

Annual Report 2019-20



Condominium
Authority of
Ontario

www.condoauthorityontario.ca



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Cover page: Kitchener, Ont.

CAO by the Numbers

 **11,831**

Condominium corporations in Ontario*

*From date of inception to March 31, 2020

 **2,975,026**

Pageviews of the CAO website (includes repeated views of pages)

 **13,242**

Directors trained

 **47,861**

Interactions with Ontario's condo communities by CAO's Information Services

Fiscal year: April 1, 2019 to March 31, 2020

 **5,367**

Courtesy reminders to condo directors for director training

 **121**

Cases filed with the CAT

 **33**

Tribunal decisions

 **61,461**

Pageviews of pre-conflict guided steps to common issues

 **103,285**

Pageviews of the CAO's Public Registry of condo corporations

Achieving Momentum

On behalf of the Condominium Authority of Ontario (CAO) I am pleased to share the substantial progress that the organization has accomplished over this past fiscal year. The CAO remains committed to supporting the growing number of Ontarians who own and live in condos across the province. As a proud condo owner and longstanding member of a condo community myself, I understand the many benefits and unique challenges that condo communities face first-hand. That's part of the reason that I am so proud of the CAO's achievements in our second full year.

The 2019-20 fiscal year was pivotal for the organization. We worked to further enhance our digital-first model to better serve the 11,000+ condo communities in Ontario. Having spent the last two years establishing an effective governance and operational structure, we consciously focused our efforts this year on enriching our service and resource offerings.

Thanks to our digital service delivery model and operational preparedness planning, we were able to maintain these service and resource standards to condo communities, even as we implemented our Business Continuity remote work plan in response to the COVID-19 pandemic.

The Board of Directors also saw the development of Terms of Reference for the CAO's Advisory Process as a key priority. We completed this initiative to inform how we would obtain direct feedback from condo community members and guide our practices for acting on those insights.

To date, heightened satisfaction scores across our offerings reaffirms the inherent value that our digital-first services are delivering. We will continue to collect user feedback to make informed decisions

and fulfill our strategic objectives for service and operational excellence.

In January 2020, in recognition of our service excellence to condos, the Ministry of Government and Consumer Services (MGCS) entrusted the CAO with the administration of the 17 most commonly used forms by owners and condo communities under the *Condominium Act, 1998*. As a first step toward enhancements, the delegated forms are now hosted on our website, categorized, accessible and easily fillable, enabling condo communities to use these forms anywhere, anytime.

Finally, the CAO remains committed to our mission of empowering Ontario's condo communities with information, education and dispute resolution. We have continued our efforts towards protecting consumers through providing a *Public Registry* of specified information on Ontario's condo corporations, *Guided Steps to Common Issues* and the *Condo Buyer's Guide*. To that end, in 2019-20, we focused our outreach efforts towards awareness of the pre-construction condo sales process and cancellations to better educate potential condo buyers and owners.

Each of the above services and resources help protect condo owners with the information they need to make the most of their condo living experience, and ultimately achieve our vision of harmonious condo communities.

This year's achievements were made possible as a result of the commitment to continuous improvement within both the CAO and the condo sector. Moving forward, we will continue to deliver value and service excellence to condo communities across Ontario.

Heather Zordel
Chair, Board of Directors
Condominium Authority of Ontario

Delivering Value to Condo Owners and Communities Across Ontario

Over the course of the last year, I had the privilege to lead the CAO through its next phase of growth. Building on our foundational accomplishments from the previous year, our diverse and talented team remained focused on delivering value to Ontario's condo communities.

Key among the achievements above and beyond the original business plan priorities was our staff's rapid response to the COVID-19 pandemic, which involved implementing a Business Continuity Plan and moving to a fully work-from-home operation. This was followed by initiating work on a series of guidelines to help owners and condo community members understand the changes in policy that affected condo business operations during the pandemic.

We responded to the COVID-19 crisis as a leader and expert voice for guiding condo communities, while providing advice to the government on regulatory changes to help our clients through the unprecedented situation.

The CAO's Information Services team, who are essential in developing policy-based resources for Ontario's condo communities, was expanded to better serve our clients in all regions.

This year, we established a new Business Intelligence and Data Analytics function. Standardizing the data collection and analysis across all facets of our organization supports data-driven decisions, informs policy and program priorities and points us to the areas for improvement identified through the various feedback mechanisms in our Advisory Process.

On December 12, 2019, the Ministry of Government and Consumer Services

posted a consultation draft of proposed amendments to the Condominium Authority Tribunal Regulation for public comment. We responded with our perspective on the changes of note, which included identifying several new nuisance types and allowing disputes regarding those issues to be filed with the CAT. We have been working internally this year to expand the functionality of the Condominium Authority Tribunal Online Dispute Resolution (CAT-ODR) system, in order to prepare for any expansion of the tribunal's jurisdiction and to allow for multi-party disputes. We are pleased about this proposed expansion and the opportunity to further support condo owners and condo communities.

Additionally, we temporarily reduced the annual assessment fee once again by 25% this fiscal year. This decision was aligned with our on-going commitment to cost effective operations. All late fees were also suspended to June 30, 2020, as a measure of support for condo communities during the COVID-19 pandemic.

Most importantly, I consider it vital to ensuring the effectiveness of our digital resources that we build linkages and partnerships with owners and the broader condo community. It is for this reason that we attended several condo events throughout the past fiscal year.

With our second full year of operations now behind us, and feedback reaffirming that our strong foundation of resources and services are of value, we at the CAO look forward to continuing our work to support harmonious condo communities in Ontario.

Robin Dafoe
CEO and Registrar

Building on a Solid Foundation

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. The CAT is Ontario's first online tribunal, and has been delegated with the authority to hear and make legally binding decisions about condo disputes in a convenient and affordable manner.

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 Mediations 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 condo communities.

We use the CAT-ODR platform to hold hearings and apply the *Condominium Act, 1998* to the circumstances of each person's case. We do this in a way that is consistent with the CAO's values by promoting professionalism, integrity of tribunal members and staff, and delivering an accessible service.

Through our first two years of operation, we have observed that the developing collection of consistent tribunal decisions, also referred to as jurisprudence, has helped Parties predict how the tribunal might decide a case without fettering Tribunal Members' discretion. This has empowered condo owners with knowledge of what has been decided in similar circumstances, thereby promoting early resolution of disputes in the Negotiation and Mediation stages.

During 2019-20 the tribunal continued to refine its service delivery. We continued to train members to enhance their understanding of the unique nature of condo living, and the application of *the Act*. We maintained refinement of our processes and development of best practices.

