

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
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YEAR ENDED DECEMBER 31, 2020

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PALMER REED

CHARTERED PROFESSIONAL ACCOUNTANTS

439 University Avenue, Suite 1550, Toronto, Ontario M5G 1Y8

Telephone: (416) 599-9186

Fax: (416) 599-9189

Email: Palmerreed@palmerreed.com

INDEPENDENT AUDITOR'S REPORT

To the Owners of Metropolitan Toronto Condominium Corporation No. 600

Opinion

We have audited the financial statements of Metropolitan Toronto Condominium Corporation No. 600 (the corporation), which comprise the statement of financial position as at December 31, 2020, and the statement of general fund operations and fund balance, statement of equipment fund, statement of reserve fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the corporation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 30, 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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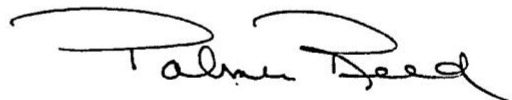
Independent Auditor's Report to the Owners of Metropolitan Toronto Condominium Corporation No. 600
(continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario
June 14, 2021



Chartered Professional Accountants
Licensed Public Accountants

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

STATEMENT OF FINANCIAL POSITION

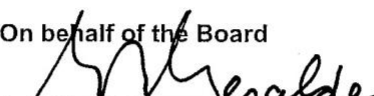
AS AT DECEMBER 31, 2020


	2020	2019
ASSETS		
Current		
Cash	\$ 92,607	\$ 60,130
Accounts receivable (Note 7)	140,441	687,000
	<u>233,048</u>	<u>747,130</u>
Loans and notes receivable (Note 7)	-	138,000
Reserve cash (Note 5)	2,188,489	1,903,894
Equipment (Note 6)	8,080	15,468
	<u>\$ 2,429,617</u>	<u>\$ 2,804,492</u>
LIABILITIES		
Current		
Account payables and accrued liabilities	\$ 51,237	\$ 31,252
Refundable deposits	250	150
Government remittances payable	2,355	1,601
	<u>53,842</u>	<u>33,003</u>
FUND BALANCES		
General fund	237,664	235,942
Equipment fund	8,079	15,469
Reserve fund	2,130,032	2,520,078
	<u>2,375,775</u>	<u>2,771,489</u>
	<u>\$ 2,429,617</u>	<u>\$ 2,804,492</u>

COMMITMENTS AND CONTINGENCIES (Note 8)

SUBSEQUENT EVENTS (Note 11)

On behalf of the Board

 Director

 Director

The attached notes form an integral part of these financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget 2020	Actual 2020	Actual 2019
Revenues			
Owner's assessments	\$ 714,240	\$ 714,240	\$ 701,280
Interest and other income	1,500	1,900	1,900
	715,740	716,140	703,180
Less: Allocations to reserve fund (Note 7)	280,498	280,498	259,720
	435,242	435,642	443,460
Expenses			
Administration	77,050	76,682	78,154
Repairs and maintenance	48,442	40,983	53,379
Service and maintenance contracts	115,050	105,768	116,417
Utilities	194,700	210,487	173,789
	435,242	433,920	421,739
Net excess of revenues over expenses	-	1,722	21,721
Fund balance - beginning of year	-	235,942	214,221
Fund balance - end of year	\$ -	\$ 237,664	\$ 235,942

The attached notes form an integral part of these financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

SCHEDULE OF EXPENSES

(Schedule 1)

YEAR ENDED DECEMBER 31, 2020

	Budget 2020	Actual 2020	Actual 2019
UTILITIES AND TAXES			
Hydro	\$ 63,900	\$ 89,179	\$ 54,983
Water and sewer	50,700	54,206	49,106
Cable TV	42,000	40,383	39,401
Gas	35,000	23,882	27,473
Property taxes	3,100	2,837	2,826
	<u>194,700</u>	<u>210,487</u>	<u>173,789</u>
REPAIRS AND MAINTENANCE			
Security	22,000	22,085	21,327
Plumbing repairs	5,092	6,768	12,500
Exterior repairs	6,000	360	9,259
Misc repairs - interior	5,000	5,860	4,773
Recreational supplies	2,000	2,651	2,261
Supplies	1,850	1,016	1,568
Electrical and mechanical	5,000	2,241	1,415
Rec centre repairs	1,500	2	276
	<u>48,442</u>	<u>40,983</u>	<u>53,379</u>
SERVICE AND MAINTENANCE CONTRACTS			
HVAC	44,000	36,950	42,676
Insurance	24,000	26,568	21,907
Fire safety	11,000	9,134	21,001
Elevators	17,000	16,684	12,814
Cleaning services(exterior)	13,000	11,427	12,159
Cleaning services(interior)	4,000	2,886	3,541
Compactor	750	1,105	1,115
Pest control	700	1,014	696
Grounds	600	-	508
	<u>115,050</u>	<u>105,768</u>	<u>116,417</u>
ADMINISTRATION			
Wages and benefits	61,700	58,827	61,316
Office expenses	6,900	6,433	6,052
Professional fees	2,000	338	4,973
Audit fees	4,700	5,226	4,633
Bank charges	750	898	685
Legal fees	1,000	4,960	495
	<u>\$ 77,050</u>	<u>\$ 76,682</u>	<u>\$ 78,154</u>

