

**CANADIAN CONCRETE MASONRY
PRODUCERS ASSOCIATION
LEVY FUND**

**DRAFT Financial Statements
(Unaudited - See Notice to Reader)
First Quarter ended March 31, 2016**



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
Contents
(Unaudited - See Notice to Reader)
March 31, 2016**

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
Note to Financial Statements	6 - 9
Block Sales Report	10 - 11



DIXON, GORDON & CO. LLP

Chartered Accountants

Business Advisors

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 March 31, 2016 and the statements of revenue and expenses and changes in net assets for the three months 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

May 27, 2016

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Statement of Financial Position
(Unaudited - See Notice to Reader)
March 31, 2016**

	March 31 2016	December 31 2015	March 31 2015
Assets			
Cash and high-interest savings account deposits	\$ 3,928,827	\$ 4,063,049	\$ 2,565,682
Guaranteed investment certificates	-	-	1,057,949
Accrued levy fees	337,739	439,140	301,615
Accounts receivable	20,000	-	-
Sales tax receivable	-	-	5,061
	\$ 4,286,566	\$ 4,502,189	\$ 3,930,307
Liabilities			
Accounts payable and accrued liabilities	\$ 97,402	\$ 144,335	\$ 65,076
Sales tax payable	12,418	32,965	-
	109,820	177,300	65,076
Commitments (pages 6-9)			
Net assets			
Net assets internally restricted (page 3)	4,176,746	4,324,889	3,865,231
	\$ 4,286,566	\$ 4,502,189	\$ 3,930,307

(a) Cash balance in bank account and high-interest savings account as at March 31, 2016 was \$3,802,545.

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 ended March 31, 2016**

	Year-to-date	
	2016	2015
Net assets, beginning of period	\$ 4,324,889	\$ 4,152,719
Excess of expenses over revenue (page 4)	(148,143)	(287,488)
Net assets, end of period	\$ 4,176,746	\$ 3,865,231

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 ended March 31, 2016**

	Year-to-date	
	2016	2015
Revenue		
Levy fees	\$ 335,425	\$ 301,615
Interest income	4,065	6,097
	339,490	307,712
Expenses (page 5)		
Technical programs	357,372	329,268
Advertising and promotion	124,093	259,787
General and administration	6,168	6,145
	487,633	595,200
Excess of expenses over revenue	\$ (148,143)	\$ (287,488)

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Expenses
(Unaudited - See Notice to Reader)
For the three months ended March 31, 2016**

	Year-to-date	
	2016	2015
Technical programs		
Design software support contribution	\$ 100,000	\$ 100,000
Training Centre block delivery	25,881	83,744
University sponsorships	75,000	50,000
Consulting fees	63,450	16,397
Development of the National Building Code Canada (NBCC) - sound analysis	35,000	-
National training fund contribution	25,000	25,000
Research equipment contribution	-	20,700
Canadian Masonry Contractors Association (CMCA) conference sponsorship	20,000	20,000
Masonry Training Scholarships	10,000	-
SMART/dynamics of masonry subscriptions	-	9,427
Load Bearing Masonry and Innovation Drive Project	-	4,000
Consulting expenses	2,708	-
Insurance cost study	333	-
	\$ 357,372	\$ 329,268
Advertising and promotion		
Advertisement - Fire and building code changes	\$ -	\$ 153,299
MasonryWorx Association fees	50,000	50,000
Masonry Alliance for Codes and Standards membership and contribution	32,530	14,585
General advertising	4,695	13,448
National Concrete Masonry Association fees	11,209	10,150
Prompt Payment Ontario membership contribution	10,000	8,850
Cement Association of Canada - Seminar series sponsorship	10,000	-
The Masonry Society sponsorship - North American Masonry Conference	-	6,445
The Masonry Society membership fees	2,231	1,806
Canadian Home Builders' Association sponsorship	2,000	-
Masonry Executives Council fees	1,398	1,204
Website	30	-
	\$ 124,093	\$ 259,787
General and administration		
Accounting and legal	\$ 5,980	\$ 5,900
Bank charges	42	177
Postage and courier	84	68
Travel and meetings	62	-
	\$ 6,168	\$ 6,145

