

**CANADIAN CONCRETE MASONRY  
PRODUCERS ASSOCIATION  
LEVY FUND**

**Financial Statements**

**December 31, 2010**



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
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December 31, 2010**

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**DIXON, GORDON & CO. LLP**

CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Canadian Concrete Masonry Producers Association

We have audited the accompanying financial statements of the Levy Fund of the Canadian Concrete Masonry Producers Association ("the Association"), which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for qualified opinion**

In common with many non-profit organizations, the Association derives revenue from certain sources, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.



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## Independent Auditors' Report (continued)

### Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Levy Fund of the Canadian Concrete Masonry Producers Association as at December 31, 2010, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Respectfully submitted,

*Dixon, Gordon + Co., LLP*

CHARTERED ACCOUNTANTS  
Licensed Public Accountants  
Toronto, Canada

May 18, 2011

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
Statement of Financial Position  
December 31, 2010**

	2010	2009
		(Unaudited) (Note 6)
<b>Assets</b>		
Cash	\$ 397,808	\$ 1,015,003
Guaranteed investment certificates (note 4)	2,040,059	1,029,333
Accrued levy fees	466,926	457,213
Prepaid expense	2,066	691
	<b>\$ 2,906,859</b>	<b>\$ 2,502,240</b>
<b>Liabilities</b>		
Accounts payable	\$ 39,152	\$ 63,198
Accrued liabilities	70,535	44,201
Sales tax payable	26,203	17,408
	<b>135,890</b>	<b>124,807</b>
<b>Commitments</b> (note 7)		
<b>Net assets</b>		
Net assets, internally restricted (page 4) (note 1)	2,770,969	2,377,433
	<b>\$ 2,906,859</b>	<b>\$ 2,502,240</b>

APPROVED ON BEHALF OF THE BOARD:

/s/ Director

/s/ Director

See accompanying notes

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

**Statement of Changes in Net Assets  
For the year ended December 31, 2010**

	<b>2010</b>	2009
		(Unaudited) (Note 6)
<b>Net assets, beginning of year</b>	<b>\$ 2,377,433</b>	\$ 1,848,752
Excess of revenue over expenses (page 5)	<b>393,536</b>	528,681
<b>Net assets, end of year</b>	<b>\$ 2,770,969</b>	\$ 2,377,433

See accompanying notes

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

**Statement of Revenue and Expenses  
For the year ended December 31, 2010**

	<b>2010</b>	2009
		(Unaudited) (Note 6)
<b>Revenue</b>		
Levy fees (note 2(c))	<b>\$ 1,889,804</b>	\$ 1,812,610
Interest	<b>12,147</b>	26,894
	<b>1,901,951</b>	1,839,504
<b>Expenses</b>		
Technical programs (page 6)	<b>1,243,716</b>	1,104,533
Advertising and promotion (page 6)	<b>236,989</b>	160,819
General and administration (page 7)	<b>27,710</b>	45,471
	<b>1,508,415</b>	1,310,823
<b>Excess of revenue over expenses</b>	<b>\$ 393,536</b>	\$ 528,681

See accompanying notes

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION****LEVY FUND****Expenses****For the year ended December 31, 2010**

	<b>2010</b>	2009
		(Unaudited) (Note 6)
<b>Technical programs</b>		
Software design development	\$ 293,161	\$ 68,573
University sponsorships	252,000	250,000
Consulting fees	250,250	167,310
National training fund contribution	100,000	250,000
Masonry Design Awards	60,000	-
Training Centre block delivery	57,087	69,517
Centre for Architecture - Athabasca University	50,000	-
Canadian Masonry Symposium Sponsorship	-	50,000
Canadian Masonry Contractors Association (CMCA) conference sponsorship	43,185	25,000
Secondary engineering support	-	38,872
Consulting expenses	31,388	22,599
Educational tools	22,231	47,267
Unit Strength Method Correlation Study	15,044	-
Canadian Standards Association (CSA) A165 Standard development	15,000	15,000
National Sciences and Engineering Research Council (NSERC) funding	15,000	-
Cement study	10,000	20,000
Masonry Training Scholarships	10,000	-
Foundation Project	7,473	60,855
National Research Council (NRC) research	5,600	15,823
Seismic Design Guide	-	3,717
National Energy Code of Canada Report	3,150	-
Wall Drainage Project (NRC)	3,147	-
	<b>\$ 1,243,716</b>	<b>\$ 1,104,533</b>
<b>Advertising and promotion</b>		
National Concrete Masonry Association fees	\$ 64,009	\$ 61,326
General advertising	50,189	21,835
MasonryWorx Association fees	50,000	50,000
MasonryWorx Association sponsorship	25,000	-
Commercial production	15,000	-
Masonry Alliance for Codes and Standards membership	12,945	18,897
North American Masonry Conference sponsorship	10,384	8,267
Website	8,325	-
Masonry Executive Council fees	1,137	494
	<b>\$ 236,989</b>	<b>\$ 160,819</b>

