Toronto Islands
Residential Community Trust Corporation

ANNUAL REPORT
2018-2019

July 2019

Ministry of
Municipal Affairs
and Housing

Office of the Minister

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TO TODD DECKER, CLERK,
LEGISLATIVE ASSEMBLY
OF THE PROVINCE OF ONTARIO
Care of:

Procedural Services Branch, House Documents
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99 Wellesley St. W.
Toronto, ON, M7A 1A2

For the information of the Legislative Assembly, I am presenting the Annual Report of the Toronto Islands Residential Community Trust Corporation for the fiscal year 2018-2019.

Respectfully submitted,

Original signed by

Steve Clark
Minister

TORONTO ISLANDS RESIDENTIAL
COMMUNITY TRUST CORPORATION
102 Lakeshore Avenue, Ward's Island, Toronto, Ontario M5J 1X9 (416) 203-6163 fax (416) 203-6168 email trust@torontoisland.org

July 16, 2019

TO THE HONOURABLE STEVE CLARK
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

MINISTER,

On behalf of the Trust and Board of Directors, I am pleased to submit the Toronto Islands Residential Community Trust Corporation's Annual Report, 2018-19, together with its audited financial statements for the period 2018-19.

Respectfully submitted,

Lorraine Filyer
Chair
Toronto Islands Residential Community Trust Corporation

Message from the Chair:

Once again, thank you to all of my board colleagues, our liaisons at the Ministry of Municipal Affairs and Housing and the City of Toronto and both the Trust and MMAH staff for their dedication, commitment and professionalism.

We have had a fruitful year, despite a few bumps along the way, with two house sales (closing in the next fiscal year); further implementation of the Green Space Initiative; the beginning of a new cycle of inspections of Trust buildings and the success of the newly minted Riviera restaurant (formerly the Rectory Café).

The extension of the appointments of four board members pending completion of provincial agency reviews has put my retirement, after seven years on the board, on hold until the new calendar year. We are confident the pending review will reaffirm the Trust mandate and acknowledge the competence and effectiveness of the Trust board and staff.

Lorraine Filyer, Chair

Toronto Islands Residential Community Trust Corporation 2018-19 Annual Report

A. ABOUT THE TORONTO ISLANDS RESIDENTIAL COMMUNITY TRUST CORPORATION

Under the *Toronto Islands Residential Community Stewardship Act, 1993* (the Act), residents of Ward's Island and Algonquin Island may hold title to their homes, and may lease the lots on which their houses are located.

The Toronto Islands Residential Community Trust Corporation (the Trust) was established in December 1993 to manage the leasing process, the lands specified in the Act and six (6) related community buildings on behalf of the Island residents and the public. These include the following:

- The Algonquin Island Association Clubhouse, located at 18 Wyandot Avenue on Algonquin Island
- The Shaw House, located at 108 Lakeshore Avenue on Ward's Island
- The Rectory, located at 102 Lakeshore Avenue on Ward's Island
- The Old Fire Hall, located at 101 Cibola Avenue on Ward's Island
- The two Ward's Island Association Clubhouse Buildings, located at 18 and 20 Withrow Street on Ward's Island.

The lands administered by the Trust for residential purposes and the six (6) community buildings are vested in the province under the Act. They are leased to the Trust until December 15, 2092, under specified conditions as set out in the Act.

The Trust is managed by a board of directors (the board) which can include up to 15 members. Board members are appointed on the recommendation of the Minister of Municipal Affairs and Housing by the Lieutenant Governor in Council. The board is supported by one part-time staff person and a part-time bookkeeper.

Trust operations are financed by a levy on leaseholders, property rentals, administrative fees and investment income. The Trust receives no provincial funding.

A Memorandum of Understanding (MOU) was signed by the Trust on February 8, 2018 and by the Minister of Municipal Affairs on March 6, 2018. The MOU sets out the mandate of the Trust and the accountability relationship between the Minister and the Trust. The MOU also includes an updated a board appointments process and additional sections on administrative functions, in accordance with an MOU template for board governed provincial agencies issued by the Treasury Board. The Trust reports to the Ministry of Municipal Affairs and Housing.

