

**Building Owners and Managers  
Association of Ottawa  
Financial Statements  
December 31, 2008**

Auditors' Report	2
Financial Statements	
Financial Position	3 - 4
Operations	5 - 6
Changes in Fund Balances	7
Cash Flows	8
Notes to Financial Statements	9 - 17



# Raymond Chabot Grant Thornton

## Auditors' Report

**Raymond Chabot Grant Thornton LLP**  
2505 St-Laurent Blvd.  
Ottawa, Ontario K1H 1E4

To the Members of  
Building Owners and Managers Association of Ottawa

Telephone: 613-236-2211  
Fax: 613-236-6104  
[www.rcgt.com](http://www.rcgt.com)

We have audited the statement of financial position of Building Owners and Managers Association of Ottawa as at December 31, 2008 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, 2008 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 20, 2009

# Building Owners and Managers Association Financial Position

December 31, 2008

	2008				2007
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
Current assets					
Cash	150,964				150,964
Short-term investments (Note 5)	26,894	100,465	24,685	150,000	302,044
Accounts receivable	11,775				11,775
Prepaid expenses	3,825				3,825
Interest receivable		2,497	1,188	4,046	7,731
Interfund advances	14,221	(2,497)	(7,678)	(4,046)	
	207,679	100,465	18,195	150,000	476,339
Long-term investments (Note 6)		99,535	25,310		124,845
Capital assets (Note 7)	39,835				39,835
	247,514	200,000	43,505	150,000	641,019
					599,188

# Building Owners and Managers Association Financial Position

December 31, 2008

					2008	2007
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable and accrued liabilities	40,073				40,073	49,563
Deferred membership revenue (Note 8)	12,492				12,492	14,182
Other deferred revenue (Note 9)	46,328				46,328	25,139
	<u>98,893</u>				<u>98,893</u>	<u>88,884</u>
<b>FUND BALANCES</b>						
Invested in capital assets	39,835				39,835	43,731
Internally restricted		200,000	43,505	150,000	393,505	395,895
Unrestricted	108,786				108,786	70,678
	<u>148,621</u>	<u>200,000</u>	<u>43,505</u>	<u>150,000</u>	<u>542,126</u>	<u>510,304</u>
	<u>247,514</u>	<u>200,000</u>	<u>43,505</u>	<u>150,000</u>	<u>641,019</u>	<u>599,188</u>

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

On behalf of the Board,

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Building Owners and Managers Association Operations

Year ended December 31, 2008

	2008				2007
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
<b>Revenues</b>					
Awards	26,816				29,258
BOMA BEST	97,839				20,920
Curling	7,100				6,419
Education	61,291				72,872
Environment and energy	6,330				5,345
Golf	139,625				140,504
Lunch	104,546				112,334
Marketing	5,000				5,300
Membership	291,484				287,972
Office and general	349				3,553
Security and life safety	5,300				3,285
Ski	20,251				17,374
Telecommunications	5,350				4,050
Fall golf	20,800				21,308
Interest	456	7,911	1,785	6,095	15,022
	792,537	7,911	1,785	6,095	808,328
					745,516

# Building Owners and Managers Association Operations

Year ended December 31, 2008

					2008	2007
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Expenses						
Awards	14,718				14,718	18,494
BOMA BEST	71,855				71,855	14,057
Communications	1,046				1,046	3,021
Curling	4,242				4,242	3,538
Education	31,115		2,390		33,505	37,454
Environment and energy	2,303				2,303	980
Golf	103,542				103,542	107,884
Lunch	75,365				75,365	73,221
Marketing	6,134				6,134	1,574
Membership	57,881				57,881	84,610
Office and general	99,197				99,197	78,434
Security and life safety	1,666				1,666	935
Ski	19,450				19,450	16,625
Telecommunications	4,500				4,500	3,200
Fall golf	14,821				14,821	11,366
Conventions	24,462				24,462	7,866
Government affairs	20,542				20,542	4,790
Planning and policy						244
Amortization of capital assets	15,184				15,184	11,386
Salaries and benefits	206,093				206,093	199,566
	<u>774,116</u>		<u>2,390</u>		<u>776,506</u>	<u>679,245</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>18,421</u>	<u>7,911</u>	<u>(605)</u>	<u>6,095</u>	<u>31,822</u>	<u>66,271</u>

