

2021/22

Annual REPORT



Protecting Islands in the Salish Sea



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)

We acknowledge with respect that we live and work as guests in the treaty lands and territories of the BOKÉĆEN, K'ómoks, Lək ʷəŋən, Lyackson, MÁLEXEŁ, Qualicum, Quw'utsun Tribes, scə́wáθən məsteyəxʷ, Scia'new, sə́ilwətaʔł, SEMYOME, shíshálh, Sḵwx wú7mesh, Snaw-naw-as, Snuneymuxw, Spune'luxutth, STÁUTW, Stz'uminus, ʔaʔəmen, toq qaymłxʷ, Ts'uubaa-asatx, Wei Wai Kum, We Wai Kai, WJOŁEŁP, WSIKEM, Xeláltxw, Xwémalhkwu/ʔop qaymłxʷ, and xʷməθkʷəyám.

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

Who We Are

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

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

→ [Read more about how you can protect nature with us.](#)



How We Work



We preserve and protect the Islands by:

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



Our People



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

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



Kate-Louise Stamford
Chair



Sue Ellen Fast
Vice Chair



Linda Adams
Board Member



Doug Fenton
Board Member



Dr. Risa Smith
Board Member



Kate Emmings
Manager



Carla Funk
Strategic Fund Development
Specialist



Jemma Green
Covenant Management and
Outreach Specialist



Kathryn Martell
Ecosystem Protection Specialist



Nuala Murphy
Property Management
Specialist



Carmen Smith
Communications Specialist



Corlynn Strachan
Administrative Assistant



Wendy Tyrrell
Species at Risk Program
Coordinator



Devin Hentschel
Conservation Technician
(Co-op student)



Message from the Board Chair

If there was a theme for the past year it would have to be that of *resilience*.

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

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

- Woodpecker Forest Covenant on SDAY,ES/North Pender Island
- Moss Mountain Covenant on Salt Spring Island
- Earl-Batista Covenant on Salt Spring Island

In addition to annual property monitoring, ITC staff and partner conservancy volunteers planted more than 20,000 trees, shrubs and plants in restoration projects across the islands and supported scientific research on multiple properties primarily



through the Species at Risk Program. You can read about these conservation highlights and impact stories [online in our first-ever Impact Report](#).

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



If this past year has taught us anything it is that we are strongest when we support each other, and work together to achieve our goals.

Sandy Beach Nature Reserve, Lhe̱k'tines/Keats Island. PHOTO: CARLA FUNK

we were able to secure an ongoing Strategic Fund Development Specialist position that is already building donor support for our work, and are thrilled to have Carla Funk continuing in this role.

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

We will take this spirit of resilience and, with the continued support from island communities, donors, landholders, volunteers and staff, continue to address climate change and find better ways to engage and work alongside First Nations in

the stewardship of lands under our care. If this past year has taught us anything it is that we are strongest when we support each other, and work together to achieve our goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Kate-Louise Stamford".

Kate-Louise Stamford
Chair, Islands Trust Conservancy



Protected Places added to the Islands Trust Area in 2021/22

32 ITC Nature Reserves (+1) + 79 ITC covenants (+3) = 111 ITC protected properties (+4)

which contribute to the 241.7 ha of newly protected land added...

to the more than 15,350* ha (19.4%) Total protected land in the Islands Trust Area



