

**CONDOMINIUM  
AUTHORITY OF ONTARIO**

# **ANNUAL REPORT**

2021-2022

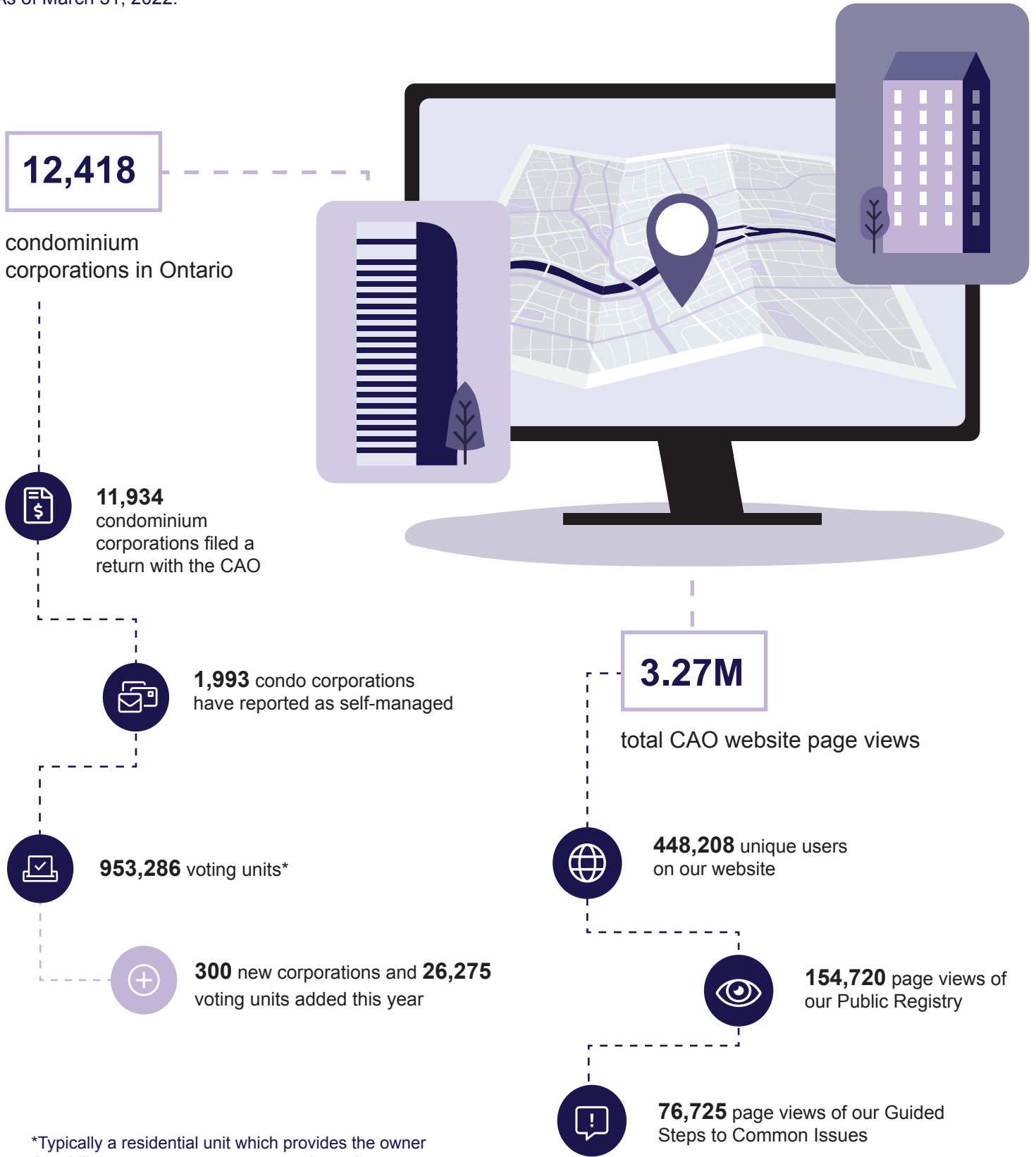


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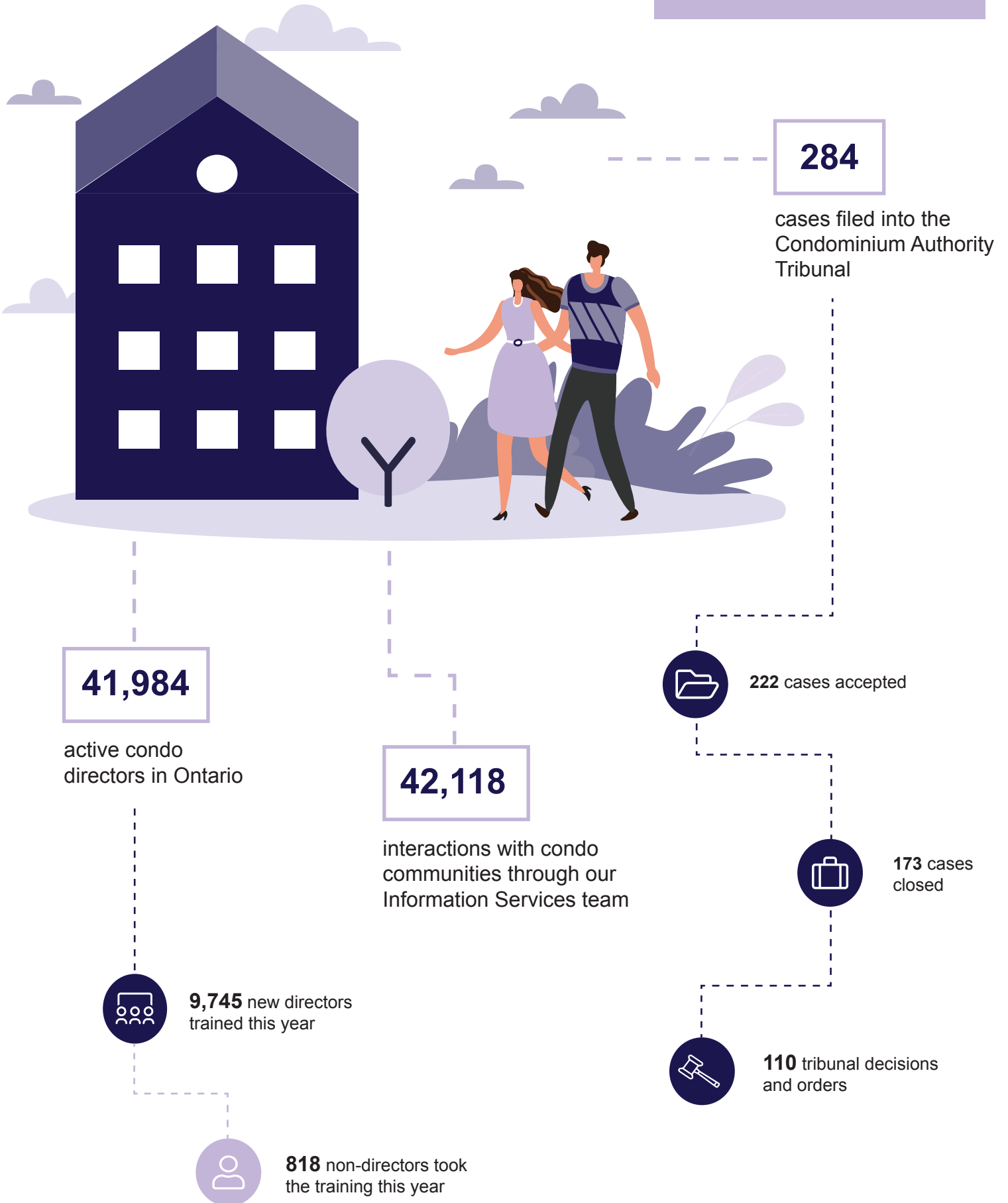
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# CAO BY THE NUMBERS

As of March 31, 2022:



\*Typically a residential unit which provides the owner the ability to cast a vote at an owners' meeting.



# MESSAGE FROM THE CHAIR



## **Heather Zordel**

Chair of the CAO Board of Directors

On behalf of the board, I am delighted to present this annual report on the achievements of the Condominium Authority of Ontario. Over the past year the Condo Authority worked to implement the recommendations in the Auditor General’s Value For Money Audit on Condominium Oversight as part of its [Strategic & Business Plan](#). The Auditor made nine recommendations. The CAO was responsible for [responding in some way to 22 action items stemming from them](#).

In October, we were pleased to appear before the Standing Committee on Public Accounts to speak about how we were responding. We noted that we welcomed the report’s recommendations, including expanding and enhancing our mandate in support of greater transparency and consumer protection!

Another of the board’s priorities over the last year was to focus on raising awareness of our services among condo communities. We embarked on an outreach strategy and launched a new subscription service to encourage individual condo owners, renters and buyers to “[Stay in the know with CAO](#)”. I was also pleased to speak at several virtual town halls and hear directly from condo residents while promoting the organization and its helpful online resources.

At our Annual Meeting in September 2021, we welcomed Vincenza Galatone, a new bilingual board director from Ottawa. I wish to thank outgoing board director Mary Throop for her dedication and for bringing her valuable governance expertise to the Condo Authority.

I was also pleased to see that this year’s Annual Meeting was the best attended to date with nearly 500 people [tuning in virtually](#) to hear updates and stories of resilience and support for Ontario’s condo communities during the pandemic.

I’d like to thank the staff who delivered significant results against an ambitious business plan during a challenging pandemic year. We will continue supporting condo communities to achieve our vision for a strong and vibrant condo sector in Ontario.

# MESSAGE FROM THE CEO & REGISTRAR

## Robin Dafoe

CEO & Registrar of CAO

As we emerge from the pandemic with optimism, I continue to be inspired by the way our team has delivered on the Condo Authority's mandate and business priorities this past year. These achievements were made in a hybrid work environment and through our digital service delivery model.



I am especially thankful to our team as they responded to the Auditor General's Value for Money Audit. This work included improvements and expansions to our key services, including CAO's Director Training, Public Registry and Condo Returns as well as other areas that make up our digital services. You can [read more](#) about how the Condo Authority responded to all of the Auditor General's recommendations on our website.

In addition, this was another big year for the Condo Authority's integrated issue and dispute resolution services with the expansion of the jurisdiction of Condominium Authority Tribunal to include nuisance disputes. The team worked to prepare materials, including new resources, as well as updates to the CAO's [Guided Steps to Common Issues](#). The tribunal operations and IT teams worked to ensure our Online Dispute Resolution solution was ready for this new expansion, and the new version was launched successfully ahead of the government's Jan. 1, 2022 expansion deadline.

The Condo Authority remains committed to enhancing its services to better serve the needs of condo communities and to respond to emerging issues in the sector. One of the ways we do this is through CAO's [Advisory Process](#) where we engage with condo communities and get feedback from our users on several of our services and materials. This year, for example, the Condo Authority engaged with advisory panels on several projects, including on the new [Advanced Director Training](#) materials and our new [Guide to Ensuring Healthy Reserve Funds](#). We will continue to engage with condo communities and gather their feedback as we navigate through issues, together. On behalf of the Condo Authority, I'd like to thank everyone who participated in CAO's advisory panels, user and usability testing, and who responded to our surveys this year!

