

CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION

LEVY FUND

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

Fourth Quarter and Year ended December 31, 2018



CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION
LEVY FUND
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(Unaudited - See Notice to Reader)
December 31, 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 December 31, 2018 and the statements of revenue and expenses and changes in net assets for the three months and 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 20, 2019

CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION
LEVY FUND
Statement of Financial Position
(Unaudited - See Notice to Reader)
December 31, 2018

	December 31 2018	December 31 2017
	(Audited)	(Audited)
Assets		
Cash and cash equivalents	\$ 1,771,042	\$ 4,367,556
Guaranteed investment certificates	3,120,031	-
Accrued levy fees	395,429	381,960
Prepaid expense	50,000	72,279
Accounts receivable	10,861	24,115
	\$ 5,347,363	\$ 4,845,910
Liabilities		
Accounts payable and accrued liabilities	\$ 314,318	\$ 114,707
Sales tax payable	30,743	30,645
	345,061	145,352
Projects in-progress (pages 7-10)		
Net assets		
Net assets internally restricted (page 3)	5,002,302	4,700,558
	\$ 5,347,363	\$ 4,845,910

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, 2018

	Fourth Quarter		Total Year	
	2018	2017	2018	2017
Net assets, beginning of period	\$ 4,854,127	\$ 4,633,960	\$ 4,700,558	\$ 4,702,577
Excess of revenue over expenses (expenses over revenue) (page 4)	148,175	66,598	301,744	(2,019)
Net assets, end of period	\$ 5,002,302	\$ 4,700,558	\$ 5,002,302	\$ 4,700,558

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, 2018

	Fourth Quarter		Total Year	
	2018	2017	2018	2017
Revenue				
Levy fees	\$ 436,239	\$ 400,807	\$ 1,689,777	\$ 1,612,149
Interest income	20,323	5,308	43,064	16,884
	456,562	406,115	1,732,841	1,629,033
Expenses (pages 5-6)				
Technical programs	244,810	311,466	1,037,152	1,198,364
Advertising and promotion	41,980	26,488	351,927	400,861
General and administration	21,597	1,563	42,018	31,827
	308,387	339,517	1,431,097	1,631,052
Excess of revenue over expenses (expenses over revenue)	\$ 148,175	\$ 66,598	\$ 301,744	\$ (2,019)

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, 2018

	Fourth Quarter		Total Year	
	2018	2017	2018	2017
Technical programs				
University sponsorships	\$ 20,000	\$ 122,500	\$ 193,750	\$ 272,500
Consulting fees	43,369	36,507	197,457	259,313
Association des Entrepreneurs en Maçonnerie du Québec (AEMQ) - translation costs	49,734	-	134,679	-
Training Centre block delivery	22,436	23,519	79,719	119,222
Canadian Masonry Research Council funding	50,000	50,000	100,000	100,000
National training fund contribution	25,000	25,000	100,000	100,000
Design software support contribution	-	-	100,000	100,000
Canadian Masonry Symposium sponsorship	-	-	-	50,000
Apprenticeship Training Textbook	8,562	10,355	13,375	40,068
Research projects - universities	12,000	16,601	12,000	35,851
Development of the National Building Code Canada (NBCC) - sound analysis	5,000	10,000	5,000	25,500
Seismic Design Guide	-	-	25,000	-
Canadian Masonry Contractors Association (CMCA) conference sponsorship	-	-	20,000	24,000
Consulting expenses	3,709	6,984	19,172	23,151
Masonry Design Awards	-	10,000	22,000	10,000
Thermal Performance Guide	-	-	-	16,000
Masonry training scholarships	-	-	10,000	10,000
Secondary engineering support	-	-	-	9,368
Wildlands League contribution	5,000	-	5,000	-
SMART/dynamics of masonry subscriptions	-	-	-	3,391
	\$ 244,810	\$ 311,466	\$ 1,037,152	\$ 1,198,364

See accompanying note

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

Expenses (continued)

