSA*
MINISTER OF FINANCE - QUEENS PRINTER	27,782	*BC Mail services and off-site storage/movement of files*
OPEN STORAGE SOLUTIONS	33,149	*Storage Area Network (SAN) replacement*
PACIFIC BLUE CROSS	37,170	*Trustee extended benefits premiums*
RECEIVER GENERAL - TRUSTEE REMUNERATIONS	91,296	*Remittances on Trustee remuneration (CPP, EI, EHT)*
SAANICH NATIVE PLANTS	49,558	*ITC Species at Risk plants purchase*
SHANNON COWAN CONSULTING	62,676	*SSIWPA Coordination fees*
SHAW BUSINESS SOLUTIONS	40,194	*Internet and connectivity costs - all offices*
SHI CANADA	26,278	*Phone Server replacement and installation*
TELUS MOBILITY	30,071	*Mobile phone expenses - EC and staff*
YOUNG ANDERSON	330,807	*Legal fees*
TOTAL	**$ 2,605,533**	

REQUEST FOR DECISION

To:	Financial Planning Committee	**For the Meeting of:**	September 1, 2021
From:	Nancy Roggers, Finance Officer	**Date Prepared:**	August 17, 2021

SUBJECT: **JUNE 30, 2021 Q1 FINANCIAL REPORT**

RECOMMENDATION:
That Financial Planning Committee forward the June 30, 2021 Financial Report to Trust Council for approval as presented/amended.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:
The first quarter financial report indicates that Islands Trust is generally following the financial plan for 2021/22.

1 PURPOSE:
To summarize the findings of the June 30, 2021 quarterly financial report.

2 BACKGROUND:
Islands Trust *Policy 2.3.3 Financial Planning Committee Terms of Reference* requires the Financial Planning Committee to report to Trust Council on the organization's financial management practices. Quarterly financial reports are prepared by staff, reviewed by FPC, and presented to Trust Council as part of this requirement.

FINANCIAL REPORT FINDINGS
The benchmark for non-tax revenue sources and operational expenditures after three months of operations can be estimated at 25% of the annual expected. As at June 30, 2021 Islands Trust has consumed a net 24% of the annual approved budget which is only slightly below expectations. Individual areas may experience overspending or underspending based on activities in the year to date. Individual revenue and expense items that vary significantly (where significance is determined as more or less than 10%, and more or less than $5,000) from the 25% benchmark include:

REVENUES
Total Revenue is lower than budget by approximately -$1,893,249 (-23%) due to the property tax levy, special property tax requisition and Bowen property tax levies not being received in Q1. The full amount of all levies will be received in July of 2021.

Provincial Grant - Unrestricted was higher by approximately $135,000 (75%) due to the full amount of the provincial regional grant being received in Q1.

Federal and Provincial Grants – Restricted was higher than budget by approximately $31,773 (8%) due to increased expenditures associated with the Species at Risk grant funds while associated work primarily takes place in the spring, summer and early fall. And due to increased expenditures associated with the Health Watersheds Initiative grant funds where all associated work must be complete by the end of November, 2021.

Property Tax Levy General was lower than budget by approximately -$1,769,942 (-25%) due to the levy not being received in Q1. The full amount of the property tax levy will be received in July, 2021.

Special Property Tax Requisition was lower than budget by approximately -$18,875 (25%) due to the requisition not being received in Q1. The full amount of the special property tax requisition will be received in July, 2021.

Property Tax Levy Bowen was lower than budget by approximately -$77,797 (-25%) due to the levy not being received in Q1. The full amount of the Bowen property tax levy will be received in July, 2021.

Investment Income was lower by approximately -$13,497 (-22%). Investment revenue will increase as levy and requisition funds are received in July, 2021 and are invested then drawn down throughout the fiscal year to fund operations. We should be aware that investment income for this fiscal year may be lower than budget due to the drop in interest rates on GIC investments relating to the ongoing economic impacts of COVID 19.

Other Revenues was lower than anticipated by approximately -$1,474 (-18%) due mainly to grant revenue not received for LTC projects. Other revenues are likely to increase over the fiscal year as LTC programs advance and grants are identified to fund them.

EXPENSES BY FUNCTIONAL AREA

COUNCIL

Total Council expenses include costs related to three main areas: Trust Council; Executive Committee; and Trust Area Services; as well as an allocation of administrative expenses. In aggregate and inclusive of the admin allocation these expenses were lower than budget by approximately -$-23,813 (-2%). There are no significant variances, for individual categories, in expenditures of more or less than 10%.

LOCAL PLANNING SERVICES (LPS)

Total LPS expenses include costs related to five main areas: Local Trust Committees (LTCs); LPS Projects; LPS Staff; LPS facilities; and Bylaw enforcement; as well as an allocation of administrative expenses. In aggregate and inclusive of the admin allocation, these expenses were lower than budget by approximately -80,606 (-1%).

LPS Projects costs are comprised of all LTC projects and related First Nations protocol funds, a share of the government management and operations review costs, healthy watershed Initiative projects, eelgrass mapping, coastal Douglas fir mapping and associated bylaws, regional freshwater strategy, groundwater recharge mapping, heritage overlay mapping, housing density bonus and includes all SSIWPA expenses. This area of spending was lower than budget by approximately -$94,090 (-13%) due mainly to underspending on all projects listed above where expenditures are expected to occur in the remainder of this fiscal year. Project underspending is somewhat offset by overspending for the regional freshwater management strategy which shows as overspent against budget by $32,748.75 (36%). This is due to the schedule for completion of the project under the healthy watersheds initiative grant terms which is November, 2021 rather than the end of the fiscal like all other projects.

TRUST CONSERVANCY (ITC)

Total ITC expenses include costs related to three main areas: Board expenses; Operations expenses; and Property management expenses; as well as an allocation of administrative expenses. In aggregate and inclusive of the admin allocation, these expenses were higher than budget by approximately 1,021 (1%).

ITC Board costs are comprised of ITC board meeting expenses, honoraria and training for board members. Board expenses were under budget by approximately -$2,076 (-13%) due to board meeting expenditures that are expected to occur in future quarters.

