



THE LONDON AND ST. THOMAS REAL
ESTATE BOARD

Paddock Lounge
Western Fair Grounds

Thursday, March 18,
1999

Annual General Review 1998

Agenda

Please turn off pagers for the duration of the meeting.

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Mission Statement

The London and St. Thomas Real Estate Board is an association of REALTORS committed to providing members with the structure and services to ensure a high standard of business practices and ethics and to service effectively the real estate needs of the community.

10:00 AM	Registration
10:30 AM	Call to order and welcome by 1999 President Gerry Weir
10:40 AM	Approval of AGM Minutes (March 17, 1998) and adoption of 1998 Annual General Review AND audited financial statement AND appointment of the Board's 1999 auditors and solicitors
	Remarks of and presentation to 1998 President
	Presentation to 1998 Retiring Directors
	Address of 1999 President
	Remarks of and presentation to 1998 Marketing Division President
	Remarks of 1999 Marketing Division President
11:15 AM	Other business (consists of presentations to/of): Habitat for Humanity Mission Services Community Service Award Recipient 3 Outstanding Service Awards CREA 25-Year Certificates 35-40-45 Year Service Plaques
11:30 AM	Introduction of Guest Speaker: John Kime, President and CEO of the London Economic Development Corporation Guest Speaker Thanks to Guest Speaker
12:00 Noon	Networking (bar opens)
12:30 PM	Grace and toast to the Queen Lunch and Adjournment

Minutes of the Annual General Meeting

Tuesday, March 17, 1998
Paddock Lounge, Western Fair



1. Call to Order and Welcome

Following lunch, 1998 President Nancy McCann welcomed Members and called the meeting to order at 11:06 a.m.

2. Introduction of Head Table Guests

In addition to introducing the head table and invited guests, Nancy also asked that the 1998 Marketing Division Board of Directors, Past Presidents, Honorary Members and Board staff stand and be recognised.

3. Approval of Minutes

Prior to approval/adoption of the following items, the President pointed out that all Members with the exception of Honorary Members, invited guests and Board staff had the right to vote at Annual General Meetings.

MOTION

that the Minutes of the March 20th, 1997 Annual General Meeting be approved.

CARRIED

4. Adoption of 1997 Annual General Review

MOTION

that the 1997 Annual General Review, containing the 1997 Committee Reports, be adopted.

CARRIED

5. Adoption of Audited Financial Statement for the year ended December 31, 1997

MOTION

that the Statement of Revenue and Expenditures for the year ended December 31st, 1997, as contained in the Annual General Review, be adopted.

CARRIED

6. Appointment of 1998 Board Auditors & Solicitors

MOTION

that Ford, Keast Chartered Accountants continue to be the Board's Auditors for 1998.

CARRIED

MOTION

that the law firms of Berg, Kennedy, Cleaver, Broad AND Mervin Burgard, Q.C. continue to act as the Board's Solicitors for 1998.

CARRIED

7. Remarks of 1997 President

Vince Bogdanski then gave his Past President's address (a copy is attached in the Minute Book).

8. Presentation to 1997 President

After thanking Vince Bogdanski for being President during 1997 and for all the time and effort expended by him on behalf of the Board, Nancy presented him with his President's plaque, scrapbook and gift for a job well done.



"Our horizons are expanding.
Remember when data was
like gold and, rather than trade
it freely, we tried to hoard it?
Those days are long gone."

Vince Bogdanski
1997 President



(Continued from page 2)

9. Presentation to 1997 Retiring Directors

Nancy then call retiring Directors (1997 Past President Dennis Broome and 1995/1996/1997 Director Richard Haddow) to come to the podium to receive their Directors' plaques in recognition and appreciation of their efforts during their terms of office.

10. Address of 1998 President

1998 President Nancy McCann addressed the membership (a copy is attached in the Minute Book), subsequent to which she called upon 1997 Marketing Division President Dorothy Howell to say a few words.

11. Remarks of 1997 Marketing Division President

Dorothy then spoke to the members (a copy of her speech is also attached in the Minute Book) and thanked the Marketing Division Board of Directors for all of their hard work and support during 1997.

12. Presentation to 1997 Marketing Division President

Following Dorothy's speech, 1998 Marketing Division President Harry Johnston thanked Dorothy for all of her hard work and dedication during 1997 and, on behalf of the membership, presented Dorothy with her President's plaque and token gift of appreciation.

13. Remarks of 1998 Marketing Division President

Harry then gave his incoming President's address (a copy is attached in the Minute Book) and, in closing, gave the membership an assurance that the Marketing Division Board of Directors are committed to working together for the future of organised real estate and the future of our Board as well as our members.

14. Other Business

Presentation to Mission Services

Past President Vince Bogdanski called the President (Ruth McConnell) and Executive Officer (Fred Hagglund) of Mission Services to the podium and presented them with two cheques totaling \$7,650 – one for \$3,650 raised through the sale of *Homes for Hope*® pins and another one for \$4,000 raised through the Board's first annual Funspiel as arranged by the Bonspiel Committee (headed up by Glen Gordon) – announcing that the Board's total donation to that organisation was now \$56,210.

Guest Speaker – David Higgins

Nancy then introduced our guest speaker – David Higgins, President & CEO of the Real Estate Council of Ontario (RECO), following which David brought members up-to-date on important changes effecting the real estate industry (such as – speciality licenses; mandatory errors & omissions insurance; draft code of ethics; mandatory educational upgrading; and, the release of consultation papers from various RECO Task Forces).

After thanking David on behalf of the Board of Directors and members, Nancy presented him with a token gift of appreciation and reminded members of the upcoming Breakfast Meeting at the Board office on April 1st whereat David Rossi (RECO Director & Chair of its Code of Ethics and Complaints, Compliance & Discipline Task Force) would be our guest speaker.

15. Adjournment

The President then announced the business portion of the Annual General Meeting was adjourned and that members would have a few minutes to network prior to the buffet luncheon.



"Be flexible and ready to adapt. Change is . . . the name of the game . . . now and in the future."

Nancy McCann,
1998 President



President's Report



Nancy McCann
President

Although the beginning of this year was characterised by what CREA euphemistically termed, "an easing trend," across the country, our Board managed, nevertheless, to finish 1998 2.3% ahead of a good game. A total of 6,416 homes exchanged hands in 1998, which compares favourably with the ten-year average of 6,096.6 *per annum*.

The market continued to be driven, however, by first-time and downsizing buyers, which led to a very marginally lower average house price -- \$129,706 in 1998, down 0.6%. Although the move-up market showed some signs of heating up in 1997, those sparks failed to ignite in 1998, due in part to the record number of sales of new homes priced in the move-up range.

Above and beyond business as usual, the Board has scored a number of notable successes in 1998. At year-end we have over 96,000 images stored on ImageBase 2,000. This was a massive undertaking and involved a lot of people and a great deal of time. However, the Members will reap the benefits of their efforts in years to come through reduced photography costs as well as easy access to summer-standard images of many if not most properties in our jurisdiction.

Another success story was our new Orientation program. Realising that new Members should be welcomed to the Board rather than lectured, the Orientation Guides got together and designed a brand-new program designed to introduce attendees to Board services and staff rather than read them the Riot Act. The program has been well-received here and a number of Ontario real estate boards have approached us in an effort to learn from our success.

"... the Board has scored a number of notable successes in 1998. At year-end we have over 96,000 images stored on ImageBase 2,000."

There have been a number of other big changes. In an attempt to improve our electoral process, the Brokers elected to restrict the number of proxies an individual might hold to one. Further changes to our electoral procedures went to the floor in September but did not win approval at that time. In addition, in order to make our Board more competitive, our initiation fees were lowered to \$750, regardless of the applicant's status. This decision was a very practical one, given our declining Membership.

