Toronto Islands
Residential Community Trust Corporation

ANNUAL REPORT
2020-2021

July 2021

Ministry of
Municipal Affairs
and Housing

Office of the Minister

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Ontario

September 17, 2021

TO THE LIEUTENANT GOVERNOR
OF THE PROVINCE OF ONTARIO

MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the Legislative Assembly, I am presenting the Annual Report of the Toronto Islands Residential Community Trust Corporation for the fiscal year 2020-2021.

Respectfully submitted,

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 9, 2021

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, 2020-2021, together with its audited financial statements for the period 2020-2021.

Respectfully submitted,

Alison Rogers
Chair
Toronto Islands Residential Community Trust Corporation

Message from the Chair:

This fiscal year began amidst an unprecedented worldwide pandemic. The Trust office has been physically closed for more than a year and this has necessitated a lot of change and modernization.

This year, the Trust was forced to shift to an entirely remote working model. This necessitated: a switch to online software and zoom meetings, setting up three additional home offices, online community meetings, and a virtual audit, to name but a few. However, the most major shift was the development of an entirely new AODA compliant website complete with online lottery and purchasers' list renewal payments. It is a testament to the Trust's Manager that all the pivoting, shifting and adjusting was accomplished in a near seamless fashion with little to no impact on the service standards the Trust is committed to delivering.

In the first half of this year, the Trust was obliged to engage in litigation to clarify the ability of leaseholders to rely on an adult adoption to validate a lease transfer. The Trust received the guidance it sought and is now working to codify and evaluate the current policies and procedures applicable to transfers.

This year, due to the pandemic, two board members who were resident in the mainland City of Toronto completed their terms on the Trust board without ever stepping foot on the Island or even meeting their fellow board members face to face. Such has been the effect of the pandemic and the Island residents regret not having had the chance to welcome these volunteers to the community.

The Trust chair of 8 years, Lorraine Filyer, finished the term of her appointment this year. Ms. Filyer was a tremendous asset, a vault of institutional knowledge, a steady hand, and a tireless volunteer. Ms. Filyer's term ended on October 31, 2021. Upon Ms. Filyer's departure, a new Trust chair, Alison Rogers, was elected. I can only hope to fill Ms. Filyer's boots but I hope my path follows in her footsteps.

Alison Rogers, Chair

Toronto Islands Residential Community Trust Corporation 2020-2021 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 both 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 two part-time staff persons and a part-time bookkeeper.

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

A Memorandum of Understanding (MOU) was signed by the Trust Chair on February 8, 2018 and by the Minister of the former Ministry of Municipal Affairs on March 6, 2018. A letter of affirmation for the MOU was signed by the Minister on December 16, 2020 and the Trust Chair on December 21, 2020. The MOU sets out the mandate of the Trust and the accountability relationship between the Minister and the Trust. 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 and Housing. 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 fire hall, 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 first seven months of the 2020-2021 fiscal year, the board was composed of six volunteer members. Three of the six board members were Island residents and three were City of Toronto residents. On October 31, 2020, one Island resident member (the then-sitting chair) completed the term of their appointment, leaving five members on the board. On March 21, 2021, two additional Island Members were appointed for a three-year term. Also, during this fiscal year, the appointment of two of the City of Toronto residents expired on March 20, 2021. At the end of the fiscal year, the board consisted of four Toronto Island residents and one City of Toronto resident. 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.

The board elects the following officers from amongst its members: chair, vice-chair, treasurer and secretary.

The membership of the board in 2020-2021 was as follows:

Board Member	Position	Appointment Initial Date	Appointment Expiry Date	Appointee of
Lorraine Filyer	Former Chair	April 1, 2012	October 31, 2020	Toronto Island Resident
Alison Rogers	Current Chair	March 21, 2018	March 21, 2022	Toronto Island Resident
Andre Fabierkiewicz	Former Treasurer	March 21, 2020	March 20, 2021	City of Toronto Resident
Karen Rothfels	Interim Treasurer	March 25, 2020	March 20, 2022	Toronto Island Resident
Gary Pieters	Vice Chair	March 21, 2020	March 20, 2023	City of Toronto Resident
Andreas Bergen	Board Member	April 1, 2020	March 31, 2021	City of Toronto Resident
Allyson Woodrooffe	Board Member	March 21, 2021	March 20, 2024	Toronto Island Resident
Frances Ford	Board Member	March 21, 2021	March 20, 2024	Toronto Island Resident

It is anticipated that the proposed new board composition will include four Toronto Island residents and three City of Toronto residents.

