

Annual Report 2020–21



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

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

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2020–21

The Year in Numbers



Active Licensees

3,873



Complaints received

(48 condominium managers and 31 provider businesses
were the subject of substantiated complaints)

973



Social media followers

1,551



Email inquiries

4,988



Inbound phone calls received

6,303



Percentage of calls received
that met service level standards

(service level: 80% of calls received answered in 5 minutes or less)

96%



Webinar registrants

285

French language service:



Phone calls

7



Email inquiries

9



Complaints received

2

Message from the Chair

Building on Our Regulatory Framework in a Time of Transition



Like organizations around the world, the CMRAO was not immune to the evolving changes presented by the COVID-19 pandemic. The organization has been resilient, and remained adaptable and equipped to conduct business as usual while continuing to build and transform our still relatively young organization. Times of transition are challenging, but they afford insight and opportunity for reflection and prioritizing before forging ahead with refinements. Great progress was made this year, which puts us on solid ground for some key organizational developments that lie ahead.

The CMRAO's 2020–21 annual report looks back on a challenging year that was nonetheless successful on multiple fronts. This fiscal year saw continued growth and expansion of the condominium management sector, with more licensees legally providing services in Ontario; an increase in the number of compliance and enforcement activities conducted; and ultimately, greater engagement with stakeholders across the board. These activities are a sign of the organization's maturation and dynamic service ethos behind the growth of our operations.

In December 2020, the Office of the Auditor General of Ontario published the results of its first value-for-money audit of Ontario's condominium sector to evaluate the effectiveness of the CMRAO's operations and service delivery. The CMRAO has already made substantial progress in addressing the recommendations of the report, which align with refinements that were either in progress or in the planning stages to effectively support broader compliance with the licensing requirements under the legislation, and strengthen our internal processes to deliver our consumer protection mandate. The work on our enhanced compliance program represents the completion of the consumer protection model that we have been building since we began operations on November 1, 2017.

The CMRAO continues to have a strong working relationship with our colleagues at the Ministry of Government and Consumer Services, who we appreciate and thank for the excellent feedback, support, and insight they continue to provide our organization.

This has been a demanding yet productive year, and I am very encouraged by how well the sector has responded and risen to the challenges presented to it. On behalf of the Board of Directors, I recognize the work of condominium managers and provider businesses during this unprecedented time and thank our licensees for coping with all the changes. I would also like to express our thanks to the staff of the CMRAO who have handled these additional pressures and risen to the challenge, and continued to provide a high standard of service, especially during such a difficult period.

Our 2020–21 annual report outlines how we achieved our key accountabilities, reflects the growth of our organization over the last year, and provides a strong foundation as the Board prepares to envision the objectives that will form our new strategic direction. As this report demonstrates, the CMRAO is well-positioned to deliver our consumer protection mandate for years to come, building on the success of this one.

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 the Foundation in Preparation for Continuous Growth



The past year proved to be challenging for everyone as the local, regional, and national focus remained on the COVID-19 pandemic. With that said, the CMRAO's 2020–21 annual report highlights how eventful and record-breaking the year was for the organization. Despite challenges and demands, the CMRAO achieved significant milestones while adapting to a constantly evolving situation.

November 1, 2021, marks the beginning of our fourth year of operations, and is the date set out in regulation to transfer the authority for setting education and examination requirements from the Minister of the Government and Consumer Services to the CMRAO. Although this is not part of fiscal year 2020–21, a significant amount of work had to be accomplished this year to prepare for this important transition.

After publishing Ontario's first competency profile for condominium managers early in 2020, the CMRAO then developed a new six-course curriculum and related course blueprints, including the foundational **Excellence in Condominium Management**, a mandatory course for anyone applying for a Limited Licence. These achievements reflect extensive consultation and collaboration with the condominium sector, and the CMRAO's Advisory Committee.

In response to the Office of the Auditor General of Ontario's report published in December 2020, the CMRAO developed an implementation plan outlining the steps that we will take to address each recommendation. The CMRAO is committed to ensuring the integrity of our regulatory system and compliance with the *Condominium Management Services Act, 2015*, and we have already made significant progress especially in the area of unlicensed practice to proactively identify and take appropriate compliance and enforcement actions when necessary. The CMRAO continues to work cooperatively with the Ministry of Government and Consumer Services and the Condominium Authority of Ontario to strengthen our regulatory oversight and consumer protection framework.

In a year of challenge and uncertainty, condominium managers demonstrated why they are essential to the health of condominium communities across the province. I would like to recognize and thank managers and provider businesses for their diligence, resilience, and dedication to keeping condominium communities safe while balancing multiple issues during this especially challenging time.

Throughout the year, the CMRAO maintained a high level of service and experienced increases in every facet of our operations. Growth of the sector places an even greater emphasis on the refinement of internal processes and the development of new ones that support the delivery of our mandate. I would like to thank our Board of Directors for their continued support and leadership. Their vision and guidance continue to steer our operations and service delivery through effective regulation.

This annual report reflects the work we are doing, and the standards in place to protect consumers and build confidence in condominium management services across Ontario.



Ali Arlani
Chief Executive Officer and Registrar

Background

Designated pursuant to the *Condominium Management Services Act, 2015* (CMSA), the CMRAO is the regulatory body that protects consumers by setting standards and enforcing mandatory licensing of condominium managers and condominium management provider businesses. Although residential condominiums predominate, the CMRAO provides oversight of the whole condominium management sector, which includes services to all types of freehold and leasehold condominium corporations.

Through effective regulation, the CMRAO strengthens the condominium management profession and helps to protect consumers in Ontario's complex and rapidly growing condominium sector.



12,100

There are more than 12,100 condominium corporations in Ontario

Based on data supplied by the Condominium Authority of Ontario



922,000

There are more than 922,000 condominium units

Based on data supplied by the Condominium Authority of Ontario



50%

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

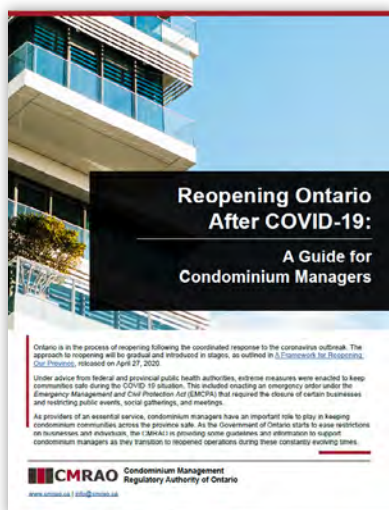
Based on data available in Tarion's 2020 annual report

CMRAO's COVID-19 Response

Similar to other companies around the world, the COVID-19 pandemic presented the CMRAO with an exceptional challenge. Despite this, the CMRAO continued its operations without any interruption and kept its stakeholders updated with the constantly evolving situation and the emergency orders introduced by the provincial government.

Support for Licensees and Ontario's Condo Communities

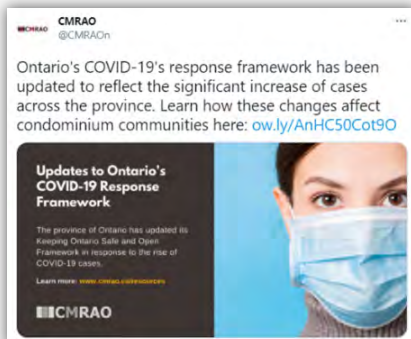
In April 2020, the Government of Ontario declared condominium management and the CMRAO an essential service, and the CMRAO kept licensees updated with important and timely information through its social media channels and website (www.cmrao.ca/en-US/resources/covid-19-resources/).



In May 2020, the CMRAO conducted a survey of condominium management provider businesses to learn how the emergency orders had impacted their operations and their client condominium corporations in Ontario. In addition to helping the CMRAO better understand how the emergency orders impacted condominiums across the province, the survey also identified key areas where licensees wanted to see more information and guidance from the CMRAO. After a thorough review of the results, the CMRAO published **Reopening Ontario After COVID-19: A Guide for Condominium Managers**, which addressed some of the questions raised from the survey feedback.

