



# 2017

ANNUAL REPORT



## WHO WE ARE

The Manitoba Heavy Construction Association speaks for the heavy construction contractors who build the roads, streets, bridges, sewer and water infrastructure, and the suppliers and associated businesses that support that work.

### We are heard

The MHCA has made its voice heard since its founding in 1943. We speak for the heavy construction industry in promoting sustainable and strategic investments in municipal, provincial and federal core infrastructure, to grow the economy.

### We are progressive

MHCA has led the province and nation with visionary, principled advocacy for sustained and strategic investment in core infrastructure to advance economic growth, in a manner consistent with the public best interest. The MHCA sets the standard for protecting workers, through its WORKSAFELY™ safety, health and leadership programs.

### We are influential

MHCA networks with over 45 stakeholders provincially and regionally, including a coalition of 6 leading Manitoba business organizations. We are a prominent member of the Canadian Construction Association, serving on its board and policy/advocacy committees.

### We are 75 years strong

In 2018, the MHCA celebrates 75 groundbreaking years, a history of principled work, solid advocacy with a growing membership that has allowed us to develop strong positions that have met the test of time and continue to underpin our achievements.

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# 1 MHCA'S GROUNDBREAKING IMPACT

## 12 MONTHS OF PROGRESS, 75 YEARS OF SUCCESS

A year-end review is a chance to look back, take stock, ask what we accomplished and where do we redouble our efforts. Nearing 2017's end, I can say there were some big achievements.

Let's start with Finance Minister Cameron Friesen's letter to MHCA that effectively declared Manitoba a 'no-go zone' for arbitrary reprisal clauses and local preference language in public tenders. We thank the Pallister government for what can be described as a "line in the sand" in defence of free trade.

MHCA members are to be congratulated on this historic declaration. It is your work in standing by a strong, principled position – one I am proud to note has been a long-standing pillar of MHCA's economic growth platform – that moved us past the goal post on obstructionist trade practices. Beyond the defence of free trade, it shows faith in the ability of our industry to compete, on a level playing field.

We have had other notable accomplishments in 2017. I would highlight that MHCA has:

- Reasserted the need to improve Winnipeg's procurement practices, something that was at risk of falling off the table, and for transparency in funding, and policy, of the local and regional street renewal program
- Advanced the work in the Capital Region for a regional transportation system, key to efficient movement of people and goods, to prepare for growth in population and trade opportunities
- Focused budget discussions at Manitoba Infrastructure on the 'big picture,' to leverage public-private investment in economic growth

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And we have solidified partnerships with leading business organizations. The value of engagement is seen in the Trudeau government's decision to pull back on planned changes to small-business taxes.

These accomplishments come from hard work, but also as the result of the strong foundation our members built over the decades with principled, progressive advocacy on trade, innovation and economic investment. Principles that, tested by time, have come out on the right side of history.

It is our 75th anniversary in 2018. Through the years, MHCA has charted a path others have followed.

From 1943 forward, MHCA has pushed governments to focus on a "return on investment" by the strategic use of public funds for Canada's transportation assets, the conduit of trade, domestically, continentally and globally. Our work and advocacy on national files have produced impressive results, some of which you can see in the following pages.

I think people should know this story. In our 75th year, the MHCA is planning to tell it. Our industry has played a central role in Manitoba and Canada's growth, in solidifying our national mythology. Our groundbreaking work moves the earth to strengthen the transportation links that keep the true North strong.



Greg Orbanski,  
Chair, MHCA



# 2017 MHCA BOARD OF DIRECTORS

## EXECUTIVE COMMITTEE

**MHCA BOARD CHAIR**  
 Greg Orbanski  
 Tri-Line Construction Ltd.

**MHCA PRESIDENT**  
 Chris Lorenc, B.A., LL.B.

**VICE CHAIR**  
 Jack Meseyton, G.S.C.  
 E.F. Moon Construction Ltd.

**MHCA SECRETARY/TREASURER**  
 Nicole Chabot, G.S.C.  
 L. Chabot Enterprises Ltd.

**MHCA IMMEDIATE PAST CHAIR**  
 Derek Walker, P. Eng, G.S.C.  
 Maple Leaf Construction Ltd. –  
*Highways Division*

**AT LARGE**  
 Robert Reidy, P.Eng.  
 Taillieu Construction

Barry Arnason  
 Arnason Industries Ltd.

Henry Borger, M. Sc., MBA  
 Borland Construction Inc.

## COMMITTEE CHAIRS

**EXECUTIVE COMMITTEE**  
 Greg Orbanski  
 Tri-Line Construction Ltd.

**EDUCATION, TRAINING & GOLD SEAL**  
 Nicole Chabot, G.S.C.  
 L. Chabot Enterprises Ltd.

**EQUIPMENT RENTAL RATES**  
 Greg McKee  
 SMS Equipment

**AGGREGATE PRODUCERS**  
 James Kaskiw  
 Lehigh Inland Group of  
 Companies

**WINNIPEG**  
 Henry Borger, M.Sc., MBA  
 Borland Construction Inc.

**NORTHERN AFFAIRS**  
 Pat Turner  
 E.T. Trucking

**WORKSAFELY™**  
 Peter Paulic  
 Brandt Tractor Ltd.

**EVENTS COMMITTEE**  
 Michael Byrne  
 Aon Reed Stenhouse Inc.

**MEMBERSHIP**  
 Robert Reidy, P.Eng.,  
 Taillieu Construction Ltd.

**HIGHWAYS**  
 Jack Meseyton, G.S.C.  
 E.F. Moon Construction Ltd.

**AT LARGE**  
 Warren Sigfusson, G.S.C.  
 Sigfusson Northern Ltd.  
*Member - Aggregate Producers Committee*

Dennis Cruise, CET, G.S.C.  
 Bituminex Paving Ltd.  
*Member - MHCA Winnipeg Committee*

Ron Duncan, P.Eng.  
 Tri-Core Projects Ltd.  
*Member - Education, Training & Gold Seal Committee*

Barry Arnason  
 Arnason Industries Ltd.  
*Member - Executive Committee*

Derek Walker, P.Eng., G.S.C.  
 Maple Leaf Construction Ltd.-  
*Highways Division Member - Executive Committee*

## PAST IS PROLOGUE – WE ARE READY FOR THE FUTURE

'Past is prologue' is a phrase that's been used for varied intent since Shakespeare first coined it. But we can agree that looking at history allows us to see patterns ahead. And I see that 75 years of accomplishment have paved a firm road ahead for the MHCA. So, while we cannot know all of what will come, I am confident our industry will embrace it, grow and, in keeping with the public best interest, continue to make our province and country stronger.

