

**CANADIAN CONCRETE MASONRY  
PRODUCERS' ASSOCIATION  
LEVY FUND**

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

**Second Quarter ended June 30, 2018**



**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION  
LEVY FUND  
Contents  
(Unaudited - See Notice to Reader)  
June 30, 2018**

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**DIXON, GORDON & CO. LLP**  
Chartered Professional 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, 2018 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.

*Dixon, Gordon + Co. LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS, Licensed Public Accountants  
Toronto, Canada  
August 30, 2018

**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION  
LEVY FUND  
Statement of Financial Position  
(Unaudited - See Notice to Reader)  
June 30, 2018**

	<b>June 30 2018</b>	<b>December 31 2017</b>	<b>June 30 2017</b>
		(Audited)	
<b>Assets</b>			
Cash and cash equivalents	\$ 4,343,223	\$ 4,367,556	\$ 4,296,827
Accrued levy fees	431,362	381,960	425,226
Prepaid expense	-	72,279	-
Accounts receivable	31,668	24,115	-
	<b>\$ 4,806,253</b>	<b>\$ 4,845,910</b>	<b>\$ 4,722,053</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 96,924	\$ 114,707	\$ 87,236
Sales tax payable	12,838	30,645	3,029
	<b>109,762</b>	<b>145,352</b>	<b>90,265</b>
<b>Projects in-progress</b> (pages 7-10)			
<b>Net assets</b>			
Net assets internally restricted (page 3)	4,696,491	4,700,558	4,631,788
	<b>\$ 4,806,253</b>	<b>\$ 4,845,910</b>	<b>\$ 4,722,053</b>

(a) Cash balance in bank account and high-interest savings account as at June 30, 2018 was \$4,437,836.

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, 2018**

	Second Quarter		Year-to-date	
	2018	2017	2018	2017
<b>Net assets, beginning of period</b>	<b>\$ 4,650,428</b>	\$ 4,559,753	<b>\$ 4,700,558</b>	\$ 4,702,577
Excess of (expenses over revenue) revenue over expenses (page 4)	<b>46,063</b>	72,035	<b>(4,067)</b>	(70,789)
<b>Net assets, end of period</b>	<b>\$ 4,696,491</b>	\$ 4,631,788	<b>\$ 4,696,491</b>	\$ 4,631,788

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, 2018**

	Second Quarter		Year-to-date	
	2018	2017	2018	2017
<b>Revenue</b>				
Levy fees	\$ 431,362	\$ 425,226	\$ 769,279	\$ 743,966
Interest income	6,439	2,809	12,071	7,004
	<b>437,801</b>	428,035	<b>781,350</b>	750,970
<b>Expenses (pages 5-6)</b>				
Technical programs	254,538	239,259	541,662	596,951
Advertising and promotion	130,379	109,083	230,579	210,866
General and administration	6,821	7,658	13,176	13,942
	<b>391,738</b>	356,000	<b>785,417</b>	821,759
<b>Excess of (expenses over revenue) revenue over expenses</b>	<b>\$ 46,063</b>	\$ 72,035	<b>\$ (4,067)</b>	\$ (70,789)

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, 2018**

	Second Quarter		Year-to-date	
	2018	2017	2018	2017
<b>Technical programs</b>				
Consulting fees	\$ 79,669	\$ 75,288	\$ 134,738	\$ 121,388
Design software support contribution	-	-	100,000	100,000
Training Centre block delivery	14,086	62,678	40,753	92,551
National training fund contribution	50,000	25,000	75,000	50,000
University sponsorships	28,750	-	53,750	25,000
Canadian Masonry Research Council funding	50,000	50,000	50,000	50,000
Canadian Masonry Symposium sponsorship	-	-	-	50,000
Seismic Design Guide	-	-	25,000	-
Canadian Masonry Contractors Association (CMCA) conference sponsorship	-	-	20,000	24,000
Masonry Design Awards	12,000	-	22,000	-
Apprenticeship Training Textbook	4,813	-	4,813	20,588
Thermal Performance Guide	-	-	-	16,000
Development of the National Building Code Canada (NBCC) - sound analysis	-	-	-	15,500
Consulting expenses	5,220	8,393	5,608	10,633
Masonry training scholarships	10,000	10,000	10,000	10,000
Secondary engineering support	-	6,100	-	6,100
SMART/dynamics of masonry subscriptions	-	-	-	3,391
Research projects - universities	-	1,800	-	1,800
	<b>\$ 254,538</b>	<b>\$ 239,259</b>	<b>\$ 541,662</b>	<b>\$ 596,951</b>
<b>Advertising and promotion</b>				
MasonryWorx Association sponsorship	\$ 75,000	\$ -	\$ 75,000	\$ -
Advertisement - Fire and building code	150	63,042	4,464	63,042
MasonryWorx Association membership fees	-	-	50,000	50,000
National Concrete Masonry Association fees	14,379	14,174	25,643	24,799
Masonry Alliance for Codes and Standards membership and contribution	-	-	22,279	17,007
Cement Association of Canada - Seminar series sponsorship	-	-	-	18,166
Association des Entrepreneurs en Maçonnerie du Québec (AEMQ) sponsorship	9,796	5,499	14,745	5,499
Advertising and marketing programs	8,222	11,959	14,662	12,130
Website and social media	12,711	4,409	13,665	6,769
National Concrete Masonry Association sponsorship	-	10,000	-	10,000
Royal Architectural Institute of Canada sponsorship	7,500	-	7,500	-
The Masonry Society membership fees	2,621	-	2,621	2,051
Masonry Executives Council fees	-	-	-	1,403
	<b>\$ 130,379</b>	<b>\$ 109,083</b>	<b>\$ 230,579</b>	<b>\$ 210,866</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, 2018**