Resource
Section
Pageviews: **4,363**

Reopening
Guide
Downloads: **1,322**



Total Twitter impressions: **2,402**



Total Facebook Impressions: **258**



Total LinkedIn Impressions: **237**

As a relief measure for the exceptional circumstances presented by COVID-19, the CMRAO made the decision to extend the period for application and payment of licence renewals for the 2020–21 licensing year from June 30, 2020, to September 8, 2020. The additional time allowed provider businesses to adjust and restructure their operations, and helped to ease some of the pressures experienced by condominium managers who had an important role to play in maintaining the health and safety of condominium communities across the province.

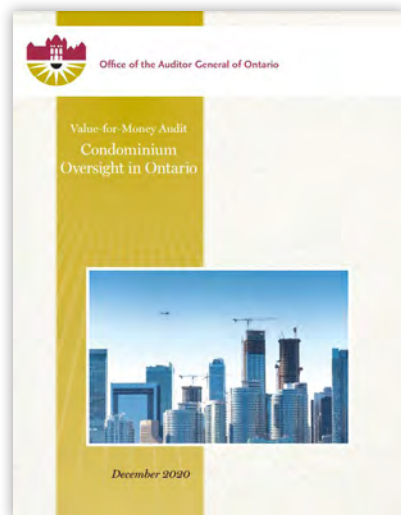
Support for the CMRAO Team

As prescribed by emergency orders issued by the government, all CMRAO staff have been working remotely since March 2020. The CMRAO was prepared to make the rapid and relatively seamless transition to working in a virtual environment. When necessary, staff were provided with the technology, equipment, and supplies they needed to work remotely as the situation evolved.

COVID-19 health and safety protocols were introduced (including a screening questionnaire) for employees who opted to work from the office on occasion. Additionally, the CMRAO successfully pivoted towards online interviews and remote onboarding of new hires, and has maintained its high standards of service.



Auditor General of Ontario Value-for-Money Audit



In January 2020, the Office of the Auditor General of Ontario (Auditor General) began a review of the CMRAO's operations as part of its value-for-money audit of Ontario's condominium sector. Over the subsequent ten months, the audit team reviewed policies, processes, documentation, and materials, and interviewed Board Directors, staff, and CMRAO's stakeholders to evaluate the effectiveness of the CMRAO's service delivery.

In December 2020, the Auditor General published the results of the audit, as well as recommendations 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**)



In response to the Auditor General's report, the CMRAO published an action plan that outlines the steps that the CMRAO will take to address the Auditor General's recommendations, including timelines for implementation. The CMRAO has already made substantial progress in implementing the Auditor General's recommendations by:

- Implementing a data sharing agreement with the CAO to support proactive identification of unlicensed individuals or companies providing condominium management services and bringing them into compliance
- Setting targets and publicly reporting on key activities within the CMRAO's legislated mandate. The Action Plan is available on the CMRAO website at www.cmrao.ca/en-US/Newsroom/auditor-general-of-ontario-report/

Consumer Protection

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

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



Mandatory Licensing

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



Public Registry

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



Regulatory Compliance

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



Complaints Process

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



Education Requirements

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



Raising Public Awareness

Promoting awareness of the regulatory system.

Strategic Overview

The CMRAO's operations during this period focused on successfully delivering its consumer protection mandate, and ensuring all condominium managers and management provider businesses are licensed and operate legitimately. In the fall of 2018, the Board of Directors embarked on a strategic planning exercise to examine and map out the organization's key operational priorities for the next three years.

Mission

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

Vision

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

Values

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.

Protecting the Public

by using modern regulatory practices that enhance confidence in the professionalism of condominium management services.

Protecting the Public

by using modern regulatory practices that enhance confidence in the professionalism of condominium management services.

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



Corporate Governance

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

The Board of Directors is responsible for providing direction and oversight to the CMRAO and ensuring the organization meets its obligations under the *Condominium Management Services Act, 2015*, the *Corporations Act, 1990*, the CMRAO By-law, and the administrative agreement with the Minister of Government and Consumer Services.

Skill-based Board

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

Director Qualifications

In selecting new members, the CMRAO 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 planning
- licensing, regulatory, and legal experience
- marketing and innovation experience

Election and Appointment Process

The Minister may appoint a minority number of directors to the CMRAO's Board of Directors. As of March 31, 2021, the CMRAO had four elected directors and three directors appointed by the Minister.

Code of Conduct

The Board adopted a Code of Conduct that has been posted publicly on the CMRAO's website. All directors elected and appointed are required to sign and abide by this Code of Conduct, which is available at

www.cmrao.ca/about-cmrao/governance/DirectorsCodeofConductConflictofInterestsPolicy.pdf

Board Director Biographies



Aubrey LeBlanc, Chair – Elected

(Elected to 3-year term)

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



John Oakes, Secretary – Elected

(Elected to 3-year term)

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



Gail Beggs, Board Director – Elected

(Elected to 2-year term)

Gail Beggs has extensive experience at senior levels in government, including serving over nine years as Deputy Minister of three ministries in the Ontario Public Service. She also led an international agency dealing with the Great Lakes and headed up an Ontario crown corporation, serving as both Chair of the Board and as the Chief Executive Officer. She currently serves on the boards of the Ontario Lottery and Gaming Corporation and Forests Ontario. Gail chaired the multi-stakeholder Advisory Group that led to the formation of the Condominium Management Regulatory Authority of Ontario.



Kerry Carmichael, Board Director – Appointed by the Minister

(Appointed to 3-year term)

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



Elizabeth Gibbons, Board Director – Elected

(Elected to 3-year term)

Elizabeth Gibbons has two decades of experience in public relations, executive communications, and media and stakeholder relations. As Director of Communications for TELUS International, she leads the communications and corporate philanthropy coordination of almost 60,000 team members from locations across North America, Central America, Europe, and Asia. Elizabeth has also held roles as Head of Media and Public Affairs for the British High Commission, and Director of Communications for the Ministry of Agriculture.



Paul Kyte, Board Director – Appointed by the Minister

(Appointed to 3-year term)

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



Beth Pearson, Board Director – Appointed by the Minister

(Appointed to 3-year term)

Beth Pearson's career in the insurance industry spans over 30 years. Most recently she was the Owner and Partner of AP Insurance Brokers. Prior to this, she was a Partner with Pearson Dunn Insurance Brokers. She is a Past President of the Registered Insurance Brokers of Ontario and a former Past President of the Insurance Brokers Association of Ontario. Her community involvement includes serving as 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 on June 3, 2019, pursuant to Section 4.10 of the CMRAO By-law.

The ARM Committee mandate is to assist the Board of Directors 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, and will focus 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 on September 10, 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 Board 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 CMRAO's administrative agreement that requires the Board of Directors to establish an advisory process for direct input to the Board on issues of importance to consumers. The Advisory Committee consists of 20 members – half the members are licensed condominium managers, and half represent the broader condominium community.

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

Advisory Committee Members

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

Activities of the Advisory Committee

In 2020–21, CMRAO's Advisory Committee was active in a number of areas.

Committee members convened to provide user experience feedback during the consultation phase of the CMRAO's new website project. The committee's valuable contributions inform some of the content developed for the new site, which is scheduled to launch in fall 2021.

The Advisory Committee also met to review, discuss, and provide feedback on the six new course blueprints and curriculum roadmap that form the foundation of the CMRAO's new education program that comes into effect on November 1, 2021.

Additionally, the Advisory Committee met to provide input on a number of key regulatory topics that helped to shape the CMRAO's position on the role of the condominium manager as it relates to handling liens and chargebacks, dealing with the corporation's board when there is no quorum, and handling complaints.



