Toronto Islands
Residential Community Trust Corporation

ANNUAL REPORT

2022-2023

June 2023

Ministry of Municipal Affairs and Housing

Office of the Minister

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Ontario

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 2022-2023.

Respectfully submitted,

Paul Calandra
Minister

TORONTO ISLANDS RESIDENTIAL
COMMUNITY TRUST CORPORATION
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July 2, 2023

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, 2022-2023, together with its audited financial statements for the period 2022-2023.

Respectfully submitted,

Alison Rogers
Chair
Toronto Islands Residential Community Trust Corporation

Message from the Chair:

I am very pleased to say this year has been one of smooth and uneventful implementation of well-laid plans. Neither the Trust nor the larger world has been thrust into upheaval and the Trust's work has continued uninterrupted.

The ongoing review of the Trust's by-laws, policies and procedures has resulted in an updated purchasers' list by-law, a respectful workplace policy and a revamped levy collection policy. Work continues, among other documents, a transfers procedures guide to accompany the permitted transfers by-law and a residency requirements policy.

The Trust is already seeing benefits from the updates made to the purchasers' list by-law. The highlight of the update was to set regular dates and intervals for accepting applications for the purchasers' list. Applications will now be available and accepted in October on even number years and the next window of opportunity will be clearly published on the website. In addition to making the process fairer and more available to more people, the change has resulted in a precipitous decline in phone calls and emails asking when the next chance will arise. This has eased the burden on staff and allowed them to focus on other projects.

The purchasers' list application process has been opened up to many more people through digitization and e-commerce solutions, which allowed more than three times as many applicants to submit their applications online. The online availability of this process allows a much more diverse pool of applicants and allows the Trust to reach out to many more Ontarians.

The Trust also began work on the process that will be used to consult the community about new governing documents and other Trust initiatives. The first stage of this work was to produce educational materials available to leaseholders, the community and the public at large. This year a multipart video series was developed as an introduction to the Trust. The first video has been completed. *What is the Toronto Islands Residential Community Trust Corporation: An Introduction to the Trust and its Responsibilities* will soon be available on the Trust's website.

As the Trust embarks on another year, the commitment to transparency, stakeholder engagement and responsible management will remain at the fore.

Alison Rogers, Chair

Toronto Islands Residential Community Trust Corporation 2022-2023 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 one casual part-time employee, as required.

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 Minister 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. 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 2022-2023 fiscal year, the board was composed of six volunteer members. Four of the six board members were Island residents and two 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 one casual part-time employee, as required. The board elects the following officers from amongst its members: chair, vice-chair, treasurer and secretary.

The membership of the board in 2022-2023 was as follows:

Board Member	Position	Appointment Initial Date	Appointment Expiry Date	Appointee of
Alison Rogers	Chair	March 21, 2018	March 21, 2024	Toronto Island Resident
Karen Rothfels	Treasurer	March 25, 2020	March 20, 2025	Toronto Island Resident
Gary Pieters	Vice Chair	March 21, 2020	March 20, 2023	City of Toronto Resident
Frances Ford	Board Member	March 21, 2021	March 20, 2024	Toronto Island Resident
Allyson Woodrooffe	Board Member	March 21, 2021	March 20, 2024	Toronto Island Resident
Melek De-Wint	Board Member	September 16, 2021	June 13, 2024 Resigned March 31, 2023	City of Toronto Resident

It is anticipated that the proposed new board composition will include four Toronto Island residents and three City of Toronto residents. Gary Pieters ended his term on March 20, 2023. Melek De-Wint resigned from the board effective March 31, 2023, due to moving out of province. No additional appointments have been made at this time.

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

Board Meetings

In 2022-2023, the board held 11 meetings to oversee Trust business and to ensure the objectives 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 board meetings.

The board also attended two community meetings. At the first meeting on June 22, 2022, the community endorsed the Trust’s 2022-2023 budget. At the second meeting on October 25, 2022, the community received the Trust’s 2021-22 audited financial statements, as presented by the Trust board’s auditor, Roger Chaplin of Chaplin and

Company. The community approved the revised Purchasers' List By-Law and was introduced to the Respectful Workplace Policy for input.

