

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

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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, 2008 and the statements of operations and fund balance, reserve fund and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management and its 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 the Corporation's management and its Directors, 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, 2008 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  
February 27, 2009

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2008

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	2008 \$	2007 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	97,831	122,706
Accounts receivable	<u>-</u>	<u>2,200</u>
	97,831	124,906
<b>RESERVE CASH AND INVESTMENTS (note 3)</b>	<u>507,291</u>	<u>269,272</u>
	<u>605,122</u>	<u>394,178</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>71,569</u>	<u>35,519</u>
<b>FUND BALANCES</b>		
Reserve fund (Note 4)	501,737	297,001
General fund	<u>31,816</u>	<u>61,658</u>
	<u>533,553</u>	<u>358,659</u>
	<u>605,122</u>	<u>394,178</u>

APPROVED ON BEHALF OF THE BOARD:

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

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

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**  
**STATEMENT OF OPERATIONS AND FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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	<u>2008</u> <u>Budget</u> \$ (Note 9)	<u>2008</u> <u>Actual</u> \$	<u>2007</u> <u>Actual</u> \$
<b>REVENUE</b>			
Owners' contribution	585,420	585,420	562,020
Less: Contribution to reserve fund	<u>(172,000)</u>	<u>(172,000)</u>	<u>(153,000)</u>
	<u>413,420</u>	<u>413,420</u>	<u>409,020</u>
<b>COMMON EXPENSES</b>			
Utilities and taxes	209,395	179,241	184,360
On-site personnel	48,045	47,883	44,268
Repairs and maintenance			
- Maintenance contracts	58,900	62,943	58,924
- Interior	23,200	44,969	39,710
- Exterior	11,500	26,635	15,998
- Locks and security	16,414	20,026	27,663
- Plumbing	10,000	10,961	5,739
- Supplies	7,000	4,726	4,746
Insurance	12,375	12,197	11,786
Professional fees	11,200	9,518	5,905
Office expenses	<u>6,500</u>	<u>6,293</u>	<u>8,593</u>
	414,529	425,392	407,692
Less: Sundry revenue	<u>(1,190)</u>	<u>(2,130)</u>	<u>(3,270)</u>
	<u>413,339</u>	<u>423,262</u>	<u>404,422</u>
Excess of (expenses over revenue) revenue over expenses for the year	<u>81</u>	(9,842)	4,598
Fund balance, beginning of year		<u>61,658</u>	<u>57,060</u>
		51,816	61,658
Special transfer to reserve fund		<u>(20,000)</u>	<u>-</u>
Fund balance, end of year		<u>31,816</u>	<u>61,658</u>

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF RESERVE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

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	2008 <u>Budget</u> \$ (Note 9)	2008 <u>Actual</u> \$	2007 <u>Actual</u> \$
<b>BALANCE</b> , beginning of year		<u>297,001</u>	<u>200,888</u>
<b>ADD</b>			
Allocations from owners' assessments			
Annual	172,000	172,000	153,000
Transfer from operating fund	-	20,000	-
Special assessment	-	17,000	137,250
Interest	<u>-</u>	<u>8,210</u>	<u>9,973</u>
	<u>172,000</u>	<u>217,210</u>	<u>300,223</u>
<b>DEDUCT</b>			
Repairs and maintenance - exterior	-	7,746	-
Repairs and maintenance - interior	-	4,728	-
HVAC replacement	-	-	135,507
Garage reconstruction	<u>-</u>	<u>-</u>	<u>68,603</u>
	<u>-</u>	<u>12,474</u>	<u>204,110</u>
<b>BALANCE</b> , end of year		<u>501,737</u>	<u>297,001</u>

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Owners' contribution for:		
General operations	413,420	409,020
Reserve	172,000	153,000
Special assessment	17,000	137,250
Transfer to reserve fund	20,000	-
Interest on reserve fund investments	8,210	9,973
Common expenses	(423,262)	(404,422)
Major repairs and replacements	<u>(12,474)</u>	<u>(204,110)</u>
	194,894	100,711
Changes in other non-cash operating activities	<u>(81,751)</u>	<u>(95,685)</u>
Increase in cash	113,143	5,026
Cash, beginning of year	<u>391,978</u>	<u>386,952</u>
Cash, end of year	<u><u>505,121</u></u>	<u><u>391,978</u></u>
Comprised of:		
Cash - general	97,831	122,706
- reserve	7,291	69,272
Reserve investments	<u>500,000</u>	<u>200,000</u>
	<u><u>605,122</u></u>	<u><u>391,978</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.

**Revenue recognition**

Owners assessments are recognized as revenue in the statement of operations monthly based on the budget distributed to owners each year. Special assessments are recognized as revenue when they become payable by the owners to the Corporation. Interest and other revenue are recognized as revenue of the related fund when earned.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 CASH AND INVESTMENTS**

	<u>2008</u> \$	<u>2007</u> \$
Cash	7,291	69,272
Term deposits	<u>500,000</u>	<u>200,000</u>
	<u>507,291</u>	<u>269,272</u>

The term deposits mature in 2009 and earn interest at rates between 1.60% and 2.57% (2007 - 3.75%). Interest is generally 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 May 2006 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 2008 was \$172,000 and the plan for expenditures from the reserve fund for 2008 was \$nil. The study projected a reserve fund balance on December 31, 2008 of \$126,353.

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.

Continued...

**5. SPECIAL ASSESSMENT**

The board of directors approved a special assessment, in the amount of \$17,000 for 2008, to perform certain building maintenance.

**6. REMUNERATION OF DIRECTORS AND OFFICERS**

No remuneration was paid to Directors or Officers during the year and they had no interest in any transactions of the Corporation.

**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. COMPARATIVE FIGURES**

Certain accounts in the prior year's financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements.

**9. 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 adopted for 2008.