



SASKATCHEWAN  
**CONSTRUCTION SAFETY**  
ASSOCIATION

# 2020 ANNUAL REPORT





# About the SCSA

The Saskatchewan Construction Safety Association (SCSA) is an industry-funded, membership-based, non-profit organization that provides cost-effective, accessible safety training and advice to the construction industry. The SCSA aims to reduce human and financial losses associated with injuries. Registered March 22, 1995, the SCSA is, since inception, committed to injury prevention. Today the SCSA serves almost 10,000 member companies.

The vision of the SCSA is to create the Safest Construction Environment in Canada through its mission of Constructing Safety Leadership.

Companies that are registered with Saskatchewan Workers' Compensation Board (WCB) and fall under the CLASS B – BUILDING CONSTRUCTION rate code are automatic members of the SCSA

## Board of Directors

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**MARK NOVECOSKY**, Chairperson - General Workforce Director (Flynn Group of Companies)

**RYAN SMOTRA**, - Commercial Director (Graham Construction)

**KEITH BIRD, VICE CHAIRPERSON** - Commercial Director (RNF Ventures Ltd.)

**DANA PAIDEL** - Industrial Director (ICON Construction Ltd.)

**PAUL KNOWLES** - Industrial Director (PCL Construction Inc.)

**MIKE SKRYPNYK** - Organized Labour Director (Sheet Metal Workers Int.- Local 296 Saskatchewan)

**DION MALAKOFF** - Organized Labour Director (Sask Provincial Building and Constructions Trades Council)

**KAREN LOW** - General Workforce Director (Merit Contractors Assoc. of Sask)

**VACANT** - Residential Director

**VACANT** - Residential Director

**ERROL FISHER** - Board Nominated Director (North Ridge Development Corporation)

**JOHN DESJARLAIS** - Board Nominated Director (Great Plains Contracting)



# Message from the Chairperson



Mark Novacosky, Chairperson,  
SCSA Board of Directors

As I reflect on 2020, I recall it starting with an optimistic outlook for the Saskatchewan Construction Industry's future and anticipation of the next boom. By February, the world was becoming generally aware of COVID 19. By March 18, when the Province of Saskatchewan declared the State of Emergency, there were indications that this would be a game-changer of a year!

As the lives of friends, family, and neighbours changed all around us, many in the construction industry were nervous and uncertain about the future. It

didn't take long for government officials to deem our industry "essential," and the industry started the war on COVID-19. Our Board of Directors re-established our commitment to the vital strategic initiatives set a year earlier while understanding our members' financial responsibilities as some sectors slowed to a crawl. At the same time, others like Residential construction found strength during the pandemic.

Arming the province's construction workforce with the latest information on pandemic PPE, social distancing, health checks, and cleaning protocols, the Saskatchewan Construction Safety Association (SCSA) led the provincial charge to promote safety in the early days of the coronavirus pandemic. It only took a few short weeks before many of the changes our industry had been asking for before the pandemic, such as embracing technology to provide a training database via an online tool or deliver courses and audits remotely, quickly got prioritized within the SCSA. Today in 2021, it's a normal part of SCSA business to get a remote audit or take a safety course facilitated by an online instructor.

The SCSA advanced many aspects of its vision of constructing safety leadership

this past year, including Regional Safety Committees' continued support. These committees offer feedback direct from the construction communities up to the Board and SCSA. The association also partnered with Saskatchewan Polytechnic in their launch of the School of Continuing Education and promoted inclusion and diversity in our business.

With all the adversity thrown at us this past year, you all made it through and persevered as Saskatchewan people do! On behalf of the Board of Directors, we thank you for your support on our journey to become the Safest Construction Environment in Canada.

Mark Novacosky - Chairperson  
SCSA Board of Directors

# Message from the President



Collin Pullar,  
SCSA President

Many looked to the year 2020 with hope and clarity for a bright future. The Board of your Saskatchewan Construction Safety Association (SCSA) began the year with a bold, new strategic plan. The SCSA values of **Leadership and Adaptability** emerged among other strategic imperatives such as **Engagement and Technology**.

