Financial Statements of

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

And Independent Auditor's Report thereon

Year ended December 31, 2025

KPMG LLP
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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, 2025
- 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, 2025 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.

Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in the Annual Report

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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.

KPMG LLP

Chartered Professional Accountants

Regina, Canada

March 17, 2026

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Financial Position

December 31, 2025, with comparative information for 2024

		2025		2024
Assets				
Current assets:				
Cash	$	1,168,516	$	906,727
Accounts receivable		25,765		37,593
Short-term investments (note 2)		1,718,337		1,637,983
Prepaid expenses		165,289		159,179
		3,077,907		2,741,482
Property, plant and equipment (note 3)		211,566		250,226
	$	3,289,473	$	2,991,708
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (note 4)	$	230,458	$	219,898
Deferred revenue		27,000		10,652
		257,458		230,550
Net assets:				
Invested in property, plant and equipment		211,566		250,226
Internally restricted (note 5)		1,718,337		1,637,983
Unrestricted		1,102,112		872,949
		3,032,015		2,761,158
Commitments (note 6)				
	$	3,289,473	$	2,991,708

See accompanying notes to financial statements.

On behalf of the Board:

Brian Barber
Chair SCSA

Collin Pullar
President SCSA

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Operations

Year ended December 31, 2025

	2025	2024
Revenue:		
Funding from Saskatchewan Workers' Compensation Board	$ 5,037,500	$ 4,620,000
Seminar and course revenue (net) (Schedule 1)	787,787	759,361
Audit revenue	231,930	253,347
Interest and investment income	128,231	141,494
Other	12,933	12,539
Sale of training materials	6,678	6,012
	6,205,059	5,792,753
Expenses:		
Advertising	251,228	206,321
Amortization of property, plant and equipment	91,123	85,651
Bank charges	44,906	43,501
Building maintenance and utilities	216,859	224,028
Computer expenses	186,467	191,142
Human resources	123,919	122,700
Insurance	24,575	24,708
Legal and audit	31,223	20,406
Meetings and seminars	60,792	43,875
Member services	245,621	193,692
Memberships and subscriptions	3,852	4,701
Office equipment rental	6,708	5,024
Office supplies	30,103	32,893
Postage and courier	2,756	2,766
Rent	185,295	185,295
Salaries and benefits	4,192,983	4,370,982
Telephone and fax	23,155	26,655
Travel	212,637	243,541
	5,934,202	6,027,881
Excess (deficiency) of revenue over expenses	$ 270,857	$ (235,128)

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Changes in Net Assets

Year ended December 31, 2025

December 31, 2025	Invested in property, plant and equipment	Internally restricted (note 5)	Unrestricted	Total
Balance, beginning of year	$ 250,226	$ 1,637,983	$ 872,949	$ 2,761,158
Excess (deficiency) of revenue over expenses	(91,123)	-	361,980	270,857
Net change in investment in property, plant and equipment	52,463	-	(52,463)	-
Transfer between unrestricted and internally restricted	-	80,354	(80,354)	-
Balance, end of year	$ 211,566	$ 1,718,337	$ 1,102,112	$ 3,032,015

December 31, 2024	Invested in property, plant and equipment	Internally restricted (note 5)	Unrestricted	Total
Balance, beginning of year	$ 295,494	$ 1,568,370	$ 1,132,422	$ 2,996,286
Deficiency of revenue over expenses	(85,651)	-	(149,477)	(235,128)
Net change in investment in property, plant and equipment	40,383	-	(40,383)	-
Transfer between unrestricted and internally restricted	-	69,613	(69,613)	-
Balance, end of year	$ 250,226	$ 1,637,983	$ 872,949	$ 2,761,158

See accompanying notes to financial statements.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

		2025		2024
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	$	270,857	$	(235,128)
Item not involving cash:				
Amortization of property, plant and equipment		91,123		85,651
Change in non-cash operating working capital:				
Accounts receivable		11,828		(2,418)
Prepaid expenses		(6,110)		55,724
Accounts payable and accrued liabilities		10,560		(99,741)
Deferred revenue		16,348		(17,234)
		394,606		(213,146)
Investments:				
Purchase of property, plant and equipment		(110,084)		(43,418)
Proceeds on disposal of property, plant and equipment		57,621		3,035
Increase in short-term investments		(80,354)		(69,613)
		(132,817)		(109,996)
Increase (decrease) in cash		261,789		(323,142)
Cash, beginning of year		906,727		1,229,869
Cash, end of year	$	1,168,516	$	906,727

See accompanying notes to financial statements.

Nature of operations:

The Saskatchewan Construction Safety Association Inc. (the "Not For Profit Corporation") 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 Not For Profit Corporation'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. Seminar and course revenue is recognized when the training is delivered. Interest revenue is recognized when it is earned. Audit revenue, other revenue, and sales of materials are recognized when the transaction occurs.

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

(d) Cloud computing arrangements:

The Association has chosen the simplification approach and recognizes expenditures as expenses when services are received.

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

   (e) 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 2.55% to 2.80% (2024 - 3.45% to 4.75%). These guaranteed investment certificates have maturity dates in March - December 2026 (2024 - March - December 2025). Included in the balance is $14,704 of accrued interest (2024 - $nil).

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

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Office and training equipment	$ 774,705	$ 650,984	$ 123,721	$ 141,904
Computer equipment	128,603	91,865	36,738	35,375
Leasehold improvements	1,262,187	1,211,080	51,107	72,947
	$ 2,165,495	$ 1,953,929	$ 211,566	$ 250,226

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

   Included in accounts payable and accrued liabilities are government remittances payable of $2,392 (2024 - $1,644), which includes amounts payable for provincial sales taxes and payroll taxes.

5. Internally restricted net assets:

The Board of Directors have restricted specified amounts as follows:

a) Legal and professional reserve:

The intention of the reserve is to defend the Association, its employees and its Board of Directors from legal challenges, and related professional services cast or provide bridging before Directors & Officers, Errors & Omissions or Cyber insurance might kick in.

b) Opportunity reserve:

The reserve is pursue opportunities should they arise such as development of a new program or technology which would benefit the membership.

c) Operational reserve:

These funds have been set aside to stabilize the Association's finances by providing a cushion against unforeseen events or losses in other sources of funding. Interest earned on these amounts were $80,354 (2024 - $69,613).

	Internally restricted reserve			
	Operating reserve	Legal & professional reserve	Opportunity reserve	Total
Balance, beginning of the year	$ 1,187,983	$ 150,000	$ 300,000	$ 1,637,983
Transfer between unrestricted and internally restricted	80,354	-	-	80,354
Balance, end of the year	$ 1,268,337	$ 150,000	$ 300,000	$ 1,718,337

6. Commitments:

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

2026	$	235,049
2027		185,804
2028		132,343
2029		130,644
2030		28,807

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 statement of financial position represent the Association's maximum credit exposure at the reporting date.

The Association's accounts 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. There has been no change to the risk exposure since the prior year.

SASKATCHEWAN CONSTRUCTION SAFETY ASSOCIATION INC.

Schedule 1 - Seminar and Course Revenue (Net)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Training programs:		
Computer based training	$ 374,750	$ 435,399
Instructor based training	508,456	460,712
	883,206	896,111
Training expenses	95,419	136,750
	$ 787,787	$ 759,361