



Islands Trust

Annual Report

2019/
20

Preserving and protecting over 450 islands in the Salish Sea

Reconciliation Declaration

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

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

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

Adopted: March 14, 2019 Trust Council on Gabriola Island

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White-tailed deer, Blackberry Point, Valdes Island.
CREDIT: MARTIN DALE

Message from the Islands Trust Council Chair

On March 11, 2020, the same day Trust Council was in session on Salt Spring Island, the World Health Organization declared a global pandemic. The next day, in response to the news, Council directed staff to prepare a business continuity plan detailing how Islands Trust would adapt to the unfolding coronavirus pandemic. The public received information about our new way of doing business and credible sources of Covid-19 communications through a subscriber information notice, news release, media interviews and social media posts.

I am grateful to Council for the decision to create a business continuity plan. Through the plan, we have transformed how Trust Council governs, and like the Islands Trust staff, trustees began to work from home and online.

In March 2019, Islands Trust joined other governments around the world and declared a climate emergency. We committed to intensifying our climate action work, and we explored holding electronic meetings to reduce our carbon footprint and allow more people to attend meetings. At the time, we didn't know this exploration would enable us to adapt during the state of emergency, declared on March 18, 2020.

Before the pandemic impacted our work, in March 2020, Trust Council agreed to continue support for the Salt Spring Island Watershed Protection Alliance (SSIWPA).

A major theme of the 2019/20 term was Trust Council prioritizing the protection of Coastal Douglas-fir ecosystems, some of the most threatened ecosystems in the province. Local trust committees were asked to focus on this priority by supporting the implementation of the Islands Trust Conservancy Regional Conservation Plan, and making it part of their long-term plans.

At our June 2019, Trust Council meeting, we announced the recipients of the Community Stewardship Awards. Bi-annually, this award recognizes Trust Area individuals and organizations doing work to advance the Island Trust's mandate.

Award recipients in the following categories were:

Enduring Achievement

- C'tasi: Elder Geraldine Manson, Gabriola Island

Individual Achievement

- Mark Bottomley, Lasqueti Island for reducing marine pollution in the Salish Sea
- Andrew Simon, Galiano Island for creating a living field guide

Organization Achievement

- Saturna Community Club Recycling Centre, for 44 years of recycling services
- Thetis Island Nature Conservancy Society for land acquisition and conservation efforts related to the Fairyslipper Forest Nature Reserve

Special 2019 Community Stewardship Award for Lifetime Achievement

- Sara Steil, North Pender Island, was a founding member of the Pender Island Trust Protection Society and has worked in marine environment conservation

In December, after a thorough process, Trust Council adopted its 2018–2022 Strategic Plan. The plan reflects Council's strong commitment to working and building relationships with First Nations, mitigating and adapting to climate change, and preserving and protecting the islands in the Salish Sea. I hope that every element in the Strategic Plan will be implemented to respect the March 2019 Trust Council Reconciliation Declaration.

This year's significant Strategic Plan work included the creation, and June 2019 adoption, of our Reconciliation Action Plan. The Reconciliation Action Plan is a four-year action plan that provides a foundation of goals and initiatives to assist the Islands Trust bodies in reflecting, learning, and working collaboratively and respectfully with First Nations governments and Indigenous Peoples within the Islands Trust Area.

Much work has also gone into our climate change adaption and mitigation work, and over the last year, we developed policies and systems to support electronic meetings. They enable us to engage with

communities in new ways and reduce our carbon footprint. Also, this work put us in an excellent position to transition to electronic meetings during the pandemic.

Advocacy continues to be necessary. We have worked on several areas of concern, including vessels at anchor in the Salish Sea; logging practices through the gulf islands; homelessness; protection of farmlands and shorelines; protecting orca, salmon and herring; regulation and management of short-term rentals; and the impacts of expanding tourism.

This annual report would not be complete without recognizing the Howe Sound Community Forum's significant work in advancing the Howe Sound Biosphere Region Initiative. In September, Trust Council endorsed the Howe Sound Biosphere Region application to the United Nations Educational, Scientific and Cultural Organization (UNESCO). We recognize the significant value, and if the application is successful, it will be the second area in the Trust Area to have this globally important protection. Currently, the Ballenas-Winchelsea Islands are part of the Mt Arrowsmith Biosphere Region, designated by UNESCO in the year 2000.

In closing, I want to thank Chief Administrative Officer, Russ Hotsenpiller, and every employee at the Islands Trust for working together, supporting trustees, and the community, while transitioning to work at home and online.

I am also incredibly grateful to the Minister of Municipal Affairs and Housing, Selina Robinson, and her staff; the Minister of Health, Adrian Dix; Provincial Health Officer, Dr. Bonnie Henry; and Premier John Horgan for their leadership, courage, and strength to guide us through this unusual time.

In Dr. Henry's words, "Be kind, be calm, and be safe".



Peter Luckham
Chair, Islands Trust Council



Message from the Chief Administrative Officer

On behalf of the Islands Trust staff and organization, I wish to present our 2019/20 Annual Report.

Any sense of achievement for the work of the Islands Trust this year is tempered as we find ourselves amid a global pandemic. Since February, the circumstances we have collectively worked through have tested us all in some way, personally and professionally. Given the extraordinary work of essential employees, first responders and health professionals, we can more accurately see how we contribute to our region, society and environment and how we can improve. I am proud of how our staff have adapted the way we do our business, given physical distancing and the need to keep people safe. I want to thank the Trustees who have demonstrated understanding about the limitations that come with responding to this pandemic and have been supportive as we seek to do things in a new way.

We seek to find positives in how we work; positives we can apply to the future. We are meeting and collaborating electronically much more than we did previously, and, as a result, we have reduced our travel, meeting costs and climate impacts. We are increasing our social media platforms for Trust meetings and providing the potential for more citizens to participate and understand the Islands Trust. We intend to maintain these new processes into the future and learn from our present circumstances.

This year Trust Council adopted its 2018–2022 Strategic Plan. It is an ambitious scope of work that is grounded in the purpose, policy and mandate of the Trust. A vital characteristic of the Strategic Plan is that the various goals support each other. Goals for climate change, reconciliation, land and marine stewardship, and community engagement will ultimately be included in the fabric of the Islands Trust: our Policy Statement, Official Community Plans, land use regulations and Conservancy work. At the core of the plan is Trust Council's dedication to reconciliation and incorporating UNDRIP principles into its decision-making.

I am proud of our staff and the work that has been done this year. We continue to evolve and seek to be an employer of excellence that retains our employees and is an attractive place to work. I must acknowledge the extraordinary work this year by our Information Services team: Mark van Bakel, David Beeston and Nigel Hughes. Over the last number of years we have consciously embraced technology as a means of doing our work. That investment is paying off. We have passed several milestones: we have our all-staff meetings online, we have hosted local trust committees electronically, and most notably, we have conducted our first fully electronic regular meeting of Trust Council. We also managed to get over fifty staff working from home within three days, when the provincial state of emergency was declared, regarding COVID-19. None of this would have happened without strong planning, adaptability and technical expertise.

Of course, time and life march on, and we have said goodbye to some treasured staff. With the retirements of Gary Richardson and Sharon Lloyd-deRosario this year, we have lost many years of experience and two wonderful personalities from the Islands Trust family. Most people don't have 30-year careers with one organization anymore, but these two did, and we miss them and their contributions.

Behind the Scenes — Staff Recognition Awards

The eleventh annual staff recognition awards presented in December 2019 allowed staff to recognize their colleagues' achievements and contributions.

The **Innovation Award** goes to an individual (or team) who goes over and above their job description by creating or overseeing a particularly innovative program, project, system or process that could lead to cost savings or efficiencies. This year recognised a great team effort from the Salt Spring office: **Serena Klaver**, Planner 1, **Geordie Gordon**, Planner 1, **Kristine Mayes**, Planner 1, and **Shayla Burnham**, Administrative Assistant, for taking the initiative to create and implement a paperless permit referral system which accommodated changes in the Capital Regional District's process. They were nominated for their courtesy and professionalism in transitioning new and ongoing applicants into the system while still processing their normal workloads and proving themselves adaptive and pro-active problem solvers.

The **Champion Award** goes to an individual, as demonstrated through a project or actions, who champions the Islands Trust Policy

Statement or strategic goals. For the first time this award was presented to a team: **Gillian Nicol**, Program Coordinator, **Clare Frater**, Director, Trust Area Services, **Lisa Wilcox**, Senior Intergovernmental Policy Advisor, **Phil Testemale**, Planner 2, **Jackie O’Neil**, GIS Technician, and **Lesley Valour**, Acting Senior Policy Advisor, were collectively recognised for their work on the public engagement component of the Islands 2050 project. From inception to the first events, this initiative came together in an exceptionally fast timeline during which this team worked endless hours in collaboration to create storyboards, produce publication information, and coordinate and run 24 public engagement events across the Islands Trust Area. This team raised interest and awareness in the potential revisions to the Islands Trust Policy Statement, they created a way for the Trust to engage directly with the public to tell the story of the Trust in the context of reconciliation and the climate emergency.

The **Exceptional Team Effort Award** goes to a regular, ad hoc team, or special team formed for a specific project. This year’s recipients were **Nancy Roggers**, Finance Officer, and **Mark van Bakel**, Senior Technical Analyst, for their considerable efforts in coordinating the Victoria Office Renovation. While the entire renovation team came together to make the best of a difficult situation: Nancy and Mark shepherded the project from inception to completion, working well outside the scope of their regular work and for far longer than anyone else even knew. They kept the project team on task and took in stride all the unexpected challenges that came with a project of this scale.

The **Excellence in Leadership Award** is awarded to an individual for supervising staff, leading a special project team, encouraging teamwork, empowering the team, mentoring staff, and/or communicating well. This year’s award went to **Clare Frater**, Director of Trust Area Services. Clare received multiple nominations lauding her commitment to her staff and her ability to multitask several high-profile and high-demand projects while always finding a smile and time to support her team and co-workers. She was recognized for leading by example, mentoring and uplifting her team when needed, and not being afraid to do the heavy lifting on projects.

The **Service Excellence Award** is presented to a staff member for excellent customer service, courtesy, cooperation, dependability, assisting others, and being an excellent team member. The award went to **Cassandra Rahmann**, and **Shayla Burnham**, Administrative Assistants to Victoria and Salt Spring Island offices. Both recipients were nominated for their diligence and commitment to their teams as well as their courteous, professional manners. They create positive experiences,

solve problems great and small, and work tirelessly to learn the answer to every question that might come their way.

The **Unsung Hero Award** is given to an individual for going that extra mile to make our working lives better, and doing things nobody else wants to do. As with many of the 2019 awards, this one was presented to a team: **Mark van Bakel**, Senior Technical Analyst, **Dave Beeston**, Information Services Coordinator, **Jackie O’Neil**, GIS Technician, **Nigel Hughes**, Computer Applications Support Technician, and **Cassandra Rahmann**, Administrative Assistant. This team was the arms and legs of the Victoria renovation: literally moving every piece of furniture, setting up every temporary work space, arranging waste and recycling, fridges and drinking water and countless boxes of filing. They sourced movers and storage and furniture, they cleared away the debris of years that had collected behind shelves, and in cabinets, they worked hard without being asked and without giving up any of their own work to ensure that the six months we spent outside our comfort zone were as comfortable as they could be.

The **Legacy Award** is not presented annually but rather is only awarded to a staff member who has, through their work, done something lasting for the organization or community that makes things better for all of us. The ninth Legacy Award was presented to **Lisa Wilcox, kwakwemtenaat**, Senior Intergovernmental Policy Advisor for her work on the precedent-setting Trust Council Reconciliation Declaration and Reconciliation Action Plan. She redefined the direction that Islands Trust will take into the future and changed how we view every part of our work in the Trust Area. We proudly recognize the profound and lasting legacy she has created, and all of us are grateful for her continued wisdom, advice, and the gentle manner in which she challenges us all to shift our thinking and lead the way in Reconciliation.

The 2019/20 Annual Report is essential to the organization as a record of our ambitions, hard work and accomplishments, and I sincerely hope it is received well by the Islands Trust community.



Russ Hotsenpiller,
Chief Administrative Officer







Blackberry Point, Valdes Island.
CREDIT: MARTIN DALE

The Islands Trust Area

Acknowledgement

The Islands Trust humbly acknowledges the treaty lands and territories of the BOKÉĆEN, Cowichan Tribes, Halalt, Homalco, K'ómoks, Klahoose, Ts'uubaa-asatx, Lək'wəŋən (SXIMEŁŁ, Songhees, T'Sou-ke), Lyackson, MÁLEXEŁ, Penelakut, Qualicum, Scia'new, səliłwətaʔt, SEMYOME, shíshálh, Snaw-naw-as, Snuneymuxw, Skwxwú7mesh, SṪÁUTW, Stz'uminus, Tla'amin, scəwáθən məsteyəxʷ, We Wai Kai, Wei Wai Kum, WJOLEŁP, WSIKEM, and xʷməθkʷəy̓əm.



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

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

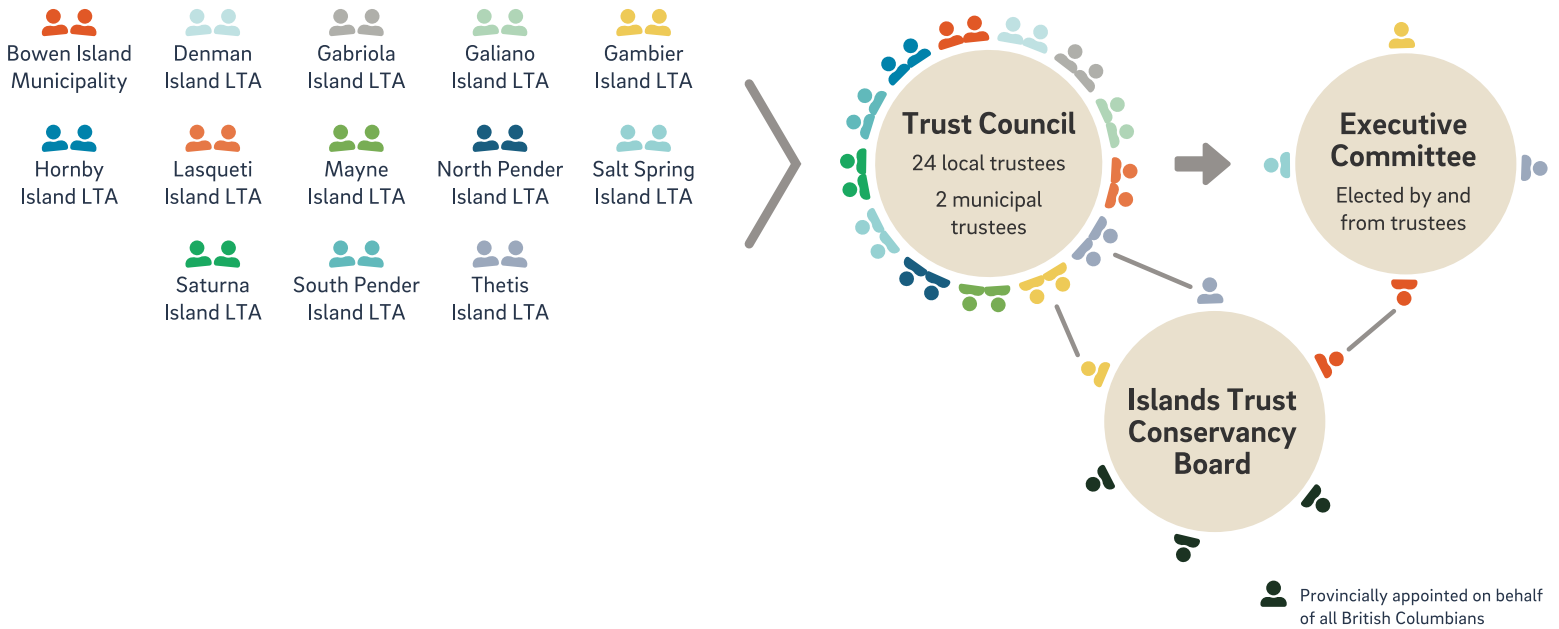
The area provides habitat for an exceptional variety of species: more than 200 types of migratory and resident birds and numerous species of fish and other marine and intertidal life, terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered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

