

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

<b>INDEX</b>	<b>PAGE</b>
Auditors' Report	1
Statement of Financial Position	2
Statement of Operations and Fund Balance	3
Schedule of Expenses	4
Statement of Reserve Fund	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9



## 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, 2009 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 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, 2009 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**

A handwritten signature in cursive script, likely representing the firm's name or a representative.

**Chartered Accountants  
Licensed Public Accountants**

TORONTO, Canada  
March 9, 2010

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2009

Page 2

	2009 \$	2008 \$ (Note 8)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	11,389	97,831
<b>RESERVE CASH AND INVESTMENTS</b> (Note 3)	<u>684,792</u>	<u>507,291</u>
	<u>696,181</u>	<u>605,122</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>50,558</u>	<u>71,571</u>
<b>FUND BALANCES</b>		
General fund	54,875	31,816
Reserve fund (Note 4)	<u>590,748</u>	<u>501,735</u>
	<u>645,623</u>	<u>533,551</u>
	<u>696,181</u>	<u>605,122</u>

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_, "GREG GERALDE", Director

\_\_\_\_\_, "WARREN HOLDER", Director

See accompanying notes to the financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600  
**STATEMENT OF OPERATIONS AND FUND BALANCE**  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Page 3

	2009 <u>Budget</u> \$ (Note 7)	2009 <u>Actual</u> \$	2008 <u>Actual</u> \$ (Note 8)
<b>REVENUE</b>			
Owners' assessments	592,080	592,080	585,420
Interest and other income	<u>1,200</u>	<u>2,300</u>	<u>2,130</u>
	593,280	594,380	587,550
Less: Allocations to reserve fund	<u>(177,160)</u>	<u>(177,160)</u>	<u>(172,000)</u>
	<u>416,120</u>	<u>417,220</u>	<u>415,550</u>
<b>EXPENSES</b> (see Schedule of Expenses)			
Utilities and taxes	201,920	191,020	179,242
Repairs and maintenance	69,600	54,139	107,316
Service and maintenance contracts	72,920	84,210	75,140
Administration	<u>71,140</u>	<u>64,792</u>	<u>63,694</u>
	<u>415,580</u>	<u>394,161</u>	<u>425,392</u>
Excess (deficiency) of revenue over expenses for the year	<u>540</u>	23,059	(9,842)
<b>FUND BALANCE</b> , beginning of year		<u>31,816</u>	<u>61,658</u>
		54,875	51,816
Transfer to reserve fund		<u>-</u>	<u>(20,000)</u>
<b>FUND BALANCE</b> , end of year		<u>54,875</u>	<u>31,816</u>

See accompanying notes to the financial statements.

**SCHEDULE OF EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 <u>Budget</u> \$ (Note 7)	2009 <u>Actual</u> \$	2008 <u>Actual</u> \$ (Note 8)
<b>UTILITIES AND TAXES</b>			
Gas	85,600	79,975	79,274
Hydro	53,720	47,643	44,616
Cable TV	30,900	30,876	29,988
Water and sewer	26,700	23,389	21,308
Fuel	2,000	6,393	1,396
Property taxes	<u>3,000</u>	<u>2,744</u>	<u>2,660</u>
	<u>201,920</u>	<u>191,020</u>	<u>179,242</u>
<b>REPAIRS AND MAINTENANCE</b>			
General building maintenance - interior	20,000	20,747	36,525
Alarm and security systems	17,200	15,481	20,026
Plumbing	10,000	6,564	10,961
Supplies	7,700	6,470	4,726
General building maintenance - exterior	11,500	2,552	26,635
Electrical and mechanical	2,200	2,325	8,443
Recreational	<u>1,000</u>	<u>-</u>	<u>-</u>
	<u>69,600</u>	<u>54,139</u>	<u>107,316</u>
<b>SERVICE AND MAINTENANCE CONTRACTS</b>			
HVAC maintenance	27,220	26,233	26,025
Fire safety	5,000	20,077	14,202
Elevators	17,300	17,485	16,394
Insurance	12,800	13,119	12,197
Cleaning - exterior	3,600	3,266	2,090
Compactor	2,400	1,909	1,695
Cleaning - interior	1,300	975	630
Pest control	1,300	611	964
Grounds	<u>2,000</u>	<u>535</u>	<u>943</u>
	<u>72,920</u>	<u>84,210</u>	<u>75,140</u>
<b>ADMINISTRATION</b>			
Wages and benefits	53,240	49,210	47,883
Consultants fee	5,000	5,615	4,593
Office and general	5,000	4,644	4,820
Audit fee	4,200	3,990	3,938
Interest and bank charges	1,700	908	1,473
Legal fee	<u>2,000</u>	<u>425</u>	<u>987</u>
	<u>71,140</u>	<u>64,792</u>	<u>63,694</u>

