



SASKATCHEWAN
CONSTRUCTION SAFETY
ASSOCIATION

2021 ANNUAL REPORT



About the SCSA

The Saskatchewan Construction Safety Association (SCSA) is a non-profit organization funded by the construction industry to provide cost-effective, accessible safety training, programs and advice. Established in 1995, the SCSA remains committed to injury prevention. By aiming to reduce the human and financial losses associated with injuries, the SCSA supports a safe, healthy and profitable industry.

The SCSA serves 7,400 member companies that are registered with the Saskatchewan Workers' Compensation Board (WCB) and categorized under the Class B – Building Construction rate code. Companies working in residential, commercial and industrial construction, as well as construction trades, become automatic members of the SCSA.

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

Board of Directors

RYAN SMOTRA, Chairperson, Commercial Director (Graham Construction)

VACANT, Vice Chairperson

KEITH BIRD, Commercial Director (RNF Ventures Ltd.)

DANA PAIDEL, Industrial Director (Icon Construction Ltd.)

VACANT, Industrial Director

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

DION MALAKOFF, Organized Labour Director (Sask Provincial Building and Construction Trades Council)

VACANT, General Workforce Director

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

ERROL FISHER, Residential Director (North Ridge Development Corporation)

VACANT, Residential Director

JOHN DESJARLAIS, Board Nominated Director (Great Plains Contracting)

VACANT, Board Nominated Director

Message from the Chairperson



*Ryan Smotra, Chairperson,
SCSA Board of Directors*

As I reflect on 2021, it has been a year of constant change for the construction industry. All sectors of the construction industry have had to adapt and respond quickly and efficiently. Fortunately for our industry, we've been able to make these changes to quickly-shifting markets, requirements, and the building environments in which we work. To stay on top of changes as a Board of Directors, we run an effective system of board committees. Thank you to the chairpersons and members of the audit/finance, human resources, governance and regional committees.

In 2021, as the lives of friends, family, and neighbours were disrupted all around us, many in the construction industry were nervous and uncertain about the future. Throughout the year, our Board of Directors re-established our commitment to the vital strategic initiatives set over a year earlier, while understanding our members were facing critical financial

responsibilities as some sectors slowed significantly. Fortunately, the outlook for the Saskatchewan construction industry's future is extremely positive, and there's anticipation that a boom may soon come. The past few months have marked some enormous announcements including water treatment plants, multiple canola crushing facilities, a pulp mill, power plants, a biodiesel plant, large-scale irrigation systems, expansions in potash production facilities, hospital and school expansions, as well as ongoing municipal infrastructure development. Additionally, the spin-off work as a result of these large-scale projects will create a significant opportunity on their own. The residential construction industry is also looking extremely positive, facing an inventory shortage which will mean an expansion of new subdivisions and an increase in residential homes being built.

That positive outlook won't come without challenges. Supply chain problems are creating logistical issues, along with fluctuating, and more often than not, rising costs of fuel and materials. With the positive outlook in industrial, commercial, and residential projects, a strain on the availability of a trained and competent workforce is going to create a significant hurdle for successful project execution. The Saskatchewan Construction Safety Association (SCSA) and our Board of Directors are committed to staying focused on constructing safety leadership and supporting our B rate code companies to have access to industry-leading training for members, their management, as well as the general construction workforce. Employee retention is going to be critical to safely

completing these projects, and workers demand safe, healthy work environments. The SCSA will continue to provide the industry with the support needed to keep up with changing regulations and expectations.

Arming the province's construction workforce with the latest information on regulations, pandemic responses, and necessary safety protocols, the SCSA led the provincial charge to promote safety throughout the entire 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 delivering courses and audits remotely, quickly got prioritized within the SCSA. Today in 2022, 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 mission of constructing safety leadership this past year. With all the adversity thrown at us, we have 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.

Ryan Smotra
Chairperson
SCSA Board of Directors

Message from the President



Collin Pullar, SCSA President

The past year was full of rapid adjustments and constant challenges for both the construction industry and the Saskatchewan Construction Safety Association. Our members continued to adapt to an environment where additional safety precautions, worker absences and heavy reliance on remote technology became commonplace. Business resiliency, recovery and remaining relevant to members were top of mind for the Association.