■ Discipline Committee and Appeals Committee

Complaints received by the CMRAO can lead to disciplinary hearings in accordance with O. Reg 3/18 of the CMSA. In 2018, the CMRAO established a Discipline Committee and an Appeals Committee made up of appointees from the condominium sector and members of the public.

Members on this committee roster serve for a period of two years.

Discipline Committee

Chair: Jeff Donnelly

Appeals Committee

Chair: Bernard Cowan

Discipline Committee and Appeals Committee Members

Charles Chan	Lyndsey McNally
Nadia Freeman	Daniel Mousavi
Dan Fried	Bob St. George
Frank Gallo	Bradley Wells
Shane Haskell	Joanna Yu
Allyson Ingham	

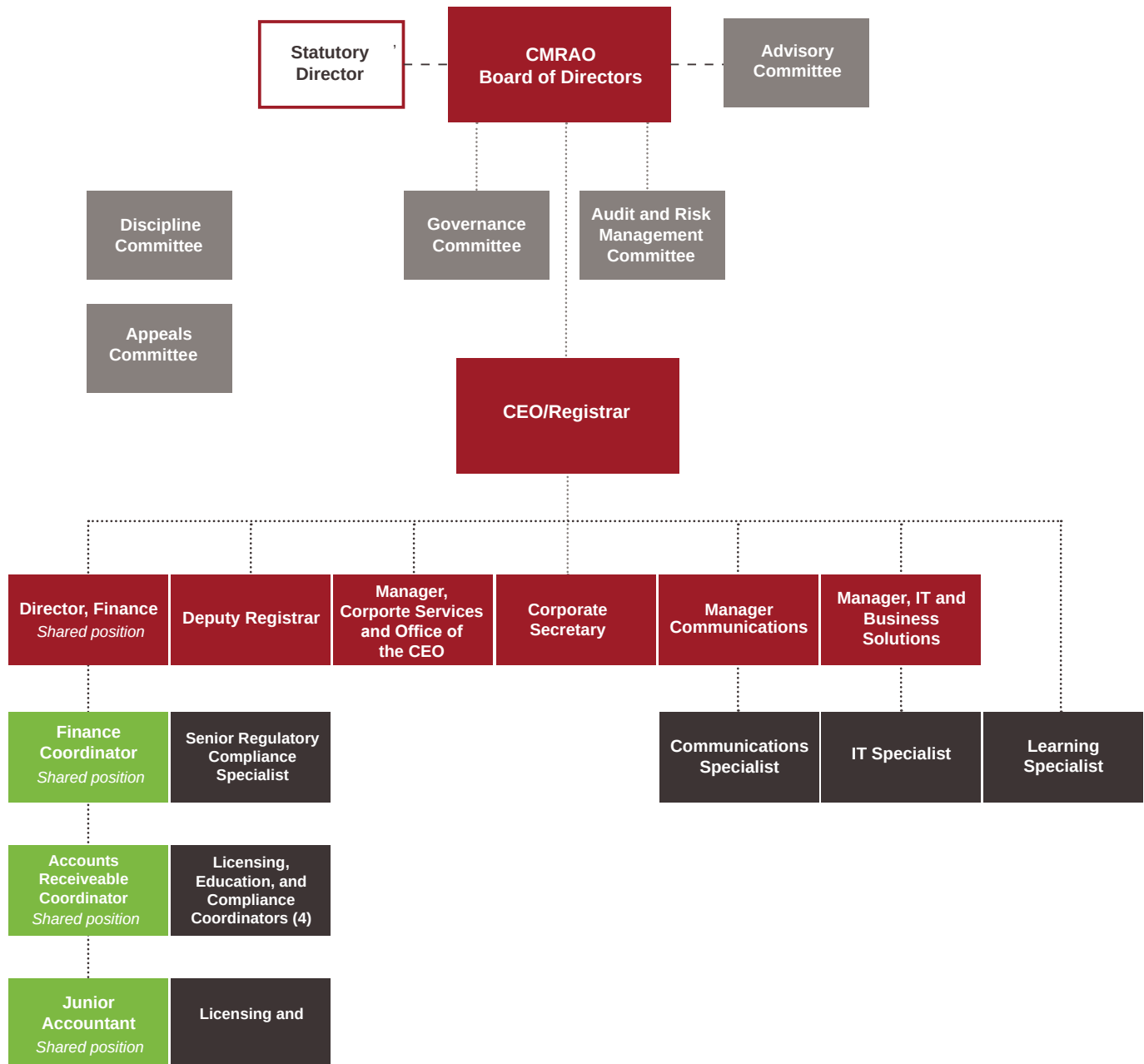
In 2020–21, the CMRAO's Registrar referred three cases to the Discipline Committee. The Committee issued two decisions that were published on the CMRAO website at www.cmrao.ca/en-US/compliance/discipline-and-appeals-Committee.



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; 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.



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

Licensing

The licensing of condominium managers and condominium management provider businesses came into effect on November 1, 2017. Anyone who is not exempt under regulation and 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 (These licences are time limited)	Limited Licence	Condominium Management Provider 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.	- 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.	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.	Can be any business (corporation, partnership, sole proprietorship) that provides condominium management services.

Active Licences

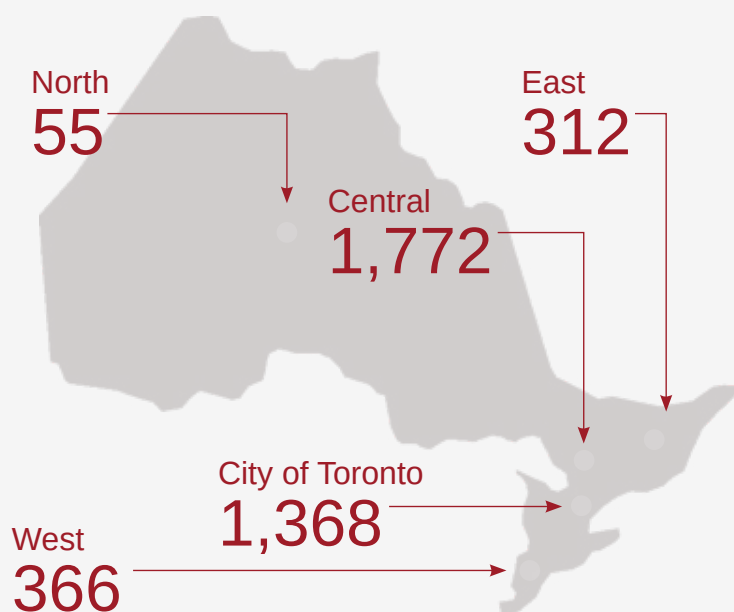
(as at March 31, 2021)



General Licence	1,938
Transitional General Licence	436
Limited Licence	1,081
Condominium Management Provider Licence	418

