



Condominium Management
Regulatory Authority of Ontario

Annual Report

2021–22



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Overview

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.



The YEAR in NUMBERS



Active Licensees

4,351

▲
12%



Complaints received

968

▼
0.5%



Social media followers

2,287

▲
47%



Email inquiries

3,388

▼
32%



Inbound phone calls received

6,905

▲
9%

French language service:



Phone calls

7



Email inquiries

9



Complaints received

2

Message from the Chair

Foundation for Continued Leadership through Dynamic Transformation



On behalf of the Board of Directors, I am pleased to share the CMRAO's 2021–22 annual report, which represents the culmination of five years of growth and the sturdy foundation we have built for the challenges and opportunities that lie ahead.

The physical imagery of condominiums is changing, and through innovation in construction and design, so too is the experience of condominium living being transformed. There is an increased demand for homes in large urban centres across the province, and one-third of Ontario's growth over the next decade is expected to happen in the Greater Toronto Area and Ottawa. With provincial commitments to build in response to legislation, policy decisions, and strategic investments in the housing sector, the CMRAO is prepared for the massive influx of condominiums: positioned for scaling up and for the new issues that may emerge.

When the CMRAO began operations on November 1, 2017, we set ourselves up for success as a modern regulator and digital-first organization. In just five short years, two of which were in a pandemic, the CMRAO has developed the industry's first competency profile to define the condominium management profession, introduced a new education program, and established an effective compliance program. Throughout all of this, the CMRAO has overseen the growth of the sector surpassing even industry expectations while maintaining a stable organization.

This year the CMRAO unveiled its new strategic plan, which will keep us focused on our strategic objectives, meeting our mandate, and delivering on our vision to enhance protection for condominium consumers. In November 2022, the CMRAO will reach an important milestone – our fifth year of operations. Milestones not only provide an occasion to reflect on and celebrate achievements, but they also afford opportunities to peer into the future and prepare for what is next. Our first five years as an organization have focused on building, growing, and reinforcing the framework. We now have a full regulatory toolkit that includes education, investigations, and enforcement to carry out our consumer protection mandate.

When building an organization from the ground up, success relies on a strong foundation. Continuous consultation with stakeholders across the sector, support from the government, and cooperation from licensed managers and companies have helped to anchor our work while meeting common goals. As we look back on what has been accomplished over the last five years during a period of great transformation, we look ahead to the future and what can be achieved as we continue our work together.

A handwritten signature in black ink that reads "Aubrey LeBlanc". The signature is fluid and cursive, written in a professional style.

Aubrey LeBlanc
Chair of the Board of Directors

Message from the Chief Executive Officer and Registrar

Continuous Progress and Evolution to Support Enhanced Consumer Protection



Over the last year, the CMRAO has continued to make operational progress to strengthen its regulatory function in Ontario's growing condominium management sector. The 2021–22 annual report reflects our key achievements and highlights the work the organization has done to support the growth and relevance of condominium managers in an ever-expanding market.

In November 2021, the CMRAO introduced a new education program with the launch of Excellence in Condominium Management, a mandatory course that individuals interested in becoming a condominium manager must now successfully complete to qualify for a Limited Licence. The CMRAO's working relationship with Humber College, our education partner, has been a fruitful one, with the rollout of the education program for a General Licence well underway. The transition to condominium manager education has been smooth and the feedback from across the sector has been very positive.

This year the CMRAO's new education program won an Award of Excellence for curriculum development. Our thanks to the CMRAO's Advisory Committee and our subject matter experts who guided the curriculum development to ensure that the real-world knowledge a condominium manager needs on the job is rooted within the education program.

Much progress has also been made over the last year regarding recommendations made by the Office of the Auditor General of Ontario. We have taken steps to proactively identify cases of unlicensed practice, enhanced our complaints handling processes, developed a proactive inspections program, and established new performance indicators in relation to the timely processing of licence applications and complaints.

The organization continues its prudent resource management. The financial report and audited financial statements demonstrate our fiscal responsibility and effective use of funds to carry out our regulatory functions. Throughout this time of great uncertainty, the work and general morale of our staff has remained consistently high, and I appreciate the effort, teamwork, and camaraderie that continue to foster a positive culture of performance in a time when the demands are greater than ever.

This year our operations were further strengthened through our cooperative work with our colleagues at the Ministry of Public and Business Service Delivery, as well the Condominium Authority of Ontario (CAO). The CMRAO's Board of Directors has remained steadfast in its stewardship of the organization. The Board's thoughtful guidance continues to reinforce the organization as we evolve our function and regulatory approach.

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

Ali Arlani
Chief Executive Officer and Registrar

Background

Ontario's condominium sector is continuously expanding. There are now more than 12,400 condominium corporations¹ and over 950,000 condominium units² owned by residents or investors in Ontario, and growth is anticipated to continue at a strong pace. It is expected that in the period of 2022–25, approximately 20,000 new condominium units³ will be introduced to the Toronto Census Metropolitan Area market annually.

The CMRAO is designated under the *Condominium Management Services Act, 2015* (CMSA), and began operations on November 1, 2017, to provide stronger consumer protection for Ontarians living and investing in condominiums. Through effective regulation, the CMRAO strengthens the condominium management profession and helps protect consumers in Ontario's complex and rapidly growing condominium sector.

The CMRAO is a not-for-profit corporation funded primarily through licensing fees from condominium managers and condominium management services provider companies. The organization is governed by an independent Board of Directors and operates under an Administrative Agreement with the Minister of Public and Business Service Delivery (formerly the Minister of Government and Consumer Services).

From the day it began operations, the CMRAO has been a digital-first organization with online services available to consumers and licensees, including the submission of complaints or licence applications through a web portal. More recently, the CMRAO introduced a mandatory online course and exam for new entrants to the profession, making it available and accessible to prospective licensees throughout the province.



12,418

Condominium corporations

¹Based on data supplied by the Condominium Authority of Ontario

953,286

Condominium units

²Based on data supplied by the Condominium Authority of Ontario

20,000

New condominium units/yr.

³Projected data provided by Bullpen Consulting

Regulatory, By-law, and Policy Changes

In 2021–22, the government introduced changes to certain legislation relevant to the CMRAO.

The *Ontario Not-for-Profit Corporations Act, 2010*, was proclaimed and came into force on October 19, 2021. The CMRAO, as a not-for-profit organization, is directly impacted by this legislation and will make the necessary changes to its constating documents (for example, articles of incorporation, letters patent, and by-law) in due course.

On May 20, 2021, the Ontario government amended the General Regulation under the *Condominium Management Services Act, 2015* (CMSA) to extend the time for Transitional General Licensees to complete the education and exam requirements to apply for a General Licence. The amendment stated that a Transitional General Licensee may not apply for a renewal of the licence or reapply for the licence after May 31, 2022.

Continuity of Operations Through the COVID-19 Pandemic

Since the introduction of province-wide emergency measures to counter the spread of the COVID-19 virus, the CMRAO has complied with provincial requirements and staff have been working remotely with occasional visits to the office to perform tasks that require on-site presence.

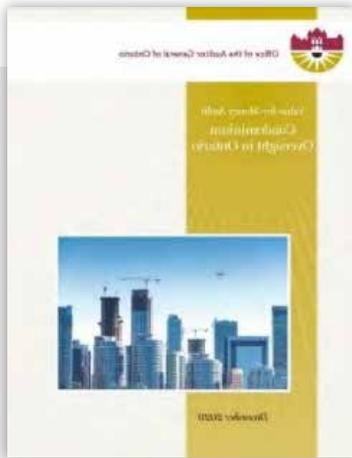
The CMRAO conducted all staff, external, and board meetings virtually. All communications and services were provided to licensees and stakeholders with minimal impact on service levels. The CMRAO monitors official government and public health information to adapt to the evolving situation.

Since March 2020, the CMRAO created and maintained a web page for resources that aimed to support our licensees and condominium owners/residents throughout the province.



Auditor General of Ontario Value-for-Money Audit:

Condominium Oversight in Ontario



In December 2020, the Office of the Auditor General of Ontario (Auditor General) published the results of a year-long audit of the CMRAO's operations, policies, and procedures related to licensing and consumer protection in a report entitled Value-for-Money Audit: Condominium Oversight in Ontario, available at: www.auditor.on.ca/en/content/annualreports/arbyyear/ar2020.html.

The report included recommendations for the CMRAO in four key areas:

- Sharing data with the Condominium Authority of Ontario (CAO) to support proactive identification of unlicensed individuals or companies providing condominium management services and bringing them into compliance (**Recommendation 5**)
- Enhancing the CMRAO's complaints handling and resolution process (**Recommendation 6**)
- Enhancing the CMRAO's inspection program by conducting proactive, risk-based, standardized inspections (**Recommendation 7**)
- Setting targets and publicly reporting on key activities within the CMRAO's legislated mandate (**Recommendation 19**)

Over the course of this fiscal year, the CMRAO worked to address the Auditor General's recommendations, fully implementing recommendations 5, 6, and 19, and made substantial progress in developing a proactive inspection program (**Recommendation 7**).