While we are still in a recovery phase, it's important to recognize some safety achievements and indicators of our industry. SCSA training numbers are up from 2020, which is promising. What should be noted though is that our industry showed the lowest time loss and the lowest number of claims in over five years. More importantly, we can say that we had no fatalities in construction for the second year in a row – this is meaningful. It is also a foundation for our industry to build from as 2022 is expected to return to significant growth for the construction sector.

As we look forward, the SCSA will be consulting our members, so our board and team have the information needed to revise our strategic plan to match our new challenges. As the SCSA has incorporated more technology in its service delivery such as instructor-led online training, digital training services, and electronic manuals, it has introduced efficiencies to better utilize the precious resources available. The SCSA will continue to find ways to improve in this unique time and business environment.

Our board and team want to ensure the Association remains flexible, resilient, adaptive and relevant to our Saskatchewan construction industry to lower injuries and associated costs. This is no easy task, but with the support of our team, our partners, and the leadership of our industry, we'll move closer to reaching our goal of creating the safest construction environment in Canada.

Collin Pullar
SCSA President

Operations Report



SCSA fall prevention video

INTRODUCTION

The COVID-19 global pandemic continued to impose challenges on residents and industry in Saskatchewan throughout 2021. Despite these challenges, the construction industry was able to mark some successes. The workforce numbers in construction grew 4.7 per cent to employ 43,000 people at the end of 2021. Time-loss injuries decreased, and the industry saw a lower cost of injuries than 2020, even though the workforce increased. This growth and improved safety outcomes demonstrate that growing companies and industries remain safe.

Serving 7,400 member companies belonging to the B rate construction code, the SCSA is pleased to report zero fatalities among all firms in this rate code for the second year in a row. The SCSA helps construction employers

provide a safe working environment and equips workers with the education and training to achieve their safety goals. Safe companies are profitable companies, and the SCSA supports them along the way.

SAFETY CULTURE

The SCSA remains committed to promoting safety as a sound way of doing business. In a pandemic year where a dangerous environmental hazard dominated the news, an SCSA survey showed that 81 per cent of respondents believe construction is a safe career.

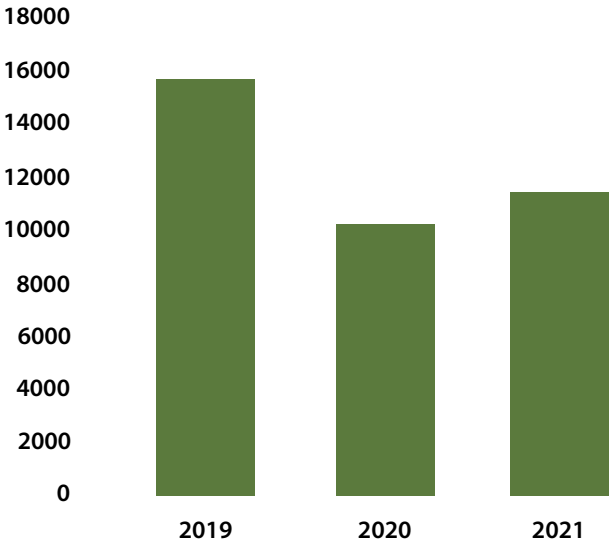
It is a concern that 25 per cent of workers under the age of 25 are injured on the job, but evidence shows that practical orientations can positively impact this statistic. The SCSA provided 5,600 SCOT® certificates to new and

Operations Report

young workers so that they enter the industry with basic knowledge of construction safety and can participate in the safety programs run by their employer. Unfortunately, 2021 saw over 300 young workers injured in the construction industry. The SCSA believes these injuries are largely preventable.