To comply with the province's Agencies and Appointments Directive, the Trust Chair is required to provide the Minister, on an annual basis, a Three-Year Business Plan and an Annual Report.

B. MANDATE

The Trust's mandate is set out in the Act and is complemented by a Memorandum of Understanding between the Trust and the Minister of Municipal Affairs. The mandate of the Trust includes the following responsibilities:

- Manage the land described in the Schedule to the Act, including the houses and other buildings and structures on the land, for the benefit of the residential community on the Toronto Islands and the public
- Operate for the benefit and enjoyment of the public the buildings and structures, other than houses and the firehall, that existed on the day the Act came into force on the land described in the Schedule of the Act, but nothing in this clause prevents the Trust from demolishing or relocating those buildings and structures at any time
- Ensure that the public has reasonable access to the buildings and structures required to be operated by the Trust
- Raise sufficient revenue to carry out the objects of the Trust
- Manage the sale of houses and land leases and vacant land leases on the Toronto Islands
- Subject to applicable legislation, such other matters as may be assigned to the Trust by the Minister which are within the Trust's statutory mandate.

To carry out its responsibilities, the Trust must maintain a waiting list of people who wish to purchase land leases when they become available. This Purchasers' List contains up to 500 positions.

C. TRUST GOVERNANCE

Board of Directors, Committees and Staff

For the 2018-19 fiscal year the board was composed of nine volunteer members. Three of the nine board members were employees of the Ontario Public Service, four members were Island residents and two members were City of Toronto residents. The board was supported by one non-voting provincial staff liaison, one non-voting City of Toronto staff liaison, two part-time staff persons employed by the Trust, and a contract bookkeeper. In February of 2019, a new staffing model was introduced allowing for the second part-time person to be hired replacing temporary and summer positions. The board elects the following officers from amongst its members: chair, vice-chair, treasurer and secretary.

The membership of the board in 2018-19 was as follows:

Board Member	Appointment Initial Date	Appointment Expiry Date	Appointee of
Lorraine Filyer Chair	April 1, 2012	December 31, 2019	Toronto Island Resident

Board Member	Appointment Initial Date	Appointment Expiry Date	Appointee of
Jim Adams	April 9, 2014	December 31, 2019	Ontario Public Service
Tony Farebrother Treasurer	April 26, 2017	March 31, 2019	Toronto Island Resident
Heather Black Secretary	April 9, 2014	December 31, 2019	Ontario Public Service
Corwin Troje	October 1, 2017	December 31, 2019	Ontario Public Service
Alison Rogers	March 21, 2018	March 20, 2020	Toronto Island Resident
Jesse Rosensweet Vice Chair	March 21, 2018	March 20, 2020	Toronto Island Resident
Marcy Burchfield	March 21, 2018	March 20, 2020	City of Toronto Resident
David Woodside	March 21, 2018	March 20, 2020	City of Toronto Resident

The board was to transition to a new composition on April 1, 2019 consisting of four Toronto Island residents and three City of Toronto residents. However, in March of 2019, the Ministry of Municipal Affairs and Housing extended the appointments of four board members to December 31, 2019 to allow time for provincial agency reviews to be completed.

Board Meetings

In 2018-19, the board held 12 meetings to oversee Trust business and to ensure the objects of the Trust were met. Meetings are open to the community and the public. Members of the Toronto Island Community Association (TICA) regularly attended the meetings of the board.

The board also attended two community meetings. At the first meeting on June 21, 2018, the community endorsed the Trust’s 2018-19 budget prior to final board approval. At the second meeting on October 18, 2018, the community received the Trust’s 2017-18 audited financial statements as presented by the Trust board’s treasurer, Tony Farebrother.

Board Committees

In 2018-19, the Trust continued to be supported by the following committees: Finance, Governance, Management and Properties with the Communications committee transitioning to a committee of the board. The purpose of the committees is to provide advice and recommendations to the board so that the board can ensure that the financial and operational activities of the Trust are carried out in the most efficient and economical manner and in accordance with acceptable accounting practices and applicable government legislation, regulations, directives, guidelines, and policies.