Then, our industry, like all other Saskatchewan businesses, faced an unprecedented challenge late in the first quarter of the year. A novel coronavirus, otherwise known as COVID-19, introduced a health risk that manifested into a global health and economic crisis. Public health orders closed many businesses and

impacted supply chains. As a deemed essential service, the Saskatchewan construction industry was fortunate to continue work during the pandemic. In response, the construction industry quickly implemented plans and protocols to protect staff and the public. The business leaders across our sector leaned in. Construction businesses were tuned-in and searched for information, tools, and other resources to help them navigate a rapidly changing work, health, and economic environment. The SCSA was needed, more than ever, to rapidly respond to an immediate and massive need by employers who were laser-focused on safety as a means to continue their operations.

Amid this need, the SCSA itself had to quickly adapt to a virtual service delivery model and leverage many of the technology-based tools it had begun to invest in, been developing, or investigating.

COVID-19 certainly caused some disruption to the SCSA's shorter-term operational plans. Still; the virus provided an opportunity to engage many more members and accelerate some of its plans to leverage more service delivery technology. Social media, virtual site visits, and audits, instructor-led training, electronic training passports, to name a few services that the SCSA implemented over this period. There was a significant response to all of this as member companies indicated that they appreciated that SCSA staff proactively

reached out to support them. The collaboration with industry associations on safety has also been notable. This collaboration included coordinated COVID-19 related communications on several platforms and their support on a COVID-19 safety protocol document that was also quickly recognized by several government ministries and gave them confidence the construction industry had a plan to navigate the pandemic.

As the months passed, it became clear to us, and our members, that the environment we found ourselves in would continue well into 2021. Our members have been supportive as they have adapted and embraced this new challenge along with our team.

While the Association made adjustments to serve the industry, it also had to make adjustments in its internal operations to ensure its financial viability. The SCSA Board and leadership appreciate the team's ongoing effort and commitment. The SCSA Board believes the Association's work in 2020 will position it well for serving the industry as it recovers and repositions for the future.

Collin Pullar,  
SCSA President

# Operations Report

## Introduction

Like most businesses, COVID-19 had a significant impact on the Saskatchewan Construction Safety Association (SCSA). Working in a pandemic was challenging but accelerated the growth of online services plans and helped identify efficiency in some areas.

## Engagement

The SCSA started 2020 by providing in-person, on-site demonstrations, traditional audits and delivering the standard suite of computer-based online classes. When the World Health Organization declared a pandemic in March, the SCSA rapidly switched services to respond to a growing and dangerous hazard.

As many businesses were closing doors and shutting down, the SCSA reached out with online forums,

***"The construction industry has done a tremendous job to enhance the understanding that construction is an essential business, that we do it safely, and well. I really think it's a testament to the associations and groups we belong to"***  
**Brian Barber, Ledcor, Safety Advocate**

online Advisory Services meetings with our members, and eventually instructor-led online courses. The SCSA developed and implemented a method for sharing documents and auditing a safety program online. Generally speaking, SCSA members appreciated the new offerings and were happy to access services in many communities. By the end of 2020, registration in SCSA classes was comparable to a non-pandemic year (FIG 1).

The pandemic had the effect of moving more people and services online. In 2020, the SCSA launched a

system to provide training records and launched an updated version of our mobile application. The SCSA website receives over 20,000 unique users per year, and at year-end, the Association sent its electronic newsletter to almost 10,000 subscribers.

These innovations will help SCSA members stay connected when they can't make an office visit.

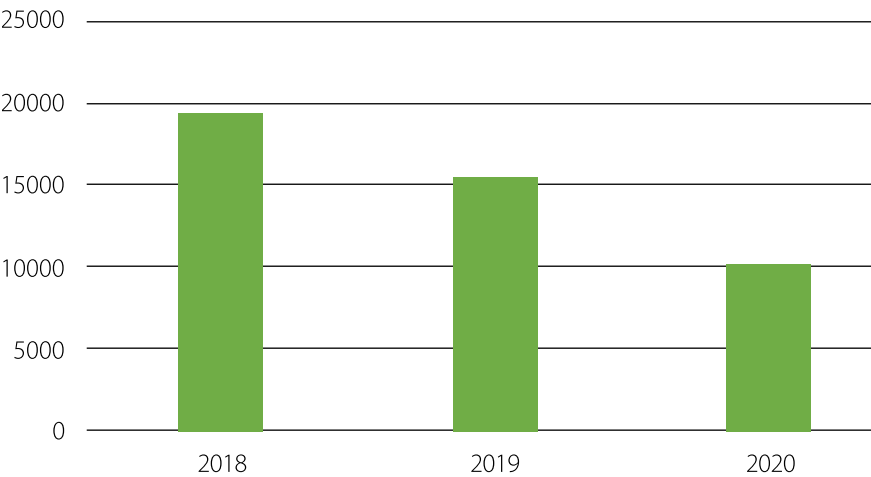
The SCSA and its members exhibited professional resiliency and flexibility over the last few months to stay engaged. In many ways, it has never been easier for learners and leaders to connect.