GENERAL ADMINISTRATION

Total general administrative expenditures include costs related to six main areas: Executive office; Administrative services; Office Operations; Information systems; Computer, Furniture and Equipment; and Amortization expense. General administration costs are allocated to the three functional areas of the Trust (Council, LTC Services, and ITC) based on their relative dollar magnitudes for the period. In aggregate these expenses were higher than budget by approximately $5,986 (0.3%).

Computer/Furniture & Equipment costs are comprised of non-capital and capital costs for purchases of hardware, software and furniture. Computer/Furniture & Equipment costs were over budget by approximately $19,981 (60%) due to the yearly refresh of old computers where purchases are made at the beginning of Q1.

CONSOLIDATED EXPENSES BY OBJECT

Public Sector Accounting Standards determine that financial reporting for government entities be reported "by function" (i.e.: service area) in the Statement of Financial Operations as presented in the earlier section of this report. Expenses "by object" (i.e.: type) are reported in accompanying financial statements notes. For purposes of greater transparency and understanding of Islands Trust financial results, June 30, 2021 expenses by object are shown as follows:

Expense	2020/21 Approved Budget	Actuals to 6/30/2021	% of Budget Consumed
Staff Salaries and benefits	5,524,160	1,435,413	26.0%
Office Operations	979,309	255,622	26.1%
Council and trustee costs	850,907	182,493	21.4%
Programs	1,111,208	169,708	15.3%
Legal - General	90,029	35,861	39.8%
Legal - Bylaw Enforcement	85,049	17,701	20.8%
Legal - Litigation	90,049	8,482	9.4%
Legal - Statutory Notices	21,000	4,884	23.3%
Travel/training and recruitment	123,407	14,363	11.6%
Subtotal	8,875,118	2,124,527	23.9%
Amortization	218,000	45,455	20.9%
Total Expenses	9,093,118	2,169,982	23.9%

Staff salaries and benefits were over budget due mainly to overstaffing in Trust Area Services and Information Systems while both areas work on specific projects during Q1. The slight overages in these two areas are offset by understaffing in Bylaw Enforcements vacancies.

Office operations were over budget due to hardware costs paid in Q1. New computers (hardware) is purchased and deployed in the first quarter to sync with our computer replacement cycle. This gives us the benefit of the new equipment for the full fiscal year.

Council and trustee costs were under budget due mainly to underspending against the Council budgets for insurance, travel by LTC Committee Chairs and in person TC meetings which are expected to take place later in the fiscal year.

Programs were under budget due to strategic projects and LTC project delays in underspending where expenditures are expected to occur later in the fiscal year.

Legal expenses were over budget overall by only 1% due to an increase in legal opinions sought by LTCs and bylaw enforcement legal actions.

Traveling/training and recruitment were under budget due to less travel in Q1 while still under COVID 19 restrictions. These costs are expected to increase later in the fiscal year as the restrictions are lowered.

Amortization was under budget lower than anticipated capital expenditures in the in the previous fiscal period than anticipated at budget time.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None. Expenditures to June 30, 2021 are within the overall Islands Trust annual approved budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None. Managing staff at Islands Trust and Islands Trust Conservancy will continue to receive financial reporting on their respective areas of oversight throughout the year.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S):

Islands Trust Policy 2.3.3 Financial Planning Committee Terms of Reference
Bylaw No. 181, Islands Trust Financial Plan Bylaw, 2021-2022

5 ATTACHMENT(S):

June 30, 2021 Financial Report

RESPONSE OPTIONS

Recommendation:
That Financial Planning Committee forward the June 30, 2021 Financial Report to Trust Council for approval as presented/amended.

Alternative: None.

Prepared By: Nancy Roggers, Finance Officer
Reviewed By: David Marlor, Director, Local Planning Services, on behalf of the CAO

Islands Trust
Statement of Revenue and Expenditure
For The 3 Months Ending June 30, 2021

Expected % of Budget Received/Used as at Report date = 25%
Exceptions: Grant revenue, property tax levies, other revenues, project spending
Variances > +/- 10% include explanations

Description	Annual Budget	YTD Actual	*$ budget not yet received/spent*	*% of budget received/ spent*
REVENUES				
Fees & Sales	120,000	31,564	(88,436)	*26%*
Provincial Grant - Unrestricted	180,000	-	(180,000)	*100%*
Federal and Provincial Grants - Restricted	383,000	127,524	(255,476)	*33%*
General Property Tax Levy - All LTAs	7,079,771	-	(7,079,771)	*0%*
Special Property Tax Requisition - SSI LTA	75,500	-	(75,500)	*0%*
Municipal Property Tax Levy - Bowen Island Municipality	311,188	-	(311,188)	*0%*
Investment Income	60,000	1,502	(58,498)	*3%*
Other Revenues	8,000	526	(7,474)	*7%*
Total Revenue	8,217,459	161,115	(8,056,344)	*2%*
EXPENSES				
Council Services				
Trust Council	311,865	51,222	(260,643)	*16%*
Executive Committee	97,990	22,258	(75,732)	*23%*
Trust Area Services	600,352	156,645	(443,707)	*26%*
General Admin Allocation - 14%	299,889	73,687	(226,202)	*25%*
Total Council Expenses	1,310,096	303,811	(1,006,284)	*23%*
Local Planning Services				
Local Trust Committees	794,654	191,238	(603,416)	*24%*
Projects (Note 1)	736,748	90,097	(646,651)	*12%*
Planning Staff	2,888,807	758,224	(2,130,583)	*26%*
LPS Facilities	359,639	88,530	(271,109)	*25%*
Bylaw Enforcement	370,819	71,739	(299,080)	*19%*
General Admin Allocation - 74%	1,529,021	389,489	(1,139,532)	*25%*
Total Local Planning Services Expenses	6,679,688	1,589,316	(3,950,840)	*24%*
Trust Conservancy				
Board	15,525	1,805	(13,720)	*12%*
Conservancy Staff and Associated Costs	680,440	166,215	(514,225)	*24%*
Property Management	154,810	45,675	(109,135)	*30%*
General Admin Allocation - 12%	252,560	63,160	(189,400)	*25%*
Total Trust Conservancy Expenses	1,103,335	276,855	(826,481)	*25%*
General Administration				
Senior Management	453,646	108,544	(345,102)	*24%*
Admin Services	523,560	127,832	(395,728)	*24%*
Office Operations	251,620	53,651	(197,969)	*21%*
Information Systems	601,443	167,143	(434,300)	*28%*
Computer/Furniture & Equipment	33,200	28,281	(4,919)	*85%*
Amortization Expense	218,000	45,455	(172,545)	*21%*
General Admin Recovery	(2,081,469)	(526,336)	1,555,133	*25%*
Net General Administration Expenses	-			
Total Expenses	9,093,119	2,169,982		