Unfortunately, there was one hurdle that we did not jump over this year and it is a significant one. Attempts to alter our voting structure in such a way as to give salespersons a larger voice in Board governance failed again. This issue is one that impedes our progress and distracts us from the very real challenges we are presently facing. It must be resolved if we are going to survive and prosper in the new millennium.

Technology is changing the way we do business, to no small extent because it is changing the way consumers shop for real estate. This is a trend which will not only continue, but will accelerate. No REALTOR can afford to be an island any longer; the cost of technology is just too high. Co-operatives, like Boards, are more important than ever, but only if they keep pace with the times... only if they can anticipate change or, at the very least, react quickly and appropriately to it when it happens. To date, the London and St. Thomas Real Estate Board has been a leader in Canada, progressive, innovative and leading edge. To stay sharp, we must ride the wave rather than allow it to break over us.

One of our biggest challenges in the near future is dealing with declining Membership. The 1999 budget is based on 1,225 Members, a far cry from the 1,700+ of a little more than a decade ago. This is happening across North America and it has been predicted for years. On the one hand, it's good

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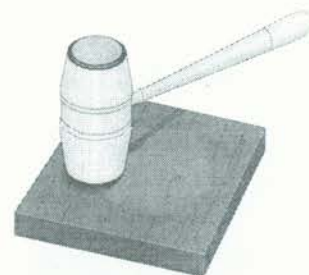


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news: the real estate pie will be divided among fewer people. As far as Boards are concerned, however, it's a crisis. Revenues rise with Membership; they also fall with it. Because we have always run a tight financial ship here at the Board, there is no fat to cut. Board leadership and staff are committed to maintaining service levels for as long as they can; however, there may come a point where changes will have to be made. One distinct and very attractive option is amalgamating with other neighbouring boards to create a new entity, perhaps using a chapters model, as we proposed to Huron Real Estate Board when they approached us late in the year concerning this matter.

It has been an honour and a privilege to serve as your President in 1998. Thank you for the opportunity. I would also like to thank my Board of Directors and our extraordinarily competent Executive Officer, Betty Doré, and Board staff team members whose expertise, efficiency and diligence has lightened my load throughout the years.

Nancy McCann
President



Board of Directors 1998

Front row (left to right): Debbie Collins, Gerry Weir, Nancy McCann, Len Fowler, Rick Odegaard and Michael Hines. Back row (left to right): Betty Doré, Bill Bickley, Tom Dampsy, Vince Bogdanski, Bernie Sheridan, Greg Anthony, Harry Johnston and Glen Gordon. Missing from photo: Larry Wilcocks.

"No REALTOR can afford to be an island any longer; the cost of technology is just too high."



Marketing Division President's Report



Harry Johnston
President
Marketing Division
Board of Directors

"We want our Board to continue to evaluate the services it offers on an ongoing basis. Do they meet our present and future needs?"

As many of you know, the Marketing Division was created years ago to further the education and professional development of our sales force. This role evolved into heavy involvement on many Board committees, as well as organising such professional development and networking opportunities as Marketing Division luncheons and Salesarama and such social events as the Children's Christmas Party and Golf Days, functions which the Marketing Division continues to perform today.

However, as we have evolved, so has the marketplace in which we must compete. The consumer of today wants more service, more input into the marketing of their home and, of course, they want all this for less money. . . and these three things are the same things the Members want from LSTREB. We want more services from our Board, a greater say in its governance (through an expanded franchise) and we want our monthly costs and our fees to go down if possible. Let's examine each of these three points separately.

Services

We want our Board to continue to evaluate the services it offers on an ongoing basis. Do they meet our present and future needs?

Greater Input

In 1998, the Marketing Division tried once again to gain more representation for salespeople, this time with the support of many Firm Members. Once again a hard-core group of Firm Members who oppose any extension of the franchise whatsoever organised their troops and defeated the proposed model at the Floor. Two months later, in November 1998, we held a meeting of the Marketing Division at which the salespeople indicated that a more equitable voting structure continues to be a high priority for them.

Costs

Since I sit on both the Finance Committee and the Board of Directors, I am acutely aware of the cost of services. As a REALTOR, I am equally aware of the cost of doing business. There comes a time when you simply cannot do more for less . . . when you have to make choices. Folks, we as a Membership must do some hard thinking about the future, about what we need and what we can do without. Here are some things we need to consider:

- ◆ Do we really need our Dailies?
- ◆ Do we really need our Books, and, if we do, do we need them twice a month (for example)? The cost of the Dailies and the Books is significant. As far as I know, we are the only board in Southern Ontario to give our Members both, whether they want or use them or not.
- ◆ Is it time to consider user pay?

Many of our special events are zero-budgeted. This year a Sponsorship Program will be put in place to offset the costs of events like the Christmas Gala and the *Homes for Hope*® Funspiel. This is a positive step in the right direction.

In 1998 we organised a number of functions:

- ◆ We held out second annual Information Barbecue at the Board office. It was well received.

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- ◆ Our annual Golf Day in Union was a success. The turnout was good, the food was excellent, the course was great and, more importantly, the fellowship and camaraderie was the best.
- ◆ And the Children's Christmas Party was also, as always, a resounding success.

Since the Windsor-Essex Real Estate Board was hosting the 1998 CREA Conference on their turf, we did not organise our annual Regional Salesrama this year. Instead we assisted many of our Members, including over 100 Salespeople, in travelling to the National Trade Show held in conjunction with the conference by providing bus service to Windsor as well as a lowered entrance fee. (Of course we plan to organise a Salesarama for 1999. The Committee has been struck and has met and the process has already been set in motion.)



In closing, I would like to take this opportunity to thank Wendy Murray. Her work ethic is tremendous and she has done a great job keeping our Marketing Division as current and as informed as possible. In addition, I would also like to thank my Board of Directors for all their support and hard work. It has been a truly exhausting year. We have advanced our various causes, but it is clear that we still have a ways to go to ensure that we are one of the most cost-effective, technologically advanced and respected Boards in Ontario and Canada. Thank you all again, once more, for allowing me to represent the best group of salespeople this province and this country have to offer.

Harry Johnston, President

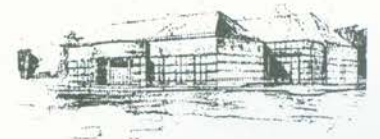
Marketing Division



Marketing Division Board of Directors 1998

Front row (left to right): Debra Scott, Dorothy Howell, Harry Johnston, Tom Dampsy, and Victoria Clive. Back row (left to right): Mike Carson, Barbara Hodgins, Doris Granger, Mary Smith, Joe Hough, Pat Cooper and Dennis Sonier. Missing from photo: Rick Thyssen.

"... I am acutely aware of the cost of services. As a REALTOR, I am equally aware of the cost of doing business."



Executive Officer's Report



E.L. (Betty) Doré
Executive Officer

When I reflect upon 1998, I am reminded of the old Alka Seltzer commercial, the one in which a queasy individual marvels, "I can't believe I ate the whole thing!" I'm not sure where we got the time and energy to do everything we did in 1998 . . . or how we're still standing a year later. From a staff perspective, the biggest of our big enchiladas was, without a doubt, ImageBase 2000. It took four staff, working together with Beta and a team of student photographers, to drive this mega dream down the road to becoming a reality. So far the majority of properties in London and St. Thomas have been photographed, and we will continue to move outwards in 1999, adding to and updating the database. No delay in matching your listing to a photograph; no more ice and snow making your listing look less than its best; access to images of many properties in our Board's jurisdiction, regardless of whether they are listed or not; and a reduced photography cost in the years to come. It took a lot of raw nerve to take this project on, but it is precisely this kind of innovation, made possible by advances in technology and massive applications of elbow grease, that we must embrace if our Board is going to prosper in the new millennium.

