

**Building Owners and Managers
Association of Ottawa
Financial Statements
December 31, 2006**

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Auditors' Report

To the Members of
Building Owners and Managers Association of Ottawa

We have audited the statement of financial position of Building Owners and Managers Association of Ottawa as at December 31, 2006 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton LLP

Chartered Accountants

Ottawa, Canada
February 9, 2007

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2006

					2006	2005
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets						
Cash	66,127				66,127	56,366
Short-term investments (Note 4)	16,612	132,117	50,493	121,305	320,527	288,845
Accounts receivable	30,967				30,967	12,055
Prepaid expenses	13,430				13,430	3,418
Interest receivable		7,175	1,483	3,703	12,361	5,652
Interfund advances	(10,264)	(9,757)	(4,971)	24,992		
	116,872	129,535	47,005	150,000	443,412	366,336
Long-term investments (Note 5)		70,465			70,465	93,053
Capital assets (Note 6)	24,958				24,958	18,522
	141,830	200,000	47,005	150,000	538,835	477,911

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2006

					2006	2005
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	61,704				61,704	61,610
Deferred membership revenue	8,305				8,305	37,420
Other deferred revenue	24,793				24,793	24,212
	<u>94,802</u>				<u>94,802</u>	<u>123,242</u>
FUND BALANCES						
Invested in capital assets	24,958				24,958	18,522
Internally restricted		200,000	47,005	150,000	397,005	354,669
Unrestricted	22,070				22,070	(18,522)
	<u>47,028</u>	<u>200,000</u>	<u>47,005</u>	<u>150,000</u>	<u>444,033</u>	<u>354,669</u>
	<u>141,830</u>	<u>200,000</u>	<u>47,005</u>	<u>150,000</u>	<u>538,835</u>	<u>477,911</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Building Owners and Managers Association of Ottawa Operations

Year ended December 31, 2006

					2006	2005
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenues						
Awards	29,856				29,856	22,778
Curling	5,941				5,941	7,116
Education	66,170				66,170	71,054
Environment and energy	15,250				15,250	5,118
Golf	144,084				144,084	125,806
Lunch	107,511				107,511	107,588
Marketing	5,000				5,000	5,451
Membership	284,306				284,306	268,644
Office and general	6,667				6,667	26,804
Security and life safety	4,524				4,524	
Ski	21,387				21,387	19,481
Telecommunications	4,972				4,972	5,490
Fall golf	23,050				23,050	20,072
Interest	541	9,598	1,687	4,052	15,878	7,045
	719,259	9,598	1,687	4,052	734,596	692,447

Building Owners and Managers Association of Ottawa Operations

Year ended December 31, 2006

					2006	2005
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Expenses						
Awards	18,937				18,937	19,170
Communications	1,874				1,874	45
Curling	4,660				4,660	5,678
Education	35,630		895		36,525	30,226
Environment and energy	8,758				8,758	2,633
Golf	113,293				113,293	104,519
Lunch	74,420				74,420	68,068
Marketing	3,606				3,606	3,368
Membership	56,462				56,462	73,355
Office and general	74,472				74,472	98,384
Security and life safety	1,260				1,260	
Ski	20,591				20,591	18,646
Telecommunications	1,500				1,500	1,781
Fall golf	17,837				17,837	14,714
Conventions	11,169				11,169	11,793
Government affairs	3,668				3,668	49,357
Audit committee						37
Amortization of capital assets	6,684				6,684	4,942
Salaries and benefits	189,515				189,515	151,586
Development charges and property tax reform						1,543
	644,336		895		645,231	659,845
Excess of revenues over expenses	74,923	9,598	792	4,052	89,365	32,602

The accompanying notes are an integral part of the financial statements.

Building Owners and Managers Association of Ottawa Changes in Fund Balances

Year ended December 31, 2006

					2006	2005
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		200,000	47,900	106,768	354,668	322,066
Excess of revenues over expenses	74,923	9,598	792	4,052	89,365	32,602
Interfund transfers (Note 3)	(27,895)	(9,598)	(1,687)	39,180		
Balance, end of year	<u>47,028</u>	<u>200,000</u>	<u>47,005</u>	<u>150,000</u>	<u>444,033</u>	<u>354,668</u>

The accompanying notes are an integral part of the financial statements.