Description	Annual Budget	YTD Actual	*$ budget not yet received/spent*	*% of budget received/ spent*
YTD Surplus (Shortfall)	(875,660)	(2,008,866)		
Amortization Adjustment	(218,000)	n/a		
Capital Adjustment	n/a	23,577		
Adjusted surplus (shortfall)	(657,660)	(1,985,289)		
Transfer from (contribution to) General Revenue Surplus Fund	373,660	1,981,513		
Transfer from LTC Project Specific Reserve Fund	204,000	3,776		
Transfer from Special Tax Requisition Fund	80,000	-		
	657,660	1,985,289		
Net Balance	-	(0)		

<u>Note 1:</u>

Projects made up of:

SSIWPA - Coordination	75,500	15,260	(60,241)	*-69%*
SSIWPA - Weston Lake	30,000	-	(30,000)	*0%*
SSIWPA - Water Protection Plan	50,000	-	(50,000)	*0%*
LTC Projects - allocated budget funds	168,800	3,776	(165,024)	*2%*
LTC Projects - unallocated budget funds	35,200	-	(35,200)	*0%*
Project - Projects funded by grants	7,998	-	(7,998)	*0%*
FN Protocol Funds	1,000	-	(1,000)	*0%*
Healthy Watershed Initiative Projects	45,000	-	(45,000)	-
Eelgrass mapping	50,000	-	(50,000)	*0%*
Coastal Douglas Fir Mapping and Bylaws	5,000	-	(5,000)	*0%*
Regional Freshwater Management Strategy	91,000	55,499	(35,501)	*61%*
Groundwater Recharge Mapping	50,000	-	(50,000)	*0%*
Governance Mgmt & Ops Review	62,250	15,563	(46,688)	*25%*
Heritage Overlay Mapping	55,000	-	(55,000)	*0%*
Housing Density Bonusing	10,000	-	(10,000)	*0%*
TOTAL	736,748	90,097	(646,651)	*12%*

Islands Trust

BRIEFING

To: Financial Planning Committee

For the Meeting of: September 1, 2021

From: Director, Administrative Services

Date prepared: July 27, 2021

SUBJECT: **2022/23 DRAFT BUDGET ASSUMPTIONS AND PRINCIPLES (BAP), TIMELINES**

PURPOSE:
To discuss and develop the assumptions and principles upon which the next fiscal year's budget will be based. The assumptions and principles provide the underlying basis for developing many of the individual revenue and expense budget lines.

BACKGROUND:
Trust Council's Policy 6.3.i Budget Process Policy, section C.2.d states that "*Budget Principles and Assumptions shall be addressed in December of each year*".

Initial review of the BAP by Trust Council takes place in September each year, to inform Trustees of the preliminary assumptions and principles that Financial Planning Committee will use in developing the first draft of the next fiscal year budget.

In some cases the assumptions and principles are well-defined and unlikely to change during the budget development process. Other assumptions and principles are less certain at this point, and will likely be amended during the budget development process.

ATTACHMENT(S):
1. 2022-23 Draft Budget Assumptions and Principles (BAP)
2. 2022-23 Draft Budget Timelines

FOLLOW-UP:
The BAP will be updated and amended as new and better information becomes available. The revised document will be presented to Trust Council in January 2022 after review by FPC.

Prepared By: Director, Administrative Services

Reviewed By: David Marlor, Director, Local Planning Services on behalf of CAO

Islands Trust

ISLANDS TRUST

2022/23 Draft Budget Assumptions and Principles

September 2021

Draft Budget Development Process:

During the budget cycle, each line of the detailed draft budget is reviewed by the responsible manager, giving consideration to previous years' spending and future work programs and services (including Trust Council's Strategic Plan initiatives). Planning staff review planning project needs with Local Trust Committees and identify top priorities. The Islands Trust Conservancy Board requests budget funding levels appropriate to support the goals in its Regional Conservation Plan and other fiscal initiatives. Directors review their respective Committee work programs to ensure work plan activities are appropriately funded. The Director, Administrative Services reviews the detailed spending and projects costs on behalf of the organization with respect to completeness and accuracy and compiles the detailed budget for the year. The draft budget detail is reviewed and by the Islands Trust management team prior to being submitted to the Financial Planning Committee for review and consideration. A first draft of the budget is forwarded to Trust Council in December of each year, or in the case of election years, the following January.

REVENUES			
	ITEM	**ASSUMPTION/PRINCIPLE**	**DATA SOURCE**
1	**Fees and Sales**	Budgeted fees revenue has historically been based on an average of previous years' actual revenues, adjusted for trends identified by the Director, Local Planning Services. In June 2021, Trust Council amended their Application Processing Services Policy 5.6.1 which includes a revised Model Fees Bylaw for consideration by LTCs. This is likely to impact budgeted fees revenue for the fiscal 2022/23 year. Budgeted fees revenue for 2022/23 will be based on the following: - Estimated application volumes, by type and by LTA, based on fiscal 2020/21 and Q1 annualised 2021/22 application volumes, as a representation of what volumes might look like in another pandemic-impacted fiscal year. - Estimated application fees by type and by LTA, as determined by Trust Council's revised model bylaw approved in June 2021. Estimated fees will be based on the assumption that all LTCs will adopt local fees amounts at the maximum allowable 20% reduction from the model bylaw, to keep revenue estimates conservative. - The estimates assume that all LTCs will have adopted and implemented new fees by April 1, 2022.	Historical application volume levels seen in pandemic-impacted fiscal years. Model Fees Bylaw as approved in Trust Council's Application Processing Services Policy 5.6.1. Estimated will be adjusted if/as LTCs adopt new application processing fees in advance of the final budget draft.
2	**Provincial Grant Funding - Unrestricted**	Unrestricted grants are given without restrictions dictating how the funds must be spent. The Provincial grant funds received by Islands Trust annually are unrestricted. These	Prior year funding levels.