(Unaudited - See Notice to Reader)

For the three months and year ended December 31, 2018

	Fourth Quarter		Total Year	
	2018	2017	2018	2017
Advertising and promotion				
Advertisement - Fire and building code	\$ -	\$ -	\$ 4,464	\$ 180,657
MasonryWorx Association sponsorship	-	-	75,000	-
National Concrete Masonry Association fees	14,541	12,726	56,326	53,104
Advertising and marketing programs	4,222	10,645	39,141	51,439
MasonryWorx Association membership fees	-	-	50,000	50,000
Website and social media	4,796	2,195	28,859	9,175
Alberta Masonry Council - Infrastructure Alberta Government Relations Campaign	-	-	28,571	-
Cement Association of Canada - Seminar series sponsorship	7,610	5,000	7,610	24,604
Masonry Alliance for Codes and Standards membership and contribution	-	-	22,279	17,007
AEMQ sponsorship	3,134	-	17,879	5,499
Royal Architectural Institute of Canada sponsorship	-	-	7,500	-
The Masonry Society membership fees	2,749	-	5,370	2,051
Ontario Professional Planners Institute (OPPI) Symposium sponsorship	-	5,000	-	5,000
Other membership fees	4,928	-	4,928	-
Mason recruitment	-	-	4,000	-
Masonry Executives Council fees	-	-	-	1,403
National Concrete Masonry Association sponsorship	-	(9,078)	-	922
	\$ 41,980	\$ 26,488	\$ 351,927	\$ 400,861
General and administration				
Professional fees	\$ 6,935	\$ 10,130	\$ 25,835	\$ 28,295
Travel and meetings	5,078	1,518	6,482	12,956
Bad debts (recovery)	9,220	(10,234)	9,220	(10,234)
Bank charges	7	21	36	508
Postage and courier	357	128	445	302
	\$ 21,597	\$ 1,563	\$ 42,018	\$ 31,827

See accompanying note

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

Note to Financial Statements

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2018

	Total to 2017	2018	Expected Expenditures	
			2019	2020
(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.	\$ 2,098,250	\$ 193,750	\$ 279,000	\$ 279,000 + \$75,000 in 2021 and 2022
(b) Consulting fees.	259,313 for 2017	197,457	250,000	250,000 + each year after
(c) Association des Entrepreneurs en Maçonnerie du Québec (AEMQ) - translation costs	-	134,679	135,000 (2)	135,000 (2)
(d) 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	50,000	50,000 + each year after
(e) Canadian Masonry Research Council funding.	100,000 for 2017	100,000	100,000	100,000 + 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 + 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.	1,475,000	100,000	100,000	100,000 + each year after
(h) Materials for apprenticeship training and research.	785,667	79,719	150,000	150,000 + 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	56,326	60,000 (3)	60,000 (3)
Subtotals continued on next page	\$ 5,283,068	\$ 1,086,931	\$ 1,503,000	\$ 945,000

CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION

LEVY FUND

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2018

	Total to 2017	2018	Expected Expenditures	
			2019	2020
Subtotals carried forward	\$ 5,283,068	\$ 1,086,931	\$ 1,503,000	\$ 945,000
(j) Advertising and marketing programs.	51,439 for 2017	39,141	150,000	150,000 + each year after
(k) Seismic Design Guide.	30,717	25,000	-	-
(l) Masonry Alliance for Codes and Standards membership and contribution.	17,007 for 2017	22,279	25,000	25,000 + each year after
(m) Masonry Design Awards.	142,200	22,000	25,000	-
(n) Canadian Masonry Contractors Association (CMCA) conference sponsorship.	202,185	20,000	-	-
(o) Masonry Apprenticeship Training Textbook.	106,858	13,375	10,000	10,000 + each year after
(p) Research projects - universities.	35,851 for 2017	12,000	50,000	50,000 + each year after
(q) Masonry training scholarships.	10,000 for 2017	10,000	10,000	10,000
(r) 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	5,000	25,000	-
(s) Wildlands League contribution - "Wood Product Carbon: the inconvenient questions", two-year project, investigating regrowth rates in legacy clear cut forests.	-	5,000	-	-
(t) Secondary engineering support.	9,368 for 2017	-	50,000	50,000 + each year after
Subtotals continued on next page	\$ 6,305,761	\$ 1,260,726	\$ 1,848,000	\$ 1,240,000

