

**METROPOLITAN TORONTO  
CONDOMINIUM CORPORATION NO. 690**

*REPORT AND FINANCIAL STATEMENTS  
DECEMBER 31, 2015*



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Mississauga, Ontario  
May 31, 2016

*Gilmore + Company LLP*

Chartered Professional Accountants  
Licensed Public Accountants


**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

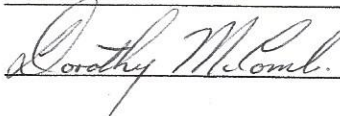
**STATEMENT OF FINANCIAL POSITION**

*As at December 31*

|   | 2015              | 2014              |
|---|-------------------|-------------------|
| <b>ASSETS</b>                                     |                   |                   |
| <b>Current</b>                                    |                   |                   |
| Cash  | \$ 56,115         | \$ 341            |
| Accounts receivable                               | 47,873            | 31,318            |
| Prepaid expenses                                  | 1,426             | 2,482             |
|   | <u>105,414</u>    | <u>34,141</u>     |
| <b>Reserve fund cash and investments (Note 2)</b> | 816,442           | 657,053           |
|   | <u>921,856</u>    | <u>691,194</u>    |
| <b>LIABILITIES</b>                                |                   |                   |
| <b>Current</b>                                    |                   |                   |
| Accounts payable and accrued liabilities          | 74,802            | 64,283            |
| <b>Net assets</b>                                 | <u>\$ 847,054</u> | <u>\$ 626,911</u> |
| <b>NET ASSETS REPRESENTED BY</b>                  |                   |                   |
| <b>Reserve fund (Note 3)</b>                      | \$ 807,136        | \$ 558,053        |
| <b>Operating fund</b>                             | 39,918            | 68,858            |
|   | <u>\$ 847,054</u> | <u>\$ 626,911</u> |

On behalf of the Board

 Director

 Director



**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

**STATEMENT OF RESERVE FUND**

*For the year ended December 31*

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| <b>Revenue</b>   |                   |                   |
| Appropriation from operating fund                                | \$ 504,000        | \$ 417,000        |
| Special assessment   | -                 | 1,100,000         |
| Interest   | 3,029             | 2,429             |
|  | <b>507,029</b>    | <b>1,519,429</b>  |
| <b>Expenses</b>  |                   |                   |
| Balcony  | 32,092            | 16,600            |
| Building accessibility   | 18,480            | -                 |
| Consulting   | -                 | 15,263            |
| Corridor refurbishment   | 64,470            | 1,878,361         |
| Courtyard roof and garden  | -                 | 114,763           |
| Doors and locks  | 16,955            | -                 |
| Doors and windows  | -                 | 28,817            |
| Electrical repairs   | 5,815             | -                 |
| Elevators  | 7,196             | 9,944             |
| Fire safety systems  | -                 | 13,060            |
| Garbage cans   | 3,153             | 2,390             |
| General building repairs   | -                 | 4,598             |
| General repairs and replacements                                 | 3,944             | -                 |
| HVAC replacements  | 36,999            | 18,971            |
| Other refurbishments   | -                 | 82,161            |
| Plumbing repairs   | 14,470            | 3,098             |
| Pool area expenses   | 22,128            | 2,938             |
| Roof anchors and repairs   | -                 | 48,229            |
| Window and glass replacement                                     | 32,244            | -                 |
|  | <b>257,946</b>    | <b>2,239,193</b>  |
| <b>Excess (deficiency) of revenue over expenses for the year</b> | <b>249,083</b>    | <b>(719,764)</b>  |
| <b>Reserve fund, beginning of year</b>                           | <b>558,053</b>    | <b>1,277,817</b>  |
| <b>Reserve fund, end of year</b>                                 | <b>\$ 807,136</b> | <b>\$ 558,053</b> |