The implementation plan outlining the actions taken and the outstanding deliverables is available on the CMRAO website at: www.cmrao.ca/organization/auditor-general-of-ontarios-report.

Consumer Protection

The CMRAO works in the public interest to licence and regulate condominium managers and condominium management provider businesses, maintain a public registry, and administer a complaints process. All CMRAO licensees are required to comply with the *Condominium Management Services Act, 2015* (CMSA), and its regulations.

The CMRAO protects condominium communities and builds trust in condominium management services through:

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.

Regulatory Compliance



Promoting and enforcing compliance with the CMSA and its regulations, licensing requirements, and the Code of Ethics.

Education Requirements



Establishing education requirements for condominium managers.

Public Registry



Providing consumers access to an online registry of licensed condominium managers and condominium management provider businesses. The public registry offers information about licensees, including conditions, suspensions, revocations, and disciplinary actions.

Complaints Process



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

Raising Public Awareness



Promoting awareness of the regulatory and consumer protection system.

Strategic Overview

Since its inception, the CMRAO has established itself as an effective regulator to bring increased discipline and professionalism to the condominium management sector. This strong foundation is essential to effectively deal with the ever-increasing size and complexity of Ontario's condominium market.

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

The CMRAO is committed to the following values that guide our behaviour and support our efforts to achieve our strategic and operational objectives:

Building trust

by carrying out our mission with integrity, accountability, and a commitment to fairness.

Service excellence

through our commitment to responsiveness, respect, and results in all our interactions with the public, the regulated community, and our partners.

Diversity and inclusion

by incorporating the principles of diversity and inclusion in all aspects of our work and services that we provide.

Learning organization

by focusing on education and sharing knowledge with our stakeholders through a variety of training methods.

In the fall of 2021, the CMRAO's Board of Directors engaged in a strategic planning exercise to establish the strategic direction and key priorities for the organization for the coming three years.

As an organization committed to service excellence, the CMRAO will remain focused on refining our regulatory approach to ensure we meet our consumer protection goal. The Strategic Plan upholds the mission and vision of the CMRAO and enhances the values espoused by the organization.

Corporate Governance

The CMRAO is a not-for-profit corporation governed by an independent Board of Directors with extensive collective experience and skills in condominium management, corporate governance, strategic planning, financial oversight and planning, risk management, public policy, law, regulatory oversight, and communications.

The Board of Directors is responsible for providing direction and oversight of the affairs of the CMRAO, and ensuring that the organization meets its obligations under:

- the *Condominium Management Services Act, 2015* (CMSA)
- the *Ontario Not-for-Profit Corporations Act, 2010*
- the CMRAO By-law
- the Administrative Agreement

Director Qualifications

In selecting new members, the CMRAO gives special consideration to identifying and filling the skills gaps on the Board with the aim of ensuring the following skills and experience are maintained across the full Board:

- governance and strategic planning
- condominium management
- financial oversight and risk management
- licensing, regulatory, and legal experience
- communications 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, 2022, the CMRAO had four elected directors and three directors appointed by the Minister.

Code of Conduct

The Board adopted a Code of Conduct that is included in the Administrative Agreement as Schedule E and posted on the CMRAO website. All directors elected and appointed are required to sign and abide by this Code of Conduct.

Board Director Biographies



Aubrey LeBlanc, Chair | Elected

(Elected 2020 – 2023)

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 Past Chair of the Bereavement Authority of Ontario and the Past 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 2019 – 2022)

John Oakes is currently the Chair of CMRAO's Audit & Risk Management Committee. John was the President & CEO of Brookfield Condominium Services Ltd. (now Crossbridge Condominium Services Ltd.) for over twenty years until he recently semi-retired and became its Chair. During his career, he served as Director on the Boards of the Association of Condominium Managers of Ontario (ACMO) and the Canadian Condominium Institute (CCI). In 2015, he was asked by the government to sit on the Advisory Panel to establish an authority to oversee the *Condominium Management Services Act*. He also serves as President of the condominium where he lives and as President of The Muskokan Resort Club Inc., an interval ownership resort on Lake Joseph. John is also a Director on the Board of ParaSport Ontario, an umbrella organization that promotes competitive and recreational activities for individuals with disabilities.



Gail Beggs, Director | Elected

(Elected 2021 – 2024)

Gail Beggs is currently the Chair of the CMRAO's Governance Committee. Gail has extensive experience as an executive in government, including over nine years as Deputy Minister of three ministries in the Ontario Public Service. Gail also led the Board of an international agency dealing with the Great Lakes and headed up an Ontario Crown corporation, serving as Chair of the Board and separately as Chief Executive Officer. Gail currently serves as Vice Chair of the Board of the Ontario Lottery and Gaming Corporation, and on the board of Forests Ontario. Gail chaired the multi-stakeholder Advisory Group that led to the formation of the Condominium Management Regulatory Authority of Ontario.



Kerry Carmichael, Director | Appointed by the Minister

(Appointed 2019 – 2022)

Kerry Carmichael's career spans over thirty 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 twenty years on the Board of Directors, including as Chair, of the Crossroads Christian Communication corporation.



Elizabeth Gibbons, Director | Elected

(Elected 2019 – 2022)

Elizabeth Gibbons has two decades of experience in public relations (PR), executive communications, and media and stakeholder relations. As Director of Environmental, Social, Governance (ESG) for TELUS International, she leads the communications of corporate philanthropy, diversity, inclusion, and equity and other ESG programs for more than 68,000 team members across North America, Central America, Europe, and Asia. She also teaches a PR course at Algonquin College. Elizabeth has previously held roles as Head of Media and Public Affairs for the British High Commission and Director of Communications for the Minister of Agriculture.



Paul Kyte, Director | Appointed by the Minister

(Appointed 2019 – 2022)

Paul Kyte was licensed with the Law Society of Ontario as a legal services provider (Paralegal) providing legal services from 1996 until retiring his practice in March 2022. Previously he served as a Provincial Offences Prosecutor with the Ontario College of Trades and interim Prosecutor for the County of Hastings. He was a City Councillor for the City of Quinte West (2003–2014) and sat on and chaired several committees during his time there. Currently he is the property administrator for a private corporation managing approximately 400 residential rental units and several commercial properties across Ontario and has recently been appointed as a Part-Time Member of the Ontario Parole Board.



Beth Pearson, Director | Appointed by the Minister

(Appointed 2019 – 2022)

Beth Pearson's career in the insurance industry spans over thirty 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 Secretary for the Rotary Club of Ancaster AM, and Trustee for Marshall Memorial United Church.

Committees

Standing Committees of the Board

Audit and Risk Management Committee

The CMRAO's Audit and Risk Management (ARM) Committee was established in 2019, pursuant to Section 4.10 of the CMRAO By-law.

The ARM Committee's mandate is to assist the Board in fulfilling its oversight responsibilities with respect to the organization's standards of integrity and behaviour, reporting on the results of the annual audit, risk management oversight, integrity of financial procedures and management control practices/processes, focusing primarily on financial and enterprise risk.

Committee members:

- John Oakes, Director (Chair)
- Gail Beggs, Director
- Kerry Carmichael, Director

Governance Committee

The CMRAO's Governance Committee was established in 2019, pursuant to Section 4.11 of the CMRAO By-law.

The Governance Committee acts in an advisory capacity to the Board in fulfilling its responsibilities with respect to corporate governance, including making recommendations on governance best practices. The role of the Committee is to oversee CMRAO policies, procedures, and by-laws to ensure that the Board is performing its responsibilities effectively, ethically, and with due diligence, and that the organization has an appropriate approach to corporate governance. Responsibilities also include the implementation of a transparent and objective process to nominate Directors for elected Board member vacancies and making recommendations for re-election of existing Directors.

Committee members:

- Gail Beggs, Director (Chair)
- Kerry Carmichael, Director
- Beth Pearson, Director

Other CMRAO Committees

Advisory Committee

The CMRAO's Advisory Committee was created pursuant to Section 7.2 (4) of the 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, some of whom are licensed condominium managers, and others represent the broader condominium community.

Members of the Advisory Committee are appointed by the CMRAO Board of Directors.

Advisory Committee Chair

Chris Jaglowitz

Advisory Committee Members

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

Activities of the Advisory Committee

In September 2021, the first annual meeting of the Advisory Committee and the Board of Directors was held to give committee members an opportunity to provide input and for the Board to receive feedback.

In 2021–22, the CMRAO's Advisory Committee members provided feedback on the method of delivery, the cost, and the impact on the industry of introducing the new mandatory course, **Excellence in Condominium Management**, for new Limited Licence applicants.

The Advisory Committee also met to provide input and consult on the proposed proactive risk-based inspections program.



Discipline Committee and Appeals Committee

The Discipline Committee and Appeals Committee support the CMRAO's commitment to the public to address concerns about practice and conduct of condominium managers and management service provider companies. The CMRAO established the committees to hear and determine if a licensee has failed to comply with the Code of Ethics pursuant to section 58 of the CMSA.

Members on these committees serve for a period of two years and receive training from the CMRAO's independent legal counsel on the statutory framework, jurisdiction, and rules of the committees.