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



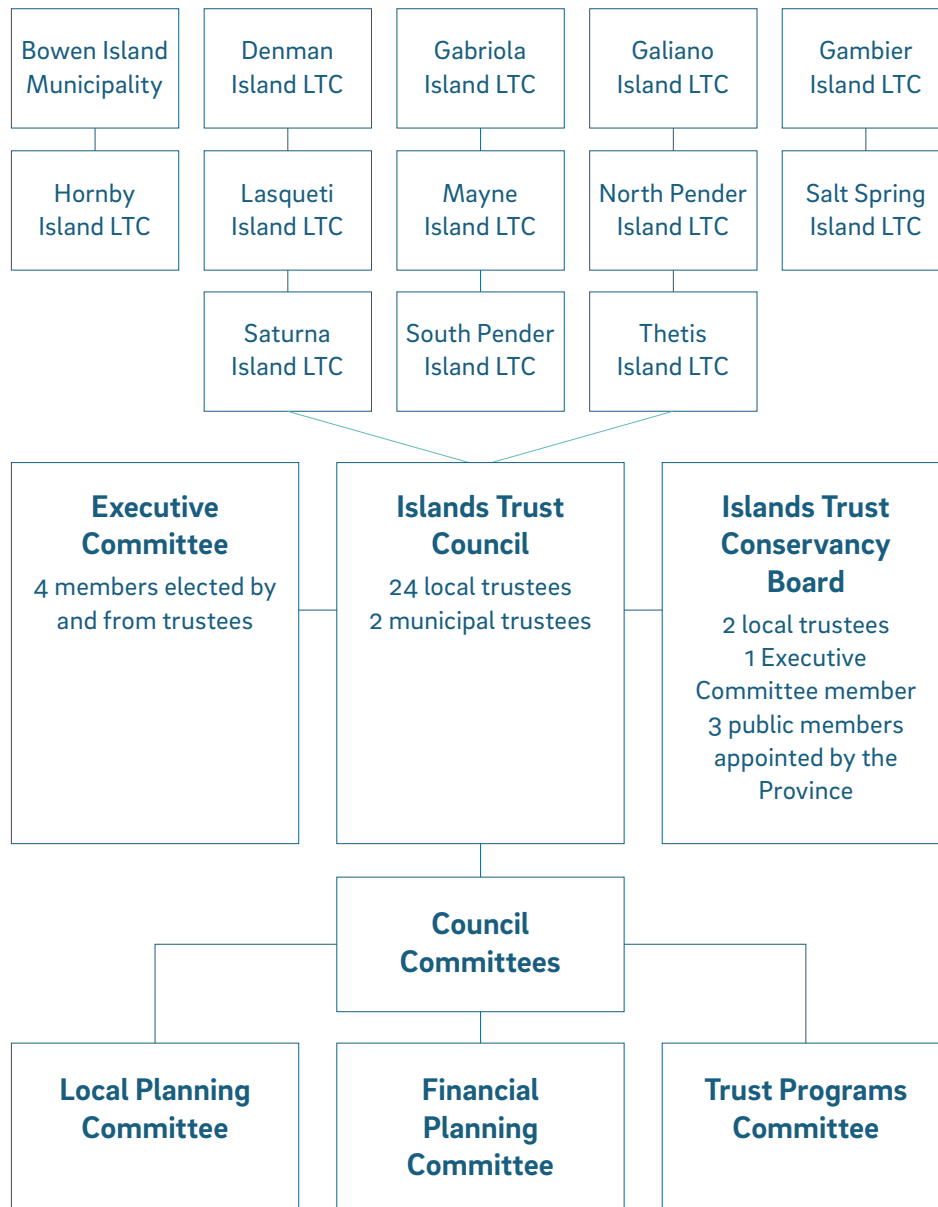
Organization and Responsibilities

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



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

Islands Trust Legislative Structure



2019/20 Key Accomplishments

Trust Council adopted its 2018–2022 Strategic Plan in December 2019. The Plan aligns Trust Council priorities with staff resources and budget and focuses on the following five areas, each supported by several objectives and strategies:

1. Land stewardship
2. Marine and freshwater stewardship
3. Climate change
4. Community and communication
5. Governance

Selected Plan accomplishments are highlighted throughout this report. You can read the Strategic Plan in Appendix A.

On June 19, 2019, Trust Council unanimously passed the Islands Trust Reconciliation Action Plan 2019–2022. The four-year action plan provides a foundation of goals and initiatives to assist the Islands Trust bodies in reflecting, learning, and working collaboratively and respectfully with First Nations governments and Indigenous Peoples within the Islands Trust Area.

The Reconciliation Action Plan will guide the Islands Trust Council in applying the United Nations Declaration on the Rights of Indigenous Peoples Articles, the Truth and Reconciliation Commission Calls to Action, the Islands Trust First Nations Engagement Policy, and the *Declaration on the Rights of Indigenous Peoples Act*.

Islands Trust Council recognizes that reconciliation is fundamental to building meaningful relationships now and into the future and that reconciliation is key to understanding our shared history and preserving and protecting this place we call home for generations to come. The Action Plan work is highlighted throughout this report.



Islands Trust Council

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

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

The *Islands Trust Act* requires Islands Trust Council to implement the Trust Policy Statement that applies to the whole Trust Area. The Minister of Municipal Affairs and Housing approves the Policy Statement before it is adopted. The Policy Statement provides broad policy guidelines for Islands Trust Council, the Islands Trust Conservancy, the local trust committees and Bowen Island municipality regarding the protection of ecosystems, the stewardship of resources and the promotion of sustainable communities. The positions and philosophy of Islands Trust Council, which are contained in the Policy Statement, also constitute a policy framework for reference by the public and other agencies such as the regional districts of the Islands Trust Area, the Province of B.C., and its agencies.

Islands Trust Council has three standing committees made up of trustees that provide policy advice to Trust Council on a range of issues. The committees are, the Local Planning Committee, the Trust Programs Committee, and the Financial Planning Committee.

Members of Islands Trust Council – 2018–2022

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

2019/20 Advocacy

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

Most advocacy work is overseen and implemented by Islands Trust Council’s Executive Committee and is guided by the Islands Trust Advocacy Policy (Policy 6.10.iii). In response to concerns raised by communities through their elected trustees and supported by the objectives laid out in its 2018–2022 Strategic Plan, Islands Trust Council continued to prioritize its advocacy program during 2019/20. The Islands Trust Council advanced its advocacy priorities by writing letters, making submissions to consultation processes, hosting meetings, passing resolutions, and working with partners on the following topics.



Bowen Island

Land Stewardship

Private Managed Forest Land Act (PMFLA) Consultation Feedback

In July 2019, the Chair [wrote](#) to The Honourable Doug Donaldson, Minister of Forests, Lands, Natural Resource Operations and Rural Development, in response to the call for comments on the *Private Managed Forest Lands Act*. The letter requested amendments be made to require forest practice standards equivalent to Crown forest lands, and allow local governments to regulate some forestry-related activities. (The PMFLA Review Team [responded](#) on November 5, 2019.)

Marine and Freshwater Stewardship

Marine shipping safety and oil spill preparedness and response

Roberts Bank Terminal 2 Project Environmental Assessment

In April 2019, the Chair [wrote](#) to the Review Panel Secretariat for the Roberts Bank Terminal 2 Project to provide comments on the marine shipping components of the proposed project. The Chair also spoke at the public hearing in Victoria.

West Coast Emergency Towing Needs Assessment

In June 2019, the Chair [wrote](#) to the Oceans Protection Plan (which is led by the Canadian Coast Guard) with detailed feedback on the draft West Coast Emergency Towing Needs Assessment Report.

West Coast Emergency Towing Needs Assessment and Protocol for the Use of Southern B.C. Anchorages

In July 2019, the Chair [wrote](#) to The Honourable Marc Garneau, Minister of Transport Canada, reiterating the need for an anchorages initiative regarding vessels continuing to anchor in the Trust Area. The Chair also wrote about the need to address residents' concerns regarding environmental and health impacts.

Extension of Pacific Region Anchorages Interim Protocol

In July 2019, the Chair [wrote](#) to Transport Canada in response to its request for feedback on extending the Interim Protocol for the Use of Southern B.C. Anchorages. Islands Trust expressed concern at Transport Canada's request for a further extension and asked the government to work towards eliminating the use of 33 commercial freighter anchorages throughout the Southern Gulf Islands, prohibit any dumping of potential contaminants overboard, and stop conducting maintenance that generates bright lights and loud and constant noise throughout the day and night. (Transport Canada [responded](#) on July 10, 2019.)



Saturna Island. CREDIT: KRISTINE MAYES

Draft Proactive Vessel Management National Framework Paper

In September 2019, the Chair [wrote](#) to Transport Canada expressing support for the collaborative approach Transport Canada is proposing to address vessel traffic issues in local waterways and reduce the impacts of shipping. The Chair also expressed expectations and matters for consideration. A \$1,350 Ocean Protection Plan grant was applied for and received to support this work.

Marine Ecosystems Protection

UBCM Resolution—Key Marine Cumulative Effects Values

In May 2019, the Union of B.C. Municipalities (UBCM) endorsed an Islands Trust resolution requesting the provincial government prioritize the approval of key marine cumulative effects values for long-term monitoring and cumulative effects assessments in coastal regions. Details are in the [*Provincial Response to the Resolutions of the 2019 Union of British Columbia Municipalities*](#) report—Section B155.

Herring Moratorium Request

In July 2019, the Chair [wrote](#) Islands Trust Area First Nations with an invitation to be a joint signatory on the Chair’s letter to the Minister of Fisheries and Oceans calling for a moratorium on the Pacific herring fishery in the Salish Sea until an ecosystem-based management plan is in place.

In Aug 2019, the Chair [wrote](#) to all regional districts in the Trust Area and municipalities in the Salish Sea Area, calling for regional cooperation on the call for a moratorium. In October 2019, the Chair [wrote](#) to the Honourable Jonathan Wilkinson, Minister of Fisheries, Oceans, and the Canadian Coast Guard. The letter, sent jointly with the Mayor of Bowen Island Municipality, requested the federal government place “a moratorium on the herring fishery in the Salish Sea until an ecosystem-based management plan is in place that considers the current and future effects of climate change and the potential impacts of the fishery on predator species, in particular, Chinook Salmon and Southern Resident Killer Whales.”

Request for Additional Resources for Enforcement of Shellfish Aquaculture Regulations

In December 2019, the Chair [wrote](#) to the Honourable Bernadette Jordan, Minister of Fisheries and Oceans, and the Canadian Coast Guard, requesting that more resources be dedicated to the enforcement of aquaculture regulations to reduce the amount of aquaculture refuse in the marine environment and marking tenure boundaries. (Minister Jordan [responded](#) on January 28, 2020.)

In December 2019, the Chair also [wrote](#) to the Honourable Doug Donaldson, Minister of Forests, Lands, Natural Resource Operations and Rural Development, requesting that more resources be allocated to ensuring that aquaculture tenure requirements can be enforced effectively.

Support for Atl'ka7tsem/Howe Sound being designated a UNESCO Biosphere Reserve

In December 2019, the Chair [wrote](#) to the Chair of the Howe Sound Biosphere Region Initiative in support of Atl'ka7tsem/Howe Sound becoming a United Nations Educational, Scientific and Cultural Organization (UNESCO) Biosphere Reserve.

Support for Dead Boats Disposal Society's Ghost Gear Removal Efforts

In February 2020, the Chair [wrote](#) to the Department of Fisheries and Oceans Canada, supporting the Dead Boats Disposal Society's application for funding to locate and remove ghost gear from sensitive marine environments within the Trust Area. The Chair emphasised the importance of these efforts to the conservation, protection and restoration of fish stocks and ecosystems, as well as species-at-risk, in the Salish Sea.

Climate Change

Climate change

In May 2019, the Chair wrote to [First Nations](#) and [Regional Districts](#) in the Islands Trust Area, highlighting the Islands Trust Climate Change Emergency Declaration, announced in March 2019, and requested collaboration on climate change efforts in the Trust Area. (The First Nations Leadership Council [responded](#) on June 27, 2019.)

Supporting National Determined Contribution Target

In May 2019, the Chair [wrote](#) to The Honourable Catherine McKenna, Minister of Environment and Climate Change, expressing Islands Trust's support for the National Determined Contributions Target (reduction in greenhouse gas emissions) made by Canada under the Paris Agreement. He also requested the federal government support local governments in the critical work of combatting climate change.

Input to Help B.C. Prepare for Climate Change

In May 2019, the Chair [wrote](#) to The Honourable George Heyman, Minister of Environment and Climate Change Strategy, expressing Islands Trust's support of developing a new strategy that will better prepare B.C. communities for the impacts of climate change. In January

2020, the Chair [wrote](#) again with more detailed feedback to be considered in the development of this provincial strategy.

Request for Greater Support for Solar Energy in Rural and Remote Communities

In September 2019, the Chair wrote to [regional districts](#) in the Islands Trust Area inviting them to co-sign a letter to the Minister of Energy, Mines and Petroleum Resources requesting more significant support for solar energy in rural and remote communities.

In November 2019, the Chair [wrote](#) to the Honourable Michelle Mungall, Minister of Energy, Mines and Petroleum Resources, requesting a financial incentive program for hybrid solar photovoltaic systems with batteries for community buildings in rural and remote communities.

Supporting Active Transportation

In August 2019, the Chair [wrote](#) to The Honourable Claire Trevena, Minister of Transportation and Infrastructure, to urgently request that current upgrades to roads on Gabriola Island be reconsidered to include active transportation lanes. The Chair suggested that the Gabriola Island Official Community Plan and 1992 Letter of Agreement be consulted. (Minister Trevena [responded](#) on October 10, 2019).

In January 2020, the Chair [wrote](#) to the Honourable Claire Trevena, Minister of Transportation and Infrastructure, to request that the province integrate British Columbia's Active Transportation Strategy and ferry electrification in its planning for BC Ferries.

Community and Communication

Internet Accessibility and Connectivity Throughout the Islands Trust Area

In September 2019, the Chair [wrote](#) to The Honourable Jinny Sims, Minister of Citizens' Services, and The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development Canada, requesting funding and support for the Islands Trust Area communities that have not been included in the Connect to Innovate and Connected Coast initiatives. The islands include Denman Island, Hornby Island, Gabriola Island, Thetis Island, Galiano Island, Mayne Island, South Pender Island, and Keats Island. (The Ministry of Citizens' Services [responded](#) on December 3, 2019.)

Reconciliation and Engagement

Islands Trust Reconciliation & First Nations Engagement

In July 2019, the Chair [wrote](#) to The Honourable Scott Fraser, Minister of Indigenous Relations and Reconciliation, seeking funding and guidance from the Ministry to assist in the implementation of the Islands Trust Reconciliation Action Plan 2019–2022, to foster dialogue, work collaboratively, and to meaningfully engage with First Nations and community within the Islands Trust Area. In December 2019, following a meeting with Minister Fraser and his staff, the Chair again wrote to the Minister to request support in fostering meaningful engagement with First Nations governments on the Policy Statement review.

Governance

UBCM Resolution—Development Permit Area Requirements

In May 2019, the Union of B.C. Municipalities endorsed an Islands Trust resolution requesting the provincial government improve the enforceability of development permit area requirements by enabling local governments to enforce violations by way of prosecution, ticket or bylaw notices. Details are in the [Provincial Response to the Resolutions of the 2019 Union of British Columbia Municipalities](#) report — Section B53.

Eligibility for Review by the Auditor General for Local Government

In October 2019, the Chair [wrote](#) to the Honourable Selina Robinson, Minister of Municipal Affairs and Housing, advising that Trust Council passed a motion “to add the Islands Trust to the *Auditor General Act*, allowing for a review of the Trust by the Auditor General for Local Government.” (Minister Robinson [responded](#) on January 17, 2020, and the Chair [followed up](#) on February 18, 2020).



Delegations and Presentations to Islands Trust Council in 2019/20

Trust Council invited the following guests to attend its 2018/19 quarterly meetings:

- In June 2019, a **Penelakut Tribe Address** was presented to Trust Council by **Councillor Ken Thomas** and **Band Manager Jim Chisholm**, who spoke about working together cooperatively within the Salish Sea. In appreciation, Chair Luckham presented blankets to the two guests.
- In December 2019, **Bill Adsit** was invited to share his lived experience of residential schools as a part of the Trust's work on Reconciliation.
- In December 2019, **Parks Canada** gave a presentation on the proposed National Marine Conservation Area Reserve (NMCAR) for the Southern Strait of Georgia.
- In March 2020, **Tine Rossing** was invited to present on the topic of ecosystem-based adaptation: nature-based responses to climate change.

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

At the June 2019 meeting on Galiano Island, Trust Council heard from the following delegations:

B.C. Community Bus Coalition

Requested support for a community bus service in the Trust Area and amendments to the *Passenger Transportation Act*.

Gulf Islands Forest Preservation

Presented on the importance of preserving island forests and opposing industrial level clearcutting on private land not zoned for forestry.

Southern Gulf Islands Tourism Partnership Society

Introduced their new society that is seeking to qualify for the Municipal and Regional District Tax, which raises revenue for local tourism.

Gulf Islands Alliance

Presented on the implementation of the Coastal Douglas fir tool kit, asking Trust Council to regulate logging in the Trust Area by working with the appropriate ministries.

At the September 2019 meeting on Bowen Island, Trust Council heard from the following delegations:

Bowie Keefer

Spoke to the “Islands 2050—Future of the Trust Area” public engagement, the Islands Trust object, and island trail networks.

Gulf Islands Alliance

Relayed support and encouragement for the Trust’s preserve and protect mandate.

SeaChange Marine Conservation Society

Spoke about climate change impacts on sensitive shorelines, conservation efforts involving eelgrass and climate change mitigation measures such as removing concrete sea walls to restore beaches.

At the December 2019 meeting in Victoria, Trust Council heard from the following delegations:

Raincoast Conservation Foundation

Presented on their work that seeks to characterize the current state of forests within the Coastal-Douglas fir biogeoclimatic zone and identify tools to protect forest health and promote resilience.

Salt Spring Solutions and the Salt Spring Housing Council

Presented a petition to Trust Council requesting that bolder action be taken on affordable housing, stressing that housing action is climate action.

Gulf Islands Alliance

Addressed the Policy Statement review process and the mandate of the Islands Trust. The Alliance stressed that the Islands Trust is a special-purpose agency, rather than a local government, the presenter suggested that trustees preface motions with “in order to preserve and protect the Trust Area” to help focus their decisions.

At the March 2020 meeting on Salt Spring Island, Trust Council heard from the following delegations:

Maxine Leichter

Presented a report outlining recommendations for improving the Islands Trust bylaw enforcement policy and process from the perspective of the complainant.