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

**STATEMENT OF OPERATING FUND REVENUE AND EXPENSES**

*For the year ended December 31*

|   | 2015         |              |              |
|---|--------------|--------------|--------------|
|   | Budget       | Actual       | 2014         |
| <b>Revenue</b>  |              |              |              |
| Owners' assessments   | \$ 1,666,692 | \$ 1,666,732 | \$ 1,579,692 |
| Other   | -            | 2,399        | 100          |
|   | 1,666,692    | 1,669,131    | 1,579,792    |
| Less appropriation to reserve fund                          | 504,000      | 504,000      | 417,000      |
|   | 1,162,692    | 1,165,131    | 1,162,792    |
| <b>Expenses</b>   |              |              |              |
| Administration (Schedule A)                                 | 130,000      | 125,150      | 114,087      |
| Contract services (Schedule A)                              | 213,776      | 200,164      | 219,800      |
| Repairs and maintenance (Schedule B)                        | 114,000      | 109,789      | 117,425      |
| Staff   | 485,800      | 472,876      | 453,643      |
| Utilities (Schedule B)                                      | 272,250      | 286,092      | 277,819      |
|   | 1,215,826    | 1,194,071    | 1,182,774    |
| <b>Deficiency of revenue over expenses<br/>for the year</b> | (53,134)     | (28,940)     | (19,982)     |
| <b>Operating fund, beginning of year</b>                    | 68,858       | 68,858       | 88,840       |
| <b>Operating fund, end of year</b>                          | \$ 15,724    | \$ 39,918    | \$ 68,858    |

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

**SCHEDULE OF OPERATING FUND EXPENSES**

*For the year ended December 31*

**SCHEDULE A**

|                           | 2015              |                   |           |                |
|---------------------------|-------------------|-------------------|-----------|----------------|
|                           | Budget            | Actual            |           | 2014           |
| <b>Administration</b>     |                   |                   |           |                |
| Bank charges              | 3,500             | 1,182             |           | 2,985          |
| Consulting                | 4,000             | 6,002             |           | 224            |
| General meetings          | 2,700             | 1,597             |           | 2,633          |
| Insurance                 | 2,000             | 1,163             |           | 2,289          |
| Office supplies           | 5,000             | 6,869             |           | 4,958          |
| Parking and miscellaneous | 5,000             | 4,383             |           | 4,806          |
| Professional fees         | 9,000             | 5,569             |           | 8,993          |
| Shared facilities         | 90,000            | 89,608            |           | 78,906         |
| Telephone                 | 8,800             | 8,777             |           | 8,293          |
|                           | <b>\$ 130,000</b> | <b>\$ 125,150</b> | <b>\$</b> | <b>114,087</b> |
| <b>Contract services</b>  |                   |                   |           |                |
| Elevator                  | \$ 29,600         | \$ 24,876         | \$        | 24,905         |
| Fire safety               | 7,800             | 5,814             |           | 5,814          |
| Groundskeeping            | 30,000            | 20,754            |           | 35,503         |
| Management fees           | 93,876            | 93,876            |           | 93,876         |
| Mechanical equipment      | 40,700            | 40,647            |           | 47,427         |
| Pest control              | 2,000             | 2,119             |           | 1,685          |
| Indoor plants             | 3,800             | 4,178             |           | 3,346          |
| Water treatment           | -                 | 4,200             |           | 4,200          |
| Waste disposal            | 6,000             | 3,700             |           | 3,044          |
|                           | <b>\$ 213,776</b> | <b>\$ 200,164</b> | <b>\$</b> | <b>219,800</b> |

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

**SCHEDULE OF OPERATING FUND EXPENSES**

*For the year ended December 31*

**SCHEDULE B**

|  | 2015              |                   |           | 2014           |
|--|-------------------|-------------------|-----------|----------------|
|  | Budget            | Actual            |           |                |
| <b>Repairs and maintenance</b>           |                   |                   |           |                |
| Cleaning supplies                        | \$ 2,300          | \$ 1,694          | \$        | 1,883          |
| Contingency                              | 35,000            | 1,230             |           | 6,026          |
| Electrical repairs and supplies          | 5,000             | 3,102             |           | 1,231          |
| Garage repairs and maintenance           | 8,400             | 7,409             |           | 10,943         |
| General building repairs and maintenance | 17,400            | 35,717            |           | 31,773         |
| HVAC                                     | 4,500             | 17,125            |           | 15,389         |
| Landscaping                              | 7,000             | 4,550             |           | 5,282          |
| Plumbing repairs                         | 5,000             | 5,348             |           | 16,265         |
| Pool and recreational facilities         | 4,500             | 7,387             |           | 5,546          |
| Windows, glass and doors                 | 3,900             | 4,295             |           | 2,223          |
| Window washing                           | 21,000            | 21,932            |           | 20,864         |
|  | <b>\$ 114,000</b> | <b>\$ 109,789</b> | <b>\$</b> | <b>117,425</b> |
| <b>Utilities</b>                         |                   |                   |           |                |
| Gas                                      | \$ 48,000         | \$ 45,614         | \$        | 37,386         |
| Hydro                                    | 176,750           | 191,635           |           | 193,104        |
| Water and sewer                          | 47,500            | 48,843            |           | 47,329         |
|  | <b>\$ 272,250</b> | <b>\$ 286,092</b> | <b>\$</b> | <b>277,819</b> |



