

**CANADIAN CONCRETE MASONRY
PRODUCERS ASSOCIATION
LEVY FUND**

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

Third Quarter ended September 30, 2016



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
Contents
(Unaudited - See Notice to Reader)
September 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 September 30, 2016 and the statements of revenue and expenses and changes in net assets for the nine 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

November 23, 2016

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

**Statement of Financial Position
(Unaudited - See Notice to Reader)
September 30, 2016**

	September 30 2016	December 31 2015	September 30 2015
		(Audited)	
Assets			
Cash and high-interest savings account deposits	\$ 4,248,940	\$ 4,063,049	\$ 3,738,135
Accrued levy fees	460,057	439,140	476,041
	\$ 4,708,997	\$ 4,502,189	\$ 4,214,176
Liabilities			
Accounts payable and accrued liabilities	\$ 73,618	\$ 144,335	\$ 55,202
Sales tax payable	34,519	32,965	31,907
	108,137	177,300	87,109
Commitments (pages 7-10)			
Net assets			
Net assets internally restricted (page 3)	4,600,860	4,324,889	4,127,067
	\$ 4,708,997	\$ 4,502,189	\$ 4,214,176

(a) Cash balance in bank account and high-interest savings account as at September 30, 2016 was \$4,191,821.

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 nine months ended September 30, 2016

	Third Quarter		Year-to-date	
	2016	2015	2016	2015
Net assets, beginning of period	\$ 4,391,750	\$ 3,863,511	\$ 4,324,889	\$ 4,152,719
Excess of revenue over expenses (expenses over revenue) (page 4)	209,110	263,556	275,971	(25,652)
Net assets, end of period	\$ 4,600,860	\$ 4,127,067	\$ 4,600,860	\$ 4,127,067

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
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**Statement of Revenue and Expenses
(Unaudited - See Notice to Reader)**

For the three and nine months ended September 30, 2016

	Third Quarter		Year-to-date	
	2016	2015	2016	2015
Revenue				
Levy fees	\$ 460,057	\$ 482,448	\$ 1,258,670	\$ 1,206,170
Interest income	2,958	5,017	11,193	15,026
	463,015	487,465	1,269,863	1,221,196
Expenses (pages 5-6)				
Technical programs	222,684	165,639	775,027	774,868
Advertising and promotion	24,461	49,289	199,231	441,672
General and administration	6,760	8,981	19,634	30,308
	253,905	223,909	993,892	1,246,848
Excess of revenue over expenses (expenses over revenue)	\$ 209,110	\$ 263,556	\$ 275,971	\$ (25,652)

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

Expenses

(Unaudited - See Notice to Reader)

For the three and nine months ended September 30, 2016

	Third Quarter		Year-to-date	
	2016	2015	2016	2015
Technical programs				
University sponsorships	\$ 50,000	\$ -	\$ 200,000	\$ 175,000
Consulting fees	46,181	53,606	142,481	117,478
Training Centre block delivery	22,796	9,233	56,286	113,117
Design software support contribution	-	-	100,000	100,000
Development of the National Building Code Canada (NBCC) - sound analysis	59,672	-	96,272	-
National training fund contribution	25,000	25,000	75,000	75,000
Canadian Masonry Research Council funding	-	50,000	50,000	50,000
Centre for Architecture - Athabasca University	-	-	-	50,000
Research equipment contribution	-	-	-	20,700
Canadian Masonry Contractors Association (CMCA) conference sponsorship	-	-	20,000	20,000
Apprenticeship Training Textbook	17,415	19,313	17,415	19,313
Consulting expenses	1,620	5,977	7,240	12,738
Masonry Training Scholarships	-	-	10,000	-
SMART/dynamics of masonry subscriptions	-	-	-	9,427
Insurance cost study	-	-	333	5,585
Load Bearing Masonry and Innovation Drive Project	-	-	-	4,000
Leadership in Energy and Environmental Design (LEED) standards development	-	2,510	-	2,510
	\$ 222,684	\$ 165,639	\$ 775,027	\$ 774,868

Advertising and promotion

Advertisement - Fire and building code changes	\$ -	\$ 25,806	\$ 8,177	\$ 291,889
MasonryWorx Association fees	-	-	50,000	50,000
National Concrete Masonry Association fees	15,397	16,153	42,071	40,386
Masonry Alliance for Codes and Standards membership and contribution	-	-	32,530	14,585
General advertising	-	7,330	31,730	26,477
Cement Association of Canada - Seminar series sponsorship	4,064	-	14,064	-
Prompt Payment Ontario membership contribution	-	-	10,000	8,850
The Masonry Society sponsorship - North American Masonry Conference	-	-	-	6,445
Ontario Professional Planners Institute (OPPI) Symposium Sponsorship	5,000	-	5,000	-
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
	\$ 24,461	\$ 49,289	\$ 199,231	\$ 441,672