Eric Booth

Presented on the topic of application fees, outlining concerns related to the processing of land use planning applications in the Trust Area.

Salt Spring Community Energy Society

Urged the Trust to investigate their eligibility for B.C. Hydro funding to hire a Community Energy Manager as part of the Trust’s climate emergency action plan.

Gulf Island Frontlines

Gave a presentation on “The Way Forward in a Time of Reconciliation” and requested support through a declaration of solidarity with the Wet’suwet’en People.

Gulf Islands Alliance

Presented on the need for more urgent forest protection in the Islands Trust Area and requested that the Trust work with the Ministry of Forests, Lands, Natural Resource Operations & Rural Development (FLNRORD) to achieve this objective.



View of Galiano Island. CREDIT: KRISTINE MAYES

Policy Statement Amendment Process

Trust Council's Policy Statement Amendment Policy (1.2.i) states that each term, Trust Council will identify Policy Statement review and or amendment tasks. For the 2018–2022 term, the Islands Trust Council has assigned the Executive Committee, with involvement from Trust Programs Committee as appropriate, to coordinate an update of the Policy Statement. Council has directed that this update include:

- Update to the Introduction, Part 1, Part 2 and Schedule 1—Definitions sections;
- Addition of climate change mitigation, resilience, and adaptation policies to Parts 3, 4 and 5;
- Addition of a definition of 'affordability';
- Addition of vision, goal and objectives for affordable housing;
- Greater profile for affordable housing in its role in sustainable communities; and
- Addition of a reference to affordable housing in policy direction to LTCs and municipalities.

Following Trust Council's Policy Statement Amendment Policy, in March 2019, the Executive Committee adopted an engagement plan and project charter to guide the amendment process. To inform potential amendments and to raise awareness and understanding of the Policy Statement, staff launched the Islands 2050: The Future of the Trust Area engagement on September 6, 2019, to gather information and insight from residents and non-residents about their concerns and vision for the next 30 years in the Trust Area.

The two primary methods of face-to-face engagement were 11 open houses and 5 vision booths on BC Ferries. The face-to-face events were centered on 14 [storyboards](#) that provide information on the Policy Statement, the amendment project, climate change, local and regional context, and First Nations and reconciliation. Islands Trust also engaged using an online tool that allowed participants to provide their thoughts on specific questions. Participants then had the opportunity to rank the opinions of others in terms of importance. Staff also reached out to First Nations governments to outline potential methods of engagement on the Policy Statement. Various meetings were held with First Nations governments to describe how the Policy Statement can align with the work of Bill 41—*Declaration on the Rights of Indigenous Peoples Act, 2019*, UNDRIP, and the TRC Calls to Action.





Looking at Pylades Island from Valdes.
CREDIT: MARTIN DALE

Islands Trust Council Committees

Executive Committee

The Executive Committee (EC) is made up of the Chair of Islands Trust Council and three Vice-Chairs, elected for a four-year term by Trust Council from among its members. In addition to the responsibilities of individual members, who serve as the Chair of local trust committees, the committee oversees external communications for the Islands Trust, liaises with the provincial government, reviews and implements the Islands Trust Policy Statement, and conducts other functions as directed by Trust Council.

The Executive Committee carries out the daily business of the Islands Trust, reviews the bylaws of local trust committees to ensure compliance with the Islands Trust object and the Trust Policy Statement and acts as a local trust committee for the Ballenas/Winchelsea Island group north of Nanaimo.

Members Serving during the 2018–2022 term

Peter Luckham, Thetis Island (Chair)

Sue Ellen Fast, Bowen Island (Vice-Chair)

Laura Patrick, Salt Spring Island (Vice-Chair)

Dan Rogers, Gambier Island (Vice-Chair)

Union of British Columbia Municipalities Annual Convention, September 23–27, 2019

Annually, at the Union of British Columbia Municipalities (UBCM) convention, Islands Trust representatives meet and share ideas with Members of the Legislative Assembly (MLAs) and local government representatives from across the province. All members of the Executive Committee attended the convention on behalf of the Islands Trust Council. The convention was also attended by Islands Trust Chief Administrative Officer, Russ Hotsenpiller.

The Islands Trust Executive Committee hosted a breakfast for Electoral Area Directors (EADs) and MLAs who serve the Islands Trust Area. This breakfast provided an opportunity for the Executive

Committee to introduce themselves as Islands Trust’s newly elected members. Chair Peter Luckham highlighted upcoming UBCM resolutions that would benefit the Islands Trust Area and advance Trust Council’s 2018–2022 Strategic Plan. A PowerPoint presentation titled, “Governance for Protection of the Salish Sea and Gulf Islands” was viewed. The main topics of discussion were advocacy, the Islands Trust Council’s commitment to reconciliation with First Nations, and a program of engagement to amend the Policy Statement.

While at the convention, the Executive Committee and staff met with the Honourable Scott Fraser, Minister of Indigenous Relations and Reconciliation (MIRR), requesting funding and guidance from MIRR to assist in the implementation of Islands Trust Council’s Reconciliation Action Plan 2019–2022, and the Islands Trust Policy Statement amendment engagement process with Trust-Area First Nations.

The Executive Committee and staff also met with John Allen, Deputy Minister of the Ministry of Forests, Lands, Natural Resource Operations, and Rural Development. The committee requested that the Private Managed Forest Land Act be amended to require standards that are equivalent to Crown forest land regulations; and allow local governments to regulate, but not prohibit forest management activities.

The UBCM delegates voted to endorse the Islands Trust’s two resolutions requesting the Province of British Columbia: 1. prioritize the approval of key marine cumulative effects values and, 2. improve the enforceability of development permit area requirements.

Bylaws Approved by Executive Committee

Before a local trust committee can adopt a bylaw, the Executive Committee must approve it for compliance with the Islands Trust Policy Statement. Before Bowen Island Municipal Council adopts a Bowen Island Municipality Official Community Plan Bylaw or makes amendments, the Executive Committee must approve the bylaw for compliance with the Islands Trust Policy Statement. Under the Letters Patent for Bowen Island, the Executive Committee also comments on other bylaws that reference a matter included in the Islands Trust Policy Statement. In 2019/20, the Executive Committee approved 33 bylaws, of which three were for Bowen Island Municipality.

Applications Sponsored by Executive Committee

The Executive Committee sponsored the development permit and development variance permit fees for a 24-unit affordable housing project being created by Salt Spring Island Community Services. The fee costs totaled \$2,035.

Grants in Aid for History, Heritage and Conservation

That Executive Committee authorized a grant of \$4,500.00 to Drama Camp Productions in support of the application to host screenings of the movie *Dust n' Bones* and reconciliation discussions on Salt Spring, Denman, and Gabriola Islands.

Liaison Meetings

The Executive Committee held a liaison meeting with Islands Trust Conservancy Board, in Victoria, and discussed coordination on advocacy issues when working with the province, featuring the Conservancy at the Union of British Columbia Municipalities/Islands Trust annual breakfast meeting, and working more closely with local trust committees, to feature the work of the Conservancy.



Nootka rose, Gerald Island

Local Planning Committee

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

Members

Laura Busheikin, Denman Island (Chair)

David Maude, Mayne Island (Vice-Chair)

Jeanine Dodds, Mayne Island

Kees Langereis, Gabriola Island

Timothy Peterson, Lasqueti Island

Kate-Louise Stamford, Gambier Island

Jane Wolverton, Galiano Island

Laura Patrick, Salt Spring Island (Executive Committee Representative)

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

2019/20 Highlights

In the 2019/20 fiscal year, the Local Planning Committee (LPC) supported "Saltwater Intrusion RiskMapping". The provincial Ministry of Environment will own the data, which will be public and incorporated into Tapis, Mapit and iMAP B.C. It will contribute to the development of a Ground Water Sustainability Strategy.

Building on the previous year's development of a coastal Douglas-fir and associated ecosystems toolkit, the LPC committed funding to map contiguous tracks of the Coastal Douglas-fir zone and its associated ecosystems in partnership with the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP). The Islands Trust Conservancy will use the mapping for regional conservation planning and the information will be available as a mapping layer on Tapis and MapIT.

The LPC also began working on the development of a Model Fee and Development Approvals. Information Bylaw which involves a review of current fees and estimate of fees based on cost recovery.

Trust Programs Committee

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

Members

Deb Morrison, North Pender Island, Chair

Scott Colbourne, Gabriola Island, Vice-Chair

Alex Allen, Hornby Island (resigned October 10, 2019)

Paul Brent, Saturna Island (October 23, 2019–present)

David Critchley, Denman Island

Doug Fenton, Thetis Island

Michael Kaile, Bowen Island (October 15, 2019–present)

Kees Langereis, Gabriola Island (October 15, 2019–present)

Peter Luckham, Thetis Island, (Ex Officio Member)

Ben McConchie, North Pender Island

Tim Peterson, Lasqueti Island (October 15, 2019–present)

Dan Rogers, Gambier Island (Executive Committee Representative)

Grant Scott, Hornby Island (joined May 6, 2019; resigned August 13, 2019)

2019/20 Highlights

The Trust Programs Committee met six times in 2019/20. A significant focus was providing advice to the Executive Committee regarding the scope and delivery of the Policy Statement Amendment Project. The committee reviewed terms of reference for the project and provided advice to staff and the Executive Committee about an extensive public engagement campaign branded as “Islands 2050: The Future of the Trust Area”. The TPC also continued work related to the Islands Trust Climate Change Emergency Declaration, initiated in March 2019, by reviewing priorities for climate action and developing key messages and background information on climate change for Trust Council. TPC also oversaw the finalization of the Islands Trust State of the Islands report.

During the course of the year, the TPC collaborated with partner organizations to support two meetings of the Baynes Sound / Lambert Channel Ecosystem Forum and provided funding towards minute-taking at meetings of the Ocean Watch Task Force, a committee of the Howe Sound Community Forum. Also, the TPC reviewed nominations for the

Islands Trust Community Stewardship Awards and made recommendations to Islands Trust Council, which is responsible for issuing the awards every two years.

Financial Planning Committee

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

Members

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

Peter Grove*, Salt Spring Island, Chair

Paul Brent*, Saturna Island, Vice-Chair

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

Scott Colbourne, Gabriola Island, Trust Programs Committee alternate

Laura Busheikin*, Denman Island, Local Planning Committee

Peter Luckham, Thetis Island, Executive Committee

Sue Ellen Fast, Bowen Island, Executive Committee

Laura Patrick, Salt Spring Island, Executive Committee

Dan Rogers, Gambier Island, Executive Committee

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

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

Tahirih Rockafella, Galiano Island

* indicates a current member of the Audit Committee

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

2019/20 Highlights

As part of its ongoing responsibilities, FPC oversaw, through its Audit Committee, the completion of the annual financial statement audit for Islands Trust and Islands Trust Conservancy for the fiscal year ending March 31, 2019. The Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and initiated planning for the March 31, 2020, financial statement audit.

FPC facilitated Trust Council's development of the 2020/21 budget, including recommendations on the amount to draw from surplus funds, the amount of the property tax requisition to Trust Area landowners, and a review of the Bowen Island municipal tax levy which is based on Trust Council's [Policy 7.2.6 Municipal Tax Requisition Calculation](#).

Bowen Island Municipality's contribution experienced a net decrease in the 2020/21 budget due to an increased draw from surplus funds and changes to approved spending in Trust-wide programs, the Islands Trust Conservancy, and related administrative expenses. FPC also oversaw a public consultation on the draft budget. This year, thanks to increased social media promotion, FPC saw a record number of responses with 745 members of the public completing the survey, taking on average 11 minutes to contribute their thoughts.

The Salt Spring Island Local Trust Committee requested an additional Special Property Tax Requisition for coordination of the Salt Spring Island Watershed Protection Alliance, which was approved by Trust Council upon recommendation from FPC.

Quarterly financial updates on actual results and financial forecasts based on the second and third-quarter results were provided to the committee for information and review.



Local Trust Committees and Bowen Island Municipality

A local trust committee exists for each group of islands designated as a local trust area under the *Islands Trust Act*, except for Bowen Island, which is an island municipality.

Each local trust committee has three members — two locally elected trustees and one Executive Committee member serving as the Chair.

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

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

Ballenas—Winchelsea Islands (Executive) Local Trust Committee

The Executive Committee acting as a Local Trust Committee (Ballenas-Winchelsea Islands) held one regular business meeting in the 2019/20 fiscal year.

The committee also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

The committee also adopted the [*Model Strategy for Antenna Systems Local Planning Committee*](#).

Bowen Island Municipality

Sue Ellen Fast and Michael Kaile are the Bowen Island municipal trustees on the Islands Trust Council. Bowen Island Municipality produces its own annual report, available online at bowenislandmunicipality.ca/reports-publications. During 2019/20, three Bowen Island bylaws were approved by the Islands Trust's Executive Committee.

Denman Island Local Trust Committee

The Denman Island Local Trust Committee (DE LTC) held five regular business meetings, one special meeting, and a community workshop in the 2019/20 fiscal year.

Work for this period focused on the advancement of the DE LTC priority to implement the Denman Island Farm Plan and on efforts towards reconciliation and relationship building with local First Nations. This included adopting a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

The DE LTC considered numerous reports in conjunction with two major rezoning applications for affordable housing on the island. The committee also reviewed two development variance permits, three development permits, and one temporary use permit.

Staff reviewed one subdivision, fourteen siting and use permits and two crown land referrals related to proposed development in the Denman Local Trust Area

Gabriola Island Local Trust Committee

The Gabriola Island Local Trust Committee (GB LTC) held eight regular business meetings in the 2019/20 fiscal year. The LTC conducted one community information session related to a cannabis retail referral from the liquor and cannabis review branch.

Work for this period focused on advancing the GB LTC priorities to address the Gabriola Island Official Community Plan and Gabriola Island Land Use Bylaw amendments related to housing as well as amendments to address cannabis production regulations. The GB LTC also adopted the Islands Trust Model Strategy for Antenna Systems.

The GB LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

The GB LTC received and considered applications for three development variance permits, two development permits, two liquor and cannabis board referrals, two bylaw amendment applications, and two temporary use permits.

Staff also reviewed twenty-one building permit referrals, five crown lease referrals, and two subdivision referrals for development proposed within the Gabriola Local Trust Area.

The rezoning applications received and under review by the GB LTC were related to Official Community Plan and Land Use Bylaw amendments as well as a zoning map amendment to the Gabriola Island ferry terminal and a 24 unit affordable housing development.

Galiano Island Local Trust Committee

The Galiano Island Local Trust Committee (GL LTC) held ten regular business meetings in the 2019/20 fiscal year, as well as one Community Information Meeting, two special meetings, and one public hearing.

Work for this period focused on advancing the GL LTC priorities to address affordable housing and groundwater sustainability.

The GL LTC received and considered applications for five development variance permits, one development permit, eight temporary use permits, and three rezoning applications. Staff also reviewed twenty-one building permits and crown referrals, and two subdivision referrals.

Another initiative of the GL LTC for this period was relationship building with First Nations. The GL LTC is working on a project—“A Cultural Journey—Connecting Penelakut and Galiano Islands”—in collaboration with the Penelakut Tribe that includes identifying the important cultural sites on Galiano, their traditional uses and names to produce mapping that reflects these. The GL LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

Gambier Island Local Trust Committee

The Gambier Island Local Trust Committee (GM LTC) held six regular business meetings, one special meeting, and one public hearing in the 2019/20 fiscal year.

Work for this period focused on advancing the GM LTC priorities to address shoreline protection for Keats Island and implementation of the Riparian Areas Protection Regulation (formerly Riparian Areas Regulation). The GM LTC adopted Bylaws 148 and 149 to update stream-side and riparian area protection regulations on Gambier Island.

The GM LTC received and considered four variance applications and one development permit application. Staff also reviewed thirty-two building permit referrals, one subdivision referral, and one crown land referral within the Gambier Local Trust Area.

The GM LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee (HO LTC) held six regular business meetings in the 2019/20 fiscal year.

Work for this period focused on advancing the HO LTC priorities to address Hornby Island Official Community Plan and Hornby Island Land Use Bylaw amendments, and bylaw enforcement related to short-term vacation rentals.

The HO LTC received and considered applications for two development variance permits, three development permits, and two temporary use permits. Staff reviewed thirteen siting and use permits, two subdivision referrals, six crown lease referrals, and one Agriculture Land Commission referral within the Hornby Local Trust Area.

The HO LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.





Blackberry Point, Valdes Island.
CREDIT: MARTIN DALE

Lasqueti Island Local Trust Committee

The Lasqueti Island Local Trust Committee (LA LTC) held five regular business meetings in the 2019/20 fiscal year.

Work for this period focused on advancing the LA LTC priorities to address the Lasqueti Community Association's recommended amendments to the Lasqueti Island Official Community Plan and subdivision regulations in the land use bylaw.

Staff received and considered an application for one subdivision referral from the Ministry of Transportation and Infrastructure within the Lasqueti Island Local Trust Area.

The LA LTC also adopted a standing resolution stating its intent engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples as well as its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee (MA LTC) held six regular business meetings in the 2019/20 fiscal year.

Work for this period focused on advancing the MA LTC priorities to address commercial land uses and groundwater sustainability.

The MA LTC also initiated a pivotal project to consider amendments to policies and regulations to permit alternative forms of housing.

The Mayne Island Local Trust Committee received and considered applications for five development variance permits, one development permit, and one rezoning application. Staff also reviewed twenty-six building permits and crown referrals, and one subdivision referral.

The MA LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.



