

CONDOMINIUM
AUTHORITY OF ONTARIO

ANNUAL REPORT

2022-2023



www.condoauthorityontario.ca



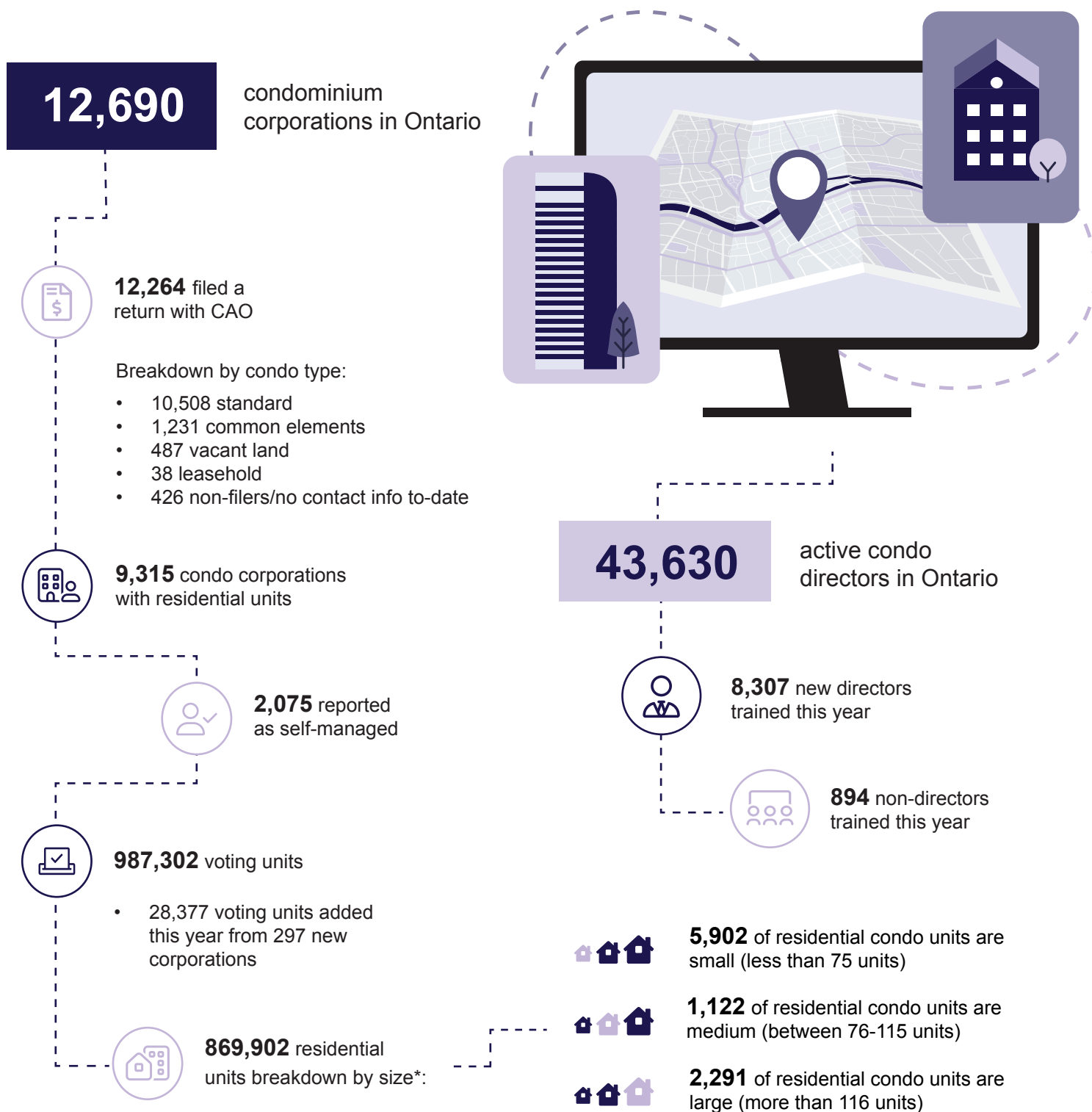


TABLE OF CONTENTS

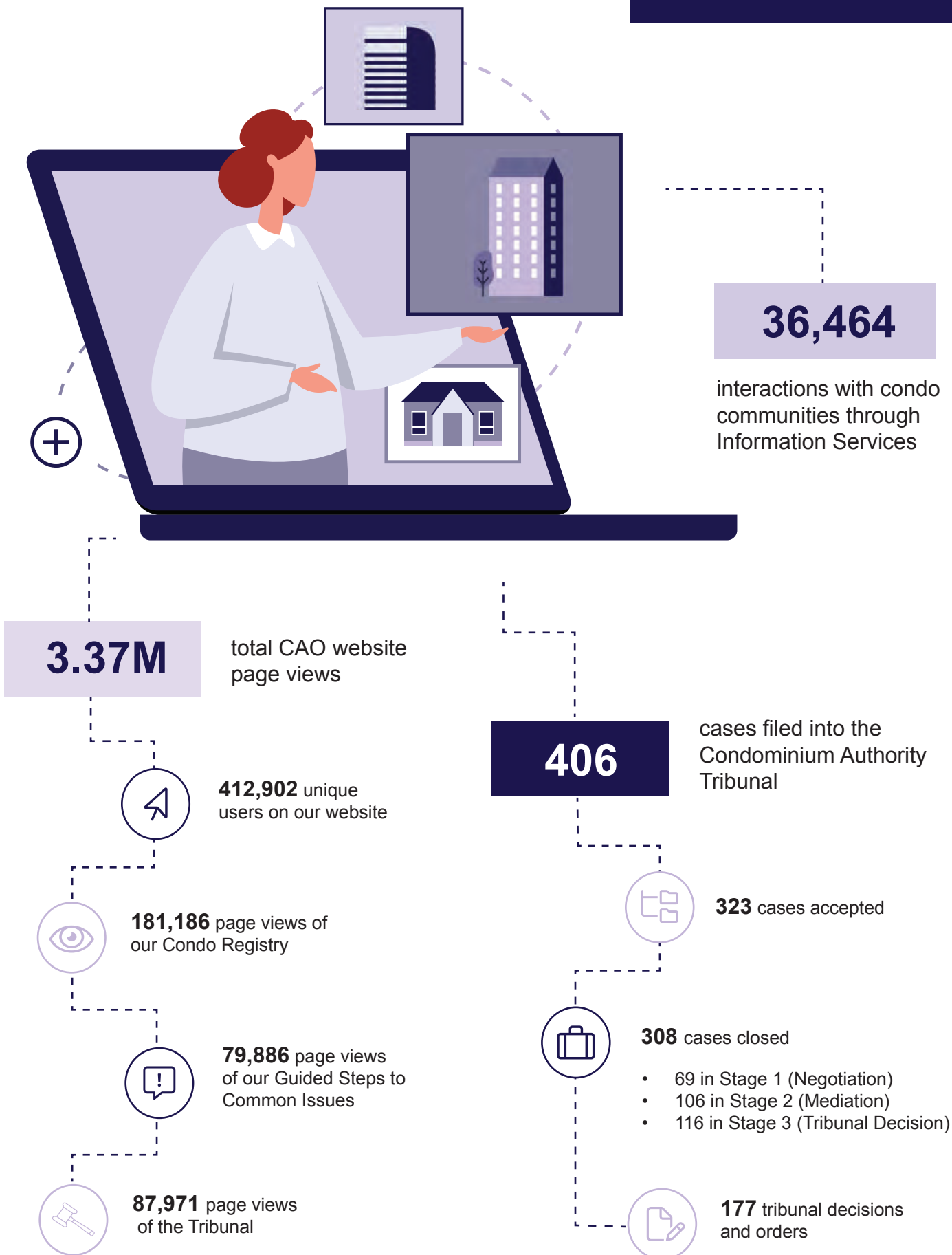
CAO by the Numbers	4
Message from the Chair	6
Message from the CEO & Registrar	7
A Growing Sector	8
How CAO Helps	9
Strategic Overview	10
Corporate Governance	11
Corporate Structure	15
Commitment to Accessible Service	18
French Language Services	18
Complaints	20
Outreach & Community Engagement	22
Information & Services	27
Condominium Authority Tribunal	38
Message from the Condominium Authority Tribunal Chair	41
Risk Management	42
Financial Report	44
Audited Financial Statements	48

CAO BY THE NUMBERS

As of April 1, 2022 - March 31, 2023



*These categories were established based on relative size to the average number of units (95) among condo corporations.



MESSAGE FROM THE CHAIR



Heather Zordel

Chair of the CAO Board of Directors

The board of directors is delighted to present the Condominium Authority of Ontario's annual report highlighting our achievements for the fiscal year of April 1, 2022 to March 31, 2023.

We proudly celebrated the organization's fifth anniversary! Since 2017, CAO has remained steadfastly committed to promoting consumer protection and supporting a strong and vibrant condo sector.

We commemorated this important milestone last year at our Sept. 22 annual meeting where the Honourable Kaleed Rasheed, Minister of Public and Business Service Delivery, delivered remarks about the Condo Authority's important role as an authoritative source on condo living. We had the pleasure of hearing from many condo communities and happily answered questions about CAO and its mandate. We welcomed Richard E. Austin as a newly elected board director and expressed our sincere gratitude to outgoing board director Larry Banack for his dedication and service to the Condo Authority.

Outreach and awareness of CAO's mandate continued to be a board priority as we looked to reach more condo buyers, owners and renters across the province. We launched a new quarterly owners' newsletter and webinar series geared toward educating and informing condo owners about their roles and responsibilities. We encourage all condo dwellers to visit our website and subscribe to "Stay in the know with CAO" and get the latest news and resources.

Last, but certainly not least, I would like to thank all CAO staff, who were instrumental in helping to achieve our Strategic & Business Plan targets for the year. Together, we will continue to improve and enhance our services to meet the needs of Ontario's diverse condo communities.

MESSAGE FROM THE CEO & REGISTRAR

Robin Dafoe

CEO & Registrar of CAO

This past year, CAO celebrated significant accomplishments in support of the board's strategic and business plan goals to enhance our mandated services and support condo living across the province.



We successfully implemented 100 per cent of the Auditor General's recommendations to CAO in the [2020 Value-for-Money Audit: Condominium Oversight in Ontario](#). This accomplishment was acknowledged in the [auditor general's annual follow-up report](#). This outstanding achievement resulted from the hard work of our team as we continue to provide fully digital information, education and dispute resolution services to Ontario's condo communities. You can read more about how we responded to these recommendations on [our website](#).