Board Committees

In 2022-2023, the Trust continued to be supported by the following committees: finance, governance, management, properties, appraisal, communications, and technology. 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 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 2022-2023

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 2022-2023, the Trust undertook a variety of activities and made progress in several areas as follows:

Permitted Transfer Procedure

In October 2019, the Trust board and the Island community approved the Permitted Transfer by-law. This by-law was adopted in order to:

- set out how the Trust will interpret the Act with respect to permitted transfers;
- set out how the Trust will interpret the Act with respect to the holding of title to houses and land leases; and
- set out how the Trust will interpret the Act with respect to the obligations of the Trust and the estate of a deceased owner following the death of an owner.

Since that time, the governance committee has been working on the permitted transfer procedures. These procedures have been developed to provide guidance to the Trust board, staff, lawyer, owners and other interested parties about the process to be followed around permitted transfers. The first draft was developed in 2021-2022. It was recommended at the September 2022 board meeting that a plain language review of the procedures was required before a community consultation could commence. This is still underway but should be completed by fall 2023 with community consultation to follow.

Information Sharing

In 2022-2023, the Trust's physical office reopened to the public in May 2022 after a 26-month closure due to COVID-19. Although the Trust office continues to use virtual platforms, through email and video conferencing, to successfully deliver responsive services for the benefit of the residents and the public as per its mandate, some in person communications have also resumed.

In 2021-2022 the Trust created a leaseholders' section of the website, to share information and allow for leaseholders to pay their annual levies via credit card in order to advance digital delivery and customer service.

This year the Trust began producing informational videos on key topics of interest to Island leaseholders for publication on the website. To date one has been completed titled "*What is the Toronto Islands Residential Community Trust Corporation: An Introduction to the Trust and its Responsibilities".*

The Trust regularly receives and responds to leaseholder requests for information or access to documentation regarding their properties. In 2022-2023, the Trust answered nine letters and over 30 requests from leaseholders including arranging five inspections and appraisals for various purposes.

The Trust also receives many inquiries regarding the Purchasers' List, both from applicants on the list and the public. This year interest was particularly high with over 6,000 emails received, with a response to 4,000 of which came in over a four-week period when the Purchasers' List lottery was open.

The Trust produced one community newsletter in 2022-2023 as part of the Trust's communications strategy. There were also two updates provided with the notices sent out for the community meeting.

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 are available on the Trust's website. In 2022-2023, travel, meal or hospitality expenses were not incurred.

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 collections have remained relatively steady for the last few years. Currently, 87 per cent of leaseholders have paid in full or have made payment plan arrangements with the Trust. In 2022-2023, an additional four leaseholders with significant arrears have paid their levies in full or entered into a payment plan.

The Trust board and community approved the amended Purchasers' List by-law in October 2022. The community was also presented with the new Respectful Workplace Policy. Both these documents are available on the Trust's website.

The Levy Payment and Collection Policy has also been revised and was approved by the board on February 9, 2023. It was presented to the community on June 20, 2023. It will be posted on the leaseholders section of the website.

Managing Community Buildings

The 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/pubs. This rental income to the organizations and the Trust helps to ensure the buildings remain in good repair.

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 2022.

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 2023-2026 Business Plan was developed and submitted for the minister's approval, according to the province's requirements, as was the Trust's 2021-2022 Annual Report.

In its 2022-2025 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 necessary 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 its committees on an ongoing basis. Each committee reports at monthly board meetings with updates on activities or recommendations for action as necessary.

The Trust manager attended a webinar entitled: Workplace Strategies for Mental Health.

The Trust manager met with the Canadian Network of Community Land Trusts (CNCLT). The CNCLT are working with Land Trusts across Canada to facilitate technology assets, information sharing and networking opportunities.

