

in tandem

2013 ANNUAL REPORT



community

noun \ka- 'myu-nə-tě\

- : a group of people who live in the same area (such as a city, town, or neighbourhood)
- : a group of people who have the same interests
- : a unified body of individuals

diversity

noun \də- 'ver-sa-tě, dī\

- : the quality or state of having many different forms, types, ideas, etc.
- : the state of having people who are different races or who have different cultures in a group or organization

solutions

noun \sə- 'lü-shən\

- : something that is used or done to deal with and end a problem
- : something that solves a problem
- : a correct answer to a problem, puzzle, etc.

GROWING
THE LIFE OF
YOUR BUSINESS

¹tan·dem

noun \¹tan-dam\

: a group of two people or things that work together or are associated with each other

in tandem

: in a tandem arrangement

: in partnership or conjunction

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“Promise yourself to be just as enthusiastic about the success of others as you are about your own.”

— Christian D. Larson

Working in tandem we can achieve so much more

There is more than enough room for improvement to include everyone in our efforts – indeed our collective success will count on it.

The proof is in the December 2013 launch of Ontario's first integrated prevention strategy. That strategy illustrates the critical pillars of success – leveraging diverse strengths and our communities working together to identify solutions. **Working in tandem.**

WSPS customers, volunteers and employees participated in the consultation process for the strategy. In all, we made 24 recommendations, but one in particular stands out because it is so deeply ingrained in the mission, strategy and values of our organization.

We firmly believe that employers, employees and community members must be leading partners in the development of solutions and policies that are designed to help you improve health and safety in your workplaces and communities. We recommended this to the ministry in our submission and we hold ourselves accountable for the same. **Working in tandem.**

You must be able to absorb changes and new solutions in a sustainable way that reflects your diverse needs, perspectives, strengths and challenges. And you count on partners like WSPS to understand what makes you unique and to develop those solutions that will help you grow today and in the future while acknowledging your realities today.

This has always been the driving force behind our work, particularly so over the past year. In 2013, our focus was outside, listening to the voices of our customers and the communities in which you operate to understand how we can work together to achieve these goals.

We brought more people, with a variety of perspectives and skills together, forged new partnerships and were honoured to be invited to sit at new tables. We also challenged ourselves to rewire existing relationships. WSPS staff honed their ability to dig deeper and ask questions to gain an even stronger understanding of the challenges and opportunities that you face, and they continuously demonstrate the courage to let go of old constructs and engage in new ways to help you go further.

As we head into our next three-year strategic planning process, we do so empowered and enriched by our conversations and our work with you. I thank our customers, volunteers, partners and communities across Ontario for your commitment to collaboration and your willingness to share your insights, experience, goals and aspirations with us.

Together we will grow the life of your businesses and your communities.

Working in tandem we will achieve so much more.



Elizabeth Mills
President & CEO



Leaning in to understand your needs better

At the first Board meeting I attended as Chair, I joined my board colleagues in a discussion about the skills and qualities we must possess to help WSPS and the 154,000 customers we serve to continue to grow, while navigating the shifting landscape that is the Ontario health and safety system.

It was clear to all that the status quo is not an option; we must evolve in tandem with WSPS and our customers, and we must be a strategic business partner to the organization. Just as WSPS is finding new ways to engage customers and communities to understand your aspirations and goals, we must do the same.

Like you, we are striving to raise the bar, but as the economy continues to limp along we are constantly challenged to figure out how to do more with less. Now, more than ever, the Board must be inquisitive and creative and we must lean in and listen closely to ensure that we are attuned to your needs and that we are focusing the resources and energy of the organization on the right things.

We have a responsibility to oversee the execution of WSPS' strategic plan and that includes managing risks – both those we choose to take on because they will allow us to achieve our goals under such constraints and those we must avoid in order to stay the course.

We are working with the WSPS leadership team, prevention and industry partners, the research community and WSPS advisory committees and we're talking to WSPS customers to broaden our perspective. We are actively reaching out to enrich our conversations so that we can feel confident our decisions balance risk, strategy and opportunity and they reflect the realities of today's workplaces.

