

**METROPOLITAN TORONTO
CONDOMINIUM CORPORATION NO. 690**

*REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2018*

INDEPENDENT AUDITORS' REPORT

***To the Owners,
Metropolitan Toronto Condominium Corporation No. 690***

Opinion

We have audited the financial statements of Metropolitan Toronto Condominium Corporation No. 690, which comprise the statement of financial position as at December 31, 2018, and the statements of reserve fund, and operating fund revenue and expenses and 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, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 the 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.

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 ASNPOs, 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.

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.

Mississauga, Ontario
May 27, 2019


Chartered Professional Accountants
Licensed Public Accountants

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF FINANCIAL POSITION

As at December 31

	2018	2017
ASSETS		
Current		
Cash	\$ 93,671	\$ 167,426
Accounts receivable	6,419	28,467
Prepaid expenses	1,449	1,449
	101,539	197,342
Reserve fund cash and investments (Note 2)	1,220,132	855,310
	1,321,671	1,052,652

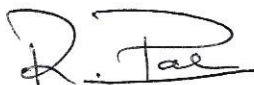
LIABILITIES		
Current		
Accounts payable and accrued liabilities	90,353	108,499
Net assets	\$ 1,231,318	\$ 944,153

NET ASSETS REPRESENTED BY

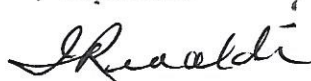
Reserve fund (Note 3)	\$ 1,191,543	\$ 863,675
Operating fund	39,775	80,478
	\$ 1,231,318	\$ 944,153

On behalf of the Board

RARES PATEANU Director



IVORIO RINALDI Director



METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF RESERVE FUND

For the year ended December 31

	2018	2017
Revenue		
Appropriation from operating fund	\$ 534,934	\$ 524,445
Interest	17,972	7,560
	552,906	532,005
Expenses		
HVAC replacements	42,059	38,849
Interior decorating	34,754	-
Elevator modernization	33,809	255,283
Waterproofing	20,292	33,731
Pool area renovation	19,641	3,729
Plumbing repairs	18,173	33,601
Roof replacement	15,017	-
Landscaping	13,918	14,898
Entrance renovations	9,492	-
Consulting	6,294	-
Fire equipment	4,796	10,538
Odour control units	2,509	-
Signs	2,260	-
Office equipment	2,024	-
Electrical	-	35,640
Balcony	-	32,318
Reserve fund study	-	8,721
Cameras and security equipment	-	6,667
	225,038	473,975
Excess of revenue over expenses for the year	327,868	58,030
Reserve fund, beginning of year	863,675	765,645
Transfer from operating fund	-	40,000
Reserve fund, end of year	\$ 1,191,543	\$ 863,675

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF OPERATING FUND REVENUE AND EXPENSES

For the year ended December 31

	2018		
	Budget	Actual	2017
Revenue			
Owners' assessments	\$ 1,808,500	\$ 1,808,500	\$ 1,778,000
Other	607	3,873	1,819
	1,809,107	1,812,373	1,779,819
Less appropriation to reserve fund	534,934	534,934	524,445
	1,274,173	1,277,439	1,255,374
Expenses			
Administration (Schedule A)	145,400	152,149	111,592
Contract services (Schedule A)	213,637	206,645	198,252
Repairs and maintenance (Schedule B)	127,032	136,288	162,211
Staff	478,000	482,947	462,128
Utilities (Schedule B)	330,104	340,113	291,425
	1,294,173	1,318,142	1,225,608
(Deficiency) excess of revenue over expenses for the year	(20,000)	(40,703)	29,766
Operating fund, beginning of year	80,478	80,478	90,712
Transfer to reserve fund	-	-	(40,000)
Operating fund, end of year	\$ 60,478	\$ 39,775	\$ 80,478

