



ANNUAL REPORT 2020-2021

**COMING TOGETHER: REFLECTIONS AND
RESILIENCY IN A YEAR OF THE PANDEMIC**

Condominium Authority of Ontario

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The COVID-19 pandemic has been a challenging time for us all and supporting each other continues to be more important than ever. In recognition of coming together, the Condominium Authority of Ontario (CAO) sought local stories of resilience and support within Ontario's condominium communities during the pandemic. We heard how condominium communities maintained operations, supported one another, and communicated in creative ways while navigating health and safety restrictions to keep everyone safe.

This year's Annual Report highlights some of those stories as well as the CAO's own story during the pandemic in supporting condominium communities across the province. We will be profiling some these stories and others on our website.

If you have a story you'd like to share with the CAO, please submit to: stories@condoauthorityontario.ca

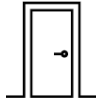
CAO BY THE NUMBERS



96% of Condominium Corporations filed a return with CAO



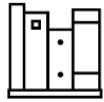
12,120
Condominium Corporations in Ontario



922K+
Confirmed voting units through a return filed with CAO



42,046
Active Condo Directors in Ontario



6,815
Directors trained



7,269
Courtesy reminders to condo directors for director training



Over 3.3M
Pageviews of the CAO website



42,204
Interactions with Ontario's condominium communities by Information Services



71,668
Pageviews of pre-conflict guided steps to common issues



139,478
Pageviews of Public Registry of condo corporations



198
Cases filed with the Condominium Authority Tribunal (CAT)



55
Tribunal decisions provided

FROM THE VIRTUAL OFFICE OF THE BOARD CHAIR



The Board of Directors is proud to present the Condominium Authority of Ontario's (CAO) 2020-2021 Annual Report.

Over the past year, our board greeted new faces and bid adieu to others. In April 2020, we said farewell to Tom Wright, Frank D'Onofrio, Armand Conant, Genevieve Chornenki. They were dedicated board members, and we are grateful for their service. We thank them for their contributions to launching of the CAO.

At our Annual Members' Meeting in September 2020, the CAO welcomed four new directors: Allison Scanlan, Erik Levinson, Larry Banack, Mary Throop, each bringing diverse skills and experience, and new perspectives to the board. Their strong connection to the condominium sector has placed them in a unique position to help advance the board's strategic goals.

Throughout 2020-21, the fourth year of operations, the CAO navigated through unprecedented times. In the context of a global pandemic, the CAO continued to tirelessly support approximately 1.6 million of people who live in condominiums across Ontario – Canada's most culturally diverse and densely populated province. The CAO achieved this by growing its range of digital services to fulfill its consumer protection mandate and to empower owners, directors, and other members of the condominium sector with information, education, and dispute resolution to achieve the vision for strong and vibrant condominium communities across the province.

The CAO staff and management team delivered significant results against an ambitious agenda set out in the Strategic Business Plan. In addition, the team responded to several new and emerging priorities during the pandemic with continued dedication to support condominium communities in Ontario.

In the year ahead, the CAO will enhance its focus on delivering its mandate and enhancing communications channels. With this in mind, one of the key priorities for the organization will be an outreach and communications strategy to reach all members of the condominium community directly.

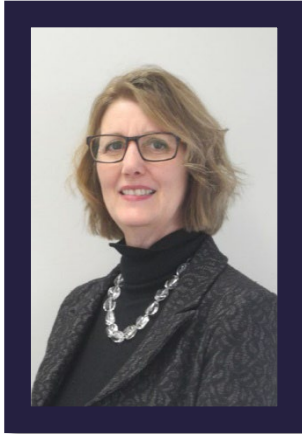
The CAO is here for all of us and I'm proud to serve with my fellow dedicated professionals that make up the Board of Directors. Having responded successfully to the challenges and unparalleled change we faced over the last year, the Board is eager to continue to guide the team with a focus on making connections with condominium communities across the province.

Heather Zordel

I really enjoyed the 'Newcomers' group that was formed to help people who were new to our community during and just before COVID...Kim Kivell took it upon herself to start this group online. We Zoomed every Tuesday at 7 pm. It was a forum that we could ask questions about living in the Villages plus it was a support group if you were living alone. I got to know 10 women who like me were new to the Villages...

- Charlotte Panagapka, Condominium Owner

FROM THE VIRTUAL OFFICE OF THE CEO & REGISTRAR



The year 2020 was unique and challenging for all of us! I had the honour and privilege of working with the CAO's team who pulled together to deliver and enhance our digital services in support of condominium communities across the province and help keep them safe, while they themselves also coped with the circumstances of the COVID-19 pandemic.

With the health and safety of our team as a primary concern, we continued in a remote working model and supported the condominium sector in the face of the emerging public safety challenges. The team provided input to requests from the government on considerations for relief for condominium corporations during the COVID-19 emergency period and prepared many pandemic related support resources, including a guide to conducting virtual owner's meetings, use of masks and face coverings, and considerations for developing a safety plan to support condominium communities.

A highlight of this past year has been the Auditor General (AG) of Ontario's Value for Money Audit: Condominium Oversight in Ontario report. The lead up to the report required significant input and engagement of staff, management, and the Board to meet the needs of the AG's team by responding to information requests, data analytics and fact checks, as well as coordinating with the Condominium Management Regulatory Authority of Ontario and Ontario's Ministry of Government and Consumer Services (MGCS) to respond to the report's recommendations for the condominium sector. Overall, the AG's report illustrated the strong start that the CAO had made since launching just two years before the audit began and included several policy recommendations to expand or enhance CAO's mandate, confirming the strength and confidence in the CAO's operations.

The CAT has been expanded to help resolve disputes easily and affordably and our team has worked diligently to make additional enhancements to data collected through condominium returns to better ensure the accuracy of information about condominium corporations on the public registry. Along with enhancements and expansions, additional feedback mechanisms were introduced to gather insights into how the CAO can continue to best serve condominium owners, directors, and other members of Ontario's condominium community.

To enhance the gathering of feedback this year, the team implemented enhancements to capture data on the different types of users so that feedback can be consolidated and analyzed across all surveys for insights regarding the use of CAO services.

The CAO's accomplishments this year required a collective effort and were made possible due to the strategic guidance of the Board, the dedication of a talented team, and the collaborative partnerships in the sector and MGCS staff.

As the CAO moves into its fifth year of operation, we look forward to continuing our work to enhance confidence in the condominium sector in Ontario and to promote public awareness, and to undertake public education with respect to rights and obligations under the Condo Act.

Working for a digital organization like the CAO made it easier for staff to adapt to working from home. While this year has come with many challenges, especially for the ones with younger school-aged children, we have been able to adapt quickly to a new way of communicating, work collaboratively and supporting each other throughout the year. The weekly virtual All Staff meetings were especially important for keeping us connected as a team.

- Cécile Beroud, Information & Tribunal Analyst

Robin Dafoe

FROM THE VIRTUAL OFFICE OF THE CAT CHAIR



As Chair of the Condominium Authority Tribunal (CAT), it is my pleasure to share the activities that we have undertaken for this last fiscal period. From a global perspective, 2020-2021 will be remembered for the COVID-19 pandemic. One of the important lessons from the response to the pandemic was that it reinforced the importance of community and our collective responsibility to care for each other. It also presented challenges related to conflict within condominiums. Both in terms of managing to keep people safe, but also for how to continue to work and live with public health restrictions. We recognize that disputes in condominiums are different than other disputes. People care about their homes, their relationships with the wider community, and their investments. These factors also reinforce the need for efficient, and proportionate dispute resolution that can address these factors.

The CAT is Ontario's first online tribunal and has been delegated with the authority to hear and make legally binding decisions about condominium disputes conveniently and affordably. For the CAT, 2020-21 was a busy and exciting year, with our highest yearly number of cases, decisions, and orders.