The work of receiving and mediating cases is a collective responsibility. The members and the staff of the Tribunal are committed to the CAO's objectives for the tribunal, and to ensuring that Parties can participate in their case in the most effective way. The work we completed in 2019-20 has prepared us to be ready for a potential expanded jurisdiction from the government in the year ahead, and an increased caseload, which we welcome.

Ian Darling
Chair
Condominium Authority Tribunal

About us

The Condominium Authority of Ontario (CAO) was launched on September 1, 2017 and remains focused on empowering Ontario's growing condominium communities.

We are 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). We are funded primarily from fees paid by condo owners, assessed on condo corporations at \$1 per voting unit, per month, or \$12 per year, and the fees paid by users of the Condominium Authority Tribunal (CAT), which are no more than \$200 per case.

We support owners through consumer protection, and we strive to enhance our value to condo communities through our suite of resources and services. This includes:

Free online resources to help condo owners and corporations resolve disputes early through the *Guided Steps to Common Issues*

Clear and cost-effective online dispute resolution through the Condominium Authority Tribunal (CAT) – Canada's first fully online tribunal

An integrated Policy and Information Services team that responds to all telephone and email inquiries to help owners and other members of the condo community better understand the legal and governance framework behind condo communities

Condo returns and notice-of-change systems for corporations to file and update key information

Digital condo returns and notices of change where corporations can file and update information

Host and provide access to condo forms which have been delegated by the Minister of Government and Consumer Services as of January 1, 2020.

Mandatory training for condo directors to help them understand their role and legal obligations on behalf of owners

A searchable Public Registry, containing information from every condo corporation in Ontario

The Year in Review

During this second full year of operation, the CAO set key objectives to achieve its consumer protection and client service mandate, as well as providing value for money to owners and condo communities.

For the 2019-20 fiscal year, the CAO is pleased to highlight a few of our key achievements:

- Introduced a new digital solution for condo communities by hosting 17 commonly used forms, delegated to us under *the Act* by the MGCS. Each form can be accessed and filled out on our website.
- Version 2.0 of the CAT-ODR was launched to prepare for an expected expansion of the CAT's jurisdiction. The new version includes a refined filing procedure, a new Stage 2 — Mediation model and additional features at all stages of the tribunal process.
- Updated and improved the *Condo Buyer's Guide*, our signature publication, to include information for potential and new owners about the pre-construction condo process, cancellations and deposit protection.
- Established a Strategic Business Intelligence and Data Analytics department that works closely with all levels of our organization to enhance our data-driven decision making.
- Enhanced our client feedback mechanisms and launched the Board's Advisory Process Terms of Reference, which includes establishing advisory panels for key topics.
- Refined our finance and procurement processes to further ensure value for money and efficiency of service.
- Restructured our Information Services function to enhance our program and policy work in support of condo communities.
- Implemented our Business Continuity plan in response to the COVID-19 pandemic, where our entire office transitioned to remote working and to deliver the high quality service that our clients have come to expect.

Strategic Framework

Vision

Harmonious condominium communities in Ontario.

Mission

Empower Ontario's condominium communities with information, education and dispute resolution.

Mandate

Designated under the *Condominium Act, 1998*, the CAO supports consumer protection and condominium communities by providing services and resources for condominium buyers, owners, residents and directors across Ontario.

CAO Values

Innovation

The CAO works creatively with Ontario's condominium communities and is open to new ideas.

Accountability

The CAO takes responsibilities for delivering its mandate and for providing high-quality services to Ontario's condo communities.

Client-focus

The CAO works collaboratively with Ontario's condo 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.

Strategic Objectives

Core

Enhanced Public Information and Services

Enhanced and Integrated Issue and Dispute Resolution

Supporting

Public Service Excellence

Operational Excellence



Board of Directors

The CAO is governed by an independent Board of Directors (the Board), comprised of four elected directors and three ministerial appointed directors. Collectively, the Board provides strategic direction to the organization's business and operational activities, sets our three-year Strategic Business Plan, and is accountable for our performance to the Minister of Government and Consumer Services through the Board Chair.

We have consciously established a skills-based board governance model. The 2019-20 Board includes members with extensive experience from the condo sector, government administration, condo law, dispute resolution, financial management, privacy and digital service.

The Board is governed by a Code of Conduct that sets out guidelines for avoiding and disclosing conflicts of interest and keeping information confidential. Our by-laws set out the duties and responsibilities of Directors and Officers of the Board.

We share some staff positions and costs with the Condominium Management Regulatory Authority of Ontario (CMRAO), a delegated administrative authority with a distinct, but complementary mandate to support Ontario's condo communities by overseeing condo managers and management companies. A memorandum of understanding governs the relationship between the CAO and the CMRAO.

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.

The Board has an established committee structure, which includes a standing Audit and Risk Committee and a Nominating Committee.

The Board of Directors

(As of March 31st, 2020)

Chair

Heather Zordel (appointed)

Vice-Chair

Frank D'Onofrio (elected)

Treasurer & Secretary

Armand Conant (elected)

Members

Genevieve Chornenki (elected)

Margaret Samuel (appointed)

Judy Sue (appointed)

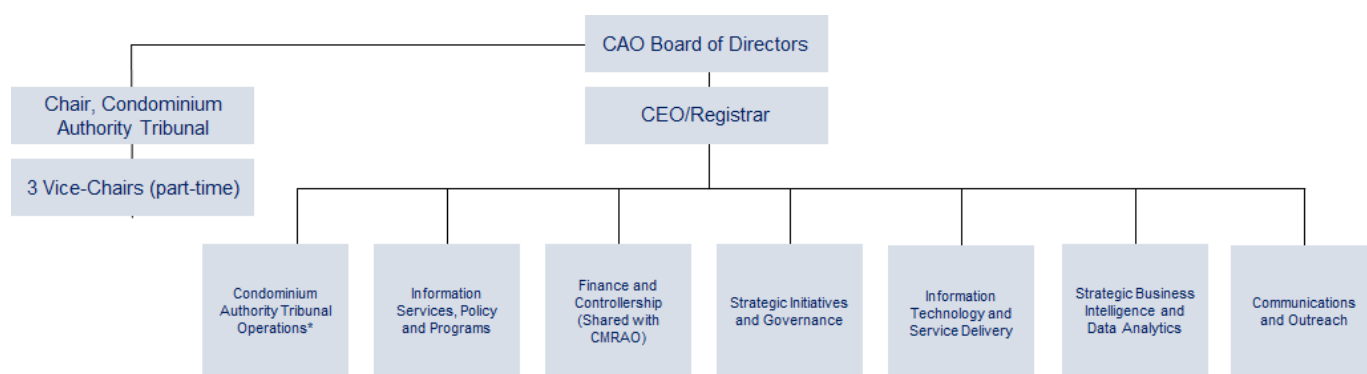
Tom Wright (elected)

Organizational Structure

Appointed by the Board, the Chief Executive Officer (CEO) and Registrar leads an executive team and staff to meet the CAO's broad mandate and digital service delivery model in a cost-effective manner to meet the needs of owners and other members of the condominium community.