## Safety Culture

Building a safety culture encompasses community, collaboration, communication, commitment to learning, and consistently applying good safety and management practices.

In 2020, the SCSA increased efforts to build a culture of safety in Saskatchewan construction workplaces. To that end, the SCSA partnered with other safety associations to update classes and improve skill mobility between

FIG 1 - Course Certificates Issued 2018-2020



# Operations Report



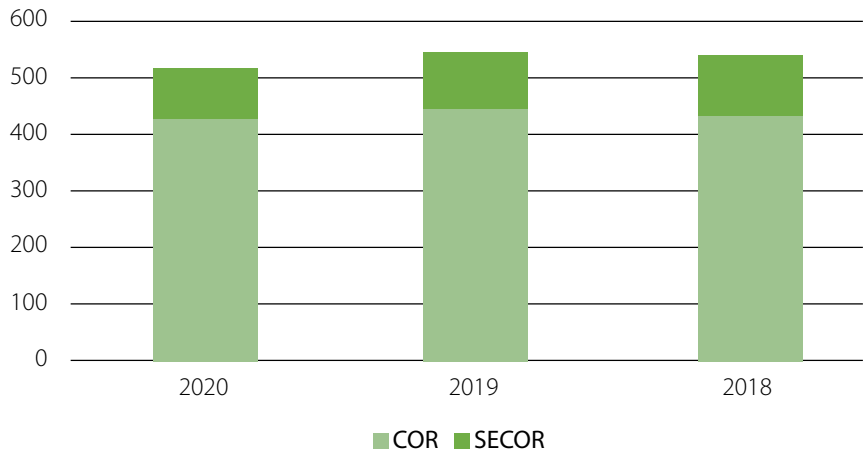
SCSA Safety Advisors in Weyburn

industries. SCSA Training Services is finalizing these new and updated courses to make them available to SCSA members in 2021.

The SCSA also demonstrated strong ties with post-secondary and secondary institutions and has five open memorandums of understanding with Saskatchewan Polytech to share content on safe work practices and jointly recognize training programs. At the secondary level, SCSA's "SCOT for Schools"

One of the most significant accomplishments of the SCSA in creating a culture of safety was the efforts between the SCSA and industry partners to release a Standardized Protocol for Saskatchewan construction sites for COVID-19. SCSA member companies were leaders in creating a safe environment for employees, and the Association helped disseminate safe work practices across the industry.

FIG 2 - Total COR and SECOR Companies (2018-2020)





# Operations Report

prepares hundreds of Saskatchewan high school students to enter the construction workforce safely.

It was a challenging year for the SCSA's flagship programs as COVID-19 negatively affected building permits, consumed safety resources, and restricted most construction sites. The pandemic disrupted registration numbers and service delivery for the COR, SECOR (FIG 2), NCSO and HSA

