



SASKATCHEWAN
CONSTRUCTION SAFETY
ASSOCIATION

2022 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, quality safety training, programs and advice. Established in 1995, SCSA remains committed to injury prevention.

SCSA serves over 8,000 member companies that are registered with the Saskatchewan Workers' Compensation Board (WCB) for building construction. Companies in residential, commercial and industrial construction or construction trades become automatic members of the association.

Vision

SCSA is an important voice driving a business culture of physical and mental safety for all and the centre of excellence for construction safety training programs.

Mission

Promote safety within the construction environment and lead the development of a safety culture through education, consultancy and building awareness towards safer communities.

Board of Directors

ERROL FISHER, CHAIRPERSON, North Ridge Development Corporation

KEITH BIRD, VICE CHAIRPERSON, RNF Ventures

DANA PAIDEL, Icon Construction

DION MALAKOFF, Saskatchewan Building Trades Council

BRIAN BARBER, Ledcor

MARK NOVECOSKY, Flynn Group of Companies

BEN MILLER, Big Block Construction

JOHN DESJARLAIS, Great Plains Contracting

RYAN SMOTRA, Graham Construction

MIKE SKRYPNYK, Sheet Metal Workers' Local 296

Message from the Chairperson



*Errol Fisher, Chairperson,
SCSA Board of Directors*

As with the past couple of years, 2022 brought challenges. Saskatchewan worked its way through most of the issues that COVID-19 had thrown at us. The SCSA adapted very quickly and fast-forwarded its strategic plan to help its members through the pandemic.

There were many negative effects on the economy and the people of Saskatchewan due to the pandemic, but it also forced us to do many things more efficiently. Many of our board and committee meetings are now held virtually, which not only allows more of us to attend but also saves a lot of valuable time.

I was honoured to attend the employee conference in Watrous this year to participate in an armchair discussion hosted by SCSA president Collin Pullar, alongside SCSA vice president Ed Pyle. I am always impressed with this conference and how it focuses on teamwork, helping everyone be on the same page with the SCSA strategic plan. From the outside looking in, the conference is also a great bonding opportunity for employees.

Along with several other board members, I attended the employee service awards in Regina in November. Once again the “TEAM” theme really shows up at this event. The managers provided brief descriptions of the employees’ accomplishments throughout the year and I was impressed with the amount of continuing education and training the employees take, with a lot of it being on their own time. I was pleased to be able to present Collin with his eight-year service award. Collin has done an amazing job in modernizing the association and raising our profile across the province and Canada.

Collin and I also attended an Innovation Saskatchewan event in Regina to speak about Betterworks Technology, a company the SCSA partnered with to assist with their research on how to help workers perform their tasks safely. Focusing on proper body positioning while performing daily duties—whether at a desk, on an assembly line, or on a construction site—this was an exciting advancement in digital technology. Their technology can turn cell phone videos into a detailed evaluation on how to execute tasks safely.

Probably the most significant challenge this year was negotiating the funding agreements with WCB and the safety associations in Saskatchewan.

Mark Novecosky, Collin and I attended several meetings with representatives from WCB and all of the safety associations to work towards a new and hopefully better process for funding and reporting. Under Collin’s leadership, our association is working collaboratively with WCB representatives to move this process forward. There is still a lot of work to do, but there is light at the end of the tunnel.

I would like to extend my thanks to all of our board members and SCSA employees who attended strategic planning sessions in Moose Jaw. With the help of our facilitator, the process was very successful and will help Collin and his team in the years to come.

As we move into 2023, there will be new challenges as Saskatchewan is predicted to lead the country in economic growth. I feel confident that the association is well-equipped to handle these challenges.

Lastly, I want to thank Collin, the other board members, SCSA employees and our members for an interesting and rewarding year as chairperson.

Errol Fisher
SCSA Chairperson

Message from the President



Collin Pullar, SCSA President

Looking back on the past year, I feel the most consistent and constant thing for all of us has been change. As we emerged from the pandemic, it became obvious that many of the ways we were used to doing things simply were not going to be the same. Technology, the labour force, workplace culture, supply chains, travel disruptions and economic pressures present whole new challenges and, in some cases, opportunities if we can find better ways to adapt and lead.

Just before the pandemic, the Saskatchewan Construction Safety Association (SCSA) implemented a long-term strategy to expand the use of technology in delivering services, increase our impact on provincial safety culture, broaden our rural engagement and provide more value to our members. While the strategy was solid, the pandemic accelerated the pace of change.

