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# Annual Report

## 2018–19



Condominium Management  
Regulatory Authority of Ontario / [www.cmrao.ca](http://www.cmrao.ca)



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The Condominium Management Regulatory Authority of Ontario (CMRAO) was created through provincial legislation (*Condominium Management Services Act, 2015*) and began operations on November 1, 2017. Regulation by the CMRAO means condo managers and management companies are licensed, meet education and experience requirements, and comply with a Code of Ethics.

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# 2018–19: The Year in Numbers



**3,360**

Active licensees



**727**

Complaints received



**819**

Social media followers



**2,852**

Email inquiries received



**4,598**

Inbound phone calls received



**99%**

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



**10**

Stakeholder events



**146**

People registered for CMRAO's records management and use of proxies webinar

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## Message from the Chair

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### Strengthening Our Foundations and Delivering Our Consumer Protection Mandate

On behalf of the Board of the Directors, I am pleased to share the CMRAO's second annual report, which reflects on a number of key activities that our small but nimble organization has accomplished in our first full year of operations. Annual year 2018–19 was a transitional year for the CMRAO as well as the condo management sector, and the sector continued to grow. During this period, the first licences were issued to the industry, and the CMRAO managed its first licence renewal cycle.

In November 2018, the Board and management of the CMRAO engaged in our inaugural strategic planning exercise for the organization and published our strategic plan. Over the next three years, this ambitious plan will keep us focused on delivering on our strategic objectives, meeting our mandate, and delivering on our vision to enhance consumer protection and to strengthen our connections within the sector.

Consistent with our strategic plan, the Board established its first Advisory Committee, comprised of condo managers, owners, and industry professionals from across the province, to provide feedback and recommendations related to regulatory issues, as well as licensing and education policies.

Through continuous interaction and engagement, our relationship to the sector continues to be solid, as gleaned from responses to our first stakeholder satisfaction survey, which the CMRAO conducted in January 2019. The survey provided us with useful feedback and valuable insight that will make the CMRAO even more accountable and transparent in the work we do to regulate Ontario's condominium management sector, and ultimately help us improve how we deliver our mandate.

None of the work accomplished this year could have been achieved without the productive relationship that the CMRAO continues to have with the Ministry of Government and Consumer Services (MGCS). Though we are now in a steady state operationally, there is still more to do and further refinements to be made. The next step in maturity will take years, but we are well on our way and well-positioned to adapt to the further growth in the sector and continue to deliver on our consumer protection mandate.

A handwritten signature in cursive script that reads "Aubrey LeBlanc".

Aubrey LeBlanc

*Chair of the Board of Directors*

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# Message from the Chief Executive Officer and Registrar

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## Transparency, Effective Governance, and Sector Inclusion: Building on a Solid Foundation

Building on the important milestones of our first year of operations, the CMRAO's 2018–19 annual report details the impact that the organization continues to have on a sector that was unregulated less than two years ago.

The annual year 2018–19 was an important period in the relatively new history of the CMRAO that saw the organization transition from start-up to steady-state operations. During this year, we focused on strategic planning, stakeholder engagement, and finalizing performance measurement and risk management frameworks.

Risk management is a dynamic process that involves identifying the internal and external risks and understanding the sources and root causes of risk. In delivering regulatory services to Ontario's condominium management sector, the Board of Directors has identified information technology (IT) and financial risks as two critical areas of focus. Since the CMRAO operates in a fully digital space, we are committed to ensuring that all risks taken will be proactively controlled, which is fundamental to safeguarding financial and personal information.

As a not-for-profit corporation, the CMRAO has been prudent with the management of our financial resources, the organization is on solid financial footing. This is reflected in the 2018–19 financial report, as well as the audited financial statements.

Our work as a new regulator has been facilitated by the assistance of the Ministry of Government and Consumer Services (MGCS) and by the condo management sector that has embraced licensing. I have had the opportunity to travel to various sector events throughout the year and hear firsthand the value that regulation has had on the sector from condominium managers and owners. It is encouraging to receive this kind of feedback—in just two short years we have moved from unlicensed practice to a regulated sector where condominium managers are viewed as licensed professionals.

Building on this progress, the CMRAO is well equipped for the new developments that lie ahead and for fully executing our Board's vision for a regulated sector where Ontario's condo owners and residents can have confidence in the people and companies that manage their important investment.

A handwritten signature in black ink, appearing to read 'Ali Arlani'. The signature is fluid and cursive, with a prominent flourish at the end.

Ali Arlani

*Chief Executive Officer and Registrar*

## Background

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Designated by regulation under the *Condominium Management Services Act, 2015* (CMSA), the CMRAO is mandated to promote and enhance the protection of the public interest in the condominium management services sector in Ontario by setting clear standards and enforcing mandatory licensing of condo managers and condo management companies.

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



**1.6 million**

Approximately 1.6 million people live and invest in condominiums across Ontario

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**800,000**

There are more than 800,000 condo units

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**50%**

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

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# Consumer Protection

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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 condo management professionals. This legislation was the result of the government's review of the *Condominium Act, 1998*, as well as the issues and emerging needs of Ontario's growing condominium sector.



## Mandatory Licensing

Administering a mandatory licensing system for all condo managers and management service providers and ensuring only qualified individuals with the appropriate training and education hold a licence.



## Public Registry

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



## Regulatory Compliance

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



## Complaints Process

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



## Minimum Education Standards

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



## Raising Public Awareness

Promoting awareness of the regulatory system.

# Strategic Overview

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

## Mission

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

## Vision

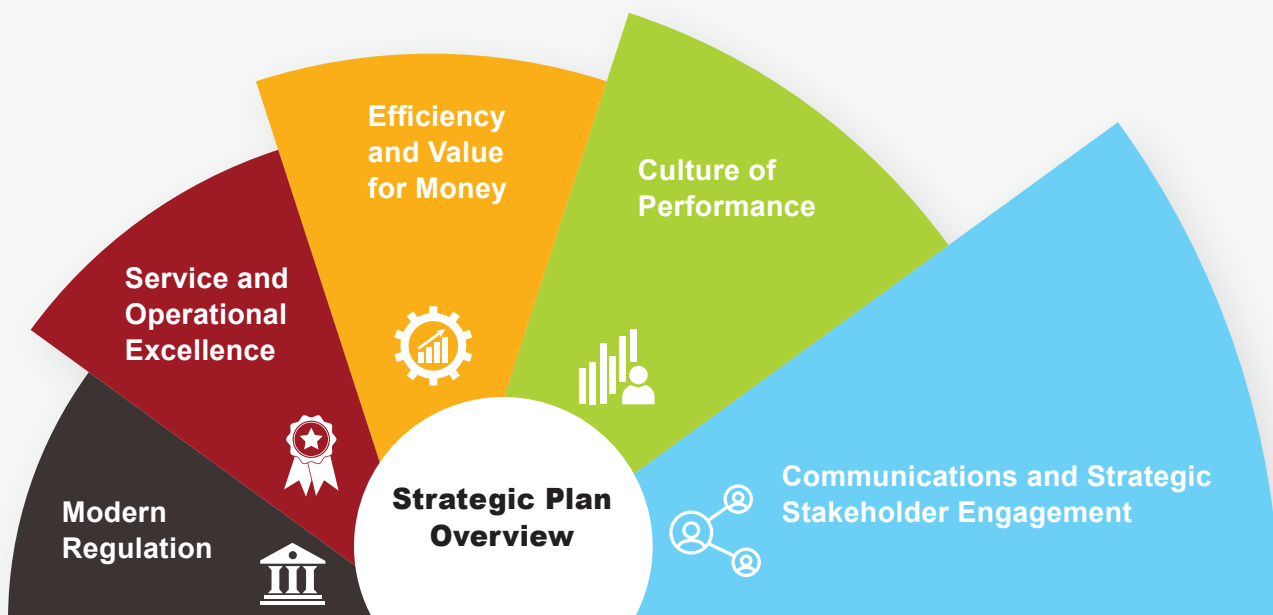
Public confidence that the assets of condominium communities are well managed and protected