The CAT, which includes an online dispute resolution system (CAT-ODR), is part of a dispute prevention and resolution continuum. We believe in prevention first and foremost. Parties are encouraged to avoid disputes by following the CAO's Guided Steps to Common Issues and if that does not work, we provide an efficient and effective service to resolve cases that come before our Tribunal Members.

These Members, who conduct Mediation and make Tribunal Decisions, are experts in resolving disputes and making decisions. Members were selected for their experience and expertise in resolving disputes, including mediation, adjudication, in condominium law and life in condominium communities.

In October 2020, the jurisdiction for the CAT expanded to include disputes related to how pets, parking and storage are governed through Corporations' declarations, by-laws, and rules. Responding to the new jurisdiction was an exciting challenge since it was the first expansion since the Tribunal's launch in 2017. The CAT responded to the challenge to the extent that in 2020-21 66% of the cases closed without requiring adjudication. This demonstrates the effectiveness of the CAT's three-stage dispute resolution process.

The work of receiving and mediating cases is a collective responsibility. The CAT members and the staff are committed to the CAO's objectives for the tribunal, and to ensuring that Parties can participate in their case most effectively. The work we completed in previous years to prepare us for a potential jurisdiction expansion has placed the Tribunal in a position where it responded successfully to the jurisdiction expansion and reaffirms that the CAT is prepared for additional jurisdictional expansions and caseload increases should the government decide to further expand the jurisdiction.

Ian Darling

ABOUT US

First launched in 2017, the Condominium Authority Ontario (CAO) is a non-crown, not-for-profit corporation that is designated under the Condominium Act, 1998 (the Act) and operates under an administrative agreement with the Minister of Government and Consumer Services (MGCS).

The CAO's operations are funded primarily by the annual assessment fees paid by condominium owners and collected from condominium corporations in Ontario. Assessment fees are calculated based on the equivalent of \$1 per condominium voting unit per month (temporarily adjusted to \$0.75 per condominium voting unit for the year). Additional funding comes from the fees paid by users of the Condominium Authority Tribunal (CAT) which are no more than \$200 per case.

The CAO provides value through an ecosystem of accessible and effective digital services that include:

- Easy-to-use information available 24/7 in English and French on our website to help condominium communities understand their general rights and responsibilities.
- Accessible online resources, tools, forms, and guided steps to resolve common issues collaboratively before they escalate into disputes.
- Easy-to-navigate condominium returns and notice of change systems that allow corporations to file and update key information.
- Easily accessible and cost-effective online dispute resolution service through the CAT – Canada's first fully online tribunal.
- Online, mandatory training for condominium directors to help them understand their oversight and legal obligations.
- A publicly available and searchable Registry containing information on every condominium corporation in Ontario.
- Host and provide access to 17 digital condominium forms.
- Ontario's Residential Condominium Buyers' Guide

These services are enriched through the support of the CAO's highly skilled Information Services (IS) team and are continuously improved using data. The IS team responds to inquiries and provides information and guidance on many complex issues by email and by phone, in English and French.

THE YEAR IN REVIEW

In the fourth year of its operations, the CAO looked to expand and enhance the digital services launched in 2017 to achieve its consumer protection and client service mandate in support of all stakeholders in Ontario's condominium sector.

For the 2020-21 fiscal year, the CAO is pleased to highlight a few of our key achievements:

- Providing ongoing support for condominium communities during the COVID-19 pandemic including the development of the Guide to Conducting Owners' Meetings During the COVID-19 Pandemic.
- Receiving, responding, and implementing the CAO's response to the Auditor General's Value-for-Money Audit Report.
- Completed the first phase of condominium forms enhancements to 38 condominium forms (19 in English and 19 in French) delegated by the Minister of Government and Consumer Services.
- Version 3.0 of the CAT-ODR system was launched to support the CAT's newly expanded jurisdiction for multi-party disputes.
- Launched Ontario's Residential Buyers' Guide in collaboration with MGCS, following delegation to the CAO for developing the Guide.
- Introduced a new integrated website and content management system (CMS) to enhance usability and functionality for users.
- Augmented feedback mechanisms for data collection on feedback from the sector on our resources and services.
- Enhanced condominium returns system to validate data collected for accuracy and consistency.

I would like to recognize a remarkable young lady, Lucy Traetto who went above and beyond to help the residents...During the pandemic when many of us were afraid to leave our condos, Lucy volunteered her time to shop for us and delivered groceries to our doors...I for one and on behalf of other residents would like to thank Lucy from the bottom of our hearts and wish her all the best!

- Judith Seregelly (TSCC 1963)

STRATEGIC FRAMEWORK

This year, the CAO's newly constituted Board of Directors revisited the organization's initial strategic plan that was created in 2018 with a renewed focus on ensuring that the CAO was supporting consumer protection and providing support to Ontario's condominium communities in every corner of the province.

In December 2020, the Board established a new strategic plan for the CAO to guide the work of the CAO in meeting its legislated mandate and business priorities over the next three years:

Vision

A strong and vibrant condominium sector in Ontario.

Mission

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

Mandate

Designated under the Condo Act, the CAO supports consumer protection by providing services and resources to condominium communities across Ontario.

Strategic Objectives

Core

- 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

Supporting

- Client Service Excellence
- Operational Excellence

Values

Innovation The CAO works creatively with Ontario's condominium communities and is open to new ideas and approaches.	Accountability The CAO takes responsibility for delivering its mandate and for providing high-quality services to Ontario's condominium communities.	Client-Focus The CAO works collaboratively with Ontario's condominium communities to meet their needs and strives for service excellence in all our interactions.	Value-for-Money The CAO makes effective and conscientious use of its funds.	Integrity The CAO is respectful, honest and trustworthy in all its work.	Fairness The CAO delivers its services impartially and equitably in the public interest.
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GOVERNANCE AND ACCOUNTABILITY

Board of Directors

Chair

Heather Zordel
(Appointed)

Vice-Chair

Margaret Samuel
(Appointed)

Treasurer & Secretary

Judy Sue (Appointed)

Elected Directors

Larry Banack
Erik Levinson
Allison Scanlan
Mary Throop

The CAO is governed by an independent Board of Directors, comprised of four elected directors and three directors appointed by the Minister of Government and Consumer Services. The Board is accountable for the performance of the organization through the Chair to the Minister.

The CAO has established a skills-based board governance model in accordance with Schedule D of its Administrative Agreement to ensure the effective oversight and strategic direction to the organization in the delivery of its full suite of digital information and services.

The current Board brings a collective mix of skills and experience in areas including technology expertise, adjudication and tribunal operations, condominium sector governance, and fiscal management. Additional information about the Board of Directors is available on the Authority's [website](#).

The Board is governed by a Code of Conduct in accordance with Schedule E of its Administrative Agreement that sets out guidelines for avoiding and disclosing conflicts of interest and keeping information confidential. Our by-law set out the duties and responsibilities of Directors and Officers of the Board.