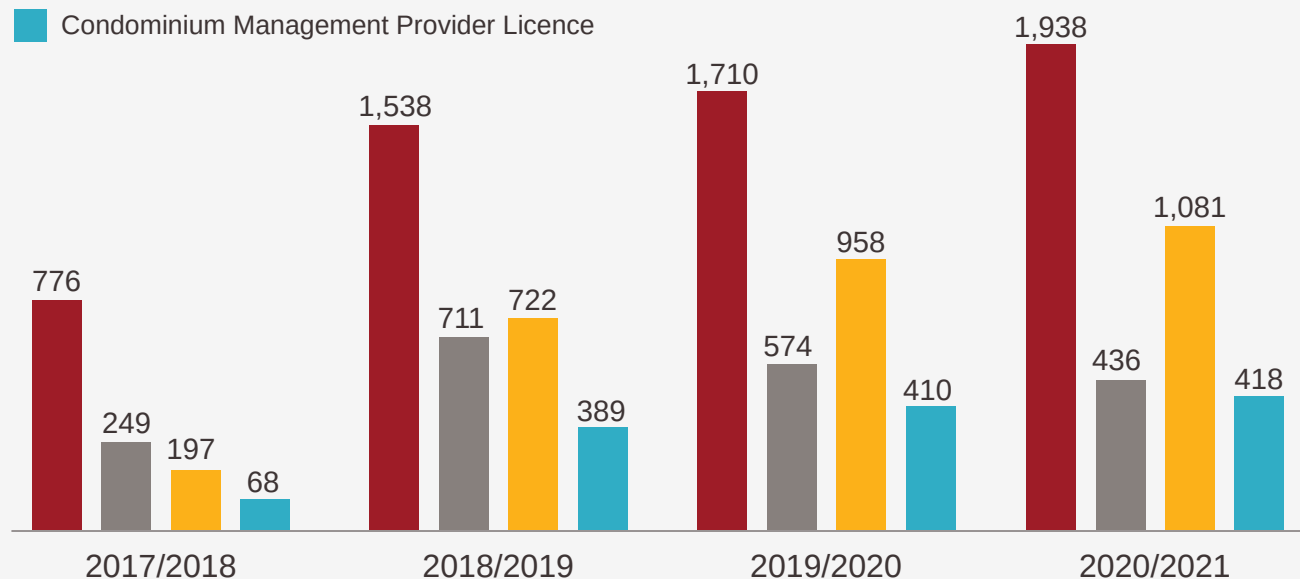
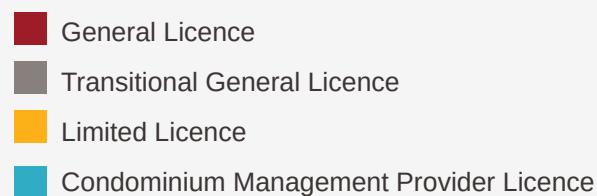
Regional Distribution of Licences

(as at March 31, 2021)



Active Licensees: Year-Over-Year

(as at March 31)



Education

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

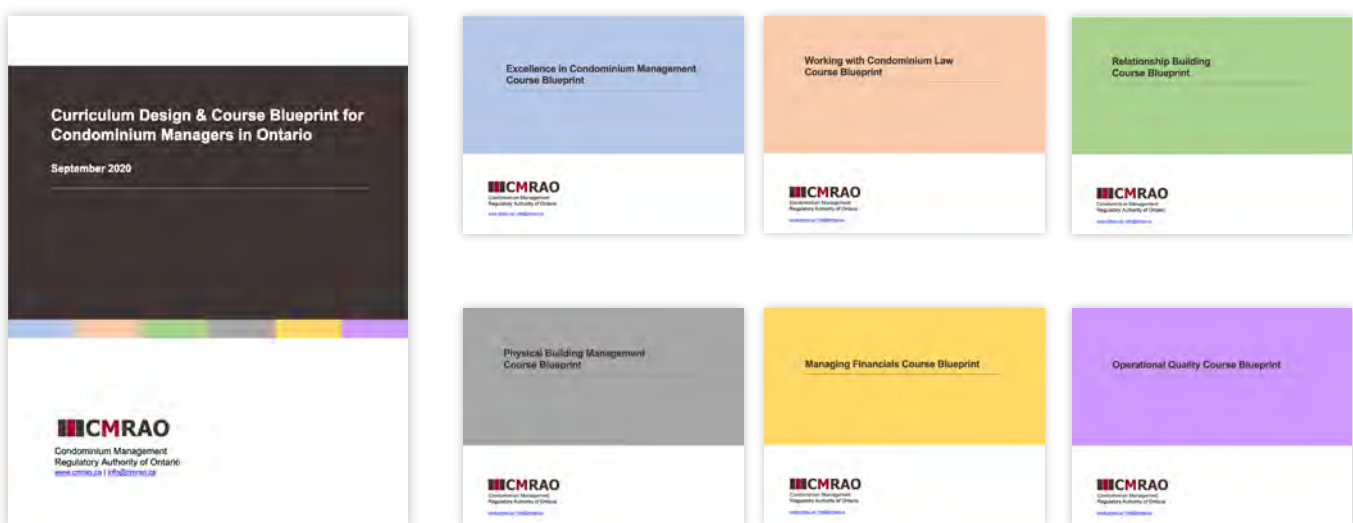
Currently, the requirements for a General Licence are based on the following four courses developed by ACMO:

- Condominium Law
- Physical Building Management
- Financial Planning for Condominium Managers
- Condominium Administration and Human Relations

Future Education Requirements

In 2019, the CMRAO developed Ontario's first competency profile for condominium managers, an important milestone for the province's condominium management profession. The competency profile defines the condominium management profession and details the minimum expectations for an individual applying for a General Licence with the CMRAO.

In preparation for the imminent transition, in 2020 the CMRAO published a curriculum roadmap and course blueprints for Ontario's new condominium manager education program. The roadmap incorporates the previously identified competencies and proposes a pathway to a General Licence. The roadmap and course blueprints were validated by key industry stakeholders and refined to create a six-course curriculum that will be delivered using a blended classroom and self-directed learning approach supported by reference materials.



Prior Learning Assessments

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

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

The CMRAO received a higher number of RPL requests during the fiscal year 2020–21 (44) compared to 18 in the previous year.

Prior Learning
Assessments
Requested:

44

Prior Learning
Assessments
Granted:

12



Complaints, Compliance, and Discipline

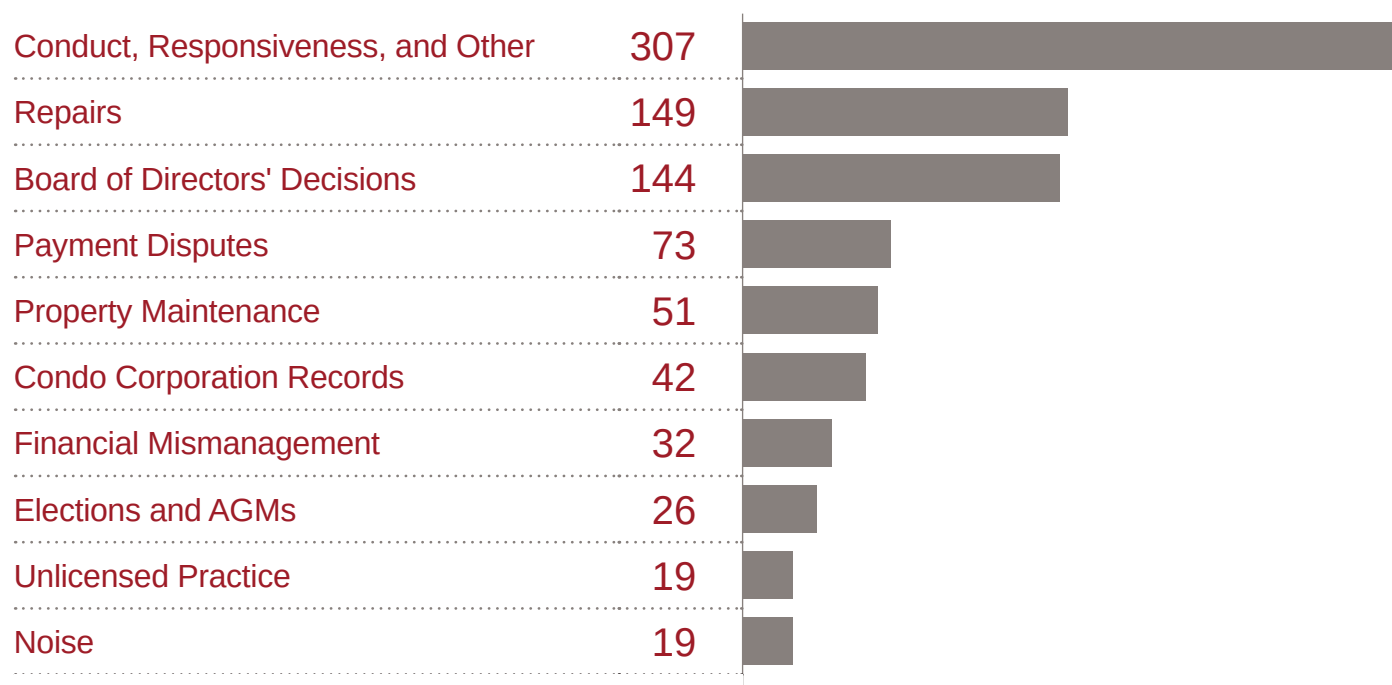
The CMRAO works in the public interest to build trust in condominium management services and to protect condominium communities. Licensees are required to follow a number of rules as outlined in the CMSA and under the Code of Ethics regulation.