## Values

- Building Trust
- Public Protection
- Service Excellence

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

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





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# Corporate Governance

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

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*, CMRAO by-laws, and the administrative agreement with the Minister of Government and Consumer Services.

## Skill-based Board

The CMRAO is governed by a diverse Board of Directors. The directors bring extensive experience and skills in condominium management, administrative authority governance, financial planning, public policy, corporate law, and communications.

## Director Qualifications

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

- governance and strategic planning
- condo management
- financial oversight and risk management planning
- diversity, inclusion, and accessibility
- 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, 2019, the CMRAO has four elected directors and one director appointed by the Minister.

## Code of Conduct

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

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## Board Director Biographies

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The CMRAO Board consists of four elected directors, and one director who is appointed by the Minister of the MGCS. The four elected directors were voted to serve terms ending at the Annual General Meeting in 2019, at which point they could be elected to serve terms of various lengths as specified in the By-law.



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### **Aubrey LeBlanc, Chair – Elected**

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



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### **John Oakes, Secretary – Elected**

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.



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### **Gail Beggs, Board Director – Elected**

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



**Milton Chan, Board Director – Appointed by the Minister**  
*(Term not to exceed 3 years)*

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



**Elizabeth Gibbons, Board Director – Elected**  
*(Elected to 1-year term)*

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

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## Risk Management

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In 2018, the CMRAO developed its Enterprise Risk Management Policy to identify, assess, and manage risks that may affect its ability to deliver its mandate. The policy establishes the overall appetite for risk for the organization based on the risk-return trade-off in relation to its strategic goals.

Risks are ranked in accordance with impact and the likelihood of occurrence. Risk champions within the organization are responsible for overseeing these risks and taking appropriate action. Priority risks, such as IT and financial, are regularly monitored by management, and mitigation strategies are put in place. As the CMRAO has an online service delivery model, IT risks are top priority for the organization and are carefully monitored and recorded in its risk register.

The Board is satisfied that CMRAO's risk management framework and practices are effectively implemented and monitored, thus allowing the organization to achieve its mandate.

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# Committees

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

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## Discipline Committee

Chair: Jeff Donnelly

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

## Appeals Committee

Chair: Bernard Cowan

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

### Discipline/Appeals Committee Members

Charles Chan

Nadia Freeman

Dan Fried

Frank Gallo

Shane Haskell

Allyson Ingham

Lyndsey McNally

Daniel Mousavi

Bob St. George

Bradley Wells

Joanna Yu

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## Advisory Committee

The CMRAO's Advisory Committee was created pursuant to Section 7.2 (4) of the CMRAO's administrative agreement that requires the Board of Directors to establish an advisory process for direct input to the Board on issues of importance to consumers and licensees within one year of the date of designation. When complete, the Advisory Committee will consist of 20 members – half the members will be licensed condominium managers, and half will represent the broader condominium community. As of March 31, 2019, the CMRAO Board of Directors had appointed 13 members to the Advisory Committee for a two-year term.