The committees are composed of board members, TICA members and Island community volunteers. The Trust's manager has an active role in supporting all of these committees.

Community Volunteerism

The Trust views the community as a partner and welcomes and relies on community volunteers to provide additional perspectives in its deliberations and to inform its decisions in carrying out the mandate of the Trust. Community volunteers are also involved in other community-related activities that contribute to a healthy and vibrant island community.

Community volunteer activities available to both the island community and the public include the following:

- Operating five of the six Trust buildings
- Assisting with open houses related to sales of Island homes
- Undertaking projects that enhance the beauty of the eastern part of the Island
- Holding annual garden and house tours to benefit both community and charitable activities
- Offering programs for children and youth
- Running a concert series at the church
- Serving as members of groups that deal with waterfront issues and city-wide cycling initiatives
- Participating in annual clean-ups of the park
- Working with the City of Toronto and the Toronto and Regional Conservation Authority to mitigate flooding on the Island

Both Islanders and the general public participate in many of these activities.

D. OPERATIONAL ACTIVITIES IN 2018-19

The Trust's core activities include:

- Conducting the sale and permitted transfers of leases and homes on leaseholds
- Managing six community buildings, in cooperation with the Island community and leaseholders, including, for example, ensuring building inspections are undertaken and current asset management plans are in place
- Disseminating information about, and managing, the residential lease process, and overseeing compliance with lease agreements to ensure the leaseholders use their properties as primary residences

    - This includes responding to inquiries from leaseholders, prospective leaseholders, third parties and the Ministry of Municipal Affairs and Housing, as required
- Maintaining official records of existing leases and common facilities, including the Property Register
- Maintaining the Purchasers' List
- Achieving compliance with mandatory aspects of the Government of Ontario agency-related directives that apply to the Trust.

The Trust also conducts ongoing reviews of its policies and procedures to ensure transparency, consistent application and the achievement of efficiencies.

In 2018-19, the Trust undertook a number of activities and made progress in several areas as follows:

Information Sharing

The Trust regularly receives and responds to leaseholder requests for information or access to documentation regarding their properties. The Trust also receives a large number of inquiries regarding the Purchasers' List, from those on the list and the public. For example, from April 1, 2018 to March 31, 2019, the Trust office responded to 965 telephone inquiries. Approximately 42% of these were in reference to the Purchasers' List and house sales and 10% were from the public. The Trust also responded to over 1200 email enquiries regarding the Purchasers' List and 4 letters directed to the Trust on various topics.

Three community newsletters were published and distributed in 2018-19 as part of the Trust's communications strategy as well as one special bulletin. The Trust's website is updated regularly with information about Trust activities including board and community meeting dates. As per the province of Ontario's Travel, Meal and Hospitality Expenses Directive, a public posting of expense information can also be found on the Trust's website.

Lease Compliance/Levy Payments

The Trust continues to focus resources towards collecting the established annual levy payments from all leaseholders. Progress is ongoing and collection has remained steady year over year for the last four years with full compliance from 89% of leaseholders at the close of the 2018 billing cycle.

By Law Improvements

In 2018-19 the Trust governance committee, in collaboration with the Trust legal counsel, began work on a Transfer Bylaw. The bylaw codifies the lease transfer policies followed by the Trust since its inception and clarifies the status of stepchildren as legal transferees. The bylaw is expected to be presented to the community in October 2019.

Updates and minor revisions were also completed on the Organizational Bylaw, the Governance Bylaw and the Purchasers' List Bylaw all of which will be presented to the community for approval at the October 2019 community meeting.

Managing Community Buildings

Maintenance of community buildings, vested in the province and managed by the Trust, for the benefit of the public and the community is ongoing. These buildings and facilities provide venues for organizational sports and recreational programs, accessible to both the residential community and the public, such as the Toronto Island Canoe Club and Camp, the Ward's Island Recreation Association lawn bowling and tennis and the Montessori Day Care and Camp at the Algonquin Island Association clubhouse. The buildings are also rented to the public for special functions and events, such as weddings, and two of the Trust buildings also house cafés. This rental income helps to keep the buildings in good repair.