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.

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 available on the website at www.cmrao.ca/complaints.

The top ten categories of complaints were:

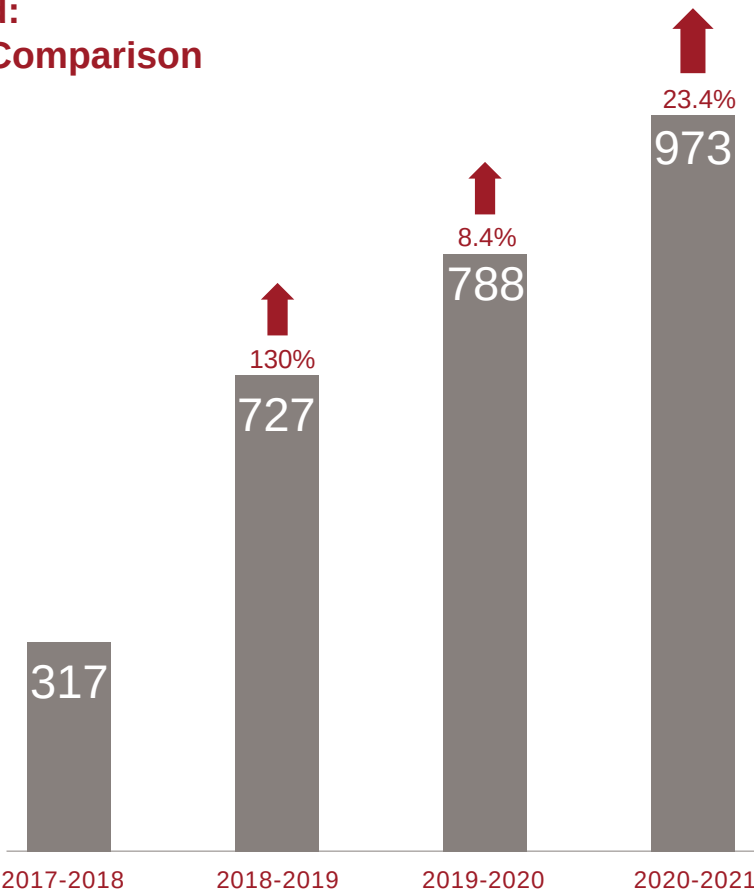


Pursuant to section 57 of the CMSA, in handling complaints, the Registrar may do any of the following, as appropriate:

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

Complaints Filed: Year-Over-Year Comparison

(as at March 31)



The CMRAO continues to see an upward trend in the volume of complaints received, which could be the result of enhanced awareness of the CMRAO as an organization and its role in handling complaints from the condominium sector. It is also likely that some of this increase for 2020–21 can be attributed to factors associated with the COVID-19 pandemic.

For example, the implementation of the emergency order restricted the use of common elements, which was challenging for residents. Additionally, with more people working from home, there have been increased points of interaction with condominium managers and other building staff. The CMRAO has received complaints about the lack of personal protective equipment (PPE) in common areas, contractors entering units without PPE, and personal care workers being refused entry into the building. All of these factors could have contributed to the rise in the complaints volume.

Inspections and Investigations

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. In 2020–21, the CMRAO initiated 10 inspections, which were carried out when allegations or information regarding serious misconduct were brought to the attention of the Registrar.

The CMRAO is in the process of developing its plans to implement a risk-based approach to conducting inspections. This approach would typically involve identifying and analyzing statistical trends to determine when a proactive inspection may be warranted.

Number of
Inspections: **10**

Number of
Investigations: **11**

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 2020–21, the CMRAO initiated 11 investigations, all of which were in relation to information of unlicensed practice.

Discipline

In handling complaints under section 57 of the CMSA, the Registrar may refer a matter to the Discipline Committee. Members of the Discipline Committee are chosen to form a panel, which then hears and considers evidence to determine if a licensee has failed to comply with the Code of Ethics. If the panel finds that the licensee failed to comply with the Code of Ethics, the panel will decide on an appropriate action.

The panel may:

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

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

Cases referred
to Discipline
Committee: **3**

Discipline
Decisions: **2**

Discipline decisions are available on the CMRAO website at www.cmrao.ca/en-US/compliance/discipline-and-appeals-Committee/.

CMRAO Compliance At-a-Glance

(as at March 31, 2021)



5

Licences
Revoked



7¹

Individuals and
business charged with
Provincial Offences



1

Proposal to
Apply Conditions
on a Licence



2

Applications
Refused



6

Registrar's Warning
Letters Issued



49

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.

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

Risk Management

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

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

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

The ongoing global COVID-19 pandemic raised new challenges for the CMRAO, especially related to continuity of service delivery. The CMRAO has implemented measures to enhance cybersecurity and has trained staff on best practices related to data governance and cybersecurity.



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 fiscal year, the CMRAO continued to engage with audiences online through multiple social media platforms, its website, a live webinar, and e-newsletters. This year, 24 e-newsletters were sent to stakeholders.

In response to feedback received from the sector, the CMRAO also produced a series of videos to help licensees understand and meet their legal and ethical obligations. These educational videos cover different areas of a condominium manager's roles and responsibilities and the Code of Ethics using real-life scenarios.



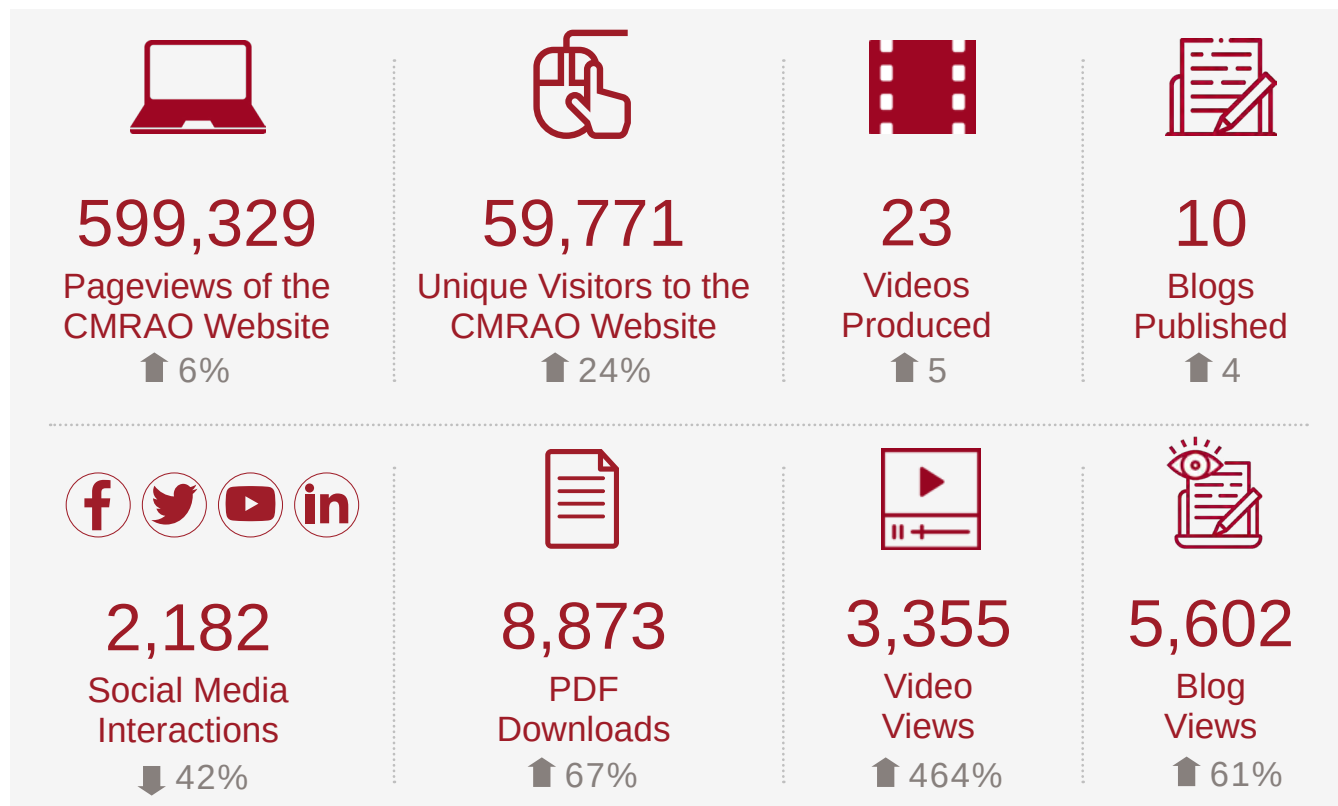
Timely information was also published through the CMRAO Blog and **CMRAO Quarterly**, a subscription-based newsletter for stakeholders. Both communications vehicles offer greater insight into the CMRAO's activities as a regulator and have helped to further expand our engagement with the sector.

