

**CANADIAN CONCRETE MASONRY  
PRODUCERS ASSOCIATION  
LEVY FUND**

**DRAFT Financial Statements  
(Unaudited - See Notice to Reader)  
First Quarter ended March 31, 2017**



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
Contents  
(Unaudited - See Notice to Reader)  
March 31, 2017**

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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 March 31, 2017 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.

*Dixon, Gordon + Co, LLP*

CHARTERED ACCOUNTANTS, Licensed Public Accountants

Toronto, Canada

May 10, 2017

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
DRAFT Statement of Financial Position  
(Unaudited - See Notice to Reader)  
March 31, 2017**

	<b>March 31 2017</b>	<b>December 31 2016</b>	<b>March 31 2016</b>
		(Audited)	
<b>Assets</b>			
Cash and high-interest savings account deposits	<b>\$ 4,351,347</b>	\$ 4,369,817	\$ 3,831,004
Accrued levy fees	<b>322,321</b>	369,832	337,739
Accounts receivable	<b>19,773</b>	37,964	117,823
	<b>\$ 4,693,441</b>	\$ 4,777,613	\$ 4,286,566
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<b>\$ 120,633</b>	\$ 35,095	\$ 97,402
Sales tax payable	<b>13,055</b>	39,941	12,418
	<b>133,688</b>	75,036	109,820
<b>Projects in-progress</b> (pages 6-9)			
<b>Net assets</b>			
Net assets internally restricted (page 3)	<b>4,559,753</b>	4,702,577	4,176,746
	<b>\$ 4,693,441</b>	\$ 4,777,613	\$ 4,286,566

(a) Cash balance in bank account and high-interest savings account as at March 31, 2017 was \$4,373,017.

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, 2017**

	Year-to-date	
	2017	2016
Net assets, beginning of period	\$ 4,702,577	\$ 4,324,889
Excess of expenses over revenue (page 4)	(142,824)	(148,143)
<b>Net assets, end of period</b>	<b>\$ 4,559,753</b>	<b>\$ 4,176,746</b>

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, 2017**

	<b>Year-to-date</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Levy fees	\$ 318,740	\$ 335,425
Interest income	4,195	4,065
	<b>322,935</b>	339,490
<b>Expenses (page 5)</b>		
Technical programs	357,692	357,372
Advertising and promotion	101,783	124,093
General and administration	6,284	6,168
	<b>465,759</b>	487,633
<b>Excess of expenses over revenue</b>	\$ (142,824)	\$ (148,143)

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
DRAFT Expenses  
(Unaudited - See Notice to Reader)  
For the three months ended March 31, 2017**

	Year-to-date	
	2017	2016
<b>Technical programs</b>		
Design software support contribution	\$ 100,000	\$ 100,000
University sponsorships	25,000	75,000
Consulting fees	46,100	63,450
Canadian Masonry Symposium Sponsorship	50,000	-
Development of the National Building Code Canada (NBCC) - sound analysis	15,500	35,000
Training Centre block delivery	29,873	25,881
National training fund contribution	25,000	25,000
Canadian Masonry Contractors Association (CMCA) conference sponsorship	24,000	20,000
Apprenticeship Training Textbook	20,588	-
Thermal Performance Guide	16,000	-
Masonry Training Scholarships	-	10,000
SMART/dynamics of masonry subscriptions	3,391	-
Consulting expenses	2,240	2,708
Insurance cost study	-	333
	<b>\$ 357,692</b>	<b>\$ 357,372</b>
<b>Advertising and promotion</b>		
MasonryWorx Association fees	\$ 50,000	\$ 50,000
Masonry Alliance for Codes and Standards membership and contribution	17,007	32,530
Cement Association of Canada - Seminar series sponsorship	18,166	10,000
National Concrete Masonry Association fees	10,625	11,209
Prompt Payment Ontario membership contribution	-	10,000
General advertising	171	4,695
Website and social media	2,360	30
The Masonry Society membership fees	2,051	2,231
Canadian Home Builders' Association sponsorship	-	2,000
Masonry Executives Council fees	1,403	1,398
	<b>\$ 101,783</b>	<b>\$ 124,093</b>
<b>General and administration</b>		
Accounting and legal	\$ 6,055	\$ 5,980
Bank charges	171	42
Postage and courier	58	84
Travel and meetings	-	62
	<b>\$ 6,284</b>	<b>\$ 6,168</b>

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION**  
**LEVY FUND**  
**DRAFT Note to Financial Statements**  
**Projects in-progress**  
**(Unaudited - See Notice to Reader)**  
**March 31, 2017**

