



Islands Trust

Annual Report

2021/22

Preserving and protecting over 450 islands in the Salish Sea

Reconciliation Declaration

Islands Trust Council acknowledges that the lands and waters that encompass the Islands Trust Area have been home to Indigenous peoples since time immemorial and honours the rich history, stewardship, and cultural heritage that embody this place we all call home.

The Islands Trust Council is committed to establishing and maintaining mutually respectful relationships between Indigenous and non-Indigenous peoples. Islands Trust states a commitment to reconciliation with the understanding that this commitment is a long-term relationship-building and healing process.

The Islands Trust Council will strive to create opportunities for knowledge-sharing and understanding as people come together to preserve and protect the special nature of the islands within the Salish Sea.

Adopted: March 14, 2019 Trust Council on Gabriola Island

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Message from the Islands Trust Council Chair

It is my honour to work for Trust Council and to deliver on the Islands Trust mandate. I am proud of our commitment to reconciliation and I am humbled to have opportunities to learn from First Nations about this special place in the Salish Sea.

I live on Thetis Island in Penelakut and Lyackson Territory. We are all living and working on the treaty and non-treaty lands in the unceded territory of the Coast Salish People. We left the March Trust Council in 2020 to the announcement of a pandemic. Now, more than two years later, COVID sickness lingers in communities and community members, organizations, and businesses are still addressing the economic hardships they have experienced. I wish all of those affected a quick recovery.

Towards the end of 2021 Islands Trust began to return to open offices and in-person public meetings. It is good to be with each other in-person again, as personal connections are vital to addressing the challenges and opportunities we face when preserving and protecting the islands.

A dominant theme for Islands Trust though 2021-2022 was the Policy Statement Amendment Project. This is the most significant policy amendment work we have undertaken in 25 years and there are many perspectives about potential policy changes. Trust Council chose to not amend a draft Policy Statement developed by Islands Trust committees, and opted to seek engagement from First Nations, the public, and referral agencies prior to holding a first reading. We were frequently asked “*Why undertake this amendment project during a pandemic?*” The answer I’ve given to this question is that Policy Statement amendments are long overdue, with silence in the document on issues and concerns important to our communities today. The Policy Statement has also been found to be offensive to First Nations in its colonial perspectives. Addressing this is a priority in light of our commitment to reconciliation. As the 2021-22 year ended, we were in the midst of the largest engagement process we have ever undertaken across the Trust Area to solicit input on draft proposed changes to the Policy Statement. I know trustees greatly value the comments and views shared by all as they contemplate how the Trust can improve the Policy Statement, which will guide future decisions about how we preserve and protect the Trust Area.

In 2019, we adopted a Reconciliation Action Plan. The Action Plan calls on us to put our Reconciliation Declaration into action, and commits us to continued learning, knowing and collaborating. This plan is influencing different ways of working across the organization. As an example, it was an honour to have Indigenous Knowledge Holders involved in the development of a Freshwater Sustainability Strategy, which was received by Trust Council in December 2021. Islands Trust is committed to meaningfully engaging and working with First Nations and Indigenous Peoples. This work is undertaken amid a complex tapestry of legislation which sometimes presents barriers to our efforts.

In 2019, Islands Trust Council also declared a Climate Emergency. The reality of this emergency was brought home through the June 2021 heat dome that saw temperatures rise above 40C (50C along some shorelines), causing terrible impacts to human and ecological communities, and baking to death at least one billion sea creatures on the Pacific Coast. There were many conversations about climate change as we contemplated changes to the Policy Statement and there were opportunities to speak with Indigenous Peoples about what they see evolving, what impacts they are experiencing, and what they know from the past.

In March 2021, Trust Council received a Governance Review report. From my point of view, this will be an important area of focus for Trust Council to review in the coming year and next term. We will need to work together to review and implement the report's recommendations, and identify changes needed to improve and strengthen the organization.



I will close by thanking the dedication and commitment of the staff of Islands Trust who provide professional advice that allows Trustees to make informed decisions, and who care take all the administrative needs. I want to acknowledge that they are often the face of Islands Trust when interacting with community and some days it's not easy. It's important to know that Islands Trust staff are proud public servants and carry out their work as directed by elected bodies.

Finally, I remain committed to supporting Trust Council in its work and am grateful for continued community support for the mandate of Islands Trust.

A handwritten signature in black ink that reads "P. Luckham". The signature is fluid and cursive.

Peter Luckham
Chair, Islands Trust Council

Message from the Chief Administrative Officer

This report summarizes the operational, strategic, and financial activities of Islands Trust for 2021/2022. A number of key themes emerged for this reporting period including engagement, governance, and resilience.

Islands Trust emerged from the strictures of the pandemic and began a process of re-engagement. After two years of primarily virtual work, we began to have in-person local trust committee meetings, Trust Council, and Conservancy Board meetings. We began to make site visits and host community meetings and exercised muscles that had been dormant. We have retained our ability to work electronically in this new world, but understand that being with people, on the islands, has tremendous value. One thing in particular stands out. When we meet with people in live settings, on island, almost without exception the discussions are authentic, thoughtful and constructive. It has been a good change.

We also conducted the most ambitious public engagement process ever undertaken by the Trust through Islands 2050, the project to update the Islands Trust Policy Statement. Through an array of surveys, webinars, community meetings, and pop-up events we heard that the mandate of Islands Trust matters to people and that we need to get it right.

Trust Council contracted a Governance Review in 2021-22 to get external advice on how Islands Trust can govern and function the best way possible. The result was a strongly-worded report with a series of wide-ranging recommendations to improve the organization's performance in decision making, strategic planning and service delivery.

Reconciliation remains at the forefront of our work and this year was no different. I am optimistic that a new Policy Statement, once adopted,



will better reflect the interests of First Nations people. Our engagement on referrals, applications, and projects has changed for the better, but we need to do more. The coming year will see further progress on a cultural heritage mapping project that has the potential to benefit First Nations communities and clarify the development process for applicants.

The mandate of the Trust is as crucial as it has ever been. This year's experiences with heat domes, marine die-off, and atmospheric weather events struck the region hard. Indeed, the unique priorities and values of Islands Trust — to preserve and protect the natural environment and the amenities of the region — should inspire other jurisdictions with similar goals. With the challenges before us, Islands Trust work is increasingly important. It is an honour to work on its behalf.

Sincerely,



Russ Hotsenpiller
Chief Administrative Officer

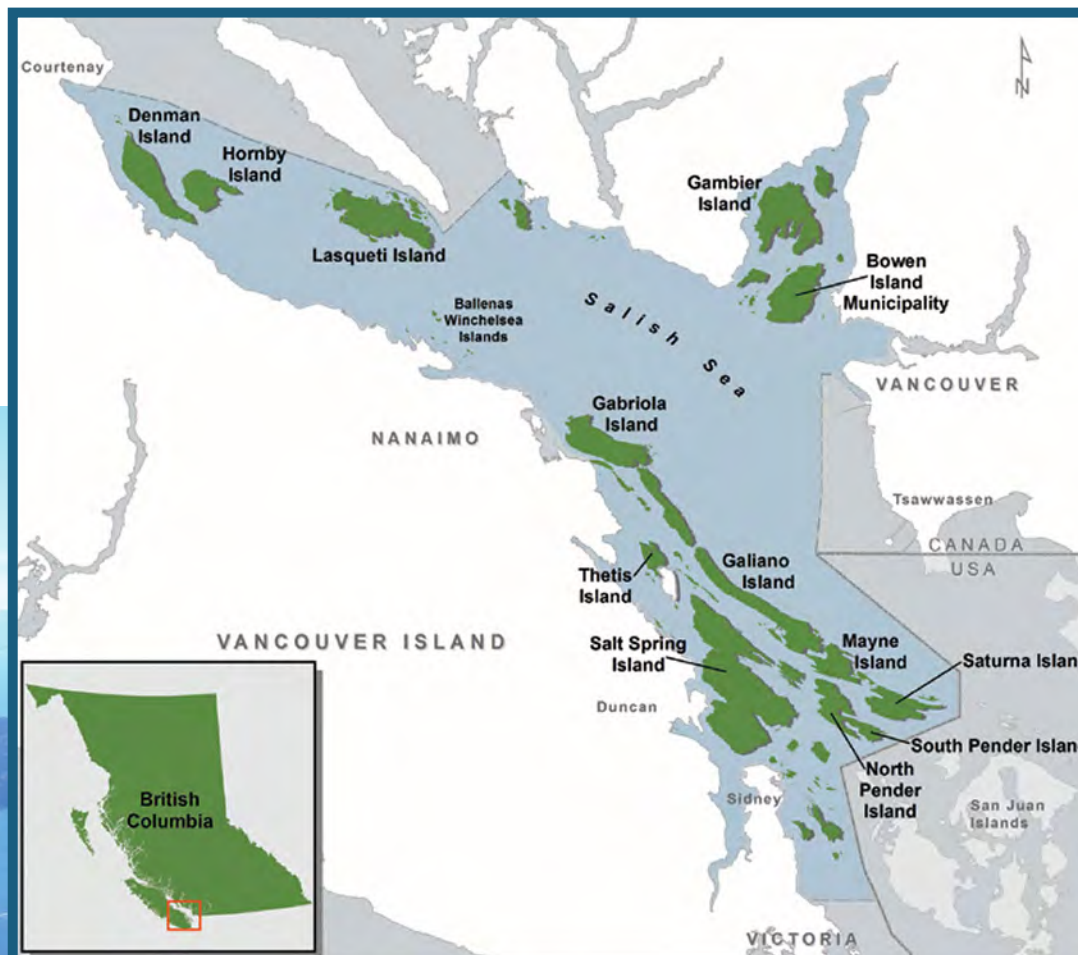
CREDIT: KRISTINE MAYES



The Islands Trust Area

Acknowledgement

The Islands Trust Area is located within the treaty lands and territories of the BOKÉĆEN, Cowichan Tribes, K'ómoks, Klahoose, Lyackson, MÁLEXEŁ, Qualicum, scəwáθən, Scia'new, səlılwətał, SEMYOME, shíshálh, Sḱwxwú7mesh, Snaw-naw-as, Snuneymuxw, Songhees, Spune'luxutth, STÁUTW, Stz'uminus, SXIMEŁŁŁ, ƛaʔəmen, T'Sou-ke, Ts'uubaa-asatx, Wei Wai Kum, We Wai Kai, WJOLEŁP, WSIKEM, Xeláltxw, Xwémalhkwu, and xʷməθkʷəyám First Nations.



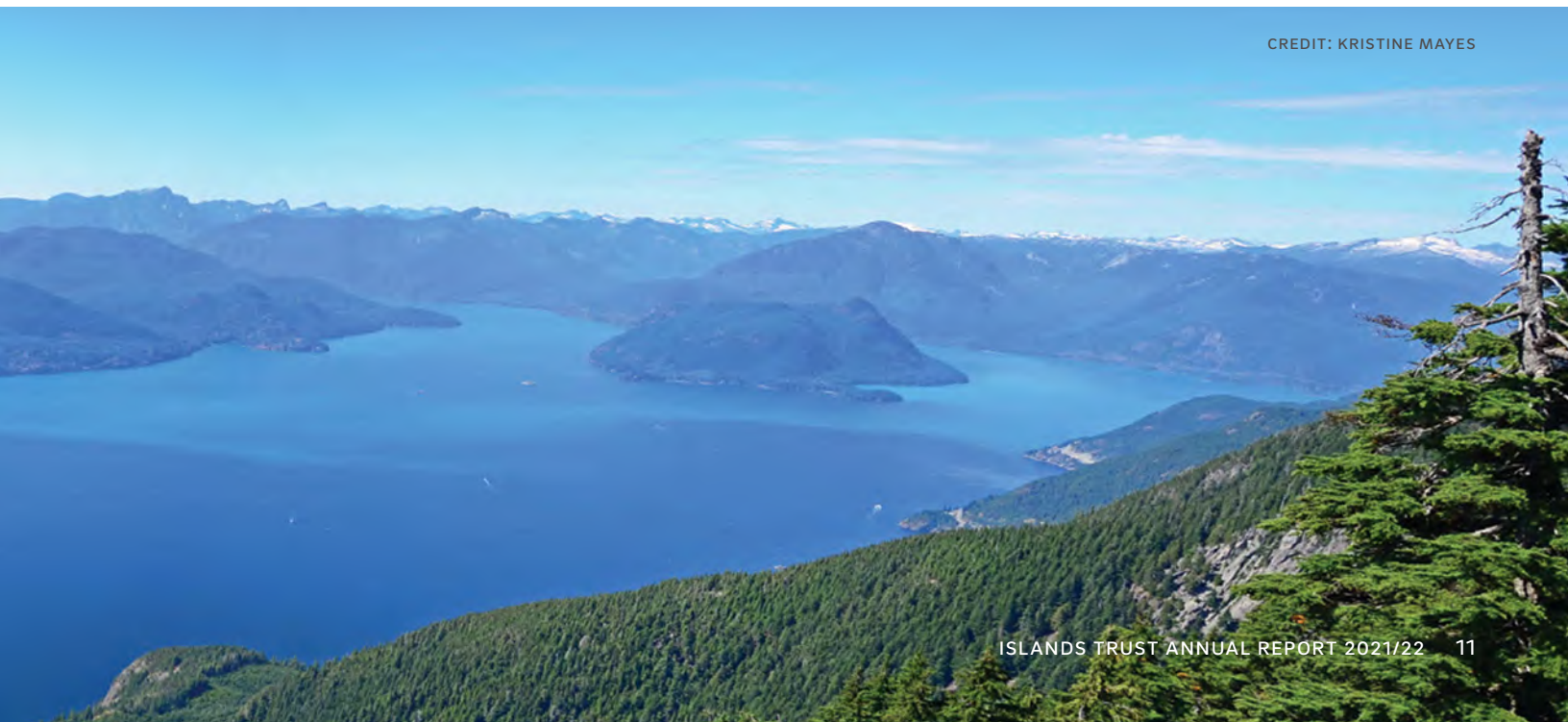
The Islands Trust Area, located within Coast Salish territory, is the homeland of over 28,000 Coast Salish Peoples who have called this area home since time immemorial. Covering 5,200 square kilometres between the British Columbia mainland and southern Vancouver Island, the Trust Area has 26,000 residents and 10,000 non-resident property owners. The region features many archaeological and culturally significant sites and some of the world’s most endangered ecosystems.

Located within the Salish Sea, the Islands Trust Area is a unique and special place — a scenic archipelago of 13 large islands and more than 450 smaller islands and islets.

The area provides habitat for an exceptional variety of species: more than 200 types of migratory and resident birds and numerous fish and other marine and intertidal life, terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, protected marine waterways and anchorages, all of which contribute to the beauty, appeal and tranquillity of the area.

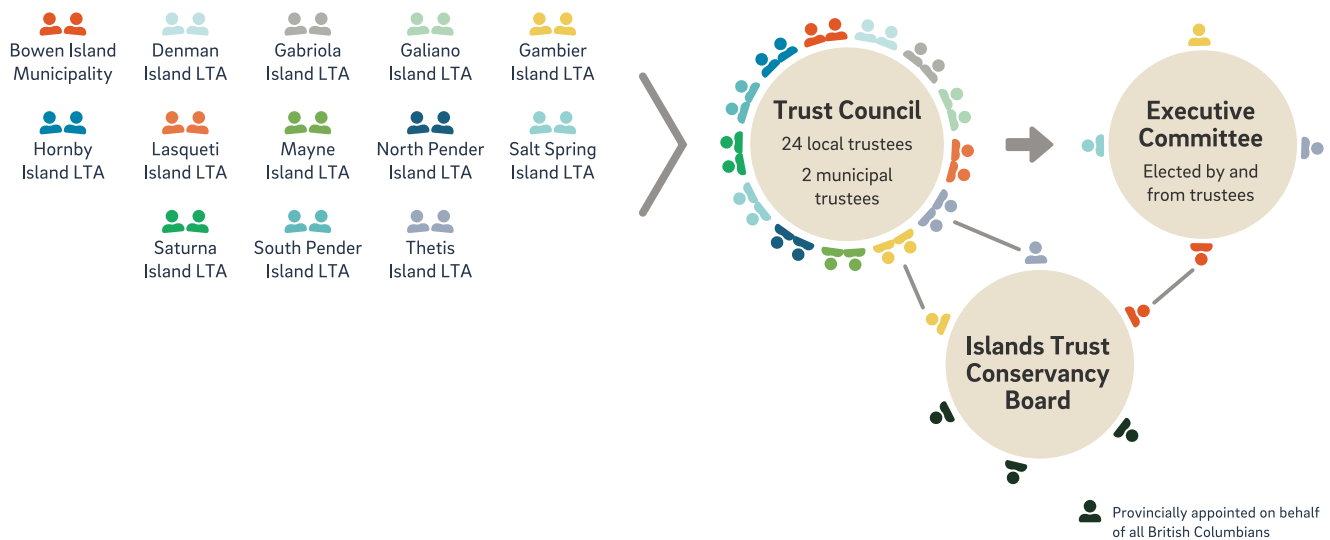
The unique natural environment of the islands in the Salish Sea has given the area national recognition. Realizing this, the Government of British Columbia enacted special protective legislation in 1974, entitled the *Islands Trust Act*. The act states that the object of the Islands Trust is to “preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in cooperation with the municipalities, regional districts, improvement districts, other persons and organizations, and the Government of British Columbia.”

