ISLANDS TRUST CONSERVANCY

Islands Trust

2025/26

Annual Report

Preserving and protecting over 450 islands in the Salish Sea

Reconciliation Declaration

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

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

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

Adopted: March 14, 2019 Trust Council on Gabriola Island

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Message from the Islands Trust Council Chair

This past year has been an important and transitional time for Islands Trust.

After two successive requests to the Province to review the organization's mandate, governance, and structure were not approved, Islands Trust Council made the deliberate decision to focus inward. We endorsed the recommendations of the Chief Administrative Officer's operational review, recognizing that modernization is essential. Strengthening policies, procedures, and systems, and building organizational capacity are necessary steps to meet the complex challenges facing the Islands Trust Area today.

Addressing these organizational challenges requires investment, and Islands Trust Council is balancing these demands, particularly as grant funding becomes less certain, with its financial stewardship responsibilities. This balancing act means budget decisions become increasingly challenging, and has required making difficult choices, including pausing several significant projects. These decisions, while not taken lightly, are laying the groundwork for a more resilient and capable organization, one better positioned to deliver meaningful outcomes for the communities and ecosystems we serve.

These commitments are reflected in the draft Islands Trust Policy Statement, a foundational document guiding all aspects of our work. Updating this policy for the first time in over 30 years is both necessary and complex. Since 2019, it has undergone multiple phases of public engagement and ongoing dialogue with the many First Nations whose rights and title extend across the Islands Trust Area. Advancing this work remains a central focus for the remainder of Council's term.

The scale and diversity of the Islands Trust Area are not always widely understood. The *Islands Trust Act* applies to most islands in the southern coastal waters of British Columbia — including those in the Strait of Georgia, Howe Sound, and Haro Strait — while excluding reserve lands and major urban centres. This geographically dispersed region lies between the province's largest population centres and is territory to more than 30 First Nations with deep and enduring connections to these lands and waters.

Our work extends beyond the international border. A significant spill within the interconnected waters of the Gulf Islands and San Juan Islands region would have major economic and ecological consequences. Islands Trust Council works with counterparts in San Juan County to advocate for stronger marine protection and improved spill response capacity.

Trustees are working locally and regionally to address the interrelated issues of climate change, environmental stewardship, housing, and community well-being. Many local trust areas are advancing updates to official community plans and land use bylaws to expand housing options while better managing development pressures. Supporting trustees to be well-informed and prepared to make sound decisions across this range of responsibilities remains a key priority for Islands Trust.

As we look ahead, Islands Trust Council remains focused on strengthening the organization, advancing reconciliation, and protecting the environmental and cultural values of the Islands Trust Area for current and future generations.

Laura Patrick
Chair, Islands Trust Council

Message from the Chief Administrative Officer

On behalf of the administration of Islands Trust, I am pleased to introduce the 2025/26 Annual Report.

This report marks my first full fiscal year as CAO of Islands Trust. Through that year I have continued to be impressed by the commitment, professionalism and efforts of those who deliver the work of Islands Trust every day. This is a unique organization with a unique mandate. Every success we achieve is only possible because of the expertise and experience of staff, combined with the principled leadership of Islands Trust Council.

Like most government agencies, we do our work in the context of many complex challenges, including internal pressures. With the support of Council, I undertook an operational review of Islands Trust this year to assess the major operational challenges impacting Islands Trust's effectiveness, and to identify options to begin to address those. I presented the report on that review to Islands Trust Council in December 2025, and Council endorsed all nine recommendations. My thanks to staff for their candid input and insights, and to Council for their openness to the recommendations, some of which required a willingness to set aside some of their own priorities in the short-term to enable longer-term improvement. As we work to implement those recommendations, I am confident they will help ensure Islands Trust is better equipped to deliver more effectively on its daily work in support of the preserve and protect mandate.

At the same time, work on major priorities and projects continued throughout the 2025/26 fiscal year. An updated draft of the Policy Statement advanced through first reading by Council and was subsequently released for comment from the public, local governments, Indigenous Governing Bodies, and other partners. Comprehensive changes to improve bylaw enforcement policies and procedures were approved by Council, and will result in more effective practice and greater transparency for the public. The Islands Trust Conservancy is working diligently to develop its new five-year-plan, including an intentional engagement approach with Indigenous Governing Bodies to ensure that plan reflects their perspectives and ideas. And staff, with input from trustees, initiated the significant effort needed to prepare for the fall 2026 election and the onboarding of a new Islands Trust Council.

The transition to a new Council with new perspectives and priorities, combined with our ongoing efforts to improve the operations of Islands Trust, will undoubtedly make for a busy and challenging next year. But the hard work undertaken in this fiscal year provides a sound foundation for what lies ahead. I look forward to continuing our shared work with Council and the exemplary staff of Islands Trust.

Rueben Bronee
Chief Administrative Officer

The Islands Trust Area

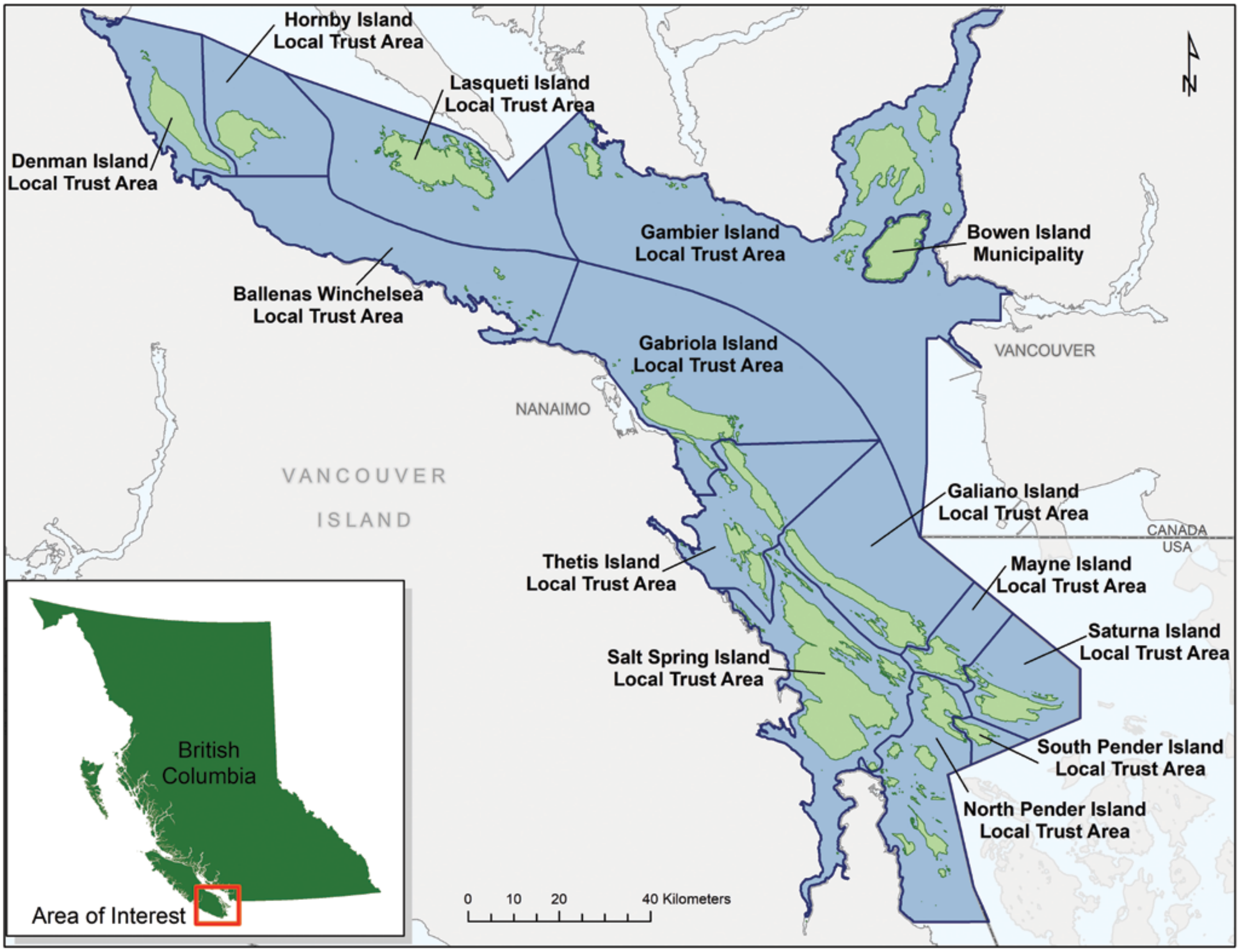
Acknowledgement

The Islands Trust Area is located within the treaty lands and territories of the BOḰEĆEN, Cowichan Tribes, K'ómoks, Lyackson, MÁLEXEŁ, Qualicum, scəẃaθən, səlilwətaɬ, SEMYOME, shíshálh, Sḵwx̱wú7mesh, Snaw-naw-as, Snuneymuxw, Songhees, Spune'luxutth', SȾÁUTW̱, Stz'uminus, ɬaʔəmen, Ts'uubaa-asatx, Wei Wai Kum, We Wai Kai, W̱JOŁEŁP, W̱SIḴEM, Xeláltxw, Xwémalhkwu, Xwsepsum, and xʷməθkʷəy̓əm First Nations.

The Islands Trust Area, located within Coast Salish territory, is the homeland of many Coast Salish Peoples who have called this area home since time immemorial. Covering 5,200 square kilometres between the British Columbia mainland and southern Vancouver Island, the Islands Trust Area has over 30,000 residents and 10,000 non-resident property owners. The region features many archaeological and culturally significant sites and endangered ecosystems. Located within the Salish Sea, the Islands Trust Area is a unique and special place—a scenic archipelago of 13 large islands and more than 450 smaller islands and islets. The area provides habitat for an exceptional variety of species: more than 200 types of migratory and resident birds, numerous fish and other marine and intertidal life, as well as terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, and protected marine waterways and anchorages, all of which contribute to the beauty, appeal, and tranquillity of the area.

PHOTO: K. MAYES

Map of the Islands Trust Area



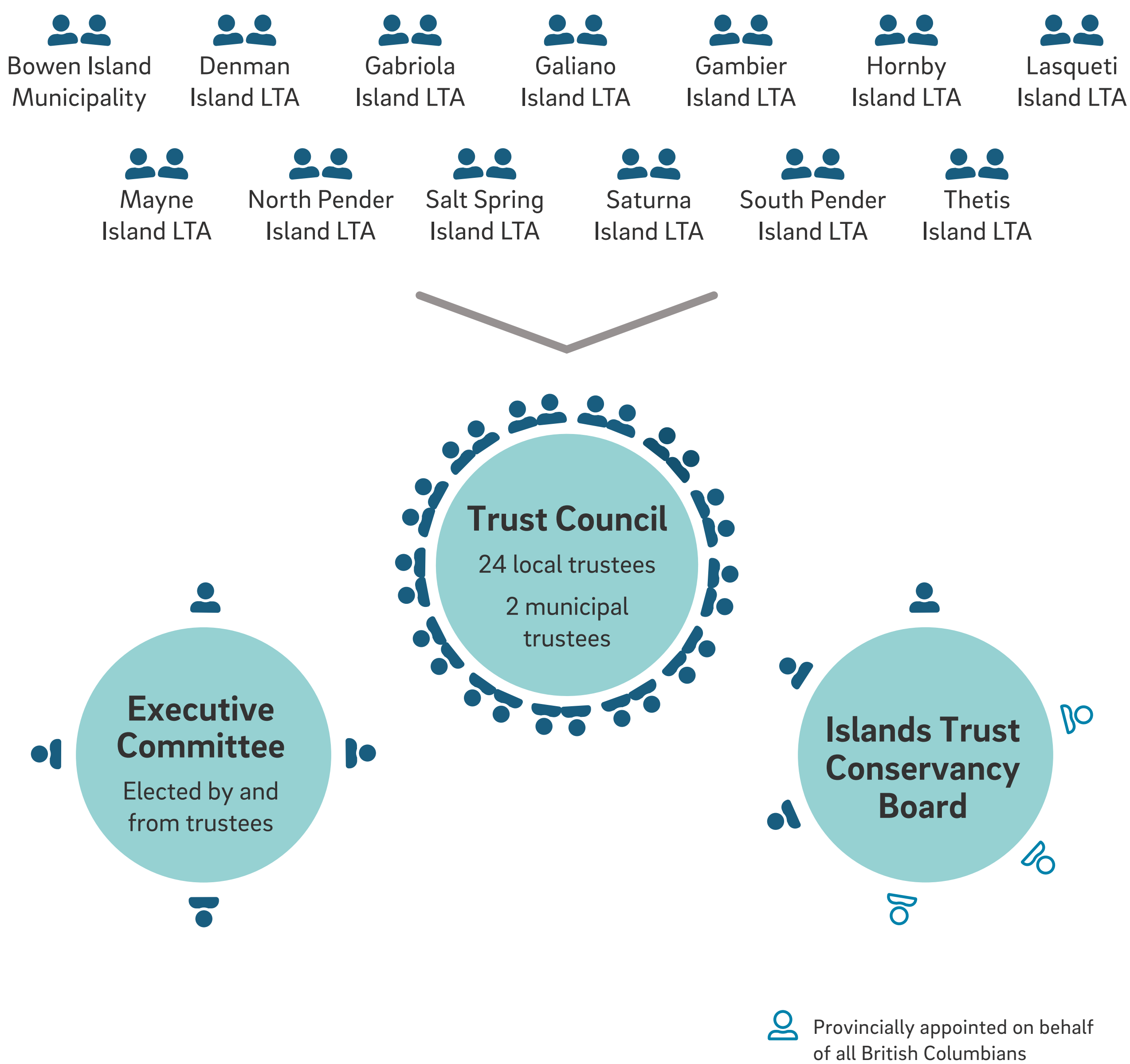
The natural environment of the islands in the Salish Sea has given the area national recognition. Realizing this, the Government of British Columbia enacted special protective legislation in 1974, entitled the *Islands Trust Act.* The *Act* states that the Object of Islands Trust is to "preserve and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

Organization and Responsibilities

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

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

Islands Trust Legislative Structure



Islands Trust Council

The 26-member Islands Trust Council establishes general policies for carrying out the Object of Islands Trust. Islands Trust Council also adopts an operational budget for Islands Trust and manages the financial undertakings of all parts of Islands Trust, except for Islands Trust Conservancy, which manages its own operations. Islands Trust Council appoints staff and auditors and adopts an annual budget. Tax levies on properties within the Islands Trust Area are the primary funding source for the operations of Islands Trust. Additional revenue comes from a provincial grant, other grants, and development application fees.

The *Islands Trust Act* requires Islands Trust Council to implement the Trust Policy Statement that is applicable to the whole Islands Trust Area. The Minister of Housing and Municipal Affairs must approve the Policy Statement before it can be adopted. The Policy Statement provides broad policy guidelines for Islands Trust Council, Executive Committee, local trust committees, and island municipalities. The positions and philosophy of Islands Trust Council contained in the Policy Statement also constitute a policy framework for reference by the public and other agencies, such as the regional districts of the Islands Trust Area, the province, and its agencies.

Islands Trust Council has six standing committees of trustees — Regional Planning Committee, Trust Programs Committee, Governance Committee, Financial Planning Committee, Chief Administrative Officer Performance Evaluation Committee, and Accessibility Committee — which provide policy advice to Islands Trust Council on a range of issues.

Members of Islands Trust Council—2022-2026

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

PHOTO: K. MAYES

2025/26 Key Accomplishments

In 2025/26, Islands Trust Council approved an updated Strategic Plan, and the Islands Trust Conservancy continued to make progress on its Regional Conservation Plan.

Highlights of accomplishments include actions taken by Islands Trust Council:

- Continued development of a new draft of the Policy Statement and gave it first reading
- Endorsed the Housing Strategic Action Plan
- Adopted Bylaw Compliance and Enforcement Policy 5.5.1 and Best Practices Manual
- Endorsed a draft Indigenous Relations Action Plan 2026–2028
- Endorsed the recommendations of the Chief Administrative Officer's operational review

- Met with San Juan County to discuss the impact of the FIFA World Cup on local tourism and the economy, Anacortes to Sidney ferry services, and establishing an informal working group focused on advocacy about oil spill response in the Salish Sea
- Approved additional funding to enhance trustee access to mental health benefits

The following received financial assistance for their application fees:

- A rezoning application on Salt Spring Island to allow for the development of up to 50 affordable housing units, general offices, and a child day care centre to the amount of $4,882
- A rezoning application on Denman Island to the amount of $1,592 to permit the development of eight units of affordable housing
- A Natural Area Protection Tax Exemption Program (NAPTEP) application that would allow for the donation of a covenant on approximately 1 ha on Salt Spring Island, to the amount of $450
- A Temporary Use Permit application on Mayne Island to the amount of $2,282 to permit hosting a festival that includes a range of small-scale community workshops, group activities, and a music event

Reconciliation and Relationship Building

From shore to shore across the Salish Sea, First Nations have lived in and governed these lands and waters since time immemorial. Their village sites, harvesting areas, and cultural practices reflect deep relationships with place, grounded in responsibility, stewardship, and their own laws and governance systems.