Since the beginning, the Condo Authority has taken a collaborative and nimble approach that has been essential to our achievements. This has meant strong working relationships and partnerships along the way, including our board, the ministry, our talented team, and the condo community members we serve every day.

# A GROWING SECTOR

Ontario's condo sector has grown dramatically since the Condominium Act came into force in 1998 as condo living has become increasingly popular.



**1.5 Million**


people living in a condo


**839,000** residential units


**32,000** commercial units

**7,000** industrial units

**700,000** other units (parking and storage)

 **64%** of residential condo units are small (less than 75 units)

 **12%** of residential condo units are medium (between 76-115 units)

 **24%** of residential condo units are large (more than 116 units)



**50%**  
of new home enrollments are condos



**12,418**  
condo corporations



# HOW THE CAO HELPS

Designated under the Act, the Condominium Authority of Ontario has the mandate to support consumer protection through its delivery of information, education and dispute resolution services for condo communities. Since 2017, we have created an ecosystem of bilingual, accessible and cost-effective digital services, including:

- [Easy-to-use information](#) for condominium communities available 24/7 on our website
- [Resources, tools and guided steps](#) to resolve common issues collaboratively before they escalate into disputes
- Dispute resolution services through the [Condominium Authority Tribunal](#) – Canada’s first fully online tribunal
- Easy-to-navigate [condominium returns and notice of change systems](#) to help condominium corporations fulfill their legal duties to file and to remain transparent

- A searchable [Public Registry](#) containing information on every condominium corporation in Ontario
- Mandatory education and [training for condominium directors](#) to help them understand their oversight and legal obligations
- A mandatory [condo buyers’ guide](#) to help Ontario’s residential condominium buyers navigate the process of purchasing and owning their new condominiums
- [19 condominium forms](#) that are to be used by owners and condominium corporations under the Condo Act

CAO’s highly skilled Information Services team enhances these services by responding to inquiries and providing information and guidance on complex issues by email and phone.



# STRATEGIC OVERVIEW

## Mission

To engage and empower Ontario's condominium communities with information, education and dispute resolution.

## Values

- › **Innovation** – Work with Ontario's condo communities and be open to new ideas
- › **Accountability** – Take responsibility for delivering our mandate and for providing high-quality services to Ontario's condo communities
- › **Client-focus** – Work with Ontario's condo communities to meet their needs and strive for service excellence in all our interactions
- › **Value-for-money** – Make effective and conscientious use of funds
- › **Integrity** – Be respectful, honest and trustworthy
- › **Fairness** – Deliver services impartially and equitably

## Vision

A strong and vibrant condominium sector in Ontario.



The Board of Directors identified the following strategic priorities within the strategic business plan to guide the organization from 2021 to 2024:

- › Stakeholder Outreach, Communications and Public Awareness
- › Condominium Community Engagement
- › Director Training and Owner Education
- › Data Collection and Public Reporting
- › Enhanced and Integrated Issue and Dispute Resolution
- › Client Service Excellence
- › Operational Excellence

*The Condominium of Ontario's website is a great resource for anyone with questions about condo ownership.*

— Pat Foran, Consumer Alert Video journalist  
at CTV News Toronto



# Corporate Governance

The Condo Authority is governed by an independent board of directors, comprised of four elected directors and three directors who are appointed by the Minister of Public and Business Service Delivery (formerly named the Ministry of Government and Consumer Service). The board is accountable to the minister through the chair for the performance of the organization.

## Skills-based Board

The CAO Board of Directors is responsible for providing strategic direction and oversight to the organization and ensuring the organization meets its obligations under the [Condo Act](#), [CAO by-law](#) and the [administrative agreement](#).

The current board brings a collective mix of skills and experience in areas including technology, adjudication, condominium governance and fiscal management.

The Nominating Committee is responsible for filling vacancies by evaluating and recommending candidates based on established Competency Criteria through the administrative agreement. Candidates are recommended by the board and are elected by the members of the corporation at the publicly held annual meeting in September. Special consideration is given to identifying and filling any skills gaps on the board.

The Ontario government's Public Appointments Secretariat facilitates any vacancies in government appointments.

## Code of Conduct

The board adopted a [Code of Conduct](#) that sets guidelines for avoiding and disclosing conflicts of interest. All elected and appointed directors are required to sign and abide by this code.

## Board Committees

In 2021, the board's committee structure supported the organization by providing guidance on key areas of the Condo Authority's business. The board's committee structure included:

- Audit & Risk Committee
  - Technology Sub-Committee
- Nominating Committee
- Governance & HR Committee
- Outreach Committee
- Tribunal Advisory Panel



# BOARD OF DIRECTORS



**Heather Zordel, Chair**

*Ministerial Appointment: 3-year term to Nov. 2024*



**Allison Scanlan, Vice-Chair  
Chair, Outreach Committee**

*Elected Director: 3-year term to Sept. 2022*



**Judy Sue, Treasurer  
& Corporate Secretary**

**Chair, Audit & Risk Committee**

*Ministerial Appointment: 3-year term to March 2023*

▶ Heather Zordel is a corporate and securities lawyer with more than 30 years of experience, including as a private practice lawyer at the Toronto Stock Exchange, and as Chair of the Ontario Securities Commission. Ms. Zordel's previous board experience includes a large reporting issuer, regulatory agencies including as a former Bencher of the Law Society of Ontario, as well as not-for-profits, Crown corporations, and a condominium corporation.

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▶ Allison Scanlan is a condominium owner with a 25-year professional career in purchasing and supply chain for a Fortune-100 global manufacturer. Allison has served her condominium with distinction as director and corporate secretary at a time of significant challenge. In off-hours she enjoys her grandchildren and serving her community in many volunteer pursuits. Allison is a member of the National Club, Wildfire Golf Club, Ryerson University 50+ Program, and is an avid outdoor enthusiast.

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▶ Judy Sue, CPA CGA CFE, is a condominium owner and president of Eagle Audit Advantage Inc., Canada's first forensic audit firm dedicated to the investigation of frauds that victimize condo corporations and owners. Judy served for four years as an accomplished volunteer director, vice-president and treasurer in the condo corporation where she resides. From 2013 to 2017 she was a participant in the government's consultative panels leading to legislative revisions of the Condominium Act.

▶ Margaret Samuel is a condo owner and the President, CEO and Portfolio Manager of Enriched Investing Incorporated in Toronto. She has worked with the Royal Bank Group of Companies and Ontario Teachers' Pension Plan Board. Margaret is a lawyer and holds an MBA. She also holds the Chartered Financial Analyst designation and is a Member of the Toronto CFA Society, the Law Society of Ontario, and was an Empire Club of Canada Director.

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▶ Vincenza Galatone has been a condominium owner since 2007, has been part of three different Condominium Corporations and currently sits as President of the Board of her Corporation. Fully bilingual, Vincenza has nearly 35 years of experience in public service (policy, regulations, program delivery), including as Director General, Real Property, Environment and Security (Natural Resources Canada).

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▶ Erik Levinson is a condominium owner and Chief Technology Officer with extensive experience building, leading, and advising early and growth stage software companies, most recently focusing on payments and financial technology. Erik is a founder of Key CTO, a fractional CTO practice that advises software companies in Canada and the US. Erik has led high-performing teams to deliver highly available, highly scalable, and secure products, with a high release velocity.

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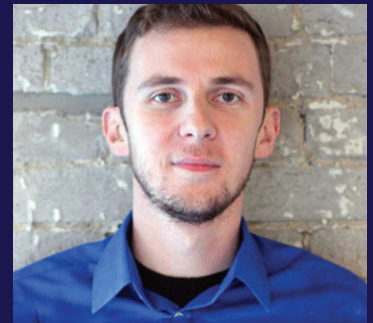
▶ Larry Banack is a condominium owner and an active member of the Law Society Hearing and Appeal Panels, which adjudicates lawyer and paralegal professional misconducts. He has maintained an ongoing construction litigation practice since 2000. He is a project mediator and arbitrator for the CCDC. In 2007, he became a Roster Arbitrator for the Sport Dispute Resolution Centre of Canada, which adjudicates claims involving athlete related disputes, a role he fulfils to this day.



**Margaret Samuel, Director**  
*Ministerial Appointment: 3-year term to Sept. 2022*



**Vincenza Galatone, Director**  
**Chair, Governance & HR Committee**  
*Elected Director: 3-year term to Sept. 2024*



**Erik Levinson, Director**  
**Chair, Technology Sub-Committee**  
*Elected Director: 3-year term to Sept. 2023*



**Larry Banack, Director**  
**Chair, Tribunal Advisory Panel**  
*Elected Director: 2-year term to Sept. 2022*

# CORPORATE STRUCTURE

## Leadership Team

The staff and the day-to-day operations of the Condo Authority are overseen by the CEO & Registrar and the senior management team.



**Robin Dafoe**  
CEO & Registrar



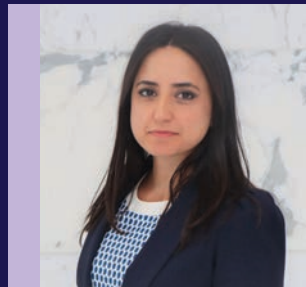
**Paul Duffy**  
Director, Data & Policy



**Emilee Escobar**  
Director, Governance & Communications (A)



**Keegan Ferreira**  
Director, Tribunal Operations & Vice-Chair, Condominium Authority Tribunal\*



**Doha Heikal**  
Director, Information Technology



**Rana Khurram Manzoor**  
Chief Financial & Operations Officer\*\*



**Tim Lund-Pedersen**  
Deputy Registrar & Director Information Services

The Condo Authority achieves efficiencies by sharing finance staff and costs with the Condominium Management Regulatory Authority of Ontario. A memorandum of understanding governs the relationship between the two organizations as they have distinct but complementary mandates to support the condo sector.

\*Incumbent is a shared resource and is also one of three part-time Vice-Chairs reporting to the CAT Chair

\*\*Incumbent is a shared resource and is also Director of Finance at CMRAO

## Our Staff

Our team reflects the diverse make-up of Ontario and its condo communities. We pride ourselves on our inclusive culture and celebrate various cultures and customs of our team members. We regularly champion diversity, equity and inclusion within our organization and participate in days of action including, Pride, Black History Month, Pink Shirt Day, and Bell Let's Talk Day among others. We are an equal opportunity employer and consider all qualified individuals without regard to race, national origin, gender identity or expression, age, religion, disability, sexual orientation, marital status or any other characteristic protected by law.

The Condo Authority strives to find ways to give back through our employee-led initiatives. This year, staff contributed to three important charities as part of CAO's Giving Drive, including the Indigenous Women's Fund of Canada, Single Mothers in Progress, and the Ontario SPCA & Humane Society.

The Condo Authority participates annually in the Moose Hide Campaign Day and Orange Shirt Day. This year we observed the first National Day for Truth and Reconciliation, which was proposed by the Truth and Reconciliation Commission as one of its 94 Calls to Action. This day honours the lost children and survivors of the residential school system, their families and their communities.

The Condo Authority issues an annual staff engagement survey to gauge how well we are delivering on our team values and our culture. We are proud to have received **91 per cent overall employee satisfaction** this year.