The board members are not remunerated for their services to the Trust.

Board Meetings

In 2020-2021, the board held 15 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 three community meetings. At the first meeting on June 25, 2020, the community endorsed the Trust's 2020-2021 budget prior to final board approval. The second meeting was called by a community motion and took place on September 4, 2020. Both motions presented by the community regarding halting the pending legal action and requiring any amendment to the definition of adopted child be brought forward to the community were defeated. At the third meeting on October 29, 2020, the community received the Trust's 2019-20 audited financial statements as presented by the Trust board's auditor, Roger Chaplin of Chaplin and Company.

Board Committees

In 2020-2021, the Trust continued to be supported by the following committees: finance, governance, management, properties, communications and the new technology committee. 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 decision-making 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.

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

D. OPERATIONAL ACTIVITIES IN 2020-2021

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 2020-2021, the Trust undertook a number of activities and made progress in several areas as follows:

Strategic Plan

In April of 2020 the Trust board released the Toronto Islands Residential Community Trust Corporations Strategic Plan 2020 to 2025. The government-appointed Trust board members and volunteers from the community, with the assistance of CMCS Consulting, drew up a set of strategic goals to help the Trust achieve the vision of a sustainable and resilient Toronto Island community for the benefit of the residents and the public.

The plan outlines four key strategic goals:

1. The Trust board, its staff and members of its committees, will have the skills, knowledge, capacity, resources and support necessary to carry out the mandate of the Trust.
2. The Trust will use efficient and effective systems to fulfil its mandate.
3. The Trust will enable a well-informed Island community, using principles of transparency, accountability and effective communication.
4. The Trust will effectively oversee the management of its buildings and its natural assets.

There are key actions under each strategic goal which the Trust board will monitor and report on in its yearly business plan.

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. In March of 2020 the Trust's physical office closed due to the COVID-19 pandemic and remained closed for the entire 2020-21 fiscal year. The Trust office moved to a virtual platform using email and video conferencing to successfully meet its mandate. The Trust responded to 260 telephone inquiries forwarded to the Trust's email voice messaging system. Due to the office closure there was a large increase in email correspondence with over 5000 email inquiries, 50 per cent of which were due to media coverage on Island housing and the opening of the purchasers' list. The Trust also responded to six letter enquiries.

The Trust participated in two community newsletters which were published in 2020-2021 as part of the Trust's communications strategy as well as one special bulletin regarding a court case the Trust was involved in. The Trust's website was redesigned and made accessible as per the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) requirements. As per the Province of Ontario's Agencies and Appointments Directive and Travel, Meal and Hospitality Expenses Directive, a public posting of expense information for appointees 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 being made and we have remained relatively steady in the collections year over year for the last few years. Currently 83% of leaseholders have paid in full or have made payment plan arrangements with the Trust.

In 2018-2019 the Trust governance committee in collaboration with the Trust legal counsel began work on a permitted transfer by-law. The by-law codifies the lease transfer policies followed by the Trust since its inception and clarifies the status of stepchildren as legal transferees. In 2020-2021 the Trust has been working with its governance committee to develop a detailed framework around the permitted transfer by-law that outlines specific policies and procedures for the transfer of Island homes.

The Trust has drafted a safe workplace and harassment policy that is to be brought to the community at is October 2021 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 to the organizations and the Trust help to keep the buildings in good repair.

On March 17, 2020, Ontario issued an order declaring an emergency under the *Emergency Management and Civil Protection Act* to protect the health and safety of Ontarians against the COVID-19 pandemic. As a result of this declaration and its associated orders restaurants were required to close to the public, except to the extent that such facilities provide takeout food and delivery. Outdoor recreation amenities were also closed for a period of time, as a result of provincial orders and municipal direction. Orders also required facilities providing indoor recreational programs and licensed child care centres or private schools to be closed and restricted the gathering of people. As such, this impacted the operations of the community buildings, which were closed on and off to the public and Island residents throughout 2020-2021. The COVID-19 pandemic has had a significant impact on all Ontarians, physically, mentally and financially and the Trust and its leaseholders are no exception. The Trust has been advised that is would unlikely qualify for the COVID-19 related assistance under the support programs put in place at various levels of government. The Trust board continues to carefully review its financial position and monitor budgets and cash flow accordingly.

