

2022-23 Annual Report



Islands Trust

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

I am a resident of Thetis Island where I live and work on treaty and non-treaty lands within the unceded territory of the Coast Salish People. After 35 years, my gratitude for this place remains strong. As the Chair of Islands Trust Council, I feel privileged to work in these communities and uphold the Islands Trust's preserve and protect mandate.

I am immensely proud of Trust Council's dedication to fostering Reconciliation, evident in its efforts alongside Islands Trust staff. Trust Council's work this year included endorsing a protocol agreement with the Snaw-naw-as First Nation. This agreement has been submitted to the Ministry of Municipal Affairs for approval, and highlights the Council's commitment to the Reconciliation process.



The 2022 local elections provided an opportunity for increased engagement with island communities, and I appreciate the dedication shown by all during this process. The new term for Islands Trust elected officials has been incredibly busy, and I am grateful for the collaboration among trustees and the renewed focus on important themes. Trust Council continues to prioritize strengthening and improving Islands Trust, and I admire the dedication and commitment that this group of trustees brings to the table when discussing and debating the challenges and opportunities in the local trust areas.

One significant ongoing collaborative effort has been the Islands 2050 Policy Statement Amendment Project. This document states how Trust Council will carry out the Islands Trust preserve and protect mandate and is the most significant policy amendment work undertaken by the Islands Trust in 25 years. The importance of updating this document cannot be overstated. Much has changed since it was last updated in 1995, and it is vital that this Policy Statement reflects Islands Trust's commitment to Reconciliation, climate change, affordable housing, and accurately expresses what we learned from engagement with First

Nation governments, partner agencies and the public. We look forward to a new draft to bring to Council and share with community. The new draft will incorporate input from First Nations in the Trust Area along with what communities have told us is important in our work to preserve and protect the environment and unique amenities of the islands and waters in the Salish Sea.

I also want to express my gratitude to Islands Trust staff who provide us with exceptional professional advice, enabling us to carry out our responsibilities with confidence. They handle a vast and ever-growing number of files for communities in the Trust Area, and their efforts are very much appreciated.

To all the readers of this Annual Report, I look forward to collaborating with you in the future as we continue to work towards preserving and protecting the islands in the Salish Sea.

A handwritten signature in black ink, appearing to read "P. Luckham". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Peter Luckham
Chair, Islands Trust Council

Message from the Chief Administrative Officer

On behalf of the administration of Islands Trust, I am pleased to introduce the 2022–23 Annual Report.

The general local elections held in the Fall of 2022 resulted in the re-election of 11 trustees and the election of 15 new trustees to Trust Council. This represents a significant change in the composition of Trust Council, more than in previous elections, and indicates a measure of change for local communities and the organization as a whole.

The 2022–26 Trust Council will have new goals and priorities while sustaining valuable initiatives from the previous term. Governance remains an important element for the Islands Trust as evidenced by the creation of a Governance Committee. This body was created by Trust Council to accelerate recommendations from the 2022 Governance Review and to provide specific insight into how the organization can improve its decision-making and performance.

Similarly, Reconciliation work remains a dominant theme. Trust Council approved a protocol agreement with Snaw-naw-as First Nation in its first few months in office and was successful in requesting and receiving funding from the Province to advance engagement and Reconciliation work with First Nations throughout the Trust Area.

The ability to connect with community through live streaming and remote participation in all types of public meetings at the Islands Trust, including local trust committee meetings, is no longer a new phenomenon... it is part of regular business. This advancement represents one way the Islands Trust is committed to improving communication and engagement with citizens, communities, and First Nations. Our ability to engage with others in a practical and progressive manner remains an area of great opportunity for Islands Trust.

The work to amend the Policy Statement, which began in late 2019, remains ongoing. As the project bridges two terms of Council, there is a



need for the new document to represent the values and priorities of the new Council and that reflect the interests of communities, First Nations, and the Province.

From an administrative perspective, a number of changes were made to planning services in 2022, not the least being the realignment of planning into long-range planning and current planning teams. This change aims to ensure equal and equitable policy development for all regions of the Trust Area with greater collaboration and efficiency in service delivery. There is also a belief that this reorganization will support Islands Trust in responding to the unfolding housing crisis throughout the region.

I want to thank Executive Committee for their work and support of the administration over the last year and into the election period.

I will close by thanking my colleagues, the staff at Islands Trust for their good work and good humour, and their unrelenting dedication to the mandate of the Islands Trust.

Russ Hotsenpiller

Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Russ Hotsenpiller", written in a cursive style.

The Islands Trust Area

Acknowledgement

The Islands Trust Area is located within the treaty lands and territories of the BOKÉĆEN, Cowichan Tribes, K'ómoks, Lyackson, MÁLEXEĒ, Qualicum, scəwáθən, səlilwətał, SEMYOME, shíshálh, Skwx̱wú7mesh, Snaw-naw-as, Snuneymuxw, Songhees, Spune'luxutth', STÁUTW, Stz'uminus, ɬaʔəmen, Ts'uubaa-asatx, Wei Wai Kum, We Wai Kai, WJOLÉLP, WSIKEM, Xeláltxw, Xwémalhkwx, Xwsepsum, and xʷməθkʷəy̓əm First Nations.



The Islands Trust Area, located within Coast Salish territory, is the homeland of many 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 over 30,000 residents and 10,000 non-resident property owners. The region features many archaeological and culturally significant sites and 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, numerous fish and other marine and intertidal life, as well as terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, and 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 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, First Nations, other persons and organizations, and the Government of British Columbia.”**

A view of Howe Sound, Gambier Island and Bowen Island



Organization and Responsibilities

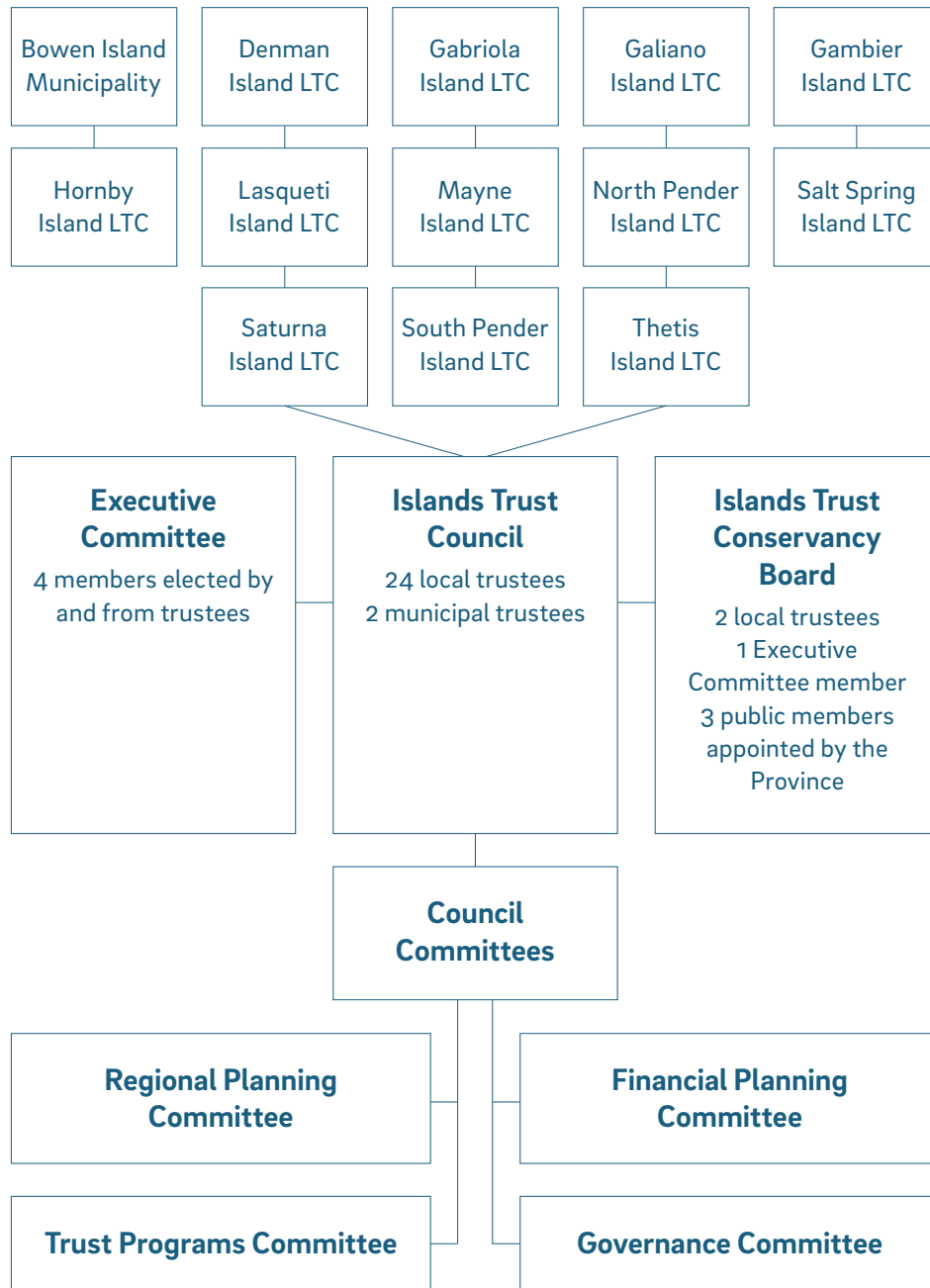
Islands Trust is a unique federation of 12 special-purpose local government bodies and Bowen Island Municipality, all of which plan land use and regulate development in the Islands Trust Area. Islands Trust consists of several distinct corporate entities: Islands Trust Council, Executive Committee, 12 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. Each local trust committee and Bowen Island Municipality has jurisdictional authority for the smaller islands and waters surrounding the major island in that area.

Brooks Point Regional Park Covenant, South Pender Island



Islands Trust Legislative Structure



2022–23 Key Accomplishments

In 2022–23, Islands Trust made progress on Trust Council’s 2018–22 Strategic Plan and the Islands Trust Conservancy’s Regional Conservation Plan. Highlights of this progress included:

- Administered local elections, internal elections and appointments, and oriented new and returning trustees
- Continued engagement with First Nations, referral agencies, and the public on the new Policy Statement draft and requested staff to make a series of amendments
- Trust Council formed a new Governance Committee
- Adopted a new meeting broadcast protocol allowing the public to attend and participate remotely at in person Trust Council meetings
- Trust Council awarded seven Community Stewardship Awards
- Islands Trust received \$150,000 grant from the Province to advance relationships with First Nations
- Trust Council approved a protocol agreement between Trust Council and Snaw-naw-as First Nation, and requested staff to forward the protocol agreement to the Minister of Municipal Affairs for approval
- Trust Council received completed groundwater mapping assessments for the Southern Gulf Islands
- Trust Council adopted policy amendments to the Best Management Practices for Delivery of Local Planning Services to local trust committees Policy
- Four local trust committees updated their fees bylaws
- Islands Trust mailed a “Living in the Trust Area” information package to 100 new property owners across the Trust Area

The Islands Trust Conservancy added one conservation covenant on Lasqueti Island under the Natural Area Protection Tax Exemption Program, which, when combined with Link Island Nature Reserve in the Gabriola Island Local Trust Area, protect almost 33 hectares of at-risk

ecosystems. The Conservancy also conducted native species planting, invasive species removal, and other restoration activities at six nature reserves on Salt Spring Island, Lasqueti Island, and Denman Island, and at conservation covenants throughout the Islands Trust Area. The Conservancy's Species at Risk Program continued with surveys for at-risk plants, pollinators, and animals such as bats, birds, frogs, and snakes. Significant highlights for the Species at Risk Program included confirmed new location sightings for Sharp-tailed Snake on Salt Spring Island, and hosting a Species at Risk webinar series that welcomed over 400 attendees.

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 operations. 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. 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 four standing committees of trustees — Regional Planning Committee, Trust Programs Committee, Governance Committee, and Financial Planning Committee — which provide policy advice to Trust Council on a range of issues.