On behalf of the Board of Directors, I would like to thank our customers for your determination to create healthier and safer workplaces and your resilience in the face of a challenging economy and unrelenting change in health and safety legislation. I would also like to acknowledge WSPS staff and volunteers for their commitment to partnering with you every step of the way and their tireless efforts to gather the insight and knowledge that enables us to adapt and grow so we can meet your needs today and in the future.

The upcoming year is not without challenges, but with the ongoing support of all of our stakeholders, and that of the Board, and the dedication of the WSPS management team, we will continue to build a strong organization that is deeply connected to employers and employees and is poised to help Ontario business grow.



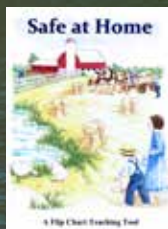
Normand Côté
WSPS Board Chair



“This teaching tool is very well done, comprehensive and will be a helpful tool for our young teachers. The Old Order Mennonite Safety Committee lends our moral support to this project and we are honoured to be recognized as part of it. We look forward to working with WSPS to add more topics when they are able.”

— Aaron Bowman, Secretary of the Anabaptist
Farm Safety Committee

in tandem



SOLUTION

A flip chart teaching tool developed by WSPS **in tandem** with the Anabaptist Farm Safety Committee, Western Ontario.

Communities working together to increase safety awareness on the farm

Ontario is home to the largest Anabaptist (Old Order Amish, Old Order Mennonite and Orthodox Mennonite) population in Canada – a community that maintains its own religion, customs and lifestyle. Their traditional farming methods, which rely heavily on horses and buggies, pose unique risks, in addition to the hazards they share with modern farming operations.

The Anabaptist Farm Safety Committee, which also includes representatives from the Ontario Provincial Police, Waterloo Regional Police, Public Health and the Ministry of Transportation, recognized the need to increase safety awareness in their community. Through an introduction made by one of WSPS' rural volunteers, WSPS has become a regular participant over the past year.

In listening to one another and taking the time to really understand issues from all angles, the committee has been successful in developing solutions that are having an impact in both communities. For example, they have agreed upon standardization of reflective tape, lighting and slow moving vehicle signs and are distributing a Buggy and Roadway Safety Handbook to Anabaptist communities across the province.

The committee also recently introduced a set of teaching tools that have been well received in the Anabaptist community.

Anabaptist children need to learn early on about safe practices to prevent injuries and fatalities because they begin participating in chores and farm work at a very early age.

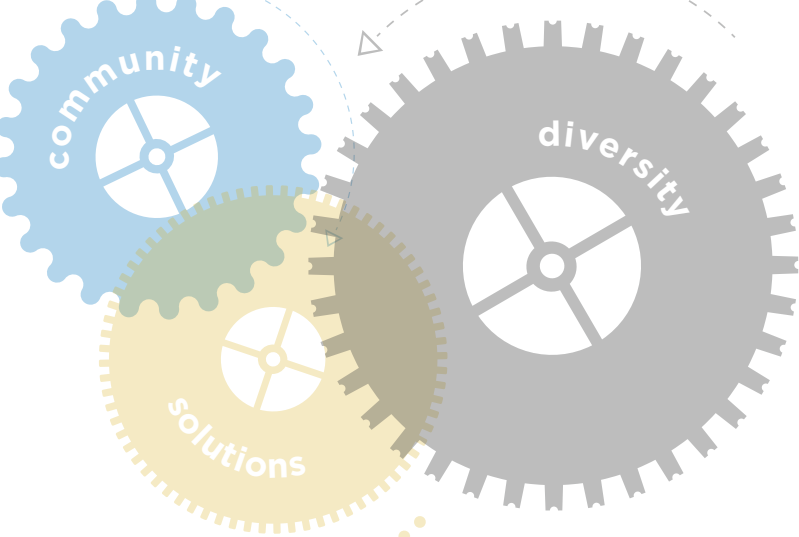


There was an opportunity to build this content into their curriculum at school. Using Ontario Ministry of Agriculture and Food funding to cover the costs, WSPS worked with the committee to develop a flip chart teaching aid to accompany the Safe At Home colouring book that schools were already using to get kids talking about farm safety. The flip charts are currently being used in 28 schools, and 40 more have expressed interest.