The CAO Board has launched its initial committee structure in support of good governance principles and best practices for the organization:

- **Audit and Risk Standing Committee
+ Technology Sub-Committee**
- **Nominating Committee**
- **HR and Governance Committee**
- **Outreach Committee**
- **Tribunal Advisory Panel (comprised of 3 CAO Board Members)**

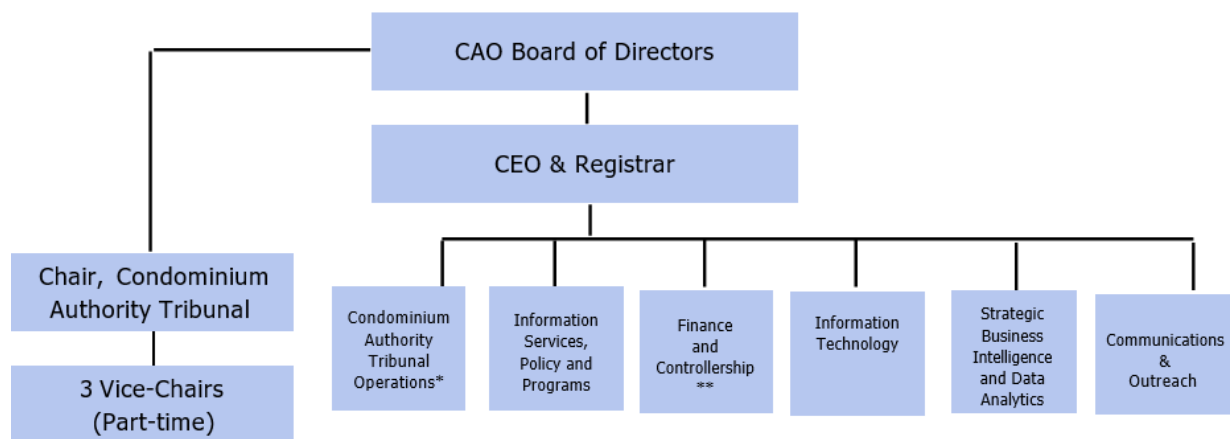
A separate memorandum of understanding governs the relationship between the CAO and the CAT and provides a framework that recognizes the tribunal's independence within the CAO.

Organizational Structure

Appointed by the CAO Board, the CEO and Registrar leads a staff of approximately 50 in all aspects of its operations. The management structure of the CAO is designed to ensure the CAO can deliver its mandated services effectively and includes seven highly integrated departments including, Information Services and Policy, Tribunal Operations, Finance & Operations, Information Technology, Data Analytics, Communications & Outreach, and Strategic Initiatives & Governance.

The CAO shares some staff positions and costs with the Condominium Management Regulatory Authority of Ontario (CMRAO), an administrative authority with a distinct, but complementary mandate to support Ontario's condo communities by overseeing condominium managers and management companies. A memorandum of understanding governs the relationship between the CAO and the CMRAO. The organizational structure continues to evolve as the CAO completes the transition from a start-up organization toward a steady-state and staffing structure that is responsive to the expanding mandate of the organization and the ever-changing needs of condominium communities.

Condominium Board of Ontario Organizational Chart



*Incumbent is also one of three part-time Vice-Chairs reporting to the CAT Chair

**Incumbent is also Director of finance at CMRAO

Executive Team (as of March 31, 2021)

Robin Dafoe	CEO & Registrar
Rana Khurram Manzoor	Chief Financial & Operating Officer*
Abena Buahene	Director, Information Services & Deputy Registrar
Keegan Ferreira	Director, Tribunal Operations & Vice-Chair, Condominium Authority Tribunal**
Emilee Escobar	Manager, Strategic Initiatives & Governance
Doha Heikal	Director, Information Technology
Kavita Khera	Director, Strategic Business Intelligence & Data Analytics
Ian Darling	Chair, Condominium Authority Tribunal

INFORMATION AND DIGITAL SERVICES



272,829

Enhancing the CAO's Ecosystem of Digital Services

Pageviews of the CAO website

As a digital-first organization, we pride ourselves on providing solutions for condominium communities through our suite of online resources and services.

To support these services, the first phase of CAO's new integrated website and content management system (CMS) was launched in September 2020 to enhance the ability to improve navigation and provide an optimized search functionality as well as the greater ability for website surveys to capture feedback from users for continuous improvement of services and resources.

The new CMS is also compliant with the Accessibility for Ontarians with Disabilities Act (AODA) for ease of access to our resources and information. Enhancements to the CAO's website to meet users' needs are ongoing and a focus on user experience as well.

The CAO will plan and implement the next phase of its information technology (IT) roadmap to enhance service delivery through a user-focused, accessible, and simple website design.

The CAO's online services are continuously improved through the use of data and are enriched through the support of the CAO's highly skilled Information Services (IS) Team. The IS Team responds to inquiries and provides information and guidance on many complex issues by email and by phone, in English and French.

As our small building of 39 Units consists mostly of (not all) very senior owners. One of the challenges was to make sure those living alone were managing well and not facing loneliness on a daily basis. Some of our owners already had a buddy system in place where they contacted each other every morning to ensure all was well. More residents took it upon themselves to extend this system to some who were not currently hearing from someone in the building daily. Friendships developed and the families of those involved were comforted knowing their loved ones were being checked on each morning...

- Ruth Hubley, Treasurer (VCC 14)

Director Training

Condominium directors operate on behalf of owners and play a critical role in ensuring that condominium corporations and their assets are well managed. Many condominium boards are responsible for large operational budgets on behalf of the corporation.

Under the Act and O. Reg. 48/01, the CAO is responsible for designating the condominium directors' mandatory training program and offers the training modules online for the estimated 41,298+ active condominium directors in Ontario. This foundational training provides helpful information regarding several topics, including good governance for condominium corporations to help them achieve the vision for strong and vibrant condominium communities in Ontario.

More about director training:

- 21 short e-modules that cover topics relevant to condominium directors
- Complete at one's own pace – whether in three hours or over several weeks
- Must complete within six months of their appointment, election, or re-election date to the board

The director training program is available at no extra cost for directors, owners, and other members of Ontario's condominium communities. From November 1, 2017, to March 31, 2021, 42,543 users completed training. Of that total, 40,302 were directors who completed training, including 28,087 active directors currently serving on a condominium board.

Director Training feedback remains overwhelmingly positive:

- **89%** of respondents were satisfied or very satisfied with the training program
- **97%** of respondents would recommend the training program
- **97%** of respondents found the online modules easy to find and navigate
- **95%** of respondents reported learning something new

Work is underway to address the Auditor General's recommendations regarding the Director Training program. CAO is working with a Learning Management System (LMS) solutions partner to explore further enhancements to the modules.

Reviewing and improving the Director Training material is an ongoing process. CAO last enhanced all 21 modules in 2019-20. In the year ahead, the CAO will work with subject matter experts and adult learning specialists to establish new in-depth director training in six high-priority areas for condominium corporations as identified in the survey conducted as part of the Auditor General's report. These modules will include case studies and other practical applications for these key topics of condominium operations.

CAO has an existing process to collect input from any users who take the training after the completion of the 21 foundational training modules and will be augmenting this process with the creation of an Advisory Panel to help with the annual review and improvement of the material.

Condominium Returns and Notices of Change

Under the Act, all condominium corporations in Ontario are required to file returns and notices of change with the CAO. The CAO's online filing system is specifically designed to make the process as easy and efficient as possible for condominium corporations.

To make the process even easier, we provide:

- A complete step-by-step guide for both returns and notices of change
- Instructional reminder emails for returns
- Assistance from our Information Officers when needed

Returns

Filing a return means providing key information such as the condominium corporation's registration date, address for service and information about its current board of directors, and any condominium management service providers.

We are proud to report that we have achieved key performance indicators (KPI) related to returns for the 2020-21 fiscal year:

- **96%** of condominium corporations met their legal obligation to file returns with the CAO
- **91%** of newly created condominium corporations filed returns with the CAO

Several enhancements to condominium returns were introduced this past year to validate data collected for accuracy (e.g., unique emails for directors, verifying information provided for condominium managers and condominium management companies, etc.) and consistency. These enhancements not only improved data collection and resulted in more accurate data in the CAO Public Registry, but also addressed recommendations in the Auditor General's report.

Notices of Change

When information filed in a return needs to be changed, a notice of change must be filed within 30 days, including an explanation of the change and the date it took effect. Between April 1, 2020, and March 31, 2021, 13,632 notices of change were filed.

