

**Building Owners and Managers
Association of Ottawa
Financial Statements
December 31, 2024**

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Independent Auditor's Report

To the Directors of
Building Owners and Managers Association of Ottawa

Opinion

We have audited the financial statements of Building Owners and Managers Association of Ottawa (hereafter "the Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, 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 financial statements" section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the 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 those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Association'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 either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Association's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's 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 Association'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 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 Association to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants,
Licensed Public Accountants

Ottawa, Canada
DATE

Building Owners and Managers Association of Ottawa Operations

Year ended December 31, 2024

	2024				2023
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
Revenues					
BOMA BEST	155,885				155,885
BOMA Days (Note 4)	232,837				232,837
Education	36,149				36,149
Environment and energy	4,980				4,980
Lunch	171,286				171,286
Marketing	12,280				12,280
Membership	349,337				349,337
Government assistance					844
Women at BOMA	22,350				22,350
Emerging Leaders	5,628				5,628
Miscellaneous income	3,150				3,150
Technology Committee					12,186
Net investment income	2,994	6,020	1,640	4,591	15,245
	996,876	6,020	1,640	4,591	1,009,127
					876,199

Building Owners and Managers Association of Ottawa

Operations

Year ended December 31, 2024

	2024				2023
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
Expenses					
BOMA BEST (Note 11)	28				1,372
BOMA Days (Note 4)	170,382				141,220
Education	28,774				25,696
Environment and energy	7,171				549
Emerging Leaders	6,961				162
Lunch	129,652				119,512
Marketing	1,893				1,445
Membership	2,729				
Office and general	140,426				174,892
BOMA Canada dues (Note 11)	75,792				73,231
Conventions	17,232				22,129
Government affairs	10,652				10,265
Women at BOMA	9,626				3,780
Technology Committee	1,400				24,161
Amortization of tangible capital assets	1,909				490
Awards	1,461				
Salaries and benefits	230,559				217,308
	836,647				816,212
Excess of revenues over expenses	160,229	6,020	1,640	4,591	59,987

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

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2024

	2024				2023
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
ASSETS					
Current					
Cash and cash equivalents	303,841	104	19,530	31,208	354,683
Trade and other receivables	76,930				76,930
Prepaid expenses	12,916				12,916
Interest receivable		4,832	191	529	5,552
Interfund advances	32,823			4,792	37,615
	426,510	4,936	19,721	36,529	487,696
Long-term					
Investments (Note 5)		202,558	15,400	81,500	299,458
Tangible capital assets (Note 6)	15,068				15,068
Due from BOMA Canada, without interest	20,208				20,208
	461,786	207,494	35,121	118,029	822,430
					636,526

Building Owners and Managers Association of Ottawa

Financial Position

December 31, 2024

	2024				2023
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
LIABILITIES					
Current					
Accounts payables and accrued liabilities (Note 7)	71,397				50,602
Deferred membership revenue (Note 8)	22,330				28,636
Other deferred revenue (Note 9)	1,320				
Current portion of long-term debt					40,000
Interfund advances		32,494	5,121		
	95,047	32,494	5,121		119,238
FUND BALANCES					
Internally restricted		175,000	30,000	118,029	310,778
Unrestricted	366,739				206,510
	366,739	175,000	30,000	118,029	517,288
	461,786	207,494	35,121	118,029	636,526