Gulf Island National Park Reserve,
North Pender Island

North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee (NP LTC) held nine regular business meetings in the 2019/20 fiscal year, four community information meetings, one special meeting, and one public hearing.

Work for this period focused on advancing the NP LTC priorities to address waste management, groundwater sustainability, and landowner education.

The NP LTC also initiated critical projects, including a review of short-term vacation rental policies and regulations, and started a North Pender Island Land Use Bylaw update to implement North Pender Island Official Community Plan policies.

The NP LTC received and considered applications for two development variance permits, five development permits, six temporary use permits, three rezoning applications, one cannabis retail referral, and one cell tower referral. Staff also reviewed thirty-five building permits and crown referrals; and one subdivision referral.

The NP LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee (SSI LTC) held 11 regular business meetings in the 2019/20 fiscal year, seven community information meetings, four special meetings, and three public hearings. The SSI LTC also continued to coordinate the Salt Spring Island Watershed Protection Alliance (SSIWPA), which had eight steering committee meetings, at least five subcommittee meetings, and engaged in various community events.

Work for this period focused on advancing the SSI LTC strategic priorities:

- Implement climate change mitigation and adaption measures.
- Ensure freshwater sustainability.
- Protect the Coastal Douglas-fir ecosystem.
- Increase the availability of affordable housing.
- Protect and enhance agriculture.
- Increase meaningful consultation and cooperation with citizens, agencies and First Nations.
- Advance village planning.

The SSI LTC received and considered 145 applications during the 2019/20 fiscal period: two rezoning applications, 12 development variance permits, 10 development permits, and staff processed 104 building permits and crown lease referrals.

The SSI LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.



Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee (SA LTC) held four regular business meetings in the 2019/20 fiscal year, two community information meetings, one special meeting, and two public hearings.

Work for this period focused on advancing the SA LTC priorities to address secondary suites, short-term vacation rentals, a technical review of the Saturna Island Land Use Bylaw and groundwater sustainability.

The Saturna Island Local Trust Committee also passed three standing resolutions in support of efforts to enhance protections to avoid extinction of the Southern Resident Killer Whales.

The SA LTC also initiated key projects, including a review of zoning on National Park Reserve lands and Saturna Island Official Community Plan language acknowledging First Nations.

The SA LTC received and considered applications for one rezoning and one Agricultural Land Reserve application.

South Pender Local Trust Committee

The South Pender Island Local Trust Committee (SP LTC) held five regular business meetings in the 2019/20 fiscal year, three community information meetings, four special meetings, and one public hearing.

Work for this period focused on advancing the SP LTC priorities to address groundwater sustainability and short-term vacation rentals.

The SP LTC also initiated a review of building and siting regulations, and a review of residential policies and regulations.

- It adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action, and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.



Brooks Point, South Pender Island. CREDIT: KRISTINE MAYES

Thetis Island Local Trust Committee

The Thetis Island Local Trust Committee (TH LTC) held five regular business meetings, one special meeting and one public hearing in the 2019/20 fiscal year.

Work for this period focused on advancing the TH LTC priorities to address private moorage regulations and shoreline protection for Ruxton Island, and to implement the Riparian Areas Protection Regulation on Thetis Island. In order to implement private moorage regulations on Ruxton Island, the TH LTC adopted Bylaw No. 103.

The TH LTC also adopted a standing resolution stating its intent to engage in reconciliation by honouring the Truth and Reconciliation Commission Calls to Action and the United Nations Declaration on the Rights of Indigenous Peoples; as well as, its intent to work with First Nations governments on implementing actions that support reconciliation and maintain relationships based on respect and recognition.

The TH LTC received and considered one rezoning application. Staff also reviewed and processed two subdivision referrals, three building permit referrals, and two crown land referrals within the Thetis Local Trust Area. The TH LTC also considered a referral from the federal Ministry of Innovation, Science and Economic Development Canada for a second proposal from Telus for a telecommunications tower on Thetis Island.



Reconciliation and Relationship Building

From shore to shore across the Salish Sea lands and waters, First Nations communities have called this place home since time immemorial. Their village sites, harvesting areas, and gathering places reflect the abundance and beauty of their homelands, treaty lands, and territories. The Salish Sea is, and was, home to the Coast Salish and Northern Coast Salish peoples from Denman Island to the Southern Gulf Islands. The Islands Trust Area encompasses this Indigenous homeland and the 10,000 years of history and culture of First Nations peoples.

After passing a Reconciliation Declaration on March 14, 2019, on Gabriola Island, Trust Council adopted the Reconciliation Action Plan 2019–2022. Islands Trust commits to realizing the important work of reconciliation, and knowing that we do so with humility and respect for the people and the place in which we live. This year, the Islands Trust focused on foundational work to prepare for policy and process changes. This included:

- Completion of one-to-one dialogue sessions with many staff and trustees.
- Facilitated workshops with staff and trustees to discuss reconciliation and how it will shape the work that we do.
- An all-staff training session on reconciliation.
- A Trust Council session about residential schools— in response to the Truth and Reconciliation Call to Action #57.
- Creation of a trustee/staff Cultural Working Group.
- A Trust Council session on Indigenous Law.





View of Fulford Harbour from Reginald Hill,
Salt Spring Island. CREDIT: KRISTINE MAYES

Climate Change Action

Climate change will have severe consequences for the ecosystems of the islands in the Trust Area, impacting everything from oceans to shorelines and forests, and significantly affecting communities.

The forests of the Islands Trust Area have a high carbon storage capacity, with the potential to act as a major sink for carbon produced in the region. Through land acquisition and covenants, the Islands Trust Conservancy continues to protect mature and maturing forests. In 2019/20, the Conservancy acquired the Salish View Natural Reserve, a 160 metre-high ridgetop on the Lasqueti Island coast with 270-degree views of the Salish Sea, and the Swift Family Link Island covenant which protects 19.30 hectare of the 21.45 hectare island.

All land use planning staff reports are required to include a section on climate change, greenhouse gas emission reductions, and staff recommendations, which are based on the best practices for mitigating climate change.

Islands Trust Council is also a signatory to the B.C. Climate Action Charter, which focuses on operational carbon neutrality.

From 2012–2014, Islands Trust achieved neutrality with the purchase of carbon offsets from the Community Carbon Marketplace.

From 2015–2019, Islands Trust achieved neutrality by gaining carbon credits through participation in the Capital Regional District Organic Waste Composting Project.

In its operations, Islands Trust takes the following steps to reduce its carbon footprint:

- Encourage trustees and staff to share vehicles when travelling.
- Hold, where possible, meetings electronically to reduce trustee and staff travel.
- Encourage staff to bike to work through the provision of safe bike lockers and the promotion of Bike to Work Week.
- Support flexible staff work schedules and work locations, which results in fewer carbon emissions related to travel to and from work.
- Using paperless meeting management software to reduce paper consumption.

Detailed information is available in our Climate Action Revenue Incentive Public (CARIP) Report for 2018 and the report for 2019.



Legislative Services — Administrative Fairness and Freedom of Information

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

The manager also oversees the orientation of elected officials and the staff's training regarding legislative and administrative matters, such as Freedom of Information and Protection of Privacy, minute-taking guidelines, and email and records management.

Islands Trust policy requires the reporting of the number of administrative fairness complaints received each year. There were two complaints received during the period, one from Gabriola Island and the other from Hornby Island.

Also, during the 2019/20 fiscal year, there were 24 requests for records received under the Freedom of Information and Protection of Privacy Act. Of these, 12 were received from Salt Spring Island; four from Galiano Island; two from Gabriola, Hornby, and North Pender islands; and one from Denman and Thetis islands.



Gerald Island

Enforcement and Legal Action

After a 35-year career in bylaw enforcement with the Capital Regional District and Islands Trust, Miles Drew retired in July 2019. Miles had a depth of knowledge and expertise in land use law that was a tremendous asset to the organization, and he was a mentor to many bylaw officers who were new to the field. His contributions will be greatly missed.

The retirement of such a senior member of the staff has meant a transition year for the bylaw enforcement and compliance office. New staff members have joined the team, and other staff members have moved to enforcement work within the provincial government.

Over the last year, bylaw compliance and enforcement staff on Salt Spring Island undertook a proactive enforcement effort for the Salt Spring Island Local Trust Committee. This work has involved enforcement against non-permitted, short-term vacation rentals and will continue, with additional staff resources, to address concerns regarding short-term vacation rentals and the affordable housing supply.

Salt Spring Island is just one island concerned with non-permitted short-term vacation rentals. Other islands have the same concerns, and

proactive enforcement of non-permitted operators has begun on Hornby Island. In the last fiscal year, Islands Trust undertook three separate legal actions against non-permitted short-term vacation rental operations and was successful in ceasing the unlawful uses.

Other areas of enforcement include investigating work done in environmentally sensitive areas, especially those designated as development

permit areas. This past year has seen heightened concern around the Southern Gulf Islands and any actions that might affect the Southern Resident Killer Whale population. Since maintaining fish stocks is key to ensuring a healthy whale population, the protection of designated riparian areas is a high priority for bylaw staff and community members.

Proactive enforcement on North Pender Island for derelict vehicles began in 2019, and there will be continued efforts to remove these vehicles and the contamina-

tion risk they pose to valuable groundwater supplies.

The Bylaw Enforcement Notice and Adjudication System has now been adopted in 10 local trust areas, and it will be the main enforcement tool for bylaw staff. While the vast majority of files are resolved through voluntary compliance, Bylaw Violation Notices were issued for 52 enforcement files, with adjudication requests proceeding on five files. Generally, fewer than ten files per year require an adjudication hearing, as the majority of people subject to enforcement sign compliance agreements and pay no fines.



Orcas off Galiano Island. CREDIT: KRISTINE MAYES



Appendix A: Strategic Plan 2018–2022



Islands Trust

Strategic Plan 2018-2022

Mount Warburton Pike, SKĒWEWIĆ, Saturna Island

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

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Peter Luckham
Thetis Island Local
Trustee, Chair, Islands Trust



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



Laura Patrick
Salt Spring Island Local
Trustee, Executive Vice Chair



Dan Rogers
Gambier Island Local
Trustee, Executive Vice Chair



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



Deb Morrison
North Pender Island Local
Trustee, Chair, Trust Programs



Scott Colbourne
Gabriola Island Local
Trustee, Vice Chair, Trust
Programs



Laura Bushelkin
Denman Island Local
Trustee, Chair, Local Planning



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



Michael Kaile
Bowen Island Municipal
Trustee



Kees Langereis
Gabriola Island Local
Trustee



Jane Wolvorton
Galiano Island Local
Trustee



Grant Scott
Hornby Island Local
Trustee



Peter Johnston
Lasqueti Island Local
Trustee



Jeanine Dodds
Mayne Island Local
Trustee



Benjamin McConchie
North Pender Island Local
Trustee



Lee Middleton
Saturna Island Local
Trustee



Cameron Thom
South Pender Island Local
Trustee



Steve Wright
South Pender Island Local
Trustee



Doug Fenton
Thetis Island Local
Trustee

Statement of Trust Council 2018-2022

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

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

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



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



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



David Critchley
Denman Island Local
Trustee



Tahirih Rockafella
Galiano Island Local
Trustee



Alex Allen
Hornby Island Local
Trustee



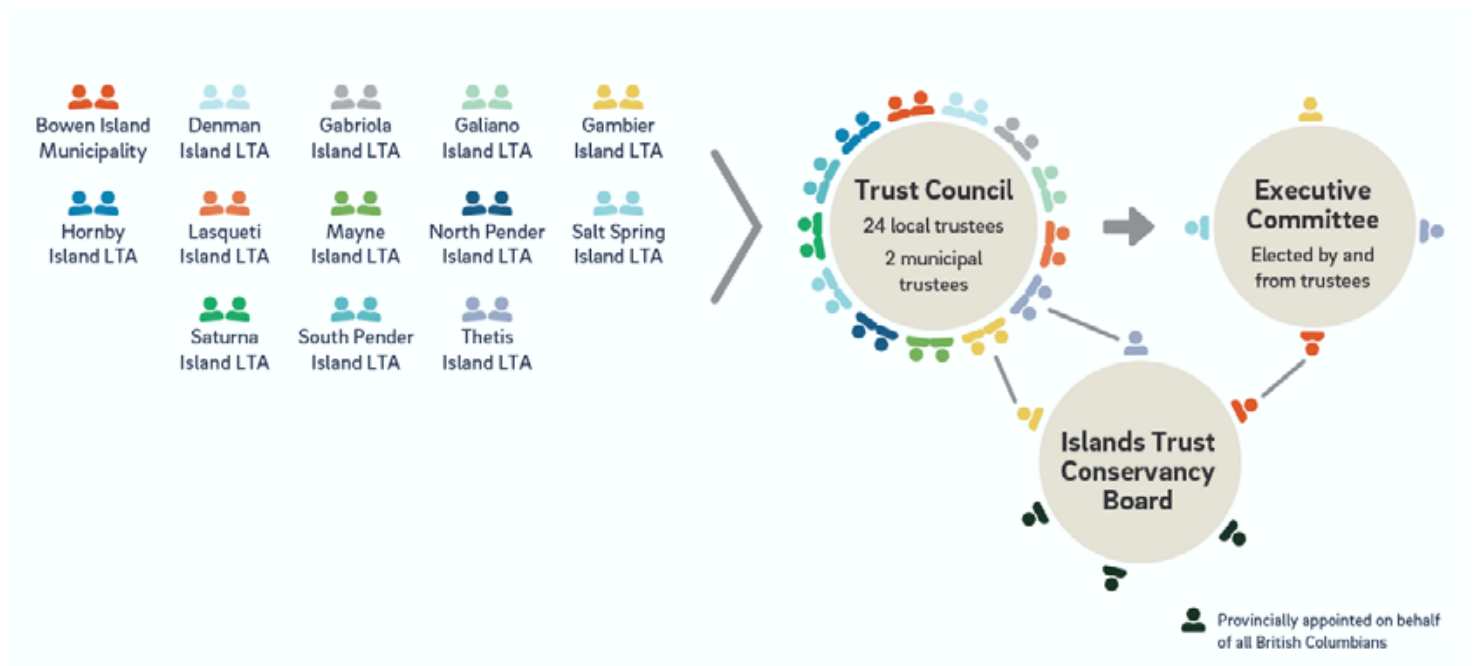
Timothy Peterson
Lasqueti Island Local
Trustee

STRATEGIC PLAN 2018-2022

ISLANDS TRUST COUNCIL 2018-2022

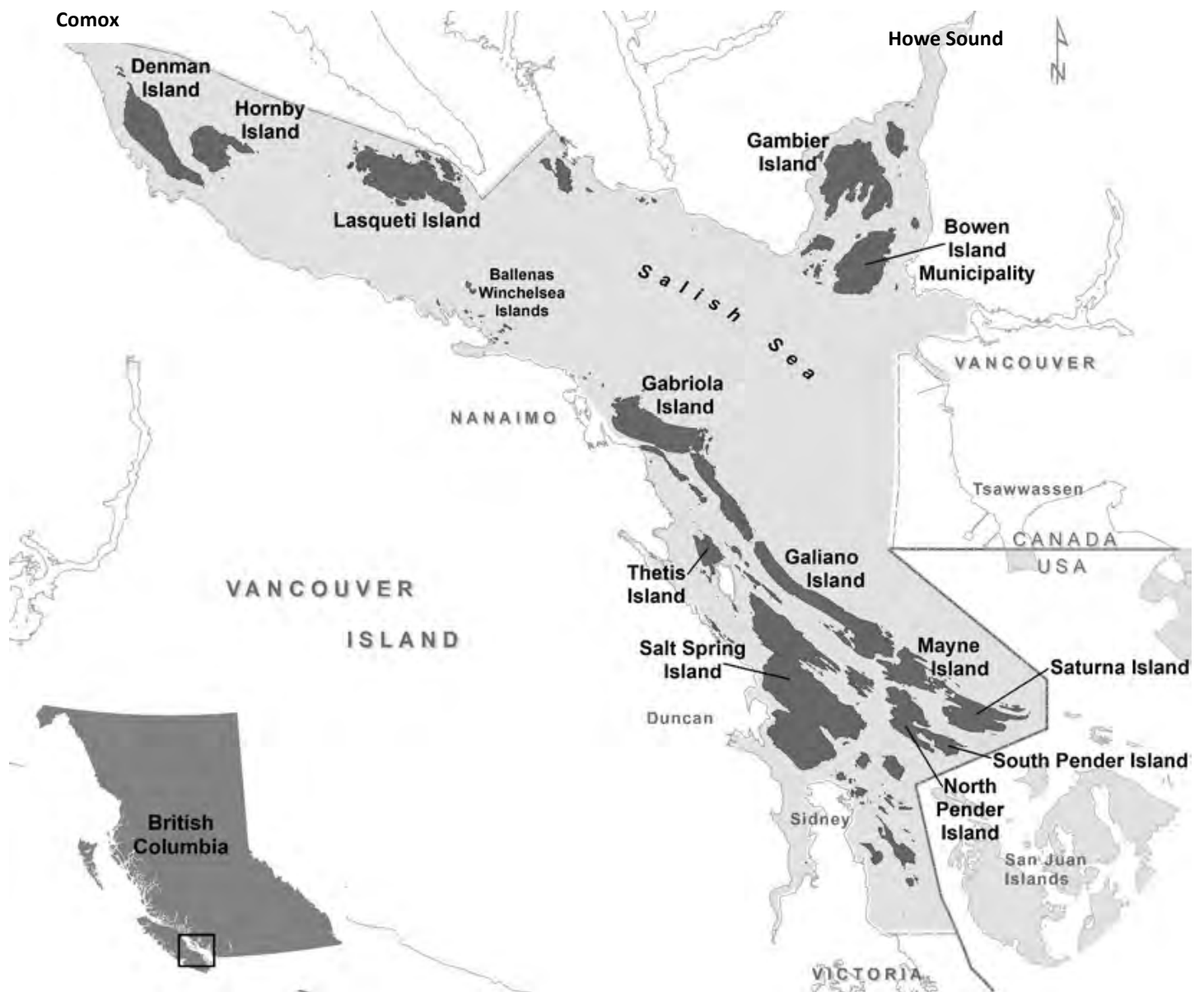
The Islands Trust Council has a unique mandate, to preserve and protect the amenities and environment of the Islands Trust Area, for the benefit of residents and all British Columbians.