**Commitment to  
Accessible Service**

## Compliance with the Accessibility for Ontarians with Disabilities Act

The Condo Authority is committed to providing accessible services that meet the requirements of the Accessibility for Ontarians with Disabilities Act. All staff complete mandatory customer service training on how to best provide services for people with disabilities as part of their onboarding. Our website is compatible with screen readers and individuals reaching us by phone can contact us through a relay operator using their teletypewriter. We engage with our online users who rely on assistive technology to strengthen the accessibility features of our digital services.

This year, the Condo Authority provided alternate formats for our Director Training to 19 requestors. In addition, Tribunal Operations staff responded to one request for an accommodation and worked with the party to implement an accommodation plan to ensure they could effectively participate in the case.

## French Language Services

The Condo Authority provides all its digital services in both official languages. We employ bilingual staff across the organization, including our Information Services team who respond to French language inquiries. Our resources, website materials and other communications are offered in both languages, using a combination of third-party French translation services and bilingual staff.

In 2021-22 CAO received:

- 21 emails and 54 calls in French to our Information Services Team
- 35 French Director Training survey responses
- 20 Annual Returns and 25 Notices of Change filed in French

Two CAT cases were conducted as bilingual proceedings in the mediation/adjudication stage.

*Efficient and easy to navigate website.*

— CAT User



# Complaints

We have established a fair, reasonable, and accessible process to review and respond to complaints that meet the requirements set out in our [Public Complaints Policy](#). Anyone who has had contact with the Condo Authority can make a complaint about our staff or services. Complaints cannot be used to review, appeal or dispute any decision or order of the tribunal as these may be appealed to the Divisional Court.

## The Process



Complaints about the tribunal follow the same process with the CAT Chair considering and responding to complaints related to the tribunal. We maintain records of all complaints and review details as part of our organization’s commitment to client service excellence.

In 2021-22, the Condo Authority addressed and resolved five complaints that met the requirements of the [Complaints Policy](#).



**Outreach &  
Community  
Engagement**



*We are a small condo corporation. we can not afford a lawyer and rely on the CAO to give us legal guidance (not advice- I get it). The simpler the explanation the better. Your help has been appreciated.*

— Condo Community Member

The Condo Authority is taking important steps toward increasing the public’s awareness of our helpful services as we expand our outreach to condo communities across the province. An annual survey conducted by IPSOS indicated a three per cent increase in general awareness of the Condo Authority among Ontarians from the previous year.

We are seeing steady increases in our website traffic. Nearly 40,000 more unique users visited our website during this fiscal year compared to last.

We have also greatly increased the number of our subscribers to just over 2,500 after launching [our subscription service](#) in October of last year, with 89 per cent of subscribers opting in during this fiscal year.

We continue to provide support to the sector through our Information Services team who responds to questions and provides guidance on navigating the complex legislative and governance framework related to condo living. Condo communities have consistently provided positive feedback on our support:



**86 per cent** of respondents agree or strongly agree that the CAO’s resources and services add value to the condominium community

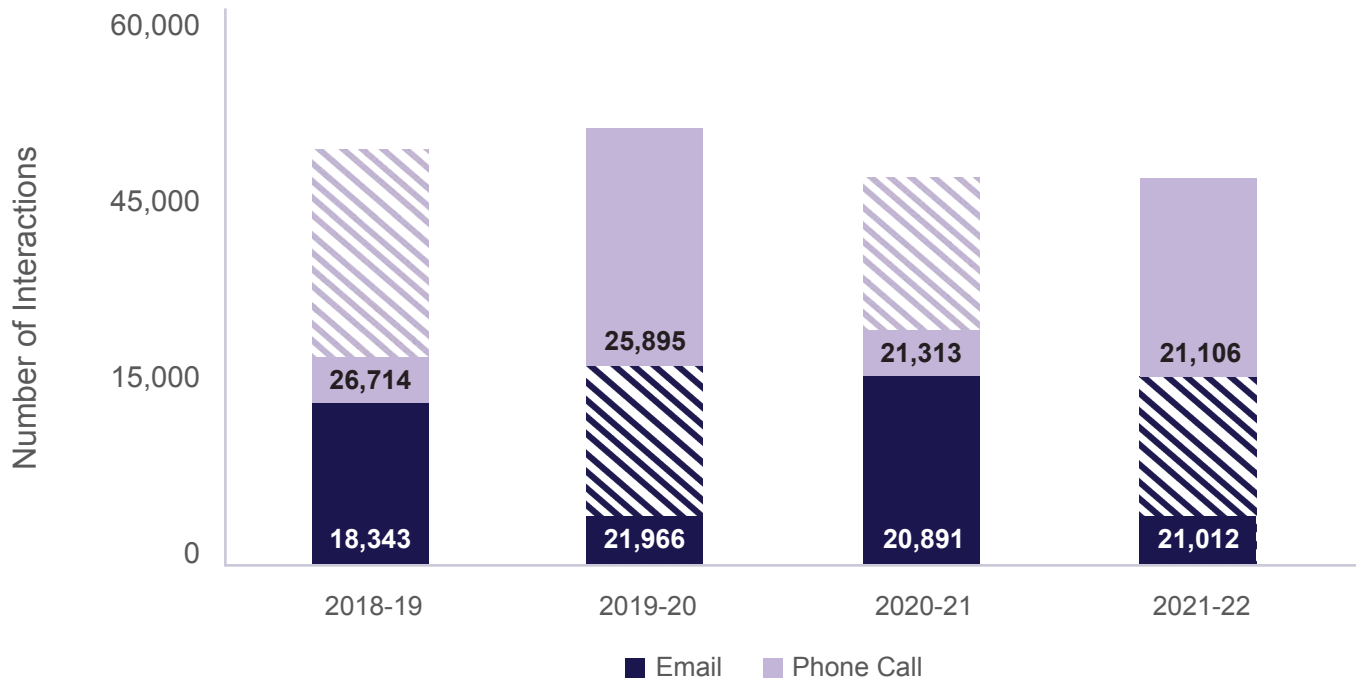


**71 per cent** of respondents are satisfied or very satisfied with CAO’s information services



**76 per cent** of respondents are satisfied or very satisfied with their interaction with a CAO representative

## Information Services Interactions

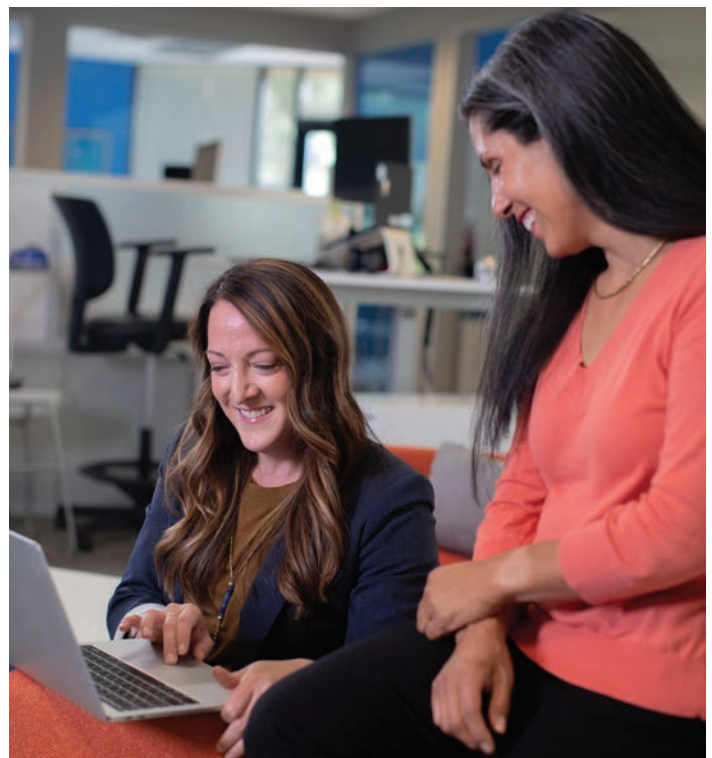


**42,118 interactions with condo communities in 2021-22**

## Events

We continued to connect with condo communities virtually during this past year. In July 2021 CEO & Registrar Robin Dafoe joined Tarion's CEO & for a joint public town hall. In September, policy and tribunal operations staff presented at the Community Associations Institute Canada conference on what was new at the Condo Authority.

In October, our policy and programs team launched a public survey and hosted our first public consultations on the tribunal at the request of the Minister. We held three public roundtables, with over 350 people participating and providing feedback on the tribunal and future expansion. Lastly, in March of 2022 tribunal staff presented to a group of condo managers and paralegals in two separate webinars about the latest developments related to the tribunal's expansion.





## Advisory Process & Responding to User Feedback

The CAO's [Advisory Process](#) includes several feedback mechanisms including enhancements to capture data on different types of users so that feedback can be consolidated and analyzed across all surveys.

This year, we developed and implemented an Advisory Panels, User Testing and Usability Testing Framework to structure how we gather feedback from Ontario's condominium communities our services. The input helps us understand the areas of priority and develop approaches on how to meet clients' needs. We engaged several different user groups over the year. Of note were user testing for the new Landlord and Tenant Guides and updated records materials, as well as advisory panels for developing the new Advanced Director Training program.

Below is the full list of products for which advisory panels and user feedback engagements were used during this time:

- Guides for [Landlord](#) and [Tenants](#)
- Core and Non-Core Records materials
- Website re-design project
- [Public Registry](#) enhancements
- [Advanced Director Training](#) materials
- [Guide to Ensuring Healthy Reserve Funds](#)

Next is a list of participants who agreed to have their name published to recognize their contribution. Thank you to everyone who participated in of our advisory processes this year! We would like to extend our heartfelt thanks to our GTA Directors Group as well as all advisory panel, focus group, user testing and survey respondents this year who have given us excellent advice on how we can continue improving our services and outreach activities.

We would also like to extend our thanks to our Ontario experts from Cosgrove & Co. Strategy Consulting Ltd. and Yale PGC for their contributions to our Advanced Director Training Materials.