On March 14, 2019, Islands Trust Council passed a Reconciliation Declaration on Gabriola Island, committing to advancing reconciliation with humility and respect. This work is ongoing and requires moving beyond statements towards meaningful actions.

2025/26 Key Highlights

In June 2025, SMOȻEŦET Chief Abraham Pelkey welcomed members of Islands Trust Council to Tsawout territory on Salt Spring Island and shared the Paddle Welcome Song. Jared “Qwustenuxun” Williams, Indigenous Foods Educator, gave a presentation on traditional foods, traditional medicine, and the role of policy in their protection.

In September 2025, Snuneymuxw Elder Geraldine Manson, C’tasi:a welcomed members of Islands Trust Council to Snuneymuxw territory on Gabriola Island and called on attendees to embrace life, the environment, and the citizens they represent. During this meeting, trustees also heard from Douglas S. White, Kwul’a’sul’tun, special counsel to the Premier on Indigenous Reconciliation, who spoke about building respectful relationships with First Nations. Kwul’a’sul’tun spoke extensively about Aboriginal and constitutional law, referencing landmark court cases and highlighted the challenges that can arise when matters are resolved through the courts rather than negotiated agreements, while emphasizing opportunities to develop collaborative pilot projects with First Nations in areas of common interests and concerns.

In December 2025, Esquimalt Nation Councillor Sherry Thomas introduced herself, welcomed attendees to the territories of the ləḱʷəŋən people, and thanked members of Islands Trust Council for working together to care for the lands.

At the March 2026 Islands Trust Council meeting on Cowichan Tribes’ territory, Islands Trust Council was welcomed by Cowichan Tribes Chief Sulsulxumaat Cindy Daniels and Council member Lox’e

Chris Alphonse. As part of the meeting opening, Chair Patrick noted that in February 2026 Cowichan Valley leaders had issued a joint statement condemning rising anti-Indigenous racism, and that Islands Trust Council shares in that condemnation. All trustees and staff stood to signal their support for Indigenous Peoples and Cowichan Valley leaders, recognizing that the well-being of communities depends on standing together as people and neighbours who respect, support, and care for one another.

1. Engagement and Collaboration on Projects

In 2025/26, Islands Trust supported participation of First Nations in several planning initiatives, including:

- Denman Island Local Trust Committee (LTC) Housing Review
- Hornby Island LTC Official Community Plan (OCP) and Land Use Bylaw (LUB) Review
- Gabriola Island LTC OCP and LUB Review
- Gambier Island OCP and LUB Targeted Amendments
- Islands Trust Policy Statement Amendment Project
- Islands Trust Conservancy 2028–2032 Plan development
- Galiano Island LTC partnered with Penelakut Tribes to explore opportunities for land transfer as part of rezoning and subdivision processes

This work reflects a shift toward earlier and more meaningful engagement, recognizing that First Nations have inherent rights and responsibilities within their territories. In some instances, capacity funding was provided to support participation.

2. Relationship Building and Agreement Development

In 2025/26, Islands Trust worked on agreements, including:

- Islands Trust Council, Tseycum First Nation, and Tsartlip First Nation initiated work through the W̱SÁNEĆ Leadership Council to develop an agreement supporting government-to-government dialogue
- Work continued toward finalizing an agreement between Snaw-naw-as First Nation and Islands Trust Council

In June, 2025, Islands Trust and Tsawout First Nation participated in a feast, which included elected officials and staff, created space for cultural protocol, leadership dialogue, and relationship building.

3. Building Capacity for Respectful Engagement

Islands Trust trustees and staff participated in cultural safety training focused on understanding Indigenous rights, histories, and the ongoing impacts of colonial policies, including Indigenous-specific racism. Delivered in a cohort model, the training supported deeper reflection and practical skill-building. It strengthened the organization's ability to engage respectfully with Indigenous Governing Bodies and to navigate complex conversations related to land use and rights.

Following this training, the Islands Trust Executive Committee approved a revised meeting decorum statement and public meeting materials affirming zero tolerance for anti-Indigenous racism and reinforcing a commitment to cultural safety and respectful dialogue.

In January 2026, Stephanie Atleo, Director of Governance, Cowichan Tribes, presented at a joint meeting of the Executive Committee and Islands Trust Conservancy Board. Her presentation highlighted key principles of collaborative governance, including shared decision-making, building trust, honesty and transparency between parties, and ensuring decision-makers are actively involved. It emphasized the importance of defining roles through agreements and protocols, consulting relevant interested and affected parties, exploring co-management models, and fostering respectful communication, citing the Indigenous Management Board protocol agreement as a positive example of multi-partner collaboration.

4. Strengthening Organizational Commitment

In response to the Islands Trust 2025 Operational Review, Islands Trust Council approved new resources to support this work, including:

- A full-time Manager of Indigenous Relations
- A part-time Indigenous Relations Advisor for Islands Trust Conservancy

In March 2026, Islands Trust Council received a draft Indigenous Relations Action Plan and endorsed it for further internal engagement.

There is a continued shift toward embedding responsibility for Indigenous relations across the organization, rather than within a single role or department.

Clockwise from top: Douglas S. White, Kwul'a'sul'tun addressing Islands Trust Council; Islands Trust Trustee Tobi Elliott, Islands Trust Conservancy Board Member Tanner Timothy, and Director Clare Frater witnessing the raising of the Survivors' Flag, and before the B.C. Legislature on September 24, 2024.

2025/26 Advocacy

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

Advocacy is also guided by the Islands Trust Advocacy Policy (Policy 6.10.iii).

In April 2025, Islands Trust trustees participated in joint panels on the legalization of tiny homes as part of the "Rural Housing Approaches" session at the Association of Vancouver Island and Coastal Communities annual convention.

In May, 2025, Islands Trust Council Chair Laura Patrick responded to the Honourable Ravi Kahlon, then Minister of Housing and Municipal Affairs, regarding his response to the Islands Trust Council's request for a review of the Islands Trust mandate, governance and structure.

In July 2025, the Chair responded to a letter from Mayor Leonard and the Bowen Island Municipal Council to thank them for their request that Islands Trust convene a meeting with ferry authorities, small communities, and elected officials to explore solutions to ferry-related issues. Also in July, the Chair wrote to the Honourable Ravi Kahlon, then Minister of Housing and Municipal Affairs, to convey Islands Trust Council's support for the North Salt Spring Waterworks District's (NSSWD) request that the Province empower local trust committees and the NSSWD with the regulatory tools necessary to ensure new water connections are allocated where they are needed most in island communities. The Chair also wrote to the Ministry of Tourism, Arts, Culture and Sport to support the official recognition of the proposed Smí7mant Áyalhḵw and X̱éla7an place names for beaches on Bowen Island.

In August 2025, the Chair wrote to the BC Environmental Assessment Office requesting an extension to the comment deadline on the proposed amendment by Woodfibre LNG General Partner Inc. to its Environmental Assessment Certificate.

At the September 2025 Union of British Columbia Municipalities Convention, Executive Committee members participated in 13 sessions on a variety of topics. Vice-Chair Elliott also co-led a panel presentation at the Convention, titled "Tiny Homes as Rural Housing Solutions," which presented findings from a joint technical group in collaboration with the Regional District of Nanaimo and other elected leaders. Executive Committee members and Islands Trust staff met with staff from the Ministry of Housing and Municipal Affairs, and BC Housing, to discuss Tiny Homes on Wheels, housing needs assessments, and island and rural housing needs. Executive Committee members and staff also met with the Minister, and ministry staff, from Ministry of Water, Lands and Resource Stewardship to discuss Crown land agreements between the Province and Islands Trust, and potential co-governance opportunities. In addition, Executive Committee members and staff met with BC Assessment to discuss property assessments and access to insurance.

In November 2025, the Chair wrote to the Heritage Branch of the Ministry of Tourism, Arts, Culture, and Sport to provide feedback on potential modernizations to the *Heritage Conservation Act*.

"Tiny Homes as Rural Housing Solutions" panel at UBCM

In December, 2025, the Chair wrote to the Honourable Christine Boyle, Minister of Housing and Municipal Affairs, regarding housing on Salt Spring Island, and to thank her for visiting the Island. The Minister had visited Salt Spring Island to meet with the Chair, representing Salt Spring Island as a local trustee, other local government partners, and community members working towards improved housing solutions. Also in December, the Chair wrote to the Select Standing Committee on Private Bills and Private Members' Bills to request that Islands Trust be excluded from Bill M216–2025.

In March, 2026, the Chair signed the Joint Call: BC must recommit to meaningful implementation of the UN Declaration on the Rights of Indigenous People and the *Declaration on the Rights of Indigenous Peoples Act*, led by West Coast Environmental Law, on behalf of Island Trust Council.

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

Trustee Tim Peterson, Chair Laura Patrick, and Trustee Tobi Elliott at the B.C. Legislature

Climate Action

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

The Islands Trust Conservancy continues to protect mature and maturing forests, wetlands, and habitat transition zones which help store carbon and are vital to maintaining ecosystem health through land acquisitions and covenants.

Islands Trust continues to apply a climate action lens to land use planning in a variety of ways. This includes proposed updates to the Islands Trust Policy Statement that, if applied, would promote consideration of planning and land use management strategies, and nature-based solutions, to minimize greenhouse gas emissions, and adapt to climate change-related vulnerabilities.

Islands Trust began collaborating with the Sunshine Coast Regional District on its Coastal Flood Mapping Project in 2024. The project aims to support land-use planning, enhance infrastructure resilience, and provide interactive mapping tools to identify areas vulnerable to sea-level rise and storm surges. In 2025, Islands Trust contributed policy, mapping data, technical review, and public engagement and communications support. The project was completed in December 2025, culminating in a report to the Sunshine Coast Regional District Board.

Potential next steps include incorporating additional data layers and expanding mapping tools. Future collaboration with the Sunshine Coast Regional District and its member local governments may focus on implementing planning tools and policies, as well as improving consistency across the district.

All land use planning staff reports include sections on climate change adaptation and mitigation, and staff recommendations are based on best practices for mitigating and adapting to climate change.

Delegations and Presentations to Islands Trust Council in 2025/26

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

June 2025—Quarter 1, Islands Trust Council convened at the Harbour House Hotel on Salt Spring Island, B.C.

Islands Trust Council invited Jared "Qwustenuxun" Williams, Indigenous Foods Educator, to present on traditional foods, traditional medicine, traditional concept of ownership of land related to rights to harvesting areas and sharing of collective spaces, and he highlighted the need to create opportunities to revitalize the traditional food sources of the land.

Rob Botterell, MLA for Saanich North and the Islands, and BC Green Party House Leader, presented his perspective on the future of the Islands Trust to Islands Trust Council.

A delegation representing Salt Spring Solutions spoke to community engagement methods.

A delegation representing the Friends of the Gulf Islands Society presented a petition supporting their position on the Islands Trust Policy Statement.

Members of the public addressed Islands Trust Council on a variety of topics including:

- Challenges to accessing safe and secure housing
- Balancing the environment with community needs
- Building consensus
- Development permit processes

July 2025—Islands Trust Council Special Meeting (virtual)

No speakers were invited to present to Islands Trust Council.

There were no delegations to Islands Trust Council.

Members of the public addressed Islands Trust Council on a variety of topics including:

- The draft Islands Trust Policy Statement
- Balancing the environment with community needs

September 2025—Quarter 2, Islands Trust Council convened at The Haven on Gabriola Island, B.C.

Islands Trust Council invited Douglas S. White, (Kwul'a'sul'tun), special counsel to Premier David Eby on Indigenous Reconciliation, former Chief of Snuneymuxw First Nation, and past Chair of the BC First Nations Justice Council to speak about the opportunity for Islands Trust to move beyond past patterns of exclusion and support shared goals through partnership with First Nations, advancing reconciliation and long-term relationship building. He encouraged Council to use existing statutory tools, including the *United Nations Declaration on the Rights of Indigenous Peoples* and the provincial *Declaration on the Rights of Indigenous Peoples Act*, as frameworks for reconciliation. He also urged the renewal of existing Protocol Agreements and the development of new agreements with First Nations within the Islands Trust Area to support meaningful partnerships.

There were no delegations to Islands Trust Council.

A member of the public addressed Islands Trust Council on:

- The draft Islands Trust Policy Statement

December 2025—Quarter 3, Islands Trust Council convened at the Hotel Grand Pacific in Victoria, B.C.

Islands Trust Council invited Hannah Rabinovitch, Director of the BC Housing Policy Branch, to present on opting-in to the principal residence requirements of the *Short-Term Rental Act*.

A delegation representing the Friends of the Gulf Islands Society presented on growth limits, floor area ratios, and growth in the Islands Trust Area.

Members of the public addressed Islands Trust Council on a variety of topics including:

- In-person and virtual meetings
- Floor area ratios
- The draft Islands Trust Policy Statement
- Public engagement on the Islands Trust draft Policy Statement

Outside the Islands Trust Council meeting, Brodie Guy of the Island Coastal Economic Trust spoke to trustees about their project to have an independent review which resulted in recommendations to the Province of BC for co-governance with First Nations.

March 2026—Quarter 4, Islands Trust Council convened at the Khowutzun Heritage Centre, Comeakin Hall in Duncan, B.C.

Islands Trust Council invited Patricia Woodruff, Planning Services Biologist, to present an overview of work completed during the grant term at Islands Trust, and Erica Wheeler, Species at Risk Program Coordinator with the Islands Trust Conservancy, to summarize ongoing species at risk program activities. These include documenting species at risk, advancing habitat restoration and enhancement initiatives, delivering educational outreach, and strengthening collaborative partnerships.

A delegation representing Transition Salt Spring presented their recommendations to strengthen the draft Islands Trust Policy Statement.

Members of the public addressed Islands Trust Council on a variety of topics including:

- Bylaw 206 Public Notification Bylaw
- The Islands Trust budget
- The draft Islands Trust Policy Statement
- Public engagement on the Islands Trust draft Policy Statement
- Islands Trust Council application fee sponsorship
- Reconciliation

Policy Statement Amendment Process

In 2019, Islands Trust launched the Policy Statement Amendment Project (Islands 2050) to update the Islands Trust Policy Statement to adapt to current and future challenges and opportunities, and to reflect its commitments related to Reconciliation with Indigenous Peoples, climate change, and affordable housing. To date, the Policy Statement Amendment Project has involved four rounds of public engagement, four rounds of engagement with Indigenous Governing Bodies, as well as engagement with other partner agencies.

The Islands Trust Policy Statement sets out the principles and policies that Islands Trust Council uses to carry out its special mandate from the Government of British Columbia to preserve and protect the unique amenities and environment of the Islands Trust Area, as required by the *Islands Trust Act*. The Policy Statement shapes land and marine use planning across the Islands Trust Area by guiding the development of local official community plans and regulatory bylaws, as well as Islands Trust Council's intergovernmental collaboration, advocacy and strategic planning.

The Islands 2050 Policy Statement Amendment Project continued to be a priority for Islands Trust Council in 2025/26. In July 2025, following a year of Trust Programs Committee and Committee of the Whole meetings, Islands Trust Council gave first reading to a revised draft of the Policy Statement. Phase 4 of public engagement on the project was launched shortly thereafter and included a mail-out to all residential addresses in the Islands Trust Area; a survey available online and in hard copy that received 1,889 responses; an online Policy Statement webinar; and additional opportunities to provide feedback by email and phone. Additionally, individual local trust committees each hosted their own engagement events to gauge local sentiment about the proposed draft. The draft Policy Statement was also referred to Indigenous Governing Bodies and other government agencies for their review and comment. The results from Phase 4 of public engagement and agency referrals will inform Islands Trust Council's next steps on the Policy Statement Amendment Project.

Throughout the year, Islands Trust continued to respond to questions from the public about the project, and update the project webpage with important information and background materials.

Visit the Islands 2050 page on the Islands Trust website for more details.

Islands Trust Council Committees

Executive Committee

The Executive Committee (EC) members include the Chair of Islands Trust Council and three Vice-Chairs, elected by Islands Trust Council from among its members. In addition to individual members serving as the chairs of local trust committees, the committee oversees external communications for Islands Trust, liaises with the provincial government, coordinates policy reviews, coordinates strategic planning and monitors implementation, facilitates development of agreements, liaises with the Islands Trust Conservancy Board, and conducts other functions as directed by Islands Trust Council.

The Executive Committee carries out the daily business of Islands Trust, reviews the bylaws of local trust committees and Bowen Island Municipality Official Community Plan Bylaw to ensure compliance with the Islands Trust object and the Islands Trust Policy Statement, and acts as a local trust committee for the Ballenas-Winchelsea Island Local Trust Area.