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



THE ISLANDS TRUST AREA

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



STRATEGIC PLAN 2018-2022

PURPOSE AND PRINCIPLES OF THE ISLANDS TRUST

OBJECT OF THE ISLANDS TRUST

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

The object of the trust is to preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of British Columbia generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the government of British Columbia.

THE POLICY STATEMENT

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

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

GUIDING PRINCIPLES

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

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

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

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

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

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

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



STRATEGIC PLAN 2018-2022

HOW TO READ THE STRATEGIC PLAN

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

GOALS

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

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

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

OBJECTIVES

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

STRATEGIES

Strategies represent the actions - or 'means to achievement' - of long-term goals or objectives. They tend to be short-term and may change due to circumstance and opportunity. Staff will recommend strategies to Trust Council to advance its priorities. The Strategic Plan identifies 24 strategies that will require resources, time and effort over the course of the 2018-2022 term.

IMPLEMENTATION

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

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



STRATEGIC PLAN 2018-2022

LAND STEWARDSHIP

OBJECTIVE

Preserve, protect and advocate for forest and terrestrial ecosystems

STRATEGY

1. Map contiguous tracks of the Coastal Douglas fir zone (CDF) and associated ecosystems to aid in protection of that zone and its associated ecosystems.
2. Create a model development permit for Local Trust Committee-Bowen Island Official Community Plans bylaws to protect Coastal Douglas fir zones throughout the Trust Area.
3. Amend legislation to increase the percentage of the Natural Area Protection Tax Exemption Program (NAPTEP) to act as an incentive for the protection of forest cover for climate change mitigation and adaptation in the Islands Trust Area.



STRATEGIC PLAN 2018-2022

MARINE AND FRESHWATER STEWARDSHIP

OBJECTIVE

STRATEGY

To preserve and protect marine ecosystems

4. Advocate to minimize the impact of commercial activities on the marine environment and participate in Canada's Southern Resident Killer Whale (SRKW) recovery plan.
5. Map the extent of eelgrass and kelp beds throughout the Trust Area.
6. Undertake a review of Local Trust Committee-Bowen Islands Municipality foreshore policies and regulatory bylaws and develop model policy and regulatory bylaws for the protection of the foreshore and nearshore.

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

7. Develop a regional freshwater management strategy that addresses responsibilities under the Water Sustainability Act, identifies water resources throughout the Trust Area, integrates water resource management into land use decision-making, and accounts for the impacts of climate change on island water resources.
8. Map and develop water budgets for groundwater aquifers in the Trust Area.
9. Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling.



STRATEGIC PLAN 2018-2022

CLIMATE CHANGE

OBJECTIVE

Mitigate and adapt to climate change impacts

STRATEGY

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



STRATEGIC PLAN 2018-2022

COMMUNITY AND COMMUNICATION

OBJECTIVE

STRATEGY

Improve community engagement and participation in Islands Trust work

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

Strengthen housing affordability throughout the Islands Trust Area

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

STRATEGIC PLAN 2018-2022

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

Strengthen relations with First Nations

- 17. Adopt a Reconciliation Declaration.
- 18. Adopt and implement a Reconciliation Action Plan.
- 19. Develop a Trust Area-wide archaeological impact strategy and establish a Cultural Working Group.



STRATEGIC PLAN 2018-2022

GOVERNANCE

OBJECTIVE

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

To amend the Policy Statement

STRATEGY

20. Amend the *Islands Trust Act* or other legislation to:
 - i. Allow for entry warrants
 - ii. Grant authority to use municipal ticketing for development permit enforcement
 - iii. Enable adoption of development approval information bylaws by local trust committee
 - iv. Add First Nations to the list of bodies with whom the Trust works in cooperation
 - v. Enable delegation to staff the issuance of development permits
 - vi. Clarify foreshore zoning authority
21. Provide a secretariat role to forums within the Trust Area.
22. Amend the Policy Statement introductory and definitions sections.
23. Determine if additional changes to the Policy Statement are desired by Trust Council.

GROSS BUDGET & SCHEDULE OF IMPLEMENTATION

Strategy	2019	2020	2021	2022	2023	Total \$
1. Mapping of contiguous tracks of the Coastal Douglas-fir	\$15,000					15,000
2. Amendment of plans to protect Coastal Douglas-Fir zones			\$15,000			15,000
3. Amend legislation to increase the percentage of NAPTEP exemption						
4. Advocate to minimize the impact of commercial activities on the marine environment and Participate in Canada's Southern Resident Killer Whale (SRKW) recovery plan.						
5. Map eelgrass and kelp beds		\$50,000				50,000
6. Undertake a review of foreshore policies and regulatory bylaws and develop model policy		\$10,000				10,000
7. Develop a regional freshwater management framework		\$20,000				20,000
8. Map and develop water budgets for groundwater aquifers		\$50,000				50,000
9. Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling.			\$25,000	\$25,000		50,000
10. Amendment of the Islands Trust Policy Statement to add climate change policies						
11. Amendment of OCPs and LUBs to address climate change, CDF, foreshore and groundwater			\$30,000	\$30,000		60,000
12. Develop a set of climate change, demographic and environmental data		\$5,000	\$25,000			30,000



STRATEGIC PLAN 2018-2022

13. Broadcast public meetings		\$7,100							7,100
14. Develop a new website and initiate a social media program	\$115,000								115,000
15. Develop and implement a stewardship education program	\$10,000	\$15,000	\$15,000	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000	65,000
16. Implement the high priority actions outlined in the Affordable Housing in the Trust Area: Strategic Actions for Islands Trust previously referred by Trust Council.		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	40,000
17. Adopt a Reconciliation Declaration									
18. Adopt and implement a Reconciliation Action Plan		\$17,550	\$10,000	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	42,550
19. Develop a Trust Area wide archaeological impact strategy and establish a Cultural Working Group									
20. Amend the Islands Trust Act									
21. Provide a secretariat role to forums within the Trust Area		\$ 12,000							12,000
22. Amend the Policy Statement introductory and definitions sections	\$60,000	\$45,000							105,000
23. Determine if additional changes to the Policy Statement are desired by Trust Council									
TOTALS	\$200,000	\$241,650	\$130,000	\$90,000	\$25,000	\$686,650			



Appendix B: Islands Trust Financial Statements

Financial Statements of

ISLANDS TRUST

And Independent Auditors' Report thereon

Year ended March 31, 2020

ISLANDS TRUST

Financial Statements

Year ended March 31, 2020

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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



Chief Administrative Officer



Director of Administration Services



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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Islands Trust as at March 31, 2020, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

Chartered Professional Accountants

Victoria, Canada
June 17, 2020

ISLANDS TRUST

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 2)	\$ 1,092,028	\$ 1,473,052
Accounts receivable	243,553	64,636
Investments (note 3)	2,930,428	2,749,388
	<u>4,266,009</u>	<u>4,287,076</u>
Liabilities:		
Accounts payable and accrued liabilities	447,260	465,834
Wages and benefits payable	1,318,019	1,183,963
Deferred revenue	32,387	29,161
Employee benefit obligations (note 4)	189,781	136,206
Obligations under capital leases (note 5)	43,727	60,670
Cost recovery deposits (note 13(b))	4,029	27,177
	<u>2,035,203</u>	<u>1,903,011</u>
Net financial assets	2,230,806	2,384,065
Non-financial assets:		
Tangible capital assets (note 6)	501,281	388,159
Prepaid expenses	150,836	99,046
	<u>652,117</u>	<u>487,205</u>
Commitments (note 11)		
Contingent liabilities (note 12)		
Subsequent event (note 14)		
Accumulated surplus (note 7)	<u>\$ 2,882,923</u>	<u>\$ 2,871,270</u>

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

Approved by the Trust Council:



Trustee



Trustee

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	Budget (note 9)	2020	2019
Revenue:			
Property tax - general	\$ 6,696,752	\$ 6,696,752	\$ 6,501,701
Property tax levy - Bowen Island municipality	329,634	329,634	293,933
Property tax - special requisition	98,500	98,500	98,500
Government transfers (note 8)	180,000	193,201	191,946
Fees and sales	160,000	102,051	166,154
Interest income	80,000	102,281	104,384
Other income	164,000	161,853	5,074
Total revenue	7,708,886	7,684,272	7,361,692
Expenses (note 10):			
Council services	1,305,831	1,217,690	1,357,324
Local trust committee services	5,764,048	5,691,915	5,313,437
Trust conservancy services (note 13)	870,007	763,014	669,084
Total expenses	7,939,886	7,672,619	7,339,845
Annual surplus (deficit)	(231,000)	11,653	21,847
Accumulated surplus, beginning of year	2,871,270	2,871,270	2,849,423
Accumulated surplus, end of year	\$ 2,640,270	\$ 2,882,923	\$ 2,871,270

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

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

	Budget (note 9)	2020	2019
Annual surplus (deficit)	\$ (231,000)	\$ 11,653	\$ 21,847
Acquisition of tangible capital assets	-	(288,451)	(264,055)
Amortization of tangible capital assets	75,000	174,759	79,979
Loss on disposal of capital assets	-	570	-
	(156,000)	(101,469)	(162,229)
Acquisition of prepaid expenses	-	(51,790)	11,680
Change in net financial assets	(156,000)	(153,259)	(150,549)
Net financial assets, beginning of year	2,384,065	2,384,065	2,534,614
Net financial assets, end of year	\$ 2,228,065	\$ 2,230,806	\$ 2,384,065

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

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 11,653	\$ 21,847
Items not involving cash:		
Amortization of tangible capital assets	174,759	79,979
Loss on disposal of tangible capital assets	570	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(178,917)	(10,719)
Wages and benefits payable	134,056	29,179
Accounts payable and accrued liabilities	(18,574)	(17,620)
Deferred revenue	3,226	(8,330)
Employee benefit obligations	53,575	17,066
Cost recovery deposits	(23,148)	4,198
Prepaid expenses	(51,790)	11,680
Net change in cash from operating activities	105,410	127,280
Capital activities:		
Acquisition of tangible capital assets	(288,451)	(264,055)
Investing activities:		
Redemption of (investment in) investments	(181,040)	780,624
Financing activities:		
Principal payments on obligations under capital leases	(16,943)	(17,639)
Change in cash and cash equivalents	(381,024)	626,210
Cash and cash equivalents, beginning of year	1,473,052	846,842
Cash and cash equivalents, end of year	\$ 1,092,028	\$ 1,473,052
Supplemental cash flow information:		
Assets acquired under capital lease	\$ -	\$ -

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

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

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

1. Significant accounting policies:

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

(a) Reporting entity:

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

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

(i) Consolidated entities:

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

(ii) Funds held in trust:

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

(b) Basis of accounting:

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

(c) Revenue recognition:

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

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

Tax revenue is recognized on an accrual basis.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

1. Significant accounting policies (continued):

(d) Cash and cash equivalents:

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

(e) Investment income:

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

(f) Employee future benefits:

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

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

(g) Liability for contaminated sites:

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

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

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

(h) Non-financial assets:

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

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets:

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

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

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

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

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

(ii) Contributions of tangible capital assets:

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

(iii) Works of art and historical treasures:

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

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(iv) Interest capitalization:

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

(v) Leased tangible capital assets:

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

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

2. Cash and cash equivalents:

	2020	2019
Bank account balances	\$ 1,092,028	\$ 1,473,052

3. Investments:

Investments consist of guaranteed investment certificates with a cost plus accrued interest that approximates market value. The stated interest rates is 2.16% and the maturity dates range from April 2020 to August 2020.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

4. Employee benefit obligations:

	2020	2019
Vacation pay	\$ 154,612	\$ 109,174
Compensatory time off	35,169	27,032
	<u>\$ 189,781</u>	<u>\$ 136,206</u>

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

Other pension plans:

The Trust and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2019, the plan has about 64,000 active members and approximately 50,000 retired members.

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

The latest actuarial valuation as at March 31, 2017, indicated a funding surplus of \$1,896 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2020, with results available in early 2021. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Trust paid \$339,085 (2019 - \$314,456) for employer contributions to the plan in fiscal 2020.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

5. Obligations under capital leases:

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

2021	\$ 18,169
2022	14,391
2023	14,391
2024	3,111
2025 and thereafter	-
<hr/>	
Total minimum lease payments	50,062
Less amounts representing interest (at rates ranging from 4.70% to 5.20%)	6,335
<hr/>	
Present value of net minimum capital lease payments	\$ 43,727

Interest of \$2,367 (2019 - \$2,367) relating to capital lease obligations has been included in expenses on the statement of operations.

6. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2020	Total 2019
Cost:						
Balance, beginning of year	\$ 10,000	\$ 210,367	\$ 223,592	\$ 207,891	\$ 651,850	\$ 712,505
Additions	-	39,185	69,147	180,119	288,451	264,055
Disposals	-	-	(25,935)	(1,035)	(26,970)	(324,710)
Balance, end of year	10,000	249,552	266,804	386,975	913,331	651,850
Accumulated amortization:						
Balance, beginning of year	10,000	110,192	136,246	7,253	263,691	508,422
Additions	-	37,476	68,175	69,108	174,759	79,979
Disposals	-	-	(25,935)	(465)	(26,400)	(324,710)
Balance, end of year	10,000	147,668	178,486	75,896	412,050	263,691
<hr/>						
Net book value, end of year	\$ -	\$ 101,884	\$ 88,318	\$ 311,079	\$ 501,281	\$ 388,159

Contributed tangible capital assets:

There were no contributed assets received during 2020 or 2019.

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

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

6. Tangible capital assets (continued):

Included in tangible capital assets is assets under capital leases with a net book value of \$43,712 (2019 - \$60,670).

7. Accumulated surplus:

Accumulated surplus consists of:

	2020	2019
Invested in tangible capital assets	\$ 457,554	\$ 327,490
General Revenue Fund	2,218,831	2,477,152
Local Trust Committee Project Specific Reserve Fund	121,272	42,287
Special property tax requisition fund	85,266	24,341
	<u>\$ 2,882,923</u>	<u>\$ 2,871,270</u>

8. Government transfers:

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

	2020	2019
Provincial operating grant	\$ 180,000	\$ 180,000
Salt Spring Island Water Protection Project	7,672	8,329
Transport Canada	2,772	3,617
Other	2,757	-
	<u>\$ 193,201</u>	<u>\$ 191,946</u>

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

9. Budget data:

The budget data presented in these financial statements is based upon the 2020 operating budget approved by Trust Council on March 14, 2019. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	\$ 7,864,886
Less appropriation from surplus	(156,000)
	7,708,886
Expenses	7,864,886
Plus amortization expense	75,000
	7,939,886
Annual deficit	\$ (231,000)

10. Classification of expenses by object:

	2020	2019
Staff salaries and benefits	\$ 4,803,756	\$ 4,367,315
Traveling/training and recruitment	183,064	171,028
Council and trustee costs	892,660	911,090
Elections	61	140,865
Office operations	976,337	1,001,077
Programs	370,836	413,775
Legal	270,006	254,716
Amortization	175,329	79,979
Loss on disposal of assets	570	-
	\$ 7,672,619	\$ 7,339,845

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

11. Commitments:

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

2020	\$ 360,261
2021	332,235
2022	304,685
2023	241,568
2024	117,642

12. Contingent liabilities:

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

13. Trust activities:

(a) Trust Conservancy:

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

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

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

	2020	2019
Operations and Property Management	\$ 527,344	\$ 485,276
Board	19,043	18,409
Administration	216,627	165,399
	<hr/>	<hr/>
	\$ 763,014	\$ 669,084

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2020

13. Trust activities (continued):

(b) Cost-recoveries:

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

	2020	2019
Cash received during the year	\$ 58,025	\$ 53,231
Cash paid during the year	81,173	49,034

The net payable from development applicants of \$4,029 (2019 - \$27,177) is included in cost recoveries on the statement of financial position.

14. Subsequent event:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and remains ongoing. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time. These impacts could include impairment in the value of our long-lived assets or potential future decreases in revenue or the profitability of our ongoing operations.





Annual Report

2019/
20



COVER Douglas-fir; ABOVE Phacelia and bee. CREDIT: CARLA FUNK

Message from the Islands Trust Conservancy Board Chair

Working together to protect land and waters of the Salish Sea

Over the years Islands Trust Conservancy (ITC) has focused on **building resilience** for a solid future of conservation in the Islands Trust Area. Little did we know that at the end of this fiscal year we would find ourselves navigating unexpected turbulence with the onset of a global pandemic.

Had we predicted extreme change at a global level we would have guessed that it would stem from climate instability. So much so, this year we completed a synthesis of local **climate change projections** for the Trust Area. We used a suite of relevant indicators that help us understand how conditions will change in our region's land, waters, and surrounding ocean. Of importance to management of protected areas in the Islands Trust Area, we conducted an introductory review of impacts of those changes on local ecosystems and species.