On April 1, 2018, new operators of the Rectory Café began operations. The 2018-19 season was successful for them, with few issues. In early 2019 they underwent a rebranding and the Riviera, Ward's Island Kitchen began operating on February 2, 2019. They continue to meet regularly with the Trust properties committee and liaise with the Trust manager on a weekly basis.

In 2018-19, the Trust continued with its building inspections, inspecting both the Ward's Island Recreation Association Clubhouse building and the Algonquin Island Association Clubhouse building. Reports on both were forwarded to the managing executives of the buildings and an asset management plan was prepared for both. The Shaw House and the Canoe Club will be inspected in the 2019-2020 fiscal year.

In 2018-19, the plumbing was repaired in the Rectory building and a standing water issue was resolved. Plans for additional washrooms were postponed at the request of the tenant.

Green Space Initiative

On October 20, 2015, the community requested that the Trust develop a best practices model for the vacant lots on Ward's Island to address the uses of the lots and encroachment issues. The Trust properties committee developed the green space initiative which was wholly endorsed by the community by motion on June 14, 2016.

In 2018-2019, the properties committee held five onsite neighbour meetings regarding he green spaces. Plans were developed and work began on improving two lots to open them up to public view. A new policy on encroachments is presently being formulated.

Property Register

The Property Register outlines property information for all residential properties on Ward's and Algonquin Islands and is required to be updated on an annual basis. The Property Register was updated and submitted to the City of Toronto in November 2018.

E. OPERATIONAL PERFORMANCE

The Trust continues to adhere to the requirements of the province's directives including the Agencies and Appointments Directive and the new Open Data Directive.

Achievement of Strategic Goals and Performance Targets

The Trust's 2019-22 Business Plan was developed and submitted according to the province's requirements, as was the Trust's 2017-18 Annual Report.

In its 2019-22 Business Plan, the Trust identified the following four strategic goals:

1. 'The Trust board, its staff and members of its committees will have the skills and knowledge to carry out the mandate of the Trust.'

The Trust is supported by several committees to carry out its objects. It maintains up-to-date terms of reference for all of its committees. Each committee reports at monthly board meetings with updates on activities or recommendations for action as necessary.

The Provincial Liaison, with the assistance of the Trust manager and chair provided a board orientation package and had a training day for all new board members in June 2018. All new committee members received orientation. Required training has been provided on an ongoing basis, in keeping with the training plan that was developed in 2013-14.

2. 'The Trust will become a modern organization that delivers responsive services for the benefit of the residents and the public.'

The Trust properties committee drafted the green space initiative and it was endorsed by the community in the spring of 2016. In 2018-19, the committee continued its work on the green spaces with onsite neighbourhood meetings. Two of the seven lots now have maintenance plans in place in keeping with the green space mandate.

An information technology plan is in place and addresses on-line collection of fees and storage and backup of Trust records. All information technology equipment has been upgraded, security protocols have been implemented and appropriate Internet service provider and technology support are in place to address technical issues. Discussions have begun for upgrading the website to meet Accessibility for Ontarians with Disabilities Act requirements. Monies have been budgeted for the process.

The Trust began accepting payments via e-transfer in August 2014. The Trust has been successful at increasing the client uptake for online payment services. The performance targets include having 20% of the leaseholders and 20% of the purchasers' list members pay their levy and purchasers' list fee respectively, by e-transfer. In 2018-19, 133 (51 percent) leaseholders and 294 (60 percent) purchasers' list members chose this method of payment for their levies and list fees. This represents an increase of seven percent and 11 percent respectively year over year.

The Trust conducted its business within the established service standards by responding to 965 phone calls within two business days and four letters within 10 business days.

The Trust achieved its performance target of collecting greater than 80 percent of its levies at the end of every fiscal year. For this reporting year, the Trust collected 89 percent of the levies.

