

Annual Report

2019–20



Condominium Management
Regulatory Authority of Ontario

| www.cmrao.ca | info@cmrao.ca



Annual Report

2019–20

The Condominium Management Regulatory Authority of Ontario (CMRAO) is the regulatory body that sets standards and enforces the mandatory licensing of condominium managers and condominium management provider businesses.

Meeting these standards enhances the integrity of the sector, elevates the profession, and provides condominium owners with confidence in the companies and people who manage their important investment.

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2019–20

The Year in Numbers



3,652

Active
Licensees



788

Complaints
received



1,359

Social media
followers



2,862

Email
inquiries



5,695

Inbound phone
calls received



90%

of calls received
met service
level standards
(service level – 80% of calls
received answered in
5 minutes or less)



7

Stakeholder
events attended



264

People registered
for complaints
process webinar



French language
service:

37 phone calls
10 email inquiries
1 complaint



Focus on Internal Governance and Operations Strengthens Protection for Consumers

On behalf of the Board of Directors, I am pleased to share the CMRAO's 2019–20 annual report. This fiscal year brimmed with activities and achievements that kept the staff of the organization busy while meeting challenging external demands. Building on an already strong foundation, this year we reinforced our internal structure and operations.

In January of this year, we were at the dawn of a new decade, oblivious to the new world that would unfold before our very eyes just a few months later as the result of a coronavirus pandemic. COVID-19 confirmed an unspoken reality that we already held true when Ontario's condominium managers were deemed an essential service by the province. Owners and managers continue to adjust to the new actualities, and the CMRAO recognizes and applauds the work that condominium managers and provider businesses have done to keep condominium communities safe during this challenging and unprecedented time.

In 2019–20, our Board transitioned smoothly from an operational model to a full governance model. With our new Ministerial appointees, the Board was able to establish board committees (Audit and Risk Management, and Governance), one of the final pieces that completes the model and signals our maturation as an organization. Our Governance Committee adopted an independent board evaluation process, and a nomination and selection process for elected directors based on a directors' competency matrix.

Additionally, our staff processed 751 new licence applications this fiscal year, which captures both growth and movement within the sector over a very short period of time, as licensees move from one class to another and new entrants join the profession.

I would like to take this opportunity to thank members of CMRAO's Advisory Committee for their contributions this year, particularly to the development of the CMRAO's new education program. Committee members have demonstrated deep commitment to their role and have worked together effectively with the shared goal of improving the sector. Thanks also to our colleagues at the Ministry of Government and Consumer Services for the productive relationship we continue to have with the Ministry.

All of this work continued while the organization was engaged with the Office of the Auditor General of Ontario (OAGO) audit of the condominium sector. We continue to work closely with the OAG's office to deliver all the materials inline with the audit objectives and criteria. We anticipate the results will be published by the end of 2020 and look forward to this outside view of our organization and the condominium sector.

It has no doubt been a challenging year, but an extremely productive one as well, where our relationships have been strengthened and our internal functions fortified. The work completed this year has deepened our steady-state operations and put us in a good position for the future.

A handwritten signature in black ink that reads "Aubrey LeBlanc".

Aubrey LeBlanc
Chair of the Board of Directors



Accountability and Modern Regulation to Support a Rapidly Expanding Sector

The CMRAO's 2019–20 annual report is a snapshot of the work completed in our second full year of operations and highlights the impact that the organization's regulatory functions have had on Ontario's condominium sector. This year we learned how important the role of a condominium manager is to the growing number of condominium communities across the province. As the result of COVID-19, emergency measures were enacted by different levels of government, and condominium managers played an essential role in keeping communities safe.

When presented with exceptional circumstances, condominium managers worked on the frontline to ensure the health and safety of the communities in their care, and the CMRAO commends the sector for adapting quickly to an ever-evolving situation and coming together to pool resources and best practices for the collective good. CMRAO staff were well-positioned to operate in a pandemic situation and were able to quickly transition to working remotely while still maintaining high levels of service.

As set out in legislation, effective November 1, 2021, the authority for establishing education requirements will be transferred from the Minister of Government and Consumer Services to the Registrar of the CMRAO, and I am pleased to report that work is now well underway for a seamless transition. This year, the CMRAO published the first competency profile for Ontario's condominium management sector. The competency profile used an evidence-based approach and represents an important milestone for the province's condominium management profession. I must note the high rate of participation from the sector, and on behalf of the CMRAO I would like to thank our Advisory Committee, the Subject Matter Experts panel, and all licensees who took the time to provide their feedback.

This year, the CMRAO also implemented a process for assessing the credentials and qualifications of applicants who have not completed the recognized coursework required for a General Licence. The Recognition of Prior Learning (RPL) process examines prior training and work experience to evaluate applications and supporting documentation against the core competencies required of a condominium manager.

For the 2019–20 licensing year, the CMRAO reduced licensing fees by 6.6% to address a concern that we heard from the sector. The CMRAO is a not-for-profit corporation, and our audited financial statement demonstrates that the organization's financial resources continue to be managed responsibly.

I would like to thank our Board of Directors for their strategic oversight and prudent decision making that have sustained the smooth operations of the CMRAO since its inception. Of course there is still work to do and further refinements to be made to our service delivery, but we are working diligently to fulfill the organization's vision of public confidence in the management and protection of condominium communities in Ontario.

A handwritten signature in black ink, appearing to read 'Ali Arlani'. The signature is fluid and cursive, written over a white background.

Ali Arlani
Chief Executive Officer and Registrar

Background

Designated pursuant to the *Condominium Management Services Act, 2015* (CMSA), the CMRAO is the regulatory body that protects consumers by setting standards and enforcing mandatory licensing of condominium managers and condominium management provider businesses.

Although residential condominiums predominate, the CMRAO provides oversight of the whole condominium management sector, which includes services to all types of freehold and leasehold condominium corporations. Through effective regulation, the CMRAO strengthens the condominium management profession and helps to protect consumers in Ontario's complex and rapidly growing condominium sector.

The CMRAO began operations on November 1, 2017, and ensures that condominium managers and management provider businesses are licensed, meet education and experience requirements, and comply with a Code of Ethics.



1.6 million

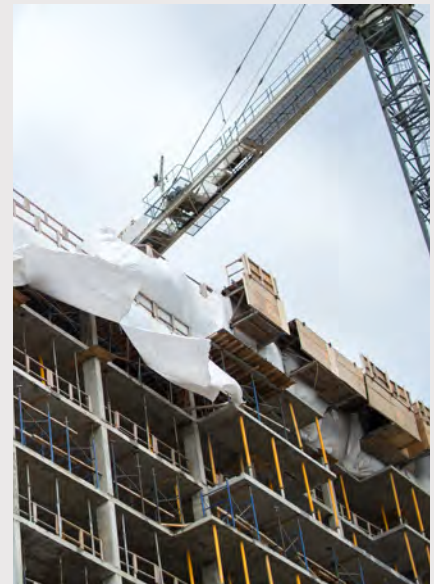
Approximately **1.6 million people** live and invest in condominiums across Ontario.



880,000

There are **more than 800,000** condominium units in Ontario.

Based on data supplied by the Condominium Authority of Ontario



50%

It is estimated that nearly **50% of the new homes** being built in the province are condominiums.

Consumer Protection

The CMRAO was established as part of the Government of Ontario's implementation of the *Protecting Condominium Owners Act, 2015*, and works in the public interest to license and regulate condominium managers and condominium management provider businesses. This legislation was the result of the government's review of the *Condominium Act, 1998*, as well as the issues and emerging needs of Ontario's growing condominium sector.



Mandatory Licensing

Administering a mandatory licensing system for all condominium managers and management provider businesses and ensuring only qualified individuals with the appropriate training and education hold a licence.



Public Registry

Maintaining an online registry of licensed condominium managers and condominium management provider businesses. The public registry provides information about licensees, including conditions, suspensions, revocations, and disciplinary actions.



Regulatory Compliance

Promoting and enforcing compliance with the CMSA and its regulations, licensing requirements, and code of ethics.



Complaints Process

Handling complaints by conducting inspections and investigations, assisting in issues resolution, holding discipline hearings, and taking corrective actions.



Education Requirements

Establishing education requirements for condominium managers (currently determined by the Minister of Government and Consumer Services).



Raising Public Awareness

Promoting awareness of the regulatory system.

Strategic Overview

The CMRAO's early operations focused on successfully launching a new licensing program, completing the first licensing renewal cycle, establishing the public registry, and implementing a complaints process. In the fall of 2018, the Board of Directors embarked on a strategic planning exercise to examine and map out the organization's key operational priorities for the next three years.