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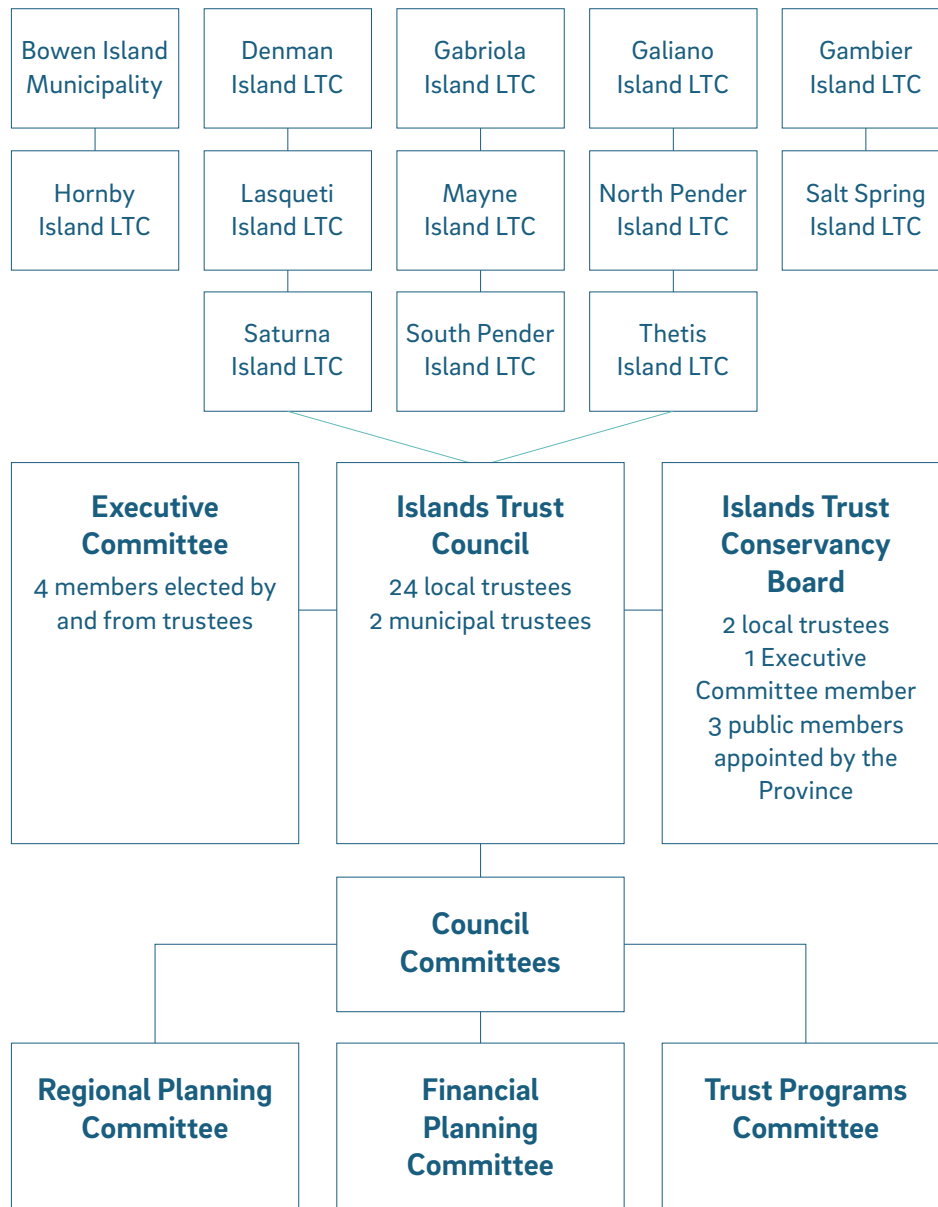
Organization and Responsibilities

Islands Trust is a unique federation of 12 special-purpose local government bodies and Bowen Island Municipality, all of which plan land use and regulate development in the Islands Trust Area. Islands Trust consists of several distinct corporate entities: Islands Trust Council, Executive Committee, 12 local trust committees, Bowen Island Municipality, and Islands Trust Conservancy.



Like other communities in British Columbia, island communities elect their local representatives every four years. Each group of islands, designated as a local trust area or island municipality, elects two local trustees. For the 12 local trust areas, the two local trustees, together with an appointed chair from the Executive Committee, are responsible for the land use decisions within their local area. For Bowen Island Municipality, the two local trustees are part of a seven-member council responsible for all functions of a local government, including land use decisions. Unlike the Bowen Island Municipal Council, each local trust committee has jurisdictional authority for the smaller islands and waters surrounding the major island in that local trust area.

Islands Trust Legislative Structure



2021–2022

Key Accomplishments

In 2021–2022 Islands Trust made progress on Trust Council's 2018-2022 Strategic Plan and Islands Trust Conservancy's Regional Conservation Plan as follows.

In response to a 2018 request of Trust Council, the Province amended the Islands Trust Act to:

- Include a specific reference to First Nations in the Trust's Object statement to recognize its ongoing relationship and reconciliation efforts with First Nations
- Enable Islands Trust to give financial support to third parties for activities that provide education about or preserve the environment and unique amenities of the Trust Area
- Streamline Islands Trust development approvals processes by transferring from Trust Council the ability to adopt and amend development approval information bylaws to local trust committees

In addition, the Province responded to a 2018 Trust Council request by amending BC Regulation 275/2021 to provide for local trust committees to delegate, by bylaw, issuance of development permits to staff with allowance for re-consideration of staff decisions by the local trust committee if warranted.

Islands Trust undertook the largest engagement in its history with the Islands 2050 Policy Statement Amendment Project. This included hosting 24 in-person local community events across the Trust Area, as well as Trust Area-wide virtual events, such as a question and answer session, a two-part interactive virtual community workshop, six focus groups, and an online survey. Community discussion guides containing paper copies of the survey and key project information were made available in each local area for those with minimal or no computer/internet access. Trust Council also referred the draft new Policy Statement Bylaw to other government agencies for their feedback and undertook a second phase of early and meaningful engagement and capacity funding with First Nations, Treaty Alliances, and Tribal Councils.

Trust Council adopted an updated Application Processing Services Policy that includes a Model Fees Bylaw for local trust committees to consider, and also adopted a Shoreline Protection Model Bylaw for local trust committees and Bowen Island Municipality to consider.

Trust Council received a 2022-2032 Freshwater Sustainability Strategy, which provides a framework for action to protect island water resources. Recharge potential mapping was completed for Denman, Gabriola, Galiano, Hornby, Mayne, North Pender, Saturna and South Pender Islands. An Island Watershed Resiliency Mapping methodology was likewise developed.

Islands Trust also launched a new mobile compatible website, which merged three websites — Islands Trust, Islands Trust Conservancy, and MapIslandsTrust — into one site that features updated content on its 208 pages, a document library with 5400 documents, and 635 images woven through the site to inspire our preserve and protect work.

Islands Trust Conservancy added three conservation covenants — one on North Pender Island and two on Salt Spring Island — which, combined, offer 50 hectares of protected ecosystems. The Conservancy also entered into a 99-year lease agreement with the BC Parks Foundation to manage the four hectare Saturnina Island as a Nature Reserve. In addition, the Conservancy planted more than 20,000 native plants and continued implementation of year two of its new Species at Risk Program, including hosting a Gathering for Species at Risk for over 60 participants.

Islands Trust Council also completed mapping of eelgrass beds in the Trust Area, while Islands Trust Conservancy completed mapping of bull kelp beds.

Islands Trust also developed a letter and suite of stewardship education materials for new purchasers of land in the Islands Trust Area. This ‘Living in the Trust Area’ package was mailed to 1000 new purchasers.

In addition, Islands Trust successfully rolled out delivery of simultaneous live and electronic meetings for local trust committees, Trust Council and Council committees, Executive Committee, and Islands Trust Conservancy Board.

Islands Trust Council

The 26-member Islands Trust Council establishes general policies for carrying out the Object of Islands Trust. Islands Trust Council also adopts an operational budget for Islands Trust and manages the financial undertakings of all parts of Islands Trust, except for Islands Trust Conservancy, which manages its own finances.

Islands Trust Council appoints staff and auditors and adopts an annual budget. Tax levies on properties within the Trust Area are the primary funding source for the operations of Islands Trust. Additional revenue comes from a provincial grant, other grants, and development application fees.

The *Islands Trust Act* requires Islands Trust Council to implement the Trust Policy Statement that is applicable to the whole Trust Area. The Minister of Municipal Affairs approves it before the Policy Statement is adopted. The Policy Statement provides broad policy guidelines for Islands Trust Council, Executive Committee, local trust committees, and island municipalities regarding the protection of ecosystems, the stewardship of resources, and the promotion of sustainable communities. The positions and philosophy of Islands Trust Council contained in the Policy Statement also constitute a policy framework for reference by the public and other agencies, such as the regional districts of the Islands Trust Area, the province, and its agencies.

Islands Trust Council has three standing committees of trustees—the Regional Planning Committee, Trust Programs Committee, and the Financial Planning Committee—which provide policy advice to Trust Council on a range of issues.

Members of Islands Trust Council – 2018-2022

| | |
|-------------------------------|------------------------------------|
| Bowen Island Municipality | Sue Ellen Fast, Michael Kaile |
| Denman Local Trust Area | Laura Busheikin, David Critchley |
| Gabriola Local Trust Area | Scott Colbourne, Kees Langereis |
| Galiano Local Trust Area | Tahirih Rockafella, Jane Wolverton |
| Gambier Local Trust Area | Kate-Louise Stamford, Dan Rogers |
| Hornby Local Trust Area | Alex Allen, Grant Scott |
| Lasqueti Local Trust Area | Peter Johnston, Timothy Peterson |
| Mayne Local Trust Area | Jeanine Dodds, David Maude |
| North Pender Local Trust Area | Benjamin McConchie, Deb Morrison |
| Salt Spring Local Trust Area | Peter Grove, Laura Patrick |
| Saturna Local Trust Area | Paul Brent, Lee Middleton |
| South Pender Local Trust Area | Cameron Thorn, Steve Wright |
| Thetis Local Trust Area | Doug Fenton, Peter Luckham |

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Reconciliation and Relationship Building

From shore to shore across the Salish Sea, First Nations communities have called this place home since time immemorial. Their village sites, harvesting areas, and gathering places reflect the abundance and beauty of their homelands, treaty lands, and territories.

After passing a Reconciliation Declaration on March 14, 2019, on Gabriola Island, Trust Council adopted the Reconciliation Action Plan 2019–2022 and aligned key priority actions within the Strategic Plan 2018–2022. Islands Trust commits to realizing the important work of reconciliation and doing so with humility and respect for the people and the place where we live. This year, Islands Trust continued to focus on foundational work and began to amend processes and policies in collaboration with First Nations. Highlights include:

First Nations Engagement

Islands Trust staff continued early and meaningful engagement with First Nations on a wide variety of local trust committee projects, and also met with a number of First Nations and offered capacity funding to support engagement on the draft new Policy Statement.

Islands Trust staff engaged in discussions with staff of various First Nations regarding development of cooperative policy and practices that will create more meaningful and respectful relationships, prioritize cultural heritage protection, and promote collaborative engagement.

Indigenous Knowledge Holder Engagement

Islands Trust staff engaged four Cultural Knowledge Holders in the development of the Freshwater Sustainability Strategy. The Freshwater Sustainability Strategy prioritizes understanding and sharing Indigenous ways of knowing.

Islands Trust Conservancy engaged a Cultural Knowledge Holder for three site visits to ecological restoration areas near cultural sites and to advise on cultural sites in new conservation areas.

With the use of Healthy Watersheds funding, Islands Trust engaged Cultural Knowledge Holders and Indigenous elders and youth in the production of a film on Indigenous perspectives on fresh water.

Islands Trust staff arranged site visits by Cultural Knowledge Holders on Salt Spring, Galiano, and Thetis Islands.

Indigenous Youth Engagement

Naut'sa maut Tribal Council and Islands Trust co-hosted the Indigenous Aspiring Leaders Workshop Series from late February 2022 to March 2022. The six-part series provided Indigenous young leaders with the opportunity for intimate discussions around leadership, empowerment, and connection. The topics: Indigenous Entrepreneurship, Indigenous Law, Beading, Indigenous Governance, and Fresh Water Cultural Teachings. The youth from Naut'sa maut Youth Council chose the topics and highlighted Naut'sa maut Tribal Council's member Nations along with other Indigenous people living in the Salish Sea.

Islands Trust Conservancy also worked with two Indigenous youth on Salt Spring Island through a restoration project.

Mount Maxwell. CREDIT: KRISTINE MAYES



Learning about Cultural Heritage

Islands Trust completed phase one of the Heritage Preservation Overlay project. Through this multi-year project Islands Trust will engage with First Nations towards better use of the heritage conservation and other planning tools in the *Local Government Act* to protect sacred, cultural, and heritage sites.

Islands Trust Conservancy engaged speakers to present on topics of eco-cultural restoration and culturally significant places in Islands Trust Conservancy's Species at Risk Gathering held in March 2022.

Relationship Building

Staff continues to engage with Indigenous peoples living on the islands to learn and build relationships.

In September, the Executive Committee met with Honourable Murray Rankin, Minister of Indigenous Relations, to discuss opportunities for further reconciliation in the Islands Trust Area.

Islands Trust staff, with the help of Indigenous Knowledge Holders, supported trustees and staff and other ministries when ancestral loved ones were disturbed on Hornby Island.

Islands Trust staff facilitated a meeting with Indigenous people and their families on Galiano Island.

The Thetis Island Local Trust Committee held a boat tour with leaders and staff from Penelakut Tribes and held a boat tour with leaders and staff from Lyackson First Nation.

Islands Trust Conservancy engaged Coast Salish artist Eliot White-Hall to redesign the new sign for the S'ul-hween X'pey/Elder Cedar Nature Reserve on Gabriola Island, in collaboration with Elder Geraldine Manson.

Staff Training

New staff were trained on the history and impacts of residential schools (Truth and Reconciliation Call to Action #57).



2021/22 Advocacy

Islands Trust Council's advocacy program is guided by the Islands Trust Policy Statement, which states: *to achieve its Object, Islands Trust must be an educator, co-ordinator, and initiator, guiding individuals, organizations, and other agencies in support of the Object. While Islands Trust can provide the necessary leadership, responsibility for stewardship of the Trust Area rests with many. Individuals, other government agencies, organizations, and the Province itself, all have important roles to play. Cooperative actions are required of other agencies, organizations, and individuals to ensure that activities are carried out in a manner that is sensitive to the needs of Trust Area ecosystems and island communities.*

It is also guided by the Islands Trust Advocacy Policy (Policy 6.10.iii). In 2021/22, Islands Trust Council/Executive Committee advanced advocacy priorities by writing the following topics: rodenticide ban, endorsement for an organic agriculture and food system extension service in British Columbia, oil spill prevention, marine safety and health, herring fishery, and the provincial Watershed Security Strategy and Fund Discussion Paper. The Chair also wrote letters of thanks to various people/agencies for decisions that responded to previous advocacy requests. In addition, Islands Trust submitted two resolutions to the Association of Vancouver Island and Coastal Communities and the Union of British Columbia Municipalities, which were endorsed, requesting that the Province fund and support the development and integration of climate risk and vulnerability assessments into official community plan review processes and requesting that the Province provide funding and support to local governments and Islands Trust to facilitate affordable housing projects in rural areas in British Columbia.

Local trust committees collectively sent 17 advocacy letters on the topics of aquaculture, housing affordability, internet connectivity, reconciliation, and transportation, as well as a few other topics.

All advocacy letters are available on the Islands Trust website.



Climate Change Action

Climate change adversely affects island ecosystems in the Trust Area, impacting everything from oceans and shorelines to forests and wetlands, as well as island communities. Islands Trust and Islands Trust Conservancy have been working to mitigate these impacts in a number of ways.

Protecting natural areas through acquisitions and covenants.

Islands Trust Conservancy continues to protect mature and maturing forests, wetlands, and habitat transition zones which help store carbon and are vital to maintaining ecosystem health. In 2021/22, Islands Trust Conservancy added three conservation covenants on North Pender Island and Salt Spring Island, which combined protect 50 hectares of forests and wetlands and offer connections to other protected areas. The Conservancy also entered into a 99-year lease agreement with the BC Parks Foundation to manage the four hectare Saturnina Island as a Nature Reserve.

Continuing to apply a climate action lens to land use planning in a variety of ways.

Trust Council committees proposed updates to the Islands Trust Policy Statement, which, if adopted, would promote consideration of greater climate resilience for ecosystems and the communities that depend on them. The Freshwater Sustainability Strategy serves as a framework for actions directed toward preserving and protecting freshwater resources threatened by a changing climate. In addition, the Groundwater Science Program has provided data to inform policies and regulations focussed on reducing the vulnerability of freshwater in the face of increasing drought potential. All land use planning staff reports now include sections on climate change, greenhouse gas emission reductions, and staff recommendations based on best practices for mitigating climate change.

Acting on Islands Trust's ongoing commitment to carbon neutrality with internal operations.

Islands Trust Council is a signatory to the B.C. Climate Action Charter. From 2012–2014, Islands Trust achieved neutrality by purchasing carbon offsets from the Community Carbon Marketplace. From 2015–2019, Islands Trust achieved neutrality through carbon credits obtained via participation in the Capital Regional District Organic Waste Composting Project. During 2021/22, Islands Trust responded to the COVID-19 pandemic in a way that supported climate action. Most meetings were held

electronically, which reduced carbon emissions associated with travel to and from workplaces. Staff also reduced paper consumption by using electronic meeting management software.

Detailed information is available in our Climate Action Revenue Incentive Public (CARIP) Report for 2018 and 2019. The province waived CARIP reporting requirements for 2020 and 2021 to reduce workloads due to the ongoing pandemic.

Swallowtail butterfly on lavender. CREDIT: KRISTINE MAYES



Delegations and Presentations to Islands Trust Council in 2019/20

Members of the public are encouraged to make delegation presentations and participate in town hall sessions at each quarterly meeting of Islands Trust Council to promote dialogue between islanders and Trustees.

Chair Luckham wrote thank-you letters to the 20 delegations received at the following Trust Council quarterly meetings addressing these Trust-wide topics: the Islands 2050 Policy Statement Amendment Project, ecological footprint and bio-capacity, environmental policies, advocacy for shared marine waters, tree-cutting protection, transportation and trails advocacy, the Coastal Douglas-fir zone, freighter vessel pollution, the budget review, and climate change:

- June 2021: Michael Sketch; Galiano Conservancy Association; Raincoast Conservation
- September 2021: Salish Sea Institute; Raincoast Conservation Foundation; Michael Sketch; Stephen MacLean; Moving Around Pender
- November/December, 2021: Gulf Islands Alliance; David Dunnison; Stand earth; Saturna Island Ratepayers and Residents Association Friends of the Gulf Islands; Michael Sketch
- March 2022: Jeffrey Green; David Dunnison; Year of the Salish Sea; Michael Sketch; Friends of the Gulf Islands; Mairead Boland

Over the course of this annual reporting period, Trust Council also received the following presentations at its quarterly meetings:

- June 2021: Encouraging Donations and Gifts for Nature; Building a Culture of Philanthropy – Islands Trust Conservancy
- September 2021: Oil Spill Planning in the Islands Trust Area – Department of Fisheries Oceans and Coast Guard Canada; Vessel Drift and Response Analysis – Puget Sound Recovery Coordinator, San Juan County, Washington; Updates from San Juan County Council – Jamie Stephens, District 3 San Juan County Washington
- December 2021: Water Licensing for Existing Non-Domestic Groundwater Users – Ministry of Forests/Water Management Branch with Ministry of Environment and Climate Change Strategy



Policy Statement Amendment Process

The Islands 2050 Policy Statement Amendment Project continued to be a priority for Islands Trust Council in 2021-22, involving widespread engagement on a draft new Policy Statement Bylaw.

The Islands Trust Policy Statement lists the policies that Trust Council uses to carry out its special provincial mandate to preserve and protect the unique amenities and environment of Islands Trust Area, as outlined in the *Islands Trust Act*. The Policy Statement shapes land and marine use planning across the Trust Area by guiding the development of local official community plans and bylaws, as well as Trust Council's intergovernmental collaboration and advocacy. In 2019, Trust Council launched the Islands 2050 Policy Statement Amendment Project to update the Policy Statement, primarily through the lenses of reconciliation, climate change, and affordable housing. The current Policy Statement has not been significantly updated since 1994, and a lot has changed in the past 25+ years.

