

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**

**FINANCIAL STATEMENTS**

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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, 2007 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, 2007 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  
Licensed Public Accountants**

TORONTO, Canada  
March 20, 2008

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2007

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	2007 \$	2006 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash - general fund	122,706	77,145
- reserve fund	69,272	21,610
Reserve fund investment (Note 3)	200,000	288,197
Accounts receivable	<u>2,200</u>	<u>-</u>
	<u>394,178</u>	<u>386,952</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>35,519</u>	<u>129,004</u>
<b>FUND BALANCES</b>		
Reserve fund (Note 4)	297,001	200,888
General fund	<u>61,658</u>	<u>57,060</u>
	<u>358,659</u>	<u>257,948</u>
	<u>394,178</u>	<u>386,952</u>

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_, "W. HOLDER", Director

\_\_\_\_\_, "G. GERALDE", Director

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE**  
 FOR THE YEAR ENDED DECEMBER 31, 2007

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	2007 <u>Budget</u> \$ (Note 7)	2007 <u>Actual</u> \$	2006 <u>Actual</u> \$
<b>REVENUE</b>			
Owners' contribution	562,020	562,020	525,660
Less: Contribution to the reserve fund	<u>(153,000)</u>	<u>(153,000)</u>	<u>(129,000)</u>
	<u>409,020</u>	<u>409,020</u>	<u>396,660</u>
<b>COMMON EXPENSES</b>			
Utilities and taxes	198,770	184,360	153,882
On-site personnel	46,275	44,268	45,144
Repairs and maintenance			
- Maintenance contracts	64,850	58,924	74,476
- Interior	22,600	39,710	11,311
- Locks and security	15,700	27,663	17,871
- Exterior	11,500	15,998	22,722
- Plumbing	10,000	5,739	30,184
- Supplies	8,100	4,746	6,156
Insurance	13,000	11,786	12,360
Office expenses	6,120	8,593	5,248
Professional fees	<u>8,200</u>	<u>5,905</u>	<u>7,519</u>
	405,115	407,692	386,873
Less: Sundry revenue	<u>(1,390)</u>	<u>(3,270)</u>	<u>(3,072)</u>
	<u>403,725</u>	<u>404,422</u>	<u>383,801</u>
Excess of revenue over expenses for the year	<u>5,295</u>	4,598	12,859
Fund balance, beginning of year		<u>57,060</u>	<u>44,201</u>
Fund balance, end of year		<u>61,658</u>	<u>57,060</u>

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE**  
 FOR THE YEAR ENDED DECEMBER 31, 2007

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	2007 <u>Budget</u> \$ (Note 7)	2007 <u>Actual</u> \$	2006 <u>Actual</u> \$
<b>REVENUE</b>			
Owners' contribution to the reserve fund	153,000	153,000	129,000
Owners' special assessment	142,000	137,250	156,000
Interest	<u>5,000</u>	<u>9,973</u>	<u>8,237</u>
	300,000	300,223	293,237
<b>MAJOR REPAIRS AND REPLACEMENTS</b>			
HVAC replacement	-	135,507	-
Garage reconstruction	<u>76,500</u>	<u>68,603</u>	<u>493,783</u>
	<u>76,500</u>	<u>204,110</u>	<u>493,783</u>
Excess (deficiency) of revenue over expenses for the year	<u>223,500</u>	96,113	(200,546)
Fund balance, beginning of year		<u>200,888</u>	<u>401,434</u>
Fund balance, end of year		<u>297,001</u>	<u>200,888</u>

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2007

	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Owners' contribution for:		
General operations	409,020	396,660
Reserve fund	153,000	129,000
Special assessment	137,250	156,000
Interest on reserve fund investments	9,973	8,237
Common expenses	(404,422)	(383,801)
Major repairs and replacements	<u>(204,110)</u>	<u>(493,783)</u>
	100,711	(187,687)
Changes in other non-cash operating activities	<u>(95,685)</u>	<u>97,843</u>
Increase (decrease) in cash	5,026	(89,844)
Cash, beginning of year	<u>386,952</u>	<u>476,796</u>
Cash, end of year	<u><u>391,978</u></u>	<u><u>386,952</u></u>
Comprised of:		
General fund	122,706	77,145
Reserve fund	69,272	21,610
Reserve fund investment	<u>200,000</u>	<u>288,197</u>
	<u><u>391,978</u></u>	<u><u>386,952</u></u>

**1. PURPOSE OF THE ORGANIZATION**

Metropolitan Toronto Condominium Corporation No. 600 (the "Corporation") 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.

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**3. RESERVE FUND INVESTMENT**

The reserve fund investment is comprised of a term deposit of \$200,000 maturing July 28, 2008, earning interest at a rate of 3.75%. Interest is paid on maturity.

**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 2007 was \$153,000 and the plan for expenditures from the reserve fund for 2007 was \$76,500. The study projected a reserve fund balance on December 31, 2007 of \$272,924.

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. REMUNERATION OF DIRECTORS AND OFFICERS**

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

**6. 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.

**7. 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.