

**CANADIAN CONCRETE MASONRY
PRODUCERS ASSOCIATION
LEVY FUND**

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

Third Quarter ended September 30, 2017



**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND
Contents
(Unaudited - See Notice to Reader)
September 30, 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 September 30, 2017 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.

Dixon, Gordon + Co, LLP

CHARTERED ACCOUNTANTS, Licensed Public Accountants
Toronto, Canada
October 26, 2017

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

**Statement of Financial Position
(Unaudited - See Notice to Reader)
September 30, 2017**

	September 30 2017	December 31 2016	September 30 2016
		(Audited)	
Assets			
Cash and high-interest savings account deposits	\$ 4,410,530	\$ 4,369,817	\$ 4,151,116
Accrued levy fees	467,376	369,832	460,057
Accounts receivable	-	37,964	97,823
	\$ 4,877,906	\$ 4,777,613	\$ 4,708,996
Liabilities			
Accounts payable and accrued liabilities	\$ 218,338	\$ 35,095	\$ 73,617
Sales tax payable	25,608	39,941	34,519
	243,946	75,036	108,136
Projects in-progress (pages 7-10)			
Net assets			
Net assets internally restricted (page 3)	4,633,960	4,702,577	4,600,860
	\$ 4,877,906	\$ 4,777,613	\$ 4,708,996

(a) Cash balance in bank account and high-interest savings account as at September 30, 2017 was \$4,439,507.

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, 2017

	Third Quarter		Year-to-date	
	2017	2016	2017	2016
Net assets, beginning of period	\$ 4,631,788	\$ 4,391,750	\$ 4,702,577	\$ 4,324,889
Excess of (expenses over revenue) revenue over expenses (page 4)	2,172	209,110	(68,617)	275,971
Net assets, end of period	\$ 4,633,960	\$ 4,600,860	\$ 4,633,960	\$ 4,600,860

See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

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

For the three and nine months ended September 30, 2017

	Third Quarter		Year-to-date	
	2017	2016	2017	2016
Revenue				
Levy fees	\$ 467,376	\$ 460,057	\$ 1,211,342	\$ 1,258,670
Interest income	4,572	2,958	11,576	11,193
	471,948	463,015	1,222,918	1,269,863
Expenses (pages 5-6)				
Technical programs	286,679	222,684	886,898	775,027
Advertising and promotion	166,775	24,461	374,373	199,231
General and administration	16,322	6,760	30,264	19,634
	469,776	253,905	1,291,535	993,892
Excess of (expenses over revenue) revenue over expenses	\$ 2,172	\$ 209,110	\$ (68,617)	\$ 275,971

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, 2017

	Third Quarter		Year-to-date	
	2017	2016	2017	2016
Technical programs				
Consulting fees	\$ 101,418	\$ 46,181	\$ 222,806	\$ 142,481
University sponsorships	125,000	50,000	150,000	200,000
Design software support contribution	-	-	100,000	100,000
Development of the National Building Code Canada (NBCC) - sound analysis	-	59,672	15,500	96,272
Training Centre block delivery	3,152	22,796	95,703	56,286
National training fund contribution	25,000	25,000	75,000	75,000
Canadian Masonry Research Council funding	-	-	50,000	50,000
Canadian Masonry Symposium Sponsorship	-	-	50,000	-
Apprenticeship Training Textbook	9,125	17,415	29,713	17,415
Canadian Masonry Contractors Association (CMCA) conference sponsorship	-	-	24,000	20,000
Research projects - universities	17,450	-	19,250	-
Consulting expenses	5,534	1,620	16,167	7,240
Thermal Performance Guide	-	-	16,000	-
Masonry training scholarships	-	-	10,000	10,000
Secondary engineering support	-	-	9,368	-
SMART/dynamics of masonry subscriptions	-	-	3,391	-
Insurance cost study	-	-	-	333
	\$ 286,679	\$ 222,684	\$ 886,898	\$ 775,027