Members serving in 2025/26

Laura Patrick, Salt Spring Island Local Trust Area Trustee (Chair, March 2025)

Peter Luckham, Thetis Island Local Trust Area Trustee (Chair, 2022–March 2025)

Tobi Elliott, Gabriola Island Local Trust Area Trustee (Vice-Chair)

David Maude, Mayne Island Local Trust Area Trustee (Vice-Chair)

Tim Peterson, Lasqueti Island Local Trust Area Trustee (Vice-Chair)

Bylaws Approved by Executive Committee

Before a local trust committee can adopt a bylaw, the Executive Committee must approve it by deciding that it is not contrary to, or at variance 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 by deciding that it is not contrary to, or at variance 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 2025/26, the Executive Committee approved 55 bylaws, nine of which were for Bowen Island Municipality.

Liaison Meetings

An Islands Trust Conservancy and Executive Committee liaison meeting was held April 23, 2025, where the Coastal Douglas-fir Conservation Partnership workshop on funding strategies for private land conservation and promoting Islands Trust and Islands Trust Conservancy in island communities was discussed.

On April 30, 2025, two members of the Executive Committee attended a Bowen Island Municipal Council meeting to discuss matters of mutual interest, and had the opportunity to tour the new Bowen Island Community Centre and visit protected areas at Cape Roger Curtis.

At the 2025 Union of British Columbia Municipalities Convention, Executive Committee members met with the Minister of Water, Lands and Resource Stewardship to discuss updating and consolidating Crown land agreements, with the aim of building a shared understanding of each other's mandates, improving cooperation, and advancing reconciliation with First Nations. In addition, during the Convention, Executive Committee members met with staff from the following Ministries and provincial agencies:

- Ministry of Housing and Municipal Affairs — to discuss regulation of tiny homes on wheels, the housing needs assessment methodology and the housing needs of island and rural communities
- BC Assessment—to discuss understanding the process of assessing property values on the islands, particularly in relation to hazards such as a wildfire, and how this impacts the ability to insure some properties in the region

On November 26, 2025, Islands Trust Council Chair, Laura Patrick, met with the Honourable Christine Boyle, Minister of Housing and Municipal Affairs at the Legislature when the Islands Trust Annual Report was presented by the Minister.

Islands Trust Chair Laura Patrick presented the 2024/25 Islands Trust annual report to the Hon. Christine Boyle, Minister of Housing and Municipal Affairs

Accessibility Committee

Role

The Accessibility Committee, established under the *Accessible British Columbia Act*, supports Islands Trust by identifying barriers experienced by people who interact with the organization, and by advising on ways to remove and prevent those barriers. Through its diverse membership and lived experience perspectives, the committee helps guide Islands Trust in strengthening accessibility across its public-facing services, policies, and environments.

Members

The Accessibility Committee is comprised of individuals, including trustees, who have been appointed by Islands Trust Council following an expression-of-interest process.

Members serving in 2025/26

Lisa Gauvreau, Galiano Island Local Trust Area Trustee (Chair)
Lisa Nissinen, Islands Trust Area resident (Vice-Chair)
Barb Aust, Islands Trust Area resident (appointed March 2026)
Michael Bean, Islands Trust Area resident (appointed March 2026)
Theresa Burley, Islands Trust Area resident
Marjorie Gang, Islands Trust Area resident (resigned September 2025)
Seth Gustafsson, Islands Trust Area resident (appointed March 2026)
Christopher Jason, Islands Trust Area resident (appointed March 2026)
David Maude, Mayne Island Local Trust Area Trustee Executive Committee Representative (appointed September 2025)
Deborah Scott, Islands Trust Area resident (appointed March 2026)
Sidra Treall, Islands Trust Area resident (resigned April 2025)
Riley Vardy, Islands Trust Area resident (appointed March 2026)
Laura Patrick, Salt Spring Island Local Trust Area Trustee (Ex Officio) and Islands Trust Council Chair

2025/26 Highlights

In 2025/26, the Accessibility Committee advanced initiatives to improve accessibility across Islands Trust. The Committee secured a $25,000 Local Community Accessibility Grant from the Social Planning and Research Council of B.C., which supported accessibility upgrades at the new Salt Spring Island office. Renovations focused on removing physical barriers for people visiting the space, including the installation of an accessible, gender-neutral washroom and an accessible front counter for public service.

The grant also enabled Islands Trust to implement recommendations from a previous accessibility audit of the Islands Trust website. As part of these website improvements, Islands Trust implemented a series of technical updates that enhance usability for people who rely on screen readers, keyboard navigation, and other assistive technologies. These updates ensured that images and links include meaningful descriptions for users with visual impairments, improved the clarity and structure of headings and labels, strengthened the site's underlying code to make content easier for assistive technologies to interpret, and reduced navigation related barriers.

To strengthen representation and broaden community perspectives, Islands Trust undertook a recruitment process for new committee members, resulting in the appointment of six individuals. The Committee also provided an opportunity for the public to share feedback on accessibility issues across the Islands Trust Area, creating a channel for community input during the reporting period.

Chief Administrative Officer Performance Evaluation Policy Committee

In September 2024, Islands Trust Council established the Chief Administrative Officer Performance Evaluation Policy Committee (CAOPEPC). This committee, made up of the Executive Committee members and the chairs of the Financial Planning, Regional Planning, Trust Programs, and Governance Committees, was tasked with developing a policy for the performance evaluation of the Islands Trust Chief Administrative Officer.

In May, 2025, the Chief Administrative Officer Performance Evaluation Policy Committee forwarded a draft Policy 2.5.1 "Chief Administrative Officer Performance Evaluation" to Islands Trust Council which subsequently adopted that policy in June, 2025.

Regional Planning Committee

Role

The Regional Planning Committee (RPC) provides policy and planning advice to Islands 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 serving in 2025/26

Mairead Boland, Saturna Island Local Trustee (RPC Chair)
Sam Borthwick, Denman Island Local Trustee (Vice-Chair)
Aaron Campbell, North Pender Island Local Trustee
David Graham, Denman Island Local Trustee
Tobi Elliott, Gabriola Island Local Trustee, Executive Committee Representative
Laura Patrick, Salt Spring Island Local Trustee, Chair Trust Council (Ex-Officio Member)

2025/26 Highlights

In the 2025/26 fiscal year, the Regional Planning Committee (RPC) completed the activities related to the following Islands Trust Strategic Plan items:

Bylaw Compliance and Enforcement Policy Review

- Extensively reviewed and endorsed revisions to Bylaw Compliance and Enforcement policies and procedures including:
    - Islands Trust Council Bylaw Compliance and Enforcement Policy 5.5.1
    - Islands Trust Bylaw Compliance & Enforcement Best Practices Manual
    - Implementation plan

Housing Strategy Action Plan

- Revised the Housing Options Toolkit
- Revised the Housing Strategic Action Plan
- Completed an Engagement Framework template
- Completed creation of a housing-related definition for model Land Use Bylaws
- Received the Tiny Homes on Wheels Enablement Project final report and AVICC presentation materials
- Received the Islands Trust Housing Needs Reports

Protection of Ecosystem Health in All Land Use Planning Decisions

- Received two presentations from a Registered Biologist funded through an Environment and Climate Change Canada (ECCC) grant to support species-at-risk recovery by strengthening the integration of biological information into Islands Trust decision-making and projects

Freshwater Sustainability Strategy

- Advanced the Freshwater Sustainability Strategy (FWSS) through various local trust committee (LTC) major projects amending respective Official Community Plans and Land Use Bylaws including:
    - › Development of a Freshwater Footprint methodology for the Gabriola Island LTC
    - › Development of watershed resiliency mapping for the Gabriola; Denman; and Mayne Island LTCs
- Received a demonstration of an online Freshwater Atlas

During this period, the Committee also reviewed Minor Project Criteria in order to advise Islands Trust Council on the provision and allocation of resources to deliver planning services.


PHOTO: K. MAYES

Trust Programs Committee

Role

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

Members serving in 2025/26

Kristina Evans, South Pender Island Local Trust Area Trustee (Chair)

Tim Peterson, Lasqueti Island Local Trust Area Trustee (Vice-Chair and Executive Committee Representative)

Alex Allen, Hornby Island Local Trust Area Trustee (resigned April 2025)

Tobi Elliott, Gabriola Island Local Trust Area Trustee (March–August 2025*)

Sue Ellen Fast, Bowen Island Municipal Trustee (appointed October 2022)

Lisa Gauvreau, Galiano Island Local Trust Area Trustee (appointed March 2025)

David Graham, Denman Island Local Trust Area Trustee (appointed March 2025)

Jamie Harris, Salt Spring Island Local Trust Area Trustee (March–August 2025*)

David Maude, Mayne Island Local Trust Area Trustee (March–August 2025*)

Deb Morrison, North Pender Local Trust Area (March–August 2025*)

Laura Patrick, Salt Spring Island Local Trust Area Trustee (Ex Officio Member and Islands Trust Chair)

Susan Yates, Gabriola Island Local Trust Area Trustee (appointed March 2025)

**The Islands Trust Chair appointed additional members to the Trust Programs Committee to participate in meetings dedicated to the Policy Statement Amendment Project. These appointments were intended to be temporary.*


PHOTO: K. MAYES

2025/26 Highlights

Trust Programs Committee (TPC) met five times in 2025/26. The Committee's primary focus during this year was to implement stewardship education programs.

Once again, as part of Trust Council's Secretariat Services Program, the committee approved secretariat services to the following coordination groups:

- $1,800 to support the coordination of the Rural Island Economic Partnership
- $2,500 to support the coordination of the Baynes Sound Lambert Channel Ecosystem Forum
- $3,000 to support the coordination of the Coastal Douglas-fir Conservation Partnership
- $4,000 to support the coordination of the Átl'ka7tsem/Howe Sound Community Forum
- $3,000 to support the coordination of the Southern Gulf Islands Forum
- $125 to support the Association of Vancouver Island and Coastal Communities Climate Leadership Steering Committee

The Committee also supported distribution of a “Living in the Trust Area” information package, which was mailed to 981 new property owners across the Islands Trust Area. The package included a letter from Chair Laura Patrick, Islands Trust brochures, stewardship tips booklets, groundwater conservation brochures, as well as localized government service contact lists.

Furthermore, the Trust Programs Committee instructed staff to host five webinars:

1. The Xwe’etay/Lasqueti Archaeology Project: Protecting and Honouring Indigenous Heritage through Archaeology, Policy, and Planning webinar presented findings about the rich archaeological history and development patterns on Xwe’etay/Lasqueti Island, discussed the intersection of land use planning with Indigenous archaeological heritage conservation, presented information on Indigenous heritage policy, and outlined pathways forward for better understanding settler values and concerns regarding Indigenous archaeological heritage protection.
2. The Species at Risk on Your Property & How to Become a Habitat Steward session introduced Islands Trust Area residents to species at risk they might find in their backyards and community, and explained how they can become habitat stewards for the benefit of biodiversity, and especially for species at risk.
3. The Protecting the Shoreline: A Shared Responsibility webinar presented the Green Shores® program, which was designed to help waterfront landholders restore natural shorelines using science-based tools and best practices to minimize the impacts of new development. It presented new data from the shoreline hardening mapping initiative led by the Pacific Salmon Foundation and a firsthand account of the work the Malahat Nation is doing to restore clam gardens in Malahat territory.
4. The Climate Adaptation: Rain Gardens & Other Nature-Based Solutions You Can Use session featured practical steps residents can take to mitigate the impacts of climate change on their homes and communities. From rain gardens to swales and native plant gardens, this session explored the many options landholders can take to mitigate flooding, promote biodiversity, and live more sustainably.
5. The Working towards a Fallow Deer Strategy for the Southern Gulf Islands webinar explored the devastating impact fallow deer are having on the 500 native plant species that live on SḴŦAḴ/Mayne

Island, as well as on residents' ability to grow food on the island. Presenters shared their insights on what a long-term fallow deer management strategy could look like for the Southern Gulf Islands.

All webinars are recorded and available to view on the Stewardship Education page of the Islands Trust website.

PHOTO: K. MAYES

Financial Planning Committee

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

Members

The FPC consists of up to 11 trustees from across the Islands Trust Area:

- The chairs (unless otherwise delegated) from the Trust Programs Committee, the Regional Planning Committee and the Governance Committee
- The four members of the Executive Committee
- One member from the Islands Trust Conservancy Board
- Three other trustees

Members serving in 2025/26

Sue Ellen Fast**, Bowen Island Municipality Trustee (FPC Chair)

Mairead Boland**, Saturna Island Local Trust Area Trustee, and Regional Planning Committee designate (Vice-Chair)

Alex Allen, Hornby Island Local Trust Area Trustee, Trust Programs Committee designate (resigned from the Committee as of May 2025)

Tobi Elliott, Gabriola Island Local Trust Area Trustee, Executive Committee representative

Judith Gedye**, Bowen Island Local Trust Area Trustee, Governance Committee representative

David Graham**, Denman Island Local Trust Area Trustee

David Maude, Mayne Island Local Trust Area Trustee, Executive Committee representative

Tim Peterson, Lasqueti Island Local Trust Area Trustee, Executive Committee representative, and Trust Programs Committee designate (as of May 2025)

Laura Patrick, Salt Spring Island Local Trust Area Trustee, Executive Committee representative

Susan Yates**, Gabriola Island Local Trust Area Trustee, Islands Trust Conservancy Board representative

*** indicates a member of the Audit Committee as of March 31, 2026.*

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

PHOTO: K. MAYES

2025/26 Highlights

As part of its ongoing responsibilities, FPC oversaw, through its Annual Audit Committee, the completion of the annual financial statement audit for Islands Trust and Islands Trust Conservancy for the fiscal year ending March 31, 2025. The Annual Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and initiated planning for the March 31, 2026, financial statement audit. In addition to overseeing this legislated audit of the annual financial statements, FPC also directed and reviewed internally developed allocated financial statements, which provide an estimate of revenue and cost allocations by local trust area.

The FPC facilitated Trust Council's development of the 2026/27 budget. The Committee included recommendations on the amount to draw from surplus and reserve funds, the amount of the property tax requisition to Islands Trust Area landowners, and the Bowen Island municipal tax levy based on Islands Trust Council Policy. As part of the budget development process, FPC recommended draft budget reductions totalling $297,500 and reviewed the feasibility of completing all proposed projects in terms of available staff resources.

To inform development of the 2026/27 budget, FPC recommended that Trust Council approve specific budget guidelines early in the budget development cycle. Islands Trust Council approved FPC's recommended guidelines which helped to shape the 2026/27 budget process and development. FPC also directed staff to prepare speaking notes on the budget, to support trustees as they discuss the budget process within communities.

After discussing that past budget consultation results have not often influenced changes to the budget, FPC chose not to undertake a public consultation on the draft 2026/27 budget. The FPC instead oversaw a pre-budget engagement process that asked the public to comment on funding levels for: long-range and current land use planning services; bylaw enforcement services; Trust-area wide programs; the Islands Trust Conservancy, and quarterly Islands Trust Council meetings. The process included a survey that took place from May 1 to June 28, 2025. The survey was completed by 343 members of the public. Results of the survey can be found in the Islands Trust 2026/27 Pre-Budget Survey Report, available on the Islands Trust website.

In an effort to increase public awareness of Islands Trust activities and understanding of Islands Trust financials, FPC once again supported the creation of a tax notice insert that is circulated by the Province of British Columbia to all Islands Trust Area taxpayers with their rural tax notice.

The FPC acknowledged that annual revenue from planning application fees covers a small portion of the actual cost of processing applications, and has recommended that Islands Trust Council undertake work to assess the full cost of processing applications, with potential application fee increases in mind.

The FPC provided quarterly financial reports on actual results, a third quarter financial forecast, and the legislated Statement of Financial Information to the Islands Trust Council for information and approval as part of its cyclical financial monitoring and reporting responsibilities.

Governance Committee

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

Members

The Governance Committee consists of seven members of Islands Trust Council who have been elected by Islands Trust Council, and two ex-officio members.

Members serving in 2025/26

Judith Gedye, Bowen Island Municipal Trustee (GC Chair)

Jamie Harris, Salt Spring Island Local Trust Area Trustee (GC Vice-Chair)

Joe Bernardo, Gambier Island Local Trust Area Trustee

Sam Borthwick, Denman Island Local Trust Area Trustee

Lisa Gauvreau, Galiano Island Local Trust Area Trustee, Islands Trust Conservancy Board member (became a voting member December 2025)

Lee Middleton, Saturna Island Local Trust Area Trustee (resigned November 2025)

Laura Patrick, Salt Spring Island Local Trust Area Trustee (Islands Trust Council Chair — ex-officio)

Timothy Peterson, Lasqueti Island Local Trust Area Trustee

Kate-Louise Stamford, Gambier Island Local Trust Area Trustee

2025/26 Highlights

In 2025/26, the Governance Committee continued its broader initiative to modernize Islands Trust Council's policies. The Committee is prioritizing updates to policies that guide the functioning of Islands Trust Council and its committees.