Continued on next page

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
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Expenses (continued)

(Unaudited - See Notice to Reader)

For the three and nine months ended September 30, 2016

	Third Quarter		Year-to-date	
	2016	2015	2016	2015
General and administration				
Accounting and legal	\$ 5,980	\$ 5,900	\$ 17,940	\$ 17,700
Travel and meetings	699	2,990	1,425	7,233
Donation	-	-	-	5,000
Postage and courier	61	90	203	187
Bank charges	20	1	66	188
	\$ 6,760	\$ 8,981	\$ 19,634	\$ 30,308

See accompanying note

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

Note to Financial Statements

Commitments

(Unaudited - See Notice to Reader)

September 30, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q3 YTD	Forecast 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	\$ 200,000	\$ 82,250	\$ 282,250	\$ 275,000	\$ 275,000 + each year to 2020
(b) Consulting fees.	151,651 for 2015	142,481	107,519	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	96,272	78,728	175,000	-	-
(d) Materials for Apprenticeship Training and Research.	594,105	56,286	43,714	100,000	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	\$ 595,039	\$ 462,211	\$ 1,057,250	\$ 925,000	\$ 925,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Commitments

(Unaudited - See Notice to Reader)

September 30, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q3 YTD	Forecast Q4			
Subtotals carried forward	\$ 3,110,536	\$ 595,039	\$ 462,211	\$ 1,057,250	\$ 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	75,000	25,000	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	42,071	17,929	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) Advanced Masonry Work Systems research project.	-	-	50,000	50,000	50,000	50,000 + each year to 2020
(l) Masonry Alliance for Codes and Standards membership and contribution.	14,585 for 2015	32,530	-	32,530	25,000	25,000 + each year after
(m) Secondary engineering support.	-	-	25,000	25,000	50,000	50,000 + 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	\$ 864,640	\$ 645,140	\$ 1,509,780	\$ 1,260,000	\$ 1,260,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Commitments

(Unaudited - See Notice to Reader)

September 30, 2016

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q3 YTD	Forecast Q4			
Subtotals carried forward	\$ 4,838,644	\$ 864,640	\$ 645,140	\$ 1,509,780	\$ 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) Masonry Apprenticeship Training Textbook.	49,375	17,415	-	17,415	-	-
(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 2012-15	-	-	-	-	-
(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) 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	\$ 892,388	\$ 645,140	\$ 1,537,528	\$ 1,270,000	\$ 1,270,000

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

	Total to 2015	Forecast 2016		Total 2016	2017	(1) 2018
		Actual Q3 YTD	Forecast Q4			
Subtotals carried forward	\$ 5,979,244	\$ 892,388	\$ 645,140	\$ 1,537,528	\$ 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	-	-	-	-	-
Totals	\$ 6,088,178	\$ 892,388	\$ 645,140	\$ 1,537,528	\$ 1,270,000	\$ 1,270,000

- (1) Annual totals after 2018:
 2019 - 2020 \$ 1,270,000
 2021 and each year thereafter \$ 995,000
- (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 nine months ended September 30, 2016

	Q1	Q2	Q3
BLOCK SALES			
Quarter totals	(1)		
Standard	5,293,406	7,756,755	8,146,136
Lightweight	1,590,595	1,789,139	1,789,630
Architectural	588,402	764,542	753,625
Total	7,472,403	10,310,436	10,689,391
Year-to-date totals			
	(1)		
Standard	5,293,406	13,050,161	21,196,297
Lightweight	1,590,595	3,379,734	5,169,364
Architectural	588,402	1,352,944	2,106,569
Total	7,472,403	17,782,839	28,472,230
LEVY FEES			
Quarter totals			
Gross amount	\$ 372,787	\$ 514,740	\$ 513,504
Less: Administration	(37,362)	(51,552)	(53,447)
Net Levy fees	\$ 335,425	\$ 463,188	\$ 460,057
Year-to-date totals			
Gross amount	\$ 372,787	\$ 887,527	\$ 1,401,031
Less: Administration	(37,362)	(88,914)	(142,361)
Net Levy fees	\$ 335,425	\$ 798,613	\$ 1,258,670

(1) Levy fees are based on a flat per block rate, with final revenues determined with some assumptions.

