

**CANADIAN CONCRETE MASONRY
PRODUCERS ASSOCIATION**

LEVY FUND

**DRAFT Financial Statements
(Unaudited - See Notice to Reader)**

Fourth Quarter and Year ended December 31, 2013



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
Contents
(Unaudited - See Notice to Reader)
December 31, 2013**

Notice to Reader	1
Financial Statements	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Revenue and Expenses	4
Expenses	5 - 6
Note to Financial Statements	7 - 9
Block Sales Report.....	10 - 11



DIXON, GORDON & CO. LLP

Chartered Accountants

Business Advisors

March 4, 2014

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of the Levy Fund of Canadian Concrete Masonry Producers Association as at December 31, 2013 and the statements of revenue and expenses and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Respectfully submitted,

DRAFT

CHARTERED ACCOUNTANTS

Licensed Public Accountants

Toronto, Canada

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Statement of Financial Position
(Unaudited - See Notice to Reader)
December 31, 2013**

	December 31 2013	December 31 2012
		(Audited)
Assets		
Cash (a)	\$ 1,428,535	\$ 1,277,901
Investment - Guaranteed investment certificates	2,122,185	2,095,917
Accrued levy fees	358,867	409,669
Prepaid expense	1,400	279
	\$ 3,910,987	\$ 3,783,766
Liabilities		
Accounts payable and accrued liabilities	\$ 140,314	\$ 157,721
Sales tax payable	27,133	30,185
	167,447	187,906
Commitments (pages 7-9)		
Net assets		
Net assets internally restricted (page 3)	3,743,540	3,595,860
	\$ 3,910,987	\$ 3,783,766

(a) Cash balance in bank account as at December 31, 2013 was \$1,315,845.

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

**DRAFT Statement of Changes in Net Assets
(Unaudited - See Notice to Reader)**

For the three months and year ended December 31, 2013

	<u>Fourth Quarter</u>		<u>Total Year</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net assets, beginning of period	\$ 3,682,844	\$ 3,694,687	\$ 3,595,860	\$ 3,412,341
Excess of revenue over expenses (expenses over revenue) (page 4)	60,696	(98,827)	147,680	183,519
Net assets, end of period	\$ 3,743,540	\$ 3,595,860	\$ 3,743,540	\$ 3,595,860

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

**DRAFT Statement of Revenue and Expenses
(Unaudited - See Notice to Reader)**

For the three months and year ended December 31, 2013

	Fourth Quarter		Total Year	
	2013	2012	2013	2012
Revenue				
Levy fees	\$ 360,271	\$ 420,278	\$ 1,564,267	\$ 1,716,740
Interest income	6,502	8,050	27,927	31,068
	366,773	428,328	1,592,194	1,747,808
Expenses (pages 5-6)				
Technical programs	188,369	486,409	937,645	1,315,994
Advertising and promotion	111,467	33,773	414,134	218,364
General and administration	6,241	6,973	92,735	29,931
	306,077	527,155	1,444,514	1,564,289
Excess of revenue over expenses (expenses over revenue)	\$ 60,696	\$ (98,827)	\$ 147,680	\$ 183,519

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Expenses
(Unaudited - See Notice to Reader)
For the three months and year ended December 31, 2013**

	Fourth Quarter		Total Year	
	2013	2012	2013	2012
Technical programs				
University sponsorships	\$ -	\$ 50,000	\$ 241,000	\$ 226,000
Consulting fees	45,473	64,500	145,317	235,000
Design software support contribution	-	-	100,000	100,000
Training Centre contribution	25,000	25,000	100,000	100,000
Canadian Masonry Research Council funding	50,000	100,000	100,000	100,000
Training Centre block delivery	42,784	31,207	66,663	78,429
Masonry Design Awards	-	-	50,000	60,000
Centre for Architecture - Athabasca University	-	-	50,000	50,000
Canadian Masonry Symposium Sponsorship	-	50,000	-	50,000
Canadian Masonry Contractors Association (CMCA) conference sponsorship	-	15,000	-	25,000
Altus/MasonryWorx Study	-	17,500	-	17,500
Canadian Standards Association (CSA) A165 Standard development	-	-	15,000	15,000
Wall Drainage Project (NRC)	12,858	11,958	12,858	24,000
Masonry Training Scholarships	10,000	750	10,000	10,750
Development of Canadian Framework and Guide	-	10,000	10,000	10,000
SMART/dynamics of masonry subscriptions	-	-	9,737	-
Consulting expenses	1,209	11,626	6,288	32,305
Educational tools	-	5,824	5,851	8,860
Converge 2013 Forum sponsorship	-	-	5,000	-
Foundation Project	1,045	-	4,972	4,307
Development of the National Building Code Canada (NBCC) - sound analysis	-	93,044	4,286	166,643
National Research Council (NRC) research	-	-	410	-
Leadership in Energy and Environmental Design (LEED) standards development	-	-	263	2,200
	\$ 188,369	\$ 486,409	\$ 937,645	\$ 1,315,994

