

final 2/21/06
lrb

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

FINANCIAL STATEMENTS

DECEMBER 31, 2005

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

FINANCIAL STATEMENTS

DECEMBER 31, 2005

INDEX	PAGE
Auditors' Report	1
Statement of Financial Position	2
Statement of General Fund Operations and Fund Balance	3
Statement of Reserve Fund Operations and Fund Balance	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7



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, 2005 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, 2005 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

McGovern, Hurley, Cunningham, LLP

Chartered Accountants

TORONTO, Canada
February 2, 2006

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2005

Page 2

	2005 \$	2004 \$
ASSETS		
CURRENT		
Cash - general fund	105,462	207,312
- reserve fund	20,245	-
Reserve fund investment (Note 3)	351,089	100,562
Accounts receivable	-	5,081
Prepaid expenses	-	861
	<u>476,796</u>	<u>313,816</u>

LIABILITIES AND FUND BALANCES

CURRENT		
Accounts payable and accrued liabilities	<u>31,161</u>	<u>88,842</u>

FUND BALANCES

Reserve fund (Note 4)	401,434	173,260
General fund	<u>44,201</u>	<u>51,714</u>
	<u>445,635</u>	<u>224,974</u>
	<u>476,796</u>	<u>313,816</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, 2005

Page 3

	2005 <u>Budget</u> \$ (Note 8)	2005 <u>Actual</u> \$	2004 <u>Actual</u> \$
REVENUE			
Owners' contribution	502,500	502,500	446,059
Less: Contribution to the reserve fund	<u>(108,000)</u>	<u>(108,000)</u>	<u>(90,000)</u>
	<u>394,500</u>	<u>394,500</u>	<u>356,059</u>
COMMON EXPENSES			
Utilities and taxes	187,815	178,613	165,261
On-site personnel	41,371	41,282	42,924
Repairs and maintenance			
- Electrical	44,724	42,672	43,532
- Interior	41,050	33,453	53,258
- Exterior	24,000	22,973	8,361
- Locks and security	15,184	13,549	36,468
- Plumbing	10,000	3,886	6,442
Insurance	12,000	11,968	10,276
Professional fees	12,200	9,873	12,573
Office expenses	<u>5,600</u>	<u>6,119</u>	<u>5,654</u>
	393,944	364,388	384,749
Less: Sundry revenue	<u>1,800</u>	<u>(625)</u>	<u>3,637</u>
	<u>392,144</u>	<u>365,013</u>	<u>381,112</u>
Excess (deficiency) of revenue over expenses for the year	<u>2,356</u>	29,487	(25,053)
Fund balance, beginning of year		<u>51,714</u>	<u>76,767</u>
		81,201	51,714
Special transfer to the reserve fund		<u>(37,000)</u>	<u>-</u>
Fund balance, end of year		<u>44,201</u>	<u>51,714</u>

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2005

Page 4

	2005 <u>Budget</u> \$ (Note 8)	2005 <u>Actual</u> \$	2004 <u>Actual</u> \$
REVENUE			
Owners' contribution to the reserve fund	108,000	108,000	90,000
Owner's special assessment	-	70,245	-
Interest	<u>-</u>	<u>2,986</u>	<u>4,575</u>
	108,000	181,231	94,575
MAJOR REPAIRS AND REPLACEMENTS			
External building maintenance (recovered)	<u>-</u>	<u>(9,943)</u>	<u>178,182</u>
Excess (deficiency) of revenue over expenses for the year	<u>108,000</u>	191,174	(83,607)
Fund balance, beginning of year		<u>173,260</u>	<u>256,867</u>
		364,434	173,260
Special transfer from the general fund		<u>37,000</u>	<u>-</u>
Fund balance, end of year		<u>401,434</u>	<u>173,260</u>

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2005

Page 5

	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Owners' contribution for:		
General operations	394,500	356,059
Reserve fund	108,000	90,000
Special assessment	70,245	-
Interest on reserve fund investments	2,986	4,575
Common expenses	(365,013)	(381,112)
Major repairs and replacements	<u>9,943</u>	<u>(178,182)</u>
	220,661	(108,660)
Changes in other non-cash operating activities	<u>(51,739)</u>	<u>66,754</u>
Increase (decrease) in cash	168,922	(41,906)
Cash, beginning of year	<u>307,874</u>	<u>349,780</u>
Cash, end of year	<u><u>476,796</u></u>	<u><u>307,874</u></u>
Comprised of:		
General fund	105,462	207,312
Reserve fund	20,245	-
Reserve fund investments	<u>351,089</u>	<u>100,562</u>
	<u><u>476,796</u></u>	<u><u>307,874</u></u>

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 INVESTMENT

Investment is comprised of a term deposit of \$351,089 maturing October 20, 2006, earning interest at rates of 2.50%. Interest is paid on maturity.

Continued...

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 2005 was \$108,000 and the plan for expenditures from the reserve fund for 2005 was \$26,530. The study projected a reserve fund balance on December 31, 2005 of \$118,403.

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 April 9, 2010. Fees payable over the term of the contracts approximate \$112,660, including \$25,436 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.