

Financial Statements of

**THE ISLANDS TRUST
CONSERVANCY**

Year ended March 31, 2024



KPMG LLP

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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, 2024
- 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, 2024, 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
June 24, 2024

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2024 Total	2023 Total
(Schedule 1)						
Assets:						
Current assets:						
Cash	\$ 54,472	\$ 116,867	\$ -	\$ -	\$ 174,339	\$ 357,156
Short-term investments (note 2)	83,468	309,204	-	88,000	480,672	266,950
Grants receivable	-	22,000	-	-	22,000	23,850
	140,940	448,071	-	88,000	677,011	647,956
Investments (note 3)	-	181,225	-	-	181,225	172,249
Land (notes 5 and 7)	-	-	16,066,100	3,076,601	19,142,701	18,421,701
	\$ 140,940	\$ 629,296	\$ 16,066,100	\$ 3,164,601	\$ 20,000,937	\$ 19,241,906
Liabilities:						
Current liabilities:						
Deferred contributions	\$ 28,138	\$ -	\$ -	\$ -	\$ 28,138	\$ 45,049
Grants payable	1,400	-	-	-	1,400	18,965
Due to Islands Trust	8,028	92,854	-	-	100,882	71,061
	37,566	92,854	-	-	130,420	135,075
Asset retirement obligations (note 4)	-	82,854	-	-	82,854	80,708
Fund Balances:						
Unrestricted	103,374	-	-	-	103,374	84,882
Investment in land (note 5)	-	-	16,066,100	-	16,066,100	15,345,100
Internally restricted (note 6)	-	30,141	-	-	30,141	31,562
Externally restricted (note 6)	-	423,447	-	-	423,447	399,978
Restricted for endowment purposes (note 7)	-	-	-	3,164,601	3,164,601	3,164,601
	103,374	453,588	16,066,100	3,164,601	19,787,663	19,026,123
Subsequent event (note 11)						
	\$ 140,940	\$ 629,296	\$ 16,066,100	\$ 3,164,601	\$ 20,000,937	\$ 19,241,906

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, 2024, with comparative information for 2023

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2024 Total	2023 Total
(Schedule 2)						
Revenue:						
Donations:						
Cash	\$ 26,412	\$ -	\$ -	\$ -	\$ 26,412	\$ 100,406
Land	-	-	721,000	-	721,000	1,208,000
Grants	-	220,007	-	-	220,007	245,529
Rental income	-	10,760	-	-	10,760	10,507
Investment income (loss)	8,990	36,632	-	-	45,622	10,205
	35,402	267,399	721,000	-	1,023,801	1,574,647
Expenses:						
Repairs and maintenance - Alton property	-	19,656	-	-	19,656	16,482
Property management	-	3,359	-	-	3,359	1,260
Asset retirement cost (note 4)	-	-	-	-	-	79,483
Accretion expense	-	2,146	-	-	2,146	1,226
Bank charges	-	190	-	-	190	143
Grants to external parties	-	-	-	-	-	101,001
Screech Owl management	16,910	-	-	-	16,910	-
Species at Risk	-	220,000	-	-	220,000	238,500
	16,910	245,351	-	-	262,261	438,095
Excess (deficiency) of revenue over expenses	\$ 18,492	\$ 22,048	\$ 721,000	\$ -	\$ 761,540	\$ 1,136,552

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, 2024, with comparative information for 2023

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
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
Excess (deficiency) of revenue over expenses	18,492	22,048	721,000	-	761,540
Fund balances, March 31, 2024	\$ 103,374	\$ 453,588	\$ 16,066,100	\$ 3,164,601	\$ 19,787,663

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

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 761,540	\$ 1,136,552
Item not involving cash:		
Donation of land	(721,000)	(1,208,000)
Accretion	2,146	1,226
Asset retirement obligation	-	42,774
Changes in non-cash operating working capital:		
Grants payable	(17,565)	18,965
Grants receivable	1,850	8,100
Due to Islands Trust	29,821	(17,113)
Deferred contributions	(16,911)	45,049
	<u>39,881</u>	<u>27,553</u>
Capital activities:		
Cash received for settlement of asset retirement obligation	-	36,708
Investing activities:		
Decrease in short-term investments	(22,013)	2,683
Decrease in long-term investments	(8,976)	162,501
Purchase of investments	(191,709)	(167,000)
	<u>(222,698)</u>	<u>(1,816)</u>
Increase (decrease) in cash	(182,817)	62,445
Cash, beginning of year	357,156	294,711
Cash, end of year	\$ 174,339	\$ 357,156