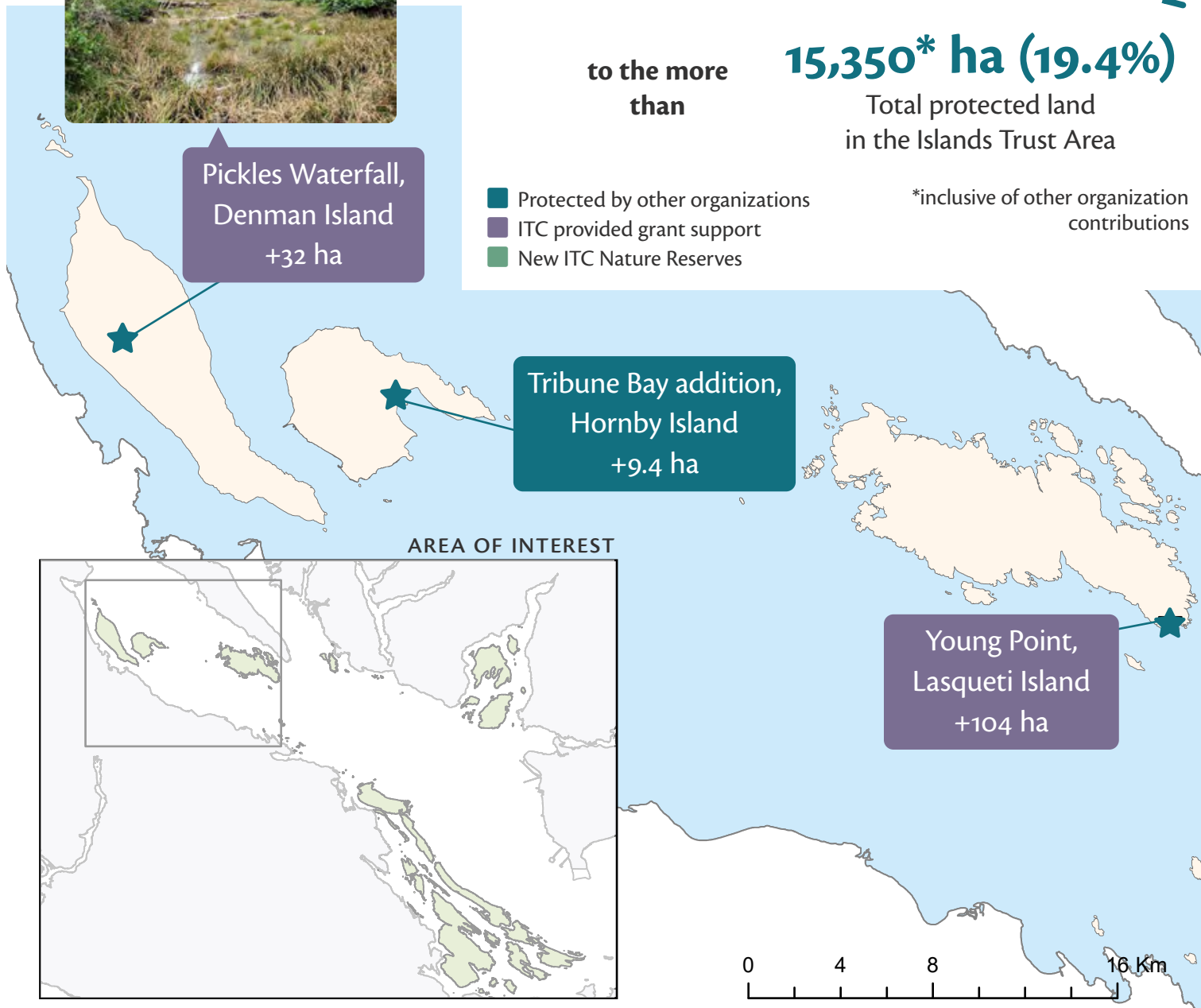
Pickles Waterfall, Denman Island +32 ha

- Protected by other organizations
- ITC provided grant support
- New ITC Nature Reserves

*inclusive of other organization contributions

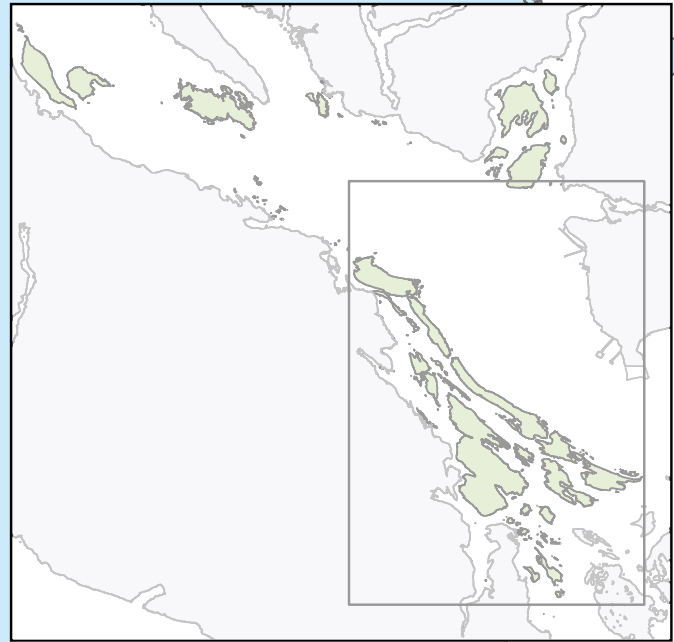
Tribune Bay addition, Hornby Island +9.4 ha