Discipline Committee Chair

Jeff Donnelly

Appeals Committee Chair

Bernard Cowan

Discipline Committee and Appeals Committee Members

Nadia Freeman

Dan Fried

Frank Gallo

Aviva Harari

Shane Haskell

Allyson Ingham

Andrea Korth

Lyndsey McNally

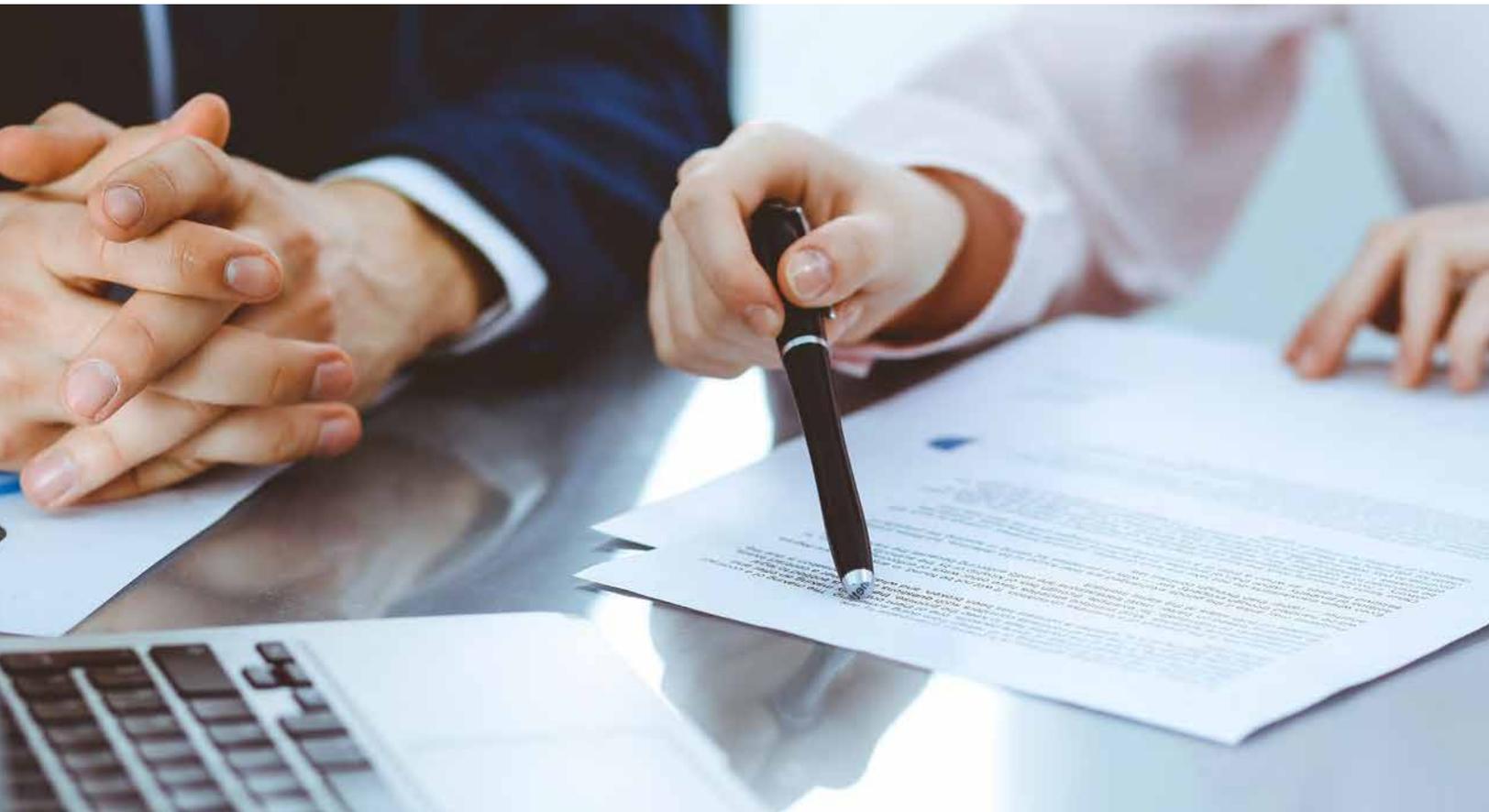
Daniel Mousavi

Bob St. George

Bradley Wells

Joanna Yu

The Committee issued numerous decisions in 2021–22 that were published on the CMRAO website at www.cmrao.ca/consumer-protection/discipline-and-appeals-decisions.

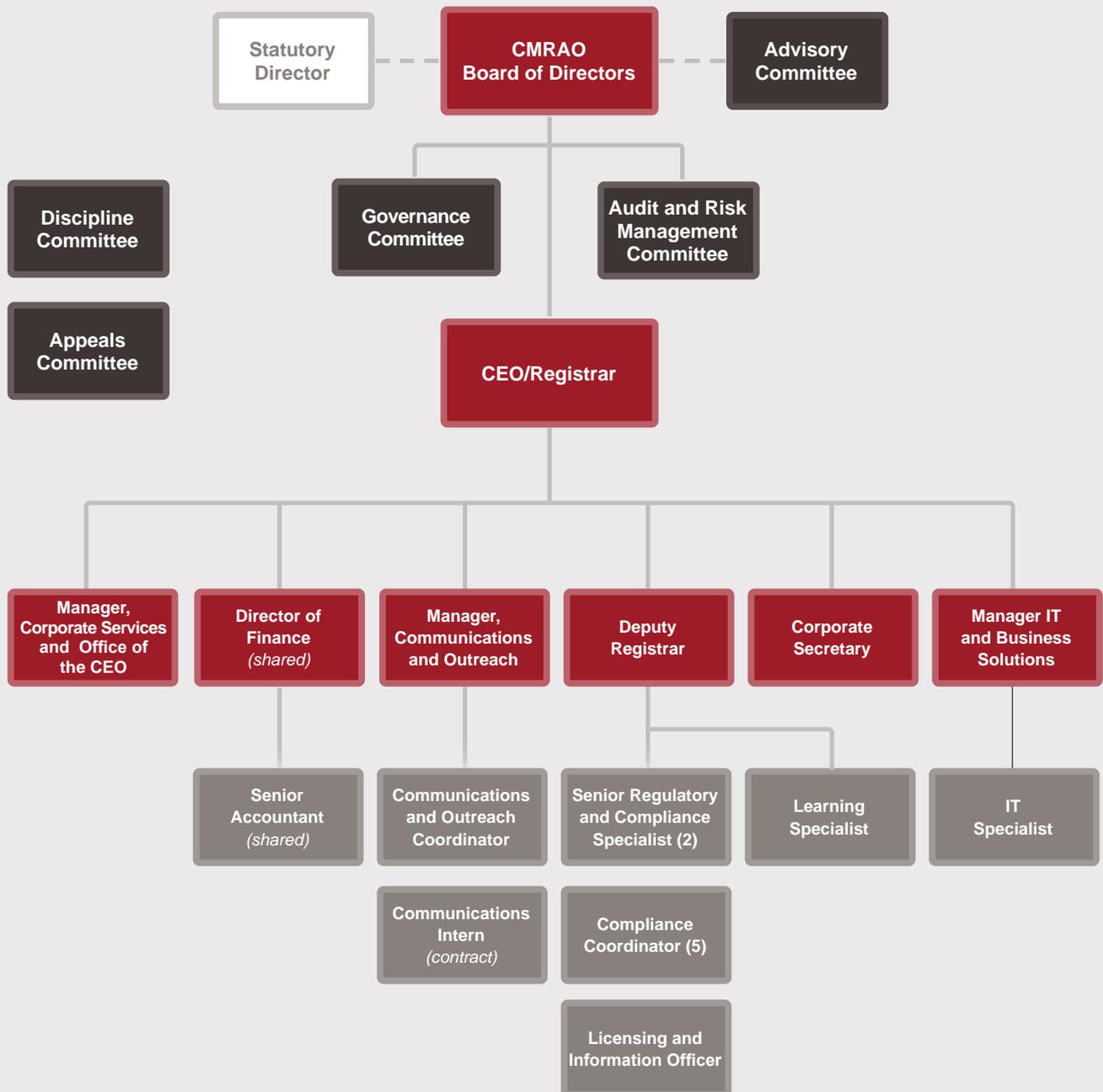


Corporate Structure

To achieve its consumer protection mandate, the CMRAO operates with a lean, committed, and diverse team, including licensing and compliance coordinators; information technology specialists; and communications, administration, and education staff.

Under the leadership of the Deputy Registrar, licensing, education, and compliance coordinators evaluate applications for licences and are available to handle complaints from the public or the licensed sector.

As the CMRAO enters its fifth year of operations as a regulator, the senior management team will focus on ensuring that appropriate resources are available to deliver the full suite of services that now includes education and the early phases of a proactive inspections program.