Understanding the impacts of climate projections will only be strengthened by listening to and respecting **multiple kinds of knowledge**. Islands Trust Conservancy is working to review current processes and policies to ensure that the work we do is reflective of the Truth and Reconciliation (TRC) Calls to Action, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Province of BC Declaration on the Rights of Indigenous Peoples Act (DRIPA). This important work brings together the long-standing work of the ITC mandate of conservation, protection, and preservation of the lands and waters with the foundational principles of recognition, reconciliation, and history.

Expanding our ways of knowing, we have welcomed two new Board members to our **leadership team**—Don Clarke is a member of the Black River First Nation, with more than 25 years of experience working in

community development and education in over 50 First Nations communities, and Dr. Susan Hannon is a former Ecology Professor with research expertise in forest ecology and conservation. We are working hard to bring together science-based knowledge with traditional ecological knowledge, knowing that this will strengthen our understanding of how to best preserve and protect these special places.

2019 brought an addition to special places protected: Lasqueti Island welcomed the Salish View Nature Reserve. In addition to supporting several rare and endangered species, Salish View is stunningly beautiful with a 160-metre high ridgetop on the coast and 270 degree views of the Salish Sea. This exceptional place will be preserved and protected for **future generations**.

To keep pace with the number of properties under our care, this year we welcomed the addition of a Covenant Management & Outreach Specialist to the Islands Trust Conservancy team. This **increase in capacity** will enable us to bring our annual monitoring work in-house, better support current covenant landowners to achieve their conservation goals, and be proactive with outreach to prospective covenant donors. Also, with the approval of a new Fund Development Plan, we look forward to further increasing our capacity to conserve natural lands.

The impacts and pressures on natural systems and habitats today are extreme. Islands Trust Conservancy understands that we can't preserve

and protect the islands and waters of the Salish Sea alone. The work of securing and leaving a legacy for future generations has never been more urgent. Inspiring conservation in the land and waters of the Salish Sea through **compelling storytelling** is critical to the work we all do. That is why we worked so hard on creating a more engaging and inclusive Islands Trust Conservancy website, to be merged with the Islands Trust website this coming fall.

During our response to the COVID-19 pandemic, Islands Trust and Islands Trust Conservancy demonstrated a **flexibility**

that we didn't even know we had. We swiftly and, for the most part, seamlessly shifted from a regular office to home-based offices. Daily work carried on despite the changes to the very fabric of society. All the while we found we were asking each other "is this the new normal?" and perhaps more fundamentally, "what will the new normal be"?



CREDIT: CARLA FUNK

In times of uncertainty we all turn to touchstones of calm, beauty and timelessness. Islanders have those touchstones in their **natural spaces**. Parks, nature reserves and conservation covenants are islands of safe company in a world of physical distancing.

If we have learned anything from this chaotic time, it is that it is not just the waters and islands of the Salish Sea that are fragile — as biodiversity declines, global human health is also vulnerable. Is it an exaggeration to say that **our very lives depend on preserving and protecting** rare and sensitive ecosystems?

We think not.



Kate-Louise Stamford
Chair, Islands Trust Conservancy



Harbour seals, Mayne Island. CREDIT: KRISTINE MAYES



Acknowledgement

The Islands Trust Conservancy acknowledges that we work within the treaty lands and territories of the BOKÉĆEN, Cowichan Tribes, Halalt, Homalco, Kómoks, Klahoose, Ts'uubaa-asatx, Lək'wəŋən (SXIMEĒĒ, Songhees, T'Sou-ke), Lyackson, MÁLEXĒĒ, Penelakut, Qualicum, Scianew, səliwətaʔt, SEMYOME, shíshálh, Snaw-naw-as, Snuneymuxw, Skwxwú7mesh, STÁUTW, Stzuminus, Tlaamin, scəwáθən məsteyəxʷ, We Wai Kai, Wei Wai Kum, WJOĒĒP, WSIKEM, and xʷməθkʷəy̓əm.

Reconciliation Declaration

The 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.

The 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.

The 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)





Leather star, Hornby Island. CREDIT: KRISTINE MAYES

Islands Trust Conservancy

Role

Islands Trust Conservancy was established April 1, 1990 by the *Islands Trust Act* to preserve natural landscapes, cultural heritage, and ecosystems in the Islands Trust Area. The area is nestled within the Salish Sea and includes most of the Gulf Islands and Atl'ka7tsem/Howe Sound. As the regional land trust for the Islands Trust Area, Islands Trust Conservancy works with landholders, local conservancies, and communities to protect places of natural significance in perpetuity. Islands Trust Conservancy receives donations of land, conservation covenants, and cash; monitors and manages land to conserve and restore biodiversity; and works with islanders on private land stewardship. As a qualified donee, Islands Trust Conservancy provides receipts for income tax purposes for all eligible donations.

This year Islands Trust Conservancy affirmed its commitment to respect and honour Reconciliation with First Nations, and to develop mutually respectful relationships with Coast Salish Indigenous Peoples, through a formally adopted Reconciliation Declaration.

Board Members

Kate-Louise Stamford, Gambier Island (2014–2018, Chair, 2018–present)

Sue Ellen Fast, Bowen Island Municipality (2018–present)

Doug Fenton, Thetis Island (2018–present)

Linda Adams, Salt Spring Island

(Appointed Member, August 2018–August 2019, August 2019–present)

Susan Hannon, Salt Spring Island

(Appointed Member, November 2019–present)

Donald Clarke, Victoria (Appointed Member, January 2020–present)

Hoops Harrison, Vancouver and Saturna Island

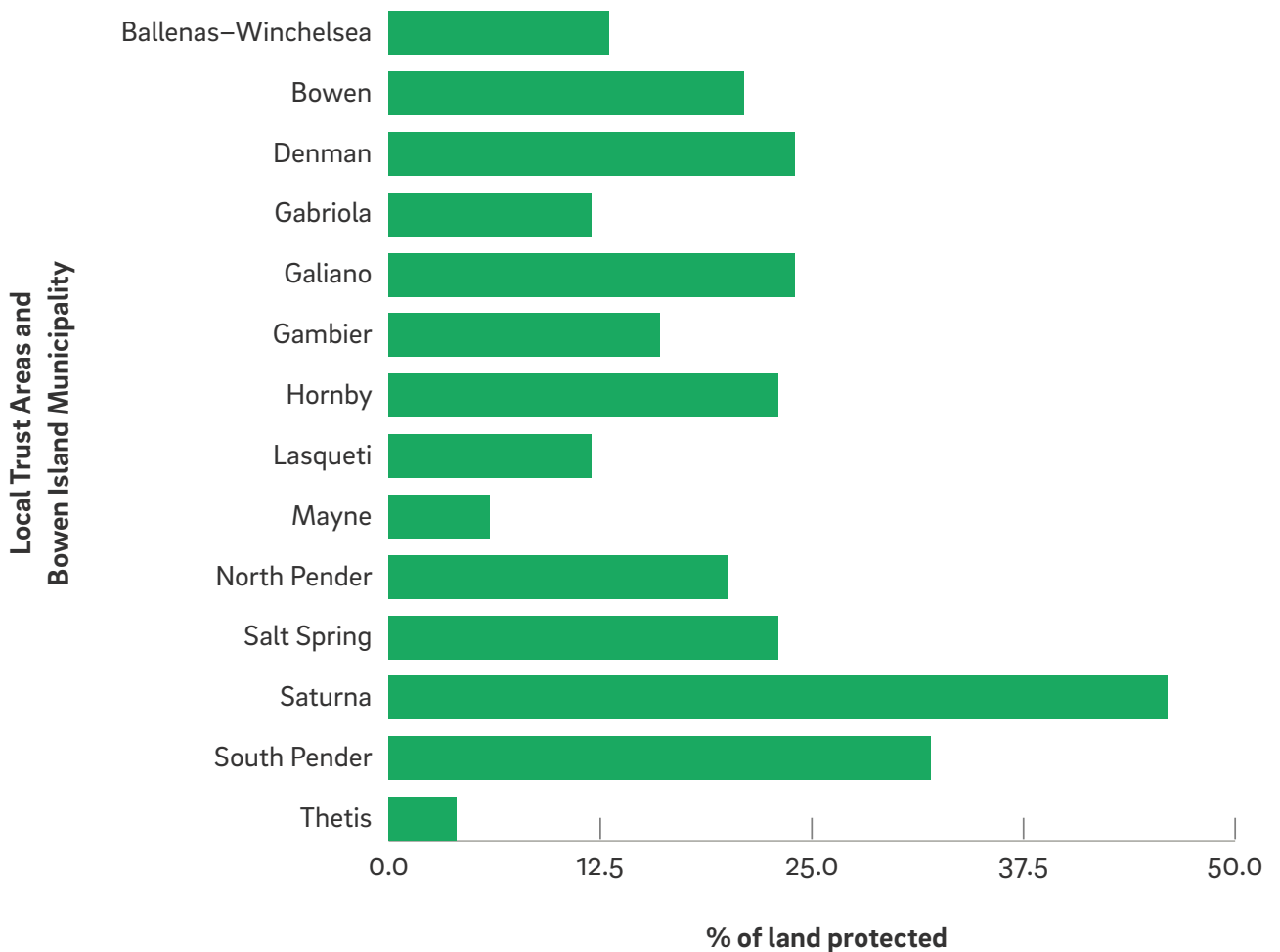
(Appointed Member, August 2016–August 2019)

Robin Williams, Salt Spring Island (Appointed Member, 2017, 2018–2019)

Protected Places in the Islands Trust Area

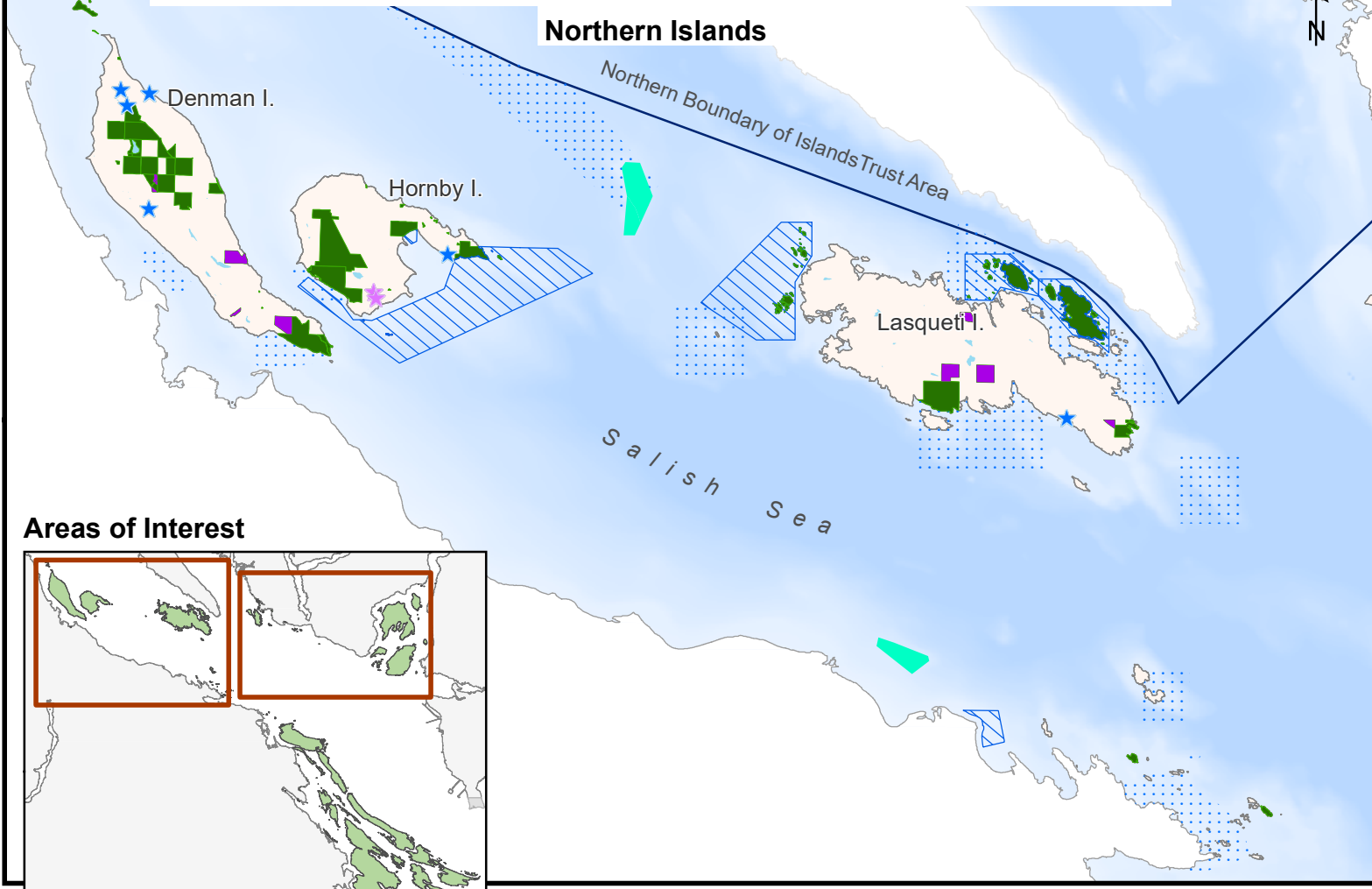
Over 1300 hectares of natural and historic values, including 12,533 metres of shoreline, on 106 properties have been protected by Islands Trust Conservancy as of March 2020. When combining the numbers with those protected by public and non-profit conservation organizations (including Islands Trust Conservancy), there is a total of 15,477.13 hectares (20 per cent) protected land in the Islands Trust Area.

Protected Places in Each Local Trust Area and Bowen Island Municipality as of March 31, 2020