The results of this change showed us in 2022 that members continue to accept and prefer instructor led online learning and the expanded use of business analytics tools. Members also showed a stronger interest in developing business culture and a greater desire for engagement. Industry participation in our Safety Culture Survey (developed by the Institute for Work & Health) was phenomenal. This not only provided substantial insight for Saskatchewan business owners into their own companies but also quickly became the largest level of participation in this type of survey for any industry in Canada. The recurring surveys will provide valuable data that our industry can benefit from in future years.

This all occurred despite the headwinds and uncertainty of rapidly rising interest rates, as well as significant concerns for an adequate supply of well-trained skilled labour to meet demands for

large capital projects and deferred maintenance. The landscape has changed for the SCSA in terms of meeting challenges to predict the future needs of member companies and reduce the risks to large numbers of workers who may be newer to their roles in the construction sector than prior to the pandemic.

To address these challenges, our board of directors initiated the largest stakeholder engagement process in SCSA history. With input from members, students, employees, regulators, suppliers and buyers of construction services, feedback was utilized to develop a new three-year strategic plan. It builds on the foundation to date, but also brings into focus a continued emphasis on digital transformation to provide more self-serve and on-demand learning offerings, with greater support for advanced leaders and service to rural or remote regions.

It also recognizes the need to find ways to be more inclusive of those with English as a second language, increase positive mental health in construction and contribute to building a broader safety culture in Saskatchewan. We will pursue this strategy within the context of good accountability while seeking operational excellence as a customer-centric organization and maintaining strong governance.

I sincerely thank our team, board, partners, supporters, and particularly our members for leaning in at such a challenging and exciting time in our history.

Stay focused, stay safe.

Collin Pullar
SCSA President

Operations Report



Hand & eye protection demo for Graham-Aecon's Buffalo Pound Safety Day

INTRODUCTION

Though 2022 marked the formal emergence from the global pandemic, it presented new challenges and revealed some lasting changes. The speed at which things opened up following the lifting of all public health restrictions, as well as adjustments in customer demand for services, made for significant shifts in how business was done. It was a year of transition, requiring adaptation and reflection, as the SCSA wrapped its previous three-year strategy and set direction going forward into 2023 and beyond.

The provincial construction workforce shrunk by 5,000 from the previous year. Total injury rates were down by about 200 at the time of writing, with 1,295 total claims in 2022 compared to 1,512 in

2021. Injury rates declined in residential, commercial and industrial construction. Though injuries increased slightly in the construction trades, the five-year trend is headed in the right direction. Some statistics have plateaued in recent years—the most common injuries are to the hands, legs or back, and young workers under the age of 35 are still disproportionately hurt on the job.

Proper training, practical experience and a culture where safety is seen to be a priority can make all the difference in preventing these injuries—the SCSA fills this need. The renewed strategic direction will build on technological advances in service delivery, prioritize mental wellness, promote safety culture, and position the SCSA as the centre of excellence for construction safety training.

Operations Report

ENGAGEMENT

The largest stakeholder engagement in the history of the association revealed that members are largely satisfied with SCSA programs and services. Engagement was led by Praxis Consulting and took place from June through September. Results from surveys showed that members appreciate SCSA courses, designations, and certifications, as well as the guidance and expertise offered by our advisory services team.

A full-day session with the SCSA Board of Directors, input from the management team and consultation with key stakeholders from government ministries, crown corporations and industry resulted in valuable feedback on where the association should go in the next three years. The direction outlined in the new strategic plan was approved by the SCSA Board of Directors on December 8, 2022.

Instructor led training returned to SCSA classrooms in March 2022—the first in-person course delivery in two years since the start of the COVID-19 pandemic. Trainers also accommodated special requests where in-person training was crucial for members—providing scaffold training to a group of Ukrainian workers with limited English who required an interpreter in Saskatoon, as well as fall protection for contractors working on a project in the remote northern Saskatchewan town of Dillon.

While select courses were offered in classrooms for those who prefer learning in person, or who may not be comfortable with technology, the days of only in-person training are gone. The ease and convenience of online learning have shifted how members prefer to access training and many appreciate the convenience of completing training from anywhere in the province.