“This teaching tool is very well done, comprehensive and will be a helpful tool for our young teachers. The Old Order Mennonite Safety Committee lends our moral support to this project and we are honoured to be recognized as part of it. We look forward to working with WSPS to add more topics when they are able,” says Aaron Bowman, Secretary of the Anabaptist Farm Safety Committee.

Anabaptists may maintain a separate culture and social norms but they are aware of our laws and are keenly interested in abiding by them, and, more importantly, they want to protect their family, friends and community members. The committee has been successful because they understand this and everyone comes to the table with a deep respect for one another and a mutual interest in creating healthier and safer communities.





Building trust to create healthier and safer workplaces in Toronto's Chinese community

The Chinese community is a vibrant and important part of Toronto's multi-cultural fabric. There are several Chinatowns within the city and it's estimated that approximately 40 percent of Chinese Canadians call Toronto home.

Business owners in this community, many of whom are new to Canada, face a steep learning curve. They are setting up and operating their businesses in a new city, adapting to a new culture and learning about federal, provincial and municipal laws.

It can be overwhelming, particularly when you factor in that many also face a language barrier, so it's not surprising that there is little awareness of workplace health and safety hazards and legal obligations. Some of the larger, more established organizations know what is required of them and have the resources to implement, but many of the smaller businesses still have a long way to go.

Over the past year, WSPS has been working with leaders in the community to bridge this gap. It's a gradual process, but one that is critically important as this community continues to grow.

Members of the Chinese community share a unique bond and when they need assistance from others, they are cautious – trust must be earned, it cannot be assumed. For WSPS, the entry point into the community came through the Ministry of Labour and the WSIB. They were having difficulty communicating with business owners who didn't understand the inspection process, the orders that were

being issued and the resources that were available. So they reached out to WSPS and WSIB for assistance.

WSPS consultant Teresa Chan was able to help business owners understand what they needed to do to comply. One step at a time, she became a trusted partner to her customers. It didn't happen overnight, but as each individual experienced the value of working with WSPS, they passed the word along to others.

WSPS and leaders in the community have made great strides toward building awareness of the value of operating a healthy and safe business, including translating and delivering Certification Training Parts One and Two in Chinese, and working with individual businesses to help them build health and safety into their operations.

In 2014, WSPS plans to conduct a focus group exercise to explore interest in a group consulting model, which brings similar businesses together to share costs of various health and safety services including training and workshops. It also provides the opportunity for participants to network and share best practices with one another.

Trust and success won't come from swooping in with solutions that don't fit the needs of the customer or the community. Our work with the Chinese community is a reflection of WSPS' commitment to understanding the diverse needs of our customers so that we can help them achieve their health and safety goals.



WSPS and leaders in the community have made great strides toward building awareness of the value of operating a healthy and safe business, including translating and delivering Certification Training Parts One and Two in Chinese.

intandem



SOLUTION

Certification Training in Mandarin Chinese was developed by WSPS with input from the Chinese business community.



Teresa Chan (beige scarf) worked closely with the dedicated staff at the Mon Sheong Home for the Aged in Toronto, helping them gain a deeper understanding of health and safety and translating and delivering Certification in Chinese.

“I think of it as a quilt. Each region is building its panel with its own fabric and threads and it is WSPS’ work to sew them together. What we are building can’t be built independently — the sum is greater than the parts.”

— Linda Sukk, WSPS Manager,
Stakeholder Consultation



From left to right: WSPS' Linda Sukk, Lori Lane Murphy, and Kathleen Douglass led round table discussions in communities across Ontario, delving into local identity, history and aspirations to explore ways in which WSPS could help them succeed.

in tandem

Collaborating in the community to create a culture of health and safety across the province

Sometimes the richest information comes from informal conversations. People are relaxed, the conversation flows easily and ideas emerge. That is exactly what WSPS was counting on when it extended invitations to individuals in thirteen communities across Ontario to participate in its first series of regional roundtable discussions last fall.