### Advisory Committee Members

Helen Ash

Juliet Atha

Debbie Dale

Josee Deslongchamps

Carla Guthrie

Tania Haluk

Anthony Irwin

Chris Jaglowitz

Kevin McCarthy

Craig McMillan

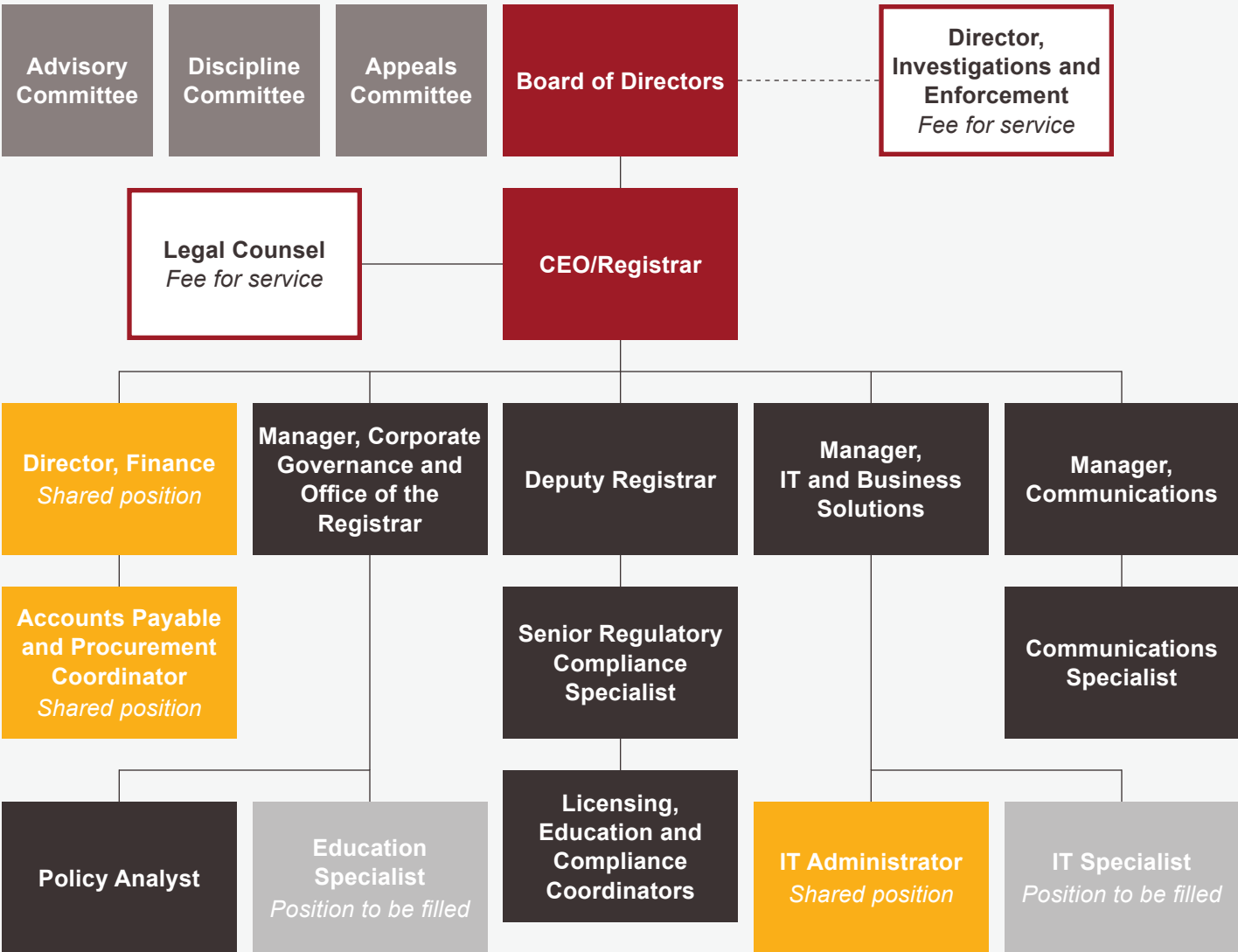
Mike Mullen

Jim O'Neill

Mohammad Pathan

# Corporate Structure

The CMRAO operates with a lean and diverse permanent staff complement. To achieve its mandate of protecting the public by licensing condo managers, the CMRAO maintains a dedicated team of licensing and compliance staff. Under the leadership of the Deputy Registrar, the licensing and compliance staff evaluate licensing applications and are available to coordinate complaints from the public or the licensees. The CMRAO shares personnel with the Condominium Authority of Ontario (CAO) in the fields of Finance and Information Technology to achieve organizational efficiencies.



# Licensing

The CMRAO began accepting licence applications on November 1, 2017. Anyone not exempt under regulation and providing condominium management services in Ontario is required to hold a licence. The CMRAO issues four types of licences, each with specific application requirements and conditions.



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

## Education Requirements

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

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

Condominium managers holding a Transitional General Licence must complete the education requirements and progress to a General Licence by June 30, 2021. Condo managers who completed the education requirements for a General Licence prior to November 1, 2017, are required to complete a continuing education program prior to renewing their licence in 2019. This continuing education program is based on changes to Ontario’s condo laws.

### Future Education Requirements

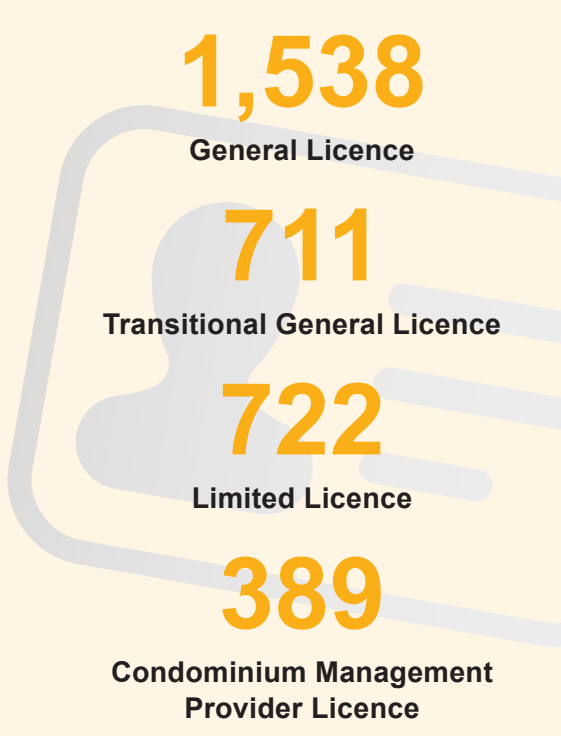
Effective November 1, 2021, the authority for setting education requirements is scheduled to be transferred to the Registrar of the CMRAO from the Minister.

In 2019, the CMRAO began its preparation for this transition by establishing a group of subject-matter experts (SMEs) to assist in the creation of a competency profile for the condominium management profession in Ontario. Members of the SME group are either licensed condominium managers, have experience working in the condominium management sector, or have a background in teaching/training. The group will meet with consultants to identify and review relevant information that could inform the competency profile, and will work collaboratively to draft, review, and revise a set of full-spectrum professional competencies.

The project is expected to be complete by November 2019, and a report of findings will be posted on the CMRAO website.

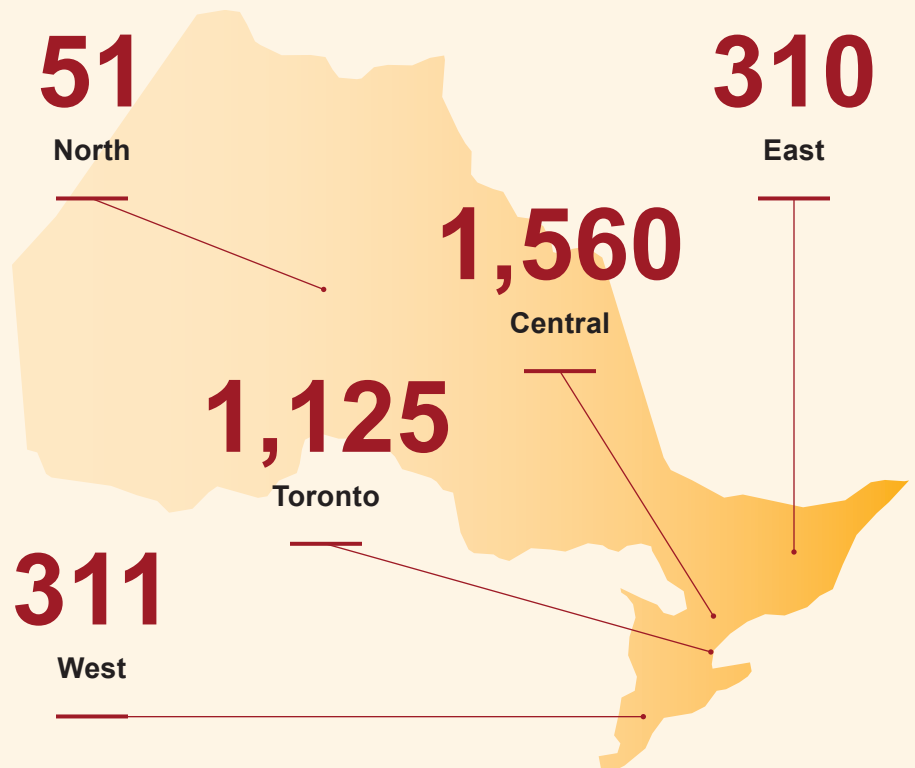
#### Licences Issued

(as at March 31, 2019)



#### Regional Distribution of Licences

(as at March 31, 2019)



# Complaints, Compliance and Discipline











The CMRAO works in the public interest to build trust in condominium management services and to protect condominium communities. CMRAO licensees are required to follow a number of rules as outlined in the *Condominium Management Services Act, 2015* (CMSA) and under the Code of Ethics regulation. These rules were written by the provincial government, but are enforced by the CMRAO.