There were no sales were completed in the 2018-19 fiscal year, however two were put on offer prior to year end and closed early in the new 2019-20 fiscal year

The Trust continues to address residential lease breach complaints brought to the attention of the Trust in writing. In the 2018-2019 fiscal year, eleven lease breaches were actively pursued, with three breaches being resolved. Status and resolution of lease breaches are reported monthly to the Trust board.

The Trust commits to review, update and communicate annually one bylaw, policy or procedure. In the 2018-19 fiscal year, the Trust completed the reviews of the Governance Bylaw and the Organizational Bylaw. The bylaws will be brought to the community for approval at the Fall 2019 Community meeting.

The Trust was successful in securing a new tenant for the Rectory Café at the beginning of the fiscal year. They have since rebranded and enjoyed a successful first opening year.

3. 'The Trust will have a strong relationship with the Island community and the public in delivering its mandate through enhanced and consistent communications.'

The Trust communications committee delivered three Trust newsletters, a special bulletin and held two community meetings. The properties committee facilitated five neighbourhood meetings to discuss the green space initiative and two of the green spaces now have maintenance plans.

All new and amended policies and committee terms of reference are posted on the Trust's website, as well as corporate documents including the Public Posting of Expense Information, the Open Data Inventory, the Memorandum of Understanding, the latest Business Plan, the Annual Report and the Minister's Mandate Letter.

4. 'The Trust will effectively manage the public buildings and the natural assets under its mandate to protect and preserve them for current and future uses.'

The Trust actively works with the leaseholders of the Trust community buildings to ensure that the buildings are maintained for the use of the Island community and the general public. In the Trust's performance target there is a commitment to conduct inspections of each community building every five years. In 2018-19, the Trust continued its building inspections schedule with the inspection of the Algonquin Island Association Clubhouse. The Ward's Island Recreation Association Clubhouses were inspected in April 2019. The new inspections were used to develop asset management plans for the upcoming five year cycle. The properties committee will work with leaseholders to complete the work outlined in asset management plans to address any deficiencies from the upcoming inspection audits.

The Trust continued to maintain trees on Trust land in keeping with the approved 2018-19 tree maintenance plan. The annual assessment of the trees on Trust land was completed in March 2018 facilitating the tree maintenance budget for the next fiscal year which and included monies for green space maintenance which began in the fall of 2018

F. FINANCIAL PERFORMANCE

The Trust's 2018-19 budget, approved by the Trust board on March 8, 2018 and by the community on June 21, 2018, confirmed that the business of the Trust would continue to be financed primarily by a levy on the 262 leaseholders, as well as by property rental fees, administrative fees and investment income. The Trust is self- sufficient and receives no provincial or municipal funding to support its operations.

A copy of the 2018-19 audited financial statements is attached to this annual report. The audit found that the financial statements fairly presented the Trust's financial position and performance. As per the Trust's bylaw No. 1, these audited financial statements will be presented to the community in the fall of 2019. The audit of the Trust's financial statements for 2017-18 was presented to the community on October 18, 2018.

The following summary tables set out actual results and variances against budget. Some additional details can be found in the audited financial statements included in the appendix to this report.

Revenues and Expenses:

	2017-18 Actuals	2018-19 Actuals	2018-19 Budget	Variance	Variance Explanation
Revenue	**$182,583**	**$183,378**	**$185,000**	**($1,622)**	***See Note 1**
Expenses	**$166,092**	**$162,378**	**$180,000**	**($17,622)**	***See Note 1**
Less Amortization	**$1,482**	**$1,482**			
Excess (deficiency) of revenue over expenses for the year	**$15,009**	**$19,518**	**$5,000**	**$14,518**	

Change in Net Assets:

	2017-18 Actuals	2018-19 Actuals	2018-19 Budget	2018-19 Actuals vs. Budget	Variance Explanation
Transfer to Reserves (before amortization)	**$16,491**	**$21,000**	**$5,000**	**$16,000**	***See Note 2**

Note 1:
Variance in revenue is due to no house sales in 2018/19. Variance in expenses is due to decisions made by the Riviera Café to defer the updating of washrooms in the Rectory building.