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

Note to Financial Statements (continued)

Projects in-progress

(Unaudited - See Notice to Reader)

December 31, 2018

	Total to 2017	2018	Expected Expenditures	
			2019	2020
Subtotals carried forward	\$ 6,305,761	\$ 1,260,726	\$ 1,848,000	\$ 1,240,000
(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) Canadian Masonry Symposium sponsorship.	50,000 for 2017	-	-	-
(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) Thermal Performance Guide.	16,000	-	-	-
(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	-	-	-
Subtotals continued on next page	\$ 7,380,209	\$ 1,260,726	\$ 1,848,000	\$ 1,240,000

CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION**LEVY FUND****Note to Financial Statements (continued)****Projects in-progress****(Unaudited - See Notice to Reader)****December 31, 2018**

	Total to		Expected Expenditures	
	2017	2018	2019	2020
Subtotals carried forward	\$ 7,380,209	\$ 1,260,726	\$ 1,848,000	\$ 1,240,000
(a) Load Bearing Masonry and Innovation Drive Project.	4,000	-	-	-
(am) SMART/dynamics of masonry subscriptions.	3,391	-	-	-
Totals	\$ 7,387,600	\$ 1,260,726	\$ 1,569,000	\$ 1,519,000

(1) Annual totals after 2020:

2021 - 2022 \$ 1,305,000

2023 and each year thereafter 1,230,000

(2) Payment amount based on unit block sales in Québec.

(3) Payment amount based on total 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, 2018

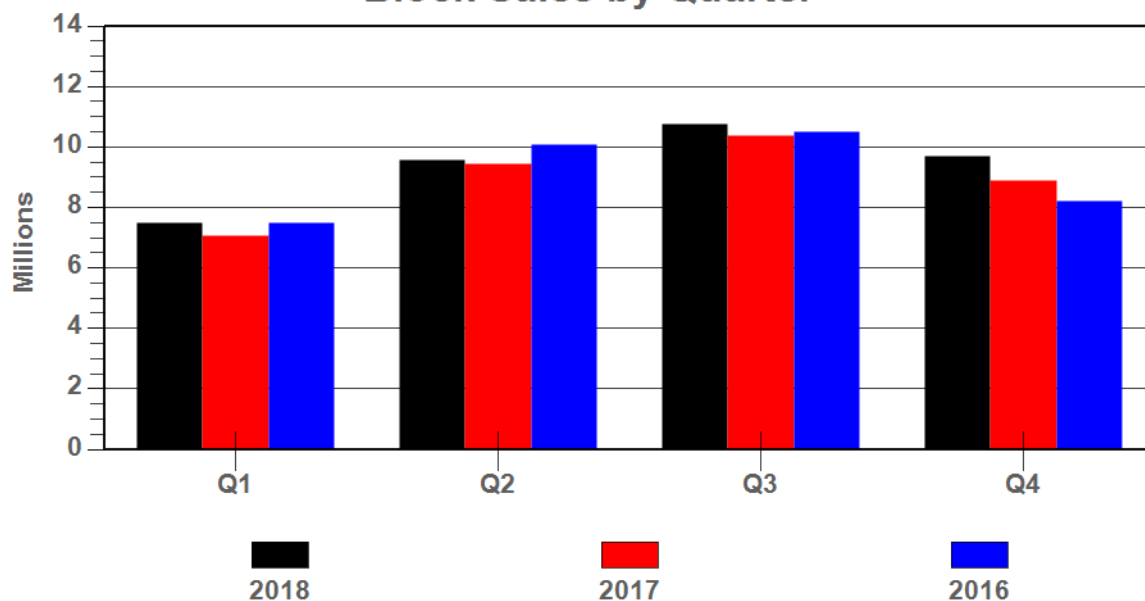
		Q1	Q2	Q3	Q4
BLOCK SALES	(1)				
Quarter totals					
Standard		5,569,824	7,125,759	7,974,747	7,364,373
Lightweight		1,465,543	1,621,141	1,958,616	1,600,582
Architectural		473,898	838,917	827,957	729,249
Total		7,509,265	9,585,817	10,761,320	9,694,204
Year-to-date totals					
Standard		5,569,824	12,695,583	20,670,330	28,034,703
Lightweight		1,465,543	3,086,684	5,045,300	6,645,882
Architectural		473,898	1,312,815	2,140,772	2,870,021
Total		7,509,265	17,095,082	27,856,402	37,550,606
LEVY FEES	(1)				
Quarter totals					
Gross amount	(2)	\$ 375,463	\$ 479,291	\$ 538,066	\$ 484,710
Less: Administration		(37,546)	(47,929)	(53,807)	(48,471)
Net Levy fees		\$ 337,917	\$ 431,362	\$ 484,259	\$ 436,239
Year-to-date totals					
Gross amount	(2)	\$ 375,463	\$ 854,754	\$ 1,392,820	\$ 1,877,530
Less: Administration		(37,546)	(85,475)	(139,282)	(187,753)
Net Levy fees		\$ 337,917	\$ 769,279	\$ 1,253,538	\$ 1,689,777