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

## Complaints

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

The CMRAO accepts complaints through the online complaints portal available on the CMRAO website at [www.cmrao.ca/complaints/submit-a-complaint/](http://www.cmrao.ca/complaints/submit-a-complaint/).

Conduct		236
Repairs		155
Board		101
Records		54
Financial		27
AGM		17
Proxies		15
Condo Fees		14
Lien		13
Notice of Entry		9
<b>Total Number of Complaints Received: 727</b>		

Other Types of Complaints:

- Heating and cooling
- Fobs
- PIC (Periodic Information Certificate)
- Status certificates
- Unauthorized entry
- Unlicensed practice



- Elections
- Conflict of interest
- Contract dispute
- Noise
- Smoke

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.
- 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.

### 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 2018–19, the CMRAO initiated six inspections, which were carried out when allegations or information regarding serious misconduct were brought to the attention of the Registrar. In future years, the CMRAO plans to implement risk-based approaches to conducting inspections. This type of approach would typically involve identifying and analyzing statistical trends to determine when a proactive inspection may be warranted.

Investigations are conducted under the purview of the Statutory Director and are carried out where there is a belief that an individual or company may have contravened or may be contravening the CMSA or regulations. In 2018–19, CMRAO initiated three investigations, all of which were in response to information of unlicensed practice.

Number of Inspections: **6**

Number of Investigations: **3**

## Discipline Process

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

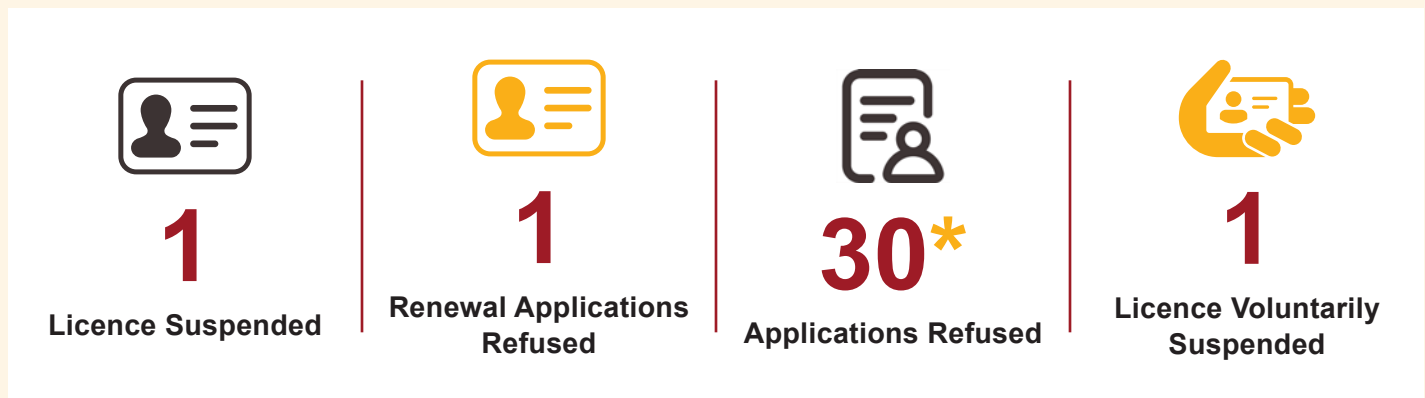
The panel may –

- make orders for further education of the licensee or the principal condominium manager of a licensed condo management company,
- 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, 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.

## Fast Facts about CMRAO Compliance *(as at March 31, 2019)*



\* Licence applications were refused for failure to meet prescribed requirements

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

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# Legislation, Regulations, and Policies

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The CMRAO was created in the public interest to license and regulate condo management professionals through provincial legislation. The *Condominium Management Services Act, 2015*, and the General Regulation (O. Reg. 123/17) stipulate the requirements and obligations of all licensees. On February 1, 2018, the following additional regulations came into effect that all CMRAO licensees are required to abide by:

- Code of Ethics, Discipline and Appeals Committees Regulation (O. Reg 3/18)
- Complaints, Insurance and Other Requirements Regulation (O. Reg 4/18)

The CMRAO developed policies related to effective governance, financial management, human resources, performance management, and information management.

Internally, the CMRAO developed a series of application and registration policies. The policies address licensing registration and application intake processes. The CMRAO also developed health and safety policies, a workplace violence and harassment policy, and an accessibility standards policy.

These policies are available on the CMRAO website at [www.cmrao.ca/en-US/about-cmrao/policies/](http://www.cmrao.ca/en-US/about-cmrao/policies/).

## Procurement Policy

The Procurement Policy supports the CMRAO in its acquisition of goods and services to ensure that processes and procedures are transparent, economical, fair, and accessible.

## Travel, Meal, and Hospitality Expense Policy

The Travel, Meal, and Hospitality Expense Policy outlines the rules and accountability framework to reimburse travel, meal, and hospitality expenses while undertaking business on behalf of the organization.

## Complaints Policy

The CMRAO Complaints Policy applies to all complaints received by the CMRAO related to its services in English and French, and the conduct of its staff or members of the Discipline and Appeals committees. The procedures to submit complaints regarding CMRAO staff or services are outlined in the policy, which is available on the CMRAO website ([www.cmrao.ca/about-cmrao/policies/complaints-policy/](http://www.cmrao.ca/about-cmrao/policies/complaints-policy/)). Accessibility accommodations are available upon request.

Details for submitting a complaint against a licensed condominium manager or condominium management company are detailed on the CMRAO website at [www.cmrao.ca/complaints/](http://www.cmrao.ca/complaints/).

## Access and Privacy Policy

The CMRAO complies with applicable privacy legislation and the policy outlines how the organization would protect and provide access to personal information and records.

## **Accessibility Policy**

The CMRAO's Accessibility Policy outlines the organization's commitment to remove barriers and ensure that our services are respectful of the individual needs of people with different abilities.

Policies, practices, and procedures were developed to create an environment respectful to the needs and experiences of persons with disabilities.

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

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

As of March 31, 2019, all CMRAO employees have received training on accessible customer service. The CMRAO has implemented an Integrated Accessibility Standards Policy and has accessibility provisions in its Health and Safety Policy and HR Policy.



