

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

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

Fourth Quarter and Year ended December 31, 2017



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

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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 December 31, 2017 and the statements of revenue and expenses and changes in net assets for the year 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
March 28, 2018

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

	December 31 2017	December 31 2016
Assets		
Cash and cash equivalents	\$ 4,367,556	\$ 4,369,817
Accrued levy fees	381,960	369,832
Prepaid expense	72,279	-
Accounts receivable	24,115	37,964
	\$ 4,845,910	\$ 4,777,613
Liabilities		
Accounts payable and accrued liabilities	\$ 114,707	\$ 35,095
Sales tax payable	30,645	39,941
	145,352	75,036
Projects in-progress (pages 7-10)		
Net assets		
Net assets internally restricted (page 3)	4,700,558	4,702,577
	\$ 4,845,910	\$ 4,777,613

(a) Cash balance in bank account and high-interest savings account as at December 31, 2017 was \$4,399,482.

See accompanying note

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

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

For the three months and year ended December 31, 2017

	Fourth Quarter		Total Year	
	2017	2016	2017	2016
Net assets, beginning of period	\$ 4,633,960	\$ 4,600,860	\$ 4,702,577	\$ 4,324,889
Excess of (expenses over revenue) revenue over expenses (page 4)	66,598	101,717	(2,019)	377,688
Net assets, end of period	\$ 4,700,558	\$ 4,702,577	\$ 4,700,558	\$ 4,702,577

See accompanying note

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

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

For the three months and year ended December 31, 2017

	Fourth Quarter		Total Year	
	2017	2016	2017	2016
Revenue				
Levy fees	\$ 400,807	\$ 373,287	\$ 1,612,149	\$ 1,631,957
Interest income	5,308	5,697	16,884	16,890
	406,115	378,984	1,629,033	1,648,847
Expenses (pages 5-6)				
Technical programs	311,466	180,360	1,198,364	955,387
Advertising and promotion	26,488	26,949	400,861	226,180
General and administration	1,563	69,958	31,827	89,592
	339,517	277,267	1,631,052	1,271,159
Excess of (expenses over revenue) revenue over expenses	\$ 66,598	\$ 101,717	\$ (2,019)	\$ 377,688

See accompanying note

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

Expenses

(Unaudited - See Notice to Reader)

For the three months and year ended December 31, 2017

	Fourth Quarter		Total Year	
	2017	2016	2017	2016
Technical programs				
University sponsorships	\$ 122,500	\$ 8,000	\$ 272,500	\$ 208,000
Consulting fees	36,507	39,758	259,313	182,239
Training Centre block delivery	23,519	16,054	119,222	72,340
Development of the National Building Code Canada (NBCC) - sound analysis	10,000	10,000	25,500	106,272
Design software support contribution	-	-	100,000	100,000
National training fund contribution	25,000	25,000	100,000	100,000
Canadian Masonry Research Council funding	50,000	50,000	100,000	100,000
Canadian Masonry Symposium sponsorship	-	-	50,000	-
Apprenticeship Training Textbook	10,355	-	40,068	17,415
Research projects - universities	16,601	-	35,851	-
Secondary engineering support	-	26,012	9,368	26,012
Canadian Masonry Contractors Association (CMCA) conference sponsorship	-	-	24,000	20,000
Consulting expenses	6,984	5,536	23,151	12,776
Thermal Performance Guide	-	-	16,000	-
Masonry Design Awards	10,000	-	10,000	-
Masonry training scholarships	-	-	10,000	10,000
SMART/dynamics of masonry subscriptions	-	-	3,391	-
Insurance cost study	-	-	-	333
	\$ 311,466	\$ 180,360	\$ 1,198,364	\$ 955,387
Advertising and promotion				
Advertisement - Fire and building code	\$ -	\$ -	\$ 180,657	\$ 8,177
National Concrete Masonry Association fees	12,726	12,962	53,104	55,033
Advertising and marketing programs	10,645	(272)	51,439	31,458
MasonryWorx Association membership 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	5,000	-	24,604	14,064
National Concrete Masonry Association sponsorship	(9,078)	14,289	922	14,289
Prompt Payment Ontario membership contribution	-	-	-	10,000
Website and social media	2,195	(30)	9,175	-
L'Association des Entrepreneurs en Maçonnerie du Québec (AEMQ) sponsorship	-	-	5,499	-
Ontario Professional Planners Institute (OPPI) Symposium sponsorship	5,000	-	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
	\$ 26,488	\$ 26,949	\$ 400,861	\$ 226,180

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 months and year ended December 31, 2017

