

2022–23  
**ANNUAL  
REPORT**



# 2022–23 ANNUAL REPORT

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2022–23

# THE YEAR IN NUMBERS



Active Licensees

4,564 ↑



Complaints

720 ↓



Social media followers

3,244 ↑



Email inquiries

4,202 ↓



Inbound phone calls

6,074 ↓

## FRENCH LANGUAGE SERVICE

Phone calls

2 ↓

Email inquiries

1 ↓

Complaints

—

## Message from the Chair



# Regulatory Stability in an Era of Rapid Transformation

On behalf of the Board of Directors, I am pleased to share the CMRAO's 2022–23 annual report, which highlights our organization's key accomplishments at a time of multifaceted transformation in Ontario's condominium sector.

Not only is the number of condominiums growing at a strong pace across the province, but the types, locations, and densities of new developments are changing as well. "Condominium" is no longer shorthand for ownership of an urban high-rise unit; current trends point to an increase in rental occupancies, the development of more townhomes and mid-rise buildings, new innovations in building design and land use in big cities, and the expansion of condominium developments into the province's smaller cities and rural areas.

As demand grows for new homes and both the federal and provincial governments commit to an accelerated pace of development, the CMRAO is anticipating the implications of this growth for the condominium management sector and our role as its regulator.

Against this backdrop, the 2022–23 fiscal year saw our organization complete its fifth year of operations, an important milestone in our maturity as a regulatory authority. In a relatively short period of time, we have made great progress in establishing a strong regulatory framework that includes education, mandatory licensing, and enforcement as its main pillars.

In order to thrive, Ontario's growing condominium communities require a steady supply of qualified, licensed condominium management professionals. Since its inception, the CMRAO has collaborated with stakeholders across the sector to ensure that all licensees are equipped with the competencies required to fulfill their role of public trust. In the past year we have engaged in active dialogue with government and other stakeholders to address the demand for talent and have committed to exploring innovative solutions while upholding high standards of practice.

As this change unfolds on a national scale, Ontario is not alone. I want to acknowledge the efforts of our staff for their engagement with stakeholders across the country, including our provincial counterparts, as we navigate this challenge together.

For the CMRAO, being a modern regulator means holding steadfast to the principles of effective regulation while incrementally evolving in response to a dynamic marketplace. As we look back on our achievements of the past year and set our sights on the future, we are ready to adapt to the new issues that may emerge, while remaining anchored in our consumer protection mandate.

A handwritten signature in dark ink, reading "Aubrey LeBlanc".

**Aubrey LeBlanc**  
Chair of the Board of Directors



## Message from the Chief Executive Officer and Registrar



### Reinforcing a Strong Profession for Continuous Growth

This past year marked the CMRAO's fifth anniversary and a new phase in our evolution as a modern, digital-first regulator. During this time, the CMRAO has made substantial progress in raising awareness of our regulatory role and the mandatory licensing program, establishing effective compliance programs, and implementing enforcement measures.

Ontario's condominium landscape continues to experience rapid expansion and transformation. There are currently 12,690 condominium corporations in the province, an increase of 2.2% over the previous year. The number of condominium units, now sitting at approximately 987,300, is expected to continue to grow at an even faster pace considering the government's housing supply objective to introduce 1.5 million new homes over the next ten years.

The CMRAO is monitoring these trends, so it is encouraging to see the level of interest of newcomers joining the condominium management profession. The number of new entrants to the profession increased by 14% in 2022–23, bringing the number of Limited Licensees to more than 1,600 individuals. Further, the number of General Licensees qualified to provide their services in Ontario increased by 11% to more than 2,500.

In November 2022, the CMRAO introduced its framework for continuing professional education (CPE). The mandatory CPE program will require General Licensees to maintain and improve professional competencies; acquire new knowledge and skills; and stay up to date with legislation, best practices, and technology. With increasing numbers of condominiums in urban centres and regions across Ontario, managers need the tools and training to keep pace with this growth and changing complexity.

This annual report and the audited financial statements reflect our commitment to effective resource management and to providing value for money as an organization funded by regulatory fees. The CMRAO is intentional in the way it manages its operations, and our financial reporting demonstrates an organization-wide commitment to fiscal accountability.

I would like to thank the CMRAO's Board of Directors for their ongoing support and leadership. Their thoughtful guidance continues to steer our organization through a time of dynamic transformation. Our work this year was also strengthened through continued collaboration with our colleagues at the Ministry of Public Service and Delivery and other key stakeholders across the condominium sector.

As the complexities of condominiums and with the condominium management profession increase, the CMRAO will maintain our active engagement with stakeholders and continue to refine our education standards and licensing requirements to help sustain a healthy pipeline of talent to this essential profession.

A handwritten signature in dark ink, appearing to read 'Ali Arlani', written in a cursive style.

**Ali Arlani**  
Chief Executive Officer and Registrar

# OVERVIEW

The Condominium Management Regulatory Authority of Ontario (CMRAO) is the regulatory body that administers the *Condominium Management Services Act, 2015* (CMSA) and its regulations by setting standards and enforcing the mandatory licensing of condominium managers and condominium management provider businesses. Through effective regulation, the CMRAO strengthens the condominium management profession and helps protect consumers in Ontario's complex and rapidly growing condominium sector.

Ontario's condominium sector is continuously expanding. There are now more than 12,000 condominium corporations and over 900,000 condominium units<sup>1</sup> owned by residents or investors in Ontario, and growth is anticipated to continue at a strong pace.

The CMRAO is a not-for-profit corporation funded primarily through licensing fees from condominium managers and management provider businesses.

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 (MPBSD).

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.

<sup>1</sup> Estimated numbers from the Condominium Authority of Ontario



**12,690**  
**Condominium  
corporations**



**987,302**  
**Condominium  
(voting) units**

Based on data supplied by the Condominium Authority of Ontario



# MANDATE

To **set standards and enforce** the mandatory licensing of condominium managers and condominium management provider businesses

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# MISSION

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

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# VISION

To **build public confidence** that the assets of condominium communities are well managed and protected

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# 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.

# SERVICES

In the five years since inception, the CMRAO has established itself as an effective regulator to bring increased oversight 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.

## French Language Service

The CMRAO makes its services available in French, publishes e-newsletters to licensees and stakeholders in both official languages, and provides social media updates as well as other corporate reporting documents in French. In addition, the majority of the CMRAO's public-facing communications, including the website, are available in French. Currently, the CMRAO employs one bilingual staff member.

## Commitment to Providing Accessible Services

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, and the website is compliant with the Web Content Accessibility Guidelines (WCAG) 2.0, level AA.