Public Registry

To support greater transparency and consumer protection, the CAO is required by regulation to maintain a public registry of certain key information filed in condominium returns and notices of change on our website. Condominium corporations are required to keep the information current by filing a notice of change within 30 days of those changes.

The CAO's public registry is among our most frequently accessed resources for condominium communities. Between April 1, 2020, and March 31, 2021, the CAO's Public Registry received 139,478 page views and 32,104 unique visitors.

Online Guides and Resources

Our suite of resources is specifically designed to help owners and condominium community members make the most out of their experience by explaining the ins and outs of condominium living and for meeting corporate and legal obligations. Some of the key resources developed and/or updated in 2020-21 are highlighted below.

Ontario's Residential Condominium Buyers' Guide

Ontario's Residential Condominium Buyers' Guide was developed by the CAO in collaboration with MGCS and approved by the Minister as a helpful resource for the buyers of residential pre-construction/new condominium units.

This work also involved consultation with Tarion and response to their public consultation by recommending that a Buyers' Guide Information Sheet be provided to purchasers to alert them to the Condo Buyers' Guide and the resources available to owners on the CAO's website.

As of January 1, 2021, [section 72 \(1\)](#) of the *Condominium Act, 1998* (the Condo Act) will require that declarants provide the Condo Buyers' Guide to buyers of residential pre-construction/new condominium units.

Condominium Forms Enhancements

The first phase of enhancements to 19 condominium forms, as delegated by the Minister in 2020, has been implemented. In keeping with the CAO's digital service delivery model, we are pleased to advise that these 19 condominium forms have now been enhanced to make them easier to access and use. The forms are now "one-click" openable and are available in two formats on our website, fillable and non-fillable. The enhancements also bring the forms in compliance with the new AODA requirements that came into force on January 1, 2021. The CAO recognizes that there is more to be done to enhance the condominium forms and will be exploring technology solutions in the year ahead.

Sustained Support for Condominium Communities during the COVID-19 Pandemic

Over the past year, the CAO prepared a number of COVID-19 related resources to support condominium communities and help navigate the unprecedented circumstances that the pandemic ushered in. These resources covered a range of issues including providing updates on the Government's Roadmap to Reopen, information for owners on masks and face coverings and creating a COVID-19 safety plan for condominium corporations.

In November 2020, a sector survey was conducted by the CAO to better understand the impact of COVID-19 on condominium owners and condominium corporations and to receive feedback on the COVID-19 guidance material provided by the CAO. The survey conducted was sent to 45,202 individuals and closed with 7,522 responses. The survey showed a satisfaction rate of 75%-83% across different resources. Additionally, the CAO was called upon to provide several submissions to the Ministry on considerations for relief for condominium corporations during the COVID-19 emergency period in advance of the Government's Emergency Order.

In March 2020, a live-in Superintendent couple arrived and fit in here perfectly. James & Mary Meakes jumped in the 'deep-end' their first week with us amid COVID lockdowns. [They] have been keeping the building clean and sanitized, and residents healthy and happy ever since! They even treat owners/residents to monthly home baking and snacks delivered in COVID safe methods. Their work and contributions to our lives is appreciated.

*- Patricia Truesdale,
Condominium Director (LSCC 45)*

Guide to Conducting Owners' Meetings During the Pandemic

One of the most pressing issues for the sector has been the inability to hold in-person owners' meetings.

To address this, the CAO created the Conducting Owners' Meetings During the COVID-19 Pandemic: What Owners and Directors Need to Know, to help condominium corporations across the province understand their options for holding owners' meetings, as well as ways to navigate the health and safety restrictions outlined by public health officials when having these meetings.

There is not enough that can be said for staff at buildings and all they do for condo communities...AGM managed virtually and very successfully. Our building rallied around each other...

- Karen Beitel (TSCC 2210)

Self-Help Guided Steps to Common Issues

To meet the needs of condominium communities in all regions of the province, the CAO provides a two-part online dispute resolution service. Part one is the Guided Steps to Common Issues. This intuitive resource covers common issues that are of most interest to owners. Each issue has four guided steps, which are designed to be followed in sequence.

19,000

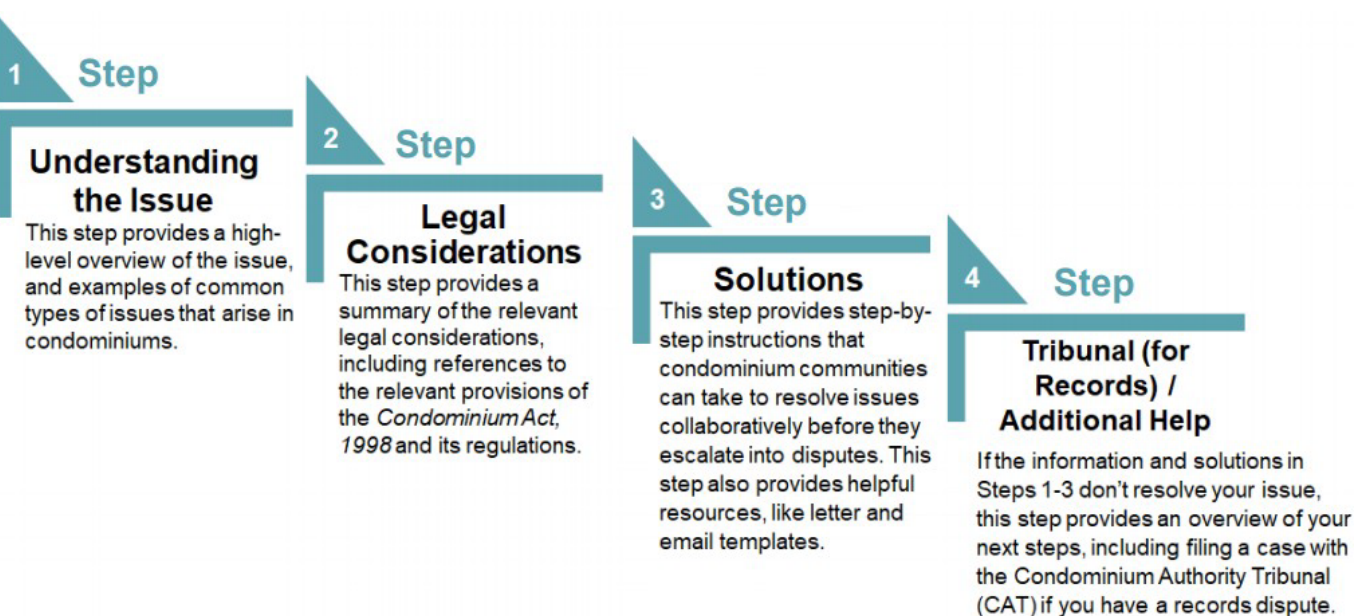
Users of the guided steps

The Guided Steps are intended to help maintain harmonious condominium communities by providing information, tools, and templates on these pages to help condominium communities understand issues, and to work together to resolve them collaboratively before they escalate into disputes.

For situations where condominium communities are unable to resolve their issues collaboratively, the CAO also provides information on the next steps they can take, including filing a case with the Condominium Authority Tribunal (CAT).

With the launch of the new website, the CAO also developed new common issues content on infestation, light, smoke, and vapour, in addition to updating the existing common issues and creating letter templates to help condominium owners and directors to resolve disputes on their own. Clear and in-depth materials were also developed to explain the distinction and use of the three key condominium governing documents in relation to the Condo Act – declarations, by-laws, and rules.

13 Common Issues	Pageviews
Records	16,048
Noise and Vibrations	13,696
Condo Manager	6,837
Short-Term Rental	4,277
Smoke and Vapour	4,459
Pets and Animals	5,371
Parking and Storage	4,915
Meeting	3,301
Odour	3,248
Compliance with	
Settlement Agreements	1,714
Infestation*	1,558
Vehicles*	851
Light*	546
Rules**	3,316
Neighbour**	1,531
Total	71,688
*Added as of October 1, 2020	
**Removed as of September 30, 2020	



CONDOMINIUM AUTHORITY TRIBUNAL

The Condominium Authority Tribunal (CAT) is Canada's first online tribunal, dedicated to helping owners and condominium corporations resolve condominium-related disputes conveniently, quickly, and affordably.