In 2020-2021, the Trust properties committee met with executive members of the Canoe Club, the Algonquin Island Association and the Ward's Island Recreation Association to ensure that all buildings and tenants were adequately supported during the COVID-19 pandemic. All buildings have updated maintenance plans to work with for the next four years.

In 2020-21, the Rectory property required only tree maintenance. No building repairs were necessary.

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 2019-2020 the properties committee contracted a landscape architect to prepare a design for the Third Street greenspace. The final design was shared with the neighbours and work that was to begin in 2020 was postponed due to the COVID-19 pandemic. To date no work has been completed on the site.

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 2020.

E. OPERATIONAL PERFORMANCE

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

Achievement of Strategic Goals and Performance Targets

The Trust's 2021-2024 Business Plan was developed and submitted according to the province's requirements, as was the Trust's 2019-2020 Annual Report.

In its 2021-2024 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, knowledge, capacity, resources and support 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 on an ongoing basis. Each committee reports into monthly board meetings with updates on activities or recommendations for action as necessary.

The Trust manager attended a workshop in October 2020 entitled “Demystifying Reserve Funds”. The workshop materials were shared with the board for reference.

The Trust manager, part-time staff and board members completed all the AODA training required by the Ministry of Seniors and Accessibility for 2020-21. The following courses were completed:

- The Ontario Human Rights Code as it relates to people with disabilities
- Accessibility for Ontarians with Disabilities Act: Workplace Wellbeing
- AODA Customer Service Training

The Trust board attended a video conference training session provided by the Ministry of Municipal Affairs and Housing that also included training on house appraisals and the equity factor.

All Trust board members completed Provincial Ontario Board Member Training as required by the Treasury Board Secretariat.

2. ‘The Trust will use efficient and effective systems to fulfil its mandate.’

An information technology plan is in place that addresses online collection of fees, automated solutions to the purchasers’ list lottery, meeting organizational tools digital forms 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.

In October 2020, after a successful request for proposals, Metastrategies was contracted by the Trust to redevelop the Trust’s website to meet the AODA requirements. The site was officially launched on December 30, 2020.

In January 2021, the Trust opened the purchasers’ list using the new website and an online application process that allowed participants to submit their applications and pay via credit card. Over 95 percent of the participants used this online version and there was a 100 percent increase in applications received, doubling the Trust’s budgeted revenue in this area.

In February 2021, the Trust launched the online version of the purchasers' list renewals allowing members to renew their spot on the list via credit card. Approximately 60 percent of list members used this method of renewal and payment.

In December 2020, the Trust bookkeeper successfully moved the Trust bookkeeping system from a standalone computer to the online version of QuickBooks allowing all staff access remotely. Security protocols and access restrictions were put in place to ensure all data remains secure.

An inventory of bylaws, policies, procedures has been completed and a plan has been put in place for review on an annual basis.

Following the development and approval of the Permitted Transfer By-Law, the Trust governance committee has been drafting a policy and procedure document to assist with the transfers of Island properties.

The first draft of a Safe Workplace and Harassment Policy was drafted and is set for approval at the October 2021 community meeting.

The Trust conducted its business within the established service standards. In 2020-2021, the Trust completed four house sales and three permitted transfers to the satisfaction of all involved.

The Trust satisfied all the requirements for the province's Open Data Directive and Travel, Meal and Hospitality Expenses Directive.

The Trust completed and submitted for the Minister's approval, the 2021-2024 Business Plan and 2019-2020 Annual Report.

The Trust continues to enforce the lease breach policy and has followed up on all complaints raised to date. Further follow-up and monthly reporting will continue. In 2020-21 the board agreed that due to the COVID-19 pandemic, lease breaches that involved leaseholder travel would not be pursued till the pandemic was over. Currently, there are 17 lease breaches, seven under investigation, seven in transition with either construction having commenced or notice being given to tenants and one that that was appraised in March 2021 for a possible sale.