The organizational structure continues to evolve as the CAO completes the transition from a start-up organization toward steady state and a staffing structure that delivers owner-focused services and is able to respond, to the growing number of requests and the ever-changing needs of condo communities.

As of March 31, 2020, the organization was comprised of 50 staff.



*Shared position; incumbent is also one of the 3 part-time Vice-Chairs reporting to the Chair, CAT

Executive Team

Robin Dafoe	CEO and Registrar
Abena Buahene	Deputy Registrar and Executive Lead, Operational Transition
Peter Chu	Director, Information Technology and Service Delivery
Emilee Escobar	Manager, Strategic Initiatives and Governance
Keegan Ferreira	Director, Tribunal Operations and Vice-Chair, CAT*
Kavita Khera	Director, Strategic Business Intelligence and Data Analytics
Rana Khurram Manzoor	Director, Finance and Controllorship**
Laura Seaton	Director, Communications and Outreach
Ian Darling	Chair, Condominium Authority Tribunal

*Shared position with the CAT Chair

**Shared position with CMRAO

Building on Our Strong Foundation

“I would like to **thank you very much** for the information that you forwarded to me. I immediately downloaded it and brought it to the board’s attention...I extend my deep gratitude to those of you from the **Condo Authority of Ontario** who gave me both the support and the knowledge to succeed.”
- Condo owner

We continuously engage with owners and condo communities across the province to ensure that our services and resources meet their needs and use that feedback to develop new digital solutions.

One example of this from the 2019-20 fiscal year was the introduction of digital condo forms. As of January 1, 2020, the Ministry of Government and Consumer Services (MGCS) delegated the administration of 17 commonly used condo forms to the CAO, which are now hosted on our website. The forms are organized by category to make them easier to navigate and can be filled out online as dynamic PDFs.

Conducting thorough policy research, and acting on those findings is essential to implementing improvements to our digital solutions. Our Information Service (IS) team had several important policy achievements the past fiscal year including:

- Monitoring and providing updates on Bill 159, legislation that will impact the administration and governance of the CAO;
- Providing well-researched and thoughtful recommendations for potential changes to *the Act* to better serve condo communities.
- Working with the ministry to improve policy related to the COVID-19 pandemic, including reviewing the Emergency Order for impact on condo communities, and researching interest charges on deposits and liens to provide support to owners during the crisis.

As a digital-first organization, we pride ourselves on providing solutions for condo communities through our suite of online resources and services. As our organization enters its third full year of operations, we remain focused on building on our strong foundation of digital solutions to reach every condo community member in Ontario.

Director Training

Condo directors operate on behalf of owners, and play a critical role in ensuring that condo corporations and their assets are well managed. Many condo 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 providing mandatory training for the estimated 41,298+ active condo directors in Ontario, to both support good governance for condo corporations and foster a harmonious condo community culture.

More about director training:

- 21 short e-modules that cover topics relevant to condo 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 condo communities. From November 1, 2017 to March 31, 2020, 32,872 users completed training. Of that total, 31,254 were directors who completed training, including 25,853 active directors currently serving on a condo board.

Director Training feedback remains **overwhelmingly positive**:

87%

**of respondents were
satisfied or very
satisfied with the training
program**

89%

**of respondents found the
online modules easy to find
and navigate**

95%

**of respondents would
recommend the
training program**

94%

**of respondents reported
learning something new**

“I have been a Training Manager and an ISO Quality Administrator for over 10 years, so I am familiar with training, documentation and procedures.

With that in mind, please **let me compliment you on this excellent course. Well done! Thank you!**”

- Condo board director

Condo Returns and Notices of Change

Under *the Act*, all condo 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 condo 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 condo corporation's registration date, address for service and information about its current board of directors, and any condo management service providers.

We are proud to report that we have achieved key performance indicators (KPI) related to returns for the 2019-20 fiscal year:

95% of condo corporations filed returns with the CAO

1. 95% of condo corporations met their legal obligation to file returns with the CAO
2. 93% of newly created condo corporations filed returns with the CAO

These KPIs were achieved despite the challenge of relying on contact information contained in declarations filed with Ontario Land Registry Office which were often out of date, and therefore, the CAO devised alternative outreach strategies to reach them.

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, 2019 and March 31, 2020, 18,762 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 condo returns and notices of change on our website. Condo 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 condo communities. Between April 1, 2019 and March 31, 2020, the CAO's Public Registry received 103,285 pageviews and 28,524 unique visitors.

103,285

Pageviews of the CAO's
Public Registry

Online Resources and Guides

Our suite of resources is specifically designed to help owners and condo community members make the most out of their experience by explaining the ins and outs of condo living and for meeting corporate and legal obligations. Some of our most popular resources include:

Condo Buyer's Guide

One of our signature publications, the *Condo Buyer's Guide* helps potential condo owners understand what it means to own a condo. This includes the purchasing process, condo governance and the role of the CAO.

Guide to Filing Condo Returns

This comprehensive guide explains the content and purpose of condo returns, and provides instructions through the entire filing process.

Templates

Many activities or interactions in a condo should be approached in a certain way for the best outcome. Our templates can help guide owners or directors through their process. Some examples include:

- **Owner-requisitioned meetings:** Owners can require the board of their corporation to call a meeting to discuss and/or vote on a particular topic. This template guides owners through preparing their official written request.
- **Presentation deck for condo boards and managers:** This deck is available for use at board meetings, or for discussions with owners and residents. It includes information on condo living, the CAO's role, services, fees, returns, director training, the CAT-ODR, and more.

COVID-19 Continuity: Uninterrupted Access to Justice

During the COVID-19 outbreak our Senior Management Team worked proactively to protect the health and safety of our staff, while ensuring that we would continue to deliver our full suite of resources and service to Ontario's more than 11,000 condo communities.

Our website was updated regularly to provide condo owners and condo community vital, in the moment information necessary to stay safe while maintaining operations of their individual condo corporations.

We initiated our COVID-19 communications outreach to condo communities via *Messages from the CAO — Helping to support condo communities through COVID-19* email were sent to 39,968 condo corporations contacts.

We also developed a new series of digital resources to help condo owners navigate the unprecedented circumstances posed by COVID-19, such as a guide for owners to hold eMeetings and vote by telephone or electronic means.