Young Point, Lasqueti Island +104 ha





AREA OF INTEREST



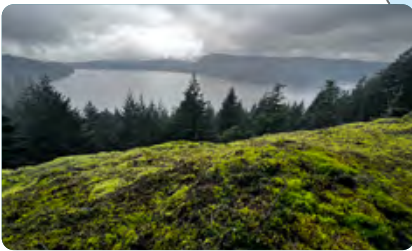
Saturnina Island Nature Reserve
+4.3 ha

Wakes Cove Provincial Park, Valdes Island
+2 ha

Cable Bay Protected Area, Galiano Island
+26.5 ha



Woodpecker Forest, North Pender Island
+3.6 ha

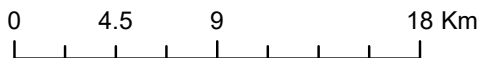


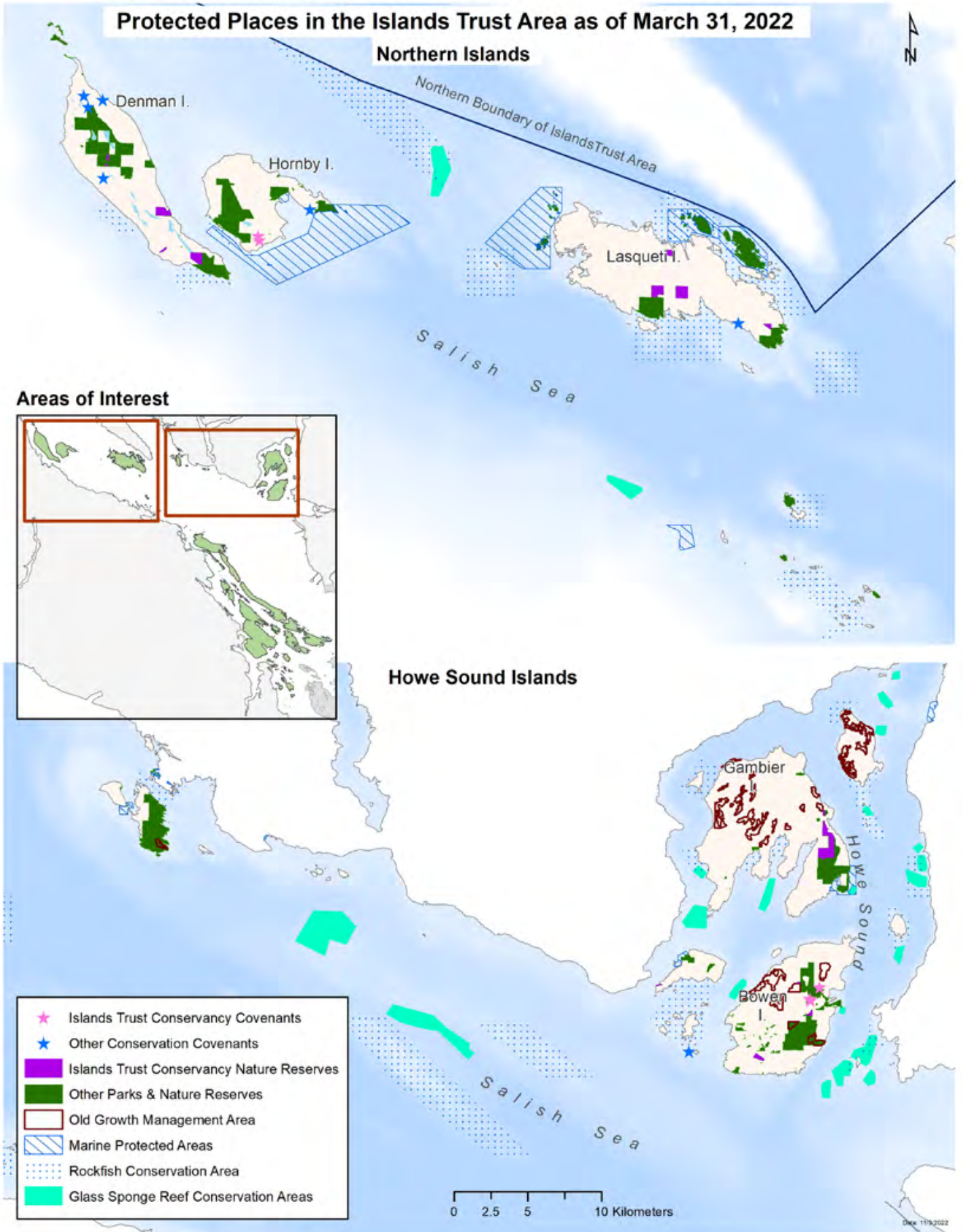
Earl Batista and Moss Mtn, Salt Spring Island
+50.7 ha