3. 'The Trust will enable a well-informed Island community, using principles of transparency, accountability and effective communication.'

The Trust's Communications Committee, as a committee of the board, met regularly and communicated with the community through the community newsletters, bulletins, and two community meetings. All new and amended policies and committee terms of reference are posted on the upgraded Trust website.

Due to the COVID-19 pandemic, all in person meetings were moved to an online format including all community and committee meetings. Due to the complexity of this new model and communication demands related to a court proceeding, the communications committee was reconstituted and began meeting regularly in February 2021.

The Trust developed its Green Space Initiative in spring of 2016 to create a best practices model for the vacant lots on Ward's Island to address the use of these lots and encroachment issues. During 2020-2021, no work was completed on the project due to the COVID-19 pandemic.

The Trust participated in two community newsletters in 2020-2021. Information bulletins were distributed in advance of the court proceedings All public court transcripts and decisions were shared via the community list serve. Paper copies were made available upon request.

The Trust, with the assistance of key stakeholders, updated its Strategic Plan to 2025. The plan was published on the Trust website and took effect on April 1, 2020. The plan was fully implemented in the 2020-2021 fiscal year.

In the Trust's Multi-Year Accessibility Plan, the Trust committed to making its information and communications accessible to people with disabilities through:

- the Trust's AODA compliant website, which was launched on January 1, 2021
- An upgrade of the Adobe subscription to facilitate the creation of accessible forms and documents by December 20, 2020

4. 'The Trust will effectively oversee the management of its buildings and its natural assets'

The Trust actively works with the leaseholders of the Trust buildings to ensure that the buildings are maintained for the use of the Island community and the general public. Building inspections are completed on a rotating five-year basis and all asset management plans were finalized in the last fiscal year

Notwithstanding the development of asset management plans, maintenance of Trust buildings is ongoing. The Canoe Club reported completion of work on both electrical and plumbing issues that were noted in the latest building inspection and maintenance plan. The AIA began plans for a kitchen renovation that is to take in the summer of 2021.

A maintenance plan for the trees was developed and all work in the plan was completed by August 2020. A maintenance plan for the 2021-2022 fiscal year was completed in January 2020.

F. FINANCIAL PERFORMANCE

The Trust's 2020-2021 budget, approved by the Trust board on March 12, 2020 and by the community on June 25, 2020, 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, purchasers' list 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 2020-2021 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 organizational by-law No. 1, these audited financial statements will be presented to the community in the fall of 2021. The audit of the Trust's financial statements for 2019-2020 was presented to the community on October 29, 2020.

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:

	2019-2020 Actuals	2020-2021 Actuals	2020-2021 Budget	2020-2021 Actuals vs. Budget	Variance Explanation
Revenue	**$196,065**	**$199,266**	**$202,075**	**($2,809)**	***See Note 1**
Expenses	**$174,781**	**$141,570**	**$195,595**	**($54,025)**	***See Note 1**
Less Amortization	**$1,482**	**$1,482**	**$1,480**	**$2**	
Excess / (deficiency) of revenue over expenses for the year	**$19,802**	**$56,214**	**$5,000**	**$51,214**	

Transfer to Reserves:

	2019-2020 Actuals	2020-2021 Actuals	2020-2021 Budget	2020-2021 Actuals vs. Budget	Variance Explanation
Transfer to Reserves	**$19,802**	**$87,088**	**$5,000**	**$82,088**	***See Note 2**

Note 1:
Variance in revenue is due to rent relief provided to The Riviera. Variance in expenses are due to decisions made by The Riviera to defer updating of facilities and using online resources for communication purposes.

Note 2:
Transfers to reserves are generally for contingencies, capital expenditures/major repairs and office expenses. The transfers are based on the unappropriated reserve balance which is comprised of the excess of revenues over expenses (not including amortization).

In 2020-2021, the variance in transfer to reserves from the approved budget includes a transfer from the unappropriated balance as well as the current year's surplus.

Other Notes:
In 2020-2021, the total transfer to reserves was $87,088, as per board approval on June 8, 2020. Separate from the transfer, there were expenditures of $125,539 that were made from the reserve for contingencies for legal costs related to two residents' violations of the Act. More details are in the audited financial statements in the appendix to this report.