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

**DRAFT Expenses (continued)
(Unaudited - See Notice to Reader)**

For the three months and year ended December 31, 2013

	Fourth Quarter		Total Year	
	2013	2012	2013	2012
Advertising and promotion				
Advertisement - Fire and building code changes	\$ 79,957	\$ -	\$ 196,082	\$ -
Commercial production	13,750	-	55,000	-
National Concrete Masonry Association fees	14,582	14,182	53,013	57,901
MasonryWorx Association fees	-	-	50,000	50,000
General advertising	3,178	19,591	32,680	65,683
MasonryWorx Association sponsorship	-	-	-	25,000
Masonry Alliance for Codes and Standards membership	-	-	12,523	12,304
Industry lobbying	-	-	10,000	-
North American Masonry Conference sponsorship	-	-	-	6,141
Website	-	-	2,250	375
The Masonry Society membership fees	-	-	1,546	960
Masonry Executives Council fees	-	-	1,040	-
	\$ 111,467	\$ 33,773	\$ 414,134	\$ 218,364
General and administration				
Bad debts	\$ -	\$ -	\$ 68,572	\$ -
Accounting and legal	6,120	6,110	23,300	22,970
Postage and courier	91	202	444	672
Travel and meetings	-	653	344	6,243
Bank charges	30	8	75	46
	\$ 6,241	\$ 6,973	\$ 92,735	\$ 29,931

See accompanying note

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

DRAFT Note to Financial Statements

Commitments

(Unaudited - See Notice to Reader)

December 31, 2013

	Total to 2012	Total 2013	2014	(1) 2015
(a) University sponsorships for Dalhousie University, University of Alberta, University of British Columbia, University of Calgary, University of Manitoba, McMaster University, University of New Brunswick and University of Saskatchewan, at \$50,000 each per year for five years for a total of \$2,000,000.	\$ 988,000	\$ 241,000	\$ 400,000 (2)	\$ 371,000 (2)
(b) Consulting fees.	235,000 for 2012	145,317	150,000	150,000 + each year after
(c) Design software-				
(i) Development of the software in partnership with the Canada Masonry Design Centre.	361,734	-	-	-
(ii) Funding to National Masonry Design Programs of 50% share of operating costs comprising support for technical assistance and software upgrades.	100,000 for 2012	100,000	100,000	100,000 + each year after
(d) Ontario Masonry Training Centre (OMTC) for \$100,000 in 2013 and each year thereafter in addition to \$975,000 funded over six years to 2012.	975,000	100,000	100,000	100,000 + each year after
(e) Canadian Masonry Research Council funding.	-	100,000	100,000	-
(f) Marketing of Concrete Masonry Unit (CMU).	-	-	100,000	100,000 + each year after
(g) Secondary engineering support.	-	-	50,000	50,000 + each year after
(h) Materials for Apprenticeship Training and Research.	326,137	66,663	75,000	75,000 + each year after
Subtotals continued on next page	\$ 2,985,871	\$ 752,980	\$ 1,075,000	\$ 946,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

DRAFT Note to Financial Statements (continued)

Commitments

(Unaudited - See Notice to Reader)