Notable among those achievements was the public launch of CAO's Advanced Director Training modules and guides, which included best practices in condo board governance. The team also worked hard to enhance condo returns data collection, new search functionality of our Condo Registry (previously referred to as the Public Registry), developed a new architecture for the next version of the online tribunal, and an automated notification system.

The Condo Authority is committed to enhancing the continuous delivery of its services to better serve the needs of condo communities and respond to emerging needs of the sector. One of the ways we do this is through advisory processes where we engage with condo community members and get user feedback on our services and materials. This year we engaged with advisory panels on several projects that are underway, including our new website, Owners' Guide, and reserve fund survey. I would like to thank everyone who participated in our advisory panels, user and usability testing and surveys for your valuable input.

Our achievements could not have been possible without our staff's strong commitment to excellence, and the strategic guidance and service of our board of directors. I remain grateful for the support and dedication of this strong team.

By building strong working relationships and partnerships, combined with the ongoing support of the Ministry of Public & Business Service Delivery, we will continue to increase awareness and enhance support for condo communities across Ontario.

A GROWING SECTOR

Ontario's condominium sector has grown dramatically since the Condominium Act came into force in 1998 and condo living has become increasingly popular. Today, an estimated 1.7 million people in Ontario live in condos and 57 per cent of new homes are condos.



1.7 Million

people living in a condo

Growth from CAO's first full year of operations in 2018/2019 to 2022/2023



10.5%

Condo corporations



12.8%

Residential units



10.6%

Commercial units



7.4%

Industrial units



19%

Parking and
storage units

HOW CAO HELPS

The CAO has a mandate to support consumer protection through delivery of information, education and dispute resolution for condo communities. Since 2017, we have developed bilingual, accessible and cost-effective digital services, including:

- Easy-to-use information on our website thecao.ca
- Resources, tools and guided steps to [resolve common issues](#) early and collaboratively
- Dispute resolution through the [Condo Authority Tribunal](#) – Canada’s first fully online tribunal
- [Condo returns](#) and [notice of change](#) systems to help condo corporations fulfill their legal duties to file and remain transparent
- A public searchable [Condo Registry](#) containing information on every condo corporation in Ontario
- [Mandatory education](#) and training for condominium directors to help them understand their oversight and legal obligations
- A mandatory condominium [buyers’ guide](#) to help Ontario’s residential condo buyers navigate the process of purchasing and owning their new condos
- 19 [condo forms](#) that are to be used by owners and condo corporations under the Condo Act

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



STRATEGIC OVERVIEW

Mission

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

Vision

A strong and vibrant condominium sector in Ontario.

Values

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



The CAO Board of Directors identified the following objectives to guide the organization from 2021 to 2024:

Core Strategic Objectives:

- 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 Strategic Objectives:

- Client Service Excellence
- Operational Excellence

A photograph of three people in a meeting. A man with a beard and a red sweater is in the center, looking towards the right. A woman with dark hair in a bun is on the right, looking towards the man. A woman with dark hair in a polka-dot top is on the left, looking towards the man. They are in a room with large windows in the background. A dark blue geometric shape is overlaid on the bottom right of the image.

Corporate Governance

The Condo Authority is governed by an independent board of directors, composed of four elected directors and three directors who are appointed by the Minister of Public and Business Service Delivery. The board is accountable to the minister through the chair for the performance of the organization.

Skills-based Board

The board provides strategic direction and oversight to the organization and ensures that CAO meets its obligations under the [Condo Act](#), [CAO by-law](#) and the [administrative agreement](#). This year the administrative agreement was updated and is available on [our website](#).

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

The CAO's Nominating Committee fills board vacancies by evaluating and recommending candidates based on established competency criteria set out in the administrative agreement. Candidates are recommended by the board and are elected by the members of the corporation at the publicly held annual meeting in the fall. Special consideration is given to identifying and filling any skills gaps on the board.

The Ontario government's [Public Appointments Secretariat](#) facilitates filling any vacancies in government appointments.



Code of Conduct

As part of the administrative agreement with the ministry, the board adopts a [code of conduct](#) that sets guidelines for avoiding and disclosing conflicts of interest. All elected and appointed directors are required to sign and abide by this code.

Board Committees

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

- Audit & Risk Committee
 - Technology Sub-Committee
- Governance & Human Resources Committee
- Outreach & Education Committee
- Nominating Committee

BOARD OF DIRECTORS



Heather Zordel, Chair

Ministerial Appointment: 3-year term to Sept. 2024 (including 2 years as Chair to Sept. 2023)

Allison Scanlan is a long-term condominium owner and a highly experienced management professional with over 30 years of Fortune-100 corporate experience in global purchasing and supply chain strategy. As Vice Chair of CAO's board, she lends her leadership as the Chair of the Outreach and Education Committee, and as a member of the Audit and Risk Committee, and the Technology sub-committee. Her service extends to the board of Shangri-La Toronto's condominium corporation, where she holds the positions of Director and Corporate Secretary. Allison completed her post-graduate studies in International Business, and her undergraduate studies in Management Science and Economics.



Allison Scanlan, Vice-Chair

Elected Director: 3-year term to Sept. 2025



Margaret Samuel, Secretary

Ministerial Appointment: 3-year term to Nov. 2025

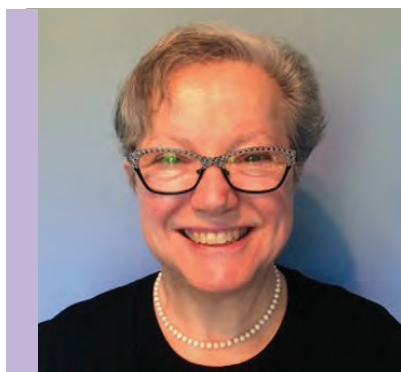
Margaret Samuel is a condo owner since 1998 and the President, CEO and Portfolio Manager of Enriched Investing Incorporated in Toronto. She has worked as a corporate executive with more than 32 years' experience in financial and legal professions. Her career includes positions with the Royal Bank Group of Companies and Ontario Teachers' Pension Plan Board. Margaret is a lawyer, holds an MBA and is a Chartered Financial Analyst. She is a member of the Law Society of Ontario, the Toronto CFA Society and the Royal Canadian Yacht Club.

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



Erik Levinson, Treasurer

Elected Director: 3-year term to Sept. 2023

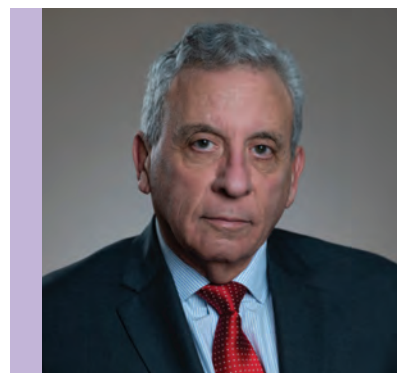


Vincenza Galatone, Director

Elected Director: 3-year term to Sept. 2024

Vincenza Galatone, a condominium owner since 2007, has experience with three different condominium corporations (including self-managed) and recently began her third, three-year term as President of the Board of her condo corporation. Fully bilingual, Vincenza has nearly 35 years of experience in public service (policy, regulations and program delivery) including as Director General of Real Property, Environment and Security for Natural Resources Canada. Vincenza has a PhD (engineering) and a Masters in Public Administration. She served previously on the Board of the Chemical Institute of Canada and has chaired Tarion's Consumer Advisory Council for the last four years.

Richard E. Austin was admitted to the Ontario Bar in 1983 after receiving a law degree from the University of Windsor. He holds a B.A. (Honours) majoring in Economics from the University of Toronto, an MBA majoring in Finance from York University, and the ICD. D designation from the Institute of Corporate Directors. He is a former board member of the Investment Funds Institute of Canada and the Association of Canadian Compliance Professionals. Richard sits on tribunals of the Canadian Investment Regulatory Organization, Licence Appeal Tribunal and Electrical Safety Authority.



Richard E. Austin, Director

Elected Director: 3-year term to Sept. 2025

A photograph of a modern office interior with a large dark blue overlay. The office features long, horizontal, illuminated light fixtures hanging from the ceiling. In the background, there are glass partitions and a person working at a desk. In the foreground, a computer monitor displays a file explorer window. The text "Corporate Structure" is written in white on the blue overlay.

Corporate Structure

Leadership Team

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



Robin Dafoe
CEO & Registrar



Paul Duffy
Director, Data & Policy



Emilee Escobar
Director, Governance & Communications



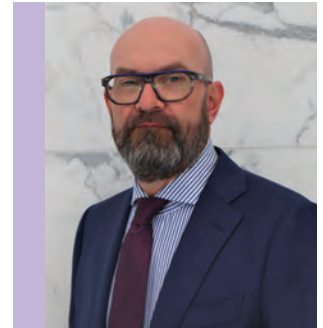
Keegan Ferreira
Director, Tribunal Operations & Vice-Chair, Condominium Authority Tribunal*



Doha Heikal
Director, Information Technology



Rana Khurram Manzoor
Chief Financial & Operations Officer**



Tim Lund-Pedersen
Deputy Registrar & Director Information Services

The Condo Authority achieves efficiencies by sharing finance staff and costs with the [Condominium Management Regulatory Authority of Ontario](#). The CAO and CMRAO have distinct but complementary consumer protection mandates to support the condo sector and have a [memorandum of understanding](#) that was updated this year.

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

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

Our Staff

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

The Condo Authority strives to find ways to give back through our employee-led initiatives. This year, staff contributed to Canada Helps fundraisers for those affected by the floods in Pakistan, the earthquake in Turkey and Syria, as well as for those displaced in Ukraine. Staff also participated in blood donations to the Canadian Blood Services and held a toy drive for Toy Mountain during the holidays.

The Condo Authority issues an annual staff engagement survey to gauge how well we are living by our team values and culture. We are proud to have received 83 per cent overall employee satisfaction this year.



A photograph of a man and a woman in an office setting. The man, on the left, is a Black man with a beard, wearing a black t-shirt, looking towards the woman. The woman, on the right, is a white woman with short brown hair and red-rimmed glasses, wearing a light-colored striped shirt, smiling and gesturing with her hands. They are sitting at a table with two coffee cups and some papers. A large dark blue triangle is overlaid on the bottom right of the image, containing the text.