Due to the pandemic, the CMRAO did not participate in any in-person stakeholder events, though the Deputy Registrar was invited to participate in the Condominium Associations Institute's virtual **V-Con(do) 2020** conference as a guest speaker in September 2020.

Over 200 people attended the CMRAO's **Future Education Requirements for Condominium Managers** webinar, which was held in October 2020. Attendees learned about the important transition to the new education program, and had an opportunity to ask questions before, during, and after the webinar.

Measuring the Impact of Outreach

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



Engagement Activities

Deputy Registrar Sandy Vizely at the V-Con(Do) conference



CEO/Registrar Ali Arlani co-hosts the CMRAO's Future Education Requirements webinar



Future Education Program for Condominium Managers Webinar

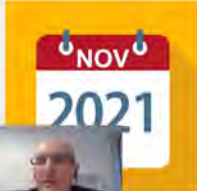
Thursday, October 22 | 11:00 a.m. – 12:00 noon

Current Education Requirements – Legislation

Ontario Regulation 123/17
Educational and examination requirements

5. (1) The Minister is authorized to specify the educational and examination requirements described in paragraph 5 of subsection 78 (1) of the Act.

Note: On the later of the fourth anniversary of the day section 34 of Schedule 2 to the *Protecting Condominium Owners Act, 2015* comes into force and the fourth anniversary of the day subsection 78 (1) of Schedule 2 to the *Protecting Condominium Owners Act, 2015* comes into force, subsection 5 (1) of the Regulation is amended by striking out "Minister" and substituting "registrar". (See: O. Reg. 123/17, s. 37 (2))




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. Despite the challenges presented by the COVID-19 pandemic, the CMRAO continued to offer its services within established standards while staff worked remotely.

Performance Measure	Target	Results
Successful development and implementation of the 2021 Education Plan	Curriculum and blueprint for education plan completed Program delivery plans to ensure supply and delivery across the province	Target achieved¹
Percentage decrease in number of licensees who were the subject of substantiated complaints and/or regulatory action	5%	1.25%
Percentage of licensees who report satisfaction with services received from the CMRAO	80%	88% ²
Consumer satisfaction rating for CMRAO's complaint-handling process	60%	80% ³
Percentage of consumers surveyed who are aware of the existence of CMRAO and the requirement for condominium managers in Ontario to be licensed by the CMRAO	25%	30% ⁴

¹ A curriculum and course blueprints have been created and are publicly available on the CMRAO website. The CMRAO entered into a Memorandum of Understanding with Humber College as the education provider for condominium managers in Ontario.

² Based on data from the February 2020 satisfaction survey. In 2020–21 the CMRAO did not conduct a survey during the COVID-19 emergency period.

³ The overall consumer satisfaction rating for CMRAO's complaints handling process was 80% with 85% of respondents stating that they found it easy to file a complaint, and 90% of respondents stating that the staff they interacted with were courteous and polite. 80% of respondents felt they had the opportunity to provide relevant information to support their complaint, and over 65% reporting that they felt the CMRAO understood the nature of their complaint and they received the proper respect.

⁴ Based on data from the December 2019 public survey. In 2020–21 the CMRAO did not conduct a survey during the COVID-19 emergency period.

Commitment to Accessible Services

French Language Service

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

The CMRAO publishes e-newsletters to licensees and stakeholders, social media updates, and corporate reporting documents in French. In addition, the majority of the CMRAO's public-facing communications, including the website, are available in French. This includes informational guides for licensees, pandemic-related information, and information related to education requirements.

The CMRAO publishes a blog in English and French as a means to give more details and a better understanding of important topics related to education, licensing, and, most recently, the COVID-19 pandemic.

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

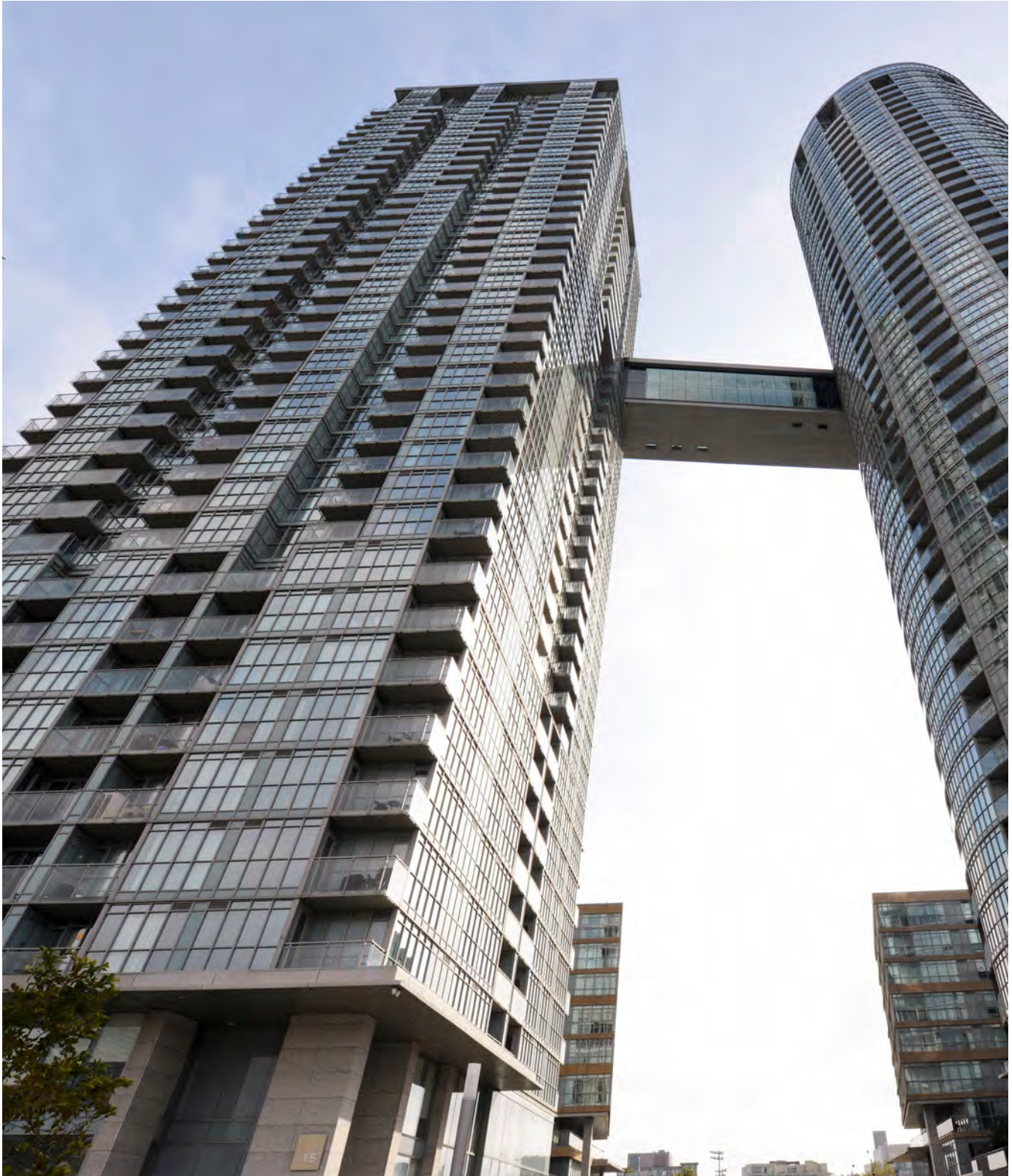
Under the *Accessibility for Ontarians with Disabilities Act, 2005 (AODA)*, the CMRAO makes every reasonable effort to ensure that its policies, practices, and procedures are consistent with the principles of dignity, independence, integration, and equal opportunity. The CMRAO is compliant with requirements for non-profit organizations under the AODA.