Building Owners and Managers Association of Ottawa

Cash Flows

Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	89,365	32,602
Non-cash items		
Amortization of capital assets	6,684	4,942
Changes in working capital items		
Accounts receivable	(18,912)	(9,226)
Prepaid expenses	(10,012)	944
Interest receivable	(6,709)	281
Accounts payable and accrued liabilities	93	(5,254)
Deferred membership revenue	(29,115)	1,540
Other deferred revenue	581	(1,697)
Net cash generated	<u>31,975</u>	<u>24,132</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	(9,094)	(7,328)
Purchase of capital assets	(13,120)	(6,834)
Cash flows from investing activities	<u>(22,214)</u>	<u>(14,162)</u>
Net decrease in cash	9,761	9,970
Cash, beginning of year	<u>56,366</u>	<u>46,396</u>
Cash, end of year	<u>66,127</u>	<u>56,366</u>

The accompanying notes are an integral part of the financial statements.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2006

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Building Owners and Managers Association of Ottawa (BOMA Ottawa), as the voice of the commercial real estate industry in the National Capital area, is the recognized advocate of the building owners and managers in supporting their goals as professional and socially responsible businesses, so as to increase the economic benefit to its members, their employees and clients, and the broader community.

The mission of BOMA Ottawa is to represent the interests of commercial real estate owners and managers, by being the voice of the real estate industry in the National Capital area, through advocacy, promoting the highest industry standards and educational development and by fostering relationships amongst its members and within the community it operates.

BOMA Ottawa is affiliated with BOMA Canada and BOMA International.

The Association is incorporated without share capital as a non-profit organization within the meaning of the *Income Tax Act*.

2 - ACCOUNTING POLICIES

Fund accounting

During 2004, the Association created separate funds in its accounts for the activities of its general fund, general reserve fund, education scholarship fund and industry defense fund. The organization follows the restricted fund method of accounting for contributions.

Assets, liabilities, revenues and expenses relating to the general operations are reported in the general fund.

Assets, liabilities, revenues and expenses relating to the general reserve are reported in the general reserve fund for the purpose of maintaining adequate reserve funds to cover general operating activities for one year.

Assets, liabilities, revenues and expenses relating to the support of the Association's scholarship program are reported in the education scholarship fund.

Assets, liabilities, revenues and expenses relating to the financial support of significant issues that impact the local BOMA Ottawa membership are reported in the industry defence fund.

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. Actual results may differ from these estimates.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2006

2 - ACCOUNTING POLICIES (Continued)

Investments

Short-term investments are recorded at the lower of cost and market value. Long-term investments are recorded at cost and are written down to market value if there has been a less than temporary decline in value.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives according to the following methods and annual rates:

	<u>Methods</u>	<u>Rates</u>
Computer equipment	Diminishing balance	30%
Office equipment	Diminishing balance	20%
Computer software	Straight line	3 years

Revenue recognition

Operating contributions are recognized as revenue of the general fund during the year in which the related expenses are incurred. All other restricted revenues are reported as income of the appropriate restricted fund.

Unrestricted revenue is recognized as income of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3 - INTERFUND TRANSFERS

During 2006, the Board of Directors approved the transfer of the investment income from the general reserve fund of \$9,598 (\$3,032 in 2005) and the investment income from the educational scholarship fund of \$1,687 (\$1,319 in 2005) to the industry defence fund.

4 - SHORT-TERM INVESTMENTS

	<u>2006</u>	<u>2005</u>
	\$	\$
General fund - RBC Canadian treasury bill fund	16,612	14,691
General reserve fund - Citizens Bank guaranteed investment certificate, 3.05%, due April 6, 2006		25,650
General reserve fund - Bank of Montreal cashable guaranteed investment certificate, 2.35%, due June 22, 2006		52,371

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2006

4 - SHORT-TERM INVESTMENTS (Continued)