The newest Trust board member, appointed in October 2021 completed the following trainings:

- Accessibility for Ontarians with Disabilities Act Workplace Wellness.
- Working together: the Ontario Human Rights Code and the AODA.
- Board orientation.

In March 2022, the Trust board approved a staffing model change to effectively facilitate the retirement of the Trust contract bookkeeper. This model brought on board a bookkeeper/administrator in June 2022 who is part-time salaried at two days per week. The current manager moved to three days per week and the administrative assistant remained part-time casual. This model is providing better service to leaseholders, as well as increasing capacity to meet all Trust mandates.

2. 'The Trust will use efficient and effective systems to fulfil its mandate for the benefit of the residents and the public.'

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 2022, the Trust opened the Purchasers' List Lottery. There was a higher than usual amount of interest, with over 3,500 applications being received. This not only increased the Trust's revenue above the 2022-2023 projection but allowed for the automation of the lottery process, creating a digital platform for a randomized selection of applicants. Upgraded communications tools were also required to meet this demand. This process created increased costs for technology and administration.

The Trust continues to use technology to streamline processes, including online meetings, webinars, e-commerce and remote working opportunities. In 2022-2023, the Trust began to use project management tools and collaborative technologies for policy creation.

Following the development and approval of the Permitted Transfer by-law, the Trust governance committee has been drafting a procedure document to assist with the transfers of Island properties. The first draft was completed in March 2022. In 2022-2023, a plain language version continues to be developed with a community consultation process to commence in October 2023.

The governance committee completed the Respectful Workplace Policy which was presented to the community in October 2022.

The Trust completed changes to the Purchasers' List by-law. The revisions included protecting the privacy of those on the list, updating the payment procedures to include e-commerce capabilities, allowing only single entries and opening the list every two years on the same date. The by-law was approved by the Trust and the community in October 2022.

The Levy Billing and Collection Policy was updated and approved by the Trust board in February 2023. It will be presented to the community for approval at the June 20, 2023, community meeting.

The Trust conducted its business within the established service standards. In 2022-2023, the Trust was not asked to sell any houses, however, five permitted transfers were completed 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 continues to enforce the lease breach policy and has drafted revisions to the policy to make the procedures and decision making around lease breaches and Trust knowledge more transparent. These revisions will be presented to the community as part of a consultation process in the fall of 2023.

Further follow-up and monthly reporting on lease breaches will continue. Currently, there are 14 lease breaches, with five under investigation, and the rest under various levels of remediation either via estate, permitted transfer or sale.

The Trust has been working with ministry staff to support the ministry's assessment of the feasibility of using provincial government property appraisers. To date no progress has been made.

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

The Trust's Communications Committee met regularly and communicated with the community through the community newsletters and two community meetings. All new and amended policies and committee terms of reference are available 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. Community meeting attendance has grown 50 per cent with this format and increased the Trust's accessibility for those unable to attend in person. The Trust has continued to use this format despite gathering restrictions being lifted.

The Trust produced one community newsletter and completed production on one informational video. The video titled: *What is the Toronto Islands Residential Community Trust Corporation: An Introduction to the Trust and its Responsibilities"* is to be released to the community at its June 2023 community meeting.

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 will be inspected in the 2023-2024 fiscal year in preparation for lease negotiations.

The Rectory building's kitchen and bathroom floors were replaced in 2022-2023. All renovations were made in a timely and efficient manner, with little to no disruption to restaurant or Trust service.

A maintenance plan for the trees was developed and all work in the plan was completed by November 2022. A maintenance plan for the 2023-2024 fiscal year was completed in March 2023 with 60 per cent of the work completed to date.

Alignment to Government Priorities

As part of the government of Ontario, agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. In alignment with this expectation, the Trust's strategic direction and objectives are consistent with the following government priorities:

Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhering to requirements of the Agencies and Appointments Directive, and responding to audit findings, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

Risk Management

- Ensure the appropriate governance structures continue to be in place for decision making and to effectively support the work of the Trust.
- Develop and implement a robust succession planning process for board, staff, consultants and committee members.
- Continue to review the technology plan to determine additional IT modernization opportunities including those related to cyber security.
- Develop and implement an effective process for the identification, assessment and mitigation of risk including planning for and responding to health and other emergency situations including, but not limited to COVID-19.