### > **Advanced Director Training Materials**

- Lawrence Peebles
- Sherry Sweet
- Lynda Cudanin
- Corneliu Kirjan
- Victoria Madelaine
- James Scott
- Kerry Byam
- Yasmeen Nurmohamed
- Debi Arnoni
- Teresa Hatch
- Catherine Murdock
- Frederick William Stubbs
- David Dunlop
- Linda Ballantyne
- Anthony Downs
- Margaret Ann Bogue
- Matt Gleben
- Paul Lantz
- Mary-Luise Chikoski
- John R. Craddock
- Paul Lametti
- Peter Simpson
- Lyndsey McNally
- Nancy Bryceland
- Lorraine Neville
- Ujjal Mondal

### > **Guide to Ensuring Healthy Reserve Funds**

- Anne-Marie Brouillet
- Clare Churchward
- Adrian Dafoe
- Allan Job
- Dana Kuszelewski
- Steven Law
- John Oakes
- Catherine (Kate) Power
- Lionel Sherbanuk
- Rosmal Seneviratne
- Andrew St. George
- Tim Tempest
- Dino Testa
- Sally Thompson
- Jerry B. Udell
- John Wordley
- Gloria Whitehead
- Terry Young

### > **Guides for Landlord and Tenant Guides**

- Jane Dark
- Christine Ferguson
- Owen Freeman
- Rita Hooper
- Gary Huenemoeder
- John Jennings
- Brian Lam
- Dianne Morrison

### > **Records Materials**

- David Crawford
- Mike Montgomery

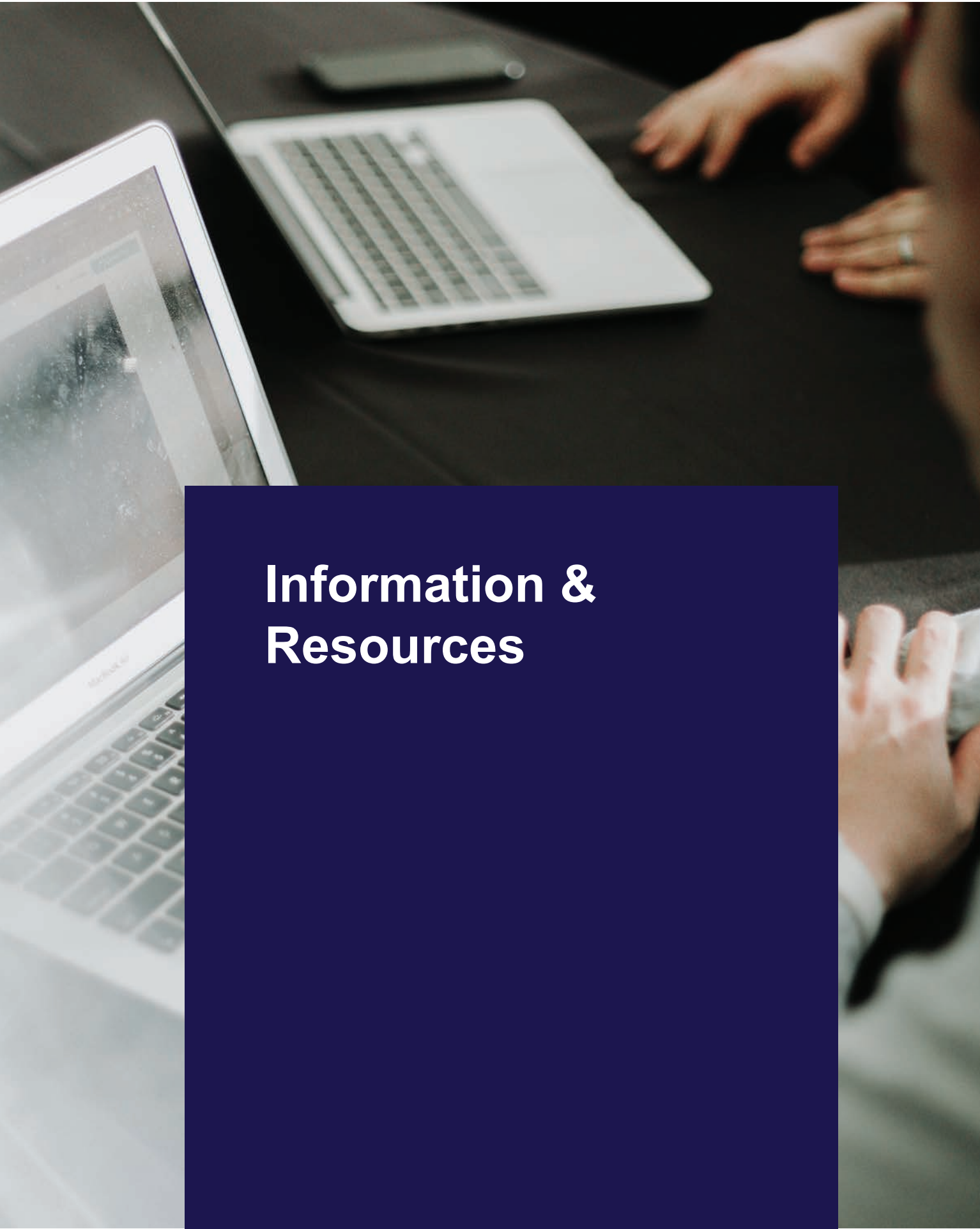
### > **Website Re-design Project**

- Marc Charbonneau
- Adaire Chown
- Jennifer Coutinho
- Diane Garabet
- John Henry
- Mary Huang
- Mark Levin
- Simha Medelsohn
- Gary Mogyorodi

### > **Public Registry Enhancements**

- David Barkin
- Laurent Lemelin
- Dan Procop
- Roger Reens
- Laura Sheehan
- John Starzynski



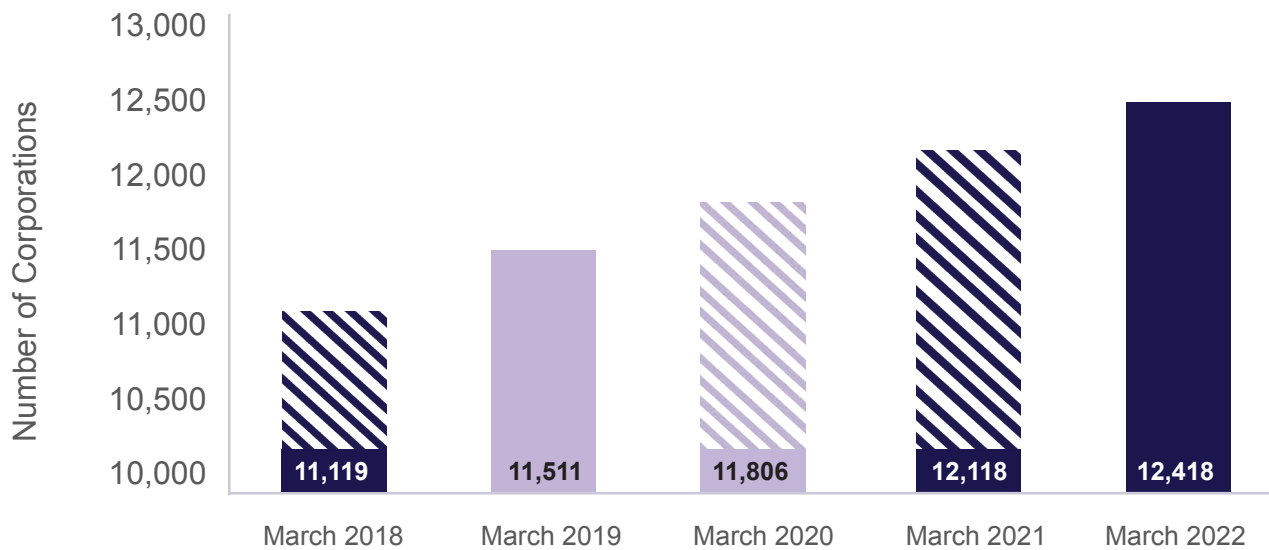


## Information & Resources

## Returns & Public Registry

All condo corporations are legally required to file a condo return with us. The return includes specific information about the condo corporation such as the date it was registered, its address for service, information about the board of directors and any condo management service providers.

### Corporations in CAO's Database



#### In 2021-22:

- 96.4 per cent of condo corporations filed their return
- 93.8 per cent of newly created condo corporations filed their initial returns

The Condo Authority continues its outreach efforts to reach all newly created condo corporations.

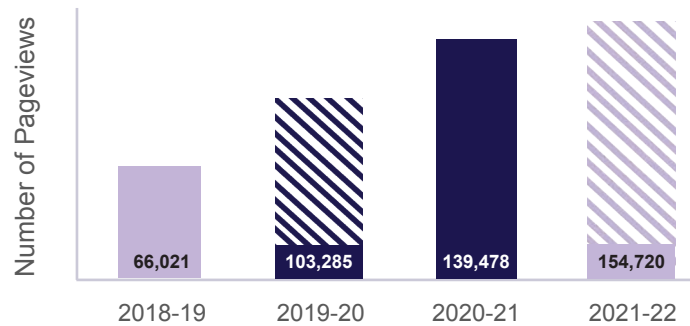
This year, the Condo Authority introduced numerous dynamic validations to ensure that the data filed by condo corporations during the annual returns filings were accurate and current. This included verification checks when entering director training data, director term start dates and licensed condo management service providers.

When information filed in a return needs to be updated, a notice of change must be filed within thirty days. **13,034 notices of change were filed** in 2021-22.

The Condo Authority publishes the key information collected through returns and notices of change on its Public Registry to support transparency in the sector. The [Public Registry](#) is our most visited webpage and is an essential source of information for condo residents, buyers and the public.

We recently enhanced the Public Registry to provide more accurate, complete and useful information to condo owners. Users can now use expanded search parameters on the registry to search using a director's name or a condo corporation's municipal address. As part of our activities this year we also developed the Condo Calendar App to calculate the key dates for each condo's obligations under the Condo Act.

**Public Registry Pageviews by Fiscal Year**



## Guides & Support

The Condo Authority's online suite of information and digital resources help condo owners, directors, renters, buyers and others understand the ins and outs of condo living and provide guidance on timely issues that affect the sector.

The following are some of the key resources developed in 2021-22 that are available on our website.

### COVID-19 Materials

The team developed or updated resources to continue to support healthy and safe condo communities in accordance with public health guidelines, including:

**Guide to Conducting Owner's Meetings During COVID-19**

**Self-Isolation Considerations for Condo Corps and Owners/Residents**

**Update for the Condominium Sector: Roadmap Exit Steps**

**Condo Meetings During COVID-19: Impacts of the Temporary Provisions**

**Best Practices for Entering a Unit During COVID-19**

**Common Expenses and Liens - Considerations During COVID-19**

## Legal Resources for Condo Owners

The Condo Authority developed [new content](#) for condo owners on legal information and resources for affordable legal consultation, including information about how to find out if they have legal expense insurance as part of their condo insurance policy. This information is also part of our Guided Steps to Common Issues.

## Annual Requirements Guide & Condo Calendar App

The Condo Authority launched two new resources to help owners and directors better understand their condo board's obligations under the Condo Act.

[Annual Requirements Guide](#) highlighted many of the regularly occurring legal requirements for condo corporations in a single chart. Owners can make use of this information to educate themselves about their condo's obligations and directors can use it to comply with legal requirements such as holding an Annual General Meeting or preparing and approving financial statements.

[CAO's Condo Calendar App](#) allows for easy visualization and organization of a condo corporation's important dates and complements our guide. The app calculates dates based on the information provided through the filing of condo returns and notices of change, such as deadlines for a condo corporation to send out meeting notices to owners.

*Impressive work done by those who put together the new guides and the advanced directors training modules. Great information for not only board members, but wonderful resources for owners, managers, and condo service providers.*

— Denise Lash, Founder at  
Lash Condo Law



## Guides for Residential Condominium Landlords & Tenants

The Condo Authority recognizes the growing number of landlords and tenants who rely on us for information. We are proud to have developed a [Guide for Residential Condominium Landlords](#) and a [Guide for Residential Condominium Tenants](#) that can help people navigate the unique features of renting a condo unit.

## Guide to Ensuring Healthy Reserve Funds

Owners support their condo through common expense fees. A portion of these fees is allocated to ensuring there is enough money in a condo corporation's reserve fund, which in turn is used to address major repairs to common assets. The Condo Authority released its [Guide to Ensuring Healthy Reserve Funds](#) to raise awareness in the condo sector regarding the importance of properly maintained reserve funds and how these funds can ensure safety, longevity of common assets, and preserved property values.