Speaking of the millennium, 1998 was also the year we got serious about the Y2K bug. In 1998, we undertook a comprehensive Y2K audit, looking at everything from our sprinkler system to our Electronic Lock Box System, from our software to our hardware, from our suppliers to our customers. Our mission critical systems are being tested in early 1999, the LENI key box system will be replaced by Y2K-compliant KIM, and we are hopeful that, barring failure on the part of key suppliers, we will be open for business as usual on January 1, 2000. In addition, we undertook a Member Awareness Cam-

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"From a staff perspective, the biggest of our big enchiladas was, without a doubt, ImageBase 2000."



Board Staff 1998

Front row (left to right): Gwen Bodaly, Connie Calis, Betty Doré, Melissa Hardy-Trevenna and Liana McLachlan. Back row (left to right): Debbie Czencz, Tammie Daigneault, Wendy Murray, Brenda Dubois, Mary MacIntyre, Laurie Proulx and Janice Freeman. Missing from photo: Lyn Coupland, Cory Coughtrey, Colleen Daniak and Shauna Macquire.



(Continued from page 8)

paign to keep you informed and to encourage you to think about your own Y2K situation.

In addition to my duties as Executive Officer in 1998, I also served on the Board of Directors for CREA's Association Executives Council. Although this has added considerably to my workload, I believe that my participation at this high level of the industry has been very advantageous to the Board: not only has it extended my networking opportunities far beyond national boundaries to include American Association Executives, but it continues to give me a bird's eye view of organised real estate, industry trends and the virtual *tsunami* of change that is rolling our way. Forewarned is forearmed.

I also continued to work on the OREA MLS® Interconnectivity Task Force. At present we have 27 signatory boards, representing 89% of REALTORS in Ontario; the day when you will have access to all MLS® listings in the province as well as the ability to list on all MLS® systems is that much closer.

At the beginning of his classic novel, **A Tale of Two Cities**, Charles Dickens wrote, "It was the best of times. It was the worst of times." The same thing can be said of our own times. If you are willing to embrace change, to grow and learn, this can be the very best of times. If you are not, it might well turn out to be the worst of times.

It's up to you to decide. However, be assured that, while your Board staff can't make that decision for you, we are here to help you in every way we can. It is one of my great fortunes to work with an excellent team and it would be remiss of me, at the end of another tumultuous and eventful year, not to acknowledge all their hard work and dedication: thanks to them and thanks to you for your trust and support in 1998.



"If you are willing to embrace change, to grow and learn, this can be the very best of times. If you are not, it might well turn out to be the worst of times."

Committee Reports

Arbitration Committee

The mandate of the Arbitration Committee is to arbitrate disputes over commission entitlement between Firm Members.

In the course of 1998, six claims were received. One was withdrawn after conciliation, two were ruled to fall, "outside of the Committee's jurisdiction", one went to an official hearing with the Claimant being awarded its claim. At this time, two claims are still being processed.

The Committee also looked at OREA's, *Model of Co-operation Among Neighbouring Boards for Arbitration and Discipline Hearings*. It is presently awaiting a decision from the Western Area Boards on whether or not to adopt the model.

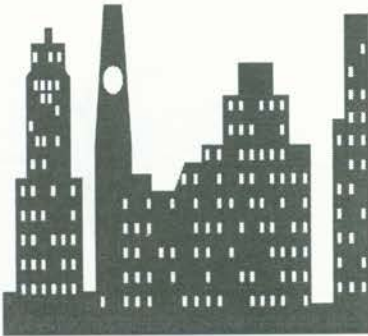
Chairman – David Roby

Bing Anrep
Bev Bosveld
Rebecca Carnegie
Lew LintLew Lint
Ruth McNab
Dick Nywening
Ray Porter
Bernie Sheridan
Ken Tupholme

Staff Liaison – Lyn Coupland



Commercial Committee



In 1998 the Committee changed its name from the IC&I (Industrial, Commercial and Investment) Committee to the Commercial Committee. At the Directors' request, it also recommended that Members of any Ontario Board be allowed to process MLS® listings within our jurisdictional area at no cost.

Chair – Greg Anthony

Richard Haddow
Randy Hanke
Mike Jakupi
Kevin MacDougall
Debra Scott

Staff Liaison: Tammie Daigneault

Community Relations Advisory Group

The mandate of the Community Relations Advisory Group is to raise the profile of the Board within the community and to enhance the image of REALTORS through promotional vehicles and community service.

In 1998 the Board continued to provide focussed support in the area of shelter, benefiting Mission Services of London through clothing drives and donations of \$9,650, \$4,000 of which was raised by the *Homes for Hope®* Funspiel, which took place in January 1998, and \$3,650 of which was raised through the sale of *Homes for Hope®* pins. This brings the total donation to Mission Services over the past six years to \$58,210. Another \$6,000 was raised from the sale of pins in 1998; this will be given to Mission Services at the 1998 Annual General Meeting, together with the proceeds from the 1999 Funspiel, raising the total higher still.

Advisory Group

Joan Ball
Carol Barnard
Pat Broome
Dana Garrett
Susan Nickle
Doug Paul

Staff Liaison: Melissa Hardy-Trevenna

"To date, the Board has raised a total of \$64,210 for Mission Services . . . That's before the proceeds from the 1999 Bonspiel are added in."

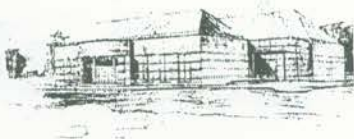
Area women's shelters, Women's Community House and Violence Against Women Services Elgin County, each received Board donations of \$1,000 in 1998. In addition, the Advisory Committee directed two OREA Foundation Grants, amounting to \$728, to the Women's Community House.

Stevenson Children's Camp received a \$500 Christmas donation. In addition, the Advisory Group directed an OREA Foundation Grant of \$550 to the camp for underprivileged children. Softball equipment worth \$900 was parceled out to three area children's camps: the Stevenson Children's Camp, Merrymount Children's Centre and the Easter Seals Camp.

In 1998 a check was cut to Habitat for Humanity London for over \$8,000. This money will be presented to Habitat for Humanity at the 1998 Annual General Meeting and represents monies collected over the past two years. Most of the money was raised through the Board's annual Golf Tournament.

The Board also ran a team in the Corporate Challenge and the Blue Light Relay. The latter, headed up by Captain Kathy Amess, won the bronze by raising over \$4,000 for area teaching hospitals.

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Steve Kleiman captained the Corporate Challenge Team. In the course of the year, the Board also made donations to the London Food Bank, Crimestoppers, the E.A.G.L.E. Awards Program, Junior Achievement and the Rotary Auction as well as to cultural institutions such as Orchestra London, the Grand Theatre and London Regional and Historical Museum.

The 1998 Community Service Award will be presented to its recipient at the 1998 Annual General Meeting.

Discipline Committee

The mandate of the Discipline Committee is to act as judge and jury in cases of alleged violations of the Code of Ethics, Standards of Business Practice, MLS® Rules and Regulations, the Bylaw and Policies and, based on the evidence presented at a Hearing, to render a finding of guilty or innocent. The Discipline Committee deals with complaints referred to it by the Professional Standards Committees. If a Respondent is found guilty, the Discipline Hearing Panel imposes appropriate disciplinary action.

Seven hearings were held during 1998:

- 1 The Respondent was found guilty of violating Article 20 and fined \$2,500.
- 2 The Respondent was found guilty of violating Article 3 and ordered to attend an Agency Seminar.
- 3 The Respondent was found guilty of violating Articles 2 & 6 and reprimanded. (This Respondent was treated leniently because the Complainant was given \$1,000 and signed a "Final Release.")
- 4 The Respondent was found guilty of violating the Code of Ethics and fined \$500, ordered to attend and complete a Professional Standards for REALTORS Seminar (at his own expense), and ordered to attend, complete and successfully pass the Real Property Law Course within a specified time period (again at his own expense).
- 5 The Respondent was found guilty of violating Article 17, fined \$3,000 and severely reprimanded.
- 6 The Respondents were found not guilty of violating Article 4.
- 7 The Respondent was found guilty of violating Article 6, fined \$500 and ordered to attend and complete a Professional Standards for REALTORS Seminar (at his own expense).