Note 2:
The excess of revenues over expenses from the approved budget for 2018-19 includes a transfer of $8,000 for office expenses and the remaining to reserves for contingencies.

Attachment:

Audited Financial Statements

Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2019

Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2019 Index

Chaplin & co
CHARTERED ACCOUNTANTS

June 13, 2019

Independent Auditors' Report

To the Board of Directors of Toronto Islands Residential Community Trust Corporation

Opinion

We have audited the financial statements of Toronto Islands Residential Community Trust Corporation, which comprise the balance sheet as at March 31, 2019, and the statements of changes in net assets, revenue and expenses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Toronto Islands Residential Community Trust Corporation as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Toronto Islands Residential Community Trust Corporation 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 accounting standards for not-for-profit organizations, 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 Toronto Islands Residential Community Trust Corporation'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 Toronto Islands Residential Community Trust Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Toronto Islands Residential Community Trust Corporation's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian 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 Toronto Islands Residential Community Trust Corporation'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 Toronto Islands Residential Community Trust Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Toronto Islands Residential Community Trust Corporation to cease to continue as a going concern.

We 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.

Chaplin & Co.

Chartered Accountants Licensed
Public Accountants Toronto,
Ontario

Toronto Islands Residential Community Trust Corporation

	Notes	March 31 2019	2018
Assets			
Current			
Cash		$ 63,563	$ 151,181
Guaranteed Investment Certificates maturing within 12 months	2	131,968	95,418
Accounts receivable	3	67,203	59,542
Harmonized sales tax recoverable		2,265	
Prepaid expenses		549	9,559
		265,548	315,700
Guaranteed Investment Certificates maturing over 12 months	2	197,062	156,265
Capital assets	4	346,186	376,424
		$ 808,796	$ 848,389
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 31,256	$ 61,395
Government remittances payable			216
Current portion of unamortized capital contribution		28,756	28,756
		60,012	90,367
Unamortized capital contribution	5	277,980	306,736
		337,992	397,103
Net assets		470,804	451,286
		$ 808,796	$ 848,389

See accompanying notes

Approved on behalf of the Board of Directors of
Toronto Islands Residential Community Trust Corporation:

Original signed by

Lorraine Filyer, Chair

Original signed by

Marcy Burchfield, Treasurer

Chaplin & co CHARTERED ACCOUNTANTS

Year ended March 31, 2019

	Reserve for contingencies	Reserve for capital expenditures and major repairs	Reserve for office expenses	Invested in capital balance	Unappropri-ated balance	Total 2019
Balance, beginning of year	$ 253,070	$ 98,409	$ 964	$ 40,933	$ 57,910	$ 451,286
Excess of revenue over expenses (expenses over revenue) for the year				(1,482)	21,000	19,518
Transfer to reserves (note 6)	13,000		8,000		(21,000)	
Balance, end of year	$ 266,070	$ 98,409	$ 8,964	$ 39,451	$ 57,910	$ 470,804

Year ended March 31, 2018

	Reserve for contingencies	Reserve for capital expenditures and major repairs	Reserve for office expenses	Invested in capital balance	Unappropri-ated balance	Total 2018
Balance, beginning of year	$ 248,070	$ 88,400	$ 964	$ 42,415	$ 56,428	$ 436,277
Excess of revenue over expenses (expenses over revenue) for the year				(1,482)	16,491	15,009
Transfer to reserves (note 6)	5,000	10,009			(15,009)	
Balance, end of year	$ 253,070	$ 98,409	$ 964	$ 40,933	$ 57,910	$ 451,286