The CAT uses the award-winning CAT Online Dispute Resolution system (CAT-ODR), which allows users to file or join a case, and participate in each stage of the dispute resolution process online. The CAT is available 24 hours a day, meaning that users can access the system when it's most convenient for them and from the comfort of home, without having to take time off work to travel to in-person hearings.

Effective October 1, 2020, the government expanded the jurisdiction of the CAO's CAT to receive applications for more dispute types. The CAT can currently accept applications involving [Condominium Records](#), disputes regarding provisions in a condominium corporation's governing documents that prohibit, restrict, or otherwise govern [Pets and Animals](#), [Vehicles](#), [Parking and Storage](#), and compliance with [Settlement Agreements](#).

The Auditor General's report includes a recommendation that MGCS can work with the CAO to identify priority areas for additions to the CAT's jurisdiction.



35

**Tribunal
decisions**

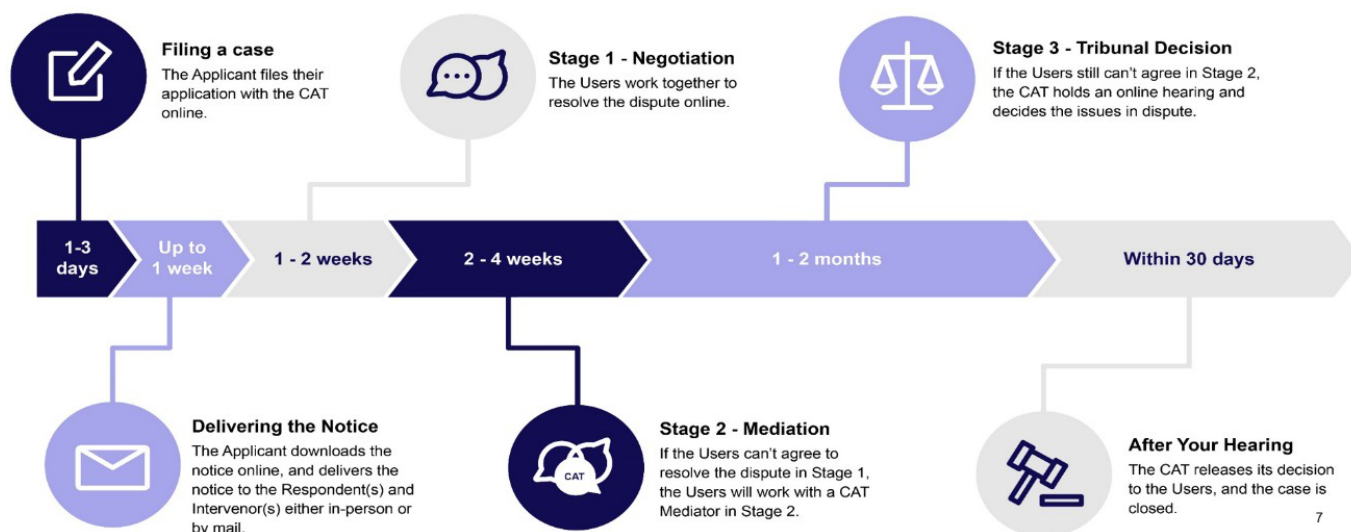


10

**Consent
Orders**

How it Works

The CAT leads users through a three-stage dispute resolution process, designed to promote early and collaborative resolutions between the parties.



7

The CAT-ODR system has been designed to be user-friendly. Condominium owners can choose to represent themselves or can elect to have someone represent them. By virtue of being a corporation, condominium corporations must select a representative, such as a lawyer or paralegal, board director, condominium manager (if they have one), as permitted by the [Law Society of Ontario's By-Law 4](#).

The following tables show the rates of representation for Applicants and Respondents based on a review of the CAT's orders and decisions available on Decisia/CanLII.

Applicants		Respondents	
Self-represented	87%	Condo Manager	34%
		Condo Board Director	17%
Lawyer	6%	Lawyer	40%
Paralegal	1%	Paralegal	<1%
Other (friend/family member)	6%	Other (condo unit owner)	1%
		Did Not Participate	8%
Of the 142 Applicants, 140 were condominium owners and 2 were condominium corporations.		Of the 143 Respondents*, 141 were condominium corporations and 2 were owners as respondents.	

***Note: There are different number of Applicants and Respondents because CAT receives disputes involving multiple parties.**

What it Costs

The CAT charges a fee for each stage of the dispute resolution process. Fees are paid by the Applicant (i.e., the party who filed the application) when the case moves from stage to stage.

The fees for each stage are:

- **Stage 1: Negotiation (\$25)**
- **Stage 2: Mediation (\$50)**
- **Stage 3: Tribunal Decision (\$125)**

This means that if a case is resolved in Stage 1, it only costs \$25. Cases that are resolved in Stage 2 only cost \$75, and a case that goes through all three stages will only cost \$200.

This fee structure makes it so that parties only pay for the CAT services they use and promotes the early and collaborative resolution of disputes. To ensure that Applicants do not have to pay out-of-pocket to pursue their cases, successful applicants are typically reimbursed for their CAT-related costs, as set out in the CAT's Rules of Practice.

Version 3.0 of the CAT-ODR System

The CAO's CAT team successfully launched Version 3.0 of the CAT-ODR system on October 1, 2020, to support the CAT's newly expanded jurisdiction. Version 3.0 includes many system enhancements, including support for cases involving three or more parties, and the participation of intervenors.

The CAO's CAT team also developed a host of materials to help Users in understanding the CAT's expanded jurisdiction, including:

- New CAT User resources and web content, including a new **CAT User Confidentiality Guide** and a **Guide to Respondents and Intervenors for Governing Documents Disputes**.
- New interactive application filing checklists to help applicants file complete and error-free applications.

Guided Steps and the CAT

In condominium communities, disputes can arise because of simple misunderstandings about the rights and responsibilities of condominium owners and condominium corporations.