		grants are recorded as revenue when they are received. Assumed that unrestricted grant funding from the Province will be received, and that the value will remain consistent with prior years. Although there is a Trust Council resolution to request more funds from the Province, no work has progressed on this task and likely will remain the case due to the ongoing pandemic. As such, no increase in funds is anticipated at this time.	
3	**Provincial Grant Funding – Restricted**	Restricted grants have restrictions dictating how the grant funds must be spent by the receiver. These grants are recorded as revenue only when eligible expenses have been incurred. 1. ITC was awarded a grant of $25,000 from the Habitat Conservation Trust Foundation in fiscal 2020/21 which was unspent in that year. Assumed the following spending schedule associated with this grant: - FY2020/21: $25,000 received, nil spent - FY2021/22: Planned spending $23,000 - FY2022/23: Planned spending $2,000 The planned $2,000 spending in FY2022/23 will be reflected as revenue in the draft budget, along with the related expenses the grant will pay for, which are included in their respective areas. 2. IT was awarded $190,000 from the Healthy Watersheds Initiative in FY2021/22. It is assumed the full amount will be spent in the current fiscal year with no carry over funds in next year's budget.	Signed grant agreements between: - ITCB and Habitat Conservation Trust Foundation (HCTF) Other grants as identified and approved.
4	**Federal Grant Funding – Restricted**	Restricted grants have restrictions dictating how the grant funds must be spent by the receiver. These grants are recorded as revenue only when eligible expenses have been incurred. ITC has been awarded a multi-year grant totaling $597,000 for work related to Species at Risk in the Trust Area. This grant was signed in October 2020. Of the total funding awarded, $205,000 relates to work to be performed in fiscal 2022/23. As such this amount is recognised as revenue in the draft budget, along with the related expenses the grant will pay for. Related expenses are included in their appropriate area of spending and are not shown separately as their own line item.	Signed grant agreement between ITCB and Environment and Climate Change Canada.
5	**Property Taxes - General**	Assumed property tax revenue will be required to balance the Islands Trust budget. Assumed the full balance requisitioned will be received by Islands Trust under normal timelines. It is assumed that there will be increased pressures on	Draft budget expenditures less amortization expense, less other revenue sources.

		taxation in the coming budget year as a result of: - Reduced minimum balance surplus levels, meaning less funds available to draw from to balance the budget as has been historical practice of the Trust. - Anticipated increases in the operating budget - Anticipated increases in project budgets	
6	**Property Taxes - Non-Market Change (NMC) in Tax Base**	The property tax base within the Islands Trust Area will grow due to new development activity and changes in use. Assumed that jurisdictions 763 and 764 remain an appropriate representation of the NMC within the total Trust Area.	Draft 1, Version 1 of the budget retains the previous budget's NMC values. BC Assessment report provided in December each year indicates non-market growth for the Trust Area and is updated in the draft budget at that time.
7	**Property Taxes – Special Requisitions**	Assumed SSI LTC will request by way of resolution, a special levy to continue the SSIWPA work.	Trust Council *Policy 6.3.2 Special Property Tax Requisitions* SSI LTC resolution pending
8	**Property Taxes – Bowen Island Municipality**	Assumed relevant policy regarding this requisition will remain unchanged.	Trust Council *Policy 7.2.6 Municipal Property Tax Requisition Calculation*
9	**Investment Income**	Assumed interest income will be lower than older historical levels, but higher than the fiscal 2020/21 year where rates were significantly impacted by the COVID-19 pandemic. Assumed Islands Trust will continue to invest in conservative investments in line with legislation. Assumed sustainable investment vehicles will be secured for a portion of invested funds to align with Trust values.	Islands Trust Act, Community Charter, current interest rate trends and investment advisor information.
10	**Other Grant Funding**	Islands Trust will continue to monitor grant opportunities available for corporate work, but does not expect significant new inflows of revenue from this source. Any budgeted revenue from grant funds for projects will be offset by a budgeted expense for the same amount, to ensure appropriate conservatism in the budget.	Current grant programs available to Islands Trust and historical inflows of grant funding, adjusted for change in staff hours dedicated to the grants function in light of job description revamp associated with this position.
EXPENSES			
	ITEM	**ASSUMPTION/PRINCIPLE**	**DATA SOURCE**
11	**Inflation**	The cost of goods and services will rise in line with inflation. Application of this assumption is not applied in a direct manner whereby all expenses are increased by a percentage. Rather, where real spending trends are analysed for purposes of generating a budget figure,	Consumer Price Index (CPI) for Victoria, as reported for the month of December by BC Statistics (based on Statistics Canada data), to assess if

		historical averages are most frequently rounded upwards, with special considerations given to expenditure types experiencing higher than typical increases, including standard rates for contractors where work is most often completed by external parties (i.e.: strategic plan projects).	current inflation accommodations are appropriate.
12	**Staffing Levels**	Assumed Island Trust management will bring forward funding requests for additional staff positions if desired, or revised staffing complements that result in budget increases. Decreased staffing levels may result in a reduced level of services, functions, or quality of work. New functions or services may require either additional staffing or the deletion of some existing functions or service levels.	Current staffing levels, plus potential forthcoming new staff requests. 2018 Local Planning Services Review (LPS staffing levels).
13	**Staffing Salaries and Benefits**	Assumed that staff will continue to be appointed subject to the *Public Services Act* and the *Public Service Labour Relations Act*, in accordance with the *Islands Trust Act*. Assumed costs for staff salaries and benefits will rise in accordance with relevant legislation and union agreements.	*Public Service Labour Relations Act* (all staff). *Public Services Act* and PSA Policy on salary administration for management employees (exempt staff). BCGEU union agreement (union staff). Public Service Agency (benefits costs/rate, all staff) – based on prior year benefit rate in the absence of information from PSA whose timing is delayed due to provincial budget delays.
14	**Trustee Remuneration**	Assumed that no changes will be made to the guiding policy for Trustee Remuneration. Assumed that the number of meetings requiring payment to trustees will remain similar to fiscal 2021/22 figures. It is assumed the current planned release schedule of the 2021 census information will be realised, making 2021 census information available in time to update trustee remuneration in time for Trust Council's budget approval in March 2022.	TC Policy 7.2 *Trustee Remuneration*. (census information 2016 (V1/2021 V2), stats Canada CPI information, Folio information from BC Assessment)
15	**Office Facilities**	Assumed that office locations for staff will remain in Victoria, on Salt Spring Island and on Gabriola Island. Islands Trust management is exploring opportunities to share office space with other Provincial agencies in Nanaimo, BC in future years. With the adoption of a more	TC *Policy 7.4.4 On-Island Trustee Offices.* Existing multi-year office leases.