Commitment to Accessible Services

The Condo Authority is committed to providing services that are accessible to all Ontarians. The CAO's [Accommodations Policy](#) sets out the process for how we provide accommodations related to a disability or other barrier to access in accordance with the [Accessibility for Ontarians with Disabilities Act](#) and the [Ontario Human Rights Code](#).

This year, the Condo Authority provided alternate formats for our Director Training to 31 requestors. Tribunal Operations staff also responded to two accommodation requests and worked with the party to implement an accommodation plan that ensured their effective participation in the case.

All CAO staff complete mandatory customer service training on how to best provide services for people with disabilities as part of their onboarding. Our website is compatible with screen readers, individuals can contact us by phone through a relay operator using their teletypewriter and we engage with our online users who rely on assistive technology to strengthen the accessibility features of our digital services.

FRENCH LANGUAGE SERVICES

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


In 2022 to 2023, CAO received:

- 25 emails and 173 phone calls in French
- 30 French director training survey responses
- 15 annual returns and 12 notices of change filed in French
- 2 Tribunal cases were conducted as bilingual proceedings



A photograph of a person's hand holding a pen and writing in a notebook. The person is wearing a dark jacket. In the background, there is a laptop and a smartphone on a desk. A large, dark blue, semi-transparent geometric shape is overlaid on the left side of the image, containing the word "Complaints" in white text.

Complaints



This year, CAO updated its [Complaints Policy](#) to maintain a fair, reasonable and accessible process to review and respond to public complaints. The policy clarifies the two-stage process to respond to complaints about Condo Authority services or staff and Tribunal Member conduct.


In stage 1, the Complaints Officer reviews the complaint to determine whether it meets the criteria for a complaint under the policy and if it does not, the complainant is informed and provided a rationale.

In stage 2, the Deputy Registrar responds to a complaint about Condo Authority staff or services and the CAT Chair responds to a complaint about a tribunal member by reviewing the details of the complaint and contacting the appropriate CAO individuals, requesting additional information from the complainant as needed, and preparing a written response.

The CAO maintains records of all complaints and reviews details of all complaints as part of the organization's commitment to client service excellence. In 2022-2023, the Condo Authority addressed and resolved five complaints under the policy.

A photograph of a group of people at a community gathering. In the foreground, a woman with short dark hair and glasses is seated, looking towards the right. Next to her, an older man with grey hair and glasses is leaning forward, looking down at something in his hands. In the background, several other people are standing and talking. A woman in a white long-sleeved shirt and jeans is standing near a doorway. Another woman in a black dress is standing to the left. The setting appears to be indoors, possibly a home or a community center, with warm lighting. A dark blue triangular overlay covers the bottom right portion of the image, containing the text.

Outreach & Community Engagement

A photograph of a group of people dancing at an outdoor event. In the foreground, a man with a beard and glasses in a grey blazer is dancing with a woman in a white cardigan and orange polka-dot pants. They are holding hands and smiling. In the background, other people are dancing under a white tent. There are colorful bunting flags and balloons hanging from the tent. The scene is set on a grassy area with trees in the background.

“With this new knowledge, those who sit as the Board of Directors will be able to best serve the owners as a cohesive, inclusive team. Thank you for the detailed webinar and Q&A.”

The Condo Authority continues to increase awareness of its services and position itself as an authoritative source for information on condo living. This year we made great strides as we expanded outreach to condo communities across Ontario. Our annual IPSOS survey that measures awareness of CAO held steady as we revamped the design and build of a new website that will launch next year. We had 3.37 million page views to our website and over 412,000 unique users this year and will look to build on this in the year ahead.

To enhance our outreach, we launched CAO’s quarterly owners’ newsletter series – [Summer](#), [Fall](#), [Winter](#), [Spring](#) – with the latest news and resources available in both official languages. We also hosted webinars that were open to the public on key topics, including [a webinar](#) to launch of CAO’s Advanced Director Training online modules and materials.

Our recently launched subscription service “[Stay in the Know with CAO](#)” provides key metrics to measure our outreach efforts and to connect with users directly. Adding 4,557 new subscribers, the number of direct contacts with condo directors, owners and others increased by 16 per cent this year from 69,181 to 80,116. On our social media platforms, we have almost 4,500 followers across all channels, adding about 150 new followers every month.

Events

We welcomed the return to in-person events this year and the opportunity to connect with condo communities. We participated in ten external events with our staffed CAO booth, including the National Home Show, the Condo Conference, Real Estate Management Industry conference and the Rural Ontario Municipalities Association conference. We also partnered with [Tarion](#) for several online events to answer questions from new condo buyers and contributed a feature article in the [Real Estate Council of Ontario's](#) quarterly newsletter.





Advisory Process & Responding to User Feedback

The CAO's [Advisory Process](#) was enhanced this year to include several feedback mechanisms including data capture about different types of users so feedback can be consolidated and analyzed across all surveys.

This year, we held advisory panels on new offerings, including:

- Owners' Guide on condo living 101
- Best practices Guide for Self-managed Condos
- Reserve fund survey for the sector

We also conducted extensive user testing on the public and gated services sections of the new website to ensure it was responsive to the needs of our users.

The CAO wishes to thank everyone who participated in our advisory processes this year! We would like to extend appreciation to the GTA Directors Group, as well as all advisory panel, focus group, user testing and survey respondents who gave us excellent advice on how we can continue improving our services and outreach activities. Below is a list of participants who agreed to be published publicly.

➤ Owners' Guide

- Minoo Azad
- Debora Bloom Hall
- Robert Buckler
- Barry Burniston
- Judith Cardwell

- Gisela de Castro Belgrave
- Suzanne Daigle
- Chris Jaglowitz
- Murray Johnson
- James O'Hara
- Ken Runge
- Shalon Seebach

> Self-Managed Guide

- Heather Barber
- Cathryn Evans
- Shari Guinta
- Tracey Gunn
- Myrian Hamel
- Sally Harris
- Scott Hundey
- Heather Joy Ross
- Bruce Kendall
- Dr. Karen Pappin
- Bob Zarichansky

> User Testing for CAO's Services that require an account

- Diana Lawrie
- Pat O'Brien
- Ed Sponchia
- Margaret Swaine
- Leanne Wallace
- Lisa Wilson

> Gated Services Website

- Christine Agostinho
- Babak Ardalan
- Leza Blair
- Sylvia Bukovscak
- Diana Lawrie
- Pat O'Brien
- Oscar Packeer
- Douglas Simpson
- Ed Sponchia
- Margaret Swaine
- Leanne Wallace
- Lisa Wilson

> Reserve Fund Survey

- Christine Agostinho
- Leza Blair
- Suzanne Cohen
- Charles Goldman
- Robert Fontaine
- David Flewelling
- Ryan Griffiths
- Jerry Huiskamp
- Colan Inglis
- Wayne Johnson
- Jon Juffs
- Greg Kanargelidis
- Laura Kennedy
- Leslie Knighton
- Gudrun Lundie
- Alicia McCluskey
- Kelly Ann McDuff
- Lyndsey McNally
- Darlene McTavish
- Karen Lucille Mergler
- Josh Milgrom
- Terry Nicholls
- James O'Hara
- Jim O'Neill
- Casey Pieterston
- Dolores Radcliffe
- Ron Royal
- Andrew Sancton
- Timothy Tempest
- Sally Thompson
- John Wordley
- Lisa Wilson

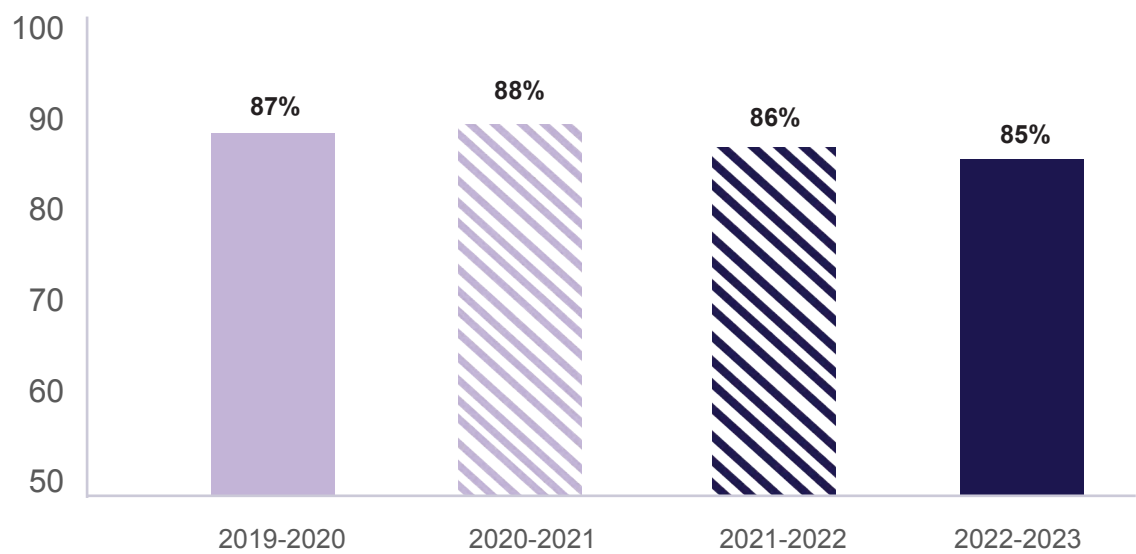
An aerial photograph of a modern building featuring a green roof with various plants and trees. A large, dark blue geometric shape, resembling a stylized 'A' or a folded piece of paper, is overlaid on the lower half of the image. The text 'Information & Services' is written in white on this blue shape. The building's facade is visible on the right, showing multiple levels with balconies and a glass railing. A paved walkway with some people is visible at the bottom right.

Information & Services



The Condo Authority educates and supports condo communities by providing a variety of information and services, including client services, returns, public registry, helpful guides, and director education.