Members of Islands Trust Council – 2022–26

› Bowen Local Trust Area	Sue Ellen Fast, Judith Gedye
› Denman Local Trust Area	Sam Borthwick, David Graham
› Gabriola Local Trust Area	Tobi Elliott, Susan Yates
› Galiano Local Trust Area	Lisa Gauvreau, Ben Maberley
› Gambier Local Trust Area	Joe Bernardo, Kate-Louise Stamford
› Hornby Local Trust Area	Alex Allen, Grant Scott
› Lasqueti Local Trust Area	Mikaila Lironi, Timothy Peterson
› Mayne Local Trust Area	Jeanine Dodds, David Maude
› North Pender Local Trust Area	Aaron Campbell, Deb Morrison
› Salt Spring Local Trust Area	Jamie Harris, Laura Patrick
› Saturna Local Trust Area	Mairead Boland, Lee Middleton
› South Pender Local Trust Area	Kristina Evans, Dag Falck
› Thetis Local Trust Area	Ken Hunter, Peter Luckham

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 2019–2022 Reconciliation Action Plan, and aligned key priority actions within the 2018–2022 Strategic Plan. 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 continued amending processes and policies in collaboration with First Nations.

Engagement with First Nations

- The Islands Trust Council approved a protocol agreement between Islands Trust Council and Snaw-naw-as First Nation, and requested staff to forward the protocol agreement to the Minister of Municipal Affairs for approval
- Islands Trust staff continued 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 Bylaw No. 183

- Islands Trust Conservancy offered capacity funding and engaged First Nations on the Islands Trust Conservancy Three-Year Plan (2023–2025)
- Islands Trust staff engaged in discussions with staff from 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
- Islands Trust Conservancy partnered with Skwxwú7mesh Úxwumixw (Squamish Nation) on an eDNA survey for Coastal Tailed Frog on Gambier Island to have two of their ACE (Archeology, Culture, Environment) technicians join researchers in the field

Learning about Cultural Heritage

- Most Islands Trust staff attended a training session with an Indigenous Knowledge Holder at Ye’yumnuts, a sacred ancestral place of the Cowichan people, to learn about the history of the site
- Islands Trust Conservancy staff participated in Quw’utsun’ Cultural Connections Society’s Xpey’ [Cedar] Gathering, learning about the cultural importance and opportunities to build climate change resilience for Western redcedar
- Senior staff met with an Indigenous Knowledge Holder on Salt Spring Island to learn about middens

The Islands Trust Council was grateful to receive a \$150,000 grant in March 2023 from the Province of British Columbia to support the development of protocol agreements, and engagement with First Nations in the Trust Area, to be used over the next five years.





2022–23 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 6.10.3). In 2022–23, Islands Trust Council/Executive Committee advanced advocacy priorities by writing on air pollution, scrubbing and dumping from vessels, management of invasive fallow deer, provincial review of Islands Trust, affordable housing solutions specific to rural islands in the Islands Trust Area, the fate of diluted bitumen, biological diversity and ecosystem health, global initiative for a fossil fuel non-proliferation treaty, and derelict docks. The Chair also wrote letters of thanks to various people and agencies for decisions that responded to previous advocacy requests. In addition, Islands Trust submitted three resolutions to the Association of Vancouver Island and Coastal Communities, and the Union of British Columbia Municipalities, all of which were endorsed. The resolutions request that the Province fund and support the development and integration of climate risk and vulnerability assessments into official community plan review processes, and requests that the Province provide funding and support to local governments and Islands Trust in order to facilitate affordable housing projects in rural areas in British Columbia, and that the Province develop new legislation to protect and restore biological diversity and ecosystem health.

Local trust committees also sent advocacy letters on a range of topics. All advocacy letters are available on the Islands Trust website.

Climate Action

Islands Trust and Islands Trust Conservancy continue work to mitigate climate change and the impacts on oceans and shorelines, forests and wetlands, and island communities, through a number of initiatives and programs.

Protecting natural areas through acquisitions and covenants

The 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 2022, Link Island was donated to the Islands Trust Conservancy by late conservationist Betty Swift, the highest valued land donation in the Conservancy's history.

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

This includes proposed updates to the Islands Trust Policy Statement, that, if applied, would promote consideration of greater climate resilience for ecosystems and the communities that depend on them. The Freshwater Sustainability Strategy is finalised and 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 adaptation and mitigation, and staff recommendations are based on best practices for mitigating and adapting to climate change.

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

The Islands Trust Council is a signatory to the B.C. Climate Action Charter. During 2022–23, most meetings were held electronically, which reduced carbon emissions associated with travel to and from workplaces.

Delegations and Presentations to Islands Trust Council in 2022–23

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 18 delegations received at the following Trust Council quarterly meetings addressing these Trust-wide topics: the Islands Trust Policy Statement, Islands Trust governance and administration, residential density, fossil fuel non-proliferation, freshwater, trustee orientation materials, carbon footprint, biodiversity mapping, bylaw enforcement, Coastal Douglas Fir Ecosystem, climate change and biodiversity, development application processing, local trust committee obligations, housing, and the Montreal Pledge.

- June 2022: Michael Sketch; Friends of the Gulf Islands; Jacinthe Eastick; Denman Island Climate Action Network
- September 2022: Michael Sketch; Jennifer Margison; Gulf Islands Alliance
- December, 2022: Michael Sketch; David Dunnison; Mary-Beth Rondeau; Mielle Chandler
- March 2023: Michael Sketch; David Dunnison; Gulf Island Alliance; Eric Booth; Maxine Leichter; Riane da Silva; Raincoast Conservation Foundation

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

- June 2022: Port optimization initiatives/Active Vessel Traffic Management, Vancouver Fraser Port Authority; Islands 2050 Phase 3 Engagement Summary, ISL Engineering; Proposed Southern Strait of Georgia National Marine Conservation Area Reserve Update and Next Steps, Parks Canada
- September 2022: A Coastal Marine Strategy for British Columbia, Ministry of Land, Water and Resource Stewardship
- December 2022: Robert's Rules & Responsible Governance, Eli Mina; Local Governments & Indigenous Peoples, Young Anderson
- March 2023: Bylaw Notice Program, Ministry of Attorney General; Administrative Fairness and Bylaw Complaints, Office of the Ombudsperson

Policy Statement Amendment Process

The Islands 2050 Policy Statement Amendment Project continued to be a priority for Islands Trust Council in 2022–23, 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 July 2021, Trust Council paused first reading and referred the draft new Policy Statement Bylaw to other government agencies, First Nations, Treaty Alliances, Tribal Councils, and the public. From February to 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



Great Blue Heron

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 or 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.

After the additional three streams of engagement and referrals that were requested by Trust Council concluded in spring 2022, Trust Council reviewed all feedback received from the public, First Nation governments, and referral agencies in June and September 2022, and passed a series of 32 resolutions requesting staff to undertake further work on the project and additional revisions to the draft Policy Statement under review.

In March 2023, Trust Council approved a project charter for the next phase of the project and received a project communications plan.

Visit the Islands 2050 for more details at islandstrust.com/programs/islands-2050



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 the 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, located north of Nanaimo.

Members serving during the 2022–26 term were:

- › Peter Luckham, Thetis Island (Chair)
- › Tobi Elliott, Gabriola Island (Vice-Chair)
- › David Maude, Mayne Island (Vice-Chair)
- › Tim Peterson, Lasqueti Island (Vice-Chair)

Members serving during the 2018–22 term were:

- › 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. In 2022–23, the Executive Committee approved 36 bylaws, of which three were for Bowen Island Municipality.

Applications Sponsored by Executive Committee

The Executive Committee sponsored permit and application fees for the following projects and initiatives:

- \$1,900 for development variance permit application SS-DVP-2022.19 (Fulford Community Hall Association)
- \$4,050 for Temporary Use Permit application and Development Variance Permit application which would temporarily permit the community arts facility on Galiano Island use, legalize existing buildings and structures, and permit parking areas within a setback

Grants in Aid for History, Heritage and Conservation

During the 2022–23 fiscal year, the following Grants in Aid for History, Heritage and Conservation were approved by the Executive Committee:

- \$2,000 to siyēye nii ‘u tthu sut’ku’luts | siyēye tun’i ‘utl sqwun’u to support ‘The Water We Call Home’ digital and physical exhibition opening on Galiano Island
- \$2,000 to MakeWay Charitable Society — Atl’ ka7tsem/Howe Sound Marine Stewards to support ocean-based cultural research and education activities that will be conducted in partnership with the Sk̓wx̓wú7mesh Úxwumixw (Squamish Nation)
- \$2,000 to Stqeeye’ Learning Society to support the development of an Indigenous-focused land-based curriculum that will be available to Indigenous students from other school districts



Southey Point, Salt Spring Island

Liaison Meetings

On May 24, 2022, Executive Committee members, Member of the Legislative Assembly (MLA) Adam Olsen and Capital Regional District Director Gary Holman met with the Honourable Rob Fleming, Minister of Transportation and Infrastructure, to discuss Salt Spring Island ferry congestion and trail network/transportation strategy.

On May 31, 2022, Executive Committee met with the Honourable Nathan Cullen, Minister of Municipal Affairs and Housing, to welcome the Minister to his new appointment and introduce the Minister to Islands Trust.

On July 13, 2022, Islands Trust Conservancy Board and Executive Committee held its annual liaison meeting and reviewed the following items: communications, governance review opportunities, working with Crown agencies to protect forests, and the species at risk program.

At the September 2022 Union of British Columbia Municipalities (UBCM) annual conference held in Whistler, Executive Committee met with the Honourable Josie Osborne, Minister of Land, Water, and Resource Stewardship, and discussed the following: 1) Islands Trust involvement in the development of a BC Coastal Marine Strategy; 2) collaboration on watershed protection; and 3) the environmental and climate impacts of vessel anchorages and shipping in the Trust Area. Executive Committee met with Minister Fleming again to continue discussions regarding development of transportation strategies in the Trust Area.

On December 14, 2022, the new term (2022–26) Executive Committee met with newly appointed Minister of Municipal Affairs, the Honourable Anne Kang, for an inaugural introduction and welcome.

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 2022–26 term are:

- › Laura Patrick, Salt Spring Island (Chair)
- › Sam Borthwick, Denman Island (Vice-Chair)
- › Alex Allen, Hornby Island
- › Mairead Boland, Saturna Island
- › Aaron Campbell, North Pender Island
- › David Graham, Denman Island
- › Mikaila Lironi, Lasqueti Island
- › Tobi Elliott, Gabriola Island (Executive Committee Representative)
- › Peter Luckham, Thetis Island, Islands Trust Chair (Ex Officio Member)

Members serving during the 2018–22 term were:

- › 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 Wolverton, Galiano Island
- › Laura Patrick, Salt Spring Island (Executive Committee Representative)
- › Peter Luckham, Thetis Island, Islands Trust Chair (Ex Officio Member)

2022–23 Highlights

In the 2022–23 fiscal year, the Regional Planning Committee (RPC) completed the following Strategic Plan items and presented them to Trust Council:

- Completed Groundwater Mapping Assessment for Galiano, Mayne, North Pender, Saturna, and South Pender Islands
- Received a Shorezone Polygon Mapping Summary Report “Eelgrass in the Gulf Islands Trust Area”
- Applied Healthy Watersheds Initiative Funding toward a video: “Indigenous Perspectives on Water”
- Completed Heritage Conservation Overlay Mapping Phase 1. Phase 1 concluded with a report illustrating the importance of the work, approach, and data required to develop a planned project approach toward managing heritage. It defined the study area, cultural heritage, legislation, and a data dictionary. Phase 1 also drafted a project and engagement plan for phase 2
- Trust Council adopted RPC sponsored policy amendments and an adoption to increase efficiency and effectiveness of Planning Services including:
 - › Best Management Practices for Delivery of Local Planning Services ([Policy 5.9.1](#)). Amended June, 2022
 - › Delegation of Land Use Permits ([Policy 4.1.15](#)). Adopted June, 2022
 - › Priority Setting/Review Guidelines ([Policy 6.2.1](#)). Amended Sept, 2022
- Following the election, Regional Planning Committee also funded a Housing Forum for staff, and provided orientation to the RPC to trustees

Trust Programs Committee

The Trust Programs Committee provides policy advice to Islands Trust Council on Trust-wide issues related to the committee's areas of responsibility including resource management, land conservation, water management, marine environment, sustainable communities, conservation strategy, and public awareness and education. It also proposes amendments to the Islands Trust Policy Statement.

Members serving for the 2023–26 term are:

- › Kristina Evans, South Pender Island Trustee, Chair
- › Alex Allen, Hornby Island Trustee, Vice-Chair
- › Sam Borthwick, Denman Island Trustee
- › Sue Ellen Fast, Bowen Island Trustee
- › Jamie Harris, Salt Spring Island Trustee
- › Tim Peterson, Lasqueti Island (Executive Committee Representative)
- › Peter Luckham, Thetis Island, (Ex Officio Member)

Members serving during the 2018–22 term were:

- › 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)

2022–23 Highlights

Trust Programs Committee (TPC) met six times in 2022–23. 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 recommendations for next steps on the Policy Statement Amendment Project.