So let me say, first, congratulations. You, our members, have been careful, smart stewards of a legacy that matches the history of the most accomplished business organizations. That means we have a firm road ahead to lead us into our next 75 years.

MHCA's chairman, Greg Orbanski, has laid out for you the accomplishments of 2017. I want to describe where our work is continuing and the files we hold as our priorities in 2018.

First, the MHCA is pleased to see that the Manitoba government will not ascribe to the use of arbitrary reprisal or local preference clauses, which are inherently unfair and defeatist as a trade practices. But practices that obstruct free trade, preventing open, fair competitive bidding, remain in use in some jurisdictions. We plan to watch for and push back on those practices, wherever they emerge, in 2018.

Free, fair trade is a cornerstone MHCA principle. But for our economy to continue to grow, for Manitobans to prosper, the ground rules for business must also be rational and predictable, not arbitrary and shifting.

That, then, leads me to another priority. Securing access to this province's trove of aggregate resources – the foundation of public and private infrastructure assets – is a critical file. Our aggregate resources are at risk of sterilization in some municipalities as conflicting land uses are approved. A provincial advisory committee is in the midst of forming recommendations to the province that, we hope, will resolve these conflicts. If we don't get this right, and if the 'constructive denial' of legitimate applications to open new pits and quarries continues, everyone will pay a lot more to get the roads and highways built or repaired, to see new buildings rise and public amenities added to our communities.

I am mindful of the hard, successful work of MHCA's chairs, directors and presidents of the past. The principles they laid down guide us in forming new avenues of advocacy. In keeping with that, our priorities for 2018 include improving public procurement practices, to see early release of capital budgets and tender schedules; pressing for incremental increases to provincial highways capital budgets and for five-year program; vigilance of public tender practices to eliminate sole-sourcing; and release by the city and the province of their infrastructure investment deficits – we can't know if our trade-transportation assets are improving without a benchmark of their condition.

In the next pages, you'll see details of our priorities for 2018 and our partnerships in the community, along with a historical timeline of MHCA accomplishments. It's an acknowledgment that our influence is built on 75 years of hard work and foresight. As a prologue, it bodes well for what's to come.



Chris Lorenc, B.A., LL.B.  
President, MHCA



MHCA is founded; Scott Fowler named 1st Chair; Mb & Sask form Prairie Roadbuilders Assoc.	Red River Floodway opens, a 6-year project that moved 2.3 billion feet of earth		MHCA launches what is known now as WORKSAFELY™	Colleen Munro elected MHCA's 1st female chair, a 1st for heavy civil organizations in Canada	City task force (SIRP), co-chaired by MHCA President, issues call to fix Winnipeg's infrastructure deficit				
1943	1950s	1968	1983	1989	1993	1995	1997	1998	1999
	MHCA, via Prairie Roadbuilders, renews push for a national highway; TransCanada opens in 1962	MHCA champions TRIP/Canada, now basis of CCA's national advocacy	<b>WORKSAFELY</b>	MHCA national advocacy spurs federal launch of 1st Canada Infrastructure Works Program		Industry rallies during Flood of the Century; builds 42-kilometer Brunkild Z-Dike	MHCA publishes its 1st Equipment Rental Rates Guide; national COR™ program established		

## Setting our sights – MHCA 2018 priorities

- Increasing Manitoba Infrastructure Highways Capital Program by the annual rate of inflation to protect value; push for annual & five-year program to enhance program value
- Ensure transparent and consistent process to access Manitoba's aggregate minerals
- Press for continuation of open, competitive bidding practices, awards to lowest qualifying bidder
- Oppose sole-source contracts except in emergency
- Advancing transparent, accountable budgets for Winnipeg's local and regional streets and highways
- Pursue public release of municipal and provincial infrastructure investment deficit
- Press for timely approval of capital budgets, early release of public tender schedule
- Guard against trade/procurement policies that use local preference or reprisal clauses
- Improved snow clearing policies in Winnipeg, attracting/retaining bidders for competitive area-clearing contracts
- Protecting companies' choice of industry-based safety program, to qualify for new WCB 15% rate rebate
- Champion a new fiscal deal for Manitoba municipalities

## Strength in numbers – Partnership advocacy

- New fiscal deal for municipalities: MHCA joins with five other leading Manitoba business organizations – **Business Council of Manitoba, Manitoba and Winnipeg Chambers of Commerce, Canadian Manufacturers and Exporters, and the Manitoba Home Builders' Association** to push for a new way for municipalities to raise revenues to better meet the demand for public service

- MHCA worked with the **Canadian Construction Association** to oppose reprisal clauses in public tenders
- Regional transportation plan – MHCA is part of a public-private project of the **Partnership of the Manitoba Capital Region** to co-ordinate transportation priorities among 18 municipalities
- **CentrePort Canada** – MHCA works with CentrePort Canada, North America's largest inland port, drawing more than \$600 million in public/private investment
- MHCA joined the **Canadian Chamber of Commerce** to oppose Ottawa's planned changes to Canadian-owned corporate taxation that would have damaged investment and succession planning for small businesses

## Getting heard – MHCA in the community

- MHCA sponsored the Manitoba Chambers of Commerce Deputy Ministers Dinner this spring; it spoke about infrastructure investment deficits and the imbalance of tax revenues received by municipalities
- As presenting partner this month for the MCC's Ministers' Dinner, MHCA will again be at the podium, with board members at preferred seating with provincial ministers
- MHCA is sponsoring the first Winnipeg Chamber of Commerce Civic Leaders Dinner this month, and will address the Mayor, councilors and senior administration
- MHCA's President published articles on industry priorities in the Winnipeg Free Press through 2017, spoke at numerous community groups and has been quoted in various media, including the Free Press, CBC, Winnipeg Sun and CJOB on infrastructure priorities and public budgets
- MHCA made public presentations to Winnipeg City Council, to Manitoba Finance's budget consultations and to the provincial Red Tape Task Force