Clients consistently agree or strongly agree that CAO’s information and services add value to the condo community



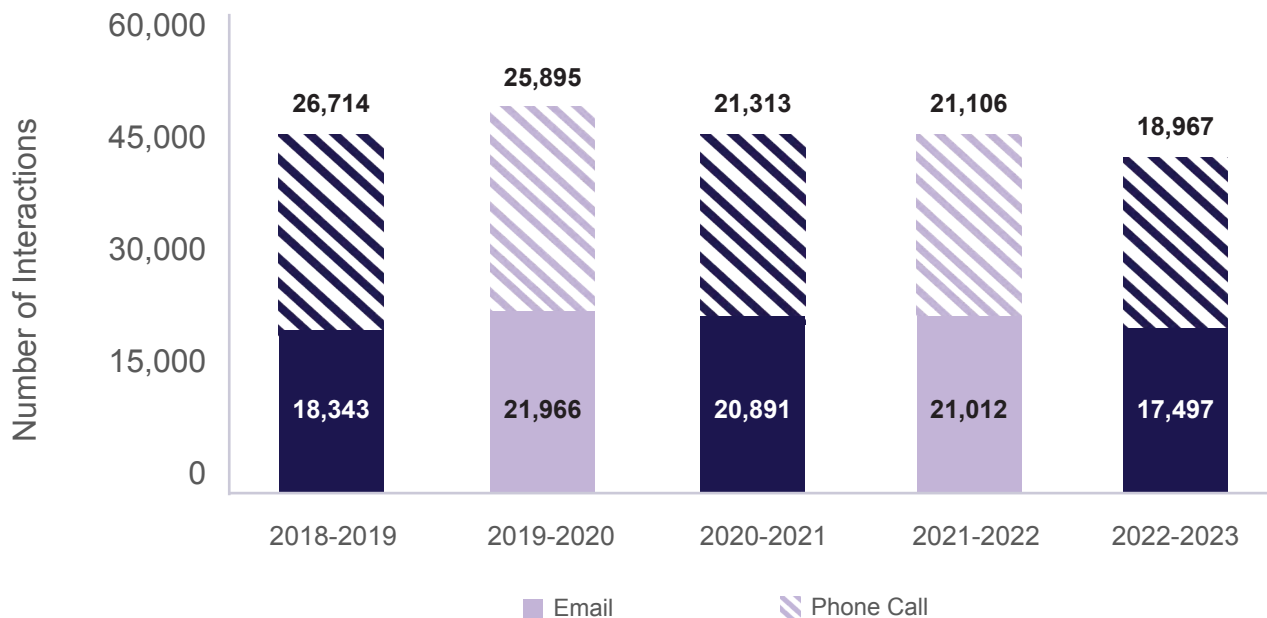
“I find the CAO a great help especially when I deal with owner challenges and governance issues. The creation of the CAO has been a terrific idea and a success.”

"You are a great resource for all condominium owners and provide great feedback."

Client Services

Our skilled team continues to provide support to the condo sector by responding to questions and providing guidance on navigating difficult issues within the complex legal framework governing condo living. In 2022-2023 the team responded to more than 36,000 inquiries via phone and email and received a client satisfaction rating of over 65 percent.

Interactions with Clients



36,464 interactions with condo communities in 2022-2023



“The response I received to my query was comprehensive, not immersed with legal jargon and on the whole was not too difficult for the lay person to understand.”

Returns & Condo Registry

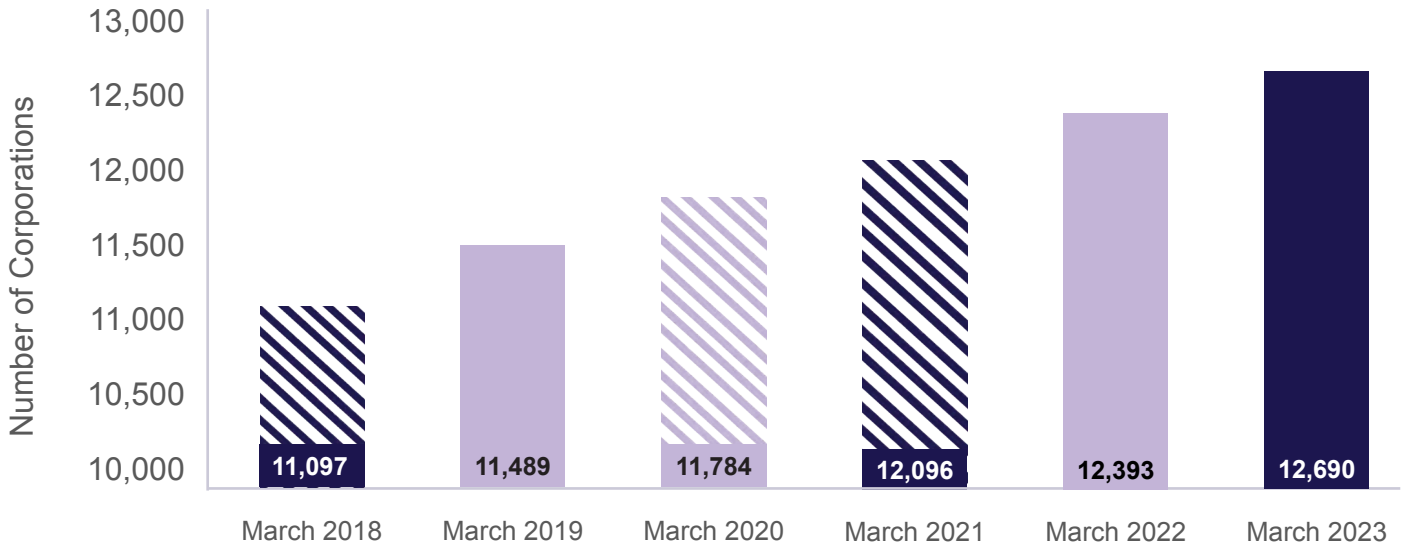
All condo corporations are legally required to file a [condo return](#) with CAO. The return includes specific information about the condo corporation, such as the date it was registered, its address for service, information about the board of directors and any condo management service providers.

This year almost 97 per cent of condo corporations filed current annual returns. The CAO has established a dedicated compliance team to enhance notification and outreach efforts to ensure all corporations file their returns and any notice of change.

Condo corporations must also file a [notice of change](#) within 30 days when information filed in a return needs to be updated. In the year ending March 31, 2023, 17,002 notices of change were filed.

The new automated notification system promotes consumer protection by improving the accuracy of data filed and published on the [Condo Registry](#). This system reminds condo corporations about their filing obligations and advises them of steps to become compliant. Registrar's certificates are published on the Condo Registry in the event of continued non-compliance with filing requirements.

Corporations in CAO's Database



2022-2023:

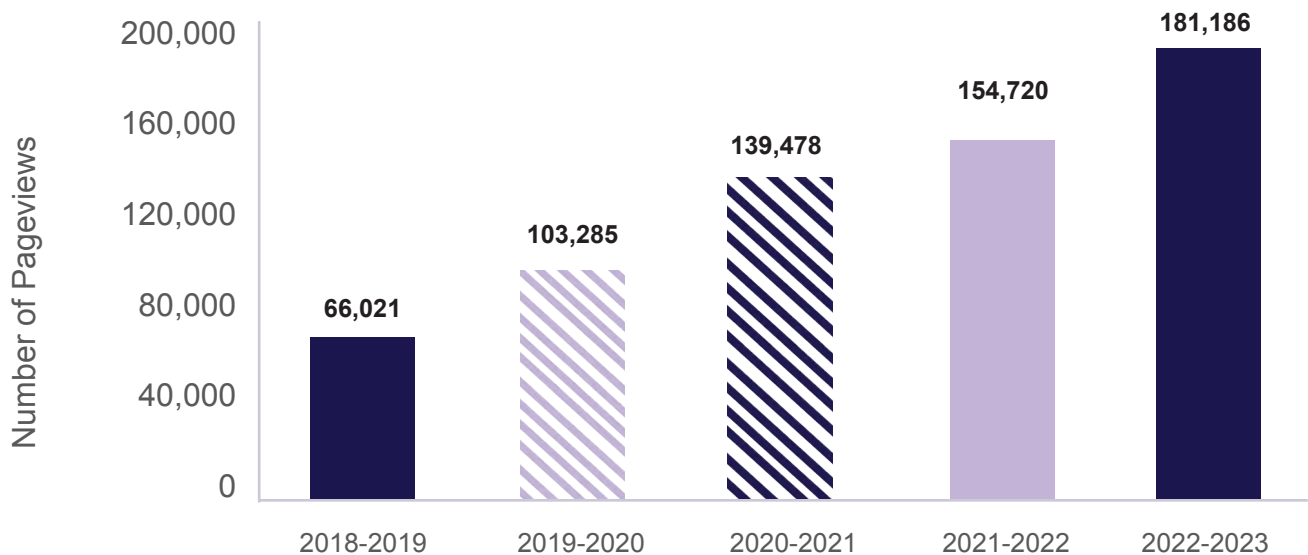
96.8% of condo corporations filed their returns

92.9% of newly created condo corporations filed their initial returns

*Above numbers are as of March 31, 2023. Any variances from one or more prior years' annual report numbers due to termination/amalgamation of corporations.

The Condo Authority publishes key information collected through returns and notices of change on its Condo Registry to support transparency and protect consumers. The Condo Registry is the most visited webpage on our website and is an essential source of information for condo residents, buyers and the public.

Condo Registry Pageviews by Fiscal Year



Guides and Support

The Condo Authority's online suite of information and digital resources helps condo owners, directors, renters, buyers and others understand the ins and outs of condo living and provides guidance on timely issues that affect the sector. This year, as part of our new website design, CAO revised all the content to slim it down and make it easier to read and more helpful to our users in their condo living journey.

We created a condo living [explainer video](#) to help condo communities understand how CAO supports condo communities.

At the beginning of this year, we also published our sixth and final [best practices guide on condominium governance](#) as part of the Advanced Director Training program.

In response to user feedback, we also introduced the [Condo Owners' Guide](#), a new best practices resource which covers topics like condo living, finance, dispute resolution and annual general meetings.

Another new best practice guide for self-managed condos is also in development for the year ahead in response to requests for greater support for the unique features of these communities. Approximately 18 per cent condominium corporations in Ontario are self-managed.