WSPS engaged with customers, volunteers and community members to learn more about their history, identity and the people, events and characteristics that make them unique, as well as their goals and aspirations.

To help get things started, a facilitator led each group through an exploratory exercise delving into the community's identity, its history and aspirations, with a focus on the role that WSPS could play in helping them achieve their goals.

This is the first time that WSPS reached out into the community in this way. The discussions will inform the development of plans, which will reflect the diversity of each community, the influencers who can help with implementation, and the unique solutions that are needed to help nurture change and growth.

WSPS is poised to adapt and evolve to meet the changing needs of the communities we serve. A great example of this is the Ring of Fire region in Northern Ontario. This development project will spur job growth and business development, and will have a significant impact on socioeconomic conditions. Participants of discussions in Timmins and Thunder Bay, including First Nations repre-

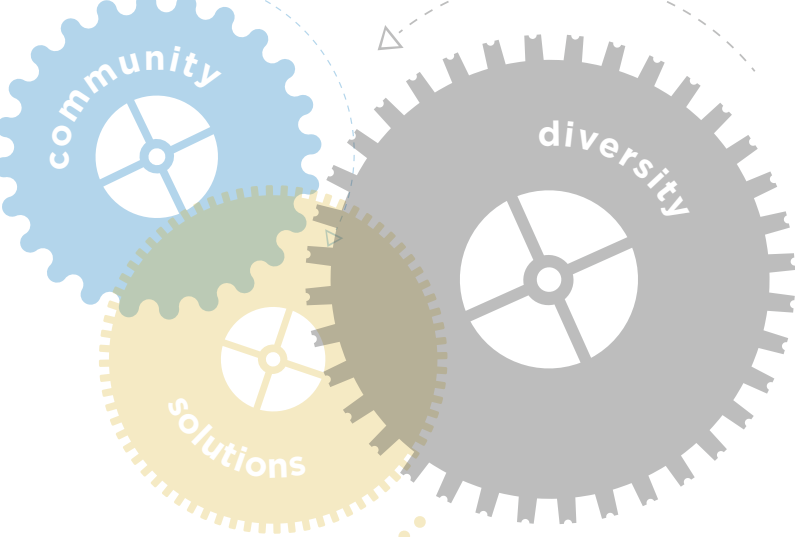
sentatives discussed this topic. WSPS' community plan will reflect the massive change that is expected in these regions over the next ten years.

It was clear that participants were energized by the roundtable conversations. They immediately saw value in working in tandem to achieve their goals and they were quick to offer up the names of other individuals who should join the dialogue.

This is an exciting opportunity for WSPS to understand the needs of our customers in a much broader context and it is helping us to paint a picture of our work across the province.

"I think of it as a quilt," says Linda Sukk, WSPS Manager, Stakeholder Consultation. "Each region is building its panel with its own fabric and threads and it is WSPS' work to sew them together. What we are building can't be built independently – the sum is greater than the parts."





Leveraging diversity to create solutions that work for all businesses

WSPS advisory committees are a wellspring of industry knowledge and experience that the organization and our Board of Directors tap into for guidance with strategic planning and solution development. And, over the past year, they've expanded their scope of influence by developing a suite of health and safety solutions and lending their collective voice to numerous health and safety system conversations and consultations.

They are managers, owners, and employees from businesses of all types and sizes who represent the Agriculture and Horticulture; Commercial Industrial Services; Durable Goods Production; Food, Pharmaceuticals & Personal Products; Restaurant & Food Services; Retail, Wholesale & Office; Tourism & Hospitality; Vehicle Industrial Equipment Manufacturing; and Vehicle, Sales & Service sub-sectors.

Each committee meets quarterly to collaborate with internal and external stakeholders and one another. They exchange ideas, feedback and industry intelligence in order to assist WSPS and system partners in improving the quality and effectiveness of programs, services and products to better meet the needs of Ontario employers and employees.

"We rely on the advisory committees more and more for their advice. They are critical to our efforts to become more nimble and responsive. They are a lifeline to what's going on out there and what we need to focus on to deliver more bang for the customer's buck," says WSPS Board Chair Normand Côté.