See accompanying note

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Note to Financial Statements
Commitments
(Unaudited - See Notice to Reader)
March 31, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q1	Forecast Q2-Q4			
(a) University sponsorships for Dalhousie University, University of Alberta, University of British Columbia, University of Calgary, Concordia University, University of Manitoba, McMaster University, University of New Brunswick, University of Saskatchewan, University of Waterloo and Carleton University, for a total of \$3,000,000 from 2009 to 2020.	\$ 1,617,750	\$ 75,000	\$ 207,250	\$ 282,250	\$ 275,000	\$ 275,000 + each year to 2020
(b) 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, with additional funding of \$20,000 from the Canadian Precast Prestressed Concrete Institute.	285,296	35,000	140,000	175,000	-	-
(c) Materials for Apprenticeship Training and Research.	594,105	25,881	124,119	150,000	150,000	150,000 + each year after
(d) Consulting fees.	151,651 for 2015	63,450	186,550	250,000	250,000	250,000 + each year after
(e) Marketing of Concrete Masonry Unit (CMU).	-	-	150,000	150,000	150,000	150,000 + each year after
(f) 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 2015	100,000	-	100,000	100,000	100,000 + each year after
Subtotals continued on next page	\$ 3,110,536	\$ 299,331	\$ 807,919	\$ 1,107,250	\$ 925,000	\$ 925,000

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Note to Financial Statements (continued)
Commitments
(Unaudited - See Notice to Reader)
March 31, 2016**

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q1	Forecast Q2-Q4			
Subtotals carried forward	\$ 3,110,536	\$ 299,331	\$ 807,919	\$ 1,107,250	\$ 925,000	\$ 925,000
(g) Canadian Masonry Research Council funding.	100,000 for 2015	-	100,000	100,000	-	-
(h) Ontario Masonry Training Centre (OMTC) for \$100,000 in 2016 and each year thereafter in addition to \$1,275,000 funded over eight years to 2015.	1,275,000	25,000	75,000	100,000	100,000	100,000 + each year after
(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.	55,338 for 2015	11,209	48,791	60,000	60,000 (2)	60,000 (2)
(j) Membership dues of \$50,000 per year to MasonryWorx Association, a marketing group sponsored in part by the Masonry Contractors of Metropolitan Toronto, as well as sponsorships of \$25,000 in each of 2010 and 2012.	50,000 for 2015	50,000	-	50,000	50,000	50,000 + each year after
(k) Secondary engineering support.	-	-	50,000	50,000	50,000	50,000 + each year after
(l) Advanced Masonry Work Systems research project.	-	-	50,000	50,000	50,000	50,000 + each year to 2020
(m) National Research Council study - Wall-Floor Vibration Reduction Index, with additional funding of \$20,000 from the Canadian Precast Prestressed Concrete Institute.	-	25,000	10,000	35,000	-	-
(n) Masonry Alliance for Codes and Standards membership and contribution.	14,585 for 2015	32,530	-	32,530	25,000	25,000 + each year after
(o) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	158,185	20,000	-	20,000	-	-
Subtotals continued on next page	\$ 4,763,644	\$ 463,070	\$ 1,141,710	\$ 1,604,780	\$ 1,260,000	\$ 1,260,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Note to Financial Statements (continued)
Commitments
(Unaudited - See Notice to Reader)
March 31, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q1	Forecast Q2-Q4			
Subtotals carried forward	\$ 4,763,644	\$ 463,070	\$ 1,141,710	\$ 1,604,780	\$ 1,260,000	\$ 1,260,000
(p) CSA standard at \$15,000 per year for five years from 2009 to 2013, plus \$15,000 for purchase in 2016 facilitating distribution to members.	75,000	-	15,000	15,000	-	-
(q) Masonry Training Scholarships.	10,000 for 2015	10,000	-	10,000	10,000	10,000 each year to 2020
(r) Insurance cost study.	5,585	333	-	333	-	-
(s) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	250,000	-	-	-	-	-
(t) Block machine for McMaster University.	197,735	-	-	-	-	-
(u) Masonry Design Awards.	132,200 for 2012-14	-	-	-	-	-
(v) Educational tools.	105,884	-	-	-	-	-
(w) Foundation Project - McMaster University.	100,763	-	-	-	-	-
(x) National Research Council (NRC) research.	85,423	-	-	-	-	-
(y) Wall Draining Project (NRC).	62,218	-	-	-	-	-
(z) Canadian Masonry Symposium.	50,000	-	-	-	-	-
(aa) Masonry Apprenticeship Training Textbook.	49,375	-	-	-	-	-
(ab) Funding to Dr. Svetlana Brzev and Dr. Don Anderson for a Seismic Design Guide.	30,717	-	-	-	-	-
(ac) Research equipment contribution.	30,700	-	-	-	-	-
Subtotals continued on next page	\$ 5,949,244	\$ 473,403	\$ 1,156,710	\$ 1,630,113	\$ 1,270,000	\$ 1,270,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
DRAFT Note to Financial Statements (continued)
Commitments
(Unaudited - See Notice to Reader)
March 31, 2016