Mission

To enhance consumer protection through modern and effective regulation of the condominium management sector.

Vision

Public confidence that the assets of condominium communities are well managed and protected

Values

- Building Trust
- Public Protection
- Service Excellence

The Board of Directors identified the following strategic objectives as priorities from 2018 to 2021:

1. Operate as a Modern Regulator
2. Focus on Service and Operational Excellence
3. Deliver Efficiency and Value for Money
4. Create a Culture of Performance
5. Communicate Proactively and Promote Strategic Stakeholder Engagement



Corporate Governance

The CMRAO is a non-profit corporation governed by an independent Board of Directors accountable through the Board Chair to the Ontario Minister of Government and Consumer Services for the performance of the authority.

The Board of Directors is responsible for providing direction and oversight to the CMRAO and ensuring the organization meets its obligations under the CMSA, the *Corporations Act*, CMRAO by-laws, and the administrative agreement with the Minister of Government and Consumer Services.

Skill-based Board

The CMRAO is governed by a Board of Directors with extensive experience and skills in condominium management, corporate governance, strategic planning, financial oversight and planning, risk management, public policy, law, regulatory oversight, and communications.

Director Qualifications

In selecting new members, the CMRAO identifies the existing directors' skills and gives special consideration to identifying and filling the skills gaps with the aim of addressing the following skills and experience across the full Board:

- governance and strategic planning
- condominium management
- financial oversight and risk management planning
- licensing, regulatory, and legal experience
- marketing and innovation experience

Election and Appointment Process

The Minister may appoint a minority number of directors to the CMRAO's Board of Directors. As of March 31, 2020, the CMRAO had four elected directors and three directors appointed by the Minister.

Code of Conduct

The Board adopted a Code of Conduct that has been posted publicly on the CMRAO's website. All directors elected and appointed are required to sign and abide by this Code of Conduct. The Code of Conduct is available at www.cmrao.ca/en-US/about-cmrao/governance/code-of-conduct.

Board Director Biographies



Aubrey LeBlanc, Chair – Elected

(Elected to 1-year term)

Aubrey LeBlanc has extensive executive experience serving on boards for associations in the building industry. He is the Chief Administrative Officer of the Ontario Building Officials Association and is the former Chief Executive Officer and Registrar of Tarion. He is the Chair of the Bereavement Authority of Ontario and the Chair of the Canadian Mirror Committee for ISO COPOLCO of the Standards Council of Canada. He was part of the expert panel for the Condominium Act Review and was a member of the Condominium Management Regulatory Authority Advisory Working Group.



John Oakes, Secretary – Elected

(Elected to 3-year term)

John Oakes has been involved in condominium management for over four decades. He is the Chair of Crossbridge Condominium Services Limited (formerly Brookfield). He has been teaching the Association of Condominium Managers of Ontario's (ACMO) Condominium Law course at Crossbridge for 13 years. He was a member of the Condominium Management Regulatory Authority Advisory Working Group and was involved in the Ministry of Government and Consumer Services' technical consultations on reserve funds and insurance and licensing.



Gail Beggs, Board Director – Elected

(Elected to 2-year term)

Gail Beggs has more than 30 years of experience in the Ontario Public Service. She has served as Deputy Minister of the Ministry of the Environment, the Ministry of Natural Resources, and the Ontario Secretariat for Aboriginal Affairs. She currently serves on the boards of the Ontario Lottery and Gaming Corporation and Forests Ontario. She is also on the Government Relations Committee of Deaf Blind Services Ontario. She was the Chair of the Condominium Management Regulatory Authority Advisory Working Group.



Kerry Carmichael, Board Director – Appointed by the Minister

(Appointed to 3-year term)

Kerry Carmichael's career spans over 30 years in the real estate and retail automotive industries. She recently served as Executive Director of the Retailer Communication Team with BMW Canada, where she managed the relationships between 42 BMW Canada retailers and the manufacturer. Between 1996 and 2010, she was Vice-President of Organizational Development and IT for City Buick Chevrolet Cadillac GMC. Ms. Carmichael's community involvement has included 20 years on the board of directors, including as Chair, of the Crossroads Christian Communication corporation.



Milton Chan, Board Director – Appointed by the Minister

(Left the Board on June 5, 2019)

Milton Chan is a lawyer residing in Toronto. Called to the Bar of Ontario, he is currently Chief of Staff at the Toronto Region Board of Trade. He previously worked in the Ontario Public Service as an advisor to various elected officials and served as enforcement litigation counsel at the Investment Industry Regulatory Organization of Canada (IIROC), where he represented the organization in regulatory, civil, and appeal proceedings at various levels of court and administrative tribunals.



Elizabeth Gibbons, Board Director – Elected

(Elected to 3-year term)

Elizabeth Gibbons has almost two decades of experience in public relations, executive communications, and media and stakeholder relations. As Director of Communications for TELUS International, she leads the communications and corporate philanthropy coordination of more than 30,000 team members from locations across North America, Central America, Europe, and Asia. She has also held roles as Head of Media and Public Affairs for the British High Commission, and Director of Communications for the Ministry of Agriculture.



Paul Kyte, Board Director – Appointed by the Minister

(Appointed to 3-year term)

Paul Kyte is licensed with the Law Society of Ontario as a legal services provider (Paralegal) and operates Paul Kyte Professional Corporation. Previously he served as a Provincial Offences Prosecutor with the Ontario College of Trades and interim Prosecutor for the County of Hastings. He is also the property administrator for a private corporation, managing approximately 400 residential rental units across Ontario. He was a City Councillor for the City of Quinte West (2003–2014) and sat on and chaired several committees during his time there.



Beth Pearson, Board Director – Appointed by the Minister

(Appointed to 3-year term)

Beth Pearson's career in the insurance industry spans over 30 years. Most recently she was the Owner and Partner of AP Insurance Brokers. Prior to this, she was a Partner with Pearson Dunn Insurance Brokers. She is a Past President of the Registered Insurance Brokers of Ontario and a former Past President of the Insurance Brokers Association of Ontario. Her community involvement includes serving as Vice-President of the board of directors of Wentworth Condominium #368.

Risk Management

The CMRAO identifies, assesses, and manages risks that may affect its ability to achieve its mission to enhance consumer protection through modern and effective regulation of the condominium management sector.

The CMRAO has established a Risk Register as a tool to record risk occurrences, risk significance, and our actions taken to mitigate the risk. By recording the risks that the CMRAO faces, a risk profile of the organization is created. Risk profiles are dynamic and change over time in step with the changes within the organization and in its external context. The CMRAO monitors, reviews, and mitigates the risks to the organization and its operations on a regular basis.

In 2019, the Board established an Audit and Risk Management Committee to provide oversight of the CMRAO's risk management initiative and advise the Board on risk management policies.

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19) outbreak. The situation is constantly evolving, and the measures put in place are having multiple impacts on global, national, provincial, and local economies. The CMRAO is closely monitoring this situation and its impact on Ontario's condominium management sector.



Committees

Complaints received by the CMRAO can lead to disciplinary hearings in accordance with O. Reg 3/18 of the CMSA. In 2018, the CMRAO established a Discipline Committee and an Appeals Committee made up of appointees from the condominium sector and members of the public. A roster of individuals was formed to hear matters referred by the Registrar. Members on this committee roster serve for a period of two years, effective May 1, 2018.

Discipline Committee

Chair: Jeff Donnelly

Term: May 1, 2018, to April 30, 2020

Appeals Committee

Chair: Bernard Cowan

Term: May 1, 2018, to April 30, 2020

Discipline Committee and Appeals Committee Members:

Charles Chan

Nadia Freeman

Dan Fried

Frank Gallo

Shane Haskell

Allyson Ingham

Lyndsey McNally

Daniel Mousavi

Bob St. George

Bradley Wells

Joanna Yu



Advisory Committee

The CMRAO's Advisory Committee was created pursuant to Section 7.2 (4) of the CMRAO's administrative agreement that requires the Board of Directors to establish an advisory process for direct input to the Board on issues of importance to consumers and licensees.

The Advisory Committee consists of 20 members – half the members are licensed condominium managers, and half represent the broader condominium community. The CMRAO Board of Directors has appointed all 20 members to the Advisory Committee for a two-year term.

The CMRAO held its first two Advisory Committee meetings on May 2, 2019, and August 8, 2019. Both meetings served as consultation sessions related to CMRAO's Competency Profile project. A copy of the report, now finalized, is available on the website www.cmrao.ca/en-US/resources/publications.