All CMRAO employees have received training on accessible customer service. The CMRAO has also implemented an Integrated Accessibility Standards Policy that outlines the organization's commitment to removing barriers and ensuring that our services are respectful of the individual needs of people with different abilities.

The CMRAO 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 our website is compliant with the Web Content Accessibility Guidelines 2.0, level AA.



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, 2021. The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2021, 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.

Licensing fees are collected from four types of licences:

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

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

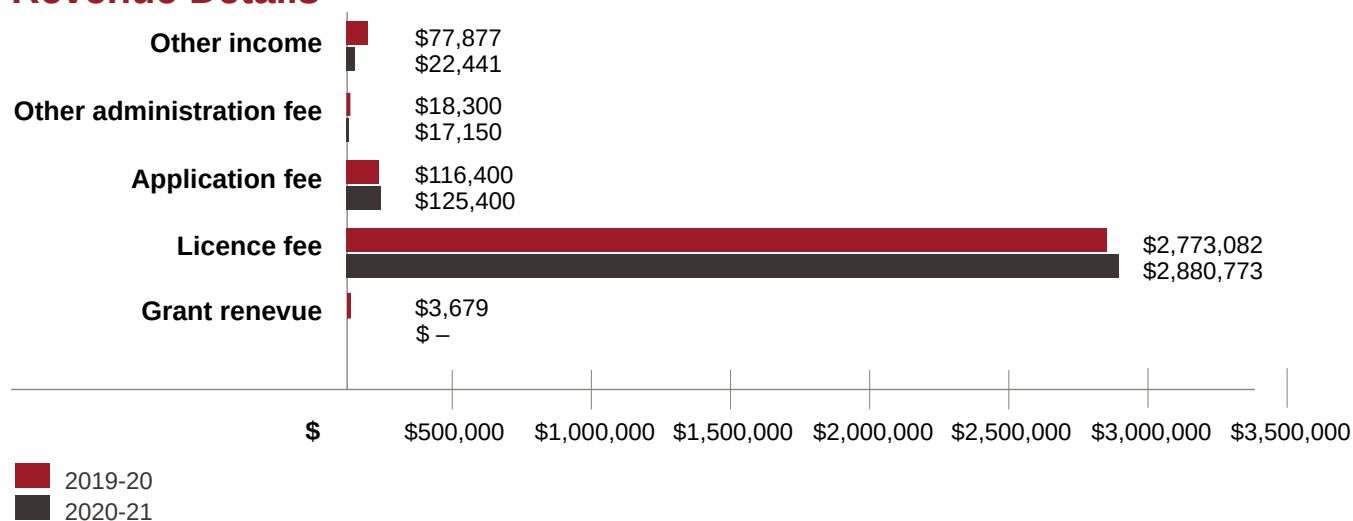
At the beginning of fiscal year 2019–20, the Board of Directors of the CMRAO met and reviewed the operational expenses and explored the overall operational experience of two full cycles of licensing. It was determined that the CMRAO had the capacity to reduce the licensing fee by 6.6% for all classes of licences. This decision was made in line with the CMRAO's commitment to transparency, accountability, and burden reduction to the industry. The CMRAO has not changed its licensing fees since then.

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

Interest rates saw a sharp decline as a result of the pandemic. This impacted Other Income, which was reduced by 71%.

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

Revenue Details

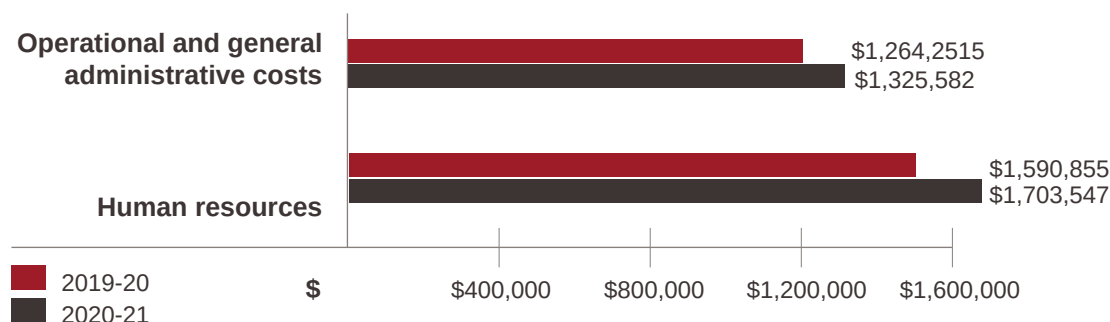


Expenses

As highlighted in the chart below, the total expenses for the year ended March 31, 2021, increased by 6% as compared to the year ended March 31, 2020. This increase is in line with the expansion of the organization's operations.

The increase in human resources expenditures is due to the need to recruit additional specialized staff to continue fulfilling the organization's mandate and to provide direct information and support licensees to fulfill their legal obligations under the Act.

The operational and general administrative costs increased mainly due to a 48% increase in the Discipline and Enforcement expense and a 33% increase in the Enterprise IT expense offset by the 35% decrease in the occupancy cost.



Net Assets

As at March 31, 2021, the CMRAO had net assets of \$2,400,139, including \$263,693 related to computer software. This investment supports the digital service delivery model developed by the CMRAO to ensure province-wide access, and is in line with the CMRAO's commitment to innovation in every aspect of service delivery, including the online public registry, licensing, complaints filing, and compliance.

The excess of revenues over expenses of \$16,635 in fiscal year 2020–21 was reduced to 88% from the year before mainly because of a 6% increase in the operational expense in comparison to an increase in revenue of only 2%.

The unrestricted net assets increased to \$516,446 over the previous year's net assets of \$433,887, 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 fund (Reserve Fund) to build and maintain an adequate level of resources to ensure the stability of the organization and the ongoing sustainability of its operations in the event of unforeseen contingencies.

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



INDEPENDENT AUDITOR'S REPORT

To the Members of Condominium Management Regulatory Authority of Ontario

Opinion

We have audited the financial statements of Condominium Management Regulatory Authority of Ontario (the "Organization"), which comprise the statement of financial position as at March 31, 2021, 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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO).