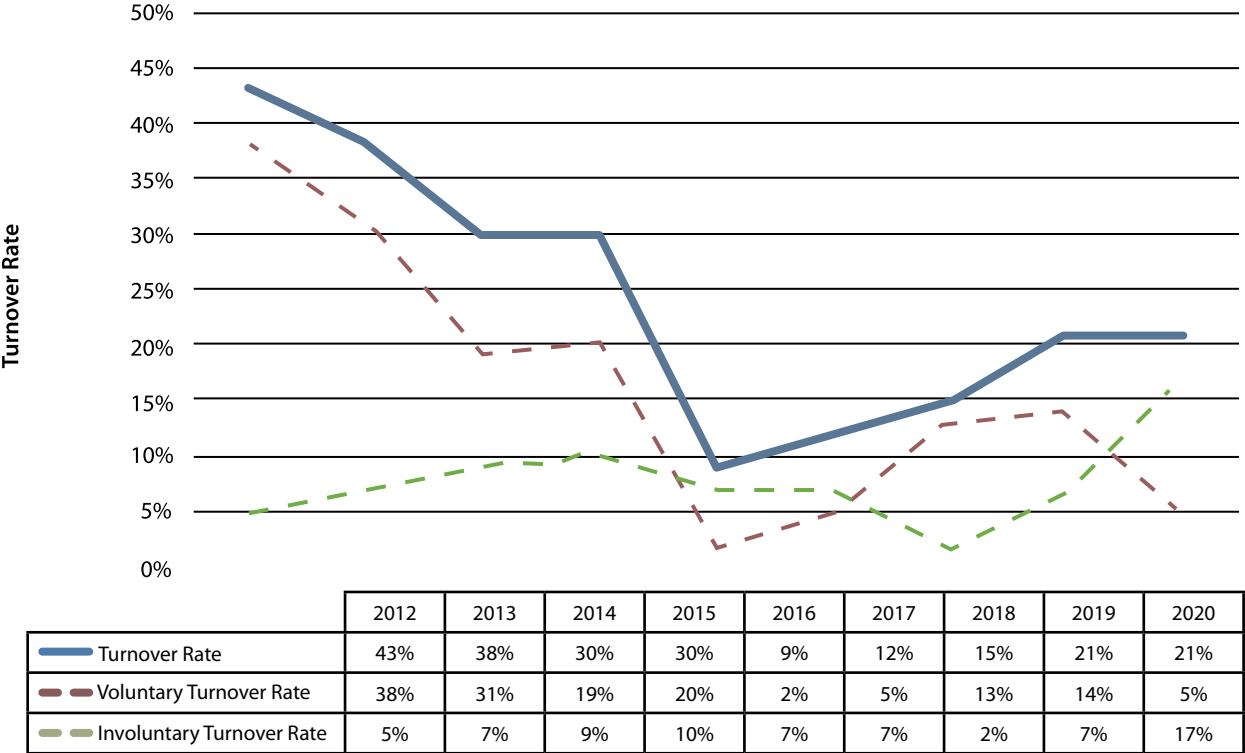
FIG 3 - COR and SECOR Retention Rates 2018-2020

Year	COR® Retention Rate	SECOR® Retention Rate
2020	83%	57%
2019	96%	55%
2018	81%	91%

programs. Overall, satisfaction with COR and SECOR remains high, and a substantial number of firms retain their designation (FIG 3). Since a growing body of empirical evidence demonstrates the effectiveness of COR for reducing the cost and frequency of injuries, the SCSA expects program numbers to grow as companies catch up on work, and the economy grows.

SCSA members value consistent service from the Association, and the average tenure of SCSA employees is

FIG 4 - SCSA Turnover Rates



# Operations Report

***"The [COVID-19 response] was a great opportunity for the industry to get clarification on specific safety protocols and have our questions answered. The SCSA is in regular contact with us and that also provides some peace of mind that we're not alone and keeps us up to date with what's happening in the industry,"***  
***Errol Fisher, North Ridge Developments, Safety Advocate***

5.25 years. Despite reducing the active headcount of staff in 2020, the SCSA's voluntary turnover rate was 5% (FIG 4), demonstrating success in retaining valued employees.

To support the WorkSafe Saskatchewan strategy of preventing serious injuries and fatalities, the SCSA hosted an online webinar to provide education on fall prevention along with Saskatchewan WCB. An online symposium followed up this webinar in November. Findings from these meetings support the demand for training and enforcement changes, and the SCSA has responded by reviewing Fall Protection offerings. The SCSA will announce an updated Fall Protection course in 2021. Asbestos exposure is another cause of fatalities in the Saskatchewan construction workforce. In June, the SCSA held an online panel discussion with researchers and industry to raise awareness of asbestos hazards. To further increase awareness of asbestos hazards, the SCSA dedicated its province-wide radio advertising in the month of June to discuss the prevention of Asbestos exposures and made these materials available online. In 2020, the co-branded SCSA-WorkSafe Saskatchewan course, "Saskatchewan Asbestos Awareness Understanding the Risk," was completed almost 400 times.