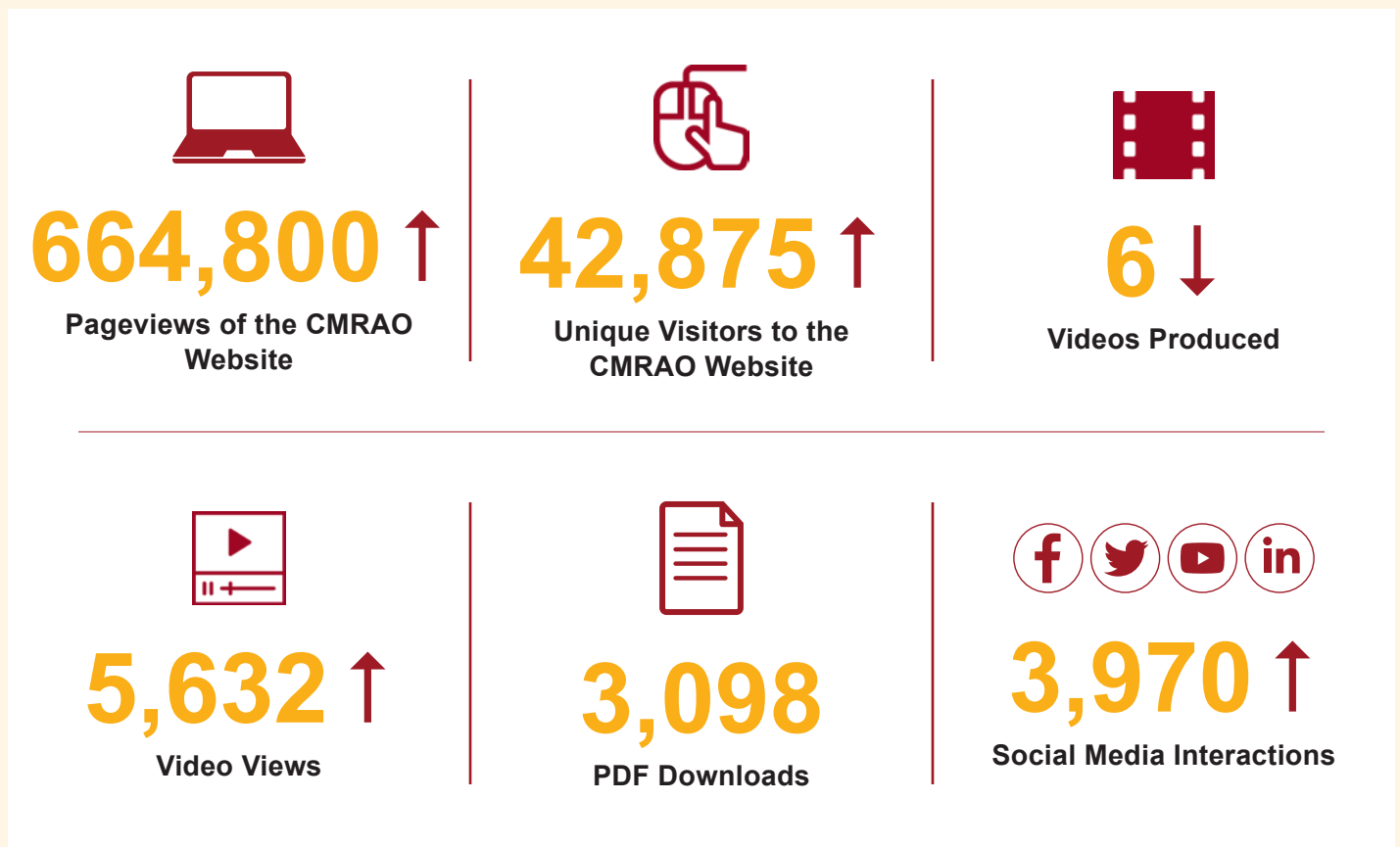
# Stakeholder Engagement

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 service provider companies, and condominium owners/residents.


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

## Measuring the Impact of Our Outreach

This fiscal year, the CMRAO engaged with online audiences through multiple social media platforms, as well as our website, [www.cmrao.ca](http://www.cmrao.ca).



This fiscal year, a variety of new materials were developed, including videos and educational resources to help licensees understand and meet their legal and ethical obligations.



**Electric Vehicle Charging Station Regulations: What Condo Managers Need to Know**

The Ministry of Government and Consumer Services (MGCS) has recently introduced amendments to the regulations under the Condominium Act, 1998 (the Act), which establish a process to facilitate the installation of electric vehicle charging stations (EVCS) in condo buildings. Effective May 1, these new provisions:

- set out the process for condominium corporations to obtain approval to install EVCS
- set out the process for an owner to register and obtain approval to install an EVCS

**CMRAO** Condominium Management Regulatory Authority of Ontario

For more information about these changes, please see sections 24.3 to 24.6 of [Condo Regulation 462/18](#), which is a regulation under the [Condominium Act, 1998](#)

# Webinar

## Records Management and Use of Proxies for condo managers

with Ali Arlani, CEO and Registrar and Sandy Vizely, Deputy Registrar



**CMRAO**



**1 YEAR ANNIVERSARY**

ਕੋਰੋ ਦੇ ਗਾਹਕਾਂ ਦੀ ਰੱਖਿਆ ਕਰਨ ਲਈ ਅਤੇ ਕੋਰੋਨੀਅਰ ਪ੍ਰਬੰਧਨ ਵਿੱਚ ਉੱਚ ਮਿਆਰਾਂ ਦਾ ਸਮਰਥਨ ਕਰਨ ਲਈ CMRAO ਨੇ ਨਵੰਬਰ 2017 ਵਿੱਚ ਕਾਰਜ ਸ਼ੁਰੂ ਕੀਤਾ ਸੀ। ਇੰਟੈਗ੍ਰੇਟਿੰਗ ਵਿੱਚ ਸੇਵਾਵਾਂ ਪ੍ਰਦਾਨ ਕਰਾਉਣ ਲਈ ਹੁਣ ਕੋਰੋ ਮੈਨੇਜਰਾਂ ਕੋਲ ਲਾਇਸੈਂਸ ਹੋਣਾ ਚਾਹੀਦਾ ਹੈ।

ਕੋਰੋਨੀਅਰ ਡਾਈਰੈਕਟਰਾਂ ਦੀ ਰੱਖਿਆ ਕਰਨ ਲਈ ਅਤੇ ਕੋਰੋ ਕੰਮਾਂ ਵਿੱਚ ਉੱਚ ਮਿਆਰਾਂ ਦੀ ਰੱਖਿਆ ਕਰਨ ਲਈ ਸਾਡੀ ਵੈੱਬਸਾਈਟ ਦੇਖੋ। **CMRAO** [www.cmrao.ca](http://www.cmrao.ca)

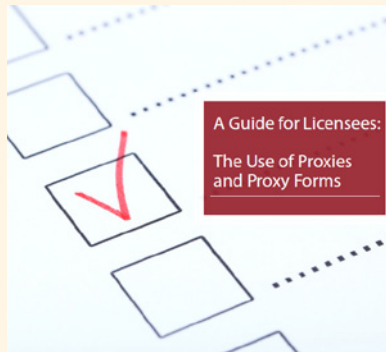


**1 YEAR ANNIVERSARY**

CMRAO自2017年11月开始运营，以保护共管公寓消费者并支持高标准的公寓管理。公寓经理现在必须持证才能在安大略省提供相关服务。

请访问我们的网站，了解我们为保护共管公寓社区所做的工作。

**CMRAO** [www.cmrao.ca](http://www.cmrao.ca)



A Guide for Licensees:  
The Use of Proxies and Proxy Forms

[www.cmrao.ca](http://www.cmrao.ca) | [info@cmrao.ca](mailto:info@cmrao.ca)

