
CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

FINANCIAL STATEMENTS

DECEMBER 31, 2010

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

DECEMBER 31, 2010

CONTENTS

| | |
|-------------------------------------|------|
| AUDITOR'S REPORT | 3-4 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 5 |
| Statement of Operations | 6 |
| Schedule of Meetings and Activities | 7 |
| Schedule of Sundry Activities | 8 |
| Notes to Financial Statements | 9-10 |

Michael Argue

Chartered Accountant

Professional Corporation

206 - 1210 Sheppard Avenue East
North York, Ontario M2K 1E3
Tel: 416-490-8544
Fax: 416-490-8096
www.argueca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Wood Pallet and Container Association

I have audited the accompanying financial statements of Canadian Wood Pallet and Container Association, which comprise the statement of financial position as at December 31, 2010, and the statements of revenues and expenditures and changes in net assets 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 auditor considers 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

(continues)

*Independent Auditor's Report to the Members of Canadian Wood Pallet and Container Association
(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives sundry revenues from various activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Independent Auditor's Report to the Member of Canadian Wood Pallet and Container Association.

Qualified Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Canadian Wood Pallet and Container 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.



**Michael Argue Chartered Accountant
Licensed Public Accountant**

**North York, Ontario
April 15, 2011**

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

| | 2010 | 2009 |
|--|------------------------|------------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 95,222 | \$ 200,981 |
| Term Deposits (Note 3) | 571,727 | 476,608 |
| Accounts Receivable | 17,516 | 10,710 |
| GST Tax Recoverable | 12,511 | 5,318 |
| Prepaid Expenses and Sundry Assets | 8,761 | 10,871 |
| | 705,737 | 704,488 |
| Capital Assets (Note 4) | 10,482 | 4,749 |
| | <hr/> \$ 716,219 | <hr/> \$ 709,237 |
| LIABILITIES | | |
| Current | | |
| Accounts Payable and Accrued Liabilities | \$ 85,109 | \$ 39,361 |
| NET ASSETS | | |
| Net Assets, Beginning of year | 669,876 | 613,056 |
| Net Earnings | (38,766) | 56,819 |
| | <hr/> 631,110 | <hr/> 669,876 |
| | <hr/> <hr/> \$ 716,219 | <hr/> <hr/> \$ 709,237 |

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

| | Budget | 2010 | 2009 |
|--|------------------|-----------------|----------------|
| MEMBERSHIP FEES | \$ 120,500 | \$ 103,697 | \$ 109,422 |
| EXPENSES | | | |
| Directors' meetings and travel | 73,500 | 17,640 | 41,536 |
| Management fees and wages | 82,176 | 122,933 | 75,283 |
| Office | 24,175 | 15,666 | 11,045 |
| Postage and handling | 22,000 | 7,925 | 6,481 |
| Printing and reproduction | 20,000 | 5,646 | 7,125 |
| Amortization of tangible assets | - | 984 | 997 |
| Professional fees | 7,500 | 12,120 | 16,550 |
| Rent | 12,800 | 9,148 | 5,553 |
| Telephone | 3,500 | 3,696 | 2,814 |
| | 244,651 | 195,758 | 167,384 |
| EARNINGS (LOSS) FROM MEMBERSHIP ACTIVITIES | | | |
| MEETINGS AND ACTIVITIES (Page 4) | (34,000) | (15,005) | (22,054) |
| SUNDRY ACTIVITIES (Page 5) | 3,350 | (20,148) | (16,904) |
| INSPECTION NET EARNINGS | 17,474 | 78,020 | 140,618 |
| (LOSS) EARNINGS (LOSS) BEFORE INTEREST INCOME | | | |
| INTEREST INCOME | 10,000 | 10,428 | 13,120 |
| NET (LOSS) EARNINGS | (128,327) | (38,766) | 56,818 |

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

**SCHEDULE OF MEETINGS AND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | 2010 | 2009 |
|---------------------------------|-------------|-------------|
| ANNUAL MEETING | | |
| Registration | \$ 20,195 | \$ 17,155 |
| Expenses | (31,869) | (22,855) |
| | <hr/> | <hr/> |
| | (11,674) | (5,700) |
| REGIONAL MEETINGS | | |
| Registration | 16,941 | 6,586 |
| Expenses | (20,588) | (24,179) |
| | <hr/> | <hr/> |
| | (3,647) | (17,593) |
| SCRAMBLE GOLF TOURNAMENT | | |
| Registration | 7,935 | 10,021 |
| Expenses | (7,619) | (8,782) |
| | <hr/> | <hr/> |
| | 316 | 1,239 |
| | <hr/> | <hr/> |
| | \$ (15,005) | \$ (22,054) |

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

SCHEDULE OF SUNDAY ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

| | 2010 | 2009 |
|---------------------------------|-------------------|-------------------|
| SUNDAY REVENUES | | |
| Advertising | \$ 3,651 | \$ 784 |
| Pallet Enterprise Subscriptions | 1,092 | 1,568 |
| Paldraw Sales | - | 806 |
| | <hr/> 4,743 | <hr/> 3,158 |
| SUNDAY EXPENSES | | |
| Advertising | 14,786 | 16,889 |
| Foreign Exchange Loss | 4,305 | 2,492 |
| Relocation Costs | 5,800 | 36 |
| Paldraw Expense | - | 645 |
| | <hr/> 24,891 | <hr/> 20,062 |
| | <hr/> \$ (20,148) | <hr/> \$ (16,904) |

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

1. PURPOSE OF THE ORGANIZATION

The purpose of the Canadian Wood Pallet and Container Association (the "Association") is to promote the general welfare of the wooden pallet and packaging industry by providing newsletters to members and organizing events, activities and workplace programs for members. Under the Income Tax Act for Canada, the Association qualifies as a not-for-profit organization and is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenue and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

| | |
|--------------------|---------------------------|
| Computer equipment | - 30% diminishing balance |
| Office equipment | - 20% diminishing balance |

(c) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Contributions are recognized as revenue of the fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All other revenues and expenses are recorded on the accrual basis.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

CANADIAN WOOD PALLET AND CONTAINER ASSOCIATION
ASSOCIATION CANADIENNE DES MANUFACTURIERS DE PALETTES ET CONTENANTS

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and cash equivalents, receivables, guaranteed investment certificates, payables and accruals. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The guaranteed investment certificates are recorded at cost and have an approximate fair market value of \$572,532.

4. CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2010 | Net 2009 |
|--------------------|------------------|---------------------------------|------------------|-----------------|
| Computer equipment | \$ 16,806 | \$ 15,138 | \$ 1,668 | \$ 2,383 |
| Office equipment | 21,408 | 12,594 | 8,814 | 2,366 |
| | \$ 38,214 | \$ 27,732 | \$ 10,482 | \$ 4,749 |

5. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as it would not provide any additional useful information.

6. BUDGET

The budgeted figures are presented for comparison purposes only and are unaudited.

7. COMPARATIVE FIGURES

Certain 2009 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2010.