

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

FINANCIAL STATEMENTS

DECEMBER 31, 2004

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

FINANCIAL STATEMENTS

DECEMBER 31, 2004

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McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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AUDITORS' REPORT

To the Owners of
Metropolitan Toronto Condominium Corporation No. 600

We have audited the statement of financial position of Metropolitan Toronto Condominium Corporation No. 600 as at December 31, 2004 and the statements of general fund operations and fund balance, reserve fund operations and fund balance and cash flows for the year then ended. These financial statements are the responsibility of the corporation's board of directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants

TORONTO, Canada
May 18, 2005

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METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2004

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	2004 \$	2003 \$
ASSETS		
CURRENT		
Cash - general fund	207,312	97,669
Reserve fund investments (Note 3)	100,562	252,111
Accounts receivable	5,081	2,240
Prepaid expenses	<u>861</u>	<u>1,550</u>
	<u>313,816</u>	<u>353,570</u>
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities	<u>88,842</u>	<u>19,936</u>
FUND BALANCES		
Reserve fund (Note 4)	173,260	256,867
General fund	<u>51,714</u>	<u>76,767</u>
	<u>224,974</u>	<u>333,634</u>
	<u>313,816</u>	<u>353,570</u>

APPROVED ON BEHALF OF THE BOARD:

"D. TURNER", Director

"G. GERALDE", Director

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2004

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	2004 Budget \$ (Note 8)	2004 Actual \$	2003 Actual \$
REVENUE			
Owners' contribution	446,250	446,059	423,820
Less: Contribution to the reserve fund	<u>(90,000)</u>	<u>(90,000)</u>	<u>(76,428)</u>
	<u>356,250</u>	<u>356,059</u>	<u>347,392</u>
COMMON EXPENSES			
Utilities and taxes	159,000	165,261	139,542
On-site personnel	38,500	42,924	38,922
Repairs and maintenance			
- Interior	33,300	53,258	12,182
- Electrical	50,500	43,532	41,244
- Locks and security	13,300	36,468	13,324
- Exterior	20,500	8,361	6,555
- Plumbing	10,000	6,442	8,713
Professional fees	13,000	12,573	10,887
Insurance	12,000	10,276	8,437
Office expenses	<u>6,150</u>	<u>5,654</u>	<u>4,422</u>
	356,250	384,749	284,228
Less: Sundry revenue	<u>-</u>	<u>3,637</u>	<u>3,803</u>
	<u>356,250</u>	<u>381,112</u>	<u>280,425</u>
Excess (deficiency) of revenue over expenses for the year	<u>-</u>	(25,053)	66,967
Fund balance, beginning of year		<u>76,767</u>	<u>9,800</u>
Fund balance, end of year		<u>51,714</u>	<u>76,767</u>

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2004

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	2004 <u>Budget</u> \$ (Note 8)	2004 <u>Actual</u> \$	2003 <u>Actual</u> \$
REVENUE			
Owners' contribution to the reserve fund	90,000	90,000	76,428
Interest	<u>1,900</u>	<u>4,575</u>	<u>3,305</u>
	91,900	94,575	79,733
MAJOR REPAIRS AND REPLACEMENTS			
External building maintenance	<u>-</u>	<u>178,182</u>	<u>-</u>
Excess (deficiency) of revenue over expenses for the year	<u>91,900</u>	(83,607)	79,733
Fund balance, beginning of year		<u>256,867</u>	<u>177,134</u>
Fund balance, end of year		<u>173,260</u>	<u>256,867</u>

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2004

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	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Owners' contribution for:		
General operations	356,059	347,392
Reserve fund	90,000	76,428
Interest on reserve fund investments	4,575	3,305
Common expenses	(381,112)	(280,425)
Major repairs and replacements	(178,182)	-
	(108,660)	146,700
Changes in other non-cash operating activities	66,754	(4,620)
Increase (decrease) in cash	(41,906)	142,080
Cash, beginning of year	349,780	207,700
Cash, end of year	307,874	349,780
Comprised of:		
General fund	207,312	97,669
Reserve fund investments	100,562	252,111
	307,874	349,780

1. PURPOSE OF THE ORGANIZATION

Metropolitan Toronto Condominium Corporation No. 600 was registered without share capital in 1983 under the laws of the Condominium Act of Ontario ("the Act"). The Corporation was formed to manage and maintain, on behalf of the owners, the common elements of 54 residential units and 1 commercial unit located in the City of Toronto in the Municipality of Metropolitan Toronto. For Canadian income tax purposes the Corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting:

The Corporation follows the restricted fund method of accounting for contributions.

The general fund reports the contributions from owners and expenses related to the operations and administration of the common elements.

The reserve fund reports the contributions from owners and expenditures for major repair and replacement costs of the common elements and assets. The basis for determining the reserve fund's requirements is explained in Note 4. Only major repairs and replacements of the common elements are charged directly to this reserve fund with the exception of the costs of reserve fund studies which may be charged to the reserve fund. Minor repairs and replacements are charged to repairs and maintenance of the general fund. The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in special accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the reserve fund.

Use of Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those reported. Management believes that the estimates are reasonable.

3. RESERVE FUND INVESTMENTS

Investments are comprised of two term deposits of \$50,000 each, maturing August 19, 2005, earning interest at rates of 1.55. Interest is paid on maturity.

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4. RESERVE FUND

The Corporation, as required by the Condominium Act, 1998, has established a reserve for financing future major repairs and replacements of the common elements.

The directors have used the comprehensive reserve fund study of Building Sciences Inc. dated April 2003 and such other information as was available to them in evaluating the adequacy of annual contributions to the reserve fund for major repairs and maintenance. The Corporation's plan for contributions to the reserve fund for 2004 was \$90,000 and the plan for expenditures from the reserve fund for 2004 was \$317,322. The study projected a reserve fund balance on December 31, 2004 of \$33,946.

The reserve is evaluated on the basis of expected repair and replacement costs and life expectancy of the common elements of the Corporation. Such evaluation is based on numerous assumptions as to future events.

5. MAJOR COMMITMENTS

The Corporation has engaged the services of various companies to provide maintenance services to January 1, 2009. Fees payable over the term of the contracts approximate \$77,509, including \$14,102 which is due within one year.

6. REMUNERATION OF DIRECTORS AND OFFICERS

No remuneration was paid to Directors or Officers during the year.

7. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is the board's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

8. BUDGET INFORMATION

The budget figures as presented for comparison purposes are unaudited and are approved by the board of directors. They have been reclassified to conform with the financial statement presentation.