

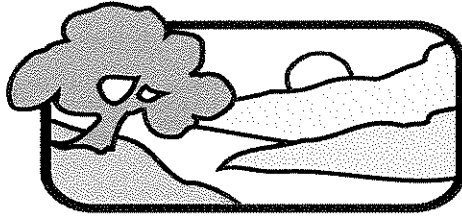
Islands Trust

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned represents the Trust Council of the Islands Trust and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Sheila Malcolmson
Chair of the Executive Committee, Trust Council



Islands Trust

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

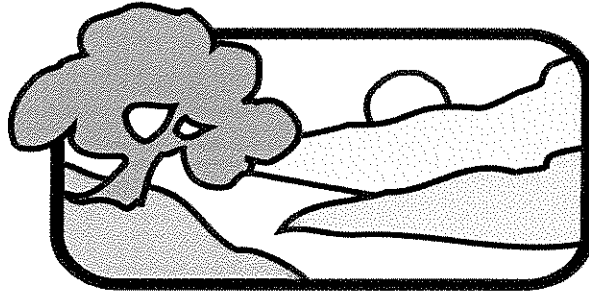
The Trust Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of Trust Council. The Audit Committee meets with management and the external auditors two times a year.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit Committee of Trust Council and meet with it on a regular basis.

On behalf of *Islands Trust*

A handwritten signature in black ink, appearing to read 'Craig Elder', written over a horizontal line.

Craig Elder
Director, Administrative Services
September 23, 2009



Islands Trust

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Islands Trust has not given any guarantees or indemnities under the Guarantees and Indemnity Regulation

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Islands Trust and its non-unionized employees during fiscal year 2008/2009.

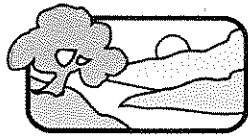
Prepared under the Financial Information Regulation, Schedule 1,
Subsection 6 (7)

A handwritten signature in black ink, appearing to read "Craig Elder", is written over a horizontal line.

Craig Elder
Director, Administrative Services
September 23, 2009

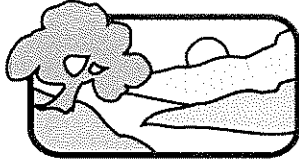
SCHEDULE OF REMUNERATION & EXPENSES

APRIL 1, 2008 - MARCH 31, 2009



Islands Trust

LAST NAME	FIRST NAME	POSITION	TOTAL REMUNERATION	TOTAL EXPENSES
Bell	Louise	Trustee/TFB/Vice Chair as of Dec/08	\$15,953.02	7,912.09
Benson	Kim	Trustee / Chair to Dec/08	\$28,555.06	14,766.13
Clegg	Joyce	Trustee	\$7,566.00	3,804.76
Decario	Louise	Trustee	\$2,453.75	695.38
Dodds	Jeanine	Trustee	\$7,566.00	876.96
Dunn	Michael	TFB	\$1,100.00	0.00
Ehring	George	Trustee	\$12,676.00	0.00
Emerson	Ron	Trustee	\$5,187.25	2,008.94
Ferens	Deborah	Trustee	\$3,131.25	345.86
French	Sue	Trustee	\$7,042.00	1,000.10
Frinton	Peter	Trustee	\$2,069.25	977.46
Gobby	Jen	Trustee	\$2,213.75	622.29
Graham	David	Trustee	\$7,304.00	1,658.99
Greer	David	Trustee	\$2,213.75	195.02
Hagedorn	Jan	Trustee	\$2,378.75	1,505.20
Hancock	Ken	Trustee	\$5,725.00	2,010.41
Hollingshead	Brian	Trustee	\$4,828.25	2,191.98
Hunt	Fred	Trustee	\$2,378.75	1,048.83
Johnstone	Tom	Trustee	\$4,828.25	611.29
Lamb	Peter	Trustee/TFB	\$9,441.00	1,127.18
Law	Tony	Trustee	\$7,566.00	2,516.84
Luckham	Peter	Trustee/Vice Chair as of Dec/08	\$15,341.02	2,975.37
Malcolmson	Sheila	Trustee/TFB Chair/Chair as of Dec/08	\$21,683.71	6,138.33
Masselink	Derek	Trustee	\$2,625.00	410.47
McConchie	Bruce	Trustee	\$4,828.25	150.59
Money	John	Trustee	\$2,213.75	470.48
Morrison	Susan	Trustee	\$2,213.75	1,113.86
Morse	Alison	Trustee	\$3,018.00	2,241.84
Neff	Beverley	Trustee	\$2,213.75	639.85
Poole	Nerys	Trustee	\$948.75	806.00
Pottle	Sandy	Trustee	\$2,453.75	0.00
Preece	Bronwyn	Trustee	\$4,828.25	1,635.01
Rowe	Gary	Trustee	\$5,187.25	463.10
Rudischer	Gisele	Trustee / Vice-Chair to Dec/08	\$25,304.64	5,287.92
Scholefield	Wendy	Trustee	\$7,042.00	1,221.77
Sharp	Michael	Trustee	\$5,352.25	0.00
Shew	Colin	Trustee	\$2,378.75	0.00
Smith	Roy	Trustee	\$5,352.25	0.00
Steeves	Gary	Trustee / Vice-Chair/TFB	\$35,824.91	7,874.16
Torgrimson	Christine	Trustee / TFB Chair as of Dec/08	\$5,185.00	1,631.09
Whittington	Bruce	TFB	\$750.00	632.75
Willow	Rose	Trustee / Vice Chair to Dec/08	\$23,304.14	9,565.17
TOTAL			\$320,226.24	\$89,133.47