Chairs – Betty Mallette & Warren Shantz

Bill Bouris
Yvonne Collyer
Tom Dampsy
Ruth Ann Drozd
Sandy McGregor
John Sandor
Linda Wilson
Helen Miller
Harry Mohaupt

Staff Liaison – Lyn Coupland



"Of the seven hearings which took place in 1998, only one returned a verdict of Not Guilty."

Executive Committee

The mandate of the Executive Committee is to act on urgent matters on behalf of the Board of Directors; to examine and review the policies of the Board and recommend to the Directors any additions, deletions or changes, to conduct the performance review of the Executive Officer and make other recommendations for approval; and to perform such other duties as the Directors may delegate.

Chair – Nancy McCann

Vince Bogdanski
Gerry Weir
Greg Anthony
Harry Johnston

Staff Liaisons: Betty Doré and Lyn Coupland



Finance Committee



The mandate of the Finance Committee is to review regularly and report to the Directors on the financial position of the Board. It approves all accounts for payment and presents any recommendations to the Directors relating to finances, including, but not limited to, needed changes in the financial operation of the Board and/or fees paid by the Members; the management of all assets and investments of the Board; and the annual revenue and expense budget, including adjustments.

In 1998 we dipped into our computer reserve to upgrade our Hewlett Packard system both to keep us current and to ensure Y2K compatibility. We also used some of our Reserves to build ImageBase 2,000, our Photo Library, which will begin payback in 1999. For the Auditor's Report, which completes the 1998 Finance Committee's Report, see page 20.

Chair – Gerry Weir

Peter Hoffman
Harry Johnston
Nancy McCann
Joe Pinheiro
Ron Rossini
Richard Thyssen

*Staff Liaisons: Betty Doré and
Connie Calis*

MLS® Systems Committee

The mandate of the MLS® Systems Committee is to monitor the Board's MLS® computer programs and their usage, recommend to the Directors any additions, deletions or changes deemed appropriate and to make recommendations regarding hardware, software and computer education. In addition, the Committee oversees the operation of the MLS® and the business arising from it, such as renegotiating appropriate contracts.

The Committee recommended Windows Based Listing Load (to be implemented in 1999). It also implemented procedure on who to call if system is down after hours and had assessment removed from listing forms.

Chair– Vince Bogdanski

Jeff Carpenter
Douglas Cassan
Joe Hough
Ken Lyons
Gary Sirove

Staff Liaison: Tammie Daigneault

"In 1998 we invested in the future by upgrading our Hewlett-Packard system and starting to build ImageBase 2000."

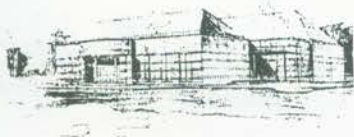
Nomination Committee

The Nomination Committee meets for the purpose of developing a slate of officers upon which the Firm Members might vote, as was done in the Autumn of 1998.

Chair – Vince Bogdanski

Pat Batticuore
Nancy McCann
Dennis Oliver
Jim Rowcliffe
Tony Sonderup
Bruce Sworik

*Staff Liaisons - Betty Doré and
Lyn Coupland*



Orientation

Until 1998, the function of the Orientation Committee has been to develop and deliver a comprehensive orientation program to new Members, introducing them to the policies and procedures of the Board and reviewing with them the CREA Code of Ethics and Standards of Business Practice. Recently, however, feedback from new Members as well as from Committee and Staff presenting Orientation was that the program needed re-visioning and re-engineering in order to make it a more enjoyable and genuinely educational experience, one that better compliments LSTREB's role as a service provider as opposed to its old Enforcer persona.

Accordingly, the Committee met with staff and, facilitated by OREA's Director of Member Services Bill Shepherd, designed a completely new Orientation program in which Members are given a tour of the Board, introduced to Staff and the services to which their Membership entitles them and presented with vouchers for such items as Professional Standards courses, Marketing Division Luncheons and Home Page Consultations as well as freebies, like LSTREB Bags, Directories, Publications and *Homes for Hope*® pins. Not only are attendees no longer lectured, quizzed or confined to a classroom, they are treated like honoured guests.

Our new Orientation program premiered in September 1998 and has met with a warm reception from new Members. It was also featured in an OREA Education Bulletin and, to date, material regarding the program has been sent out to 9 other Ontario Boards at their request. Altogether 8 Orientation

Orientation Guides

- Gerald Luska
- Jennifer Murray
- Steve Parker
- Pat Pope
- Costa Pouloupoulos
- Carroll Sturgeon

Staff Liaisons: Liana McLachlan, Melissa Hardy-Trevenna and Brenda Dubois



Political Action Committee

The mandate of the Political Action Committee is to maintain an active and open channel of grass roots communication with our MPs and MPPs concerning REALTOR issues. These are defined as issues that have far-reaching impact on members of organised real estate and which have significant negative or positive impact on a sizeable group of members. PAC must also seek to enhance awareness of and build support for OREA and CREA positions within the Board and the community. Working in tandem with OREA PAC and CREA PAC, it is empowered to advise the Directors on political affairs on the provincial and national level. On the local level it may advise the Directors concerning municipal matters.

Chair – Debbie Collins

- Mike Carson
- Bob Eaton
- Peter Kalogirou
- Ken Romanuk
- Dennis Sonier
- Gerry Weir

Staff Liaison: Melissa Hardy-Trevenna

The Committee regularly hears reports from the Member of the Committee who sits on the London Housing Advisory Council; in 1998 Mike Carson was appointed to sit for three years on the Council. The activities of the St. Thomas City Council are also reported on.

This year the Committee continued the National Debt Reduction Campaign begun in 1995. The campaign was scheduled to end in the year 2,000. However, because declining levels of Membership have imposed fiscal constraints upon the Board, the Committee recommended that the fund be closed

"In 1998 representatives of OHBA and OREA signed a Joint Policy on REALTOR/Builder Cooperation."

(Continued on page 14)



out at the end of this year and the approximately \$27,000 in the Debt Reduction Fund donated to the federal Debt Servicing and Reduction Account in 1999.



PAC Chair Debbie Collins attended both CREA and OREA PAC Days, along with President Nancy McCann and Board staff. CREA issues included opposition to the Seniors Benefit, which would unfairly penalise those Canadians who have made investing in RRSPs a cornerstone of their retirement planning (the government later abandoned the proposed Benefit) and promoting the extension of the Home Buyers Plan to allow people to invest RRSP funds to invest in small commercial and multi-family residential properties. OREA Issues included the elimination of the land transfer tax, REBBA Reform and Debt and Deficit Reduction.

In 1998 changes to property assessment province-wide both confused and distressed many members of the public. In an effort to understand how the changes would affect housing locally, the Committee organised a town hall for the Members at which Terry Corrigan, Director of Financial Operations for the City of London, spoke concerning both property assessment and the business occupancy tax.

A highlight of OREA PAC Days was the signing of the Joint Policy on REALTOR/Builder Cooperation by representatives of OREA and the Ontario Home Builders Association. The Committee reviewed the document and recommended its adoption by the Directors, which took place late in the year. Various overtures were made to the London Home Builders Association at that time with a view towards attaining consensus relative to this agreement – the first being a letter drafted under the President's signature requesting a meeting with LHBA's President to discuss the document and the second being a \$1,000 donation to Bethany's Hope Foundation, LHBA's principal beneficiary. It is anticipated that further discussions and negotiations on this matter will continue into 1999.