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

Changes in Fund Balances

Year ended December 31, 2024

	2024				2023
	General fund	General reserve fund	Education scholarship fund	Industry defence fund	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	206,510	175,000	30,000	105,778	517,288
Excess of revenues over expenses	160,229	6,020	1,640	4,591	172,480
Interfund transfers (Note 3)		(6,020)	(1,640)	7,660	
Balance, end of year	<u>366,739</u>	<u>175,000</u>	<u>30,000</u>	<u>118,029</u>	<u>689,768</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, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	172,480	59,987
Non-cash items		
Amortization of tangible capital assets	1,909	490
Net changes in working capital items		
Trade and other receivables	(1,481)	43,565
Prepaid BOMA BEST license fees		1,285
Prepaid expenses	(2,194)	(6,312)
Interest receivable	(2,626)	(238)
Accounts payable and accrued liabilities	20,795	17,070
Deferred membership revenue	(6,306)	13,421
Other deferred revenue	1,320	(4,080)
Cash flows from operating activities	<u>183,897</u>	<u>125,188</u>
INVESTING ACTIVITIES		
Due from BOMA Canada	(20,208)	
Purchase of investments	(284,058)	(65,600)
Disposal of investments	133,600	227,485
Purchase of tangible capital assets	(15,387)	
Cash flows from investing activities	<u>(186,053)</u>	<u>161,885</u>
FINANCING ACTIVITIES		
Repayment of long-term debt and cash flows from financing activities	(40,000)	
Net increase (decrease) in cash and cash equivalents	<u>(42,156)</u>	287,073
Cash and cash equivalents, beginning of year	<u>396,839</u>	109,766
Cash and cash equivalents, end of year	<u><u>354,683</u></u>	<u><u>396,839</u></u>
CASH AND CASH EQUIVALENTS		
Cash	275,725	180,032
Investments savings accounts	78,958	216,807
	<u><u>354,683</u></u>	<u><u>396,839</u></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, 2024

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Building Owners and Managers Association of Ottawa (hereafter, "BOMA Ottawa" or "the Association"), 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.

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 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Association's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements 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 knowledge of current events and actions that the Association may undertake in the future. Actual results may differ from these estimates.

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.

Assets, liabilities, revenues and expenses relating to 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, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

The Association follows the restricted fund method of accounting for contributions. Restricted operating contributions are recognized as revenue of the general fund during the year in which the related expenses are incurred. Restricted contributions for which the Association does not have a related restricted fund are recognized in the General fund using the deferral method. All other restricted contributions are reported, using the deferral method, as income of the appropriate fund. Unrestricted contributions are recognized as revenue of the General fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

- Revenue from membership fees is recognized when persuasive evidence of an arrangement exists, over the period to which the fees relate, fees are fixed or determinable and collection is reasonably assured. Revenue received in advance is deferred to the period to which the revenue relates.
- BOMA BEST revenue is deferred and recognized as revenue at the time that certification is provided to the customer or when a period of one year has lapsed since the date of the beginning of the certification process, at which time, the certification privilege has expired, when fees are fixed and collection is reasonably assured.
- All other revenue are recognized when persuasive evidence of an arrangement exists, as the services are rendered, fees are fixed or determinable and collection is reasonably assured.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Interest income is recognized in the statement of operations under Net investment income.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Association's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Company's financial assets and liabilities from related party transactions are measured at cost.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

At each reporting date, the Association measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Association assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Association determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in earnings. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in earnings in the year the reversal occurs.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Association receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the diminishing balance method at the following annual rates:

	<u>Rates</u>
Computer equipment	30%
Office equipment	20%

Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

3 - INTERFUND TRANSFERS

Every year, the Association re-balances its funds in order to maintain the levels targeted by the Board of Directors. This has resulted in transfers to the Industry Defence Fund from the General Reserve Fund and the Education Scholarship Fund of \$6,020 and \$1,640 respectively.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2024

4 - BOMA Days

	2024	2023
	\$	\$
Revenues		
Curling	16,720	10,348
Ski	14,176	21,947
Spring Golf	166,506	181,310
Fall Golf	35,435	31,228
	<u>232,837</u>	<u>244,833</u>
Expenses		
Curling	4,872	6,963
Ski	8,075	11,420
Spring Golf	128,666	96,332
Fall Golf	28,769	26,505
	<u>170,382</u>	<u>141,220</u>
Net		
Curling	11,848	3,385
Ski	6,101	10,527
Spring Golf	37,840	84,978
Fall Golf	6,666	4,723
	<u>62,455</u>	<u>103,613</u>

5 - INVESTMENTS

	2024	2023
	\$	\$
General Fund		
GIC Fund bearing interest at 5.12 % (weighted average rate 2023 - 1.61%), maturing in March 2025 to September 2026 (2023 - September 2024)	202,558	56,000
Industry Defence Fund		
GIC Funds weighted average rate of 4.43% (2023 - 4.43%), maturing on dates between October 2025 to December 2026 (2023 - November 2024 to December 2024)	81,500	77,600
Education Scholarship Fund		
GIC Fund bearing interest at 5.59% (2023 - 5.59%), maturing in October 2025 (2023 - October 2025)	15,400	15,400
	<u>299,458</u>	<u>149,000</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2024

6 - TANGIBLE CAPITAL ASSETS

	2024		2023
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Computer equipment	62,737	62,374	363
Office equipment	83,726	69,021	14,705
	146,463	131,395	15,068

7 - ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Accounts payable and accrued liabilities	62,724	50,605
Sales taxes payable	8,673	
	71,397	50,605

Government remittances total \$ 8,673 as at December 31, 2024 (\$Nil as at December 31, 2023).