Licensing

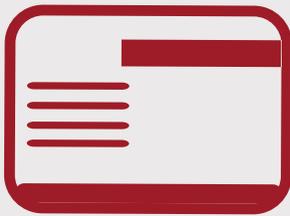
The licensing of condominium managers and provider businesses came into effect on November 1, 2017. Anyone who is not exempt under regulation and is providing condominium management services in Ontario is required to hold a licence. The CMRAO issues four types of licences, each with specific application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



General Licence	Transitional General Licence (time-limited 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.

Active Licences

(as at March 31, 2022)



General Licence	2,277
Transitional General Licence	248
Limited Licence	1,406
Condominium Management Provider Licence	420

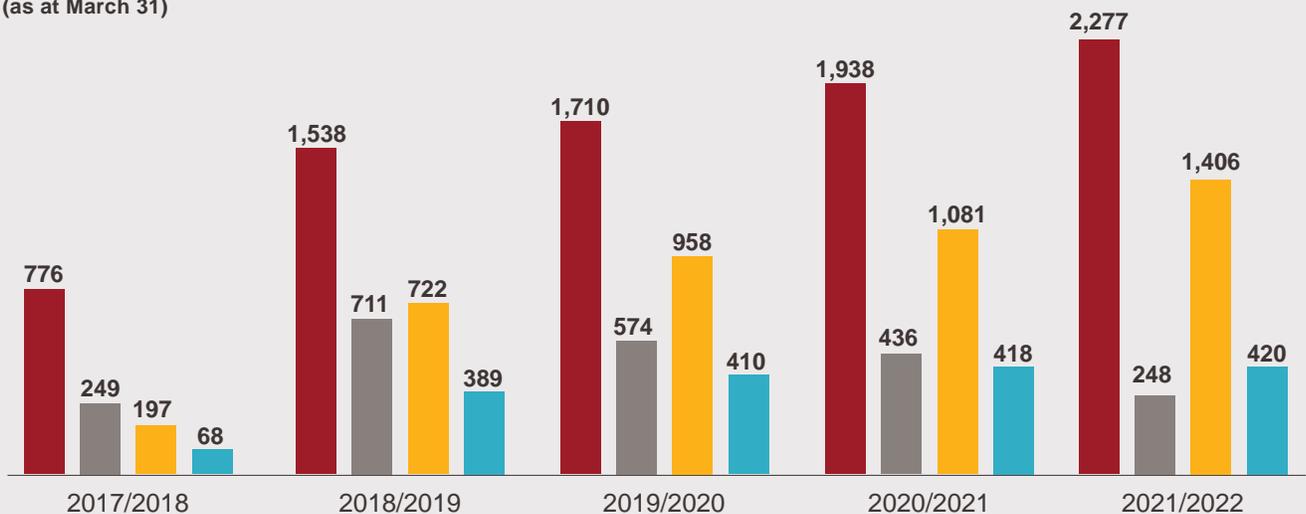
Regional Distribution of Licences

(as at March 31, 2022)



Active Licensees: Year-Over-Year

(as at March 31)



- General Licence
- Transitional General Licence
- Limited Licence
- Condominium Management Provider Licence

Extension of Transitional General Licence

Transitional General Licences are a time-limited class of licence for condominium managers originally introduced in 2017. Under section 16 of Ontario Reg. 123/17, the expiry of the Transitional General Licence was extended to June 2022.

This change enabled Transitional General Licensees to renew their licence for one more year as part of the 2021–22 licence renewal cycle. Additionally, this extension provided additional time for Transitional General Licensees to complete the education and exam requirements necessary to apply for a General Licence before the 2022–23 licensing year.

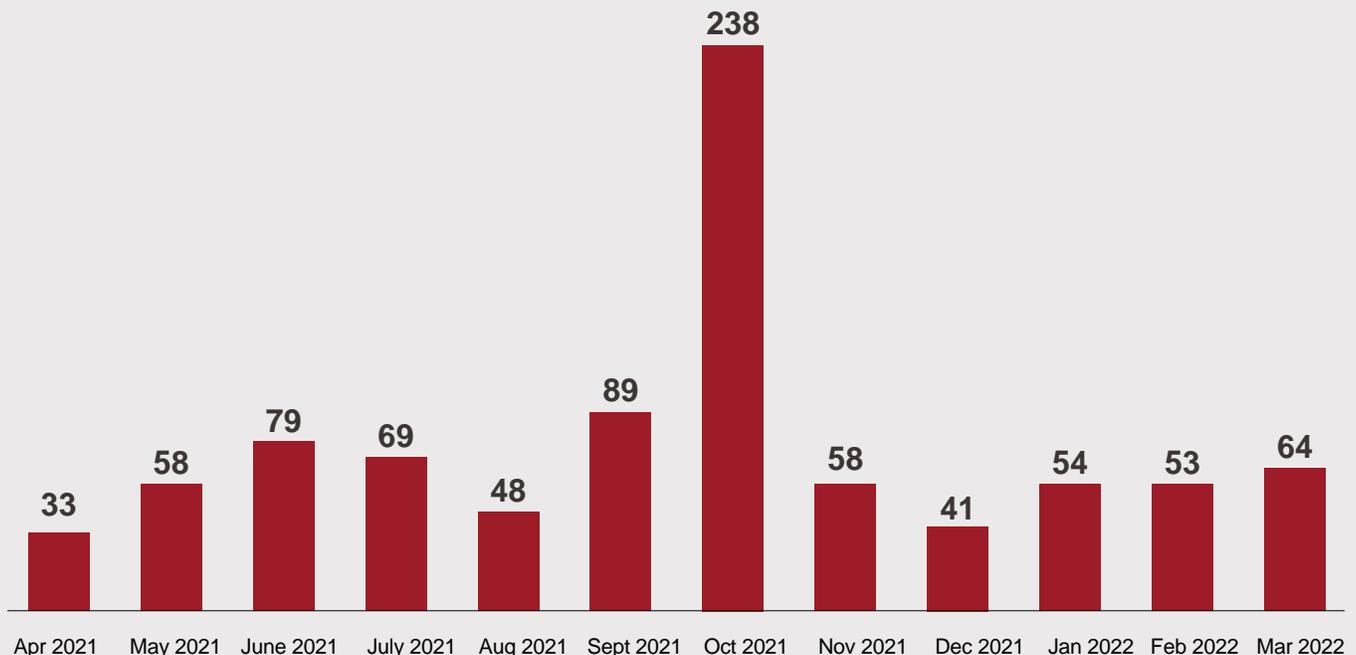
This change was made in recognition of the exceptional challenges that condominium managers and provider businesses faced as the result of COVID-19, and the difficulties individuals have had completing their education program.

Monitoring Growth of the Sector

As a modern regulator, the CMRAO relies on data to inform our decision-making and monitor trends. Over the last year, there has been consistent growth in the number of new entrants applying for licences. In 2021–22, the CMRAO received 884 new Limited Licence applications, an increase of 30.1% compared to the same period in 2020–21.

Limited Licence Applications Submitted

(April 1, 2021, to March 31, 2022)



Education

Part of successful regulation in the public interest involves ensuring that licensees meet a defined standard of education. In addition to all other requirements, individuals applying for a licence must complete certain education requirements to obtain a licence from the CMRAO to provide condominium management services. New education requirements came into effect on November 1, 2021, when the responsibility for setting education and examination requirements transferred from the Minister of Public and Business Service Delivery to the Registrar of the CMRAO.

Effective November 1, 2021, Limited Licence applicants were required to successfully complete **Excellence in Condominium Management**, the first course of the CMRAO's new education program, which is mandatory.

Similarly, to qualify for a General Licence, candidates must successfully complete five courses from the CMRAO's new education program:

- Condominium Management – Law
- Condominium Management – Relationship Building
- Condominium Management – Building Operations and Maintenance
- Condominium Management – Financials
- Condominium Management – Operational Quality

This year, the CMRAO selected Humber College for the development and coordinated delivery of the new education program, and Meazure Learning in collaboration with Humber College for the development and delivery of the regulatory exams.

Award-winning Education Program



In 2021, the CMRAO and its consultant, Metrix Group, were recognized with an Award of Excellence for curriculum development from the Institute for Performance and Learning. Assistance from the CMRAO's Advisory Committee and additional Subject Matter Experts guided the curriculum development over the duration of this project to ensure that the real-world knowledge a condominium manager needs on the job is rooted within the education program.

