

**CANADIAN CONCRETE MASONRY  
PRODUCERS ASSOCIATION**

**LEVY FUND**

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

**Second Quarter ended June 30, 2016**



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
Contents  
(Unaudited - See Notice to Reader)  
June 30, 2016**

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**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 June 30, 2016 and the statements of revenue and expenses and changes in net assets for the six 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,

*Dixon, Gordon + Co. LLP*

CHARTERED ACCOUNTANTS, Licensed Public Accountants

Toronto, Canada

August 10, 2016

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
Statement of Financial Position  
(Unaudited - See Notice to Reader)  
June 30, 2016**

	<b>June 30 2016</b>	<b>December 31 2015</b>	<b>June 30 2015</b>
		(Audited)	
<b>Assets</b>			
Cash and high-interest savings account deposits	<b>\$ 4,063,827</b>	\$ 4,063,049	\$ 3,565,117
Accrued levy fees	<b>463,187</b>	439,140	423,416
	<b>\$ 4,527,014</b>	\$ 4,502,189	\$ 3,988,533
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<b>\$ 110,277</b>	\$ 144,335	\$ 116,436
Sales tax payable	<b>24,987</b>	32,965	8,586
	<b>135,264</b>	177,300	125,022
<b>Commitments</b> (pages 7-10)			
<b>Net assets</b>			
Net assets internally restricted (page 3)	<b>4,391,750</b>	4,324,889	3,863,511
	<b>\$ 4,527,014</b>	\$ 4,502,189	\$ 3,988,533

(a) Cash balance in bank account and high-interest savings account as at June 30, 2016 was \$3,983,814.

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

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

**For the three and six months ended June 30, 2016**

	<u>Second Quarter</u>		<u>Year-to-date</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Net assets, beginning of period</b>	<b>\$ 4,176,746</b>	\$ 3,865,231	<b>\$ 4,324,889</b>	\$ 4,152,719
Excess of revenue over expenses (expenses over revenue) (page 4)	<b>215,004</b>	(1,720)	<b>66,861</b>	(289,208)
<b>Net assets, end of period</b>	<b>\$ 4,391,750</b>	\$ 3,863,511	<b>\$ 4,391,750</b>	\$ 3,863,511

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

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

**For the three and six months ended June 30, 2016**

	Second Quarter		Year-to-date	
	2016	2015	2016	2015
<b>Revenue</b>				
Levy fees	\$ 463,188	\$ 422,107	\$ 798,613	\$ 723,722
Interest income	4,170	3,912	8,235	10,009
	<b>467,358</b>	426,019	<b>806,848</b>	733,731
<b>Expenses (pages 5-6)</b>				
Technical programs	194,971	279,961	552,343	609,229
Advertising and promotion	50,677	132,596	174,770	392,383
General and administration	6,706	15,182	12,874	21,327
	<b>252,354</b>	427,739	<b>739,987</b>	1,022,939
<b>Excess of revenue over expenses (expenses over revenue)</b>	<b>\$ 215,004</b>	\$ (1,720)	<b>\$ 66,861</b>	\$ (289,208)