See accompanying notes

Year ended March 31 2019	2019	2018
Revenue		
Administration fees	$ 339	$ 12,913
Investment and other income	8,815	10,342
Operating levy	89,984	88,653
Purchaser list fees and renewals	21,240	30,249
Rental income	63,000	40,426
	183,378	182,583
Expenses		
Human resources	80,341	78,393
Insurance	9,597	9,260
Office and general	15,357	12,740
Professional fees	34,837	31,022
Repairs and maintenance	21,423	32,302
Utilities	26,352	19,124
	187,907	182,841
less recovery from tenants	(25,529)	(16,749)
	162,378	166,092
Excess of revenue over expenses before amortization	21,000	16,491
Amortization of capital assets	(30,238)	(30,238)
Amortization of unamortized capital contribution	28,756	28,756
	(1,482)	(1,482)
Excess of revenue over expenses for the year	$ 19,518	$ 15,009

See accompanying notes

Statement of Cash Flows

	Year ended March 31 2019	2018
Cash flows from (used in) Operations		
Excess of revenue over expenses for the year		
Non-cash items	$ 19,518	$ 15,009
Amortization of capital assets	30,238	30,238
Amortization of unamortized capital contributions	(28,756)	(28,756)
	21,000	16,491
Changes in non-cash working capital		
Accounts receivable	(7,661)	(966)
Harmonized sales tax recoverable	(2,265)	296
Prepaid expenses	9,010	5,401
Accounts payable and accrued liabilities	(30,139)	15,857
Government remittance payable	(216)	216
	(10,271)	37,295
Investing		
Redemption of Guaranteed Investment Certificates	95,418	159,289
Purchase of Guaranteed Investment Certificates	(172,765)	(160,517)
	(77,347)	(1,228)
Changes in cash during year	(87,618)	36,067
Cash, beginning of year	151,181	115,114
Cash, end of year	$ 63,563	$ 151,181

See accompanying notes

Toronto Islands Residential Community Trust Corporation (Trust), which was incorporated without share capital by The Toronto Islands Residential Community Stewardship Act of the Ontario Legislature on December 1, 1993, manages certain land and buildings on Toronto Islands for the benefit of the residential community on the islands and the public.

The Trust is managed by a board of not more than fifteen directors appointed by the Lieutenant Governor in Council.

The Province of Ontario has leased to the Trust, until December 15, 2092, all of the residential area on Toronto Islands. The Trust has leased to the owners of individual houses, the land on which their houses are situated for a period ending December 15, 2092, under the terms and conditions set out in the legislation.

1. Summary of significant accounting policies

Basis of presentation

These financial statements were prepared using Canadian accounting standards for not-for-profit organizations.

Financial instruments

The Trust initially measures its financial assets and liabilities at fair value. The Trust subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, Guaranteed Investment Certificates, accounts receivable and accounts payable and accrued liabilities.

Guaranteed Investment Certificates

Guaranteed investment certificates are recorded at cost plus accrued interest.

Capital assets

The land lease of the residential area on Toronto Islands is recorded at nominal value.

All other property and equipment are recorded at cost, or where cost is not determinable, at estimated replacement cost.

Depreciation is provided over the estimated useful lives of the assets on a straight line basis at the following annual rates:

Leasehold interest in buildings and building improvements	2.5%

The above rates are reviewed annually to ensure they are appropriate. Any changes are adjusted for on a prospective basis.

If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2019.

1. Summary of significant accounting policies (continued)

Capital contributions

The Province of Ontario's contribution of a leasehold interest in the non-residential buildings in the area managed by the Trust, which had a value of $1,150,248, is being amortized and brought into income on a straight-line basis over 40 years, being the expected useful lifetime of the buildings.

Reserves

The Trust maintains reserves for capital expenditure and major repairs, contingencies and for office expenses as Board-designated allocations out of net assets.

Revenue recognition

The Trust's operating levy is recognized as revenue during the year to which the levy applies.

Purchaser list fees and renewals are recognized when earned.

Administration fees from sale of land leases are recognized when the land lease agreement is concluded.

Rental, interest and other income are recorded as revenue when they are earned.