Advertising and promotion

Advertisement - Fire and building code changes	\$ 117,615	\$ -	\$ 180,657	\$ 8,177
MasonryWorx Association fees	-	-	50,000	50,000
National Concrete Masonry Association fees	15,579	15,397	40,378	42,071
Advertising and marketing programs	28,664	-	40,794	31,730
Masonry Alliance for Codes and Standards membership and contribution	-	-	17,007	32,530
Cement Association of Canada - Seminar series sponsorship	1,438	4,064	19,604	14,064
North American Masonry Conference sponsorship	-	-	10,000	-
Prompt Payment Ontario membership contribution	-	-	-	10,000
Website and social media	3,479	-	6,980	30
L'Association des Entrepreneurs en Maçonnerie du Québec (AEMQ) sponsorship	-	-	5,499	-
Ontario Professional Planners Institute (OPPI) Symposium Sponsorship	-	5,000	-	5,000
The Masonry Society membership fees	-	-	2,051	2,231
Canadian Home Builders' Association sponsorship	-	-	-	2,000
Masonry Executives Council fees	-	-	1,403	1,398
	\$ 166,775	\$ 24,461	\$ 374,373	\$ 199,231

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See accompanying note

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

Expenses (continued)

(Unaudited - See Notice to Reader)

For the three and nine months ended September 30, 2017

	Third Quarter		Year-to-date	
	2017	2016	2017	2016
General and administration				
Accounting and legal	\$ 6,055	\$ 5,980	\$ 18,165	\$ 17,940
Travel and meetings	10,035	699	11,438	1,425
Bank charges	173	20	487	66
Postage and courier	59	61	174	203
	\$ 16,322	\$ 6,760	\$ 30,264	\$ 19,634

See accompanying note

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

Note to Financial Statements

Projects in-progress

(Unaudited - See Notice to Reader)

September 30, 2017

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		Actual Q3 YTD	Forecast Q4			
(a) Consulting fees.	\$ 182,239 for 2016	\$ 222,806	\$ 67,194	\$ 290,000	\$ 200,000	\$ 200,000 + 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.	1,825,750	150,000	124,250	274,250	300,000	300,000 + each year to 2020
(c) Materials for apprenticeship training and research.	666,445	95,703	54,297	150,000	150,000	150,000 + each year after
(d) Advertising and marketing programs.	31,458 for 2016	40,794	109,206	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	50,000	50,000	100,000	100,000	100,000 + each year after
(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	75,000	25,000	100,000	100,000	100,000 + each year after
Subtotals continued on next page	\$ 4,642,626	\$ 734,303	\$ 429,947	\$ 1,164,250	\$ 1,100,000	\$ 1,100,000

**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

September 30, 2017

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		Actual Q3 YTD	Forecast Q4			
Subtotals carried forward	\$ 4,642,626	\$ 734,303	\$ 429,947	\$ 1,164,250	\$ 1,100,000	\$ 1,100,000
(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	40,378	14,622	55,000	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) Advanced Masonry Work Systems research project.	-	-	50,000	50,000	50,000	50,000 + each year to 2021
(l) Canadian Masonry Symposium sponsorship.	-	50,000	-	50,000	-	-
(m) Masonry Apprenticeship Training Textbook.	66,790	29,713	10,287	40,000	-	-
(n) Thermal Performance Guide.	-	16,000	20,000	36,000	-	-
(o) 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
(p) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	178,185	24,000	-	24,000	-	-
Subtotals continued on next page	\$ 5,416,732	\$ 976,901	\$ 587,349	\$ 1,564,250	\$ 1,285,000	\$ 1,285,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