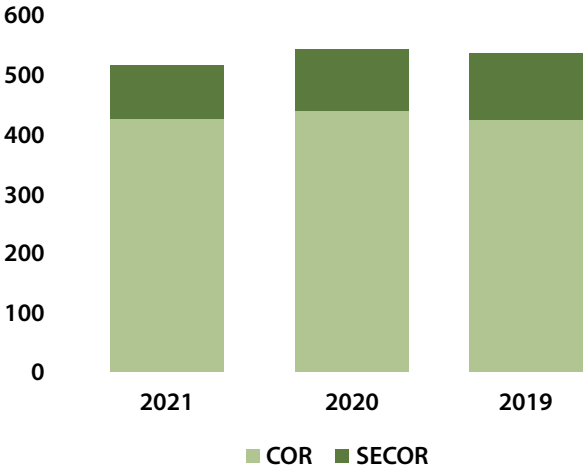
Beyond the orientation of employees, further training is an essential element in building a culture of safety. The SCSA issued approximately 12,000 training certificates on worker and leadership-focused safety topics (FIG 1). To help directly address the causes of serious and fatal injuries, the SCSA trained almost 700 workers in fall protection and prevention.

Fig 1. Course Certificates Issued 2019-2021



The SCSA makes every effort to ensure these training experiences are relevant, high-quality, up-to-date and meet professional expectations. This commitment to high training standards is available to the construction industry at reasonable prices. An SCSA member will typically pay \$50 per day of training.

Fig 2. Total COR and SECOR Companies (2019-2021)



SCSA courses are referenced with current standards from the Ministry of Labour Relations and Workplace Safety and national standards from the Canadian Standards Association (CSA) or WHMIS. To stay current with effective practices in the construction industry, the SCSA completely revamped three classes this year and updated other safety courses and content as legislation changed. The SCSA's programs are recognized and accredited by the Canadian Federation of Construction Safety Associations (CFCSA) to ensure the portability of credentials.

To further confirm the effectiveness of SCSA courses and programs, a 2021 University of British Columbia (UBC) study showed that COR® certification reduces the cost and frequency of injuries (by 21 per cent) in the Saskatchewan construction industry. SCSA members recognize the lasting value of COR® and SECOR® certification (FIG 2) and retain the designation at 85 and 90 per cent, respectively (FIG 3).

Fig 3.

Year	COR Retention Rate	SECOR Retention Rate
2021	85%	90%
2020	83%	57%
2019	96%	55%

Operations Report



ABCO Elevators receives new COR® certificate



GFI Contracting receives SECOR® certification

The SCSA recognized that modern delivery of training requires investments in technology and made several upgrades to classrooms and computer equipment to improve the experience of Instructor-Led Online Training. The SCSA also committed to making all training certificates available online within 24 hours of completing any SCSA course. The accessibility of digital training certificates ensures that members who require proof-of-training do not have to visit SCSA's Saskatoon or Regina offices and helps the construction workforce complete construction duties. The SCSA also started offering customized and individualized safety analytics in SCSA Analytics to all its members' companies as a courtesy service. The SCSA expects this personalized approach to empower members to make targeted improvements to safety programs.

"Every interaction on the worksite should be led by safety...We have to embody the idea that everyone leaves work as healthy as they were when they arrived, and good leaders show and live by that principle."
– Brian Barber, Ledcor, Safety Advocate

Operations Report



SCSA staff member receives NCSO certification

This past year, the construction industry experienced the lowest number of time-loss injuries and the lowest frequency of serious injuries since 2017. At \$7,862,578 the cost of injuries in the construction industry (in terms of compensation claims) was below the five-year average of \$8,178,464. The SCSA congratulates its members for their efforts in building an influential safety culture that drives injury reduction.

Finally, members desire consistent service and long-term relationships with SCSA staff. With a retention rate of 85 per cent, the SCSA draws on a valued, experienced team to support members in accessing relevant services and programs. Together with its members, the SCSA continues working to improve the provincial culture of safety.

PARTNERSHIPS
It is essential to build and maintain relationships with partners to support the Association's key priorities. The SCSA developed planned updates to the National Health and Safety Administrator (NHSA) designation in partnership with Canadian Safety Associations (CFCSA). The SCSA co-develops some course materials in collaboration with partner safety associations to increase efficiency in course development. The SCSA thanks the Heavy Construction Safety Association of Saskatchewan, Safety Association of Saskatchewan Manufacturers, Energy Safety Canada, Motor Safety Association, and the Saskatchewan Association for Safe Workplaces in Health and Service Hospitality for their development assistance on Fall Protection and Prevention, Confined Space and Claims Management courses.