	<b>Second Quarter</b>		<b>Year-to-date</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>General and administration</b>				
Accounting and legal	\$ 6,300	\$ 6,055	\$ 12,600	\$ 12,110
Travel and meetings	-	1,403	-	1,403
Postage and courier	498	57	547	115
Bank charges	23	143	29	314
	<b>\$ 6,821</b>	<b>\$ 7,658</b>	<b>\$ 13,176</b>	<b>\$ 13,942</b>

See accompanying note



**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION**  
**LEVY FUND**  
**Note to Financial Statements**  
**Projects in-progress**  
**(Unaudited - See Notice to Reader)**  
**June 30, 2018**

	Total to 2017	Forecast 2018		Total 2018	Expected Expenditures	
		Actual Q2 YTD	Q3-Q4		2019	2020
(a) Consulting fees.	\$ 259,313 for 2017	\$ 134,738	\$ 115,262	\$ 250,000	\$ 250,000	\$ 250,000 + each year after
(b) 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.	2,098,250	53,750	208,000	261,750	270,000	270,000 + \$50,000 in 2021 and 2022
(c) Materials for apprenticeship training and research.	785,667	40,753	109,247	150,000	150,000	150,000 + each year after
(d) Advertising and marketing programs.	51,439 for 2017	14,662	135,338	150,000	150,000	150,000 + each year after
(e) Membership dues of \$50,000 per year to MasonryWorx Association, a marketing group sponsored in part by the Masonry Contractors of Metropolitan Toronto, and an additional contribution of \$75,000 in 2018.	50,000 for 2017	125,000	-	125,000	50,000	50,000 + 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 2017	100,000	-	100,000	100,000	100,000 + each year after
(g) Canadian Masonry Research Council funding.	100,000 for 2017	50,000	50,000	100,000	100,000	100,000 + each year after
Subtotals continued on next page	\$ 3,806,403	\$ 518,903	\$ 617,847	\$ 1,136,750	\$ 1,070,000	\$ 1,070,000

# CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION

## LEVY FUND

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

June 30, 2018

	Total to 2017	Forecast 2018		Total 2018	Expected Expenditures	
		Actual Q2 YTD	Q3-Q4		2019	2020
Subtotals carried forward	\$ 3,806,403	\$ 518,903	\$ 617,847	\$ 1,136,750	\$ 1,070,000	\$ 1,070,000
(h) Ontario Masonry Training Centre (OMTC) for \$100,000 in 2018 and each year thereafter in addition to \$1,475,000 funded over ten years to 2017.	1,475,000	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 net 1.5 cent per unit levy.	53,104 for 2017	25,643	34,357	60,000	60,000 (2)	60,000 (2)
(j) Research projects - universities.	35,851 for 2017	-	50,000	50,000	50,000	50,000 + each year after
(k) Secondary engineering support.	9,368 for 2017	-	50,000	50,000	50,000	50,000 + each year after
(l) Thermal Performance Guide.	16,000	-	35,000	35,000	-	-
(m) Seismic Design Guide.	30,717	25,000	-	25,000	-	-
(n) 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.	417,068	-	25,000	25,000	-	-
(o) Masonry Alliance for Codes and Standards membership and contribution.	17,007 for 2017	22,279	-	22,279	25,000	25,000 + each year after
(p) Masonry Design Awards.	142,200	22,000	-	22,000	25,000	-
(q) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	202,185	20,000	-	20,000	-	-
Subtotals continued on next page	\$ 6,204,903	\$ 708,825	\$ 837,204	\$ 1,546,029	\$ 1,380,000	\$ 1,355,000