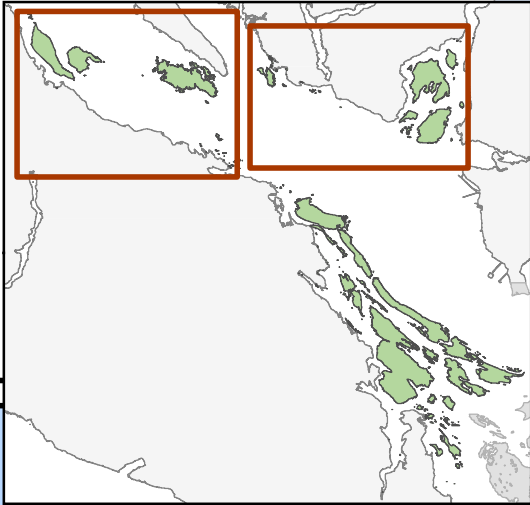


Protected Places in the Islands Trust Area as of March 31, 2020

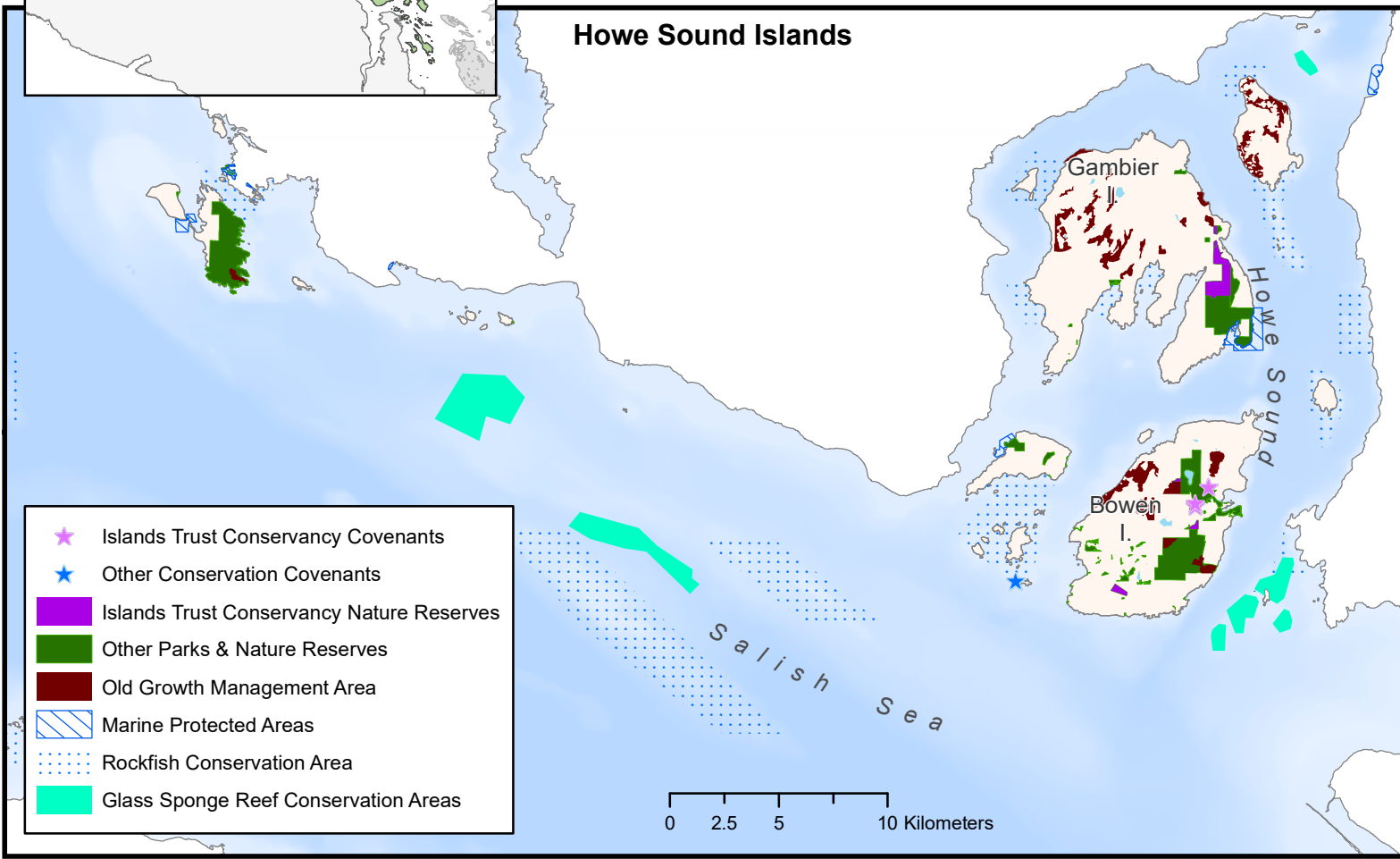
Northern Islands



Areas of Interest



Howe Sound Islands

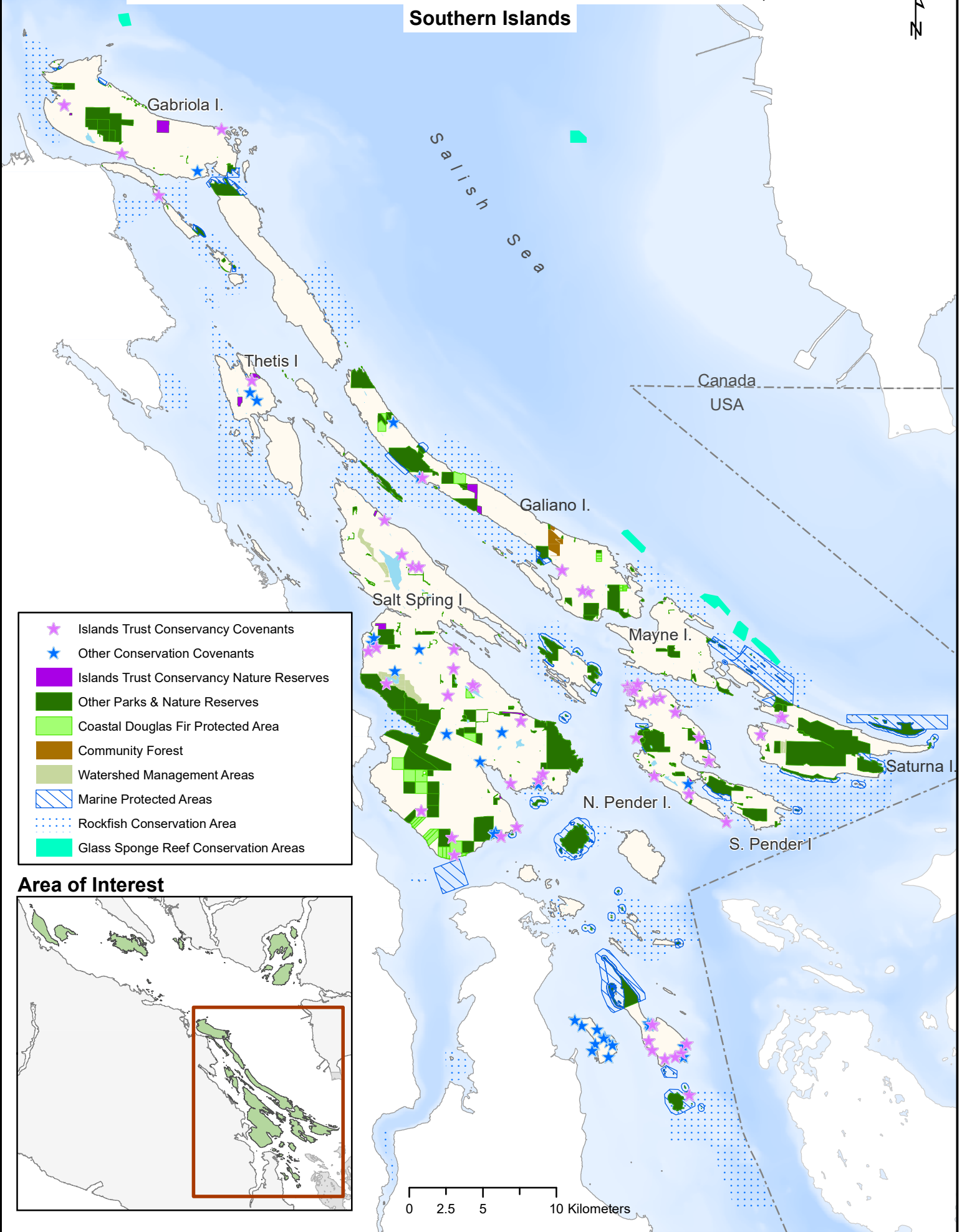


- ★ Islands Trust Conservancy Covenants
- ★ Other Conservation Covenants
- Islands Trust Conservancy Nature Reserves
- Other Parks & Nature Reserves
- Old Growth Management Area
- Marine Protected Areas
- Rockfish Conservation Area
- Glass Sponge Reef Conservation Areas

0 2.5 5 10 Kilometers

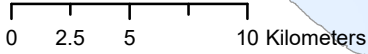
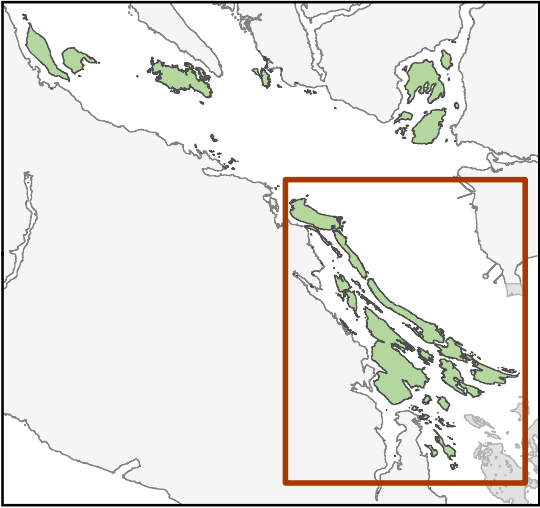
Protected Places in the Islands Trust Area as of March 31, 2020

Southern Islands

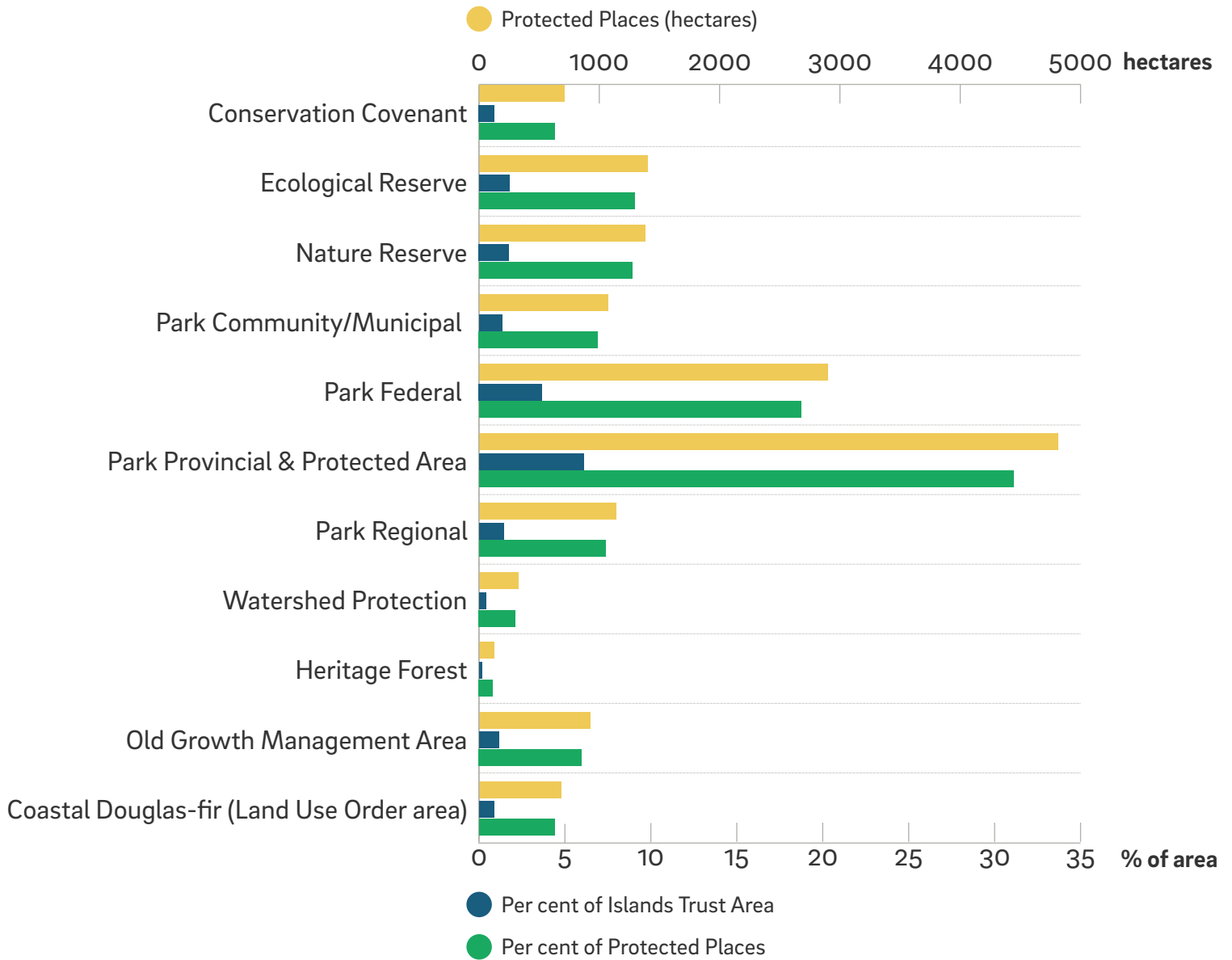


- ★ Islands Trust Conservancy Covenants
- ★ Other Conservation Covenants
- Islands Trust Conservancy Nature Reserves
- Other Parks & Nature Reserves
- Coastal Douglas Fir Protected Area
- Community Forest
- Watershed Management Areas
- ▨ Marine Protected Areas
- ⋯ Rockfish Conservation Area
- Glass Sponge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

Area of Interest



Types of Protected Places in the Island Trust Area



Regional Conservation Plan

The Regional Conservation Plan 2018–2027 guides the work of Islands Trust Conservancy to protect ecosystems in the islands in the Salish Sea. This ten-year plan is science-based and community-informed, and included valuable input from six Coast Salish Nations.

The Regional Conservation Plan 2018–2027 has four long-term goals to focus its efforts and resources on the species and habitats most urgently in need of conservation. The following is a summary of the activities and accomplishments as assessed through the lens of the four long-term goals identified in the Regional Conservation Plan:

Goal 1: Knowledge-based Conservation Planning

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

In order to contribute to effective conservation of biological diversity and ecological integrity in the Islands Trust Area, Islands Trust Conservancy seeks to increase its understanding of ecosystems and species in the region. Islands Trust Conservancy uses a variety of information to support careful decisions on how to manage and care for land.

Mapping and Data Analysis

Islands Trust Conservancy acquires and analyzes data and shares it with others. In 2019/20, the Islands Trust Conservancy:

- Updated protected area mapping for the region and contributed to the British Columbia Non-Governmental Organization Conservation Areas Database.
- Coordinated updates of species-at-risk data with federal and provincial governments.
- Shared data with seven non-profit organizations, government partners, and community members.

- Developed a synthesis and analysis of climate change projections and likely impacts to natural areas across the Islands Trust Area.
- Worked with the Islands Trust to map contiguous forest, and rated impacts to them from roads and structures.

Planning and Adapting for Climate Change

Islands Trust Conservancy is developing practical and feasible actions to ensure that our work includes both adaptation and mitigation in response to climate change. In 2019/20 Islands Trust Conservancy:

- Completed a synthesis of local climate change projections for the Trust Area. We used a suite of relevant indicators that help us understand how conditions will change in our region's land, waters, and surrounding ocean.
- Conducted an analysis of impacts of those changes on local ecosystems and species.

Red alder. CREDIT: CARLA FUNK



Goal 2: Collaboration with First Nations

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

Islands Trust Conservancy passed a Reconciliation Declaration in July 2019, and in January 2020, Islands Trust Conservancy welcomed its first Indigenous Board member.

As part of our commitment to the TRC Calls to Action and reconciliation, Islands Trust Conservancy staff and Board members participated in cultural competency training in 2019. This training has been incorporated into our orientation for new staff and Board members.

Islands Trust Conservancy is working to review current processes and policies to ensure that the work we do is reflective of the Truth and Reconciliation (TRC) Calls to Action, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Province of BC's Declaration on the Rights of Indigenous Peoples Act (DRIPA). We have created a template for a Cultural Management Plan for nature reserves that can be used alongside ecological plans, and have begun the important work of engaging with First Nations regarding land management. We have also broadened the intent of our conservation covenant template to reflect the important work needed to protect cultural sites. We anticipate that these standards will evolve over time as we work to implement UNDRIP.

This important work brings together the Islands Trust Conservancy mandate of conservation, protection, and preservation of the lands and waters around us with the foundational principles of recognition, reconciliation, and history.

Islands Trust Conservancy looks forward to working closely with First Nations governments to ensure that conservation is reflective of Indigenous ways of knowing, cultural history and heritage, sustainability and stewardship, and management.

Goal 3: Protect Core Conservation Areas

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

The core of Islands Trust Conservancy's work is to secure conservation areas that conserve biodiversity within the Islands Trust Area. We have developed systematic approaches rooted in science and best practices to determine which areas are most in need of conservation and focus our outreach, land securement and property management efforts in these areas.

2019/20 Conservation Covenants

Covenants are a tool that permanently protects natural features on private property while allowing landholders to retain ownership of their land. Islands Trust Conservancy manages the Natural Areas 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.

In 2019/20, no new conservation covenants were registered with Islands Trust Conservancy. Instead, Islands Trust Conservancy grew its capacity to promote the NAPTEP program and support land management across our 76 conservation covenants with the addition of a Covenant Management & Outreach Specialist position. This enabled us to transition our covenant monitoring program in-house, take on new ecosystem protection projects in partnership with covenant landholders, and initiate a covenant outreach program to promote private land conservation.

2019/20 Land Acquisitions

Salish View Nature Reserve (11.5 hectares), Northern Coast Salish Territory, Lasqueti Island:

On July 31, 2019, the Salish View Nature Reserve on Lasqueti Island was successfully transferred to Islands Trust Conservancy. Salish View was acquired after a year-long campaign, in partnership with Lasqueti Island Nature Conservancy, which raised \$250,000 in cash from 150 individual donors and included a \$70,000 in-kind donation from the landholder who generously donated 23 per cent of the market value of

the property. The Salish View Nature Reserve connects with Squitty Bay Provincial Park, creating an uninterrupted shoreline-to-ridgetop protected area. Salish View Nature Reserve has a 270-degree vista of the Salish Sea from the summit and is home to peregrine falcons and ancient groves of Arbutus and Coastal Douglas-fir trees. A management plan for the Salish View Nature Reserve was approved in February 2020 and is available online at [Salish View Nature Reserve Management Plan](#).



Salish View Nature Reserve. CREDIT: SHEILA HARRINGTON

Opportunity Fund

The Opportunity Fund provides support for ‘hard to fundraise’ costs associated with land protection or 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.

In 2019/20, the Opportunity Fund received \$3,486 in donations and had a closing balance of \$20,479. Islands Trust Conservancy awarded the following Opportunity Fund grants:

- \$2,719.50 to Galiano Conservancy Association
- \$4,500 to Salish View Nature Reserve matching campaign to raise funds for the purchase of the Salish View Nature Reserve on Lasqueti Island
- \$3,500 to Salt Spring Island Conservancy

Designated Island Funds

Some Islands Trust Conservancy donors prefer to designate their gift to a specific island. To accommodate this request, Islands Trust Conservancy has the ability to hold geographically-restricted accounts, and currently maintains acquisition funds for Lasqueti Island, Gambier Island and Thetis Island. Interested donors can donate to an existing fund or set up an island specific fund.

Designated Island Funds

CREDIT: CARLA FUNK

Taking Care of What We Have

Acquiring a property or signing a conservation covenant is just the first step in ecosystem protection. Islands Trust Conservancy monitors and manages its nature reserves according to management plans that identify long-term conservation, as well as restoration goals. In 2019/20 Islands Trust Conservancy undertook many property management projects in partnership with local island-based conservancies, including:

- Monitoring all Islands Trust Conservancy nature reserves to assess property management needs.
- Monitoring all Islands Trust Conservancy conservation covenants to maintain relationships with landowners and ensure compliance.
- Revising management plans for Mount Artaban, Brigade Bay Bluffs, and Long Bay Wetland nature reserves (Gambier Island).
- Developing management plans for Salish View Nature Reserve (Lasqueti Island) and Fairyslipper Forest Nature Reserve (Thetis Island).
- Initiating management plan revisions for Lindsay Dickson, Inner Island, and Valens Brook nature reserves (Denman Island), and Inner Island and Lower Mount Erskine nature reserves (Salt Spring Island)
- Removing exotic invasive species from conservation covenants and nature reserves on Bowen, Denman, Gabriola, Galiano, and Salt Spring islands.