**CMRAO** Condominium Management Regulatory Authority of Ontario



Guide à l'intention des titulaires de permis :  
gestion des dossiers pour les gestionnaires de condominiums

[www.cmrao.ca](http://www.cmrao.ca) | [info@cmrao.ca](mailto:info@cmrao.ca)

**CMRAO** Office ontarien de réglementation de la gestion des condominiums

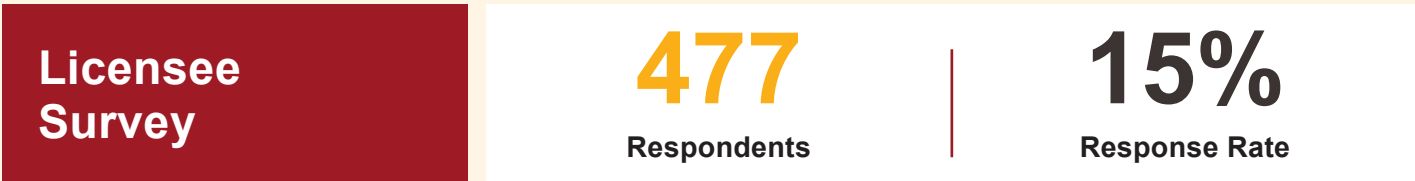


# Client Satisfaction Survey Results

As outlined in section 8(6) of the administrative agreement with the MGCS, the CMRAO is required to conduct a client satisfaction survey of all or a sampling of its clients, stakeholders, and licensees at least once every two years beginning no later than one year after designation. The CMRAO launched two surveys: one for licensees and one for stakeholders between January 9 and February 13, 2019.

The Licensee Survey was completed by licensed condo managers and distributed via email to approximately 3,200 CMRAO licensees. A Stakeholder Survey was created for condo owners/residents, condo directors, condo lawyers, and industry associations, and distributed by the Canadian Condominium Institute (CCI) to all Ontario chapters across the province (approximately 3,400 members) by email.

## Key Findings



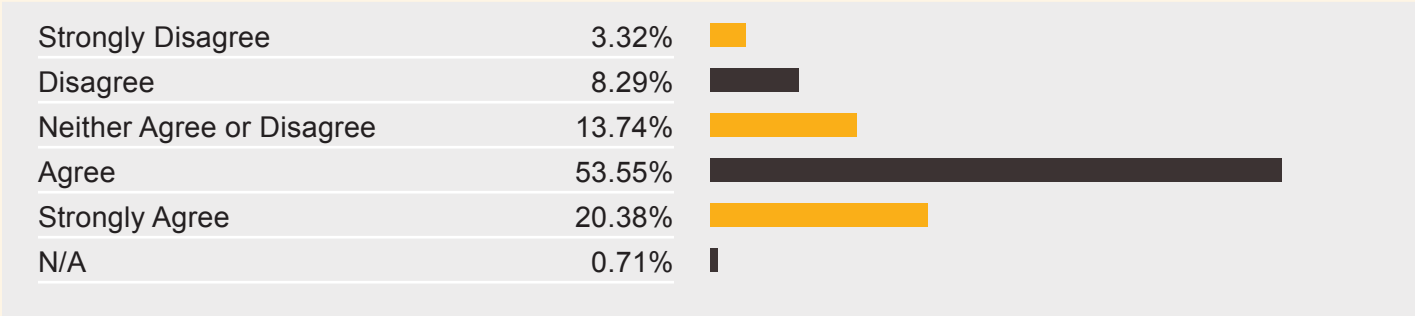
Generally speaking, licensees were satisfied with the quality, accuracy, and reliability of the information they received from the CMRAO. They also responded favourably to questions measuring the level of service they received to their phone or email inquiries, and felt their issues were adequately resolved by members of CMRAO’s licensing team.

The majority of respondents trusted the information they received from the CMRAO and accessed information from the CMRAO in a number of different ways.

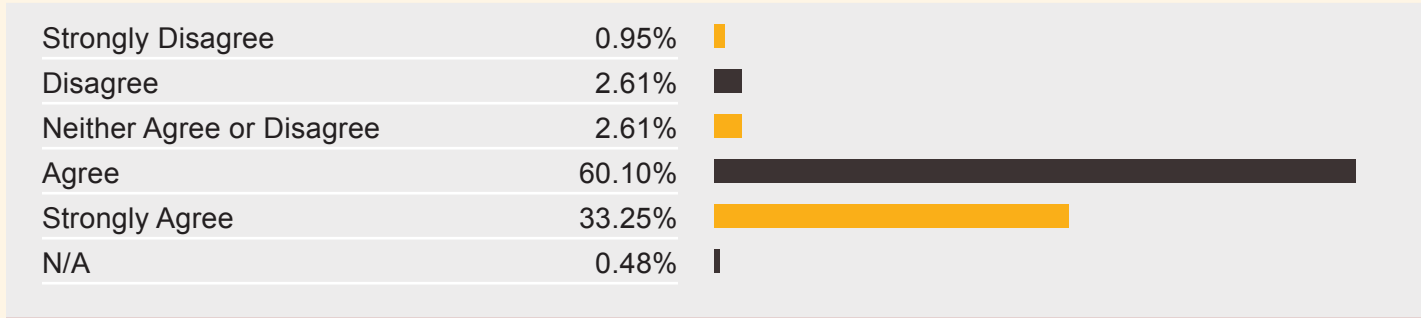
## Satisfaction with Application Processing Time

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

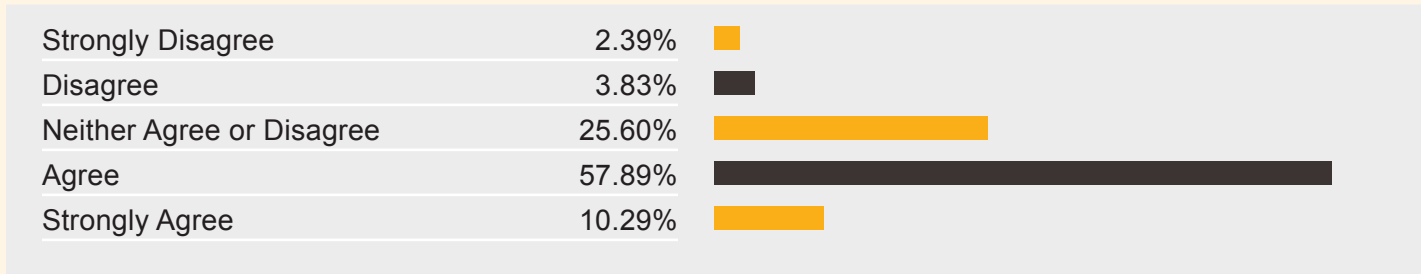
### My licence application was processed in a reasonable time.