Sustained advocacy sees highways capital program tripled (since 2002)	MHCA leads push for CentrePort Canada, Canada's 1st inland port	Assiniboine River floods; Lake St. Martin outlet channel is built		Building Manitoba Fund requires 1/7th of PST dedicated to infrastructure	Gov. of Manitoba declares public tenders will not contain arbitrary reprisal or local preference clauses			
2004	2006	2008	2009	2011	2013	2014	2015	2017
MHCA defends industry against 'forced unionization' in floodway-expansion project	CCA embraces MHCA call to link investment in infrastructure, to trade and economic growth		Infrastructure Funding Council, chaired by MHCA President, calls for "new fiscal deal" for municipalities	Winnipeg adopts annual 1%+1% tax increases dedicated to local and regional streets	Capital Region councils endorse coordinated, regional transportation system			

## CCA REVIEWING ITS STRATEGIC DIRECTIONS AS IT ENTERS CENTENNIAL ANNIVERSARY

**N**ational partnership with the Canadian Construction Association ensures local organizations, such as the Manitoba Heavy Construction Association, are heard in Ottawa and across country where mutual concerns require attention and response.

A good illustration of such a shared issue is that of punitive or arbitrary reprisal clauses, which are increasingly and without warning creeping into public tender documents and contracts. The CCA, through its Civil Infrastructure Council, chaired by MHCA board member Henry Borger, is supporting a contractor's court challenge in Burnaby, B.C., against the municipality's use of reprisal clauses. But this is not the only jurisdiction where bid-barring language is in use.

The CCA is also the unified voice that speaks on federal files, such as the strategic use of transportation infrastructure investment, policy and programs to grow Canada's economy.

The CCA is celebrating its 100th anniversary in 2018. The retirement of longstanding CCA president Michael Atkinson this fall, along with other staff changes – including the hiring of Atkinson's successor, Mary Van Buren – the CCA board launched a strategic planning review to ensure its outlook is focused on key priorities and that the association understands the needs of the local members. CCA executive members are having conversations across Canada with local construction organizations.

On October 31, CCA 2nd vice-chair John Bockstael (Bockstael Construction) and Borger, who serves on the CCA executive committee, met with MHCA past chairs and current board members.

It placed upon the table the results of a recent

"environmental scan" CCA conducted with representatives of local organizations. Top trends and issues identified include the pace of technological change, complexity of projects, mergers and acquisitions, contract payment terms and deteriorating quality of design documents.

In August, the CCA updated its top industry priorities list, which includes: prompt payment; legalized marijuana's implications for construction industry; quality of design documents; federal infrastructure program; reprisal bidding clauses; updated Trade Contractors Guide; social procurement; review of federal environmental laws.

The CCA asked for feedback on the identified priorities, and the specific challenges of local firms.

The MHCA session sparked a vigorous exchange. The CCA was told that it is important that it attend to the regulatory and mechanistic details of construction, as day to day issues for members. The top items that arose from the environmental scan are all 'valid.'

However, uniformly the message from the table was that the CCA must position itself to be the national advocacy body on 'big picture' files, and to be recognized in Ottawa and across Canada as the leading voice on key economic issues, including:

- 'nation-building' infrastructure policy and investment
- positioning Canada for increased trade
- getting Canada's natural resources developed and to market in a sustainable, environmentally responsible manner
- federal taxation and fiscal policy

The CCA's profile and influence in Ottawa, with the political offices and the bureaucracy, depend on strong relationships and regular, meaningful contact. CCA has strength in both its numbers, with more than 20,000 members and 64 local and provincial partner associations, and policy advocacy. The CCA was told it must also create strategic partnerships with other national associations – the value and impact of which were recently seen in the national campaign on the Trudeau government's planned reforms to small-business taxes.

The CCA now is gathering the results of its local and regional sessions to bring them to its national strategic planning session in November 2017, in Winnipeg.



**Canadian  
Construction  
Association**

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## YOUR INVESTMENT IN SAFETY IS PAYING OFF

The heavy construction industry has a strong record of leadership and success in safety dating back almost 30 years. What does safety success look like for our industry? MHCA WORKSAFELY™ has over 350 companies certified through the nationally recognized COR™ Program. Close to 75% of the industry workforce now works for a COR™ certified company.

This commitment to safety and health is paying huge dividends. Recent statistics from the WCB show the heavy construction industry's time-loss injury rate fell to an all-time low of 3.7 injuries per 100 workers in 2016. For 2017 the news is even better. So far, the rate has fallen to 3.3 injuries per 100 workers.

These improvements translate into lower overall WCB compensation rates for our companies. The average WCB compensation rates our industry's companies will pay in 2018 will be less than half the 2012 rates.

How will WORKSAFELY™ build on these successes? How can we go from 'Good to Great?'



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**Improving communication with our clients** – In 2017 we launched the WORKSAFELY™ e-newsletter; it now reaches over 1,000 e-subscribers. In 2018, we will implement on-line payment and WORKSAFELY™ course enrolment.

**Strengthening the COR™ Program** – We have improved the quality assurance system for the WORKSAFELY™ COR™ Program to align it with Safe Work Certification. We have also developed in-house training on out-of-province COR™ requirements to assist companies seeking to work in other jurisdictions. In 2018, we will be working to be the first industry-based safety provider in Manitoba to develop and implement return-to-work certification as an optional add-on to our COR™ Program.

**Enhancing the benefits of the COR™ Program** – The alignment of the WORKSAFELY™ COR™ Program with the Safe Work Certified Program ensures that our COR™ companies will qualify for the 15% rebate on their 2018 WCB premiums. This is above the reductions already anticipated for 2018. In 2018, we will continue working with the provincial government to eliminate the \$100,000 threshold, to make COR™ a minimum bidding requirement on all provincial construction projects.

**WORKSAFELY™ training** – We will update our training courses and materials, such as the Roadbuilder Safety Training System and the Traffic Control Coordinator program, and work to provide on-line tools and resources for other courses. As part of our customized training provided in the workplace, we will add new courses to the COR™ offering such as leadership training; specialized requirements for pump trucks; workshops on issues like substance abuse in the workplace and utility locates; and, specialized training on return-to-work certification.