		remote workforce at the Trust, real estate needs on Gabriola Island may shift, providing an opportunity to re-evaluate our needs in the current climate. Consideration of retaining a presence in Gabriola Island in a smaller capacity is part of the ongoing assessment. Assumed that Islands Trust will continue to lease office space for trustees on Denman Island, Galiano Island, North Pender Island, Mayne Island, and Saturna Island subject to trustee needs.	
16	**Local Planning Services**	Assumed that Islands Trust Council will continue to provide sufficient funding for LTCs to carry out their primary function of land-use planning and regulatory activities within their local trust area, as permitted by the *Islands Trust Act.* OCP and LTC project budgets are distributed between LTCs as they seek funding for various projects. Smaller projects with estimated costs less than $5,000 continue to be funded by the lump sum budget for LTC project work which LTCs can draw from throughout the year. OCP and LTC projects with estimated costs greater than $5,000 will require a funding request from the LTC, for consideration by Trust Council.	Local Planning Services Review 2018 TC's Strategic Plan 2018-2022 TC Policy 5.9.1 *Best Management Practices for Delivery of Local Planning Services to Local Trust Committees*
17	**Planner Resource Allocation**	The current work program system which determines the allocation of planner time to LTCs and projects will change during the implementation of the LPS review. In 2021/22 resources will continue to aim for fair distribution of time between the three planning regions (North, South, Salt Spring) as LPS transitions to the new system. Policy amendment recommendations are expected in the 2021 year to better prioritise planning resource allocation.	LPS Review 2018 TC's Strategic Plan 2018-2022 implementation
18	**Strategic Plan Projects**	Assumed projects underway as part of the current strategic plan will be seen through to completion.	TC's Strategic Plan 2018-2022
19	**Elections Cost**	Trustee elections will take place in October 2022. It is assumed Islands Trust will secure outside parties to conduct trustee elections (usually regional districts) as has been past practice. As such, it is assumed that elections costs will be incurred at similar rates as previous elections, with adjustments for inflation. Historically elections were funded by a draw from surplus funds. With the reduction in the general revenue surplus fund balance due to the current fiscal year planned	Historical elections costs of $141,000 plus inflation.

		spending, considerations may be made during the budget cycle to fund this expense via other means.	
	ITEM	**ASSUMPTION/PRINCIPLE**	**DATA SOURCE**
20	**General Surplus**	Assumed the current review of surplus funds being undertaken by FPC will be complete and any revisions to minimum balances or how surplus is used will be incorporated in time for the approval of the 2022/23 budget.	TC *policy 6.5.1 Reserves and Surplus*, section D.6, amended, recommends a minimum level of General Revenue Surplus as *"2.4 months (or 20%) of expenses net of 2.4 months of revenue, excluding revenue from property taxes or the provincial grant"*.
21	**LTC-Specific Reserve Fund**	Assumed Trust Council will continue to make use of the LTC-Specific Reserve Fund.	Estimate from DLPS based on known and anticipated projects.
22	**Special Property Tax (SSIWPA) Surplus Fund**	Unknown at this time if the SSI LTC unspent special property tax balance at fiscal 2022 end will be requested for spending in the 2022/23 budget.	TC resolution #2020-086 SSI LTC resolutions pending
23	**Significant Unusual Circumstances**	The COVID-19 pandemic is ongoing. The ramifications of this are likely to continue in some capacity into fiscal 2022/23, impacting the way in which we do business. Many of the new processes that have been adopted during the pandemic will continue permanently in some capacity in the future. Significant new processes expected to continue into fiscal 2022/23 include: - Hybrid meeting models for public meetings and some internal staff meetings - A more remote workforce, which may impact office real estate needs The impacts of these factors will be captured in the budget as much as is possible to estimate.	Provincial Health Officer restrictions, Islands Trust CAO and management team, Trust Council and Council Committee resolutions

Resolutions Referenced, in order of mention:

TC 2020-086

THAT Trust Council authorize the Salt Spring Island Local Trust Committee to use unspent special property tax requisition funds from previous fiscal years to undertake water sustainability projects that do not require coordination through the local trust committee's (LTC's) delegated authority under Trust Council Bylaw No. 154.