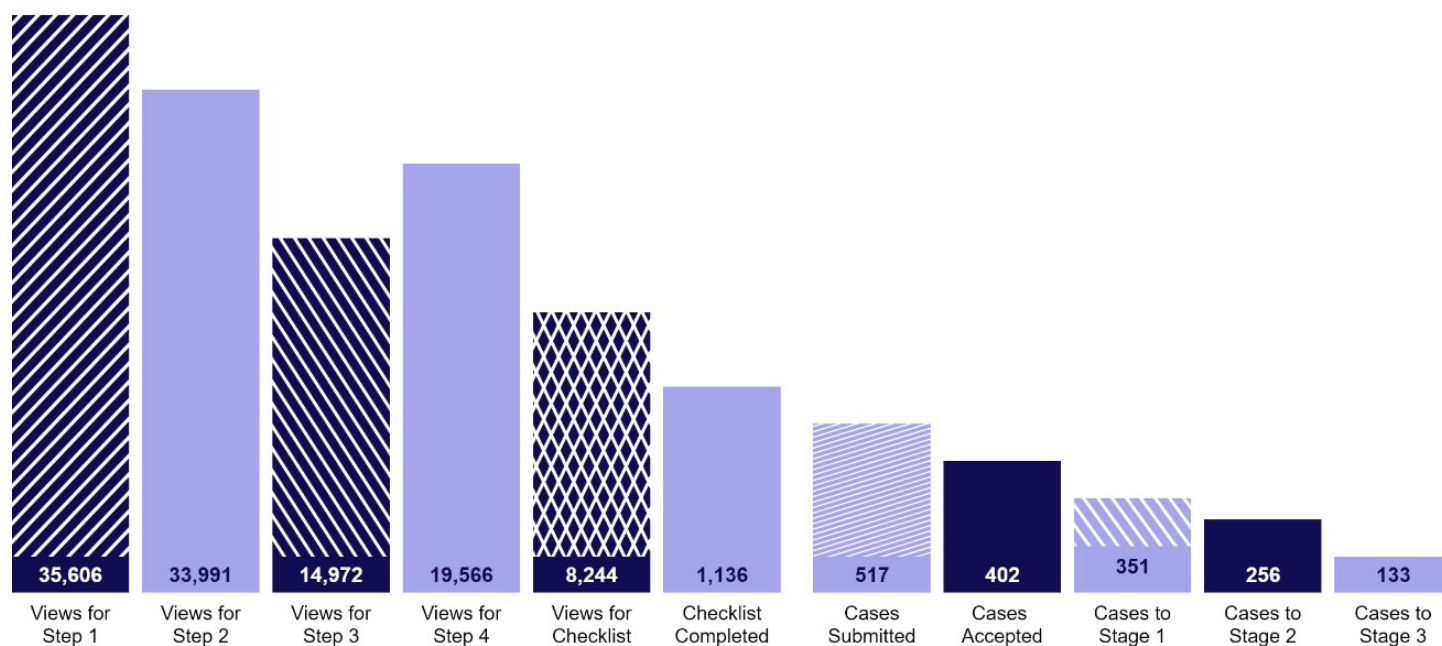
The CAT has adopted an integrated dispute resolution approach to empower condominium owners and boards to work together to resolve their disputes. The CAO provides Guided Steps to Common Issues on our website, including helpful information about 13 of the most common issues in condominium communities.

Potential disputants can first read the information available on the Guided Steps, and then try to resolve their issues using the recommended approaches and templates available. If they are unable to resolve the dispute, the Guided Steps then provide information about what options are available, including filing an application with the CAT (for topics within the CAT's jurisdiction).

This approach has led to many disputes being resolved early and without the need to file an application with the CAT.

The charts below show the total number of page views to the CAO's Guided Steps and the total number of cases that have gone through each of the CAT's three dispute resolution stages. As you can see, of the thousands of people who access the Guided Steps, only a small fraction had to pursue their issues through all three dispute resolution stages.

Number of Page Views for Guided Steps to Common Issues & Condo Authority Tribunal Cases from November 1, 2017 to June 1, 2021



The CAT publishes all of its decisions and orders. Once the CAT has issued a decision on a particular issue, those decisions and orders provide guidance and clarity for Ontario's condominium communities. We encourage owners and condominium boards and managers to review the CAT's decisions and orders to better understand how these issues might be resolved before the CAT.

To that end, we recently implemented a new Decisions and Orders page on the CAO's website, which allows users to search for CAT decisions and orders using a range of helpful search options, including keywords and metadata tags.

The CAT Service Targets

To ensure that Users avoid undue delays in their cases, the CAO's CAT team has adopted a one-business-day service standard to respond to applications and questions from CAT Users. The CAT has also committed to releasing 90% of its decisions and orders within 30 days of the conclusion of the hearing or the receipt of the final submissions. In 2020-21, the CAT released 91% of its decisions and orders within 30 days.

PARTNERSHIPS AND COMMUNITY ENGAGEMENT

Industry Events

The CAO has been a regular participant at industry and public events across Ontario. These opportunities help to inform audiences about CAO services and resources and help the CAO collect feedback while putting a face to the organization via our display booths. Given COVID-19 restrictions, the CAO participated in 7 events virtually, including an international panel.

As part of next year's Outreach Strategy, the CAO looks forward to connecting further with owners, directors and other members of condominium communities across the province.

Corporate Social Responsibility

The CAO remains committed to building a culture of corporate social responsibility (CSR) to operate in a giving, social and environmentally sustainable manner. A significant advantage of our digital service delivery model is a lower carbon footprint versus a brick-and-mortar approach. Despite being a document-heavy organization, our paper use is kept to a minimum, while there is no need to travel to file returns or appear before the CAT.

Our employee-led CSR strategy allows our staff to choose specific initiatives which align with our mandate for the organization to support. As an organization, the CAO chose to participate in Moose Hide Campaign Day, an annual day of action to end violence against women and children in Canada.

The Social Committee created a list of over twenty-five resident volunteers who offered to shop for vulnerable residents and to take them to appointments. ..through our monthly newsletter, we encouraged residents to stay positive, act collectively, and to be grateful that they were living and now working at home in a safe residential building. The sense of community that informs 40 Homewood has been strengthened...

- Martha MacLachlan, Vice President/Secretary (YCC 75)

Advisory Process

The CAO is committed to serving Ontario's condominium communities by listening to their needs as expressed through our interactive website, in messages, and the several feedback mechanisms in our [Advisory Process](#).

The CAO's Advisory Process includes several feedback mechanisms. To enhance the gathering of feedback this past year, the CAO implemented enhancements to capture data on the different types of users so that feedback can be consolidated and analyzed across all surveys for insights regarding the use of CAO services and distinguish feedback between stakeholders.

The CAO's Advisory Process identifies several feedback mechanisms, including:

- Ad hoc advisory panels or focus groups
- Condominium board directors
- Users of Guided Steps to Common Issues
- Users of the Condominium Authority Tribunal
- Users of Information Services
- User experience (UX) sessions
- Website Users
- Public awareness polls (and other surveys)
- COVID-19 Condominium Sector Survey

With the launch of the Strategic Business Intelligence and Data Analytics function, our capacity for collecting and analyzing feedback is growing, as are the valuable insights into the effectiveness of our operations.

For example, in November 2020, a sector survey was conducted by the CAO to better understand the impact of COVID-19 on condominium owners and condominium corporations and to receive feedback on the COVID-19 guidance material provided by the CAO. One of the key takeaways from this survey was that non-director owners were less aware and less familiar with the CAO's COVID-19 guidance materials than condominium directors and managers. This pointed to opportunities to enhance communications with and for non-director owners.

Client Satisfaction surveys were added to each of the 13 Guided Steps in September 2019 as one of the enhancements to the CAO's Advisory Process strategies.

Ironically, the entire situation gave new meaning to the word family, in that it brought the managers, the staff, the board of directors, and the residents closer than ever before. Chicago also learned that a little goes a long way when it comes to the safety and wellbeing of their residents and neighbours. It was by staying vigilant, by being alert, and by being dynamic that this impressive downtown Mississauga condominium was able to remain afloat in some very rough waters.

- Chicago Condominiums (PSCC 894)

COMMITMENT TO DIVERSITY AND INCLUSION

CAO's Diverse Team

One of the CAO's core values is diversity. Our team reflects the diverse makeup of Ontario. Valuing different backgrounds, skills, experiences, and identities is a hallmark of our inclusive culture, which helps shape how our staff solves problems and engages with condominium communities. Diverse needs require diverse solutions and here at the CAO, differences are embraced.



The CAO is an equal opportunity employer, encouraging workplace diversity. All qualified individuals will be considered without regard to race, national origin, gender identity/expression, age, religion, disability, sexual orientation, marital status, or any other characteristic protected by law.

We issue staff engagement surveys on an annual basis to understand how well we are delivering on our core values and achieving our goals of a positive workplace and corporate culture. We regularly collaborate across the organization on issues of diversity and inclusion. Lastly, we are committed to reviewing our practices to avoid unconscious bias and discrimination.