"The new property assessment caused confusion earlier in the year."

The Committee also recommended to the Directors that a donation to the Canada 2001 Summer Games be made by the Board, as they will provide a great economic boost to our area. Accordingly, a donation of \$2,001 will be made to the games in 1999.

Professional Standards Committees 1 and 2

PSC (1) Chair – John Simpson

Brenda Dolbear
Ed Burnett
Steven Horvath
Donna Koenen
Peter Loyens
Sharron McMillan
Douglas Paul

Staff Liaison – Lyn Coupland

The mandate of the Professional Standards Committees is to examine and investigate the conduct of any member of the Board. This conduct is analysed against four objective standards. These are:

- The CREA Code of Ethics
- The CREA Standards of Business Practice
- The Bylaw of this Board
- The MLS® and other Rules, Regulations and Policies of this Board.

1998 saw a 10% increase in the number of complaints processed (36 in 1997 versus 40 in 1998).

PSC (2) Chair – Jennifer Murray

Dave Bowring
Donna Czach
Marc Guindon
Richard Haddow
Bill Hyman
Pat Pope
Costa Pouloupoulos
Libby Seabrook

Staff Liaison – Lyn Coupland

Training/Education Advisory Group

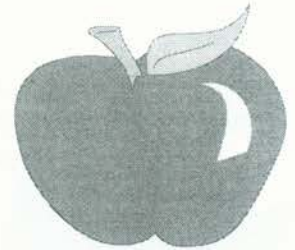
The mandate of the Training /Education Advisory Group is to facilitate professional development through seminars and resource acquisition.

Mandatory education is soon to be forthcoming from RECO. It is estimated that, to make it possible for our Members to fulfil their mandatory education requirement of 12 hours a year or 24 hours every two years, 3 of which must be in their area of specialisation and 6 of which must be Legal Update, the Board will need to run 130 three-hour seminars, with an average class size of 40. In any given year there are 261 business days, not taking into account statutory holidays. This means that (if we were the only facility offering such courses) we would have to have an educational seminar every other working day. Clearly the magnitude of this task required that it be handled by staff rather than volunteers, who simply would not have enough time to devote to an enterprise on such a scale as this.

Training/Education Advisory Group

Tony Bruinik
Brenda Dolbear
Paul Gomes
Pat Pope
Sharron McMillan

Staff Liasion: Liana McLachlan



In 1998 the Board offered the following seminars to the Members:

- *Face Reality and Create Profit*, with Gary Schnarr
- *Professional Standards for REALTORS*, with Paul Ouellette
- *Realtor Update '98*, with Paul Ouellette
- *CPR*, with YMCA-YWCA staff
- *Tenancy '98*, with Paul Ouellette

A seminar entitled *Appraisal Reporting Skills* was offered in conjunction with OREA. Members also had option of attending the following town halls:

- *Title Insurance and Electronic Registration*, with Alan Silverstein
- *RECO Agency*, with David Rossi
- *Property Assessment*, with Terry Corrigan of the City of London
- CREA National Advertising Campaign
- *RECO Issues* with Hugh Foy, OREA President, and David Higgins, RECO CEO

LSTREB staff trained a number of Members in the use of proprietary software over the course of 1998:

- 114 Members in WinIDS 2.5 between January and October
- 395 Members in WinIDS 3.0 between October and December 31
- 230 Members trained at the Board
- 165 Members trained on site (in their offices)
- 5 Members in Listing Load in 1998
- 79 Members in LSTREB's on line system, 'Buddy'

In addition, computer training was offered throughout the year to Members through LSTREB's partnership with a local computer lab, Productivity Point Available to Members at a special, discounted

"Mandatory Education means that we will have to host a seminar here at the Board every other working day."

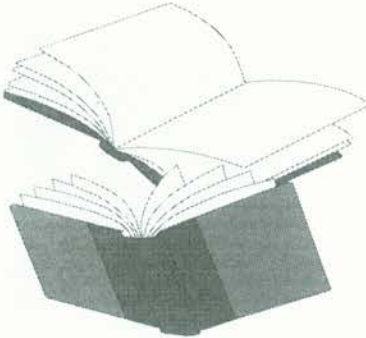


(Continued on page 16)

(Continued from page 15)

price were:

- Top Producer, Levels I and II
- Introduction to the Internet
- Windows 95 Intro



To ready Members for the New Millennium, LSTREB staff undertook a Y2K Member Awareness Campaign in conjunction with our Year 2,000 Compliance Audit, which included a special newsletter and a weekly blurb on Bulletin. Staff also began investigations regarding a course on how to prepare for Y2K which will be offered Members in 1999.

Partnerships with Strategic Allies also reaped educational rewards for the Members in 1998.

In addition to publishing out information about the Real Estate Institute of Canada's educational offerings, LSTREB also co-sponsored their Annual Industry Forecast Dinner, which was held at LSTREB and featured, as one of the panellists, President Nancy McCann, co-sponsored:

- REIC Ethical Principles and Professional Standards
- REIC Property Management
- REIC Successful Site Management held at Board

"In 1998 an Info Session for our Members' support staff was held. This will become a regular event in 1999."

The Board also provided a voice mail-box for REIC's administrator on our system and lent them our Executive Officer, Betty Doré, who spoke on the changing face of organizations at one of their meetings.

Canada Mortgage and Housing Corporation was another Strategic Ally with whom we partnered in 1998 to deliver education. In addition to publishing out information about CMHC's programs and notices, LSTREB also co-sponsored CMHC's Annual Housing Outlook Conference. The conference was held at LSTREB and Realtors were able to attend it at a discounted price.

Finally, for many years, LSTREB staff have recognised that our Members' support staff needed to be brought into the loop to maximise the effectiveness of our intra board communications. In 1998 the first of what will become in 1999 a regular event was held: an Info Session/Luncheon for staff attended by 54 staff persons from our Members' offices. This lunch was followed up with a newsletter and a second meeting will take place early in 1999.

Although the Member Services Staff is chiefly involved with education, other Staff Members work in this area as required, including Data Management Officer Tammie Daigneault, Communications Officer Melissa Hardy-Trevenna and those MLS staff who teach complimentary computer courses.



Task Force Reports

Catalogue Task Force

Consumer Catalogue Task Force was struck to oversee all aspects of the Consumer Catalogue, a new MLS® product launched in February 1998. Unfortunately, although some Members very much liked the catalogue and despite many attempts to promote the product, demand for the publication failed to warrant its continuance and the Board was compelled to cease its production in September 1998.

Chair – Dorothy Howell

Pat Cooper
Alton Ross
Helen Tomlinson
Larry Wilcocks

Staff Liaison: Tammie Daigneault



Electoral Procedures Task Force

The mandate of the Electoral Procedures Task Force was to reform the Board's electoral procedures with a view towards ensuring an outcome which is both credible and genuinely representative of the wishes of the voting membership.

Chair – Larry Wilcocks

Darlene Reidy
Jim Rowcliffe
Warren Shantz
Crystal Wettstein

Staff Liaisons: Betty Doré and Melissa Hardy-Trevenna

In 1998 the Electoral Procedures Task Force, after an exhaustive review of the issues and investigation into other Boards' voting procedures and after much deliberation, proposed a model for elections which was approved by the Directors but defeated at the Floor of a Firm Members Meeting. The Task Force was then disbanded.

"On tap is an LSTREB
Intranet accessible to
Members by
password. . . ."

Intranet Task Force

This task force replaced and is an extension of the now disbanded Committee 2,000+, whose mandate was to investigate and recommend ways of expanding and enhancing MLS® to the benefit of both REALTORS and their clients and customers. Its mandate is to build an intranet site for the Members accessible by password on or linked to www.lstreb.com and to continue to review the Board's options relative to the delivery of MLS® through an intranet.