The Governance Committee also reviewed and recommended an amended Secretariat Services Policy to Islands Trust Council to make the link between the program and legislation clearer, retain approval of funding with Islands Trust Council, and establish a method to accept applications, review and allocate the funds that is more manageable for staff, Executive Committee and Islands Trust Council. The Committee's efforts aim to ensure that Islands Trust Council's policies remain current, coherent, and effective in supporting Islands Trust Council's decision-making and oversight roles.

During 2025/26, the Governance Committee initiated a comprehensive review of the Trustee Remuneration Policy, which was carried out by an independent consultant. The consultant examined current remuneration levels, comparator information, and remuneration-setting methodologies appropriate to the Islands Trust's unique governance structure. As part of the review, sitting trustees were surveyed to provide insight into workload, responsibilities, and the practical demands of the role. The consultant's findings informed a series of recommendations that the committee reviewed and refined before recommending them to Islands Trust Council. A new remuneration policy was subsequently approved by Islands Trust Council in March 2026 and is scheduled to take effect on April 1, 2027.

PHOTO: K. MAYES

Local Trust Committees and Bowen Island Municipality

Ballenas–Winchelsea Islands (Executive) Local Trust Committee

The Ballenas-Winchelsea Island Local Trust Committee (BW LTC) held no regular business meetings in the 2025/26 fiscal year.

There was no project work undertaken for this period.

From April 1, 2025 to March 31, 2026, the BW LTC received no applications or referrals.

Bowen Island Municipality

Bowen Island has been a member of Islands Trust since its inception in 1974, and is the only municipality within the federation. When Bowen Island residents voted to become a municipality in 1999, it was contingent on remaining part of Islands Trust. As a result, Bowen Island continues to benefit from the "preserve and protect" mandate set out in the *Islands Trust Act*. Two municipal trustees represent Bowen Island on the 26-member Islands Trust Council, which meets quarterly to discuss and act on matters affecting the 450+ islands in the Islands Trust Area. Bowen Island remains a valued part of the federation.

Islands Trust ensures that growth and land use changes are done in a manner that respects the preserve and protect mandate. To uphold the mandate, the Islands Trust Executive Committee reviews all Bowen Island Municipality Official Community Plan (OCP) bylaws and amendments, and may provide comments on non-OCP bylaws that reference matters included in the Islands Trust Policy Statement. During 2025/26, Islands Trust Executive Committee provided referral comments on five Bowen Island official community plan, land use bylaw, and other bylaw amendments.

Bowen Island contributes to the costs of shared Islands Trust services and programs such as educational workshops, advocacy on key issues affecting island communities, ecosystem and groundwater mapping, and support for inter-governmental coordination. Bowen Island also contributes to the Islands Trust Conservancy, which conserves 115 special island properties, including Bowen Island's David Otter, Fairy Fen, and Singing Woods Nature Reserves. Bowen Island Municipality does not contribute to Islands Trust's land use planning or bylaw enforcement services.

Bowen Island Municipality Councillors Sue Ellen Fast and Judith Gedye are the current Bowen Island Municipality trustees on Islands Trust Council. Bowen Island Municipality produces its own annual report.

Denman Island Local Trust Committee

The Denman Island Local Trust Committee (Denman LTC) held five regular business meetings in the 2025/26 fiscal year, as well as one Community Information Meeting, two special meetings and one public hearing.

Work for this period focused on advancing the Denman LTC priorities related to updating the Official Community Plan (OCP) and Land Use Bylaw (LUB), with particular attention to housing policy and First Nations acknowledgment.

Denman LTC advanced these priorities through the following key project:

- Denman Housing Review Project, which included drafting bylaws and progressing policy and regulatory amendments to address local housing needs. Community engagement was conducted to gather input and guide ongoing development of these policies

From April 1, 2025 to March 31, 2026, the Denman LTC received and considered applications for two development variance permits, three development permits, no liquor and cannabis board referrals, two bylaw amendment applications, and one temporary use permit.

During the same time period staff also reviewed four subdivision referrals.

Another initiative of the Denman LTC for this period was relationship building with the K'omoks First Nation. As part of this process, the Denman LTC reviewed an engagement summary report and began considering the implementation of First Nation recommendations to inform updates to the OCP and LUB.

Gabriola Island Local Trust Committee

The Gabriola Island Local Trust Committee (Gabriola LTC) held eight regular business meetings in the 2025/26 fiscal year, as well as three Community Information Meetings, four special meetings, and two public hearings.

Work for this period focused on advancing the Gabriola Island LTC priorities to:

- Engage with the community and the Snuneymuxw First Nation about key land use topics such as connectivity, environmental protection, cultural heritage, climate change, housing, and economy
- Develop draft policies that reflect community input, in particular related to balancing the housing needs of the island with environmental values
- Move towards freshwater sustainability on Gabriola Island through completion of the Freshwater Footprint Gabriola Case Study report

Gabriola LTC advanced these priorities through the following key project:

- The Gabriola Official Community Plan and Land Use Bylaw Review Project

From April 1, 2025 to March 31, 2026, the Gabriola LTC considered applications for two development variance permits, three development permits, two bylaw amendment applications, and two temporary use permits.

During the same time period staff also reviewed 61 building permit referrals, one crown lease referral, and one subdivision referral.

Galiano Island Local Trust Committee

The Galiano Island Local Trust Committee (GL LTC) held seven regular business meetings in the 2025/26 fiscal year, as well as three Community Information Meetings, one special meeting, and two public hearings.

Work for this period focused on advancing the GL LTC priority to protect freshwater. The GL LTC advanced this priority through completing its Freshwater Project to update its groundwater protection development area, updating its Official Community Plan (OCP) policies, and implementing new subdivision servicing regulations.

The GL LTC also initiated a project to review zoning regulations for the smaller islands and water access-only areas. Finally, the GL LTC undertook preliminary work to prepare for an OCP Review.

From April 1, 2025 to March 31, 2026, the GL LTC adopted the following bylaws:

- Bylaw No. 283, which amended OCP policies and a development permit area for groundwater protection
- Bylaw No. 284, which implemented updated subdivision servicing regulations
- Bylaw No. 298, which repealed the GL LTC's meeting procedure bylaw to replace it with the Islands Trust Council bylaw
- Bylaw No. 299, which was adopted to provide an alternative means of publishing a public notice

From April 1, 2025 to March 31, 2026, the GL LTC received and considered applications for three development variance permits, four bylaw amendment applications, and two temporary use permits.

During the same time period, staff also reviewed 13 building permit referrals, one crown lease referral, four delegated development permits, and one Board of Variance appeal.

Another initiative of the GL LTC for this period was its ongoing relationship building with the Penelakut First Nation.

Gambier Island Local Trust Committee

The Gambier Island Local Trust Committee (GM LTC) held four regular business meetings in the 2025/26 fiscal year, as well as one Community Information Meeting, and one public hearing.

Work for this period focused on advancing the GM LTC priorities to advance Reconciliation and incorporate Squamish First Nation perspectives in planning policy. The GM LTC reviewed recommendations from Squamish Nation on the Gambier Island Official Community Plan (OCP) and Land Use Bylaw (LUB) and directed planning staff to prepare draft bylaw language to amend the OCP. The amendments will include Squamish Nation language references, land acknowledgment, commitments to Reconciliation and recognize the impacts of existing settlement patterns on First Nations rights and title.

From April 1, 2025 to March 31, 2026, the GM LTC adopted the following bylaws:

- Bylaw No. 153, which amended the Keats Island OCP to designate nearshore upland and marine areas as a Shoreline Development Permit Area for the purpose of protecting the natural environment, ecosystems and biodiversity, and to protect development from hazardous conditions

PHOTO: CARLIE ASTON

- Bylaw No. 154, which amended the Keats Island LUB to include limits to the size and type of structures exempted from the setback from the natural boundary of the sea and updates to the marine structure regulations.

From April 1, 2025 to March 31, 2026, the GM LTC received and considered applications for five development variance permits, and two development permits.

During the same time period, staff also reviewed 12 building permit referrals.

Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee (Hornby LTC) held five regular business meetings in the 2025/26 fiscal year, as well as one Community Information Meeting, and two special meetings, and no public hearings.

Work for this period focused on advancing the Hornby LTC priorities to address short term vacation rentals and housing amendments through the major OCP/LUB Review Project.

From April 1, 2025 to March 31, 2026, the Hornby LTC adopted the following bylaws:

- Bylaw No. 178, which authorized a Housing Agreement in agreement with the Hornby Island Housing Society
- Bylaw No. 175, which amended the Hornby Island LTC Bylaw Notification bylaw

From April 1, 2025 to March 31, 2026, the Hornby LTC received and considered applications for one development variance permit, one development permit, no liquor and cannabis board referrals, one bylaw amendment application, 18 Siting and Use Permits, and one temporary use permit.

During the same time period staff also processed one subdivision referral.

Another initiative of the Hornby LTC for this period was participating in a joint meeting with the Denman LTC and K'omoks First Nation Chief and Council.

Lasqueti Island Local Trust Committee

The Lasqueti Island Local Trust Committee (Lasqueti LTC) held five regular business meetings in the 2025/26 fiscal year, as well as one Community Information Meeting. There were no special meetings or public hearings.

Work for this period focused on advancing the Lasqueti Island LTC priorities to update its Land Use Bylaw, to preserve and protect the Lasqueti Island Local Trust Area and its unique amenities and environment.

Lasqueti LTC advanced these priorities through a project to amend the Lasqueti Island Land Use Bylaw. The proposed bylaw amendment would increase the minimum lot area for subdivision in Subdivision District A from 4 hectares to 4.05 hectares.

From April 1, 2025 to March 31, 2026, the Lasqueti Island LTC considered one bylaw amendment application.

During the same time period staff also reviewed one crown lease referral.

Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee (MA LTC) held six regular business meetings in the 2025/26 fiscal year, three Community Information Meetings, and two public hearings.

Work for this period focused on advancing the MA LTC housing priority. The MA LTC made substantial advancements in its Housing Options project to amend its policies and zoning to facilitate greater opportunities for suites, accessory dwelling units, not-for-profit housing, and other alternative housing approaches.

From April 1, 2025 to March 31, 2026, the MA LTC adopted the following bylaws:

- Bylaw No. 198, which repealed the MA LTC's meeting procedure bylaw to replace it with the Islands Trust Council bylaw
- Bylaw No. 199, which was adopted to provide an alternative means of publishing a public notice

From April 1, 2025 to March 31, 2026, the MA LTC received and considered applications for four development variance permits, two bylaw amendment applications, and three temporary use permits.

During the same time period, staff also reviewed 16 building permit referrals, one crown lease referral, and one subdivision.

North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee (NP LTC) held six regular business meetings in the 2025/26 fiscal year, two special meetings, three Community Information Meetings, and two public hearings.

Work for this period focused on advancing the NP LTC priorities of housing and updating its Raptor Nest development permit area (DPA). The NP LTC advanced these priorities through completing its Raptor Nest DPA project and by reviewing its policies and zoning to facilitate greater opportunities for suites, accessory dwelling units, not-for-profit housing, and other alternative housing approaches.

From April 1, 2025 to March 31, 2026, the NP LTC adopted the following bylaws:

- Bylaw No. 230 to update its Bylaw Enforcement Notification Bylaw
- Bylaw No. 238, which repealed the NP LTC's meeting procedure bylaw to replace it with the Islands Trust Council bylaw
- Bylaw No. 239, which was adopted to provide an alternative means of publishing a public notice

From April 1, 2025 to March 31, 2026, the NP LTC received and considered applications for four development variance permits, six development permits, two bylaw amendment applications, and three temporary use permits.

During the same time period, staff also reviewed 35 building permit referrals and two crown lease referrals.

Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee (SS LTC) held ten regular business meetings in the 2025/26 fiscal year, as well as three Community Information Meetings, three special meetings, and two public hearings.

Work for this period focused on advancing the SS LTC priorities to diversify housing options on the island and improve relationships with Indigenous Governing Bodies through the ongoing OCP-LUB project, and improve delivery of planning applications.

From April 1, 2025 to March 31, 2026, the SS LTC adopted the following bylaws:

- Bylaw No. 540, which repealed Bylaw No. 447, a Housing Agreement at 548 Rainbow Road to create other opportunities on the site

PHOTO: K. MAYES

- Bylaw No. 541, which rezoned 200 Collins Road to the R(f) zone to allow the owners to retain the original dwelling upon construction of a new dwelling
- Bylaw No. 542, which rezoned 101 Bittencourt Road to the R1(c) to allow for the development of multi-unit housing
- Bylaw No. 543, which rezoned 210 and 220 Kanaka Road to the CF3 zone to allow the Capital Regional District to use the site as a public works facility
- Bylaw No. 544 which changed the OCP designation of 248 Upper Ganges Road to the Non-Village Commercial and General Employment land use designation, thereby bringing the property into conformance with the OCP
- Bylaw No. 545, which rezoned 248 Upper Ganges to the GE3(b) zone, bringing the property into conformance with the LUB
- Bylaw No. 549, which rezoned 154 King's Lane to the R13 zone to allow for a development proposal for up to 50 units of affordable housing and a medical clinic

From April 1, 2025 to March 31, 2026, the SS LTC received applications for 18 development variance permits, 19 development permits, nine bylaw amendment applications, and three temporary use permits.

During the same time period staff also reviewed 123 building permit referrals, four crown lease referrals, and four subdivision referrals.

Another initiative of the SS LTC for this period was relationship building with the SȾÁUTW̱ (Tsawout) First Nation. As part of this process, the Salt Spring LTC trustees and staff participated in a feast to celebrate culture, hear from leadership, and to build relations. Engaging with SȾÁUTW̱ (Tsawout) First Nation continues with a working group and open communication.

Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee (SA LTC) held three regular business meetings in the 2025/26 fiscal year, and two Community Information Meetings.

Work for this period focused on advancing the SA LTC's housing priority. The SA LTC completed its review of its zoning to facilitate greater opportunities for secondary suites. The SA LTC also modernized and updated its bylaw enforcement policies and governing bylaws through community input.

The SA LTC also worked with Nature Trust of BC and BC Parks Foundation to preserve 163.4 hectares of critical ecosystems on Saturna Island in perpetuity.

From April 1, 2025 to March 31, 2026, the SA LTC adopted the following bylaws:

- Bylaw No. 144, which repealed the SA LTC's meeting procedure bylaw to replace it with the Islands Trust Council bylaw
- Bylaw No. 145, which was adopted to provide an alternative means of publishing a public notice

From April 1, 2025 to March 31, 2026, the SA LTC received and considered applications for one development variance permit, and one development permit.

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

South Pender Local Trust Committee

The South Pender Island Local Trust Committee (SP LTC) held two regular business meetings in the 2025/26 fiscal year, one Community Information Meeting, two special meetings, and one public hearing.

Work for this period focused on advancing the SP LTC's targeted review of its Land Use Bylaw. The SP LTC has advanced this priority by completing its review of zoning regulations.

From April 1, 2025 to March 31, 2026, the SP LTC adopted the following bylaws:

- Bylaw No. 130, which repealed the SP LTC's meeting procedure bylaw to replace it with the Islands Trust Council bylaw

From April 1, 2025 to March 31, 2026, the SP LTC received and considered applications for two development variance permits, and two temporary use permits (including one renewal).

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

Thetis Island Local Trust Committee

The Thetis Island Local Trust Committee (Thetis LTC) held four regular business meetings in the 2025/26 fiscal year, as well as 1 Community Information Meeting, no special meetings and no public hearings.

Work for this period focused on advancing the Thetis LTC priorities to amend its Land Use Bylaw to update rainwater storage requirements for new developments, and key site regulations and a definition for derelict vehicles.

From April 1, 2025 to March 31, 2026, the Thetis LTC received and considered applications for 1 development variance permit, no development permits, no liquor and cannabis board referrals, no bylaw amendment applications, and no temporary use permits. During the same time period staff also reviewed three building permit referrals, no crown lease referrals, and no subdivision referrals.

Legislative Services—Administrative Fairness and Freedom of Information

The Director of Legislative and Information Services is responsible for the planning, coordination, and control of various functions necessary to carry out the legislative obligations of Islands Trust's 15 corporate bodies.

Legislative Services delivers services to Islands Trust bodies, staff, and the public by providing advice, support, and recommendations on statutory, procedural, or privacy matters. As part of this service, the Director is appointed by Trust Council as Secretary (Corporate Officer), appointed by each Islands Trust body as Head under the Freedom of Information and Protection of Privacy Act, and coordinates elections and by-elections. Legislative Services also oversees the orientation of elected officials and staff training regarding legislative and administrative matters, including administering oaths of office and employment, ensuring understanding of obligations under the Freedom of Information and Protection of Privacy Act and the Financial Disclosure Act. Legislative and Information Services staff also manage and administer insurance through the Municipal Insurance Association of British Columbia, and manage legal advice.