ISLANDS TRUST
BUDGET CYCLE TIMELINE
Fiscal Year: 2022/23

Date	Activity
July-Aug, 2021	LTCs, Council Committees, SSIWPA start discussion of upcoming fiscal year priorities and work programs with planning staff, including project proposals for consideration as 'additional operations' (ie: potential special requisitions)
Sept 1, 2021	**Financial Planning Committee meeting**
	Budget Cycle Timeline: FPC reviews and approves the Budget cycle timeline. **BAP:** FPC reviews first draft of Budget Assumptions and Principles (BAP) **Public Consultation**: FPC discussion of planned changes/improvements to the budget Public Consultation process.
Sept 6, 2021	**Departmental budget templates deployed:** Budget documents distributed to all Managers for development of departmental budgets. **Budget Requests Development:** Managers develop and review budget requests with staff for input and feedback into the budget process. **Other Agency Consultation:** DAS begins consultation with Bowen Island Muncipality and Islands Trust Conservancy.
Sept 21-23, 2021	**Trust Council meeting**
	Review of Strategic Plan projects status. This may help inform the draft budget.
Oct 20,2021	**Financial Planning Committee meeting**
3 weeks	**BAP:** FPC reviews updated BAP. **Budget Draft 1, V1:** FPC reviews and discusses Draft 1, Version 1 of the budget. **Budget Requests**: FPC reviews business cases for budget funding requests and makes recommendations to staff on which requests to include/remove from the draft budget.
Oct 20 - 31, 2021	**Budget Draft 1, V2**: Staff make revisions to budget draft as directed by FPC. Continued research and planning to improve estimates for proposed operational changes. **LTC Project Specific Reserve Fund:** Planning staff develop budget proposals on behalf of LTCs for estimates of LTC Specific Reserve Fund requirements. **Special Tax Requisitions**: Preparation for potential local tax requisitions for individual LTCs (see policy 6.3.ii Special Property Tax Requisition).
Nov 10, 2021	**Financial Planning Committee meeting**
	BAP: FPC reviews updated BAP to be forwarded to December Trust Council. **Budget Requests:** FPC reviews amended and new budget request business cases to be forwarded to Trust Council in December. **Budget Draft 1, V2:** FPC reviews Draft 1, Version 2 of the budget to be forwarded to Trust Council in December. **LTC requests:** FPC reviews any specific requests coming from LTCs as part of the budget draft review.
Nov 30 - Dec 2, 2021	**Trust Council meeting**
	BAP: Trust Council endorses Budget Assumptions and Principles. **Budget Draft 1, V2:** Trust Council discusses and debates draft budget, and provides direction for changes as determined necessary. **Public Consultation**: Trust Council endorses draft budget (as amended, if needed) for public consultation, and approves the Budget consultation process.
January 2022	**Financial Planning Committee meeting** *(assumed)*
	Budget Draft 2, V1: FPC reviews and discusses Draft 1, V1 of the budget which will be amended to reflect Trust Council's directions, as well as refined operational budgets to adjust for new and updated data. **Other Agency Consultation:** Consultation with Bowen Island Municipality and Trust Conservancy Board continue. **Public Consultation** on draft budget is conducted. **Special Tax Requisitions:** LTCs seeking funding for "additional operations" from a special tax requisition pass a resolution to do so.
February 2022	**Financial Planning Committee meeting** *(assumed)*
	Special Tax Requisitions: LTCs proposing a special tax requisition hold public consultation meetings. **Public Consultation Review:** FPC reviews results and feedback from the budget public consultation, and makes recommendations to budget changes from these results, as needed. **Special Tax Requisitions:** FPC makes recommendations on special requesitions. **Budget Draft 2, V2:** FPC reviews Draft 2, Version 2 of the budget to be forwarded to Trust Council for their March meeting
March 2022	**Trust Council** *(assumed)*
	Budget Approval: Trust Council approves the Budget along with the curent year Property Tax Requisition, Bowen Municipality Tax Levy and LTC special tax requisitions. **Bylaw Approvals:** Trust Council approves Financial Plan bylaw and Revenue Anticipation bylaw. **Minister's Package:** Staff prepare a report on the budget for the Minister, and submit this report along with the approved financial bylaws for consideration by the Minister. **Communications:** Approved budget information is posted to the Islands Trust website and a news release rolled out.

Islands Trust

REQUEST FOR DECISION

To:	Financial Planning Committee	**For the Meeting of:**	September 1, 2021
From:	Clare Frater, Director, Trust Area Services	**Date Prepared:**	August 26, 2021

SUBJECT: **2022/23 Budget Public Engagement Plan**

RECOMMENDATION: That the Financial Planning Committee approve the 2022/23 Budget Public Engagement project charter, dated August 26, 2021.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: Engagement on the Islands Trust Council's proposed budget offers an annual opportunity to hear from the public about their priorities and desired services and service levels.

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1 PURPOSE:

1) To seek endorsement from Financial Planning Committee for the public engagement program for the 20212/23 budget; and
2) To seek input and direction from Financial Planning Committee on engagement materials principles and content, as well as potential desired changes from previous years, to be incorporated into the first draft of engagement materials.

2 BACKGROUND:

The Financial Planning Committee has the responsibility to co-ordinate an effective annual budget process, which includes designing the process for public input.

Up until 2016, the Islands Trust provided limited information to the public through the website on the draft budget. The opportunity for the public to provide input was advertised via one black and white ad in the Island Tides newspaper (no longer published) and through the Trust Council subscriber list. The public was encouraged to email or write in with their comments.

In 2019 and 2020 the background information was provided within the survey itself so the public can make direct connections between the background information and the questions. There was also an effort to ask questions relevant to strategic plan development and Trust Council committee projects. In 2020, the Trust used Facebook for the first time to promote the survey which resulted in a significant increase in responses.

Results of recent year engagement are as follows:

Budget Year Consulted On	Survey Responses	E-mail Responses
2021/22	941	12

2020/21	745	6
2019/20	178	37
2018/19	78	7
2017/18	66	0
2016/17	121	13
2015/16	0	35

Past Engagement Promotion

In support of the 2021/22 engagement process, Islands Trust issued a news release; sent two subscriber messages; and purchased ads in four newspapers (Bowen Island Undercurrent, Gulf Islands Driftwood, Gabriola Sounder and Denman-Hornby Grapevine), in monthly publications (Active Page, Saturna Scribbler, Our Isle and Times, Mayneliner, Pender Post, Denman Flagstone), and a feature online ad on the Salt Spring Exchange and the Bowen Island Undercurrent websites. In addition, staff directly e-mailed non-profit and other island organizations to encourage them to advise their members of the survey opportunity. During the engagement period, the Bowen Island Undercurrent and the Nanaimo News Bulletin published articles based on the news release and featuring interviews with local trustees, and the CBC featured a radio interview with Chair Luckham.

A social media campaign complemented the print advertising. It involved two tweets and two Facebook posts one week apart. Through reaching out to organizations on the islands with Facebook and to island-based Facebook discussion groups, the survey posts were shared throughout the Islands Trust Area. Islands Trust Facebook posts generated a total of 2600 "Reached," 47 "Post Clicks," 50 "Comments and Shares". Twitter posts generated four retweets and one likes.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: This project will be a Trust Area Services priority for October 2021-March 2022 and will require support from the CAO and Directors of Administrative Services and Local Planning Services to respond to questions received by the public. This initiative will reduce capacity for other communications initiatives that may emerge during this time.