Islands Trust

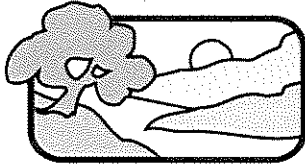
2. SCHEDULE OF REMUNERATION & EXPENSES FOR EMPLOYEES

Employees whose remuneration plus expenses exceed \$75,000	REMUNERATION	EXPENSES
Adams, Linda	\$128,157.95	\$11,563.18
Brodrick, Mark	\$71,798.21	\$6,676.13
Dunn, Lisa	\$83,778.71	\$4,486.66
Elder, Craig	\$90,238.58	\$651.84
Fraser, Mac	\$95,453.68	\$19,413.65
Jackson, Chris	\$84,693.25	\$14,405.71
Kojima, Robert	\$80,330.22	\$3,422.96
Marlor, David	\$84,798.23	\$12,085.58
Porter, Brodie	\$92,976.63	\$8,752.72
Richardson, Gary	\$77,576.94	\$5,637.82
All Other Employees	\$1,645,782.45	\$93,027.46
TOTAL	\$2,535,584.85	\$180,123.71

3. RECONCILIATION

Total Remuneration - Elected Officials	\$320,226
Reconciling Items - non-remuneration Council Services	\$674,774
Subtotal	\$995,000
Total per Statement of Revenue & Expenditure- Council Services (Statement B)	\$995,000
Variance	\$0

Total Remuneration - Employees	\$2,535,585
Less: taxable benefits not recorded in general ledger	(\$36,317)
Plus: benefits not included in Remuneration	\$573,494
Subtotal	\$3,072,762
Total per Statement of Revenue & Expenditure - Salaries & Benefits	\$3,072,762
Variance	\$0.00



Islands Trust

SCHEDULE OF PAYMENTS TO SUPPLIERS

APRIL 1, 2008 TO MARCH 31, 2009

FIR, Schedule 1, section 7

1. SUPPLIERS OVER \$25,000	Aggregate amount paid to Supplier
AON Reed Stenhouse	\$78,166.00
BC Hydro CAD	\$49,822.56
Capital Regional District	\$101,268.13
Colliers Macaulary Nicolls Inc.	\$216,239.30
Grand & Toy	\$40,576.48
Jancey, Adrian	\$38,227.09
Konica Minolta Business Solutions	\$25,836.63
KPMG LLP	\$31,920.00
Lidstone Young & Anderson	\$163,715.19
Madrone Environmental Service	\$39,738.31
Meadowood Village Development	\$29,992.68
Telus Communications	\$90,286.42
Testemale, Phil	\$31,090.51
Think Communications	\$72,724.72
Travelers Guarantee Company	\$48,553.12
University of British Columbia	\$34,000.00
Varela Consulting	\$63,304.99
Young Anderson	\$120,677.34
Total Aggregate Amount Paid to Suppliers over \$25,000	\$1,276,139.47
2. Total Consolidated Payments of \$25,000 or less	\$778,978.11
Total Expenditures for Goods & Services	\$2,055,117.58