Use of estimates

The preparation of Trust's financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

2. Guaranteed Investment Certificates

	2019	2018
TD Canadian Banking & Utilities GIC, guaranteed minimum interest rate of 0.091% per annum, due August 16, 2018	$	$ 20,030
Toronto-Dominion Bank, GIC, 0.40% per annum, Due October 12, 2018		23,855
TD Special Offer GIC, 1.45% per annum due October 20, 2018		51,533
TD Special Offer GIC, 1.75% per annum, due May 11, 2019	10,333	10,154
The Canada Trust Company, 5 year Stepper GIC, 0.85%, per annum, due June 21, 2019	25,166	
TD Canadian Bank GIC, guaranteed minimum interest rate of 0.1674% per annum, due August 16, 2019	20,088	20,055
Toronto-Dominion Bank, 1 year Cashable GIC, 0.5% per annum, due October 12, 2019	23,961	
TD Special Offer GIC, 2.0 5% per annum, due December 21, 2019	52,420	
Toronto-Dominion Bank Mortgage Corporation GIC, guaranteed minimum interest rate of 0.59% per annum, due October 13, 2020	51,037	50,736
TD Mortgage Corporation, TD Canadian Bank GIC, 0.82% per annum, due June 21, 2021	25,162	
The Canada Trust Company, 3 Year Premium Rate Cashable GIC, 1.10% per annum, due October 9, 2021	25,132	
TD Canadian Banking & Utilities GIC, guaranteed minimum interest rate of 0.5451% per annum, due November 17, 2022	75,730	75,320
TD Mortgage Corporation, TD Canadian Top 60 GIC, 0.98% per annum, due March 24, 2024	20,001	
	$ 329,030	$ 251,683

	2019	2018
Maturing within 12 months	$ 131,968	$ 95,418
Maturing over 12 months	197,062	156,265
	$ 329,030	$ 251,683

3. Accounts receivable

	2019	2018
Levies receivable	$ 61,592	$ 55,352
Other	6,646	4,190
	$ 68,238	$ 59,542

These receivables are presented net of an allowance for doubtful accounts of $nil (2018 - $nil).

4. Capital assets

	Cost	Accumulated amortization	Net
			2019
Land lease	$ 1	$	$ 1
Leasehold interest in buildings	1,150,248	843,514	306,734
Building improvements	59,277	19,826	39,451
	$ 1,209,526	$ 854,340	$ 346,186

	Cost	Accumulated amortization	Net
			2018
Land lease	$ 1	$	$ 1
Leasehold interest in buildings	1,150,248	814,758	335,490
Building improvements	59,277	18,344	40,933
	$ 1,209,526	$ 833,102	$ 376,424

5. Unamortized capital contribution

	2019	2018
Balance, beginning of year	$ 335,492	$ 364,248
Amortization of capital contribution during the year	(28,756)	(28,756)
Balance, end of year	306,736	335,492
less current portion	(28,756)	(28,756)
	$ 277,980	$ 306,736

6. Net transfer to reserves

During the year the Board decided to transfer the following amounts from unappropriated reserve balance to the reserves:

	2019	2018
Contingencies	$ 13,000	$ 5,000
Capital expenditures and major repairs		10,009
Office expenses	8,000	
	$ 21,000	$ 15,009

7. Financial instruments and risk management

The Trust is exposed to various risks through its financial instruments. The following analysis provides a measure of the Trust's risk exposure at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust's main credit risks relate to accounts receivable. The Trust mitigates credit risk by regularly monitoring the accounts. Management has included adequate provision for doubtful accounts receivable in these financial statements.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities. The trust is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Trust expects to meet these obligations as they come due by generating sufficient cash flow from operations.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Trust is not exposed to significant currency risk, interest rate and price risks

Investment Risk Management

Risk management relates to the understanding and active management of risks associated with all areas of the Trust's activities and operations. The Trust has invested its funds in guaranteed investment certificates to avoid unexpected market price fluctuations.

8. Guarantees and indemnities

The Trust has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Trust has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Trust has entered into agreements that include indemnities in favour of third parties. either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Trust agrees to indemnify the counter parties in certain circumstances against losses or liabilities arising from the acts of omissions of the Trust. The maximum amount of any potential liability cannot be reasonably estimated.