	Total to 2015	Forecast 2016			2017	(1) 2018
		Actual Q1	Forecast Q2-Q4	Total 2016		
Subtotals carried forward	\$ 5,949,244	\$ 473,403	\$ 1,156,710	\$ 1,630,113	\$ 1,270,000	\$ 1,270,000
(ad) Development of Canadian Framework and Guide regarding Apparent Sound Insulation in Construction - Phases 1-2.	30,000	-	-	-	-	-
(ae) Cement study.	30,000	-	-	-	-	-
(af) Altus/MasonryWorx wall costs study.	17,500	-	-	-	-	-
(ag) Unit Strength Method Correlation Study.	15,044	-	-	-	-	-
(ah) National Sciences and Engineering Research Council (NSERC) funding.	15,000	-	-	-	-	-
(ai) Single Wythe energy study.	12,990	-	-	-	-	-
(aj) SMART/dynamics of masonry subscriptions.	9,427 for 2015	-	-	-	-	-
(ak) Leadership in Energy and Environmental Design (LEED) standards development.	4,973	-	-	-	-	-
(al) Load Bearing Masonry and Innovation Drive Project.	4,000	-	-	-	-	-
Totals	\$ 6,088,178	\$ 473,403	\$ 1,156,710	\$ 1,630,113	\$ 1,270,000	\$ 1,270,000

- (1) Annual totals after 2018:
 2019 - 2020 \$ 1,270,000
 2021 and each year thereafter \$ 935,000
- (2) Payment amount based on unit block sales.