In April 2021, Trust Programs Committee began developing amendments to the Policy Statement following eighteen months of research and analysis by staff and trustees, early and meaningful engagement with First Nations, and two phases of Trust Area-wide public engagement. A draft new Policy Statement was developed and iteratively refined through a series of meetings with Trust Programs Committee, Executive Committee, Regional Planning Committee, and the Islands Trust Conservancy Board in May and June 2021. The project had initially aimed for first reading of the draft new Policy Statement Bylaw in July 2021, which would have been followed by a third phase of public engagement and formal referrals of the draft bylaw to First Nations and other government agencies. However, in the lead up to the July 2021 Special Trust Council meeting, members of the public expressed concern and urged Trust Council to pause the process and undertake a more robust third phase of public engagement before, rather than after, first reading.

Having paused first reading, Trust Council referred the draft new Policy Statement Bylaw to other government agencies for their feedback from July to October 2021 and posted all responses to the Islands 2050 web-page. The second phase of early and meaningful engagement and capacity funding with First Nations, Treaty Alliances, and Tribal Councils began in September 2021 and continued throughout the year.

The project team also began engaging with Indigenous community members living on the islands. Public engagement consultants from MODUS Planning, Design & Engagement developed a Phase 3 Islands 2050 Public Engagement Strategy in September 2021, and consultants

from ISL Engineering were then contracted in November 2021 to develop and implement the Phase 3 Public Engagement Plan.

From February through April 2022, the Islands 2050 project team of ISL consultants and Islands Trust staff hosted 24 in-person local community events across the Trust Area, and a virtual community event for the Gambier Island Local Trust Area. A number of Trust Area-wide virtual events were also held, including a Q and A session, a two-part interactive virtual community workshop, six focus groups, and an online survey. Community discussion guides containing paper copies of the survey and key project information were made available in each local area for those with minimal or no computer/internet access. Project fact sheets highlighted key information related to the amendment project and engagement process, as well as some of the more notable draft policies in the areas of reconciliation, climate change, affordable housing, forest stewardship, coastal and marine stewardship, and agricultural stewardship. The public engagement activities and events were actively promoted through social media, subscriber notices, online and print advertising, and local trustee communications. All public correspondence received outside of the formal engagement activities was also posted to the Islands 2050 webpage.

All of this work on the Policy Statement Amendment Project in 2021-22 laid the groundwork for Trust Council's consideration of what further changes may be needed to the draft new Policy Statements in the year ahead.

Visit the [Islands 2050 project webpage](#) for more details.





Islands Trust Council Committees

Executive Committee

The Executive Committee (EC) members include the Chair of Islands Trust Council and three Vice-Chairs, elected for a four-year term by Trust Council from among its members. In addition to individual members serving as the chairs of local trust committees, the committee oversees external communications for Islands Trust, liaises with the provincial government, reviews and implements the Islands Trust Policy Statement, and conducts other functions as directed by Trust Council. The Executive Committee carries out the daily business of Islands Trust, reviews the bylaws of local trust committees to ensure compliance with the Islands Trust Object and the Trust Policy Statement, and acts as a local trust committee for the Ballenas-Winchelsea Island group located north of Nanaimo.

Members serving during the 2018–2022 term:

Peter Luckham, Thetis Island (Chair)

Sue Ellen Fast, Bowen Island (Vice-Chair)

Laura Patrick, Salt Spring Island (Vice-Chair)

Dan Rogers, Keats/Gambier Island (Vice-Chair)

Bylaws Approved by Executive Committee

Before a local trust committee can adopt a bylaw, the Executive Committee must approve it for compliance with the Islands Trust Policy Statement. Before Bowen Island Municipal Council adopts a Bowen Island Municipality Official Community Plan Bylaw or makes amendments, the Executive Committee must approve the bylaw for compliance with the Islands Trust Policy Statement. Under the Letters Patent for Bowen Island, the Executive Committee also comments on other bylaws that reference a matter included in the Islands Trust Policy Statement.

Applications Sponsored by Executive Committee

The Executive Committee sponsored a total of \$12,100 in permit and application fees for the following projects and initiatives:

- \$715 — The Galiano Club for a development variance permit allowing for a storage shed to be built on the property which will support club initiatives, including the Island's Community Food Program
- \$935 — Mayne Island Agricultural Society and Fall Fair for a development variance permit to allow for a covered entry to the front of the building now serving as the new thrift store
- \$4,400 — Galiano Affordable Living Society (GALI) rezoning application fee for a 20-unit affordable housing project
- \$1,100 — Mayne Island Agricultural Society and Fall Fair for a temporary use permit fee for the thrift store, archive and museum storage within an existing dwelling, and for expanded outdoor fall fair uses
- \$4,950 — Denman Housing Association (Denman Green) for a re-zoning application fee of a 20-unit affordable housing project

Grants in Aid for History, Heritage and Conservation

During the 2021/22 fiscal year, four applications were received for Grants in Aid for History, Heritage and Conservation. Due to administrative error, only an application from the Gabriola Historical and Museum Society was considered by the Executive Committee which denied the request and recommended the applicant seek a support letter from Snuneymuxw First Nation Chief and/or Council and then reapply. The other applications will be considered in the 2022/23 fiscal year.

Liaison Meetings

On July 13, 2021, the Executive Committee met with Islands Trust Conservancy Board for its annual liaison meeting, held electronically via Zoom. Discussions focused on strategic fund development, working with Crown agencies, the Policy Statement Amendment Project, and the Islands Trust Strategic Plan.

CREDIT: KRISTINE MAYES



Regional Planning Committee

Role

The Regional Planning Committee (RPC) provides policy and planning advice to Trust Council by identifying and reporting on emerging issues related to the committee's areas of responsibility: development management, community planning, and sustainable community. The committee also develops guidelines, policies, and models for use by staff and local trust committees.

Members

Members serving during the 2018–2022 term are:

Laura Busheikin, Denman Island (Chair)

David Maude, Mayne Island (Vice-Chair)

Scott Colbourne, Gabriola Island (appointed December 20, 2021)

Jeanine Dodds, Mayne Island

Doug Fenton, Thetis Island (appointed January 12, 2022)

Kees Langereis, Gabriola Island

Timothy Peterson, Lasqueti Island

Kate-Louise Stamford, Gambier Island

Jane Wolverson, Galiano Island

Laura Patrick, Salt Spring Island (Executive Committee Representative)

Peter Luckham, Thetis Island, Chair Trust Council (Ex Officio Member)

2021/22 Highlights

In the 2021/22 fiscal year, the Regional Planning Committee completed the following Strategic Plan items and presented them to Trust Council:

- An Application Processing Services Policy that includes a Model Fees Bylaw in June, 2021. The Policy was subsequently adopted by Trust Council, which requested all local trust committees to consider adoption of a new Application Processing Services Fees Bylaw
- The Residential Floor Area Ratio Report in August, 2021. Trust Council referred the Report back to the Regional Planning Committee and requested that the Report incorporate the work being done on North Pender and South Pender Islands and to update the Report to identify environmental benefit

- The Shoreline Protection Report in August, 2021. Trust Council sent the Report to local trust committees and Bowen Island Municipality for information
- A draft Freshwater Sustainability Strategy for their review in December 2021. Trust Council received the Report and requested that Regional Planning Committee develop an implementation policy

Trust Programs Committee

Role

Trust Programs Committee's role is to provide policy advice to Islands Trust Council on Trust-wide issues related to the committee's areas of responsibility (e.g. water, marine, sustainable communities, public awareness, and education) and to propose amendments to the Islands Trust Policy Statement.

Members

Deb Morrison, North Pender Island, Chair
 Scott Colbourne, Gabriola Island (resigned as Vice-Chair December 4, 2020)
 Alex Allen, Hornby Island (resigned October 10, 2019)
 Paul Brent, Saturna Island (joined October 23, 2019)
 David Critchley, Denman Island
 Doug Fenton, Thetis Island
 Michael Kaile, Bowen Island (joined October 15, 2019)
 Kees Langereis, Gabriola Island (joined October 15, 2019)
 Peter Luckham, Thetis Island, (Ex Officio Member)
 Ben McConchie, North Pender Island
 Tim Peterson, Lasqueti Island (joined October 15, 2019; elected Vice-Chair February 5, 2021)
 Dan Rogers, Gambier Island (Executive Committee Representative)
 Grant Scott, Hornby Island (joined May 6, 2019; resigned August 13, 2019; rejoined December 10, 2021)
 Steve Wright, South Pender Island (joined December 10, 2021)

2021/22 Highlights

Trust Programs Committee (TPC) met seven times in 2021/22. The Committee's primary focus this year was to develop recommendations for amendments to the Islands Trust Policy Statement for Trust Council's consideration, and to provide advice on planning and implementation of a third phase of Islands 2050 public engagement. In May and June 2021, the Committee devoted three consecutive meetings to reviewing and revising the draft new Policy Statement before presenting it to Trust Council in July 2021. Please see the Policy Statement Amendment Project section of this report for more project information.

As part of its Secretariat Services Program, the committee approved up to 70 hours of Islands Trust staff time to the Rural Islands Economic Partnership and contracted secretariat services to the following coordination groups:

- Southern Gulf Islands Forum (\$3,000)
- Baynes Sound / Lambert Channel Ecosystem Forum (\$2,500)
- Howe Sound Atl'ka7tsem Community Forum (\$3,500)
- Coastal Douglas-fir Conservation Partnership (\$3,000)

For this year's Stewardship Education Program, the committee supported development of a 'Living in the Trust Area' package, which was mailed to 1000 new property owners across the Trust Area in March 2022. The package included newly designed Islands Trust brochures, stewardship tips booklets, groundwater conservation brochures, as well as localized government service contact lists ([see electronic versions](#)).

The committee also successfully recommended to Trust Council that the Islands Trust Community Stewardship Awards Program be reinstated as of January 2022, and that Trust Council's policy for this program be changed to deliver the program once per Trust Council term, in the final year of the term.

Financial Planning Committee

Role

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 Financial Planning Committee 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 Trust Conservancy Board
- Three other trustees. The chair of the committee is elected from amongst the other trustees



Members Serving for the 2018–2022 Term

Peter Grove*, Salt Spring Island, Chair

Paul Brent*, Saturna Island, Vice-Chair

Deb Morrison*, North Pender Island, Trust Programs Committee
(October 23, 2019)

Laura Busheikin*, Denman Island, Regional Planning Committee

Peter Luckham, Thetis Island, Executive Committee, Chair Trust Council

Sue Ellen Fast, Bowen Island, Executive Committee

Laura Patrick, Salt Spring Island, Executive Committee

Dan Rogers, Gambier Island, Executive Committee

Robin Williams, Islands Trust Conservancy Board (term ended
December 31, 2019)

Kate-Louise Stamford*, Islands Trust Conservancy Board (appointed
February 13, 2020)

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, at a minimum, twice annually to meet with the external auditors and review the year-end audit work program, the audit findings report, any management letter recommendations, and determine follow-up actions if required.



Beehive. CREDIT: KRISTINE MAYES

2021-22 Highlights

As part of its ongoing responsibilities, Financial Planning Committee 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, 2021. The Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and initiated planning for the March 31, 2022, financial statement audit. In addition to overseeing this legislated audit of the annual financial statements, FPC also directed and reviewed internally developed allocated financial statements, which provide an estimate of revenue and cost allocations by local trust area.

Financial Planning Committee facilitated Trust Council's development of the 2022/23 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 reviewed the feasibility of completing all proposed projects in terms of available staff resources, and considered options to fund specific local trust committee projects via special tax requisitions. Financial Planning Committee 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; 1,256 members of the public went online to take the survey and spent an average of eleven minutes contributing their thoughts. Financial Planning Committee also offered the first webinar about the draft budget. In an effort to increase public awareness of Trust activities and understanding of Trust financials, FPC supported the creation of a tax notice insert, which will be circulated by the Province of BC to all Trust Area taxpayers with their rural tax notice.

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 Trust Council for information and review.

In addition to these annual committee activities, FPC has also begun a review of potential cost recovery options for staff time spent reviewing building permits on behalf of other organisations.

Governance and Management Review Select Committee

Trust Council initiated a review of governance at Islands Trust and in support of this work, created a Select Governance and Management Review Committee. This Select Committee developed the scope of work for the review, with a particular emphasis on the governance, management, and operational structure of Islands Trust including:

- Governance in determining the strategic direction of the organization,
- Advocacy activity, and
- Planning services.

The Select Committee met regularly during the review, which was substantially undertaken in the spring of 2021 by Great Northern Management Consultants. The consultant's final report was presented to Trust Council in March 2022. Identified in its strategic plan as one of the focus areas for achieving Trust Council's objective to improve and modernize, the report is currently under consideration by Trust Council for next steps.

Members

Members serving since December 2020

Lee Middleton, Saturna Island, Chair

Kees Langereis, Gabriola Island, Vice-Chair

Paul Brent, Saturna Island

David Critchley, Denman Island

Michael Kaile, Bowen Island Municipality

Peter Luckham, Thetis Island (Chair, Islands Trust Council)

Benjamin McConchie, North Pender Island

Deb Morrison, North Pender Island (Chair, Trust Programs Committee)

Steve Wright, South Pender Island



ISLANDS TRUST CONSERVANCY

Protecting Islands in the Salish Sea

Islands Trust Conservancy

Reconciliation Declaration

Islands Trust Conservancy acknowledges that the lands and waters that encompass the Salish Sea have been home to Indigenous Peoples since time immemorial. We recognize that we are all intertwined in the ecosystems that are the lands, waters, culture, and ecology that embody this place.

Islands Trust Conservancy will strive to create opportunities for knowledge-sharing, understanding, and collaboration as people come together to preserve and protect the special nature of the islands within the Salish Sea.

Islands Trust Conservancy is committed to the protection and preservation of this place through processes that respect and honour reconciliation and mutually respectful relationships with Coast Salish Indigenous Peoples. We express our recognition for the past, present, and future stewardship and knowledge that has been shared by Indigenous Peoples and are humbled and grateful.

Adopted: July 16, 2019 Islands Trust Conservancy Board in METULIYE (Victoria).



Message from the Board Chair

If there was a theme for the past year it would have to be that of *resilience*. If this past year has taught us anything it is that we are strongest when we support each other, and work together to achieve our goals.

Whether it was fires, floods, a heat-dome fueled by climate change, COVID, or supporting each other through the news of the unmarked graves at residential schools, I was in awe at the resilience of the people and communities on the islands. The care we continue to show to each other and to the land despite these tremendous challenges is inspiring and empowering. This sense of communal strength has directly contributed to the successes of Islands Trust Conservancy (ITC) this past year.

The number of partners and individuals stepping up to protect and preserve the biodiversity and places of cultural significance on the islands continues to grow. Islands Trust Conservancy supported private landholders in their actions to voluntarily protect the places they love on Salt Spring Island and North Pender Island with the addition of:

- Woodpecker Forest Covenant on North Pender Island
- Moss Mountain Covenant on Salt Spring Island
- Earl Batista Covenant on Salt Spring Island

In addition to annual property monitoring, ITC staff and partner conservancy volunteers planted more than 20,000 trees, shrubs, and plants in restoration projects across the islands and supported scientific research on multiple properties, primarily through the Species at Risk Program. You can read all about these conservation highlights and impact stories online in our first-ever [Impact Report](#).

None of this work would have been possible without the efforts of Islands Trust Conservancy staff. Their ability to adjust to changing workloads and public health edicts demonstrated a high level of professionalism and an extraordinary commitment to ITC and to each other. This past year we welcomed a new Species at Risk Program Coordinator, Wendy Tyrrell, as well as a new Communications Specialist, Carmen Smith, and hired our first ever Co-op Student, Devin Hentschel. Thanks to the support of Trust Council we were able to secure an ongoing Strategic Fund Development Specialist position that

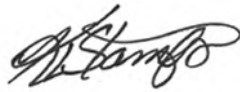


is already building donor support for our work. We are thrilled to have Carla Funk continuing in this role.

Islands Trust Conservancy also welcomed new Board Member Dr. Risa Smith, who has not only brought a wealth of expertise and experience to the Board table, but also encouraged us to reach out to conservation organizations across the country.

We will take this spirit of resilience and, with the continued support from island communities, donors, landholders, volunteers and staff, continue to address climate change and find better ways to engage and work alongside First Nations in the stewardship of lands under our care. If this past year has taught us anything, it is that we are strongest when we support each other and work together to achieve our goals.

Sincerely,



Kate-Louise Stamford
Chair, Islands Trust Conservancy

CREDIT: KRISTINE MAYES



Who We Are

Established in 1990, Islands Trust Conservancy is a land trust dedicated to preserving and protecting the fragile and unique ecosystems of the Islands Trust Area in the Salish Sea. This region covers approximately 79,000 hectares of land and over 482,000 hectares of water on the southern coast of British Columbia. It includes 450 islands between southern Vancouver Island, mainland British Columbia and Howe Sound.

Our mission is to protect these very special places by encouraging, undertaking, and assisting in voluntary conservation initiatives across the Islands. We work with many allies including: private landholders and donors, local conservancies, environmental organizations, charitable foundations, academic institutions, businesses, First Nations, and all levels of government.

"Over 67% of land in the Islands Trust Area is privately held by individuals or corporations – making the work we do to support voluntary conservation initiatives by private landholders all the more important."

Read more about how you can protect nature on our website at islandstrust.bc.ca/conservancy

How We Work

We preserve and protect the Islands by:

- *Working with landholders to support voluntary land protection.*
We create nature reserves and place conservation covenants on land across the islands in the Salish Sea. We are well placed to do this work thanks to tax tools unique to the Islands Trust area
- Working with island communities and conservation partners to *monitor and restore sensitive ecosystems and habitat for species-at-risk*
- *Providing strategic funds to conservation partners* to support conservation opportunities across the Islands. We value our partners and know we cannot achieve our mission alone
- *Identifying priority areas across the Islands Trust Area* to ensure we maximize our impact in addressing the biodiversity and climate crises. We use the best available data to inform conservation action
- *Committing to reconciliation.* We seek to build relationships with First Nations to identify areas of significance for protection and to incorporate traditional knowledge and stewardship into land management practices

CREDIT: KRISTINE MAYES



Our People

Islands Trust Conservancy is directed by a Board made up of three members appointed by the Province of BC, two members elected from from Islands Trust Council, and one member appointed by the Islands Trust Executive Committee.



Kate-Louise Stamford
Chair



Sue Ellen Fast
Vice Chair



Linda Adams
Board Member



Doug Fenton
Board Member



Dr. Risa Smith
Board Member

Our small team of passionate, dedicated staff works hard to support land protection and stewardship in the islands. We value partnership and work closely with island partners and supporters in our work.