The CMRAO protects the public interest by:



**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



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



**Promoting and enforcing compliance** with the *Condominium Management Services Act, 2015* (CMSA) and its regulations, licensing requirements, and the Code of Ethics



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



**Establishing education requirements** for condominium managers



**Promoting awareness** of the regulatory system



# LEGISLATIVE, BY-LAW, AND POLICY CHANGES

On January 1, 2023, the CMRAO became designated as an administrative authority under the *Safety and Consumer Statutes Administration Act, 1996*, for the purpose of administering the *Condominium Management Services Act, 2015* (CMSA), and its regulations. Additionally, the CMSA became designated legislation under the *Safety and Consumer Statutes Administration Act, 1996*.

The Administrative Agreement originally signed in 2017 was updated and a new version was signed at the end of March 2023.

A change to the CMRAO By-law related to the terms of office of board directors was proposed by the CMRAO and approved by the Minister in Q4 of fiscal year 2022–23. A new by-law will be presented for approval at the 2023 Annual Meeting of the Members.



# AUDITOR GENERAL OF ONTARIO VALUE-FOR-MONEY AUDIT

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 its [Value-for-Money Audit: Condominium Oversight in Ontario report](#).

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

1. 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**)
2. Enhancing the CMRAO's complaints handling and resolution process (**Recommendation 6**)
3. Enhancing the CMRAO's inspection program by conducting proactive, risk-based, standardized inspections (**Recommendation 7**)
4. 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 completed implementation of recommendations 5, 6, and 19, and conducted a pilot program of proactive inspections. (**Recommendation 7**)

The [implementation plan](#) outlines the actions taken and the outstanding deliverables.



# CORPORATE GOVERNANCE

The CMRAO is governed by an independent Board of Directors, comprised of four elected directors and three directors appointed by the Ministry.

The current Directors possess a collective mix of experience and skills in areas including condominium management, law, corporate governance, strategic planning, financial oversight and planning, communications, regulatory oversight, risk management, customer service, and public policy.

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

- [Safety and Consumer Statutes Administration Act, 1996](#) (SCSAA)
- [Condominium Management Services Act, 2015](#) (CMSA)
- [Ontario Not-for-Profit Corporations Act, 2010](#) (ONCA)
- [CMRAO By-law](#)
- [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 Governance Committee is responsible for evaluating and recommending candidates for elected director vacancies based on an established Competency Criteria. Candidates are recommended by the Board and are elected at the annual meeting of members.

The Public Appointments Secretariat facilitates any vacancies for appointed directors. The Minister may appoint a minority number of directors to the CMRAO's Board of Directors.

## Code of Conduct

The Board of Directors adopted a Code of Conduct. All elected and appointed directors are required to acknowledge and abide by this [Code of Conduct](#).

# BOARD DIRECTORS PROFILES



## **Aubrey LeBlanc, Chair | Elected**

*Elected 2020 – 2023*

Aubrey LeBlanc has extensive executive experience serving on boards for associations in the building industry. Aubrey is currently the Country Director for Canada at Cloudpermit, a community development software company. He is the former 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 2022 – 2025*

John Oakes was the President & CEO of Brookfield Condominium Services Ltd. (now Crossbridge Condominium Services Ltd.) for over twenty years and subsequently Chairman of Crossbridge for seven years until he retired in 2023. 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 has extensive experience as an executive in government, including 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 as Chair of the Governance and Corporate Social Responsibility Committee, as well as volunteering on the board of the not-for-profit 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 | Ministerial Appointment**

*Appointed 2022–2025*

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 forty-two 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 not-for-profit Boards of Directors, including ten years as Chair of the Crossroads Christian Communication corporation.

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### **Elizabeth Gibbons, Director | Elected**

*Elected 2022–2025*

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 73,000 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.

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### **Paul Kyte, Director | Ministerial Appointment**

*Appointed 2022–2025*

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 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 a property administrator managing several privately owned residential, commercial, and development properties across Ontario. He is also appointed as a Member of the Ontario Parole Board.

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### **Beth Pearson, Director | Ministerial Appointment**

*Appointed 2022–2025*

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 Past President of the Insurance Brokers Association of Ontario. Her community involvement includes the Rotary Club of Ancaster AM (Secretary), Ancaster Heritage Days Board (Secretary), and Marshall Memorial United Church (Trustee Chair).





# 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

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## **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, 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 development 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 twenty 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.

### Activities of the Advisory Committee

In September 2022, the second annual meeting of the Advisory Committee and the Board of Directors was held for committee members to provide input and for the Board to receive feedback.

In 2022–23, the CMRAO's Advisory Committee members provided feedback on new resource material for Condominium Boards and Directors, and the new Continuing Education Framework for General Licensees.

The CMRAO management staff met with the Chair of the Advisory Committee to discuss membership (size of the committee and length of term), implementation of staggered terms, representation of stakeholders, survey of members, and amendments to the Advisory Committee Terms of Reference.

### Advisory Committee Chair

Chris Jaglowitz

### Advisory Committee Members

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

# 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

Daniela Corapi

## Discipline Committee Members

Nadia Freeman  
Dan Fried  
Frank Gallo  
Aviva Harari  
Shane Haskell  
Allyson Ingham

## Appeals Committee Chair

Bernard Cowan

## Appeals Committee Members

Andrea Korth  
Lyndsey McNally  
Daniel Mousavi  
Bob St. George  
Bradley Wells  
Joanna Yu

