

Toronto Islands Residential Community Trust Corporation



**ANNUAL REPORT
2023-2024**



**TORONTO ISLANDS RESIDENTIAL
COMMUNITY TRUST CORPORATION**

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July 29, 2024

TO THE HONOURABLE PAUL CALANDRA
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, 2023-2024, together with its audited financial statements for the period 2023-2024.

Respectfully submitted,

Alison Rogers

Chair

Toronto Islands Residential Community Trust Corporation

Message from the Chair:

It is with profound sadness that I must report on the loss of our iconic community building, the Ward's Island Association (WIA) clubhouse. The WIA suffered a fire in March 2024 that consumed the building entirely.

Inspections and fire reports are being concluded and the rubble and ash are being swept away, when that work is complete the Trust will start work to put a process in place to address how to go about rebuilding.

Despite this tragic loss, the Trust continues to conduct its business efficiently and effectively. Service standards are met and exceeded, and inquiries are responded to in a timely and thorough manner. Three houses were sold to members of the purchasers' list this year and the community welcomes three new families with open arms.

Leaseholder compliance on levy payments is at an all time high of 89%. The digitization of operations and financial transactions proceeds quickly and provides everyone with online payment options as well as more resources through our website.

The Trust continues to take on extensive reviews of governance documents and procedures. New policies are nearing completion of the review process and will be presented using a recently developed consultation model.

The Trust appraisal committee reviewed the appraisal template ensuring that it was in compliance with all Trust legislation and regulations. The template will be used on all Trust appraisals going forward to ensure transparency and consistency among evaluations.

Training is now available to board members, staff and volunteers in areas such as board management and development, diversity, equity and inclusion, and communications. The Trust has enhanced its staffing model to ensure staff has the capacity, resources and support to deliver effective service to the public while supporting the organization's strategic goals and mandate. This enhanced model will support a succession plan as our manager of 12 years retires at the end of 2024.



Alison Rogers, Chair

Toronto Islands Residential Community Trust Corporation

2023-2024 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, fees for Purchasers' List and lottery applications, 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 February 8, 2024, and the Trust Chair on January 11, 2024. 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 2023-2024 fiscal year, the board was composed of four volunteer members all of whom were Island residents. The board was supported by one non-voting provincial 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 2023-2024 was as follows:

Board Member	Position	Appointment Initial Date	Appointment Expiry Date	Appointee of
Alison Rogers	Chair	March 21, 2018	March 21, 2026	Toronto Island Resident
Karen Rothfels	Treasurer	March 25, 2020	March 20, 2025	Toronto Island Resident
Frances Ford	Vice Chair	March 21, 2021	March 20, 2026	Toronto Island Resident
Allyson Woodrooffe	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. Allyson Woodrooffe did not renew her term in March 2024. Alison Rogers and Frances Ford were reappointed for another two-year term in April 2024. No additional appointments have been made at this time.

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

Board Meetings

In 2023-2024, 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 20, 2023, the community endorsed the Trust's 2023-2024 budget. At the second meeting on October 24, 2023, the community received the Trust's 2022-2023 audited financial statements, as presented by the Trust board's auditor, Roger Chaplin of Chaplin and Company.

Board Committees

In 2023-2024, 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 Trust 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 2023-2024

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 2023-2024, 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;
- Holding of title to houses and land leases; and
- 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. The review was completed in March 2024. The governance committee continues to plan a fall consultation.

Information Sharing

In 2023-2024, the Trust continued 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. Closed captioning was introduced for online community meetings which was part of the Trust's continuing efforts to meet the Accessibility for Ontarians with Disabilities Act (AODA) requirements.

The Trust regularly receives and responds to leaseholder requests for information or access to documentation regarding their properties. In 2023-2024, the Trust answered seven 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 over 2,000 emails were received.

The Trust produced two community newsletters in 2023-2024 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 2023-2024, 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, 89 per cent of leaseholders have paid in full or have made payment plan arrangements with the Trust. In 2023-2024, one leaseholder with significant arrears arranged a payment plan of \$300 per month.

The Levy Billing and Collection Policy was revised and approved by the board on February 9, 2023. It was presented to the community on June 20, 2023. It has been 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 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.

