

Financial Statements of

**THE CANADIAN REAL
ESTATE ASSOCIATION**

Year ended December 31, 2024

THE CANADIAN REAL ESTATE ASSOCIATION

Financial Statements

Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Canadian Real Estate Association

Opinion

We have audited the financial statements of The Canadian Real Estate Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at end of December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 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 the 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.



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- 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.
- 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

Statement of Financial Position

December 31, 2024, with comparative information for 2023

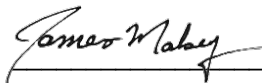
	2024	2023
Assets		
Current assets:		
Cash	\$ 2,668,248	\$ 1,534,638
Accounts receivable	1,005,620	1,130,067
Membership dues receivable (note 11(b))	3,441,237	2,800,202
Prepaid expenses	1,531,311	620,577
	<u>8,646,416</u>	<u>6,085,484</u>
Investments (note 3)	15,643,632	20,337,867
Tangible capital and intangible assets (note 4)	11,692,514	11,968,143
	<u>\$ 35,982,562</u>	<u>\$ 38,391,494</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 5,081,107	\$ 2,093,693
Deferred revenue	60,424	34,602
	<u>5,141,531</u>	<u>2,128,295</u>
Fund balances:		
Operating Fund	9,916,217	12,248,181
Restricted Funds (note 6(b))	9,232,300	12,046,875
Capital Asset Fund	11,692,514	11,968,143
	<u>30,841,031</u>	<u>36,263,199</u>
Commitments (note 7)		
Contingencies (note 8)		
Subsequent event (note 14)		
	<u>\$ 35,982,562</u>	<u>\$ 38,391,494</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

_____ Director

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Operations

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

	Operating Fund	Restricted Funds	Total 2024	Total 2023
		(note 6(b))		
Revenues:				
Membership dues	\$ 51,831,408	\$ –	\$ 51,831,408	\$ 51,487,082
Technology	1,418,830	–	1,418,830	1,488,958
Conferences	345,160	–	345,160	482,165
Building Reserve Fund (schedule)	–	689,382	689,382	596,832
Other	399,827	–	399,827	480,757
Investment	894,153	–	894,153	1,276,097
	<u>54,889,378</u>	<u>689,382</u>	<u>55,578,760</u>	<u>55,811,891</u>
Expenses:				
Services to members	28,937,346	–	28,937,346	33,835,281
Governance and representation	2,296,729	–	2,296,729	2,480,378
Operating	3,272,838	–	3,272,838	3,547,858
Salaries and benefits	18,912,950	–	18,912,950	18,651,069
Legal Defence Support Program Fund	–	3,239,524	3,239,524	626,136
Building Reserve Fund (schedule)	–	890,284	890,284	914,398
Technology Fund	–	1,907,632	1,907,632	1,781,821
Learning & Development Fund	–	50,000	50,000	42,770
	<u>53,419,863</u>	<u>6,087,440</u>	<u>59,507,303</u>	<u>61,879,711</u>
Excess of revenues over expenses (expenses over revenues) before amortization of tangible capital and intangible assets	1,469,515	(5,398,058)	(3,928,543)	(6,067,820)
Amortization of tangible capital and intangible assets	(1,363,607)	(130,018)	(1,493,625)	(1,465,594)
Excess of revenues over expenses (expenses over revenues)	\$ 105,908	\$ (5,528,076)	\$ (5,422,168)	\$ (7,533,414)

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Changes in Fund Balances

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

	Operating Fund	Restricted Funds (note 6(b))	Capital Asset Fund	2024 Total	2023 Total
Fund balances, beginning of year	\$ 12,248,181	\$ 12,046,875	\$ 11,968,143	\$ 36,263,199	\$ 43,796,613
Excess of revenues over expenses (expenses over revenue)	105,908	(5,528,076)	–	(5,422,168)	(7,533,414)
Transfer from Operating Fund	(2,800,000)	2,800,000	–	–	–
Net change in Capital Asset Fund:					
Tangible capital and intangible asset additions	(1,001,479)	(216,517)	1,217,996	–	–
Amortization of tangible capital and intangible assets	1,363,607	130,018	(1,493,625)	–	–
	362,128	(86,499)	(275,629)	–	–
Fund balances, end of year	\$ 9,916,217	\$ 9,232,300	\$ 11,692,514	\$ 30,841,031	\$ 36,263,199

