

**CANADIAN CONSTRUCTION
ASSOCIATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

DRAFT

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Net Assets

Statement of Cash Flows

Notes to Financial Statements



KELLY HUIBERS McNEELY

P R O F E S S I O N A L C O R P O R A T I O N

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Construction Association

Opinion

We have audited the accompanying financial statements of Canadian Construction Association ("the Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

106B McGonigal St. W.
Arnprior, Ontario K7S 1M4

9 Emily Street
Carleton Place, Ontario K7C 1R9

16 Gore Street West
Perth, Ontario K7H 2L6

5992 Hazeldean Rd.
Stittsville, Ontario K2S 1B9

Phone: 613-963-1430 (1-866-999-1339)

Fax: 613-686-3960 (Perth local 613-267-3949)

acctg@khmpc.ca

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

Stittsville, Ontario
January 29, 2025

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

DRAFT

CANADIAN CONSTRUCTION ASSOCIATION

STATEMENT OF FINANCIAL POSITION

as at December 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,157,624	\$ 980,837
Short-term investments (note 4)	2,499,059	2,632,406
Accounts receivable (note 3)	528,136	558,336
Prepaid expenses	<u>178,790</u>	<u>205,958</u>
	4,363,609	4,377,537
LONG-TERM INVESTMENTS (note 4)	2,009,603	1,146,463
PREPAID CONFERENCE EXPENSES	426,993	453,150
CAPITAL ASSETS (note 5)	357,593	385,934
	\$ 7,157,798	\$ 6,363,084
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 6)	\$ 422,880	\$ 427,199
Deferred revenue	1,032,993	730,964
Current portion of capital lease obligations	<u>2,707</u>	<u>2,492</u>
	1,458,580	1,160,655
LEASEHOLD INDUCEMENT (note 7)	152,988	178,486
CAPITAL LEASE OBLIGATIONS	<u>2,261</u>	<u>4,968</u>
	<u>1,613,829</u>	<u>1,344,109</u>
NET ASSETS		
Unrestricted	4,043,969	3,518,975
Internally restricted:		
Strategic initiatives fund	400,000	400,000
Revenue risk fund	400,000	400,000
Advocacy fund	250,000	250,000
Legal fund	250,000	250,000
Conference and meetings fund	<u>200,000</u>	<u>200,000</u>
	5,543,969	5,018,975
	\$ 7,157,798	\$ 6,363,084

APPROVED ON BEHALF OF THE BOARD

Director

Director

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

CANADIAN CONSTRUCTION ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2024

	2024	2023
REVENUE		
Membership	\$ 3,185,390	\$ 3,080,978
Member services		
CCDC (Canadian Construction Documents Committee)	665,997	608,967
Best Practices services	354,993	207,474
Gold Seal	388,874	294,674
Annual conference	1,047,021	1,680,105
Investment income	181,519	158,360
Innovations	87,281	108,615
Sponsorship/C101	158,497	144,383
Other	<u>78,000</u>	<u>25,615</u>
	<u>6,147,572</u>	<u>6,309,171</u>
EXPENSES		
Salaries and benefits	2,633,100	2,618,148
General and administrative	699,959	631,936
Representation	621,750	613,851
Government relations	206,810	207,691
Marketing, promotion and publicity	110,180	88,764
Annual conference	658,098	1,148,503
Amortization	60,152	69,128
CCDC	527,929	691,139
Best Practices services	58,516	8,151
Gold Seal	50,863	103,899
Innovations	2,240	23,644
Sponsorship/C101	974	826
Member value	<u>152,814</u>	<u>195,965</u>
	<u>5,783,385</u>	<u>6,401,645</u>
NET REVENUE (EXPENSES) BEFORE THE UNDERNOTED	364,187	(92,474)
Change in unrealized gain on investments	157,211	66,500
Gain (loss) on foreign exchange	<u>3,596</u>	<u>(17,862)</u>
NET REVENUE (EXPENSES)	524,994	(43,836)
NET ASSETS - BEGINNING OF YEAR	5,018,975	5,062,811
NET ASSETS - END OF YEAR	<u><u>\$ 5,543,969</u></u>	<u><u>\$ 5,018,975</u></u>

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

CANADIAN CONSTRUCTION ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expenses)	\$ 524,994	\$ (43,836)
Items not affecting cash:		
Amortization of leasehold improvements	25,984	25,984
Amortization of other capital assets	60,152	69,128
Amortization of leasehold inducement	(25,498)	(25,498)
Change in unrealized gain on investments	(157,211)	(66,500)
Changes in non-cash working capital items:		
Accounts receivable	30,200	(36,392)
Prepaid expenses	53,325	(77,842)
Accounts payable and accrued liabilities	(4,319)	23,770
Deferred revenue	<u>302,029</u>	<u>(499,954)</u>
	<u>809,656</u>	<u>(631,140)</u>
INVESTING ACTIVITIES		
Purchase of investments	(1,376,504)	(320,283)
Proceeds on sale of investments	803,922	298,751
Purchase of capital assets	<u>(57,795)</u>	<u>(39,113)</u>
	<u>(630,377)</u>	<u>(60,645)</u>
FINANCING ACTIVITIES		
Repayment of capital lease obligations	<u>(2,492)</u>	<u>(2,293)</u>
NET CHANGE IN CASH	176,787	(694,078)
CASH - BEGINNING OF YEAR	980,837	1,674,915
CASH - END OF YEAR	<u>\$ 1,157,624</u>	<u>\$ 980,837</u>

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

CANADIAN CONSTRUCTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. STATUS AND PURPOSE OF ORGANIZATION

Canadian Construction Association ("the Association") is a non-profit organization representing the construction industry.