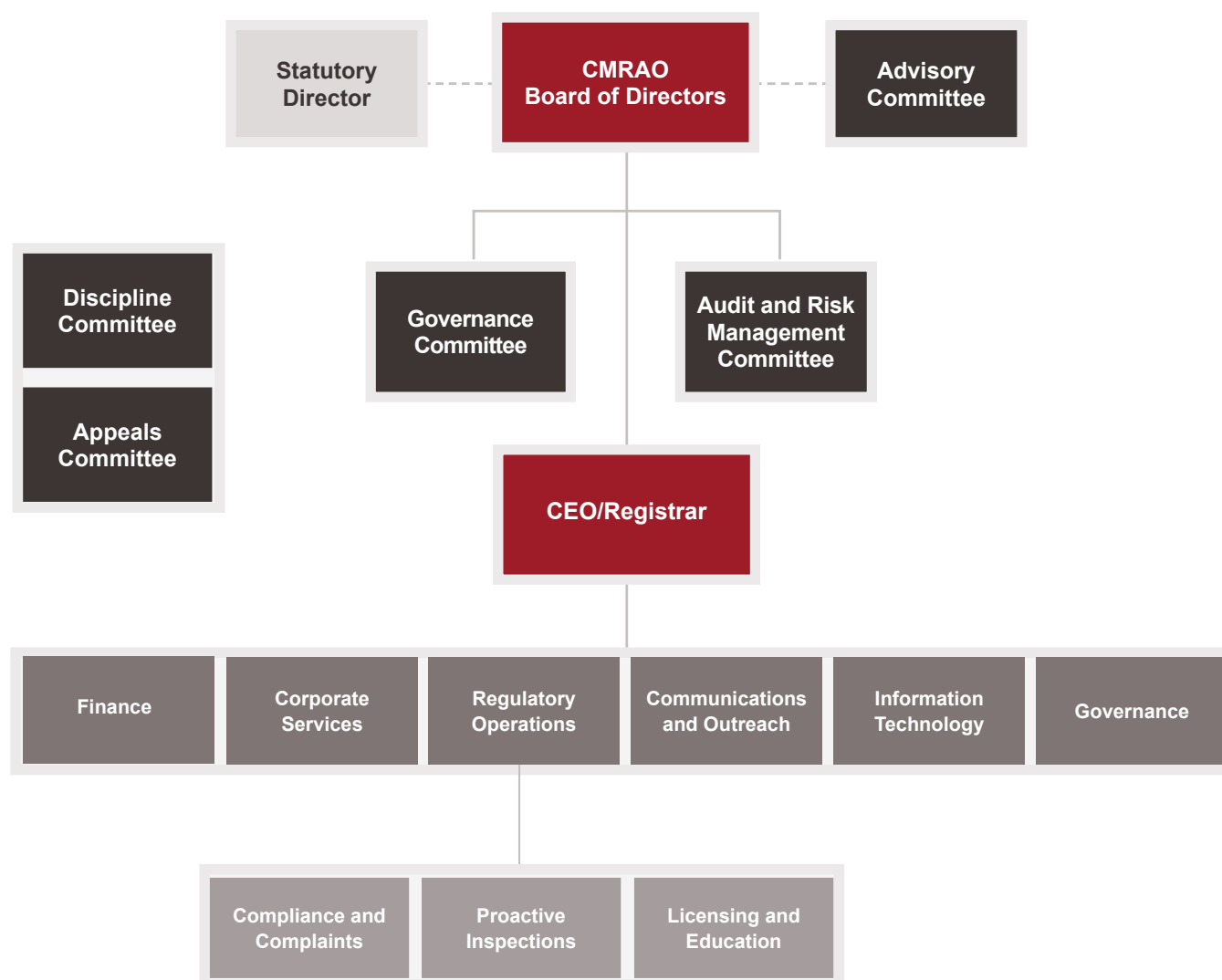
The Committee issued a [series of decisions in 2022–23](#) that were published on the CMRAO website.



# CORPORATE STRUCTURE

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

The senior management team of the CMRAO is focused on ensuring that appropriate resources are available to deliver the full suite of services that now include continuing education and 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 three types of licences, each with specific application requirements and conditions.



## General Licence

- 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.

## Limited Licence

- 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.

## Condominium Management Provider Licence

- Can be any business (corporation, partnership, sole proprietorship) that provides condominium management services.



## Active Licences

(as at March 31, 2023)

General Licence

**2,533**

Transitional General Licence

**9**

Limited Licence

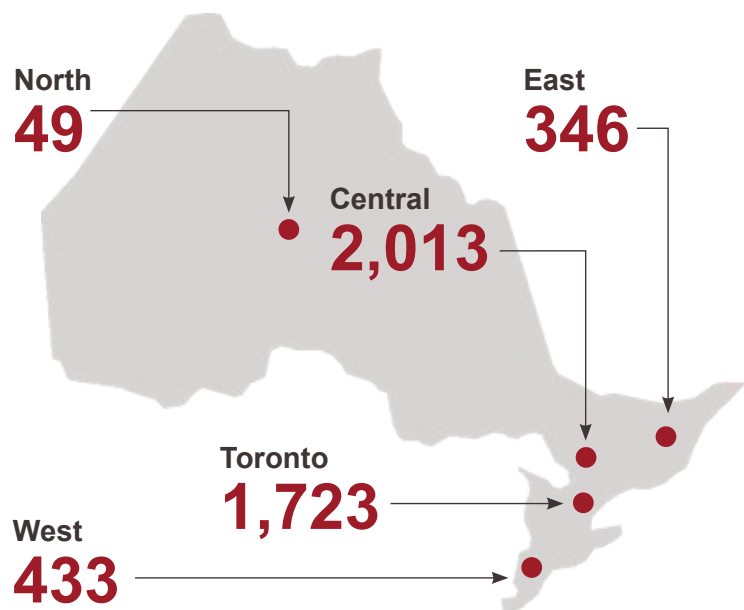
**1,611**

Condominium Management Provider Licence

**411**

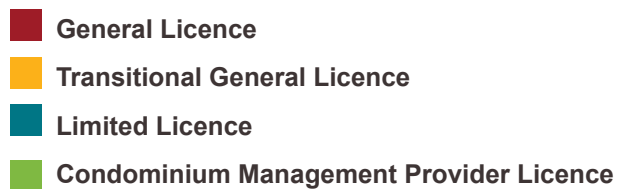
## Regional Distribution of Licences

(as at March 31, 2023)



## Active Licensees: Year-Over-Year

(as at March 31)