SCSA Advisory Services Prepares for Fall Protection Demo



# Operations Report



SCSA in-class training prior to COVID-19 restrictions

The SCSA’s mission of “Constructing Safety Leadership” contains a significant safety culture component. Practical courses, robust activity in the safety community, successful designations, and effective communications drive the SCSA’s impact on Saskatchewan’s safety culture.

**Revenue**

SCSA members trust the Association to show the highest standards of financial integrity. The SCSA continually rebalances its project portfolio to meet construction’s safety needs and focus on strategic success.

While, the financial statements of the SCSA will show lower than expected revenue based on the softer demand for courses and changes to membership

models. Smaller expenses for travel, advertising, meeting, print and postal costs offset the revenue decline.

The SCSA believes in good stewardship of construction industry funds and uses a public accounting firm for its financial audit. The 2020 independent auditor for the SCSA was KPMG.

# Operations Report



SCSA Advisory Services training members on Hazard Assessments using VR, Prior to COVID-19

**Technology**

The SCSA believes that technology makes businesses more effective and smarter.

In addition to the member-facing technology already mentioned in this report, SCSA’s internal systems now include a new Human Resources Information System that will streamline processes for calculating leave and approving time off.

Additionally, In 2020, the SCSA executed the early stages of a project to use virtual reality to empower workers to understand risk better and make decisions about safety. Similarly, the SCSA Analytics project will improve safety analytics, and access to safety information will launch in Q1 2021 after design and development in 2020.

The SCSA believes that technology will play a significant role in making businesses more effective, safer and ultimately more profitable.

**Conclusion**

Despite the great shock of COVID-19, the SCSA made substantial progress in year two of its strategic plans and believes that the “Safest Construction Environment in Canada” is closer than ever to realization.



# Advisory Committee Report



Ryan Smotra,  
Past Chairperson

I want to thank all of our Advisory Committees members across the province for their continued dedication, support, and attendance at the Committee meetings.


The ongoing participation in meetings and exchange of information from the members will continue to support the improvement and development of safety culture within our region and the industry as a whole. It is incredibly positive to see the committees continuing to function through the difficult circumstances we have

encountered over the past year. The active representation and participation we have at these meetings increase the benefit to all members who attend and provide invaluable communication, information, and feedback to the SCSA Board of Directors.