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Cash Flows

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Deficiency of revenues over expenses	\$ (5,422,168)	\$ (7,533,414)
Items not involving cash:		
Amortization of tangible capital and intangible assets	1,493,625	1,465,594
Unrealized gain on investments	(463,457)	(212,091)
Change in non-cash operating working capital (note 12)	1,585,914	165,343
	(2,806,086)	(6,114,568)
Investing activities:		
Additions to investments	(11,255,523)	(11,276,097)
Tangible capital and intangible assets additions	(1,217,996)	(1,545,013)
	(12,473,519)	(12,821,110)
Financing activities:		
Disposals of investments	16,413,215	15,372,091
Increase (decrease) in cash	1,133,610	(3,563,587)
Cash, beginning of year	1,534,638	5,098,225
Cash, end of year	\$ 2,668,248	\$ 1,534,638

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2024

1. Operations:

The Canadian Real Estate Association (the “Association”) was incorporated without share capital on November 1, 1954 under the Canada Corporations Act. Effective December 11, 2013, the Association continued their articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act. The Association is a not-for-profit organization and as such is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

The Association works on behalf of its REALTOR® members and the public. To do so, it:

- Represents the interest of its members to the federal government and its agencies on existing or proposed legislation that would affect those members, and/or impact homeownership;
- Assists REALTOR® members to better serve their clients by providing quality technology products including REALTOR.ca, WEBforms® and DDF®;
- Enhances member professionalism and ethics by providing national standards, including establishment of symbols of quality associated with using the Association brands and trademarks. Protects and promotes the two primary national Association trademarks, MLS® and REALTOR®;
- Produces accurate, up-to-date information and analysis on economic issues.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies:

(a) Basis of presentation:

The Association follows the deferral method of accounting for contributions for not-for-profit organizations, and uses fund accounting.

These financial statements reflect the operations of the Canadian Real Estate Association. The financial statements do not include the revenues, expenses, assets and liabilities of the Association’s related entities: Realtor Canada Inc. and its Member Boards and Provincial Associations. These organizations are disclosed in note 11.

(b) Fund accounting:

The Operating Fund reports the revenues, expenses, assets, liabilities and fund balances of the Association’s general operations and services to members.

The Capital Asset Fund reports the Association’s investment in tangible capital and intangible assets.

Restricted Funds are described in note 6(b).

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(c) Revenue recognition:

Revenues from membership dues and technology assessments are based on membership information provided by the individual Boards enrolled in the Association. Dues received in advance of the year to which they apply are deferred and recognized as revenue in the appropriate future year. Revenues from membership initiation dues are recognized on a cash basis.

Sponsorship, building, legal defense support, and other revenues are recognized in the period to which they relate.

(d) Expenses:

The Association presents its expenses by function with the exception of salaries and benefits, and amortization of tangible capital and intangible assets, which are presented separately.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related.

The Association does not allocate expenses between functions after initial recognition.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Sales and purchases of investments are recorded on the trade date. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight line method.

Financial assets are assessed for indicators of impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, 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 Association 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 charge.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(f) Tangible capital and intangible assets:

Tangible capital and intangible assets are stated at cost. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Amortization is provided on the straight-line basis or declining balance method using the following annual rates:

Asset	Rate
Tangible capital assets:	
Building (straight-line)	25 years
Office equipment	10-20%
Computer equipment	30%
Building improvements (straight-line)	15 years or term of tenant lease
Office improvements (straight-line)	15 years
Intangible assets:	
Computer software	30%

The MLS® domain name is not amortized as it has an indefinite life.

(g) Defined contribution pension plan:

The Association recognizes an expense in the Operating Fund for the contribution required to be made by the Association to the defined contribution pension plan based on employee services rendered in the year.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the recognition of membership revenue for the fourth quarter. Actual results could differ from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Investments:

(a) Investment balances:

Investments consist of the following:

December 31, 2024	Cost	Carrying value
Cash	\$ 1,067,374	\$ 1,067,374
Guaranteed investment certificates	10,810,474	11,296,670
Equities	2,392,568	3,279,588
	\$ 14,270,416	\$ 15,643,632

December 31, 2023	Cost	Carrying value
Cash	\$ 1,402,833	\$ 1,402,833
Guaranteed investment certificates	14,608,977	15,172,358
Corporate bond fund	1,148,203	1,076,236
Equities	2,268,095	2,686,440
	\$ 19,428,108	\$ 20,337,867

Carrying value for guaranteed investment certificates includes original cost and accrued interest. Carrying value represents fair value for the corporate bond fund and equities. Investments are held by the Association to fund the Operating Fund, Contingency Reserve Fund, Legal Defense Support Program Fund, Building Capital Reserve Fund, the MLS® Domain Fund and Learning and Development Fund.