See accompanying notes



# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

Expenses (continued)

For the year ended December 31, 2010

	2010	2009
		(Unaudited) (Note 6)
<b>General and administration</b>		
Audit, accounting and legal	\$ 24,210	\$ 28,531
Travel and meetings	1,978	14,358
Postage and courier	1,446	1,095
Bank charges	76	245
Membership recruitment	-	1,242
	<b>\$ 27,710</b>	<b>\$ 45,471</b>

See accompanying notes

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION****LEVY FUND****Statement of Cash Flows**

For the year ended December 31, 2010

	2010	2009
		(Unaudited) (Note 6)
<b>Cash from (used in) operating activities:</b>		
Excess of revenue over expenses	\$ 393,536	\$ 528,681
Net change in non-cash working capital balances		
Accrued levy fees	(9,713)	(19,234)
Prepaid expense	(1,375)	(691)
Accounts payable	(24,046)	(21,148)
Accrued liabilities	26,334	23,254
Sales tax payable	8,795	(3,452)
	(5)	(21,271)
<b>Increase in cash and cash equivalents</b>	<b>393,531</b>	507,410
Cash and cash equivalents, beginning of year	2,044,336	1,536,926
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,437,867</b>	\$ 2,044,336
<b>Cash and cash equivalents comprised as follows:</b>		
Cash	\$ 397,808	\$ 1,015,003
Guaranteed investment certificates	2,040,059	1,029,333
	<b>\$ 2,437,867</b>	<b>\$ 2,044,336</b>

See accompanying notes

# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

### Notes to Financial Statements

December 31, 2010

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#### 1. Nature of activities

The Canadian Concrete Masonry Producers Association ("CCMPA", or "the Association") is a not-for-profit, non-taxable, industry association created to promote the interests of Canadian concrete block manufacturers. The Association advises on codes and standards development, quality control testing, provides marketing and promotional advertising for the industry and is supported through the fees of its members.

These financial statements represent only the activities of the Levy Fund of the Association and accordingly, do not include the activities of the Association's Operating Fund. The Levy Fund of the CCMPA is established to support research initiatives on masonry products towards the improvement of existing products, creation of new products and the development of timeless and environmentally friendly masonry structures. The Association promotes information from its various research initiatives to the design, engineering and academic communities across Canada. The financial statements of the Operating Fund are presented separately. No combined financial statements are prepared.

The Levy Fund's net assets are restricted for use internally for its own activities such that funds may not be transferred between it and the Association's Operating Fund.

The CCMPA is incorporated under the laws of Canada as a corporation without share capital.

#### 2. Significant accounting policies

The accounting policies of the Levy Fund of the CCMPA are in accordance with Canadian generally accepted accounting principles. The significant accounting policies of the Association are as follows:

(a) Basis of reporting

The financial statements represent the activities of the Association's Levy Fund only and do not include the activities of the Association's Operating Fund.

(b) Financial instruments

Financial assets and liabilities are stated at amortized cost, being the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments plus or minus, if any, the cumulative amortization of any difference between that initial amount and the maturity amount and minus any reduction for impairment.

(c) Revenue recognition

Levy fees are charged to members at a fixed rate per masonry block sold by each of the respective members of the Association. The fixed rate is subject to periodic revision, generally on an annual basis. Levy fee revenue is recognized when earned, commensurate with the reported volume of masonry block sales as provided by the respective members. The Association's recognition of levy fee revenue is subject to uncertainties as it cannot verify the completeness of the volume of masonry block sales of its members.

# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

### Notes to Financial Statements (continued)

December 31, 2010

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All other revenue is recognized when earned.

(d) Contributed services

The President of the Association and volunteers perform their functions without compensation. Such contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

(e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known. Actual results could differ from these estimates.

### 3. Future accounting basis

In December 2010, the Accounting Standards Board issued a new basis of accounting for not-for-profit organizations in Canada, the Accounting Standards for Not-for-Profit Organizations ("ASNPO"), effective for fiscal years commencing after December 31, 2011. Under Canadian generally accepted accounting principles, ASNPO provides an alternative choice to International Financial Reporting Standards ("IFRS") which take effect for fiscal years commencing after December 31, 2010. The Association is currently assessing the impact of applying the new accounting basis.

### 4. Guaranteed investment certificates

The Levy Fund of the Association held guaranteed investment certificates as at December 31, 2010 earning a weighted average interest of 1.18% per annum (2009 - 0.65%) with maturity ranging from October 4, 2011 to November 8, 2011 (2009 - November 18, 2010).

### 5. Financial instruments

(a) Fair values

The fair values of cash, guaranteed investment certificates, accrued levy fees, accounts payable, accrued liabilities and sales tax payable are approximately equal to their respective carrying values due to their short-term maturity nature.

(b) Credit risk

The Levy Fund of the Association is exposed to credit risk on levy fee receivables from its members which are significantly concentrated within the masonry block industry. To reduce its credit risk, the Association closely monitors these receivables and has adopted credit policies involving credit checks on its members and by concluding transactions with a significant number of member companies.