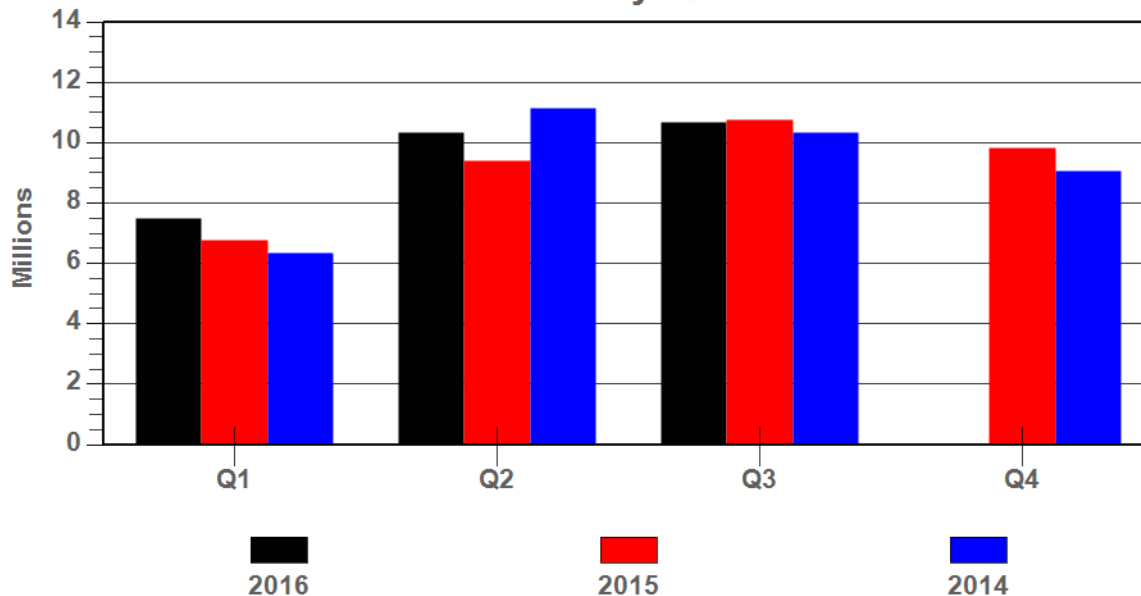
**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

Block Sales Report (continued)

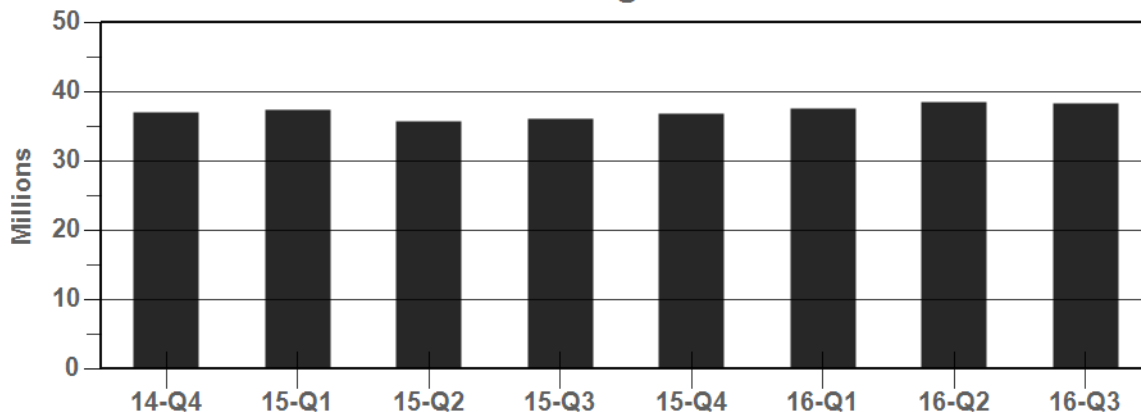
(Unaudited - See Notice to Reader)

For the three and nine months ended September 30, 2016

Block Sales by Quarter



Block Sales - Trailing Twelve Months



(000's)	Q1	Q2	Q3	Q4
Quarter totals				
2016	7,472	10,311	10,689	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	17,783	28,472	N/A
2015	6,766	16,155	26,924	36,758
2014	6,351	17,475	27,816	36,892