

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, 2025



KPMG LLP

150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

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, 2025
- 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 provisions of the Management Agreement between the Entity and Tallis Real Estate Advisory & Management.

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.



Page 2

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.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that serves as a decorative underline.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

March 9, 2026

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, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 91,109	\$ 205,142
Amounts receivable	5,528	5,528
Sales tax recoverable	22,068	13,034
	<u>\$ 118,705</u>	<u>\$ 223,704</u>

Liabilities and Accumulated Surplus

Current liabilities:		
Accounts payable and accrued liabilities	\$ 45,800	\$ 4,440
Tenant deposits	56,294	60,727
	<u>102,094</u>	<u>65,167</u>
Accumulated surplus	16,611	158,537
	<u>\$ 118,705</u>	<u>\$ 223,704</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, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Rental	\$ 239,051	\$ 293,670
Operating recoveries from tenants	358,817	293,549
Other revenue	135,311	102,163
	<u>733,179</u>	<u>689,382</u>
Expenditures:		
Operating:		
Repairs and maintenance	287,873	364,672
Property taxes	285,230	280,695
Utilities	161,920	141,904
Management fee	97,384	61,302
Insurance	26,458	29,296
Professional fees	16,290	8,393
Administrative	4,067	4,022
	<u>879,222</u>	<u>890,284</u>
Capital improvements	245,883	216,517
Deficiency of revenue over expenditures	<u>\$ (391,926)</u>	<u>\$ (417,419)</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, 2025, with comparative information for 2024

	2025	2024
Accumulated surplus, beginning of year	\$ 158,537	\$ 75,956
Deficiency of revenue over expenditures	(391,926)	(417,419)
Transfer from the Canadian Real Estate Association	250,000	500,000
Accumulated surplus, end of year	\$ 16,611	\$ 158,537

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, 2025

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, 2025

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:

	2025	2024
Amortization	\$ 894,218	\$ 891,725