*Being a condo resident experiencing and observed many helpless situations, CAO has been helping me in multiple occasions which I really appreciate. My thought is there are so many issues about the overall condominium field and CAO is trying to help. I continue positively longing for the gradual improvement of the condo field led by CAO and the condo communities. Thanks.*

— Condo Community  
Member



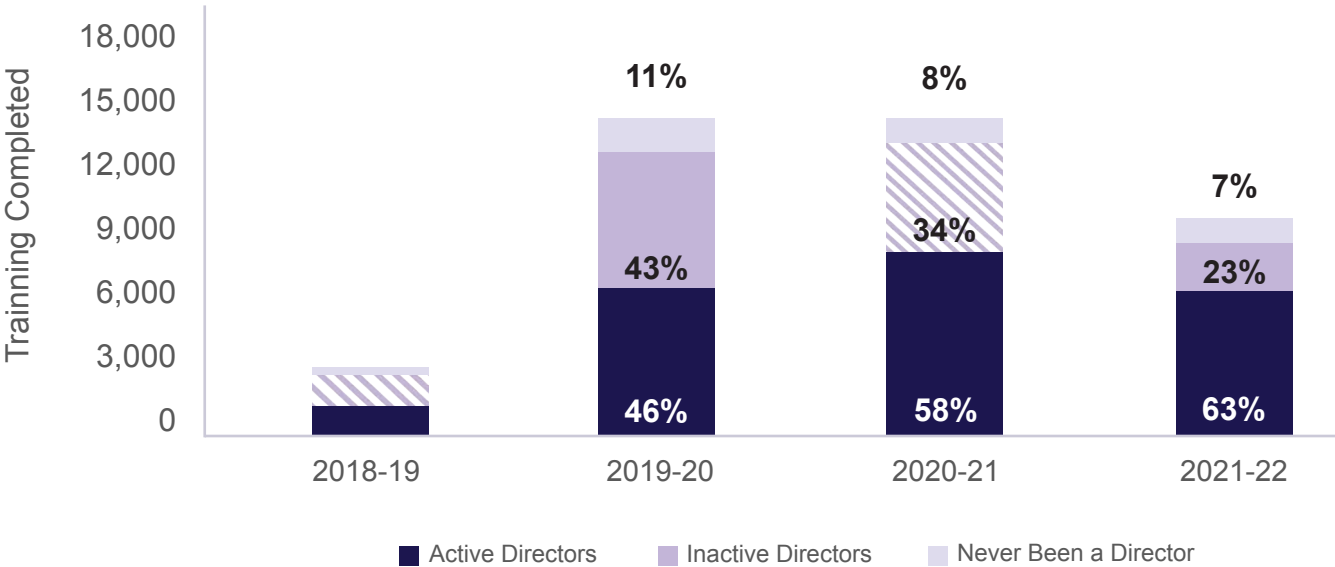
# Education



## Foundational Director Training

The Condo Authority’s six-part [Foundational Director Training](#) is mandatory for all directors and helps them understand their oversight and legal obligations. This mandatory director training is part of our online services and is available at no charge to anyone who wishes to take it.

### Foundational Director Training Completed by Role



**52,986 directors and non-directors have taken CAO’s training to date**

We continue to solicit feedback from owners and directors about our mandatory training program so that we can continuously improve on this important service.

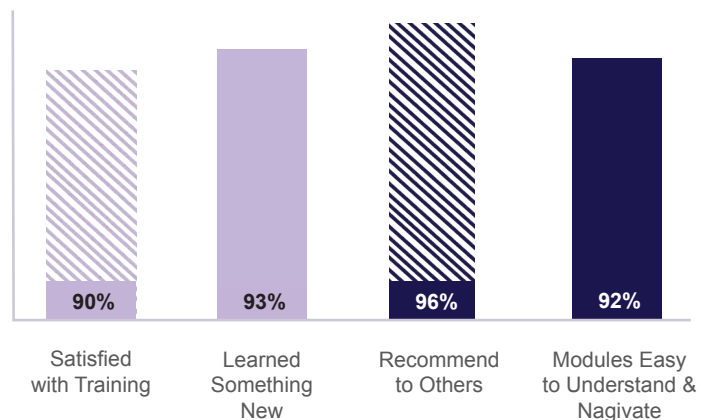
This fiscal year we developed annual surveys for owners and residents on our director training program, as well as separate surveys for directors who had been in their role for longer than six months, drawing on their experience to understand how well the training prepared them for their day-to-day. These new surveys will be launched next year. Directors continue to tell us they are highly satisfied with the training.



We also introduced several technical enhancements to better track the time users spent in the modules and to ensure that users are unable to complete the module without reading the material.

In addition, we developed an automated system that reminds directors of their obligation to complete mandatory director training ahead of their six-month deadline. The system also automatically notifies the director and the condominium corporation if the director misses the deadline and is no longer eligible to sit on the board as per the Condo Act. Since implementation, the system has issued 8,558 automated notices.

### Director Training Feedback





## Advanced Director Training

In March, the Condo Authority launched its new [Advanced Director Training](#) program in response to the sector’s feedback for more in-depth education. Working through advisory groups comprised of owners, directors and subject matter experts from across the province, we developed modules and best practices guides on six key topics. The advanced director training is optional, and like the foundational training, all materials are offered as part of the Condo Authority’s services at no additional charge.

Six new topics:



**Overseeing  
Condominium  
Managers**



**Finance**



**Procurement**



**Issues  
Management**



**Emergency  
Planning &  
Preparedness**



**Condominium  
Governance**

The Advanced Director Training [best practices guides](#) are available to anyone, at any time in both official languages. The guides are meant as in-depth reference materials that allow for quick access. The advanced modules are available upon completion of the foundational director training and will be piloted in the year ahead. The Condo Authority encourages everyone who lives in a condo to take the foundational and advanced training to learn about good governance and to understand how to foster a positive community. We are also gathering feedback [through surveys](#) on these modules and guides through our website.





# Issue & Dispute Resolution

Disputes can sometimes arise between condo owners and boards in condo communities. The Condo Authority offers an integrated dispute resolution approach to empower condo communities to work together to resolve their disputes. The two components of this service include our [Guided Steps to Common Issues](#) and the [Condominium Authority Tribunal](#).

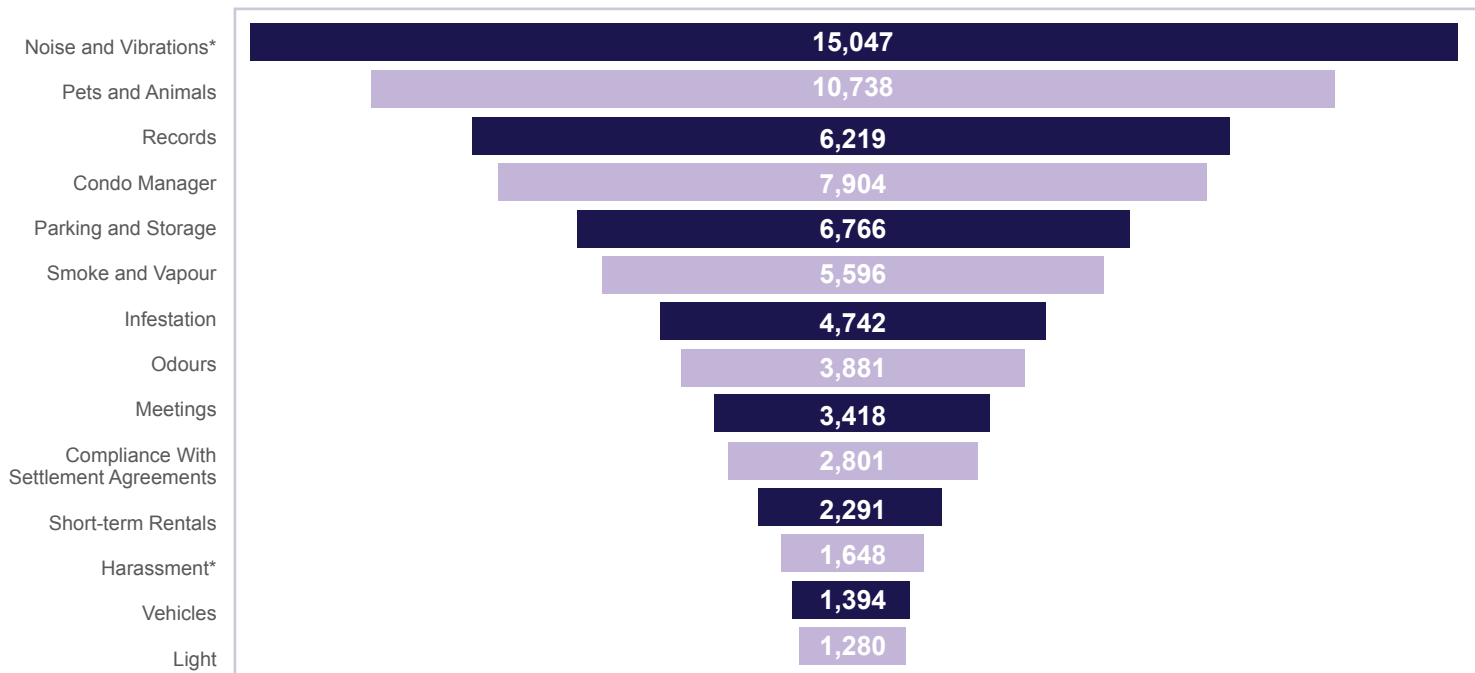


## Guided Steps to Common Issues

The Condo Authority’s Guided Steps to Common Issues is a self-help resource that provides information, tools and templates to address 15 common issues related to condo living and approaches to help solve them.

76,725 total views in 2021-22

### Views to Guided Steps to Common Issues



\*Noise and Vibrations were split in Jan. 2022 and will be reported separately starting next year.

\*Harassment was a net new addition in Jan. 2022.

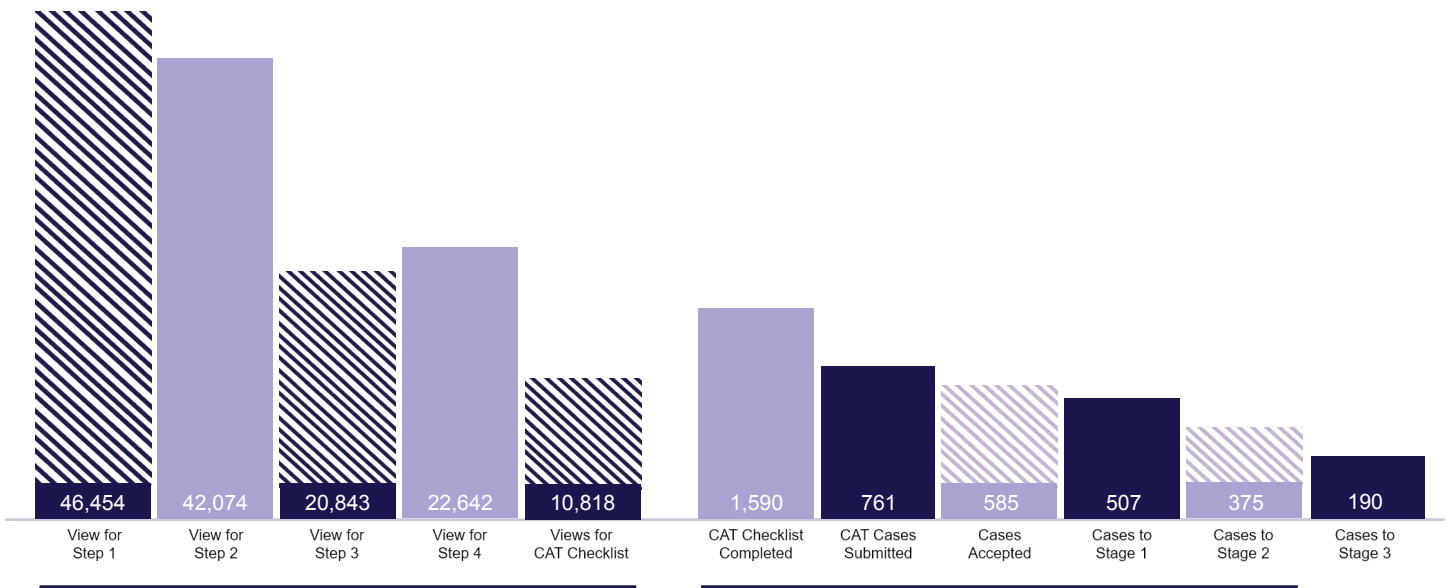
Each common issue has four guided steps to help owners understand the issue and further sub-steps to help them resolve it.