See accompanying notes to the financial statements.

**STATEMENT OF RESERVE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 <u>Budget</u> \$ (Note 7)	2009 <u>Actual</u> \$	2008 <u>Actual</u> \$ (Note 8)
<b>BALANCE</b> , beginning of year		<u>501,735</u>	<u>296,999</u>
<b>ADD</b>			
Allocation from owners' assessments			
Annual	-	177,160	172,000
Special assessment	-	-	17,000
Transfer from general fund	-	-	20,000
Interest and other income	<u>-</u>	<u>15,255</u>	<u>8,210</u>
	<u>-</u>	<u>192,415</u>	<u>217,210</u>
<b>DEDUCT</b>			
Repairs and maintenance - exterior	-	85,604	7,746
Fire safety	-	17,798	-
Repairs and maintenance - interior	<u>-</u>	<u>-</u>	<u>4,728</u>
	<u>-</u>	<u>103,402</u>	<u>12,474</u>
<b>BALANCE</b> , end of year		<u>590,748</u>	<u>501,735</u>

See accompanying notes to the financial statements.

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 \$	2008 \$ (Note 8)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Owners' contribution for:		
General operations	414,920	413,420
Reserve fund	177,160	172,000
Special assessment	-	17,000
Sundry revenue	2,300	2,130
Interest on reserve fund investments	15,255	8,210
Operating expenses	(394,161)	(425,392)
Reserve fund expenses	<u>(103,402)</u>	<u>(12,474)</u>
	112,072	174,894
Changes in other non-cash operating activities	<u>(21,013)</u>	<u>38,250</u>
	<u>91,059</u>	<u>213,144</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) in reserve cash and investments	<u>(177,501)</u>	<u>(238,019)</u>
(Decrease) in cash during the year	(86,442)	(24,875)
Cash, beginning of year	<u>97,831</u>	<u>122,706</u>
Cash, end of year	<u>11,389</u>	<u>97,831</u>

See accompanying notes to the financial statements.



## **1. PURPOSE OF THE ORGANIZATION**

Toronto Standard 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 and fund balance 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.

Continued...

---

---

**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>2009</u> \$	<u>2008</u> \$ (Note 8)
Cash	1,842	7,291
Business Investment Savings Account	682,950	-
Term deposits	<u>-</u>	<u>500,000</u>
	<u>684,792</u>	<u>507,291</u>

The Business Investment Savings Account is with a Canadian Banking institution earning interest at a rate of 1.05%. Interest is paid monthly.

**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 and assets.

The directors have used the comprehensive reserve fund study of Building Sciences Inc. dated May 2006 and such 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 contribution to the reserve fund for 2009 was \$177,160 (2008 - \$172,000). The study projected a balance of \$73,231 as at December 31, 2009.

**5. 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.

Continued...

**NOTES TO THE FINANCIAL STATEMENTS**DECEMBER 31, 2009

---

**6. FINANCIAL INSTRUMENTS**

The Corporation's financial instruments consist of cash, investments, accounts receivable, prepaid expenses, accounts payable and accrued liabilities and deposits. 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 and that the fair values of the financial instruments approximate their carrying value.

**7. BUDGET INFORMATION**

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

**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.