Kate Emmings
Manager



Carla Funk
Communications + Fundraising
Specialist



Jemma Green
Covenant Management and
Outreach Specialist



Kathryn Martell
Ecosystem Protection Specialist



Nuala Murphy
Property Management Specialist



Carmen Smith
Communications Specialist



Corlynn Strachan
Administrative Assistant

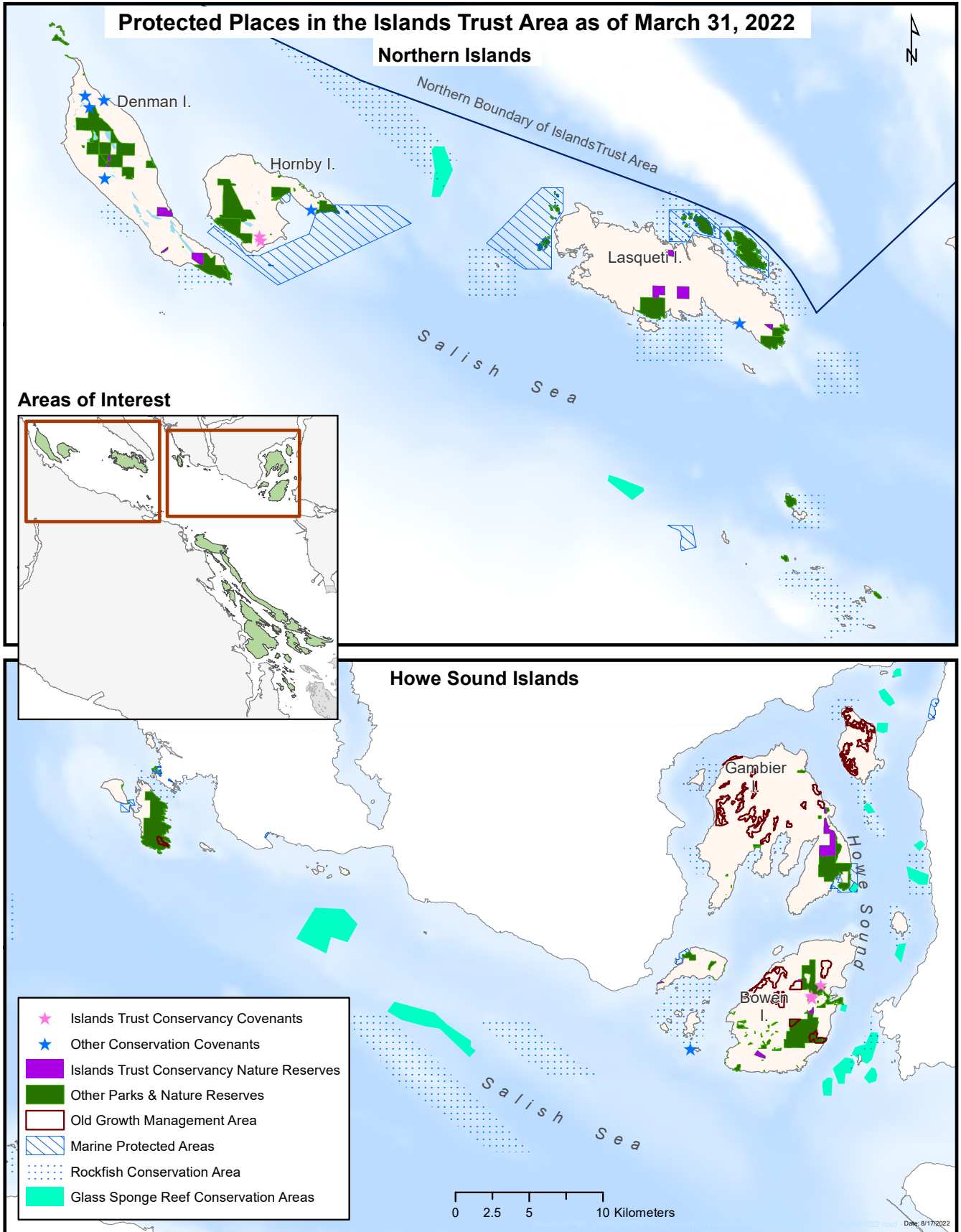


Wendy Tyrrell
Species at Risk Program
Coordinator



Devin Hentschel
Conservation Technician
(Co-op student)

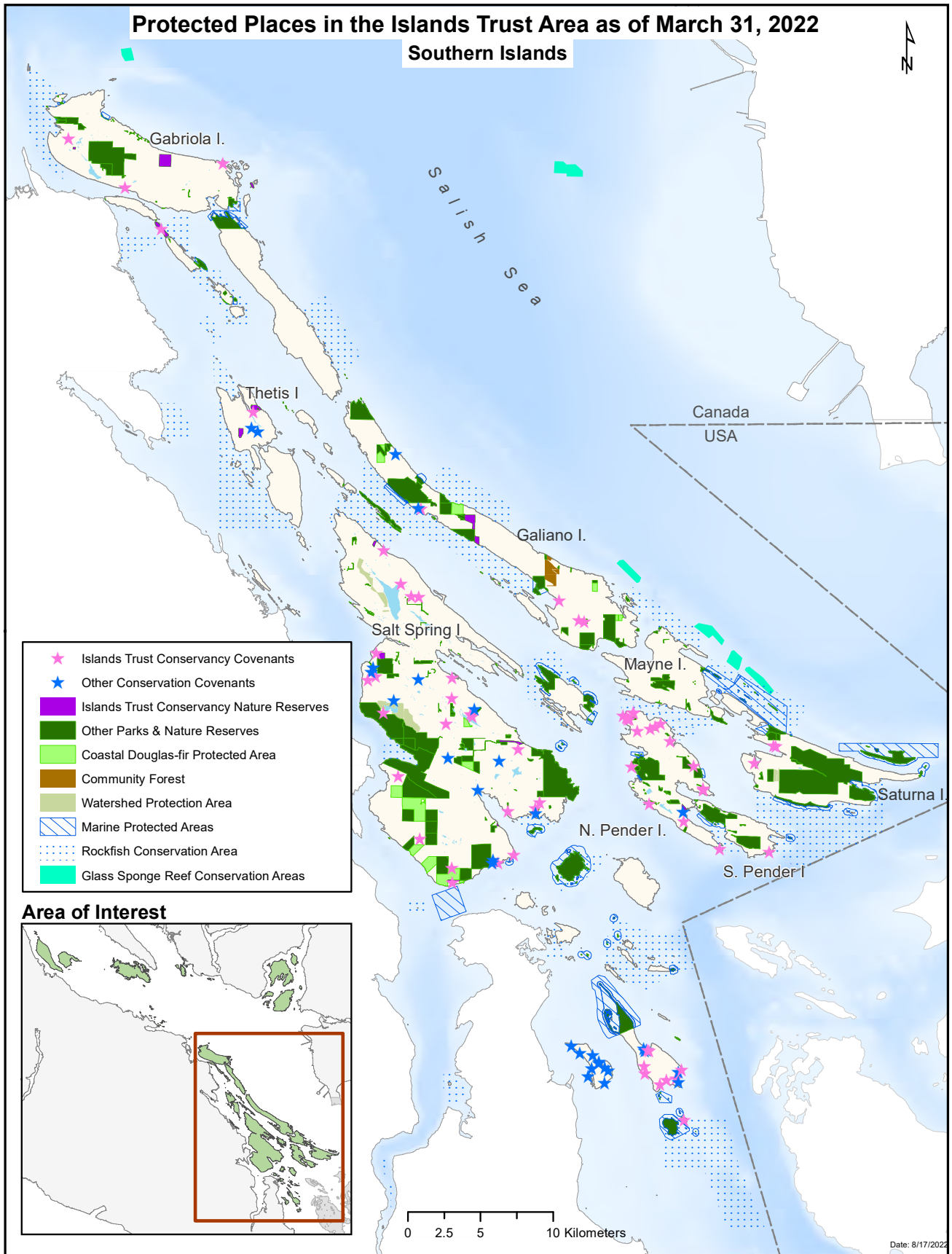
Protected Places in the Islands Trust Area



[Explore these properties online](#)

Protected Places in the Islands Trust Area as of March 31, 2022

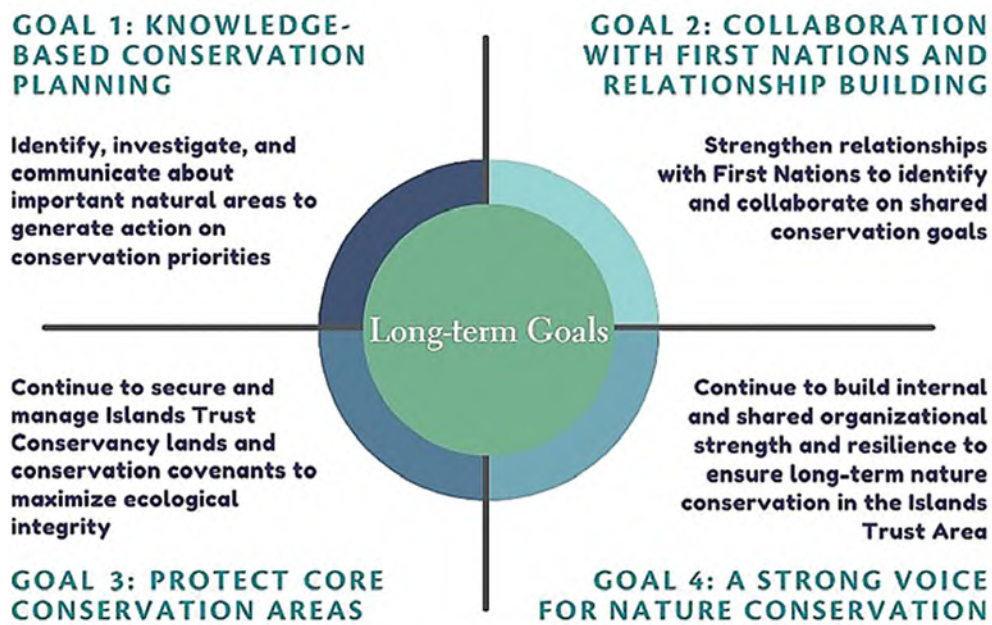
Southern Islands



Regional Conservation Plan

The [Regional Conservation Plan 2018-2027](#) guides the work of Islands Trust Conservancy. This 10-year plan was developed using best-available science, was informed by communities we serve, and includes valuable input from six Coast Salish First Nations.

The plan centres around four long-term goals. These goals help the Conservancy focus its efforts and resources on the species and habitats most urgently in need of conservation:





Goal 1: Knowledge-based Conservation Planning

Islands Trust Conservancy builds detailed knowledge of ecosystems and species in the region and uses this data to inform careful decisions on how to manage and care for land.

This information is shared with local, provincial, and national conservation partners, and to landholders to inform and inspire actions to protect and preserve areas across the region.

Mapping and Data Analysis

Islands Trust Conservancy acquires and analyzes data and shares it with others. In 2021/22, Islands Trust Conservancy:

- Mapped bull kelp beds throughout the Islands Trust Area. This has been added to the online mapping program — [MapIT](#)
- Established a partnership with researchers studying climate change impacts on bull kelp beds throughout coastal BC
- Updated protected-area mapping for the region and contributed to the British Columbia Non-Governmental Organization Conservation Areas Database
- Added new data on the location of five new Glass Sponge Reef Closures in Howe Sound to the public mapping program [MapIT](#)
- Gathered 60+ biologists, all levels of government, local conservation organizations and First Nations to identify gaps and improve data sharing on projects throughout the Islands Trust Area

Planning and Adapting for Climate Change

Islands Trust Conservancy develops practical actions that ensure we remain adaptive and mitigate impacts to protected areas in response to climate change in the Salish Sea. In 2021/22 Islands Trust Conservancy:

- Initiated phase one of a multi-year project to develop management responses to climate change impacts in Nature Reserves
- Began a multi-year project to monitor climate changes in the S'ul-hween X'pey/Elder Cedar Nature Reserve (Gabriola Island) and the McFadden Creek Nature Reserve (Salt Spring Island) with the University of British Columbia
- Shared ecological information and mapping layers with researchers, conservation organizations, regional governments, and federal agencies to improve protection and management of sensitive species and habitats

Smolts in Eelgrass. CREDIT: TAVISH CAMPBELL



Goal 2: Collaboration with First Nations and Relationship Building

This past year was one of stark reflection as we worked to support each other through the news of unmarked graves at residential schools. Islands Trust Conservancy will continue to strive to create opportunities for knowledge-sharing, understanding, and collaboration as people come together to preserve and protect the special nature of the islands within the Salish Sea.

Islands Trust Conservancy continues to commit to ensuring that the work we do is reflective of the Truth and Reconciliation Commission (TRC) Calls to Action, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the Province of British Columbia's Declaration on the Rights of Indigenous Peoples Act (DRIPA), and the Missing and Murdered Indigenous Women and Girls (MMIWG) Calls for Justice. Some of these efforts are noted in the [Islands Trust foundational Reconciliation Report 2019–2021](#) (PDF) and the [Reconciliation Action Plan 2019–2022](#) (PDF).

Cultural Knowledge is a critical component of caring for land and understanding our responsibilities. We strive to respect and learn from these teachings.



Coast Salish knowledge-holder Harold Joe with Islands Trust Conservancy staff Kathryn Martell

In the spirit of this commitment we completed the following in 2021/22:

- Islands Trust Conservancy staff participated in reconciliation training conducted through Islands Trust. This training supported the TRC Calls to Action to learn about the history and legacy of residential schools, Indigenous Law, and UNDRIP
- Guided site visits with a Cultural Knowledge Holder to learn about how to respectfully be on the land and to create understanding of culturally sensitive ways of being
- Using Indigenous place names (when known) when discussing protected areas on social media and in our communications
- Engaging Coast Salish artist Eliot White-Hall to redesign the new sign for the S'ul-hween X'pey/Elder Cedar Nature Reserve on Gabriola Island, in collaboration with Elder Geraldine Mason
- Engaging speakers to present on topics of eco-cultural restoration and culturally significant places in ITC's Species at Risk Gathering, held in March 2022
- Worked with an Indigenous-owned event management team to assist in engaging speakers to present on topics of eco-cultural restoration and culturally significant places at ITC's Gathering for Species at Risk Workshop, held in March 2022

Newly installed entrance sign for the S'ul-hween X'pey (Elder Cedar) Nature Reserve (Gabriola Island) as designed by Coast Salish artist Eliot White-Hall



"Sharing our art will form a connection that will create space where empathy and understanding can flourish across cultural divides."
– Eliot White-Hall



13,105 m

of protected
shoreline

111

of protected
properties

681 ha

Islands Trust
Conservancy
nature reserves

684 ha

Islands Trust
Conservancy
covenants

15,350 ha *

(19.4%) protected
in the Trust Area

*(incl. other
organizations,
protected areas)

Goal 3: Protect Core Conservation Areas

The core of Islands Trust Conservancy's work is to continue to secure and manage Islands Trust Conservancy lands and conservation covenants to maximize ecological integrity. Conserving lands that have high biodiversity values and growing the protected area networks across the Salish Sea will provide habitat refuges, and allow for the critical movement of wildlife. Protected areas benefit people as well, by providing clean water and air, buffers to ongoing impacts of climate change, and contribute to mental resilience and human wellbeing.

Conservation Covenants acquired in 2021/22

We supported landholders in their actions to voluntarily protect lands on Salt Spring Island and North Pender Island with the addition of:

- Woodpecker Forest Covenant on North Pender Island (3.63ha)
- Moss Mountain Covenant on Salt Spring Island (45.4 ha)
- Earl Batista Moss Mountain NAPTEP Covenant on Salt Spring Island (0.86 ha)

Islands Trust Conservancy manages the Natural Area Protection Tax Exemption Program (NAPTEP), which provides island landholders with an annual 65% property tax reduction on the portion of their land protected by a conservation covenant. This incentive is unique to the Islands Trust Area. The Federal Ecological Gifts Program provides increased income tax benefits for donations of land, or an interest in land.

[Read about placing conservation covenants on land.](#)



Gay Young, donor of the Moss Mountain NAPTEP Covenant at her home on Salt Spring. (STAFF PHOTO)

"Given the current climate crisis it seemed like a great way to contribute. It was a family decision between me and my three children. We felt the land needed to be protected forever." — Gay Young, Covenant Donor, Moss Mountain

Nature Reserves created in 2021/22

Saturnina Island Nature Reserve (4.05 ha), Gabriola Island Local Trust Area

In September 2021, Islands Trust Conservancy entered into a 99-year lease agreement with the BC Parks Foundation to manage Saturnina Island as a nature reserve. Saturnina Island is an undeveloped island located in the Flat Top group of islands off the southern shores of Gabriola Island. It includes relatively undisturbed Coastal Douglas-fir ecosystems, with mixed conifer woodland, and Garry oak and arbutus groves. The shoreline is composed of mud flats, sandy beaches, and rocky shores.

Management planning will begin in 2022/23. Saturnina Island is Islands Trust Conservancy's first lease.

[Read more about creating nature reserves.](#)

Private Landholders are Key to Conservation Success

Since 1990 we have helped more than 80 landholders place 79 covenants — protecting more than 680 hectares of land and more than seven kilometres of shoreline on 14 islands.

Saturnina Island is Islands Trust Conservancy's 32nd Nature Reserve.
CREDIT: AISLYN KING



Caring for Land

Much of the work Islands Trust Conservancy does relates to the ongoing care and monitoring of the more than 110 properties under our care. Islands Trust Conservancy monitors and manages nature reserves in its care according to management plans that identify long-term conservation and restoration goals.

In 2021/22 this included the following property management project highlights in partnership with local island-based conservancies:

- Annual monitoring and trail maintenance (on reserves with trails) on all ITC nature reserves
- Monitoring Islands Trust Conservancy conservation covenants to maintain relationships with landowners and ensure compliance
- Restoration to reduce erosion at Horton Bayviary Nature Reserve (Mayne Island), including planting 60 native plants and trees sourced from the on-island nursery with Mayne Island Conservancy Society and installing fencing to protect them
- Collaborating with Parks Canada, First Nations, the Province of B.C., and the Sidney Island community on the Sidney Island Ecosystem Restoration Project
- Developing the first management plan for Moore Hill Nature Reserve on Thetis, and updating the management plans for S'ulhween X'pey/Elder Cedar Nature Reserve and Coats Millstone Nature Reserve on Gabriola Island
- Updating signage, including the creation of educational signs for research at Mt. Trematon Nature Reserve on Lasqueti Island and trail map signage at Lindsay Dickson Nature Reserve on Denman Island.
- Removing exotic invasive species from 14 conservation covenants and/or nature reserves on Salt Spring, Thetis, Lasqueti, Denman, Galiano, and Gabriola Islands
- Planting more than 11,000 plants inside a deer and rabbit proof enclosure, and scattered more than two million native meadow seeds distributed as a part of the Mount Tuam Garry Oak enhancement Project on Salt Spring Island

- Partnering with Capilano University and the Howe Sound Biosphere Region Initiative to provide students with the opportunity to learn species at risk surveying techniques at the Long Bay Wetland Nature Reserve on Cha7élkwnech/Gambier
- Conducting monitoring and surveys for species at risk on 13 ITC properties on seven islands that confirmed the presence of many species at risk, including: Sharp-tailed Snakes, Western Screech-Owls, Little Brown Myotis Bats, and the Endangered Coastal Scouler's Catchfly
- Supporting new eDNA techniques to survey for Sharp-tailed Snakes and forage fish on multiple ITC properties
- Installing nest boxes for at-risk Western Screech-Owls on Link Island
- Conducting wetland restoration at John Osland, Salish View, and Mt Trematon Nature Reserves on Lasqueti Island by planting 721 native plants and installing fencing
- Controlling bullfrogs in the early stages of population establishment/invasion and conducting a pilot study of control techniques for aquatic invader parrot's feather on Sidney Island



HABITAT CONSERVATION
TRUST FOUNDATION

The Islands Trust Conservancy recognizes the Habitat Conservation Trust Foundation for making a significant financial contribution to support work to restore wetlands on Lasqueti and Sidney Islands. Partnerships are key to conserving BC's wildlife, fish, and their habitats.