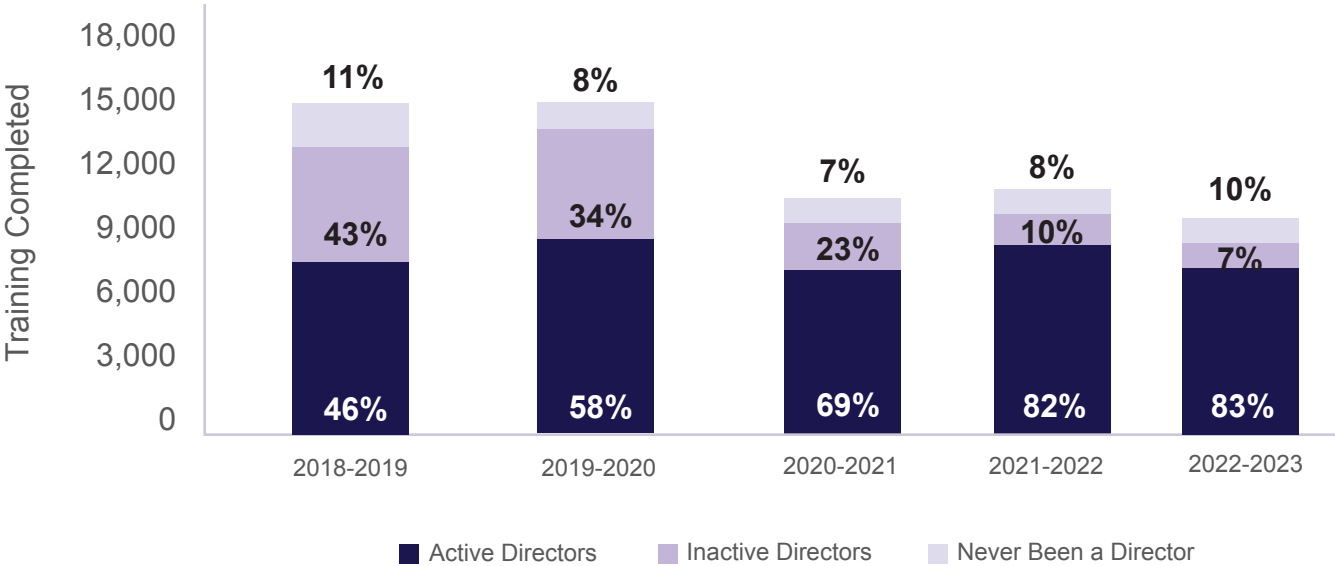


Foundational Director Training

As part of its information services, the Condo Authority provides mandatory director training as part of its information and service offering and is available at no charge to anyone who wishes to take it.

This six-part [Foundational Director Training](#) is mandatory for all condo directors and helps them understand their oversight and legal obligations.

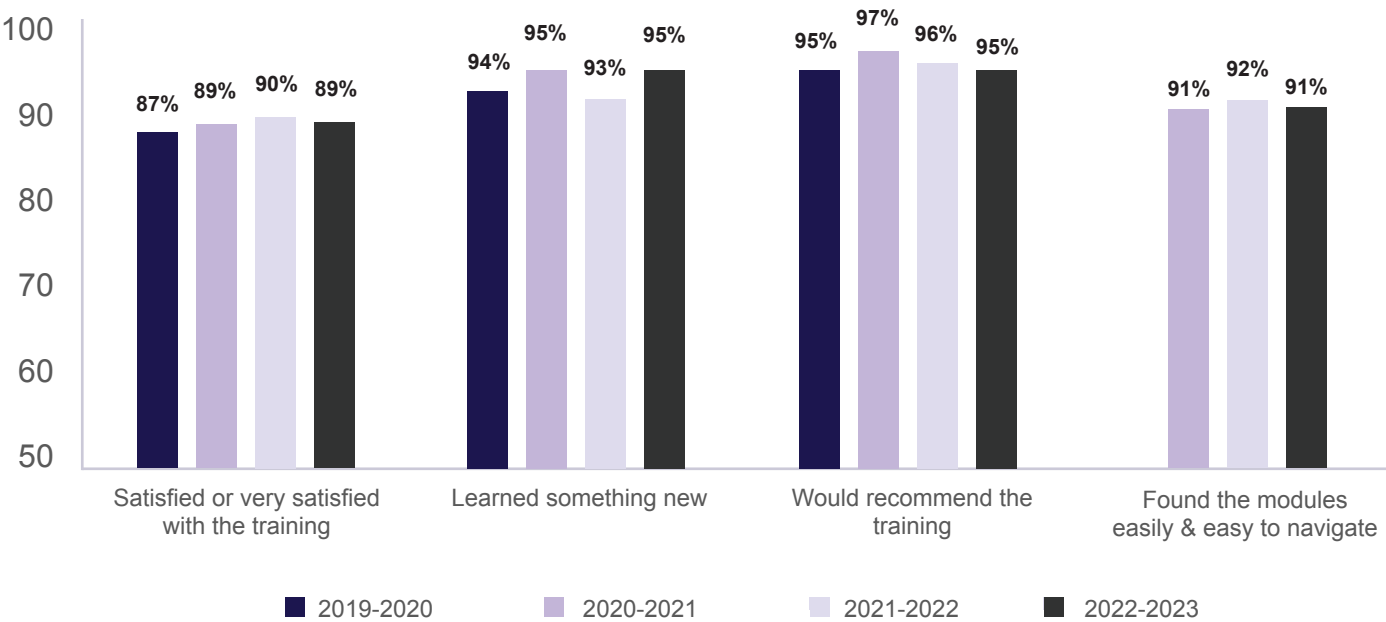
Foundational Director Training Completed by Role



61,725 directors and non-directors have taken CAO's foundational training to date.

Feedback from directors on the foundational training remains consistently positive with 89 per cent of directors satisfied with the training this year.

Director Training Feedback



Advanced Director Training

The Condo Authority formally launched its [Advanced Director Training](#) in the summer of 2022 in response to the sector’s feedback for more in-depth education. This advanced training includes modules and best practices guides on six key topics – emergency planning and preparedness, finance, issues management, overseeing condominium managers, procurement and condominium governance. The Advanced Director Training courses are currently optional and available upon completion of the foundational director training to anyone in both official languages at no cost.

The Advanced Director Training results have been positive:

- 19,027 pageviews
- 5,477 modules completed
- 94 per cent average satisfaction rate

In the year ahead, we will engage with the condo sector on our director training program as November 2024 marks an important milestone under the Condo Act where directors who first completed the training will be required to re-take mandatory director training.

“Thank you for the new advanced training for directors and the various guides being produced. Working my way through them slowly. Very helpful!!”

Issue and Dispute Resolution

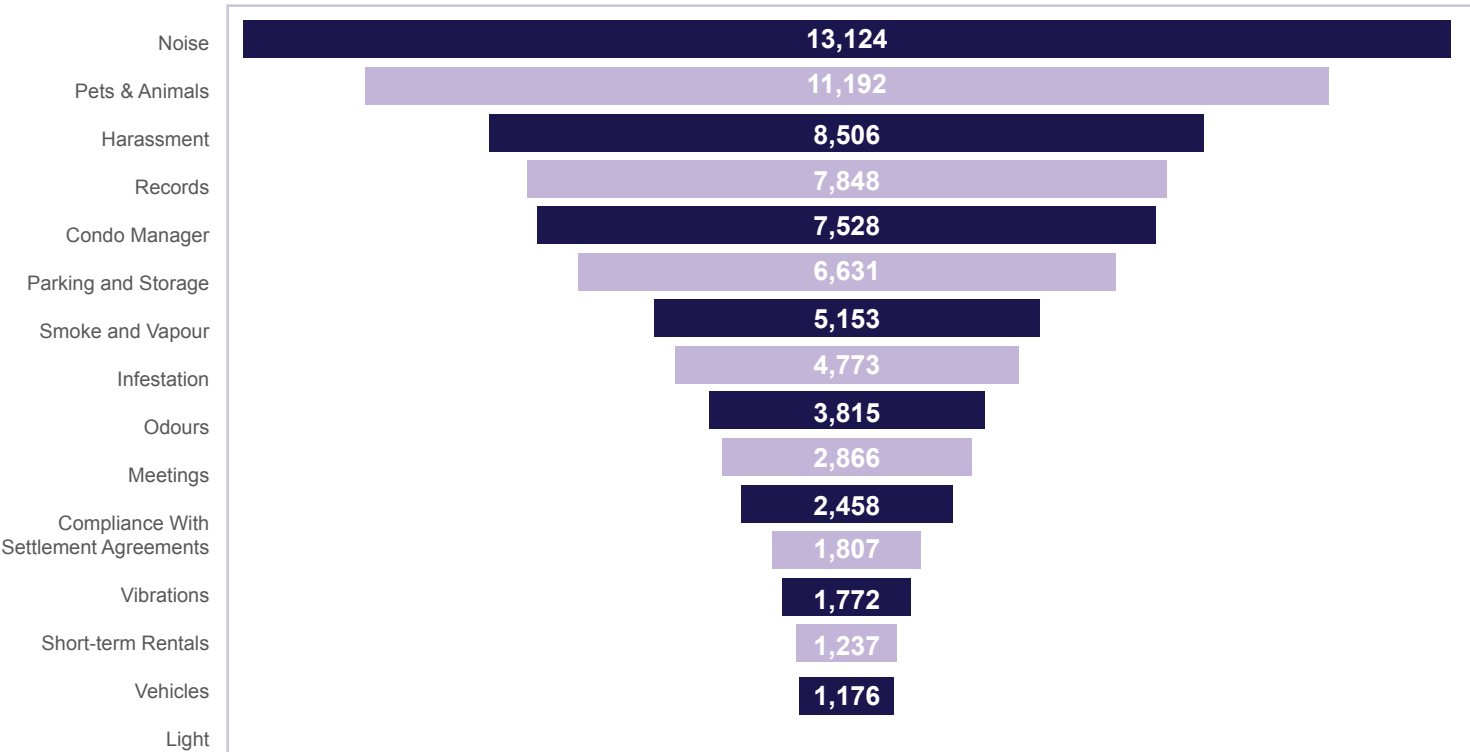
Disputes can sometimes arise between condo owners and boards in condo communities. The Condo Authority offers an integrated dispute resolution approach to empower condo communities to work together to resolve their disputes. The two components of this service include our [Guided Steps to Common Issues](#)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

Guided Steps to Common Issues

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

Since 2018, we have seen a steady increase in views to pets and animals issues, while the views for records have decreased. Harassment was introduced to the guided steps in January 2022 and has become one of the top viewed issues.

