

**Building Owners and Managers
Association of Ottawa
Financial Statements
December 31, 2009**

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 - 18



Raymond Chabot Grant Thornton

Auditors' Report

Raymond Chabot Grant Thornton
S.E.N.C.R.L./LLP
2505 St-Laurent
Ottawa, Ontario K1H 1E4

Tel.: 613 236-2211
Fax: 613 236-6104

www.rcgt.com

To the Directors 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, 2009 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, 2009 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 17, 2010

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2009

					2009	2008
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current assets						
Cash and cash equivalents	99,068	30,093	24,763	60,242	214,166	150,964
Short-term investments (Note 6)	42,732	40,000	25,310	90,000	198,042	302,044
Accounts receivable (Note 5)	17,510				17,510	17,592
Prepaid expenses	4,976				4,976	3,825
Interest receivable		1,821	946	709	3,476	7,731
Interfund advances	17,736	(1,821)	(14,964)	(951)		
	182,022	70,093	36,055	150,000	438,170	482,156
Long-term investments (Note 7)		129,907			129,907	124,845
Capital assets (Note 8)	25,335				25,335	39,835
	207,357	200,000	36,055	150,000	593,412	646,836

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2009

	2009				2008
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	28,801				28,801
Deferred membership revenue (Note 9)	13,763				13,763
Other deferred revenue (Note 10)	36,519				36,519
	79,083				79,083
					104,710
FUND BALANCES					
Internally restricted		200,000	36,055	150,000	386,055
Unrestricted	128,274				128,274
	128,274	200,000	36,055	150,000	514,329
	207,357	200,000	36,055	150,000	593,412

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, 2009

	2009				2008
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
Revenues					
Awards	27,670			27,670	26,816
BOMA BEST	97,975			97,975	97,839
Curling	7,900			7,900	7,100
Education	53,412			53,412	61,291
Environment and energy	4,120			4,120	6,330
Golf	133,355			133,355	139,625
Lunch	111,730			111,730	104,546
Marketing	5,088			5,088	5,000
Membership	268,291			268,291	291,484
Office and general	14,986			14,986	349
Security and life safety					5,300
Ski	21,181			21,181	20,251
Telecommunications	3,300			3,300	5,350
Fall golf	23,000			23,000	20,800
Interest	425	7,685	1,633	2,158	11,901
	772,433	7,685	1,633	2,158	783,909
					808,328

Building Owners and Managers Association of Ottawa Operations

Year ended December 31, 2009

	2009				2008
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
Expenses					
Awards	20,484				14,718
BOMA BEST	58,206				71,855
Communications	1,308				1,046
Curling	3,595				4,242
Education	23,313		7,450		33,505
Environment and energy	1,271				2,303
Golf	102,668				103,542
Lunch	72,471				75,365
Marketing	412				6,134
Membership	58,815				57,881
Office and general	105,652				99,197
Security and life safety	1,022				1,666
Ski	17,735				19,450
Telecommunications	2,200				4,500
Fall golf	15,095				14,821
Conventions	25,248				24,462
Government affairs	55,649				20,542
Amortization of capital assets	14,500				15,184
Salaries and benefits	224,612				206,093
	<u>804,256</u>		<u>7,450</u>		<u>811,706</u>
Excess (deficiency) of revenues over expenses	<u>(31,823)</u>	<u>7,685</u>	<u>(5,817)</u>	<u>2,158</u>	<u>31,822</u>

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, 2009

	2009				2008
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	148,621	200,000	43,505	150,000	542,126
Excess (deficiency) of revenues over expenses	(31,823)	7,685	(5,817)	2,158	(27,797)
Interfund transfers (Note 4)	11,476	(7,685)	(1,633)	(2,158)	
Balance, end of year	<u>128,274</u>	<u>200,000</u>	<u>36,055</u>	<u>150,000</u>	<u>514,329</u>
					542,126