Islands Trust policy requires the reporting of the number of administrative fairness complaints received each year. There were five complaints received during the 2025/26 fiscal period.

During this same fiscal year, Islands Trust received 38 requests for records under the *Freedom of Information and Protection of Privacy Act*. This included 16 from the Salt Spring Island Local Trust Area, 10 from the Lasqueti Island Local Trust Area, three each from the Gabriola Island and the Mayne Island Local Trust Areas, two each from the Saturna Island and Thetis Island Local Trust Areas, and one each from the Hornby Island and North Pender Island Local Trust Areas.

Bylaw Compliance and Enforcement

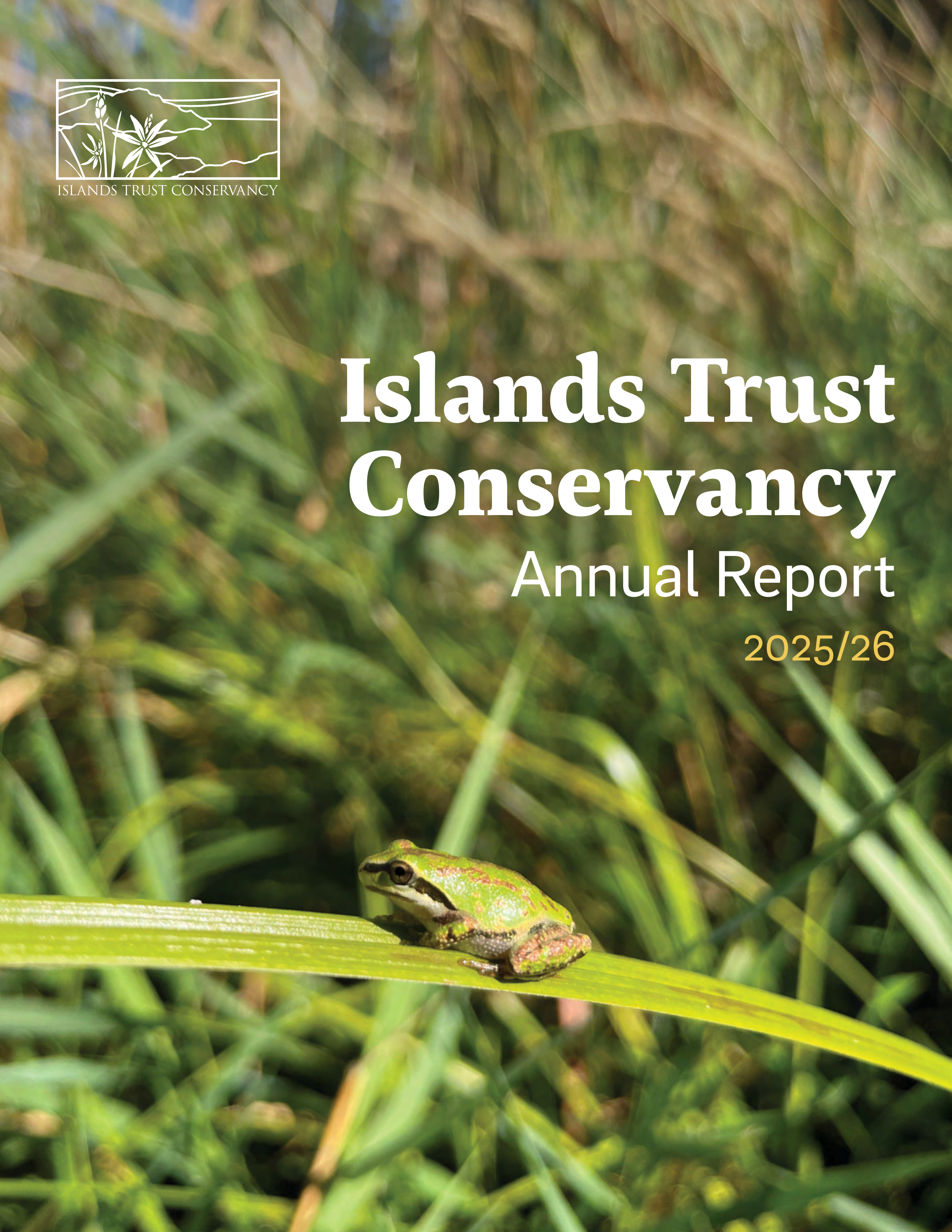
The Islands Trust Bylaw Compliance and Enforcement team processed 177 new files for 2025, and closed 106 files. With 672 files open at the end of 2025, there remained a high volume of work.

Several local trust areas have authorized proactive enforcement against unlawful rentals that limit the availability of housing supply. This proactive enforcement continued to dominate the workload.

Islands Trust Council approved updated bylaw compliance and enforcement policies and procedures, including Bylaw Compliance and Enforcement Policy 5.5.1 and a Bylaw Compliance & Enforcement Best Practices Manual. These updates align Islands Trust Council policy with recommendations from a 2023 report from the Office of the Ombudsperson and include the development of a plain-language guide to help the public better understand bylaw requirements and the enforcement process.

The Bylaw Compliance and Enforcement team received increased complaints related to the placement of mooring buoys by non-residents, as well as the use of vessels as long-term residences, commonly referred to as liveaboards, which is not a permitted use under current regulations. The waters of the Islands Trust Area include numerous environmentally sensitive areas, and concerns have been raised regarding the management and disposal of waste from the many vessels used as long-term residences.

ISLANDS TRUST CONSERVANCY



Islands Trust Conservancy

Annual Report

2025/26

Reconciliation Declaration

Islands Trust Conservancy acknowledges that the lands and waters that encompass the Salish Sea have been home to Indigenous Peoples since time immemorial. We recognize that we are all intertwined in the ecosystems that are the lands, waters, culture, and ecology that embody this place.

Islands Trust Conservancy will strive to create opportunities for knowledge-sharing, understanding, and collaboration as people come together to preserve and protect the special nature of the islands in the Salish Sea.

Islands Trust Conservancy is committed to the protection and preservation of this place through processes that respect and honour Reconciliation and mutually respectful relationships with Coast Salish Indigenous Peoples. We express our recognition for the past, present, and future stewardship and knowledge that has been shared by Indigenous Peoples and are humbled and grateful.

COVER PHOTO: CARLIE ASTON

About the Islands Trust Conservancy

The Islands Trust Conservancy was established by the Government of British Columbia in 1990 as the conservation arm of Islands Trust. For the purposes of carrying out the preserve and protect mandate of Islands Trust, under a trust fund plan approved by the Minister, Islands Trust Conservancy is responsible for receiving money, grants and other property and acquiring, holding and, if necessary, disposing of land and other property.

As a land trust, the Islands Trust Conservancy is dedicated to preserving and protecting the fragile ecosystems throughout the Salish Sea within the Islands Trust Area, which lies between the mainland of British Columbia and Vancouver Island and includes the Átl'ka7tsem/Howe Sound area. This region covers over 450 islands and inlets and supports ecologically rich landscapes, archaeological and cultural sites of significance, and a high diversity of ecosystems and species, many of which are endangered or at risk of becoming endangered.

The mission of the Islands Trust Conservancy is to protect these landscapes by encouraging, undertaking, and supporting voluntary conservation initiatives across the region. Conservation is advanced through collaboration with private landholders and donors, local conservancies, environmental organizations, charitable foundations, academic institutions, businesses, First Nations, and all levels of government.

Learn more about the Islands Trust Conservancy.

The United Nations and governments of Canada and British Columbia have set a target of protecting 30% of lands, waters and oceans by 2030. Scientific consensus indicates that achieving this target is critical to slowing biodiversity loss and addressing the climate change crisis.

PHOTO: CARLIE ASTON

Approach to Conservation

The Islands Trust Conservancy's mission is to protect and preserve. Conservation across the Islands Trust Area is advanced through the following actions:

Voluntary land protection: Collaboration with landholders supports the protection of ecologically significant lands through generous donations, acquisition campaigns, and conservation covenants. Lands acquired or donated are established and managed as nature reserves. Conservation covenants on privately held lands are registered on title, protecting ecological values in perpetuity while remaining in private ownership.

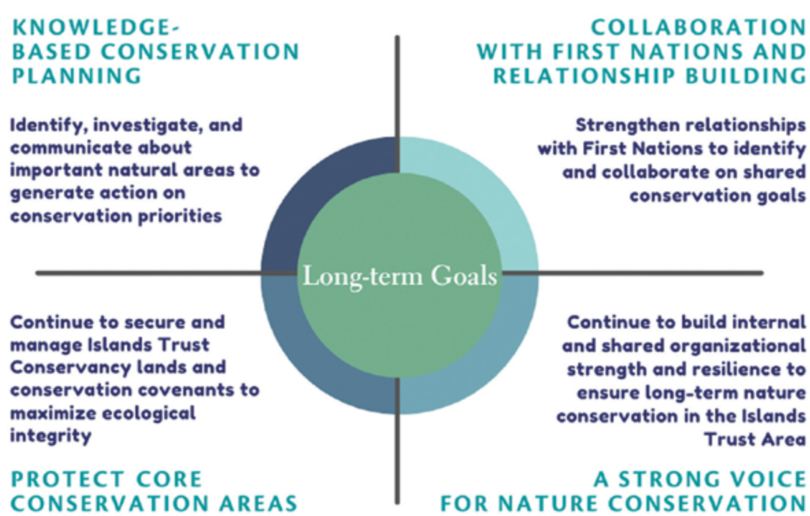
Stewardship and restoration: Sensitive ecosystems, and habitat for species at risk are monitored and restored in collaboration with conservation partners, island communities, scientific experts and Indigenous knowledge holders, supporting ecosystem resilience and recovery.

Strategic conservation funding: Financial support is available to conservation-related projects in the Islands Trust Area through the Opportunity Fund granting program, providing opportunities to support and enhance land conservation across the islands in the Salish Sea. The Opportunity Fund is sustained by generous donors.

Priority areas identification: The use of available data and conservation planning tools informs the identification of priority areas to protect, maximizing efforts to address biodiversity loss and climate change impacts.

Commitment to Reconciliation: Capacity is being developed to support meaningful relationships with First Nations, with a focus on conservation approaches that respect Indigenous knowledge systems and cultural and spiritual practices and align with the Truth and Reconciliation Commission of Canada Calls to Action.

Read more about Islands Trust Conservancy's Regional Conservation Plan.



Governance—Islands Trust Conservancy Board of Directors

The Islands Trust Conservancy Board is composed of six trustees: three members are elected from within Islands Trust (two elected by Islands Trust Council from its membership and one elected from the Executive Committee), and three members are appointed by the Minister of Housing and Municipal Affairs.

2025/26 Islands Trust Conservancy Board Members

Lisa Gauvreau—Elected Board Chair (January 2025–current)
Board member since July 2023

Tanner Timothy | nənqəm—Appointed Vice Chair (January 2025–current)
Board member since August 2024

Susan Yates—Elected Member
Board member since December 2022

Tobi Elliott—Elected Executive Committee Representative
Board member since December 2022

Dr. Risa Smith—Appointed Member
Board member since August 2021

Jeannine Georgeson—Appointed Member
Board Member since July 2025

Message from Lisa Gauvreau, Islands Trust Conservancy Board Chair

This past year, Islands Trust Conservancy celebrated its 35th anniversary in collaboration with the landholders, donors, board members, partners, and community members that make our work possible. Islands Trust Conservancy highlighted this momentous year through various methods, including the Heron newsletter, a celebration at the Islands Trust Council quarterly meeting on Salt Spring Island in June, and the launch of a new blog on the ITC website, titled the *Islands Trust Conservancy Journal*. In June 2025, ITC received a significant donation of more than $1.16 million from an anonymous donor, provided through the ShorePeakGEN Fund, held at Vancouver Foundation. ITC was honoured to receive such a generous donation and anniversary gift to support the continued protection of the islands.

Conservation highlights for 2025 include:

- Continued work to register active NAPTEP applications with landholders with **Environment and Climate Change Canada's Ecological Gifts Program**
- Received two new NAPTEP covenants conservation proposal applications

Land stewardship highlights:

- Development of a spatial database of over 1,500 species at risk observations at ITC protected areas, from the 1970's to today
- Initiated new restoration projects for ecosystem enhancement in conservation covenants on North Pender and Saturna islands
- Maintained and monitored established restoration projects, including wetlands on Lasqueti Island and a Garry oak meadow on Salt Spring Island
- Collaborating with First Nations to conduct archaeological assessments for Link Island Nature Reserve and Saturnina Island Nature Reserve in the Gabriola Island Local Trust Area
- Rare plant surveys on an island protected under a conservation covenant in the North Pender Local Trust Area that identified two species at risk, one of which was a new observation on that island

This year also marked the sixth year of the Species at Risk (SAR) Program, initiated and supported by the Priority Places funding from Environment and Climate Change Canada (ECCC) since 2020. Although this foundational funding stream concluded at the end of March 2026, the SAR Program will continue to implement priority actions to support the protection and recovery of the most vulnerable species in the Islands Trust Area. This year, the SAR Program continued surveying, monitoring, and restoring habitat for species at risk with a focus on Sharp-tailed Snake, Western Screech-Owl *kennicottii* subspecies, Coastal Tailed Frog and coastal Scouler's catchfly.

A significant accomplishment for ITC was finalization of a section 11 Conservation Agreement with ECCC under the *Species at Risk Act* of Canada. This voluntary agreement, to be signed in early 2026/27 will strengthen the support for species at risk and their habitats, and provide ITC the opportunity to continue collaborating with ECCC and complements other conservation tools, such as conservation covenants, by supporting coordinated and adaptive approaches to species recovery.

The Islands Trust Conservancy delivered an education presentation on species at risk through a Stewardship Education webinar for Islands Trust Area residents. We also hosted informational sessions for Islands Trust Council, ITC Board members, and the Regional Planning Committee focused on species at risk and critical habitat in the Islands Trust Area.

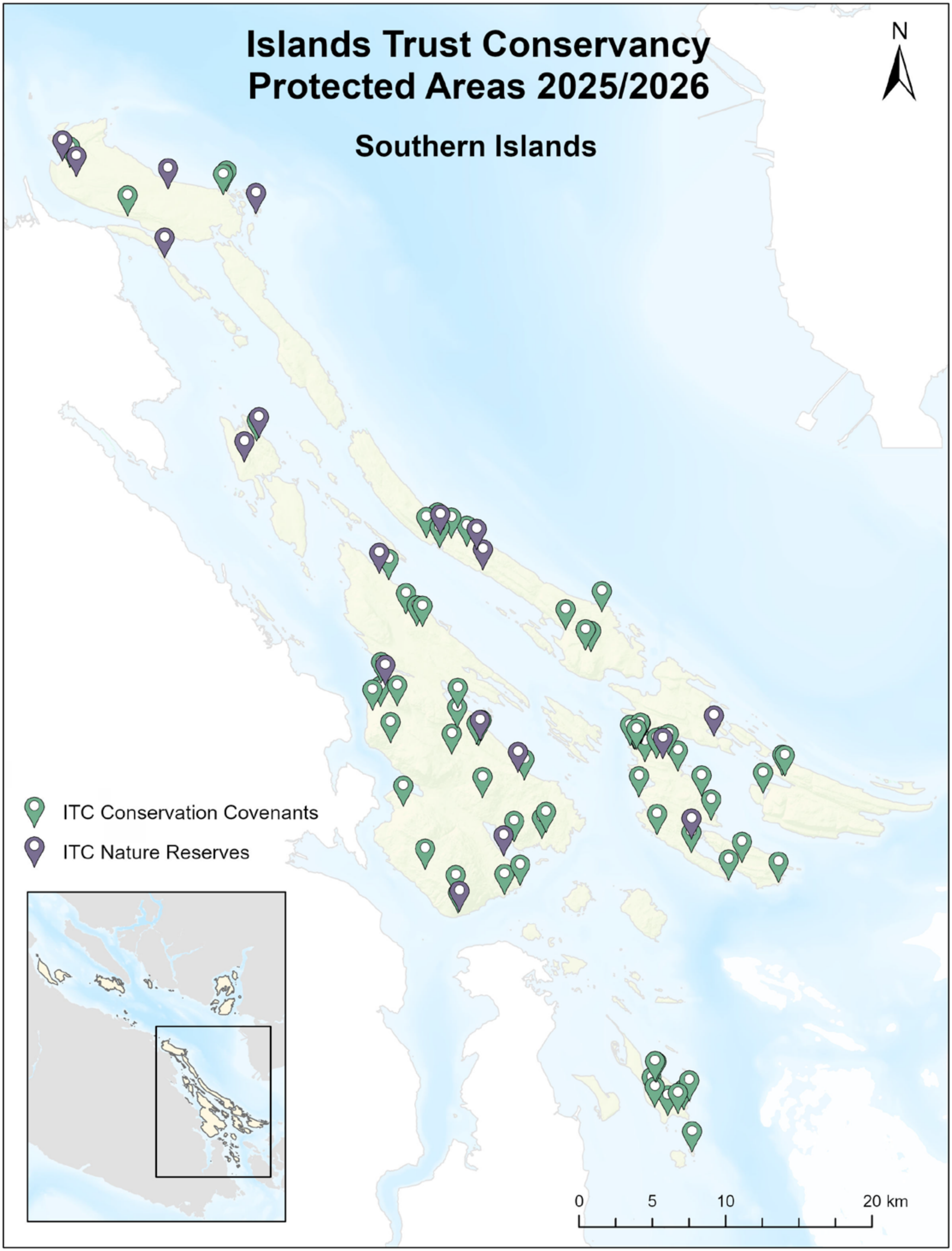
Changes to the ITC Board occurred in 2025. Charles Kahn stepped down from his role as provincially appointed board member. Jeannine Georgeson was welcomed in July 2025 as the new provincially appointed board member. Returning board members include Vice-Chair, Tanner Timothy | nənqəm, Dr. Risa Smith, Tobi Elliott, Susan Yates, and myself (Lisa Gauvreau) as Chair.