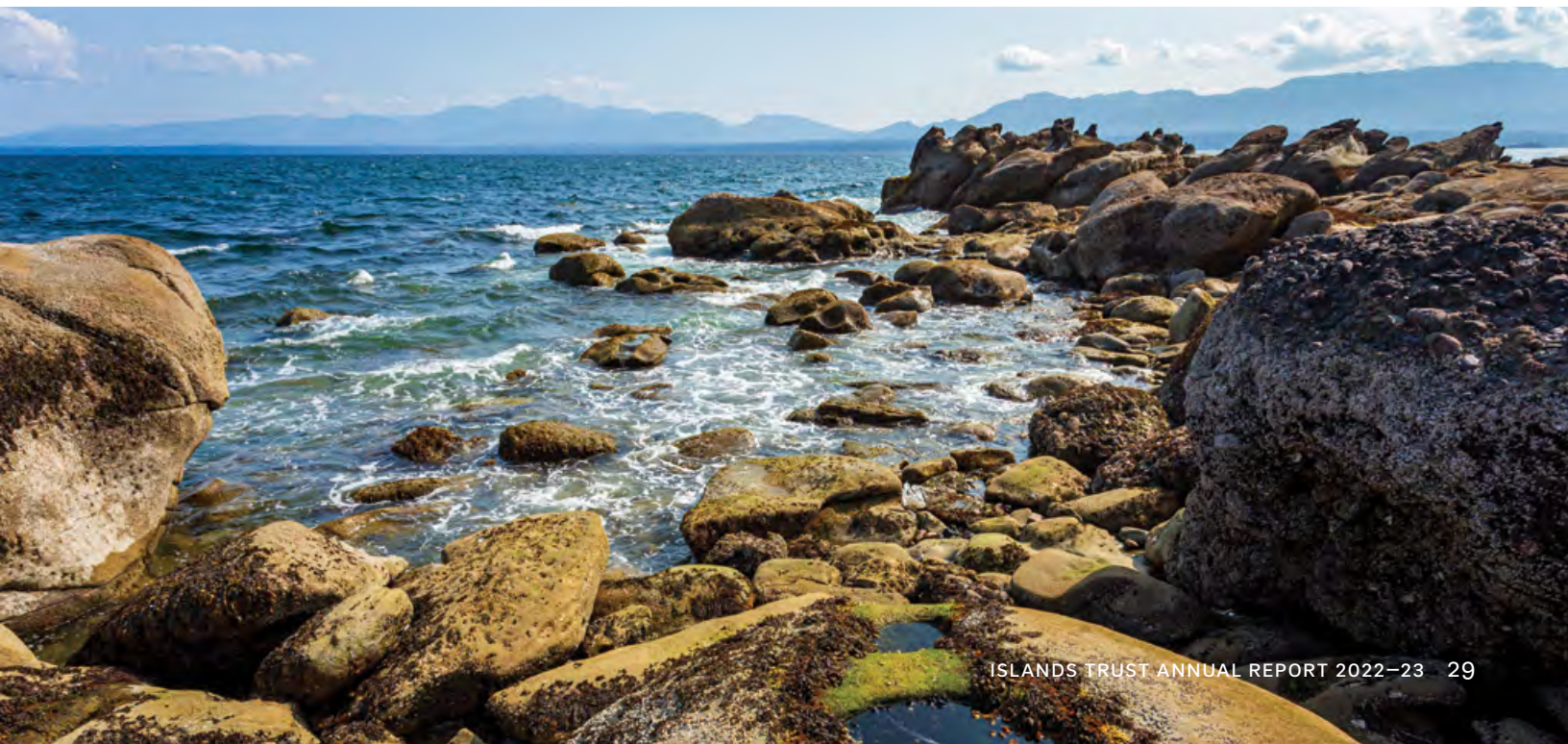
Once again, as part of its Secretariat Services Program, the committee approved Islands Trust staff time to support the Rural Islands Economic Partnership and contracted secretariat services to the following coordination groups:

- Southern Gulf Islands Forum (\$5,000)
- Baynes Sound / Lambert Channel Ecosystem Forum (\$3,000)
- Howe Sound At’ka7tsem Community Forum (\$4,000)
- Coastal Douglas-fir Conservation Partnership (\$3,000)

The Committee also supported development of a “Living in the Trust Area” information package, which was mailed to 100 new property owners across the Trust Area. The package included a letter from Chair Peter Luckham, Islands Trust brochures, stewardship tips booklets, groundwater conservation brochures, as well as localized government service contact lists. Electronic versions are available at islandstrust.bc.ca/programs/stewardship-education/.

Following the election, Trust Programs Committee also received an orientation to the Committee’s terms of reference and work program.

Downes Point, Hornby Island



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 provides support as needed.

Members

The FPC consists of 10 trustees from across the Islands Trust Area:

- One member from the Trust Programs Committee (the Chair, unless otherwise delegated)
- One member from the Regional Planning Committee (the Chair, unless otherwise delegated)
- 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 currently serving for the 2022–26 term are:

- › Joe Bernardo*, Gambier Island, Chair
- › Mairead Boland*, Saturna Island, Vice-Chair
- › Tobi Elliott, Gabriola Island, Executive Committee
- › Kristina Evans*, South Pender Island, Trust Programs Committee Chair
- › David Graham*, Denman Island
- › Peter Luckham, Thetis Island, Executive Committee, Trust Council Chair
- › David Maude, Mayne Island, Executive Committee
- › Laura Patrick*, Salt Spring Island, Regional Planning Committee Chair
- › Tim Peterson, Lasqueti Island, Executive Committee
- › Susan Yates*, Gabriola Island, Island Trust Conservancy Board

Members who served for the 2018–22 term were:

- › Peter Grove*, Salt Spring Island, Chair
- › Paul Brent*, Saturna Island, Vice-Chair
- › Laura Busheikin*, Denman Island, Regional Planning Committee
- › Sue Ellen Fast, Bowen Island, Executive Committee
- › Peter Luckham, Thetis Island, Executive Committee, Chair Trust Council
- › Deb Morrison*, North Pender Island, Trust Programs Committee (stepped down October 28, 2021)
- › Laura Patrick, Salt Spring Island, Executive Committee
- › Tim Peterson*, Lasqueti Island, Trust Programs Committee (term ended October 29, 2021)
- › Dan Rogers, Gambier Island, Executive Committee
- › Tahirih Rockafella*, Galiano Island
- › Kate-Louise Stamford*, Islands Trust Conservancy Board (appointed February 13, 2020)
- › Robin Williams, Islands Trust Conservancy Board (term ended December 31, 2019)

** indicates a current or previous member of the Audit Committee*

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

2022–23 Highlights

As part of its ongoing responsibilities, FPC oversaw, through its Audit Committee, the completion of the annual financial statement audit for Islands Trust and Islands Trust Conservancy for the fiscal year ending March 31, 2022. The Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and initiated planning for the March 31, 2023, 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.

FPC facilitated Trust Council's development of the 2023–24 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 Policy. 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. 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.

In response to public comments from previous budget surveys, FPC undertook a review of the annual timing of Islands Trust draft budget consultation to understand if alternative timing was possible. After the election, the new term FPC chose not to undertake a public consultation on the draft 2023–24 budget. In an effort to increase public awareness of Trust activities and understanding of Trust financials, FPC once again supported the creation of a tax notice insert that is circulated by the Province of BC to all Trust Area taxpayers with their rural tax notice.

FPC reviewed Trust Council's policies on reserves and surplus, on Special Property Tax Requisitions, and on trustee remuneration, and made recommendations for amendments. These amended policies will proceed to Trust Council for their approval once the work is complete.

FPC provided quarterly financial updates on actual results, and second and third quarter financial forecasts to the Trust Council for information and approval as part of their cyclical financial monitoring and reporting responsibilities.

At the request of the Governance Committee, FPC formed a working group to assist in the development of a corporate planning process for Islands Trust. This work is in response to a recommendation from the 2022 governance report that was received by Trust Council at the conclusion of their external governance review project.

Following the election, the new term Financial Planning Committee received an orientation to the Committee's terms of reference and work program.

Governance Committee

The Governance Committee provides policy advice to Islands Trust Council on Trust-wide issues related to the committee's areas of responsibility including good governance and management approaches and frameworks, and processes to support and evaluate the effectiveness of Trust Council and its committees.

Members serving for the 2023–26 term are:

- › Judi Gedye, Bowen Island Municipal Trustee, Chair
- › Jamie Harris, Salt Spring Island Trustee, Vice-Chair
- › Joe Bernardo, Gambier (Keats) Island Trustee
- › Lee Middleton, Saturna Island Trustee
- › Laura Patrick, Salt Spring Island Trustee
- › Tim Peterson, Lasqueti Island Trustee
- › Kate-Louise Stamford, Gambier Island Trustee

Select Committee Members serving during the 2018–22 term were:

- › Lee Middleton, Saturna Island Trustee, Chair
- › Laura Patrick, Salt Spring Island Trustee, Vice-Chair
- › Alex Allen, Hornby Island Trustee
- › Kees Langereis, Gabriola Island Trustee
- › Timothy Peterson, Lasqueti Island Trustee
- › Tahirih Rockafella, Galiano Island Trustee
- › Kate-Louise Stamford, Gambier Island Trustee

2022–23 Highlights

Governance Committee (GC) is a new standing committee whose initial meeting was in July 2022. The Committee met four times in 2022–23. The committee's primary focus this year was to develop recommendations for the Council Committee System policy, and review of the Governance Review report received by Trust Council in March 2022. The Committee also discussed the orientation program for the new Trust Council, a corporate planning process, and strategic planning priorities.



Local Trust Committees & 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 Ballenas-Winchelsea Island Local Trust Committee (BW-Executive LTC) held two regular business meetings in the 2022–23 fiscal year.

There was no project work undertaken for this period.

From April 1, 2022 to March 31, 2023, the Ballenas-Winchelsea Island Local Trust Committee did not receive any applications for consideration, and there were no referrals.

Bowen Island Municipality

Bowen Island Municipality Councillors Sue Ellen Fast and Judith Gedye are the Bowen Island Municipality trustees on Islands Trust Council. Bowen Island Municipality produces its own annual report. During 2022–23, the Islands Trust Executive Committee provided referral comments on three Bowen Island land use bylaw amendments.

Denman Island Local Trust Committee

The Denman Island Local Trust Committee (DE LTC) held four regular business meetings in the 2022–23 fiscal year, as well as one Community Information Meeting, five special meetings and one public hearing.

Work for this period focused on advancing the DE LTC priorities of review housing policies and challenges, and a review of farming regulations.

The DE LTC also initiated key projects including phase 1 of a housing review, and updating the Fees Bylaw and Siting and Use Permit Bylaw.

From April 1, 2022 to March 31, 2023, the DE LTC received and considered applications for three development permits, 23 siting and use permit referrals, two crown lease referrals, one agricultural land reserve referral and one subdivision referral.

Furthermore, the DE LTC continues its work on the Farming Regulations Review Project, which seeks to enhance and preserve farming activities on the island through updates to the Denman Island Official Community Plan policies and Land Use Bylaw regulations. The project is focused on implementing three recommendations from the Denman Farm Plan. The project was awarded a contribution grant, which spanned 2021–22 and 2022–23 fiscal years. It was funded in part by Agriculture and Agri-Food Canada and the Government of British Columbia through programs delivered by the Investment Agriculture Foundation of B.C.

Gabriola Island Local Trust Committee

The Gabriola Island Local Trust Committee (GB LTC) held 10 regular business meetings in the 2022–23 fiscal year.

Work for this period focused on advancing the GB LTC priorities of addressing housing challenges, ecological protection and building positive relationships with the Snuneymuxw First Nation.

The GB LTC also continued its work around key projects, including the second phase of the impact review of housing options, and a zoning review to develop a new ecological protection zone, which included rezoning for the Elder Cedar Nature Reserve.

From April 1, 2022 to March 31, 2023, the GB LTC received and considered applications for six development variance permits, three development permits, one liquor and cannabis board referral, and two temporary use permits.

During the same time period, staff also reviewed 55 building permit referrals, one Crown lease referral, and one rezoning referral.

Galiano Island Local Trust Committee

The Galiano Island Local Trust Committee (GL LTC) held nine regular business meetings in the 2022–23 fiscal year, as well as two Community Information Meetings, four special meetings and two public hearings.