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

Building Owners and Managers Association of Ottawa

Cash Flows

Year ended December 31, 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(27,797)	31,822
Non-cash items		
Amortization of capital assets	14,500	15,184
Changes in working capital items		
Accounts receivable	82	6,333
Prepaid expenses	(1,151)	5,081
Interest receivable	4,255	927
Accounts payable and accrued liabilities	(17,089)	(3,673)
Deferred membership revenue	1,271	(1,690)
Other deferred revenue	(9,809)	21,189
Cash flows from operating activities	<u>(35,738)</u>	<u>75,173</u>
INVESTING ACTIVITIES		
Purchase of investments	(176,416)	(344,658)
Disposal of investments	275,356	327,484
Purchase of capital assets		(11,288)
Cash flows from investing activities	<u>98,940</u>	<u>(28,462)</u>
Net increase in cash and cash equivalents	63,202	46,711
Cash and cash equivalents, beginning of year	<u>150,964</u>	<u>104,253</u>
Cash and cash equivalents, end of year	<u>214,166</u>	<u>150,964</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, 2009

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 - CHANGES IN ACCOUNTING POLICIES

New CICA Recommendations on Not-for-profit Organizations

On January 1, 2009, in accordance with the applicable transitional provisions, the Association applied recommendations which resulted from the CICA modification of various Sections of the 4400 series, as well as other correlative changes to other Sections of the CICA handbook. The main changes, effective for fiscal years beginning on or after January 1, 2009, concern the following items:

Inclusion of not-for-profit organizations within the scope of sections 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 the not-for-profit organization is acting as a principal in the transactions in question;

Inclusion of additional guidance with respect to the appropriate use of the scope exemption in Section 4430, "Capital Assets Held by Not-for-profit Organizations", for smaller entities.

The CICA also published new Section 4470, "Disclosure of Allocated Expenses by Not-for-profit Organizations", which establishes disclosure standards for the not-for-profit organization that classifies its expenses by function and allocates expenses to a number of functions to which the expenses relate.

These recommendations only address disclosures and have no impact on the Association's financial statements.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

3 - ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared using historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of fair value.

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 Association 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. Routine purchases or disposals of financial assets are recognized at their transaction dates.

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

Held-for-trading financial assets

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

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

3 - ACCOUNTING POLICIES (Continued)

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.

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.

The principal sources of revenue and their respective recognition policies are as follows:

- Membership revenue is deferred and recognized on a straight-line basis over the term of the membership;
- Interest income is recognized based on the number of days the investment was held during the year and is calculated using the effective interest method; and
- All other revenues are recognized as the services are rendered and collection is reasonably assured.

Cash and cash equivalents

The Association's policy is to present cash, investment savings accounts and investments having a term of three months or less with cash and cash equivalents. At December 31, 2009, cash equivalents consisted of \$99,068 of cash and \$115,098 of investment savings accounts (2008 - \$150,964 of cash and \$Nil of investment savings accounts).

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

3 - ACCOUNTING POLICIES (Continued)

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 2009 a transfer was made to the general fund of the investment income from the general reserve fund of \$7,685, the educational scholarship fund of \$1,633 and the industry defence fund of \$2,158.

5 - ACCOUNTS RECEIVABLE

	<u>2009</u>	<u>2008</u>
	\$	\$
Trade accounts receivable	5,148	11,775
Commodity taxes receivable	12,362	5,817
	<u>17,510</u>	<u>17,592</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

6 - SHORT-TERM INVESTMENTS

	<u>2009</u>	<u>2008</u>
	\$	\$
General fund - RBC Canadian treasury bill fund	42,732	26,894
General reserve fund - AGF Trust guaranteed investment certificate, 4.71%, maturing October 4, 2010	40,000	
General reserve fund - EQT 30 day cashable guaranteed investment certificate, 3.01%, matured October 9, 2009		30,465
General reserve fund - Home Trust Company guaranteed investment certificate, 4.65%, matured October 5, 2009		40,000
General reserve fund - EQT 30 day cashable guaranteed investment certificate, 3.00%, matured July 6, 2009		30,000
Education scholarship fund - ICICI Bank guaranteed investment certificate, 4.17%, maturing February 8, 2010	25,310	
Education scholarship fund - EQT 30 day cashable guaranteed investment certificate, 3.00%, matured July 6, 2009		24,685
Industry defence fund - Home Trust Company guaranteed investment certificate, 2.55%, maturing July 7, 2010	45,000	
Industry defence fund - Resmor Trust Company guaranteed investment certificate, 1.70%, maturing July 7, 2010	45,000	
Industry defence fund - ICICI Bank guaranteed investment certificate, 3.97%, matured February 9, 2009		59,835
Industry defence fund - Bank of Montreal AAT 30 day cashable guaranteed investment certificate, 2.75%, matured July 6, 2009		90,165
	<u>198,042</u>	<u>302,044</u>