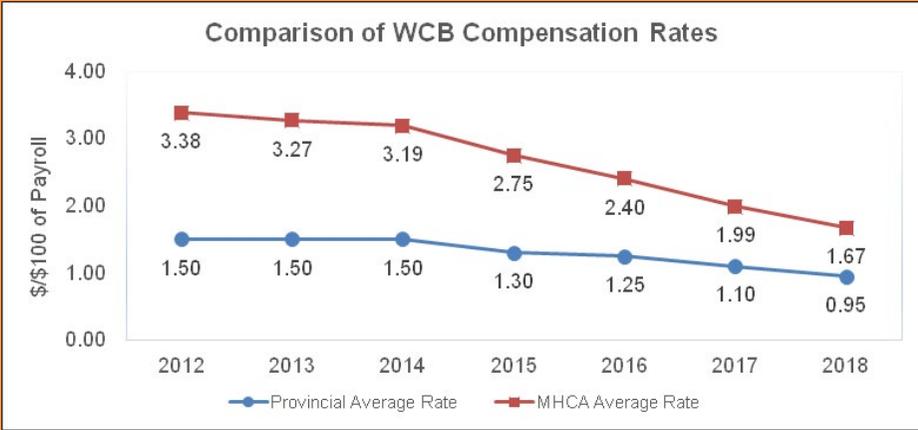
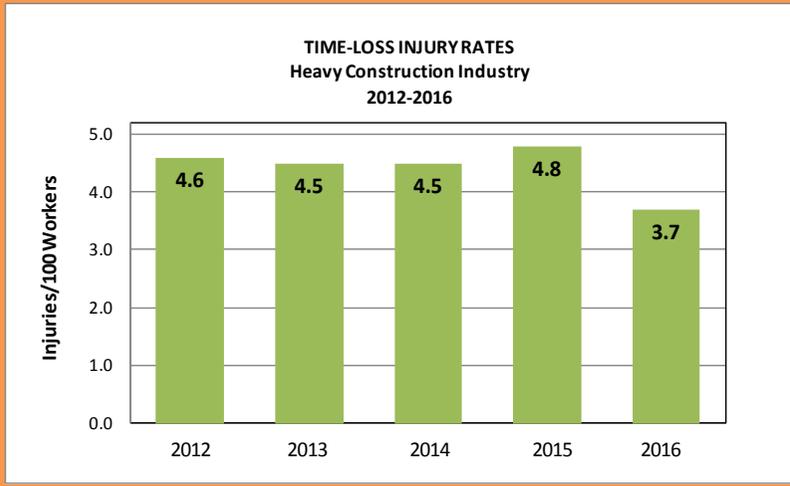
**WORKFORCE™ training** – We're working with the Manitoba Construction Sector Council to deliver courses for new industry workers, simulator-based heavy equipment operator readiness training and in-seat heavy equipment operator instruction in Winnipeg, rural and northern Manitoba.

**Developing our WORKSAFELY™ team** – We have recruited a strong, experienced team of safety advisors and administrative personnel to support our industry and our WORKSAFELY™ programs. We have supported staff development on data-base programming, utility-locates systems and learning-management systems. In 2018, we will work with Safe Work Manitoba and other associations to develop additional training/facilitator resources for our own WORKSAFELY™ instructors.

I want to thank the MHCA chair, directors and members for their continued support of the WORKSAFELY™ Education and Training Program. Our team is committed to developing and delivering programs that enable industry companies to safely go from good to great.

Don Hurst,  
WORKSAFELY™ Director  
Education and Training





# New 2017 COR™ companies

6669884 Manitoba Ltd.  
t/a Parish Backhoe  
Beech Electric Ltd.  
Coyote Ridge Contracting Ltd.  
D K Landscaping Ltd.  
Fast Brothers (1978) Ltd.  
J H Excavating  
Hamiota Municipality  
Hard Rock Electric Ltd.  
Hollow Water East Side Road  
Construction Ltd.

Municipality of Russell-Binscarth  
Norwest Manufacturing  
Northlands First Nation  
RM of Wallace-Woodworth  
Timberline Transport Ltd.  
Town of Morris  
Valley Rock Construction  
Zenith Aggregates Ltd.  
Wichi Enterprises



- Key observations:**
- Continued improvement in the injury rate – now below 4 injuries per 100 workers for the first time.
  - With reduction in overall injury rate, the average number of days lost to injury has climbed to 26.1
  - The average WCB rate for the heavy construction industry in 2018 will be \$1.67/\$100, down 30% in just 2 years

# EVENTS 2016/2017



## Awards Breakfast and Chairman's Gala November 18, 2016 RBC Convention Centre

Our 2016 Annual General Meeting saw the passing of the Chairman's position from Derek Walker (Maple Leaf Const. - Highways Div.) to Greg Orbanski (Tri-Line Const.) who will serve for the next two years.

Infrastructure Minister Blaine Pedersen gave the keynote address at the Awards Breakfast; Manitoba Infrastructure Awards were handed out in the following divisions:

- Paving – *Russell Redi-Mix Concrete, Division of Coco Group*
- Grading – *Hugh Munro Construction Ltd.*
- Special Projects – *Sigfusson Northern Ltd.*
- Major Structures – *MD Steele Construction Ltd.*
- Minor Structures – *MD Steele Construction Ltd.*

MHCA recognized 29 companies for their "milestone" membership commitments. The Chairman's Gala attracted more than 600 members, guests and public officials.

## Heavy Santa December 2, 2016 David Livingstone School

It was all about having fun in the snow at the Heavy Santa party, with MHCA delivering gifts to 107 students in Grades 1 to 3. The school received shovels, sleds, snow molds and helmets as per their wish.

These presents were purchased through fundraising at the Chairman's Gala (gaming tables), Curling Bonspiel (50/50) and Spring Mixer (silent auction).



## Curling Bonspiel January 26, 2017 Heather Curling Club

24 teams participated in the bonspiel  
A Event winner – *Superior Asphalt*  
B Event winner – *EF Moon Construction #1*  
C Event winner – *EF Moon Construction #2*

## Information Breakfast Sessions March 10 & April 24, 2017

The Pallister government's climate change adviser David McLaughlin met 22 attendees for a Q&A session on March 10, on plans for carbon pricing for Manitoba.