Larmour lands, Salt Spring Island
+0.9 ha

SDAY, ES Flycatcher Forest, North Pender Island
+11.6 ha

SISÇENEM, North Pender LTA
+2.6 ha

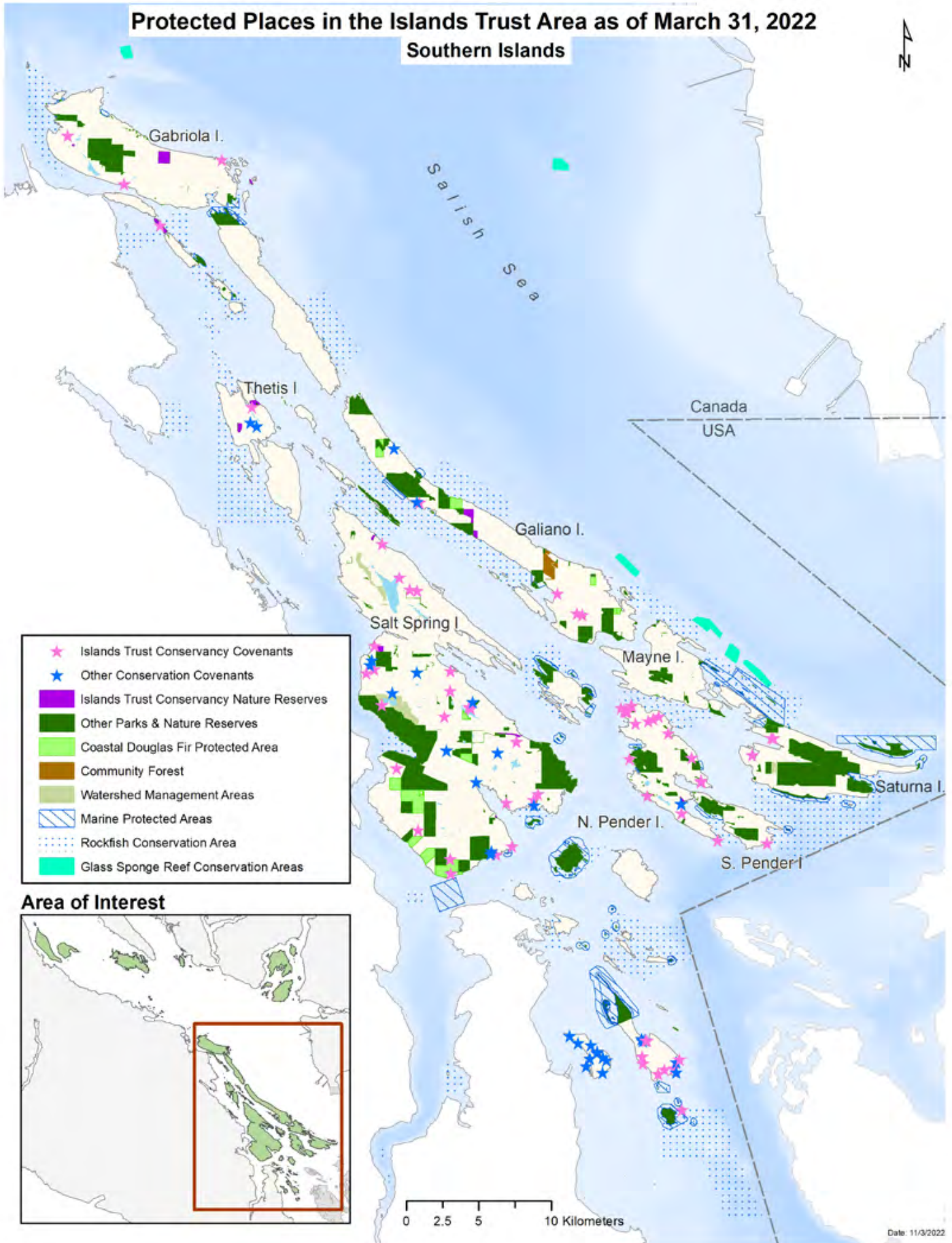




→ [Explore Islands Trust Conservancy properties on our Protected Places App](#)

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

Southern Islands



→ [Explore Islands Trust Conservancy properties on our Protected Places App](#)

Regional Conservation Plan

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

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

GOAL 1: KNOWLEDGE-BASED CONSERVATION PLANNING

Identify, investigate, and communicate about important natural areas to generate action on conservation priorities

Continue to secure and manage Islands Trust Conservancy lands and conservation covenants to maximize ecological integrity

GOAL 3: PROTECT CORE CONSERVATION AREAS

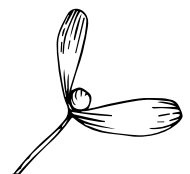
GOAL 2: COLLABORATION WITH FIRST NATIONS AND RELATIONSHIP BUILDING

Strengthen relationships with First Nations to identify and collaborate on shared conservation goals

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

GOAL 4: A STRONG VOICE FOR NATURE CONSERVATION

Long-term Goals



Goal 1: Knowledge-based Conservation Planning

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

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

Mapping and Data Analysis

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

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



Smolts in eelgrass. PHOTO: TAVISH CAMPBELL

Planning and Adapting for Climate Change

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

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

Goal 2: Collaboration with First Nations and Relationship Building



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