4. RECONCILIATION

Total Expenditures by Object per Financial Statements	\$	5,717,363
Less: salaries and benefits	\$	(3,072,762)
trustee remuneration included in "Council & Trustee Costs"	\$	(320,226)
expenses paid to employees this fiscal year	\$	(180,124)
expenses paid to Trustees this fiscal year	\$	(89,133)
 Net expenditures to Suppliers	 \$	 <u>2,055,118</u>

Consolidated Financial Statements of

THE ISLANDS TRUST

Year ended March 31, 2009

THE ISLANDS TRUST

Financial Statements

Year ended March 31, 2009

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FINANCIAL REPORTING RESPONSIBILITY

The accompanying consolidated statements of The Islands Trust (the "Trust") are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are consistent with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The Trust's accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a well-defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Trust Council, acting through its Financial Planning and Audit Committees, oversees management's responsibilities for the financial reporting and internal control systems. The Financial Planning Committee meets periodically with management and the Audit Committee meets periodically with the independent auditors to satisfy themselves that management's responsibilities are properly discharged, to review the consolidated financial statements and to recommend approval of the consolidated financial statements to Trust Council.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the Trust have examined these financial statements and issued their report which follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings.



Chief Administrative Officer



KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Fax (250) 480-3539
internet www.kpmg.ca

AUDITORS' REPORT TO THE TRUSTEES OF THE ISLANDS TRUST AND THE MINISTER OF COMMUNITY DEVELOPMENT

We have audited the consolidated statement of financial position of The Islands Trust as at March 31, 2009 and the consolidated statements of financial activities and fund balances and changes in financial position and the statements of financial activities and fund balance of the general revenue and capital funds for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2009 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Victoria, Canada

May 8, 2009

THE ISLANDS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT A


March 31, 2009, with comparative figures for 2008

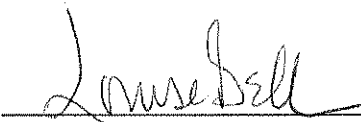
	2009	2008
Financial Assets		
Cash and short-term investments (note 2)	\$ 3,063,144	\$ 2,367,072
Accounts receivable (note 3)	83,262	89,872
Other assets	29,891	26,730
	3,176,297	2,483,674
Liabilities		
Wages and benefits payable	837,974	777,354
Accounts payable and accrued liabilities	357,229	305,576
Deferred revenue (note 4)	279,561	27,045
Employee benefit obligations (note 5)	220,041	180,796
	1,694,805	1,290,771
Net financial assets	1,481,492	1,192,903
Capital assets (note 6)	1,250,171	1,167,481
Total net financial assets and capital assets	\$ 2,731,663	\$ 2,360,384
The Islands Trust Position		
General Revenue Fund (Statement D)	\$ 1,481,492	\$ 1,192,903
Capital Fund and equity in capital assets (Statement E)	1,250,171	1,167,481
Total The Islands Trust position	\$ 2,731,663	\$ 2,360,384

Commitments (note 7)
Contingent liabilities (note 8)

See accompanying notes to consolidated financial statements.

Approved by the Trust Council:

 Trustee

 Trustee

THE ISLANDS TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCES

STATEMENT B

Year ended March 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
Revenue:			
Property tax - general	\$ 5,344,256	\$ 5,344,256	\$ 4,995,795
Property tax levy - Bowen Island Municipality	197,693	197,693	178,060
Provincial grant - operating	156,000	156,000	138,000
Fees and sales	154,000	128,788	138,409
Appropriation from surplus	85,000	-	-
Interest	125,000	90,692	122,541
Other income	100,000	88,523	136,050
	6,161,949	6,005,952	5,708,855
Expenditure (note 9):			
Council services	1,058,106	995,000	750,735
Local trust committee services	4,550,092	4,210,314	3,956,426
Trust Fund services	553,751	512,049	499,901
	6,161,949	5,717,363	5,207,062
Excess of revenue over expenditure	-	288,589	501,793
Fund balances, beginning of year	2,360,384	2,360,384	1,749,136
Asset acquisitions	171,614	121,237	151,688
Asset disposals	-	(38,547)	(42,233)
Fund balances, end of year	\$ 2,531,998	\$ 2,731,663	\$ 2,360,384