Chair – Len Fowler

Pat Batticuore
Bill Bickley
Joe Hough
Peter Meyer
Rick Odegaard

Staff Liaison: Betty Doré and Tammie Daigneault

In addition to determining their mandate, the Task Force also attended a demonstration of Vandex by the Board's Vandat programmer, Ian Dickson, a means through which WinIDS 3.0 could be accessed by using an Internet protocol.



Membership Plus Task Force



The mandate of the Membership Plus Task Force is to increase membership and generate non-dues revenue through the provision of services, including MLS®, to other Boards.

In 1998 the Task Force recommended to the Directors (who approved the motion) that our Electronic Lock Box System (LENI) be upgraded to Supra's newest model, KIM because, not only was LENI not Y2K-compliant, but its speech boards were no longer being manufactured and were therefore in limited supply. In addition, KIM offered enhanced reporting capabilities and functionality. Upgrading was a necessary first step to offering to provide electronic key box service to other Boards.

This year the Membership Plus Task Force undertook an exhaustive investigation into initiation fees and recommended that initiation fees for all Members, regardless of status, as well as for branch offices, be levelled to \$750. It also recommended that Members not be charged for status changes. These recommendations were approved both by the Directors and at the Floor.

In addition the Task Force made a presentation on the provision of MLS® to the Simcoe and District Real Estate Board and the Huron Real Estate Board at their request. The Task Force also put together a proposal for a Key Box Co-operative offered to neighbouring Boards.

Chair – Pat Batticuore

Peter Hoffman
Rose Leroux
Rick Thyssen

*Staff Liaisons: Betty Doré and
Melissa Hardy-Trevenna*

Rules & Regs Review Task Force

"In 1998 initiation fees were dropped to \$750 for everyone: Firm Member, Associate Broker, Salesperson or branch office."

The mandate of the Rules & Regs Task Force was to review the recommendations made by OREA with regard to Assumed Buyer Agency. Accordingly the task force:

- reviewed OREA's memo dated June 16, 1998 dealing with *Assumed Buyer Agency* and recommended changes to OREA's Standard Board MLS Rules & Regulations; and
- reviewed package of proposed changes to our entire MLS Rules & Regulations.

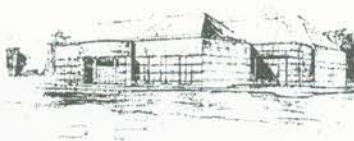
After discussing the possible impact of RECO's new Code of Ethics on the changes recommended by OREA if, and when, the Code and accompanying forms are approved (i.e. RECO's attempts to redefine "dual agency"; making it mandatory to have "signed" purchasers Agency Agreements, etc), the Task Force recommended (and the Directors approved) the following:

"That the Board adopt the concept of *Assumed Buyer Agency* in principle (subject to finalizing revisions to the MLS rules & regs) and the Task Force recommends that such final revisions wait until such time as the final ruling comes from RECO on agency matters so that any changes in the way our members conduct their business can be done at once (versus piecemeal) and to avoid any confusion."

Chair – Peter Hoffman

Dorothy Howell
Steve Parker
Jarmo Stromberg
Jerry Vandergoot
Bill Warder
Larry Wilcocks

*Staff Liaisons – Betty Doré and
Lyn Coupland*



Special Event Reports

Bonspiel

This Committee's mandate is to organize the *Homes for Hope*® Funspiel, a bonspiel open to the public, to be held annually as a fundraiser for Mission Services of London. The first funspiel took place on January 24, 1998 at the Ilderton Curling Club. 16 teams participated and a handsome trophy was donated by Vince Bogdanski Real Estate. There was an all-beef format, with every participant taking home at least one steak. The event was very successful, raising \$4,000 for Mission Services.

Chair – Glen Gordon

Eric Campbell
Isobel Campbell
Barb Ginson
Ken Harper
Bill Hyman
Carol Ireland
Bob Lauckner
Gail McMahon
Jerry Robinson

Staff Liaison: Wendy Murray



Christmas Party

The mandate of the Christmas Party Committee is to organize the Christmas gala held annually for Board Members. This year's party was held on December 4, 1998 at the London Convention Centre and featured the Music Express Video Road Show. There were 465 people in attendance.

Chair – Doris Granger

Sharon Allison-Prelazzi
Dora Dannecker
Jack Lane
Joe Melnick
Richard Thyssen

Staff Liaison: Wendy Murray

"\$8,000, the vast majority of which was raised by the Golf Tournament over the past few years, will be given to Habitat for Humanity in 1998."

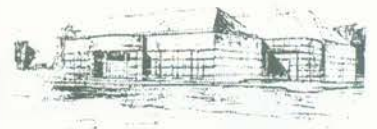
Golf Tournament

The Golf Committee held a successful tournament on June 8, 1998 at the Fanshawe Golf and Country Club. National Trust was the Corporate Sponsor, giving each of the 168 participants a travel mug. Over \$2,500 was raised for Habitat for Humanity London. Since 1994 this event has raised over \$17,000 for Habitat for the charity.

Chair – Joe Melnick

Jack Barrett
Stella Galan
Doris Granger
Greg Shore
Gord Vandervooren
Linda Wilson

Staff Liaison: Wendy Murray



Slo-Pitch Tournament



The Slo-Pitch Committee was established to organize an annual ball tournament for Board Members. Ten teams participated in the 4th annual tournament which was sponsored by the Toronto Dominion Bank and took place on August 22, 1998 at Sportsplex, with a three-pitch format. ReMax Landmark took first place this year, with Sutton Group Preferred coming in second.

Chair – John DeBlock

Carl Dorgeloos
Barb Hodgins
Andrew Lesko
Greg Shore

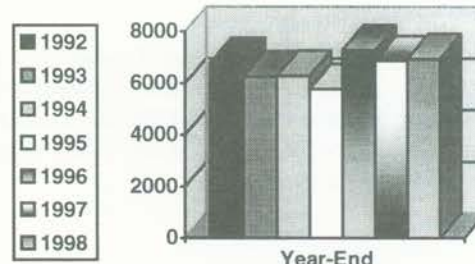
Staff Liaison: Wendy Murray

Statistical Graphs 1998

Listings

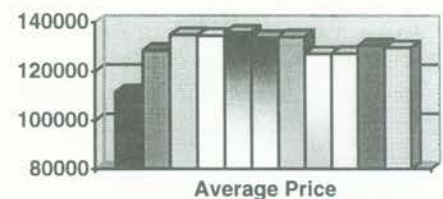
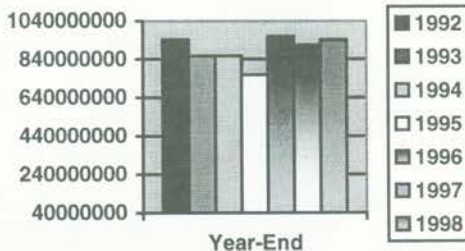
Unit Sales

“At Year End, sales were up 2.3%, active listings were down 10.3% and the average price of a home in LSTREB’s jurisdiction was down 0.6% to \$129,706.”



Dollar Volume

Average Price





Ford Keast Chartered
Accountants

624 Maitland Street
London, Ontario N6B 2Z9

Tel: (519) 679-9330
Fax: (519) 679-3204

**THE LONDON AND ST. THOMAS
REAL ESTATE BOARD**

Financial Statements

Year ended December 31, 1998

PARTNERS:

Peter G. Smith, CA
Paul H. King, BComm, CA

William J.B. Korvemaker, BA, CA
Michael J. Davies, BA, CA

Werner Schmidt, BMath, CA
Thomas R. Getliffe, BA, CA

Michael A. Scott, BMath, CA
David J. Raines, BA, CA



AUDITORS' REPORT

To the Members of
The London and St. Thomas Real Estate Board

We have audited the statement of financial position of The London and St. Thomas Real Estate Board as at December 31, 1998 and the statements of operations, changes in net assets and the statement of cash flows for the year then ended. These financial statements are the responsibility of The London and St. Thomas Real Estate Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 The London and St. Thomas Real Estate Board as at December 31, 1998 and the results of its operations and the changes in cash flows for the year then ended in accordance with generally accepted accounting principles.