Views for Guided Steps to Common Issues

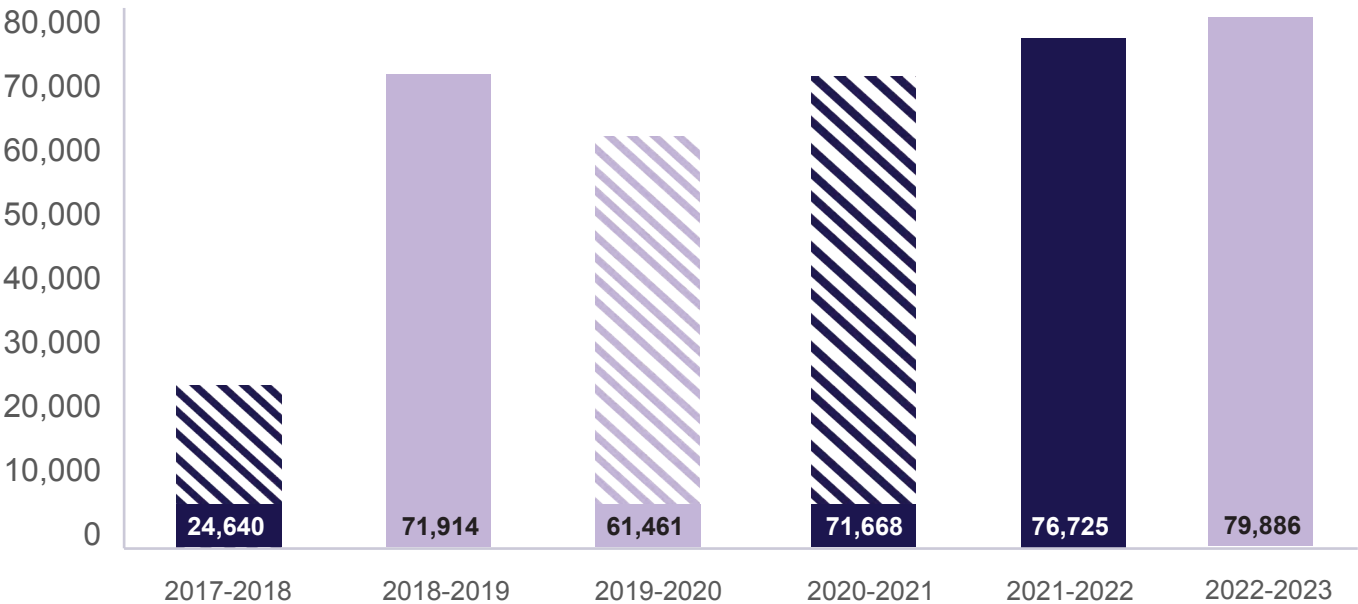


There are four guided steps to help owners understand the issue and help them resolve it early and collaboratively when possible.



This year we reviewed and updated the information in each step based on user feedback to better support condo communities and to align with our new website design. We also updated the associated letter templates which owners and condo boards can use to communicate and try to resolve their issues together. These updated letter templates have been tested and refined with users and will be launched as part of CAO’s updated website in the new year.

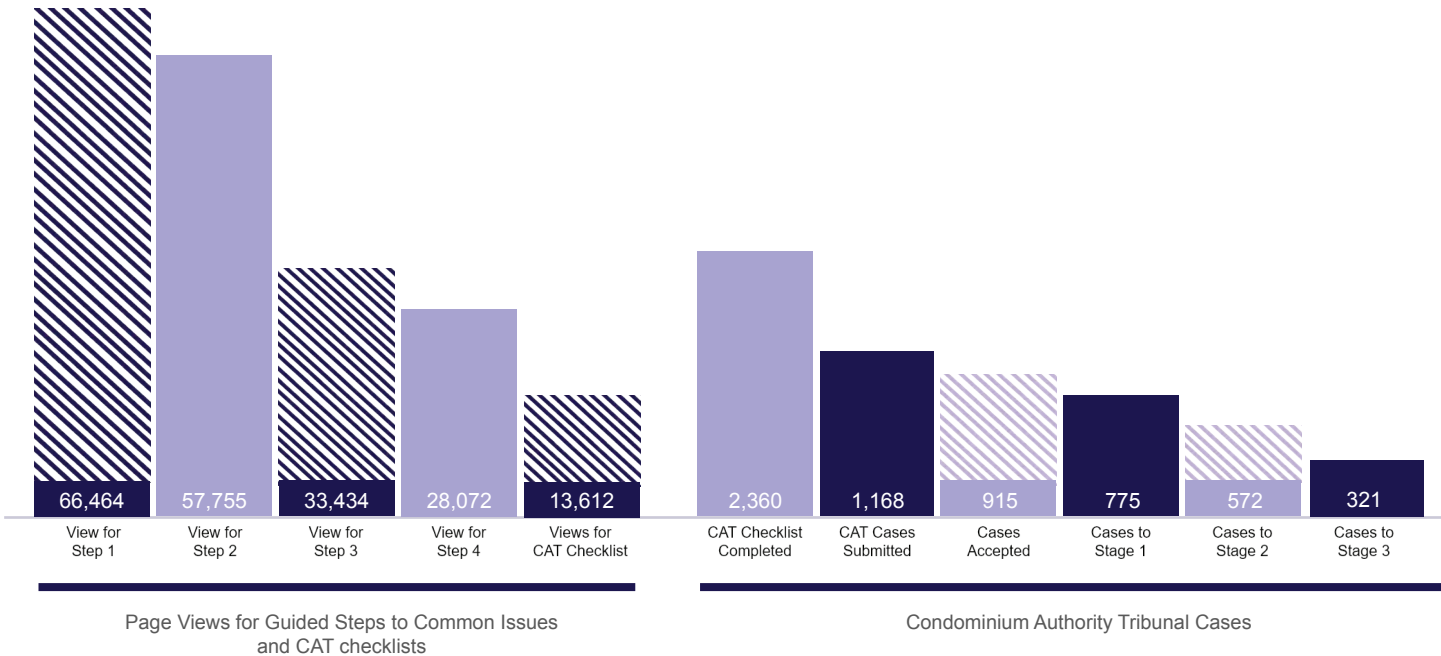
Guided Steps to Common Issues Views



Where issues cannot be resolved using the guided steps themselves, users can access the Condo Authority Tribunal.

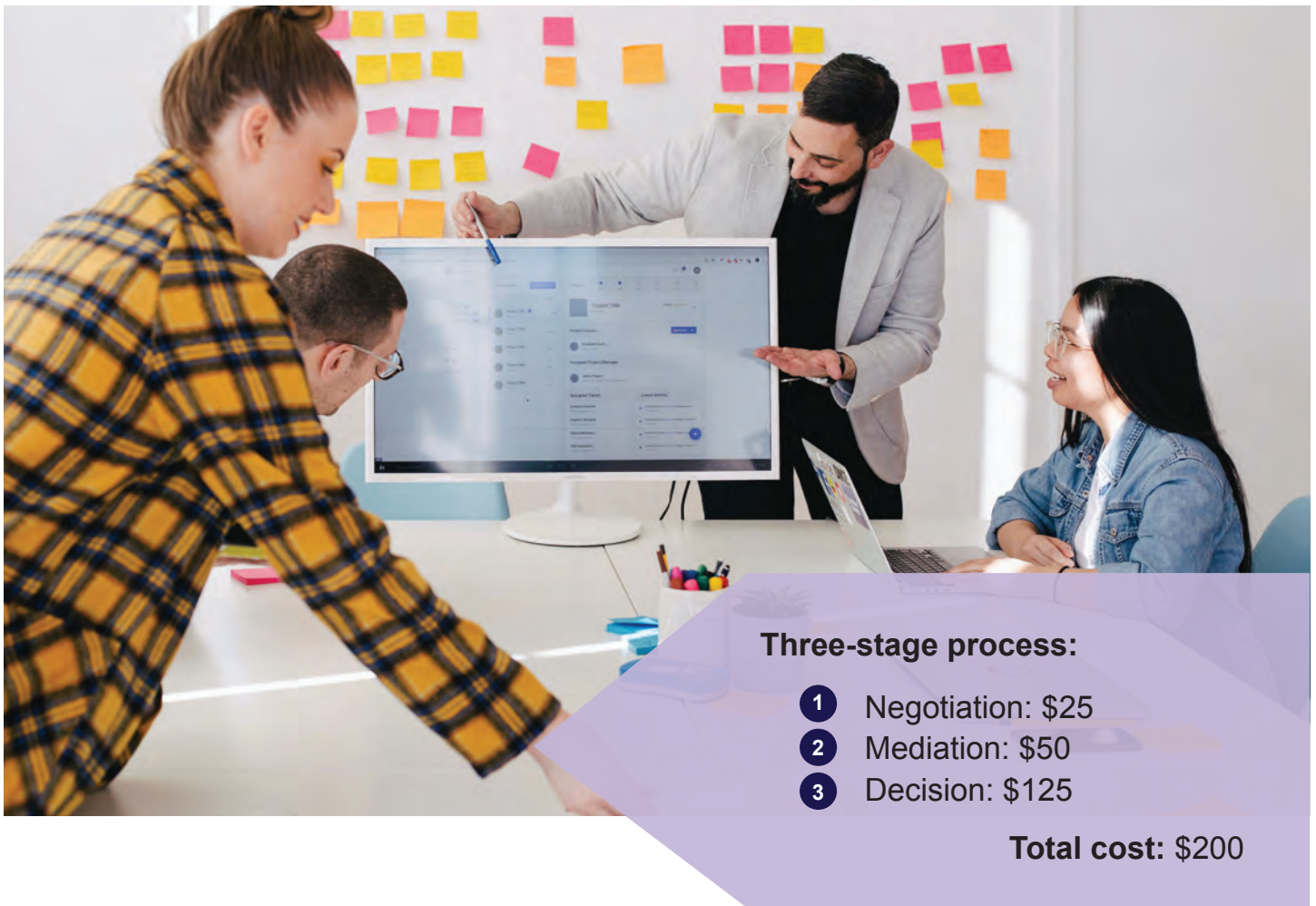
Page Views for CAO's Guided Steps to Common Issues and CAT Cases