User-Centric Design

The CAO is a proudly digital-first organization. That digital foundation has enabled the continuity of our operations throughout COVID-19, but our focus is more than just digital. At the heart of the CAO are our users and the condominium community that we all serve. It is for that reason we have made our commitment as a digital-first organization to put User Experience (UX) at the centre of everything we do. Through the implementation of user experience panels and UX testing, we have been able to identify elements of our services and online systems that are confusing or challenging and uncover opportunities to improve the user experience. Through gaining a better understanding of our Users we can better anticipate their needs and design services and resources that meet the needs of Ontario's condominium community.

French-Language Services

Under Section 1.25 of the Act, all our services, resources and communications are available in French. Those with accounts on our website can change their language preferences to receive our digital solutions in French, including Director Training, Guided Steps to Common Issues and all CAT and dispute resolution services. We also employ bilingual Information Officers to respond to inquiries by phone and mail. During the 2020-21 fiscal year, we engaged with 114 French-speaking members of Ontario's condominium communities.

Compliance with Accessibility for Ontarians with Disabilities Act

We continually work to ensure that our services meet the requirements of the Accessibility for Ontarians with Disabilities Act. We actively engage many of our clients who rely on assistive technology and as a result, have improved the accessibility features on our platforms and from our information technology solution vendors. The new website is compliant with the Accessibility for Ontarians with Disabilities Act (AODA) for ease of access to our resources and information. Our website is also compatible with screen readers, clients can use Message Relay Service through their TTY device to connect with the CAO through a relay operator, and all our staff complete mandatory accessible customer service training.

The CAO's Director Training is also available through an accessible version that many users opt to take. In the year ahead, CAO is working with its LMS provider to track the utilization of accessible versions of the Director Training modules. For the fiscal year 2020-21, there were twenty requests for Director Training in an alternative format. CAO responded to these requests by providing hardcopies of the modules and manually recording results in the LMS system.

CAO's Complaints Process

The CAO's public complaints process is in place to meet continuous improvement goals and to ensure the quality and fairness of our services. The process enables any member of the public to make a complaint about CAO staff, CAO services, a CAT member's conduct or how a case was handled. The CAO provides information and encourages two-way communication at all levels and, where possible complaints are dealt with at the source. If an individual is not satisfied with how the complaint was dealt with at this initial stage, their complaint can be formalized as outlined in the CAO's Public Complaints Policy. The CAO Complaints Officer reviews all complaints, gathers information, and prepares a written response that sets out the findings,

resolution, and rationale. For CAT-related complaints, the CAT Chair is provided with the complaint details for consideration and response. The complaints process cannot be used to change a decision of a CAT case. This year, the CAO enhanced its complaints processing to improve tracking and reporting of complaints statistics.

WHAT'S AHEAD

In the 2021-22 fiscal year, we will continue our mission of empowering Ontario's condominium communities with information, education, and dispute resolution. Maintaining our digital-first mindset will be essential, as we build on our resources and services to reach condominium owners, directors and other members of Ontario's condominium communities.

Here is an overview of our priorities in the year ahead:

- **Implementation of Auditor General Recommendations.**
- **An Outreach and Communications Strategy to increase awareness of the CAO and our services.**
- **Consult with condominium sector regarding future jurisdiction expansion of the Condominium Authority Tribunal as requested by Minister of Government and Consumer Services**
- **An enhanced subscription service through the CAO's website to provide important updates and information from the CAO.**
- **Introduction of several new guides to support condominium communities, including a Governance Guide for Directors.**
- **Launch an Annual Condominium Requirements Guide and CAO Condo Calendar App.**
- **Enhancements to the CAO's website with a focus on user-experience and accessibility.**
- **Gather feedback on the CAO's services through advisory panels or user groups.**
- **Improve and automate compliance processes to fulfill the CAO's consumer protection mandate.**

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion and analysis provide supplementary information for condominium communities and other readers of the CAO's financial statements for the fiscal year 2020-21. This analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2021, prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenues

The CAO's operating revenue is used to develop and provide the services outlined in this annual report to fulfil its mandate under the Act and support condominium living across Ontario.

The operating revenue was mainly comprised of assessment fees paid by condominium owners and collected from condominium corporations based on \$1 per voting unit per month. According to the Act, the total assessment fee for each condominium 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 has also implemented temporary adjustments, reducing the total assessment amount payable by each corporation by 25% for the fiscal year 2020-21 as well.

For the year ended March 31, 2021, the assessment fee was charged with a 25% temporary adjustment resulting in assessment revenues of \$8,275,604. This represents a decrease of 5.8% from \$8,789,026, the assessment revenues for the year ended March 31, 2020. Beside assessment fee CAO received \$16,824 from tribunal fee, an increase of 63% from \$10,275 of year ending March 31, 2020. In addition to operational revenue CAO had \$183,552 less other income year on year, due to reduced interest rates in pandemic.

Expenses

As highlighted in the chart below, the total expenses for the year ended March 31, 2021, increased by 25.35% as compared to the year ended March 31, 2020. As this was the fourth full year of operations for the CAO, operating costs increased as the organization moved toward a steady state.

During the year, the CAO firmed up the organizational structure and put in place the necessary expertise to deliver its digital delivery model and support condominium communities in all regions of the province. The increase in human resources expenditures is due to the need to recruit the specialized team to fulfil its mandated range of online services and to provide direct information and support to help communities fulfill their legal obligations under the Act.

The increase in operational and general administrative costs in 2020-21 is related to the higher Enterprise IT cost related to the digital enhancement of CAO's services.

The higher accumulation of the accrued interest on the advances received from the Ministry of Government and Consumer Services under the loan agreement is in line with the agreed loan amortization schedule calculated at a fixed interest rate of 2.39%.

Category	2020-2021	2019-2020
Human Resources	5,559,860	4,435,586
Operational and general administrative costs	2,694,495	2,006,018
Interest on long-term debt	145,435	159,657
Amortization of intangible assets	493,460	493,460
Total Expenses	8,893,250	7,094,721

Net Assets

As of March 31, 2021, the CAO had net assets of \$6,684,874, which includes \$1,973,840 related to computer software. This investment supports the digital service delivery model developed by the CAO to ensure access by all condominium communities across the province and is in line with the CAO commitment towards providing an innovative digital service in every aspect of service delivery, including the online public registry, director training, condominium returns, digitally enhanced Condominium forms and notices of change and online dispute resolution.

The excess deficiency of revenue over expenses of \$480,441 for the year-end March 31, 2021, is mainly due to temporary adjustment to the assessment fee reducing revenue by 25% and a higher level of expenses as CAO scope of work continues to expand.

To fund the start-up costs of the CAO, the Government of Ontario provided the CAO with \$5.5M. In 2019, the CAO started repayment of this loan as per the agreed amortization schedule.

The unrestricted net assets increased slightly to \$1,011,034 over the previous year's unrestricted net assets of \$998,015. 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 CAO has an established restricted net asset (Reserve fund), as approved by the CAO Board of Directors, to 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.

Enterprise Risk Management

The CAO Board and management actively promote a strong culture of risk management. It is a part of how the organization operates on a day-to-day basis and is woven into its operating principles to guide the implementation of the organization's strategic initiatives.

The CAO developed an Enterprise Risk Management Framework that guides the organization in identifying, evaluating and addressing potential risks. Through the Audit and Risk Committee, the framework formalizes risk assessment and mitigation processes to ensure the effective and efficient operation of the CAO.

In the fiscal year 2020-21, the CAO did not identify any new significant unmitigated risk other than the global pandemic due to the novel Coronavirus (COVID-19) announced in March 2020 by the World Health Organization. The CAO has monitored this evolving situation and has mitigated the risks accordingly with a Business Continuity Plan in place.

At the onset of the pandemic and in accordance with provincial health directives and provincially legislated requirements, the CAO took quick steps in response to keep staff safe and continues to monitor business operations and provide services to condominium owners and the broader condominium sector. As part of our mitigation strategy, the CAO has continued operations working from home and is now considering a safe return to the office plan in the year ahead.



