

**Building Owners and Managers
Association of Ottawa
Financial Statements
December 31, 2007**

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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, 2007 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, 2007 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,
Licensed Public Accountants

Ottawa, Canada
February 8, 2008

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2007

					<u>2007</u>	<u>2006</u>
	<u>General fund</u>	<u>General reserve fund</u>	<u>Education scholarship fund</u>	<u>Industry defence fund</u>	<u>Total</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets						
Cash	104,253				104,253	66,127
Short-term investments (Note 5)	5,413	123,942	50,198	150,162	329,715	320,527
Accounts receivable	23,925				23,925	30,967
Prepaid expenses	8,906				8,906	13,430
Interest receivable		3,000	1,485	4,173	8,658	12,361
Interfund advances	17,065	(6,942)	(5,788)	(4,335)		
	<u>159,562</u>	<u>120,000</u>	<u>45,895</u>	<u>150,000</u>	<u>475,457</u>	443,412
Long-term investments (Note 6)		80,000			80,000	70,465
Capital assets (Note 7)	43,731				43,731	24,958
	<u>203,293</u>	<u>200,000</u>	<u>45,895</u>	<u>150,000</u>	<u>599,188</u>	<u>538,835</u>

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2007

					2007	2006
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	49,563				49,563	61,704
Deferred membership revenue (Note 8)	14,182				14,182	8,305
Other deferred revenue (Note 9)	25,139				25,139	24,793
	<u>88,884</u>				<u>88,884</u>	<u>94,802</u>
FUND BALANCES						
Invested in capital assets	43,731				43,731	24,958
Internally restricted		200,000	45,895	150,000	395,895	397,005
Unrestricted	70,678				70,678	22,070
	<u>114,409</u>	<u>200,000</u>	<u>45,895</u>	<u>150,000</u>	<u>510,304</u>	<u>444,033</u>
	<u>203,293</u>	<u>200,000</u>	<u>45,895</u>	<u>150,000</u>	<u>599,188</u>	<u>538,835</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, 2007

					2007	2006
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenues						
Awards	29,258				29,258	29,856
Curling	6,419				6,419	5,941
Education	72,872				72,872	66,170
Environment and energy	26,265				26,265	15,250
Golf	140,504				140,504	144,084
Lunch	112,334				112,334	107,511
Marketing	5,300				5,300	5,000
Membership	287,972				287,972	284,306
Office and general	17,813				17,813	6,667
Security and life safety	3,285				3,285	4,524
Ski	17,374				17,374	21,387
Telecommunications	4,050				4,050	4,972
Fall golf	21,308				21,308	23,050
Interest	427	7,148	2,007	5,440	15,022	15,878
	745,181	7,148	2,007	5,440	759,776	734,596

Building Owners and Managers Association of Ottawa Operations

Year ended December 31, 2007

					2007	2006
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Expenses						
Awards	18,494				18,494	18,937
Communications	3,021				3,021	1,874
Curling	3,538				3,538	4,660
Education	36,344		1,110		37,454	36,525
Environment and energy	15,036				15,036	8,758
Golf	107,884				107,884	113,293
Lunch	73,221				73,221	74,420
Marketing	1,574				1,574	3,606
Membership	84,610				84,610	56,462
Office and general	92,695				92,695	74,472
Security and life safety	935				935	1,260
Ski	16,625				16,625	20,591
Telecommunications	3,200				3,200	1,500
Fall golf	11,366				11,366	17,837
Conventions	7,866				7,866	11,169
Government affairs	4,790				4,790	3,668
Planning and policy	244				244	
Amortization of capital assets	11,386				11,386	6,684
Salaries and benefits	199,566				199,566	189,515
	692,395		1,110		693,505	645,231
Excess of revenues over expenses	52,786	7,148	897	5,440	66,271	89,365

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, 2007

					2007	2006
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	47,028	200,000	47,005	150,000	444,033	354,668
Excess of revenues over expenses	52,786	7,148	897	5,440	66,271	89,365
Interfund transfers (Note 4)	14,595	(7,148)	(2,007)	(5,440)		
Balance, end of year	<u>114,409</u>	<u>200,000</u>	<u>45,895</u>	<u>150,000</u>	<u>510,304</u>	<u>444,033</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, 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	66,271	89,365
Non-cash items		
Amortization of capital assets	11,386	6,684
Changes in working capital items		
Accounts receivable	7,042	(18,912)
Prepaid expenses	4,524	(10,012)
Interest receivable	3,703	(6,709)
Accounts payable and accrued liabilities	(12,141)	93
Deferred membership revenue	5,877	(29,115)
Other deferred revenue	346	581
Net cash generated	<u>87,008</u>	<u>31,975</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	(602,767)	(283,252)
Disposal of investments	584,044	274,158
Purchase of capital assets	(30,159)	(13,120)
Cash flows from investing activities	<u>(48,882)</u>	<u>(22,214)</u>
Net increase in cash	38,126	9,761
Cash, beginning of year	<u>66,127</u>	<u>56,366</u>
Cash, end of year	<u>104,253</u>	<u>66,127</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, 2007