Training services issued a total of 11,440 certificates, with 3,159 for instructor led training and over 8,000 SCOT® certificates delivered via computer based training. Over 600 people trained in Fall Protection and Prevention and another 600 completed Leadership for Safety Excellence. The popularity of these two courses was followed by Occupational Health Committee and Safety Auditor training with roughly 300 certificates issued for each.

Advisory services carried out close to 4,000 interactions with members in 2022, such as site visits, tool box talks, hazard assessments, safety demonstrations, inspections, pre-audit checks and assistance in creating



SCSA employee conference in Watrous



Advisory Services visits Bethune



First SCSA training course back in person since the pandemic

Operations Report



Saskatoon advisors with back demo



Allan Kehler chats with members in Prince Albert

documentation or building safety manuals. The back safety demo was updated and finalized in June. Advisors were also instrumental in promoting the use of analytics and guiding members through the data in their custom dashboards. Safety analytics allow for instant, customized reporting and enable managers and owners to make targeted improvements to safety programming.

May through October was busy for in-person engagement with members as sites and offices returned to a sense of normalcy after provincial pandemic restrictions were lifted. Advisors delivered safety demonstrations at several larger events for members including safety days at the Buffalo Pound Water Treatment Plant Renewal Project, the Global Transportation Hub, the Cargill Queen Project canola processing facility, Windsor Salt, K+S Potash's Bethune mine, and more. December saw the return of industry events where advisors attended the Saskatoon and Region Home Builders' Association Growth and Development Forum at Prairieland Park.

At the end of 2022, over 300 Saskatchewan companies held COR® certifications and almost 50 SECOR® certifications. The SCSA had

hoped to see a higher number of companies enrolled in these programs. The COR® program is proven through independent research to be an effective method of reducing both the cost and frequency of injuries in construction.

For individual safety designation programs, total NCSO™ certifications reached close to 1,300 while NHSA™ sits at almost 700.

In early November, the SCSA held a lunch event in Prince Albert to bring together members in the region, address concerns that mental health issues are on the rise and highlight the importance of mental wellness in connection to workplace safety. Presented

"Thank you Saskatchewan Construction Safety Association for making the conversation around mental health a priority, and for reminding us that there is nothing 'manly' about suffering in silence."
—Allan Kehler, mental health advocate

Operations Report

in partnership with the Saskatchewan network of construction associations, mental health advocate Allan Kehler shared his story with over 50 attendees and provided valuable takeaway resources.

The event generated positive responses across social media and accounted for some of the association's best digital engagement of the year. SCSA received media coverage in Saskatoon and Prince Albert outlets and Kehler's presentation was featured on the cover of the fall edition of the Safety Advocate digital magazine.

SCSA's presence in the field is augmented by an active digital strategy to engage with members, raise awareness for construction safety and promote safety culture in Saskatchewan. SCSA has 6,270 total followers on social media across Facebook, Instagram, Twitter, YouTube and LinkedIn, with 250,000 combined impressions and 5,620 engagements in 2022. SCSA's website was visited 310,000 times and over 52,000 toolbox talks were downloaded. Electronic newsletters with updates on services, programs and events were sent to over 16,000 subscribers every month.

Two editions of the Safety Advocate were published on SCSA's website, with content covering safety leadership, mental health, the 50-year milestone marked by the Ministry of Labour Relations and Workplace Safety, as well as SCSA courses and programs updates, member recognition, and relevant safety-related topics. The Safety Advocate was shared by email to the e-news subscriber list and also posted on social media.

Over 1,000 safety messages were delivered on radio with year-round spots on Rawlco and Missinipi Broadcasting stations (in English, Cree and Dene). SCSA also had featured spots on Rider Radio as the injury report sponsor throughout the Saskatchewan Roughrider season. Expert articles were published in We Build and Industry West magazines, both digital and printed editions.

The SCSA earned media with provincial and regional outlets including CBC, Prince Albert Herald, paNOW website, Global TV Saskatoon, and the national websites for Canadian Occupational Safety and the Journal of Commerce.



SCSA advisors deliver safety demonstrations in Gull Lake

Operations Report



A group of Ukrainian workers from Robson Wall Systems

SAFETY CULTURE

A culture of safety is one of the most critical elements of a company's safety performance. The SCSA put a safety culture survey and action plan into regular service offerings, with results available at no cost to every member company. Members can use safety culture survey results to address areas of weakness and inform their planning decisions. Developed by the Institute for Work & Health (IWH) and administered by EHS Analytics, it is the most extensive application of the survey ever deployed in any Canadian industry or region.