	Fourth Quarter		Total Year	
	2017	2016	2017	2016
General and administration				
Bad debts (recovery)	\$ (10,234)	\$ 63,764	\$ (10,234)	\$ 63,764
Accounting, audit and legal	10,130	5,980	28,295	23,920
Travel and meetings	1,518	30	12,956	1,455
Bank charges	21	165	508	231
Postage and courier	128	19	302	222
	\$ 1,563	\$ 69,958	\$ 31,827	\$ 89,592

See accompanying note

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

Note to Financial Statements

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2017

	Total to		Expected Expenditures	
	2016	2017	2018	2019
(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	\$ 272,500	\$ 261,750	\$ 270,000 + \$270,000 in 2020 + \$50,000 in 2021 and 2022
(b) Consulting fees.	182,239 for 2016	259,313	200,000	200,000 + each year after
(c) Materials for apprenticeship training and research.	666,445	119,222	150,000	150,000 + each year after
(d) Advertising and marketing programs.	31,458 for 2016	51,439	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 + each year after
(f) Canadian Masonry Research Council funding.	100,000 for 2016	100,000	100,000	100,000 + each year after
(g) 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.	1,375,000	100,000	100,000	100,000 + each year after
(h) 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	53,104	60,000 (2)	60,000 (2)
Subtotals continued on next page	\$ 4,697,659	\$ 1,055,578	\$ 1,121,750	\$ 1,130,000

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

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2017

	Total to 2016	2017	Expected Expenditures	
			2018	2019
Subtotals carried forward	\$ 4,697,659	\$ 1,055,578	\$ 1,121,750	\$ 1,130,000
(i) 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 + each year after
(j) Research projects - universities.	-	35,851	50,000	50,000 + each year after
(k) Secondary engineering support.	26,012 for 2016	9,368	50,000	50,000 + each year after
(l) Thermal Performance Guide.	-	16,000	35,000	-
(m) Masonry Alliance for Codes and Standards membership and contribution.	32,530 for 2016	17,007	25,000	25,000 + each year after
(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.	391,568	25,500	25,000	-
(o) Masonry training scholarships.	10,000 for 2016	10,000	10,000	10,000 + each year to 2020
(p) Canadian Masonry Symposium sponsorship.	-	50,000	-	-
(q) Masonry Apprenticeship Training Textbook.	66,790	40,068	-	-
(r) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	178,185	24,000	-	-
(s) Masonry Design Awards.	132,200	10,000	-	25,000
(t) SMART/dynamics of masonry subscriptions.	-	3,391	-	-
Subtotals continued on next page	\$ 5,584,944	\$ 1,346,763	\$ 1,366,750	\$ 1,340,000

CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2017

	Total to 2016	2017	Expected Expenditures	
			2018	2019
Subtotals carried forward	\$ 5,584,944	\$ 1,346,763	\$ 1,366,750	\$ 1,340,000
(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) Educational tools.	105,884	-	-	-
(x) Foundation Project - McMaster University.	100,763	-	-	-
(y) National Research Council (NRC) research.	85,423	-	-	-
(z) CSA standard at \$15,000 per year for five years from 2009 to 2013.	75,000	-	-	-
(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	-	-	-
(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	-	-	-
Totals	\$ 6,628,109	\$ 1,346,763	\$ 1,366,750	\$ 1,340,000

CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2017

- (1) Annual totals after 2019:
- | | |
|-------------------------------|--------------|
| 2020 | \$ 1,315,000 |
| 2021 | 1,085,000 |
| 2022 | 1,085,000 |
| 2023 and each year thereafter | 1,035,000 |
- (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 months and year ended December 31, 2017**