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

SCHEDULE OF OPERATING FUND EXPENSES

For the year ended December 31

SCHEDULE A

	2018		
	Budget	Actual	2017
Administration			
Bank charges	\$ 600	\$ 512	\$ 505
Consulting	3,000	-	972
Fees	5,000	2,118	-
General meetings	2,400	2,378	1,679
Insurance and insurance repairs	7,600	23,618	5,395
Office supplies	6,600	5,281	5,147
Parking and miscellaneous	7,200	11,040	13,520
Professional fees	11,200	8,564	7,239
Shared facilities	94,000	91,178	69,419
Telephone	7,800	7,460	7,716
	\$ 145,400	\$ 152,149	\$ 111,592
Contract services			
Elevator	\$ 10,170	\$ 10,373	\$ 7,628
Fire safety	17,957	7,308	11,867
Groundskeeping	28,000	31,188	27,764
Indoor plants	4,800	4,807	4,667
Management fees	100,263	100,263	95,763
Mechanical equipment	40,647	40,646	40,545
Pest control	2,000	1,773	1,288
Water treatment	4,800	5,187	4,751
Waste disposal	5,000	5,100	3,979
	\$ 213,637	\$ 206,645	\$ 198,252

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

SCHEDULE OF OPERATING FUND EXPENSES

For the year ended December 31

SCHEDULE B

	2018			2017
	Budget	Actual		
Repairs and maintenance				
Cleaning supplies	\$ 2,400	\$ 2,383	\$	1,274
Dryer and duct cleaning	-	19,743		-
Electrical repairs and supplies	4,800	1,544		3,453
Garage repairs and maintenance	8,400	11,243		8,943
General building repairs and maintenance	32,900	23,306		43,428
HVAC	18,000	22,406		35,090
Green roof landscaping	18,832	10,483		15,715
Plumbing repairs	9,000	12,876		16,215
Pool and recreational facilities	6,000	7,110		5,277
Windows, glass and doors	5,700	3,950		11,572
Window washing	21,000	21,244		21,244
	\$ 127,032	\$ 136,288	\$	162,211
Utilities				
Gas	\$ 50,000	\$ 35,067	\$	34,967
Hydro	210,104	220,690		185,421
Water and sewer	70,000	84,356		71,037
	\$ 330,104	\$ 340,113	\$	291,425

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF CASH FLOWS

For the year ended December 31

	2018	2017
Cash provided by (used in):		
Deficiency of revenue over expenses for the year	\$ (40,703)	\$ 29,766
Changes in:		
Accounts receivable	22,048	25,398
Accounts payable and accrued liabilities	(18,146)	(6,684)
	(36,801)	48,480
Fund activities		
Increase in reserve fund	327,868	98,030
Transfer to reserve fund from operating fund	-	(40,000)
	327,868	58,030
Investing activity		
Increase in reserve fund investments	(1,001,911)	-
Net (decrease) increase in cash during the year	(710,844)	106,510
Cash, beginning of the year	1,022,736	916,226
Cash, end of the year	\$ 311,892	\$ 1,022,736
Cash comprised of:		
Operating fund cash	\$ 93,671	\$ 167,426
Reserve fund cash	218,221	855,310
	\$ 311,892	\$ 1,022,736

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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, 2018

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

	2018	2017
Cash	\$ 218,221	\$ 855,310
Investments	1,000,000	-
Accrued interest	1,911	-
	\$ 1,220,132	\$ 855,310

Reserve fund investments are stated at cost plus accrued interest, due to their held to maturity nature, and consist of Guaranteed Investment Certificates. Investments mature in 2019 and earn interest at 2.25% per annum.

3. Reserve fund

The Directors used the updated reserve fund study of RDH Building Science Inc. dated November 27, 2017 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 \$534,934; projected expenditures of \$370,979 and an ending reserve fund balance as at December 31, 2018 of \$1,083,027. Actual amounts were contributions of \$534,934, expenses of \$225,038 and an ending balance of \$1,191,543.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

4. *Budget*

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

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.