“ The course was very helpful for me. I started my career as a Trainee after this course and I understand better what it means to be a property manager. Thank you for everything! ”

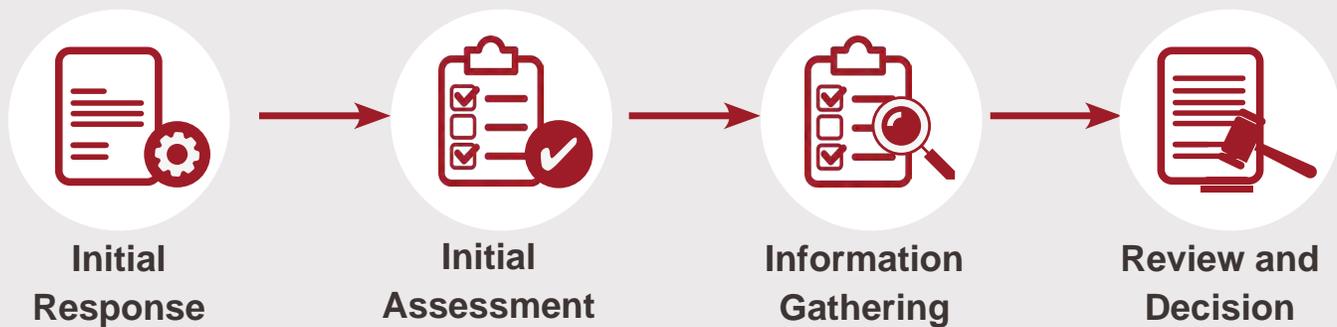
– Excellence in Condominium Management Learner

Complaints, Compliance, and Discipline

The CMRAO works in the public interest to build trust in condominium management services and to protect condominium communities across Ontario. Licensees are required to follow certain rules as outlined in the CMSA and under the Code of Ethics regulation.

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.

In 2021, the CMRAO introduced a series of service standards for handling complaints.



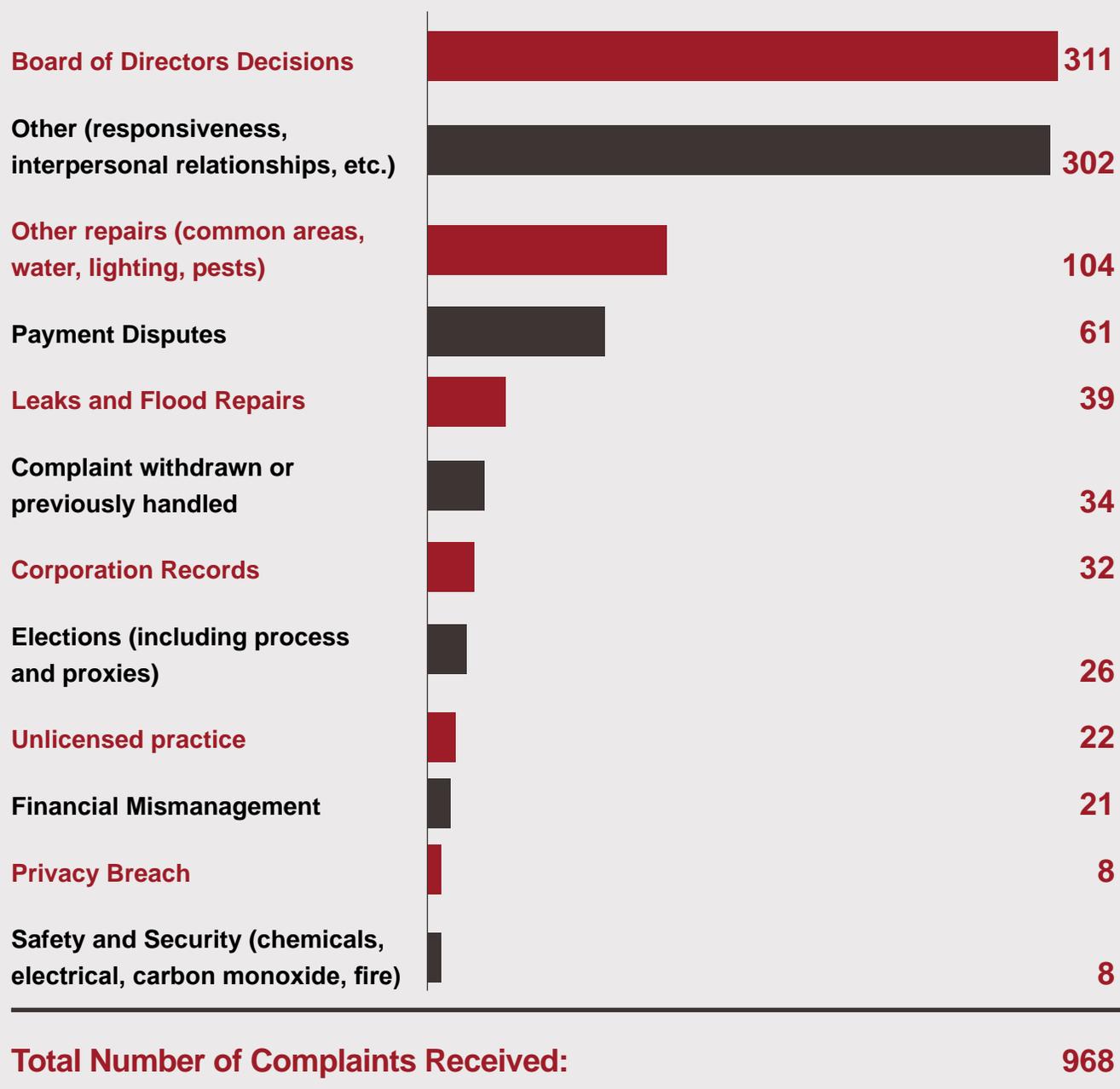
The CMRAO developed new policies, in consultation with the Advisory Committee, that identify the types of actions that should be taken for specific types of complaints. The CMRAO substantially revamped the complaints section of its website in alignment with its complaints handling policies and procedures.

Complaints

The CMRAO handles complaints against condominium managers and condominium management provider businesses pursuant to the CMSA and its regulations, including a Code of Ethics regulation.

The CMRAO does not have jurisdiction over the decisions or conduct of the condominium corporation, other people, or businesses (such as the board of directors, administrators, security guards, or others) unless they are providing condominium management services illegally without a licence or otherwise violating the CMSA.

The CMRAO received a total of 968 complaints in 2021–22. The top ten categories of complaints were:

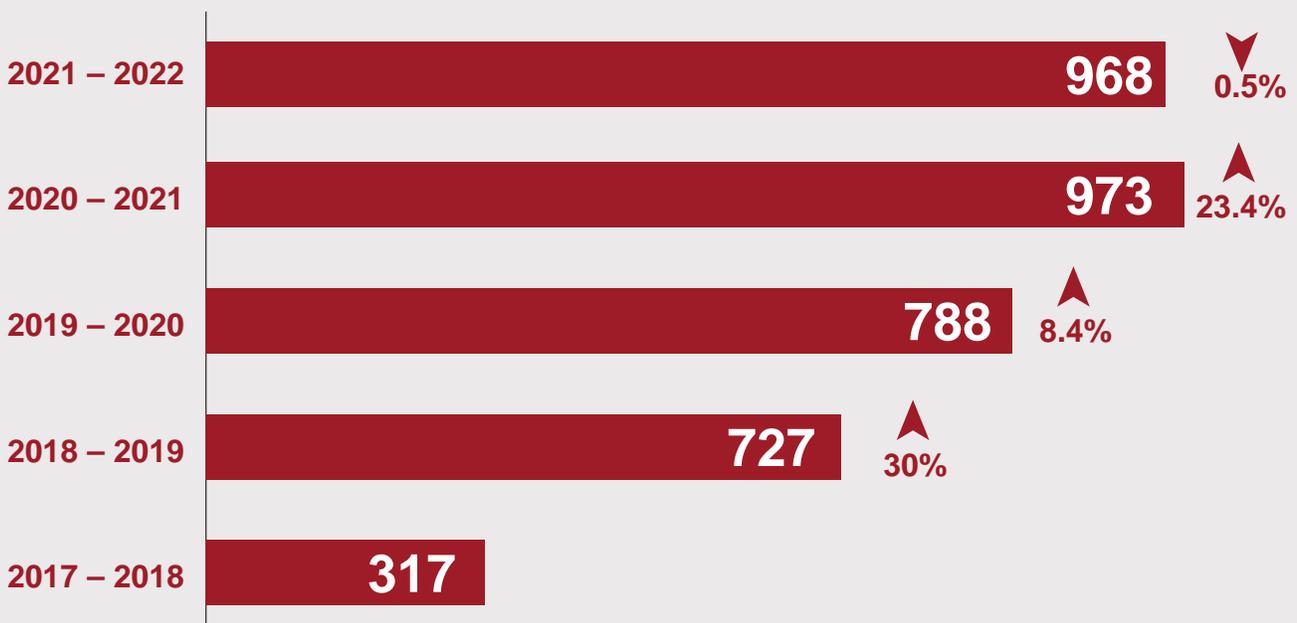


In the fourth quarter of 2021, the CMRAO saw a reduction in the number of complaints, which coincides with the launch of its new website, which features an entire section devoted to complaints. The expanded content clearly articulates the entire complaints process, the service standard assigned to each stage of the process, and the kinds of complaints that the CMRAO can handle based on its mandate.

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



Compliance

Inspections are carried out to ensure compliance with the legislation, to deal with complaints, or to ensure that a licensee or applicant is entitled to a licence.

The CMRAO currently performs inspections based on complaints it has received, and has conducted inspections on areas, such as fraud and financial mismanagement, failure to turn over condominium records, unlicensed practice, failure to provide services in accordance with the licensee's contract, and other areas of professional misconduct.

In 2021-22, the CMRAO initiated five inspections, which were carried out when allegations or information regarding serious misconduct were brought to the attention of the Registrar.