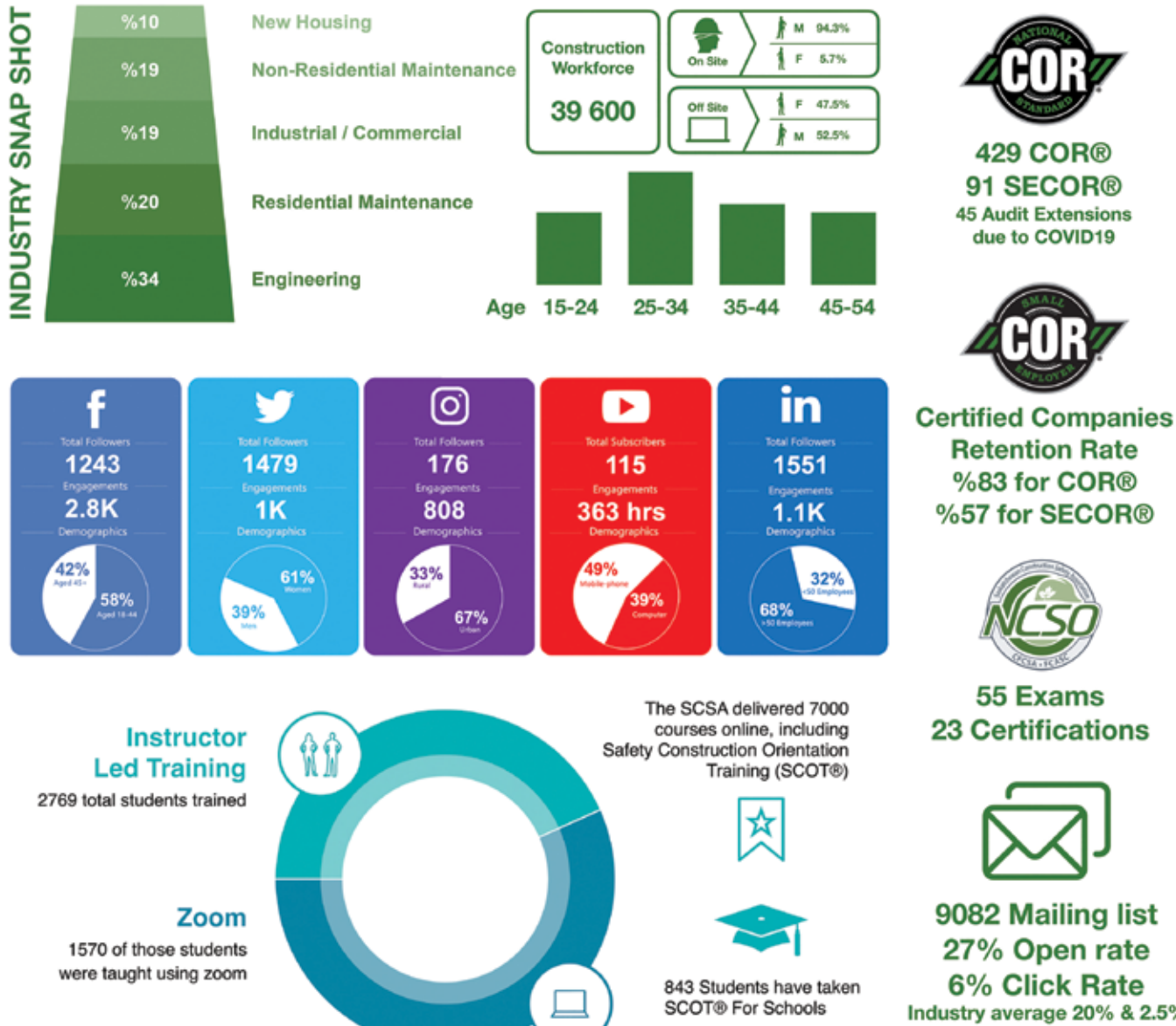
2020 resulted in a slowdown in the construction industry throughout Saskatchewan. This slowdown thankfully did not reduce the focus of safety when executing any size projects. All the committees continued to provide a venue for industry professionals and participants to further their understanding of all new techniques, products, and information to improve safety in workplaces. By using online meetings, RSC attendance and engagement have been maintained throughout the year thanks to each of the regional committees' efforts.

The SCSA Board of Directors Advisory Committee would like to thank all the presenters we've had over the past year who have attended our meetings to provide the group with education in their fields. We intend to continue educational components in all of our meetings to further the professional development of all who attend. We would also like to thank the staff support we continue to receive from the SCSA. Without SCSA participation in this committee, the membership's professionals wouldn't have this venue to exchange their learnings, information, and professional experience.

I am personally looking forward to continued expansion within the committee in the upcoming coming year. I hope to continue sharing knowledge and experience in RSC meetings to improve our workers' job safety through the communication, education, and networking this committee provides.

  
**Ryan Smotra,**  
SCSA Advisory Committee Chairperson

# At a Glance



# Financial Statements

Financial Statements of

## SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP  
Hill Centre Tower II  
1881 Scarth Street, 20th Floor  
Regina Saskatchewan S4P 4K9  
Canada  
Telephone (306) 791-1200  
Fax (306) 757-4703

### INDEPENDENT AUDITORS' REPORT

To the Members of Saskatchewan Construction Safety Association Inc.