From November 1, 2017 to March 31, 2023





Condominium Authority Tribunal



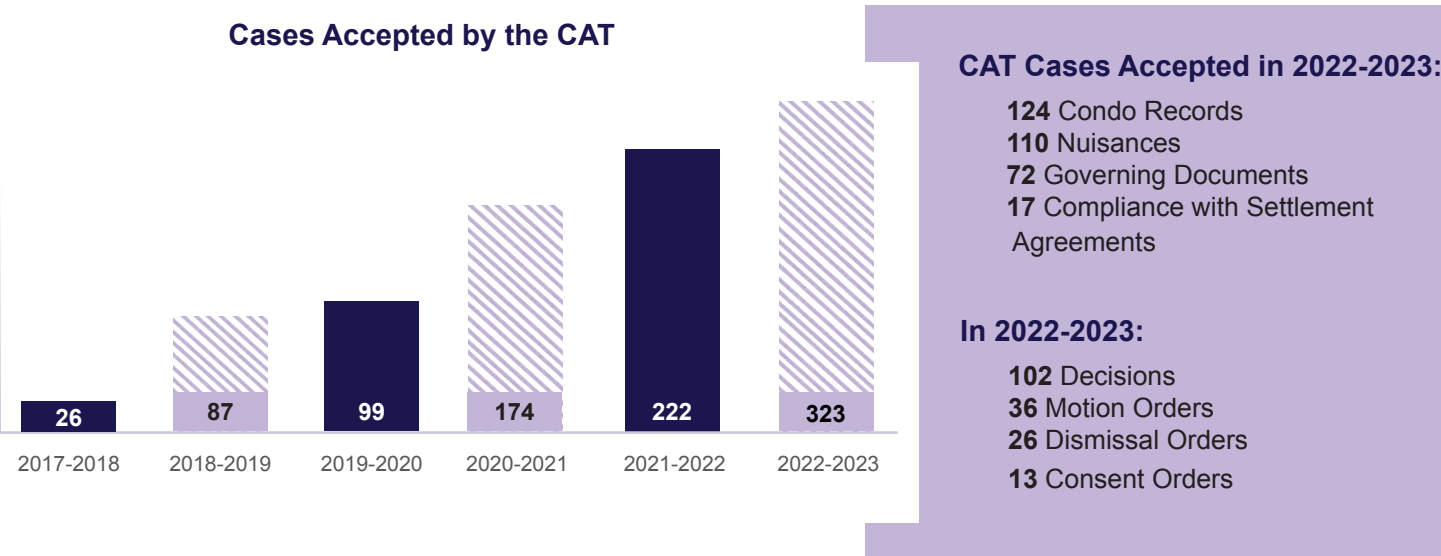
The [Condominium Authority Tribunal](#) is Canada's first fully online tribunal and is seen as a model for other tribunals interested in exploring the convenience and efficiency of online dispute resolution. The Tribunal uses an online system to help people resolve specified types of condo-related disputes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

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

The Tribunal operates with adjudicative independence within the Condo Authority. A [memorandum of understanding](#) governs the relationship and roles and responsibilities between CAO's Board, CEO and Tribunal Chair. The Tribunal Chair oversees three part-time vice-chairs and [a roster](#) of approximately 28 part-time members who mediate and adjudicate cases.

The Tribunal accepts applications about issues specified in government regulation, including condo records, pets and animals, storage, vehicles, parking, compliance with settlement agreements and, as of January 2022, nuisance disputes related to noise, odour, light, vibrations, smoke and vapour. This year, the CAT released its first decisions under its newly expanded jurisdiction. We also increased web traffic to the CAT's decisions and orders to help condo community members to understand the types of issues the CAT deals with, how the CAT ruled and any relevant considerations.

Since the Tribunal’s launch on November 1, 2017, its cases have steadily increased as its jurisdiction continues to expand.



This year, the Tribunal met its commitment to release 90 per cent of its decisions and orders within 30 days of the conclusion of the hearing or the receipt of the final submissions.

The Tribunal’s [decisions and orders](#) are publicly available on CAO’s website where users can browse through the CAT’s decisions and orders or search for decisions related to specific topics or key words. This allows users to learn about the types of cases the Tribunal hears and how they have been resolved. These decisions and orders provide guidance and clarity for Ontario’s condo communities on these issues.

“I am so impressed by the CAT process! It gives owners a medium to professionally deal with issues and get results. The mediator that was assigned to my case was fair, professional and responsive.”

MESSAGE FROM THE CONDOMINIUM AUTHORITY TRIBUNAL CHAIR

Ian Darling

Chair of the Condominium Authority Tribunal

In the five years since CAO launched the Condominium Authority Tribunal, it has developed and demonstrates deep expertise in resolving and deciding condominium disputes. The Condo Act directs the CAT to adopt “the most expeditious method” of deciding cases while being procedurally fair to parties “directly affected by the proceeding.” We ensure this by promoting access to justice and active adjudication.



We understand that access to justice is more than just easily filing cases, it means that parties can meaningfully participate in resolving their disputes from the point when they identify a possible dispute, all the way to a final decision. We encourage parties to avoid disputes by following CAO’s Guided Steps to Common Issues and if necessary, we provide an efficient and effective service to resolve disputes. The CAO website has pre-dispute information on the issues and solutions pages, and information and education relevant to condo communities. The CAT publishes its decisions, so parties and the condominium sector can learn and develop best practices. The CAT makes its decisions independent of the Condo Authority. Each CAT decision is based on the unique facts and arguments presented during the case and also serves as a useful resource to guide behaviour.

The CAT uses active adjudication to ensure that parties can participate fully in the hearing process, that the member understands the evidence and arguments, and that the hearing proceeds in a fair and expeditious way. The CAT member assigned to a case will consider what is required for each party to meaningfully participate in the Tribunal process so that their evidence and positions on each issue in the case can be fairly and efficiently heard.

The CAT is an innovative tribunal. The online dispute resolution platform gives CAT members the flexibility to determine the most effective best process to allow meaningful participation while maintaining efficiency. The CAT actively adjudicates cases to promote access to justice, and the fair and fast resolution of disputes. Active adjudication means that the CAT member is an engaged but impartial participant in the hearing process. Active adjudication can help to provide a fair hearing process for combinations of represented and self-represented parties.

We look forward to continuing to provide dispute resolution that fits the needs of condo communities as the Tribunal expands further in the future.



Risk Management



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

Cybersecurity remains a focus for the organization. As a Microsoft client, we rely on the rigorous and sophisticated security features of the Microsoft platform. We also implemented several measures to ensure the organization and its information are protected. This year, we further implemented identity and access management best practices. Regular monitoring, access reviews, and audits have strengthened security, reduced risks, and improved operational efficiencies. Staff take mandatory training every quarter and we have achieved our target again this year of 100 per cent completion.



Financial Report

Management Discussion & Analysis

The following management discussion and analysis provide supplementary information for condo communities and other readers of our financial statements for the fiscal year 2022-2023. This analysis should be read in conjunction with the audited financial statements for the year ending on March 31, 2023, that are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenues

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

Operating revenue was mainly comprised of assessment fees paid by condo owners and collected from condo corporations based on \$1 per voting unit per month. According to the Condo Act, the total assessment fee for each condo unit is to be added to common expenses as set out in the condominium's declaration, with the effect generally that the fee is allocated to condominium owners on a per-square-foot basis.

Based on a fee assessment of \$1 per voting unit per month, for the year ending on March 31, 2023, assessment fee revenues were \$11,721,608. This represents an increase of 37.25 per cent from the previous year's revenues of \$8,540,093. This increase can mostly be attributed to the elimination of a temporary fee reduction of 25 percent due to pandemic. The organization also received \$33,775 from Tribunal fees, which is an increase of 44.18 per cent from \$23,425 in 2021-2022. The increase in Tribunal fees is in line with the increased number of Tribunal cases that were filed with CAT because of the recent expansion of its jurisdiction.

The CAO also saw \$493,261 in interest income in 2022-2023, an almost six-fold increase compared to the \$84,323 increase we saw in 2021-2022. This higher income resulted from increased returns on CAO's investments in Guaranteed Investment Certificates and operational cash as a result of increased interest rates by the Bank of Canada.



Expenses

Total expenditures for fiscal year 2022-2023 are \$10,219,739 which is an increase of 8.96 per cent as compared to the previous fiscal year 2021-2022 in the amount of \$9,379,235. The increase is in line with the expansion of the Condo Authority's operations and scope of work.

The human resources expenditures for the fiscal year 2022-2023 is \$6,475,204, an increase of 9.57 per cent from the fiscal year 2021-2022 in the amount of \$5,909,480. This increase is in line with yearly growth and the necessary organizational structure and specialized expertise to deliver our digital services and support condo communities across the province.

The operational and general administrative expenses for the fiscal year 2022-2023 is \$3,135,764 which is an increase of 10.19 per cent compared to fiscal year 2021-2022 in the amount of \$2,845,707, which is in line with the growth of the organization as budgeted.


The accumulation of accrued interest of \$115,311 on the advances received from the Ministry of Public and Business Service Delivery under the loan agreement is in line with the agreed loan amortization schedule calculated at a fixed interest rate of 2.87 per cent.

Category	2022-2023	2021-2022
Human resources	\$6,475,204	\$5,909,480
Operational and general administrative costs	\$3,135,764	\$2,845,707
Interest on long-term debt	\$115,311	\$130,588
Amortization of intangible assets	\$493,460	\$493,460
Total Expenses	\$10,219,739	\$9,379,235

Net Assets

As of March 31, 2023, the Condo Authority had \$8,195,245 in Net Assets which is an increase due to excess of revenue over expense of \$2,161,655 from the balance as on March 31, 2022, of \$6,033,590.

The excess of revenue over expenditures for this fiscal year is mainly due to significantly higher than budgeted interest income of \$493,261, underspending in comparison to budgeted expenditures of human resource, enterprise technology and condominium authority tribunal and members, due to delay in certain project timelines and delay in expansion of CAT's jurisdiction.



The Net Assets includes \$2,024,449 invested in capital assets i.e., investment in CAO's digital solutions. The excess revenue over expenditures in the amount of \$608,191 is invested for the development and enhancements of the digital tribunal and other digital services during the fiscal year 2022-2023. This Net Asset strategy is also in line with our commitment to continuously improve our digital services related to the Condo Registry, Director Training, condo returns, digitally enhanced condo forms, notices of change and online dispute resolution.

The Government of Ontario provided \$5.5 million to the Condo Authority to help with start-up expenditures. In 2019, CAO started repayment of this loan as per the agreed amortization schedule with the Ministry of Finance. The annual principal loan payment amount for 2022-2023 was \$543,763. The organization is at the level of \$3.6 million at the end of fiscal year 2022-2023.