**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

**STATEMENT OF CASH FLOWS**

*For the year ended December 31*

|  | 2015        | 2014        |
|--|-------------|-------------|
| <b>Cash provided by (used in):</b>                     |             |             |
| Deficiency of revenue over expenses for the year       | \$ (28,940) | \$ (19,982) |
| <b>Changes in:</b>                                     |             |             |
| Accounts receivable                                    | (16,555)    | 46,118      |
| Prepaid expenses                                       | 1,056       | 25,146      |
| Accounts payable and accrued liabilities               | 10,519      | (21,334)    |
|  | (33,920)    | 29,948      |
| <b>Fund activities</b>                                 |             |             |
| Increase (decrease) in reserve fund                    | 249,083     | (719,764)   |
| <b>Investing activity</b>                              |             |             |
| Increase in reserve fund investments                   | (2,448)     | (2,429)     |
| <b>Net increase (decrease) in cash during the year</b> | 212,715     | (692,245)   |
| <b>Cash, beginning of the year</b>                     | 351,365     | 1,043,610   |
| <b>Cash, end of the year</b>                           | \$ 564,080  | \$ 351,365  |
| <b>Cash comprised of:</b>                              |             |             |
| Operating fund cash                                    | \$ 56,115   | \$ 341      |
| Reserve fund cash                                      | 507,965     | 351,024     |
|  | \$ 564,080  | \$ 351,365  |

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

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**NOTES TO FINANCIAL STATEMENTS**

*December 31, 2015*

***Organization and purpose***

The corporation was created as a corporation without share capital by the registration of a declaration dated December 5, 1985 pursuant to the Condominium Act. The purpose of the corporation is to manage and maintain the common elements and to provide common services for the benefit of the owners of the 72 units.

The corporation is a non-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

**1. *Summary of significant accounting policies***

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Fund accounting**

The corporation follows the restricted fund method of accounting for contributions.

**Common elements**

The common elements are owned proportionately by the unit owners and are not reflected as assets of the corporation in these financial statements.

**Reserve fund**

A reserve fund has been established, as required by the Condominium Act, 1998, to finance future major repairs and replacements of common elements. Only major repairs and replacements or fees related to these are charged to this fund.

**Use of estimates**

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

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

**Financial instruments**

The corporation initially measures its financial assets and liabilities at fair value. The corporation subsequently measures all its financial assets and financial liabilities at amortized cost. The corporation has not designated any financial asset or financial liability to be measured at fair value.

**2. Reserve cash and investments**

|             | 2015              | 2014              |
|-------------|-------------------|-------------------|
| Cash        | \$ 507,965        | \$ 351,024        |
| Investments | 308,477           | 306,029           |
|             | <b>\$ 816,442</b> | <b>\$ 657,053</b> |

Investments consists of a GIC maturing December 17, 2017 earning interest at 0.875% per annum.

**3. Reserve fund**

The Directors used the updated reserve fund study of Halsall Associates Limited dated January 13, 2014 and such other information as was available to them in evaluating the adequacy of the reserve fund. The Directors accepted the recommendations of the study which suggested an annual contribution of \$504,080; projected expenditures of \$880,580 and an ending reserve fund balance as at December 31, 2015 of \$184,078. Actual amounts were \$504,000, \$257,946 and \$807,136 respectively.

Any evaluation of the adequacy of the reserve fund is based upon assumptions as to future life expectancy of the building components and their replacements costs. These factors are subject to change over time and the changes may be material; accordingly, the Condominium Act, 1998 requires that reserve fund studies be updated every three years.

**4. Budget**

The budgeted figures which are presented for comparative purposes are unaudited.



**METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**

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**NOTES TO FINANCIAL STATEMENTS**

*December 31, 2015*

**5. *Financial instruments - risk management***

Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in the fair value of future cash flow of financial instruments due to changes in market interest rates. The corporation is exposed to this risk through its interest bearing investments. The corporation manages this risk through investing in fixed-rate securities of short to medium term maturity and plans to hold the securities to maturity.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The corporation places its cash and investments with high quality institutions and believes its exposure is not significant. The corporation's credit risk from owners' assessments receivable is also not significant given the ability of the corporation to place a lien on a unit for outstanding fees.

Liquidity risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations as they become due. The corporation manages this risk by establishing budgets and funding plans and by levying sufficient owners' assessment to fund its operating expenses and the necessary contributions to the reserve fund.

**6. *Related party transactions***

No remuneration was paid to directors and officers during the year.

**7. *Comparative figures***

The comparative figures have been reclassified to conform with the current year's presentation.