#### Opinion

We have audited the financial statements of Saskatchewan Construction Safety Association Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Responsibilities of Management and Those Charged With Governance 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Regina, Canada

February 11, 2021

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash	\$ 2,014,268	\$ 1,752,484
Accounts receivable	30,769	35,588
Short-term investments (note 2)	1,500,000	1,500,000
Prepaid expenses	80,821	100,989
	3,625,858	3,389,061
Property, plant and equipment (note 3)	188,873	290,822
	<u>\$ 3,814,731</u>	<u>\$ 3,679,883</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 230,861	\$ 238,304
Deferred revenue	19,850	11,650
	250,711	249,954
Deferred contributions related to property, plant and equipment (note 5)	-	20,000
Net assets:		
Invested in property, plant and equipment	188,873	270,822
Unrestricted	3,375,147	3,139,107
	3,564,020	3,409,929
Commitments (note 7)		
	<u>\$ 3,814,731</u>	<u>\$ 3,679,883</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Funding from Saskatchewan Workers' Compensation Board	\$ 4,200,000	\$ 4,200,000
Seminar and course revenue (Schedule 1)	565,292	704,150
Other (note 8)	153,446	162,951
Supporter fees	29,250	121,500
Amortization of deferred contributions (note 5)	20,000	20,000
Sale of training materials	13,771	21,618
Conference revenue	-	9,264
	4,981,759	5,239,483
Expenses:		
Advertising	237,550	216,758
Amortization of property, plant and equipment	126,866	178,690
Bank charges	25,328	27,761
Building maintenance and utilities	139,878	188,292
Computer expenses	188,345	188,318
Human resources	76,844	218,765
Insurance	20,519	22,184
Legal and audit	27,663	22,973
Meetings and seminars	15,696	73,810
Memberships and subscriptions	4,471	3,939
Office equipment rental	16,481	24,944
Office supplies	29,886	53,879
Postage and courier	10,658	17,817
Rent	181,090	181,090
Salaries and benefits	3,571,089	3,468,648
Telephone and fax	51,242	48,643
Travel	104,062	295,345
	4,827,668	5,231,856
Excess of revenue over expenses	<u>\$ 154,091</u>	<u>\$ 7,627</u>

See accompanying notes to financial statements.



# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

December 31, 2020	Invested in property, plant and equipment	Unrestricted	Total
Balance, beginning of year	\$ 270,822	\$ 3,139,107	\$ 3,409,929
Excess (deficiency) of revenue over expenses	(106,866)	260,957	154,091
Net change in investment in property, plant and equipment	24,917	(24,917)	-
Balance, end of year	\$ 188,873	\$ 3,375,147	\$ 3,564,020

December 31, 2019	Invested in property, plant and equipment	Unrestricted	Total
Balance, beginning of year	\$ 341,765	\$ 3,060,537	\$ 3,402,302
Excess (deficiency) of revenue over expenses	(158,690)	166,317	7,627
Net change in investment in property, plant and equipment	87,747	(87,747)	-
Balance, end of year	\$ 270,822	\$ 3,139,107	\$ 3,409,929

See accompanying notes to financial statements.

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 154,091	\$ 7,627
Items not involving cash:		
Amortization of deferred contributions	(20,000)	(20,000)
Amortization of property, plant and equipment	126,866	178,690
Change in non-cash operating working capital:		
Accounts receivable	4,819	(5,724)
Prepaid expenses	20,168	(28,701)
Accounts payable and accrued liabilities	(7,443)	8,912
Deferred revenue	8,200	(1,051,303)
	286,701	(910,499)
Investments:		
Purchase of property, plant and equipment	(24,917)	(87,747)
Increase (decrease) in cash	261,784	(998,246)
Cash, beginning of year	1,752,484	2,750,730
Cash, end of year	\$ 2,014,268	\$ 1,752,484

See accompanying notes to financial statements.

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements

Year ended December 31, 2020, with comparative information for 2019

**Nature of operations:**

The Saskatchewan Construction Safety Association Inc. (the "Association") is incorporated under *The Non-Profit Corporations Act of Saskatchewan*. The Association accordingly is exempt from income taxes. The primary purpose of the Association is to develop and co-ordinate safety training programs for construction sector employers and workers in the province of Saskatchewan.

Pursuant to a funding agreement, the Association receives significant funding revenue from the Saskatchewan Workers' Compensation Board (the "WCB") to finance the development and co-ordination of the safety training programs referred to above. As a result, the Association is dependent upon the continuance of this funding to maintain operations at their current level.