7 - LONG-TERM INVESTMENTS

	<u>2009</u>	<u>2008</u>
	\$	\$
General reserve fund - ING Bank of Canada guaranteed investment certificate, 2.65%, maturing December 24, 2012	70,372	
General reserve fund - AGF Trust guaranteed investment certificate, 4.71%, maturing October 4, 2010		40,000
General reserve fund - Bank of Nova Scotia guaranteed investment certificate, 4.50%, maturing July 4, 2011	59,535	59,535
Education scholarship fund - ICICI Bank guaranteed investment certificate, 4.17%, maturing February 8, 2010		25,310
	<u>129,907</u>	<u>124,845</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

8 - CAPITAL ASSETS

	2009		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	31,721	22,605	9,116
Office equipment	64,165	51,288	12,877
Computer software	22,123	18,781	3,342
	118,009	92,674	25,335

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

9 - DEFERRED MEMBERSHIP REVENUE

	2009	2008
	\$	\$
Balance, beginning of year	12,492	14,182
Memberships received	269,202	274,349
Recognized as revenue	(267,931)	(276,039)
Balance, end of year	13,763	12,492

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

10 - OTHER DEFERRED REVENUE

	2009				
	Deferred lunch	Deferred education	Go Green	BOMA BEST	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	10,623	12,555		23,150	46,328
Funds received	112,231	45,512		55,796	213,539
Recognized as revenue	(111,730)	(53,412)		(58,206)	(223,348)
Balance, end of year	<u>11,124</u>	<u>4,655</u>		<u>20,740</u>	<u>36,519</u>

	2008				
	Deferred lunch	Deferred education	Go Green	BOMA BEST	Total
	\$	\$	\$	\$	\$
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	(104,546)	(61,291)	(4,320)		(170,157)
Balance, end of year	<u>10,623</u>	<u>12,555</u>		<u>23,150</u>	<u>46,328</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

11 - GENERAL FUND

	2009	2008
	Net	Net
	\$	\$
Net General fund revenues and (expenses) analysis		
Awards	7,186	12,098
BOMA BEST	39,769	25,984
Communications	(1,308)	(1,046)
Curling	4,305	2,858
Education	30,099	30,176
Environment and energy	2,849	4,027
Golf	30,687	36,083
Lunch	39,259	29,181
Marketing	4,676	(1,134)
Membership	209,476	233,603
Office and general	(90,666)	(98,848)
Security and life safety	(1,022)	3,634
Ski	3,446	801
Telecommunications	1,100	850
Fall golf	7,905	5,979
Other revenue (expenses)		
Interest income	425	456
Conventions	(25,248)	(24,462)
Government affairs	(55,649)	(20,542)
Amortization of capital assets	(14,500)	(15,184)
Salaries and benefits	(224,612)	(206,093)
	<u>(31,823)</u>	<u>18,421</u>

12 - COMMITMENT

The Association has entered into a long-term lease agreement expiring on December 31, 2010 which calls for remaining minimum lease payments of \$32,000 for the rental of office space. The minimum lease payments is \$32,000 in 2010. The Association is currently evaluating options regarding a renewal of this long-term lease.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2009

13 - RELATED PARTY TRANSACTIONS

During the year, the Association received \$33,175 (2008 - \$58,825) of funds from BOMA Canada relating to their share of the BOMA BESt contracts entered into during the year.

Payments were made to BOMA Canada in the amount of \$57,652 (2008 - \$41,349) for membership fees and \$23,625 (2008 - \$21,788) for royalties relating to the BOMA BESt program.

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

14 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS

Financial risk management objectives and policies

The Association is exposed to and manages various financial risks from both its operations and its investment activities. The Association does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

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 and cash equivalents. 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. Accounts receivable balances are managed and analyzed on an ongoing basis and accordingly, the exposure to bad debts is not significant.

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 of Ottawa

Notes to Financial Statements

December 31, 2009

15 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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.

16 - COMPARATIVE FIGURES

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