More recently, members of the advisory committee met with the communications team regarding the CMRAO's website to provide input on sitemap content. Moving forward, the Advisory Committee will be engaged in the development of curriculum and course blueprints for the courses that will be required for a licence.

Advisory Committee Members

Helen Ash	Chris Jaglowitz
Juliet Atha	Raj Malik
Marilyn Bird	Kevin McCarthy
Kathryn Cairns	Craig McMillan
Debbie Dale	Mike Mullen
Josée Deslongchamps	Jim O'Neill
Christine Dingemans	Mohammad Pathan
Carla Guthrie	Kristi Sargeant-Kerr
Tania Haluk	Mark Steinman
Anthony Irwin	Kathleen Stephenson

Over the past year, I have spent a lot of time familiarizing myself with our governing documents and the *Condo Act*. While talking with other condo owners and reading various condo blogs, it became apparent to me quite quickly that condos are complex entities.

Condo managers and management companies, therefore, are relied upon to be knowledgeable, provide good guidance, and apply the rules and regulations of the condo corporation equally to maintain a fair and well-functioning community.

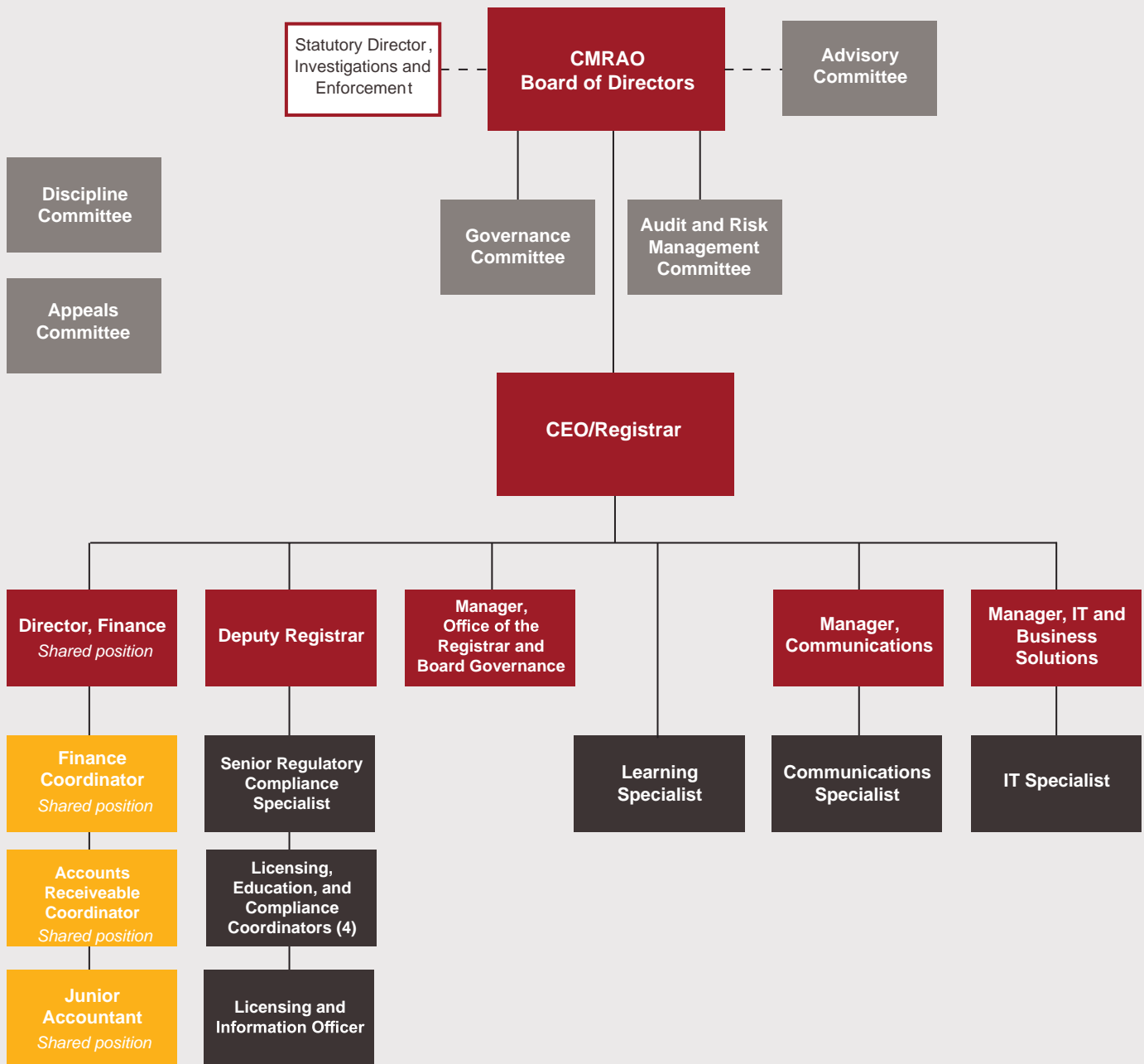
– Raj Malik, Advisory Committee Member | Condominium Owner

Corporate Structure

To achieve our consumer protection mandate, the CMRAO operates with a lean, committed, and diverse team of full-time staff, including a dedicated team of licensing and compliance staff, information technology, communications, and education specialists.

Under the leadership of the Deputy Registrar, licensing and compliance staff evaluate licensing applications and respond to complaints from the public or licensees.

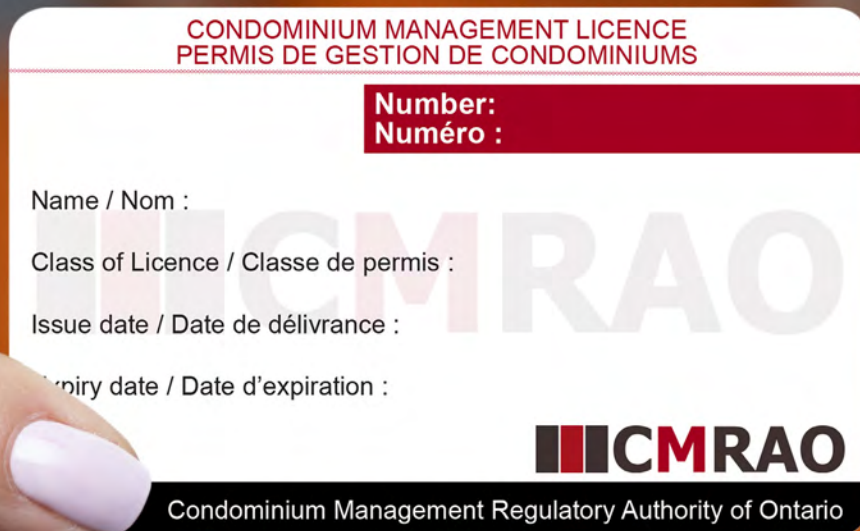
The CMRAO shares Finance personnel with the Condominium Authority of Ontario (CAO) to achieve organizational efficiencies.



Licensing

The licensing of condominium managers and condominium management provider businesses came into effect on November 1, 2017. Anyone who is not exempt under regulation and providing condominium management services in Ontario is required to hold a licence. The CMRAO issues four types of licences, each with specific application requirements and conditions.

Transitional General Licences are time limited. The last day to apply for a Transitional General Licence was March 30, 2018. Transitional General Licensees have until June 30, 2021, to complete the educational requirements and obtain a General Licence.



General Licence	Transitional General Licence	Limited Licence	Condominium Management Provider Licence
<ul style="list-style-type: none"> • Have met the standards to work as a condominium manager without any restrictions or supervision. • Have provided condominium management services for at least two years and successfully completed the necessary education requirements. 	<ul style="list-style-type: none"> • Have met the standards to work as a condominium manager without any restrictions or supervision. • Have provided condominium management services for at least two years, but have not completed the education requirements for a General Licence. 	<ul style="list-style-type: none"> • Have generally provided condominium management services for less than two years and must work under the supervision of a General Licensee or Transitional General Licensee. 	<ul style="list-style-type: none"> • Can be any business (corporation, partnership, sole proprietorship) that provides condominium management services.

Licensing (Continued)

Condominium managers who completed the education requirements for a General Licence prior to November 1, 2017, were required to complete a continuing education program prior to renewing their licence in 2019. This continuing-education program is based on changes to Ontario's condominium laws.