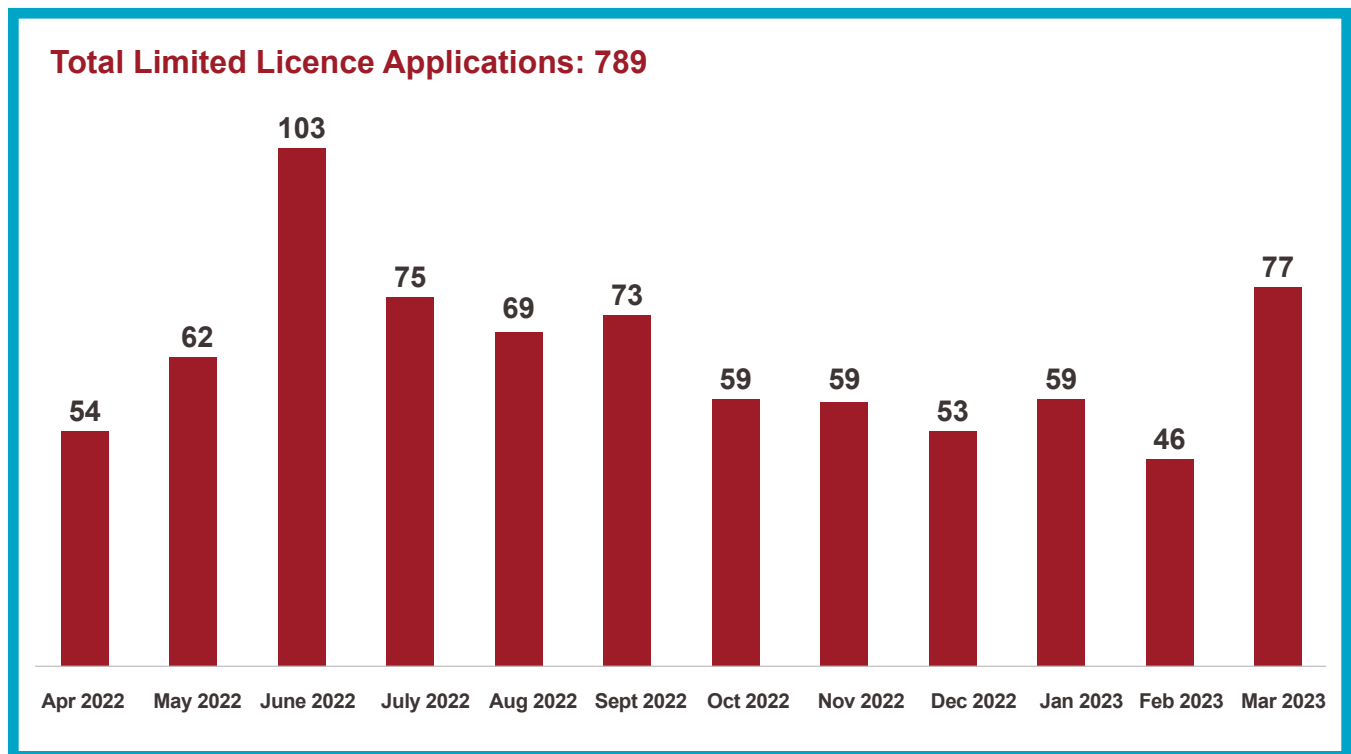


# MONITORING GROWTH OF THE SECTOR

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 2022–23, the CMRAO received 789 new Limited Licence applications, a 10% decrease compared to the same period in 2021–22 (which could be attributed to an influx in 2021-22 prior to the introduction of new education requirements for Limited Licensees).

Compared to fiscal year 2021–2022, the total number of active licensees has increased by 5%<sup>1</sup>:

- **11% increase** in the number of General Licensees
- **15% increase** in the number of Limited Licensees
- **2% decrease** in the number of Condominium Management Provider Licensees, mostly attributed to the consolidation of providers in the industry and the expiry of the Transitional General Licence midway through 2022



<sup>1</sup> In June 2022, Transitional General Licences expired due to condominium managers not completing the educational requirements for a General Licence.

# EDUCATION

Part of successful regulation in the public interest involves ensuring that licensees meet a defined standard of education. As of November 1, 2021, Limited Licence applicants are required to successfully complete the mandatory course **Excellence in Condominium Management** administered bi-monthly, online, by the CMRAO.

Between April 1, 2022, and March 31, 2023, the CMRAO successfully conducted 26 sessions of the **Excellence in Condominium Management course**. By March 31, 2023, over 600 individuals had successfully completed the course and passed the regulatory exam to make them eligible for a Limited Licence.



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



During the fiscal year 2022–23 **over 700** learners enrolled in the courses above at Humber College and over 490 learners passed the regulatory exams. It is worth noting that students who take these courses are eligible to apply for financial assistance through the Ontario Student Assistance Program.

# CONTINUING PROFESSIONAL EDUCATION

In November 2022, the CMRAO introduced the **Continuing Professional Education (CPE) framework**. The framework supports the CMRAO's mandate to strengthen the condominium management profession and help protect consumers in Ontario's complex and rapidly growing condominium sector.

Effective July 1, 2023, managers who hold a General Licence will be required to accumulate a total of ten CPE credits per licensing year in the following categories:

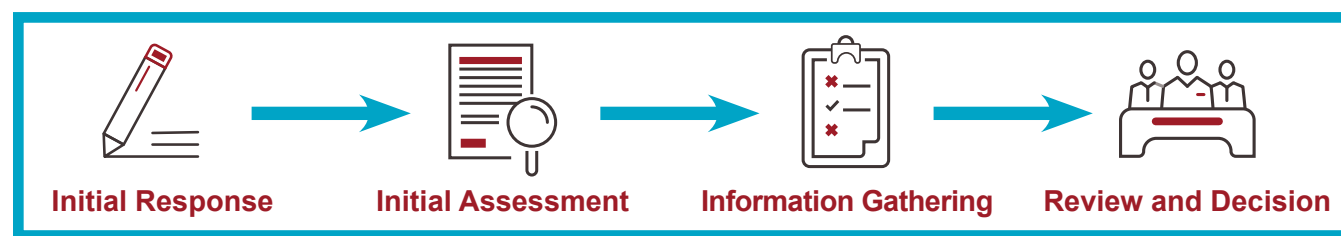
- communication and interpersonal skills
- physical building
- building operations and information
- legal and ethics
- finance



# COMPLAINTS, COMPLIANCE, AND DISCIPLINE

CMRAO licensees are required to follow a number of rules as outlined in the CMSA and under the Code of Ethics regulation. The Code of Ethics sets out 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.

**The complaints process administered by the CMRAO is built on the premises of fairness and transparency and consists of four stages:**



## Complaints

The CMRAO's complaints process provides an impartial assessment of concerns regarding condominium management services. The CMRAO accepts complaints through its [online complaints portal](#).

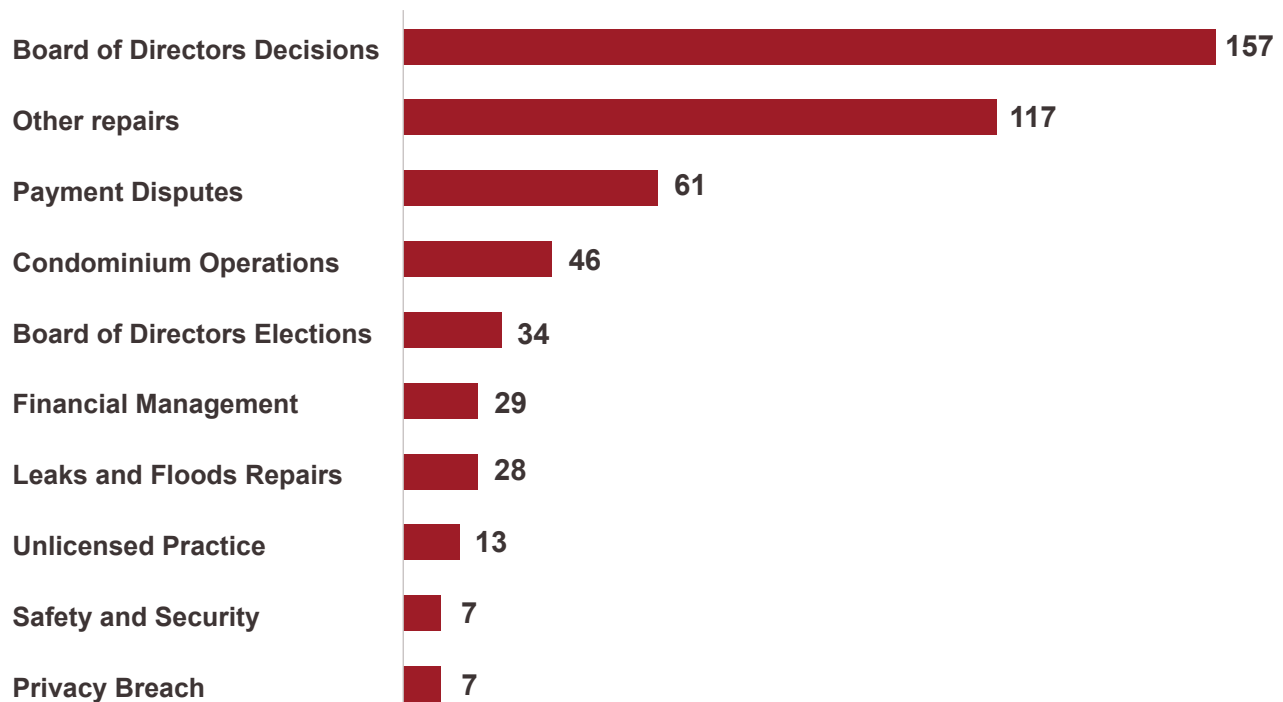
The CMRAO handles complaints against condominium managers and condominium management provider businesses pursuant to the CMSA and its regulations, including a Code of Ethics regulation. The CMRAO does not have jurisdiction over the decisions or conduct of the condominium corporation, other people, or 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.