Work for this period focused on advancing the priorities of the GL LTC to address groundwater sustainability, and to re-designate and rezone several large district lots for nature protection.

From April 1, 2022 to March 31, 2023, the GL LTC received and considered applications for seven development variance permits, four development permits, four bylaw amendment applications, and two temporary use permits.

During the same time period, staff also reviewed 14 building permit referrals, and one Crown lease referral.

Another initiative of the GL LTC for this period was relationship building with the Penelakut First Nation and other Indigenous Peoples of Galiano.

The GL LTC also adopted bylaws which would support two affordable housing proposals.

Gambier Island Local Trust Committee

The Gambier Island Local Trust Committee (GM LTC) held four regular business meetings in the 2022–23 fiscal year, two Community Information Meetings, two special meetings and one virtual Community Engagement Session.

Work for this period focused on advancing the GM LTC priorities and key projects, including a targeted review of the Gambier Official Community Plan and Land Use Bylaw, and a continuation of the work initiated in 2019 to implement shoreline protection measures as part of the Keats Island Shoreline Protection project.

From April 1, 2022 to March 31, 2023, the GM LTC received and considered applications for three development variance permits, two development permits, 23 building permit referrals, three Crown lease referrals, and two subdivision referrals.

Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee (HO LTC) held five regular business meetings in the 2022–23 fiscal year, as well as one Community Information Meeting, and one special meeting.

Work for this period focused on advancing the HO LTC priorities to address building positive relationships with K'ómoks First Nation, and a review of the Official Community Plan including topics such as riparian areas, affordable housing, and short term vacation rentals.

The HO LTC also worked on key projects including an update to the Siting and Use Permit Bylaw, initiating an update to the Official Community Plan and Land Use Bylaw.

From April 1, 2022 to March 31, 2023, the Hornby LTC received and considered applications for two development variance permits, two development permits, one liquor and cannabis board referral, and one temporary use permit.

During the same time period, staff also reviewed 16 siting and use permit referrals and two subdivision referrals.

Lasqueti Island Local Trust Committee

The Lasqueti Island Local Trust Committee (LA LTC) held five regular business meetings in the 2022–23 fiscal year.

The LA LTC worked on key projects including the continuation of a comprehensive Official Community Plan review, which was initiated in 2018, and amending the Meeting Procedures Bylaw. Work for this period also focused on advancing the LA LTC priorities, including building positive relationships with Snaw-naw-as First Nation.

From April 1, 2022 to March 31, 2023, the LA LTC did not receive any applications.

Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee (MA LTC) held seven regular business meetings in the 2022–23 fiscal year, as well as three Community Information Meetings, one special meeting and three public hearings.

Work for this period focused on advancing the MA LTC priorities of making minor amendments to the Land Use Bylaw and the Official Community Plan and adopting Flexible Housing policies and regulations.

From April 1, 2022 to March 31, 2023, the MA LTC received and considered applications for five development variance permits, one temporary use permit and one rezoning application. During the same time period staff also reviewed 24 building permit referrals.

The MA LTC also adopted a new fee bylaw, and bylaws which support an affordable housing proposal.



North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee (NP LTC) held seven regular business meetings in the 2022–23 fiscal year, as well as seven Community Information Meetings, nine special meetings and one public hearing.

Work for this period focused on advancing the NP LTC priorities of reviewing the Land Use Bylaw and addressing Groundwater Sustainability.

From April 1, 2022 to March 31, 2023, the NP LTC received and considered applications for one development variance permit, two development permits, one bylaw amendment application, six temporary use permits and one Liquor and Cannabis Regulation Branch referral. In addition, the North Pender Island Board of Variance heard three appeals.

During the same time period, staff reviewed 38 building permit referrals, and two Crown lease referrals.

The NP LTC also considered a bylaw amendment for zoning affecting residential lots on Sidney Island, amendments to the fee bylaw and considered a development permit delegation bylaw.

Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee (SS LTC) held 10 regular business meetings in the 2022–23 fiscal year, three special meetings, and two public hearings. The SS LTC also continued coordinating the Salt Spring Island Watershed Protection Alliance (SSIWPA), which had five steering committee meetings, six subcommittee meetings and engaged in various community events.

Work for this period focused on advancing the SS LTC 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. As well as 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 in cooperation with Salt Spring Island Watershed Protection Alliance (SSIWPA) partners.



From April 1, 2022, to March 31, 2023, the SS LTC received and considered new applications for two bylaw amendments, six development permits, 12 development variance permits and four temporary use permits. During the same time, staff reviewed 158 building permit referrals, two liquor and cannabis board referrals, five Crown lease referrals, six subdivision referrals, one Agricultural Land Reserve referral, one Board of Variance Order and four soil deposit permits.

Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee (SA LTC) held four regular business meetings in the 2022–23 fiscal year, as well as two Community Information Meetings, one special meeting and two public hearings.

Work for this period focused on advancing the SA LTC priorities to make minor amendments to the Official Community Plan and Land Use Bylaw, and to consider a density transfer application to facilitate the donation of land for nature protection.

From April 1, 2022 to March 31, 2023, the SA LTC received and considered one Liquor and Cannabis Regulation Branch referral and two rezoning applications.

During the same time period, staff also reviewed six building permit referrals.

The SA LTC also considered a new fees bylaw.

South Pender Local Trust Committee

The South Pender Island Local Trust Committee (SPLTC) held four regular business meetings in the 2022–23 fiscal year, as well as three Community Information Meetings, four special meetings and three public hearings.

Work for this period focused on advancing the SPLTC priorities of amending the Land Use Bylaw and the Minor Official Community Plan.

From April 1, 2022 to March 31, 2023, the SPLTC received and considered applications for three development variance permits, one temporary use permit and two Agricultural Land Commission applications. During the same time period, staff also reviewed seven building permit referrals.

The SPLTC also adopted a new fee bylaw.

Thetis Island Local Trust Committee

The Thetis Island Local Trust Committee (TH LTC) held four regular business meetings in the 2022–23 fiscal year.

The TH LTC spent the past fiscal year focused on First Nation engagement and relationship building. The LTC organized two boat tours in the Local Trust Area that included members of both the Lyackson First Nation and Penelakut Tribe. The purpose of the tour was to increase understanding the values and importance of the territory to First Nations. The TH LTC also organized a meeting between BC Ferries, Ministry of Transportation and Infrastructure (MoTI), and Penelakut Tribe to discuss ongoing issues at the ferry terminal on Thetis, an area of historical significance to Penelakut.

From April 1, 2022 to March 31, 2023, the TH LTC received and considered applications for five building permit referrals and one rezoning referral.



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 were four complaints received during the 2022–23 fiscal period.

During this same fiscal year, Islands Trust received 42 requests for records under the *Freedom of Information and Protection of Privacy Act*. This included 16 from Salt Spring Island Local Trust Area, eight from Gambier Island Local Trust Area, five each from North Pender and Galiano islands local trust areas, three from Denman Island Local Trust Area, two each from Gabriola and Hornby islands local trust areas, and one from Lasqueti Island Local Trust Area.



Bylaw Compliance, and Enforcement

In 2022–23, Islands Trust Bylaw Compliance, and Enforcement staff continued investigating unlawful short-term vacation rentals across multiple local trust areas. The issue of widespread vacation rental use on the islands continues to cause a high level of concern, as it decreases housing supply and impacts housing options.

The easing of COVID-19 restrictions meant a return to regular site visits and an end of the role of bylaw, compliance, and enforcement staff responding to public complaints regarding the wearing of masks and concerns about large gatherings.

In March 2023, the Trust Council received a comprehensive staff report detailing current bylaw compliance and enforcement procedures. Trust Council subsequently requested the Office of the Ombudsperson to undertake a review of the enforcement related policies and practices and to make recommendations to bring them into conformity with best practices. This review will be completed in the 2023–24 fiscal year.



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
Trustee, Executive Vice Chair



Kate-Louise Stamford
Gambier Island Local
Trustee, Chair, Islands Trust
Conservancy



Deb Morrison
North Pender Island Local
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

STRATEGIC PLAN 2018-2022

ISLANDS TRUST COUNCIL 2018-2022

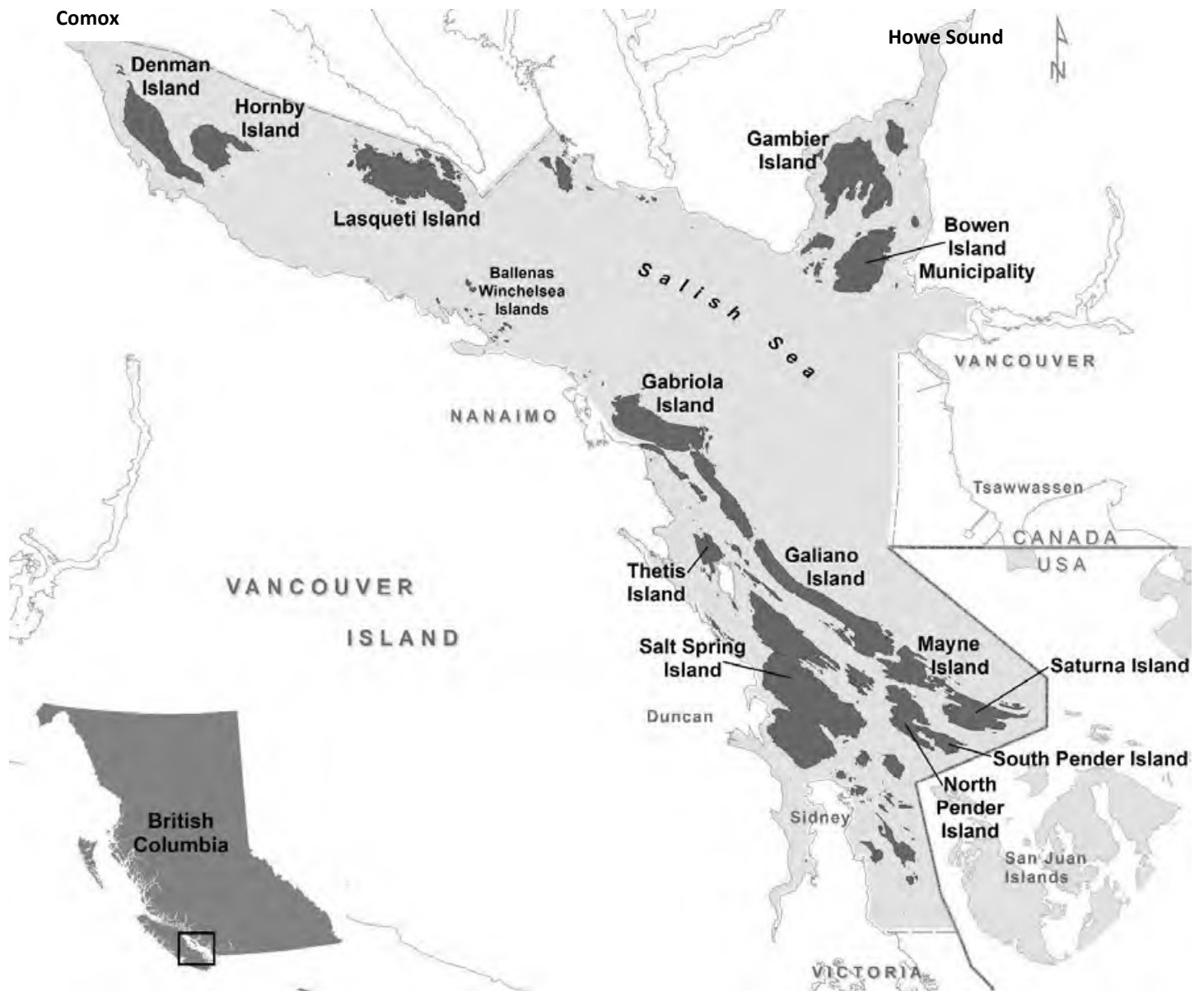
The Islands Trust Council has a unique mandate, to preserve and protect the amenities and environment of the Islands Trust Area, for the benefit of residents and all British Columbians.

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.

STRATEGIC PLAN 2018-2022

- 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



2022 - 23 Annual Report



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)

Hardhack blooming. PHOTO: AISLYN KING



Islands Trust Conservancy

Who We Are

Established in 1990, Islands Trust Conservancy (ITC) is a land trust and part of the group of agencies that form Islands 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 B.C., 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.