On April 23, Infrastructure Minister Blaine Pedersen joined 44 MHCA members for breakfast to talk about the year's infrastructure investment plans and highways capital projects.



## Heavy Construction EXPO April 4 & 5, 2017 Victoria Inn & Conference Centre, Winnipeg, MB

Expo brought 285 students to a two-day event where 31 courses were offered and 18 exhibitors were on display. Among the highlights was a lively workshop on the need for good workplace impairment policies as the industry prepares for legalized marijuana in Canada.

## Spring Mixer May 31, 2017 Assiniboia Downs

This year, the Spring Mixer added caricaturists and tableside entertainment to the lineup, alongside the "main attraction" horse races. Some 478 people attended the networking event, including members, politicians and key industry stakeholders.

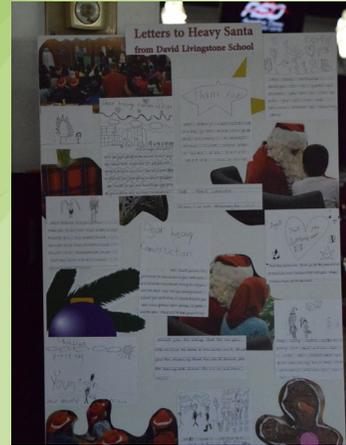


## Annual Golf Classic August 9, 2017 Pine Ridge & Elmhurst Golf Courses

Rain did not hamper the fun for 304 golfers who teed up at the two courses this year, sponsored at various levels by 50 companies.

Hitrac (1974) placed 1st under par and ISCO Industries Ltd. placed 2nd under par.

# 2017 Highlights



# New MHCA members in 2017

- |                                     |                                       |
|-------------------------------------|---------------------------------------|
| 3572405 Manitoba Ltd.               | Mr. Gravel Inc.                       |
| 6P Marketing Inc.                   | NetSet Communications                 |
| ABS Trucking Ltd.                   | Nor Col EZ Dock                       |
| Air Unlimited Inc.                  | Norwest Manufacturing                 |
| All Terrain Concrete & Snow Removal | Pasak Farm Ltd.                       |
| Cal McKay Construction              | Peter Kiewit Sons ULC                 |
| Enigma Networks                     | Poly-Mor Canada Inc                   |
| Fleet Profit Center Inc             | Potzus Paving & Road Maintenance Ltd. |
| FMI Corporation                     | Proforma Engineering                  |
| GFL Environmental Inc.              | Travelers Financial                   |
| Groeneveld Lubrication Solutions    | Under Pressure Mechanical             |
| In-Line Contracting Partnership     | Wallin Industries                     |
|                                     | Wreck It Demolition Inc.              |
|                                     | Zydex Inc.                            |



# 2016 BURSARIES

MHCA awards two bursaries to Red River College students training for careers in the heavy construction industry.



**MHCA Construction Management Award**

Nicholas Simpson

Established in 2011, the \$1,500 bursary is awarded to a full-time student entering the Construction Management Degree Program, having achieved a minimum 70% average in Grade 12 English and Mathematics, with one more course (highest grade). Selection is based on financial need, the student's statement on why he/she has chosen Construction Management, and an optional letter of reference.



**MHCA Cornerstone Award**

Raza Hameed

Established in 2010, the MHCA Cornerstone bursary recognizes its past Board Chairs who, since 1945, have laid the cornerstone foundations upon which the MHCA has been built. The \$1,500 bursary is awarded to a fulltime student in any year of the Construction Management Degree Program. Selection is based on a letter of recommendation from a person(s) (teacher, character reference, guidance counsellor, employer) who can speak to the applicant's initiative, energy, enthusiasm and perseverance to succeed and passion to make a difference.

## TREASURER'S REPORT

I am pleased to submit the MHCA Treasurer's Report for the year ended June 30, 2017.

While the MHCA has consistently and for successive years posted surpluses, 2016/2017 was a challenge as the deficit in the report below demonstrates. The losses are a reflection of downturns in the infrastructure budgets, less room in company budgets for membership fees, attendance at events, training and related association support. Cumulatively, this resulted in the deficit and impacts on assets and equity, also noted below.

This has not escaped the Board's attention. It is now, as it has always been, focused on a return to balance and surplus. This will take at least one more budget year. The projected budget deficit on operations for the period ending June 30, 2018 is \$19,710, significantly lower than at June 30, 2017. However, early indicators for budget 2018 already suggest that memberships are returning, new companies are joining and financial support for industry activities, growing. These give objective evidence for the Board to remain optimistic in the fundamental fiscal health of the MHCA going forward.

The audited financial statements for the year ended June 30, 2017 as reported on by MHCA auditor Charles Weppler, C.A., were adopted by the Board of Directors on September 13, 2017.

### **MHCA Financial Statements – Year ended June 30, 2017**

MHCA assets have decreased by \$96,534. MHCA continues to support the Manitoba Heavy Construction Training Academy Inc. (WORKFORCE) with a \$50,000 interest-free loan. Liabilities, including accounts payable and deferred revenues, were decreased by \$31,670.

The MHCA posted a loss of \$64,864 at year end. This was due largely to a reduction in revenues in all areas of the operation. The MHCA has undertaken an examination of its expenditures and revenues and has made changes including significant expenditure reductions. The objective is to return to break-even budgets as soon as possible.

The MHCA Board, by policy, attempts to maintain cash reserves of \$290,000 in alignment with the MHCA auditor's recommendation. The MHCA board has reserved the amount of \$247,323 for industry education and training. The Board continually reviews the reserve amount as a matter of fiscal prudence.

### **MHCA Schedule of SAFE Roads Campaign Revenues and Expenses – Year ended June 30, 2017**

The MHCA collaborates with public- and private-sector stakeholders on the SAFE Roads public-awareness media campaign. SAFE Roads was initiated by the MHCA some 14 years ago and since inception has been chaired by the MHCA President. The MHCA holds and administers in trust a fund of \$13,140 for the SAFE Roads Committee. The fund is reviewed by Weppler Chartered Accountants Inc. The review was presented to and adopted by the MHCA Board and the SAFE Roads Committee.