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		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, Carleton University and York University, for a total of \$3,000,000 from 2009 to 2020.	\$ 1,825,750	\$ 25,000	\$ 249,250	\$ 274,250	\$ 300,000	\$ 300,000 + each year to 2020
(b) Consulting fees.	182,239 for 2016	46,100	153,900	200,000	200,000	200,000 + each year after
(c) Materials for Apprenticeship Training and Research.	666,445	29,873	120,127	150,000	150,000	150,000 + each year after
(d) Marketing of Concrete Masonry Unit (CMU).	-	-	150,000	150,000	150,000	150,000 + each year after
(e) 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 2016	100,000	-	100,000	100,000	100,000 + each year after
(f) Canadian Masonry Research Council funding.	100,000 for 2016	-	-	-	-	-
(g) Ontario Masonry Training Centre (OMTC) for \$100,000 in 2017 and each year thereafter in addition to \$1,375,000 funded over nine years to 2016.	1,375,000	25,000	75,000	100,000	100,000	100,000 + each year after
Subtotals continued on next page	\$ 4,611,168	\$ 225,973	\$ 748,277	\$ 974,250	\$ 1,000,000	\$ 1,000,000



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION**  
**LEVY FUND**  
**DRAFT Note to Financial Statements (continued)**  
**Projects in-progress**  
**(Unaudited - See Notice to Reader)**  
**March 31, 2017**

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		Actual Q1	Forecast Q2-Q4			
Subtotals carried forward	\$ 4,611,168	\$ 225,973	\$ 748,277	\$ 974,250	\$ 1,000,000	\$ 1,000,000
(h) 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.	391,568	15,500	54,500	70,000	-	-
(i) Prolevy fee payable to NCMA at 10% of the levy fees that would be collected by the Association based on a net 1.5 cent per unit levy.	55,033 for 2016	10,625	49,375	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, and sponsorships of \$25,000 in each of 2010 and 2012.	50,000 for 2016	50,000	-	50,000	50,000	50,000 + each year after
(k) Secondary engineering support.	26,012 for 2016	-	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 2021
(m) Canadian Masonry Symposium sponsorship.	-	50,000	-	50,000	-	-
(n) Masonry Alliance for Codes and Standards membership and contribution.	32,530 for 2016	17,007	7,993	25,000	25,000	25,000 + each year after
(o) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	178,185	24,000	-	24,000	-	-
(p) Masonry Apprenticeship Training Textbook.	66,790	20,588	-	20,588	-	-
Subtotals continued on next page	\$ 5,411,286	\$ 413,693	\$ 960,145	\$ 1,373,838	\$ 1,235,000	\$ 1,235,000

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION**  
**LEVY FUND**  
**DRAFT Note to Financial Statements (continued)**  
**Projects in-progress**  
**(Unaudited - See Notice to Reader)**  
**March 31, 2017**

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		Actual Q1	Forecast Q2-Q4			
Subtotals carried forward	\$ 5,411,286	\$ 413,693	\$ 960,145	\$ 1,373,838	\$ 1,235,000	\$ 1,235,000
(q) Thermal Performance Guide.	-	16,000	20,000	36,000	-	-
(r) CSA standard at \$15,000 per year for five years from 2009 to 2013, plus \$15,000 for purchase in 2017 facilitating distribution to members.	75,000	-	15,000	15,000	-	-
(s) Masonry Training Scholarships.	10,000 for 2016	-	10,000	10,000	10,000	10,000 each year to 2020
(t) SMART/dynamics of masonry subscriptions.	-	3,391	-	3,391	-	-
(u) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	250,000	-	-	-	-	-
(v) Block machine for McMaster University.	197,735	-	-	-	-	-
(w) Masonry Design Awards (2012-15).	132,200	-	-	-	-	-
(x) Educational tools.	105,884	-	-	-	-	-
(y) Foundation Project - McMaster University.	100,763	-	-	-	-	-
(z) National Research Council (NRC) research.	85,423	-	-	-	-	-
(aa) Wall Draining Project (NRC).	62,218	-	-	-	-	-
(ab) Funding to Dr. Svetlana Brzev and Dr. Don Anderson for a Seismic Design Guide.	30,717	-	-	-	-	-
(ac) Development of Canadian Framework and Guide regarding Apparent Sound Insulation in Construction - Phases 1-2.	30,000	-	-	-	-	-
(ad) Cement study.	30,000	-	-	-	-	-
Subtotals continued on next page	\$ 6,521,226	\$ 433,084	\$ 1,005,145	\$ 1,438,229	\$ 1,245,000	\$ 1,245,000

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
LEVY FUND  
DRAFT Note to Financial Statements (continued)  
Projects in-progress  
(Unaudited - See Notice to Reader)  
March 31, 2017**

	Total to 2016	Forecast 2017			2018	(1) 2019
		Actual Q1	Forecast Q2-Q4	Total 2017		
Subtotals carried forward	\$ 6,521,226	\$ 433,084	\$ 1,005,145	\$ 1,438,229	\$ 1,245,000	\$ 1,245,000
(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) Insurance cost study.	5,918	-	-	-	-	-
(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>\$ 6,596,651</b>	<b>\$ 433,084</b>	<b>\$ 1,005,145</b>	<b>\$ 1,438,229</b>	<b>\$ 1,245,000</b>	<b>\$ 1,245,000</b>

- (1) Annual totals after 2019:
- |                               |              |
|-------------------------------|--------------|
| 2020                          | \$ 1,245,000 |
| 2021                          | 935,000      |
| 2022 and each year thereafter | 835,000      |
- (2) 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 ended March 31, 2017**