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 CHANGE

On January 1, 2007, in accordance with the applicable transitional provisions, the Association applied the recommendations of new Section 1506, "Accounting Changes", of the Canadian Institute of Chartered Accountants' Handbook. This new section, effective for the years beginning on or after January 1, 2007, prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. Furthermore, the new standard requires the communication of the new primary sources of GAAP that are issued but not yet effective or not yet adopted by the Association. The new standard has no impact on the Association's financial results.

On January 1, 2007, in accordance with the applicable transitional provisions, the Association adopted the new recommendations in Sections 3855, "Financial Instruments – Recognition and Measurement", and 3861, "Financial Instruments – Disclosure and Presentation", of the *Canadian Institute of Chartered Accountants' Handbook*.

Sections 3855 and 3861 deal with the recognition, measurement, presentation and disclosure of financial instruments and non-financial derivatives in the financial statements. The transitional provisions of these sections require that the Association remeasure the financial assets and liabilities as appropriate at the beginning of its fiscal year. Any adjustment of the previous carrying amount is recognized as an adjustment of the balance of fund balances at the beginning of the fiscal year of initial application. The financial statements of prior fiscal years are not restated.

Adoption of these new recommendations resulted in the following impacts on the classification and measurement of the Association's financial instruments, which were previously recognized at cost:

- Cash is classified as a held-for-trading financial asset. It is measured at fair value and changes in fair value are recognized the revenues and expenses.. This change had no impact on the financial statements as at December 31, 2007;

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2007

2 - ACCOUNTING CHANGE (Continued)

- Accounts receivable are classified as loans and receivables. Accounts receivable are measured at amortized cost, which is generally the initially recognized amount, less any allowance for doubtful accounts. This change had no impact on the financial statements as at December 31, 2007;
- The guaranteed investment certificates and treasury bill fund are classified as available-for-sale investments. They are recognized at fair value, and changes in fair value are recognized in other comprehensive income until the investments are sold or impaired. As of December 31, 2007, the carrying amount of the investments were equal to fair value. This change had no impact on the financial statements as at December 31, 2007;
- Accounts payable and accrued liabilities are classified as other financial liabilities. They are valued at amortized cost using the effective interest method. This change had no impact on the financial statements as at December 31, 2007.

3 - 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.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2007

3 - ACCOUNTING POLICIES (Continued)

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.

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 in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets

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

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

4 - INTERFUND TRANSFERS

During 2007, the Board of Directors approved the transfer to the general fund of the investment income from the general reserve fund of \$7,148, the educational scholarship fund of \$2,007 and the industry defence fund of \$5,440.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2007

5 - SHORT-TERM INVESTMENTS

	<u>2007</u>	<u>2006</u>
	\$	\$
General fund - RBC Canadian treasury bill fund	5,413	16,612
General reserve fund - Manulife guaranteed investment certificate, 3.20%, due June 20, 2008 (a)	40,000	
General reserve fund - Canadian Western Bank guaranteed investment certificate, 4.12%, due September 29, 2008 (a)	30,465	
General reserve fund - EQT 30 day cashable guaranteed investment certificate, 4.10%, due June 25, 2008	51,213	
General reserve fund - Manulife bank investment	2,264	
General reserve fund - RBC Royal guaranteed investment certificate, 3.55%, matured September 28, 2007		27,403
General reserve fund - Equitable trust guaranteed investment certificate, 3.35%, matured April 6, 2007		25,650
General reserve fund - Citizens Bank guaranteed investment certificate, 4.16%, matured April 19, 2007		25,650
General reserve fund - Bank of Montreal cashable guaranteed investment certificate, 3.50%, matured April 26, 2007		53,414
Education scholarship fund - AGF Trust 30 day cashable guaranteed investment certificate, 4.19%, due February 6, 2008	25,508	
Education scholarship fund - EQT 30 day cashable guaranteed investment certificate, 4.10%, due June 25, 2008	24,690	
Education scholarship fund - Home Trust Company guaranteed investment certificate, 3.85%, matured January 16, 2007		25,503
Education scholarship fund - Bank of Montreal cashable guaranteed investment certificate, 3.50%, matured April 26, 2007		24,990
Industry defence fund - AGF Trust guaranteed investment certificate, 4.19%, due February 6, 2008	59,997	
Industry defence fund - EQT 30 day cashable guaranteed investment certificate, 4.10%, due June 25, 2008	90,165	
Industry defence fund - HomeTrust Company guaranteed investment certificate, 3.85%, matured January 16, 2007		59,966
Industry defence fund - Bank of Montreal cashable guaranteed investment certificate, 3.45%, matured March 20, 2007		61,339
	<u>329,715</u>	<u>320,527</u>