September 30, 2017

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		Actual Q3 YTD	Forecast Q4			
Subtotals carried forward	\$ 5,416,732	\$ 976,901	\$ 587,349	\$ 1,564,250	\$ 1,285,000	\$ 1,285,000
(q) Secondary engineering support.	26,012 for 2016	9,368	10,632	20,000	50,000	50,000 + each year after
(r) Research projects - universities.	-	19,250	-	19,250	-	-
(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) CSA standard at \$15,000 per year for five years from 2009 to 2013.	75,000	-	-	-	-	-
(v) Creation of the new Royal Architectural Institute of Canada (RAIC) Centre for Architecture at Athabasca University.	250,000	-	-	-	-	-
(w) Block machine for McMaster University.	197,735	-	-	-	-	-
(x) Masonry Design Awards (2012-15).	132,200	-	-	-	-	-
(y) Educational tools.	105,884	-	-	-	-	-
(z) Foundation Project - McMaster University.	100,763	-	-	-	-	-
(aa) National Research Council (NRC) research.	85,423	-	-	-	-	-
(ab) Wall Draining Project (NRC).	62,218	-	-	-	-	-
(ac) Funding to Dr. Svetlana Brzev and Dr. Don Anderson for a Seismic Design Guide.	30,717	-	-	-	-	-
(ad) Development of Canadian Framework and Guide regarding Apparent Sound Insulation in Construction - Phases 1-2.	30,000	-	-	-	-	-
Subtotals continued on next page	\$ 6,522,684	\$ 1,018,910	\$ 597,981	\$ 1,616,891	\$ 1,345,000	\$ 1,345,000

CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

September 30, 2017

	Total to 2016	Forecast 2017		Total 2017	2018	(1) 2019
		Actual Q3 YTD	Forecast Q4			
Subtotals carried forward	\$ 6,522,684	\$ 1,018,910	\$ 597,981	\$ 1,616,891	\$ 1,345,000	\$ 1,345,000
(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) Insurance cost study.	5,918	-	-	-	-	-
(ak) Leadership in Energy and Environmental Design (LEED) standards development.	4,973	-	-	-	-	-
(al) Load Bearing Masonry and Innovation Drive Project.	4,000	-	-	-	-	-
Totals	\$ 6,628,109	\$ 1,018,910	\$ 597,981	\$ 1,616,891	\$ 1,345,000	\$ 1,345,000

(1) Annual totals after 2019:

2020 \$ 1,345,000

2021 1,035,000

2022 and each year thereafter 985,000

(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, 2017

		Q1	Q2	Q3
BLOCK SALES	(1)			
Quarter totals				
Standard		5,228,087	6,965,390	7,794,745
Lightweight		1,272,006	1,694,749	1,696,940
Architectural		583,025	789,326	894,448
Total		7,083,118	9,449,465	10,386,133
Year-to-date totals				
Standard		5,228,087	12,193,477	19,988,222
Lightweight		1,272,006	2,966,755	4,663,695
Architectural		583,025	1,372,351	2,266,799
Total		7,083,118	16,532,583	26,918,716
LEVY FEES	(1)			
Quarter totals				
Gross amount	(2)	\$ 354,156	\$ 472,473	\$ 519,307
Less: Administration		(35,416)	(47,247)	(51,931)
Net Levy fees		\$ 318,740	\$ 425,226	\$ 467,376
Year-to-date totals				
Gross amount	(2)	\$ 354,156	\$ 826,629	\$ 1,345,936
Less: Administration		(35,416)	(82,663)	(134,594)
Net Levy fees		\$ 318,740	\$ 743,966	\$ 1,211,342

(1) Block sales and associated levy fees revenue in 2017 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.