Self-Help Guided Steps to Common Issues

Owning a condo means belonging to a community built on financial and legal rules of property ownership. Owners should have the tools to navigate issues that may arise in this unique form of homeownership. To meet the needs of condo communities in all regions of the province, the CAO provides a two-part online dispute resolution service designed to help condo owners, enforce their legal rights, collaboratively to resolve issues early and hopefully avoid the escalation to disputes.

Part one is the *Guided Steps to Common Issues*. This intuitive resource covers 12 common issues that are of most interest to owners.

Each issue has four guided steps, which are designed to be followed in sequence. If at the end of Step 4, the issue is still not resolved, the CAO's online dispute resolution service through the Condominium Authority Tribunal is available. The Guided Steps are intended to help maintain harmonious condo communities by resolving issues early without escalating to official disputes.

12 Common Issues	Pageviews
1. Corporate records	17,392
2. Noise	8,974
3. Condo managers	5,620
4. Rules	5,587
5. Short-term rentals	5,365
6. Pets	3,602
7. Cannabis**	3,090
8. Meetings	3,018
9. Personal property	2,907
10. Odours	2,375
11. Neighbours	1,796
12. Enforcement of CAT settlement agreements	1,735
Total	61,461

1 Step

Understanding the Issue

This step provides a high-level overview of the issue, and examples of common types of issues that arise in condominiums.

2 Step

Legal Considerations

This step provides a summary of the relevant legal considerations, including references to the relevant provisions of the *Condominium Act, 1998* and its regulations.

3 Step

Solutions

This step provides step-by-step instructions that condominium communities can take to resolve issues collaboratively before they escalate into disputes. This step also provides helpful resources, like letter and email templates.

4 Step

Tribunal (for Records) / Additional Help

If the information and solutions in Steps 1-3 don't resolve your issue, this step provides an overview of your next steps, including filing a case with the Condominium Authority Tribunal (CAT) if you have a records dispute.

Canada's First Fully Online Tribunal

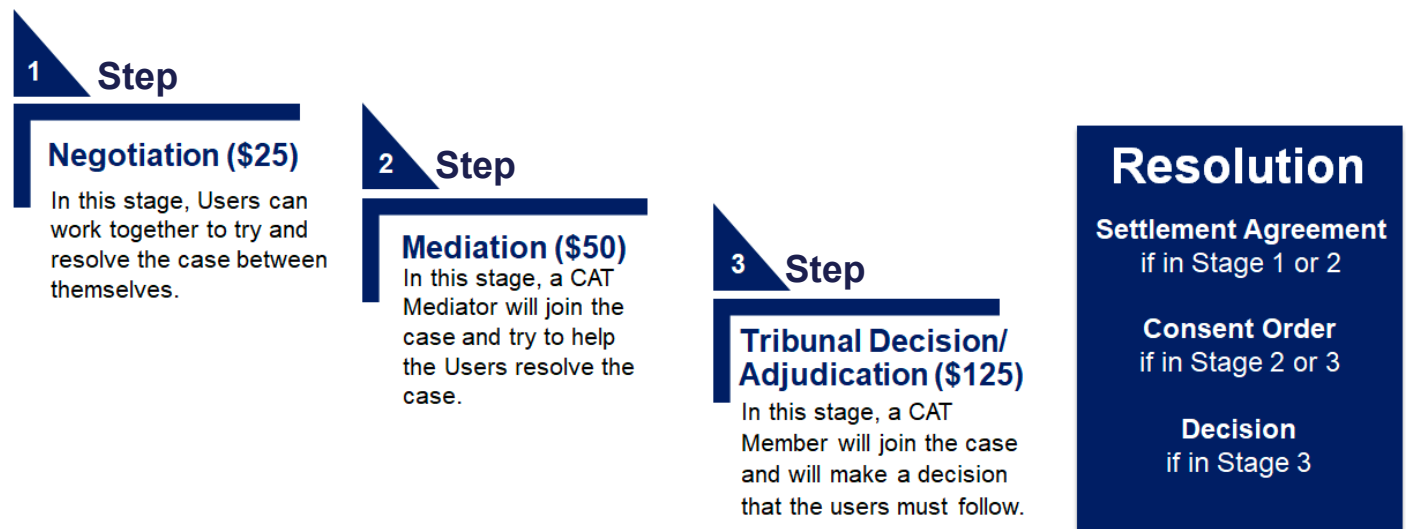
The Condominium Authority Tribunal (CAT) is Canada's first online tribunal, dedicated to helping owners and condo corporations resolve condo-related disputes conveniently, quickly and affordably, while encouraging everyone to respect legal rights and obligations and to work together in harmonious condo communities.

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 file and participate in cases when it's most convenient for them and from the comfort of home, without having to take time off work to travel to hearings.

Under *Section 1.36 of the Act and Ontario Regulation 179/19*, the CAT's jurisdiction covers disputes related to records and compliance with settlement agreements. There is a proposed expansion of the CAT's jurisdiction in 2020-21 that, if implemented, will cover a wider variety of issues.

How it Works

The CAT leads users through a three-stage dispute resolution process, designed to help condo owners enforce their rights while respecting their obligations.



The CAT-ODR system has been designed to be user-friendly. In 2019-20, Applicants can choose to be self-represented and condo corporations can choose to be represented by either a member of the board of directors, by the corporation's condo manager (if they have one), or by a lawyer or paralegal.

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 staggered fee structure keeps costs down, and promotes early and collaborative dispute resolution.

To ensure that Applicants do not have to pay out-of-pocket to bring forward applications, the CAT recently updated its Rules of Practice to clarify that successful applicants will be reimbursed by the Respondent for their fees and reasonable dispute-related expenses, unless the CAT member decides otherwise.

CAT-ODR Version 2.0

Version 2.0 of the CAT-ODR System

To prepare for an expected expansion of the CAT's jurisdiction in 2020-21, Version 2.0 of the CAT-ODR was launched in December 2019. Version 2.0 included many system-wide enhancements, including:

- A refined filing procedure, providing clearer instructions to applicants and clarifying the roles of parties and representatives
- A new model for Stage 1 – Negotiation, giving Users the flexibility to modify and update their settlement offers at any time
- A comprehensively new Stage 2 – Mediation model, providing CAT Mediators with more control and flexibility
- Additional functionalities for applicants at all stages

The CAO has also developed a series of updates to allow the CAT-ODR system to handle cases involving three or more parties. These updates will be implemented to coincide with the CAT's potential jurisdictional expansion in 2020-21.