The CMRAO developed options for a proactive approach to inspections based on a review of the risk-based compliance approaches of other regulatory bodies.

Number of Inspections:

5

Number of Investigations:

4

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 2021 the CMRAO developed and implemented a standardized checklist for inspections related to management and turnover of condominium corporation records and will continue to develop checklists for other key areas identified under the CMSA.

This year, the CMRAO initiated four investigations, all of which were in relation to allegations of unlicensed practice.

Registrar's Actions

Licensees have a duty to comply with actions imposed by the Registrar, Licence Appeal Tribunal (LAT), Discipline Committee panel, 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. To date, none of the decisions of the Discipline Committee have been appealed.

Registrar's Actions Appealed to LAT:

2

LAT Decisions Issued:

0

All Registrar's actions are published in the Public Registry and are also available on the Licensing Actions section of the CMRAO website at www.cmrao.ca/consumer-protection/licensing-actions.

Discipline

In 2021-22, the CMRAO's Registrar referred five matters to the Discipline Committee. The Discipline Committee also issued findings of professional misconduct in relation to four cases.

The Discipline Committee made penalty orders where findings of professional misconduct were made, or an agreed statement of facts and a joint submission on penalty were submitted. The penalties were mostly financial but sometimes included attendance in an Ethics course recommended by the CMRAO at the licensee's expense.

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

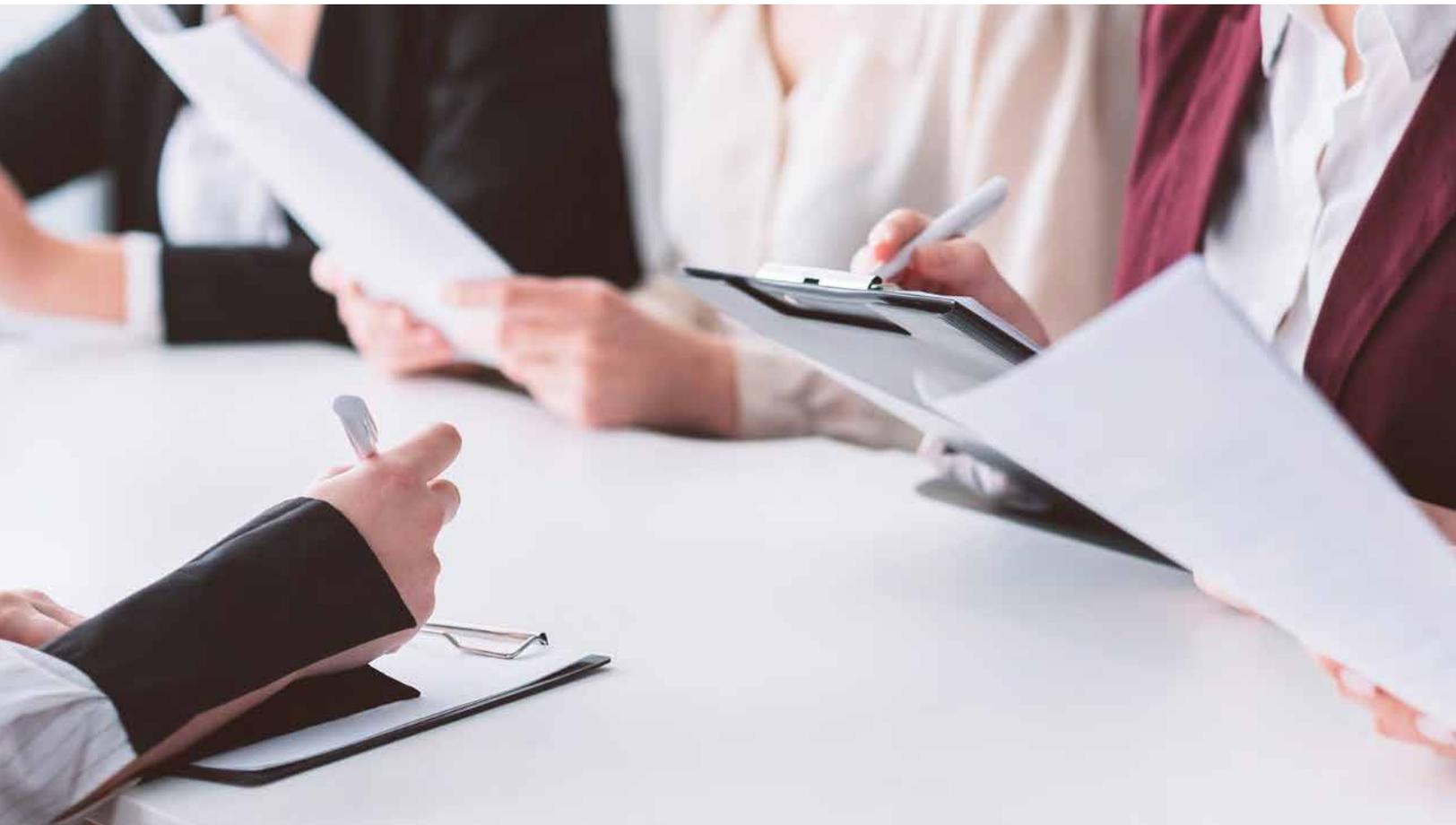
Cases referred to Discipline Committee:

5

Discipline Decisions:

4

Discipline decisions and orders are published on the CMRAO website at www.cmrao.ca/consumer-protection/discipline-and-appeals-decisions.



CMRAO Compliance At-a-Glance

(as at March 31, 2021)



2

Proposals to Suspend



6¹

Individuals and business charged with Provincial Offences



1

Proposal to Apply Conditions on a Licence



26

Registrar's Warning Letters Issued



9²

Individuals and business convicted of Provincial Offences



50

Reminders issued to licensees about obligations under the CMSA

¹ Charges include providing condominium management services without a licence and counselling contraventions of the CMSA.

² The number of convictions is higher than the number of charges because of carry-over from the previous year.

“ We appreciate the update and website link to the decision and order involving [our condominium corporation]. Please know that we are very satisfied with the outcome and pleased to see that changes have been/are being made. Thanks again to you and the CMRAO for taking our concerns seriously and dealing with this matter on behalf of [our corporation]. ”

– Complainant

Stakeholder Engagement

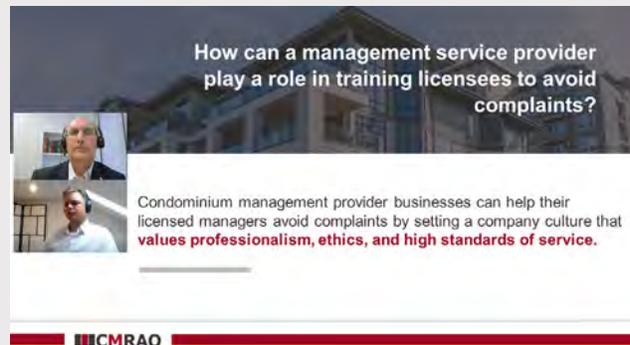
The CMRAO's stakeholders are individuals or groups who are impacted, involved, or have an interest in the activities of the CMRAO, specifically condominium managers, condominium boards, condominium management provider businesses, and condominium owners/residents. This year, the CMRAO engaged with its stakeholders through a variety of channels, including multiple social media platforms, its website, blog posts, a live webinar, and e-newsletters. This year, 23 e-newsletters were sent to stakeholders.

Timely information was also published through our blog and **CMRAO Quarterly**, a subscription-based newsletter for stakeholders. Both communications vehicles offer greater insight into the CMRAO's activities as a regulator and have helped to further expand our engagement with the sector.

In response to feedback received from the sector and after extensive consultation with the Advisory Committee, the CMRAO also launched its new website, redesigned with a new look to make the website more visually appealing and easier for users to navigate. The relaunched website was designed with new features such as a search function for condominium manager providers, and expanded content for condominium managers, boards, and owners/residents.

“ Fabulous job on the freshly launched website revisions. The complaint process is so well particularized. Congratulations to your team!! ”

– Stakeholder



CEO/Registrar Ali Arlani and Deputy Registrar Sandy Vizely co-host the Ask the CMRAO Webinar

Over 100 people attended the Ask the CMRAO Webinar with Ari Arlani, CEO and Registrar, and Sandy Vizely, Deputy Registrar. The webinar was an opportunity for stakeholders to ask questions on topics about the CMRAO's operations and future education requirements, as well as the complaints and discipline processes. Attendees learned about the important transition to the new education program and had an opportunity to ask questions before, during, and after the webinar.

Feedback was positive, with over 73% of attendees reporting that the webinar was helpful.

Measuring the Impact of Our Outreach

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



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. Although surveying the condominium management sector is a requirement, it is also a good practice and helps the CMRAO determine levels of satisfaction, and it 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 CMRAO launched two surveys: one for licensees and one for stakeholders between January 25 and March 2022. The survey completed by licensed condominium managers (Licensee Survey) was distributed via email to 3,904 CMRAO licensees. The 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, and via email to subscribers of the CMRAO's stakeholder newsletter **CMRAO Quarterly**.