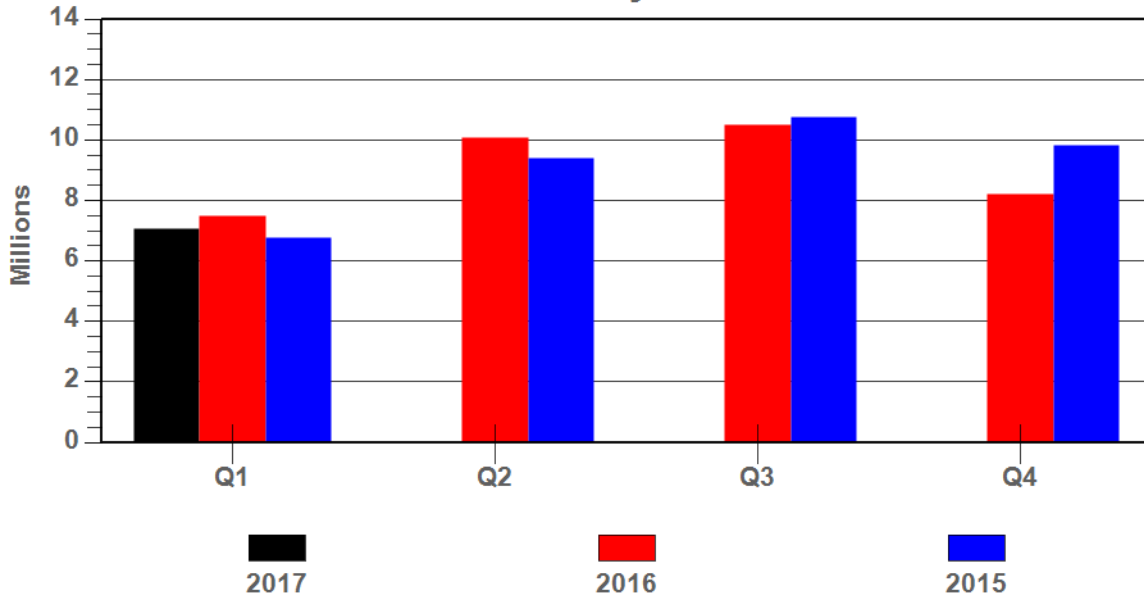
	<b>Q1</b>
<b>BLOCK SALES</b>	(1)
<b>Quarter totals</b>	
Standard	5,228,087
Lightweight	1,272,006
Architectural	583,025
<b>Total</b>	<b>7,083,118</b>
<b>LEVY FEES</b>	(1)
<b>Quarter totals</b>	
Gross amount	(2) \$ 354,156
Less: Administration	(35,416)
<b>Net Levy fees</b>	<b>\$ 318,740</b>

(1) Q1 block sales and levy fees revenue includes amounts arising from initial membership expansion into Québec. Additional membership expansion is targeted for 2018.

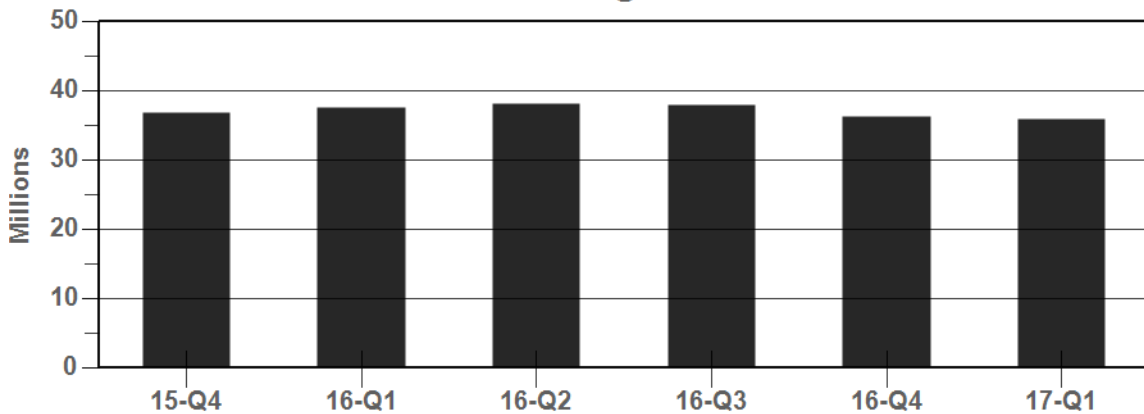
(2) Levy fees are based on a flat per block rate of 5.0¢ less 0.5¢ for administration.

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION  
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 DRAFT Block Sales Report (continued)  
 (Unaudited - See Notice to Reader)  
 For the three months ended March 31, 2017**

**Block Sales by Quarter**



**Block Sales - Trailing Twelve Months**



(000's)	Q1	Q2	Q3	Q4
<b>Quarter totals</b>				
2017	7,083	N/A	N/A	N/A
2016	7,472	10,061	10,514	8,219
2015	6,766	9,389	10,769	9,834
<b>Year-to-date totals</b>				
2017	7,083	N/A	N/A	N/A
2016	7,472	17,533	28,047	36,266
2015	6,766	16,155	26,924	36,758