

Schedule of Assets, Liabilities and Accumulated Surplus
Schedule of Revenue and Expenditures
Schedule of Accumulated Surplus

**THE CANADIAN REAL ESTATE
ASSOCIATION - 200 CATHERINE STREET
BUILDING**

(UNDER MANAGEMENT OF TALLIS REAL ESTATE ADVISORY & MANAGEMENT)

And Independent Auditor's report thereon

Year ended December 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Directors of The Canadian Real Estate Association

Opinion

We have audited the accompanying financial information of the 200 Catherine Street Building owned by The Canadian Real Estate Association and under management of Tallis Real Estate Advisory & Management (collectively the "Entity"), which comprise:

- the schedule of assets, liabilities, and accumulated surplus as at December 31, 2024
- the schedule of revenue and expenditures for the year then ended
- and notes to the schedules, comprising a summary of significant accounting policies and other explanatory information

(Hereinafter referred to as the "financial information").

In our opinion, the financial information referred to above is prepared, in all material respects, in accordance with the financial reporting framework described in note 1 to the financial information.

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 auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada and we have fulfilled our other 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.

Emphasis of Matter

We draw attention to Note 1 to the financial information, which describes the applicable financial reporting framework and the purpose of the financial information.

As a result, the financial information may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Financial Information

Management is responsible for the preparation of the financial information in accordance with the financial reporting framework described in note 1 to the financial information, this includes determining that the applicable financial reporting framework is an acceptable basis for the preparation of the financial information in the circumstances and for such internal control as management determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 the financial information.

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 information, 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.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

March 3, 2025

THE CANADIAN REAL ESTATE ASSOCIATION - 200 CATHERINE STREET BUILDING

(UNDER MANAGEMENT OF TALLIS REAL ESTATE ADVISORY & MANAGEMENT)

Schedule of Assets, Liabilities and Accumulated Surplus

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 205,142	\$ 163,549
Amounts receivable	5,528	5,528
Sales tax recoverable	13,034	–
	<u>\$ 223,704</u>	<u>\$ 169,077</u>

Liabilities and Accumulated Surplus

Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,440	\$ 22,463
Tenant deposits	60,727	48,971
Sales tax payable	–	21,687
	<u>65,167</u>	<u>93,121</u>
Accumulated surplus	158,537	75,956
	<u>\$ 223,704</u>	<u>\$ 169,077</u>

See accompanying notes to the schedules.

THE CANADIAN REAL ESTATE ASSOCIATION - 200 CATHERINE STREET BUILDING

(UNDER MANAGEMENT OF TALLIS REAL ESTATE ADVISORY & MANAGEMENT)

Schedule of Revenue and Expenditures

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Rental	\$ 293,670	\$ 270,390
Operating recoveries from tenants	293,549	217,856
Other revenue	102,163	108,586
	<u>689,382</u>	<u>596,832</u>
Expenditures:		
Operating:		
Repairs and maintenance	364,672	335,309
Property taxes	280,695	274,025
Utilities	141,904	125,656
Management fee	61,302	104,429
Insurance	29,296	29,274
Professional fees	8,393	26,725
Administrative	4,022	9,880
Miscellaneous	-	9,100
	<u>890,284</u>	<u>914,398</u>
Capital improvements	216,517	-
Deficiency of revenue over expenditures	<u>\$ (417,419)</u>	<u>\$ (317,566)</u>

See accompanying notes to the schedules.

THE CANADIAN REAL ESTATE ASSOCIATION - 200 CATHERINE STREET BUILDING

(UNDER MANAGEMENT OF TALLIS REAL ESTATE ADVISORY & MANAGEMENT)
Schedule of Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Accumulated surplus, beginning of year	\$ 75,956	\$ 93,522
Deficiency of revenue over expenditures	(417,419)	(317,566)
Transfer from the Canadian Real Estate Association	500,000	300,000
Accumulated surplus, end of year	\$ 158,537	\$ 75,956

See accompanying notes to the schedules.

THE CANADIAN REAL ESTATE ASSOCIATION - 200 CATHERINE STREET BUILDING

(UNDER MANAGEMENT OF TALLIS REAL ESTATE ADVISORY & MANAGEMENT)

Notes to the Schedules

Year ended December 31, 2024

1. Basis of accounting and accounting policies:

(a) Financial reporting framework:

This financial information has been prepared by management in accordance the recognition and measurement principles of Canadian accounting standards for not-for-profit organizations as relevant for the preparation of the financial information, as follows:

The financial information includes the assets, liabilities, revenue, and expenditures of the 200 Catherine Street Building that are under the management of Tallis Real Estate Advisory & Management. This arrangement is outlined in a management agreement between the Canadian Real Estate Association and Tallis Real Estate Advisory & Management. The financial information does not include the tangible capital assets related to 200 Catherine Street. No charge has been made for amortization expense or principal and interest payments related to 200 Catherine Street.

The purpose of this financial information is for the Entity to meet its reporting obligations to its members with respect to 200 Catherine Street. As a result, the financial information may not be suitable for another purpose.

(b) Revenue:

Rental and other revenue are recognized in the period to which they relate. Operating recoveries from tenants, which are determined based on budgeted operating expenditures, are recognized in the period to which they relate. Final adjustments to operating recoveries from tenants, which are determined based on the actual operating expenditures incurred for the building, are recognized in the period in which they are determined.

(c) Expenditures:

Operating and capital expenditures are recognized in the period incurred. Capital expenditures include the acquisition of capital assets and common repair costs that cannot be recovered directly from tenants.

(d) Use of estimates:

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial information in the period they become known.

THE CANADIAN REAL ESTATE ASSOCIATION - 200 CATHERINE STREET BUILDING

(UNDER MANAGEMENT OF TALLIS REAL ESTATE ADVISORY & MANAGEMENT)
Notes to the Schedules (continued)

Year ended December 31, 2024

2. Expenditures incurred directly by the Canadian Real Estate Association:

Expenditures that pertain to 200 Catherine Street but are incurred directly by The Canadian Real Estate Association are not included in the schedule of revenue and expenditures. These expenditures are summarized below:

	2024	2023
Amortization	\$ 891,725	\$ 871,137