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**  
Notes to Financial Statements (continued)  
December 31, 2010

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**6. Prior year balances**

The prior year balances are unaudited and consistent with financial statements issued with a Review Engagement Report dated February 5, 2010.

# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

Notes to Financial Statements (continued)

December 31, 2010

### 7. Commitments

Expenditures on the Association's committed and recently completed projects and initiatives as at December 31, 2010 are summarized below. Future payment terms are subject to the completion of specific milestones as determined by the Association:

	Total to 2009	2010	2011	After 2011
(a) Design software-				
(i) Development of the software in partnership with the Canada Masonry Design Centre.	\$ 68,573	\$ 293,161	\$ -	\$ -
(ii) Funding to National Masonry Design Programs of 50% share of operating costs comprising support for technical assistance and software upgrades.	-	-	100,000	100,000 + each year after
(b) University sponsorships for Dalhousie University, University of Alberta, University of British Columbia, University of Calgary, University of Manitoba, University of New Brunswick and University of Saskatchewan, with seven sponsorships of \$50,000 each per year for five years for a total of \$1,750,000.	250,000	252,000	448,000	350,000 + each year to 2013 + \$100,000 in 2014
(c) Consulting fees.	167,310 for year	250,250	300,000	300,000 + each year after
(d) Block machine for McMaster University.	197,735	-	-	-
(e) Ontario Masonry Training Centre (OMTC) for \$100,000 in 2011 and each year thereafter in addition to \$775,000 funded over four years to 2010.	675,000	100,000	100,000	100,000 + each year after
(f) Marketing of Basement CMU.	-	-	100,000	100,000 + each year after
<b>Subtotals</b>	<b>1,358,618</b>	<b>895,411</b>	<b>1,048,000</b>	<b>950,000</b>

# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

Notes to Financial Statements (continued)

December 31, 2010

	Total to 2009	2010	2011	After 2011
Subtotals carried forward	1,358,618	895,411	1,048,000	950,000
(g) Prolevy fee of 10% payable to the NCMA calculated on the levy fees that would be collected by the Association based on a 1.5 cent per unit levy.	61,326 for year	64,009	65,000 (i)	65,000 (i)
(h) Masonry Design Awards, payable to Ontario Masonry Contractors.	11,000	60,000	-	-
(i) Materials for Apprenticeship Training and Research for \$50,000 in 2011 and each year thereafter, with \$155,661 funded in 2008 to 2010.	98,574	57,087	50,000	50,000 + each year after
(j) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	-	50,000	50,000	50,000 + each year to 2014
(k) Membership dues to MasonryWorx Association, a marketing group sponsored in part by the Masonry Contractors of Metropolitan Toronto.	50,000 for year	50,000	75,000	75,000 + each year after
(l) Canadian Masonry Contractors Association fund raiser for Canadian Standards Association standards.	50,000	43,185	-	-
(m) Educational tools.	60,121	22,231	23,000	-
(n) Unit Strength Method Corelation Study.	-	15,044	15,000	15,000
(o) CSA standard at \$15,000 per year for five years from 2009 to 2013.	15,000	15,000	15,000	15,000 + each year to 2013
(p) National Sciences and Engineering Research Council (NSERC) funding.	-	15,000	15,000	15,000
(q) Cement study.	20,000	10,000	10,000	-
<b>Subtotals</b>	<b>1,724,639</b>	<b>1,296,967</b>	<b>1,366,000</b>	<b>1,235,000</b>

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION**

**LEVY FUND**

**Notes to Financial Statements (continued)**

**December 31, 2010**

	<b>Total to 2009</b>	<b>2010</b>	<b>2011</b>	<b>After 2011</b>
Subtotals carried forward	1,724,639	1,296,967	1,366,000	1,235,000
(r) Masonry Training Scholarships.	-	10,000	10,000	10,000 per year
(s) Foundation Project - McMaster University.	79,759	7,473	10,000	-
(t) Funding to Dr. Svetlana Brzev and Dr. Don Anderson for a Seismic Design Guide.	30,717	-	-	-
(u) National Research Council (NRC) research.	65,823	5,600	-	-
(v) Wall Draining Project (NRC).	-	3,147	20,000	40,000
(w) Canadian Masonry Symposium Sponsorship.	50,000	-	-	-
(x) Secondary engineering support.	38,872 for year	-	-	-
(y) Masonry Apprenticeship Training Textbook.	25,000	-	-	-
<b>Totals</b>	<b>\$ 2,014,810</b>	<b>\$ 1,323,187</b>	<b>\$ 1,406,000</b>	<b>\$ 1,285,000</b> (ii)

(i) Payment amount based on unit block sales.

(ii) Excluding items (b), (j), (p) and (v), each of which have a specified commitment end date, expenditures on the basis of project continuance total to \$930,000 per year.