**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.



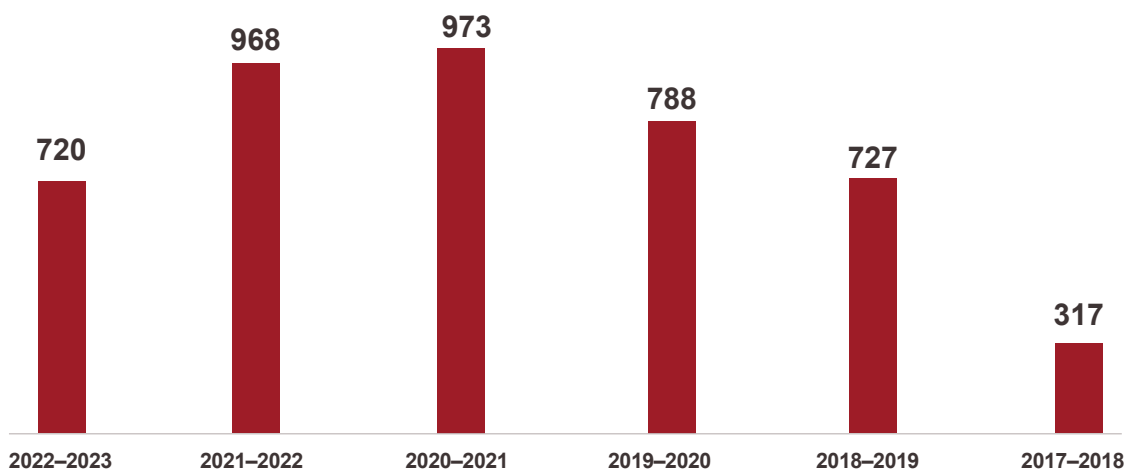
**The CMRAO received a total of 720 complaints in fiscal year 2022–23.  
The top ten categories of complaints<sup>1</sup> were:**



<sup>1</sup> In addition, 221 complaints were collectively tracked under the category of Other Complaints and relate to issues of communications, responsiveness, unprofessional conduct such as rudeness, parking, noise and pets and miscellaneous nuisances.

There was a 26% decrease in the number of complaints received this fiscal year compared to 2021–22. The decrease could be attributed to enhanced content about the complaints process on the CMRAO website, which clarified jurisdiction over the type of complaints that can be submitted.

**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 2022–23, the CMRAO initiated six inspections, which were carried out when allegations or information regarding serious misconduct were brought to the attention of the Registrar.**



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. This year the CMRAO initiated one investigation related to allegations of unlicensed practice.

## Proactive Inspections

In 2022–23, the CMRAO commenced a proactive inspections program by carrying out a pilot program consisting of twelve inspections of condominium management provider businesses.

**The approach to these inspections was informed by consultations with the CMRAO Advisory Committee and focused on four key areas:**

1. Records management practices, including records turnover processes
2. Administration of owners' meetings and elections, including the use of proxy forms
3. Conflicts of interest policies and disclosure to client boards of directors
4. Requirement to hold a written contract with clients

The inspections included in this pilot program were performed on a range of small, medium, and large provider businesses from different areas of the province. In some cases, the provider's history of complaints and compliance with the CMSA were considered in the selection process. The pilot project initiated a new phase of the CMRAO's operations and help to broaden the organization's compliance activities.

The report on the [\*\*CMRAO's Inspections Pilot Program\*\*](#) summarizes the activities of this project.

## 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.

All Registrar's actions are published in the Public Registry and are also available on the Licensing Actions section of the CMRAO website, available [here](#).

1

Registrar's Action  
Appealed to LAT

5

LAT Decisions  
Issued

## Discipline

This fiscal year only one case was referred to the Discipline Committee, which is still in process.

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

All [discipline decisions and orders](#) are available on the CMRAO website.

1

Case referred  
to Discipline  
Committee

2

Discipline  
Decisions

## CMRAO Compliance At-a-Glance

(as at March 31, 2023)



1

Proposal  
to Refuse to  
Grant a Licence



8

Registrar  
Warning Letters  
Issued



1

Proposals  
to Revoke  
a Licence



3<sup>1</sup>

Provincial  
Offences  
Charges Laid



5

Provincial  
Offences  
Convictions



46

Reminders  
issued about  
obligations  
under the CMSA

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

# 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, management provider businesses, boards of directors, and owners/residents. This year, the CMRAO engaged with its stakeholders through a variety of channels, including social media platforms (LinkedIn, Facebook, Twitter, and Instagram), its website, blog posts, a live webinar, and e-newsletters. This year, nineteen 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 deeper insight into the CMRAO's regulatory activities and have helped to further expand our engagement with the sector.

With more events returning to in-person attendance this fiscal year, the CMRAO participated as an exhibitor at the 2022 Condo Conference, hosted by the Association of Condominium Managers of Ontario (ACMO) and the Canadian Condominium Institute (CCI).

The CMRAO engaged with stakeholders and responded to questions from the sector. Events like these underpin the CMRAO's stakeholder engagement strategy by providing opportunities to interact, connect, and hear directly from licensees and industry partners. These opportunities increase awareness and serve as reminders of the CMRAO's consumer protection mandate, and the role the organization plays in Ontario's condominium management sector.



In terms of CMRAO events, over 300 people attended the Continuing Professional Education (CPE) Requirements Webinar presented by Deputy Registrar, Sandy Vizely.