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

## Building Owners and Managers Association Changes in Fund Balances

Year ended December 31, 2008

	2008				2007	
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	114,409	200,000	45,895	150,000	510,304	444,033
Excess (deficiency) of revenues over expenses	18,421	7,911	(605)	6,095	31,822	66,271
Interfund transfers (Note 4)	15,791	(7,911)	(1,785)	(6,095)		
Balance, end of year	<u>148,621</u>	<u>200,000</u>	<u>43,505</u>	<u>150,000</u>	<u>542,126</u>	<u>510,304</u>

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

# Building Owners and Managers Association

## Cash Flows

Year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	31,822	66,271
Non-cash items		
Amortization of capital assets	15,184	11,386
Changes in working capital items		
Accounts receivable	12,150	7,042
Prepaid expenses	5,081	4,524
Interest receivable	927	3,703
Accounts payable and accrued liabilities	(9,490)	(12,141)
Deferred membership revenue	(1,690)	5,877
Other deferred revenue	21,189	346
Cash flows from operating activities	<u>75,173</u>	<u>87,008</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(344,658)	(602,767)
Disposal of investments	327,484	584,044
Purchase of capital assets	(11,288)	(30,159)
Cash flows from investing activities	<u>(28,462)</u>	<u>(48,882)</u>
<b>Net increase in cash</b>	<b>46,711</b>	<b>38,126</b>
Cash, beginning of year	<u>104,253</u>	<u>66,127</u>
Cash, end of year	<u>150,964</u>	<u>104,253</u>

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

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

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### **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 - CHANGE IN ACCOUNTING POLICIES**

On January 1, 2008, in accordance with the applicable transitional provisions, the Association applied the recommendations of Section 1535, "Capital Disclosures", of the Canadian Institute of Chartered Accountants' Handbook. This new section, effective for fiscal years beginning on or after October 1, 2007, establishes standards for disclosing information about the Association's capital and how it is managed. The new accounting standard only addresses disclosures and has no impact on the Association's financial results.

On January 1, 2008, in accordance with the applicable transitional provisions, the Association applied the new recommendations of Section 1400, "General Standards of Financial Statement Presentation", of the Canadian Institute of Chartered Accountants' Handbook, dealing with the going concern assumption. The new recommendations, which are effective for fiscal years beginning on or after January 1, 2008, require management to make an assessment of the Association's ability to continue as a going concern for a period which is at least, but is not limited to, twelve months from the balance sheet date. The new requirements only address disclosures and has no impact on the Association's financial results.

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

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### **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.

#### **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 Association may undertake in the future. Actual results may differ from these estimates.

#### **Financial assets and liabilities**

The Association has chosen to apply the recommendations of Section 3861, "Financial Instruments - Disclosure and Presentation", of the Canadian Institute of Chartered Accountants' Handbook with respect to the presentation and disclosure of the financial instruments.

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value .

Subsequently, financial assets and liabilities are measured and recognized as follows:

##### *Held-for-trading financial assets*

Cash is classified as a held-for-trading financial asset. It is measured at fair value and changes in fair value are recognized in the statement of operations.

##### *Available-for-sale financial assets*

The guaranteed investment certificates and treasury bill fund are classified as available-for-sale investments. They are measured at their fair value and changes in fair value are recorded in the statement of changes in net assets until the investment is sold or impaired.

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

### 3 - ACCOUNTING POLICIES (Continued)

#### *Loans and receivables*

Accounts receivables are classified as loans and receivables. They are measured at amortized cost, which is generally the intially recognized amount less any allowance for doubtful accounts.

#### *Other financial liabilities*

Accounts payable and accrued liabilities are classified as other financial liabilities. They are valued at amortized cost using the effective interest rate method.

#### **Revenue recognition**

Restricted 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 2008 a transfer was made to the general fund of the investment income from the general reserve fund of \$7,911, the educational scholarship fund of \$1,785 and the industry defence fund of \$6,095.