Active Licences

(as at March 31, 2020)



1,710 General Licence

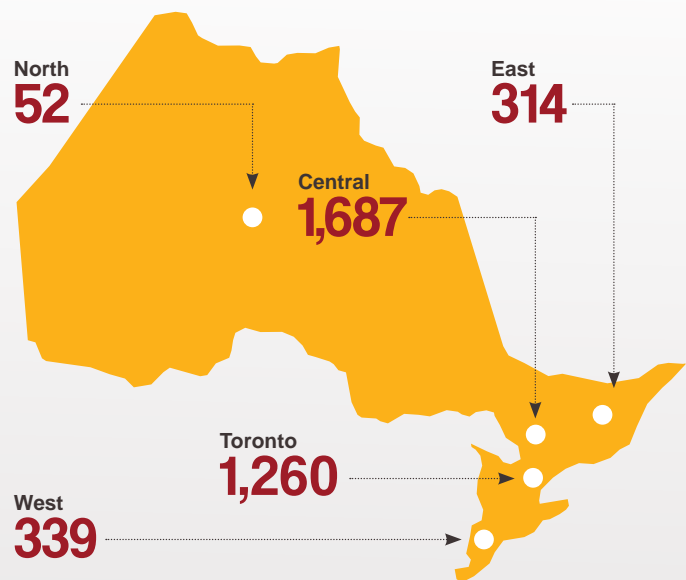
574 Transitional General Licence

958 Limited Licence

410 Condominium Management Provider licence

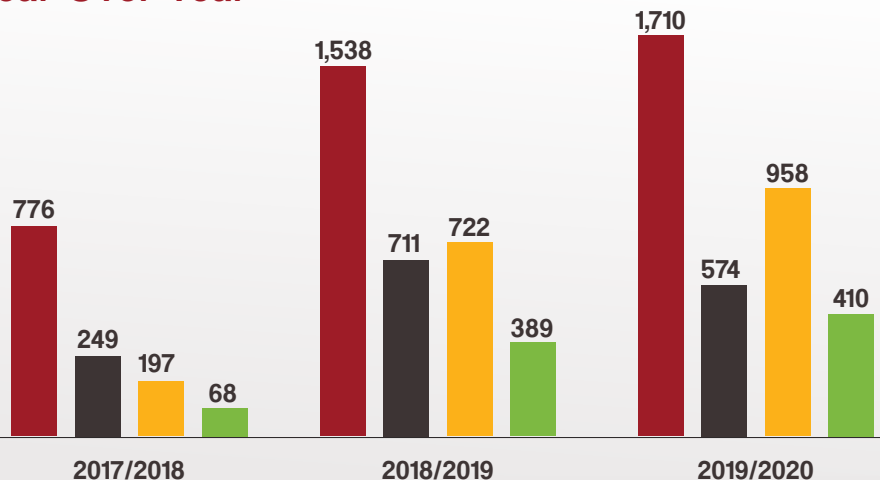
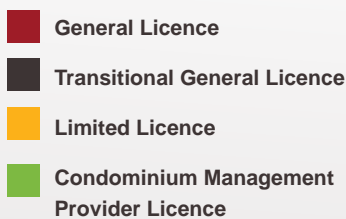
Regional Distribution of Licences

(as at March 31, 2020)



Active Licensees – Year-Over-Year

Comparison (as at March 31)



Prior Learning Assessments

Recognition of Prior Learning (RPL) describes a process used by the CMRAO to ensure a fair assessment of the credentials and qualifications of applicants who have not completed the recognized coursework required to hold a General Licence. Legislation permits the Registrar of the CMRAO to recognize learning achieved through a variety of means, such as previous work experience, and substitute that learning for the requirement to complete one or all four required Association of Condominium Managers of Ontario (ACMO) courses.

The CMRAO evaluates each application and supporting documentation against the core competencies required of a condominium manager.

Prior Learning Assessments Requested: 18

Prior Learning Assessments Granted: 8

Education Requirements

The initial education requirements for licensing are defined in regulation and by Minister's designation. Generally speaking, the requirements for a General Licence are based on the following four courses developed by ACMO:

1. Condominium Law
2. Physical Building Management
3. Financial Planning for Condominium Managers
4. Condominium Administration and Human Relations

Future Education Requirements

In 2017, the Minister of Government and Consumer Services designated the courses and challenge exams developed by ACMO as the education and examination requirements necessary for applicants to qualify for a General Licence. The responsibility for setting education and examination requirements will be transferred to the Registrar of the CMRAO on November 1, 2021.

In 2019, the CMRAO developed Ontario's first competency profile for condominium managers, an important milestone for the province's condominium management profession.


The CMRAO engaged a group of subject matter experts (SMEs) consisting of highly experienced condominium managers from across the province and individuals with a teaching/training background, as well as the Advisory Committee in the development of this competency profile.

The CMRAO has recently begun the next phase of the process to develop a course curriculum and blueprint based on the competency profile. This information will be released once the project is completed.

The CMRAO continues to focus on establishing its education initiatives for condominium managers, which will be implemented in 2021–2022.

New Competency Profile for Condominium Managers

In 2019, the CMRAO developed Ontario's first competency profile for condominium managers, an important milestone for the province's condominium management profession.



**Report on the Competency Profile
for Condominium Managers
in Ontario 2019**

The competency profile is currently available on the CMRAO website at www.cmrao.ca/en-US/resources/publications

Complaints, Compliance, and Discipline

The CMRAO works in the public interest to build trust in condominium management services and to protect condominium communities. Licensees are required to adhere to the CMSA and its regulations, including the Code of Ethics regulation. The CMSA is provincial legislation which is administered and enforced by the CMRAO.

The Code of Ethics sets out, in regulation, the ethical obligations of condominium managers and condominium management provider businesses. The Code of Ethics establishes a standard of good practice; governs the way condominium managers behave; and promotes professionalism, reliability, and quality of service.

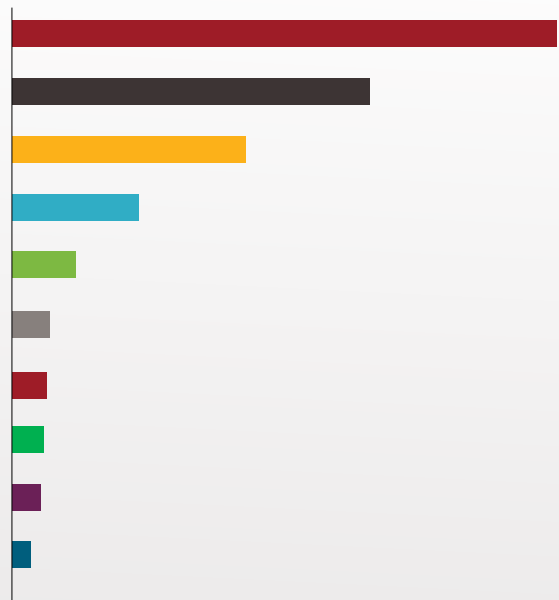
Complaints

The CMRAO accepts complaints through the online complaints portal available on the CMRAO website at www.cmrao.ca/complaints/submit-a-complaint.

The CMRAO's complaints process provides an impartial assessment of concerns regarding condominium management services.

**The CMRAO received a total of 788 complaints in 2019–20.
The top ten categories of complaints were:**

Repairs	210
Conduct	141
Board	87
Responsiveness	74
Financial	44
Maintenance	37
Records	35
Liens	32
Condo fees	26
Unlicensed practice	24



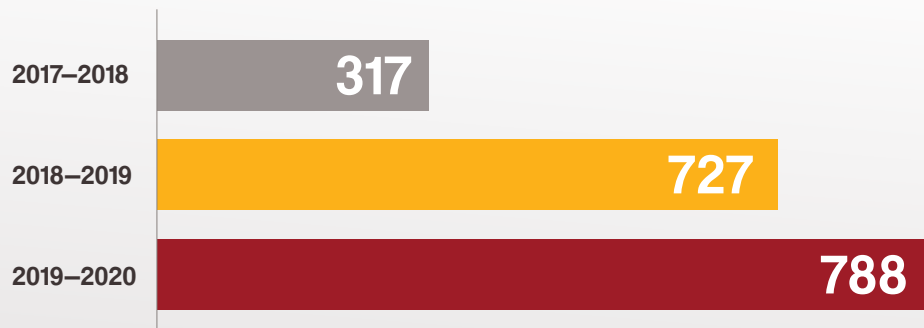
Complaints, Compliance and Discipline (Continued)

Pursuant to section 57 of the CMSA, in handling complaints, the Registrar may do any of the following, as appropriate:

- Attempt to mediate or resolve the complaint.
- Give the licensee a written warning that if the licensee continues with the activity that led to the complaint, action may be taken against the licensee.
- Require the Principal Condominium Manager of the licensee to take further educational courses if the licensee is a condominium management provider business.
- Require the licensee to take further educational courses if the licensee is a condominium manager.
- Refer the matter, in whole or in part, to the Discipline Committee.
- Suspend or revoke a licence, or refuse to renew a licence, or place conditions on a licence, subject to the licensee's right to a hearing before the Licence Appeal Tribunal (LAT).
- Take further action as is appropriate in accordance with the CMSA.