The attached notes form an integral part of these financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF EQUIPMENT FUND
YEAR ENDED DECEMBER 31, 2020

	2020	2019
Balance, beginning of year	\$ 15,468	\$ 23,940
Equipment fund amortization	(7,389)	(8,472)
Balance, end of year	\$ 8,079	\$ 15,468

The attached notes form an integral part of these financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600**STATEMENT OF RESERVE FUND****YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Balance, beginning of year	\$ 2,520,075	\$ 1,490,137
Add:		
Annual allocation from owners' assessments	280,498	259,720
Special assessment	-	825,000
Interest income	7,145	13,582
	287,643	1,098,302
Deduct:		
Bank charges	22	40
Building repairs	-	18,690
Elevator and mechanical repairs	27,253	28,553
Interior repairs	4,588	1,102
Office	300	-
Professional services	46,839	12,095
Repairs and maintenance	597,803	7,881
Supplies	881	-
	677,686	68,361
Balance, end of year	\$ 2,130,032	\$ 2,520,078

The attached notes form an integral part of these financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
Cash flows from operating activities		
Cash receipts	\$ 1,689,946	\$ 976,563
Cash paid to suppliers and employees	<u>(1,372,874)</u>	<u>(791,789)</u>
Cash flows from operating activities	317,072	184,774
Investing activity		
Reserve cash	<u>(284,595)</u>	<u>(300,231)</u>
Increase (decrease) in cash flow	32,477	(115,457)
Cash - beginning of year	<u>60,130</u>	<u>175,587</u>
Cash - end of year (Note 5)	<u>\$ 92,607</u>	<u>\$ 60,130</u>

The attached notes form an integral part of these financial statements.

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. Purpose of the corporation

Metropolitan Toronto Condominium Corporation No. 600 (the "Corporation") is a not-for-profit organization incorporated provincially under the Condominium Act of Ontario. As a registered charity the corporation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The corporation operates to manage and maintain, on behalf of the owners, the common elements of 54 residential and 1 commercial unit located in City of Toronto.

2. Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. Summary of significant accounting policies

Fund accounting

The Corporation follows fund accounting.

The General Fund reports the assessments from owners and expenses related to the operations and administration of the common elements.

The Equipment Fund was established to account for the acquisition of equipment and the related amortization.

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

Equipment

Equipment are stated at acquisition cost. Amortization is provided as follows:

Gym equipment	7 years straight-line method
Furniture and fixtures	5 years straight-line method
Sauna	7 years straight-line method

Real property purchases made after date of registration are recognized as capital assets of the Corporation when the Corporation has paid for them as the owner, they can be disposed of at the discretion of the board, or where required, with the approval of the owners, and any consideration received can be retained by the Corporation. Purchases which do not meet this requirement are expensed. The corporation regularly reviews its equipment to eliminate obsolete items.

Units and any real property directly associated with the units, which were purchased by unit-holders initially from the developer, are not recognized as capital assets of the Corporation since they are owned by the unit owners.

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METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

3. Summary of significant accounting policies (*continued*)

Revenue recognition

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

Financial instruments

Measurement of financial instruments

The Corporation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market. Financial assets measured at amortized cost include cash, accounts receivable and reserve cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. Financial instruments

The corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentrations as of December 31, 2020.

Credit risk

The Corporation is exposed to credit risks on its accounts receivable from owners. This risk is mitigated by the necessity to pay owners' assessment and special levy fees as required by the Condominium Act.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is not exposed to significant liquidity risk.

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METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 600

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

8. Commitments and Contingencies

(i) The Corporation began a project to replace the window systems for all the residential units in 2020. As work started, hidden damage was discovered. The project was put on hold while the extent of additional work was assessed. The project is currently being re-tendered with new specifications. The final cost cannot be reasonably estimated at this time, but it is known that the amount accumulated in the reserve fund for this project will not be sufficient.

(ii) The Corporation is committed to various long-term contracts for maintenance of machinery and equipment, premise and building security, cable services and other general maintenance. The total amount of future commitments relating to these long-term contracts approximate the following:

Contractual obligation repayment schedule:

2021	\$	52,000
2022		4,100
		<hr/>
	\$	56,100

9. Remunerations of Directors, Officers and Management

No remuneration was paid to directors, officers or management during 2020 or 2019 and they had no interest in any transactions of the corporation.

10. Budget Information

The budgeted amounts presented for comparison purposes are unaudited and are approved by the directors.

11. Subsequent events

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time. Potential risks that the Corporation faces as a result of the pandemic are as follows:

(i) Significant change in operational costs

- Assessment and response:

Changes in operational costs, if any, have been reflected in the financial statements.

(ii) Non-collection or reduced collection of receivables from unit-owners and others

- Assessment and response:

The collectability of amounts due to the Corporation have been assessed for balances over 90 days; therefore, there is minimal risk related to non-collection or reduced collection of these receivables.

(iii) Due to reduced cash inflows and/or increased operating costs, the Corporation may be in an operating deficit position which may necessitate increased fees or a special assessment.

- Assessment and response:

The Corporation has positive working capital and is in an operating surplus position. The Corporation continues to be a going concern.