ITC summer Conservation Technician Devin Hentschel in a pond working to address parrot's feather — an invasive aquatic plant.

Species at Risk (SAR) Program

In the fall of 2020, Islands Trust Conservancy signed a three-year agreement with Environment and Climate Change Canada (ECCC) to deliver a Species at Risk Program (SAR Program) for the Islands Trust Area. The agreement included a financial commitment from ECCC of \$597,000, with \$242,500 allocated to programming in 2021/22.

In 2021/22 Islands Trust Conservancy:

- Hired Wendy Tyrrell in July 2021 as the Species at Risk Program Coordinator to steer this new program
- Hired a summer Conservation Technician (Co-op Student) under the SAR Program who supported projects on properties under the guidance of ITC staff from June-September 2021
- Engaged more than 60 professionals working to protect species and ecosystems at risk in the Salish Sea at a SAR Gathering held on March 17, 2022

[Find more tips and resources for ways you can steward land.](#)

This project was undertaken with the financial support of:
Ce projet a été réalisé avec l'appui financier de :



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada



© Ren Ferguson

Volunteers help to install nest boxes for Western Screech-Owls, a species-at-risk in the Islands Trust Area. CREDIT: REN FERGUSON

Nature Stewardship and Education

In addition to the information we promote on our website, social media, and in the Heron Newsletter, we continue to find ways to actively engage islanders in land stewardship. In 2021/22 this included:

- Sending an outreach letter pack (in partnership with GaLTT) to 123 Gabriola Island residents to inform them of opportunities to care for and protect land with Islands Trust Conservancy
- Supporting Islands Trust in creating a new Nature Stewardships Tips brochure and new property owner mail out for the Islands Trust Area

- Engaging more than 80 covenant landholders across the islands with a covenant landholder newsletter full of ideas and tips for stewarding land
- Developing a brochure with the Salt Spring Island Conservancy to inform the neighbours of McFadden Creek Nature Sanctuary (Salt Spring) about the importance of heron habitat

[Find more tips and resources for ways you can steward land.](#)

Opportunity Fund

The Opportunity Fund provides support for hard-to-fundraise costs associated with land protection and leverages donations through matching funds for land-acquisition campaigns. The disbursement of funds is guided by the Regional Conservation Plan and the Islands Trust Conservancy Board considers applications twice per year.

Islands Trust Conservancy dispensed the following Opportunity Fund grants in 2021/22:

- \$2,500 to the Salt Spring Island Water Preservation Society, which led to the protection of “Larmour Lands”
- \$4,000 to the Denman Conservancy Association, which led to the protection of Pickles Waterfall Wetland / Raven Forest Lands Conservation Area

Thanks to the generosity of late philanthropist Susan Bloom, through the Bloom Canadian Alter Ego Trust, Islands Trust Conservancy was able to add \$100,000 to the Opportunity Fund. Islands Trust Conservancy donors contributed an additional \$6,085 in tax receipted donations to the Opportunity Fund.

We are honored to be entrusted with Susan’s bequest. Careful consideration will be made to ensure that use of these funds is in keeping with her lifelong passion for conservation on the islands in the Salish Sea. At March 31, 2022 the Opportunity Fund had \$114,151 available to grant.

Sunbeam. CREDIT: CARLA FUNK

"Creating a conservation legacy is often about doing what you can with what you have. There are lots of options open to individuals from any financial background when it comes to philanthropy."
— Mark Horne, Q.C., legal adviser

Goal 4: A Strong Voice for Nature Conservation

Continue to build internal and shared organizational strength and resilience to ensure long-term nature conservation in the Islands Trust Area.

Building Internal Capacity

Islands Trust Conservancy brought on additional support for communications work allowing the Communications and Fundraising Specialist to focus more on strategic fund development. We continued to put out the quarterly Heron Newsletter, e-news updates, and news releases, as well as found new ways to grow our audiences on social media. We introduced Hootsuite (an online digital management platform) to help inform a new social media strategy that is being developed in 2022/23.

After a strategic break we re-engaged with followers on Twitter and have seen significant growth in our social media audiences since

CREDIT: KRISTINE MAYES



introducing the Hootsuite platform in scheduling and content to grow our engagement on these platforms so messages reach new and diverse audience December 2021. We have grown organic reach on both platforms and continue to experiment with post scheduling and content to grow our engagement on these platforms so messages reach new and diverse audiences.

ITC's Communications Specialist undertook video training and has since launched a new [YouTube Channel for Islands Trust Conservancy](#), which features in-house video content highlighting our work. We encourage you to view the [Woodpecker Forest Covenant short film](#).

Islands Trust Conservancy continues to dedicate significant time to updating website content and merging its web presence with Islands Trust. A new digital e-reader allows readers to engage fully with the [Heron Newsletter](#), [Impact Report](#) and [Annual Reports](#) online.

Salt Spring Island fauna – snake in water. CREDIT: KRISTINE MAYES



Growing our Fundraising Capabilities

In 2021/22, Islands Trust Conservancy (ITC) strengthened its financial resiliency by working with Trust Council to secure support for an ongoing Strategic Fund Development Specialist position to support our work in 2022/23. In 2021/22, Islands Trust Conservancy's work included:

- Providing Trust Council, ITC Board and ITC staff with workshops on “Building a Culture of Philanthropy” to better understand fund development and how to support it across the organization
- Creating ITC’s first [Impact Report](#) to engage existing and future donors. These were mailed to over 200 Opportunity Fund donors, along with letters of gratitude for their continued support
- Launching legacy giving options on the national [Willpower.ca](#) site to help engage new donors
- Creating a one-page [Donations Guide](#) to assist professional advisors and donors in finding the information required for donation and legacy decisions
- Developing articles highlighting our work in the Thetis Island Nature Conservancy Quarterly Newsletter and the Land Trust Alliance of BC monthly E-newsletter
- Presenting to over 100 wealth managers through Advocis (the Financial Advisors Association of Canada) to promote strategic ways of giving, specific to ITC
- Adding Gifts of Insurance information to the ITC website and investigating ways ITC can offer monthly giving options in the future
- Updating and reviewing the website for ways to improve the donor experience

Building a Network of Partners

Islands Trust Conservancy recognizes that collaboration is the key to conservation efforts succeeding in the Islands Trust Area.

We have worked with 30+ partners to achieve our mission to date and participate in the following partnerships and alliances:

- **Coastal Douglas-fir and Associated Ecosystems Conservation Partnership**

Islands Trust Conservancy staff are members of the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP) Steering Committee and Securement Committee.

- **Land Trust Alliance of British Columbia**

Islands Trust Conservancy is a member of the Land Trust Alliance of British Columbia (LTABC).

- **Capital Region Invasive Species Partnership**

Islands Trust Conservancy joined the Capital Region Invasive Species Partnership (CRISP) in 2019

Islands Trust Conservancy's SAR Gathering – March 2022

Species-at-Risk Program Coordinator, Wendy Tyrrell, helped organize the ITC Species Gathering on March 17, 2022. The full-day virtual event brought together more than 60 individuals from across the islands to discuss issues around addressing species and ecosystems at risk from extinction in the Salish Sea.

The gathering featured a keynote presentation from Ruth Simons of the Howe Sound Biosphere project and presentations on eco-cultural restoration initiatives, new techniques for monitoring species at risk (like e-DNA sampling), and landscape-level collaboration.

Feedback from this group will inform an ongoing workshop series and future gatherings to help enhance partnerships for on-the-ground actions for species/ecosystems at risk and culturally significant species and ecosystems on islands in the Salish Sea.

Those who missed out on the day can check out our [Twitter moment for the day @IslTrustConserv](#).

Looking Ahead

With replenished funds in the Opportunity Fund Grant, Islands Trust Conservancy looks forward to supporting partner conservation organizations in land acquisitions in 2022/23.

With the support and oversight from the ITC Board, staff are prioritizing work that will further our reconciliation efforts and climate change work in 2022/23. We look forward to strengthening existing partnerships and building new ones that will help us keep protecting islands in the Salish Sea for generations to come.

Thank you to all the donors, supporters, partners, and allies who make this work possible. Together, we are creating a conservation legacy that will protect and preserve islands in the Salish Sea for people and nature to thrive for generations to come.

Please consider remembering Islands Trust Conservancy in your will, visit islandstrust.bc.ca/conservancy/how-you-can-help/planning-your-legacy/ to learn more.



CREDIT: KRISTINE MAYES

Local Trust Committees and Bowen Island Municipality

A local trust committee exists for each group of islands designated as a local trust area under the Islands Trust Act, except for Bowen Island, which is an island municipality. Each local trust committee has three members—two locally elected trustees and one Executive Committee member serving as the Chair.

A local trust committee is responsible for land use planning and regulation for its area of jurisdiction. The responsibilities include preparation and adoption of official community plans, land use bylaws, zoning and subdivision bylaws, regulation of soil removal and deposit, and authorization of permits under Part 26 of the *Local Government Act*.

A seven-member council serves the Bowen Island Municipality, which holds broad municipal powers, including land use planning. The community elects two of the municipal councillors to Trust Council.

Ballenas-Winchelsea Islands (Executive) Local Trust Committee

The Executive Committee Acting as a Local Trust Committee (Ballenas-Winchelsea Islands) (EC as LTC (B-W)) held three regular business meetings and one special meeting in the 2021/22 fiscal year, for a total of four meetings.

Work for this period focused on advancing amendments to the Fees Bylaw and Meeting Procedures Bylaw to allow all EC as LTC (B-W) meetings to be electronic when needed.

From April 1, 2021 to March 31, 2022, no development applications were received or processed.

Bowen Island Municipality

Bowen Island Municipality Councillors Sue Ellen Fast and Michael Kaile are the Bowen Island Municipality trustees on Islands Trust Council. Bowen Island Municipality produces its own annual report. During 2021/22, the Islands Trust Executive Committee provided referral comments on two Bowen Island land use bylaw amendments.

Denman Island Local Trust Committee

The Denman Island Local Trust Committee (DEILTC) held four regular business meetings, three special business meetings and one special meeting/Community Information Meeting in the 2021/22 fiscal year, for a total of eight meetings.

Work for this period focused on advancing two bylaw amendment applications for affordable housing projects and reviving the Denman Farm Plan implementation project. The DEILTC was also successful in acquiring Trust Council budget approval to advance an Official Community Plan (OCP)/Land Use Bylaw project in 2022/23 focused on housing.

The DEILTC also amended their Fees Bylaw and Meeting Procedures Bylaw to allow all LTC meetings to be electronic when needed.

From April 1, 2021 to March 31, 2022, staff reviewed 15 siting and use permits, one Crown lease referral, one Agricultural Land Reserve referral, and two subdivision referrals in the Denman Island Local Trust Area for a total of 19 referral reviews.

Gabriola Island Local Trust Committee

The Gabriola Island Local Trust Committee (GBILTC) held seven regular business meetings, one public hearing, and two special business meetings in the 2021/22 fiscal year, for a total of 10 meetings.

Work for this period focused on advancing the GBILTC priority to address the Housing Options and Impacts Review Project.

The GBILTC also advanced bylaws to allow an expansion of community uses and a 24 unit affordable housing proposal.

From April 1, 2021 to March 31, 2022, the GBILTC received and considered applications for four development variance permits, three development permits, two liquor and cannabis board referrals, and three temporary use permits.



From April 1, 2021 to March 31, 2022, The GMILTC received and considered applications for six development variance permits and five development permits.

During the same time period staff also reviewed 16 building permit referrals, four Crown lease referrals, and three subdivision referrals for development proposals in the Gambier Island Local Trust Area.

Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee (HOILTC) held five regular business meetings, one public hearing, one special business meeting, and one special meeting/in camera meeting in the 2021/22 fiscal year, for a total of eight meetings.

Work for this period focused on advancing the HOILTC priorities to address freshwater sustainability, the Hornby Island Official Community Plan, and Land Use Bylaw. The LTC gave three readings to an Official Community Plan Amendment Bylaw and adopted a Land Use Bylaw amendment focused on clarifying the minimum average lot area for subdivision.

The HOILTC also amended their Meeting Procedures Bylaw to allow all LTC meetings to be electronic when needed.

From April 1, 2021 to March 31, 2022, the HOILTC received and considered applications for six development variance permits, three development permits, and one temporary use permit. During the same time period staff also reviewed 16 siting and use permits, one Crown lease referral, and one subdivision referral.

Lasqueti Island Local Trust Committee

The Lasqueti Island Local Trust Committee (LAILTC) held five regular business meetings and one special meeting in the 2021/22 fiscal year, for a total of six meetings.

Work for this period focused on advancing amendments to the Lasqueti Island Official Community Plan. The LAILTC also amended their Meeting Procedures Bylaw to allow all LTC meetings to be electronic when needed.

This year staff reviewed one subdivision referral in the Lasqueti Island Local Trust Area.

Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee (MAILTC) held seven regular business meetings in the 2021/22 fiscal year, as well as one Community Information Meeting, and one special meeting.

Work for this period focused on MAILTC priorities for minor amendments to the Official Community Plan and Land Use Bylaw, and adopting a new Procedures Bylaw to permit electronic meetings. The MAILTC also advanced its priorities of implementing amendments for flexible housing and consideration of a new Fees Bylaw.

From April 1, 2021 to March 31, 2022, the MAILTC received and considered applications for nine development variance permits, two temporary use permits, and considered two rezoning applications.

During the same time period staff also reviewed 28 building permit referrals, two Crown referrals, two subdivision referrals, and five Crown lease referrals.

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North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee (NPILTC) held nine regular business meetings in the 2021/22 fiscal year, as well as two Community Information Meetings and six special meetings.

Work for this period focused on completion of NPILTC priorities to address short term vacation rentals, adopting a new Procedures Bylaw to permit electronic meetings, advancing its priorities of implementing amendments for groundwater sustainability, a multi-year Land Use Bylaw Review, drafting a Soils Bylaw, and adopting a new Fees Bylaw.

From April 1, 2021 to March 31, 2022, the NPILTC received and considered applications for four development variance permits, ten development permits, nine temporary use permits, and two rezoning applications.

During the same time period staff also reviewed 47 building permit referrals and the North Pender Island Board of Variance also considered three applications.

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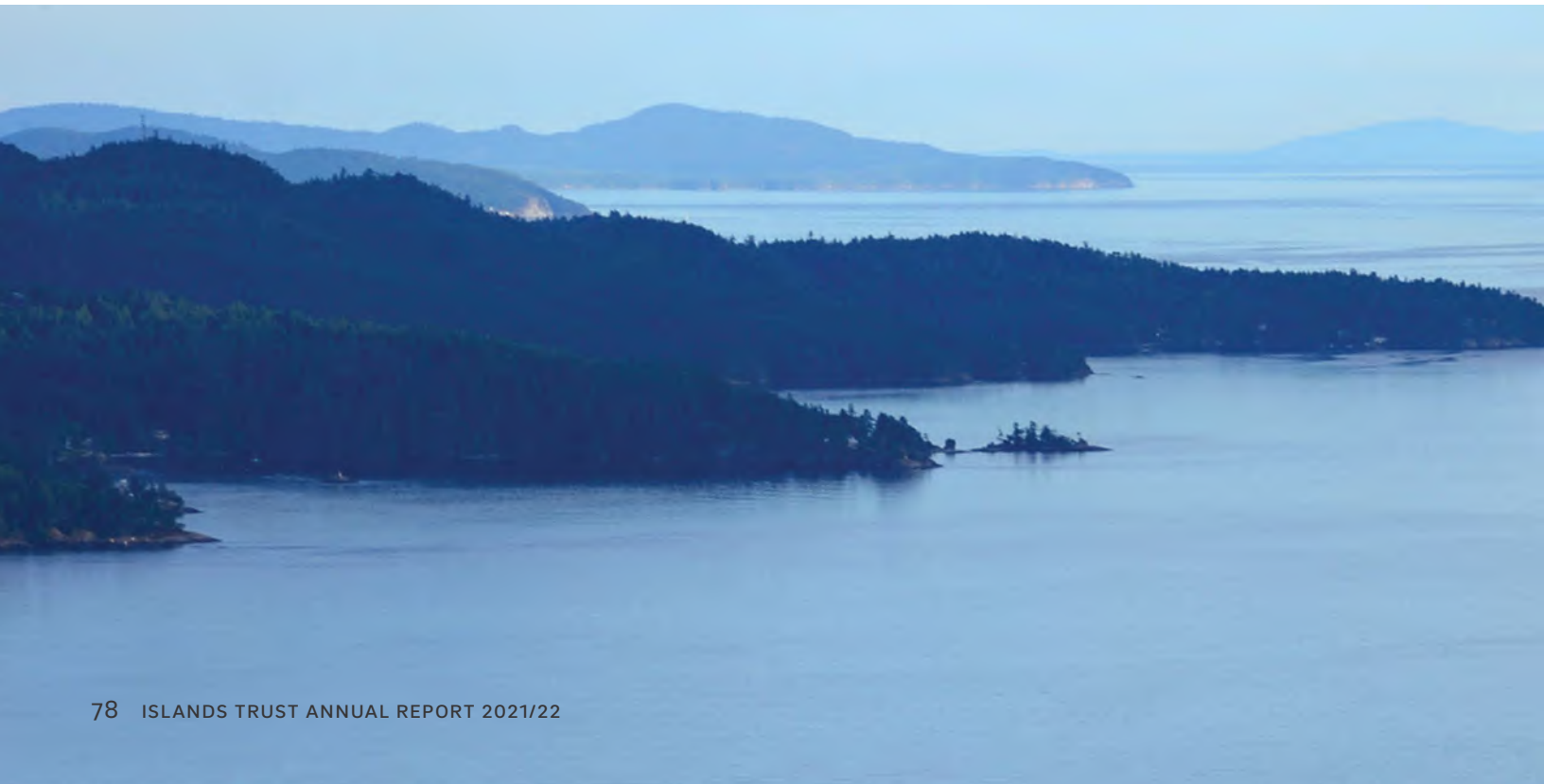
Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee (SSILTC) held 11 regular business meetings in the 2021/22 fiscal year, four special meetings, one Community Information Meeting, and one public hearing. The SSILTC also continued coordinating the Salt Spring Island Watershed Protection Alliance, which had five steering committee meetings, at least four sub-committee meetings, and engaged in various community events.

Work for this period focused on advancing the SSILTC strategic priorities. Initiatives included ensuring freshwater sustainability; protecting the Coastal Douglas-fir and associated ecosystem; increasing meaningful consultation and cooperation with citizens, agencies, and First Nations; and advancing village planning. Housing continues to be a significant challenge for Salt Spring Island.