**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION**

**LEVY FUND**

**Note to Financial Statements (continued)**

**Projects in-progress**

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

**June 30, 2018**

	Total to 2017	Forecast 2018		Total 2018	Expected Expenditures	
		Actual Q2 YTD	Q3-Q4		2019	2020
Subtotals carried forward	\$ 6,204,903	\$ 708,825	\$ 837,204	\$ 1,546,029	\$ 1,380,000	\$ 1,355,000
(r) Masonry training scholarships.	10,000 for 2017	10,000	-	10,000	10,000	10,000
(s) Masonry Apprenticeship Training Textbook.	106,858	4,813	5,187	10,000	10,000	10,000 + each year after
(t) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	250,000	-	-	-	-	-
(u) Block machine for McMaster University.	197,735	-	-	-	-	-
(v) Educational tools.	105,884	-	-	-	-	-
(w) Foundation Project - McMaster University.	100,763	-	-	-	-	-
(x) National Research Council (NRC) research.	85,423	-	-	-	-	-
(y) CSA standard at \$15,000 per year for five years from 2009 to 2013.	75,000	-	-	-	-	-
(z) Wall Draining Project (NRC).	62,218	-	-	-	-	-
(aa) Canadian Masonry Symposium sponsorship.	50,000 for 2017	-	-	-	-	-
(ab) Development of Canadian Framework and Guide regarding Apparent Sound Insulation in Construction - Phases 1-2.	30,000	-	-	-	-	-
(ac) Cement study.	30,000	-	-	-	-	-
(ad) Altus/MasonryWorx wall costs study.	17,500	-	-	-	-	-
(ae) Unit Strength Method Correlation Study.	15,044	-	-	-	-	-
Subtotals continued on next page	\$ 7,341,328	\$ 723,638	\$ 842,391	\$ 1,566,029	\$ 1,400,000	\$ 1,375,000

**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION  
LEVY FUND  
Note to Financial Statements (continued)  
Projects in-progress  
(Unaudited - See Notice to Reader)  
June 30, 2018**

	Total to 2017	Forecast 2018		Total 2018	Expected Expenditures	
		Actual Q2 YTD	Q3-Q4		2019	2020
Subtotals carried forward	\$ 7,341,328	\$ 723,638	\$ 842,391	\$ 1,566,029	\$ 1,400,000	\$ 1,375,000
(af) National Sciences and Engineering Research Council (NSERC) funding.	15,000	-	-	-	-	-
(ag) Single Wythe energy study.	12,990	-	-	-	-	-
(ah) Insurance cost study.	5,918	-	-	-	-	-
(ai) Leadership in Energy and Environmental Design (LEED) standards development.	4,973	-	-	-	-	-
(aj) Load Bearing Masonry and Innovation Drive Project.	4,000	-	-	-	-	-
(ak) SMART/dynamics of masonry subscriptions.	3,391	-	-	-	-	-
<b>Totals</b>	<b>\$ 7,387,600</b>	<b>\$ 723,638</b>	<b>\$ 842,391</b>	<b>\$ 1,566,029</b>	<b>\$ 1,400,000</b>	<b>\$ 1,375,000</b>

- (1) Annual totals after 2020:  
2021 - 2022 \$ 1,145,000  
2023 and each year thereafter 1,095,000
- (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, 2018**