FINANCIAL: The public engagement program is expected to cost approximately $3,850 for graphics design and advertising costs. There is funding available for this annual program in the Trust Area Services communication budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS:

Trust Area Services staff will draft the public engagement materials for the proposed 2022/23 budget based on recommendations from communications and finance staff, as well as input and direction from Financial Planning Committee at its September 1, 2021 meeting. These draft materials will be presented to Financial Planning Committee on November 10, 2021 for consideration.

Once Trust Council has reviewed the draft budget in December 2021, staff will provide revised materials to FPC in January 2022 for additional review as required or may recommend FPC schedule a special meeting in December 2022.

Staff will generate public awareness about the public engagement through print and Facebook advertising, subscriber notices, and a news release. Trustees will be encouraged to share budget engagement social media posts to their personal Facebook and Twitter accounts and to Facebook bulletin boards and forums in their communities. The online survey will be open for up to three weeks with a clearly defined deadline. The deadline will be the same for those who wish to respond to the dedicated email address. All communications will adhere to Freedom of Information and Protection of Privacy (FOIPP) legislation and all public facing documents will make mention of this.

All submissions through the survey or via email will be monitored as will any interactions regarding the budget engagement on the Islands Trust Twitter account, and where possible, on other online platforms. Any questions received through this process that are not relevant to the budget process but can be addressed by other staff, will be forwarded.

After the deadline, staff will compile all public input along with the basic analysis that is provided by the survey software for Financial Planning Committee and Trust Council's review. Staff will also prepare a briefing that highlights any overarching themes from respondents.

FIRST NATIONS: Staff will consider preparing a communications plan for inviting feedback from First Nations.

OTHER: None.

4 RELEVANT POLICY(S):

- Financial Planning Committee Terms of Reference
- Budget Process Policy (6.3.1)

5 ATTACHMENT(S):

1. Draft 2021-2022 Budget Public Engagement Project Charter

RESPONSE OPTIONS

Recommendation: That the Financial Planning Committee approve the 2022/23 Budget Public Engagement project charter, dated August 26, 2021.

Alternative:

1) Approve the 2021-2022 Budget Public Engagement project charter, dated August 26, 2021 as amended.
2) Request that staff develop a revised project charter with different activities/budget (e.g. webinars about the budget, additional communication materials).

Prepared By: **Clare Frater, Director, Trust Area Services**

Reviewed By/Date:

2022/23—Budget Public Engagement Project Charter- DRAFT

Purpose

Develop a public engagement process for the 2022/23 draft budget that solicits budget feedback and educates the pubic about Islands Trust using compelling visuals, and a plain language survey.

Background

The Financial Planning Committee is responsible for the annual coordination of an effective budget process, which includes public engagement. This year, public engagement will be done through a survey, which will be promoted through social media, subscriber notifications, a webinar, the newspaper, and partner organizations such as conservancies, homeowner associations, and service clubs such as chambers of commerce. The survey will feature a video about the Islands Trust, hyperlinks to relevant information, and budget charts and graphs.

Objectives

- Create engagement materials that are informative.
- Provide engagement opportunities that solicit public input on community priorities and service levels.
- Increase the number of people participating in the survey.
- Educate the public about the IT mandate
- Enhance accessibility by allowing people to participate in the survey online, by phone, or by mail

In Scope

- Review previous experiences
- Develop engagement materials
- Develop and implement a communications plan and associated collateral such as news releases, advertising, subscriber notices, presentations, social media posts, and accompanying graphics and text
- Respond to questions that arise during the engagement
- An information webinar

Out of Scope

- Town halls in each local trust area/Bowen (except SWIPPA focussed town hall on Salt Spring Island)

Workplan Overview

Deliverable/Milestone	Date
Create engagement and advertising/marketing materials	September 20 —October 13, 2022
FPC reviews draft communications plan and draft engagement materials	October 20, 2022
FPC reviews draft engagement materials	November 10, 2022
Trust Council considers and possibly amends draft budget	November 30—December 02, 2022
FPC reviews final draft engagement materials	January XX, 2022
Launch 2021/22 budget engagement (after amending materials if required)	January XX, 2022
Close 2021/22 budget engagement and update website	February XX, 2022 (11:59 pm)
Engagement input to FPC for consideration/forwarding to Trust Council	February XX, 2022
Trust Council reviews input and adopts 2021/22 budget	March XX, 2022
Issue news release about 2021/22 adopted budget and update website	Friday or Monday after Trust Council mtg, 2022

Project Team

Director, Trust Areas Services	Project Manager
Communications Specialist	Engagement content development, communications planning and implementation
Director, Administrative Services	Approve content and liaison with FPC

Approved by:

Clare Frater, DTAS

Date: August 26, 2021

Endorsement:

Date:

Budget

Budget Source: communications budget

Item	Cost
Advertising	$3,700
Webinar honoraria	$150
TOTAL	$3,850

Islands Trust

These are the FPC Top Priorities as previously approved by FPC and TC.
Staff suggested revisions to top priorities presented on next page.

Top Priorities Report

Financial Planning Committee

1. *2020/21 Financial Statement Audit*	Responsible	Dates
Undertaken: Discussion of audit planning with the appointed auditors, KPMG LLP at the Audit Committee meeting of February 17, 2021. Upcoming: Preparation of the audit package for fieldwork which begins in May 31, 2021. Audit Committee meeting with KPMG LLP to present audit findings.	Julia Mobbs	Rec'd: 17-Feb-2021 Target: 31-May-2021

2. *2020/21 Allocated Financial Statements*	Responsible	Dates
Prepare Islands Trust allocated Financial Statements for the year ending March 31, 2021 based on audited financial statement figures.	Julia Mobbs	Rec'd: 31-May-2021 Target: 01-Sep-2021

3. *Review Trust Council Policy 6.5.1 Reserves and Surplus*	Responsible	Dates
Staff have recommended changes to policy 6.5.1 for review by Financial Planning Committee at their September 1st meeting.	Carmen Thiel Julia Mobbs	Rec'd: 12-Nov-2020 Target: 01-Sep-2021

Islands Trust

DRAFT

Top Priorities Report

Financial Planning Committee

1. ***Budget 2022/23: Draft 1 Review***	**Responsible**	**Dates**
Review Draft 1, version 1 of the 2022/23 budget in October 2021. Review Draft 1, version 2 of the 2022/23 budget in November 2021.	Clare Frater David Marlor Julia Mobbs Russ Hotsenpiller	Rec'd: 01-Sep-2021 Target: 01-Dec-2021