December 31, 2013

	Total to 2012	Total 2013	2014	(1) 2015
Subtotals carried forward	\$ 2,985,871	\$ 752,980	\$ 1,075,000	\$ 946,000
(i) Prolevy fee payable to NCMA at 10% of the levy fees that would be collected by the Association based on a 1.5 cent per unit levy.	57,901 for 2012	53,013	55,000 (3)	55,000 (3)
(j) Masonry Design Awards, payable to Ontario Masonry Contractors.	60,000 for 2012	50,000	-	-
(k) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	150,000	50,000	50,000	-
(l) Membership dues of \$50,000 per year and sponsorships of \$25,000 (also in 2010 and 2012) to MasonryWorx Association, a marketing group sponsored in part by the Masonry Contractors of Metropolitan Toronto.	75,000 for 2012	50,000	50,000	50,000 + each year after
(m) CSA standard at \$15,000 per year for five years from 2009 to 2013.	60,000	15,000	-	-
(n) Wall Draining Project (NRC).	42,537	12,858	-	-
(o) Masonry Alliance for Codes and Standards membership.	12,304 for 2012	12,523	13,000	13,000 + each year after
(p) Development of Canadian Framework and Guide regarding Apparent Sound Insulation in Construction - Phase 1 (2012) and Phase 2 (2013).	10,000	10,000	-	-
(q) Masonry Training Scholarships.	10,000 for 2012	10,000	10,000	-
(r) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	118,185	-	30,000	-
(s) SMART/dynamics of masonry subscriptions.	-	9,737	10,000	-
(t) Educational tools.	100,033	5,851	-	-
(u) Converge 2013 Forum sponsorship.	-	5,000	5,000	5,000
Subtotals continued on next page	\$ 3,681,831	\$ 1,036,962	\$ 1,298,000	\$ 1,069,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

DRAFT Note to Financial Statements (continued)

Commitments

(Unaudited - See Notice to Reader)

December 31, 2013

	Total to 2012	Total 2013	2014	(1) 2015
Subtotals carried forward	\$ 3,681,831	\$ 1,036,962	\$ 1,298,000	\$ 1,069,000
(v) Foundation Project - McMaster University.	94,791	4,972	-	-
(w) Development of the National Building Code Canada (NBCC), in collaboration with NRC for research and development involving the generation and analysis of apparent airborne and sound insulation in concrete and concrete masonry buildings.	166,643	4,286	-	-
(x) National Research Council (NRC) research.	85,013	410	-	-
(y) Leadership in Energy and Environmental Design (LEED) standards development.	2,200	263	-	-
(z) Canadian Masonry Symposium, in addition to \$50,000 funded in 2009.	-	-	-	-
(aa) Block machine for McMaster University.	197,735	-	-	-
(ab) Funding to Dr. Svetlana Brzev and Dr. Don Anderson for a Seismic Design Guide.	30,717	-	-	-
(ac) Cement study.	30,000	-	-	-
(ad) Masonry Apprenticeship Training Textbook.	25,000	-	-	-
(ae) Altus/MasonryWorx wall costs study.	17,500	-	-	-
(af) Unit Strength Method Correlation Study.	15,044	-	-	-
(ag) National Sciences and Engineering Research Council (NSERC) funding.	15,000	-	-	-
(ah) Research equipment contribution to British Columbia Institute of Technology.	10,000	-	-	-
(ai) Single Wythe energy study.	-	-	10,000	-
Totals	\$ 4,371,474	\$ 1,046,893	\$ 1,308,000	\$ 1,069,000

(1) Annual totals after 2015:

2016 \$693,000

2017 and each year thereafter \$693,000

(2) Not all of the listed universities have applied or will meet the criteria for funds to be released.

(3) Payment amount based on unit block sales.

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION**LEVY FUND****DRAFT Block Sales Report****(Unaudited - See Notice to Reader)****For the three months and year ended December 31, 2013**

	Q1	Q2	Q3	Q4
BLOCK SALES				
Quarter totals				
Standard	4,790,023	7,100,391	7,638,378	6,144,068
Lightweight	1,890,128	2,218,298	1,972,819	1,521,530
Architectural	315,324	502,327	716,758	532,096
Total	6,995,475	9,821,016	10,327,955	8,197,694
Year-to-date totals				
Standard	4,790,023	11,890,414	19,528,792	25,672,860
Lightweight	1,890,128	4,108,426	6,081,245	7,602,775
Architectural	315,324	817,651	1,534,409	2,066,505
Total	6,995,475	16,816,491	27,144,446	35,342,140

LEVY FEES

(1)

Quarter totals

Gross amount	\$ 345,035	\$ 486,942	\$ 507,741	\$ 401,260
Less: Administration	(34,977)	(49,106)	(51,639)	(40,989)
Net Levy fees	\$ 310,058	\$ 437,836	\$ 456,102	\$ 360,271