Contributing to a common understanding of safety across the country, the SCSA rolled out a new harmonized national COR® audit instrument for use going forward in 2023. Updates to the national standard were made in the spirit of continuous learning with other provincial construction safety associations. Member companies that have COR® accreditation in more than one province should find it easier to maintain certification as well as seek equivalency in other provinces.

Each year, the SCSA's safety leadership awards celebrate members with exemplary safety practices that others are encouraged to emulate. Companies and individuals are recognized for excellence in corporate leadership, as a safety leader or safety practitioner. Nine finalists and three award winners were featured on social media, the SCSA website and e-newsletter. The awards fostered great engagement across these channels and helped generate positive perceptions in the community.

A public poll showed 82 per cent believe that construction is a safe career for young people entering the workforce. Whether a company prioritizes safety and ensures new hires have the right training factors into this perception. With those under the age of 35 continuing to see higher rates of injuries, SCOT® remains an essential piece of training for new and young workers entering the industry.

Operations Report

TECHNOLOGY

As a benefit of membership, SCSA Analytics is available to all 8,000 companies at no cost. In addition to accessing detailed WCB data, training records and audit history all in one place, members can compare their safety performance to industry peers and find areas of weakness to improve on in order to prevent future injuries.

Online proctored exams for the NCSO™ and NHSA™ became available in every community with an internet connection through an agreement with Saskatchewan Polytech, eliminating the barrier of needing to travel to a major centre to obtain certification.

The SCSA is in the early stages of making new technical tools available, aimed at making SCSA education easier to access outside of Regina and Saskatoon. A new Learning Management System will be launching in early 2023 and a project to implement electronic auditing is in discovery. These advancements are designed to improve service and enhance the SCSA member experience.

REVENUE

The SCSA is primarily (about 80 per cent) funded by membership dues collected by Saskatchewan Workers' Compensation Board through a funding process outlined in the Workers' Compensation Act, 2013. Most other SCSA funds are collected through service fees for course registrations, audits and other services.

In general, SCSA's non-dues revenue is steady compared to five-year patterns. The SCSA is monitoring the demand for courses and services and will make adjustments to services in response to changes in market preference.

The SCSA remains committed to the highest standards of financial accountability when it comes to money matters. Sound financial administration is important to the SCSA, as is being totally transparent and accountable. In 2022, the SCSA appointed KPMG as an independent, third-party auditor at its Annual General Meeting. The auditor's report is available in this document.

CONCLUSION

Ultimately, the SCSA exists to make its member companies more successful, in protecting their workforce and their bottom line.

In 1997 (two years after the foundation of the SCSA), compensation rates in construction ranged from \$5.85 to \$10.95 per hundred dollars of payroll. In today's dollars that converts to \$10 to \$18.75.

In 2022, the compensation rates in construction ranged from \$1.71 to \$2.62 per \$100 of payroll. Over the years, SCSA members have realized a tremendous financial return on investment from safety education and programming. These savings can be applied directly to the bottom line of a company and provide an immeasurable benefit to human life and well-being.

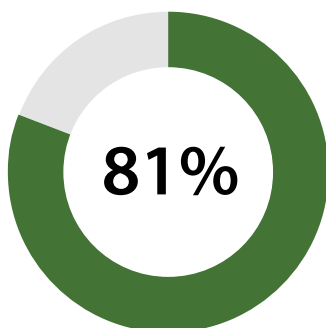
The SCSA is a people-focused business. Good, productive relationships with members and staff will bring the dream of "the safest construction environment in Canada" to life. The SCSA is pleased that members appreciate the association's services and it will constantly try to identify better ways of serving members.

"I think the construction industry should be proud of the effort that we put forth in the pursuit of safety. We should be proud of it and celebrate the fact that we're good at providing safe construction sites and sending home workers in the same condition they arrived in."