The webinar outlined details of the new Continuing Professional Education (CPE) program, eligible activities, and reporting requirements. Webinar participants joined from all over the province, of which 94% identified as condominium/property managers. Attendees had opportunities to ask questions before and during the webinar and provide feedback through interactive polls.

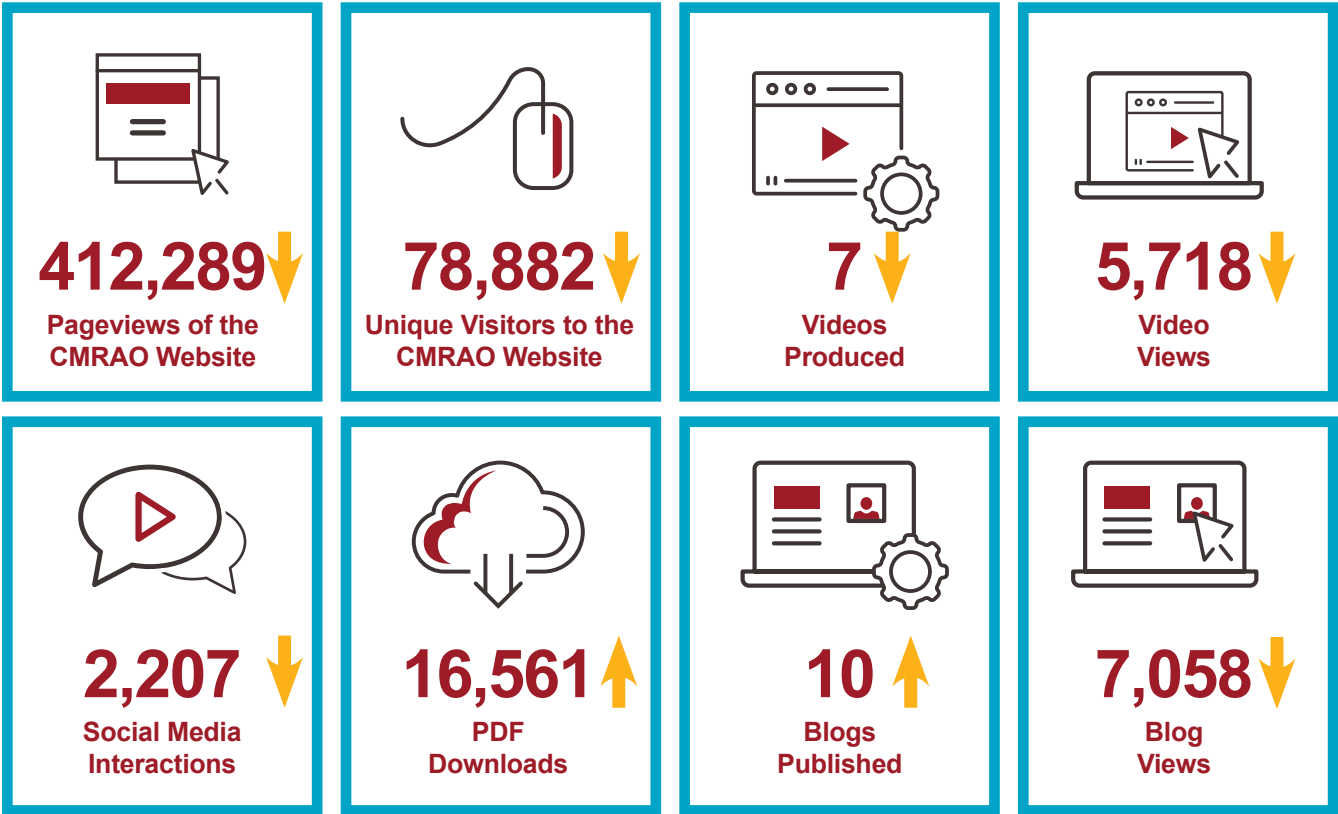
Participants were asked to complete a survey following the webinar. Feedback provided was positive, with 70 per cent of attendees reporting that the webinar was helpful and informative.



**Deputy Registrar Sandy Vizely outlines the CMRAO's new CPE framework**

### Measuring the Impact of Our Outreach

The CMRAO engaged with online audiences through multiple social media platforms, as well as our website, available [here](#).





# LICENSEE SURVEY RESULTS

In 2022–23 the CMRAO conducted a survey of its licensees in February 2023, to determine levels of satisfaction with the CMRAO’s services. The survey was distributed via email to 4,344 licensees, with a response rate of 16%. Understanding the experiences of our licensees helps the CMRAO refine and enhance our services and inform our decision making.

## Key Findings:

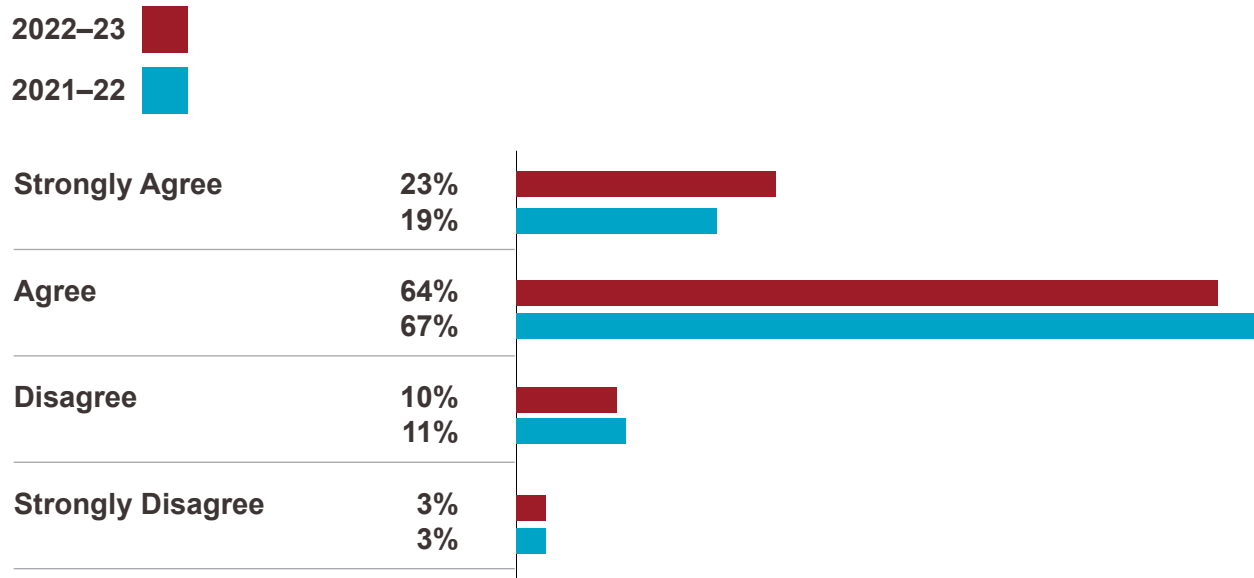
Licensees indicated that they were very satisfied with the quality, accuracy, and reliability of the information they received from the CMRAO. The majority of respondents felt that the level of service they received from phone or email inquiries was courteous and highly satisfactory.