Key Findings: Licensee Survey

Licensees indicated that they were very 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 and Compliance Team.

Overall, respondents trusted the information they received from the CMRAO, which they accessed in a variety of ways, but primarily from the CMRAO's website.

Service

The survey results indicate overall satisfaction with the CMRAO's licence application processing time and overall customer service. Overall, respondents thought the online licence application and renewal processes were straightforward and were satisfied with the service they received.

"I am satisfied with the level of service I received from phone or email inquiries."



This year's survey results reveal that licensees once again believe the CMRAO is meeting its mandate:

"I believe the CMRAO is meeting its mandate."



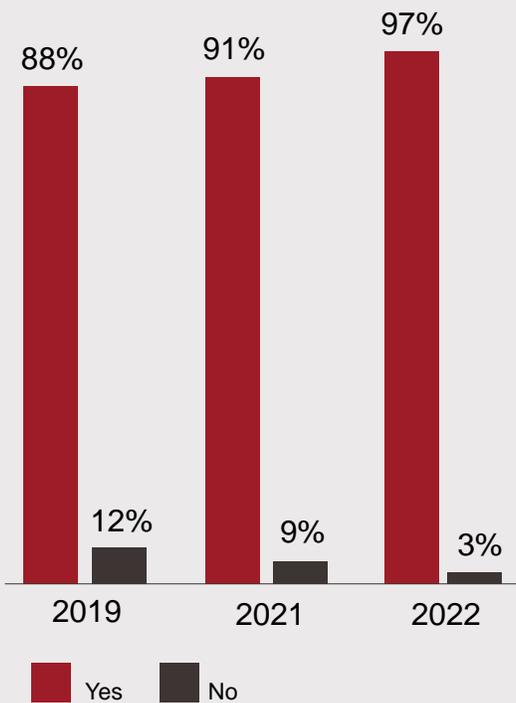
Key Findings: Stakeholder Survey

Responses from stakeholders indicate a strong general awareness of the CMRAO (97%), an understanding that condominium managers are required to be licensed by the CMRAO to provide condominium management services (98%), and knowledge that complaints can be filed against CMRAO licensees (92%).

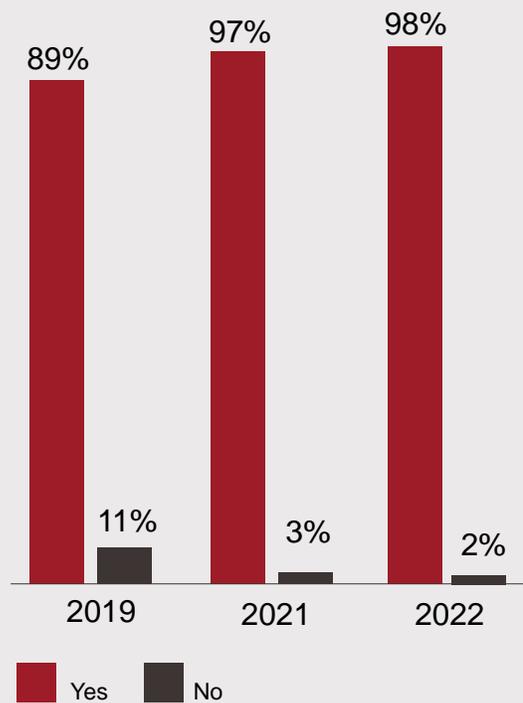
Awareness: Year-Over-Year Comparison

There was an increase in the number of stakeholders who were aware of the CMRAO (98%), an increase from the 2020 survey (91%), and a slight increase in awareness of the CMRAO’s licensing role in the sector.

Prior to this survey, were you aware of the Condominium Management Regulatory Authority of Ontario (CMRAO)?



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



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

Performance Measures

The CMRAO set strategic priorities, objectives, and performance measures in its 2020–21 Business Plan, which are reported on in the 2020–21 Annual Report. Setting such targets enables the CMRAO to maintain transparency and accountability to the public and its stakeholders in all its business practices. The performance measures are based on the strategic priorities of the organization and are selected to be challenging but also achievable.



Successful development and implementation of the CMRAO's new education program

Target: Development and implementation of new education program

On November 1, 2021, the CMRAO developed and launched a new mandatory education program for condominium managers.



Percentage of licensees who report satisfaction with the level of service received from the CMRAO¹

Target: 80%

89% of licensees surveyed reported satisfaction with the level of service received from the CMRAO.



Consumer satisfaction rating for the CMRAO's complaint handling process²

Target: 85%

78% of complainants reported satisfaction with the process.



Percentage of complaints processed within published service level standards

Target: 80%

86% of complaints received had a decision issued within 60 days.³



Percentage of complete licence applications processed within service level standards

Limited Licence within 5 business days:

Target: 80%

94% processed within service level standards

General Licence within 10 business days:

Target: 95%

93% processed within service level standards

Management Provider Licence within 30 business days:

Target: 90%

78% processed within service level standards⁴

¹ This performance measure is based on the results of the annual satisfaction survey sent to all licensees

² This performance measure is based on the results of the survey sent to complainants

³ Based on resolved complaints received within fiscal year 2021–22. New complaints service standards were introduced effective August 1, 2021

⁴ 7 out of 9 provider business licence applications met the service standard



CMRAO

Condominium Management
Regulatory Authority of Ontario

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, 2022. The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2022, 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 from four types of licences:

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

Effective November 1, 2021, the Organization's Registrar assumed the responsibility for designating education requirements for condominium manager licence applicants. The new education program is implemented accordingly. The Organization charges education fees for the provision of regulating courses for the licensees. The CMRAO runs the education program on a breakeven basis, i.e., the revenue from education covers the incremental cost of regulating courses for licensees. The major portion of education-related revenue comes from regulating the excellence in condominium management course, for which it charges \$150.

In addition, a one-time application fee is charged on new licence applications. Other income includes interest earned, which is recognized as it is earned.

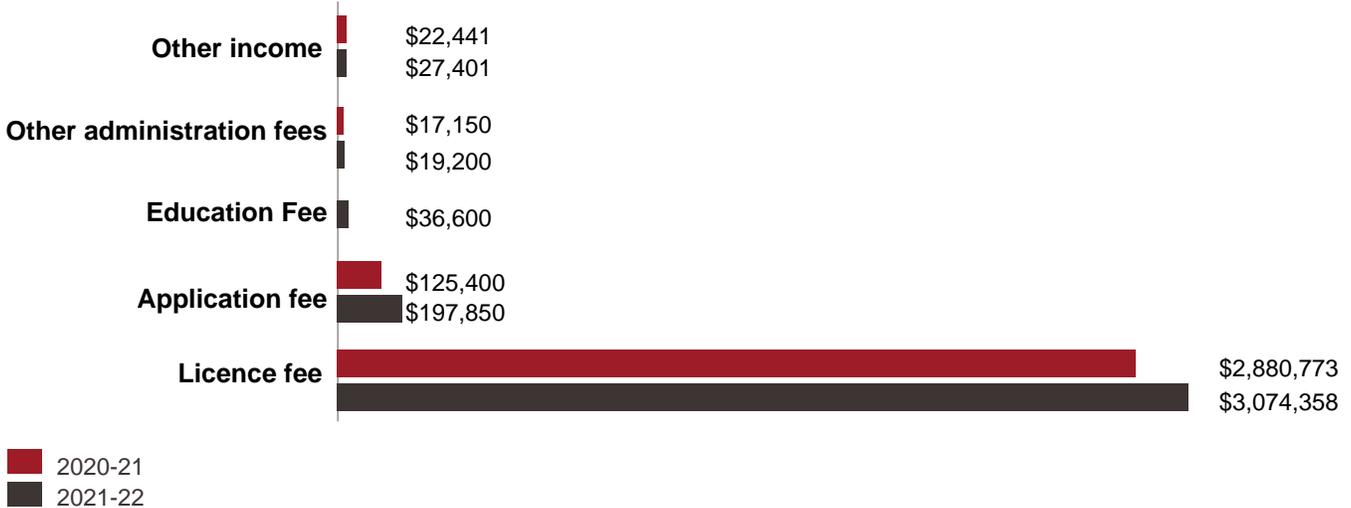
At the beginning of fiscal year 2019–20, the Board of Directors of the CMRAO met and reviewed the operational expenses and explored the overall operational experience of two cycles of licensing. As a result, it was determined that the CMRAO had the capacity to reduce the licensing fee by 6.6% for all 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. The CMRAO has not changed the licensing fee since then.

Revenue from licence fees increased by 6.72% and revenue from application fees increased by 57.78% in FY 2021–22 from FY 2020–21 mainly due to an increase in the number of new limited licensee. Other reasons include the increase in the number of newly graduated General Licensees from a Limited/Transitional General Licence.

Interest rates saw a sharp decline as a result of the pandemic. This impacted other income, which saw an increase of 22.10%, but it was still significantly lower than pre-pandemic levels.