2. ***Budget 2022/23 Public Consultation: Planning***	**Responsible**	**Dates**
Discussion of the Public Consultation plan begins at FPC's August meeting each year. Review of planned consultation materials and engagement platforms will continue at FPC's January meeting prior to consultation initiation that same month.	Clare Frater	Rec'd: 01-Sep-2021 Target: 01-Jan-2022

3. ***Review Trust Council Policy 6.5.1 Reserves and Surplus***	**Responsible**	**Dates**
Staff have recommended changes to policy 6.5.1 for review by Financial Planning Committee in advance of December Trust Council.	Carmen Thiel Julia Mobbs	Rec'd: 12-Nov-2020 Target: 01-Dec-2021

REQUEST FOR DECISION

To:	Financial Planning Committee	**For the Meeting of:**	September 1, 2021
From:	Director, Administrative Services	**Date Prepared:**	August 27, 2021

SUBJECT: **2020-21 ANNUAL REPORT – APPROVAL OF FINANCIAL PLANNING COMMITTEE SECTION**

RECOMMENDATION:
That Financial Planning Committee approve the attached text for inclusion in the 2020-21 Annual Report for submission to the Minister of Municipal Affairs.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: N/A

1 PURPOSE:
Approval of annual report sections by committees in advance of submission of the report to the Minister.

2 BACKGROUND:
Preparation of the Islands Trust Annual Report is undertaken by Trust Area Services communications staff, reporting to Executive Committee and consistent with Trust Council's Annual Report Policy 6.10.1.

Few changes from last year have been made to FPC's section of the annual report in the current year. Changes that have been made generally reflect projects that FPC undertook in the year.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None. Timely approval of committee text will ensure smooth delivery of the Islands Trust annual report, in compliance with the *Islands Trust Act*, Section 19.

FINANCIAL: No implications for existing policy

POLICY: No implications for existing policy

IMPLEMENTATION/COMMUNICATIONS: The process for development of the Annual Report is outlined in Trust Council's Annual Report Policy 6.10.1. Once each committee has approved its section, staff will create a draft Annual Report for review by Executive Committee and consideration of Trust Council in June. Upon approval by Trust Council, staff will send the Annual Report to the Minister of Municipal Affairs and Housing and circulate it as indicated in Trust Council's policy.

FIRST NATIONS: None.

OTHER: N/A

4 **RELEVANT POLICY(S):** This approach complies with Section 19 of the *Islands Trust Act and* Trust Council's Annual Report Policy 6.10.1.

5 **ATTACHMENT:** Financial Planning Committee input to Annual Report (draft)

RESPONSE OPTIONS

Recommendation:
That Financial Planning Committee approve the attached text for inclusion in the 2020-21 Annual Report for submission to the Minister of Municipal Affairs.

Alternative: None

Prepared By: Director, Administrative Services
Reviewed By: -

Financial Planning Committee

The Financial Planning Committee (FPC) is responsible for facilitating Trust Council's involvement in the annual budget process. This work includes aligning the annual strategic planning process with the annual budget process; monitoring, reviewing, and making recommendations on the organization's financial management, budget, and financial practices to Trust Council; and reviewing audit reports and recommendations. The committee also provides advice to the Islands Trust Conservancy Board on financial services and support.

Members

The FPC consists of 10 trustees from across the Islands Trust Area: one member from the Trust Programs Committee (the Chair, unless otherwise appointed), one member from the Regional Planning Committee (the Chair, unless otherwise appointed), the four members of the Executive Committee, one member from the Islands Trust Conservancy Board, and three other trustees. The Chair of the committee is elected from amongst the other trustees.

Peter Grove, Salt Spring Island, Chair*
Paul Brent, Saturna Island, Vice-Chair*
Deb Morrison*, North Pender Island, Trust Programs Committee (October 23, 2019)
Scott Colbourne, Gabriola Island, Trust Programs Committee alternate
Laura Busheikin, Denman Island, Local Planning Committee*
Peter Luckham, Thetis Island, Executive Committee
Sue Ellen Fast, Bowen Island, Executive Committee
Laura Patrick, Salt Spring Island, Executive Committee
Dan Rogers, Gambier Island, Executive Committee
Kate-Louise Stamford, Islands Trust Conservancy Board*
Tahirih Rockafella, Galiano Island
** indicates a current member of the Audit Committee*

The Audit Committee is a sub-committee of the Financial Planning Committee and includes all members except the four Executive Committee members. The Audit Committee convenes a minimum of twice annually to meet with the external auditors and review the year-end audit work program, the audit findings report and any management letter recommendations, and to determine follow up actions if required.

2020/21 Highlights

As part of its ongoing responsibilities, FPC oversaw, through its Audit Committee, the completion of the annual financial statement audit for Islands Trust and Islands Trust Conservancy for the fiscal year ending March 31, 2020. The Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and initiated planning for the March 31, 2021, financial statement audit.

FPC facilitated Trust Council's development of the 2021/22 budget. The committee included recommendations on the amount to draw from surplus funds, the amount of the property tax requisition to Trust Area landowners, and the Bowen Island municipal tax levy based on Trust Council's Policy 7.2.6 Municipal Tax Requisition Calculation. As part of the budget development process, FPC directed an in-depth review of potential cost reductions to planned spending, which informed final budget decisions. FPC also oversaw a public consultation on the draft budget. This year, thanks to increased promotion via social media, FPC saw a record number of responses; 941 members of the public went online to take the survey and spent an average of nine and a half minutes contributing their thoughts.

The Salt Spring Island Local Trust Committee requested an additional special property tax requisition to coordinate the Salt Spring Island Watershed Protection Alliance, which Trust Council approved upon recommendation from FPC.

FPC provided quarterly financial updates on actual results and financial forecasts based on the second and third quarter to the Salt Spring Local Trust Committee for information and review.

FPC has been invited to participate in the Regional Planning Committee's current review of Islands Trust application fees and continues to receive staff reports for comment as part of that work. FPC is also working on a review of Trust Council financial policies, including assessing how Trust surplus monies are maintained and used.