

**BUILDING OWNERS AND MANAGERS ASSOCIATION
OF THE GREATER TORONTO AREA**

Financial Statement

Race to Reduce Program

Year ended December 31, 2018

Draft for Discussion Purposes Only

**BUILDING OWNERS AND MANAGERS ASSOCIATION
OF THE GREATER TORONTO AREA**

Race to Reduce Program

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Year ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT - cont'd

To the Members of
Building Owners and Managers Association of the Greater Toronto Area

Opinion

We have audited the financial statement of Building Owners and Managers Association of the Greater Toronto Area – Race to Reduce Program, which comprises the statement of operations – Race to Reduce for the year then ended December 31, 2018, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the results of operations for the Race to Reduce program for the year ended December 31, 2018 in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Statement 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 statement 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 Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement. 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:

INDEPENDENT AUDITOR'S REPORT - cont'd

- ◆ Identify and assess the risks of material misstatement of the financial statement, 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 statement 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 statement, including the disclosures, and whether the financial statement 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

Toronto, Canada

**BUILDING OWNERS AND MANAGERS ASSOCIATION
OF THE GREATER TORONTO AREA
Statement of Operations - Race to Reduce
Year ended December 31, 2018**

	2018 Budget (Note 4)	2018 Actual
Revenue	\$ 215,031	\$ 215,000
Expenditures		
Salaries, benefits and reimbursements	109,500	109,050
Marketing and communication	37,525	40,035
Awards	27,475	24,472
Office overhead	21,021	21,021
IT program management	8,510	8,494
Legal fees	5,000	5,000
Administration	4,000	4,934
Audit fees	2,000	2,000
	\$ 215,031	\$ 215,006
Excess (deficiency) of revenue over expenditures	\$ -	\$ (6)

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**BUILDING OWNERS AND MANAGERS ASSOCIATION
OF THE GREATER TORONTO AREA**

Notes to Financial Statement – Race to Reduce Program

Year ended December 31, 2018

1. Nature of operations

Building Owners and Managers Association of the Greater Toronto Area (the "Association") is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario and is exempt from income taxes under the Income Tax Act.

The purpose of the Association is to advance the common interest of building owners and managers, industry allies and students by providing relevant and valued services, education and awareness in the Canadian industry and environment.

The "Race to Reduce Program" was created for the purpose of promoting best building practices and encouraging the Association's membership to participate in energy conservation and, in particular, the Save on Energy Programs.

2. Summary of significant accounting policies

The preparation of the financial statement in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of revenue and expenditures during the reported year. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the revenue and expenditure statement in the year in which they become known.

Revenue recognition

Race to Reduce revenue is recognized over the term of the contract, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

The Association benefits from services in the form of volunteer time to fulfill its mission. Since these services are not purchased by the Association and a reasonable estimate of their value cannot be made, they are not recorded in the financial statement.

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Notes to Financial Statement – Race to Reduce Program

Year ended December 31, 2018

3. Allocation of expenditures

The Association allocates office overhead expenditures based on the number of direct employees of the Race to Reduce program as a percentage of total employees of the Association which represented 10% in 2018.

Included in salaries, benefits and reimbursements is a \$31,580 allocation of indirect salaries and benefits of Association's other employees based on the estimated number of hours spent on the Race to Reduce program.

4. Budget amounts

The budget amounts on the Statement of Operation – Race to Reduce are presented for information purposes only, are unaudited and not covered by the Independent Auditor's Report of Adams & Miles LLP, Chartered Professional Accountants, dated ____.

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