### **TRIP/CANADA – Manitoba Chapter – Year ended June 30, 2017**

The MHCA makes an annual commitment of \$6,250 to the Canadian Construction Association, for the work of the Civil Infrastructure Council on behalf of the industry.

The MHCA levies a small, voluntary surcharge on all members invoiced since November, 2001, to build a reserve for promoting infrastructure renewal. The reserve has funded media promotion, sponsorships and strategic partnership initiatives. At June 30, 2017, the reserve fund stood at \$179,291.

Respectfully submitted,



Nicole Chabot,  
MHCA Secretary/Treasurer



**TRIP CANADA - MANITOBA CHAPTER**

**Financial Statements**

**Year Ended June 30, 2017**

**TRIP CANADA - MANITOBA CHAPTER**  
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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of TRIP Canada - Manitoba Chapter

We have audited the accompanying financial statements of TRIP Canada - Manitoba Chapter, which comprise the statement of financial position as at June 30, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of TRIP Canada - Manitoba Chapter as at June 30, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Winnipeg, Manitoba  
September 13, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

**TRIP CANADA - MANITOBA CHAPTER**  
**Statement of Financial Position**  
**June 30, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 190,217	\$ 180,145
Accounts receivable	1,574	1,847
	<u>\$ 191,791</u>	<u>\$ 181,992</u>
<b>NET ASSETS</b>		
Media/lobby reserve fund <i>(Note 3)</i>	\$ 179,291	\$ 169,492
Contingency fund <i>(Note 4)</i>	12,500	12,500
	<u>\$ 191,791</u>	<u>\$ 181,992</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

See notes to financial statements

**TRIP CANADA - MANITOBA CHAPTER**

**Statement of Changes in Net Assets**

**Year Ended June 30, 2017**

	Media/lobby reserve fund	Contingency fund	<b>2017</b>	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 169,492	\$ 12,500	<b>\$ 181,992</b>	\$ 174,225
EXCESS OF REVENUES OVER EXPENSES	9,799	-	<b>9,799</b>	7,767
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 179,291</b>	<b>\$ 12,500</b>	<b>\$ 191,791</b>	<b>\$ 181,992</b>

**TRIP CANADA - MANITOBA CHAPTER**  
**Statement of Revenues and Expenditures**  
**Year Ended June 30, 2017**

	2017	2016
<b>REVENUES</b>		
Contributions	\$ 49,168	\$ 48,948
Interest income	424	287
	<u>49,592</u>	<u>49,235</u>
<b>EXPENSES</b>		
Media campaign	33,543	35,218
Remittances to The Road & Infrastructure Program of Canada	6,250	6,250
	<u>39,793</u>	<u>41,468</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 9,799</u>	<u>\$ 7,767</u>

**TRIP CANADA - MANITOBA CHAPTER**  
**Statement of Cash Flow**  
**Year Ended June 30, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Cash receipts from revenue sources	\$ 49,441	\$ 50,822
Cash paid to suppliers	(39,793)	(41,468)
Interest received	424	287
	<b>10,072</b>	9,641
<b>INCREASE IN CASH FLOW</b>		
Cash - beginning of year	<b>180,145</b>	170,504
<b>CASH - END OF YEAR</b>	<b>\$ 190,217</b>	\$ 180,145

## TRIP CANADA - MANITOBA CHAPTER

### Notes to Financial Statements

Year Ended June 30, 2017

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#### 1. ORGANIZATION

TRIP Canada - Manitoba Chapter is an unincorporated non-profit organization dedicated to fundraising for the lobby for renewal of Canadian Infrastructure.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

##### Income taxes

TRIP Canada - Manitoba Chapter is a non-profit organization and, as such, is exempt from income taxes under Section 149 of the Income Tax Act.

##### Deferred income

The Association follows the deferral method in accounting for revenues and restricted contributions. Funds received in the year which pertain to regularly occurring events or programs to be held in a subsequent year are recorded as deferred income in the current year and recorded as revenue at the time the event or program is held. Funds received for specified purposes are deferred and recognized as revenue in the same period as the related expenses are incurred.

##### Revenue recognition

The organization recognizes revenue upon the annual invoicing and receipt of membership fees.

##### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

##### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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#### 3. MEDIA/LOBBY RESERVE FUND

The media/lobby reserve fund is internally restricted by the Board of Directors. This fund is reserved for future media infrastructure promotion.

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**TRIP CANADA - MANITOBA CHAPTER**  
**Notes to Financial Statements**  
**Year Ended June 30, 2017**

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4. CONTINGENCY FUND

The contingency fund is internally restricted by the Board of Directors. This fund is reserved to meet ongoing annual TRIP/Canada dues.

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5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of June 30, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from contributors. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of contributors which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its contributors and accounts payable.

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**MANITOBA HEAVY CONSTRUCTION  
ASSOCIATION INC.**

**Schedule of SAFE Roads Campaign  
Donations and Expenses**

**Year Ended June 30, 2017**

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Index to Financial Statements**

**Year Ended June 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Manitoba Heavy Construction Association Inc.

We have audited the accompanying schedule of Manitoba Heavy Construction Association Inc.'s SAFE Roads Campaign revenues and expenses for the year ended June 30, 2017.

### Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on this schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the schedule presents fairly, in all material respects, the revenues and expenses of Manitoba Heavy Construction Association Inc.'s SAFE Roads Campaign the year then ended June 30, 2017 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.