Overall, respondents trusted the information they received from the CMRAO. They accessed information and resources in a variety of ways, but primarily relied on the CMRAO’s website.

## Service






Survey respondents reported overall satisfaction with the tools, resources, and timely updates provided by the CMRAO, including information about licensing processes. Overall, respondents believed the CMRAO promotes professional standards, ethics, and best practices, and believe the CMRAO is meeting its mandate.

### “I believe the CMRAO is meeting its mandate.”



# PERFORMANCE MEASURES

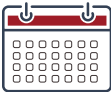
The CMRAO set strategic priorities, objectives, and performance measures in its annual Business Plan, which are reported on in the current Annual Report. Setting such targets enables the CMRAO to maintain transparency and accountability to the public and its stakeholders in all its business practices.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

Performance Measure	Target	Result
 Successful <b>development of a pilot project for proactive inspections</b>	Conduct 12 proactive inspections by March 31, 2023	<b>Completed – 12 proactive inspections conducted</b>
 Develop a <b>continuing education framework</b> for licensees	Continuing education framework announced by November 2022	<b>Completed – Continuing education framework introduced</b>
 Percentage of <b>licensees who report satisfaction with the level of service</b> received from the CMRAO <sup>1</sup>	80%	<b>96% of licensees surveyed report satisfaction with the level of service received from the CMRAO.</b> <b>Up from 89% in 2021–22</b>
 Consumer <b>satisfaction rating</b> for the CMRAO's complaint handling process <sup>1</sup>	80%	<b>76% of complainants reported satisfaction with the process.<sup>2</sup></b> <b>Down from 78% in 2021–22<sup>3</sup></b>
 Percentage of complete licence applications processed within service level standards: <ul style="list-style-type: none"> <li>• <b>Limited Licence within 5 business days</b></li> <li>• <b>General Licence within 10 business days</b></li> <li>• <b>Management Provider Licence within 30 business days</b></li> </ul>	95% 95% 95%	<b>99% Up from 94% in 2021–22</b> <b>98% Up from 93% in 2021–22</b> <b>100% Up from 78% in 2021–22</b>

<sup>1</sup> This performance measure is based on the results of the survey sent to all licensees in 2023.

<sup>2</sup> This number is based on 51 responses to the survey sent to complainants.

<sup>3</sup> This figure can be impacted by the nature of the decisions that the CMRAO issues in relation to complaints received.

Performance Measure	Target	Result
 <p>Percentage of <b>complaints processed within published service level standards:</b></p> <ul style="list-style-type: none"> <li>• Within <b>60 business days</b></li> <li>• Within <b>5 business days</b> (initial response)</li> </ul>	<p>80%</p> <p>95%</p>	<p>81%<sup>4</sup></p> <p>96%<sup>5</sup></p>

<sup>4</sup> The result is based on complaints resolved from April 1, 2022, to March 31, 2023.

<sup>5</sup> The result is based on complaints received from April 1, 2022, to March 24, 2023.

2022–23

# 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, 2023. The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2023, 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 license 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 condo management course, for which it charges \$150.

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

The CMRAO collected \$3,210,088 in license fee revenue in fiscal year 2022-23, which was a 4.41% increase from \$3,074,358 in fiscal year 2021-22. This increase is mainly due to an increase in number of licensees, as compared to the previous fiscal year. The application fee revenue collected in fiscal year 2022-23 was \$173,277, which is a 12.42% decrease from \$197,850 in fiscal year 2021-22 due to a decrease in the number of new applications. Fiscal year 2021-22 saw an unexpected significant jump in the number of applications. Furthermore, education fee revenue amounted to \$116,730, which is a material increase of 218.93% from the education fee revenue of \$36,600 in fiscal year 2021-22. This material increase in education fee can be attributed to the fact that fiscal year 2022-23 was the first full year of the education program, whereas in fiscal year 2021-22, the education program was in effect for only 5 months.

Other income consists of interest revenue. In addition to the operational revenue, the CMRAO had \$145,379 in interest revenue in fiscal year 2022-23, which is a material increase of 430.56% from the interest revenue of \$27,401 in fiscal year 2021-22. The increase in the interest revenue is related to the rapid interest rate increase by Bank of Canada in fiscal year 2022-23.



The revenue details for fiscal years 2021-22 and 2022-23 are as follows:

Category	2022-23	2021-22
License fees	3,210,088	3,074,358
Application fees	173,277	197,850
Education Fee	116,730	36,600
Other administration fees	14,550	19,200
Other Income	145,379	27,401
<b>Total Revenues</b>	<b>3,660,024</b>	<b>3,355,409</b>

## Expenses

Total expenditure for fiscal year 2022-23 is \$3,451,169, which is a 1.81% decrease as compared to the previous fiscal year's amount of \$3,514,837.

The human resources expenditures for the fiscal year 2022-23 is \$2,120,466, increased by 7.35% when compared to fiscal year 2021-22 human resources expenditures of \$1,975,200. The increase in human resources expenditures is in line with the expansion in the licensee and consumer base. CMRAO continues to optimize its organizational structure to be able 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 for the fiscal year 2022-23 was \$1,330,703, decreased by 13.57% compared to that of \$1,539,637 in fiscal year 2021-22. This decrease is mainly due to a reduced amount of discipline and enforcement costs related to disciplinary and enforcement cases and information and communication.

The expense details for fiscal years 2021-22 and 2022-23 are as follows:

Category	2022-23	2021-22
Human resources	2,120,466	1,975,200
Operational and general administrative costs	1,330,703	1,539,637
<b>Total Expenses</b>	<b>3,451,169</b>	<b>3,514,837</b>

## Net Assets

As at March 31, 2023, the CMRAO had \$2,449,566 in Net Assets, which is an increase due to excess of revenue over expense of \$208,855 from the balance as on March 31, 2022, of \$2,240,711.

After the organization has observed a deficiency of revenues over expenses of \$159,428 in FY2021-22 due to the budgeted non-recurring major spending for education and information and communication projects, there was an excess of revenue over expenses of \$208,855 in FY2022-23. The excess of revenue over expenses is mainly due to significantly higher than budgeted interest income of \$145,379, and underspending in comparison to budgeted expenditures of Information and Communication and Discipline and Enforcement.

The net assets of \$2,449,566 includes \$131,847 related to investment in intangible assets in fiscal year 2022-23. 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 excess of income over expenses resulted in the increase in unrestricted net assets to \$672,719 over the previous year's net assets of \$422,941. Furthermore, \$25,000 was transferred from unrestricted net assets to restricted net assets, increasing the total restricted net assets to \$1,645,000 as compared to \$1,620,000 in FY2021-22. 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.