The SCSA partnered with WorkSafe Saskatchewan to deliver fall prevention videos that target common root causes of serious injuries and fatalities in the construction industry. Construction stakeholders have viewed this series of videos tens of thousands of times. The Workers' Compensation Board (WCB) saw the lowest number of claims caused by falls in the Saskatchewan construction industry since 2017, with 222 claims.

Safety is top of mind in everything we do at the SCSA. To improve safety communications and quality supports in the construction industry the SCSA partners with several Saskatchewan and Western Canadian firms to deliver information technology (KSP Technology), data analytics (EHS Analytics), web tools (Beagle Productions), and virtual reality (White Rabbit VR).

FINANCIAL SUSTAINABILITY
The SCSA's strategic planning process in 2019 showed that member companies want a safe environment for their employees and the public. SCSA members also want to see good governance of the Association and strong stewardship of construction industry funds.

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Workers show pandemic safety measures during Construction Week

The construction industry funds the SCSA to deliver programs and services through a funding agreement with the WCB. To support the mission and mandate of the SCSA, \$4.2 million in funding comes from SCSA members through the safety association levy, and approximately \$800,000 in revenue comes from fees for SCSA services. Funds collected by the SCSA from non-members are invested in improving services for SCSA members. SCSA and WCB have signed the funding agreement through 2022.

Improvements in self-service technology and phone system upgrades have reduced reception and printing costs within the Association. Efficiencies in the budget have been directed to improving other areas of service.

The SCSA emphasizes efficient stewardship of construction industry resources and effective governance. SCSA members appointed the public accounting firm KPMG as the 2021 auditor. Audited financial statements are available in this report.

ENGAGEMENT

In the field, SCSA’s advisory services team is committed to providing advice, guidance and support to the Saskatchewan construction industry, both in person and virtually. SCSA members receive advisory services at no cost, including site inspections, hazard assessments, safety manual assistance, pre-audit checks and demonstrations.

SCSA’s presence in the field is boosted by online engagement with members and stakeholders through the website, social media pages, and monthly e-newsletter. The SCSA has 5,176 fans/followers on LinkedIn, Twitter, Facebook, YouTube and Instagram (combined), generating approximately 100,000 social media impressions. Website visitors viewed scsaonline.ca over 360,000 times, and construction companies downloaded almost 100,000 Tool Box talks.

Operations Report

The Safety Advocate magazine was published digitally with in-depth content on mental health, construction leadership, and program information. The SCSA shared two editions on social media and in the e-newsletter, sent to 16,000 subscribers.

Public messaging about safety and programming was delivered regularly on the radio, including weekly messaging in Cree and Dene to reach Indigenous workers across the province. Listeners heard SCSA messaging on Rawlco Radio stations, Missinipi Broadcasting, and Rider Radio in over 1000 purchased spots. The SCSA continues to evaluate engagement and look for effective ways to connect with members.

CONCLUSION

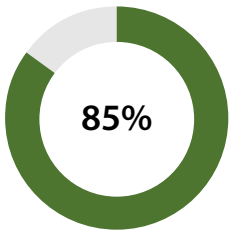
More people attended SCSA training in 2021 than 2020, but the Association is still recovering from the impact of the COVID-19 pandemic in its advisory services and programs. With several major construction projects planned for Saskatchewan in the next few years, the SCSA hopes to return to growth. By providing training, advice and programs to members as they expand their companies and evolve management systems, the SCSA hopes to be a significant contributor in making Saskatchewan the safest construction environment in Canada.