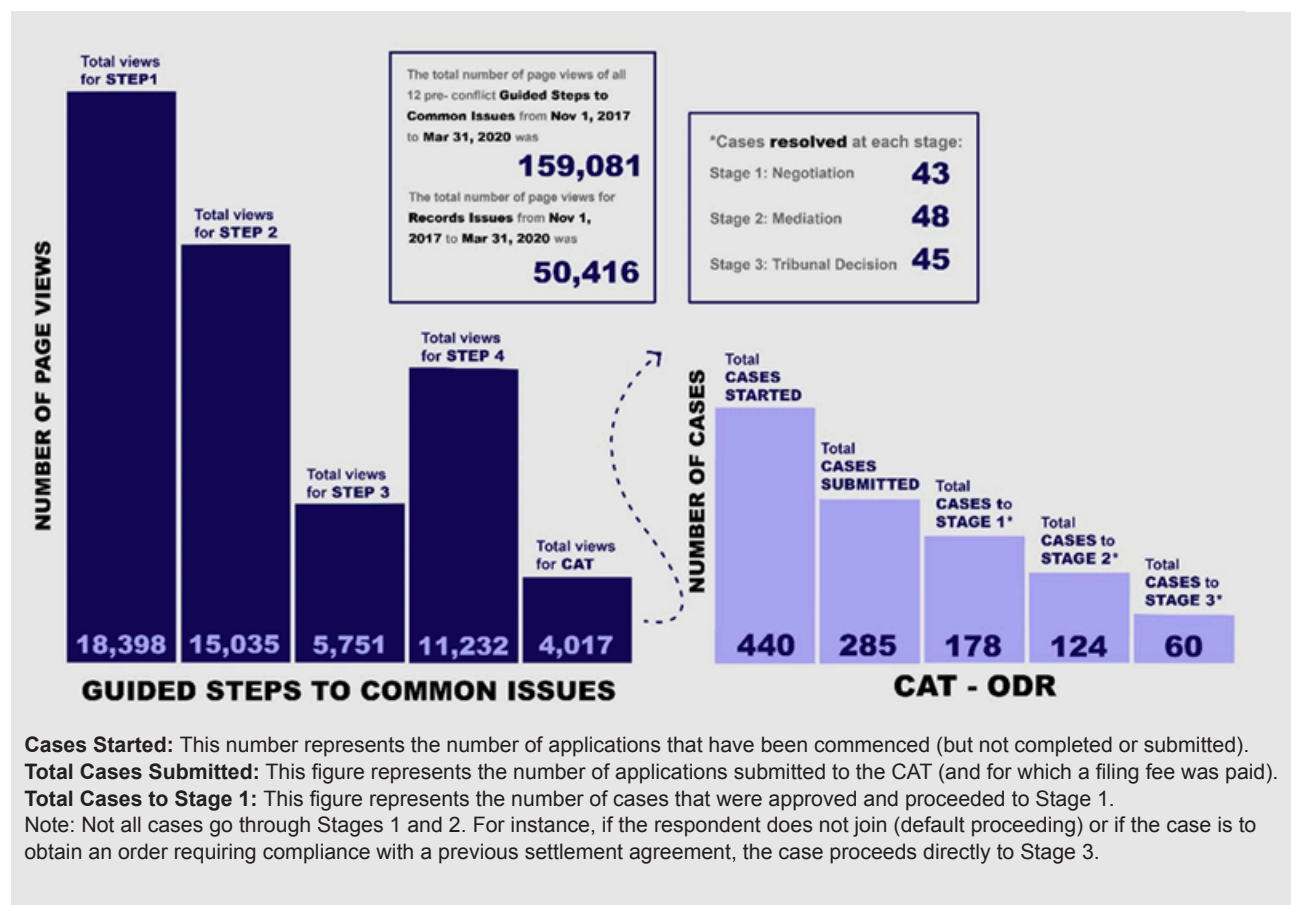
Instructional videos

To help guide Users through the CAT's dispute resolution process, we recently developed six animated instructional videos, which are available on the CAO's website:

- Introduction to the CAT
- How to file a CAT application
- How to join a CAT case
- Stage 1: Negotiation
- Stage 2: Mediation
- Stage 3: Tribunal decision

These videos provide a plain language overview of the CAT and its processes. We plan to develop additional videos to coincide with the CAT's potential jurisdictional expansion in 2020-21.

Guided Steps and the CAT



The above graphic shows the total number of page views to the CAO's Guided Steps (on the left) and the total number of cases that have gone through each of the CAT's three dispute resolution stages (on the right).

The CAO's integrated dispute resolution approach has shown great results over the past year, with most records issues appearing to be resolved using the pre-conflict *Guided Steps to Common Issues*, without the need to file a case and without a formal dispute being filed with the CAT. The CAT's binding decisions, available publicly on the Canadian Legal Information Institute (CanLII), have empowered condo owners with information about their rights and obligations, without fettering Tribunal Members' discretion, and have been a catalyst for settling similar dispute types in other cases.

2019-20 CAT Decisions

During the 2019-20 fiscal year, the CAT issued 33 final decisions and eight Consent Orders. The following provides a sample case that settled in each Stage of the CAT's dispute process:

Case A – Owner seeking Ballots and Proxies

This case was resolved by Settlement Agreement between the Users in **Stage 1 – Negotiation**, so the names of the Users are not published.

In this case, the Applicant requested ballots and proxy forms relating to a 2019 board director election. Before the Application was filed, the Respondent had provided some of the requested ballots and proxy forms, but the Applicant noted that some of the records were missing or contained inconsistencies.

After exchanging several messages and settlement offers through the CAT-ODR system, the parties agreed to resolve the case by Settlement Agreement. The condo corporation in this instance agreed to provide redacted copies of the ballots and proxies and to reimburse the Applicant for their filing fees.

This case is similar to a case that was profiled in last year's Annual Report (2018 ONCAT 7 on CanLII), wherein an Applicant sought access to unredacted copies of proxy forms. That case proceeded through all three stages of the CAT's dispute resolution system, and the CAT Member ruled that the applicant was not entitled to examine or obtain unredacted copies of the proxy forms.

Case B – Owner seeking a copy of the Standard Unit By-law (2019 ONCAT 35)

This case was resolved in **Stage 2 – Mediation** by Consent Order, and so is available on the Canadian Legal Information Institute (CanLII) website.

In this case, the Applicant sought a copy of the corporation's standard unit definition and/or by-law because there was a recent flood issue. The condo corporation in this instance did not have either a standard unit schedule or by-law. While a condo corporation is not required to have a standard unit by-law, the standard unit schedule is one of the items required to be provided by the declarant to the first board of directors after the turnover meeting.