Last year, they were sought out to participate in Ministry of Labour task groups and provided feedback on proposed legislative changes, draft standards, tools and reports. They provided feedback on Certification content to ensure it matched the needs of the different sectors, collaborated on their own accord to submit a response to the WSIB's Rate Framework Consultation Discussion Paper and put forward recommendations, drawn from the collective input of the WSPS Board of Directors, advisory committees, trade associations and volunteer council on the integrated occupational health and safety strategy for Ontario.

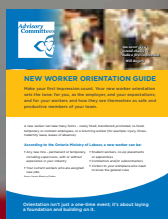
They also developed a tool box of solutions for employers and employees, designed with a specific focus on small business and vulnerable workers. These tools are being designed to help businesses and sectors address a variety of safety challenges and are available at no cost.

These individuals are vital "connectors" who are extending the reach of WSPS and health and safety system partners to ensure every employer and employee has access to health and safety solutions. They are helping to create a national habit of health and safety so we can bring an end to workplace injuries, illness and fatalities.

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— Normand Côté,
WSPS Board Chair

in tandem



SOLUTION

A tool box of solutions for employers and employees was created by the advisory committees with a specific focus on small business and vulnerable workers. These tools are being designed to help businesses and sectors address a variety of safety challenges and are available at no cost.

It started with WSPS volunteer Gary Gibson who saw an opportunity to make a difference in the Durham District School Board.



Health and Safety Manager Gary Gibson of the Durham District School Board is a WSPS volunteer who helped open up the doors to the development of a customized tech shop safety program for school boards.

From left to right: WSPS' Michael Wilson, Dennis Tschirhart, and Ivan Szlapetis built on an opportunity, identified by WSPS volunteer Gary Gibson, to bring to life a customized tech shop safety program designed to educate school board staff, in their own classrooms, about their legal responsibilities and the processes they need to use to recognize, assess and control hazards.



SOLUTION

A CD with Tech Shop equipment information sheets, developed **in tandem** with the Durham District School Board, augments our comprehensive tech shop safety program for schools across Ontario.

in tandem

Extending our reach into the classroom and beyond

The influence of an effective teacher can extend well beyond the classroom to post-secondary, career and even life choices. And now, a growing group of Ontario teachers will have the opportunity to influence attitudes and behaviours about working in a healthy and safe manner.

It started with WSPS volunteer Gary Gibson who saw an opportunity to make a difference in the Durham District School Board (DDSB). He and his colleagues at DDSB have a long history of employing health and safety best practices in their schools, including purchasing equipment based on quality and safety features and working extensively with partners like WSPS to keep students and staff safe.

In 2011, Gary reached out to WSPS for assistance with a review of one of the DDSB tech shops. The assessment, which revealed guarding and chemical storage issues, was the impetus for the development of a customized tech shop safety program, designed to educate school board staff, in their own classrooms, about their legal responsibilities and the processes they need to use to recognize, assess and control hazards.

The program was so successful that WSPS was called back in to deliver a modified version to principals and vice principals at DDSB. Not only did it help them understand how to implement the health and safety solutions that were provided, it also provided valuable insight to help them understand how they need to resource in the future to maintain healthy and safe classrooms, which is vitally important given the funding constraints that schools face.



Gary's innovative and collaborative approach is now helping to transform safety in schools across the province. Thanks to his vision and DDSB's generosity, the program has been delivered to over 250 schools across Ontario.

WSPS' expertise in the manufacturing, agriculture and service sectors has become extremely valuable to many school boards seeking assistance with machine guarding audits, tech shop training, program development, risk assessments and assistance with improving facilities and equipment. And, with the Ministry of Education's decision last January to provide funding for both technological education facilities and science labs, WSPS' solutions are now being implemented in science labs as well.

Thanks to the commitment of these school boards and the hundreds of teachers and administrators who have completed training so far, generations of students will learn early on in their education about proper and safe work procedures – valuable and lifesaving information that they will carry with them not only in their summer jobs, but throughout their careers.