Investments are managed by investment managers in accordance with an investment policy approved by the Board of Directors.

(b) Effective interest rates and maturities of investments:

The Association's effective interest rate and maturity date ranges are as follows:

December 31, 2024	Interest rate	Maturity dates
Guaranteed investment certificates	1.27% to 5.49%	April 2025 to January 2027

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Investments (continued):

(b) Effective interest rates and maturities of investments (continued):

December 31, 2023	Interest rate	Maturity dates
Guaranteed investment certificates	0.80% to 5.49%	March 2024 to January 2027

4. Tangible capital and intangible assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Tangible capital assets:				
Land	\$ 2,593,000	\$ –	\$ 2,593,000	\$ 2,593,000
Building	7,372,127	5,455,373	1,916,754	2,211,639
Office equipment	1,473,352	1,141,523	331,829	417,878
Computer equipment	1,345,124	1,164,876	180,248	154,503
Building improvements	1,738,413	1,386,603	351,810	120,627
Office improvements	6,513,104	3,323,303	3,189,801	3,435,113
Intangible assets:				
Computer software	5,298,940	4,112,688	1,186,252	1,092,563
MLS® Domain Name	1,942,820	–	1,942,820	1,942,820
	\$ 28,276,880	\$ 16,584,366	\$ 11,692,514	\$ 11,968,143

Cost and accumulated amortization are presented net of fully amortized disposals of \$Nil (2023 - \$423,134). Cost and accumulated amortization of tangible capital and intangible assets at December 31, 2023 amounted to \$27,058,884 and \$15,090,741, respectively.

5. Accounts payable and accrued liabilities:

At year end, the Association had no amounts payable for government remittances, such as harmonized sales tax and payroll taxes.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Fund balances:

(a) Capital management:

The Association considers its capital to consist of its fund balances. The Association's overall objective with regards to its fund balances is to fund tangible capital and intangible assets, future projects and ongoing operations. The Association manages its net assets by establishing restricted funds and appropriating amounts to the restricted funds for anticipated future projects, contingencies and other capital requirements. These allocations are disclosed in note 6(b).

The Association is not subject to externally imposed capital requirements and its overall strategy with respect to net assets remains unchanged from the year ended December 31, 2023.

(b) Restricted funds:

Restricted funds consist of the following.

Fund	Fund balance, beginning of year	Excess of expenses over revenue	Transfer from (to) Operating Fund	Transfer to Capital Asset Fund	Fund balance, end of year
Contingency Reserve Fund	\$ 9,090,447	\$ –	\$ –	\$ –	\$ 9,090,447
Legal Defense Support Program Fund	1,772,051	(3,239,524)	1,300,000	–	(167,473)
Building Reserve Fund	75,956	(330,920)	500,000	(86,499)	158,537
Building Capital Reserve Fund	900,000	–	(500,000)	–	400,000
MLS® Domain Fund	200,000	–	–	–	200,000
Technology Fund	(49,468)	(1,907,632)	1,500,000	–	(457,100)
Learning and Development Fund	57,889	(50,000)	–	–	7,889
	\$ 12,046,875	\$ (5,528,076)	\$ 2,800,000	\$ (86,499)	\$ 9,232,300

(i) Contingency Reserve Fund:

This fund was established by the Board of Directors to improve the Association's financial position. The Association's objective is to maintain a balance equivalent to four months of core operating expenses, approximately \$9 million, in the contingency reserve fund.

(ii) Legal Defense Support Program Fund:

The Legal Defense Support Program Fund was established by the Board of Directors to support boards and associations which find themselves facing litigation as a result of their adherence to, or enforcement of, national policies of the Canadian Real Estate Association. The Association's objective is to maintain a balance of approximately \$2 million in the Legal Defense Support Program Fund.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Fund balances (continued):

(b) Restricted funds (continued):

(iii) Building Reserve Fund:

This fund was established by the Board of Directors to reflect the accumulated surplus from the operation of the building.

(iv) Building Capital Reserve Fund:

This fund was established by the Board of Directors to cover any unanticipated costs related to tenant turnover such as leasehold improvements and free rent. The Association's objective is to maintain a minimum reserve of \$1.5 million for future unanticipated tenant costs.

(v) MLS® Domain Fund:

This fund was established by the Board of Directors to provide funds for potential upcoming and ongoing costs related to the application for the .mls and .realtor domain names.

