



## Non-consolidated Financial Statements

The Canadian Rental Association –  
Association Canadienne de Location

June 30, 2021

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Non-consolidated Statement of Operations	3
Non-consolidated Statement of Changes in Net Assets	4
Non-consolidated Statement of Financial Position	5
Non-consolidated Statement of Cash Flows	6
Notes to the Non-consolidated Financial Statements	7 - 11

# Independent Auditor's Report

---

**Grant Thornton LLP**  
80 King Street  
Suite 200  
St. Catharines, ON  
L2R 7G1

T +1 905 682 8363  
F +1 905 682 2191  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of  
[The Canadian Rental Association – Association Canadienne de Location](#)

## Opinion

We have audited the non-consolidated financial statements of The Canadian Rental Association – Association Canadienne de Location, which comprise the non-consolidated statement of financial position as at June 30, 2021, and the non-consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2021, and the results of its 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 Non-consolidated Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 directors for the non-consolidated financial statements

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

In preparing the non-consolidated financial statements, management and directors are responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

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

# Independent Auditor's Report (continued)

## Auditor's responsibilities for the audit of the non-consolidated financial statements

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

St. Catharines, Canada  
December 2, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# The Canadian Rental Association – Association Canadienne de Location

## Non-consolidated Statement of Operations

Year ended June 30	Unrestricted Fund	Internally Restricted Fund	Invested in Property & Equipment	<b>Total 2021</b>	Total 2020
<b>Revenues</b>					
Regional trade shows	\$ 3,550	\$ -	\$ -	<b>\$ 3,550</b>	\$ 206,560
Insurance association allowance	139,717	-	-	<b>139,717</b>	128,730
Regular member dues	239,154	-	-	<b>239,154</b>	131,430
Associate member dues	104,533	-	-	<b>104,533</b>	92,622
R2Go tags/program rebates/ advertisement	143,709	-	-	<b>143,709</b>	129,524
Investment income	28,471	-	-	<b>28,471</b>	14,972
Members local events	140	-	-	<b>140</b>	4,785
Saferoad Program	158	-	-	<b>158</b>	-
Revenue	<u>659,432</u>	<u>-</u>	<u>-</u>	<b><u>659,432</u></b>	<u>708,623</u>
<b>Expenses</b>					
Trade show expense	4,020	-	-	<b>4,020</b>	111,406
Salaries and benefits	227,064	-	-	<b>227,064</b>	168,623
Meetings	10,698	-	-	<b>10,698</b>	110,509
Professional fees	48,014	-	-	<b>48,014</b>	36,821
Travel	2,911	-	-	<b>2,911</b>	57,672
R2Go tags	68,596	-	-	<b>68,596</b>	76,313
Rent	13,170	-	-	<b>13,170</b>	14,494
Rebates to local associations	6,510	-	-	<b>6,510</b>	12,215
Interest and bank charges	10,800	-	-	<b>10,800</b>	13,858
Local events	133	-	-	<b>133</b>	4,116
Office	3,581	-	-	<b>3,581</b>	5,386
Advertising	3,583	-	-	<b>3,583</b>	2,486
Computer	11,205	-	-	<b>11,205</b>	8,816
Insurance	8,539	-	-	<b>8,539</b>	8,415
Telephone	5,933	-	-	<b>5,933</b>	5,990
Postage	5,253	-	-	<b>5,253</b>	3,446
Membership fees	3,075	-	-	<b>3,075</b>	1,200
Operating Expenses	443	-	-	<b>443</b>	-
Amortization	-	-	5,591	<b>5,591</b>	3,951
Foreign exchange loss	2,927	-	-	<b>2,927</b>	16,310
	<u>436,455</u>	<u>-</u>	<u>5,591</u>	<b><u>442,046</u></b>	<u>662,027</u>
Excess (deficiency) of revenues over expenses	<u>\$ 222,977</u>	<u>\$ -</u>	<u>\$ (5,591)</u>	<b><u>\$ 217,386</u></b>	<u>\$ 46,596</u>

---

**The Canadian Rental Association – Association Canadienne  
de Location**  
**Non-consolidated Statement of Changes in Net Assets**