Key projects included advancing a Ganges Village Local Area Plan and a Housing Action Plan, securing funding to study fire ecology in protected watersheds, providing clarity regarding the content of professional reports required to demonstrate proof of water at the time of subdivision, completing phase 1 of a Watershed Strategic Plan (a situational analysis), and funding a Weston Lake Water Availability Study.

From April 1, 2021 to March 31, 2022, the SSILTC received and considered new applications for one bylaw amendment, 13 development permits, and 26 development variance permits. During the same time, staff reviewed 181 building permit referrals, three liquor and cannabis



board referrals, two Crown lease referrals, four subdivision referrals, and one soil deposit permit.

During this fiscal period, the SSILTC proactively responded to the housing crisis and issues related to the COVID-19 pandemic. The SSILTC amended standing resolutions during the public health emergency and deferred enforcement for all unlawful dwellings except those with specific health and safety concerns.

Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee (SAILTC) held four regular business meetings in the 2021/22 fiscal year.

Work for this period focused on completion of SAILTC priorities to update its Official Community Plan (OCP) to include recognition of First Nations and to amend its OCP and Land Use Bylaw (LUB) to designate and zone National Park Reserve lands. The SAILTC also adopted a new Procedures Bylaw to permit electronic meetings, and advanced its priorities of implementing minor OCP and LUB amendments and adopting a new fees bylaw.

From April 1, 2021 to March 31, 2022, the SAILTC received and considered applications for two development permits.

During the same time period staff also reviewed 12 building permit referrals and one subdivision.

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South Pender Local Trust Committee

The South Pender Island Local Trust Committee (SPILTC) held six regular business meetings in the 2021/22 fiscal year, as well as two special meetings.

Work for this period focused on completion of SPILTC priorities to address short term vacation rentals, alternative housing, adopting a new Procedures Bylaw to permit electronic meetings, advancing its priorities of implementing amendments for Land Use Bylaw amendments, minor OCP amendments, a shoreline review, and adopting a new Fees Bylaw.

From April 1, 2021 to March 31, 2022, the SPILTC received and considered an application for one temporary use permit.

During the same time period staff also reviewed six building permit referrals and the South Pender Island Board of Variance also considered one application.

Thetis Island Local Trust Committee

The Thetis Island Local Trust Committee (THILTC) held five regular business meetings in the 2021/22 fiscal year, one special meeting, and one special in-camera meeting for a total of seven meetings.

From April 1, 2021 to March 31, 2022, the THILTC received and considered an application for one development variance permit. During the same time period, staff also reviewed six building permit referrals, three Crown lease referrals, and one subdivision referral for proposals within the Thetis Island Local Trust Area.

This year, the THILTC gave three readings and forwarded the Riparian Area Protection Regulation Official Community Plan Amendment Bylaw to the Ministry of Municipal Affairs. This submission brings this 11-year amendment process to near completion.

The THILTC also gave concurrence to a Telus communications tower after receiving notification of support from Penelakut First Nation.

Relationship building with Penelakut First Nation continued when the THILTC initiated a Shoreline and Coastal Protection Strategy Project and successfully applied for a UBCM Community to Community Forum grant. The Trustees used the grant funds to organize two boat tours in the Local Trust Area that included members of both the Lyackson and Penelakut First Nations.



Legislative Services – Administrative Fairness and Freedom of Information

The Director of Legislative Services is responsible for the planning, coordination, and control of various functions necessary to carry out the legislative obligations of Islands Trust’s 15 corporate bodies. The Director delivers services to Trust bodies, staff, and the public by providing advice, support, and recommendations on statutory, procedural, or privacy matters. As part of this service, the Director acts as Corporate Records Manager, Freedom of Information and Protection of Privacy Head, and coordinates elections and by-elections.

The Director also oversees the orientation of elected officials and staff training regarding legislative and administrative matters, such as freedom of information and protection of privacy, minute-taking guidelines, and email and records management. Islands Trust policy requires the reporting of the number of administrative fairness complaints received each year. There was one complaint received during the 2021/2022 fiscal period from Salt Spring Island. During this same fiscal year, Islands Trust received 24 requests for records under the Freedom of Information and Protection of Privacy Act. This included two regarding Trust Council activities, plus twelve from Salt Spring Island, three from North Pender Island, two each from Mayne and Hornby Islands, and one each from Gambier, Lasqueti, and Denman Islands.

Bylaw Compliance and Enforcement

During the past year Islands Trust bylaw staff continued to work with Provincial agencies on issues regarding COVID-19, and the challenge of dealing with complaints regarding non-compliance with public health orders. While the volume of complaints was never high within the Islands Trust Area, the level of public concern over the health and safety of community members added unique duties for compliance and enforcement staff. The easing of restrictions in 2022 has been welcome, and bylaw officers have resumed all site inspections that were delayed or prevented by COVID-19 travel restrictions or concerns.

In July, the new bylaw compliance and enforcement officer position was filled, and there is now a bylaw officer assigned as a primary contact for each of the Northern, Southern, and Salt Spring offices and planning teams. This is providing a higher standard of service to interest groups, staff members, and others concerned about contraventions of land use bylaws. The focus of bylaw officers continues to be working towards voluntary compliance in a collaborative manner, and all new staff members attend Justice Institute of British Columbia (JIBC) courses for conflict dispute resolution, negotiations, and mediation.

Concerns regarding short-term vacation rentals and their impacts on local housing remain high. The highest case load is for vacation rentals and unlawful dwellings. These two issues go hand-in-hand as vacation rentals restrict housing supply and alternative housing, and sometimes creative housing solutions are sought by island residents. There has been increased building activity on the islands in general, and there has been an increase in complaints regarding land clearing, tree cutting, and development in environmentally sensitive areas, especially on smaller islands where such activity has been limited or minimal in past years.

Appendix A: Strategic Plan 2018 – 2022



Islands Trust

Strategic Plan 2018-2022

*The Islands Trust Council 2018-2022 Strategic Plan was adopted
December 4, 2019 on Lekwungen treaty and traditional territory, Victoria, British Columbia.
Amended by Trust Council resolution, March 2021.*

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Peter Luckham
Thetis Island Local
Trustee, Chair, Islands Trust



Sue Ellen Fast
Bowen Island Municipal
Trustee, Executive Vice Chair,
Vice Chair, Islands Trust
Conservancy



Laura Patrick
Salt Spring Island Local
Trustee, Executive Vice Chair



Dan Rogers
Gambier Island Local
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Kate-Louise Stamford
Gambier Island Local
Trustee, Chair, Islands Trust
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Trustee, Chair, Trust Programs



Timothy Peterson
Lasqueti Island Local
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Programs



Laura Bushelkin
Denman Island Local
Trustee, Chair, Local Planning



Peter Grove
Salt Spring Island Local
Trustee, Chair, Financial
Planning



Michael Kaile
Bowen Island Municipal
Trustee



Kees Langereis
Gabriola Island Local
Trustee



Jane Wolverson
Galiano Island Local
Trustee



Grant Scott
Hornby Island Local
Trustee



Peter Johnston
Lasqueti Island Local
Trustee



Jeanine Dodds
Mayne Island Local
Trustee



Benjamin McConchie
North Pender Island Local
Trustee



Lee Middleton
Saturna Island Local
Trustee



Cameron Thom
South Pender Island Local
Trustee



Steve Wright
South Pender Island Local
Trustee



Doug Fenton
Thetis Island Local
Trustee

Statement of Trust Council 2018-2022

This plan represents the priorities of Trust Council and the Islands Trust and provides a framework to guide decision-making and allocate resources. It has been informed by island communities through local trust committee and Bowen Island meetings and the election process itself. It is the result of significant research, reporting and debate and best represents what we consider the work that we must do.

The object clause in the *Islands Trust Act* provides our mandate to ‘preserve and protect’ the Trust Area and the Policy Statement remains a primary guide in our goal setting and decision-making. We acknowledge however, that the Policy Statement does not fully contemplate much of what we face. First Nations must be acknowledged. The climate crisis is affecting the environment and our lives. Island demographics have changed. Development pressures are more complex. The marine environment is increasingly at risk from oil tanker traffic, plastic pollution, and industrial uses.

As we are successful in achieving our strategic goals, we will be collaborative leaders in coastal zone management. We will understand the freshwater resources on our islands and make land use decisions accordingly. We will amend our bylaws to maximize our ability to address a changed and changing climate. We will tell people who we are and why we exist and ask for their help in achieving the object of the Islands Trust. We will strive to ensure that we enact the guiding principles of Reconciliation creating mutually respectful and collaborative relationships with First Nations. And finally, - we will work together - as local trustees and as members of Trust Council, to be efficient and effective in what we achieve and to do it with respect and spirit.



David Maude
Mayne Island Local
Trustee, Vice Chair, Local
Planning



Paul Brent
Saturna Island Local
Trustee, Vice Chair, Financial
Planning



David Critchley
Denman Island Local
Trustee



Tahirih Rockafella
Galiano Island Local
Trustee



Alex Allen
Hornby Island Local
Trustee



Scott Colbourne
Gabriola Island Local
Trustee



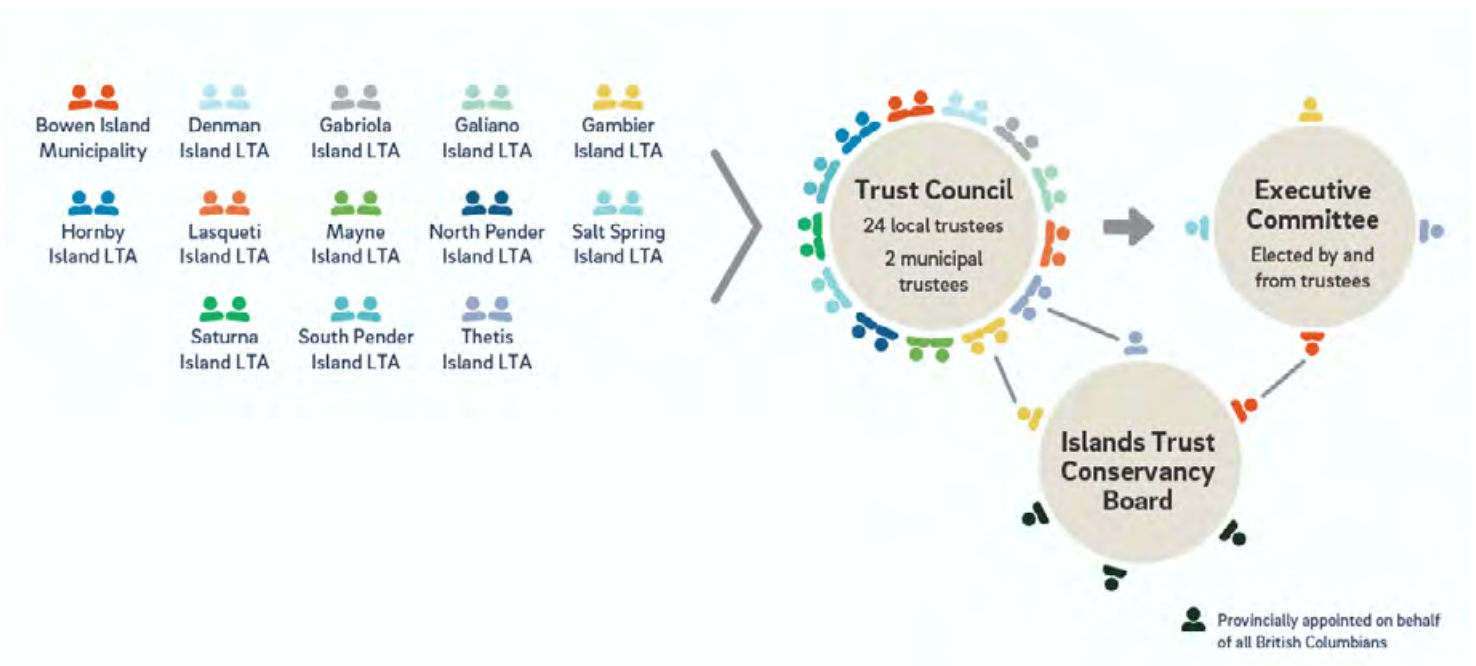
Doug Fenton
Thetis Island Local
Trustee

STRATEGIC PLAN 2018-2022

ISLANDS TRUST COUNCIL 2018-2022

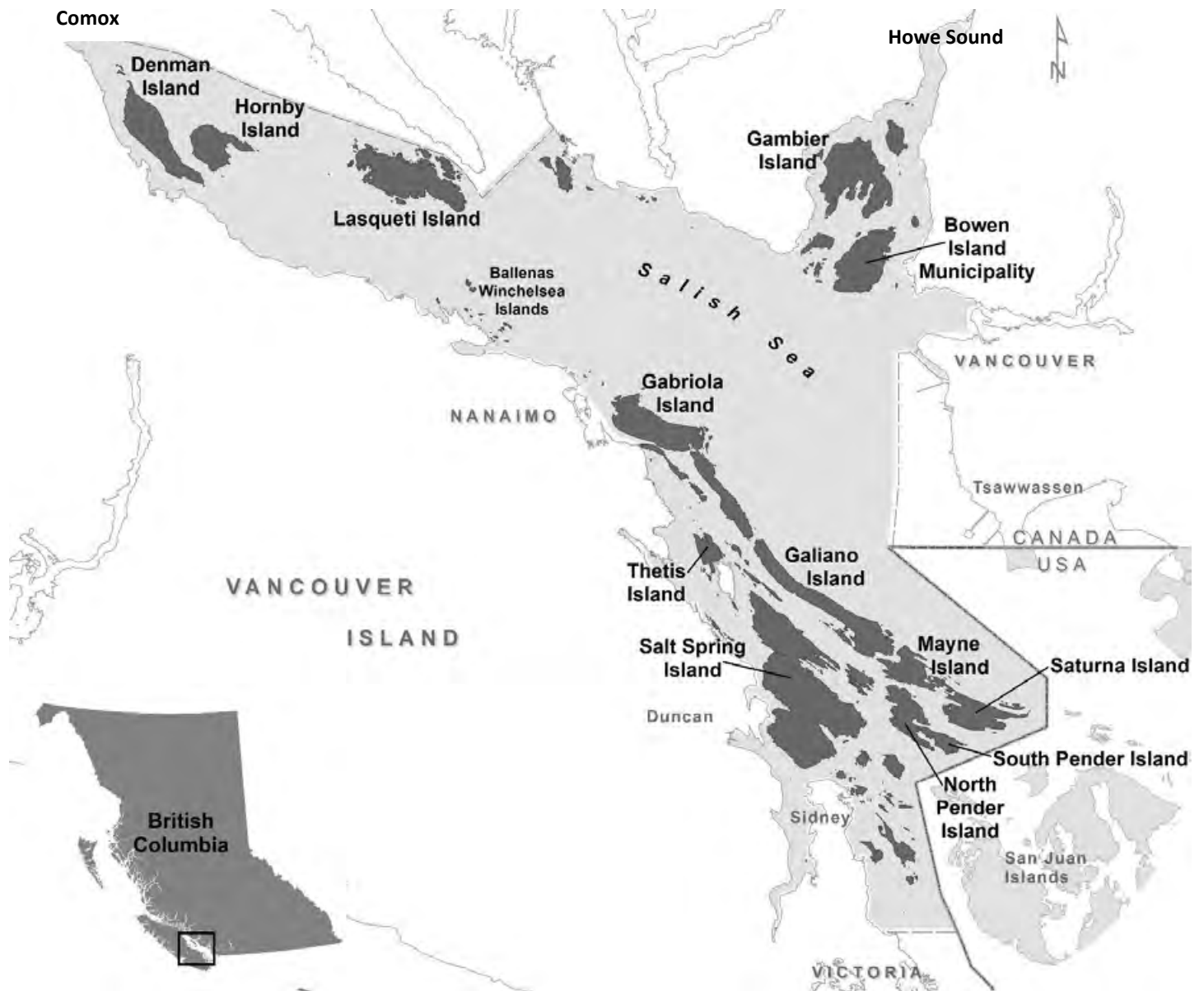
The Islands Trust Council has a unique mandate, to preserve and protect the amenities and environment of the Islands Trust Area, for the benefit of residents and all British Columbians.

Trust Council consists of the 26 locally-elected trustees who also sit on 12 local trust committees and one island municipality. Trust Council meets quarterly to make decisions about the Islands Trust's overall policy, advocacy positions, staff resources and budget. Local trust committees are responsible for land use planning and regulatory decisions that are separate, but complementary to their role at the Islands Trust Council.



THE ISLANDS TRUST AREA

The Islands Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island including Howe Sound and as far north as Comox. This is a unique and special place composed of 13 major islands and more than 450 smaller islands covering approximately 5200 square kilometres.



STRATEGIC PLAN 2018-2022

PURPOSE AND PRINCIPLES OF THE ISLANDS TRUST

OBJECT OF THE ISLANDS TRUST

The Object clause, Section 3 of the Islands Trust Act, provides the purpose of the Islands Trust.

The object of the trust is 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 British Columbia generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the government of British Columbia.

THE POLICY STATEMENT

The Policy Statement is the foundational guiding document of the Islands Trust. It translates the broad goals of the Province and the Islands Trust into specific actions.

The Policy Statement establishes a position or philosophy of Trust Council, directs local trust committees and island municipalities in the Trust Area to address certain matters, or recommends actions to other agencies or to the public.

GUIDING PRINCIPLES

The guiding principles are in the Policy Statement and function to guide Trust Council and the Islands Trust in decision-making and operations.

The primary responsibility of the Islands Trust Council is to provide leadership for the preservation, protection and stewardship of the amenities, environment and resources of the Trust Area.

When making decisions and exercising judgment, Trust Council will place priority on preserving and protecting the integrity of the environment and amenities in the Trust Area.

Trust Council will seek information from a broad range of sources in its decision-making processes, recognizing the importance of local knowledge in this regard.

Trust Council believes that to achieve the Islands Trust object, the rate and scale of growth and development in the Trust Area must be carefully managed and may require limitation.

Trust Council believes that open, consultative public participation is vital to effective decision-making for the Trust Area.

Trust Council will implement a plan for the advancement of the Policy Statement as part of its annual budget process, and the Executive Committee of Trust Council will report to Council on progress in achieving the goals of the Policy Statement.

STRATEGIC PLAN 2018-2022

HOW TO READ THE STRATEGIC PLAN

For the purposes of the Strategic Plan, **Goals, Objectives** and **Strategies** are defined as follows:

GOALS

Goals describe long-term outcomes that are broad and not easily measured. In the context of the Strategic Plan, the primary goals are derived from Parts III, IV and V of the Policy Statement:

1. To foster ecosystem preservation and protection of the Trust Areas ecosystems
2. To ensure that human activity and the scale, rate and type of development in the Trust Area are compatible with maintenance of the integrity of Trust Area ecosystems
3. To sustain island character and healthy communities

Most of the strategic plan objectives and strategies advance these goals. The exceptions relate to emerging issues such as climate change, contemporary community engagement and governance, and First Nations reconciliation, areas the Policy Statement does not fully contemplate.