Islands Trust Conservancy continues to commit to ensuring that the work we do is reflective of the Truth and Reconciliation Commission (TRC) Calls to Action, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the Province of British Columbia's *Declaration on the Rights of Indigenous Peoples Act* (DRIPA), and the

Missing and Murdered Indigenous Women and Girls (MMIWG) Calls for Justice. Some of these efforts are noted in the [Islands Trust Foundational Reconciliation Report \(2019–2021\)](#) and the [Reconciliation Action Plan \(2019–2022\)](#).

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

Coast Salish knowledge-holder Harold Joe and ITC staff heading out on boat headed for a day of learning and exploring a recently protected property on Salt Spring Island.





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

- Islands Trust Conservancy staff reconciliation training. This training supported the TRC Calls to Action to learn about the history and legacy of residential school, Indigenous Law, and UNDRIP.
- Guided site visits with a Cultural Knowledge Holder, to learn how to respectfully be on the land and culturally sensitive ways of being.
- Using Indigenous place names when discussing protected areas on social media and in our communications (when known).
- Continued collaboration to develop specific management plans with Indigenous partners to preserve Indigenous cultural heritage and significant sites, and ensure sustainability and stewardship is inclusive of Indigenous ways of knowing.

“Sharing our art will form a connection that will create space where empathy and understanding can flourish across cultural divides.”

— Eliot White-Hall

- Engaging Aboriginal artist Eliot White-Hall to redesign the new sign for the S’ul-hween X’pey/Elder Cedar Nature Reserve on Gabriola Island, in collaboration with elder Geraldine Mason.
- Engaging speakers to present on topics of ecocultural restoration and culturally significant places in ITC’s Species at Risk Gathering in March 2022.



Eliot White-Hall's new sign design installed at the S’ul-hween X’pey/Elder Cedar Nature Reserve on Gabriola Island.