(a) These investments were purchased with an original term of 2 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, 2007

6 - LONG-TERM INVESTMENTS

	<u>2007</u>	<u>2006</u>
	\$	\$
General reserve fund - Manulife bank guaranteed investment certificate, 3.2%, due June 20, 2008		40,000
General reserve fund - Canadian Western Bank guaranteed investment certificate, 4.12%, due September 29, 2008		30,465
General reserve fund - AGF Trust guaranteed investment certificate, 4.71%, due October 4, 2010	40,000	
General reserve fund - Home Trust Company guaranteed investment certificate, 4.65%, due October 5, 2009	40,000	
	<u>80,000</u>	<u>70,465</u>

7 - CAPITAL ASSETS

	<u>2007</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Computer equipment	27,414	14,040	13,374
Office equipment	57,185	44,918	12,267
Computer software	22,123	4,033	18,090
	<u>106,722</u>	<u>62,991</u>	<u>43,731</u>
			<u>2006</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
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>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2007

8 - DEFERRED MEMBERSHIP REVENUE

	<u>2007</u>	<u>2006</u>
	\$	\$
Balance, beginning of year	8,305	37,420
Memberships received	281,605	255,191
Recognized as revenue	<u>(275,728)</u>	<u>(284,306)</u>
Balance, end of year	<u>14,182</u>	<u>8,305</u>

9 - OTHER DEFERRED REVENUES

	<u>2007</u>			
	<u>Deferred lunch</u>	<u>Deferred education</u>	<u>Other deferred</u>	<u>Total</u>
	\$	\$	\$	\$
Balance, beginning of year	12,759	3,120	8,914	24,793
Funds received	108,124	82,022	4,320	194,466
Recognized as revenue	<u>(112,334)</u>	<u>(72,872)</u>	<u>(8,914)</u>	<u>(194,120)</u>
Balance, end of year	<u>8,549</u>	<u>12,270</u>	<u>4,320</u>	<u>25,139</u>

	<u>2006</u>			
	<u>Deferred lunch</u>	<u>Deferred education</u>	<u>Other deferred</u>	<u>Total</u>
	\$	\$	\$	\$
Balance, beginning of year	9,046	6,490	8,676	24,212
Funds received	111,224	62,800	8,914	182,938
Recognized as revenue	<u>(107,511)</u>	<u>(66,170)</u>	<u>(8,676)</u>	<u>(182,357)</u>
Balance, end of year	<u>12,759</u>	<u>3,120</u>	<u>8,914</u>	<u>24,793</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2007

10 - GENERAL FUND

	<u>2007</u>	<u>2006</u>
	Net	Net
	\$	\$
Net revenue and (expense) analysis		
Awards	10,764	10,919
Communications	(3,021)	(1,874)
Curling	2,881	1,281
Education	36,528	30,540
Environment and energy	11,229	6,492
Golf	32,620	30,791
Lunch	39,113	33,091
Marketing	3,726	1,394
Membership	203,362	227,844
Office and general	(74,882)	(67,805)
Security and life safety	2,350	3,264
Ski	749	796
Telecommunications	850	3,472
Fall golf	9,942	5,213
Other revenue (expenses)		
Interest income	427	541
Conventions	(7,866)	(11,169)
Government affairs	(4,790)	(3,668)
Planning and policy	(244)	
Amortization of capital assets	(11,386)	(6,684)
Salaries and benefits	(199,566)	(189,515)
	<u>52,786</u>	<u>74,923</u>

11 - COMMITMENT

The Association has entered into a long-term lease agreement expiring on December 31, 2010 which calls for minimum lease payments of \$88,000 for the rental of office space. The minimum lease payments for the next three years are \$28,000 in 2008 and 2009 and \$32,000 in 2010.

12 - FINANCIAL INSTRUMENTS

Interest rate risk

The majority of the Association's investments are at fixed rates. Accordingly, there is limited exposure to interest rate risk.