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

STATEMENT C

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditure	\$ 288,589	\$ 501,793
Decrease (increase) in net financial assets other than cash	407,483	(19,467)
Increase in cash	696,072	482,326
Cash and short-term investments, beginning of year	2,367,072	1,884,746
Cash and short-term investments, end of year	\$ 3,063,144	\$ 2,367,072

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE GENERAL REVENUE FUND

STATEMENT D

Year ended March 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
Revenue:			
Property tax - general	\$ 5,344,256	\$ 5,344,256	\$ 4,995,795
Property tax levy - Bowen Island Municipality	197,693	197,693	178,060
Provincial grant - operating	156,000	156,000	138,000
Fees and sales	154,000	128,788	138,409
Appropriation from surplus	85,000	-	-
Interest	125,000	90,692	122,541
Other income	100,000	88,523	136,050
	6,161,949	6,005,952	5,708,855
Expenditure:			
Council services	1,027,215	973,177	727,982
Local trust committee services	4,424,814	4,121,811	3,844,177
Trust Fund services	538,306	501,138	483,215
	5,990,335	5,596,126	5,055,374
Excess of revenue over expenditure	171,614	409,826	653,481
Net transfers to Capital Fund	(171,614)	(121,237)	(151,688)
Change in fund balance	-	288,589	501,793
Fund balance, beginning of year	1,192,903	1,192,903	691,110
Fund balance, end of year	\$ 1,192,903	\$ 1,481,492	\$ 1,192,903

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCE CAPITAL FUND

STATEMENT E

Year ended March 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
Expenditure:			
Council services	\$ 30,891	\$ 21,823	\$ 22,753
Local trust committee services	125,278	88,503	112,249
Trust Fund services	15,445	10,911	16,686
	171,614	121,237	151,688
Deficiency of revenue over expenditure	(171,614)	(121,237)	(151,688)
Net transfers from General Revenue Fund	171,614	121,237	151,688
Change in fund balance	-	-	-
Fund balance, beginning of year	1,167,481	1,167,481	1,058,026
Asset acquisitions	171,614	121,237	151,688
Asset disposals	-	(38,547)	(42,233)
Fund balance, end of year	\$ 1,339,095	\$ 1,250,171	\$ 1,167,481

See accompanying notes to consolidated financial statements.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

The Islands Trust (the "Trust") is incorporated under The Islands Trust Act of British Columbia (as amended). 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 the Province generally.

1. Significant accounting policies:

The consolidated financial statements of the Trust are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The consolidated financial statements included a combination of all the assets, liabilities, revenues, expenditures, 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 consolidated financial statements.

(b) Basis of accounting:

The basis of accounting followed in the financial statement presentation is an accrual basis and includes revenue in the period in which the transactions or events occurred that give rise to the revenues, when measurable; and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

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

Government transfers are recognized in the consolidated 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.

(c) Fund accounting:

Funds within the consolidated financial statements consist of the general revenue and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) Short-term investments:

Short-term investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Fund are recorded at cost plus earnings reinvested.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

1. Significant accounting policies (continued):

(e) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan. These contributions are expensed as incurred.

Retirement allowance benefits are also available to the Trust's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(f) Capital assets:

Capital assets, which include leasehold improvements, are recorded as expenditures in the period they are acquired and are recorded on the consolidated financial statement of financial position at historical costs. Donated capital assets are reported at estimated fair value at the time they are received.

The Trust does not record amortization on capital assets.

The Trust is in the process of accumulating information and developing its accounting policies related to its tangible capital assets in order to comply with the new PSAB standards 3150. This new standard will be applicable to the Trust's 2010 annual financial statements. As at March 31, 2009, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

(g) Equity in capital assets:

Equity in capital assets represents the historical cost of those capital assets and leasehold improvements. Equity increases as capital assets are acquired without incurring long-term debt or, where such debt is incurred, by the reduction of that debt. Equity decreases as capital assets are written off on disposal.