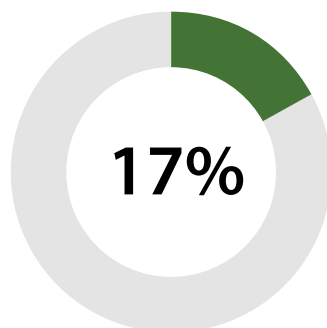
—Brian Barber, Ledcor, Corporate Leadership in Safety award winner

SCSA People At a Glance

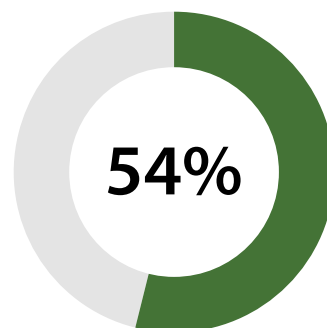
ANNUAL
RETENTION RATE



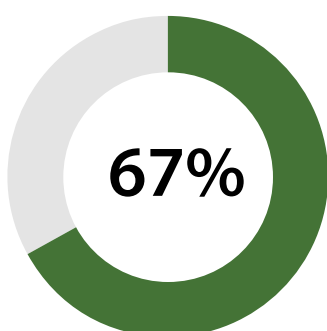
ANNUAL
TURNOVER RATE



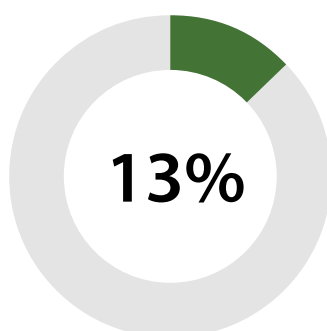
FEMALE PERCENTAGE
– EMPLOYEES



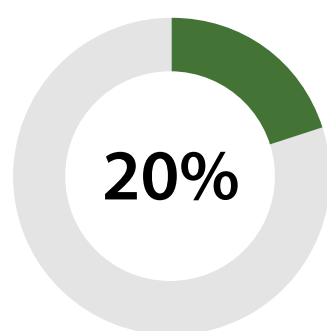
FEMALE PERCENTAGE
– EXECUTIVE LEVEL



PROMOTION
RATE



CHURNOVER
RATE



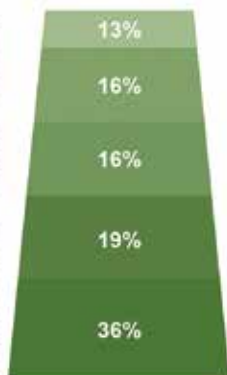
Average Length of Service
5.6 Years

“Building positive culture around safety drives behaviours and makes for a safe work site. Safety goes beyond paperwork and administrative controls—everyone should be looking out for each other.”

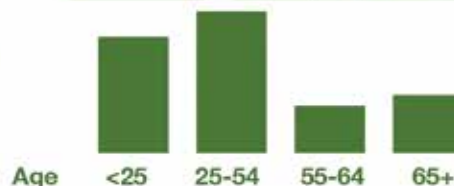
–Justin Churko, project director, Graham-Aecon Joint Venture

SCSA Business At a Glance

INDUSTRY SNAP SHOT



New Housing
Non-Residential Maintenance
Industrial / Commercial
Residential Maintenance
Engineering



316 COR®
46 SECOR®



40 Registrations
8 Certifications
699 Total in SK



54 Registrations
17 Certifications
1295 Total in SK



Instructor Led Training

3159 Total Certificates

641 Fall Protection

612 Leadership for Safety Excellence

306 Occupational Health Committee

282 Safety Auditor



Safety Construction Orientation Training SCOT®

8026 Total Certificates
1367 Total SCOT® for Schools Certificates

Staff Retention

81%



16 068
Subscribed
40% Open Rate
3% Click Rate
Industry Average 27% & 4%

Financial Statements

Financial Statements of

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

And Independent Auditors' Report thereon

Year ended December 31, 2022



KPMG LLP
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Canada
Tel (306) 791-1200
Fax (306) 757-4703

INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 the 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.

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

Auditor's 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 auditor's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Regina, Canada

February 16, 2023

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Financial Position

As at December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 1,861,448	\$ 2,427,227
Accounts receivable	37,558	27,728
Short-term investments (note 2)	1,520,616	1,513,350
Prepaid expenses	127,397	98,604
	<u>3,547,019</u>	<u>4,066,909</u>
Property, plant and equipment (note 3)	270,279	205,959
	<u>\$ 3,817,298</u>	<u>\$ 4,272,868</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 341,533	\$ 244,838
Deferred revenue	18,850	14,900
	<u>360,383</u>	<u>259,738</u>
Net assets:		
Invested in property, plant and equipment	270,279	205,959
Internally restricted (note 5)	1,520,616	1,500,000
Unrestricted	1,666,020	2,307,171
	<u>3,456,915</u>	<u>4,013,130</u>
Commitments (note 6)		
	<u>\$ 3,817,298</u>	<u>\$ 4,272,868</u>

See accompanying notes to financial statements.