Digital Delivery and Customer Service

- Exploring and implementing digitization or digital modernization strategies for the provision of services online and continuing to meet and exceed customer service standards through transition.
- Use a variety of approaches or tools to ensure service delivery in all situations, including pursuing delivery methods that have evolved since COVID-19.

Diversity and Inclusion

- Develop and encourage diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusive engagement process to ensure all voices are heard to inform policies and decision-making.

Workforce Management

- Optimize organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.

Competitiveness, Sustainability and Expenditure Management

- Identifying and pursuing opportunities for revenue generation.
- Operate within the Trust's budget.

Data Collection

- Improve how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.

Additional Priorities Identified:

- Continuing to develop board, staff and committee members' skills and knowledge to carry out the Trust's mandate.
- Delivering responsive services for the benefit of the residents and the public.
- Effectively managing the public buildings and the natural assets under its mandate to protect and preserve them for the benefit and enjoyment of the public;
- Providing effective ongoing controllership of its operations;
- Developing and/or reviewing customer service standards and outcomes-based measure, including the development of outcome measures related to inquiry response and property sales; and
- Working with Ministry staff, where necessary, to support the Ministry's assessment of the feasibility of using competitively procured appraisers through Infrastructure Ontario.

In 2022-2023, there are many examples of actions the Trust has undertaken to achieve the government's priorities. For example, staff and technology modernization opportunities including the creation and implementation of a respectful workplace policy and e-commerce solutions for all streams of revenue, along with continuing to seek any new e-commerce efficiencies that may arise. Review of the Organizational and Governance by-laws commenced for presentation to the community in the next fiscal year. The Trust's new staffing model was implemented in May 2022 adding an additional seven hours of staff time per week with only a small increase to the staffing budget.

The Trust has reviewed its performance measures and has taken steps to enhance the development of customer service standards and outcomes-based measures. The Trust has incorporated a measure that relates to buyer and seller satisfaction when a land lease and house sale occurs. The Trust has also developed a measure that increases transparency and ensures a well-informed community through effective communications. This has been accomplished through online content that informs the community of processes, along with community meetings and newsletters.

F. FINANCIAL PERFORMANCE

The Trust's 2022-2023 budget, approved by the Trust board on March 10, 2022, and by the community on June 22, 2022, confirming 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 and lottery 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 2022-2023 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 2023. The audit of the Trust's financial statements for 2021-2022 was presented to the community on October 25, 2022.

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:

	2021-2022 Actuals	2022-2023 Actuals	2022-2023 Budget (approved)	2022-2023 Actuals vs Budget	Variance Explanation
Revenue	**$193,060**	**$294,621**	**$215,800**	**$78,821**	**See Note 1**
Expenses	**$154,024**	**$170,101**	**$204,650**	**($34,549)**	**See Note 1**
Less Amortization	**$1,480**	**$1,480**	**$1,480**	**$0**	
Excess / (deficiency) of revenue over expenses for the year	**$37,556**	**$123,040**	**$9,670**	**$113,370**	

Transfer to Reserves:

	2021-2022 Actuals	2022-2023 Actuals	2022-2023 Budget (approved)	2022-2023 Actuals vs Budget	Variance Explanation
Transfer to Reserves	**$34,036**	**$119,520**	**$5,285**	**$114,235**	**See Note 2**

Note 1:
Variance in revenue is mainly due to the increased interest in the purchasers' list lottery and increase in investment & other income. Variance in expenses is mainly due to lower spending for professional fees, bad debt recovery and lower spending for repairs and maintenance related to buildings, grounds and trees.

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 balance at the beginning of the year and any excess of revenues over expenses (not including amortization).