(h) Use of estimates:

The preparation of consolidated 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 expenditure during the period. Actual results could differ from those estimates.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

2. Cash and short-term investments:

	2009	2008
Bank account balances	\$ 424,612	\$ 1,669,254
MFA Money Market Fund	2,638,532	697,818
	\$ 3,063,144	\$ 2,367,072

3. Accounts receivable:

	2009	2008
Opening balance - cost recoveries	\$ 7,625	\$ (5,047)
Expenses for the year	14,345	37,036
Cash received in the year	(20,937)	(24,364)
Closing balance - cost recoveries	1,033	7,625
Accounts receivable - other	82,229	82,247
Total accounts receivable	\$ 83,262	\$ 89,872

4. Deferred revenue:

	2009	2008
Strategic Community Investment Fund grant	\$ 234,313	\$ -
Other grants	45,248	27,045
	\$ 279,561	\$ 27,045

5. Employee benefit obligations:

The Trust provides sick leave and certain other benefits to its employees.

	2009	2008
Vacation	\$ 107,792	\$ 80,879
Compensatory time off	16,771	24,696
Accrued retirement allowance	95,478	75,221
	\$ 220,041	\$ 180,796

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

5. Employee benefit obligations (continued):

Vacation and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout either on an approved retirement, or upon termination or death. Accrued retirement allowance represents the Trust's share of the cost to provide employees with certain retirement allowances in the year of retirement, which were estimated by an actuarial valuation.

The significant actuarial assumptions adopted in measuring the Trust's accrued retirement allowance are as follows:

	2009	2008
Discount rates	6.00%	6.00%
Expected future inflation rates	3.00%	3.00%
Expected wage and salary increases	2.00%-3.00%	2.00%-3.00%

6. Capital assets:

	2009	2008
Office furniture, equipment, and computers	\$ 994,236	\$ 912,999
Denman Island Old School Site	10,000	10,000
Leasehold improvements	245,935	244,482
	\$ 1,250,171	\$ 1,167,481

Denman Island Old School Site:

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 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 from the Trust for 99 years for a total fee of \$10.

7. Commitments:

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

	Premises	Equipment
2010	\$ 271,977	\$ 22,986
2011	232,586	5,960
2012	143,512	2,238
2013	480	2,004
2014	480	-

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

8. Contingent liabilities:

In the normal course of a year, claims for alleged damages are made against the Trust. Costs, if any, are recorded when a liability is likely and reasonably determinable.

9. Expenditures by object:

	2009	2008
Salaries and benefits	\$ 3,072,762	\$ 2,798,949
Travel/training and recruitment	254,252	197,144
Council and trustee costs	612,954	571,620
Office operations	763,121	842,669
Programs	445,012	386,202
Legal and elections	448,025	258,790
Equipment	121,237	151,688
	\$ 5,717,363	\$ 5,207,062

10. Pension plan:

The Trust and its employees contribute to the Public Service Pension Plan (the "plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer, contributory pension plan. Basic pension benefits are defined. The plan has approximately 53,000 active and 33,000 retired plan members. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest valuation, as at March 31, 2008, indicated an unfunded liability of \$487,000,000 for basic pension benefits. The next required valuation will be as at March 31, 2011 with results available in 2012. The actuary does not attribute portions of the deficit to individual employers. Employee and employer contributions to the plan were increased by 0.15% of salaries effective April 1, 2007 in accordance with the plan actuary's recommendations. Contributions to the plan by the Trust totaled \$186,571 (2008 - \$174,548) during the year.

THE ISLANDS TRUST

Notes to Consolidated Financial Statements

Year ended March 31, 2009

11. Trust activities:

(i) Trust fund under administration:

The Trust administers The Islands Trust Fund (the "Fund") which is related through the composition of the Fund's Board. The Fund is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a plan approved by the Ministry of Community Development. The Fund's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Community Development.

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

The Fund'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:

	2009	2008
Programs	\$ 388,185	\$ 362,190
Board	13,038	11,529
Administration	110,826	126,182
	<u>\$ 512,049</u>	<u>\$ 499,901</u>

(ii) Third party trust funds:

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

	2009	2008
Cash received during the year	\$ 20,937	\$ 37,026
Cash paid during the year	14,345	24,036

Included in accounts receivable are amounts receivable from development applicants of \$1,033 (2008 - \$7,625).