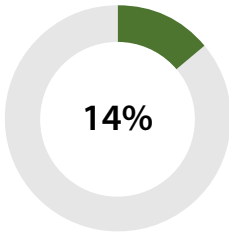
SCSA safety demonstration for Magnus Construction Services

SCSA People At a Glance

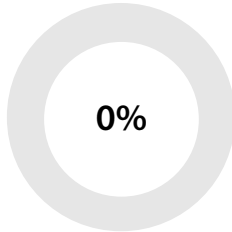
ANNUAL
RETENTION RATE



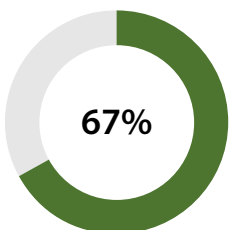
ANNUAL
TURNOVER RATE



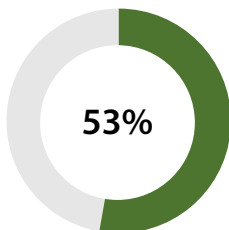
FIRST YEAR
TURNOVER RATE



FEMALE PERCENTAGE
– EXECUTIVE LEVEL



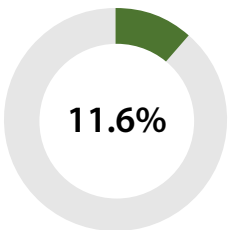
FEMALE PERCENTAGE
– EMPLOYEES



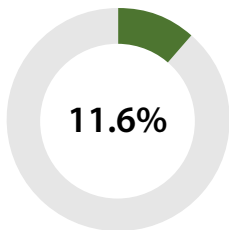
AVERAGE LENGTH
OF SERVICE

5.6
YEARS

PROMOTION RATE



CHURNOVER RATE



"When you have a good safety culture, you keep people safe and avoid additional costs in time and money. Good safety means good business."
– Sean Thompson, Flynn Canada, Safety Advocate

SCSA Business At a Glance



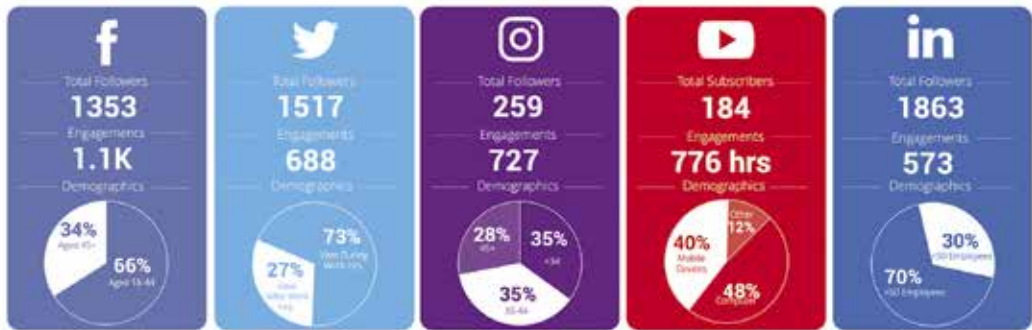
COR
437 COR®
99 SECOR®

COR
SMALL EMPLOYER

Certified Companies
Retention Rate
85% for COR®
90% for SECOR®

NCSO
68 Registrations
33 Certifications
1279 Total in SK

15 650
Subscribed
31% Open Rate
5% Click Rate
Industry Average 14% & 1%



Financial Statements

Financial Statements of

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

And Independent Auditors' Report thereon

Year ended December 31, 2021



KPMG LLP
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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, 2021
- 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, 2021, 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, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. 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 17, 2022

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Financial Position

As at December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 2,427,227	\$ 2,014,268
Accounts receivable	27,728	30,769
Short-term investments (note 2)	1,513,350	1,500,000
Prepaid expenses	98,604	80,821
	4,066,909	3,625,858
Property, plant and equipment (note 3)	205,959	188,873
	\$ 4,272,868	\$ 3,814,731
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 244,838	\$ 230,861
Deferred revenue	14,900	19,850
	259,738	250,711
Net assets:		
Invested in property, plant and equipment	205,959	188,873
Internally restricted (note 5)	1,500,000	-
Unrestricted	2,307,171	3,375,147
	4,013,130	3,564,020
Commitments (note 6)		
	\$ 4,272,868	\$ 3,814,731