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

**Expenses**

**(Unaudited - See Notice to Reader)**

**For the three and six months ended June 30, 2016**

	Second Quarter		Year-to-date	
	2016	2015	2016	2015
<b>Technical programs</b>				
University sponsorships	\$ 75,000	\$ 125,000	\$ 150,000	\$ 175,000
Training Centre block delivery	7,609	20,140	33,490	103,884
Design software support contribution	-	-	100,000	100,000
Consulting fees	32,850	47,475	96,300	63,872
National training fund contribution	25,000	25,000	50,000	50,000
Canadian Masonry Research Council funding	50,000	-	50,000	-
Centre for Architecture - Athabasca University	-	50,000	-	50,000
Development of the National Building Code Canada (NBCC) - sound analysis	1,600	-	36,600	-
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
Consulting expenses	2,912	6,761	5,620	6,761
Insurance cost study	-	5,585	333	5,585
Load Bearing Masonry and Innovation Drive Project	-	-	-	4,000
	<b>\$ 194,971</b>	<b>\$ 279,961</b>	<b>\$ 552,343</b>	<b>\$ 609,229</b>
<b>Advertising and promotion</b>				
Advertisement - Fire and building code changes	\$ 8,177	\$ 112,784	\$ 8,177	\$ 266,083
MasonryWorx Association fees	-	-	50,000	50,000
Masonry Alliance for Codes and Standards membership and contribution	-	-	32,530	14,585
General advertising	27,035	5,699	31,730	19,147
National Concrete Masonry Association fees	15,465	14,083	26,674	24,233
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	30	30
	<b>\$ 50,677</b>	<b>\$ 132,596</b>	<b>\$ 174,770</b>	<b>\$ 392,383</b>

Continued on next page

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

**Expenses (continued)**

**(Unaudited - See Notice to Reader)**

**For the three and six months ended June 30, 2016**

	Second Quarter		Year-to-date	
	2016	2015	2016	2015
<b>General and administration</b>				
Accounting and legal	\$ 5,980	\$ 5,900	\$ 11,960	\$ 11,800
Donation	-	5,000	-	5,000
Travel and meetings	664	4,243	726	4,243
Bank charges	4	10	46	187
Postage and courier	58	29	142	97
	<b>\$ 6,706</b>	<b>\$ 15,182</b>	<b>\$ 12,874</b>	<b>\$ 21,327</b>

See accompanying note



# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

### Note to Financial Statements

#### Commitments

(Unaudited - See Notice to Reader)

June 30, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q2 YTD	Forecast Q3-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, Carleton University and York University, for a total of \$3,000,000 from 2009 to 2020.	\$ 1,617,750	\$ 150,000	\$ 132,250	\$ 282,250	\$ 275,000	\$ 275,000 + each year to 2020
(b) Consulting fees.	151,651 for 2015	96,300	153,700	250,000	250,000	250,000 + each year after
(c) Development of the National Building Code Canada (NBCC), in collaboration with NRC for research and development involving sound transmission analysis and measurement of the vibration reduction index, with additional funding of \$20,000 from the Canadian Precast Prestressed Concrete Institute.	285,296	36,600	138,400	175,000	-	-
(d) Materials for Apprenticeship Training and Research.	594,105	33,490	116,510	150,000	150,000	150,000 + 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	\$ 416,390	\$ 690,860	\$ 1,107,250	\$ 925,000	\$ 925,000

# CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

## LEVY FUND

### Note to Financial Statements (continued)

#### Commitments

(Unaudited - See Notice to Reader)

June 30, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q2 YTD	Forecast Q3-Q4			
Subtotals carried forward	\$ 3,110,536	\$ 416,390	\$ 690,860	\$ 1,107,250	\$ 925,000	\$ 925,000
(g) Canadian Masonry Research Council funding.	100,000 for 2015	50,000	50,000	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	50,000	50,000	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	26,674	33,326	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) Masonry Alliance for Codes and Standards membership and contribution.	14,585 for 2015	32,530	-	32,530	25,000	25,000 + each year after
(n) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	158,185	20,000	-	20,000	-	-
(o) 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	-	-
Subtotals continued on next page	\$ 4,838,644	\$ 645,594	\$ 939,186	\$ 1,584,780	\$ 1,260,000	\$ 1,260,000

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION**  
**LEVY FUND**  
**Note to Financial Statements (continued)**  
**Commitments**  
**(Unaudited - See Notice to Reader)**  
**June 30, 2016**