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

### 5 - SHORT-TERM INVESTMENTS

	<u>2008</u>	<u>2007</u>
	\$	\$
General fund - RBC Canadian treasury bill fund	<b>26,894</b>	5,413
General reserve fund - Manulife guaranteed investment certificate, 3.20%, matured June 20, 2008		40,000
General reserve fund - Canadian Western Bank guaranteed investment certificate, 4.12%, matured September 29, 2008		30,465
General reserve fund - EQT 30 day cashable guaranteed investment certificate, 4.10%, matured June 25, 2008		51,213
General reserve fund - Manulife bank investment		2,264
General reserve fund - Home Trust Company guaranteed investment certificate, 4.65%, maturing October 5, 2009	<b>40,000</b>	
General reserve fund - EQT 30 day cashable guaranteed investment certificate, 3.00%, maturing July 6, 2009	<b>30,000</b>	
General reserve fund - EQT 30 day cashable guaranteed investment certificate, 3.01%, maturing October 9, 2009	<b>30,465</b>	
Education scholarship fund - AGF Trust 30 day cashable guaranteed investment certificate, 4.19%, matured February 6, 2008		25,508
Education scholarship fund - EQT 30 day cashable guaranteed investment certificate, 4.10%, matured June 25, 2008		24,690
Education scholarship fund - EQT 30 day cashable guaranteed investment certificate, 3.00%, maturing July 6, 2009	<b>24,685</b>	
Industry defence fund - AGF Trust guaranteed investment certificate, 4.19%, matured February 6, 2008		59,997
Industry defence fund - EQT 30 day cashable guaranteed investment certificate, 4.10%, matured June 25, 2008		90,165
Industry defence fund - ICICI Bank guaranteed investment certificate, 3.97%, maturing February 9, 2009	<b>59,835</b>	
Industry defence fund - Bank of Montreal AAT 30 day cashable guaranteed investment certificate, 2.75%, maturing July 6, 2009	<b>90,165</b>	
	<b>302,044</b>	<b>329,715</b>

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

### 6 - LONG-TERM INVESTMENTS

	<u>2008</u>	<u>2007</u>
	\$	\$
General reserve fund - Home Trust Company guaranteed investment certificate, 4.65%, maturing October 5, 2009		40,000
General reserve fund - AGF Trust guaranteed investment certificate, 4.71%, maturing October 4, 2010	<b>40,000</b>	40,000
General reserve fund - Bank of Nova Scotia guaranteed investment certificate, 4.50%, maturing July 4, 2011	<b>59,535</b>	
Education scholarship fund - ICICI Bank guaranteed investment certificate, 4.17%, maturing February 8, 2010	<b>25,310</b>	
	<u><b>124,845</b></u>	<u>80,000</u>

### 7 - CAPITAL ASSETS

	<u>2008</u>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Computer equipment	31,721	18,698	13,023
Office equipment	64,165	48,069	16,096
Computer software	22,123	11,407	10,716
	<u>118,009</u>	<u>78,174</u>	<u>39,835</u>
			<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>

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

### 8 - DEFERRED MEMBERSHIP REVENUE

	<u>2008</u>	<u>2007</u>
	\$	\$
Balance, beginning of year	14,182	8,305
Memberships received	274,349	281,605
Recognized as revenue	<u>(276,039)</u>	<u>(275,728)</u>
Balance, end of year	<u>12,492</u>	<u>14,182</u>

### 9 - OTHER DEFERRED REVENUES

	<u>2008</u>				
	<u>Deferred lunch</u>	<u>Deferred education</u>	<u>Go Green</u>	<u>BOMA BEST</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Balance, beginning of year	8,549	12,270	4,320		25,139
Funds received	106,620	61,576		23,150	191,346
Recognized as revenue	<u>(104,546)</u>	<u>(61,291)</u>	<u>(4,320)</u>		<u>(170,157)</u>
Balance, end of year	<u>10,623</u>	<u>12,555</u>		<u>23,150</u>	<u>46,328</u>

	<u>2007</u>			
	<u>Deferred lunch</u>	<u>Deferred education</u>	<u>Go Green</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>