The Governments of Canada and British Columbia set a goal of 30% protected area by 2030 because science shows that nature needs our help in order to reverse the decline in biodiversity, better fight climate change, and maintain a strong, sustainable economy. Islands Trust Conservancy is doing its part to meet this goal within the Islands Trust Area — an area where only 20% of the land is in protected status. [Read more about how you can protect nature with us at islandstrust.bc.ca/conservancy/protect-nature/](https://islandstrust.bc.ca/conservancy/protect-nature/)

How We Work

We preserve and protect the Islands by:

- **Working with landholders to support voluntary land protection.** We accept donations and other transfers of land, manage them as nature reserves, and collaborate with landowners to conserve private lands through conservation covenants
- **Monitoring and restoring sensitive ecosystems and habitat for species at risk.** We do this in collaboration with island communities and conservation partners
- **Providing strategic funds to conservation partners.** We support land conservation across the Islands
- **Identifying priority areas across the Islands Trust Area.** We ensure maximal impact through our work in addressing the biodiversity and climate crisis
- **Reconciliation Action.** We work to build relationships with First Nations to identify areas of significance for protection and to incorporate Indigenous Knowledge into land management practices

[Read more about our conservation planning at islandstrust.bc.ca/conservancy/conservation-planning/](https://islandstrust.bc.ca/conservancy/conservation-planning/)



Goals of the [Regional Conservation Plan](#) that guide the work of the Islands Trust Conservancy

Our People

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

April 2022–October 2022

- › Kate-Louise Stamford — Chair
- › Sue Ellen Fast — Vice Chair
- › Linda Adams — Board Member
- › Doug Fenton — Board Member
- › Dr. Risa Smith — Board Member

November 2022–March 2023

- › Linda Adams — Chair
- › Dr. Risa Smith — Vice Chair
- › Tobi Elliott — Board Member
- › Grant Scott — Board Member
- › Susan Yates — Board Member

Overlooking Howe Sound

Message from the Board Chair

This past year at Islands Trust Conservancy has been one of *renewal*; from the development of our programs and organizational processes post-COVID, to the restoration of unique and ecologically-important habitats in the islands. We are prioritizing collaboration to show up for each other, the land, waters, and species of all kinds across the Islands Trust Area for the betterment of current and future generations.



Our ongoing commitment to increasing protected areas in the islands was furthered this year through the incredible actions of our partners, donors, landholders, local island conservancies, staff and volunteers. A special example from this past year is Link Island. In April 2022, as fulfillment of her wishes before she passed away, Betty Swift gifted Link Island to the Islands Trust Conservancy for use as an ecological preserve. Her family has renewed this commitment through an intention to work with us on research projects for species at risk, investigation of the impacts of climate change, and exploration of First Nations cultural uses on the land. It has been inspiring to hear about developments in research on Link Island, with ongoing collaboration taking place between Islands Trust Conservancy staff, the Swift Family and conservation partners to assess the island for the presence and protection of threatened Western Screech Owls.

This year, we have also created significant opportunities to give back to nature and the islands in incredible ways through our Species at Risk Program, from the restoration of a prairie oak (Garry oak) meadow, to supporting environmental DNA (eDNA) research, to hosting a free 6-part Speaker Series online with hundreds of attendees. It is an honour to be a part of a community of professionals, researchers, and volunteers who demonstrate their commitment and passion for conservation through their actions daily.

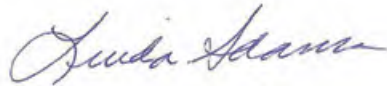
Collaboration has and continues to be central to the success of the Islands Trust Conservancy. Over the past 12 months, we have enjoyed a diversity of collaborations with First Nations artist Eliot White-Hill,

Parks Canada, the Province of BC, local island conservancies, community members, and more to further conservation objectives.

Renewal at the conservancy has also been brought about through changes to our board in the 2022 Islands Trust election. In November 2022, the ITC Board said goodbye to trustees Kate Louise Stamford, Sue Ellen Fast, and Doug Fenton and we welcomed Tobi Elliott as our Islands Trust Executive Committee Representative, and Grant Scott and Susan Yates as our members elected from Trust Council. I have been grateful for their perspectives, knowledge, and expertise in the latter part of the 2022–23 fiscal year and look forward to working with them closely over this next year to further the work of the Islands Trust Conservancy.

As we move forward into 2023–24, I am proud that Islands Trust Conservancy is building relationships, initiating thoughtful discussions and opportunities for knowledge sharing, continuing to protect, conserve, and restore important ecosystems, and relying on the commitment, passion, and resilience of our communities to renew and collaborate time and again.

Sincerely,

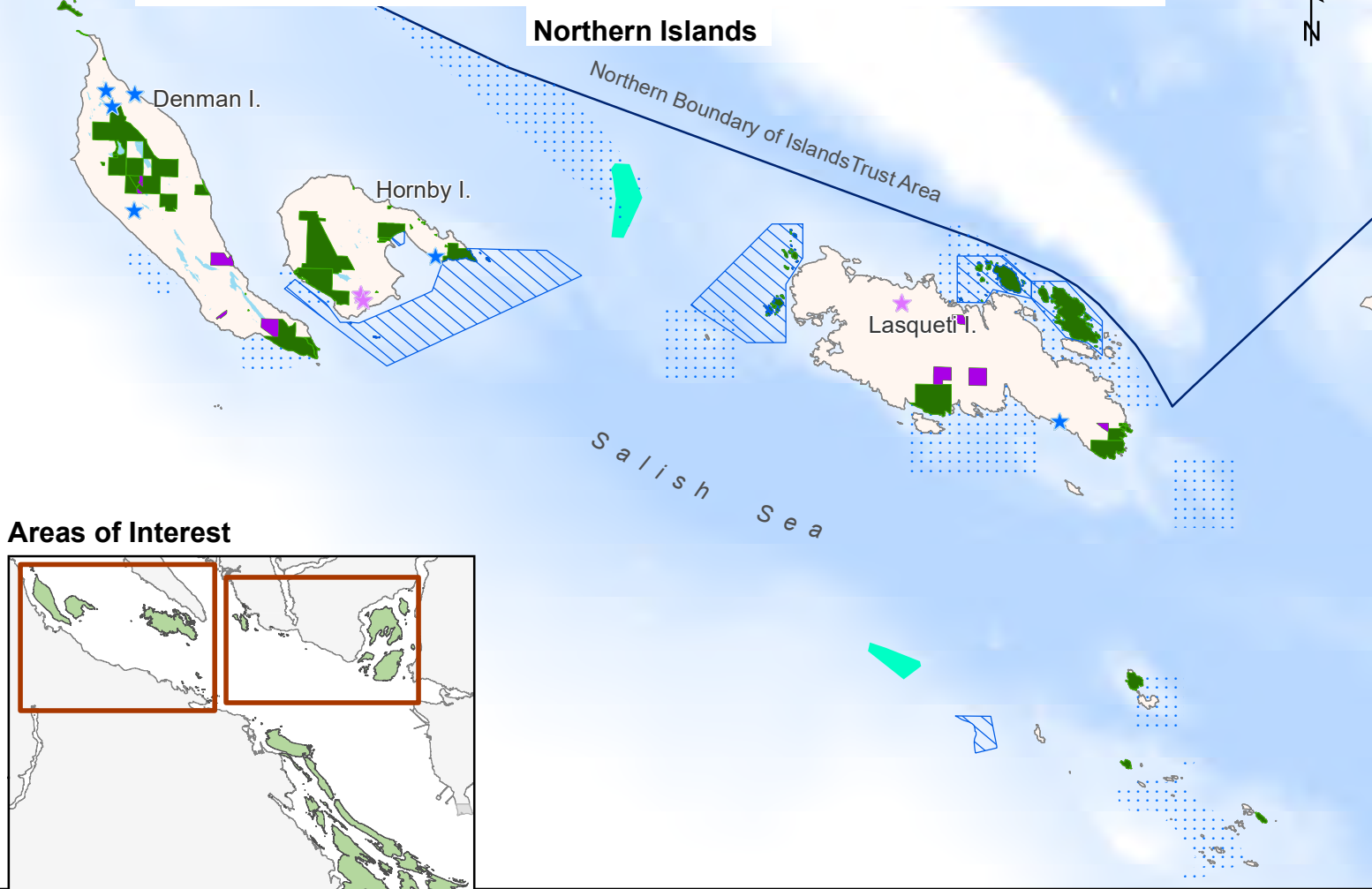
A handwritten signature in blue ink that reads "Linda Adams". The signature is written in a cursive, flowing style.

Linda Adams
Chair

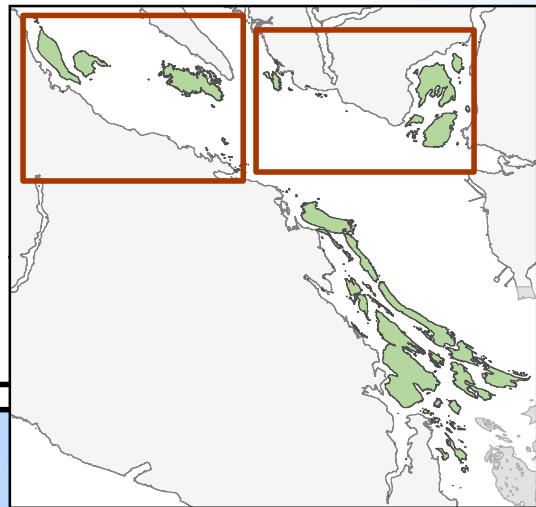
Protected Places in the Islands Trust Area as of March 31, 2023