The revenue details for fiscal years 2020–21 and 2021–22 and are as follows:

Revenue Details



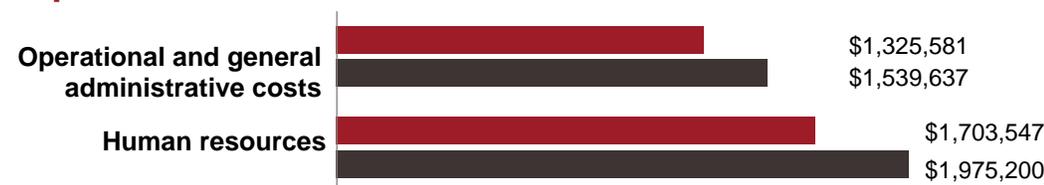
Expenses

As highlighted in the chart below, the total expenses for the year ended March 31, 2022, increased by 16.03% as compared to the year ended March 31, 2021. This increase is in line with the expansion of the organization’s operations and some special projects that the CMRAO had to take up, including but not limited to website redesign and education.

The increase in human resources expenditures is in line with the expansion in the licensee and consumer bases. The CMRAO had to recruit the additional specialized staff to continue fulfilling the organization’s mandate and to provide direct information and support to help licensees fulfill their legal obligations under the Act.

The operational and general administrative costs increased mainly due to a 36.00% increase in the Discipline and Enforcement expense besides the one-time major spending in relation to the education and a 22.00% increase in the Information and communication expense offset by the 31.97% decrease in the Enterprise IT.

Expenses details



Net Assets

As at March 31, 2022, the CMRAO had net assets of \$2,240,711, which includes \$197,770 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's commitment towards providing an innovative digital service in every aspect of service delivery, including the online public registry, licensing, complaints, and compliance.

The deficiency of revenues over expenses of \$159,428 in fiscal year 2021–22 was in line with the budgeted one-time major spending on education and communication projects out of the operational surplus of \$516,446 as on March 31, 2021.

The unrestricted net assets decreased to \$422,941 over the previous year's net assets of \$516,466, whereas no amount has been transferred from unrestricted net assets to restricted net assets, maintaining 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

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To the Members of
Condominium Management Regulatory Authority of Ontario

Opinion

We have audited the financial statements of Condominium Management Regulatory Authority of Ontario, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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

Other matters

The financial statements of the Organization for the year ended March 31, 2021, were audited by Sloan Partners LLP who expressed an unmodified opinion on those financial statements on June 30, 2021. The partners and staff of Sloan Partners LLP joined Grant Thornton LLP on January 4, 2022.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Toronto, Ontario

June 20, 2022

Chartered Professional Accountants
Licensed Public Accountants

Condominium Management Regulatory Authority of Ontario Statement of Operations

Year ended March 31	2022	2021
Revenues		
Revenues from licensees (Note 7)	\$ 3,328,008	\$ 3,023,323
Interest revenue	27,401	22,441
	3,355,409	3,045,764
Expenses		
Human resources	1,975,200	1,703,547
Discipline and enforcement	318,054	233,419
Ministry oversight fee	198,081	198,166
Occupancy costs	172,866	163,757
Education project	152,929	44,448
Information and communication	142,552	116,817
HST non-recoverable	136,364	113,913
Office and general	129,438	125,018
Enterprise IT expense	69,926	102,800
Board of Directors	63,758	60,484
Legal fees	62,188	82,804
Professional fees	27,558	18,032
Amortization	65,923	65,924
	3,514,837	3,029,129
(Deficiency) excess of revenues over expenses	\$ (159,428)	\$ 16,635

Condominium Management Regulatory Authority of Ontario Statement of Changes in Net Assets

Year ended March 31

	Investment in intangible assets	Unrestricted net assets	Restricted net assets	Total 2022	Total 2021
Balance, beginning of year	\$ 263,693	\$ 516,446	\$ 1,620,000	\$ 2,400,139	\$ 2,383,504
Deficiency) excess of revenues over expenses	–	(159,428)	–	(159,428)	16,635
Amortization of intangible assets	(65,923)	65,923	–	–	–
Balance, end of year	\$ 197,770	\$ 422,941	\$ 1,620,000	\$ 2,240,711	\$ 2,400,139

Condominium Management Regulatory Authority of Ontario

Statement of Financial Position

March 31

2022

2021

Assets

Current

Cash	\$ 3,203,662	\$ 3,188,929
Accounts receivable	2,702	2,653
Prepaid expenses and other current assets	75,180	85,766
	<u>3,281,544</u>	<u>3,277,348</u>

Long-term

Intangible assets (Note 5)	197,770	263,693
	<u>\$ 3,479,314</u>	<u>\$ 3,541,041</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 3)	\$ 445,054	\$ 411,745
Deferred revenue (Note 4)	793,549	729,157
	<u>1,238,603</u>	<u>1,140,902</u>

Net Assets

Investment in intangible assets	197,770	263,693
Unrestricted net assets	422,941	516,446
Restricted net assets	\$ 1,620,000	\$ 1,620,000
	<u>2,240,711</u>	<u>2,400,139</u>
	<u>\$ 3,479,314</u>	<u>\$ 3,541,041</u>

Commitments (Note 8)

Approved by:

_____ Director

_____ Director

Condominium Management Regulatory Authority of Ontario Statement of Statement of Cash Flows

Year ended March 31

2022

2021

Increase (decrease) in cash

Operating

(Deficiency) excess of revenues over expenses	\$	(159,428)	\$	16,635
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Item not affecting cash				
Amortization of intangible assets		65,923		65,924

Change in non-cash working capital items		(93,505)		82,559
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Accounts receivable		(49)		8,272
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Prepaid expenses and other current assets		10,586		(28,072)
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Accounts payable and accrued liabilities		33,309		28,070
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Deferred revenue		64,392		39,203
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Increase in cash		14,733		130,032
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Cash

Beginning of year		3,188,929		3,058,897
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End of year	\$	3,203,662	\$	3,188,929
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See accompanying notes to the financial statements.

Condominium Management Regulatory Authority of Ontario

Notes to the Financial Statements

March 31, 2022

1. Nature of operations

Condominium Management Regulatory Authority of Ontario (the “Organization”) was incorporated under the *Business Corporations Act 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.

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 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, and two new administrative authorities were created. One of these two authorities is the Condominium Management Regulatory Authority of Ontario.

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.

2. Basis of accounting and significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recognition, measurement and disclosure of amounts reported in the financial statements, and accompanying notes. The reported amounts and note disclosures are determined using management’s best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from these estimates. Significant estimates are comprised of accruals for liabilities and estimated useful life of intangible assets.

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

Revenue recognition

(i) Licence 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 licence. Unearned fees are recorded as deferred revenue.

2. Basis of accounting and significant accounting policies (continued)

Revenue recognition (continued)

Other fees

Education fees, application fees and penalties/reinstatement fees are charged when related event occurs, and revenue is recognized when received.

(ii) Interest revenue

Interest revenue is recognized on a time proportion basis.

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:

- Computer software
- six years Straight-line

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

Financial instruments

The Organization considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- accounts receivables
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures its financial assets and financial liabilities at 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.

2. Basis of accounting and significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in (deficiency) excess of revenues over expenses.

3. Accounts payable and accrued liabilities

As at March 31, 2022, there are government remittances payable outstanding of \$841 (2021 - \$5,040) included in the accounts payable and accrued liabilities balance. The Ministry oversight fee of \$198,081 (2021 - \$198,084) is also included in this balance.

4. Deferred revenue

Continuity of deferred revenue:

	2022	2021
Deferred revenue, beginning of year	\$ 729,157	\$ 689,954
Add: Licence fee received	3,392,400	3,062,526
Less: Licence fee earned (Note 7)	(3,328,008)	(3,062,526)
Deferred revenue, end of year	<u>\$ 793,549</u>	<u>\$ 729,157</u>

Deferred revenue consists of:

	2022	2021
Licence fee received in advance	<u>\$ 793,549</u>	<u>\$ 729,157</u>

5. Intangible assets

	2022	2021
Computer software	\$ 549,148	\$ 549,147
Accumulated amortization -Computer software	(351,378)	285,454
	<u>\$ 197,770</u>	<u>\$ 263,693</u>

6. 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.

7. Revenues from licensees

The Organization collects licence fees from firms and managers. A one-time application fee is also charged before the licenses can be approved. Effective November 1, 2021, the Organization's Registrar assumed the responsibility for designating education requirements for condominium manager licence applicants. The new education program is implemented accordingly. The Organization charges education fees for the provision of regulating courses for the licensees.

	2022	2021
Licence fee	\$ 3,074,358	\$ 2,880,773
Application fee	197,850	125,400
Reinstatement fee	19,200	17,150
Education fee	36,600	–
	\$ 3,328,008	\$ 3,023,323

8. Commitments

The Organization is committed to lease its current premises until November 30, 2024. The future minimum commitments are approximately as follows:

2023	\$ 184,000
2024	\$ 189,000
2025	\$ 160,000
	\$ 533,000

9. Restricted net assets

In fiscal 2019, the Organization established restricted net assets that 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. There have been no transfers into this fund since fiscal year 2020.



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