Winnipeg, Manitoba  
September 13, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**  
**Schedule of SAFE Roads Campaign Revenues and Expenses**  
**Year Ended June 30, 2017**

	2017	2016
<b>REVENUES</b>		
Contributions	\$ 83,000	\$ 80,000
Interest	100	68
Amortization of deferred income <i>(Note 2)</i>	7,770	11,668
	<u>90,870</u>	<u>91,736</u>
<b>EXPENSES</b>		
Advertising	85,011	87,141
Focus group, research and report	4,725	3,465
Audit fees	1,134	1,130
	<u>90,870</u>	<u>91,736</u>
<b>INCOME FROM OPERATIONS</b>	<u>\$ -</u>	<u>\$ -</u>

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Notes to Financial Statement**

**Year Ended June 30, 2017**

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1. BASIS OF PRESENTATION

The financial statement was prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

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2. DEFERRED INCOME - SAFE ROADS CAMPAIGN

	<u>2017</u>	<u>2016</u>
Deferred income, beginning of year	\$ 20,910	\$ 32,578
Deferred income recognized during the year	<u>(7,770)</u>	<u>(11,668)</u>
Deferred income, end of year	<u>\$ 13,140</u>	<u>\$ 20,910</u>

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**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Financial Statements**

**Year Ended June 30, 2017**

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Index to Financial Statements**

**Year Ended June 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Manitoba Heavy Construction Association Inc.

We have audited the accompanying financial statements of Manitoba Heavy Construction Association Inc., which comprise the statement of financial position as at June 30, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Manitoba Heavy Construction Association Inc. as at June 30, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Winnipeg, Manitoba  
September 13, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Statement of Financial Position**

**June 30, 2017**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 285,884	\$ 316,577
Accounts receivable (Note 3)	93,500	118,286
Prepaid expenses	30,357	38,875
	<b>409,741</b>	473,738
INVESTMENTS (Note 4)	715,422	713,285
PROPERTY AND EQUIPMENT (Note 5)	150,435	185,109
ADVANCE TO MANITOBA HEAVY CONSTRUCTION TRAINING ACADEMY INC. (Note 8)	50,000	50,000
	<b>\$ 1,325,598</b>	<b>\$ 1,422,132</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable (Note 6)	\$ 28,647	\$ 60,078
Deferred income (Note 7)	204,731	204,970
	<b>233,378</b>	265,048
<b>NET ASSETS</b>		
General fund	404,462	434,652
Property and equipment	150,435	185,109
Restricted funds (Note 9)	537,323	537,323
	<b>1,092,220</b>	1,157,084
	<b>\$ 1,325,598</b>	<b>\$ 1,422,132</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Statement of Changes in Net Assets**

**Year Ended June 30, 2017**

	General Fund	Property and Equipment	Restricted Funds	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 434,652	\$ 185,109	\$ 537,323	\$ <b>1,157,084</b>	\$ 1,138,614
Deficiency of revenues over expenses	(26,527)	(38,337)	-	<b>(64,864)</b>	18,470
Purchase of property and equipment	(3,663)	3,663	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 404,462	\$ 150,435	\$ 537,323	\$ <b>1,092,220</b>	\$ 1,157,084

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Statement of Revenues and Expenditures**

**Year Ended June 30, 2017**

	2017	2016
<b>REVENUES</b>		
Membership fees	\$ 535,062	\$ 551,774
EXPO convention revenue	127,980	176,797
Fundraising - net ( <i>Note 10</i> )	119,199	125,110
Publications - net ( <i>Notes 11, 12</i> )	97,575	99,035
SAFE Roads campaign donations	90,870	91,735
Miscellaneous	4,511	-
Interest income	2,037	1,381
Curriculum and instructional material ( <i>Note 12</i> )	-	10,000
Training revenue	-	70,680
	<u>977,234</u>	<u>1,126,512</u>
<b>EXPENSES</b>		
Salaries and wages	607,901	539,662
Occupancy	129,693	131,824
EXPO convention expenses	105,305	162,347
SAFE Roads campaign expenses	90,870	91,735
Office	73,998	74,621
Dues and memberships	66,454	64,126
Conventions and travel	44,407	37,968
Meetings and seminars	39,999	47,684
Amortization	38,337	39,919
Advertising and promotion	37,390	57,005
Miscellaneous	19,752	13,131
Communications	17,373	12,523
Professional fees	11,662	14,946
Bad debts (recovery)	11,281	(1,302)
Vehicle	4,261	6,030
Training expenses	-	75,980
	<u>1,298,683</u>	<u>1,368,199</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(321,449)</b>	<b>(241,687)</b>
<b>OTHER INCOME</b>		
Administrative recoveries ( <i>Note 12</i> )	256,585	260,157
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (64,864)</b>	<b>\$ 18,470</b>

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Statement of Cash Flow**  
**Year Ended June 30, 2017**

	<b>2017</b>	<b>2016</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 1,463,165	\$ 1,524,003
Cash paid to suppliers and employees	(1,483,844)	(1,520,951)
Interest received	2,037	1,381
Interest paid	(6,251)	(6,816)
	<hr/>	<hr/>
Cash flow used by operating activities	(24,893)	(2,383)
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(3,663)	(11,479)
Investments redeemed (purchased) - net	(2,137)	(1,449)
	<hr/>	<hr/>
Cash flow used by investing activities	(5,800)	(12,928)
<b>DECREASE IN CASH FLOW</b>	<b>(30,693)</b>	<b>(15,311)</b>
Cash - beginning of year	<hr/> 316,577	<hr/> 331,888
<b>CASH - END OF YEAR</b>	<b>\$ 285,884</b>	<b>\$ 316,577</b>

# MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.

## Notes to Financial Statements

Year Ended June 30, 2017

---

### 1. ORGANIZATION

The Association is incorporated as a non-profit organization without share capital for the purposes of fostering relations among members, agencies, groups and other associations involved in the construction industry, improving and extending standards and practices within the industry and generally promoting and facilitating the development of the industry as a whole in Manitoba.

The Association has initiated the following independent programs:

- (a) WORKSAFELY (formerly Manitoba Heavy Construction Safety Program)
- (b) TRIP Canada - Manitoba Chapter

The financial information of these programs is not included in the Association's financial statements as separate financial statements are prepared for each of these programs.

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following annual rates and methods:

Computer equipment	30%	declining balance method
Office equipment	20%	declining balance method
Leasehold improvements	10 years	straight-line method

#### Deferred income

The Association follows the deferral method in accounting for revenues and restricted contributions. Funds received in the year which pertain to regularly occurring events or programs to be held in a subsequent year or to memberships extending into the subsequent year are recorded as deferred income in the current year and recorded as revenue at the time the event or program is held or the memberships expire. Funds received for specified purposes are deferred and recognized as revenue in the same period as the related expenses are incurred.

#### Income taxes

The Association is a non-profit organization and, as such, is exempt from income taxes under Section 149 of the Income Tax Act.