8 - DEFERRED MEMBERSHIP REVENUE

	2024	2023
	\$	\$
Balance, beginning of year	28,636	15,215
Membership funds received	22,330	282,230
Recognized as revenue	(28,636)	(268,809)
Balance, end of year	22,330	28,636

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2024

9 - OTHER DEFERRED REVENUE

			2024
	BOMA Days	BOMA BEST	Total
	\$	\$	\$
Balance, beginning of year	-		
Funds received	1,320		1,320
Recognized as revenue			
Balance, end of year	1,320		1,320

			2023
	Deferred lunch	BOMA BEST	Total
	\$	\$	\$
Balance, beginning of year		4,080	4,080
Recognized as revenue		(4,080)	(4,080)
Balance, end of year		-	

10 - COMMITMENTS

As a member of BOMA Canada, the Association is obligated to pay annual membership dues. These costs are assessed annually by the BOMA Canada Board. Management estimates that dues for 2024 will be similar to previous years.

The Association has entered into a long-term lease agreements expiring on June 30, 2026 which calls for lease payments of \$340,380 for the rental of the unit. The minimum payments for the next two years are \$226,920 in 2025 and \$113,460.

The Association has entered into a long-term lease agreement expiring on September 23, 2028 which calls for lease payments of \$14 179 for the printer. The minimum payments for the next four years are \$3,781 in 2025, \$3,781 in 2026, \$3,781 in 2027 and \$2,836 in 2028.

11 - RELATED PARTY TRANSACTIONS

Payments were made to BOMA Canada, an organization with significant influence, in the amount of \$75,792 (2023 - \$60,028) for membership fees, and \$28 (2023 - \$88) for royalties relating to the BOMA BEST program.

Payments were made to BOMA International, an organization with significant influence, in the amount of \$Nil (2023 - \$Nil) for membership fees paid on behalf of BOMA Ottawa members at large.

These transactions are measured at the exchange amount, excluding the resulting financial instruments.

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2024

12 - GENERAL FUND

	2024 Net \$	2023 Net \$
Net General fund revenues and (expenses) analysis		
BOMA BEST	155,857	116,155
BOMA Days (Note 4)	62,455	103,613
Education	7,375	3,319
Technology Committee	(1,400)	(11,975)
Environment and energy	(2,191)	(549)
Lunch	41,634	40,911
Emerging Leaders	(1,333)	(162)
Marketing	10,387	16,660
Membership	346,608	265,424
Office and general	(140,426)	(174,892)
Awards	(1,461)	
Women at BOMA	12,724	12,739
Government affairs	(10,652)	
Government assistance		844
Other revenue (expenses)		
Net investment income	2,994	1,108
BOMA Canada dues	(75,792)	(73,231)
Conventions	(17,232)	(22,129)
BOMA International		
Amortization of tangible capital assets	(1,909)	(490)
Miscellaneous income	3,150	
Salaries and benefits	(230,559)	(217,308)
	<u>160,229</u>	<u>60,037</u>

Building Owners and Managers Association of Ottawa

Notes to Financial Statements

December 31, 2024

13 - FINANCIAL RISKS

Credit risk

The financial instruments that potentially expose the Association to credit risk are primarily trade accounts receivable. Credit risk relating to accounts receivable is generally diversified since the Association negotiates with a large number of establishments. The Association undertakes credit investigations of its customers' financial situation and generally does not obtain guarantees from them.

Interest rate risk

The Association is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

Liquidity risk

The Association's liquidity risk represents the risk that the Association could encounter difficulty in meeting obligations associated with its financial liabilities. The Association is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.