In October 2023, as part of a routine building inspection prior to a lease renewal with the lessee, it was discovered that the Old Fire Hall contained mould and animal feces requiring an environmental assessment be completed prior to any further activity in the building. The offer of lease to the TICC (Toronto Island Canoe Club) was withdrawn and the building was closed pending assessment. An environmental assessment was completed stating that the building would have to be remediated before it could be tenanted. The TICC was given time to clear out their possessions and a settlement letter was signed requiring the TICC to cover all remediation costs. The remediation was completed in April 2024. The properties committee established an ad hoc committee comprised of board members, community members and Trust staff to look at next steps for the Old Fire Hall. The Trust board plans to have new tenants for the building by January 2025.

In the early morning hours on March 17, 2024, the Ward's Island Association Clubhouse was destroyed by fire. To-date, an investigation by the Toronto Fire Marshall and a subsequent investigation by the Trust's Insurance company has not determined a cause. Debris removal and demolition of the site began on Thursday May 2, 2024. There are no updates regarding a rebuilding schedule at this time.

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 2023.

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 2024-2027 Business Plan was developed and submitted for the minister's approval, in accordance with provincial requirements, as was the Trust's 2022-2023 Annual Report.

In its 2023-2026 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 treasurer attended a webinar entitled: Budgeting for Non-Profits.

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.

In March 2022, the Trust board approved a staffing model change to effectively facilitate the retirement of the Trust contract bookkeeper. This model included a bookkeeper/administrator hired in June 2022 as part-time salaried at two days per week. In March of 2024, the Trust board agreed to increase the hours of this position to three days per week, to assist with increased workload and to prepare for the retirement of the current Trust manager at the end of the next fiscal year. 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.

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

In 2023, the Trust began to use closed captioning in its online community meetings creating a more inclusive environment for those in attendance.

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 and a plain language version was completed in March 2024. A community consultation process is to commence in October 2024.

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

The Trust conducted its business within the established service standards. In 2023-2024, the Trust sold three houses to individuals from the Purchasers' List. Two of the houses closed as scheduled to the satisfaction of both seller and buyer. One house was delayed due to two buyers removing their offers to purchase and forfeiting their deposits.

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 2024.

Further follow-up and monthly reporting on lease breaches will continue. There were no new lease breaches identified in 2023-2024. Currently, there are 14 lease breaches, under investigation, six of which are 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. In late 2023-2024 the Ministry provided approval of the use of Infrastructure Ontario's appraisal services by the Trust. However, the Trust is concerned with the cost barriers and that the process required by Infrastructure Ontario for each request may not support the Trust's compliance with regulations when conducting the sale of a home on Toronto Islands. More discussion is required before this can go forward.

The Trust's appraisal committee reviewed the appraisal template established in 2013 and its compliance with the process laid out in the legislation and regulations. The template had been used as a guideline for appraisers, but for comparative purposes,

the committee agreed that it must be followed exactly by all Trust approved appraisals going forward.

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 two community newsletters and two community meetings. All new and amended policies and committee terms of reference are available on the upgraded Trust website.

In 2023-2024, the Trust continued to use the online format for meetings that was established during the pandemic due to the increase in attendance. In 2024-2025 the Trust will introduce one community meeting a year with an in-person format. Trust board and committee meetings will continue to be online, unless in-person is required.

The Trust produced two community newsletters and introduced the video titled: *What is the Toronto Islands Residential Community Trust Corporation: An Introduction to the Trust and its Responsibilities* 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.

The Old Fire Hall was inspected in October 2023 in preparation for lease negotiations with the lessee. The inspection found mould and animal feces and stated that the building would require an environmental assessment and remediation before it could be tenanted again. The TICC was given time to clear out their possessions and a settlement letter was signed requiring the TICC to cover all remediation costs. The work was completed in April 2024. A committee has been established, comprised of board members, community members, and Trust staff to look at next steps for the Old Fire Hall. The Trust board plans to have new tenants for the building by January 2025.

On March 17, 2024, the Ward's Island Association Clubhouse was destroyed by fire, affecting both the clubhouse and the Island Café. The site is currently being cleared of debris. The cause of the fire is still under investigation. The Trust and its stakeholders, the Wards' Island Association, and the Island Café, are working together with their insurance company to clear and rebuild. No further updates are available at this time.