(vi) Technology Fund:

This fund was established by the Board of Directors to provide research and development for products such as REALTOR.ca, WEBforms®, Innovation lab and business intelligence.

(vii) Learning and Development Fund:

This fund was established by the Board of Directors for the expansion of the current Learning Management System and capacity/resources on the Learning and Development team to support Board of Directors course deliverables, Products and Technology member courses, broker courses and Legal/Compliance courses that are undergoing significant changes. This fund is also required to upkeep and manage growing Learning Hub usage by boards, associations and members.

7. Commitments:

The Association is committed to the rental of office equipment and web-site maintenance costs. The minimum annual payments are \$14,229 in 2025.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Contingencies:

The Association is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of management, an estimate of the potential liability from these claims cannot be made, but any liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Association. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

9. Pension plan:

The Association is the sponsor and administrator of the Pension Plan for the Canadian Real Estate Association (the "Plan"), which is registered under the Pension Benefits Act (Ontario). The Plan is a defined contribution plan covering all the employees of the Association who meet eligibility requirements as specified in the Plan Agreement, and elect to join the Plan. The Association matches a percentage of gross earnings for all members of the Plan based on the employees' years of experience at the Association. In the year, the Association contributed \$859,895 (2023 - \$852,658) to the Plan, which is recorded in salaries and benefits expense.

10. Financial risks:

The Association is subject to the following risks from its financial instruments.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as Canadian real estate boards, governments and public companies.

The Association assesses, on a continuous basis, accounts and membership dues receivables and provides for any amounts that are not collectible in an allowance for doubtful accounts. At year end, there were no amounts allowed for in accounts and membership dues receivable.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association expects to meet these obligations as they come due by generating sufficient cash flow from its members. The Association mitigates its liquidity risk through its restricted funds as disclosed in note 6. The Association believes that it is not exposed to significant liquidity risk arising from its financial instruments.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

10. Financial risks (continued):

(c) Market risk:

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

(i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association believes that it is not exposed to significant foreign currency as it carries approximately \$500,000 in US dollar cash and investments.

(ii) Interest rate and other price risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to interest rate and other price risk with respect to its investments as disclosed in note 3.

Management believes that its financial risks are appropriately mitigated and do not pose significant risk to the Association's operations. There have been no significant changes in the policies, procedures and methods used to manage these risks in the year.

11. Related party transactions:

The Association is related to Realtor Canada Inc. and its Member Boards and Provincial Associations:

(a) Realtor Canada Inc.:

The Association is related to Realtor Canada Inc. by virtue of its 50% ownership of the shares in Realtor Canada Inc., which is a for-profit entity. The objective of Realtor Canada Inc. is to hold the trademark registration for the term REALTOR® in Canada. Realtor Canada Inc. has no assets or liabilities and had no financial transactions during the year.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2024

11. Related party transactions (continued):

(b) Member Boards and Provincial Associations:

The Association is related to its member real estate boards and provincial associations by virtue of its governance structure. The Association and the member boards and provincial associations provide services to their members in an integrated manner.

The Association collects membership dues from individual members through the member boards. National fees are collected by the member boards and then forwarded to the Association. All other transactions between the Association and the member boards and provincial associations occur in the normal course of operations for the Association.

12. Change in non-cash operating working capital:

	2024	2023
Accounts receivable	\$ 124,447	\$ 39,994
Membership dues receivable	(641,035)	804,415
Prepaid expenses	(910,734)	969,009
Accounts payable and accrued liabilities	2,987,414	(1,318,746)
Deferred revenue	25,822	(329,329)
	\$ 1,585,914	\$ 165,343

13. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

14. Subsequent event:

Subsequent to year-end, the Association created a wholly-owned for-profit subsidiary, REALTOR.ca Canada Inc., with the intention of transferring the operations of the platform to the subsidiary as approved by the Association members. The impact on the financial results and position of the Association of this transaction is yet to be determined.

THE CANADIAN REAL ESTATE ASSOCIATION

Schedule of Revenues and Expenditures - Building Reserve Fund

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

	2024	2023
Revenues:		
Rental revenues	\$ 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
General and administrative	4,022	9,880
Miscellaneous	–	9,100
	<u>890,284</u>	<u>914,398</u>
Capital improvements	216,517	–
	<u>1,106,801</u>	<u>914,398</u>
Deficiency of revenues over expenditures	\$ (417,419)	\$ (317,566)

The Association capitalized \$216,517 (2023 - \$Nil) of the capital expenditures on the 200 Catherine Street building.