The Condo Authority’s integrated dispute resolution approach using the Guided Steps to Common Issues and the tribunal has been highly effective in resolving disputes early and collaboratively. This year, we developed a new comprehensive [Guide to Records](#) and step-by-step guides to [Requesting Core Records](#) and [Requesting Non-Core Records](#) to further assist owners in understanding what records they are entitled to and where the information they are seeking may be located. In addition, the CAO’s tribunal operations team successfully updated the online dispute resolution system and implemented a new case management model that provides clients with dedicated case management support.

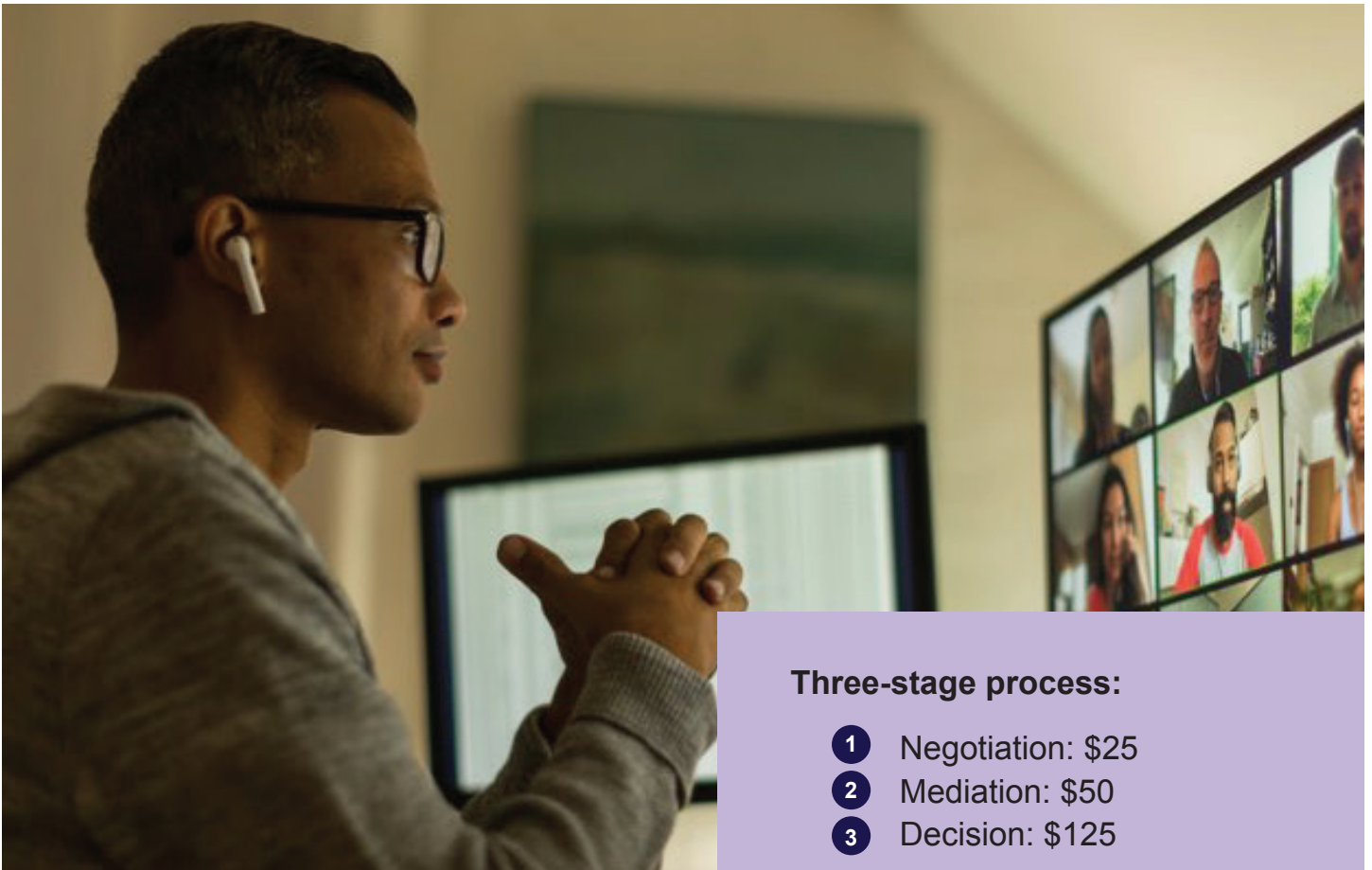
### Page Views for the CAO’s to “Guided Steps to Common Issues” and Condominium Authority Tribunal Cases

From November 1, 2017 to March 31, 2022



Page Views for “Guided Steps to Common Issues”

Condominium Authority Tribunal Checklist and Cases Submitted



### Three-stage process:

- 1 Negotiation: \$25
- 2 Mediation: \$50
- 3 Decision: \$125

**Total cost: \$200**

## Condominium Authority Tribunal

The [Condominium Authority Tribunal](#) is Canada's first fully online tribunal and is seen as a model for other tribunals interested in exploring the convenience and efficiency of online access. The tribunal uses an online dispute resolution system to help people resolve certain types of condo-related disputes conveniently, quickly and affordably.

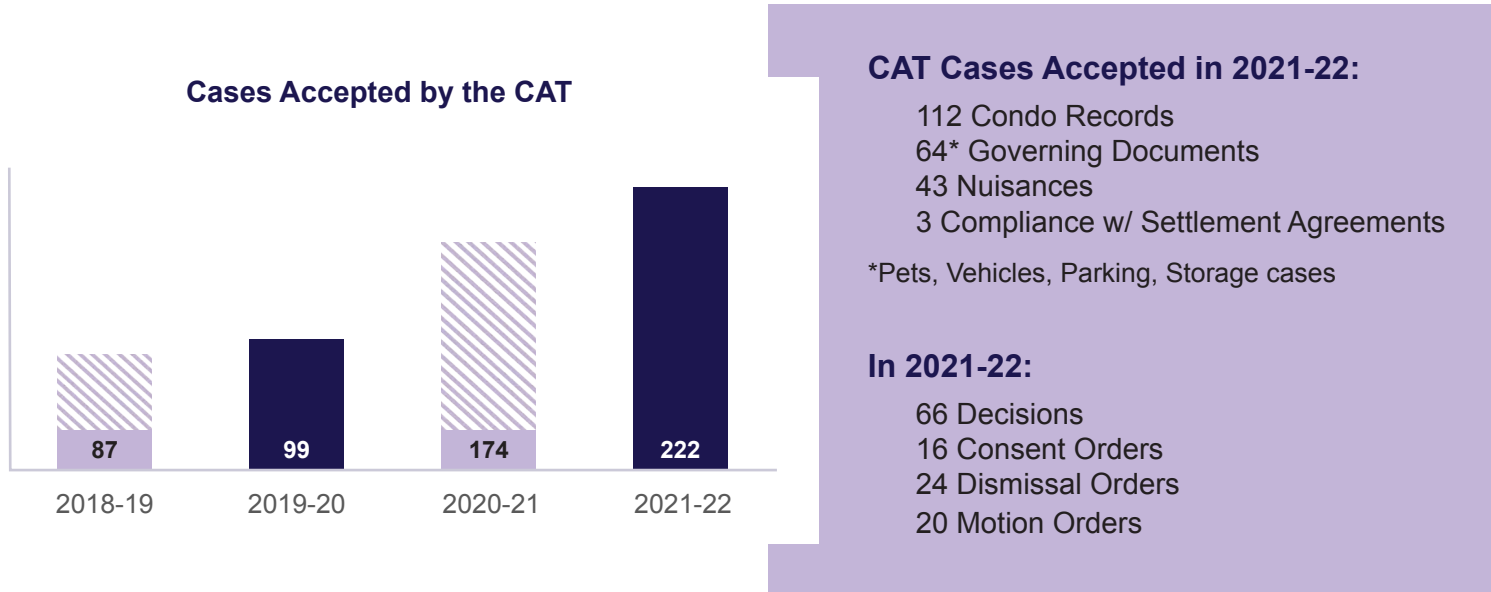
Parties work towards resolving their disputes through a user-friendly three-stage dispute resolution process. The system is available 24/7 and can be accessed from anywhere.

The tribunal operates with adjudicative independence within the Condo Authority. A [memorandum of understanding](#) governs the relationship between the CAO and CAT with roles and responsibilities set out in the administrative agreement. The Chair of the Tribunal oversees three part-time vice-chairs and a roster of approximately 20 part-time members who mediate and adjudicate cases.

At the start of the year, the tribunal could accept applications about a range of issues including condo records, pets and animals, vehicles, parking, storage and compliance with settlement agreements. Effective Jan.1 2022, the government further expanded the Tribunal's jurisdiction to include nuisance disputes related to noise, odour, light, vibrations, smoke and vapour.

The tribunal developed a host of new materials to support condo communities in understanding and navigating its expanded jurisdiction, including new Tribunal user resources and web content, an updated interactive application filing checklists that supports complete and error-free applications, a new [Guide for Respondents and Intervenors](#) and a [Guide to Effective Negotiation](#).

Since the tribunal’s launch on November 1, 2017, we have seen a steady increase in cases as its jurisdiction continues to expand. This year the tribunal saw the most cases and released the largest number of decisions and orders to date.



In 2021-22, the tribunal **met its commitment to release 90 per cent of its decisions and orders within 30 days** of the conclusion of the hearing or the receipt of the final submissions.

The tribunal’s decisions and orders are [publicly available](#) free of charge on the CAO’s website. You can browse through all of the CAT’s decisions and orders, or you can search for specific decisions. This allows users to learn about the types of cases the tribunal hears and how they have been resolved. These decisions and orders provide guidance and clarity for Ontario’s condo communities on relevant issues. These decisions and orders are also available on the [Canadian Legal Information Institute’s website](#).