The Shaw House, the Algonquin Island Association (AIA) Clubhouse, the Rectory building and the WIA small clubhouse were all inspected on March 27, 2024, as part of

the five-year cycle of inspections. To date, maintenance plans have been developed for all buildings and have been shared with their executives except for the Rectory building. This will be completed before the end of May 2024.

A tree maintenance plan for the 2023-2024 fiscal year was drafted in March 2023 and all work was completed prior to year-end. In March 2024, a new tree maintenance plan was drafted and 70 per cent of the work was completed by April 1, 2024. Further work will continue through June 2024, including a large poplar reduction on one of the empty lots.

Alignment to Government Priorities

As required by 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.

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 through partnerships, where appropriate.
- Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.
- Operate within the Trust's financial 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.
- Reviewing public's access to a variety of Trust materials such as board agendas and minutes, policies and by-laws and the purchasers' list to advance transparency and accountability of operations.
- 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.

In 2023-2024, 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 introduction of closed captioning for online community meetings, updating the Trust's accounting software process 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 is scheduled to be presented to the community in this coming fiscal year. The Trust's increasing of staff hours to facilitate increased workload and the 2025 retirement of the Trust manager.

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 2023-2024 budget, approved by the Trust board on March 9, 2023, and endorsed by the community on June 20, 2023, 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, fees for purchasers' list and lottery applications, 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 2023-2024 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 2024. The audit of the Trust's financial statements for 2022-2023 was presented to the community on October 24, 2023.

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

Revenues and Expenses:

	2022-2023 Actuals	2023-2024 Actuals	2023-2024 Budget (approved)	2023-2024 Actuals vs. Budget	Variance Explanation
Revenue	\$294,621	\$230,813	\$208,100	\$22,713	See Note 1
Operating Expense	\$170,101	\$182,909	\$201,039	(\$18,130)	See Note 1
Capital Expense (Amortization)	\$1,480	\$1,482	\$1,480	\$2	
Excess / (deficiency) of revenue over expenses for the year	\$123,040	\$46,422	\$5,581	\$40,841	

Transfer to Reserves:

	2022-2023 Actuals	2023-2024 Actuals	2023-2024 Budget (approved)	2023-2024 Actuals vs. Budget	Variance Explanation
Transfer to Reserves	\$119,520	\$47,904	\$5,581	\$42,323	See Note 2

Note 1:

Variance in revenue is mainly due to additional deposits received for a house where two buyers forfeited their deposits and also an increase in investment and other income. Variance in expenses is mainly due to lower spending for professional fees, 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 2023-2024, 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 capital expenditures and major repairs (\$42,323) for any additional costs not covered by insurance for the Ward's Island Association Clubhouse. As budgeted, \$5,581 was transferred to the reserve for contingencies. These transfers were approved by the board on June 13, 2024. There is \$40,000 remaining in the unappropriated reserve balance for any unforeseen expenses that may occur due to the fire.

Note regarding Capital Assets:

On March 17, 2024, the Ward's Island Association Clubhouse was destroyed by fire. An estimate of the original cost and accumulated amortization related to the clubhouse was written-off with an offsetting adjustment to the unamortized capital contribution. As a result, there was no effect on the excess of revenue over expenses and net assets. For more information, refer to the audited financial statements and its notes in the Appendix.

Attachment:

Audited Financial Statements

**Toronto Islands Residential
Community Trust Corporation**

Financial Statements

March 31, 2024



Toronto Islands Residential Community Trust Corporation

Financial Statements

March 31, 2024

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June 13, 2024

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, 2024, 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, 2024, 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.

