

**METROPOLITAN TORONTO
CONDOMINIUM CORPORATION NO. 690**

*REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2019*

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, 2019, 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, 2019 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.

Gilmore + Company C.P.A.

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
September 18, 2020

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
ASSETS		
Current		
Cash and investment	\$ 114,047	\$ 93,671
Accounts receivable	12,713	6,419
Prepaid expenses	1,037	1,449
	127,797	101,539
Reserve fund cash and investments (Note 2)	1,332,294	1,220,132
	1,460,091	1,321,671
LIABILITIES		
Current		
Accounts payable and accrued liabilities	121,851	90,353
Net assets	\$ 1,338,240	\$ 1,231,318
NET ASSETS REPRESENTED BY		
Reserve fund (Note 3)	\$ 1,286,655	\$ 1,191,543
Operating fund	51,585	39,775
	\$ 1,338,240	\$ 1,231,318

On behalf of the Board

 Director

 Director

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF RESERVE FUND

For the year ended December 31

	2019	2018
Revenue		
Appropriation from operating fund	\$ 534,934	\$ 534,934
Interest	26,819	17,972
	561,753	552,906
Expenses		
Balcony	1,345	-
Cameras and security equipment	3,192	-
Consulting	21,832	6,294
Elevator modernization	-	33,809
Entrance renovations	-	9,492
Exterior wall and cladding	32,461	-
Fire equipment	5,129	4,796
HVAC replacements	4,284	42,059
Landscaping	-	13,918
Lobby renovation	96,845	34,754
Odour control units	-	2,509
Office equipment	-	2,024
Patio doors	8,051	-
Paving and catch basin	52,361	-
Plumbing repairs	5,470	18,173
Replacement of pool glass	128,076	19,641
Reserve fund study	11,979	-
Roof replacement	24,511	15,017
Signs	-	2,260
Solarium repairs	71,105	-
Waterproofing	-	20,292
	466,641	225,038
Excess of revenue over expenses for the year	95,112	327,868
Reserve fund, beginning of year	1,191,543	863,675
Reserve fund, end of year	\$ 1,286,655	\$ 1,191,543

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

	2019		
	Budget	Actual	2018
Revenue			
Owners' assessments	\$ 1,854,424	\$ 1,854,424	\$ 1,808,500
Other	1,431	3,812	3,873
	1,855,855	1,858,236	1,812,373
Less appropriation to reserve fund	534,934	534,934	534,934
	1,320,921	1,323,302	1,277,439
Expenses			
Administration (<i>Schedule A</i>)	150,900	158,167	152,149
Contract services (<i>Schedule A</i>)	213,451	200,778	206,645
Repairs and maintenance (<i>Schedule B</i>)	127,470	125,274	136,288
Staff	500,100	514,589	482,947
Utilities (<i>Schedule B</i>)	339,000	312,684	340,113
	1,330,921	1,311,492	1,318,142
(Deficiency) excess of revenue over expenses for the year	(10,000)	11,810	(40,703)
Operating fund, beginning of year	39,775	39,775	80,478
Operating fund, end of year	\$ 29,775	\$ 51,585	\$ 39,775

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

SCHEDULE OF OPERATING FUND EXPENSES

For the year ended December 31

SCHEDULE A

	2019			2018
	Budget	Actual		
Administration				
Bank charges	\$ 600	\$ 614	\$	512
Consulting	3,000	-	-	-
Fees	3,600	4,256		2,118
General meetings	2,500	2,722		2,378
Insurance and insurance repairs	7,600	16,826		23,618
Office supplies	5,400	9,550		5,281
Parking and miscellaneous	7,800	5,984		11,040
Professional fees	11,300	17,294		8,564
Shared facilities	101,000	94,267		91,178
Telephone	8,100	6,654		7,460
	\$ 150,900	\$ 158,167	\$	152,149
Contract services				
Elevator	\$ 10,680	\$ 10,581	\$	10,373
Fire safety	17,957	6,441		7,308
Groundskeeping	32,124	33,674		31,188
Indoor plants	4,950	4,570		4,807
Management fees	102,514	102,514		100,263
Mechanical equipment	32,500	29,764		40,646
Pest control	2,100	2,588		1,773
Water treatment	5,226	4,351		5,187
Waste disposal	5,400	6,295		5,100
	\$ 213,451	\$ 200,778	\$	206,645

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

SCHEDULE OF OPERATING FUND EXPENSES

For the year ended December 31

SCHEDULE B

	2019		
	Budget	Actual	2018
Repairs and maintenance			
Cleaning supplies	\$ 2,400	\$ 2,004	\$ 2,383
Dryer and duct cleaning	-	1,162	19,743
Electrical repairs and supplies	3,600	2,308	1,544
Garage repairs and maintenance	8,400	7,354	11,243
General building repairs and maintenance	31,500	38,049	23,306
HVAC	18,000	8,181	22,406
Green roof landscaping	17,170	9,359	10,483
Plumbing repairs	12,000	13,135	12,876
Pool and recreational facilities	7,200	15,006	7,110
Windows, glass and doors	5,700	5,969	3,950
Window washing	21,500	22,747	21,244
	\$ 127,470	\$ 125,274	\$ 136,288
Utilities			
Gas	\$ 42,000	\$ 48,159	\$ 35,067
Hydro	218,000	188,636	220,690
Water and sewer	79,000	75,889	84,356
	\$ 339,000	\$ 312,684	\$ 340,113

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 690

STATEMENT OF CASH FLOWS

For the year ended December 31

	2019	2018
Cash provided by (used in):		
Excess (deficiency) of revenue over expenses for the year	\$ 11,810	\$ (40,703)
Changes in:		
Accounts receivable	(6,294)	22,048
Prepaid expenses	412	-
Accounts payable and accrued liabilities	31,498	(18,146)
	37,426	(36,801)
Fund activities		
Increase in reserve fund	95,112	327,868
	95,112	327,868
Investing activity		
Increase in reserve fund investments	(3,173)	(1,001,911)
Net increase (decrease) in cash during the year	129,365	(710,844)
Cash, beginning of the year	311,892	1,022,736
Cash, end of the year	\$ 441,257	\$ 311,892
Cash comprised of:		
Operating fund cash and investment	\$ 114,047	\$ 93,671
Reserve fund cash	327,210	218,221
	\$ 441,257	\$ 311,892

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019

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

	2019	2018
Cash	\$ 327,210	\$ 218,221
Investments	1,000,000	1,000,000
Accrued interest	5,084	1,911
	\$ 1,332,294	\$ 1,220,132

Reserve fund investments are stated at cost plus accrued interest, due to their held to maturity nature, and consist of term deposits and a Guaranteed Investment Certificate. Investments mature in 2020 and earn interest at rates from 1.87% to 1.95% 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 \$1,270,267 and an ending reserve fund balance as at December 31, 2019 of \$363,940. Actual amounts were contributions of \$534,934, expenses of \$466,641 and an ending balance of \$1,286,655.

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, 2019

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.

7. *Subsequent event*

Subsequent to the year-end, the corporation replaced the southwest quadrant of the roof for a cost of approximately \$520,000.