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q2 YTD	Forecast Q3-Q4			
Subtotals carried forward	\$ 4,838,644	\$ 645,594	\$ 939,186	\$ 1,584,780	\$ 1,260,000	\$ 1,260,000
(p) Masonry Training Scholarships.	10,000 for 2015	10,000	-	10,000	10,000	10,000 each year to 2020
(q) Insurance cost study.	5,585	333	-	333	-	-
(r) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	250,000	-	-	-	-	-
(s) Block machine for McMaster University.	197,735	-	-	-	-	-
(t) Masonry Design Awards.	132,200	-	-	-	-	-
(u) Educational tools.	105,884	-	-	-	-	-
(v) Foundation Project - McMaster University.	100,763	-	-	-	-	-
(w) National Research Council (NRC) research.	85,423	-	-	-	-	-
(x) Wall Draining Project (NRC).	62,218	-	-	-	-	-
(y) Canadian Masonry Symposium.	50,000	-	-	-	-	-
(z) Masonry Apprenticeship Training Textbook.	49,375	-	-	-	-	-
(aa) Funding to Dr. Svetlana Brzev and Dr. Don Anderson for a Seismic Design Guide.	30,717	-	-	-	-	-
(ab) Research equipment contribution.	30,700	-	-	-	-	-
(ac) Development of Canadian Framework and Guide regarding Apparent Sound Insulation in Construction - Phases 1-2.	30,000	-	-	-	-	-
Subtotals continued on next page	\$ 5,979,244	\$ 655,927	\$ 939,186	\$ 1,595,113	\$ 1,270,000	\$ 1,270,000

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
Note to Financial Statements (continued)  
Commitments  
(Unaudited - See Notice to Reader)  
June 30, 2016**

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q2 YTD	Forecast Q3-Q4			
Subtotals carried forward	\$ 5,979,244	\$ 655,927	\$ 939,186	\$ 1,595,113	\$ 1,270,000	\$ 1,270,000
(ad) Cement study.	30,000	-	-	-	-	-
(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) Single Wythe energy study.	12,990	-	-	-	-	-
(ai) SMART/dynamics of masonry subscriptions.	9,427 for 2015	-	-	-	-	-
(aj) Leadership in Energy and Environmental Design (LEED) standards development.	4,973	-	-	-	-	-
(ak) Load Bearing Masonry and Innovation Drive Project.	4,000	-	-	-	-	-
<b>Totals</b>	<b>\$ 6,088,178</b>	<b>\$ 655,927</b>	<b>\$ 939,186</b>	<b>\$ 1,595,113</b>	<b>\$ 1,270,000</b>	<b>\$ 1,270,000</b>

- (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  
LEVY FUND  
Block Sales Report  
(Unaudited - See Notice to Reader)  
For the three and six months ended June 30, 2016**

	Q1	Q2
<b>BLOCK SALES</b>		
<b>Quarter totals</b>		
Standard	5,293,406	7,756,755
Lightweight	1,590,595	1,789,139
Architectural	588,402	764,542
<b>Total</b>	<b>7,472,403</b>	<b>10,310,436</b>
<b>Year-to-date totals</b>		
Standard	5,293,406	13,050,161
Lightweight	1,590,595	3,379,734
Architectural	588,402	1,352,944
<b>Total</b>	<b>7,472,403</b>	<b>17,782,839</b>
<b>LEVY FEES</b>		
	(1)	
<b>Quarter totals</b>		
Gross amount	\$ 372,787	\$ 514,740
Less: Administration	(37,362)	(51,552)
<b>Net Levy fees</b>	<b>\$ 335,425</b>	<b>\$ 463,188</b>
<b>Year-to-date totals</b>		
Gross amount	\$ 372,787	\$ 887,527
Less: Administration	(37,362)	(88,914)
<b>Net Levy fees</b>	<b>\$ 335,425</b>	<b>\$ 798,613</b>

(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.