#### Revenue recognition

The Association recognizes membership fee over the term of the memberships which are annual memberships extending from November 1 to October 31. Publication revenue is recognized upon sale and invoicing of advertising or sale of the publication. Fundraising and convention revenues are recognized upon completion of the events. Administrative recoveries are recognized as invoiced on a monthly basis.

*(continues)*

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**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Notes to Financial Statements**

**Year Ended June 30, 2017**

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

---

3. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 114,381	\$ 127,323
Allowance for doubtful accounts	<u>(20,881)</u>	<u>(9,037)</u>
	<u>\$ 93,500</u>	<u>\$ 118,286</u>

The accounts receivable include an amount due from WORKSAFELY (an independent program initiated by Manitoba Heavy Construction Association Inc.) of \$53,901 (2016 - \$30,212).

---

4. INVESTMENTS

Investments are comprised of money market funds carried at amortized cost which equals fair market value.

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5. PROPERTY AND EQUIPMENT

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Computer equipment	\$ 131,888	\$ 115,171	\$ 128,381	\$ 108,758
Office equipment	185,457	157,241	185,301	150,207
Leasehold improvements	248,898	143,396	248,898	118,506
	<u>\$ 566,243</u>	<u>\$ 415,808</u>	<u>\$ 562,580</u>	<u>\$ 377,471</u>
Net book value	<u>\$ 150,435</u>		<u>\$ 185,109</u>	

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Notes to Financial Statements**

**Year Ended June 30, 2017**

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6. ACCOUNTS PAYABLE

The accounts payable include an amount due to WORKSAFELY (an independent program initiated by Manitoba Heavy Construction Association Inc.) of \$2,400 (2016 - \$23,988).

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7. DEFERRED INCOME

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 204,970	\$ 220,596
Deferred income recognized during the year		
- Fundraising	(1,623)	(2,245)
- SAFE Roads campaign	(7,770)	(11,668)
- Memberships	(178,580)	(180,293)
	<u>16,997</u>	<u>26,390</u>
Income deferred during the year		
- Memberships	173,245	178,580
- Aggregates initiative	9,489	-
- Trade Team West initiative	5,000	-
	<u>\$ 204,731</u>	<u>\$ 204,970</u>

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8. ADVANCE TO MANITOBA HEAVY CONSTRUCTION TRAINING ACADEMY INC.

The advance to Manitoba Heavy Construction Training Academy Inc. (a not-for-profit corporation under a common Board of Directors) is non-interest bearing and has no set repayment terms.

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9. RESTRICTED FUNDS

The contingency fund is internally restricted by the Board of Directors. This fund is reserved to meet ongoing operating expenses in the event the organization should have to rebuild or restructure.

The education and training fund is internally restricted by the Board of Directors. This fund is reserved to support education and training initiatives at the discretion of the Board.

	<u>2017</u>	<u>2016</u>
Contingency Fund	\$ 290,000	\$ 290,000
Education and Training Fund	247,323	247,323
	<u>\$ 537,323</u>	<u>\$ 537,323</u>

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**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Notes to Financial Statements**

**Year Ended June 30, 2017**

10. FUNDRAISING

	Revenues	Expenses	<i>Net</i> <b>2017</b>	<i>Net</i> <b>2016</b>
Golf tournament	\$ 114,012	\$ 63,411	\$ <b>50,601</b>	\$ 51,630
Chairman's Gala	159,289	114,081	<b>45,208</b>	53,774
Spring mixer	53,141	33,241	<b>19,900</b>	15,562
Curling bonspiel	9,469	5,979	<b>3,490</b>	4,144
	<b>\$ 335,911</b>	<b>\$ 216,712</b>	<b>\$ 119,199</b>	<b>\$ 125,110</b>

11. PUBLICATIONS

	Revenues	Expenses	<i>Net</i> <b>2017</b>	<i>Net</i> <b>2016</b>
Annual magazine	\$ 28,425	\$ 650	\$ <b>27,775</b>	\$ 39,709
Annual directory	52,416	-	<b>52,416</b>	37,566
Newsletter production	18,139	-	<b>18,139</b>	22,110
Miscellaneous publishing	-	755	<b>(755)</b>	(350)
	<b>\$ 98,980</b>	<b>\$ 1,405</b>	<b>\$ 97,575</b>	<b>\$ 99,035</b>

12. RELATED PARTY TRANSACTIONS

During the year, the Association received administrative recoveries of \$217,561 (2016- \$229,763) and publishing revenue of \$41,400 (2016 - \$43,470) from WORKSAFELY (an independent program initiated by Manitoba Heavy Construction Association Inc.).

During the year, the Association received administrative recoveries of \$3,600 (2016 - \$13,203) and proceeds from the sale of curriculum and instructional material of \$nil (2016 - \$10,000) from Manitoba Heavy Construction Training Academy Inc. (a not-for-profit corporation under a common Board of Directors)

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. LEASE COMMITMENTS

The company has a long term lease with respect to its premises. Future minimum lease payments are as follows:

2018	\$ 49,201
2019	49,201
2020	49,201
2021	49,201
2022	18,615
	<b>\$ 215,419</b>

**MANITOBA HEAVY CONSTRUCTION ASSOCIATION INC.**

**Notes to Financial Statements**

**Year Ended June 30, 2017**

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14. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of June 30, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from members and other customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The company has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

---



Chris Lorenc, B.A., LL.B.  
MHCA President



Christine Miller  
Operations Manager



Wendy Freund  
Summerfield  
Finance and HR  
Manager



Catherine Mitchell  
Policy and  
Communications  
Manager



Don Hurst  
Director of WORKSAFELY™  
Education and Training



Phil McDaniel  
COR™ Program  
Development &  
Quality Control Advisor



Randy Olynick  
East Region Safety  
Advisor



Ed Gregory  
South Region Safety  
Advisor



Dave McPherson  
North Region Safety  
Advisor



Trevor Shwaluk  
Central Region Safety  
Advisor



Gerry McCombie  
West Region Safety  
Advisor



Jackie Jones  
Education & Training  
Advisor



Sarah Craig  
Client Services Advisor



Kristen Ranson  
WORKSAFELY™  
Administrative Assistant



Katie Pfeiffer  
Marketing and  
Communications  
Coordinator



Jocelyn Martens  
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