January 25, 1999

Ford Keast
Chartered Accountants

PARTNERS:

Peter G. Smith, CA
Paul H. King, BComm, CA

William J.B. Korvemaker, BA, CA
Michael J. Davies, BA, CA

Werner Schmidt, BMath, CA
Thomas R. Getliffe, BA, CA

Michael A. Scott, BMath, CA
David J. Raines, BA, CA

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Statement of Financial Position
as at December 31, 1998

	1998	1997
ASSETS		
CURRENT		
Cash	\$ -	\$ 73,349
Accounts receivable	113,505	57,967
Inventory of resale supplies	61,444	72,484
Prepaid expenses	26,562	13,034
	<hr/>	<hr/>
	201,511	216,834
KEY TRUST FUND (Note 3)	<hr/>	<hr/>
	103,400	106,600
INVESTMENTS (Note 4)		
General reserve	534,145	651,638
Computer reserve	-	148,424
Habitat for Humanity reserve	-	4,907
Government debt reduction reserve	33,257	24,283
	<hr/>	<hr/>
	567,402	829,252
CAPITAL ASSETS (Note 5)	<hr/>	<hr/>
	3,677,649	3,406,657
	<hr/>	<hr/>
	\$ 4,549,962	\$ 4,559,343
<hr/>		
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 124,227	\$ -
Accounts payable and accrued liabilities	57,744	81,754
Habitat for Humanity	-	4,907
Deferred government debt reduction contributions and related investment income	33,257	24,283
	<hr/>	<hr/>
	215,228	110,944
KEY TRUST FUND LIABILITY	<hr/>	<hr/>
	103,400	106,600
DEMAND MORTGAGE PAYABLE (Note 6)	<hr/>	<hr/>
	186,740	298,171
<hr/>		
NET ASSETS		
Net assets invested in capital assets	3,490,909	3,108,486
Net assets internally restricted	534,145	800,062
Unrestricted net assets	19,540	135,080
	<hr/>	<hr/>
	4,044,594	4,043,628
	<hr/>	<hr/>
	\$ 4,549,962	\$ 4,559,343
<hr/>		

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Statement of Changes in Net Assets Year ended December 31, 1998

Net Assets	Invested In Capital Assets	Internally Restricted	Unrestricted	1998	1997
BALANCE, beginning of year	\$ 3,108,486	\$ 800,062	\$ 135,080	\$ 4,043,628	\$ 3,809,701
Excess (deficiency) of revenues over expenses	(161,508)	45,791	116,683	966	233,927
Investment in Capital Assets	543,931	(305,957)	(237,974)	-	-
Interfund transfers	-	(5,751)	5,751	-	-
BALANCE, end of year	\$ 3,490,909	\$ 534,145	\$ 19,540	\$ 4,044,594	\$ 4,043,628

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Statement of Operations
Year ended December 31, 1998

	1998	%	1997	%
REVENUES				
Monthly Assessments	\$ 1,738,906	86.5	\$ 1,796,102	82.9
Initiation fees	83,775	4.2	178,000	8.2
Annual dues	69,456	3.5	72,439	3.3
M.L.S. charges	18,881	0.9	19,171	0.9
Interest	14,851	0.7	16,517	0.8
Member charges	18,907	0.9	10,129	0.5
Resale supplies	66,284	3.3	74,789	3.5
	<u>2,011,060</u>	<u>100.0</u>	<u>2,167,147</u>	<u>100.0</u>
EXPENSES				
M.L.S. - Schedule 1	739,009	36.7	755,691	34.9
Committees - Schedule 2	90,188	4.5	77,980	3.6
Professional development - Schedule 2	83,984	4.2	85,768	4.0
Administration - Schedule 2	608,013	30.2	563,440	26.0
Operations - Schedule 3	332,065	16.5	301,398	13.9
Occupancy - Schedule 4	202,626	10.1	194,538	9.0
	<u>2,055,885</u>	<u>102.2</u>	<u>1,978,815</u>	<u>91.3</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES ON GENERAL OPERATIONS	(44,825)	(2.2)	188,332	8.7
OTHER INCOME				
Investment income earned on reserves	45,791	2.3	45,595	2.1
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ 966</u>	<u>0.0</u>	<u>\$ 233,927</u>	<u>10.8</u>

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Statement of Cash Flows
Year ended December 31, 1998

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ 966	\$ 233,927
Add (deduct) non-cash item:		
Depreciation	161,508	95,931
Net change in non-cash working capital balances		
Accounts receivable	(55,538)	53,001
Inventory of resale supplies	11,040	(46,911)
Prepaid expenses	(13,528)	1,470
Accounts payable and accrued liabilities	(24,010)	(23,091)
Deferred government debt reduction	8,974	8,329
	<u>89,412</u>	<u>322,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(432,500)</u>	<u>(97,955)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage principal repayments	<u>(111,431)</u>	<u>(106,080)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(454,519)	118,621
CASH, beginning of year	<u>897,694</u>	<u>779,073</u>
CASH, (BANK INDEBTEDNESS) end of year	\$ 443,175	\$ 897,694
REPRESENTED BY:		
Cash	\$ -	\$ 73,349
Bank indebtedness	(124,227)	-
General reserve investments	534,145	651,638
Computer reserve investments	-	148,424
Government debt reduction investments	<u>33,257</u>	<u>24,283</u>
	\$ 443,175	\$ 897,694

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Schedule of Expenditures
Year ended December 31, 1998

	1998	%	1997	%
Schedule 1				
M.L.S.				
Information				
Catalogues and dailies	\$ 487,225	24.2	\$ 474,222	21.9
Photographer	81,629	4.1	108,202	5.0
	<u>568,854</u>	<u>28.3</u>	<u>582,424</u>	<u>26.9</u>
Services				
Delivery	79,136	3.9	79,433	3.7
Land registry	696	0.0	768	0.0
	<u>79,832</u>	<u>4.0</u>	<u>80,201</u>	<u>3.7</u>
Computer				
Hardware	-	0.0	856	0.0
Repairs, maintenance and service	12,841	0.6	19,842	0.9
Software and support service	28,099	1.4	29,016	1.3
Supplies	7,160	0.4	3,528	0.2
Telephone	22,718	1.1	21,342	1.0
	<u>70,818</u>	<u>3.5</u>	<u>74,584</u>	<u>3.4</u>
General				
Directors' liability insurance	3,888	0.2	4,277	0.2
Key pads	7,704	0.4	6,982	0.3
Computer	7,628	0.4	6,927	0.3
Conversion	285	0.0	296	0.0
	<u>19,505</u>	<u>1.0</u>	<u>18,482</u>	<u>0.9</u>
	<u>\$ 739,009</u>	<u>36.7</u>	<u>\$ 755,691</u>	<u>34.9</u>

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Schedule of Expenditures
Year ended December 31, 1998