	<u>2006</u>	<u>2005</u>
	\$	\$
General reserve fund - TD Mortgage corp guaranteed investment certificate, 3.2%, due September 28, 2006		27,401
General reserve fund - RBC Royal guaranteed investment certificate, 3.55%, due September 28, 2007 (a)	27,403	
General reserve fund - Equitable trust guaranteed investment certificate, 3.35%, due April 6, 2007 (a)	25,650	
General reserve fund - Citizens Bank guaranteed investment certificate, 4.16%, due April 19, 2007	25,650	
General reserve fund - Bank of Montreal cashable guaranteed investment certificate, 3.50%, due April 26, 2007	53,414	
Education scholarship fund - Pacific & Western guaranteed investment certificate, 2.65%, due January 12, 2006		25,502
Education scholarship fund - Bank of Montreal cashable guaranteed investment certificate, 2.35%, due June 19, 2006		24,498
Education scholarship fund - Home Trust Company guaranteed investment certificate, 3.85%, due January 16, 2007	25,503	
Education scholarship fund - Bank of Montreal cashable guaranteed investment certificate, 3.50%, due April 26, 2007	24,990	
Industry defence fund - RBC Canadian treasury bill fund		1,442
Industry defence fund - Royal Bank cashable guaranteed investment certificate, 2.15%, due January 13, 2006		57,290
Industry defence fund - Bank of Montreal cashable guaranteed investment certificate, 2.2%, due March 10, 2006		60,000
Industry defence fund - HomeTrust Company guaranteed investment certificate, 3.85%, due January 16, 2007	59,966	
Industry defence fund - Bank of Montreal cashable guaranteed investment certificate, 3.45%, due March 20, 2007	61,339	
	<u>320,527</u>	<u>288,845</u>

(a) These investments were purchased with an original term of 2 to 3 years and management's intent upon maturity is to acquire new long-term guaranteed investment certificates with the proceeds.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2006

5 - LONG-TERM INVESTMENTS

	<u>2006</u>	<u>2005</u>
	\$	\$
General reserve fund - RBC Royal Bank guaranteed investment certificate, 3.55%, due September 28, 2007		27,403
General reserve fund - Equitable trust guaranteed investment certificate, 3.35%, due April 9, 2007		25,650
General reserve fund - Manulife bank guaranteed investment certificate, 3.2%, due June 20, 2008	40,000	40,000
General reserve fund - Canadian Western Bank guaranteed investment certificate, 4.12%, due September 29, 2008	30,465	
	<u>70,465</u>	<u>93,053</u>

The market value of the long-term investments as at December 31, 2006 is \$71,451 (\$95,587 in 2005), which represents cost plus accrued interest to date.

6 - CAPITAL ASSETS

	<u>2006</u>		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	25,872	8,638	17,234
Office equipment	49,652	42,792	6,860
Computer software	1,037	173	864
	<u>76,561</u>	<u>51,603</u>	<u>24,958</u>
			<u>2005</u>
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	13,789	3,842	9,947
Office equipment	49,652	41,077	8,575
	<u>63,441</u>	<u>44,919</u>	<u>18,522</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2006

7 - GENERAL FUND

	<u>2006</u>	<u>2005</u>
	<u>Net</u>	<u>Net</u>
	\$	\$
Net revenue and (expense) analysis		
Awards	10,919	3,608
Communications	(1,874)	(45)
Curling	1,281	1,438
Education	30,540	42,928
Environment and energy	6,492	2,485
Golf	30,791	21,287
Lunch	33,091	39,520
Marketing	1,394	2,083
Membership	227,844	195,289
Office and general	(67,805)	(71,580)
Security and life safety	3,264	
Ski	796	835
Telecommunications	3,472	3,709
Fall golf	5,213	5,358
Other revenue (expenses)		
Interest income	541	215
Conventions	(11,169)	(11,793)
Government affairs	(3,668)	(22,252)
Audit committee		(37)
Amortization of capital assets	(6,684)	(4,942)
Salaries and benefits	(189,515)	(151,586)
	<u>74,923</u>	<u>56,520</u>

8 - COMMITMENT

The organization has entered into a long-term lease agreements for the rental of premises, which expires in July 2007. Minimum lease payments for the next year are \$14,700.

9 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments:

Short-term financial instruments

The fair market value of short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2006

10 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.