*I was quite happy with the written hearing and the outcome of the hearing process.*

— CAT User

# MESSAGE FROM THE CONDOMINIUM AUTHORITY TRIBUNAL CHAIR



## Ian Darling

Chair of the Condominium Authority Tribunal

It is my pleasure to introduce the activities of the Condominium Authority Tribunal. This year we effectively responded to an expanding jurisdiction, increased caseload and more case complexity. As in previous years, we continued to promote prevention first and foremost through our three-stage dispute resolution system. We encouraged parties to avoid disputes before the tribunal by following the CAO's Guided Steps to Common Issues and if that did not work, we provided an efficient and effective service to resolve cases that come before our members.

I was pleased to continue supporting this dispute prevention and resolution process, which includes pre-dispute information and an integrated online platform that supports case intake, negotiation, mediation and adjudication. Despite the COVID-19 pandemic, I was proud of how we delivered our services by continuing to rely on our digital-first Online Dispute Resolution.

This year, the tribunal released its first decisions related to the jurisdiction expansion in October 2020. As of that expansion, we can now hear disputes related to how pets, parking and storage are governed through Corporations' declarations, by-laws, and rules. Additionally, on January 1, 2022, the tribunal's jurisdiction expanded again to include disputes about nuisances, annoyances or disruptions involving noise, odour, light, vibration, smoke and vapour, as well as nuisance and related indemnification provisions in condominium governing documents. Responding to the new jurisdiction was an exciting challenge, as we engaged with new even more, increasingly complex disputes. The tribunal responded to the challenge and we saw our highest yearly number of decisions and orders while also closing 56 percent of the cases without requiring adjudication.

In January 2022, we updated the tribunal's [Rules of Practice](#), and released the [Practice Direction: Approach to Ordering Costs](#). The Practice Direction supports the rules, providing guidance about what the tribunal expects of the parties and vice-versa.

Tribunal members are dispute resolution experts who conduct mediations and make tribunal decisions. Members were selected for their experience and expertise in mediation, adjudication, condominium law and life in condominium communities. The work of receiving and mediating cases is a collective responsibility. While the tribunal makes its decisions independent of the Condo Authority, members are committed to the Condo Authority's objectives for the tribunal, and to ensuring that Parties can participate in their case most effectively. We look forward to continuing to provide dispute resolution that fits the needs of condo communities as the tribunal expands further in the future.

A photograph of a modern, multi-story apartment building with balconies and large windows. The building is set against a clear blue sky. In the foreground, there are some trees and a swimming pool area. A large, dark blue rectangular overlay is positioned in the center of the image, containing white text.

# **Risk Management Framework and Risk Management Plan**





The CAO's Enterprise Risk Management Framework helps ensure that the organization identifies, assesses and manages risks that may impact the organization's ability to deliver on its strategic objectives and business priorities. The Condo Authority evaluates potential risks and identifies preventive and recovery controls so we can reduce the likelihood and impact of risks to the organization.

The Condo Authority continued to cope with the COVID-19 pandemic amid changing public health measures. Fortunately, due to our digital service delivery model, there was no impact on our services for the sector or health and safety for our staff. The Condo Authority was pleased to be able to provide guidance and suggestions to the condo sector about how to adjust service delivery and operations to the risks presented by the COVID-19 pandemic. Cybersecurity remains a focus for the organization, and we have implemented measures to enhance cybersecurity, including quarterly mandatory training for all staff.



# Financial Report



## Management Discussion & Analysis

The following management discussion and analysis provide supplementary information for condominium communities and other readers of our financial statements for the fiscal year 2021-22. This analysis should be read in conjunction with the audited financial statements for the year ending on March 31, 2022, and that are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Revenues

The Condo Authority's operating revenues are used to deliver the services outlined in this annual report so that we can help condo communities with condominium living across Ontario.

Operating revenue was mainly comprised of assessment fees paid by condo owners and collected from condo corporations based on \$1 per voting unit per month. According to the Act, the total assessment fee for each condo unit is to be added to common expenses as set out in the condominium's declaration, with the effect generally that the fee is allocated to condominium owners on a per square foot basis. In line with its commitment to being financially prudent, the CAO had also implemented temporary adjustments, reducing the total assessment amount payable by each corporation by 25 per cent for the fiscal year 2021-22 as well.

For the year ending on March 31, 2022, the Condo Authority provided a 25 per cent temporary adjustment resulting in assessment revenues of \$8,540,093. This represents an increase of 3.2 per cent from the 2020-2021 assessment revenues, which totaled \$8,275,604. The organization also received \$23,425 from tribunal fees, which is an increase of 39.4 per cent from \$16,824 in 2020-2021. The increase in tribunal fees is in line with the increased number of tribunal cases that came because of the expansion of its jurisdiction. In addition to operational revenue, the Condo Authority had \$84,323 in other income, which was mainly comprised of interest earned.

## Expenses

Total expenses for 2021-2022 increased by 5.46 per cent as compared to the previous fiscal year. The increase is in line with the expansion in the Condo Authority's operations and scope of work.

We continue to optimize our organizational structure and put in place the necessary expertise and to deliver our digital services and support condominium communities in all regions of the province. The increase in human resources expenditures and operational and general administrative expenses is in line with the yearly increase as budgeted.

The accumulation of accrued interest on the advances received from the Ministry of Public and Business Service Delivery under the loan agreement is in line with the agreed loan amortization schedule calculated at a fixed interest rate of 2.87 per cent.

| Category                                     | 2021-22            | 2020-21            |
|----------------------------------------------|--------------------|--------------------|
| Human resources                              | \$5,909,480        | \$5,559,860        |
| Operational and general administrative costs | \$2,845,707        | \$2,694,494        |
| Interest on long-term debt                   | \$130,588          | \$145,435          |
| Amortization of intangible assets            | \$493,460          | \$493,460          |
| <b>Total Expenses</b>                        | <b>\$9,379,235</b> | <b>\$8,893,249</b> |





## Net Assets

As of March 31, the Condo Authority had \$6,033,590 in Net Assets, which includes \$1,909,718 related to computer software. This investment supports our digital service delivery model and ensures access to our services for all condominium communities across the province. Our Net Asset strategy is also in line with our commitment to continuously improve our digital services related to the Public Registry, Director Training, condo returns, digitally enhanced condo forms, notices of change and online dispute resolution.

The \$651,284 deficit for this fiscal year is mainly due to a temporary adjustment to reflect the 25 per cent assessment fee reduction.

The Government of Ontario provided \$5.5M to the Condo Authority to help with start-up expenditures. In 2019, the CAO started repayment of this loan as per the agreed amortization schedule.

Unrestricted net assets decreased significantly to \$423,872 from \$1,011,034. No transfer from unrestricted net assets to restricted net assets was made during the year and it was maintained at the level of \$3,700,000. The organization has an established restricted net asset reserve fund, as approved by the CAO Board of Directors, which helps build and maintain an adequate level of funds to ensure the stability of the organization and the ongoing sustainability of its operations in the event of unforeseen contingencies.



# **Audited Financial Statements**

## Independent Auditor's Report

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To the Members of  
Condominium Authority of Ontario

### Opinion

We have audited the financial statements of Condominium Authority of Ontario, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets, 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 Organization as at March 31, 2022, and the results of its operations 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 Organization 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.

### Other matter

The financial statements of Condominium Authority of Ontario for the year ended March 31, 2021, were audited by Sloan Partners LLP who expressed an unmodified opinion on those statements on July 9, 2021. The partners and staff of Sloan Partners LLP joined Grant Thornton LLP on January 4, 2022.

### 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 Canadian accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

# Independent Auditor's Report (continued)

## 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 Organization'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 Organization'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 Organization 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.

*Grant Thornton LLP*

Toronto, Canada  
July 22, 2022

Chartered Professional Accountants  
Licensed Public Accountants



# Condominium Authority of Ontario Statement of Financial Position

March 31

2022

2021

## Assets

### Current

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Cash                | \$ 12,932,329     | \$ 11,776,136     |
| Accounts receivable | 594,533           | 614,983           |
| Prepaid expenses    | <u>303,996</u>    | <u>218,440</u>    |
|                     | <b>13,830,858</b> | <b>12,609,559</b> |

### Long-term

|                            |                      |                      |
|----------------------------|----------------------|----------------------|
| Intangible assets (Note 3) | <u>1,909,718</u>     | <u>1,973,840</u>     |
|                            | <b>\$ 15,740,576</b> | <b>\$ 14,583,399</b> |

## Liabilities

### Current

|                                                   |                  |                  |
|---------------------------------------------------|------------------|------------------|
| Accounts payable and accrued liabilities (Note 4) | \$ 788,829       | \$ 501,610       |
| Current portion of loan payable (Note 5)          | 543,763          | 528,487          |
| Government oversight fee payable                  | 302,225          | 302,225          |
| Deferred revenue                                  | <u>4,463,142</u> | <u>2,413,413</u> |
|                                                   | <b>6,097,959</b> | <b>3,745,735</b> |

### Long-term

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Loan payable (Note 5) | <u>3,609,027</u> | <u>4,152,790</u> |
|                       | <b>9,706,986</b> | <b>7,898,525</b> |

## Fund balances

|                                           |                      |                      |
|-------------------------------------------|----------------------|----------------------|
| Investment in capital assets              | 1,909,718            | 1,973,840            |
| Unrestricted net assets                   | 423,872              | 1,011,034            |
| Internally restricted net assets (Note 6) | <u>3,700,000</u>     | <u>3,700,000</u>     |
|                                           | <b>6,033,590</b>     | <b>6,684,874</b>     |
|                                           | <b>\$ 15,740,576</b> | <b>\$ 14,583,399</b> |

Lease commitments (Note 7)

Approved by:



Heather Zordel, Chair of the Board



Judy Sue, Secretary and Treasurer

# Condominium Authority of Ontario

## Statement of Operations

| Year ended March 31                      | 2022             | 2021             |
|------------------------------------------|------------------|------------------|
| <b>Revenues</b>                          |                  |                  |
| Assessment fees (Note 8)                 | \$ 8,540,093     | \$ 8,275,604     |
| Tribunal fees                            | 23,425           | 16,824           |
| Other fees                               | 80,110           | 33,214           |
| Interest income                          | 84,323           | 87,166           |
|                                          | <u>8,727,951</u> | <u>8,412,808</u> |
| <b>Expenditures</b>                      |                  |                  |
| Human resources                          | 5,909,480        | 5,559,860        |
| Enterprise IT                            | 708,987          | 879,725          |
| Occupancy costs                          | 578,466          | 374,833          |
| Board of Directors                       | 305,730          | 295,676          |
| Ministry oversight fee                   | 302,225          | 302,225          |
| Condominium authority tribunal & members | 279,899          | 239,002          |
| Non recoverable portion of HST           | 233,161          | 277,193          |
| Information and communication            | 226,470          | 140,763          |
| Office and general                       | 164,630          | 148,778          |
| Interest on loan payable                 | 130,588          | 145,435          |
| Legal fees                               | 28,941           | 22,763           |
| Professional fees                        | 17,198           | 13,536           |
| Amortization of intangible assets        | 493,460          | 493,460          |
|                                          | <u>9,379,235</u> | <u>8,893,249</u> |
| Deficiency of revenues over expenditures | \$ (651,284)     | \$ (480,441)     |