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

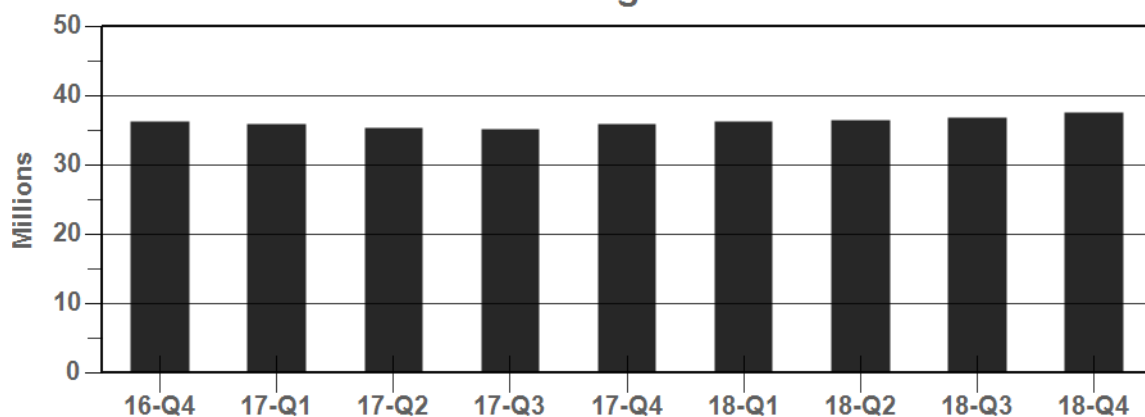
(2) Levy fees are based on a flat per block rate of 5.0¢ less 0.5¢ for administration.

**CANADIAN CONCRETE MASONRY PRODUCERS' ASSOCIATION
LEVY FUND**
Block Sales Report (continued)
(Unaudited - See Notice to Reader)
For the three months and year ended December 31, 2018

Block Sales by Quarter



Block Sales - Trailing Twelve Months



(000's)	Q1	Q2	Q3	Q4
Quarter totals				
2018	7,509	9,586	10,761	9,695
2017	7,083	9,450	10,386	8,907
2016	7,472	10,061	10,514	8,219
Year-to-date totals				
2018	7,509	17,095	27,856	37,551
2017	7,083	16,533	26,919	35,826
2016	7,472	17,533	28,047	36,266