OBJECTIVES

Objectives are measurable steps to achieve a goal. They are specific and tangible actions that have a medium time frame. They are the heart of the Strategic Plan and where Trust Council most clearly exercises its discretion and governance. In the 2018-2022 Strategic Plan, there are eight objectives to advance the work of the Islands Trust.

STRATEGIES

Strategies represent the actions - or 'means to achievement' - of long-term goals or objectives. They tend to be short-term and may change due to circumstance and opportunity. Staff will recommend strategies to Trust Council to advance its priorities. The Strategic Plan identifies 28 strategies that will require resources, time and effort over the course of the 2018-2022 term.

IMPLEMENTATION

The Strategic Plan is supported by an Implementation Plan, which identifies costs, implications to the five-year Financial Plan and staff resources. The Implementation Plan also schedules the Strategic Plan work over the course of the term and identifies performance targets for each objective.

In developing the 2018-2022 Strategic Plan, Trust Council considered many issues, projects and challenges and in the end identified the following areas as most important: **Land Stewardship, Marine and Freshwater Stewardship, Climate Change, Community and Communication, and Governance**. Each of these is detailed in the pages that follow.



STRATEGIC PLAN 2018-2022

1. LAND STEWARDSHIP

OBJECTIVE

Preserve, protect and advocate for forest and terrestrial ecosystems

STRATEGY

- 1.1. Map contiguous tracks of the Coastal Douglas fir zone (CDF) and associated ecosystems to aid in protection of that zone and its associated ecosystems.
- 1.2. Create a model development permit for Local Trust Committee-Bowen Island Official Community Plans bylaws to protect Coastal Douglas fir zones throughout the Trust Area.
- 1.3. Amend legislation to increase the percentage of the Natural Area Protection Tax Exemption Program (NAPTEP) to act as an incentive for the protection of forest cover for climate change mitigation and adaptation in the Islands Trust Area.
- 1.4. Create forestry initiatives including establishment of development permit areas, tree cutting authority advocacy, enforcement of development permits related to forestry and advocacy associated with the *Private Managed Forest Land Act*.



STRATEGIC PLAN 2018-2022

2. MARINE AND FRESHWATER STEWARDSHIP

OBJECTIVE

STRATEGY

To preserve and protect marine ecosystems

2.1. Advocate to minimize the impact of commercial activities on the marine environment and participate in Canada's Southern Resident Killer Whale (SRKW) recovery plan.

2.2. Map the extent of eelgrass and kelp beds throughout the Trust Area.

2.3. Undertake a review of Local Trust Committee-Bowen Islands Municipality foreshore policies and regulatory bylaws and develop model policy and regulatory bylaws for the protection of the foreshore and nearshore.

Protect quality and quantity of fresh water resources of the Trust Area

2.4. Develop a regional freshwater management strategy that addresses responsibilities under the Water Sustainability Act, identifies water resources throughout the Trust Area, integrates water resource management into land use decision-making, and accounts for the impacts of climate change on island water resources.

2.5. Map and develop water budgets for groundwater aquifers in the Trust Area.

2.6. Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling.



STRATEGIC PLAN 2018-2022

3. CLIMATE CHANGE

OBJECTIVE

Mitigate and adapt to climate change impacts

STRATEGY

- 3.1. Amend the Islands Trust Policy Statement to add climate change mitigation, adaptation and resiliency policies.
- 3.2. Amend Official Community Plans and land use bylaws to foster climate change resilience, including measures to protect Coastal Douglas fir, foreshore and nearshore environments and groundwater.
- 3.3. Develop i) a set of climate change, demographic and environmental data and ii) performance criteria in order to identify the effects of climate change in the Trust Area and to measure mitigation and adaption efforts.



STRATEGIC PLAN 2018-2022

4. COMMUNITY AND COMMUNICATION

OBJECTIVE

STRATEGY

Improve community engagement and participation in Islands Trust work

- 4.1. Develop the capacity to broadcast public meetings of Local Trust Committees, Council Committees and Trust Council.
- 4.2. Develop a new website and initiate a social media program.
- 4.3. Develop and implement a stewardship education program directed towards the public, industry and stakeholders in the Trust Area.

Strengthen housing affordability throughout the Islands Trust Area

- 4.4. Implement the following high priority actions outlined in the Affordable Housing in the Trust Area: Strategic Actions for Islands Trust previously referred by Trust Council.
 - i. Review the Islands Trust Policy statement and give consideration to: a) giving affordable housing a greater profile for its role in sustainable communities b) including a reference to affordable housing in its policy direction to LTCs and municipalities.
 - ii. Review the Islands Trust Policy statement to ensure that it: a) includes clear and well-thought out definition of 'affordability' b) includes clearly articulated vision, goal and objectives for affordable housing c) gives affordable housing a greater profile for its role in sustainable communities d) includes a reference to affordable housing in its policy direction to LTCs and municipalities.
 - iii. Develop model bylaws that use floor area ratio as a density metric for consideration of implementation in local trust area land use bylaws.

- iv. Develop model density bonus bylaws for consideration of implementation in local trust area land use bylaws.
- v. Develop model bylaws to address the use of building stratas as a tool for affordable housing.

Strengthen relations with First Nations

- 4.5. Adopt a Reconciliation Declaration.
- 4.6. Adopt and implement a Reconciliation Action Plan.
- 4.7. Develop a Trust Area-wide archaeological impact strategy and establish a Cultural Working Group.
- 4.8. Develop heritage preservation overlay mapping for the Trust Area and model heritage regulatory bylaws for protection of potential heritage and cultural sites.

STRATEGIC PLAN 2018-2022

5. GOVERNANCE

OBJECTIVE

To improve and modernize the ability of the Islands Trust to regulate land use activity and work with others

STRATEGY

- 5.1. Amend the *Islands Trust Act* or other legislation to:
 - i. Allow for entry warrants
 - ii. Grant authority to use municipal ticketing for development permit enforcement
 - iii. Enable adoption of development approval information bylaws by local trust committee
 - iv. Add First Nations to the list of bodies with whom the Trust works in cooperation
 - v. Enable delegation to staff the issuance of development permits
 - vi. Clarify foreshore zoning authority
- 5.2. Provide a secretariat role to forums within the Trust Area.
- 5.3. Undertake a Governance and Management Review.
- 5.4. Implement a Trust Council Policy analysis, review and amendment of deemed top priorities for consideration and approval by Trust Council.
- 5.5. Request additional funding from the Province.
- 5.6. Amend the Policy Statement introductory and definitions sections.
- 5.7. Determine if additional changes to the Policy Statement are desired by Trust Council.

To amend the Policy Statement



Appendix B: Islands Trust Financial Statements

Financial Statements of

ISLANDS TRUST

Year ended March 31, 2022

ISLANDS TRUST

Financial Statements

Year ended March 31, 2022

Financial Statements

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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, Administrative Services



KPMG LLP
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800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at March 31, 2022
- 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, 2022, 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
June 22, 2022

ISLANDS TRUST

Statement of Financial Position

March 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Financial assets: | | |
| Cash and cash equivalents (note 2) | \$ 3,558,169 | \$ 4,806,743 |
| Accounts receivable | 192,573 | 208,046 |
| Investments (note 3) | 1,202,607 | - |
| | <u>4,953,349</u> | <u>5,014,789</u> |
| Liabilities: | | |
| Accounts payable and accrued liabilities | 900,909 | 776,043 |
| Wages and benefits payable | 1,450,243 | 1,418,674 |
| Deferred revenue | 203,591 | 159,144 |
| Employee benefit obligations (note 4) | 281,672 | 251,349 |
| Obligations under capital leases (note 5) | 18,071 | 31,555 |
| Cost recovery deposits (note 13(b)) | 763 | 19,290 |
| | <u>2,855,249</u> | <u>2,656,055</u> |
| Net financial assets | 2,098,100 | 2,358,734 |
| Non-financial assets: | | |
| Tangible capital assets (note 6) | 286,953 | 403,190 |
| Prepaid expenses | 178,779 | 165,919 |
| | <u>465,732</u> | <u>569,109</u> |
| Commitments (note 11) | | |
| Contingent liabilities (note 12) | | |
| Accumulated surplus (note 7) | <u>\$ 2,563,832</u> | <u>\$ 2,927,843</u> |

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

Approved by the Trust Council:



Peter Luckham, Trust Council Chair



Peter Grove, Audit Committee Chair

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

| | Budget (note 9) | 2022 | 2021 |
|--|--------------------|--------------|--------------|
| Revenue: | | | |
| Property tax - general | \$ 7,079,771 | \$ 7,079,772 | \$ 6,783,141 |
| Property tax levy - Bowen Island municipality | 311,188 | 311,188 | 303,026 |
| Property tax - special requisition | 75,500 | 75,500 | 75,500 |
| Government transfers (note 8) | 563,000 | 690,627 | 397,000 |
| Fees and sales | 120,000 | 117,488 | 168,378 |
| Interest income | 60,000 | 11,914 | 22,054 |
| Other income | 8,000 | 33,779 | 3,688 |
| Total revenue | 8,217,459 | 8,320,268 | 7,752,787 |
| Expenses (note 10): | | | |
| Council services | 1,276,897 | 1,373,658 | 1,165,825 |
| Local trust committee services | 6,679,688 | 6,176,850 | 5,602,994 |
| Trust conservancy services (note 13) | 1,103,334 | 1,133,771 | 939,048 |
| Total expenses | 9,059,919 | 8,684,279 | 7,707,867 |
| Annual surplus (deficit) | (842,460) | (364,011) | 44,920 |
| Accumulated surplus, beginning of year | 2,927,843 | 2,927,843 | 2,882,923 |
| Accumulated surplus, end of year | \$ 2,085,383 | \$ 2,563,832 | \$ 2,927,843 |

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

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

| | Budget (note 9) | 2022 | 2021 |
|---|--------------------|--------------|--------------|
| Annual surplus (deficit) | \$ (842,460) | \$ (364,011) | \$ 44,920 |
| Acquisition of tangible capital assets | (33,200) | (66,514) | (85,982) |
| Acquisition of leased tangible capital assets | - | - | (4,687) |
| Amortization of tangible capital assets | 140,000 | 182,751 | 188,760 |
| | (735,660) | (247,774) | 143,011 |
| Acquisition of prepaid expenses | - | (12,860) | (15,083) |
| Change in net financial assets | (735,660) | (260,634) | 127,928 |
| Net financial assets, beginning of year | 2,358,734 | 2,358,734 | 2,230,806 |
| Net financial assets, end of year | \$ 1,623,074 | \$ 2,098,100 | \$ 2,358,734 |

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

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus (deficit) | \$ (364,011) | \$ 44,920 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 182,751 | 188,760 |
| Changes in non-cash operating assets and liabilities: | | |
| Accounts receivable | 15,473 | 35,507 |
| Wages and benefits payable | 31,569 | 100,655 |
| Accounts payable and accrued liabilities | 124,866 | 328,783 |
| Deferred revenue | 44,447 | 126,757 |
| Employee benefit obligations | 30,323 | 61,568 |
| Cost recovery deposits | (18,527) | 15,261 |
| Prepaid expenses | (12,860) | (15,083) |
| Net change in cash from operating activities | 34,031 | 887,128 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (66,514) | (85,982) |
| Investing activities: | | |
| Redemption of (purchase of) investments | (1,202,607) | 2,930,428 |
| Financing activities: | | |
| Principal payments on obligations under capital leases | (13,484) | (16,859) |
| Change in cash and cash equivalents | (1,248,574) | 3,714,715 |
| Cash and cash equivalents, beginning of year | 4,806,743 | 1,092,028 |
| Cash and cash equivalents, end of year | \$ 3,558,169 | \$ 4,806,743 |
| Supplemental cash flow information: | | |
| Assets acquired under capital lease | \$ - | \$ 4,687 |

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

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

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 changes 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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

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:

| | 2022 | 2021 |
|-----------------------|---------------------|---------------------|
| Bank account balances | \$ 1,962,503 | \$ 4,806,743 |
| GICs | 1,595,666 | - |
| | <u>\$ 3,558,169</u> | <u>\$ 4,806,743</u> |

3. Investments:

At March 31, 2022, investments consisted of guaranteed investment certificates with a cost plus accrued interest that approximated market value. The stated interest rates ranged from 1.55% to 1.68% with maturity dates in February 2023.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

4. Employee benefit obligations:

| | 2022 | 2021 |
|-----------------------|-------------------|-------------------|
| Vacation pay | \$ 230,882 | \$ 206,998 |
| Compensatory time off | 50,790 | 44,351 |
| | <u>\$ 281,672</u> | <u>\$ 251,349</u> |

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 trustee 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, 2021, the plan has about 68,000 active members and approximately 52,000 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 \$382,903 (2021 - \$350,126) for employer contributions to the plan in fiscal 2022.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

5. Obligations under capital leases:

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

| | |
|---|-----------|
| 2023 | \$ 15,446 |
| 2024 | 4,166 |
| 2025 | 1,056 |
| 2026 | - |
| Total minimum lease payments | 20,668 |
| Less amounts representing interest (at rates ranging from 4.70% to 5.20%) | 2,597 |
| Present value of net minimum capital lease payments | \$ 18,071 |

Interest of \$1,962 (2021 - \$2,366) 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 2022 | Total 2021 |
|----------------------------------|-----------------------|-------------------------------|------------|---------------------------|---------------|---------------|
| Cost: | | | | | | |
| Balance, beginning of year | \$ 10,000 | \$ 249,026 | \$ 352,786 | \$ 386,975 | \$ 998,787 | \$ 913,331 |
| Additions | - | - | 66,514 | - | 66,514 | 90,669 |
| Disposals | - | - | (103,431) | - | (103,431) | (5,213) |
| Balance, end of year | 10,000 | 249,026 | 315,869 | 386,975 | 961,870 | 998,787 |
| Accumulated amortization: | | | | | | |
| Balance, beginning of year | 10,000 | 180,046 | 251,773 | 153,778 | 595,597 | 412,050 |
| Additions | - | 32,085 | 73,486 | 77,180 | 182,751 | 188,760 |
| Disposals | - | - | (103,431) | - | (103,431) | (5,213) |
| Balance, end of year | 10,000 | 212,131 | 221,828 | 230,958 | 674,917 | 595,597 |
| Net book value, end of year | \$ - | \$ 36,895 | \$ 94,041 | \$ 156,017 | \$ 286,953 | \$ 403,190 |

Contributed tangible capital assets:

There were no contributed assets received during 2022 or 2021.

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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

6. Tangible capital assets (continued):

Included in tangible capital assets is assets under capital leases with a net book value of \$18,071 (2021 - \$31,790).

7. Accumulated surplus:

Accumulated surplus consists of:

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Invested in tangible capital assets | \$ 268,882 | \$ 371,636 |
| General Revenue Fund | 2,091,376 | 2,370,288 |
| Local Trust Committee Project Specific Reserve Fund | 105,867 | 92,889 |
| Special property tax requisition fund | 97,707 | 93,030 |
| | <u>\$ 2,563,832</u> | <u>\$ 2,927,843</u> |

8. Government transfers:

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

| | 2022 | 2021 |
|-----------------------------|-------------------|-------------------|
| Provincial operating grant | \$ 180,000 | \$ 180,000 |
| Provincial restricted grant | 248,618 | 30,000 |
| Federal restricted grant | 242,500 | 187,000 |
| Other | 19,509 | - |
| | <u>\$ 690,627</u> | <u>\$ 397,000</u> |

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

9. Budget data:

The budget data presented in these financial statements is based upon the 2022 operating budget approved by Trust Council on April 20, 2021. The following reconciles the approved budget to the budget figures reported in these financial statements.

| | Budget amount |
|---------------------------------|---------------|
| Operating budget: | |
| Revenue | \$ 8,875,119 |
| Less appropriation from surplus | (657,660) |
| | 8,217,459 |
| Expenses | 8,875,119 |
| Plus amortization expense | 218,000 |
| | 9,093,119 |
| Annual deficit | \$ (875,660) |

10. Classification of expenses by object:

| | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| Staff salaries and benefits | \$ 5,342,092 | \$ 4,848,823 |
| Traveling/training and recruitment | 68,321 | 46,386 |
| Council and trustee costs | 798,765 | 743,057 |
| Office operations | 1,001,408 | 972,074 |
| Programs | 1,035,255 | 597,481 |
| Legal | 255,687 | 311,286 |
| Amortization | 182,751 | 188,760 |
| | \$ 8,684,279 | \$ 7,707,867 |

11. Commitments:

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

| | |
|------|------------|
| 2023 | \$ 304,685 |
| 2024 | 241,568 |
| 2025 | 117,642 |
| 2026 | - |
| 2027 | - |

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2022

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. The Conservancy's Board is comprised of three members from Trust Council and up to three members appointed by the Minister of Municipal Affairs.

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. Amounts owing from the Conservancy were \$88,174 (2021 - \$81,598).

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:

| | 2022 | 2021 |
|------------------------------------|---------------------|-------------------|
| Operations and Property Management | \$ 876,595 | \$ 701,124 |
| Board | 8,503 | 5,378 |
| Administration | 248,673 | 232,547 |
| | <u>\$ 1,133,771</u> | <u>\$ 939,049</u> |

(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:

| | 2022 | 2021 |
|-------------------------------|-----------|-----------|
| Cash received during the year | \$ 15,796 | \$ 32,550 |
| Cash paid during the year | 34,323 | 17,289 |

The net payable from development applicants of \$763 (2021 - \$19,290) is included in cost recoveries on the statement of financial position.



Appendix C: Islands Trust Conservancy Financial Statements

Financial Statements of

**THE ISLANDS TRUST
CONSERVANCY**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Trustees of The Islands Trust Conservancy Board, the Trustees of Islands Trust and the Minister of Municipal Affairs

Opinion

We have audited the financial statements of the Islands Trust Conservancy (the Entity) which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in fund balances 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, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our auditors' report, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations, its changes in fund balances and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2022 and March 31, 2021
- the donations revenues and excess of revenues over expenses reported in the statements of operations for the years ended March 31, 2022 and March 31, 2021
- the fund balances, at the beginning and end of the year, reported in the statements of changes in fund balances for the years ended March 31, 2022 and March 31, 2021

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG (Canada) provides services to KPMG LLP.

- the excess of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2022 and March 31, 2021.

Our opinion on the financial statements for the year ended March 31, 2021 was qualified accordingly because of the possible effects of this limitation in scope.