After working with the CAT Mediator, the parties agreed to resolve the case by Consent Order. The condo corporation agreed to obtain quotes from lawyers to draft a standard unit by-law, and to attempt to hold meetings with the owners for them to vote on the adoption of the standard unit by-law.

They also agreed to send a letter to all owners acknowledging that no schedule or by-law currently existed; to explain to the owners the corporation's obligation to maintain insurance and an overview of what insurance they had; to explain the consequences of not having a schedule or by-law; and to explain the current repair obligations. Finally, the corporation also agreed to reimburse the applicant for their CAT fees.

Case C – Owner seeking Core and Non-Core Records (2019 ONCAT 44 and 2019 ONCAT 48)

This case was resolved in **Stage 3 – Tribunal Decision** by decision, and so is available on the Canadian Legal Information Institute (CanLII) website.

In this case, the Applicant sought several core and non-core records, including copies of the corporation's by-laws and rules, as well as the budget and audited financial statements. Though the Applicant served notice of the proceeding on the Respondent by courier at the property management office, the Respondent condo corporation did not join or participate in the case, and so it proceeded directly to Stage 3 – Tribunal Decision.

After hearing the Applicant's submissions, the CAT ordered the Respondent to provide the requested records and to pay a penalty of \$3,000 for refusing to provide the records without a reasonable excuse. The Respondent was also ordered to reimburse the Applicant \$150 for their filing fees.

After the decision was issued, the Respondent filed a motion to re-open the case under Rule 31.2 of the CAT's Rules of Practice. The Respondent submitted that their condo management services provider failed to notify the board of the proceeding before the CAT, and that they were unaware of the proceeding.

The CAT Member found that the condo corporation had relied on its condo management provider to handle the request for records, which it had failed to do, and that it would be unreasonable to re-open the case because the condo management services provider had failed to adequately notify the Respondent condo corporation. As a result, the motion was denied, and the case remained closed.

The CAT Service Targets

To fulfil our core strategic objective of enhanced and integrated issue and dispute resolution, the CAT operations team has adopted a one-business day service standard to respond to applications and questions from the CAT Users to ensure that Users avoid undue delays in their cases.

The CAT has committed to a target of releasing 90% of decisions within 30 days of the hearing's conclusion. In 2019-20, 73% of the decisions in Step 3 were released within 30 days.

“...The online platform is **much better**, and it allows people to participate in those dispute processes at home, after hours and from any location in a much **more convenient way**.”

-Condo lawyer

COVID-19 Continuity: Uninterrupted Access to Justice

The Condominium Authority Tribunal remained fully operational and continued to process cases throughout the COVID-19 pandemic.

When province-wide restrictions prevented an owner from accessing online services at their local public library, the CAT processed their case over the phone, resolving the case in mediation.

Thanks to the proactive and rapid response displayed at all levels of our organization, the CAO was able continue delivering its digital services and maintain its commitment to supporting condo owners across Ontario, despite an unprecedented change in the way that business must be conducted.

Industry Events

To ensure that we meet the needs of condo owners and other members of the condo community, we are committed to ongoing outreach and engagement. To that end, we actively participate in industry events and conferences throughout the year.

These events give us the opportunity to:

- Have two-way communication with our clients
- Gather feedback on our services
- Share updates on the sector and our service improvements
- Strengthen our awareness of key issues in various regions of the province

In 2019-20, the CAO participated in 16 events across the province, where we presented or hosted booths and tables, and fielded questions from audiences ranging in size from 50 to 400 people.

Advisory Process

Part of our commitment to serving Ontario's condo communities is listening to their needs. Through our Advisory Process, we seek feedback through a variety of sources to refine and improve our resources and services.

According to the Advisory Process Terms of Reference, we integrate feedback and advice received from:

- Condo owners
- Advisory panels or focus groups
- Condo board directors
- Guided Steps to Common Issues users
- CAT users
- User experience sessions
- Industry and public events where we participate
- Website users
- Public awareness polls
- Social media engagement and our database
- Information Services Team

With the launch this year of our new 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.

One crucial feedback mechanism from the past fiscal year was our Self-Managed Condominium Needs Assessment survey to understand the unique needs of self-managed condo corporations. This involved 2,088 directors in 626 self-managed condo corporations to identify resources they need to help them govern their corporations.

The survey responses were completely anonymous and no personal information was collected or stored. For self-managed corporations, the annual legal obligations required under *the Act* was the most popular topic. There was also considerable interest in having more information on board governance and director conduct; repairs and maintenance; and enforcement of governing documents.

Corporate Social Responsibility

The CAO remains committed to building a culture of corporate social responsibility 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 bricks- 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. Examples are our quarterly blood donor drive, co-ordinated by a staff member, and our support for Habitat for Humanity during the 2019 holiday season, where we exceeded our fundraising target for the charity.

CAO's Diverse Team

One of the CAO's core values is diversity. Our team reflects the diverse make up 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 condo 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 these core values. We regularly collaborate across the organization on issues of diversity and inclusion. Lastly, we are committed to reviewing our practice 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 condo 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 put the condo owners first.

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 2019-20 fiscal year, we engaged with 195 French-speaking members of Ontario's condo communities.

Accessibility Compliance

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 own platforms and from our information technology solution vendors.

Our website is compatible with screen readers, clients can use a TTY device to reach us by phone, and all our staff complete mandatory accessible customer service training. Part of our mission to empower Ontario's condo owners and other members of the condo community is ensuring all can access our services and resources. We supported 75 directors to complete their director training in paper format for the fiscal year.

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 will consider all complaints 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 the 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. The CAO did not receive any complaints during the 2019-20 fiscal year.

Business Continuity Plan: Response to COVID-19 Pandemic

Towards the end of our second fiscal year, the global COVID-19 pandemic escalated dramatically in Ontario, which presented the CAO with one of the most unique challenges we have faced.

Our Senior Management Team worked proactively to protect the health and safety of our staff, while ensuring that we would continue to deliver our full suite of resources and services to Ontario's more than 11,000 condo communities.

The following is a summary of our response to the COVID-19 pandemic through the final days of the 2019-20 fiscal year:

- After weeks of careful planning, we launched our Business Continuity plan on March 14, where our entire office began working remotely, just prior to the province-wide state of emergency declared on March 17, 2020.
- On March 24, the government identified essential services across the province which included the CAO. We continued to work remotely and maintained the standards of service that our clients have come to expect.
- Our website was updated regularly, while our Information Services team remained available by email or phone to help users through any questions and concerns.
- The CAT remained operational, and continued to process cases throughout the pandemic.
- In addition to the 25% assessment fee reduction already implemented for the year, all late fees were suspended until June 30, 2020.
- We initiated our COVID-19 communications outreach to condo communities via our *Message from the CAO— Helping to support condo communities through COVID-19* emails that were sent to 39,968 condo corporation contacts.
- When COVID-19 restrictions prevented an owner from accessing online services at their local public library, the Condominium Authority Tribunal processed their case over the phone, resolving the case in mediation.