The Association, incorporated without share capital under the provisions of the Canada Not-for-Profit Corporations Act, is exempt from income taxes pursuant to subsection 149(1)(l) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Investments

Investments are recorded at fair value. Realized and unrealized gains and losses are recorded in net revenue for the year.

Capital Assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful lives, on a straight-line basis, over the following terms:

Computers, software and equipment	- 2-4 years
Furniture and fixtures	- 10 years
Telephone system	- 10 years
Photocopier and facsimile	- 5 years
Leasehold improvements	- Over the term of the lease

Leasehold inducements

Inducements received to enter leases for office space are deferred and amortized on a straight-line basis over the term of the lease as a reduction of general and administrative expenses.

CANADIAN CONSTRUCTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees, annual conference and sponsorships that relate to a subsequent year are deferred and recorded as revenue in the year to which they relate.

Seminars and the purchase of documents and seals are recognized as revenue during the period in which they occur.

Foreign Exchange

Transactions are translated into Canadian dollars at the rate of exchange prevailing on the transaction date. Monetary items denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Resulting gains or losses are reflected in net revenue for the year.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities, and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

CANADIAN CONSTRUCTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

3. ACCOUNTS RECEIVABLE

The following amounts are included in accounts receivable:

	2024	2023
Sales taxes receivable	\$ 112,446	\$ 119,493
Integrated associations	235,289	77,641
Trade and other	100,668	36,390
CICC	79,733	324,812
	\$ 528,136	\$ 558,336

4. INVESTMENTS

	2024	2023
Short-term investments:		
Corporate bonds	\$ 1,103,546	\$ 854,839
Canadian equities	<u>1,395,513</u>	<u>1,777,567</u>
	2,499,059	2,632,406
Long-term investments:		
Corporate bonds	2,009,603	1,146,463
	\$ 4,508,662	\$ 3,778,869

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Computers, software and equipment	\$ 167,864	\$ 115,683	\$ 52,181	\$ 49,791
Furniture and fixtures	244,034	96,723	147,311	149,667
Telephone system	2,631	2,631	-	191
Photocopier and facsimile	10,998	8,798	2,200	4,400
Leasehold improvements	259,837	103,936	155,901	181,885
	\$ 685,364	\$ 327,771	\$ 357,593	\$ 385,934

CANADIAN CONSTRUCTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following amounts are included in accounts payable and accrued liabilities:

	2024	2023
Sales taxes payable	\$ 187,037	\$ 113,687
Accrued vacation leave	50,398	51,719
Trade and other	185,445	162,412
Canada Green Building Council (CAGBC)	-	99,381
	\$ 422,880	\$ 427,199

7. LEASEHOLD INDUCEMENT

During 2021, the Association received a leasehold inducement of \$288,127 for office space. The inducement is being amortized on a straight-line basis over the term of the lease, expiring 2031, as a reduction of general and administrative expenses.

8. COMMITMENTS

As at December 31, 2024, annual commitments under operating leases for premises are as follows:

2025	-	\$ 91,175
2026	-	95,038
2027	-	95,811
2028	-	99,674
2029	-	100,447
Thereafter	-	191,235

CANADIAN CONSTRUCTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations. The Association does not use derivative financial instruments to manage its risks.

Investment Risk

Investment in financial instruments renders the Association subject to investment risks. Interest risk is the risk arising from fluctuations in interest rates and their degree of volatility. The Association's exposure to interest rate risk arises from its investment as outlined. The Association's corporate bonds bear interest at rates ranging from 1.42% to 5.41% and mature between 2025 and 2027 (2023 - bearing rates ranging from 1.35% to 5.37% and mature between 2024 and 2027).

There is also the risk arising from the failure of a party to a financial instrument to discharge an obligation when it is due. Market risk is the risk to the value of a financial instrument due to fluctuations in market prices, whether these fluctuations are caused by factors specific to the investment itself or to its issuer, or by factors pertinent to all investments on the market. The Association is exposed to market risk through its equity investments.

Concentration of Risk

Concentration of risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political and other conditions. The Association's investments are described in note 4.

Currency Risk

The Association is exposed to currency risk as the value of the financial instruments denominated in US dollars will fluctuate due to changes in the exchange rate. At December 31, 2024, cash includes \$8,859 (2023 - \$323,062) and investments include \$166,818 (2023 - \$77,252) denominated in US dollars and reported in Canadian dollars.

Credit Risk

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Association's accounts receivable are detailed in note 3.