Year ended June 30	Unrestricted Fund	Internally Restricted Fund	Invested in Property & Equipment	<b>Total 2021</b>	Total 2020
Excess (deficiency) of revenues over expense for the year	\$ 222,977	\$ -	\$ (5,591)	<b>\$ 217,386</b>	\$ 46,596
Net assets, beginning of year	<u>585,850</u>	<u>60,000</u>	<u>12,587</u>	<b><u>658,437</u></b>	<u>611,841</u>
Net assets, end of year	<b><u>\$ 808,827</u></b>	<b><u>\$ 60,000</u></b>	<b><u>\$ 6,996</u></b>	<b><u>\$ 875,823</u></b>	<b><u>\$ 658,437</u></b>

---

---

## The Canadian Rental Association – Association Canadienne de Location

### Non-consolidated Statement of Financial Position

June 30 2021                      2020

---

#### Assets

##### Current

Cash	\$ 391,840	\$ 255,745
Short-term investments	410,044	382,281
Accounts receivable	1,347	45,861
HST receivable	4,782	10,957
Prepaid expenses	<u>94,630</u>	<u>59,307</u>
	<b><u>902,643</u></b>	<b><u>754,151</u></b>

##### Long-term

Investments, guaranteed investment certificates	69,818	69,818
Capital assets (Note 4)	<u>35,400</u>	<u>12,587</u>
	<b><u>105,218</u></b>	<b><u>82,405</u></b>
	<b><u>\$1,007,861</u></b>	<b><u>\$ 836,556</u></b>

---

#### Liabilities

##### Current

Accounts payable and accrued liabilities	\$ 28,886	\$ 63,521
Deferred revenue (Note 5)	<u>103,152</u>	<u>114,598</u>
	<b><u>132,038</u></b>	<b><u>178,119</u></b>

#### Net assets

Unrestricted	808,827	585,850
Internally restricted	60,000	60,000
Invested in property & equipment	<u>6,996</u>	<u>12,587</u>
	<b><u>875,823</u></b>	<b><u>658,437</u></b>
	<b><u>\$1,007,861</u></b>	<b><u>\$ 836,556</u></b>

---

Commitment (Note 6)

On behalf of the board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

---

## The Canadian Rental Association – Association Canadienne de Location

### Non-consolidated Statement of Cash Flows

Years ended June 30	2021	2020
Increase in cash		
<b>Operating</b>		
Excess of revenues over expenses for the year	\$ 217,386	\$ 46,596
Unrealized gain on short-term investments	(27,763)	(14,268)
Amortization	<u>5,591</u>	<u>3,951</u>
	<b>195,214</b>	<b>36,279</b>
Changes in non-cash working capital		
Accounts receivable	44,514	(11,124)
Prepaid expenses	(35,323)	(21,971)
Accounts payable and accrued liabilities	(34,635)	2,860
HST receivable/payable	6,175	(9,923)
Deferred revenue	<u>(11,446)</u>	<u>63,081</u>
	<b>164,499</b>	<b>59,202</b>
<b>Investing</b>		
Purchase of capital assets	<u>(28,404)</u>	-
	<b>(28,404)</b>	-
Increase in cash	<b>136,095</b>	<b>59,202</b>
Cash		
Beginning of year	<u>255,745</u>	<u>196,543</u>
End of year	<b><u>\$ 391,840</u></b>	<b><u>\$ 255,745</u></b>

---

# The Canadian Rental Association – Association Canadienne de Location

## Notes to the Non-consolidated Financial Statements

---

June 30, 2021

---

### 1. Nature of operations

The Canadian Rental Association - Association Canadienne de Location (the Association) was incorporated by Letters Patent under the Canada Corporations Act on May 31, 1982. The principal activity is fostering the development of the rental industry in Canada.

The Association is a not-for-profit organization under the Income Tax Act (Canada) and is therefore exempt from income taxes.

---

### 2. Significant accounting policies

The Association has prepared these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

#### Financial instruments

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost except for short-term investments in mutual funds, which are quoted in an active market and valued at fair value.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, long-term investments in guaranteed investment certificates, accounts payable, and HST payable.

#### Capital assets

Capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided for over the estimated useful life of the asset.

The amortization rates and methods used for each class of capital assets are:

Computer software	50% Declining balance
Furniture and equipment	20% Declining balance
Computer equipment	30% Declining balance

---

# The Canadian Rental Association – Association Canadienne de Location

## Notes to the Non-consolidated Financial Statements

June 30, 2021

---

### 2. Significant accounting policies (continued)

#### Fund Accounting

The Association follows the restricted fund method of accounting for contributions.

The unrestricted fund reports revenues and expenses related to program delivery and administrative activities.