Goal 3: Protect Core Conservation Areas

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

2021/22 Conservation Covenants

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

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

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

→ [Read more about placing conservation covenants with us](#)





Moss Mountain covenant, Salt Spring Island. PHOTO: CARLA FUNK

“Given the current climate crisis it seemed like a great way to contribute. It was a family decision between me and my three children. We felt the land needed to be protected forever.”

— Gay Young, Covenant Donor, Moss Mountain



2021/22 Nature Reserves

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

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

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

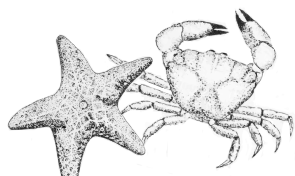
→ [Read more about creating nature reserves](#)



Private landholders are key to conservation success

Since 1990 we have helped more than 80 landholders place 79 covenants—protecting more than 683 hectares of land and more than 7 kilometres of shoreline on 18 islands.

Saturnina Island is Island Trust Conservancy's 32nd Nature Reserve. ▶
PHOTO: AISLYN KING



Since
1990

80+
landholders



79
covenants



683+ ha
protected



7 km
of shoreline



14
islands



Caring for Land

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

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

- Annual monitoring and trail maintenance (on reserves with trails) on all ITC nature reserves
- Monitoring Islands Trust Conservancy conservation covenants to maintain relationships with landowners and ensure compliance
- Restoration to reduce erosion at Horton Bayviary Nature Reserve (Mayne), planting 60 native plants and trees sourced from

the on-island nursery with Mayne Island Conservancy Association and installing fencing to protect them

- Collaborating with Parks Canada, First Nations, the Province of B.C., and the Sidney Island community on the Sidney Island Ecosystem Restoration Project
- Developing the first management plan for Moore Hill Nature Reserve (Thetis) and updated the management plans for S'ul-hween X'pey/Elder Cedar Nature Reserve and Coats Millstone Nature Reserve on Gabriola
- Updating signage, including the creation of educational signs for research at Mt. Trematon Nature Reserve on Xweh et tay/Lasqueti and trail map signage at Lindsay Dickson Nature Reserve on Taystay'ich/Denman

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



- Removing exotic invasive species from 14 conservation covenants and/or nature reserves on Salt Spring, Thetis, Lasqueti, Denman, Galiano, and Gabriola islands
- Planted more than 11,000 plants inside a deer and rabbit proof enclosure, and scattered more than 2 million native meadow seeds distributed as a part of the Mount Tuam Garry Oak enhancement Project on Salt Spring Island
- Partnering with Capilano University and the Howe Sound Biosphere Region Initiative to provide students with the opportunity to learn species at risk surveying techniques at

the Long Bay Wetland Nature Reserve on Gambier

- Conducted monitoring and surveys for species at risk on 13 ITC properties on 7 islands that confirmed the presence of many species at risk, including: Sharp-tailed Snakes, Western Screech Owls, Little Brown Myotis bats, and the Endangered Coastal Scouler’s Catchfly
- Installed nest boxes for at-risk Western Screech Owls on Link Island
- Supported new techniques using eDNA to survey for Sharp-tailed Snakes and forage fish on multiple ITC properties

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



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada



HABITAT CONSERVATION
TRUST FOUNDATION

Islands Trust Conservancy recognizes the Habitat Conservation Trust Foundation for making a significant financial contribution to support this work. Partnerships are key to conserving BC’s wildlife, fish, and their habitats.

- Conducting wetland restoration at John Osland, Salish View, and Mt Trematon Nature Reserves on Lasqueti Island by planting 721 native plants and installing fencing

- Controlling bullfrogs in the early stages of population establishment/invasion and conducting a pilot study of control techniques for aquatic invader parrot’s feather on Sidney Island





Species at Risk Program

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

In 2021/22 Islands Trust Conservancy:

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

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



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

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



Nature Stewardship & Education

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

In 2021/22 this included:

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

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

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



Mount Tuam Garry Oak enhancement Project on Salt Spring Island. PHOTO: CARLA FUNK



Opportunity Fund

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

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


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

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

We are honored to be entrusted with Susan’s bequest. Careful consideration will be made to ensure that use of these funds is in keeping with her lifelong passion for conservation on the islands in the Salish Sea.