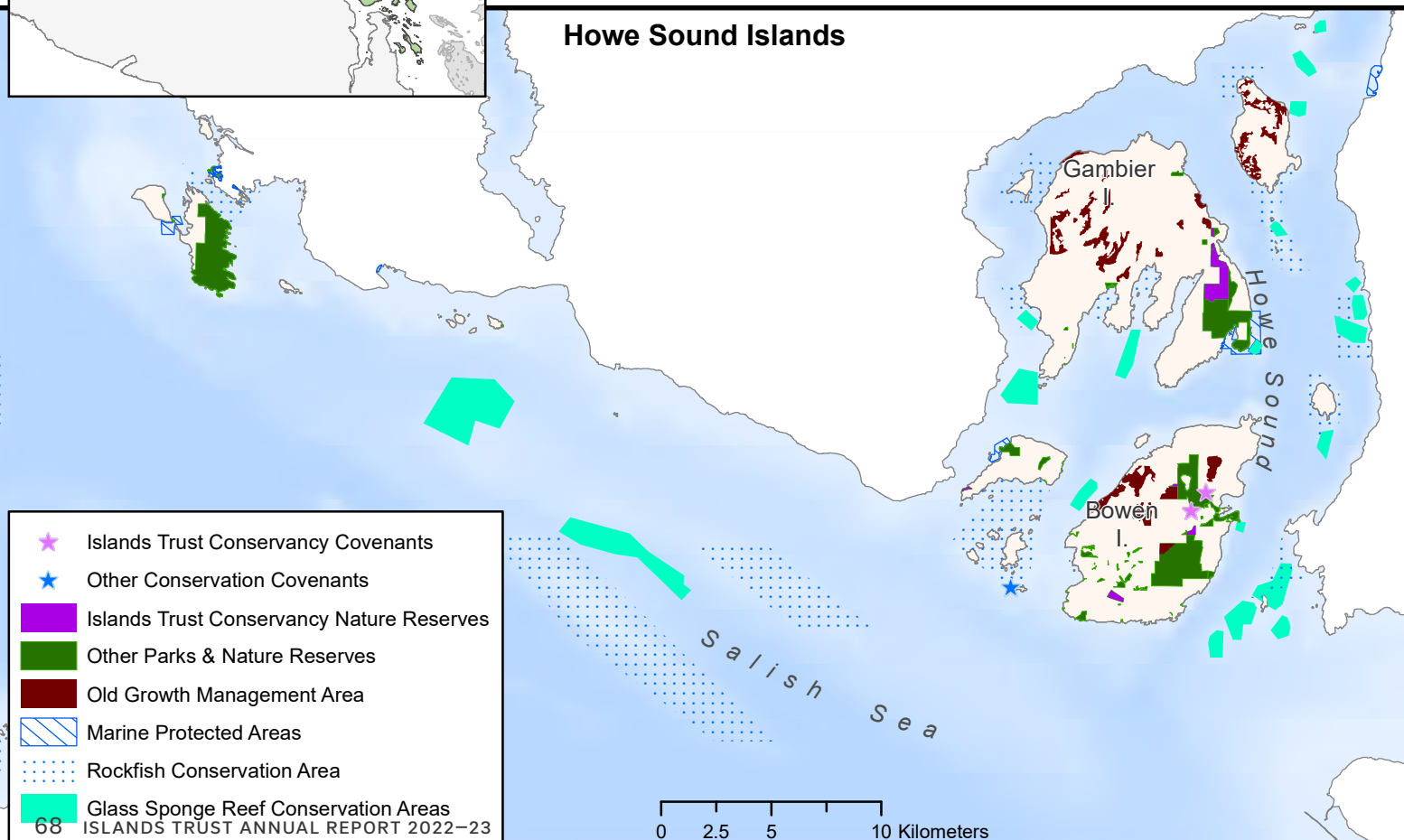
Northern Islands



Areas of Interest



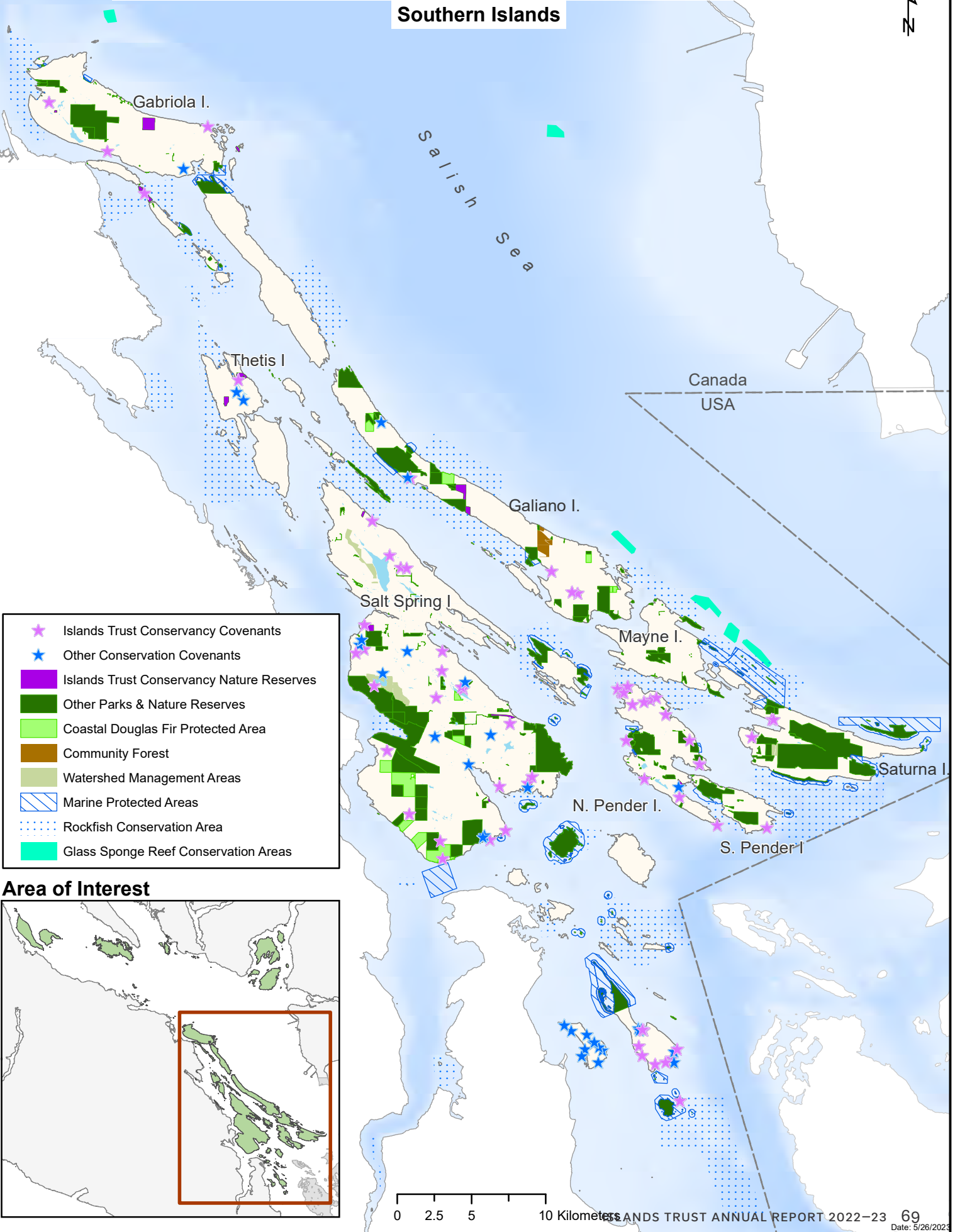
Howe Sound Islands



- Islands Trust Conservancy Covenants
- Other Conservation Covenants
- Islands Trust Conservancy Nature Reserves
- Other Parks & Nature Reserves
- Old Growth Management Area
- Marine Protected Areas
- Rockfish Conservation Area
- Glass Sponge Reef Conservation Areas

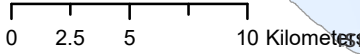
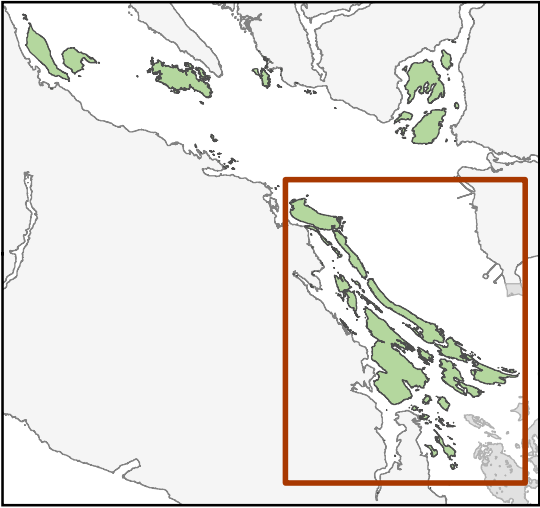
Protected Places in the Islands Trust Area as of March 31, 2023

Southern Islands



- ★ Islands Trust Conservancy Covenants
- ★ Other Conservation Covenants
- Islands Trust Conservancy Nature Reserves
- Other Parks & Nature Reserves
- Coastal Douglas Fir Protected Area
- Community Forest
- Watershed Management Areas
- Marine Protected Areas
- Rockfish Conservation Area
- Glass Sponge Reef Conservation Areas

Area of Interest



Program Highlights

2022–23

Islands Trust Conservancy Plan 2023–2025

Islands Trust Conservancy submitted a revised Islands Trust Conservancy Plan to the Minister of Municipal Affairs in December 2022, as required under the *Islands Trust Act*. The proposed Islands Trust Conservancy Plan will be a three-year plan and sets policy for:

- Acquisition, management and disposal of property of the Islands Trust Conservancy
- Investment of funds
- Goals for major acquisitions

[Read more about our Islands Trust Conservancy Plan at islandstrust.bc.ca/about-us/accountability/plans-and-strategies/](https://islandstrust.bc.ca/about-us/accountability/plans-and-strategies/)

Land Conservation – Nature’s Future

Islands Trust Conservancy is committed to increasing the protected areas in the Islands for the benefit of all species living in the Salish Sea. We do this through the creation of nature reserves and conservation covenants – legal agreements with landholders to care for nature that are designed to last in perpetuity. Protected areas are important in safeguarding high biodiversity areas, allowing for the movement of wildlife and the conservation of unique ecosystems. Protected areas benefit people as well by providing clean water and air, resilience against the effects of climate change, and contribute to social and psychological wellbeing.



Betty Swift and family at Link Island

2022–23 Nature Reserve Additions

Link Island Nature Reserve (21.45 ha), Gabriola Island Local Trust Area

In April 2022, Link Island was gifted to Islands Trust by Betty Swift and her family as a nature reserve. It is the largest complete island managed by the Islands Trust Conservancy and protects over three kilometres of undeveloped shoreline, coastal cliffs, wetlands, intricate sandstone formations, tidal flats and mixed forest ecosystems including coastal Douglas-fir, arbutus, and prairie oak (Garry oak) woodlands. Link Island Nature Reserve will continue to remain closed to the public, but will be available for research activities and cultural practices important to First Nations. Management planning has begun and will be complete in 2023–24. [Read more about creating nature reserves at islandstrust.bc.ca/conservancy/protect-nature/create-a-nature-reserve/](https://islandstrust.bc.ca/conservancy/protect-nature/create-a-nature-reserve/)

2022–23 Conservation Covenants

Livingstone Forest NAPTEP Covenant (11.35 ha), Lasqueti Island Local Trust Area

Islands Trust Conservancy manages the Natural Area Protection Tax Exemption Program (NAPTEP) on behalf of Trust Council. NAPTEP 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. In July 2022, Islands Trust Conservancy entered into our first NAPTEP covenant on Lasqueti Island. The covenant protects a mature forest and part of a large wetland with portions of open water. The landowner's intention is for the forest to be protected for carbon storage and sequestration. [Read more about placing conservation covenants with us at islandstrust.bc.ca/conservancy/protect-nature/conservation-covenants/](https://islandstrust.bc.ca/conservancy/protect-nature/conservation-covenants/)
[*Explore Islands Trust Conservancy properties online*](#)



Caring for the Land — Our Shared Responsibility

Islands Trust Conservancy leads the ongoing management of the 113 protected areas in our care. This commitment involves regular monitoring and land management practices in accordance with management plans that identify long-term conservation and restoration goals.

In 2022–23, this care included the following land management activities in partnership with local Island conservancies and volunteers:

- Annual monitoring and trail maintenance (where applicable) on all Nature Reserves
- Monitoring Islands Trust Conservancy conservation covenants to maintain relationships with landholders and ensure compliance with their covenant agreement terms
- Collaborating with Parks Canada, First Nations, the Province of BC, and the Sidney Island community on the Sidney Island Ecosystem Restoration Project
- Developing the first management plans for Sandy Beach Nature Reserve (Keats Island) and Lisa Baile Nature Reserve (North Pender Island). Management plans were referred to First Nations for comment and to initiate conversations regarding cultural use of land
- Creation of a welcome sign at S'ul-hween X'pey (Elder Cedar) Nature Reserve on Gabriola Island with First Nations artist Eliot White-Hill
- Collaborating on educational signage to help protect the fragile ecosystem at McRae NAPTEP Covenant on Gabriola Island
- Habitat restoration and management including:
 - › Managing over 14 priority invasive species from 30 ITC protected lands on 13 islands: Bowen, Gambier, Keats, Salt Spring, Thetis, Lasqueti, Denman, Galiano, Sidney, Little D'Arcy, Pender, Gabriola and Link.

- › Installing native plants on two conservation properties.
- › Maintaining restoration projects on multiple ITC protected lands, including wetland restoration on Lasqueti Island and oak meadows at the Mt. Tuam Pollinator Project.
- › Controlling introduced invasive bullfrogs in the early stages of population establishment/invasion on Sidney Island.

S'ul-hween X'pey (Elder Cedar) Nature Reserve welcome sign on Gabriola



Species at Risk Program — Protecting the Rare and Special

Islands Trust Conservancy completed the third year of our Species at Risk Program, which began in late 2020 and has been extended until March 2026 with funding from Environment and Climate Change Canada. Through the Species at Risk Program, we have:

- Conducted monitoring and surveys for species at risk on 10 ITC properties spanning six islands confirming the presence of species at risk, including: Common Sharp-tailed Snake, Western Screech-owl, Little Brown Myotis bats, and Coastal Scouler's Catchfly
- Installed new nest boxes for Western Screech-owls on Link Island
- Supported research projects utilizing environmental DNA (eDNA) to survey for Common Sharp-tailed Snakes on multiple ITC properties and Coastal Tailed Frog on Gambier Island
- Hosted a Species at Risk Speaker series from February to May 2023. Speaker topics from the 2022–23 fiscal year included:
 - › Panel Discussion on Indigenous Heritage & Ecological Conservation in the Salish Sea.
 - › Species at Risk and Critical Habitat Protection on Non-federal Lands.
 - › Growing Native Plant Species for People and Place.
 - › Monitoring and Restoration of Rare Ecosystems.

[Read more about our Species at Risk Program at islandstrust.bc.ca/conservancy/species-at-risk/](https://islandstrust.bc.ca/conservancy/species-at-risk/)



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

Partnerships, Collaborations and Supporters – Working with Others

Working with others helps Islands Trust Conservancy to effectively achieve its goals and we are grateful to be able to collaborate with so many individuals, agencies and groups.