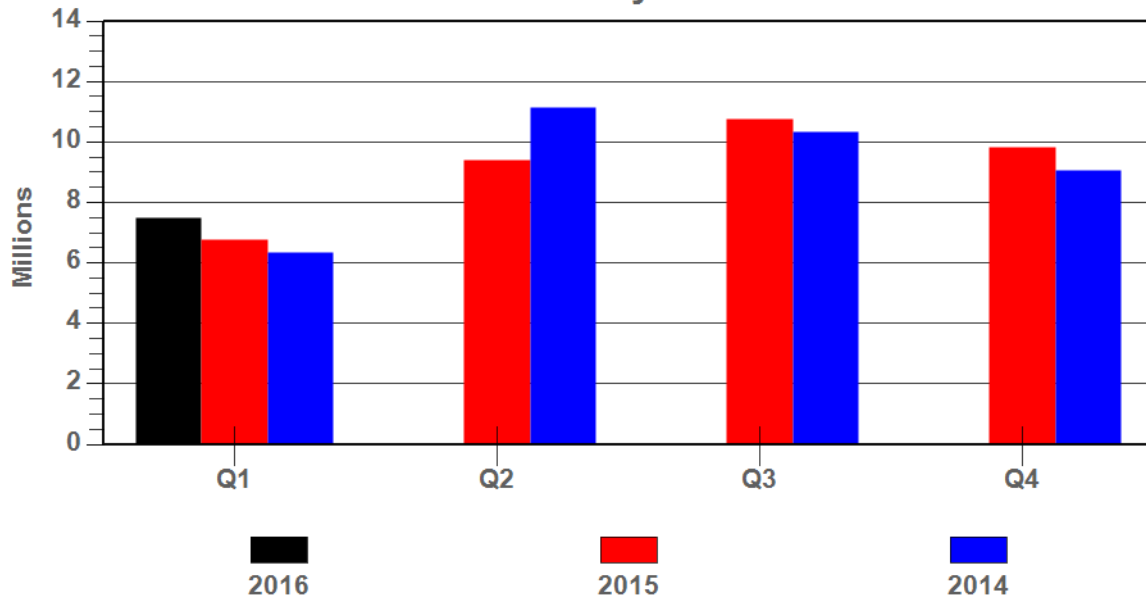
**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
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 DRAFT Block Sales Report
 (Unaudited - See Notice to Reader)
 For the three months ended March 31, 2016**

	Q1
BLOCK SALES	
Quarter totals	
Standard	5,293,406
Lightweight	1,590,595
Architectural	588,402
Total	7,472,403
LEVY FEES	
	(1)
Quarter totals	
Gross amount	\$ 372,787
Less: Administration	(37,362)
Net Levy fees	\$ 335,425

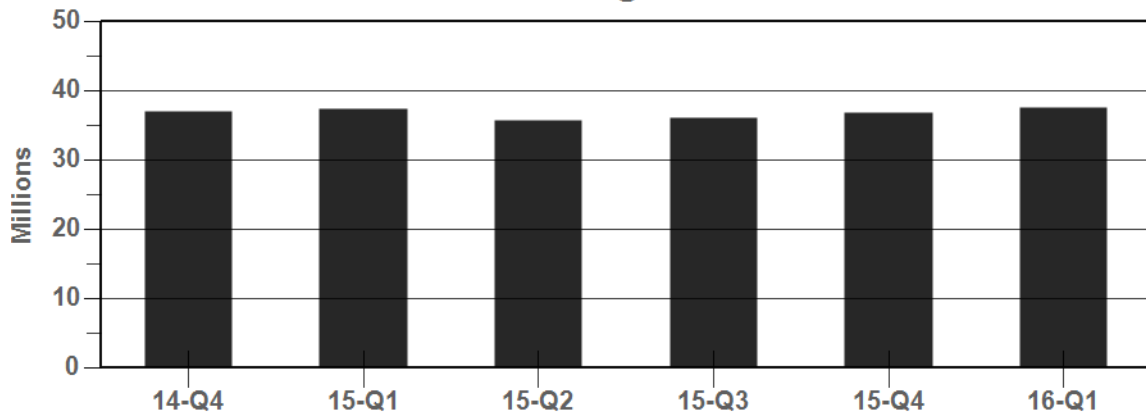
(1) Levy fees are based on a flat per block rate of 5.0¢ less 0.5¢ for administration. Final total levy amounts include certain levy balances at the pre-2008 net rate of 1.5¢ (2.0¢ less 0.5¢) reflecting charges to respective member customers at the former 2.0¢ per block rate.

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
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 DRAFT Block Sales Report (continued)
 (Unaudited - See Notice to Reader)
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Block Sales by Quarter



Block Sales - Trailing Twelve Months



(000's)	Q1	Q2	Q3	Q4
Quarter totals				
2016	7,472	N/A	N/A	N/A
2015	6,766	9,389	10,769	9,834
2014	6,351	11,124	10,341	9,076
Year-to-date totals				
2016	7,472	N/A	N/A	N/A
2015	6,766	16,155	26,924	36,758
2014	6,351	17,475	27,816	36,892