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 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 ASNPO, 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.

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 30, 2021**

Sloan Partners LLP

**Chartered Professional Accountants
Licensed Public Accountants**



Statement of Financial Position

(as at March 31, 2021)

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 3,188,929	\$ 3,058,897
Accounts receivable	2,653	10,925
Prepaid expenses and other current assets	85,766	57,694
	3,277,348	3,127,516
Intangible assets (Note 3)	263,693	329,617
	\$ 3,541,041	\$ 3,457,133
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 411,745	\$ 383,675
Deferred revenue (Note 8)	729,157	689,954
	1,140,902	1,073,629
NET ASSETS		
Invested in capital assets	263,693	329,617
Unrestricted net assets	516,446	433,887
Restricted net assets	1,620,000	1,620,000
	2,400,139	2,383,504
	\$ 3,541,041	\$ 3,457,133

Approved by:

Director:



Director:



Statement of Operations

Year Ended March 31, 2021

	2021	2020
REVENUE		
License revenue (Note 6)	\$ 3,023,323	\$ 2,907,782
Other income (Note 7)	22,441	77,877
Grant revenue (Note 5)	–	3,679
	3,045,764	2,989,338
EXPENSES		
Human resources	1,703,547	1,590,855
Discipline and enforcement	233,419	157,207
Ministry oversight fee	198,166	198,002
Occupancy costs	163,757	250,465
Office and general	125,018	123,677
Information and communication	116,817	76,638
HST non recoverable	113,913	109,031
Enterprise IT expense	102,800	77,313
Legal fees	82,804	73,497
Board of Directors and Advisory Committee	60,484	61,403
Education Project	44,448	60,000
Professional fees	18,032	11,094
Amortization of intangible assets	65,924	65,924
	3,029,129	2,855,106
EXCESS OF REVENUE OVER EXPENSES	\$ 16,635	\$ 134,232

Statement of Changes in Net Assets

(for the year ended March 31, 2021)

	Invested in capital assets	Unrestricted net assets	Restricted net assets	2021	2020
NET ASSETS –					
<i>Beginning of Year</i>	\$ 329,617	\$ 433,887	\$ 1,620,000	\$ 2,383,504	\$ 2,249,272
Excess of revenue over expenses	–	16,635	–	16,635	134,232
Amortization of intangible assets	(65,924)	65,924	–	–	–
NET ASSETS -					
<i>End of Year</i>	\$ 263,693	\$ 516,446	\$ 1,620,000	\$ 2,400,139	\$ 2,383,504

Statements of Cash Flow

(for the year ended March 31, 2021)

	2021	2020
OPERATING		
Excess of revenue over expenses	\$ 16,635	\$ 134,232
Item not affecting cash:		
Amortization of intangible assets	65,924	65,924
	82,559	200,156
Changes in non-cash working capital:		
Accounts receivable	8,272	(4,982)
Accounts payable and accrued liabilities	28,070	223,900
Deferred revenue	39,203	(497,779)
Prepaid expenses and other current assets	(28,072)	(26,725)
	47,473	(305,586)
	130,032	(105,430)
INCREASE (DECREASE) IN CASH	130,032	(105,430)
CASH - BEGINNING OF YEAR	3,058,897	3,164,327
CASH - END OF YEAR	3,188,929	3,058,897

Notes to Financial Statements

PURPOSE OF THE ORGANIZATION

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

The PCOA made changes to the existing *Condominium Act, 1998* (Condominium Act), and enacted the *Condominium Management Service Act, 2015* (CMSA). To operationalize these consumer protection goals, two new administrative authorities were created. One of these two authorities is the Condominium Management Regulatory Authority of Ontario

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). Outlined below are those policies considered particularly significant by the Organization.

Use of Estimates

The preparation of financial statements in accordance with ASNPO 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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short-term maturity of these investments, their carrying amount approximates fair value.

Revenue

① Grant revenue

The Organization follows the deferral method of accounting for contributions. Restricted contributions, if any, are recognized in revenue in the year in which the related expenditures are incurred.

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

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

(ii) License revenue

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

Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected cash flows. If so, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial impairment change.

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:

	Rate	Method
Computer Software	6 Years	Straight-line

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

2. CAPITAL MANAGEMENT

The Organization's objective in managing capital is to ensure that the entity continues as a going concern as well as to maintain efficient operations for members and other stakeholders.

Management adjusts the capital structure as necessary in order to support the operational requirements of the business. Rather than establishing quantitative return on capital criteria, the Organization relies on the expertise of management to sustain future development of the business. The Organization defines capital to include its working capital position and the unrestricted net assets.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Organization, is appropriate.

3. INTANGIBLE ASSETS

	2021	2020
Computer software	\$ 549,148	\$ 549,148
Accumulated amortization	(285,455)	(219,531)
	<u>\$ 263,693</u>	<u>329,617</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31, 2021, there are government remittances payable outstanding of \$5,040 (2020 – \$1,147) included in the accounts payable and accrued liabilities balance. The Ministry oversight fee of \$198,084 (2020 – \$198,002) is also included in this balance.

5. GRANT REVENUE

	2021	2020
Ministry of Government and Consumer Services (HIA)	\$ –	\$ 3,679

6. LICENSE REVENUE

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

	2021	2020
License Fees	\$ 2,880,773	\$ 2,773,082
Application Fee	125,400	116,400
Reinstatement Fee	17,150	18,300
	<u>\$ 3,023,323</u>	<u>2,907,782</u>

7. OTHER INCOME

	2021	2020
Interest Earned	\$ 22,441	\$ 77,877

8. DEFERRED REVENUE

Continuity of deferred revenue:	2021	2020
Deferred revenue, beginning of year	\$ 689,954	\$ 1,187,733
Grants returned	–	(506,588)
Interest on grants received	–	10,277
License fees received	\$ 3,062,526	2,909,993
	3,752,480	3,601,415
Grant revenue earned (Note 5)	–	(3,679)
License fees earned (Note 6)	(3,023,323)	(2,907,782)
Deferred revenue, end of year	\$ 729,157	\$ 689,954

Deferred revenue consist of:	2021	2020
Grants received in advance (HIA)	\$ –	\$ 496,311
Interest on grants received	–	10,277
Grants returned (HIA)	–	(506,588)
License fees received in advance	729,157	689,954
	\$ 729,157	\$ 689,954

9. RESTRICTED NET ASSETS

In fiscal 2019, the Organization established restricted net assets, which were approved by the Board to build and maintain an adequate level of funds for the Organization to ensure stability of the mission, programs, employment, and ongoing operations of the Organization and to provide a source of internal funds to manage unforeseen contingencies. Transfers can be made to or from this fund, upon approval from the Board. During the year, the Organization transferred \$nil (2020 – \$20,000) from its unrestricted accumulated net assets.

10. COMMITMENTS

The Condominium Management Regulatory Authority of Ontario is committed to leasing its premises in Toronto, Ontario until November 30, 2024. The future minimum commitments are as follows:

2022	\$	178,696
2023		182,591
2024		153,033
	\$	514,320

11. SUBSEQUENT EVENTS

The outbreak of the coronavirus, or COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has spread across the globe and is impacting worldwide economic activity. A public health pandemic, including COVID-19, poses the risk that the Organization and its employees, contractors, suppliers, and other partners may be prevented from conducting business activities. This can especially be the case where government authorities mandate shutdowns. Certain countries may also be more heavily impacted where travel restrictions continue for longer periods and full quarantines are in effect. The extent to which the COVID-19 outbreak impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact. The Company and its employees have transitioned to working remotely and service delivery has not been materially impacted. The Company is reliant on this alternative work arrangement to minimize the impact of outbreak on its financial results.



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P.O. Box 48087 RPO Davisville, Toronto, ON M4S 3C6 | 1-866-888-5426