Attachment:

Audited Financial Statements

Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2021

Chaplin & co
CHARTERED ACCOUNTANTS

Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2021

Index

July 8, 2021

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, 2021, 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, 2021, 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 reasonably 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 scepticism 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.

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

Chaplin & co
CHARTERED ACCOUNTANTS

Toronto Islands Residential Community Trust Corporation

	Notes		March 31 2021		2020
Assets					
Current					
Cash		$	20,034	$	57,292
Guaranteed Investment Certificates maturing within 12 months	2		105,200		111,503
Accounts receivable	3		82,118		78,808
Harmonized sales tax recoverable			7,610		1,248
Prepaid expenses			20,601		20,105
			235,563		268,956
Guaranteed Investment Certificates maturing over 12 months	2		147,252		200,425
Capital assets	4		285,709		315,948
		$	668,524	$	785,329
Liabilities					
Current					
Accounts payable and accrued liabilities		$	16,708	$	25,102
Deposit for house sales			-		10,330
Current portion of unamortized capital contribution			28,756		28,756
			45,464		64,188
Unamortized capital contribution	5		220,468		249,224
			265,932		313,412
Net assets			402,592		471,917
		$	668,524	$	785,329

See accompanying notes

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

Alison Rogers, Chair

Karen Rothfels, Interim Treasurer

Toronto Islands Residential Community Trust Corporation

Year ended March 31, 2021

	Reserve for contingencies	Reserve for capital expenditures and major repairs	Reserve for office expenses	Invested in capital balance	Unappropri-ated balance	Total 2021
Balance, beginning of year	$ 264,183	$ 98,409	$ 11,964	$ 37,969	$ 59,392	$ 471,917
Excess of revenue over expenses (expenses over revenue) for the year	-	-	-	(1,482)	57,696	56,214
Expenditures (note 6)	(125,539)	-	-	-	-	(125,539)
Transfers (note 6)	87,088	-	-	-	(87,088)	-
Balance, end of year	$ 225,732	$ 98,409	$ 11,964	$ 36,487	$ 30,000	$ 402,592

Year ended March 31, 2020

	Reserve for contingencies	Reserve for capital expenditures and major repairs	Reserve for office expenses	Invested in capital balance	Unappropri-ated balance	Total 2020
Balance, beginning of year	$ 266,070	$ 98,409	$ 8,964	$ 39,451	$ 57,910	$ 470,804
Excess of revenue over expenses (expenses over revenue) for the year	-	-	-	(1,482)	21,284	19,802
Expenditures (note 6)	(18,689)	-	-	-	-	(18,689)
Transfers (note 6)	16,802	-	3,000	-	(19,802)	-
Balance, end of year	$ 264,183	$ 98,409	$ 11,964	$ 37,969	$ 59,392	$ 471,917

See accompanying notes

	Year ended March 31 2021	2020
Revenue		
Administration fees	$ 12,056	$ 9,500
Investment and other income	15,743	10,226
Operating levy	93,987	92,054
Purchaser list fees and renewals	22,140	20,340
Purchaser list lottery application fees	16,920	-
Rental income	38,420	63,945
	199,266	196,065
Expenses		
Human resources	82,488	85,392
Insurance	10,104	9,930
Office and general	17,023	14,527
Professional fees	15,288	28,900
Repairs and maintenance	15,411	34,230
Utilities	15,614	22,891
	155,928	195,870
less recovery from tenants	(14,358)	(21,089)
	141,570	174,781
Excess of revenue over expenses before amortization	57,696	21,284
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	$ 56,214	$ 19,802

See accompanying notes

Toronto Islands Residential Community Trust Corporation

	Year ended March 31 2021	2020
Cash flows from (used in)		
Operations		
Excess of revenue over expenses for the year	$ 56,214	$ 19,802
Non-cash items		
Amortization of capital assets	30,238	30,238
Amortization of unamortized capital contributions	(28,756)	(28,756)
	57,696	21,284
Changes in non-cash working capital		
Accounts receivable	(3,310)	(11,605)
Harmonized sales tax recoverable	(6,362)	1,017
Prepaid expenses	(496)	(19,556)
Accounts payable and accrued liabilities	(8,394)	(6,154)
Deposit on house sales	(10,330)	10,330
	28,804	(4,684)
Investing		
Redemption of Guaranteed Investment Certificates	310,045	134,027
Purchase of Guaranteed Investment Certificates	(250,568)	(116,925)
Expenditures from reserve for contingencies	(125,539)	(18,689)
	(66,062)	(1,587)
Changes in cash during year	(37,258)	(6,271)
Cash, beginning of year	57,292	63,563
Cash, end of year	$ 20,034	$ 57,292

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 2021.