# 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, 2023, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for 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.

## 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, Canada  
July 13, 2023

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten-style script.

Chartered Professional Accountants  
Licensed Public Accountants

# Condominium Management Regulatory Authority of Ontario

## Statement of Operations

Year ended March 31	2023	2022
<b>Revenues</b>		
Revenues from Licensees (Note 8)	\$ 3,514,645	\$ 3,328,008
Interest revenue	145,379	27,401
	<b>3,660,024</b>	<b>3,355,409</b>
<b>Expenses</b>		
Human resources	2,120,466	1,975,200
Discipline and enforcement	261,914	318,054
Ministry oversight fee	198,084	198,081
Occupancy costs	186,812	172,866
Office and general	147,071	129,438
HST non-recoverable	125,681	136,364
Information and communication	103,509	142,552
Enterprise IT expense	99,345	69,926
Amortization	65,923	65,923
Board of Directors	47,479	63,758
Education project	41,963	152,929
Legal fees	36,283	62,188
Professional fees	16,639	27,558
	<b>3,451,169</b>	<b>3,514,837</b>
Excess (deficiency) of revenues over expenses	\$ 208,855	\$ (159,428)

See accompanying notes to the financial statements.



## 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 2023	Total 2022
Balance, beginning of year	\$ 197,770	\$ 422,941	\$ 1,620,000	\$ 2,240,711	\$ 2,400,139
Excess (deficiency) of revenues over expenses	-	208,855	-	208,855	(159,428)
Amortization of intangible assets	(65,923)	65,923	-	-	-
Transfer of unrestricted net assets (Note 10)	-	(25,000)	25,000	-	-
Balance, end of year	\$ 131,847	\$ 672,719	\$ 1,645,000	\$ 2,449,566	\$ 2,240,711

See accompanying notes to the financial statements.

# Condominium Management Regulatory Authority of Ontario

## Statement of Financial Position

March 31	2023	2022
<b>Assets</b>		
Current		
Cash	\$ 1,906,467	\$ 3,203,662
Short-term investment (Note 3)	1,620,000	-
Accounts receivable	199	115
Interest receivable	53,305	2,588
Prepaid expenses and other current assets	53,361	75,180
	<b>3,633,332</b>	<b>3,281,545</b>
Long-term		
Intangible assets (Note 6)	131,847	197,770
	<b>\$ 3,765,179</b>	<b>\$ 3,479,315</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 490,655	\$ 445,055
Deferred revenue (Note 5)	824,958	793,549
	<b>1,315,613</b>	<b>1,238,604</b>
<b>Net assets</b>		
Investment in intangible assets	131,847	197,770
Unrestricted net assets	672,719	422,941
Restricted net assets	1,645,000	1,620,000
	<b>2,449,566</b>	<b>2,240,711</b>
	<b>\$ 3,765,179</b>	<b>\$ 3,479,315</b>
Commitments (Note 9)		
Approved by:		
– original signed – _____ Director		
– original signed – _____ Director		

See accompanying notes to the financial statements.

# Condominium Management Regulatory Authority of Ontario

## Statement of Statement of Cash Flows

Year ended March 31	2023	2022
Increase (decrease) in cash		
<b>Operating</b>		
Excess (deficiency) of revenues over expenses	\$ 208,855	\$ (159,428)
Item not affecting cash		
Amortization of intangible assets	65,923	65,923
	274,778	(93,505)
Change in non-cash working capital items		
Accounts receivable	(84)	263
Interest receivable	(50,717)	(313)
Prepaid expenses and other current assets	21,819	10,586
Accounts payable and accrued liabilities	45,600	33,310
Deferred revenue	31,409	64,392
	322,805	14,733
<b>Investing</b>		
Purchase of short-term investment	(1,620,000)	-
(Decrease) increase in cash	(1,297,195)	14,733
Cash		
Beginning of year	3,203,662	3,188,929
End of year	\$ 1,906,467	\$ 3,203,662

See accompanying notes to the financial statements.

# Condominium Management Regulatory Authority of Ontario

## Notes to the Financial Statements

March 31, 2023

### 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

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess (deficiency) of revenues over expenses as appropriate in the year they become known.

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

## 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      6 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
- short-term investment
- accounts receivables
- accounts payable

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



March 31, 2023

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 excess (deficiency) of revenues over expenses.

### Financial instruments in related party transactions

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

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

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

## 3. Short-term investment

	2023	2022
RBC non-redeemable GIC, interest at 4.23% per annum and matures on August 4, 2023	\$ 1,620,000	\$ -

March 31, 2023

#### 4. Accounts payable and accrued liabilities

As at March 31, 2023, there are government remittances payable outstanding of \$5,589 (2022 - \$841) included in the accounts payable and accrued liabilities balance. The Ministry oversight fee of \$198,081 (2022 - \$198,084) is also included in this balance.

#### 5. Deferred revenue:

##### Continuity of deferred revenue:

	<b>2023</b>	2022
Deferred revenue, beginning of year	\$ 793,549	\$ 729,157
Add: Licence fee received	3,546,054	3,392,400
Less: Licence fee earned (Note 8)	(3,514,645)	(3,328,008)
Deferred revenue, end of year	<b>\$ 824,958</b>	<b>\$ 793,549</b>

##### Deferred revenue consist of:

	<b>2023</b>	2022
Licence fee received in advance	<b>\$ 824,958</b>	<b>\$ 793,549</b>

#### 6. Intangible assets

	<b>2023</b>	2022
Computer software	\$ 549,148	\$ 549,148
Accumulated amortization - computer software	(417,301)	(351,378)
	<b>\$ 131,847</b>	<b>\$ 197,770</b>

## 7. 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.

## 8. Revenues from licensees

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

	<b>2023</b>	2022
Licence fee	\$ 3,210,088	\$ 3,074,358
Application fee	173,277	197,850
Reinstatement fee	14,550	19,200
Education fee	<u>116,730</u>	<u>36,600</u>
	<u>\$ 3,514,645</u>	<u>\$ 3,328,008</u>

## 9. Commitments

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

2024	\$ 189,677
2025	<u>160,636</u>
	<u>\$ 350,313</u>

## 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. In the fiscal year 2023, the Organization transferred \$25,000 (2022 - \$Nil) from its unrestricted accumulated net assets.

## 11. Financial instruments

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

### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable and provision for bad debts as necessary. No allowance for doubtful accounts was recognized as at year end. The Organization has a significant number of members, which minimizes concentration of credit risk.

### (b) Liquidity risk

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

### (c) Market risk

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

### (d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of cash and short-term investment, fixed rate instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cashflow risk.



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