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

Page 3

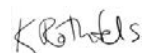
	Notes	2024	March 31 2023
Assets			
Current			
Cash		\$ 92,155	\$ 41,594
Guaranteed Investment Certificates maturing within 12 months	2	123,418	193,989
Accounts receivable	3	91,929	92,989
Harmonized sales tax recoverable		5,712	801
Prepaid expenses		11,868	10,647
		<u>325,082</u>	<u>340,020</u>
Guaranteed Investment Certificates maturing over 12 months	2	279,297	199,868
Capital assets	4	162,408	225,237
		<u>\$ 766,787</u>	<u>\$ 765,125</u>
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 34,562	\$ 10,225
Current portion of unamortized capital contribution		23,005	28,756
		<u>57,567</u>	<u>38,981</u>
Unamortized capital contribution	5	107,360	162,956
		<u>164,927</u>	<u>201,937</u>
Net assets		<u>601,860</u>	<u>563,188</u>
		<u>\$ 766,787</u>	<u>\$ 765,125</u>

See accompanying notes

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



Alison Rogers, Chair



Karen Rothfels, Treasurer



Toronto Islands Residential Community Trust Corporation

Statement of Changes in Net Assets

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Year ended March 31, 2024

	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	\$ 324,288	\$ 148,409	\$ 16,964	\$ 33,527	\$ 40,000	\$ 563,188
Excess of revenue over expenses (expenses over revenue) for the year	-	-	-	(1,482)	47,904	46,422
Expenditures	-	-	(7,750)	-	-	(7,750)
Transfers (note 6)	5,581	42,323	-	-	(47,904)	-
Balance, end of year	<u>\$ 329,869</u>	<u>\$ 190,732</u>	<u>\$ 9,214</u>	<u>\$ 32,045</u>	<u>\$ 40,000</u>	<u>\$ 601,860</u>

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 2022
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	<u>\$ 324,288</u>	<u>\$ 148,409</u>	<u>\$ 16,964</u>	<u>\$ 33,527</u>	<u>\$ 40,000</u>	<u>\$ 563,188</u>

See accompanying notes



Toronto Islands Residential Community Trust Corporation

Statement of Revenues and Expenses

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	Notes	Year ended March 31	
		2024	2023
Revenue			
Administration fees		\$ 13,096	\$ 293
Investment and other income		22,025	30,707
Operating levy		98,467	96,537
Purchaser list fees and renewals		23,550	24,656
Purchaser list lottery application fees		-	72,660
Rental income		73,675	69,768
		<u>230,813</u>	<u>294,621</u>
Expenses			
Bad debts (recovery)		-	(6,783)
Human resources		100,222	91,925
Insurance		10,659	11,681
Office and general		24,845	19,655
Professional fees		25,446	23,069
Repairs and maintenance		19,978	27,524
Utilities		30,927	26,534
		<u>212,077</u>	<u>193,605</u>
less recovery from tenants		<u>(29,168)</u>	<u>(23,504)</u>
		<u>182,909</u>	<u>170,101</u>
Excess of revenue over expenses before amortization		47,904	124,520
Amortization of capital assets	4	(62,829)	(30,236)
Amortization of unamortized capital contribution	5	61,347	28,756
		<u>(1,482)</u>	<u>(1,480)</u>
Excess of revenue over expenses for the year		<u>\$ 46,422</u>	<u>\$ 123,040</u>
See accompanying notes			

Toronto Islands Residential Community Trust Corporation

Statement of Cash Flows

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	Year ended March 31	
	2024	2023
Cash flows from (used in)		
Operations		
Excess of revenue over expenses for the year	\$ 46,422	\$ 123,040
Non-cash items		
Amortization of capital assets	62,829	30,236
Amortization of unamortized capital contributions	(61,347)	(28,756)
	<u>47,904</u>	<u>124,520</u>
Changes in non-cash working capital		
Accounts receivable	1,060	(3,298)
Harmonized sales tax recoverable	(4,911)	1,098
Prepaid expenses	(1,221)	296
Accounts payable and accrued liabilities	24,337	(7,056)
	<u>67,169</u>	<u>115,560</u>
Investing		
Expenditures from reserve for office expenses	<u>(7,750)</u>	<u>-</u>
Changes in cash during year	59,419	115,560
Cash, beginning of year	<u>435,451</u>	<u>319,891</u>
Cash, end of year	<u>\$ 494,870</u>	<u>\$ 435,451</u>
Represented by:		
Cash	\$ 92,155	\$ 41,594
Guaranteed Investment Certificates		
Maturing within 12 months	123,418	193,989
Maturing over 12 months	279,297	199,868
	<u>\$ 494,870</u>	<u>\$ 435,451</u>

See accompanying notes



Toronto Islands Residential Community Trust Corporation

Notes to the Financial Statements March 31, 2024

Page 7

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%
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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.