- Continued a partnership with researchers studying climate change impacts on bull kelp beds throughout coastal B.C.
- Updated protected-area mapping for the region and contributed to the British Columbia Non-Governmental Organization Conservation Areas Database
- Shared spatial and other data including mapping of eelgrass beds, bull kelp beds, sensitive ecosystems, species at risk, and protected areas, with First Nations, local conservancies, community organizations, researchers, and all levels of government
- Continued a multi-year project to develop management responses to climate change impacts in Nature Reserves
- Contributed to the revised edition of *Greening Your Title*, the go-to reference guide on conservation covenants for landowners and land trusts in BC (publication pending in 2023)
- Continued participation with the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP) to prioritize high biodiversity areas and develop resources to support conservation

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 2022–23:

- \$50,000 to the Nature Conservancy of Canada for the purchase of Reginald Hill on Salt Spring Island
- \$6,000 to the Gabriola Land and Trails Trust for the Nature Stewards Program on Gabriola Island
- \$30,000 to the Raincoast Conservation Foundation, including a \$25,000 directed donation, for the purchase of KELÁ_EKE Kingfisher Forest on North Pender Island

As of March 31, 2023, the Opportunity Fund had \$100,215 available to grant.



Creation of New Funds — Directed Donations

Islands Trust Conservancy is a qualified donor through the Canada Revenue Agency and can accept donations, gifts of stock, bequests and other forms of gifts. In 2022–23, Islands Trust Conservancy gratefully received directed donations as follows:

Hornby Island Donation

Islands Trust Conservancy received a donation of approximately \$45,000 through the estate of William Tempest for conservation on Hornby Island. The donation has been partially disbursed and will be completed in 2023–24. Gifted funds have been allocated towards covenant management on Hornby Island and to the Opportunity Fund for grants to Hornby Island conservation projects.

Link Island Western Screech Owl Project

Islands Trust Conservancy received a donation of approximately \$25,000 from an anonymous donor for a Western Screech-owl Project on Link Island. The funds will be spent over the next two to three years.

Link Island Building Removal Fund

In addition to receiving Link Island as a donation in April 2022, Islands Trust Conservancy received a donation of approximately \$36,700 for a building removal fund in the event that the Islands Trust Conservancy should elect to remove buildings from the island. These funds have been invested and will be used when the agreement for use of the cabin on the island comes to an end.



Looking Ahead to 2023–24

As we move into a new year, Islands Trust Conservancy is prioritizing work that furthers our Reconciliation efforts and relationship development with First Nations. Islands Trust Conservancy will continue to accept conservation requests through the Opportunity Fund Grant and will work with landholders and managers who wish to protect and care for land. We look forward to strengthening existing collaborations and building new ones that will help us in continuing to protect and preserve 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 all species to thrive for generations to come.

Please consider remembering Islands Trust Conservancy in your Will. More information can be found online at islandstrust.bc.ca/conservancy/how-you-can-help/planning-your-legacy/gifts-in-your-will-2/

David Otter Nature Reserve, Bowen Island



Appendix B: Islands Trust Financial Statements

Financial Statements of

ISLANDS TRUST

Year ended March 31, 2023

ISLANDS TRUST

Financial Statements

Year ended March 31, 2023

Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditor's Report	2
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Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8

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 Auditor's 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
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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
September 27, 2023

ISLANDS TRUST

Statement of Financial Position

March 31, 2023, with comparative information for 2022

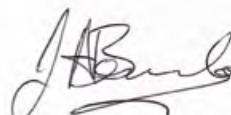
	2023	2022
Financial assets:		
Cash and cash equivalents (note 2)	\$ 1,750,989	\$ 3,558,169
Accounts receivable	301,396	192,573
Investments (note 3)	2,670,862	1,202,607
	<u>4,723,247</u>	<u>4,953,349</u>
Liabilities:		
Accounts payable and accrued liabilities	737,364	900,909
Wages and benefits payable	1,397,218	1,450,243
Deferred revenue	226,282	203,591
Employee benefit obligations (note 4)	233,999	281,672
Obligations under capital leases (note 5)	43,837	18,071
Cost recovery deposits (note 13(b))	2,996	763
	<u>2,641,696</u>	<u>2,855,249</u>
Net financial assets	2,081,551	2,098,100
Non-financial assets:		
Tangible capital assets (note 6)	237,000	286,953
Prepaid expenses	208,318	178,779
	<u>445,318</u>	<u>465,732</u>
Commitments (note 11)		
Contingent liabilities (note 12)		
Accumulated surplus (note 7)	<u>\$ 2,526,869</u>	<u>\$ 2,563,832</u>

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

Approved by the Trust Council:



Peter Luckham, Trust Council Chair



Joe Bernardo, Audit Committee Chair

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 9)	2023	2022
Revenue:			
Property tax - general	\$ 7,309,863	\$ 7,309,863	\$ 7,079,772
Property tax levy - Bowen Island municipality	323,769	323,769	311,188
Property tax - special requisition	60,000	60,000	75,500
Government transfers (note 8)	760,500	711,724	690,627
Fees and sales	264,724	199,570	117,488
Interest income	20,001	168,943	11,914
Other income	-	450	33,779
Total revenue	8,738,857	8,774,319	8,320,268
Expenses (note 10):			
Council services	1,529,806	1,524,852	1,373,658
Local trust committee services	6,635,424	6,111,543	6,176,850
Trust conservancy services (note 13)	1,137,127	1,174,887	1,133,771
Total expenses	9,302,357	8,811,282	8,684,279
Annual deficit	(563,500)	(36,963)	(364,011)
Accumulated surplus, beginning of year	2,563,832	2,563,832	2,927,843
Accumulated surplus, end of year	\$ 2,000,332	\$ 2,526,869	\$ 2,563,832

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

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 9)	2023	2022
Annual deficit	\$ (485,800)	\$ (36,963)	\$ (364,011)
Acquisition of tangible capital assets	(77,700)	(83,248)	(66,514)
Acquisition of leased tangible capital assets	-	(44,136)	-
Amortization of tangible capital assets	168,000	172,246	182,751
Loss on disposal of capital assets	-	5,091	-
	(395,500)	12,990	(247,774)
Acquisition of prepaid expenses	-	(29,539)	(12,860)
Change in net financial assets	(395,500)	(16,549)	(260,634)
Net financial assets, beginning of year	2,098,100	2,098,100	2,358,734
Net financial assets, end of year	\$ 1,702,600	\$ 2,081,551	\$ 2,098,100

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

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (36,963)	\$ (364,011)
Items not involving cash:		
Amortization of tangible capital assets	172,246	182,751
Loss (gain) on disposal of tangible capital assets	5,091	-
Extinguishing of obligations under capital lease	(5,712)	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(108,823)	15,473
Wages and benefits payable	(149,938)	31,569
Accounts payable and accrued liabilities	(66,632)	124,866
Deferred revenue	22,691	44,447
Employee benefit obligations	(47,673)	30,323
Cost recovery deposits	2,233	(18,527)
Prepaid expenses	(29,539)	(12,860)
Net change in cash from operating activities	(243,019)	34,031
Capital activities:		
Acquisition of tangible capital assets	(83,248)	(66,514)
Investing activities:		
Purchase of investments	(1,468,255)	(1,202,607)
Financing activities:		
Principal payments on obligations under capital leases	(12,658)	(13,484)
Change in cash and cash equivalents	(1,807,180)	(1,248,574)
Cash and cash equivalents, beginning of year	3,558,169	4,806,743
Cash and cash equivalents, end of year	\$ 1,750,989	\$ 3,558,169
Supplemental cash flow information:		
Assets acquired under capital lease	\$ (44,136)	\$ -

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

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

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.

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, 2023

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) Financial instruments:

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Trust recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and wages and benefits payable.

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.

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. In the years presented, there are no unrealized gains or losses and as a result no statement of remeasurement gains or losses has been included.

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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) 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.

(f) 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.

(g) 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.

(h) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

As of March 31, 2023 no asset retirement obligations have been identified for the Trust and as such no liability has been recognized.

(i) 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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(i) Liability for contaminated sites (continued):

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.

(j) 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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(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.

(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.

(k) 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, fair value of financial instruments and asset retirement obligations. Actual results could differ from these estimates.

(l) Change in accounting policies:

On April 1, 2022 the Trust adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings by public sector entities. The standard was adopted on a prospective basis at the date of adoption resulting in no changes to accumulated surplus or annual surplus for comparative years presented. No asset retirement obligations were recognized by the Trust as a result of implementation of this new standard.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(l) Change in accounting policies (continued):

On April 1, 2022 the Trust adopted Canadian public sector accounting standards PS 3450 *Financial Instruments* and PS 2601 *Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. All financial instruments are included on the statement of financial position and are measured at amortized cost. There were no adjustments to accumulated surplus at April 1, 2022 or financial assets and liabilities for the year ended March 31, 2023 as a result of the adoption of PS 2601 and PS3450.

2. Cash and cash equivalents:

	2023	2022
Bank account balances	\$ 1,750,989	\$ 1,962,503
Short-term GICs	-	1,595,666
	\$ 1,750,989	\$ 3,558,169

3. Investments:

At March 31, 2023, investments consisted of guaranteed investment certificates with a cost plus accrued interest that approximated market value. The stated interest rates ranged from 4.35% to 5.05% with maturity dates ranging from September 2023 to February 2024.

4. Employee benefit obligations:

	2023	2022
Vacation pay	\$ 177,343	\$ 230,882
Compensatory time off	56,656	50,790
	\$ 233,999	\$ 281,672

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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

4. Employee benefit obligations (continued):

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, 2022, the plan has about 68,000 active members and approximately 54,000 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 with results available later in 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 \$365,419 (2022 - \$382,903) for employer contributions to the plan in fiscal 2023.

5. Obligations under capital leases:

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

2024	\$ 11,356
2025	11,008
2026	9,804
2027	9,804
2028	11,141
2029	1,872
Total minimum lease payments	54,985
Less amounts representing interest (at rates ranging from 4.70% to 8.45%)	11,148
Present value of net minimum capital lease payments	\$ 43,837

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

5. Obligations under capital leases (continued):

Interest of \$2,204 (2022 - \$1,962) 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 2023	Total 2022
Cost:						
Balance, beginning of year	\$ 10,000	\$ 249,026	\$ 315,869	\$ 386,975	\$ 961,870	\$ 998,787
Additions	-	46,460	80,924	-	127,384	66,514
Disposals	-	(155,036)	-	-	(155,036)	(103,431)
Balance, end of year	10,000	140,450	396,793	386,975	934,218	961,870
Accumulated amortization:						
Balance, beginning of year	10,000	212,131	221,828	230,958	674,917	595,597
Additions	-	24,107	72,389	75,750	172,246	182,751
Disposals	-	(149,945)	-	-	(149,945)	(103,431)
Balance, end of year	10,000	86,293	294,217	306,708	697,218	674,917
Net book value, end of year	\$ -	\$ 54,157	\$ 102,576	\$ 80,267	\$ 237,000	\$ 286,953

Contributed tangible capital assets:

There were no contributed assets received during 2023 or 2022.

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.

Included in tangible capital assets is assets under capital leases with a net book value of \$43,837 (2022 - \$18,071).

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

7. Accumulated surplus:

Accumulated surplus consists of:

	2023	2022
Invested in tangible capital assets	\$ 193,163	\$ 268,882
General Revenue Fund	2,190,140	2,091,376
Local Trust Committee Project Specific Reserve Fund	102,751	105,867
Special property tax requisition fund	40,815	97,707
	<u>\$ 2,526,869</u>	<u>\$ 2,563,832</u>

8. Government transfers:

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

	2023	2022
Provincial operating grant	\$ 228,000	\$ 180,000
Provincial restricted grant	49,246	248,618
Federal restricted grant	238,500	242,500
Transportation Canada	2,121	-
Other	193,857	19,509
	<u>\$ 711,724</u>	<u>\$ 690,627</u>

9. Budget data:

The budget data presented in these financial statements is based upon the 2023 operating budget approved by Trust Council on April 20, 2022. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	\$ 9,134,357
Less appropriation from surplus	395,500
	<u>8,738,857</u>
Expenses	9,134,357
Plus amortization expense	168,000
	<u>9,302,357</u>
Annual deficit	<u>\$ (563,500)</u>

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

10. Classification of expenses by object:

	2023	2022
Staff salaries and benefits	\$ 5,221,815	\$ 5,342,092
Traveling/training and recruitment	155,198	68,321
Council and trustee costs	907,609	798,765
Elections	157,631	-
Office operations	997,722	1,001,408
Programs	835,059	1,035,255
Legal	358,911	255,687
Amortization	172,246	182,751
Loss on disposal of assets	5,091	-
	<hr/>	<hr/>
	\$ 8,811,282	\$ 8,684,279

11. Commitments:

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

2024	\$ 331,601
2025	143,933
2026	-
2027	-
2028	-

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.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

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 \$71,061 (2022 - \$88,174).