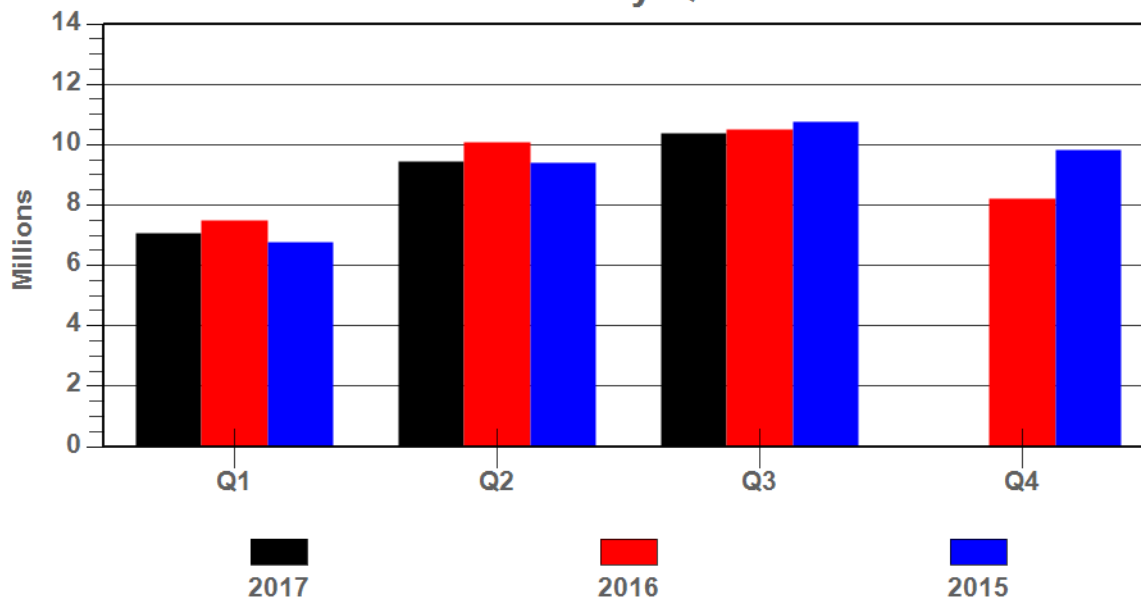
**CANADIAN CONCRETE MASONRY PRODUCERS ASSOCIATION
LEVY FUND**

Block Sales Report (continued)

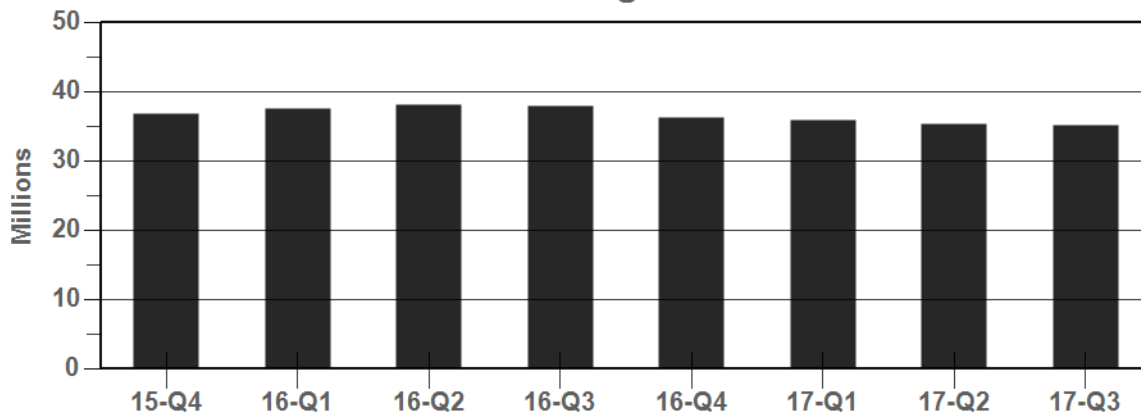
(Unaudited - See Notice to Reader)

For the three and nine months ended September 30, 2017

Block Sales by Quarter



Block Sales - Trailing Twelve Months



(000's)	Q1	Q2	Q3	Q4
Quarter totals				
2017	7,083	9,450	10,386	N/A
2016	7,472	10,061	10,514	8,219
2015	6,766	9,389	10,769	9,834
Year-to-date totals				
2017	7,083	16,533	26,919	N/A
2016	7,472	17,533	28,047	36,266
2015	6,766	16,155	26,924	36,758