**I understand the requirements to become a licensed condo manager.**



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



**Key Findings**

<p><b>Stakeholder Survey</b></p>	<p><b>311</b> Respondents</p>	<p><b>9%</b> Response Rate</p>
--------------------------------------	-----------------------------------	------------------------------------

The majority of the respondents to this survey were condo unit owners (61.49%). Responses from stakeholders indicate strong knowledge that complaints can be filed with the CMRAO against our licensees (82%), though not as many respondents were aware of CMRAO’s Public Registry. Of the stakeholders surveyed, 21% had used the CMRAO’s Public Registry to see if their condominium manager was licensed.



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



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



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

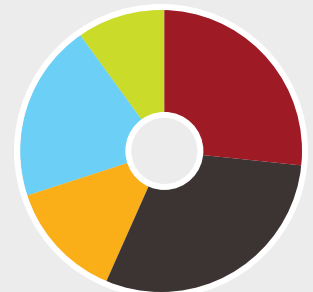


**Have you used the CMRAO public registry?**



**What can the CMRAO do to increase public awareness?**

Advertise in print and online media	51.01%	●
Provide free educational material	57.09%	●
Hold public consultations	25.91%	●
Hold information webinars	37.65%	●
Other (please elaborate below)	19.03%	●



The full report is available on the CMRAO website at [www.cmrao.ca/en-US/about-cmrao/corporate-reporting/](http://www.cmrao.ca/en-US/about-cmrao/corporate-reporting/).

## French Language Service

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Recognizing that the condo management sector is diverse and services anglophone and francophone licensees, the CMRAO has recruited two fully bilingual staff members to offer the highest level of French-language customer service possible.

### In 2018–19 the CMRAO handled:

**64**

phone calls

**13**

email inquiries

**1**

complaint

**90%**

service level met

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



# Performance Measures

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

The performance measures are based on the strategic priorities of the organization and are selected to be challenging but also achievable.

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

Performance Measure	Target Timeline
Percentage increase of registrants who have completed all qualification requirements for licensing	2019–2020
Percentage of licensees who were the subject of complaints and/or regulatory action	2019–2020
Percentage of public stakeholders/licensees who report satisfaction with services received from the CMRAO	2019–2020
Consumer satisfaction rating for CMRAO’s complaint-handling process	2019–2020
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	2019–2020

# 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, 2019. The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2019, 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 Service 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 (companies)

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

Since the CMRAO was designated on November 1, 2017, a prorated eight-month licensing fee was charged for the licensing year 2017–18. As 2018–19 was the first full licensing year, a full twelve-month fee was charged, resulting in a comprehensive increase in licensing revenue year over year.

The year ended March 31, 2018, was the build-up year and most of the revenue consisting of grants, used to pay out expenses, plus the prorated licence fee of five months. In comparison, the majority of the revenue was collected through licence fees for the year ended March 31, 2019.

The higher application fee revenue in the year ended March 31, 2018, compared with the year ended March 31, 2019, is due to the designation of CMRAO as the administrative authority in that year. The sector was being licensed for the first time, which contributed to a higher number of applications and therefore a higher amount of application fee revenue.

The revenue details for the years 2018–19 and 2017–18 are as follows:

Category	2018–19	2017–18
Grant revenue	191,521	2,064,364
Licence fee	2,762,710	921,742
Application fee	88,350	471,601
Other administration fee	3,900	–
Other income	49,681	11,771
<b>Total Revenues</b>	<b>3,096,162</b>	<b>3,469,478</b>

## Expenses

As highlighted in the chart below, the total expenses for the year ended March 31, 2019, increased by 7% as compared with the year ended March 31, 2018. This is due to the evolution of the organization and its move towards the steady-state operations from the initial build state in the year ended March 31, 2018.

Category	2018–19	2017–18
Human resources	1,454,125	1,460,852
Other operational and general administrative costs	776,048	625,343
<b>Total Expenses</b>	<b>2,230,173</b>	<b>2,086,195</b>

## Net Assets

The excess of revenues over expenses of \$865,989 in fiscal year 2018–19 was reduced to 37% from the year before mainly due to the reduction in revenue recognized from the receipts of the grant from the Ministry and reduction in the application fee receipts.

Furthermore, the fiscal year 2018–19 ended with net assets of \$2,249,272, of which \$395,541 was invested in depreciable capital assets. From the unrestricted accumulated net assets, \$1,600,000 has been transferred to restricted net assets and unrestricted net assets were reduced to \$253,731 from \$989,288 the year before. CMRAO established internally restricted net assets (Reserve Fund), which was approved by the Board to build and maintain an adequate level of funds for the organization to ensure the stability of the mission, programs, employment, and ongoing operations of the organization and to provide a source of internal funds to manage unforeseen situations.

In line with its commitment to being financially prudent and avoid accumulating funds not currently required to sustain the operations, the CMRAO has implemented a reduction in the licence fee amount payable by each individual and company for the licensing year 2019–20.

As an administrative authority, the CMRAO's principal objective is to manage these net assets in a manner that allows the organization to continue meeting the requirements in the administrative agreement signed with the Ministry.



## INDEPENDENT AUDITOR'S REPORT

To the Members of Condominium Management Regulatory Authority of Ontario

### *Report on the Audit of the Financial Statements*

#### *Opinion*

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Condominium Management Regulatory Authority of Ontario as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis of Opinion*

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

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

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

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

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

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

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

June 3, 2019

*Sloan Partners LLP*

Chartered Professional Accountants  
Licensed Public Accountants



# Statement of Financial Position

As at March 31	2019	2018
<b>Assets</b>		
Current		
Cash	\$ 3,164,327	\$ 661,817
Accounts receivable	5,943	504,446
HST PSB rebate receivable	–	170,007
Prepaid expenses and other current assets	30,969	28,852
	3,201,239	1,365,122
Intangible asset (note 3)	395,541	393,995
	\$ 3,596,780	\$ 1,759,117
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 159,775	\$ 212,889
Deferred revenue (note 8)	1,187,733	162,945
	1,347,508	375,834
<b>Net Assets</b>		
Invested in capital assets	395,541	393,995
Unrestricted net assets	253,731	989,288
Restricted net assets (note 10)	1,600,000	–
	2,249,272	1,383,283
	\$ 3,596,780	\$ 1,759,117

Approved by:

Director:



Director:



See accompanying notes to the financial statements

# Statement of Changes in Net Assets

For the year ended March 31	2019	2018
<b>Net Assets Consist of:</b>		
<b>Invested in capital assets</b>		
Balance, beginning of the year	\$ 393,995	\$ —
Purchase of intangible assets	111,376	437,772
Excess of expenses over revenues	(109,830)	(43,777)
Balance, end of the year	395,541	393,995
<b>Unrestricted net assets</b>		
Balance, beginning of the year	\$ 989,288	\$ —
Purchase of intangible assets	(111,376)	(437,772)
Transfer to restricted fund	(1,600,000)	—
Excess of revenues over expenses	975,819	1,427,060
Balance, end of the year	253,731	989,288
<b>Restricted net assets</b>		
Balance, beginning of the year	\$ —	\$ —
Transfer from unrestricted fund	1,600,000	—
Balance, end of the year	1,600,000	—
<b>Net Assets, end of the year</b>	<b>\$ 2,249,272</b>	<b>\$ 1,383,283</b>