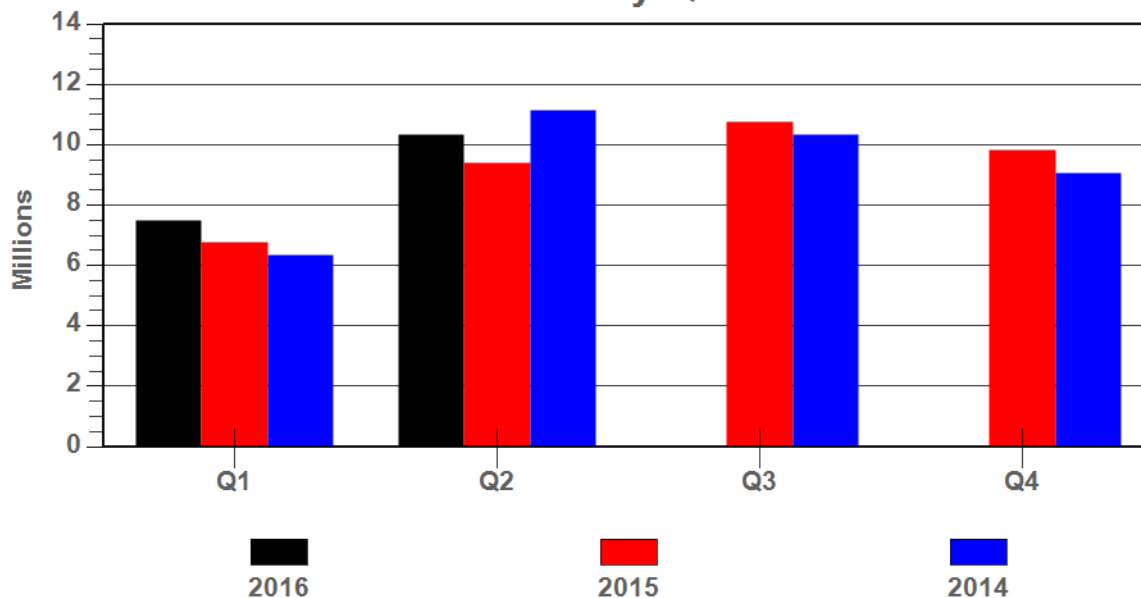
**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND**

Block Sales Report (continued)

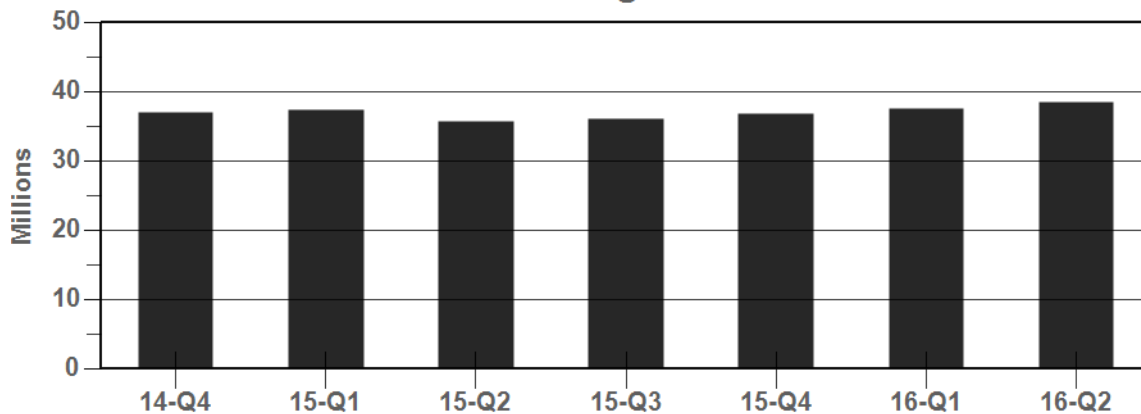
(Unaudited - See Notice to Reader)

For the three and six months ended June 30, 2016

**Block Sales by Quarter**



**Block Sales - Trailing Twelve Months**



(000's)	Q1	Q2	Q3	Q4
<b>Quarter totals</b>				
2016	7,472	10,311	N/A	N/A
2015	6,766	9,389	10,769	9,834
2014	6,351	11,124	10,341	9,076
<b>Year-to-date totals</b>				
2016	7,472	17,783	N/A	N/A
2015	6,766	16,155	26,924	36,758
2014	6,351	17,475	27,816	36,892