On behalf of the Board:

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Funding from Saskatchewan Workers' Compensation Board	\$ 3,750,000	\$ 4,200,000
Seminar and course revenue (Schedule 1)	711,017	716,111
Audit revenue	115,754	112,591
Interest and investment income	56,337	20,352
Other	25,290	11,163
Sale of training materials	9,491	8,501
	4,667,889	5,068,718
Expenses:		
Advertising	184,983	235,353
Amortization of property, plant and equipment	53,435	95,851
Bank charges	31,721	30,268
Building maintenance and utilities	184,713	163,282
Computer expenses	175,333	189,532
Human resources	151,394	65,624
Insurance	22,211	20,609
Legal and audit	15,870	21,803
Meetings and seminars	61,432	9,821
Member services	70,570	-
Memberships and subscriptions	3,984	3,904
Office equipment rental	6,518	8,357
Office supplies	30,230	17,407
Postage and courier	7,503	10,946
Rent	184,244	181,090
Salaries and benefits	3,831,713	3,441,864
Telephone and fax	23,075	54,123
Travel	185,175	69,774
	5,224,104	4,619,608
Excess (deficiency) of revenue over expenses	\$ (556,215)	\$ 449,110

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

December 31, 2022	Invested in property, plant and equipment	Internally restricted (note 5)	Unrestricted	Total
Balance, beginning of year	\$ 205,959	\$ 1,500,000	\$ 2,307,171	\$ 4,013,130
Excess (deficiency) of revenue over expenses	(53,435)	7,266	(510,046)	(556,215)
Net change in investment in property, plant and equipment	117,755	-	(117,755)	-
Transfer between unrestricted and internally restricted	-	13,350	(13,350)	-
Balance, end of year	\$ 270,279	\$ 1,520,616	\$ 1,666,020	\$ 3,456,915

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

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ (556,215)	\$ 449,110
Item not involving cash:		
Amortization of property, plant and equipment	53,435	95,851
Change in non-cash operating working capital:		
Accounts receivable	(9,830)	3,041
Prepaid expenses	(28,793)	(17,783)
Accounts payable and accrued liabilities	96,695	13,977
Deferred revenue	3,950	(4,950)
	(440,758)	539,246
Investments:		
Purchase of property, plant and equipment	(117,755)	(112,937)
Purchase of short-term investments	(7,266)	(13,350)
	(125,021)	(126,287)
(Decrease) increase in cash	(565,779)	412,959
Cash, beginning of year	2,427,227	2,014,268
Cash, end of year	\$ 1,861,448	\$ 2,427,227

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Notes to Financial Statements

Year ended December 31, 2022, with comparative information for 2021

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 coordination 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, 2022, with comparative information for 2021

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, 2022, with comparative information for 2021

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 2.3% to 3.5% (2021 - 0.25% to 0.3%). These guaranteed investment certificates have maturity dates in June - December 2023 (2021 - June - December 2022).

3. Property, plant and equipment:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Office and training equipment \$	724,044	\$ 573,505	\$ 150,539	\$ 127,405
Computer equipment	137,748	109,595	28,153	44,528
Leasehold improvements	1,236,235	1,144,648	91,587	34,026
	\$ 2,098,027	\$ 1,827,748	\$ 270,279	\$ 205,959

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2021 - \$553), 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, 2022, with comparative information for 2021

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. In 2021, the Board of Directors transferred \$1,500,000 from unrestricted net assets to internally restricted net assets. Interest earned on these restricted amounts were \$20,616 (2021 - \$nil). 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:

2023	\$	184,408
2024		183,332
2025		120,386
2026		85,925
2027		56,250

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, 2022, with comparative information for 2021

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, 2022, with comparative information for 2021

	2022	2021
Training programs:		
Computer based training	\$ 330,422	\$ 286,550
Instructor based training	458,897	492,345
	789,319	778,895
Training expenses	78,302	62,784
	\$ 711,017	\$ 716,111

Constructing Safety Leadership



**SASKATCHEWAN
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