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, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Funding from Saskatchewan Workers' Compensation Board	\$ 4,200,000	\$ 4,200,000
Seminar and course revenue (Schedule 1)	716,111	565,292
Audit revenue	112,591	82,827
Interest and investment income	20,352	44,743
Other	11,163	876
Sale of training materials	8,501	13,771
Supporter fee revenue	-	29,250
Temporary wage subsidy	-	25,000
Amortization of deferred contributions	-	20,000
	5,068,718	4,981,759
Expenses:		
Advertising	235,353	237,550
Amortization of property, plant and equipment	95,851	126,866
Bank charges	30,268	25,328
Building maintenance and utilities	163,282	139,878
Computer expenses	189,532	188,345
Human resources	65,624	76,844
Insurance	20,609	20,519
Legal and audit	21,803	27,663
Meetings and seminars	9,821	15,696
Memberships and subscriptions	3,904	4,471
Office equipment rental	8,357	16,481
Office supplies	17,407	29,886
Postage and courier	10,946	10,658
Rent	181,090	181,090
Salaries and benefits	3,441,864	3,571,089
Telephone and fax	54,123	51,242
Travel	69,774	104,062
	4,619,608	4,827,668
Excess of revenue over expenses	\$ 449,110	\$ 154,091

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

December 31, 2021	Invested in property, plant and equipment	Internally restricted (note 5)	Unrestricted	Total
Balance, beginning of year	\$ 188,873	\$ -	\$ 3,375,147	\$ 3,564,020
Excess (deficiency) of revenue over expenses	(95,851)	-	544,961	449,110
Net change in investment in property, plant and equipment	112,937	-	(112,937)	-
Transfer between unrestricted and internally restricted	-	1,500,000	(1,500,000)	-
Balance, end of year	\$ 205,959	\$ 1,500,000	\$ 2,307,171	\$ 4,013,130

December 31, 2020	Invested in property, plant and equipment	Internally restricted (note 5)	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

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 449,110	\$ 154,091
Items not involving cash:		
Amortization of deferred contributions	-	(20,000)
Amortization of property, plant and equipment	95,851	126,866
Change in non-cash operating working capital:		
Accounts receivable	3,041	4,819
Prepaid expenses	(17,783)	20,168
Accounts payable and accrued liabilities	13,977	(7,443)
Deferred revenue	(4,950)	8,200
	539,246	286,701
Investments:		
Purchase of property, plant and equipment	(112,937)	(24,917)
Purchase of short-term investments	(13,350)	-
	(126,287)	(24,917)
Increase in cash	412,959	261,784
Cash, beginning of year	2,014,268	1,752,484
Cash, end of year	\$ 2,427,227	\$ 2,014,268

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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) 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, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(b) 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 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 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.

(c) 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

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(d) 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 0.25% to 0.30% (2020 - 0.65% to 1.35%). These guaranteed investment certificates have maturity dates in June - December 2022 (2020 - June - December 2021).

3. Property, plant and equipment:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Office and training equipment	\$ 816,990	\$ 689,585	\$ 127,405	\$ 116,398
Computer equipment	542,201	497,673	44,528	50,408
Leasehold improvements	1,170,391	1,136,365	34,026	22,067
	\$ 2,529,582	\$ 2,323,623	\$ 205,959	\$ 188,873

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$553 (2020 - \$172), 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, 2021, with comparative information for 2020

5. Internally restricted net assets:

Certain specified amounts have been restricted by the Board of Directors for unforeseen extraordinary expenses that would adversely affect the Association or to offset reductions in other sources of funding. During the year, the Board of Directors transferred \$1,500,000 (2020 - \$nil) from unrestricted net assets to internally restricted net assets. Internally restricted amounts are not available for other purposes without approval of the Board of Directors.

6. Commitments:

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

2022	\$	166,309
2023		105,550
2024		104,473
2025		28,685
2026		1,550

7. 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.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended December 31, 2021, with comparative information for 2020

7. Financial risks (continued):

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, 2021, with comparative information for 2020

	2021	2020
Training programs:		
Computer based training	\$ 286,550	\$ 246,327
Instructor based training	492,345	379,702
	778,895	626,029
Training expenses	62,784	60,737
	\$ 716,111	\$ 565,292

Constructing Safety Leadership



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