Our Board is passionate and committed to the Islands Trust Conservancy mandate through thoughtful discussions and decisions that further our mission and community and we will continue to draw on the dedication of staff and the strength of communities across the Islands Trust Area to advance the mission of preserving and protecting these unique islands.

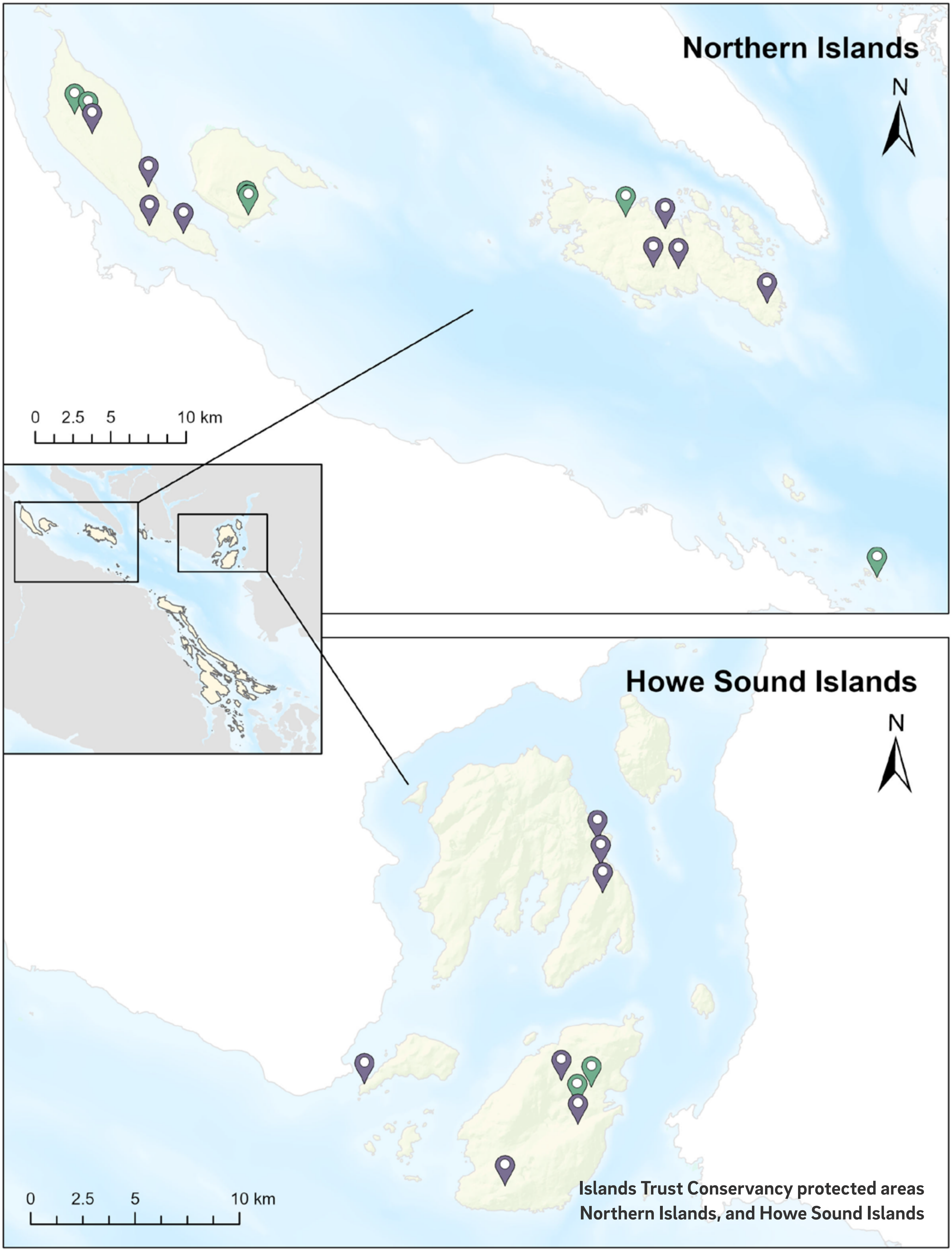
I'm looking forward to continuing to witness, and be a part of, the deep care and community-mindedness that drives conservation in the Islands Trust Area.

Sincerely,

Lisa Gauvreau
ITC Board Chair



Islands Trust Conservancy
Protected Areas 2025/2026
Southern Islands
N
ITC Conservation Covenants
ITC Nature Reserves
0
5
10
20 km



Islands Trust Conservancy protected areas
Northern Islands, and Howe Sound Islands

Program Highlights 2025/2026

Islands Trust Conservancy's Five-year Plan

Under the *Islands Trust Act*, Islands Trust Conservancy is required to submit a new Conservation Plan every five years to the Minister of Housing and Municipal Affairs for approval. The overall objective of the Five-year Plan is to set policies respecting:

a. The acquisition, management and disposal of property of the Conservancy

b. The investment of money of the Conservancy

c. Goals for major acquisitions of property by the Conservancy

Currently, the Islands Trust Conservancy is working without an active Five-year Plan. The interim plan submitted to the Minister in 2022 was not approved. The Minister requested that the Conservancy focus on taking the time necessary to engage with First Nations to develop a new five-year plan.

The next Five-year Plan (2028–2032) is scheduled to be submitted to the Minister for approval in December 2027. Based on the requirement under the *Islands Trust Act* to submit a plan at least every five years, Ministerial direction, and the commitments of the Board, there is a need to undertake development of the 2028–2032 Plan through cooperative engagement with First Nations. Based on previous input from First Nations, the project design is designed to be implemented in three phases:

- Phase One: Preparation Phase (Early 2026)
    - Process Set Up and Information Exchange
- Phase Two: Engagement Phase (mid 2026–mid 2027)
    - Draft and Review the Five-Year Plan
- Phase Three: Post Engagement (late 2027/2028)
    - Submission and Approval

This year, ITC launched Phase 1, which involved sending letters to all of the First Nations in the region and hosting an information session to provide an overview of the proposed plan process. All First Nations in the Islands Trust Area were invited to the virtual information session to inform them about the Conservancy's Five-year Plan, answer questions and enquire as to how they would like to participate in the development of the next plan. The Conservancy received positive feedback from the First Nations that attended the session. The willingness of the First Nations representatives to share their time and expertise was sincerely appreciated.

A Five-year Plan logic model and work plan were developed to ensure the engagement processes with First Nations was strategically and respectfully organized. In addition, the project charter was updated to reflect a more innovative and respectful approach to engagement. Islands Trust Conservancy is currently reviewing policies and is planning to launch a policy renovation project in 2026/27 to ensure that the colonial roots of conservation within older policies are re-envisioned in collaboration with First Nations.

Phase 2 is set to be launched at the beginning of next fiscal year, including staff-to-staff meetings with First Nations and developing principled guidelines in cooperation with interested First Nations. The Conservancy is also looking at opportunities for collaboration with First Nations on the land.

The Conservancy will continue to provide updates to all the First Nations and local conservation partners in the Islands Trust Area as it progresses through the development of the Plan.

Read more about the Conservancy's Five-year Plan.

Land Conservation—Nature's Future

Islands Trust Conservancy is committed to increasing the number and extent of protected areas in the Islands Trust Area for the benefit of all species living in the Salish Sea. The Conservancy does this through the establishment of nature reserves and conservation covenants.

2025/26 Islands Trust Conservancy's Nature Reserves

Nature Reserves are established through voluntary conservation actions such as donations of land or financial gifts. Each property is protected in perpetuity to ensure the ecological integrity of the protected area is never lost. Islands Trust Conservancy nature reserves have detailed management plans that strive to maintain or enhance the natural features special to the property. The priority is to preserve and protect the natural ecosystems and the cultural and natural values of each site. Typical management activities include species at risk monitoring and protection, invasive species removal, and restoration of disturbed areas. Islands Trust Conservancy has partnerships with local island conservancies to help carry out management activities in each nature reserve.

No new nature reserves were acquired in 2025/26.

2025/26 NAPTEP Conservation Covenants

Conservation Covenants are voluntary legal agreements with landholders to protect ecologically significant values on privately held lands that are designed to last in perpetuity. Protected areas are important for safeguarding areas of cultural and biological richness, and for creating corridors that allow for the movement of wildlife and the conservation of unique ecosystems. Species and ecosystems living in protected areas benefit people as well by providing clean water and air, offering resilience against the effects of climate change, and improving social, spiritual, and mental wellbeing.

Islands Trust Conservancy manages the Natural Area Protection Tax Exemption Program (NAPTEP) on behalf of Islands Trust Council. NAPTEP Certification provides qualified island landholders with an annual 65% property tax reduction on the portion of their land that is protected by a conservation covenant. This incentive is unique to the Islands Trust Area.

This year, Islands Trust Conservancy continued working with landholders on North Pender Island and Salt Spring Island with active

Celebrating the registration of the Koontz NAPTEP Covenant, Gabriola Island. Photo by Islands Trust Conservancy

NAPTEP applications to register for additional protection through Environment and Climate Change Canada's Ecological Gifts Program. ITC staff spoke with interested landholders on Salt Spring Island, Mayne Island, North Pender Island, Galiano Island, and Saturna Island about conservation options. Two of those landholders have already submitted conservation proposals for NAPTEP covenants. In addition, ITC updated its NAPTEP applications forms and procedures to incorporate engagement with First Nations. No new covenants were registered in the 2025/26 fiscal year.

As Canada and British Columbia work towards protecting 30% of habitat by 2030, Islands Trust Conservancy is committed to the protection and preservation of biodiversity in the Islands Trust Area through processes that respect and honour Reconciliation and mutually respectful relationships with First Nations.

The Conservancy was pleased to hold a celebration for the registration of the Koontz Natural Areas Protection Tax Exemption Program (NAPTEP) Covenant on Gabriola Island.

Read more about conservation covenants.

Caring for the Land—A Shared Responsibility

Islands Trust Conservancy oversees the management of 34 nature reserves, and supports the stewardship of the 81 private properties on which it holds conservation covenants. This commitment involves regular monitoring and land stewardship activities in accordance with management plans and conservation covenant agreements that identify long-term conservation and restoration goals. Monitoring is completed in nature reserves and conservation covenants on an annual basis for compliance, recreational issues, and ecological stewardship. Stewardship needs and opportunities are evaluated annually for habitat enhancement for species at risk and improving and maintaining the ecosystem health of the protected area.

In 2025/26, Islands Trust Conservancy engaged in the following land management activities in partnership with local conservancies, First Nations, contractors, landholders and volunteers:

- Annual monitoring visits to all 34 ITC nature reserves to collaborate with management partners and evaluate management needs into the future
- Annual monitoring of all 81 Islands Trust Conservancy-held conservation covenants to maintain relationships with landholders and covenant co-holders, to ensure compliance with the terms of covenant agreements, and to assess priority stewardship needs
- Began archaeological assessments for Link Island Nature Reserve and Saturnina Island Nature Reserve in the Gabriola Island Local Trust Area
- Habitat restoration and management including working with community and conservation partners on:
    - › Managing a variety of invasive species across Islands Trust Conservancy nature reserves and conservation covenants
    - › Initiating new restoration projects for ecosystem enhancement in conservation covenants on North Pender and Saturna Islands
    - › Maintaining and monitoring established restoration projects, including wetlands on Lasqueti Island and a Garry oak meadow on Mount Tuam on Salt Spring Island
    - › Installing additional artificial cover objects on conservation covenant lands to expand the area of suitable habitat that ITC monitors for the federally threatened Sharp-tailed Snake

ITC's Team Lead, Protected Areas Management Program, with Habitat Acquisition Trust's Restoration Crew enhancing habitat at a conservation covenant on North Pender Island. Photo by Islands Trust Conservancy

- Advocating for the expansion of species at risk habitat protections in a regional park protected by an Islands Trust Conservancy conservation covenant
- Rare plant surveys on a small, covenanted island in the North Pender Local Trust Area
- Creation of signage for education, management, and safety at nature reserves

Species at Risk Program—Protecting and Supporting the Recovery of Species at Risk

The goal of Islands Trust Conservancy's Species at Risk Program is to facilitate research and action for the protection and recovery of species and ecosystems at risk in the Islands Trust Area, and to ensure that species at risk maintain healthy populations. ITC works toward this goal by implementing species-specific recommended management activities, published in federal and provincial recovery documents, in compliance with the federal *Species at Risk Act*. Recovery actions can include research (surveys, monitoring and mapping), habitat protection (establishment of protected areas), habitat restoration (e.g., invasive species control, nest box installation, planting) and community engagement (e.g., webinars, publications, and community-based conservation activities).

Highlights this year include:

- Completing the sixth year of the Species at Risk Program, supported by Priority Places funding from Environment and Climate Change Canada (ECCC). Although this funding stream has now concluded, the Protected Areas Management team will continue to implement priority actions to support the protection and recovery of the most vulnerable species in the Islands Trust Area
- Finalizing a five-year Conservation Agreement between ITC and ECCC under the Species at Risk Act of Canada, a collaborative framework for ongoing work
- Developing a spatial database of over 1,500 species at risk observations at ITC Protected Areas, from the 1970's to today
- Conducting surveys and monitoring at 12 Islands Trust Conservancy protected areas for three focal species at risk:
    - › Sharp-tailed Snake Pacific Coast population (under review)
    - › Western Screech-Owl *kennicottii* subspecies (threatened)
    - › Coastal Tailed Frog (special concern)
- Delivering three presentations focused on species at risk including informational sessions for trustees and staff including Trust Council, Islands Trust Conservancy Board, and the Regional Planning Committee

- Presenting in a Stewardship Education webinar for Islands Trust Area residents hosted by Trust Programs Committee
- Propagating Coastal Scouler's Catchfly (endangered) plants from seed, for augmentation of a population at Mount Tuam Protected Area, on Salt Spring Island
- Supporting and collaborating with nine local island conservancies to conduct species at risk monitoring and habitat restoration activities on ITC protected areas

Read more about our Species at Risk Program.

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

Environment and Climate Change Canada Environnement et Changement climatique Canada

Partnerships, Collaborations, and Supporters—Working with Others

The Islands Trust Conservancy cannot accomplish its mission alone. Working with others helps Islands Trust Conservancy effectively achieve its goals. ITC is grateful to be able to collaborate with so many trustees, community members, First Nations, agencies, and conservation groups.

In 2025/26, collaborations included:

- Collaborating with federal and provincial agencies on management of species at risk and habitat in the Mount Tuam Special Management Area
- Updating protected-area mapping for the region, which contributes to the British Columbia Non-Governmental Organization Conservation Areas Database
- Sharing spatial and other data including mapping of eelgrass beds, bull kelp beds, sensitive ecosystems, species at risk, and protected areas with First Nations, local conservancies, community organizations, researchers, and all levels of government
- Ongoing participation in the:
    - Coastal Douglas-fir Conservation Partnership (CDFCP) to prioritize high biodiversity areas and develop resources to support conservation

    - Capital Regional District's Invasive Species Partnership (CRISP) to contribute and keep up to date on priority invasive species and best management practices for our protected areas
    - Biodiversity Forum for Local Governments (BFF), a collaborative initiative in British Columbia that brings together local governments, Indigenous representatives, and conservation partners to advance biodiversity conservation at the local level
    - ȻENEṈITEL* Community of Practice (CCP) to actively support ȻENEṈITEL and W̱SÁNEĆ-led projects by providing skills, expertise, resources, and capacity in an ethical space of collaboration and cross-validation in those areas that interact and align with CCP member organizations' purposes

- Membership with the Canadian Association of Gift Planners "Will Power" national campaign, providing potential donors with information and opportunities to leave a legacy gift for land conservation in the Islands Trust Area
- Supporting the Galiano Conservation Association in the delivery of the Salish Sea Conservation Forum

* In the SENĆOŦEN language, ȻENEṈITEL means working together to restore our lands and culture (ȻENEṈITEL Community of Practice Terms of Reference)

PHOTO: JONATHAN GRANT

Islands Trust Conservancy Fund Campaigns

Islands Trust Conservancy is a qualified donee through Canada Revenue Agency and can accept cash donations, gifts of stock, RRSPs, bequests, and other forms of giving.