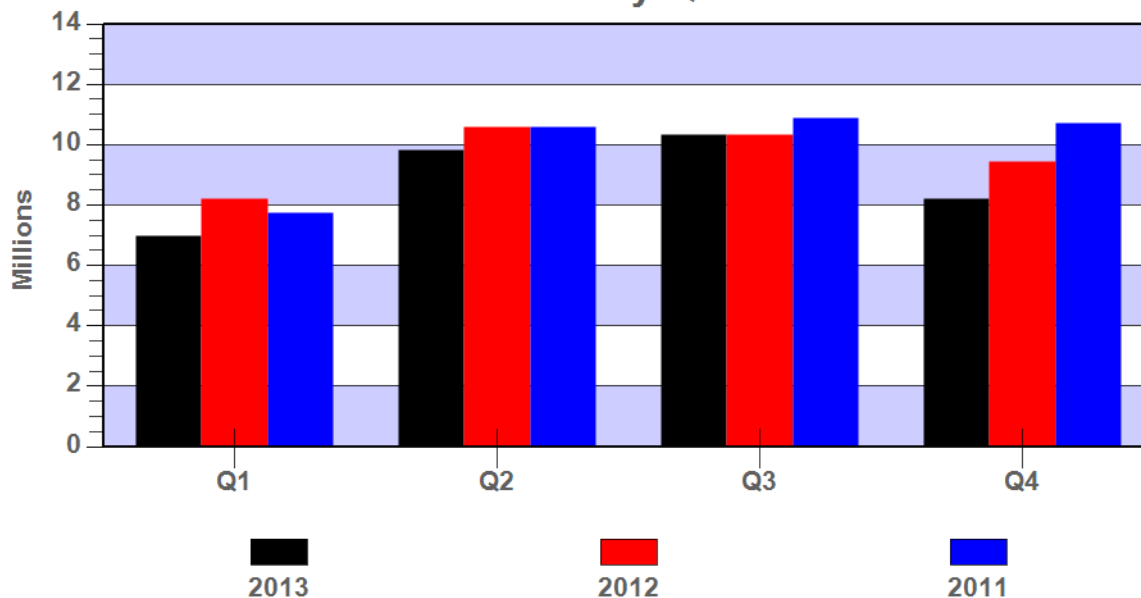
Year-to-date totals

Gross amount	\$ 345,035	\$ 831,977	\$ 1,339,718	\$ 1,740,978
Less: Administration	(34,977)	(84,083)	(135,722)	(176,711)
Net Levy fees	\$ 310,058	\$ 747,894	\$ 1,203,996	\$ 1,564,267

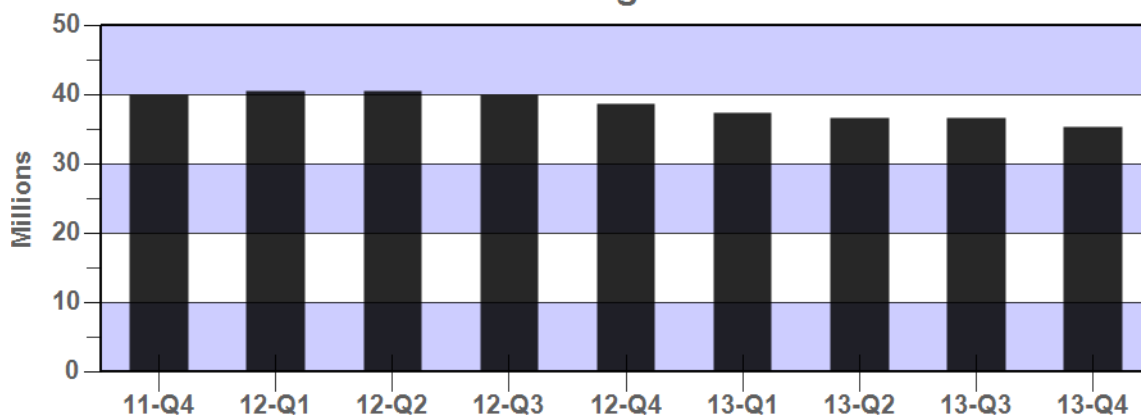
(1) Levy fees are based on a flat per block rate of 5.0¢ less 0.5¢ for administration. Final total levy amounts include certain levy balances at the pre-2008 net rate of 1.5¢ (2.0¢ less 0.5¢) reflecting charges to respective member customers at the former 2.0¢ per block rate.

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Block Sales Report (continued)
(Unaudited - See Notice to Reader)
For the three months and year ended December 31, 2013**

Block Sales by Quarter



Block Sales - Trailing Twelve Months



(000's)	Q1	Q2	Q3	Q4
Quarter totals				
2013	6,995	9,821	10,328	8,198
2012	8,229	10,595	10,322	9,455
2011	7,730	10,578	10,901	10,710
Year-to-date totals				
2013	6,995	16,816	27,144	35,342
2012	8,229	18,824	29,146	38,601
2011	7,730	18,308	29,209	39,919