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

### 10 - GENERAL FUND

	2008	2007
	Net	Net
	\$	\$
<b>Net General fund revenue and (expense) analysis</b>		
Awards	12,098	10,764
BOMA BEST	25,984	6,863
Communications	(1,046)	(3,021)
Curling	2,858	2,881
Education	30,176	36,528
Environment and energy	4,027	4,365
Golf	36,083	32,620
Lunch	29,181	39,113
Marketing	(1,134)	3,726
Membership	233,603	203,362
Office and general	(98,848)	(74,881)
Security and life safety	3,634	2,350
Ski	801	749
Telecommunications	850	850
Fall golf	5,979	9,942
<b>Other revenue (expenses)</b>		
Interest income	456	427
Conventions	(24,462)	(7,866)
Government affairs	(20,542)	(4,790)
Planning and policy		(244)
Amortization of capital assets	(15,184)	(11,386)
Salaries and benefits	(206,093)	(199,566)
	<u>18,421</u>	<u>52,786</u>

### 11 - COMMITMENT

The Association has entered into a long-term lease agreement expiring on December 31, 2010 which calls for remaining minimum lease payments of \$60,000 for the rental of office space. The minimum lease payments for the next two years are \$28,000 in 2009 and \$32,000 in 2010.

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

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### **12 - RELATED PARTY TRANSACTIONS**

During the year, the Association received \$58,825 of funds from BOMA Canada relating to their share of the BOMA BESt and Go Green contracts entered into during the year.

Payments were made to BOMA Canada in the amount of \$41,349 for membership fees (net of a \$14,840 refund of the transition levy from the prior year) and \$21,788 for royalties relating to the BOMA BESt and Go Green programs.

These transactions are measured at the exchange amount, which is the amount established and accepted by the parties.

### **13 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS**

#### **Financial risk management objectives and policies**

The Association is exposed to various financial risks from both its operations and its investment activities. The Association's management manages financial risks.

#### **Financial risks**

The Association's main financial risk exposure and its financial risk management policies are as follows.

##### *Liquidity risk*

Liquidity risk management serves to maintain a sufficient amount of cash. The Association establishes budgets to attain its objectives and fulfil its obligations.

##### *Credit risk*

The financial instruments that potentially expose the Association to credit risk are primarily accounts receivable. Credit risk relating to accounts receivable are generally diversified since the Association deals with a number of individuals.

##### *Interest rate risk*

The guaranteed investment certificates and treasury bill funds bear interest at fixed rates and the Association is, therefore, exposed to the risk of changes in fair values resulting from interest rate fluctuations.

The Association's other financial assets and liabilities do not comprise any interest rate risk as they do not bear interest.

# Building Owners and Managers Association

## Notes to Financial Statements

December 31, 2008

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### **13 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS (Continued)**

#### **Policies and procedures for managing capital**

The Association's objectives for managing capital are:

- To safeguard the Association's ability to continue as a going concern;
- To meet its financial obligations.

The Association manages its capital mainly through the establishment of various internally restricted funds and reviewing on a periodic basis the fund balances to ensure their adequacy. Moreover, an important part of its capital management consists of collecting membership dues, holding events and managing expenses to match expected revenue levels.

In order to maintain or to adjust its capital structure, the Association may have to modify its forecast expenditures for the realization of certain activities.

### **14 - FUTURE ACCOUNTING STANDARD**

#### **Disclosures for Not-for-profit organizations**

In September 2008, the Canadian Institute of Chartered Accountants (CICA) modified the introduction to accounting standards that apply only to not-for-profit organizations and many sections of the 4400 series; it also made correlative changes to other sections of the CICA Handbook. The main changes concern the following items:

- Inclusion of not-for-profit organizations within the scope of Section 1540 "Cash Flow Statements";
- Elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets;
- Amendments to clarify that revenues and expenses must be recognized and presented on a gross basis when a not-for profit organization is acting as a principal in transactions.

Moreover, the CICA published new Section 4470 "Disclosure of allocated expenses by not-for-profit organizations" which establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate.

These new standards are effective for fiscal years beginning on or after January 1, 2009 and the Association will implement them as of January 1, 2009. The Association's management is not able to measure the impact that the application of these new standards will have on the financial statements.

### **15 - COMPARATIVE FIGURES**

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