See accompanying notes to the financial statements

# Statement of Operations

For the year ended March 31	2019	2018
<b>Revenue</b>		
License revenue (note 6)	\$ 2,854,960	\$ 1,393,343
Grant revenue (note 5)	191,521	2,064,364
Other income (note 7)	49,681	11,771
	<b>3,096,162</b>	<b>3,469,478</b>
<b>Expenses</b>		
Human resources	1,454,125	1,460,852
Office and general	144,065	66,215
Occupancy costs	123,482	125,754
HST non-recoverable	83,130	51,620
Information and communication	76,731	102,786
Discipline committee expenses	73,492	–
Enterprise IT expense	58,348	132,855
Legal fees	56,457	53,908
Board of Directors remuneration and expenses	27,123	34,279
Professional fees	23,390	14,149
Amortization of intangible assets	109,830	43,777
	<b>2,230,173</b>	<b>2,086,195</b>
<b>Excess of Revenues Over Expenses</b>	<b>\$ 865,989</b>	<b>\$ 1,383,283</b>

*See accompanying notes to the financial statements*

# Statement of Cash Flows

For the year ended March 31	2019	2018
<b>Cash Provided by (Used in) the Following Activities:</b>		
<b>Operating</b>		
Excess of revenues over expenses	\$ 865,989	\$ 1,383,283
Amortization of intangible assets	109,830	43,777
Changes in non-cash working capital:		
Accounts receivable	498,503	(503,922)
Prepaid expenses and other current assets	(2,117)	(19,928)
Accounts payable and accrued liabilities	(53,114)	40,627
Deferred revenue	1,024,788	(1,040,448)
HST PSB rebate receivable	170,007	(155,245)
	<b>2,613,886</b>	<b>(251,856)</b>
<b>Investing</b>		
Purchase of intangible assets	(111,376)	(437,772)
<b>Net Increase (Decrease) in Cash</b>	<b>2,502,510</b>	<b>(689,628)</b>
<b>Cash, Beginning of the Year</b>	<b>661,817</b>	<b>1,351,445</b>
<b>Cash, End of the Year</b>	<b>\$ 3,164,327</b>	<b>\$ 661,817</b>

See accompanying notes to the financial statements

# Notes to the Financial Statements

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March 31, 2019

## 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 condominium boards are governed professionally, and establish mandatory licensing and educational requirements for condominium managers.

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

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

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

## 1. Summary of Significant Accounting Policies

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

### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recognition, measurement, and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from these estimates. Significant estimates were made with respect to prepaid expenses, HST public service bodies' ("PSB") rebate receivable, and accounts payable and accrued liabilities.

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.

## 1. Summary of Significant Accounting Policies (Continued)

### Cash

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

### Revenue

#### (i) Grant revenue

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

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

#### (ii) 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.

### 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	5 Years	straight-line

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

### Financial instruments

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

### 1. Summary of Significant Accounting Policies (Continued)

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

### 2. Capital Management

The Organization's objective in managing capital is to ensure that the entity continues as a going concern as well as to maintain efficient operations for members and other stakeholders. Management adjusts the capital structure as necessary in order to support the operational requirements of the business. Rather than establishing quantitative return on capital criteria, the Organization relies on the expertise of management to sustain future development of the business. The Organization defines capital to include its working capital position and the unrestricted net assets.

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

### 3. Intangible Asset

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
Computer software	\$ 549,148	\$ 153,607	\$ 395,541	\$ 393,995

### 4. Accounts Payable and Accrued Liabilities

As at March 31, 2019, there are government remittances payable outstanding of \$7,167 (2018 – \$8,262) included in the accounts payable and accrued liabilities balance.

### 5. Grant Revenue

	2019	2018
Ministry of Government and Consumer Services (CMSA)	\$ 162,945	\$ 2,064,364
Ministry of Government and Consumer Services (HIA)	28,576	–
	\$ 191,521	\$ 2,064,364

## 6. License Revenue

This is the second year the Organization has started collecting licence fees from firms and managers. A one-time application fee is also charged before the licences can be approved.

	2019	2018
Licence Fees	\$ 2,762,710	\$ 921,742
Application Fee	88,350	471,601
Reinstatement Fee	3,900	–
	<b>\$ 2,854,960</b>	<b>\$ 1,393,343</b>

## 7. Other Income

	2019	2018
Interest Earned	\$ 49,681	\$ 11,771

## 8. Deferred Revenue

	2019	2018
<b>Continuity of deferred revenue:</b>		
Deferred revenue, beginning of year	\$ 162,945	\$ 1,203,393
Grants received (note 9)	520,000	1,023,916
Interest on grants received	8,567	–
Licence fees received	3,542,702	1,393,343
	<b>4,234,214</b>	<b>3,620,652</b>
Grant revenue earned (note 5)	(191,521)	(2,064,364)
Licence fees earned (note 6)	(2,854,960)	(1,393,343)
Deferred revenues, end of year	<b>\$ 1,187,733</b>	<b>\$ 162,945</b>

	2019	2018
<b>Deferred revenue consist of:</b>		
Grants received in advance (CMSA)	–	162,945
Grants received in advance (HIA)	491,424	–
Interest on grants received	8,567	–
Licence fees received in advance	687,742	–
	<b>\$ 1,187,733</b>	<b>\$ 162,945</b>



## 9. Grants Received

	2019	2018
Ministry of Government and Consumer Services (HIA)	\$ 520,000	\$ –
Ministry of Government and Consumer Services (CMSA)	\$ –	\$ 1,023,916

In the fiscal year ended March 31, 2018, the Organization received the final instalment from the transfer payment agreement dated October 24, 2016, to establish the administrative authority under the *Condominium Management Services Act, 2015* (“CMSA”). That project has been completed and \$162,945 (Note 5) has been recognized as revenue in the year ended March 31, 2019. In fiscal year ending March 31, 2019, the Organization entered into a new transfer payment agreement dated April 25, 2018, to establish an administrative authority to implement the *Home Inspection Act, 2017* (HIA), and received the first instalment amounting to \$520,000. An amount of \$28,576 (Note 5) has been recognized as revenue in the year ended March 31, 2019. The project is currently halted pending further government direction, and under the terms of the agreement any unspent balances plus interest earned and unspent are repayable on demand. At March 31, 2019, this unspent balance is \$499,991.

## 10. Restricted Net Assets

During the year, 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 \$1,600,000 from its unrestricted accumulated net assets.

## 11. Commitments

The CMRAO is committed for its 30% share to lease its premises at Toronto, Ontario, until October 30, 2021. The future minimum commitments are as follows:

2020	110,605
2021	110,605
2022	64,519
	\$ 285,729

## 12. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year’s method of presentation.

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**CMRAO**

Condominium Management  
Regulatory Authority of Ontario

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