Complaints Filed: Year-Over-Year Comparison

(as at March 31)



The CMRAO began operations on November 1, 2017, but did not start accepting complaints until February 1, 2018, which is when the Code of Ethics regulation came into effect. The number of complaints for the 2017–18 fiscal year reflects this short timeframe.

The CMRAO continues to see an upward trend in the volume of complaints received. This is largely the result of enhanced awareness of the CMRAO as an organization and its role in dealing with complaints in the condominium sector.

Inspections and Investigations

Inspections are carried out to ensure compliance with legislation, to deal with complaints, or to ensure that a licensee or applicant is entitled to a licence. In 2019–20, the CMRAO initiated twelve inspections, which were carried out when allegations or information regarding serious misconduct were brought to the attention of the Registrar. In future years, the CMRAO plans to implement risk-based approaches to conducting inspections. This approach would typically involve identifying and analyzing statistical trends to determine when a proactive inspection may be warranted.

Number of
Inspections: **12**

Number of
Investigations: **3**

Investigations are conducted under the purview of the Statutory Director and are carried out where there is information that indicates that an individual or company may have committed an offence under the CMSA. In 2019–20, CMRAO initiated three investigations, all of which were in response to information of unlicensed practice.



Discipline Process

Members of the Discipline Committee are chosen to form a panel, which then hears and considers evidence to determine if a licensee has failed to comply with the Code of Ethics. If the panel finds that the licensee failed to comply with the Code of Ethics, the panel will decide on an appropriate action.

The panel may –

- make orders for further education of the licensee or the principal condominium manager of a licensed condominium management provider business,
- impose a fine on the licensee, or
- fix and impose costs of the discipline proceeding on the licensee.

Decisions made by a panel of the Discipline Committee can be appealed to the Appeals Committee.

Licensees have a duty to comply with actions imposed by the Registrar, Licence Appeal Tribunal (LAT), panel of the Discipline Committee, or panel of the Appeals Committee. Failure to do so can result in further action being imposed, such as refusal to renew a licence, suspension, or revocation of a licence.

Facts about CMRAO Compliance

(as at March 31, 2020)



1

Proposal to Suspend a Licence



1

Renewal Applications Refused¹



3

Applications Refused



4

Registrar's Warning Letter Issued



1

Proposal to Apply Conditions on a Licence²
(under section 37 of the CMSA)



4

Provincial Offence Charges Laid³

¹ Licence applications were refused for failure to meet prescribed requirements

² Currently being appealed at LAT





³ Charges laid against two businesses and two individuals for providing condominium management services without a licence

All Registrar's actions are published in the Public Registry and are available on the CMRAO website at www.cmrao.ca/en-US/compliance.

Stakeholder Engagement

The CMRAO's stakeholders are individuals or groups who are impacted, involved, or have an interest in the activities of the CMRAO, specifically condominium managers, condominium boards, condominium management provider businesses, and condominium owners/residents.

The CMRAO understands and values the distinct roles of industry associations and other partner organizations as we work together to maintain and enhance the integrity and standards of the condominium management sector. As such, the organization accepts opportunities to engage and interact directly with our licensees and other industry stakeholders.

 7 stakeholder events	 1 webinar 264 Registrants 151 Participants	 15 Eblasts	<p>The CMRAO produced a variety of videos to help licensees and the general public understand the work we do to protect condominium communities across Ontario.</p> <div style="display: flex; align-items: flex-start;">  <div style="margin-left: 10px;"> <p>Where do CMRAO Licensing Fees Go? video</p> </div> </div> <div style="display: flex; align-items: flex-start; margin-top: 10px;">  <div style="margin-left: 10px;"> <p>Condo Managers are Licensed Professionals video</p> </div> </div>
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This year, the CMRAO launched the CMRAO Blog and **CMRAO Quarterly**, two new communications vehicles. Both vehicles were created to provide greater insight into the CMRAO's activities as a regulator and have helped to expand our engagement with the sector. New videos and educational resources were also developed to help licensees understand and meet their legal and ethical obligations.

Measuring the Impact of Our Outreach

This fiscal year, the CMRAO engaged with online audiences through multiple social media platforms, as well as our website, www.cmrao.ca.

 595,903 ↓ Pageviews of the CMRAO Website	 48,050 ↑ Unique Visitors to the CMRAO Website	 18 ↓ Videos Produced
 594 ↓ Video Views	 5,303 ↑ PDF Downloads	 3,771 ↑ Social Media Interactions

Stakeholder Events

ACMO-CCI Condominium Conference



THE CONDO CONFERENCE OCTOBER 4 - 5, 2019 TORONTO, ONTARIO

1:15 pm – 2:15 pm
TOPIC #5B CAO/CMRAO RAISING THE BAR: LICENSING PROPERTY MANAGERS AND EDUCATING DIRECTORS

Megan Mackey, J.D., B.Sc. (Biochemistry)
 Stobley Righton LLP

Aubrey LeBlanc
 Condominium Management Regulatory Authority of Ontario

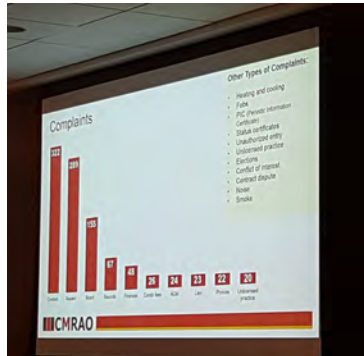
Robin Daloz,
 M.A., B.Sc.
 Condominium Authority of Ontario

Closing Session 2:30PM: Condos in the Courts - Ballroom A @ Beanfield Centre

GARDINER MILLER ARNOLD LLP ROOM

GMA
 GARDINER MILLER ARNOLD LLP
 CHARTERED ACCOUNTANTS & FINANCIAL PLANNERS

POWERED BY **IDEAOne**



Canadian Condominium Institute – Golden Horseshoe Conference



Community Associations Institute Canada Conference



Client Satisfaction Survey Results

As outlined in section 8(6) of the Administrative Agreement, the CMRAO is required to conduct a client-satisfaction survey of all or a sampling of its clients, stakeholders, and licensees at least once every two years beginning no later than one year after designation. Although surveying the condominium management sector is a requirement, it is also a good practice and helps the CMRAO determine levels of satisfaction and is an important aspect of the CMRAO's role as a modern regulator. Understanding the experiences of our key stakeholders can help us refine and enhance our services and inform our decision making. It also fosters engagement, encourages interaction, and helps us gauge sentiment on the CMRAO's ability to achieve its mandate.

The survey completed by licensed condominium managers (**Licensee Survey**) was distributed via email to 3,109 CMRAO licensees. A **second survey for stakeholders (Stakeholder Survey)** was completed by condominium owners/residents, condominium directors, condominium lawyers and industry associations, and was distributed by the Canadian Condominium Institute (CCI) to all Ontario chapters across the province (3,962 members).

Key Findings:

Licensee Survey

Number of Respondents: 528

Response Rate: 17%

Licensees indicated that they were generally satisfied with the quality, accuracy, and reliability of the information they received from the CMRAO. The majority responded favourably to questions measuring the level of service they received to their phone or email inquiries, and felt their issues had been resolved by members of CMRAO's Licensing Team.