What's Ahead

In the 2020-21 fiscal year, we will continue our mission of empowering Ontario's condo 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 condo owners and other members in Ontario's condo communities.

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

- **Enhanced consumer protection** by providing owners and condo community members with guidance and reassurance through our public registry, Director Training and *Guided Steps to Common Issues*. We look forward to the introduction of the *Condominium Board Governance Guide*, which contains topics of interest to condo board directors.
- **Improved condo owner outreach** by focusing our efforts on increasing direct communication lines with condo owners
- **Expanding the CAT-ODR System** by building on the new functionality of the CAT-ODR system to prepare us for an anticipated expansion of the tribunal's jurisdiction by the government.
- **Educating condo buyers** by producing and hosting a webinar and updating our *Condo Buyer's Guide* to help teach new and potential owners about the pre-construction condo process and how to resolve issues while living in a condo community.
- **Enriching feedback capabilities** by using the Board's Advisory Process feedback mechanisms to connect with condo owners and condo communities so they can tell us how to improve our information, education and dispute resolution services for them.
- **Enhancing condo forms** on January 1st, 2020, the CAO was delegated 17 forms under the *Condominium Act, 1998*, by the Ministry of Government and Consumer Services. The CAO is undertaking a process to review these 17 delegated forms with the goals of enhancing them for a better user experience and to meet the needs of owners and the condo community as a whole.
- **Partnering and supporting** condo board directors to help condo corporations meet their obligations under *the Act* and work in harmony with owners.
- **Optimizing our digital-first model** by implementing technology upgrades to our website, online resources and client relationship management (CRM) system to ensure accessibility, responsiveness and ease of use of our digital services.
- **Improving analytics** to better understand the perspectives and needs of owners, directors and other members of the condo community, to enhance our operations, and to inform policy and decision-making.

The following management discussion and analysis provides supplementary information for condominium communities and other readers of the CAO's financial statements for the fiscal year 2019-20. This analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2020 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 condo living across Ontario.

The operating revenue was mainly comprised of assessment fees assessed to condo corporations based on \$1 per voting unit per month. According to *the Act*, the total assessment fee for each condo is to be added to common expenses as set out in the condo's declaration, with the effect generally that the fee is allocated to condo owners on a per square foot basis. For the year ended March 31, 2020, being the second full year of operations for the CAO, a full year assessment fee was charged with **25% temporary adjustment** resulting in revenues of \$8,906,340. This represents a decrease of 6% from \$9,488,789, the revenues for the year ended March 31, 2019. The decrease of revenue is due to under accrual of 2017-18 and 2018-19 revenue.

Expenses

As highlighted in the chart below, the total expenses for the year ended March 31, 2020 increased by 18% as compared to year ended March 31, 2019. As this was the second full year of operations for the CAO, operating costs increased as the organization moved toward 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 condo 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 2019-20 is related to the Ministry oversight fee amounting to \$302,225.

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 fixed interest rate of 2.39%.

Category	2019-2020	2018-2019
Human Resources	4,435,586	3,752,595
Operational and general administrative costs	2,006,018	1,651,895
Interest on long-term debt	159,657	118,181
Amortization of intangible assets	493,460	444,146
Total Expenses	7,094,721	5,966,817

Net Assets

As of March 31, 2020 the CAO had net assets of \$7,165,315, which includes \$2,467,300 related to computer software. This investment supports the digital service delivery model developed by the CAO to ensure access by all condo 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, condo returns and notices of change and online dispute resolution.

The excess revenue over expenses of \$2,082,337 for the year end March 31, 2020 is mainly due to under accrual of revenue for 2017-18, 2018-19 and an underspending because the full scope of the CAO's mandate is not yet in place. A portion of the CAO's expense budget relates to its online dispute resolution system and operations and the remuneration of mediators and adjudicators. These costs are variable to the case load and as lower numbers of cases were filed; costs incurred were lower than had been anticipated.

To fund the start-up costs of the CAO, the Government of Ontario provided for up to \$7,500,000 in loans. The CAO utilized \$5,500,000 of this amount and did not require the remaining \$2,000,000. The CAO has started repayment of this loan in the current fiscal year as per the agreed amortization schedule.

In line with its commitment to being financially prudent, the CAO has also implemented a temporary adjustment, reducing the total assessment amount payable by each corporation by 25% for fiscal year 2020-21 as well.

The unrestricted net assets increased to \$998,015 over previous year's net assets of \$74,767, while \$1,000,000 has been transferred from unrestricted net assets to restricted net assets of total \$3,700,000. The CAO has an established restricted net assets (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.

Risk Framework

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 a risk management framework which guides the organization in identifying, evaluating and addressing potential risks. The framework formalizes risk assessment and mitigation processes to ensure the effective and efficient operation of the CAO.

In fiscal year 2019-20, the CAO did not identify any new significant unmitigated risk other than in March 2020, the World Health Organization declared a global pandemic due to the novel Coronavirus (COVID-19). The situation is constantly evolving, and the measurements put in place are having multiple impacts on local, provincial, national, and global economies. The CAO mitigated the risks associated with this event by moving its operations to work-from-home and is closely monitoring the situation.



CONDOMINIUM AUTHORITY OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2020

CONDOMINIUM AUTHORITY OF ONTARIO

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MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Condominium Authority of Ontario

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Condominium Authority of Ontario, which comprise the statement of financial position, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Condominium Authority of Ontario as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 Entity'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 Entity'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 Entity 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.

