

**METROPOLITAN TORONTO
CONDOMINIUM CORPORATION NO. 690**

*REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2017*

INDEPENDENT AUDITORS' REPORT

To the Owners, Metropolitan Toronto Condominium Corporation No. 690

We have audited the accompanying financial statements of Metropolitan Toronto Condominium Corporation No. 690, which comprise the statement of financial position as at December 31, 2017, and the statements of reserve fund, operating fund revenue and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gilmore + Company LLP.

Mississauga, Ontario
May 24, 2018

Chartered Professional Accountants
Licensed Public Accountants

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF FINANCIAL POSITION

As at December 31

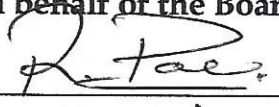
	2017	2016
ASSETS		
Current		
Cash	\$ 167,426	\$ 112,539
Accounts receivable	28,467	53,865
Prepaid expenses	1,449	1,449
	197,342	167,853
Reserve fund cash	855,310	803,687
	1,052,652	971,540

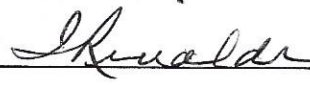
LIABILITIES		
Current		
Accounts payable and accrued liabilities	108,499	115,183
Net assets	\$ 944,153	\$ 856,357

NET ASSETS REPRESENTED BY

Reserve fund (Note 2)	\$ 863,675	\$ 765,645
Operating fund	80,478	90,712
	\$ 944,153	\$ 856,357

On behalf of the Board

 Director

 Director

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**STATEMENT OF RESERVE FUND***For the year ended December 31*

	2017	2016
Revenue		
Appropriation from operating fund	\$ 524,445	\$ 514,162
Interest	7,560	5,398
	532,005	519,560
Expenses		
Elevator modernization	255,283	77,942
HVAC replacements	38,849	37,716
Electrical	35,640	39,852
Foundation and waterproofing	33,731	-
Plumbing repairs	33,601	21,410
Balcony	32,318	10,871
Landscaping	14,898	11,876
Fire equipment	10,538	8,472
Reserve fund study	8,721	-
Cameras and security equipment	6,667	-
Pool area renovation	3,729	302,653
Emergency generator	-	23,493
Window and glass replacement	-	16,751
Corridor refurbishment	-	6,961
Consulting	-	3,054
	473,975	561,051
Excess (deficiency) of revenue over expenses for the year	58,030	(41,491)
Reserve fund, beginning of year	765,645	807,136
Transfer from operating fund	40,000	-
Reserve fund, end of year	\$ 863,675	\$ 765,645

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**STATEMENT OF OPERATING FUND REVENUE AND EXPENSES***For the year ended December 31*

2017			
	Budget	Actual	2016
Revenue			
Owners' assessments	\$ 1,778,000	\$ 1,778,000	\$ 1,766,500
Other	1,060	1,819	2,024
	1,779,060	1,779,819	1,768,524
Less appropriation to reserve fund	524,445	524,445	514,162
	1,254,615	1,255,374	1,254,362
Expenses			
Administration (Schedule A)	138,300	111,592	137,267
Contract services (Schedule A)	201,215	198,252	212,943
Repairs and maintenance (Schedule B)	112,100	162,211	106,961
Staff	491,000	462,128	457,037
Utilities (Schedule B)	322,000	291,425	289,360
	1,264,615	1,225,608	1,203,568
Excess of revenue over expenses for the year	(10,000)	29,766	50,794
Operating fund, beginning of year	90,712	90,712	39,918
Transfer to reserve fund	-	(40,000)	-
Operating fund, end of year	\$ 80,712	\$ 80,478	\$ 90,712

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**SCHEDULE OF OPERATING FUND EXPENSES***For the year ended December 31***SCHEDULE A**

2017			
	Budget	Actual	2016
Administration			
Bank charges	\$ 600	\$ 505	\$ 502
Consulting	3,000	972	678
General meetings	2,700	1,679	1,934
Insurance and insurance repairs	7,600	5,395	14,679
Office supplies	5,400	5,147	3,014
Parking and miscellaneous	7,200	13,520	6,655
Professional fees	11,200	7,239	13,851
Shared facilities	94,000	69,419	89,597
Telephone	6,600	7,716	6,357
	\$ 138,300	\$ 111,592	\$ 137,267
Contract services			
Elevator	\$ 10,170	\$ 7,628	\$ 25,239
Fire safety	8,040	11,867	7,752
Groundskeeping	29,000	27,764	28,205
Management fees	95,763	95,763	95,763
Mechanical equipment	42,072	40,545	40,647
Pest control	2,000	1,288	1,622
Indoor plants	4,770	4,667	5,073
Water treatment	4,400	4,751	4,200
Waste disposal	5,000	3,979	4,442
	\$ 201,215	\$ 198,252	\$ 212,943

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**SCHEDULE OF OPERATING FUND EXPENSES***For the year ended December 31***SCHEDULE B**

	2017			2016
	Budget	Actual		
Repairs and maintenance				
Cleaning supplies	\$ 2,400	\$ 1,274	\$	1,657
Electrical repairs and supplies	3,600	3,453		2,921
Garage repairs and maintenance	7,700	8,943		6,082
General building repairs and maintenance	33,100	43,428		19,286
HVAC	15,000	35,090		23,157
Landscaping	11,000	15,715		11,250
Plumbing repairs	7,200	16,215		6,833
Pool and recreational facilities	6,000	5,277		10,964
Windows, glass and doors	5,100	11,572		3,174
Window washing	21,000	21,244		21,637
	\$ 112,100	\$ 162,211	\$	106,961
Utilities				
Gas	\$ 53,000	\$ 34,967	\$	34,289
Hydro	210,000	185,421		198,466
Water and sewer	59,000	71,037		56,605
	\$ 322,000	\$ 291,425	\$	289,360

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690**STATEMENT OF CASH FLOWS***For the year ended December 31*

	2017	2016
Cash provided by (used in):		
Excess of revenue over expenses for the year	\$ 29,766	\$ 50,794
Changes in:		
Accounts receivable	25,398	(5,992)
Prepaid expenses	-	(23)
Accounts payable and accrued liabilities	(6,684)	40,381
	48,480	85,160
Fund activities		
Increase (decrease) in reserve fund	98,030	(41,491)
Transfer to reserve fund from operating fund	(40,000)	-
	58,030	(41,491)
Investing activity		
Decrease in reserve fund investments	-	308,477
Net increase in cash during the year	106,510	352,146
Cash, beginning of the year	916,226	564,080
Cash, end of the year	\$ 1,022,736	\$ 916,226
Cash comprised of:		
Operating fund cash	\$ 167,426	\$ 112,539
Reserve fund cash	855,310	803,687
	\$ 1,022,736	\$ 916,226

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 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 \$524,445; projected expenditures of \$109,990 and an ending reserve fund balance as at December 31, 2017 of \$905,490. Actual amounts were contributions of \$524,445, an additional transfer from the operating fund of \$40,000, expenses of \$473,975 and an ending balance of \$863,675.

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.

A reserve fund study by RDH Building Science Inc. dated November 27, 2017 has been obtained by the Board for implementation in the 2018 fiscal year.

3. *Budget*

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

4. *Commitments*

The corporation entered into a contract to modernize the elevators at a cost of approximately \$349,000, inclusive of HST. By the end of the current year, costs charged to the reserve fund with respect to the elevator project amounted to approximately \$311,000.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

5. *Financial instruments - risk management*

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.