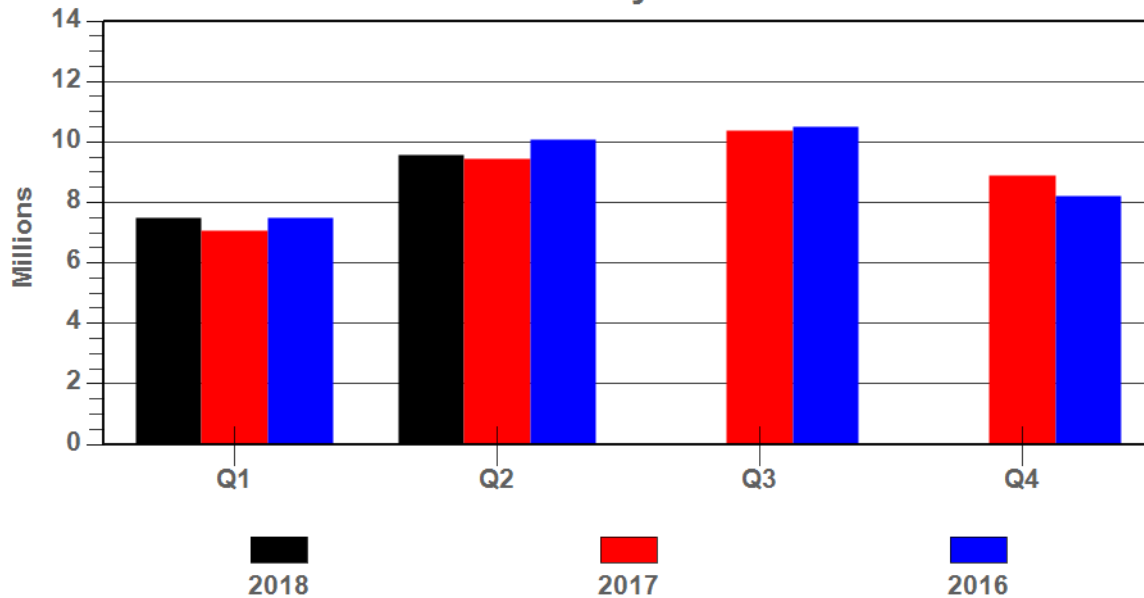
		Q1	Q2
<b>BLOCK SALES</b>	(1)		
<b>Quarter totals</b>			
Standard		5,569,824	7,125,759
Lightweight		1,465,543	1,621,141
Architectural		473,898	838,917
<b>Total</b>		<b>7,509,265</b>	<b>9,585,817</b>
<b>Year-to-date totals</b>			
Standard		5,569,824	12,695,583
Lightweight		1,465,543	3,086,684
Architectural		473,898	1,312,815
<b>Total</b>		<b>7,509,265</b>	<b>17,095,082</b>
<b>LEVY FEES</b>	(1)		
<b>Quarter totals</b>			
Gross amount	(2)	\$ 375,463	\$ 479,291
Less: Administration		(37,546)	(47,929)
<b>Net Levy fees</b>		<b>\$ 337,917</b>	<b>\$ 431,362</b>
<b>Year-to-date totals</b>			
Gross amount	(2)	\$ 375,463	\$ 854,754
Less: Administration		(37,546)	(85,475)
<b>Net Levy fees</b>		<b>\$ 337,917</b>	<b>\$ 769,279</b>

(1) Block sales and associated levy fees revenue in 2018 includes amounts arising from initial membership expansion into Québec.

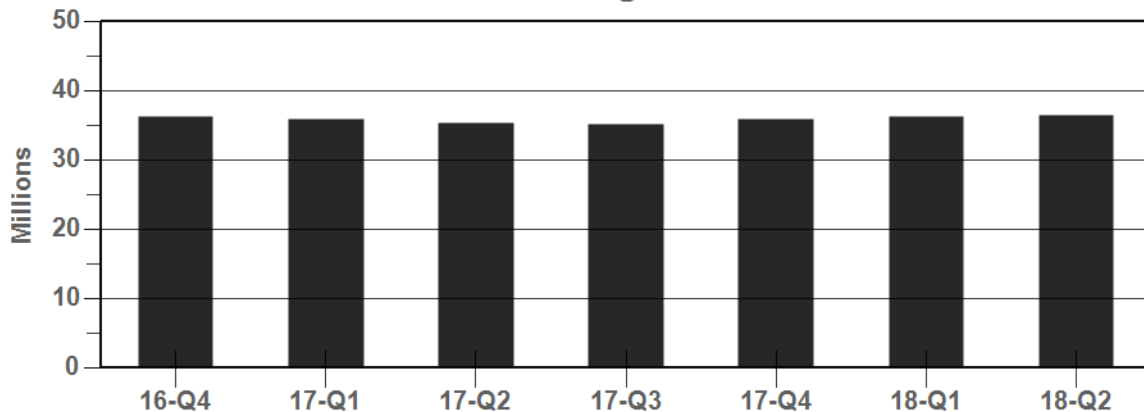
(2) Levy fees are based on a flat per block rate of 5.0¢ less 0.5¢ for administration.

**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, 2018

**Block Sales by Quarter**



**Block Sales - Trailing Twelve Months**



(000's)	Q1	Q2	Q3	Q4
<b>Quarter totals</b>				
2018	7,509	9,586	N/A	N/A
2017	7,083	9,450	10,386	8,907
2016	7,472	10,061	10,514	8,219
<b>Year-to-date totals</b>				
2018	7,509	17,095	N/A	N/A
2017	7,083	16,533	26,919	35,826
2016	7,472	17,533	28,047	36,266