Land protected on the islands in the Salish Sea is thanks to the vision and generosity of Islands Trust Conservancy donors and partners. Islands Trust Conservancy is grateful for the generous support of donors who make Islands Trust Conservancy's mission of protecting land across the Islands Trust Area possible.

In 2025/26, an anonymous donation was made to Islands Trust Conservancy to support conservation efforts on the islands in the Salish Sea. The donor allocated $1 million to Islands Trust Conservancy's Opportunity Fund. In addition, the same donor also allocated $157,300 to Islands Trust Conservancy's Property Management Fund.

Donations

Directed donations are donations that are allocated to specific funds and/or initiatives, while undirected donations are allocated to those programs and projects in the greatest need, as directed by the ITC Board. ITC has different types of funds; most fall in the category of geographically restricted funds and purpose-based funds.

Read more about donating to the Islands Trust Conservancy

Geographically Restricted Funds

The Conservancy manages restricted funds primarily to acquire, manage, and protect ecologically significant lands within the Islands Trust Area. These funds are legally designated for specific purposes or geographic areas and cannot be used for operational costs or development-related acquisitions.

The following geographically restricted funds are managed by the Conservancy:

- Gambier Island Acquisition Fund
- Lasqueti Island Acquisition Fund
- Thetis Island Acquisition Fund
- McFadden Creek Nature Reserve Fund—Salt Spring Island
- Morrison-Waxler Biodiversity Fund—Pender Island
- Ruby Alton Nature Fund

Purpose-based Funds

Purpose-based funds are funds that are set up for a particular purpose, such as supporting property management on ITC Protected Areas.

The following purpose-based funds are managed by the Conservancy:

- Opportunity Fund
- Property Management Fund
- Covenant Management and Defence Fund

The Conservancy also holds the Ruby Alton Endowment Fund. This endowment was established to support long-term management of the Ruby Alton Nature Reserve on Salt Spring Island.

Unlike general restricted funds that cover multiple properties, this endowment is specifically tied to the legacy and physical upkeep of the four-acre nature reserve bequeathed by Ruby Alton in 2002.

Islands Trust Conservancy Opportunity Fund Granting Program

The Opportunity Fund Granting Program's purpose is to provide support for hard-to-fundraise costs associated with land protection projects and to leverage donations through matching funds for land acquisition campaigns. This fund allows Islands Trust Conservancy to provide small sums of supportive funding to organizations with charity status working on land protection projects as new opportunities arise to protect biodiversity in the Islands Trust Area in a timely way.

The ITC Regional Conservation Plan guides decisions around disbursement of Opportunity Fund applications. The Islands Trust Conservancy Board considers applications twice per year.

Islands Trust Conservancy Board approved two Opportunity Fund grants in 2025/26:

- $12,000 to the Mayne Island Conservancy to support costs for legal fees on a new conservation covenant proposal on Mayne Island
- $10,000 to the British Columbia Conservation Foundation (BCCF) towards costs of supporting seed collection in Garry oak ecosystems, with a focus on rare and culturally significant plant species to contribute to the new BC Seedbank Network

The $12,000 granted to the Mayne Island Conservancy was disbursed in full in 2025/26.

The $10,000 granted to the BCCF is scheduled to be disbursed in 2026/27.

During 2025/26, Islands Trust Conservancy received $1,001,845 in donations was directed to the Opportunity Fund, including one million dollars from the generous anonymous donation received in May 2025 through the ShorePeakGEN Fund, held at Vancouver Foundation.

As of March 31, 2025, the Opportunity Fund had a balance of $1,065,281 and the Tempest Bequest/Hornby Islands Opportunity Fund (restricted for use only in the Hornby Island Local Trust Area) had a March 31 balance of $47,962.

The Islands Trust Conservancy Board has placed the $1 million from the Opportunity Fund in a high-yield account while the Opportunity Fund granting program is being evaluated.

Read more about Islands Trust Conservancy Fund Campaigns


PHOTO: L. MATTHIAS

Financial Statements

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

Of note for the 2025/26 fiscal year are the following:

- There were no new accounting standards implemented
- There were no acquisitions or disposals of any property
- There was one significant anonymous donation made to ITC ($1,157,304.30) from ShorePeakGEN, held by the Vancouver Foundation. Of this donation, one million dollars was directed to the Opportunity Fund to support conservation in our region, and $157,304.30 was directed to the Property Management Fund to support vital management activities on ITC protected areas, as per the donor's request
- The monetary value of natural assets from ITC lands is not quantified or shown in the financial statements. 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 (no change from prior year)
- Grant revenue of $220,000 from Environment and Climate Change Canada to support the Islands Trust Conservancy Species at Risk Program activities
- A total of $1,191,361 in cash donations was received in the 2025/26 fiscal year

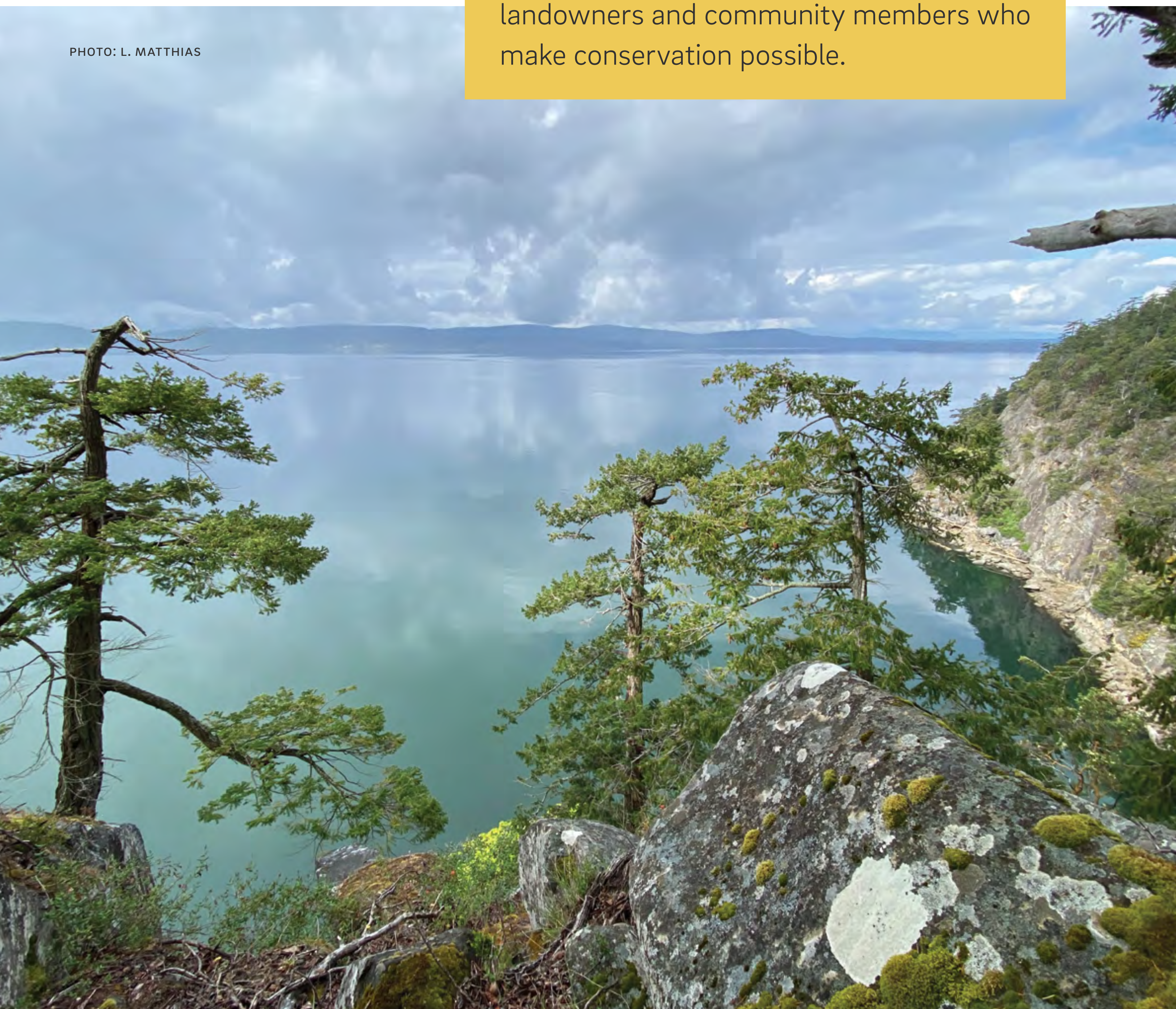
While Islands Trust Conservancy manages land and funds as noted in its Financial Statements, operational costs of Islands Trust Conservancy are the responsibility of Islands Trust Council. Details on these costs are available in the 2025/26 Islands Trust Financial Statements.

Looking Ahead to 2026/27

In 2026/27, Islands Trust Conservancy will continue to collaborate in partnership with landholders, donors, organizations, community members, local island conservancies, local governments, and First Nations in protecting and preserving species and ecosystems across the islands in the Salish Sea, guided by respect for the stewardship of Indigenous Peoples who have cared for these lands and waters since time immemorial.

Thank you to all the donors, partners, landowners and community members who make conservation possible.

PHOTO: L. MATTHIAS



Appendix A: Islands Trust Financial Statements

Financial Statements of

ISLANDS TRUST

Year ended March 31, 2026

ISLANDS TRUST

Financial Statements

Year ended March 31, 2026

Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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

Chief Administrative Officer

Director, Financial and Employee Services

KPMG LLP
St. Andrew's Square II
800-730 View Street
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at March 31, 2026
- 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, 2026, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
June 19, 2026

ISLANDS TRUST

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Financial assets:		
Cash and cash equivalents	$ 4,392,063	$ 2,955,860
Accounts receivable	426,024	230,331
Investments (note 2)	250,093	1,602,707
	5,068,180	4,788,898
Liabilities:		
Accounts payable and accrued liabilities	894,906	977,232
Wages and benefits payable	1,274,077	1,176,175
Deferred revenue	227,163	277,952
Employee benefit obligations (note 3)	352,669	269,328
Obligations under capital leases (note 4)	34,416	44,442
Cost recovery deposits (note 12(b))	516	190
	2,783,747	2,745,319
Net financial assets	2,284,433	2,043,579
Non-financial assets:		
Tangible capital assets (note 5)	542,445	338,975
Prepaid expenses	349,183	362,727
	891,628	701,702
Commitments (note 10)		
Contingent liabilities (note 11)		
Accumulated surplus (note 6)	$ 3,176,061	$ 2,745,281

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

Approved by the Trust Council:

Laura Patrick, Trust Council Chair

Sue Ellen Fast, Audit Committee Chair

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	Budget	2026	2025
	(note 8)		
Revenue:			
Property tax - general	$ 9,262,200	$ 9,262,200	$ 8,555,040
Property tax levy - Bowen Island municipality	460,000	460,000	391,260
Government transfers (note 7)	595,931	595,836	766,158
Fees and sales	198,100	207,219	174,747
Interest income	211,000	164,274	257,129
Other income	–	176,974	–
Total revenue	10,727,231	10,866,503	10,144,334
Expenses (note 9):			
Council services	1,888,759	1,752,405	1,520,429
Local trust committee services	7,612,713	7,373,751	7,462,249
Trust conservancy services (note 12)	1,647,159	1,309,567	1,357,436
Total expenses	11,148,631	10,435,723	10,340,114
Annual surplus (deficit)	(421,400)	430,780	(195,780)
Accumulated surplus, beginning of year	2,745,281	2,745,281	2,941,061
Accumulated surplus, end of year	$ 2,323,881	$ 3,176,061	$ 2,745,281

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

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2026, with comparative information for 2025

	Budget	2026	2025
	(note 8)		
Annual surplus (deficit)	$ (421,400)	$ 430,780	$ (195,780)
Acquisition of tangible capital assets	(261,100)	(356,169)	(238,817)
Acquisition of leased tangible capital assets	–	(3,033)	(16,040)
Amortization of tangible capital assets	211,000	155,732	117,944
	(471,500)	227,310	(332,693)
Acquisition of (use of) prepaid expenses	–	13,544	(111,278)
Change in net financial assets	(471,500)	240,854	(443,971)
Net financial assets, beginning of year	2,043,579	2,043,579	2,487,550
Net financial assets, end of year	$ 1,572,079	$ 2,284,433	$ 2,043,579

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

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	$ 430,780	$ (195,780)
Items not involving cash:		
Amortization of tangible capital assets	155,732	117,944
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(195,693)	47,391
Wages and benefits payable	97,902	(367,596)
Accounts payable and accrued liabilities	(82,328)	108,600
Deferred revenue	(50,789)	(145,736)
Employee benefit obligations	83,341	(29,179)
Cost recovery deposits	326	(3,685)
Prepaid expenses	13,544	(111,278)
Net change in cash from operating activities	452,815	(579,319)
Capital activities:		
Acquisition of tangible capital assets	(356,169)	(238,817)
Investing activities:		
Maturity (purchase) of investments	1,352,614	(1,602,707)
Financing activities:		
Principal payments on obligations under capital leases	(13,057)	(12,889)
Change in cash and cash equivalents	1,436,203	(2,433,732)
Cash and cash equivalents, beginning of year	2,955,860	5,389,592
Cash and cash equivalents, end of year	$ 4,392,063	$ 2,955,860
Supplemental cash flow information:		
Assets acquired under capital lease	$ (3,033)	$ (16,040)

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

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 12).

(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.

1. Significant accounting policies (continued):

(c) Revenue recognition:

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

Revenue from unilateral transactions is recognized when the Trust has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred. Revenue from exchange transactions is recognized when or as the Trust has satisfied performance obligations.

Revenue unearned in the current period is recorded as deposits or deferred revenue until related performance obligations have been achieved.

Tax revenue is recognized on an accrual basis.

(d) Financial instruments:

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

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

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. In the years presented, there are no unrealized gains or losses and as a result no statement of remeasurement gains or losses has been included.

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

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

(f) Investment income:

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

(g) Employee future benefits:

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

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

(h) Asset retirement obligations:

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

(*i*) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

(*ii*) The past transaction or event giving rise to the liability has occurred;

(*iii*) It is expected that future economic benefits will be given up; and

(*iv*) A reasonable estimate of the amount can be made.

In the years presented, no asset retirement obligations have been identified for the Trust and as such no liability has been recognized.

(i) Liability for contaminated sites:

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

(*i*) an environmental standard exists;

(*ii*) contamination exceeds the environmental standard;

(*iii*) the Trust is directly responsible or accepts responsibility;

(*iv*) it is expected that future economic benefits will be given up; and

(*v*) a reasonable estimate of the amount can be made.

1. Significant accounting policies (continued):

(i) Liability for contaminated sites (continued):

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

(j) Non-financial assets:

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

(*i*) Tangible capital assets:

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

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

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

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

The Islands Trust is fortunate to have, and to be mandated to protect, many natural assets in the Trust Area that reduce the need for engineered infrastructure that might otherwise be required by other government agencies to provide various services to the islands. This includes island aquifers (water storage and filtration); streams, ditches and wetlands (rainwater 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.

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(*ii*) Contributions of tangible capital assets:

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

(*iii*) Works of art and historical treasures:

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

(*iv*) Interest capitalization:

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

(*v*) Leased tangible capital assets:

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

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating provisions for accrued liabilities, revenue recognition based on performance obligations achieved, fair value of financial instruments and asset retirement obligations. Actual results could differ from these estimates.

2. Investments:

At March 31, 2026, investments consisted of guaranteed investment certificates with a cost plus accrued interest that approximated market value. The stated interest rate is 3.40% and the maturity date is March 29, 2027.

3. Employee benefit obligations:

	2026	2025
Vacation pay	$ 251,335	$ 191,646
Compensatory time off	101,334	77,682
	$ 352,669	$ 269,328

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 trusteed 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 per the latest available BC Pension Corp annual report (2024/25), the plan has 163,789 active Public Service members and overall, approximately 780,000 active 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, 2023, indicated a funding surplus of $4,491 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026 with results available later in 2026. 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 $449,400 (2025 - $459,061) for employer contributions to the plan in fiscal 2026.

4. Obligations under capital leases:

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

2027	$ 16,391
2028	16,391
2029	7,313
2030	1,696
2031	355
Total minimum lease payments	42,146
Less amounts representing interest (at rates ranging from 6.70% to 8.70%)	(7,730)
Present value of net minimum capital lease payments	$ 34,416

Interest of $2,978 (2025 - $2,312) relating to capital lease obligations has been included in expenses on the statement of operations.

5. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2026	Total 2025
Cost:						
Balance, beginning of year	$ 10,000	$ 148,667	$ 597,426	$ 431,783	$1,187,876	$ 1,024,771
Additions	–	13,513	166,813	178,876	359,202	254,857
Disposals	–	(4,687)	–	(7,800)	(12,487)	(91,752)
Balance, end of year	10,000	157,493	764,239	602,859	1,534,591	1,187,876
Accumulated amortization:						
Balance, beginning of year	10,000	91,096	360,827	386,978	848,901	822,709
Additions	–	16,379	107,398	31,955	155,732	117,944
Disposals	–	(4,687)	–	(7,800)	(12,487)	(91,752)
Balance, end of year	10,000	102,788	468,225	411,133	992,146	848,901
Net book value, end of year	$ –	$ 54,705	$ 296,014	$ 191,726	$ 542,445	$ 338,975

Included in tangible capital assets is assets under capital leases with a net book value of $34,418 (2025 - $44,442). There were no contributed assets received during 2026 or 2025.

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.

6. Accumulated surplus:

Accumulated surplus consists of:

	2026	2025
Invested in tangible capital assets	$ 508,027	$ 294,533
General Revenue Fund	2,332,626	2,156,487
Local Trust Committee Project Specific Reserve Fund	251,893	210,746
Special property tax requisition fund	83,515	83,515
	$ 3,176,061	$ 2,745,281

7. Government transfers:

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

	2026	2025
Provincial operating grant	$ 180,000	$ 199,000
Provincial restricted grant	88,247	233,557
Federal restricted grant	327,589	333,601
	$ 595,836	$ 766,158

8. Budget data:

The budget data presented in these financial statements is based upon the 2026 operating budget approved by Trust Council on March 13, 2025. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	$ 11,198,731
Less appropriation from surplus	(471,500)
	10,727,231
Expenses	11,198,731
Plus amortization expense	211,000
Less capital expense	(261,100)
	11,148,631
Annual deficit	$ (421,400)

9. Classification of expenses by object:

	2026	2025
Staff salaries and benefits	$ 6,494,910	$ 6,433,396
Traveling/training and recruitment	155,545	238,482
Council and trustee costs	1,059,311	1,063,917
Office operations	1,249,219	1,159,333
Programs	565,564	708,159
Legal	755,442	618,883
Amortization	155,732	117,944
	$ 10,435,723	$ 10,340,114

10. Commitments:

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

2027	$ 433,215
2028	397,268
2029	401,302
2030	205,486
2031	–

11. 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 insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, members are to share jointly for such claims in excess of individual deductibles against any member. The Trust's deductible is $100,000.

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

For financial reporting purposes, the Trust and the Conservancy are reported on separately. These financial statements present the financial position and results of operations of the Trust. Amounts owing from the Conservancy were $79,004 (2025 - $87,179).

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:

	2026	2025
Operations and Property Management	$ 985,715	$ 1,019,945
Board	10,713	9,876
Administration	313,139	327,615
	$ 1,309,567	$ 1,357,436

(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:

	2026	2025
Cash received during the year	$ 4,250	$ 5,350
Cash paid during the year	3,294	9,035

The net payable from development applicants of $516 (2025 - $190) is included in cost recoveries on the statement of financial position.

13. Financial risks and concentration of risk:

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

(a) Credit risk:

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

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

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

(b) Market risk:

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

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

On April 4, 2025, the United States government imposed new tariffs on imports and exports to/from Canada. The Islands Trust does not expect to experience operational disruption as a result of these tariffs due to its extremely limited reliance on cross-border trade. The tariffs have potential to impact the cost of purchased goods and services, and to increase the organization's exposure to foreign exchange risk associated with limited software systems procured in U.S. dollars. The potential impact has been assessed as immaterial. The Islands Trust continues to adopt practices that prioritize procurement from Canadian suppliers, further limiting the risk of impact to operations and the financial statements. These tariffs are still in place as of the date of these financial statements.

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

13. Financial risks and concentration of risk (continued):

(c) Liquidity risk:

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

The Trust manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There has been no change to risk exposure from 2025 related to credit, market or liquidity risks.

Appendix B: Islands Trust Conservancy Financial Statements

Financial Statements of

THE ISLANDS TRUST CONSERVANCY

Year ended March 31, 2026

KPMG LLP
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Victoria BC V8W 3Y7
Canada
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations, its changes in fund balances and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
June 2, 2026

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2026 Total	2025 Total
						(Schedule 1)
Assets:						
Current assets:						
Cash	$ 1,155,885	$ 575,934	$ –	$ –	$ 1,731,819	$ 380,615
Short-term investments (note 2)	–	218,395	–	88,000	306,395	490,004
Grants receivable	–	50,500	–	–	50,500	22,000
	1,155,885	844,829	–	88,000	2,088,714	892,619
Land (notes 3 and 6)	–	–	16,066,100	3,076,601	19,142,701	19,142,701
	$ 1,155,885	$ 844,829	$ 16,066,100	$ 3,164,601	$ 21,231,415	$ 20,035,320
Liabilities:						
Current liabilities:						
Deferred contributions	$ 28,138	$ –	$ –	$ –	$ 28,138	$ 28,138
Grants payable	12,614	–	–	–	12,614	6,715
Security deposit	–	–	–	–	–	425
Due to Islands Trust (note 7)	1,890	77,124	–	–	79,014	87,179
	42,642	77,124	–	–	119,766	122,457
Asset retirement obligations (note 4)	–	85,924	–	–	85,924	84,424
	42,642	163,048	–	–	205,690	206,881
Fund Balances:						
Unrestricted	1,113,243	–	–	–	1,113,243	110,727
Investment in land (note 3)	–	–	16,066,100	–	16,066,100	16,066,100
Internally restricted (note 5)	–	223,413	–	–	223,413	30,493
Externally restricted (note 5)	–	458,368	–	–	458,368	456,518
Restricted for endowment purposes (note 6)	–	–	–	3,164,601	3,164,601	3,164,601
	1,113,243	681,781	16,066,100	3,164,601	21,025,725	19,828,439
	$ 1,155,885	$ 844,829	$ 16,066,100	$ 3,164,601	$ 21,231,415	$ 20,035,320

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

Approved by the Islands Trust Conservancy Board:

________________ Board member   ________________ Board member

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2026 Total	2025 Total
						(Schedule 2)
Revenue:						
Donations	$ 1,001,845	$ 189,516	$ –	$ –	$ 1,191,361	$ 16,155
Grants	–	220,000	–	–	220,000	220,000
Rental income	–	2,842	–	–	2,842	11,120
Investment income	22,671	28,713	–	–	51,384	48,936
	1,024,516	441,071	–	–	1,465,587	296,211
Expenses:						
Repairs and maintenance - Alton property	–	21,875	–	–	21,875	17,561
Property management	–	1,669	–	–	1,669	1,000
Accretion expense	–	1,500	–	–	1,500	1,570
Bank charges	–	1,257	–	–	1,257	589
Grants to external parties	22,000	–	–	–	22,000	14,715
Species at Risk	–	220,000	–	–	220,000	220,000
	22,000	246,301	–	–	268,301	255,435
Excess of revenue over expenses	$ 1,002,516	$ 194,770	$ –	$ –	$ 1,197,286	$ 40,776

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, 2026, with comparative information for 2025

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2024	$ 103,374	$ 453,588	$ 16,066,100	$ 3,164,601	$ 19,787,663
Excess of revenue over expenses	7,353	33,423	–	–	40,776
Fund balances, March 31, 2025	110,727	487,011	16,066,100	3,164,601	19,828,439
Excess of revenue over expenses	1,002,516	194,770	–	–	1,197,286
Fund balances, March 31, 2026	$ 1,113,243	$ 681,781	$ 16,066,100	$ 3,164,601	$ 21,025,725

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

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 1,197,286	$ 40,776
Item not involving cash:		
Accretion	1,500	1,570
Changes in non-cash operating working capital:		
Grants receivable	(28,500)	–
Grants payable	5,899	5,315
Security deposit	(425)	425
Due to Islands Trust	(8,165)	(13,703)
	1,167,595	34,383
Investing activities:		
Decrease (increase) in short-term investments	183,609	171,893
Increase in cash	1,351,204	206,276
Cash, beginning of year	380,615	174,339
Cash, end of year	$ 1,731,819	$ 380,615

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

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2026

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 Housing and Municipal Affairs.

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

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

1. Significant accounting policies:

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

(a) Fund accounting:

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

The Opportunity Fund reports unrestricted resources.

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

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

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

(b) Financial instruments:

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

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.

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

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

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

(c) Land:

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

(d) Revenue recognition:

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

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no restricted fund are recognized as revenue of the Opportunity Fund in the period in which related expenses are incurred.

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

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

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

1. Significant accounting policies (continued):

(e) Liability for contaminated sites:

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

(*i*) an environmental standard exists;

(*ii*) contamination exceeds the environmental standard;

(*iii*) the Trust Conservancy is directly responsible or accepts responsibility;

(*iv*) it is expected that future economic benefits will be given up; and

(*v*) a reasonable estimate of the amount can be made.

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

(f) Asset retirement obligations:

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

(*i*) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

(*ii*) The past transaction or event giving rise to the liability has occurred;

(*iii*) It is expected that future economic benefits will be given up; and

(*iv*) A reasonable estimate of the amount can be made.

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

1. Significant accounting policies (continued):

(g) Natural assets:

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

(h) Use of estimates:

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

2. Short-term investments:

Short-term investments have a maturity date of less than one year consisting of guaranteed investment certificates, an endowment fund with the Victoria Foundation and Municipal Finance Authority of British Columbia (“MFA”) Short Term Bond and Money Market Funds.

3. Land:

	Acquisition year	2026	2025
Inner Island Nature Reserve, Denman Island	1992	$ 70,000	$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
E,HO, (Medicine Beach) Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Nature Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Nature Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve, Denman Island	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
S'ul-hween X'pey (Elder Cedar) Nature Reserve, Gabriola Island	2007	658,000	658,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	1,177,000
Fairy Fen Nature Reserve, Bowen Island	2011	1,817,000	1,817,000
Laughlin Lake Nature Reserve, Galiano Island	2013	56,000	56,000
Vanilla Leaf Land Nature Reserve, Galiano Island	2014	217,000	217,000
Fairyslipper Forest Nature Reserve, Thetis Island	2017	550,266	550,266
Hoak-pus (Sandy Beach) Nature Reserve, Keats Island	2022	2,703,000	2,703,000
Link Island Nature Reserve, Link Island	2023	1,208,000	1,208,000
Larmour Nature Reserve, Salt Spring Island	2024	721,000	721,000
		12,256,169	12,256,169
Properties acquired under the Federal Government Ecological Gifts Program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve Lot A, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	210,000
Moore Hill Nature Reserve, Thetis Island	2017	780,000	780,000
Valens Brook Nature Reserve Lot 1, Denman Island	2019	85,000	85,000
Salish View Nature Reserve, Lasqueti Island	2020	304,931	304,931
Lisa Baile Nature Reserve, North Pender Island	2023	320,000	320,000
		3,809,931	3,809,931
		$ 16,066,100	$ 16,066,100

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

4. Asset retirement obligations:

The Trust Conservancy owns one building located on the Ruby Alton Nature Reserve that is known to contain asbestos and other hazardous materials, which represents a health hazard upon demolition or remediation of the building and there is a legal obligation to remove it. Estimated costs have been based the calculated current value of costs associated to address the future obligation. The Trust used a general inflationary rate of 1.60% (2025 - 1.60%) based on estimated labor and material costs in calculating the provision.

The Trust Conservancy received a contributed asset, Link Island Nature Reserve, which contains a rustic cabin structure that will require future removal as a result of an agreement with the donor family. This required removal represents an asset retirement obligation under PS 3280. Estimated costs have been based on the value of funds received from the donor to remove the structures. The Trust used a general inflationary rate of 2.00% (2025 – 2.25%) based on estimated labor and material costs in calculating the provision.

The asset retirement obligations is as follows:

	2026	2025
Opening balance	$ 84,424	$ 82,854
Accretion on provision	1,500	1,570
Closing balance	$ 85,924	$ 84,424

5. Restricted Fund balances:

	2026	2025
Internally restricted:		
McFadden Creek management fund	$ 17,369	$ 18,450
Property Management fund	206,044	12,043
	223,413	30,493
Externally restricted:		
Alton Nature Reserve - maintenance fund	127,715	135,577
Morrison Fund	11,251	11,096
Covenant Defense Fund	135,173	131,015
Lasqueti Acquisition Fund	36,550	35,319
Gambier Acquisition Fund	144,579	140,822
Thetis Island Acquisition Fund	1,513	1,467
Link Island Removal Fund	1,587	1,222
	458,368	456,518
	$ 681,781	$ 487,011

6. Restricted for endowment purposes:

	Acquisition year	2026	2025
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
		3,076,601	3,076,601
		$ 3,164,601	$ 3,164,601

Investment gains (losses) on endowment funds for the year of $11,196 (2025 - $13,512) 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.

7. Related party:

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

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

	2026	2025
Operations and property management	$ 985,715	$ 1,019,945
Board	10,713	9,876
Administration	313,139	327,615
	$ 1,309,567	$ 1,357,436

At March 31, 2026, amounts owing to Islands Trust were $79,004 (2025 - $87,179).

8. Financial risks and concentration of risk:

The Trust Conservancy's financial instruments consist of cash, short-term investments, grants receivable, grants payable and amounts due to Islands Trust. It is management's opinion that the Trust Conservancy is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2026 is the carrying value of cash, short-term investments and grants receivable. The Trust Conservancy deals with creditworthy counterparties to mitigate credit risk. The Trust Conservancy manages its liquidity risk by monitoring its operating requirements.

Interest rate risk is not significant due to the short-term nature of investments held. There have been no significant changes to risk exposure in the years presented.

On April 4, 2025, the United States government imposed new tariffs on imports and exports from/to Canada. The Islands Trust Conservancy does not expect to experience operational disruption as a result of these tariffs as it does not rely on cross-border trade to provide its services. The tariffs have potential to impact the cost of purchased goods and services; this potential impact has been assessed as immaterial. The Islands Trust Conservancy continues to adopt practices that prioritize procurement from Canadian suppliers, further limiting the risk of impact to operations and the financial statements. These tariffs are still in place as of the date of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2025

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2025 Total
Assets:					
Current assets:					
Cash	$ 145,629	$ 234,986	$ –	$ –	$ 380,615
Short-term investments (note 2)	–	402,004	–	88,000	490,004
Grants receivable	–	22,000	–	–	22,000
	145,629	658,990	–	88,000	892,619
Investments (note 3)	–	–	–	–	–
Land (notes 5 and 7)	–	–	16,066,100	3,076,601	19,142,701
	$ 145,629	$ 658,990	$ 16,066,100	$ 3,164,601	$ 20,035,320
Liabilities:					
Current liabilities:					
Deferred contributions	$ 28,138	$ –	$ –	$ –	$ 28,138
Grants payable	6,715	–	–	–	6,715
Security deposits	–	425	–	–	425
Due to Islands Trust	49	87,130	–	–	87,179
	34,902	87,555	–	–	122,457
Asset retirement obligations (note 4)	–	84,424	–	–	84,424
Fund Balances:					
Unrestricted	110,727	–	–	–	110,727
Investment in land (note 5)	–	–	16,066,100	–	16,066,100
Internally restricted (note 6)	–	30,493	–	–	30,493
Externally restricted (note 6)	–	456,518	–	–	456,518
Restricted for endowment purposes (note 7)	–	–	–	3,164,601	3,164,601
	110,727	487,011	16,066,100	3,164,601	19,828,439
Subsequent event (note 11)					
	$ 145,629	$ 658,990	$ 16,066,100	$ 3,164,601	$ 20,035,320

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2025

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2025 Total
Revenue:					
Donations:					
Cash	$ 14,058	$ 2,097	$ –	$ –	$ 16,155
Land	–	–	–	–	–
Grants	–	220,000	–	–	220,000
Rental income	–	11,120	–	–	11,120
Investment income (loss)	8,010	40,926	–	–	48,936
	22,068	274,143	–	–	296,211
Expenses:					
Repairs and maintenance - Alton property	–	17,561	–	–	17,561
Property management	–	1,000	–	–	1,000
Asset retirement cost (note 4)	–	–	–	–	–
Accretion expense	–	1,570	–	–	1,570
Bank charges	–	589	–	–	589
Grants to external parties	14,715	–	–	–	14,715
Species at Risk	–	220,000	–	–	220,000
	14,715	240,720	–	–	255,435
Excess (deficiency) of revenue over expenses	$ 7,353	$ 33,423	$ –	$ –	$ 40,776

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