Toronto Islands Residential Community Trust Corporation

Notes to the Financial Statements March 31, 2024

Page 8

1. Summary of significant accounting policies (continued)

Capital assets (continued)

On March 17, 2024, the clubhouse was destroyed by fire. An estimate of the original cost and accumulated amortization related to the clubhouse was written-off with an offsetting adjustment to the unamortized capital contribution. As a result, there was no effect on the excess of revenue over expenses and net assets.

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.



Toronto Islands Residential Community Trust Corporation

Notes to the Financial Statements March 31, 2024

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2. Guaranteed Investment Certificates

	2024	2023
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
Toronto-Dominion Bank, 1 year Cashable GIC, 3.55% per annum, due October 14, 2023	-	27,185
TD Special Offer GIC, 4.75% per annum, due April 1, 2024	21,355	20,384
TD Mortgage Corporation, TD Canadian Top 60 GIC, 0.98% per annum, due April 2, 2024	22,400	20,797
TD Special Offer GIC, 4% per annum, due May 24, 2024	51,399	-
TD Special Offer GIC, 4.60% per annum, due September 25, 2024	28,259	-
Toronto-Dominion Bank Mortgage Corporation GIC, guaranteed minimum interest rate of 0.66% per annum, due October 14, 2024	25,692	25,522
TD Special Offer, 5.4% per annum, due April 22, 2025	24,966	-
Toronto Dominion Bank, 2.45% per annum, due August 31, 2025	29,095	28,398
TD Canadian Bank GIC, 3.85%, due to July 27, 2026	53,522	-
TD Special 4 Year GIC, 4.50% per annum, due December 5, 2026	89,494	90,490
TD Canadian Banking & Utilities GIC, 1.92% per annum, due October 21, 2027	56,533	55,458
	<u>\$ 402,715</u>	<u>\$ 393,857</u>
	2024	2023
Maturing within 12 months	\$ 123,418	\$ 193,989
Maturing over 12 months	279,297	199,868
	<u>\$ 402,715</u>	<u>\$ 393,857</u>

3. Accounts receivable

	2024	2023
Levies receivable	\$ 70,619	\$ 79,111
Other	21,310	13,878
	<u>\$ 91,929</u>	<u>\$ 92,989</u>

These receivables are presented net of an allowance for doubtful accounts of \$nil (2023 - \$nil).



Toronto Islands Residential Community Trust Corporation

Notes to the Financial Statements March 31, 2024

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4. Capital assets

	2024		
	Cost	Accumulated amortization	Net
Land lease	\$ 1	\$ -	\$ 1
Leasehold interest in buildings (i)	920,198	789,833	130,365
Building improvements	59,277	27,235	32,042
	<u>\$ 979,476</u>	<u>\$ 817,068</u>	<u>\$ 162,408</u>
	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
	<u>\$ 1,209,526</u>	<u>\$ 984,289</u>	<u>\$ 225,237</u>

- (i) net of the reduction of the estimated cost and accumulated amortization of \$230,050 and \$191,708 respectively related to the clubhouse, which was destroyed by fire on March 17, 2024.

The Trust anticipates that the construction of a new clubhouse will be funded by insurance proceeds and the Trust's reserves.

5. Unamortized capital contribution

	2024	2023
Balance, beginning of year	\$ 191,712	\$ 220,468
Reduction of unamortized capital cost related to destroyed clubhouse	(38,342)	-
Amortization of capital contribution during the year	(23,005)	(28,756)
	<u>130,365</u>	<u>191,712</u>
Balance, end of year	130,365	191,712
less current portion	(23,005)	(28,756)
	<u>\$ 107,360</u>	<u>\$ 162,956</u>



Toronto Islands Residential Community Trust Corporation

Notes to the Financial Statements March 31, 2024

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6. Reserve transfers and expenditures

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

	2024	2023
Contingencies	\$ 5,581	\$ 69,520
Capital expenditures and major repairs	42,323	50,000
	<u>\$ 47,904</u>	<u>\$ 119,520</u>

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.



Toronto Islands Residential Community Trust Corporation

Notes to the Financial Statements
March 31, 2024

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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.