In 2022-2023, the variance in transfer to reserves from the approved budget includes a transfer from the current year's excess of revenue over expenses to the reserve for contingencies ($69,520) and the reserve for capital expenditures and major repairs ($50,000).

Other Notes:
In 2022-2023, the total transfer to reserves was $119,520 as per board approval on June 8, 2023.

Attachment:

Audited Financial Statements

Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2023

Chaplin & co

Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2023

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Chaplin & co

June 15, 2023

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, 2023, 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, 2023, 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.

Roger Chaplin CPA, CA LPA MA (Oxon) Gail Bergman CPA, CA LPA B Comm

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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 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.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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. LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

Toronto Islands Residential Community Trust Corporation

Balance Sheet

	Notes	March 31 2023	2022
Assets			
Current			
Cash		$ 41,594	$ 46,111
Guaranteed Investment Certificates maturing within 12 months	2	193,989	151,622
Accounts receivable	3	92,989	89,691
Harmonized sales tax recoverable		801	1,899
Prepaid expenses		10,647	10,943
		340,020	300,266
Guaranteed Investment Certificates maturing over 12 months	2	199,868	122,158
Capital assets	4	225,237	255,473
		$ 765,125	$ 677,897
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 10,225	$ 17,281
Current portion of unamortized capital contribution		28,756	28,756
		38,981	46,037
Unamortized capital contribution	5	162,956	191,712
		201,937	237,749
Net assets		563,188	440,148
		$ 765,125	$ 677,897

See accompanying notes

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

Alison Rogers, Chair

K Rothfels

Karen Rothfels, Treasurer

Toronto Islands Residential Community Trust Corporation

Year ended March 31, 2023

	Reserve for contingencies	Reserve for capital expenditures and major repairs	Reserve for office expenses	Invested in capital balance	Unappropri-ated balance	Total 2023
Balance, beginning of year	$ 254,768	$ 98,409	$ 16,964	$ 35,007	$ 35,000	$ 440,148
Excess of revenue over expenses (expenses over revenue) for the year	-	-	-	(1,480)	124,520	123,040
Transfers (note 6)	69,520	50,000	-	-	(119,520)	-
Balance, end of year	$ 324,288	$ 148,409	$ 16,964	$ 33,527	$ 40,000	$ 563,188

Year ended March 31, 2022

	Reserve for contingencies	Reserve for capital expenditures and major repairs	Reserve for office expenses	Invested in capital balance	Unappropri-ated balance	Total 2022
Balance, beginning of year	$ 225,732	$ 98,409	$ 11,964	$ 36,487	$ 30,000	$ 402,592
Excess of revenue over expenses (expenses over revenue) for the year	-	-	-	(1,480)	39,036	37,556
Transfers (note 6)	29,036	-	5,000	-	(34,036)	-
Balance, end of year	$ 254,768	$ 98,409	$ 16,964	$ 35,007	$ 35,000	$ 440,148

See accompanying notes

	Year ended March 31 2023	2022
Revenue		
Administration fees	$ 293	$ 3,339
Bequest to offset operating levies	-	12,000
Investment and other income	30,707	7,392
Operating levy, net of bequest of $nil (2022 - $12,000)	96,537	82,645
Purchaser list fees and renewals	24,656	21,678
Purchaser list lottery application fees	72,660	-
Rental income	69,768	66,006
	294,621	193,060
Expenses		
Bad debts (recovery)	(6,783)	-
Human resources	91,925	84,036
Insurance	11,681	10,601
Office and general	19,655	15,196
Professional fees	23,069	28,297
Repairs and maintenance	27,524	14,442
Utilities	26,534	13,155
	193,605	165,727
less recovery from tenants	(23,504)	(11,703)
	170,101	154,024
Excess of revenue over expenses before amortization	124,520	39,036
Amortization of capital assets	(30,236)	(30,236)
Amortization of unamortized capital contribution	28,756	28,756
	(1,480)	(1,480)
Excess of revenue over expenses for the year	$ 123,040	$ 37,556