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2024

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, 2024

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, 2024

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, 2024

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, 2023 the Trust Conservancy adopted Canadian public sector accounting standard PS 3400 *Revenue Recognition*. The new accounting standard differentiates between revenue arising from transactions with performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). 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, 2023 the Trust Conservancy adopted Canadian public sector accounting standard PS 3160 *Public Private Partnerships*. The new accounting standard establishes guidelines for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements. Given the nature of its work, the Trust Conservancy does not engage in these types of partnerships and as such, adoption of the standard has had no impact on the financial statements.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2024

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 4, 2024. It has an interest rate of 5.6%.

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.

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 present value of funds received from the donor to remove the structures.

Asset retirement obligations by asset are as follows:

	Acquisition year	2024	2023
Asset			
Ruby Alton house	2002	\$ 45,320	\$ 44,000
Link Island structures	2023	37,534	36,708
		\$ 82,854	\$ 80,708

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2024

5. Land:

	Acquisition year	2024	2023
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	1,208,000
Larmour Nature Reserve, Salt Spring Island	2024	721,000	-
		12,256,169	11,535,169
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	2023	320,000	320,000
		3,809,931	3,809,931
		\$ 16,066,100	\$ 15,345,100

The Conservancy has a 99-year lease with BC Parks Foundation to manage Lands owned by the Foundation as a Nature Reserve, known as Saturnina Island Nature Reserve.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2024

6. Restricted Fund balances:

	2024	2023
Internally restricted:		
McFadden Creek management fund	\$ 18,635	\$ 20,626
Property Management fund	11,506	10,936
	<u>30,141</u>	<u>31,562</u>
Externally restricted:		
Alton Nature Reserve - maintenance fund	121,761	111,384
Morrison Fund	10,838	10,467
Covenant Defense Fund	125,087	118,894
Lasqueti Acquisition Fund	31,934	30,465
Gambier Acquisition Fund	131,659	127,433
Thetis Island Acquisition Fund	1,403	1,335
Link Island Removal Fund	765	-
	<u>423,447</u>	<u>399,978</u>
	<u>\$ 453,588</u>	<u>\$ 431,540</u>

7. Restricted for endowment purposes:

	Acquisition year	2024	2023
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, 2024

7. Restricted for endowment purposes (continued):

Investment gains (losses) on endowment funds for the year of \$6,502 (2023 - (\$2,683)) 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:

There were no interfund transfers in the current year or in the prior year.

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:

	2024	2023
Operations and property management	\$ 963,375	\$ 884,981
Board	9,747	10,725
Administration	289,113	279,181
	<u>\$ 1,262,235</u>	<u>\$ 1,174,887</u>

At March 31, 2024, amounts owing to Islands Trust were \$100,987 (2023 - \$71,061).

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2024

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, 2024 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.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2023

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total
Assets:					
Current assets:					
Cash	\$ 144,281	\$ 212,875	\$ -	\$ -	\$ 357,156
Short-term investments	-	178,950	-	88,000	266,950
Grants receivable	-	23,850	-	-	23,850
	144,281	415,675	-	88,000	647,956
Investments	-	172,249	-	-	172,249
Land	-	-	15,345,100	3,076,601	18,421,701
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906
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
	59,399	75,676	-	-	135,075
Asset retirement obligations (note 4)	-	80,708	-	-	80,708
Fund Balances:					
Unrestricted	84,882	-	-	-	84,882
Investment in land (note 5)	-	-	15,345,100	-	15,345,100
Internally restricted (note 6)	-	31,562	-	-	31,562
Externally restricted (note 6)	-	399,978	-	-	399,978
Restricted for endowment purposes (note 7)	-	-	-	3,164,601	3,164,601
	84,882	431,540	15,345,100	3,164,601	19,026,123
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2023

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