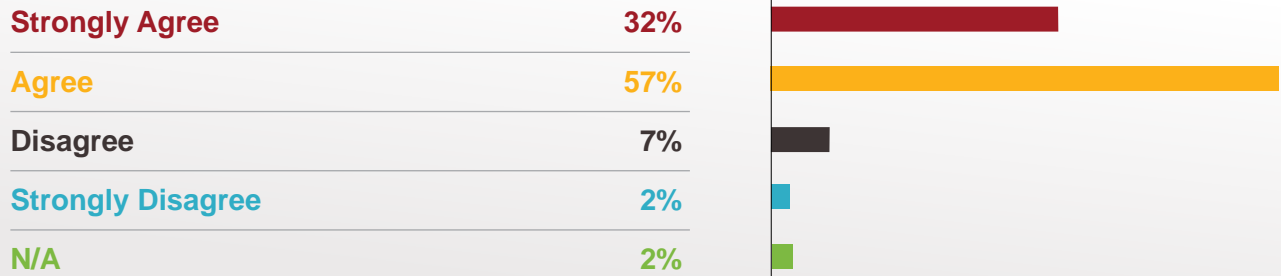
The majority of respondents trusted the information they received from the CMRAO. Between 2019 and 2020, survey respondents accessed information from the CMRAO in a number of different ways:

Used the CMRAO website to find information and resources	415
Used the Public Registry to find information about an individual condo manager or condo management company	189
Downloaded CMRAO materials	221
Reviewed the CMRAO's reports such as the Business Plan and the Annual Report	103
Followed the CMRAO's social media channels to obtain information	84

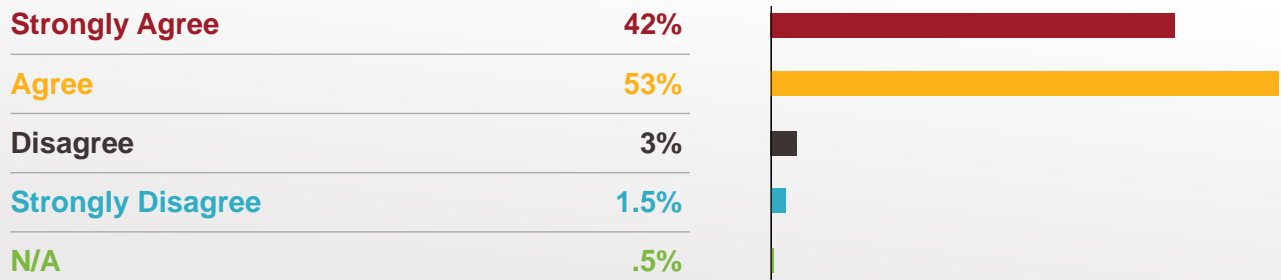
Satisfaction with Application Processing Time

The survey results indicate overall satisfaction with CMRAO’s application processing time. Overall, respondents thought the online licence application and renewal processes were straightforward.

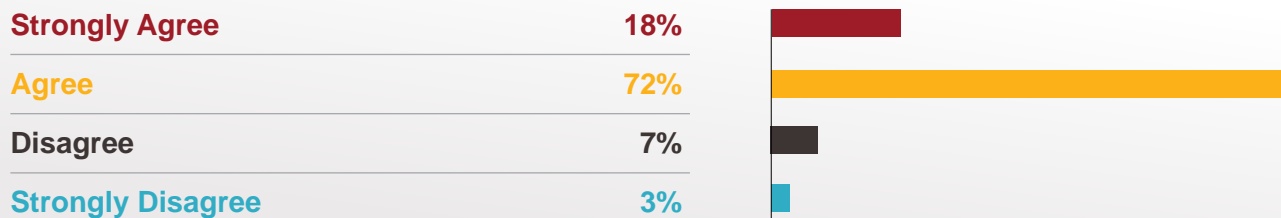
My licence application was processed in a reasonable time.



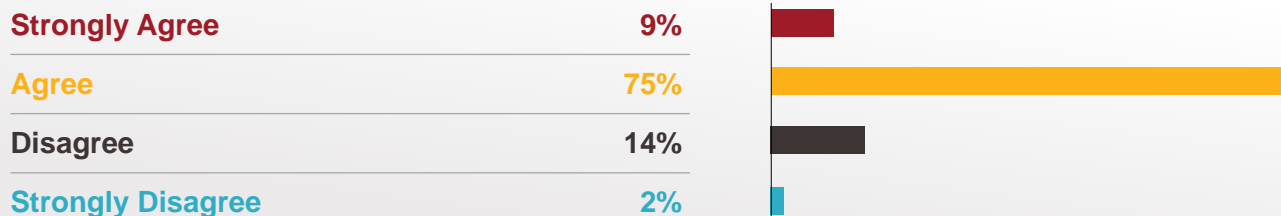
I understand the requirements to become a licensed condo manager.



The CMRAO promotes professional standards, ethics, and best practices.



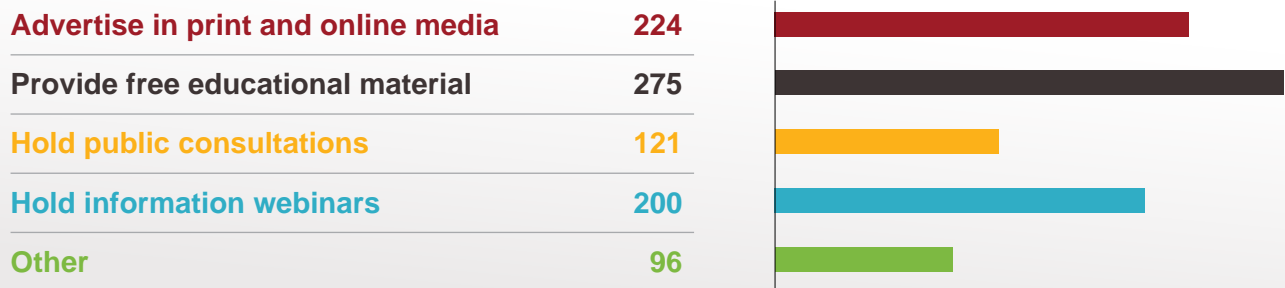
I believe the CMRAO is meeting its mandate.



Key Findings:

Stakeholder Survey	Number of Respondents: 565	Response Rate: 14%
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What can the CMRAO do to increase public awareness of its mandate to provide consumer protection for Ontarians living in condos?



Did you know that condo managers are required to be licensed by the CMRAO in order to provide condo management services?



Are you aware that you can file a complaint with the CMRAO about a licensee?



Are you aware that the CMRAO has an online public registry where you can check if a condo manager is licensed?



Have you used the CMRAO public registry?



The full report is available on the CMRAO website at www.cmrao.ca/en-US/about-cmrao/corporate-reporting.

The majority of residents don't know who the CMRAO is – therefore, in your literature, your info campaign must grab interest and prove why, as condo owners, we SHOULD be interested in what you do!

– Stakeholder survey respondent

Performance Measures

The CMRAO sets strategic priorities, objectives, and performance measures in its annual Business Plan, which will be reported on in the Annual Report. Setting such targets enables the CMRAO to maintain transparency and accountability in all its business practices to the public and its stakeholders. The performance measures are based on the strategic priorities of the organization and are selected to be challenging but also achievable.

As 2019 was only the second full year of operations for the CMRAO, the following performance measures were intended to establish a baseline for planned activities. As the organization moves towards a more steady-state operation, performance measures will be updated to allow for a year-over-year comparison and will be published in future annual reports.

Performance Measure	Activities	Baseline
Percentage increase of registrants who have completed all qualification requirements for licensing	Number of managers who have completed the education and work experience required to obtain a General Licence.	10%
Percentage of licensees who were the subject of a complaints and/or regulatory action	In 2019–20, the CMRAO received 788 complaints against its licensees. The CMRAO tracks the actions it takes against licensees in relation to complaints. A substantiated complaint is one where there is reasonable belief that the licensee may have breached the CMSA or regulations in some form (even if a minor infraction).	5%
Percentage of public stakeholders/licensees who report satisfaction with services received from the CMRAO	Licensees and stakeholders completed surveys from February to March 2020.	80%
Consumer satisfaction rating for CMRAO's complaint-handling process	In August 2019, the CMRAO began surveying complainants regarding their satisfaction with the CMRAO's handling of the complaint process.	60%
Percentage of consumers surveyed who are aware of the existence of CMRAO and the requirement for condominium managers in Ontario to be licensed by the CMRAO	In December 2019, 1,000 Ontarians from the Ipsos I-Say panel were interviewed for a poll from December 2 to 4, 2019. This measure reflects the percentage of condominium owners/residents who were aware of the CMRAO as the licensing authority.	25%

Commitment to Accessible Services

French Language Service

As outlined in S. 26 of the CMSA, the CMRAO publicly provides and makes its services available in French, and has a fully bilingual staff member to offer the highest level of French-language customer service possible.

The CMRAO publishes e-newsletters to licensees and stakeholders, social media updates, and other corporate reporting documents in French. In addition, the majority of the CMRAO's public-facing communications, including the website, are available in French.