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 the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 the Entity 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
May 24, 2022

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

March 31, 2022, with comparative information for 2021

| | Opportunity Fund | Restricted Fund | Capital Fund | Endowment Fund | 2022 Total | 2021 Total (Schedule 1) |
|--|---------------------|--------------------|-----------------|-------------------|---------------|-------------------------------|
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash | \$ 114,230 | \$ 180,481 | \$ - | \$ - | \$ 294,711 | \$ 364,174 |
| Short-term investments (note 2) | - | 181,633 | - | 88,000 | 269,633 | 277,225 |
| Grants receivable | - | 31,950 | - | - | 31,950 | 53,500 |
| | 114,230 | 394,064 | | 88,000 | 596,294 | 694,899 |
| Investments | - | 167,750 | - | - | 167,750 | - |
| Land (notes 3 and 5) | - | - | 14,137,100 | 3,076,601 | 17,213,701 | 17,213,701 |
| | \$ 114,230 | \$ 561,814 | \$ 14,137,100 | \$ 3,164,601 | \$ 17,977,745 | \$ 17,908,600 |
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Due to Islands Trust | \$ - | \$ 88,174 | \$ - | \$ - | \$ 88,174 | \$ 81,598 |
| Fund Balances: | | | | | | |
| Unrestricted | 114,230 | - | - | - | 114,230 | 15,754 |
| Investment in land (note 3) | - | - | 14,137,100 | - | 14,137,100 | 10,327,169 |
| Internally restricted (note 4) | - | 32,043 | - | - | 32,043 | 35,632 |
| Externally restricted (note 4) | - | 441,597 | - | - | 441,597 | 473,915 |
| Restricted for endowment purposes (note 5) | - | - | - | 3,164,601 | 3,164,601 | 6,974,532 |
| | 114,230 | 473,640 | 14,137,100 | 3,164,601 | 17,889,571 | 17,827,002 |
| Subsequent event (note 9) | | | | | | |
| | \$ 114,230 | \$ 561,814 | \$ 14,137,100 | \$ 3,164,601 | \$ 17,977,745 | \$ 17,908,600 |

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

Approved by the Islands Trust Conservancy Board:



Board member



Board member

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

| | Opportunity Fund | Restricted Fund | Capital Fund | Endowment Fund | 2022 Total | 2021 Total |
|---|---------------------|--------------------|-----------------|-------------------|---------------|---------------|
| | | | | | | (Schedule 2) |
| Revenue: | | | | | | |
| Donations: | | | | | | |
| Cash | \$ 104,847 | \$ 2,700 | \$ - | \$ - | \$ 107,547 | \$ 16,963 |
| Land | - | - | - | - | - | 3,023,000 |
| Grants | - | 280,704 | - | - | 280,704 | 207,144 |
| Rental income | - | 10,455 | - | - | 10,455 | 10,455 |
| Investment income (loss) | 250 | (6,587) | - | - | (6,337) | 28,980 |
| | 105,097 | 287,272 | - | - | 392,369 | 3,286,542 |
| Expenses: | | | | | | |
| Repairs and maintenance - Alton property | - | 21,788 | - | - | 21,788 | 9,108 |
| Property management | - | 4,880 | - | - | 4,880 | - |
| Bank charges | 121 | 11 | - | - | 132 | 110 |
| Grants to external parties | 6,500 | 15,500 | - | - | 22,000 | 9,994 |
| Species at Risk | - | 242,500 | - | - | 242,500 | 187,000 |
| Conservation Stimulus | - | 38,500 | - | - | 38,500 | - |
| | 6,621 | 323,179 | - | - | 329,800 | 206,212 |
| Excess (deficiency) of revenue over expenses | \$ 98,476 | \$ (35,907) | \$ - | \$ - | \$ 62,569 | \$ 3,080,330 |

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

THE ISLANDS TRUST CONSERVANCY

Statement of Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

| | Opportunity Fund | Restricted Fund | Capital Fund | Endowment Fund | Total |
|--|------------------|-----------------|---------------|----------------|---------------|
| Fund balances, March 31, 2020 | \$ 21,731 | \$ 446,240 | \$ 7,624,169 | \$ 6,654,532 | \$ 14,746,672 |
| Excess (deficiency) of revenue over expenses | 6,023 | 51,307 | 2,703,000 | 320,000 | 3,080,330 |
| Interfund transfer (note 6) | (12,000) | 12,000 | - | - | - |
| Fund balances, March 31, 2021 | 15,754 | 509,547 | 10,327,169 | 6,974,532 | 17,827,002 |
| Excess (deficiency) of revenue over expenses | 98,476 | (35,907) | - | - | 62,569 |
| Interfund transfer (note 6) | - | - | 3,809,931 | (3,809,931) | - |
| Fund balances, March 31, 2022 | \$ 114,230 | \$ 473,640 | \$ 14,137,100 | \$ 3,164,601 | \$ 17,889,571 |

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

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | \$ 62,569 | \$ 3,080,330 |
| Item not involving cash: | | |
| Donation of land | - | (3,023,000) |
| Changes in non-cash operating working capital: | | |
| Accounts payable | - | (3,715) |
| Grants receivable | 21,550 | (53,500) |
| Due to Islands Trust | 6,576 | 81,789 |
| | <u>90,695</u> | <u>81,904</u> |
| Investing activities: | | |
| Decrease (increase) in short-term investments | 7,592 | (27,792) |
| Redemption (purchase) of investments | (167,750) | 113,155 |
| | <u>(160,158)</u> | <u>85,363</u> |
| Increase (decrease) in cash | (69,463) | 167,267 |
| Cash, beginning of year | 364,174 | 196,907 |
| Cash, end of year | <u>\$ 294,711</u> | <u>\$ 364,174</u> |

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

The Islands Trust Conservancy (the “Trust Conservancy”) is incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of The Islands Trust and to hold land and other property in compliance with a Trust Conservancy plan approved by the Ministry of Municipal Affairs.

The Islands Trust Council (the “Trust”) is also incorporated under The Islands Trust Act of British Columbia. 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.

The Trust Conservancy is administered by the Trust and for financial reporting purposes, the Trust and the Trust Conservancy are reported on separately. The Trust Conservancy’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Conservancy.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations:

(a) Fund accounting:

The Trust Conservancy follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Trust Conservancy’s capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. During the years presented, there are no unrealized gains and losses, and as a result, no statement of remeasurement gains and losses has been included in these financial statements. All investments held by the Trust Conservancy are classified as Level 2 investments for fair value measurement and there were no changes in classification in the years presented.

(c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

(d) Revenue recognition:

Restricted contributions are recorded as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recorded as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recorded in the Restricted Fund. Interest income of internally restricted funds is recorded as revenue of the Restricted Fund. Other interest income is recorded as revenue of the Opportunity Fund when earned.

All other forms of income are recorded as revenue of the Opportunity Fund when received or receivable.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(e) 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 Conservancy 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.

(f) Natural assets:

The Trust Conservancy is fortunate to have, and to be mandated to protect, many natural assets in the Island 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 Conservancy acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure that is managed by other government agencies.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Estimates include assumptions used in estimating the fair value of contributed land at the date of contribution. Actual results could differ from those estimates.

2. Short-term investments:

Short-term investments consist of an endowment fund with the Victoria Foundation and Municipal Finance Authority of British Columbia ("MFA") Short Term Bond and Money Market Funds. Investments in MFA Funds are recorded at market value.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

3. Land:

| | Acquisition year | 2022 | 2021 |
|---|---------------------|---------------|---------------|
| Inner Island Nature Reserve, Denman Island | 1992 | \$ 70,000 | \$ 70,000 |
| Coats Millstone Reserve, Gabriola Island | 1994 | 100,000 | 100,000 |
| E,HO, (Medicine Beach) Nature Sanctuary, North Pender Island | 1996 | 477,000 | 477,000 |
| Cunningham Nature Reserve, Salt Spring Island | 1994 | 265,000 | 265,000 |
| Deep Ridge Nature Reserve, Salt Spring Island | 1992 | 255,000 | 255,000 |
| Lower Mt. Erskine Nature Reserve, Salt Spring Island | 1996 | 284,000 | 284,000 |
| Kwel Nature Sanctuary, Lasqueti Island | 1997 | 195,497 | 195,497 |
| Singing Woods Nature Reserve, Bowen Island | 1999 | 157,000 | 157,000 |
| Trincomali Nature Sanctuary, Galiano Island | 2001 | 242,406 | 242,406 |
| Horton Bayviary Nature Reserve, Mayne Island | 2002 | 210,000 | 210,000 |
| Morrison Marsh Nature Reserve, Denman Island | 2006 | 438,000 | 438,000 |
| Brigade Bay Bluffs Nature Reserve, Gambier Island | 2006 | 150,000 | 150,000 |
| Long Bay Wetland Nature Reserve, Gambier Island | 2006 | 305,000 | 305,000 |
| S'ul-hween X'pey (Elder Cedar) Nature Reserve, Gabriola Island | 2007 | 658,000 | 658,000 |
| Mount Artaban Nature Reserve, Gambier Island | 2009 | 1,177,000 | 1,177,000 |
| Fairy Fen Nature Reserve, Bowen Island | 2011 | 1,817,000 | 1,817,000 |
| Laughlin Lake Nature Reserve, Galiano Island | 2013 | 56,000 | 56,000 |
| Vanilla Leaf Land Nature Reserve, Galiano Island | 2014 | 217,000 | 217,000 |
| Fairyslipper Forest Nature Reserve, Thetis Island | 2017 | 550,266 | 550,266 |
| Sandy Beach Nature Reserve, Keats Island | 2021 | 2,703,000 | 2,703,000 |
| | | 10,327,169 | 10,327,169 |
| Properties acquired under the Federal Government Ecological Gifts Program: | | | |
| Mt. Trematon Nature Reserve, Lasqueti Island | 2006 | 320,000 | - |
| David Otter Nature Reserve, Bowen Island | 2007 | 620,000 | - |
| John Osland Nature Reserve, Lasqueti Island | 2012 | 890,000 | - |
| Valens Brook Nature Reserve Lot A, Denman Island | 2013 | 280,000 | - |
| Burren's Acres Nature Reserve, Gabriola Island | 2014 | 210,000 | - |
| Moore Hill Nature Reserve, Thetis Island | 2017 | 780,000 | - |
| Valens Brook Nature Reserve Lot 1, Denman Island | 2019 | 85,000 | - |
| Salish View Nature Reserve, Lasqueti Island | 2020 | 304,931 | - |
| Lisa Baile Nature Reserve, North Pender Island | 2021 | 320,000 | - |
| | | 3,809,931 | - |
| | | \$ 14,137,100 | \$ 10,327,169 |

In 2022, a transfer of \$3,809,931 from the Endowment Fund to the Capital Fund was made, reflecting the value of lands historically received under the Ecological Gift Program. The Conservancy has a 99 year lease with BC Parks Foundation to manage Lands owned by the Foundation as a Nature Reserve.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

4. Restricted Fund balances:

| | 2022 | 2021 |
|---|------------|------------|
| Internally restricted: | | |
| McFadden Creek management fund | \$ 21,393 | \$ 23,632 |
| Property Management fund | 10,650 | 12,000 |
| | 32,043 | 35,632 |
| Externally restricted: | | |
| Alton Nature Reserve - maintenance fund | 156,758 | 160,128 |
| Morrison Fund | 14,809 | 20,294 |
| Covenant Defense Fund | 115,790 | 115,273 |
| Lasqueti Acquisition Fund | 27,541 | 35,304 |
| Gambier Acquisition Fund | 125,398 | 129,121 |
| Thetis Island Acquisition Fund | 1,301 | 1,295 |
| Conservation Stimulus Fund | - | 12,500 |
| | 441,597 | 473,915 |
| | \$ 473,640 | \$ 509,547 |

5. Restricted for endowment purposes:

| | Acquisition year | 2022 | 2021 |
|---|---------------------|--------------|--------------|
| Short-term investments | | | |
| Alton Nature Reserve - maintenance | 2002 | \$ 88,000 | \$ 88,000 |
| Land: | | | |
| Lindsay Dickson Nature Reserve, Denman Island | 2001 | 2,200,000 | 2,200,000 |
| Alton Nature Reserve, Salt Spring Island | 2002 | 454,000 | 454,000 |
| McFadden Creek Nature Sanctuary, Salt Spring Island | 2015 | 422,601 | 422,601 |
| Properties acquired under the Federal Government Ecological Gifts program: | | | |
| Mt. Trematon Nature Reserve, Lasqueti Island | 2006 | - | 320,000 |
| David Otter Nature Reserve, Bowen Island | 2007 | - | 620,000 |
| John Osland Nature Reserve, Lasqueti Island | 2012 | - | 890,000 |
| Valens Brook Nature Reserve Lot A, Denman Island | 2013 | - | 280,000 |
| Burren's Acres Nature Reserve, Gabriola Island | 2014 | - | 210,000 |
| Moore Hill Nature Reserve, Thetis Island | 2017 | - | 780,000 |
| Valens Brook Nature Reserve Lot 1, Denman Island | 2019 | - | 85,000 |
| Salish View Nature Reserve, Lasqueti Island | 2020 | - | 304,931 |
| Lisa Baile Nature Reserve, North Pender Island | 2021 | - | 320,000 |
| | | 3,076,601 | 6,886,532 |
| | | \$ 3,164,601 | \$ 6,974,532 |

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

5. Restricted for endowment purposes (continued):

In 2022, a transfer of \$3,809,931 from the Endowment Fund to the Capital Fund was made, reflecting the value of lands historically received under the Ecological Gift Program.

Investment gains (losses) on endowment funds for the year of (\$6,587) (2021 - \$22,914) have been recorded in the Restricted Fund.

Two properties owned by the Trust Conservancy, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated “for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.” The Alton property is to be held, managed and preserved for its ecological, environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve and to the Executors of the donor’s estate in the case of the Alton Nature Reserve.

In 2015, the McFadden Creek Nature Sanctuary on Salt Spring Island was donated to the Trust Conservancy on the condition that the property was to be protected, preserved and maintained in its natural state. Should a disposition of this property ever be triggered, there is a Right of First Refusal on the property in favor of the Wild Bird Trust of BC.

6. Interfund transfer:

During the year, Environment and Climate Change Canada amended its classification of the Trust Conservancy from a public body to an agent of the Crown, to align with the classification of the Canada Revenue Agency. This change in classification means section 207.31(1) of the *Income Tax Act* which requires approval from the Minister of Environment and Climate Change Canada to dispose of lands, does not apply to the Trust Conservancy. Consequently, restrictions formerly in place on lands received by the Trust Conservancy under Environment and Climate Change Canada’s Ecological Gift Program are no longer applicable. To reflect the new nature of these lands, a transfer of \$3,809,931 from the Endowment Fund to the Capital Fund has been made, reflecting the value of lands historically received under the Ecological Gift Program.

In the prior year, there was an interfund transfer of \$12,000 from the Opportunity Fund to the Restricted Fund representing cash contributions associated with the acquisition of the Sandy Beach Nature Reserve on Keats Island.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

7. Related party:

The Trust is related to the Trust Conservancy through the composition of the Trust Conservancy's Board. The Trust Conservancy's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Municipal Affairs.

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

| | 2022 | 2021 |
|------------------------------------|---------------------|-------------------|
| Operations and property management | \$ 876,595 | \$ 701,124 |
| Board | 8,503 | 5,378 |
| Administration | 248,673 | 232,547 |
| | <u>\$ 1,133,771</u> | <u>\$ 939,049</u> |

At March 31, 2022, amounts owing to Islands Trust were \$88,174 (2021 - \$81,598).

8. Financial risks and concentration of risk:

The Trust Conservancy's financial instruments consist of cash, short-term investments, investments, federal grants receivable and amounts due to Islands Trust. It is management's opinion that the Trust Conservancy is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2022 is the carrying value of cash, short-term investments and investments and federal grants receivable. The Trust Conservancy deals with creditworthy counterparties to mitigate credit risk. The Trust Conservancy manages its liquidity risk by monitoring its operating requirements. Interest rate risk is not significant due to the short term nature of investments held. There have been no significant changes to risk exposure in the years presented.

9. Subsequent event:

Subsequent to March 31, 2022, the transfer of Link Island, a 21.45 hectare island located in the Gabriola Island Local Trust Area, from Elizabeth W. Swift to the Trust Conservancy was completed. Subsequent to March 31, 2022, the Trust Conservancy received \$36,708 from the Estate of Elizabeth W. Swift for the purposes of removing the small cabin and infrastructure on the south end of the Island in future years. The \$3,730,000 assessed value of the donated land is not reflected in the assets or fund balances as at March 31, 2022, nor are the funds received for building removal. The value of these donated assets will be recorded in the financial statements of the year ending March 31, 2023.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2021

| | Opportunity Fund | Restricted Fund | Capital Fund | Endowment Fund | 2021 Total |
|--|---------------------|--------------------|-----------------|-------------------|---------------|
| Assets: | | | | | |
| Current assets: | | | | | |
| Cash | \$ 15,754 | \$ 348,420 | \$ - | \$ - | \$ 364,174 |
| Short-term investments (note 2) | - | 189,225 | - | 88,000 | 277,225 |
| Federal grants receivable | - | 53,500 | - | - | 53,500 |
| | 15,754 | 591,145 | - | 88,000 | 694,899 |
| Land (notes 3 and 5) | - | - | 10,327,169 | 6,886,532 | 17,213,701 |
| | \$ 15,754 | \$ 591,145 | \$ 10,327,169 | \$ 6,974,532 | \$ 17,908,600 |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Due to Islands Trust | \$ - | \$ 81,598 | \$ - | \$ - | \$ 81,598 |
| | 15,754 | - | - | - | 15,754 |
| Fund Balances: | | | | | |
| Unrestricted | - | - | 10,327,169 | - | 10,327,169 |
| Investment in land (note 3) | - | - | - | - | - |
| Internally restricted (note 4) | - | 35,632 | - | - | 35,632 |
| Externally restricted (note 4) | - | 473,915 | - | - | 473,915 |
| Restricted for endowment purposes (note 5) | - | - | - | 6,974,532 | 6,974,532 |
| | 15,754 | 509,547 | 10,327,169 | 6,974,532 | 17,827,002 |
| | \$ 15,754 | \$ 591,145 | \$ 10,327,169 | \$ 6,974,532 | \$ 17,908,600 |

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2021

| | Opportunity Fund | Restricted Fund | Capital Fund | Endowment Fund | 2021 Total |
|--|---------------------|--------------------|---------------------|-------------------|---------------------|
| Revenue: | | | | | |
| Donations: | | | | | |
| Cash | \$ 15,938 | \$ 1,025 | \$ - | \$ - | \$ 16,963 |
| Land | - | - | 2,703,000 | 320,000 | 3,023,000 |
| Grants | - | 207,144 | - | - | 207,144 |
| Rental income | - | 10,455 | - | - | 10,455 |
| Investment income | 110 | 28,870 | - | - | 28,980 |
| | 16,048 | 247,494 | 2,703,000 | 320,000 | 3,286,542 |
| Expenses: | | | | | |
| Repairs and maintenance - Alton property | - | 9,108 | - | - | 9,108 |
| Bank charges | 31 | 79 | - | - | 110 |
| Donations to conservancy groups | 9,994 | - | - | - | 9,994 |
| Species at Risk | - | 187,000 | - | - | 187,000 |
| | 10,025 | 196,187 | - | - | 206,212 |
| Excess of revenue over expenses | \$ 6,023 | \$ 51,307 | \$ 2,703,000 | \$ 320,000 | \$ 3,080,330 |

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

If you are reading a print version of this report, you can access hyperlinks by going to the online version at islandstrust.bc.ca/about-us/accountability/annual-report/

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