- Initiating a trail-building project in the new Fairyslipper Forest Nature Reserve (Thetis Island).
- Trail maintenance on all nature reserves with trails to ensure safe passage.
- Planting and caging trees to restore an additional 0.4 ha of Coastal Western Hemlock forest in Brigade Bay Bluffs Nature Reserve (Gambier Island). Since 2017, almost a hectare of forest (more than 2.3 acres) has been replanted at this reserve.
- Monitoring forest restoration projects at Singing Woods and David Otter Nature Reserves (Bowen Island), Lindsay Dickson Nature Reserve (Denman Island), Mount Trematon and John Osland Nature Reserves (Lasqueti Island), Trincomali Nature Sanctuary (Galiano Island), and Long Bay Wetland and Brigade Bay Bluffs Nature Reserves (Gambier Island).
- Participating in a Parks Canada-led Sidney Island Ecosystem Restoration Project that will benefit the ecological health of Islands Trust Conservancy covenant lands.

Goal 4: A Strong Voice for Nature Conservation

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

Islands Trust Conservancy has been a consistent presence in the conservation of species and ecosystems for 30 years. In order to remain a long lasting, stable agency, Islands Trust Conservancy must continually adapt to changing circumstances, both on the landscape and as an organization, while maintaining a stable base.

Maintaining Our Capacity for Land Care and Increasing Our Capacity for Outreach

In 2019/20 Islands Trust Conservancy's land monitoring contractors retired, resulting in a major transition in our monitoring program. After careful consideration, we decided to bring our land monitoring

program in-house. Because we were also hearing that islanders wanted more interaction and information from our staff, we concurrently decided to expand our ability to do outreach in island communities. With approval from Trust Council, Islands Trust Conservancy created a new Covenant Management and Outreach Specialist position. The new position has removed management of covenants from the duties of our Property Management Specialist allowing for nature reserve monitoring to be absorbed into this existing position. Additionally, the changes will provide our Property Management Specialist with additional time to do more work with First Nations as we embrace Islands Trust Conservancy's Reconciliation Declaration.

New Staff: Covenant Management & Outreach Specialist

To keep pace with the number of properties under our care, this year we welcomed the addition of a Covenant Management & Outreach Specialist to the Islands Trust Conservancy team. This increase in capacity enables Islands Trust Conservancy to bring our annual monitoring in house, provides better support to current covenant landowners to achieve their conservation goals, and supports proactive outreach to prospective covenant donors.



Jemma Green was hired in 2019 as the Islands Trust Conservancy Covenant Management and Outreach Specialist. Jemma's background is in wildlife and habitat conservation. She holds a BSc in Natural Resources Conservation (UBC) and a MSc in Environmental Studies specializing in ecological restoration (UVic). Jemma is the point of contact for monitoring activities and land management initiatives in ITC's conservation covenants.



Telling the Islands Trust Conservancy Story

The impacts and pressures on natural systems and habitats today are extreme. We know that we can't preserve and protect the land and waters of the Salish Sea alone. The work of securing and leaving a legacy for future generations has never been more urgent. That is why inspiring conservation through compelling story-telling is so critical to the work that we do.

Islands Trust Conservancy engages audiences in and beyond the Islands Trust Area through E-news, the Heron Newsletter, Facebook and through our website. In 2019/20, the Islands Trust Conservancy began a website review and decided to make a big shift to our website through a merger with the Islands Trust site. This shift is expected to increase traffic to the Islands Trust Conservancy website and highlight the "preserve and protect" mandate of the Islands Trust. The website project is on track to complete in the 2020/21 fiscal year.

Up to Date Tools and Strategies

Islands Trust Conservancy needs to engage with the latest technology and best practices to be relevant and effective. Up to date tools enable Islands Trust Conservancy better data collection and accuracy that in turn enhance and strengthen the capacity to paint a picture of conservation with precision and credibility. Improving use of technology builds efficiencies and saves important dollars for use elsewhere.

Technology Use in Fieldwork

Islands Trust Conservancy is developing technology for fieldwork to streamline data collection and storage of data for the growing number of properties it manages.

Islands Trust Conservancy Board Fund Development Advisory Committee

In March 2019, the Islands Trust Conservancy Board formed a Fund Development Advisory Committee to create a strategy and an action plan to meet Islands Trust Conservancy funding needs. In January 2020, the Fund Development Advisory Committee finalized its Fund Development Strategy, which was approved by the Islands Trust Conservancy Board in February 2020. The Fund Development Strategy will guide the work of Islands Trust Conservancy for the next five years as it develops funding sources for its work.

Build Strong Conservation Partners

Islands Trust Conservancy strives to support and enhance the work of the Islands Trust and conservation partners working in the Islands Trust Area.

Land Trust Alliance of British Columbia Seminar Series

Islands Trust Conservancy staff and Vice Chair participated in the Land Trust Alliance of British Columbia Seminar Series in November 2019, gaining valuable knowledge about standards and practices, communications techniques, conservation planning strategies, land and covenant management and emerging issues for land trusts. Staff also presented a joint session about conservation planning tools with the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership.

Island Outreach

Islands Trust Conservancy staff and Board members hosted celebrations for the completion of Link Island NAPTEP Covenant (Link Island), Valens Brook Nature Reserve (Denman Island) and Salish View Nature Reserve (Lasqueti Island), reaching over 125 people and educating locals and visitors about the role of protecting habitat to conserve sensitive island species.

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. In 2019/20 Islands Trust Conservancy collaborated with the CDFCP and Raincoast Conservation Foundation to produce a stewardship resource for Coastal Douglas-fir forests for island residents, to be released in early 2020–2021. Our joint work with Islands Trust mapping contiguous forest this year in the Trust Area is part of the CDFCP's Priority Sites Project.

Partnering to Address Invasive Species

Islands Trust Conservancy joined the Capital Region Invasive Species Partnership (CRISP) in 2019. This group of land managers, representing the local governments of the region meets regularly to discuss invasive species prevention, control, containment, and eradication concerns, and to share knowledge and resources to tackle the growing problem of invasive species. CRISP also has strong connections with other coastal regional working groups and the province and this network will be an invaluable resource for Islands Trust Conservancy as we manage invasive species in our nature reserves and on conservation covenant lands.

Stewardship Education

Islands Trust Conservancy encourages islanders to get involved in conserving and stewarding private land by supporting conservation education and sharing information on best practices for land care. In 2019/20, Islands Trust Conservancy promoted private land conservation through its website, the Heron newsletter (printed and online), e-news updates to subscribers, Facebook posts and Twitter. Islands Trust Conservancy brochures are also available in local libraries, real estate offices and Islands Trust offices throughout the islands.

Saturna Island. CREDIT: KRISTINE MAYES





Concluding Statements

In times of uncertainty people turn to touchstones of calm, beauty and timelessness. Islanders have those touchstones in their natural spaces.

We applaud the leaders in British Columbia that had the courage, wisdom, and foresight to invest in nature so that future generations may survive and thrive.

The preserve and protect mandate of Islands Trust Conservancy has become increasingly relevant since 1974 when Minister of Municipal Affairs James Lorimer first proposed the creation of the *Islands Trust Act*. Land conservation was strengthened with the creation of the Islands Trust Conservancy on April 1, 1990, enabling land acquisition and receipt of donations from the public.

Parks, nature reserves, and conservation covenants are islands of safe company in a world of physical distancing. If we have learned anything from this chaotic time, it is that it is not just the waters and islands of the Salish Sea that are fragile—as biodiversity declines, global human health is also vulnerable.

The urgency to preserve and protect land and waters of the Salish Sea becomes increasingly apparent with every year that passes.

Appendix C: Islands Trust Conservancy Financial Statements

Financial Statements of

**THE ISLANDS TRUST
CONSERVANCY**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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

INDEPENDENT AUDITORS' REPORT

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

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, 2020
- 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, 2020, 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, 2020 and March 31, 2019
- the donations revenues and excess of revenues over expenses reported in the statements of operations for the years ended March 31, 2020 and March 31, 2019
- 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, 2020 and March 31, 2019



- the excess of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2020 and March 31, 2019.

Our opinion on the financial statements for the year ended March 31, 2019 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 26, 2020

THE ISLANDS TRUST CONSERVANCY


Statement of Financial Position


March 31, 2020, with comparative information for 2019

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2020 Total	2019 Total
Assets:						
Current assets:						
Cash	\$ 25,205	\$ 171,702	\$ -	\$ -	\$ 196,907	\$ 256,626
Short-term investments (note 2)	-	161,433	-	88,000	249,433	258,710
Due from Islands Trust	26	165	-	-	191	-
	25,231	333,300	-	88,000	446,531	515,336
Investments (note 3)	-	113,155	-	-	113,155	68,227
Land (notes 4 and 6)	-	-	7,624,169	6,566,532	14,190,701	13,885,770
	\$ 25,231	\$ 446,455	\$ 7,624,169	\$ 6,654,532	\$ 14,750,387	\$ 14,469,333
Liabilities:						
Current liabilities:						
Accounts payable	\$ 3,500	\$ 215	\$ -	\$ -	\$ 3,715	\$ -
Due to Islands Trust	-	-	-	-	-	2,627
	3,500	215	-	-	3,715	2,627
Fund Balances:						
Unrestricted	21,731	-	-	-	21,731	28,844
Investment in land (note 4)	-	-	7,624,169	-	7,624,169	7,624,169
Internally restricted (note 5)	-	23,268	-	-	23,268	23,525
Externally restricted (note 5)	-	422,972	-	-	422,972	440,567
Restricted for endowment purposes (note 6)	-	-	-	6,654,532	6,654,532	6,349,601
	21,731	446,240	7,624,169	6,654,532	14,746,672	14,466,706
	\$ 25,231	\$ 446,455	\$ 7,624,169	\$ 6,654,532	\$ 14,750,387	\$ 14,469,333

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

Approved by the Trust Conservancy Board:


 Kate-Louise Stamford, Chair


 Sue Ellen Fast, Vice Chair

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2020 Total	2019 Total
						(Schedule 2)
Revenue:						
Donations:						
Cash	\$ 3,486	\$ 205,919	\$ -	\$ -	\$ 209,405	\$ 31,008
Land	-	-	-	70,000	70,000	85,000
Grants	-	5,219	-	-	5,219	5,076
Rental income	-	10,306	-	-	10,306	10,200
Investment income (loss)	152	(6,271)	-	-	(6,119)	8,576
Sale of fundraising items	-	-	-	-	-	125
	3,638	215,173	-	70,000	288,811	139,985
Expenses:						
Repairs and maintenance - Alton property	-	2,594	-	-	2,594	2,598
Cost of sales of fundraising items	-	-	-	-	-	668
Bank charges	31	-	-	-	31	565
Donations to conservancy groups	6,220	-	-	-	6,220	3,990
	6,251	2,594	-	-	8,845	7,821
Excess (deficiency) of revenue over expenses	\$ (2,613)	\$ 212,579	\$ -	\$ 70,000	\$ 279,966	\$ 132,164

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, 2020, with comparative information for 2019

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2018	\$ 29,881	\$ 415,891	\$ 7,624,169	\$ 6,264,601	\$ 14,334,542
Excess (deficiency) of revenue over expenses	(1,037)	48,201	-	85,000	132,164
Fund balances, March 31, 2019	28,844	464,092	7,624,169	6,349,601	14,466,706
Excess (deficiency) of revenue over expenses	(2,613)	212,579	-	70,000	279,966
Interfund transfer (note 7)	(4,500)	(230,431)	-	234,931	-
Fund balances, March 31, 2020	\$ 21,731	\$ 446,240	\$ 7,624,169	\$ 6,654,532	\$ 14,746,672

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

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 279,966	\$ 132,164
Item not involving cash:		
Donation of land	(70,000)	(85,000)
Changes in non-cash operating working capital:		
Inventory of fundraising items	-	667
Accounts payable	3,715	-
Due to (from) Islands Trust	(2,818)	2,627
	<u>210,863</u>	<u>50,458</u>
Capital activities:		
Cash paid to acquire land	(234,931)	-
Investing activities:		
Decrease in short-term investments	(44,928)	(1,705)
Increase (decrease) in long-term investments	9,277	(5,938)
	<u>(35,651)</u>	<u>(7,643)</u>
Increase (decrease) in cash	(59,719)	42,815
Cash, beginning of year	256,626	213,811
Cash, end of year	\$ 196,907	\$ 256,626

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2020

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 and Housing.

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

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, 2020

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, 2020

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. Significant 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, 2020

3. Investments:

Investments consist of a guaranteed investment certificate that matures on July 29, 2020. It has an interest rate of 2.23%.

4. Land:

	Acquisition date	2020	2019
Inner Island Nature Reserve, Denman Island	1992	\$ 70,000	\$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge 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
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
Fairy Slipper Forest Nature Reserve, Thetis Island	2017	550,266	550,266
		\$ 7,624,169	\$ 7,624,169

5. Restricted Fund balances:

	2020	2019
Internally restricted:		
McFadden Creek management fund	\$ 23,268	\$ 23,525
Externally restricted:		
Alton Nature Reserve - maintenance fund	130,590	129,934
Morrison Fund	20,269	20,140
Covenant Defense Fund	113,508	111,453
Lasqueti Acquisition Fund	33,069	57,360
Gambier Acquisition Fund	124,243	120,392
Thetis Island Acquisition Fund	1,293	1,288
	422,972	440,567
	\$ 446,240	\$ 464,092

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2020

6. Restricted for endowment purposes:

	Acquisition date	2020	2019
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	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, 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, Denman Island	2019	85,000	85,000
Salish View Nature Reserve, Lasqueti Island	2020	304,931	-
		6,566,532	6,261,601
		\$ 6,654,532	\$ 6,349,601

Investment gains (losses) on endowment funds for the year of (\$13,127) (2019 - \$1,914) 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.

Certain properties as listed in the preceding table were acquired under the Federal Government Ecological Gift program. Recipients of ecological gifts are responsible for maintaining the biodiversity and environmental heritage values of the property in perpetuity.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2020

7. Interfund transfer:

During the year, there was an interfund transfer of \$4,500 from the Opportunity Fund to the Endowment Fund and a transfer of \$230,431 from the Restricted Fund to the Endowment Fund, representing in total the cash paid to acquire the Salish View Nature Reserve on Lasqueti Island.

8. 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 and Housing.

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:

	2020	2019
Operations and property management	\$ 527,344	\$ 485,276
Board	19,043	18,409
Administration	216,627	165,399
	<u>\$ 763,014</u>	<u>\$ 669,084</u>

For the year ended March 31, 2020, amounts owing from Islands Trust were \$191 (2019 - \$2,627 payable).

9. Financial risks and concentration of risk:

The Trust Conservancy's financial instruments consist of cash, short-term investments, accounts receivable, investments, property tax payable and amounts due from 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, 2020 is the carrying value of cash, accounts receivable, short-term investments and investments. 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

Notes to Financial Statements

Year ended March 31, 2020

10. Subsequent event:

Subsequent to March 31, 2020, the COVID-19 outbreak that was declared a pandemic by the World Health Organization remains ongoing. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time. These impacts could include impairment in the value of our long-lived assets or potential future decreases in revenue or the profitability of our ongoing operations.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2019

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2019 Total
Assets:					
Current assets:					
Cash	\$ 31,548	\$ 225,078	\$ -	\$ -	\$ 256,626
Short-term investments (note 2)	-	170,710	-	88,000	258,710
Inventory of fundraising items	-	-	-	-	-
	31,548	395,788	-	88,000	515,336
Investments (note 3)	-	68,227	-	-	68,227
Land (notes 4 and 6)	-	-	7,624,169	6,261,601	13,885,770
	\$ 31,548	\$ 464,015	\$ 7,624,169	\$ 6,349,601	\$ 14,469,333
Liabilities:					
Current liabilities:					
Property tax payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Islands Trust	2,704	(77)	-	-	2,627
Deferred revenue	-	-	-	-	-
	2,704	(77)	-	-	2,627
Fund Balances:					
Unrestricted	28,844	-	-	-	28,844
Investment in land (note 4)	-	-	7,624,169	-	7,624,169
Internally restricted (note 5)	-	23,525	-	-	23,525
Externally restricted (note 5)	-	440,567	-	-	440,567
Restricted for endowment purposes (note 6)	-	-	-	6,349,601	6,349,601
	28,844	464,092	7,624,169	6,349,601	14,466,706
	\$ 31,548	\$ 464,015	\$ 7,624,169	\$ 6,349,601	\$ 14,469,333

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2019

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2019 Total
Revenue:					
Donations:					
Cash	\$ 3,610	\$ 27,398	\$ -	\$ -	\$ 31,008
Land	-	-	-	85,000	85,000
Grants	-	5,076	-	-	5,076
Rental income	-	10,200	-	-	10,200
Investment income	108	8,468	-	-	8,576
Sale of fundraising items	125	-	-	-	125
	3,843	51,142	-	85,000	139,985
Expenses:					
Repairs and maintenance - Alton property	-	2,598	-	-	2,598
Cost of sales of fundraising items	668	-	-	-	668
Bank charges	222	343	-	-	565
Donations to conservancy groups	3,990	-	-	-	3,990
Consultant fees	-	-	-	-	-
	4,880	2,941	-	-	7,821
	\$ (1,037)	\$ 48,201	\$ -	\$ 85,000	\$ 132,164
Excess (deficiency) of revenue over expenses					

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



Old Man's Beard lichen on Douglas-fir. CREDIT: CARLA FUNK

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