CONDOMINIUM AUTHORITY OF ONTARIO
FINANCIAL STATEMENTS
Year Ended March 31, 2021

CONDOMINIUM AUTHORITY OF ONTARIO
INDEX TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

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Statement of Changes in Net Assets	5
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INDEPENDENT AUDITOR'S REPORT

To the Members of Condominium Authority of Ontario

Opinion

We have audited the financial statements of Condominium Authority of Ontario (the "Organization"), which comprise the statement of financial position as at March 31, 2021, 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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO).

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 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 ASNPO, 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.

(continues)

Page 1

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.

Toronto, Ontario
July 9, 2021

Sloan Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF FINANCIAL POSITION
March 31, 2021

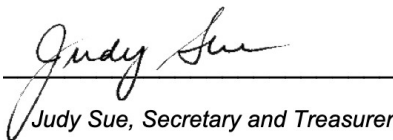
	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 11,776,136	\$ 14,112,521
Accounts receivable	614,983	719,572
Prepaid expenses and other current assets	218,440	165,073
	<u>12,609,559</u>	14,997,166
Intangible assets (Note 4)	1,973,840	2,467,300
	<u>\$ 14,583,399</u>	<u>\$ 17,464,466</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 803,835	\$ 734,803
Current portion of long-term loan (Note 5)	528,487	513,640
Harmonized sales tax payable		25,350
Deferred revenue	2,413,413	4,344,081
	<u>3,745,735</u>	5,617,874
Long-term loan (Note 5)	4,152,790	4,681,277
	<u>7,898,525</u>	10,299,151
NET ASSETS		
Investment in capital assets	1,973,840	2,467,300
Unrestricted net assets	1,011,034	998,015
Restricted net assets (Note 6)	3,700,000	3,700,000
	<u>6,684,874</u>	7,165,315
	<u>\$ 14,583,399</u>	<u>\$ 17,464,466</u>

Lease commitments (Note 7)

Approved by:



Heather Zordel, Chair of the Board



Judy Sue, Secretary and Treasurer

See accompanying notes to financial statements

CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF OPERATIONS
Year Ended March 31, 2021

	2021	2020
REVENUE		
Assessment fees <i>(Note 8)</i>	\$ 8,275,604	\$ 8,789,026
Tribunal fees	16,824	10,275
Other fees	33,214	107,039
Interest income	87,166	270,718
	<u>8,412,808</u>	<u>9,177,058</u>
EXPENSES		
Human resources	5,559,860	4,435,586
Enterprise IT	879,725	342,142
Occupancy costs	374,833	379,132
Ministry oversight fee	302,225	302,225
Board of Directors	295,676	158,173
Non recoverable portion of HST	277,193	230,184
Condominium authority tribunal & members	239,002	230,290
Office and general	148,778	195,418
Interest on long term debt	145,435	159,657
Information and communication	140,763	126,701
Legal fees	22,763	25,363
Professional fees	13,536	16,390
Amortization of intangible assets	493,460	493,460
	<u>8,893,249</u>	<u>7,094,721</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (480,441)</u>	<u>\$ 2,082,337</u>

CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
Year Ended March 31, 2021

	Investment in capital assets	Unrestricted net assets	Restricted net assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 2,467,300	\$ 998,015	\$ 3,700,000	\$ 7,165,315	\$ 5,082,978
Amortization of intangible assets	(493,460)	493,460	-	-	-
Deficiency of revenue over expenses	-	(480,441)	-	(480,441)	2,082,337
NET ASSETS - END OF YEAR	\$ 1,973,840	\$ 1,011,034	\$ 3,700,000	\$ 6,684,874	\$ 7,165,315

CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF CASH FLOWS
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (480,441)	\$ 2,082,337
Item not affecting cash:		
Amortization of intangible assets	493,460	493,460
	<u>13,019</u>	<u>2,575,797</u>
Changes in non-cash working capital:		
Accounts receivable	104,589	(171,334)
Accounts payable and accrued liabilities	69,032	132,320
Deferred revenue	(1,930,668)	752,053
Prepaid expenses and other current assets	(53,367)	(131,034)
Harmonized sales tax payable	(25,350)	18
	<u>(1,835,764)</u>	<u>582,023</u>
Cash flow from (used by) operating activities	<u>(1,822,745)</u>	<u>3,157,820</u>
INVESTING ACTIVITY		
Purchase of intangible assets	<u>-</u>	<u>(652,549)</u>
FINANCING ACTIVITY		
Repayment of long-term debt	<u>(513,640)</u>	<u>(499,418)</u>
INCREASE (DECREASE) IN CASH	<u>(2,336,385)</u>	<u>2,005,853</u>
CASH - BEGINNING OF YEAR	<u>14,112,521</u>	<u>12,106,668</u>
CASH - END OF YEAR	<u><u>\$ 11,776,136</u></u>	<u><u>\$ 14,112,521</u></u>

See accompanying notes to financial statements

CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

1. PURPOSE OF THE ORGANIZATION

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

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNFP). Outlined below are those policies considered particularly significant by the Organization.

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 recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from these estimates. Significant estimates are comprised of accounts receivable, accruals for liabilities and estimated useful life of intangible assets.

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

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 received and the amounts are known.

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

(continues)

CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible asset

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

Computer software	6 years straight-line method
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The amortization method and the estimate of the useful life of a capital asset is reviewed annually.

Financial instruments

The Organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Financial instruments are recorded at fair value on initial recognition. The fair values of these financial instruments approximate their carrying values due to their short-term nature. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Subsequently, at each reporting date, it measures cash and investments at fair value, and accounts payable and accrued liabilities, debt, and other liabilities at amortized cost. Any subsequent changes in fair value are recorded in the Statement of Operations.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial impairment change.

3. 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.

4. INTANGIBLE ASSETS

	<u>2021</u>	<u>2020</u>
Computer software	\$ 3,612,359	\$ 3,612,359
Accumulated amortization	<u>(1,638,519)</u>	<u>(1,145,059)</u>
	<u>\$ 1,973,840</u>	<u>\$ 2,467,300</u>

CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

5. LONG TERM LOAN

	<u>2021</u>	<u>2020</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.		
	\$ 4,681,277	\$ 5,194,917
Less: current portion of long-term loan	<u>(528,487)</u>	<u>(513,640)</u>
	<u>\$ 4,152,790</u>	<u>\$ 4,681,277</u>

Future minimum annual principal payments are as follows:

2022	\$ 528,487
2023	543,763
2024	559,481
2025	575,654
2026	592,293
2027 and thereafter	<u>1,881,599</u>
	<u>\$ 4,681,277</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, 2021, \$5,500,000 (2020 - \$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. At April 1, 2019, this combined rate is 2.87%.

6. 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 2021, the Organization transferred \$nil (2020 - \$1,000,000) from its unrestricted accumulated net assets.

7. LEASE COMMITMENTS

The Organization is committed to lease its premises on 2 St. Clair Avenue East, Toronto, Ontario until October 30, 2021. The future minimum commitments are as follows:

2022	<u>\$ 215,065</u>
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CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

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 2021, organization provided a 25% temporary adjustment to the approved assessment fee (2020 - 25%).

9. SUBSEQUENT EVENTS

The outbreak of the coronavirus, or COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020 has spread across the globe and is impacting worldwide economic activity. A public health pandemic, including COVID-19, poses the risk that the Company and its employees, contractors, suppliers, and other partners may be prevented from conducting business activities. This can especially be the case where government authorities mandate shutdowns. Certain countries may also be more heavily impacted where travel restrictions continue for longer periods and full quarantines are in effect. The extent to which the COVID-19 outbreak impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact. The Company and its employees have transitioned to working remotely and service delivery has not been materially impacted. The Company is reliant on this alternative work arrangement to minimize the impact of outbreak on its financial results.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.