# Condominium Authority of Ontario

## Statement of Changes in Net Assets

Year ended March 31

|                                                | Investment in<br>capital assets | Unrestricted<br>net assets | Internally<br>restricted net<br>assets | Total<br>2022       | Total<br>2021 |
|------------------------------------------------|---------------------------------|----------------------------|----------------------------------------|---------------------|---------------|
| Balance,<br>beginning of year                  | \$ 1,973,840                    | \$ 1,011,034               | \$ 3,700,000                           | \$ <b>6,684,874</b> | 7,165,315     |
| Deficiency of<br>revenues over<br>expenditures | -                               | (651,284)                  | -                                      | <b>(651,284)</b>    | (480,441)     |
| Addition of<br>intangible<br>assets            | 429,338                         | (429,338)                  | -                                      | -                   | -             |
| Amortization of<br>intangible<br>assets        | (493,460)                       | 493,460                    | -                                      | -                   | -             |
| Balance, end of<br>year                        | <b>\$ 1,909,718</b>             | <b>\$ 423,872</b>          | <b>\$ 3,700,000</b>                    | <b>\$ 6,033,590</b> | 6,684,874     |

# Condominium Authority of Ontario

## Statement of Cash Flows

Year ended March 31

2022

2021

Increase (decrease) in cash

### Operating

|                                          |                  |                    |
|------------------------------------------|------------------|--------------------|
| Deficiency of revenues over expenditures | \$ (651,284)     | \$ (480,441)       |
| Item not affecting cash                  |                  |                    |
| Amortization of intangible assets        | <u>493,460</u>   | <u>493,460</u>     |
|                                          | (157,824)        | 13,019             |
| Change in non-cash working capital items |                  |                    |
| Accounts receivable                      | 20,450           | 104,571            |
| Prepaid expenses                         | (85,556)         | (53,367)           |
| Accounts payable and accrued liabilities | 287,219          | (233,193)          |
| Government oversight fee payable         | -                | 276,893            |
| Deferred revenue                         | <u>2,049,729</u> | <u>(1,930,668)</u> |
|                                          | 2,114,018        | (1,822,745)        |

### Financing

|                           |           |           |
|---------------------------|-----------|-----------|
| Repayment of loan payable | (528,487) | (513,640) |
|---------------------------|-----------|-----------|

### Investing

|                               |                  |          |
|-------------------------------|------------------|----------|
| Purchase of intangible assets | <u>(429,338)</u> | <u>-</u> |
|-------------------------------|------------------|----------|

Increase (decrease) in cash **1,156,193** (2,336,385)

Cash

|                   |                      |                      |
|-------------------|----------------------|----------------------|
| Beginning of year | <u>11,776,136</u>    | <u>14,112,521</u>    |
| End of year       | <u>\$ 12,932,329</u> | <u>\$ 11,776,136</u> |

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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

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### 1. Purpose and nature of operations

In December 2015, the Ontario Legislative Assembly passed new legislation entitled the Protecting Condominium Owners Act, 2015 ("PCOA"), which marked the first major overhaul of the province's condominium laws in over 16 years. The intent of the PCOA is to increase protections for condominium owners, improve how condominium corporations are run, ensure condominiums are governed professionally, and establish mandatory licensing and educational requirements for condominium managers.

The Condominium Authority of Ontario (the "Organization") was established as a not for profit corporation in 2016 and is assuming responsibility for the implementation of services to support its mandate, under the Condominium Act, 1998.

After designation by the Lieutenant Governor in Council through reg 181/17 in September 2017, the Organization began providing education to condominium directors and the public, launched a public registry of condominium corporations in Ontario, and implemented the Condominium Authority Tribunal ("CAT"). The CAT offers an Online dispute resolution service, to resolve condominium related disputes quickly and efficiently.

---

### 2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant by the Organization.

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to deficiency of revenues over expenditures as appropriate in the year they become known.

Items subject to significant management estimates include allowance for doubtful accounts, accruals for liabilities and estimated useful life of intangible assets.

#### Revenue recognition

Annual assessment fees are calculated based on self-reported voting units. The fees are charged each fiscal year and are recognized as revenue when the annual assessment is filed. As there is no recourse for the condominium corporations, the revenue is recognized when the assessments are due and the amounts are known.

Amounts received for the next fiscal period are recorded as deferred revenue.

Tribunal fees are recognized in the period during which the services are provided.

Interest income and other income are recognized on an accrual basis.

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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

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### 2. Summary of significant accounting policies (continued)

#### Financial instruments in arm's length transactions

The Organization initially measures its financial assets and financial liabilities at fair value except for certain related party transactions. The Organization subsequently measures all its financial assets and financial liabilities from arm's length transactions at amortized cost.

Financial assets measured at amortized cost represents cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and loan payable.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in deficiency of revenues over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in deficiency of revenues over expenditures up to the amount of the previously recognized impairment.

#### Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in deficiency of revenues over expenditures when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Organization has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

#### Intangible assets

The intangible asset is stated at cost less accumulated amortization. Amortization is provided at rates intended to write-off assets over their estimated useful lives as follows:

Initial Enterprise Solution

6 years Straight-line method

The amortization method and the estimate of the useful life of a capital asset is reviewed annually.

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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

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### 2. Summary of significant accounting policies (continued)

#### Impairment of long-lived assets

The Organization tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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### 3. Intangible assets

|                              |                     |                                     | <u>2022</u>               | <u>2021</u>               |
|------------------------------|---------------------|-------------------------------------|---------------------------|---------------------------|
|                              | <u>Cost</u>         | <u>Accumulated<br/>Amortization</u> | <u>Net Book<br/>Value</u> | <u>Net Book<br/>Value</u> |
| Initial Enterprise Solution  | \$ 3,612,359        | \$ 2,131,979                        | \$ 1,480,380              | \$ 1,973,840              |
| CAT - Future Online Solution | 382,059             | -                                   | 382,059                   | -                         |
| Cloud Data Warehouse         | 47,279              | -                                   | 47,279                    | -                         |
|                              | <u>\$ 4,041,697</u> | <u>\$ 2,131,979</u>                 | <u>\$ 1,909,718</u>       | <u>\$ 1,973,840</u>       |

CAT - Future Online Solution and Cloud Data Warehouse are projects in progress at year end and as such, are not being amortized.

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### 4. Accounts payable and accrued liabilities

As at March 31, 2022 there is government remittances payable outstanding of \$ 218 (2021 - \$Nil) included in the accounts payable and accrued liabilities balance.

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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

### 5. Loan payable

|                                                                                                                                                                                                                 | <u>2022</u>                | <u>2021</u>         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|
| Minister of Government and Consumer Services loan bearing effective interest rate at 2.87% compounded semi-annually, repayable in semi-annual blended payments of \$329,537. The loan matures on April 1, 2029. | <b>\$ 4,152,790</b>        | \$ 4,681,277        |
| Less current portion                                                                                                                                                                                            | <u>543,763</u>             | <u>528,487</u>      |
| Due beyond one year                                                                                                                                                                                             | <u><b>\$ 3,609,027</b></u> | <u>\$ 4,152,790</u> |
| Estimated principal repayments are as follows:                                                                                                                                                                  |                            |                     |
| 2023                                                                                                                                                                                                            | \$ 543,763                 |                     |
| 2024                                                                                                                                                                                                            | 559,481                    |                     |
| 2025                                                                                                                                                                                                            | 575,654                    |                     |
| 2026                                                                                                                                                                                                            | 592,293                    |                     |
| 2027                                                                                                                                                                                                            | 609,414                    |                     |
| Subsequent years                                                                                                                                                                                                | <u>1,272,185</u>           |                     |
|                                                                                                                                                                                                                 | <u><b>\$ 4,152,790</b></u> |                     |

The Organization had a non-revolving facility available from the Ministry of Government and Consumer Services to fund the startup costs of the Organization to an overall maximum of \$7,500,000.

As at March 31, 2022, \$5,500,000 (2021 - \$5,500,000) has been utilized. The Organization chose not to draw down the remaining available \$2,000,000. Until April 1, 2019, interest on the balance is reset on the first business day in January, April, July and October and is equal to the ninety-day Ontario Treasury Bill Rate plus fifty basis points compounded on the first business day in January, April, July, and October. Beginning April 1, 2019, the interest rate is equal to the Province of Ontario's cost of funds for a ten-year amortizing bond, inclusive of fees and commissions, plus fifty basis points, compounded semi-annually. As at April 1, 2019, this combined rate is 2.87%.

The loan agreement requires the Organization to comply with a financial covenant. As of March 31, 2022, the Organization was in compliance with the the financial covenant.

### 6. Internally restricted net assets

During the fiscal year 2019, the Organization established restricted net assets which were approved by the Board to build and maintain an adequate level of funds for the Organization to ensure stability of the mission, programs, employment, and ongoing operations of the Organization and to provide a source of internal funds to manage unforeseen contingencies. Transfers can be made to or from this fund, upon approval from the Board. In the fiscal year 2022, the Organization transferred \$Nil (2021 - \$Nil) from its unrestricted accumulated net assets.



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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

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### 7. Lease commitments

The Organization is committed to lease its premises until May 31, 2033. The future minimum commitments are as follows:

|                  |    |                  |
|------------------|----|------------------|
| 2023             | \$ | 650,073          |
| 2024             |    | 663,836          |
| 2025             |    | 683,105          |
| 2026             |    | 696,868          |
| 2027             |    | 716,137          |
| Subsequent years |    | <u>4,736,408</u> |
|                  | \$ | <u>8,146,427</u> |

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### 8. Assessment fees

The Organization's operations are primarily funded by the annual assessment fees paid by condominium owners and collected from condominium corporations in Ontario. These fees are determined by the number of voting units that each condominium corporation reports in their annual condominium returns. All condominium corporations are required to pay annual assessment fees to the Organization. Assessment fees are calculated based on the equivalent of \$1 per voting unit per month. According to section 1.30 (5) of the Condominium Act, 1998, the total assessment fee for each condominium corporation is to be added to the common expenses. Accordingly, individual condominium owners are to be charged based on the percentage that they contribute to the common expenses as set out in the condominium corporation's declaration.

For the fiscal year 2022, the Organization provided a 25% temporary adjustment to the approved assessment fee (2021 - 25%). This temporary adjustment was no longer available as of assessment year 2022-23, and will not be applied to the ongoing assessment fee.

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### 9. Capital management

When managing capital, the Organization's objective is to ensure that the entity continues as a going concern as well as to maintain efficient operations for members and other stakeholders. Management adjusts the capital structure as necessary, in order to support the operational requirements of the business. Rather than establishing quantitative return on capital criteria, the Organization relies on the expertise of management to sustain future development of the operations. The Organization defines capital to include its working capital position and the unrestricted net assets.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Organization, is appropriate.

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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

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### 10. Impact of COVID-19

During the year ended March 31, 2022, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Throughout the 2022 fiscal year, the pandemic had minimal impact on the Organization's operations and the operations have continued as normal.

The duration and impact of the Covid-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

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# Condominium Authority of Ontario

## Notes to the Financial Statements

March 31, 2022

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### 11. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at March 31, 2022. Unless otherwise noted, these risks have not changed significantly from prior year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization monitors on a continuous basis its accounts receivable and provides provision for bad debts as necessary. No allowance for doubtful accounts was recognized as at year end. The Organization has a significant number of members which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of accounts payable and loan payable. The Organization mitigates this risk by monitoring its operating requirements. The Organization prepares an annual budget to ensure it has sufficient funds to fulfil its obligations.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk. There was no significant change in exposure from the prior year.

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### 12. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

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**Condominium Authority of Ontario**

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