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:

	2023	2022
Operations and Property Management	\$ 884,981	\$ 876,595
Board	10,725	8,503
Administration	279,181	248,673
	<u>\$ 1,174,887</u>	<u>\$ 1,133,771</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:

	2023	2022
Cash received during the year	\$ 21,652	\$ 15,796
Cash paid during the year	19,418	34,323

The net payable from development applicants of \$2,996 (2022 - \$763) is included in cost recoveries on the statement of financial position.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

14. Financial risks and concentration of risk:

The Trust has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Trust has established policies to identify risks and ensure that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The Trust is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the Trust is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the Trust invests solely in guaranteed investment certificates.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the Trust is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Trust is not exposed to significant interest rate risk as it invests solely in guaranteed investment certificates with fixed interest rates.

(c) Liquidity risk:

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due.

The Trust manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

There has been no change to risk exposure from 2022 related to credit, market or liquidity risks.

Appendix C: Islands Trust Conservancy Financial Statements

Financial Statements of

**THE ISLANDS TRUST
CONSERVANCY**

Year ended March 31, 2023



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITOR'S 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, 2023
- 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, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Victoria, Canada

August 29, 2023

THE ISLANDS TRUST CONSERVANCY

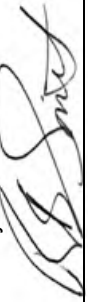
Statement of Financial Position

March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total	2022 Total
Assets:						
Current assets:						
Cash	\$ 144,281	\$ 212,875	\$ -	\$ -	\$ 357,156	\$ 294,711
Short-term investments (note 2)	-	178,950	-	88,000	266,950	269,633
Grants receivable	-	23,850	-	-	23,850	31,950
	144,281	415,675	-	88,000	647,956	596,294
Investments (note 3)	-	172,249	-	-	172,249	167,750
Land (notes 5 and 7)	-	-	15,345,100	3,076,601	18,421,701	17,213,701
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906	\$ 17,977,745
Liabilities:						
Current liabilities:						
Deferred contributions	\$ 45,049	\$ -	\$ -	\$ -	\$ 45,049	\$ -
Grants payable	14,350	4,615	-	-	18,965	-
Due to Islands Trust	-	71,061	-	-	71,061	88,174
Asset retirement obligations (note 4)	59,399	75,676	-	-	135,075	88,174
	-	80,708	-	-	80,708	-
	84,882	-	-	-	84,882	114,230
Investment in land (note 5)	-	-	15,345,100	-	15,345,100	14,137,100
Internally restricted (note 6)	-	31,562	-	-	31,562	32,043
Externally restricted (note 6)	-	399,978	-	-	399,978	441,597
Restricted for endowment purposes (note 7)	-	-	-	3,164,601	3,164,601	3,164,601
Subsequent event (note 11)	84,882	431,540	15,345,100	3,164,601	19,026,123	17,889,571
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906	\$ 17,977,745

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, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total	2022 Total
						(Schedule 2)
Revenue:						
Donations:						
Cash	\$ 61,258	\$ 39,148	\$ -	\$ -	\$ 100,406	\$ 107,547
Land	-	-	1,208,000	-	1,208,000	-
Grants	-	245,529	-	-	245,529	280,704
Rental income	-	10,507	-	-	10,507	10,455
Investment income (loss)	5,895	4,310	-	-	10,205	(6,337)
	67,153	299,494	1,208,000	-	1,574,647	392,369
Expenses:						
Repairs and maintenance - Alton property	-	16,482	-	-	16,482	21,788
Property management	-	1,260	-	-	1,260	4,880
Asset retirement cost (note 4)	-	79,483	-	-	79,483	-
Accretion expense	-	1,226	-	-	1,226	-
Bank charges	115	28	-	-	143	132
Grants to external parties	96,386	4,615	-	-	101,001	22,000
Species at Risk	-	238,500	-	-	238,500	242,500
Conservation Stimulus	-	-	-	-	-	38,500
	96,501	341,594	-	-	438,095	329,800
Excess (deficiency) of revenue over expenses	\$ (29,348)	\$ (42,100)	\$ 1,208,000	\$ -	\$ 1,136,552	\$ 62,569

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, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
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 9)	-	-	3,809,931	(3,809,931)	-
Fund balances, March 31, 2022	114,230	473,640	14,137,100	3,164,601	17,889,571
Excess (deficiency) of revenue over expenses	(29,348)	(42,100)	1,208,000	-	1,136,552
Fund balances, March 31, 2023	\$ 84,882	\$ 431,540	\$ 15,345,100	\$ 3,164,601	\$ 19,026,123

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

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,136,552	\$ 62,569
Item not involving cash:		
Donation of land	(1,208,000)	-
Accretion	1,226	-
Asset retirement obligation	42,774	-
Changes in non-cash operating working capital:		
Grants payable	18,965	-
Grants receivable	8,100	21,550
Due to Islands Trust	(17,113)	6,576
Deferred contributions	45,049	-
	<u>27,553</u>	<u>90,695</u>
Capital activities:		
Cash received for settlement of asset retirement obligation	36,708	-
Investing activities:		
Decrease in short-term investments	2,683	7,592
Decrease in long-term investments	162,501	-
Purchase of investments	(167,000)	(167,750)
	<u>(1,816)</u>	<u>(160,158)</u>
Increase (decrease) in cash	62,445	(69,463)
Cash, beginning of year	294,711	364,174
Cash, end of year	\$ 357,156	\$ 294,711

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

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 short-term investments at fair value as they are managed and evaluated on a fair value basis. Investments in guaranteed investment certificates are recorded at amortized cost.

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, 2023

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. Short-term 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. Restricted contributions for which there is no restricted fund are recognized as revenue of the Opportunity Fund in the period in which related expenses are incurred.

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, 2023

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) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous materials in the Ruby Alton house owned by the Trust Conservancy has been recognized based on estimated expenses on remediation or demolition of the structure. The liability for costs to remove rustic structures on Link Island has been recognized based on contributed funds received for the purposes of future removal of the structures.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) 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.

(h) 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 and asset retirement obligations. Actual results could differ from those estimates.

(i) Change in accounting policy:

On April 1, 2022 the Trust Conservancy adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on a prospective basis at the date of adoption resulting in no changes to accumulated surplus or annual surplus for comparative years presented.

On April 1, 2022 the Trust Conservancy recognized an asset retirement obligation related to a building containing asbestos and other hazardous materials located on the Ruby Alton Nature Reserve. The impact of this recognition and related accretion expense is reflected in the financial statements for the year ending March 31, 2023, along with other obligations arising the reporting year.

Under the prospective method, the assumptions used on initial recognition of these asset retirement obligations are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

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.

3. Investments:

Investments consist of guaranteed investment certificate that matures on November 2, 2023. It has an interest rate of 4.95%.

4. Asset retirement obligations:

The Trust Conservancy owns one building located on the Ruby Alton Nature Reserve that is known to contain asbestos and other hazardous materials, which represents a health hazard upon demolition or remediation of the building and there is a legal obligation to remove it. Following the adoption of *PS 3280 Asset Retirement Obligations*, the Trust Conservancy recognized an obligation relating to the removal and post-removal care of the hazardous materials in this building as estimated at April 1, 2022. Estimated costs have been based the calculated current value of costs associated to address the future obligation.

During the 2023 year, the Trust Conservancy received a contributed asset, Link Island Nature Reserve, which contains a rustic cabin structure that will require future removal as a result of an agreement with the donor family. This required removal represents an asset retirement obligation under PS 3280. Estimated costs have been based on the value of funds received from the donor to remove the structures.

The transition and recognition of asset retirement obligations resulted in newly recognized liabilities as follows:

	Acquisition year	2023
Asset		
Ruby Alton house	2002	\$ 44,000
Link Island structures	2023	36,708
		<hr/> \$ 80,708

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

5. Land:

	Acquisition year	2023	2022
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	2022	2,703,000	2,703,000
Link Island Nature Reserve, Link Island	2023	1,208,000	-
		11,535,169	10,327,169
Properties acquired under the Federal Government Ecological Gifts Program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve Lot A, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	210,000
Moore Hill Nature Reserve, Thetis Island	2017	780,000	780,000
Valens Brook Nature Reserve Lot 1, Denman Island	2019	85,000	85,000
Salish View Nature Reserve, Lasqueti Island	2020	304,931	304,931
Lisa Baile Nature Reserve, North Pender Island	2022	320,000	320,000
		3,809,931	3,809,931
		\$ 15,345,100	\$ 14,137,100

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, 2023

6. Restricted Fund balances:

	2023	2022
Internally restricted:		
McFadden Creek management fund	\$ 20,626	\$ 21,393
Property Management fund	10,936	10,650
	<u>31,562</u>	<u>32,043</u>
Externally restricted:		
Alton Nature Reserve - maintenance fund	111,384	156,758
Morrison Fund	10,467	14,809
Covenant Defense Fund	118,894	115,790
Lasqueti Acquisition Fund	30,465	27,541
Gambier Acquisition Fund	127,433	125,398
Thetis Island Acquisition Fund	1,335	1,301
Link Island Removal Fund	-	-
	<u>399,978</u>	<u>441,597</u>
	<u>\$ 431,540</u>	<u>\$ 473,640</u>

7. Restricted for endowment purposes:

	Acquisition year	2023	2022
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
		<u>3,076,601</u>	<u>3,076,601</u>
		<u>\$ 3,164,601</u>	<u>\$ 3,164,601</u>

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

7. Restricted for endowment purposes (continued):

Investment gains (losses) on endowment funds for the year of (\$2,683) (2022 - (\$6,587)) 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.

8. Interfund transfer:

During the year, there were no interfund transfers. In the prior year, there was an interfund transfer of \$3,809,931 from the Endowment Fund to the Capital Fund, reflecting the value of lands historically received under the Ecological Gift Program no longer restricted for endowment purposes.

9. 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:

	2023	2022
Operations and property management	\$ 884,981	\$ 876,595
Board	10,725	8,503
Administration	279,181	248,673
	<u>\$ 1,174,887</u>	<u>\$ 1,133,771</u>

At March 31, 2023, amounts owing to Islands Trust were \$71,061 (2022 - \$88,174).

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

10. Financial risks and concentration of risk:

The Trust Conservancy's financial instruments consist of cash, short-term investments, investments, grants receivable, grants payable 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, 2023 is the carrying value of cash, short-term investments and investments and 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.

11. Subsequent event:

Subsequent to March 31, 2023 the transfer of Larmour Nature Reserve, a 3.36 hectare land parcel located in the Salt Spring Island Local Trust Area, from Jonathan Penn to the Trust Conservancy was completed. The approximate \$374,015 assessed value of the donated land is not reflected in the assets or fund balances as at March 31, 2023. The value of these donated assets will be recorded in the financial statements of the year ending March 31, 2024.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2022 Total
Assets:					
Current assets:					
Cash	\$ 114,230	\$ 180,481	\$ -	\$ -	\$ 294,711
Short-term investments	-	181,633	-	88,000	269,633
Grants receivable	-	31,950	-	-	31,950
	114,230	394,064		88,000	596,294
Investments	-	167,750	-	-	167,750
Land	-	-	14,137,100	3,076,601	17,213,701
	\$ 114,230	\$ 561,814	\$ 14,137,100	\$ 3,164,601	\$ 17,977,745
Liabilities:					
Current liabilities:					
Due to Islands Trust	\$ -	\$ 88,174	\$ -	\$ -	\$ 88,174
	114,230	-	-	-	114,230
Fund Balances:					
Unrestricted	-	-	-	-	14,137,100
Investment in land	-	-	14,137,100	-	32,043
Internally restricted	-	32,043	-	-	441,597
Externally restricted	-	441,597	-	-	3,164,601
Restricted for endowment purposes	-	-	-	3,164,601	17,889,571
	114,230	473,640	14,137,100	3,164,601	17,977,745
	\$ 114,230	\$ 561,814	\$ 14,137,100	\$ 3,164,601	\$ 17,977,745

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2022

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

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