	1998	%	1997	%
Schedule 2				
COMMITTEES				
By law	\$ 249	0.0	\$ 1,486	0.1
Christmas party	7,029	0.3	8,061	0.4
2000 +	1,152	0.1	736	0.0
Community relations	15,287	0.8	13,530	0.6
MLS systems	2,695	0.1	774	0.0
Directors	2,134	0.1	7,409	0.3
Education and orientation	2,616	0.1	1,124	0.1
Executive	2,500	0.1	2,329	0.1
Marketing division	38,037	1.9	29,421	1.4
Membership services	6,316	0.3	5,231	0.2
Membership affinity	2,369	0.1	2,491	0.1
ICI	2,657	0.1	-	0.0
PAC	6,128	0.3	4,090	0.2
Professional standards	1,019	0.1	1,298	0.1
	<u>\$ 90,188</u>	<u>4.5</u>	<u>\$ 77,980</u>	<u>3.6</u>
PROFESSIONAL DEVELOPMENT				
Sponsorship	\$ 1,869	0.1	\$ 610	0.0
Association dues - other	5,452	0.3	3,423	0.2
CREA conference	21,222	1.1	26,554	1.2
Honorarium	5,000	0.2	5,000	0.2
OREA conference	24,163	1.2	22,687	1.0
General meetings	17,808	0.9	18,345	0.8
NAR conference	8,470	0.4	9,149	0.4
	<u>\$ 83,984</u>	<u>4.2</u>	<u>\$ 85,768</u>	<u>4.0</u>
ADMINISTRATION				
Salaries	\$ 510,433	25.4	\$ 473,001	21.8
Pension and benefits	64,245	3.2	59,657	2.8
Payroll assessment	33,335	1.7	30,782	1.4
	<u>\$ 608,013</u>	<u>30.2</u>	<u>\$ 563,440</u>	<u>26.0</u>

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Schedule of Expenditures
Year ended December 31, 1998

	1998	%	1997	%
OPERATIONS				
Schedule 3				
Equipment				
Repairs, maintenance and copier charges	\$ 9,444	0.5	\$ 9,741	0.4
General				
Bad debts	1,632	0.1	4,241	0.2
Business tax	-	0.0	33,674	1.6
Depreciation	120,927	6.0	54,309	2.5
Employee training	11,482	0.6	9,925	0.5
Member life insurance	53,201	2.6	54,782	2.5
Miscellaneous	5,243	0.3	3,691	0.2
Postage and courier	5,944	0.3	5,547	0.3
Resale forms	58,256	2.9	65,338	3.0
	<u>256,685</u>	<u>12.8</u>	<u>231,507</u>	<u>10.7</u>
Professional Fees				
Audit and related services	7,411	0.4	6,000	0.3
Consultant	12,000	0.6	12,000	0.6
Legal - general	18,740	0.9	14,350	0.7
	<u>38,151</u>	<u>1.9</u>	<u>32,350</u>	<u>1.5</u>
Stationery				
Letterhead	2,339	0.1	1,117	0.1
Stationery and supplies	6,514	0.3	6,773	0.3
	<u>8,853</u>	<u>0.4</u>	<u>7,890</u>	<u>0.4</u>
Telephone	18,932	0.9	19,910	0.9
	<u>\$ 332,065</u>	<u>16.5</u>	<u>\$ 301,398</u>	<u>13.9</u>

Schedule 4

OCCUPANCY

Building				
Janitorial	\$ 12,115	0.6	\$ 12,936	0.6
Repairs and maintenance	11,304	0.6	11,406	0.5
Yard, sewer and elevator charges	12,349	0.6	15,913	0.7
	<u>35,768</u>	<u>1.8</u>	<u>40,255</u>	<u>1.9</u>
General				
Depreciation	40,581	2.0	41,622	1.9
Insurance	3,244	0.2	3,833	0.2
Mortgage interest	16,282	0.8	16,980	0.8
Property taxes	86,028	4.3	69,611	3.2
Utilities	20,723	1.0	22,237	1.0
	<u>166,858</u>	<u>8.3</u>	<u>154,283</u>	<u>7.1</u>
	<u>\$ 202,626</u>	<u>10.1</u>	<u>\$ 194,538</u>	<u>9.0</u>

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Notes to Financial Statements
December 31, 1998

1. PURPOSE OF THE ORGANIZATION

The London and St. Thomas Real Estate Board is a not-for-profit trade association of Realtors committed to providing members with the structure and services to ensure a high standard of business practices and ethics so that they might serve effectively the real estate needs of the community.

2. ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Canada. The significant accounting policies are summarized below.

Revenue Recognition

The Board follows the deferral method of accounting for fees and charges. Restricted contributions are recognized as revenue of the appropriate reserve in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment revenue is recognized as revenue when earned.

Measurement Uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Inventory

Inventory is valued at the lower of cost and net realizable value; cost being determined on a first-in, first-out basis.

Contributed Services

Contributed services by volunteers are not recognized in these financial statements due to the difficulty in determining their fair market value.

Capital Assets

Capital assets are recorded at acquisition cost. Depreciation is provided on the declining balance method over the estimated useful lives of the assets at the following annual rates:

Building	2.5 %
Personal computers and software	33.33 %
HP Computer and software	20 %
Equipment and furniture	20 %

The photo library is being depreciated on a straight-line basis over ten years.

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Notes to Financial Statements
December 31, 1998

3. KEY TRUST FUND

The Key Trust Fund represents the refundable deposits paid by members for a key box.

4. INVESTMENTS

The restricted investments for reserves are recorded at cost and are comprised of cash, Government of Canada Bonds, Provincial Bonds, Bell Canada Bonds, Canada Mortgage and Housing Corporation Bonds, Ontario Hydro Bonds, and Canada Trust Private Canadian Money Market Fund. Market value as of December 31, 1998 for the investments - \$666,306 (1997 - \$930,063).

a) Externally Restricted

The Government debt reduction reserve was established through member contributions to assist in the reduction of Canada's debt. The payment to the government for debt reduction is to be made during 1999.

	1998	1997
Balance, beginning of year	\$ 24,283	\$ 15,954
Contributions and income for the year	8,974	8,329
Balance, end of year	<u>\$ 33,257</u>	<u>\$ 24,283</u>

b) Internally Restricted

The General Reserve has been established by the Board to be used to support operating cost needs.

The Computer Reserve had been established by the Board to be used for capital asset additions supporting computer hardware and software needs.

	General Reserve		Computer Reserve	
	1998	1997	1998	1997
Balance, beginning of year	\$ 651,638	\$ 660,596	\$ 148,424	\$ 66,411
Contributions and income for the year	37,507	47,088	2,533	82,013
Net transfer to unrestricted funds	(155,000)	(56,046)	(150,957)	-
Balance, end of year	<u>\$ 534,145</u>	<u>\$ 651,638</u>	<u>\$ -</u>	<u>\$ 148,424</u>

5. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net	
			1998	1997
Land	\$ 1,583,000	\$ -	\$ 1,583,000	\$ 1,583,000
Building	1,938,004	355,329	1,582,675	1,623,256
Personal computers and software	118,202	58,550	59,652	16,896
HP Computer and software	495,461	244,063	251,398	146,251
Equipment and furniture	77,509	34,789	42,720	37,254
Photo Library	175,782	17,578	158,204	-
	<u>\$ 4,387,958</u>	<u>\$ 710,309</u>	<u>\$ 3,677,649</u>	<u>\$ 3,406,657</u>

THE LONDON AND ST. THOMAS REAL ESTATE BOARD

Notes to Financial Statements
December 31, 1998

6. MORTGAGE PAYABLE

First mortgage of \$186,740 which is being repaid in monthly instalments of \$10,892 including interest at the Scotiabank's prime demand rate of interest. The mortgage payable is secured by the property 338-358 Commissioners Road and is due on demand. Scotiabank has given the London and St. Thomas Real Estate Board the assurance that it will not demand the mortgage within the next fiscal period therefore the mortgage has been reclassified as long term.

7. CONTINGENCY

An action has been commenced against the Board for the alleged wrongful termination of a member of the Board. The Board is defending this claim.

At the current time, the amount of loss to the Board, if any, is not determinable.

8. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates are processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

9. RECLASSIFICATIONS

Certain of the comparative figures for the preceding year have been reclassified to conform with the statement presentation adopted for the current year.