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

	2021	2020
TD Special Offer GIC, 2.10% (2020 – 2.10%) per annum, due July 12, 2020	$ -	$ 10,545
The Canada Trust Company, 5 year Stepper GIC, 0.82%, per annum, due June 21, 2020	-	25,428
Toronto-Dominion Bank, 1 year Cashable GIC, 1.75% (2020 - 1.5%) per annum, due October 14, 2023	25,835	24,191
TD Special Offer GIC, 0.14% per annum, due June 2, 2021 (2020 - February 21, 2021)	54,495	53,589
Toronto-Dominion Bank Mortgage Corporation GIC, guaranteed minimum interest rate of 0.59% per annum, due October 13, 2020	-	51,339
TD Mortgage Corporation, TD Canadian Bank GIC, 0.82% per annum, due June 21, 2021	25,575	25,367
The Canada Trust Company, 3 Year Premium Rate Cashable GIC, 1.10% per annum, due October 9, 2021	25,130	25,131
TD Canadian Banking & Utilities GIC, guaranteed minimum interest rate of 0.5451% per annum, due November 17, 2022	76,552	76,141
TD Mortgage Corporation, TD Canadian Top 60 GIC, 0.98% per annum, due March 24, 2024	20,395	20,197
Toronto-Dominion, 3 years premium rate cashable GIC, 0.75% Due October 14, 2023	24,470	-
	$ 252,452	$ 311,928

	2021	2020
Maturing within 12 months	$ 105,200	$ 111,503
Maturing over 12 months	147,252	200,425
	$ 252,452	$ 311,928

3. Accounts receivable

	2021	2020
Levies receivable	$ 81,010	$ 67,640
Other	1,108	9,668
	$ 82,118	$ 77,308

These receivables are presented net of an allowance for doubtful accounts of $nil (2020 - $nil).

4. Capital assets

			2021
	Cost	Accumulated amortization	Net
Land lease	$ 1	$ -	$ 1
Leasehold interest in buildings	1,150,248	901,027	249,221
Building improvements	59,277	22,790	36,487
	$ 1,209,526	$ 923,817	$ 285,709

			2020
	Cost	Accumulated amortization	Net
Land lease	$ 1	$ -	$ 1
Leasehold interest in buildings	1,150,248	872,271	277,977
Building improvements	59,277	21,307	37,970
	$ 1,209,526	$ 893,578	$ 315,948

5. Unamortized capital contribution

	2021	2020
Balance, beginning of year	$ 277,980	$ 306,736
Amortization of capital contribution during the year	(28,756)	(28,756)
Balance, end of year	249,224	277,980
less current portion	(28,756)	(28,756)
	$ 220,468	$ 249,224

6. Reserve transfers and expenditures

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

	2021	2020
Contingencies	$ 87,088	$ 16,802
Office expenses	-	3,000
	$ 87,088	$ 19,802

During the year, the following expenditures were made from the reserve for contingencies:

	2021	2020
Legal costs related to litigation on lease transfers under the Toronto Islands Residential Community Stewardship Act, 1983	$ 125,539	$ 8,689
Flood relief support to Toronto Island Community Association	-	10,000
	$ 125,539	$ 18,689

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.

9. COVID-19

The outbreak of the COVID-19 virus has resulted in the federal and provincial governments enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, self-isolation, physical and social distancing and the closure of non-essential businesses, such as restaurants, have resulted in an uncertain and challenging economic environment,-

As an emerging risk, the duration and impact of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty. Accordingly, estimates of the extent to which the COVID-19 pandemic may, directly or indirectly, materially and adversely affect the Trust's operations, financial results and condition in future periods are also subject to significant uncertainty, and cannot be estimated.