The agreement provides further that all property, plant and equipment or assets acquired for safety program development and training are deemed to be supplied by the WCB and shall remain the property of the WCB. Additionally, the bylaws of the Association provide that on dissolution of the Association, assets will be transferred to the WCB.

**1. Significant accounting policies:**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Coronavirus (COVID-19) impact assessment:

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The current challenging climate may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the Association's operating results and financial position both in the current year and in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Association is not known at this time. The Association has applied for and received financial assistance from the Government of Canada under the Temporary Wage Subsidy (note 8).

(b) Revenue recognition:

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions related to the purchase of property, plant and equipment are recognized as revenue on the same basis as the related assets are amortized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2020, with comparative information for 2019

**1. Significant accounting policies (continued):**

(c) Financial assets and liabilities:

Financial instruments are recorded at fair value on initial recognition. Subsequently they are recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realized by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Property, plant and equipment:

Property, plant and equipment is recorded at cost. Amortization is calculated using the straight-line method over their estimated useful lives as follows:

Asset	Rate
Office and training equipment	5 years
Computer equipment	3 years
Leasehold improvements	Amortized over the life of the lease

(e) Government assistance:

Government assistance includes assistance towards current expenses and revenues and is included in other revenue on the Statement of Operations.



# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2020, with comparative information for 2019

**1. Significant accounting policies (continued):**

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the estimated useful lives of property, plant and equipment. Actual results could differ from these estimates.

**2. Short-term investments:**

Short-term investments consist of guaranteed investment certificates bearing interest rates ranging from 0.65% to 1.35% (2019 - 2.0% to 2.2%). These guaranteed investment certificates have maturity dates in June - December 2021 (2019 - June - December 2020).

**3. Property, plant and equipment:**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Office and training equipment	\$ 746,814	\$ 630,416	\$ 116,398	\$ 157,919
Computer equipment	516,846	466,438	50,408	70,576
Leasehold improvements	1,152,986	1,130,919	22,067	62,327
	<u>\$ 2,416,646</u>	<u>\$ 2,227,773</u>	<u>\$ 188,873</u>	<u>\$ 290,822</u>

**4. Accounts payable and accrued liabilities:**

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2019 - \$nil), which includes amounts payable for provincial sales taxes and payroll taxes.

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2020, with comparative information for 2019

**5. Deferred contributions related to property, plant and equipment:**

Deferred contributions relate to funding provided for property, plant and equipment and represent the unamortized portion of the contributions received. The deferred contributions are recognized as revenue as the related assets are amortized.

	2020	2019
Balance, beginning of the year	\$ 20,000	\$ 40,000
Less: amounts recognized as revenue	(20,000)	(20,000)
Balance, end of year	<u>\$ -</u>	<u>\$ 20,000</u>

**6. Internally restricted net assets:**

During the year, the Association's Board of Directors created an internally restricted fund for an operating reserve. No funds have been transferred during the year from unrestricted net assets to the operating reserve.

**7. Commitments:**

The Association is committed under leases for office space, office equipment and vehicles over the next five years as follows:

2021	\$ 204,969
2022	106,832
2023	102,094
2024	101,018
2025	25,230

**8. Canada Temporary Wage Subsidy**

The Association has applied for and received financial assistance during the year from the Canadian government under the Temporary Wage Subsidy (TWS) amounting to \$25,000. The TWS is considered government assistance and has been recognized as other revenue in the Statement of Operations.

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2020, with comparative information for 2019

9. Financial risks:

The Association, through its financial assets and liabilities, has exposures to the following risks from its use of financial instruments:

a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to cash, accounts receivable and short-term investments. The carrying amounts of financial assets on the balance sheet represent the Association's maximum credit exposure at the balance sheet date.

The Association's trade receivable amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by management of the Association based on previous experience and its assessment of the current economic environment. The Association does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash and short-term investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies. There has been no change to the risk exposure since the prior year.

b) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operational requirements. The Association prepares budgets to ensure it has sufficient funds to fulfill its obligations.

# SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Schedule 1 - Seminar and Course Revenue

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Training programs:		
Computer based training	\$ 246,327	\$ 335,195
Instructor based training	379,702	543,217
	626,029	878,412
Training expenses	60,737	174,262
	\$ 565,292	\$ 704,150



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