The internally restricted fund reports revenues and expenses related to special projects or future development as designated by the Board. Funds may only be expended with the approval of the Board.

The invested in property & equipment fund reports revenues and expenses related to the Association's property plant and equipment.

#### Revenue recognition

Regional trade show revenue and member local events are recognized when the event is held. Amounts received in advance of the events are recorded as deferred revenue.

Insurance association allowance revenue is recognized over the term of the insurance coverage.

Regular and associate member dues revenues are recognized over the term of the membership. Unearned dues revenues are recorded as deferred revenue.

R2Go (ready-to-rent) tags revenue is recognized at the time of sale.

Investment revenue is recognized when earned which is at the time it is accrued on the individual investment.

#### Use of estimates

Management reviews the carrying amounts of items in the non-consolidated financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these non-consolidated financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenues over expenses as appropriate in the year they become known.

Items subject to significant management estimates include estimated useful lives of capital assets.

---

---

# The Canadian Rental Association – Association Canadienne de Location

## Notes to the Non-consolidated Financial Statements

June 30, 2021

---

### 3. Disclosure of controlled entities

The Association controls a number of Provincial Chapters in accordance with the Association's bylaws. The Provincial Rental Associations are bound to comply with the bylaws of the Association in delivering their complementary objectives. The purpose of the Provincial Rental Associations is to foster the development of the rental industry within their province. The Provincial Rental Associations are unincorporated entities.

The Provincial Rental Associations have not been consolidated in the Association's financial statements. A financial summary of the estimated unconsolidated entities as at June 30, 2021 is as follows:

	<u>2021</u>	<u>2020</u>
Financial position		
Total assets	<b>\$ 275,000</b>	\$ 285,231
Total liabilities	<u>10,000</u>	<u>13,953</u>
Total net assets	<u><b>265,000</b></u>	<u>271,278</u>
Results of operations		
Total revenues	<b>\$ 140,000</b>	\$ 141,868
Total expenses	<u>180,000</u>	<u>179,764</u>
(Deficiency) of revenues over expenses	<u><b>\$ (40,000)</b></u>	<u>\$ (37,896)</u>

---

### 4. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Computer software	\$ 15,364	\$ 13,732	<b>\$ 1,632</b>	\$ 34
Furniture and equipment	157,999	138,460	<b>19,539</b>	8,195
Computer equipment	34,371	26,506	<b>7,865</b>	4,358
Leasehold Improvements	<u>6,700</u>	<u>336</u>	<u><b>6,364</b></u>	<u>-</u>
	<u>\$ 214,434</u>	<u>\$ 179,034</u>	<u><b>\$ 35,400</b></u>	<u>\$ 12,587</u>

---

---

# The Canadian Rental Association – Association Canadienne de Location

## Notes to the Non-consolidated Financial Statements

June 30, 2021

---

### 5. Deferred revenue

Deferred revenue relates to memberships purchased during the year that relate to a period extending beyond June 30, 2021. Deposits held in advance of 2021 trade shows are also reported as deferred revenues.

---

### 6. Operating lease commitment

The Association leases its premises under an operating lease expiring on July 31, 2022. Future minimum lease payments include common area and property taxes and include the following estimated payments:

2022	\$ 20,158
------	-----------

---

### 7. Demand operating loan

The Association has a revolving demand operating loan of up to \$50,000 with the Royal Bank of Canada bearing interest at prime plus 2.1%. At June 30, 2021, the balance of the demand operating loan is \$nil (2020 - \$nil).

This demand operating loan is secured by a first charge on the Association's guaranteed investment certificates in an amount not less than \$30,000.

---

---

# The Canadian Rental Association – Association Canadienne de Location

## Notes to the Non-consolidated Financial Statements

June 30, 2021

---

### 8. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at June 30, 2021:

#### 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's main credit risk relates to its accounts receivable. The Association provides credit to its clients in the normal course of its operations. There has been no change to this risk in the current year.

#### Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. There has been no change to this risk in the current year.

#### Other price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. The Association is exposed to price risk through its short-term investments in mutual funds. There has been no change to this risk in the current year.

---

### 9. COVID-19 Impact

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Canadian Rental Association has been impacted by the changing regulations in housing due to the pandemic, as well as increased costs and delays in services from outside agencies and contractors. Further, the value of the organization's market-linked investments may be subject to increased volatility.

The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position of operations for the year ended June 30, 2021 have not been adjusted to reflect their impact. The duration and impact of COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the organization for future periods.

---