At March 31, 2022 the Opportunity Fund had \$114,151 available to grant.

Sunbeams. PHOTO: CARLA FUNK



“Susan believed strongly in grassroots organizing and worked to help small groups of passionate people do extraordinary things.”

— Friend and estate trustee Janet Theunisz

Goal 4: A Strong Voice for Nature Conservation

Building internal capacity

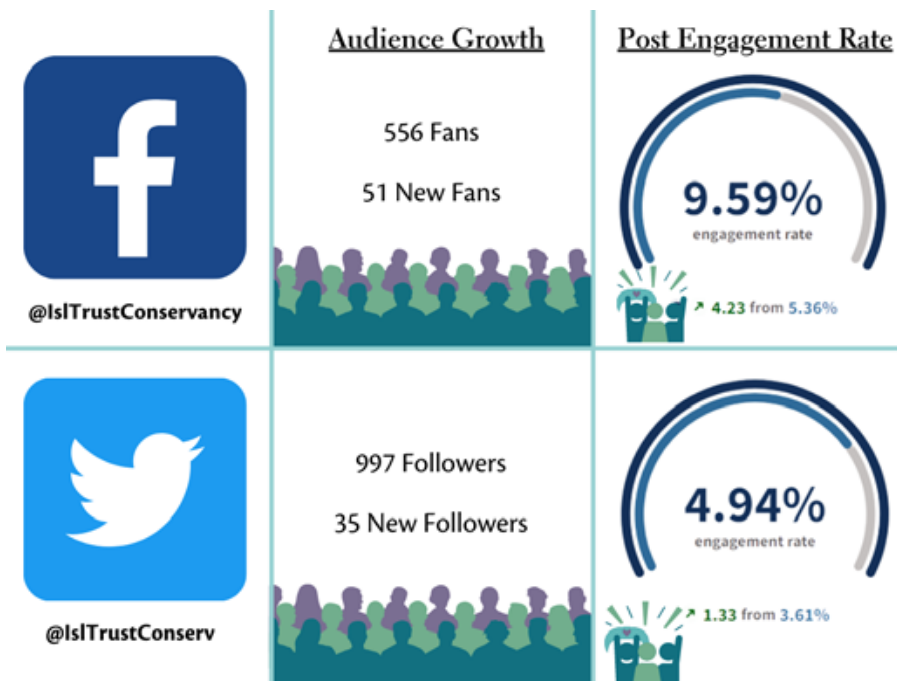
Islands Trust Conservancy brought on additional support for communications work allowing the Communications and Fundraising Specialist to focus more on strategic fund development. We continued to put out the quarterly Heron newsletter, e-news updates, and news releases and find new ways to grow our audiences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

After a strategic break we re-engaged with followers on Twitter and have seen growth in our social media audiences significantly since introducing the Hootsuite platform in December 2021. We have grown organic reach on both platforms and continue to experiment with post scheduling and content to grow our engagement on these

platforms so messages reach new and different audiences.

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

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



Social Media audience and engagement growth from Dec. 1 2021–March 31 2022. Islands Trust Conservancy Audience Snapshot as of March 31, 2022. Post engagement rate is for the period of Dec. 1 2021 to March 31 2022. Audience refers to the total number of 'fans' or followers for Facebook and/or Twitter. Engagement refers to the percentage of individuals who actively engage (like, comment, click on links) with content, as a percentage of those who see the content online.



Growing our Fundraising Capabilities

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

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

- Adding Gifts of Insurance information to the ITC website and began investigating ways ITC can offer monthly giving options in the future
- Updating and reviewing the website for ways to improve the donor experience

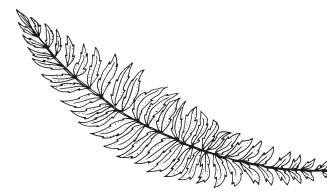
Building a network of Partners

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

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

- **Coastal Douglas-fir and Associated Ecosystems Conservation Partnership.** Islands Trust Conservancy staff are members of the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP) Steering Committee and Securement Committee.
- **Land Trust Alliance of British Columbia.** Islands Trust Conservancy is a member of the Land Trust Alliance of British Columbia (LTABC).
- **Capital Region Invasive Species Partnership.** Islands Trust Conservancy joined the Capital Region Invasive Species Partnership (CRISP) in 2019.