See accompanying notes

Statement of Cash Flows

	Year ended March 31 2023	2022
Cash flows from (used in)		
Operations		
Excess of revenue over expenses for the year	$ 123,040	$ 37,556
Non-cash items		
Amortization of capital assets	30,236	30,236
Amortization of unamortized capital contributions	(28,756)	(28,756)
	124,520	39,036
Changes in non-cash working capital		
Accounts receivable	(3,298)	(7,573)
Harmonized sales tax recoverable	1,098	5,711
Prepaid expenses	296	9,658
Accounts payable and accrued liabilities	(7,056)	573
	115,560	47,405
Changes in cash during year	115,560	47,405
Cash, beginning of year	319,891	272,486
Cash, end of year	$ 435,451	$ 319,891
Represented by:		
Cash	$ 41,594	$ 46,111
Guaranteed Investment Certificates		
Maturing within 12 months	193,989	151,622
Maturing over 12 months	199,868	122,158
	$ 435,451	$ 319,891

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 2023.

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

		2023		2022
TD Special Offer GIC, 0.40% per annum, due June 2, 2022	$	-	$	54,637
TD Mortgage Corporation, TD Canadian Bank GIC, 0.82% per annum, due June 21, 2022		-		25,766
Toronto-Dominion Bank, 1 year cashable GIC, 0.30%, due October 14, 2022		-		20,028
TD Canadian Banking & Utilities GIC, guaranteed minimum interest rate of 0.5451% per annum, due November 17, 2022		-		76,957
TD Special Offer GIC, 3.75% per annum, due June 28, 2023		101,153		-
Toronto-Dominion Bank, 3 years premium rate cashable GIC, 0.75%, due October 14, 2023		24,470		24,470
Toronto-Dominion Bank, 1 year Cashable GIC, 3.55% (2022 - 2%) per annum, due October 14, 2023		27,185		25,971
TD Mortgage Corporation, TD Canadian Top 60 GIC, 0.98% per annum, due March 24, 2024		20,797		20,595
TD Special Offer GIC, 4.75% per annum, due March 31, 2024		20,384		-
Toronto-Dominion Bank Mortgage Corporation GIC, guaranteed minimum interest rate of 0.66% per annum, due October 14, 2024		25,522		25,356
Toronto Dominion Bank, 2.45% per annum, due August 31, 2025		28,398		-
TD Special 4 Year GIC, 4.50% per annum, due December 5, 2026		90,490		-
TD Canadian Banking & Utilities GIC, 1.92% per annum, due October 21, 2027		55,458		-
	$	393,857	$	273,780

Maturing within 12 months	$	193,989	$	151,622
Maturing over 12 months		199,868		122,158
	$	393,857	$	273,780

3. Accounts receivable

		2023		2022
Levies receivable	$	79,111	$	81,942
Other		13,878		7,749
	$	92,989	$	89,691

These receivables are presented net of an allowance for doubtful accounts of $nil (2022 - $nil).

4. Capital assets

2023

	Cost	Accumulated amortization	Net
Land lease	$ 1	$ -	$ 1
Leasehold interest in buildings	1,150,248	958,536	191,712
Building improvements	59,277	25,753	33,524
	$ 1,209,526	$ 984,289	$ 225,237

2022

	Cost	Accumulated amortization	Net
Land lease	$ 1	$ -	$ 1
Leasehold interest in buildings	1,150,248	929,780	220,468
Building improvements	59,277	24,273	35,004
	$ 1,209,526	$ 954,053	$ 255,473

5. Unamortized capital contribution

	2023	2022
Balance, beginning of year	$ 220,468	$ 249,224
Amortization of capital contribution during the year	(28,756)	(28,756)
Balance, end of year	191,712	220,468
less current portion	(28,756)	(28,756)
	$ 162,956	$ 191,712

6. Reserve transfers and expenditures

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

	2023	2022
Contingencies	$ 69,520	$ 29,036
Capital expenditures and major repairs	50,000	-
Office expenses	-	5,000
	$ 119,520	$ 34,036

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.