In addition, \$300,000 was transferred from unrestricted net assets to restricted net assets during the year, taking it from the current level of \$3,700,000 to \$4,000,000. The organization has an established restricted net asset reserve fund, as approved by CAO's Board of Directors, which helps build and maintain an adequate level of funds to ensure the stability of the organization and the ongoing sustainability of its operations in the event of unforeseen contingencies.

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are illuminated from within, with many windows glowing with warm light. The sky is a pale, hazy blue. A large, dark blue, semi-transparent geometric shape, resembling a stylized 'A' or a large arrow pointing upwards, is overlaid on the lower half of the image, serving as a background for the text.

Audited Financial Statements

Independent Auditor's Report

To the Members of
Condominium Authority of Ontario

Opinion

We have audited the financial statements of Condominium Authority of Ontario, which comprise the statement of financial position as at March 31, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
June 23, 2023

Chartered Professional Accountants
Licensed Public Accountants

Condominium Authority of Ontario

Statement of Operations

Year ended March 31

2023

2022

Revenues

Assessment fees (Note 3)	\$ 11,721,608	\$ 8,540,093
Interest income	493,261	84,323
Other fees	132,750	80,110
Tribunal fees	33,775	23,425
	<u>12,381,394</u>	<u>8,727,951</u>

Expenditures

Human resources	6,475,204	5,909,480
Enterprise IT	692,694	708,987
Occupancy costs	666,089	578,466
Condominium authority tribunal & members	394,060	279,899
Ministry oversight fee	302,225	302,225
Information and communication	299,832	226,470
Non recoverable portion of HST	296,111	233,161
Board of Directors	256,788	305,730
Office and general	194,325	164,630
Interest on loan payable	115,311	130,588
Professional fees	20,323	17,198
Legal fees	13,317	28,941
Amortization of intangible assets	493,460	493,460
	<u>10,219,739</u>	<u>9,379,235</u>

Excess (deficiency) of revenues over expenditures	<u>\$ 2,161,655</u>	<u>\$ (651,284)</u>
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Condominium Authority of Ontario

Statement of Changes in Net Assets

Year ended March 31

	Investment in capital assets	Unrestricted net assets	Internally restricted net assets	Total 2023	Total 2022
Balance, beginning of year	\$ 1,909,718	\$ 423,872	\$ 3,700,000	\$ 6,033,590	\$ 6,684,874
Excess (deficiency) of revenues over expenditures	-	2,161,655	-	2,161,655	(651,284)
Addition of intangible assets	608,191	(608,191)	-	-	-
Amortization of intangible assets	(493,460)	493,460	-	-	-
Transfer from unrestricted net assets to internally restricted net assets	-	(300,000)	300,000	-	-
Balance, end of year	<u>\$ 2,024,449</u>	<u>\$ 2,170,796</u>	<u>\$ 4,000,000</u>	<u>\$ 8,195,245</u>	<u>\$ 6,033,590</u>

Condominium Authority of Ontario

Statement of Financial Position

March 31

2023

2022

Assets

Current

Cash	\$ 9,917,001	\$ 12,932,329
Short-term investments (Note 4)	7,350,000	-
Accounts receivable	764,159	594,533
Prepaid expenses	324,133	303,996
	<u>18,355,293</u>	<u>13,830,858</u>

Long-term

Intangible assets (Note 5)	<u>2,024,449</u>	<u>1,909,718</u>
	<u>\$ 20,379,742</u>	<u>\$ 15,740,576</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 6)	\$ 1,452,745	\$ 788,829
Government oversight fee payable	302,225	302,225
Current portion of loan payable (Note 7)	559,481	543,763
Deferred revenue	6,820,500	4,463,142
	<u>9,134,951</u>	<u>6,097,959</u>

Long-term

Loan payable (Note 7)	<u>3,049,546</u>	<u>3,609,027</u>
	<u>12,184,497</u>	<u>9,706,986</u>


Fund balances

Investment in capital assets	2,024,449	1,909,718
Unrestricted net assets	2,170,796	423,872
Internally restricted net assets (Notes 8 and 10)	<u>4,000,000</u>	<u>3,700,000</u>
	<u>8,195,245</u>	<u>6,033,590</u>
	<u>\$ 20,379,742</u>	<u>\$ 15,740,576</u>

Lease commitments (Note 9)

Approved by:


 (Allison Scanlan, Vice-Chair of the Board)


 (Richard Austin, Secretary of the Board)

Condominium Authority of Ontario

Statement of Cash Flows

Year ended March 31

2023

2022

Increase (decrease) in cash

Operating

Excess (deficiency) of revenues over expenditures	\$ 2,161,655	\$ (651,284)
Item not affecting cash		
Amortization of intangible assets	<u>493,460</u>	<u>493,460</u>
	2,655,115	(157,824)
Change in non-cash working capital items		
Accounts receivable	(169,626)	20,450
Prepaid expenses	(20,137)	(85,556)
Accounts payable and accrued liabilities	663,916	287,219
Deferred revenue	<u>2,357,358</u>	<u>2,049,729</u>
	5,486,626	2,114,018

Financing

Repayment of loan payable	(543,763)	(528,487)
Purchase of short-term investments	<u>(7,350,000)</u>	<u>-</u>
	(7,893,763)	(528,487)

Investing

Purchase of intangible assets	<u>(608,191)</u>	<u>(429,338)</u>
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(Decrease) increase in cash (3,015,328) 1,156,193

Cash

Beginning of year	<u>12,932,329</u>	<u>11,776,136</u>
End of year	\$ 9,917,001	\$ 12,932,329

Condominium Authority of Ontario

Notes to the Financial Statements

March 31, 2023

1. Purpose and nature of operations

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

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

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

2. Summary of significant accounting policies

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

Use of estimates

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

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

Condominium Authority of Ontario

Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Revenue recognition

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

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

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

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

Financial instruments in arm's length transactions

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

Financial assets measured at amortized cost represents cash, short-term investments and accounts receivable.

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

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

Financial instruments in related party transactions

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

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

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

Condominium Authority of Ontario

Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Intangible assets

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

Initial Enterprise Solution

6 years Straight-line method

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

Impairment of long-lived assets

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

3. 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.

In fiscal year 2022, the Organization provided a 25% temporary reduction to the approved assessment fees. The Organization continues to apply the reduction for the qualified assessment fees charged in fiscal year 2020 to 2022. The temporary adjustment was no longer available as of assessment year 2022-2023 and will not be applied to the ongoing assessment fees.

4. Short-term investments

	<u>2023</u>	<u>2022</u>
The term deposits bear interest at 4.23% per annum and mature on August 4, 2023.		
RBC non-redeemable GIC	\$ 3,750,000	\$ -
RBC non-redeemable GIC	<u>3,600,000</u>	<u>-</u>
	<u>\$ 7,350,000</u>	<u>\$ -</u>

Condominium Authority of Ontario

Notes to the Financial Statements

March 31, 2023

5. Intangible assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Initial Enterprise Solution	\$ 3,612,359	\$ 2,625,439	\$ 986,920	\$ 1,480,380
CAT - OS - Online Tribunal Release 2	675,638	-	675,638	382,059
Cloud Data Warehouse	361,891	-	361,891	47,279
	<u>\$ 4,649,888</u>	<u>\$ 2,625,439</u>	<u>\$ 2,024,449</u>	<u>\$ 1,909,718</u>

CAT - OS - Online Tribunal Release 2 and Cloud Data Warehouse are projects in progress at year end and as such, are not being amortized.

6. Accounts payable and accrued liabilities

As at March 31, 2023 there is government remittances payable outstanding of \$52,491 (2022 - \$218) included in the accounts payable and accrued liabilities balance.

7. Loan payable

	<u>2023</u>	<u>2022</u>
Minister of Government and Consumer Services loan bearing interest rate at 2.87% compounded semi-annually, repayable in semi-annual blended payments of \$329,537. The loan matures on April 1, 2029.	\$ 3,609,027	\$ 4,152,790
Less current portion	<u>559,481</u>	<u>543,763</u>
Due beyond one year	<u>\$ 3,049,546</u>	<u>\$ 3,609,027</u>
Estimated principal repayments are as follows:		
2024	\$ 559,481	
2025	575,654	
2026	592,293	
2027	609,414	
2028	627,030	
Subsequent years	<u>645,155</u>	
	<u>\$ 3,609,027</u>	

Condominium Authority of Ontario

Notes to the Financial Statements

March 31, 2023

7. Loan payable (continued)

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, 2023, \$5,500,000 (2022 - \$5,500,000) has been utilized. The Organization chose not to draw down the remaining available \$2,000,000. Until April 1, 2019, interest on the balance is reset on the first business day in January, April, July and October and is equal to the ninety-day Ontario Treasury Bill Rate plus fifty basis points compounded on the first business day in January, April, July, and October. Beginning April 1, 2019, the interest rate is equal to the Province of Ontario's cost of funds for a ten-year amortizing bond, inclusive of fees and commissions, plus fifty basis points, compounded semi-annually. As at April 1, 2019, this combined rate is 2.87%.

The loan agreement requires the Organization to comply with a financial covenant. As of March 31, 2023, the Organization was in compliance with the the financial covenant.

8. Internally restricted net assets

During the fiscal year 2019, the Organization established restricted net assets which were approved by the Board to build and maintain an adequate level of funds for the Organization to ensure stability of the mission, programs, employment, and ongoing operations of the Organization and to provide a source of internal funds to manage unforeseen contingencies. Transfers can be made to or from this fund, upon approval from the Board. In the fiscal year 2023, the Organization transferred \$300,000 (2022 - \$Nil) from its unrestricted accumulated net assets.

9. Lease commitments

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

2024	\$ 663,836
2025	683,105
2026	696,868
2027	716,137
2028	729,901
Subsequent years	<u>4,006,507</u>
	<u>\$ 7,496,354</u>

Condominium Authority of Ontario

Notes to the Financial Statements

March 31, 2023

10. 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.

11. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at March 31, 2023. Unless otherwise noted, these risks have not changed significantly from prior year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization monitors on a continuous basis its accounts receivable and provides provision for bad debts as necessary. The Organization has a significant number of clients which minimizes concentration of credit risk.

(b) Liquidity risk

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

(c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

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