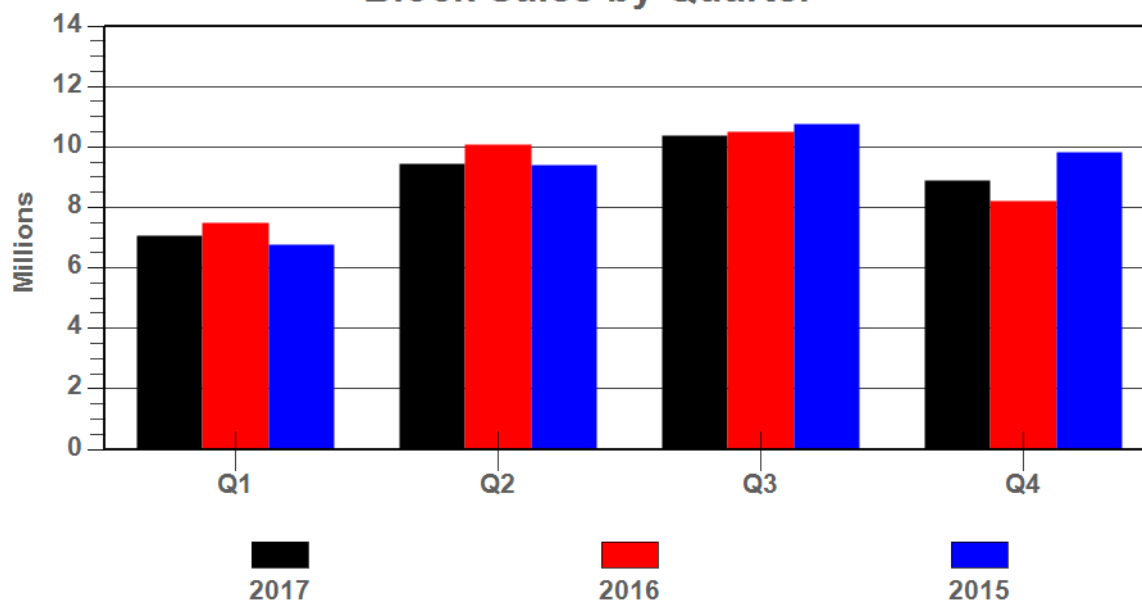
		Q1	Q2	Q3	Q4
BLOCK SALES	(1)				
Quarter totals					
Standard		5,228,087	6,965,390	7,794,745	6,648,730
Lightweight		1,272,006	1,694,749	1,696,940	1,590,478
Architectural		583,025	789,326	894,448	667,614
Total		7,083,118	9,449,465	10,386,133	8,906,822
Year-to-date totals					
Standard		5,228,087	12,193,477	19,988,222	26,636,952
Lightweight		1,272,006	2,966,755	4,663,695	6,254,173
Architectural		583,025	1,372,351	2,266,799	2,934,413
Total		7,083,118	16,532,583	26,918,716	35,825,538
LEVY FEES	(1)				
Quarter totals					
Gross amount	(2)	\$ 354,156	\$ 472,473	\$ 519,307	\$ 445,341
Less: Administration		(35,416)	(47,247)	(51,931)	(44,534)
Net Levy fees		\$ 318,740	\$ 425,226	\$ 467,376	\$ 400,807
Year-to-date totals					
Gross amount	(2)	\$ 354,156	\$ 826,629	\$ 1,345,936	\$ 1,791,277
Less: Administration		(35,416)	(82,663)	(134,594)	(179,128)
Net Levy fees		\$ 318,740	\$ 743,966	\$ 1,211,342	\$ 1,612,149

(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.

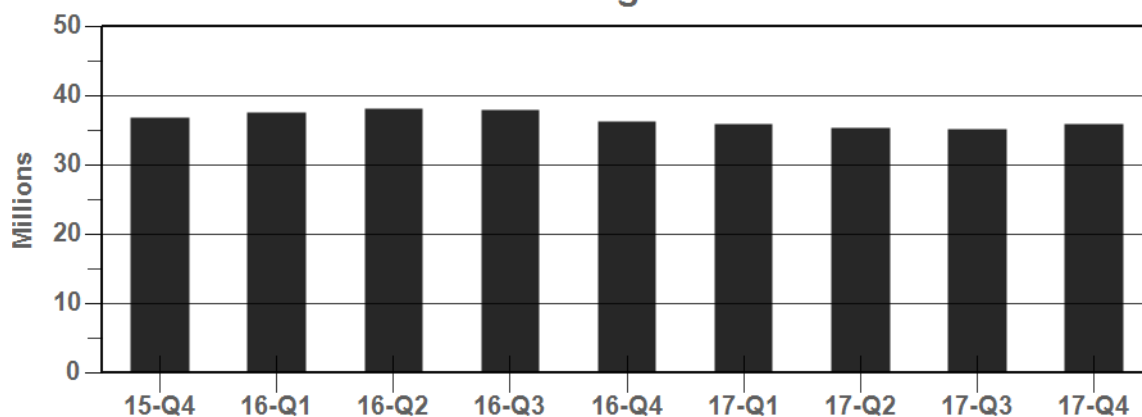
(2) Levy fees are based on a flat per block rate of 5.0¢ less 0.5¢ for administration.

**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION
LEVY FUND**
Block Sales Report (continued)
(Unaudited - See Notice to Reader)
For the three months and year ended December 31, 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	8,907
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	35,826
2016	7,472	17,533	28,047	36,266
2015	6,766	16,155	26,924	36,758