June 18, 2020

Sloan Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

**CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF FINANCIAL POSITION**

As at March 31	2020	2019
ASSETS		
Current		
Cash and cash equivalents	\$ 14,112,521	\$ 12,106,668
Accounts receivable	719,572	548,238
Prepaid expenses and other current assets	165,073	34,039
	<u>14,997,166</u>	12,688,945
Intangible asset (note 3)	2,467,300	2,308,211
	<u><u>\$ 17,464,466</u></u>	<u><u>\$ 14,997,156</u></u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 734,803	\$ 602,483
Current portion of long-term loan (note 5)	513,640	499,210
Deferred revenue	4,344,081	3,592,028
HST payable	25,350	25,332
	<u>5,617,874</u>	4,719,053
Long-term loan (note 5)	4,681,277	5,195,125
	<u>10,299,151</u>	9,914,178
NET ASSETS		
Invested in capital assets	2,467,300	2,308,211
Unrestricted net assets	998,015	74,767
Restricted net assets (note 8)	3,700,000	2,700,000
	<u>7,165,315</u>	5,082,978
	<u><u>\$ 17,464,466</u></u>	<u><u>\$ 14,997,156</u></u>

Commitments (note 7)

Approved by:

Director: Heather Zordel Heather Zordel, Chair, Board of Directors
Condominium Authority of Ontario

Director: Margaret Samuel Margaret Samuel, Corporate Secretary

See accompanying notes to the financial statements

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**CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS**

For the year ended March 31	2020	2019
NET ASSETS CONSIST OF:		
Invested in capital assets		
Balance, beginning of the year	\$ 2,308,211	\$ 1,867,082
Purchase of intangible assets	652,549	885,275
Amortization of intangible assets	(493,460)	(444,146)
	<hr/>	<hr/>
Balance, end of the year	\$ 2,467,300	\$ 2,308,211
	<hr/>	<hr/>
Unrestricted net assets		
Balance, beginning of the year	\$ 74,767	\$ (478,391)
Purchase of intangible assets	(652,549)	(885,275)
Transfer to restricted fund (note 9)	(1,000,000)	(2,700,000)
Excess of revenues over expenses	2,575,797	4,138,433
	<hr/>	<hr/>
Balance, end of the year	998,015	74,767
	<hr/>	<hr/>
Restricted net assets		
Balance, beginning of the year	\$ 2,700,000	\$ -
Transfer from unrestricted fund (note 9)	1,000,000	2,700,000
	<hr/>	<hr/>
	3,700,000	2,700,000
	<hr/>	<hr/>
NET ASSETS, end of the year	\$ 7,165,315	\$ 5,082,978
	<hr/> <hr/>	<hr/> <hr/>

**CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF OPERATIONS**

For the year ended March 31	2020	2019
REVENUE		
Fee revenue (note 6)	\$ 8,906,340	\$ 9,488,789
Interest income	270,718	172,315
	<u>9,177,058</u>	<u>9,661,104</u>
EXPENSES		
Human resources	4,435,586	3,752,595
Occupancy costs	379,132	322,136
Enterprise IT	354,142	211,878
Ministry oversight fee	302,225	-
Condominium authority tribunal & members	230,290	127,293
HST non recoverable	230,184	260,781
Office and general	195,418	149,715
Interest on long-term debt	159,657	118,181
Board of Directors	158,173	121,460
Information and communication	114,701	367,303
Legal fees	25,363	39,212
Professional fees	16,390	52,117
Amortization of intangible asset	493,460	444,146
	<u>7,094,721</u>	<u>5,966,817</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 2,082,337</u></u>	<u><u>\$ 3,694,287</u></u>

Approved by on by all members of the Board on June 26th, 2020

**CONDOMINIUM AUTHORITY OF ONTARIO
STATEMENT OF CASH FLOWS**

For the year ended March 31	2020	2019
CASH PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	\$ 2,082,337	\$ 3,694,287
Amortization of intangible asset	493,460	444,146
Changes in non-cash working capital:		
Accounts receivable	(171,334)	527,990
Prepaid expenses and other current assets	(131,034)	11,567
Accounts payable and accrued liabilities	132,320	57,704
Accretion on long-term loan	-	118,181
Deferred revenue	752,053	3,436,923
HST payable	18	(15,572)
	<u>3,157,820</u>	<u>8,275,226</u>
INVESTING		
Purchase of intangible asset	<u>(652,549)</u>	<u>(885,275)</u>
FINANCING		
Repayment of long-term debt	<u>(499,418)</u>	<u>-</u>
NET INCREASE IN CASH	2,005,853	7,389,951
AT THE BEGINNING OF THE YEAR	<u>12,106,668</u>	<u>4,716,717</u>
AT THE END OF THE YEAR	<u><u>\$ 14,112,521</u></u>	<u><u>\$ 12,106,668</u></u>
Cash	\$ 14,112,521	\$ 10,106,668
Guaranteed investment certificates	-	2,000,000
	<u><u>\$ 14,112,521</u></u>	<u><u>\$ 12,106,668</u></u>

CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

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.

1. 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

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 and accruals for liabilities.

CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates (continued)

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

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and 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 consist of self-reported voting units. The fees are charged each fiscal year and are recognized as revenue when the renewal application is provided. As there is no recourse for the condominium corporations, the revenue is recognized when the application is received and the amounts are known.

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

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:

	<u>Rate</u>	<u>Method</u>
Computer Software	6 Years	straight-line

The amortization method and the estimate of the useful life of a capital asset is reviewed annually; and the estimate of useful life has been revised from 5 years to 6 years.

CONDOMINIUM AUTHORITY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 instruments (continued)

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.

2. 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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3. INTANGIBLE ASSET

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Computer software	3,612,359	1,145,059	\$ 2,467,300	\$ 2,308,211

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31, 2020, there are government remittances payable outstanding of \$nil (2019 - \$4,133) included in the accounts payable and accrued liabilities balance.

5. LONG TERM LOAN

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

As at March 31, 2020, \$5,500,000 (2019 - \$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%.

Ministry of Government and Consumer Services loan is payable in semi-annually principal and interest payments of \$329,537 bearing effective interest rate of 2.87% compounded semi-annually. The Organization has ten years to repay the loan, maturing April 1, 2029.

	\$ 5,194,917	\$ 5,694,335
Less: current portion of long term loan	(513,640)	(499,210)
	\$ 4,681,277	\$ 5,195,125

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5. LONG TERM LOAN (CONTINUED)

Future minimum annual loan payments payable are as follows:

2021	513,640
2022	528,487
2023	543,763
2024	559,481
2025 and thereafter	<u>3,049,546</u>
	<u><u>\$ 5,194,917</u></u>

6. FEE REVENUE

	<u>2020</u>	<u>2019</u>
Assessment fees	\$ 8,789,026	\$ 9,481,364
Other fees	107,039	750
Tribunal fees	<u>10,275</u>	<u>6,675</u>
	<u><u>\$ 8,906,340</u></u>	<u><u>\$ 9,488,789</u></u>

7. 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:

2021	368,683
2022	<u>215,065</u>
	<u><u>\$ 583,748</u></u>

8. 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 2020, the Organization transferred \$1,000,000 (2019 - \$2,700,000) from its unrestricted accumulated net assets.

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9. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The Organization is closely monitoring the situation. The overall effect of these events on the Organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

The Board of Directors approved the \$1,000,000 transfer to the restricted fund at their meeting on April 2, 2020.

10. COMPARATIVE FIGURES

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



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