Compliance with *Accessibility for Ontarians with Disabilities Act (AODA)*

Under the *Accessibility for Ontarians with Disabilities Act (AODA)*, the CMRAO makes every reasonable effort to ensure that its policies, practices, and procedures are consistent with the principles of dignity, independence, integration, and equal opportunity. The CMRAO is compliant with requirements for non-profit organizations under the AODA.

All CMRAO employees have received training on accessible customer service. The CMRAO has also implemented an Integrated Accessibility Standards Policy and has accessibility provisions in its Health and Safety Policy and Human Resources Policy.

The CMRAO's staff are trained to respond to phone calls received through teletypewriter (TTY), a confidential service that makes communication easier for callers who are deaf, deafened, hard of hearing, or those with speech disabilities. The CMRAO also creates communications materials using accessibility best practices.

In addition, the CMRAO has an internal Accessibility Policy that outlines the organization's commitment to removing barriers and ensuring that our services are respectful of the individual needs of people with different abilities. Policies, practices, and procedures were developed to create an environment respectful to the needs and experiences of persons with disabilities.



Financial Report



Management Discussion and Analysis

The following management discussion and analysis provides supplementary information for stakeholders and other readers of the financial statements of the Condominium Management Regulatory Authority of Ontario (CMRAO) for the year ended March 31, 2020. The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2020, prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

Revenues

Operating receipts are derived primarily from Licensing fees required under the *Condominium Management Services Act, 2015*, which are amortised to income over a one-year licensing period.

The licensing fee is collected primarily from four types of licences:

- General Licence (individuals)
- Transitional General Licence (individuals)
- Limited Licence (individuals)
- Condominium Management Provider Licence (businesses)

In addition to the licensing fee, a one-time application fee is charged on new licence applications. Operating revenue also includes amounts received as grants from the Ministry of Government and Consumer Services (MGCS). Other income includes interest earned, which is recognized as it is earned.

At the beginning of fiscal year 2019–20, the Board of Directors of the CMRAO met and reviewed the operational expenses and explored the overall operational experience of two cycles of licensing. Resulting from that it was determined that the CMRAO had the capacity to reduce the licensing fee by 6.6% for all classes of licences. This decision was made in line with the CMRAO's commitment to transparency and accountability, and to respond positively to the ongoing concern that licensing fees remain low.

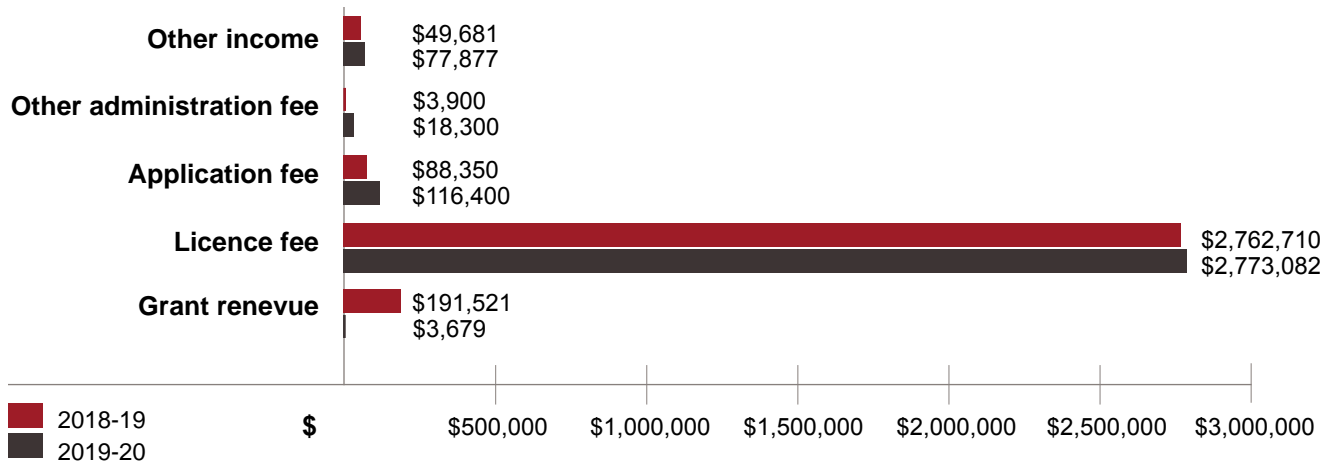
In fiscal year ending March 31, 2019, the organization entered into a new transfer payment agreement dated April 25, 2018, to establish an administrative authority to implement the *Home Inspection Act, 2017* (HIA) and received the first installment amounting to \$520,000. The HIA transfer payment agreement was terminated effective March 31, 2020, and an unspent balance of \$506,588 was repaid. An amount of \$3,679 (2019 - \$28,576) has been recognized as revenue in the year ended March 31, 2020.

Revenue from application fees has increased steadily and in direct proportion to the number of new applicants, and the number of people who have graduated from a Limited/Transitional General Licence to a General Licence.

The CMRAO's decision to reduce licensing fees in response to the increasing number of licences has ensured that the licence fee revenue stayed in line with the previous fiscal year.

The revenue details for fiscal years 2018–19 and 2019–20 and are as follows:

Revenue Details

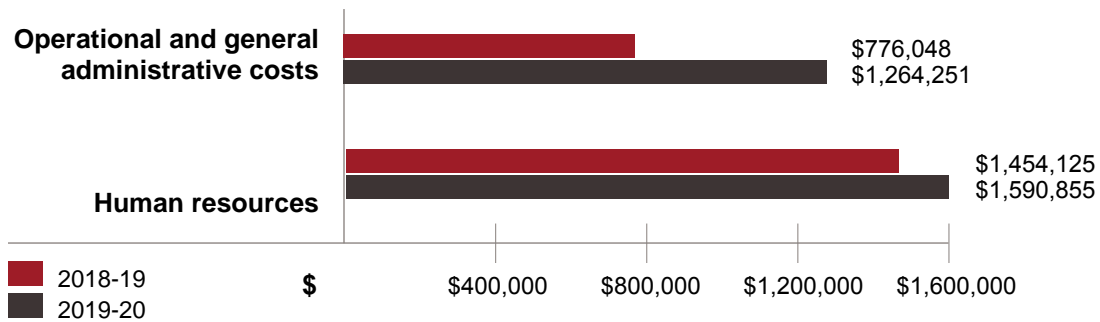


Expenses

As highlighted in the chart below, the total expenses for the year ended March 31, 2020, increased by 28% as compared to the year ended March 31, 2019. This is due to the organization’s evolving and moving into steady-state operations from initial build state.

The increase in human resources expenditures is due to the need to recruit the additional specialized staff to continue to fulfil its mandate and to provide direct information and support to help licensees fulfill their legal obligations under the CMSA.

The operational and general administrative costs increased mainly due to the Ministry oversight fee amounting to \$198,002 (2019–20 being the first year for the fee), and CMRAO’s move to a new office resulting in an increased Occupancy costs.



Net Assets

As at March 31, 2020, the CMRAO had net assets of \$2,383,504, which includes \$329,617 related to computer software. This investment supports the digital service delivery model developed by the CMRAO to ensure access by all licensees across the province and is in line with the CMRAO commitment towards providing an innovative digital service in every aspect of service delivery, including the online public registry, licensing, complaints, and compliance.

The excess of revenues over expenses of \$134,232 in fiscal year 2019–20 was reduced to 84% from the year before mainly because of 2019–20 being the first steady year of operation and the prudent decision to reduce the licence fees.

The unrestricted net assets increased to \$433,887 over the previous year's net assets of \$253,731, whereas \$20,000 has been transferred from unrestricted net assets to restricted net assets, bringing the total to \$1,620,000. The CMRAO has an established restricted net asset (Reserve Fund) 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.

As a delegated administrative authority, the CMRAO's principal objective is to manage these net assets in a manner that meets its legal obligations and that allows the organization to continue meeting the administrative agreement signed with the Ministry.