Islands Trust Conservancy’s SAR Gathering—March 2022

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

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

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

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

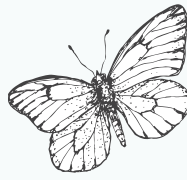


Above: Threatened Zerene fritillary butterfly on Mt Tuam, Salt Spring island. PHOTO: LAURA MATTHIAS

Below: Wendy Tyrrell, Species at Risk Program Coordinator hosts the ITC Species Gathering on March 17 2022



Looking Ahead



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

With the support and oversight from the ITC Board, staff are prioritizing work that will further our reconciliation efforts and climate change work

in 2022/23. We look forward to strengthening existing partnerships and building new ones that will help us to keep protecting islands in the Salish Sea for generations to come.

→ [Please consider remembering Islands Trust Conservancy in your Will](#)



ITC staff looking over the islands from Mount Parke, Mayne Island.
PHOTO: CARLA FUNK

Thank you to all the donors, supporters, partners and allies who make this work possible.

Together, we are creating a conservation legacy that will protect and preserve islands in the Salish Sea for people and nature to thrive for generations to come.



Financial Statements

Islands Trust Conservancy (ITC) prepares Financial Statements annually, in compliance with the requirements under section 46 of the *Islands Trust Act*. Under the *Islands Trust Act*, ITC may receive money, land and other property as donations or through grants in order to further the object of the Islands Trust. ITC uses Canadian Public Sector Accounting Standards, including standards for government non-profit organizations, to manage its funds and land assets. ITC currently holds and manages the following funds:

- Opportunity Fund: Used for unrestricted resources, most notably for the Opportunity Fund Grant Program
- Restricted Fund: Used for internally and externally restricted assets, including grants, funds restricted for property management and funds restricted for land acquisition
- Capital Fund: used to record the value of land donated, acquired or transferred without external restrictions
- Endowment Fund: Used primarily for land that is restricted through donation agreements

In its 2021/22 Financial Statements, the Conservancy recognizes the following items of note:

- Approved grant revenues, including a \$242,500 grant from Environment and Climate Change Canada for the ITC Species at Risk Program and a \$38,500 grant from the Conservation Economic Stimulus Fund;
- Receipt of a \$100,000 donation to the Opportunity Fund from Susan Bloom Alter Ego Trust; and,
- Reclassification of \$3.8M of ITC lands received under the Federal Government Ecological Gifts Program from the endowment fund to the capital fund to reflect the change in nature of these lands from restricted to unrestricted. This change was triggered when Environment and Climate Change Canada amended its classification of the ITC from a public body to an agent of the crown.

While ITC manages land and funds as noted in its Financial Statements, costs of Islands Trust Conservancy operations are the responsibility of Trust Council under the Trust Council budget process. Details on these costs are available in the Islands Trust Financial Statements.

You can [read the full Financial Audit report for Islands Trust Conservancy 2021/22 online](#).





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INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

Basis for Qualified Opinion

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

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

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

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

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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Victoria, Canada
May 24, 2022

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

March 31, 2022, with comparative information for 2021

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

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

Approved by the Islands Trust Conservancy Board:



Board member



Board member

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

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

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

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

THE ISLANDS TRUST CONSERVANCY

Statement of Changes in Fund Balances

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

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

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

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

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

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

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

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

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

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

1. Significant accounting policies:

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

(a) Fund accounting:

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

The Opportunity Fund reports unrestricted resources.

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

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

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

(b) Financial instruments:

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

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

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

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

(c) Land:

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

(d) Revenue recognition:

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

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

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

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

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(e) Liability for contaminated sites:

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

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Trust Conservancy is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

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

(f) Natural assets:

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

(g) Use of estimates:

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

2. Short-term investments:

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

3. Land:

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

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

4. Restricted Fund balances:

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

5. Restricted for endowment purposes:

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

5. Restricted for endowment purposes (continued):

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

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

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

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

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

6. Interfund transfer:

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

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2022

7. Related party:

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

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

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

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

8. Financial risks and concentration of risk:

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

9. Subsequent event:

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

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2021

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

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2021

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

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

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