INDEPENDENT AUDITOR'S REPORT

To the Members of Condominium Management Regulatory Authority of Ontario

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Condominium Management Regulatory 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 Management Regulatory 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 12, 2020

Sloan Partners LLP
Chartered Professional Accountants
Licensed Public Accountants



Condominium Management Regulatory Authority of Ontario

Statement of Financial Position

As at March 31	2020	2019
Assets		
Current		
Cash	\$ 3,058,897	\$ 3,164,327
Accounts receivable	10,925	5,943
Prepaid expenses and other current assets	57,694	30,969
	3,127,516	3,201,239
Intangible asset (note 3)	329,617	395,541
	\$ 3,457,133	\$ 3,596,780
Liabilities		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 383,675	\$ 159,775
Deferred revenue (note 8)	689,954	1,187,733
	1,073,629	1,347,508
Net assets		
Invested in capital assets	329,617	395,541
Unrestricted net assets	433,887	253,731
Restricted net assets (note 10)	1,620,000	1,600,000
	2,383,504	2,249,272
	\$ 3,457,133	\$ 3,596,780

Approved by:

Director:



Director:



See accompanying notes to the financial statements

Condominium Management Regulatory 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	\$ 395,541	\$ 393,995
Purchase of intangible assets	–	111,376
Amortization of intangible assets	(65,924)	(109,830)
	<hr/>	<hr/>
Balance, end of the year	329,617	395,541
	<hr/>	<hr/>
Unrestricted net assets		
Balance, beginning of the year	\$ 253,731	\$ 989,288
Purchase of intangible assets	–	(111,376)
Transfer to restricted fund	(20,000)	(1,600,000)
Excess of revenues over expenses	200,156	975,819
	<hr/>	<hr/>
Balance, end of the year	433,887	253,731
	<hr/>	<hr/>
Restricted net assets		
Balance, beginning of the year	\$ 1,600,000	\$ –
Transfer from unrestricted fund	20,000	1,600,000
	<hr/>	<hr/>
Balance, end of the year	1,620,000	1,600,000
	<hr/>	<hr/>
Net assets, end of the year	\$ 2,383,504	\$ 2,249,272

See accompanying notes to the financial statements

Condominium Management Regulatory Authority of Ontario

Statement of Operations

For the year ended March 31	2020	2019
Revenue		
License revenue (note 6)	\$ 2,907,782	\$ 2,854,960
Grant revenue (note 5)	3,679	191,521
Other income (note 7)	77,877	49,681
	2,989,338	3,096,162
Expenses		
Human resources	1,590,855	1,454,125
Occupancy costs	250,465	123,482
Ministry oversight fee	198,002	–
Discipline and enforcement	157,207	73,492
Office and general	123,677	144,065
HST non-recoverable	109,031	83,130
Enterprise IT expense	77,313	58,348
Information and communication	76,638	76,731
Legal fees	73,497	56,457
Education Project	60,000	–
Board of Directors and Advisory Committee	61,403	27,123
Professional fees	11,094	23,390
Amortization of intangible assets	65,924	109,830
	2,855,106	2,230,173
Excess of revenues over expenses	\$ 134,232	\$ 865,989

See accompanying notes to the financial statements

Condominium Management Regulatory 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	\$ 134,232	\$ 865,989
Amortization of intangible assets	65,924	109,830
Changes in non-cash working capital:		
Accounts receivable	(4,982)	498,503
Prepaid expenses and other current assets	(26,725)	(2,117)
Accounts payable and accrued liabilities	223,900	(53,114)
Deferred revenue	(497,779)	1,024,788
HST PSB rebate receivable	–	170,007
	(105,430)	2,613,886
Investing		
Purchase of intangible assets	–	(111,376)
Net (decrease) increase in cash	(105,430)	2,502,510
Cash, beginning of the year	3,164,327	661,817
Cash, end of the year	\$ 3,058,897	\$ 3,164,327

See accompanying notes to the financial statements

Purpose of The Organization

In December 2015, the Ontario Legislative Assembly passed new legislation entitled the *Protecting Condominium Owners Act, 2015* (PCOA), which marks 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 PCOA made changes to the existing *Condominium Act, 1998* (Condominium Act), and enacted the *Condominium Management Service Act, 2015* (CMSA). To operationalize these consumer protection goals, two new administrative authorities were created. One of these two authorities is the Condominium Management Regulatory Authority of Ontario.

The Condominium Management Regulatory Authority of Ontario (the "Organization") was incorporated without share capital under the laws of the Province of Ontario on July 8, 2016, and is assuming responsibility for the implementation of services to support its mandate under the Act. It is carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects, and as such, is exempt from income tax.

Upon designation by the Lieutenant Governor in Council in November 2017, the Organization started administering the CMSA, and started performing as the professional regulatory body for condominium managers and management providers, and is responsible for the implementation of a comprehensive licensing and regulatory scheme.

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.

1. Summary Of Significant Accounting Policies (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

(i) Grant revenue

The Organization follows the deferral method of accounting for contributions. Restricted contributions, if any, are recognized in revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions are allocated to the purpose to which they relate. If the contributor makes no designation, they are allocated to general purposes. Grants are recognized in the period to which the related project occurs. Grants are recorded in revenue when the corresponding conditions for receipt of the funds received are met, or the period for which the funds are designated has passed.

Grants received in excess of the amount to be recognized in revenue for the year are recorded as deferred revenue.

(ii) License revenue

Fees charged for licensing from individual condominium managers and condominium management providers are either for a one-time registration fee at time of registration or an annual renewal fee. They are recognized evenly over the duration of the license. Unearned fees are recorded as deferred revenue.

1. 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 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.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

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 expected cash flows. If so, the carrying value of the financial asset is reduced to the highest of 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

The Organization's objective in managing capital 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 business. 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.

3. Intangible Asset

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Computer software	\$ 549,148	\$ 219,531	\$ 329,617	395,541

4. Accounts Payable and Accrued Liabilities

As at March 31, 2020, there are government remittances payable outstanding of \$1,147 (2019 - \$7,167) included in the accounts payable and accrued liabilities balance. The Ministry oversight fee of \$198,002 is also included in this balance.

5. Grant Revenue

	2020	2019
Ministry of Government and Consumer Services (CMSA)	\$ —	\$ 162,945
Ministry of Government and Consumer Services (HIA)	3,679	28,576
	\$ 3,679	\$ 191,521

6. Licence Revenue

The Organization collects licence fees from firms and managers. A one-time application fee is also charged before the licences can be approved.

	2020	2019
Licence Fees	\$ 2,773,082	\$ 2,762,710
Application Fee	116,400	88,350
Reinstatement Fee	18,300	3,900
	\$ 2,907,782	\$ 2,854,960

7. Other Income

	2020	2019
Interest Earned	\$ 77,877	\$ 49,681

8. Deferred Revenue

Continuity of deferred revenue:	2020	2019
Deferred revenue, beginning of year	\$ 1,187,733	\$ 162,945
Grants received (note 9)	–	520,000
Grants returned	(506,588)	–
Interest on grants received	10,277	8,567
Licence fees received	2,909,994	3,542,702
	3,601,416	4,234,214
Grant revenue earned (note 5)	(3,679)	(191,521)
Licence fees earned (note 6)	(2,907,782)	(2,854,960)
Deferred revenues, end of year	\$ 689,954	\$ 1,187,733

8. Deferred Revenue (Continued)

Deferred revenue consist of:	2020	2019
Grants received in advance (HIA)	\$ 496,311	\$ 491,424
Interest on grants received	10,277	8,567
Grants returned (HIA)	(506,588)	–
Licence fees received in advance	689,954	687,742
Licence fees received	\$ 689,954	1,187,733

9. Grants Received

	2020	2019
Ministry of Government and Consumer Services (HIA)	\$ –	\$ 520,000

In the fiscal year ended March 31, 2018, the Organization received the final instalment from the transfer payment agreement dated October 24, 2016, to establish the administrative authority under the *Condominium Management Services Act 2015* ("CMSA"). That project has been completed and \$162,945 (Note 5) has been recognized as revenue in the year ended March 31, 2019. In fiscal year ending March 31, 2019, the Organization entered into a new transfer payment agreement dated April 25, 2018, to establish an administrative authority to implement the *Home Inspection Act, 2017* (HIA), and received the first instalment amounting to \$520,000. The project with HIA was terminated effective March 31, 2020, and an unspent balance of \$506,588 (Note 8) was repaid. An amount of \$3,679 (2019 - \$28,576) (Note 5) has been recognized as revenue in the year ended March 31, 2020.

10. Restricted Net Assets

In fiscal 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. During the year, the Organization transferred \$20,000 (2019 - \$1,600,000) from its unrestricted accumulated net assets.

11. 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.

12. Commitments

The Condominium Management Regulatory Authority of Ontario is committed to lease its premises at 21 St Clair Avenue E, Suite 800, Toronto, Ontario until November 30, 2024. The future minimum commitments are as follows:

2021	172,906
2022	176,801
2023	180,695
2024	151,136
	<hr/>
	\$ 681,538
	<hr/>



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Condominium Management
Regulatory Authority of Ontario

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