Listening to the voice of customers

The voice of the customer drives our work. We leverage our customers' diverse perspectives, skills and experiences; working in tandem with the organizations they trust to help them grow. We extend our reach by strengthening partnerships and developing new solutions in collaboration with other members of the prevention community. The following are just a few examples of how we delivered on these imperatives in 2013.

Working in tandem with partners to set small businesses up for success

In 2013, WSPS began implementing its strategy to reach small businesses across Ontario. The process kicked off with conversations with Chambers of Commerce and Small Business Centres to explore opportunities for outreach. As a result, WSPS has been providing articles and lunch and learn sessions to assist and support small businesses through these organizations.

In addition, we've been supporting the Chief Prevention Officer's Small Business Task Group, including assisting with the facilitation of regional Chamber of Commerce focus groups to explore their needs. The focus group discussions revealed a need for "getting started" fact sheets and supporting articles, which are slated to be developed and distributed in 2014.

Not only will these tools be helpful to Chambers of Commerce and Small Business Centres, but industry associations, including CFIB, have also expressed interest in sharing them with their members.

Understanding the diverse health and safety needs of all of our sub-sectors

Over the past year, WSPS continued strengthening and building new relationships with industry associations across all three sectors. These partnerships help to bolster our understanding of the unique needs of the sub-sectors

we serve and they open the door to a vital community — enabling us to extend our reach to the many small businesses that rely heavily on their industry associations as a trusted source of information.

Leveraging the credibility they have established with their members is an effective and efficient way for us to fulfill our mission of putting health and safety solutions within reach of every employer and employee in Ontario.

Working with our prevention community to transform health and safety in Ontario

WSPS continues to collaborate with the Prevention Office of the Ministry of Labour and our health and safety system partners on the implementation of the recommendations put forward by the Expert Advisory Panel on Occupational Health and Safety. Currently eight of the 11 priority recommendations have been largely or fully implemented and efforts to implement the remaining priorities are ongoing.

Staff members are participating on 11 of 14 integrated working groups and projects launched by the Prevention Office to improve performance of the prevention system and address areas of risk. In addition, WSPS, along with volunteers and customers, participated in prevention system consultations, including submitting 24 recommendations and supporting context in response to the discussion paper to develop an integrated occupational health and safety strategy.

in tandem

Connecting WSPS customers with vital research and solutions

Ontario Leading Indicators Project

WSPS distributed customized benchmarking reports to the 1,200 customers that participated in the Ontario Leading Indicators Project. The research proposed organizational and management measures that could potentially help predict future workplace injuries and illnesses.

The report benchmarked participants against other respondents to provide a qualitative comparison to like businesses. WSPS partnered with the Institute for Work & Health on developing and conducting the research and guided customers through the full process including reaching out (at no additional cost) to help them digest their results and discuss steps to close identified gaps.

Occupational Dermatitis Awareness and Prevention

In 2013, WSPS developed a series of posters focused on Occupational Dermatitis awareness and prevention. The posters, customized for the vehicle sales and service sector, as well as for hair and nail salons and restaurant and food service establishments, were revised based on follow up conversations with employees. WSPS is now finalizing web-based templates for all sectors and sub-sectors. Workplaces will be able to develop their own set of posters by downloading suitable images from a library on the WSPS website at no additional cost.

Elevating the health and safety conversation

In 2013, WSPS collaborated extensively with the Conference Board of Canada to engage C-Suite executives and directors in the health and safety conversation. Glen Hodgson, Senior Vice President and Chief Economist with the Conference Board of Canada (CBoC) kicked things off with his presentation at the 2013 Partners in Prevention Conference on the critical role that workplace prevention programs can play in the transformation of Canada's ailing health care system.

In September, WSPS President and CEO Elizabeth Mills delivered a webinar on behalf of CBoC and The Directors College on the subject of building health and safety into board discussions on risk management, corporate social responsibility, performance and strategy.

And, in the fall, WSPS became a Health & Safety Leadership Charter member and led discussions with CBoC and Bruce Power in discussions regarding the Ontario Health & Safety Leadership Network — a provincial springboard for change, formed and championed by a distinguished and growing group of senior leaders.

Governing WSPS' own health and safety performance

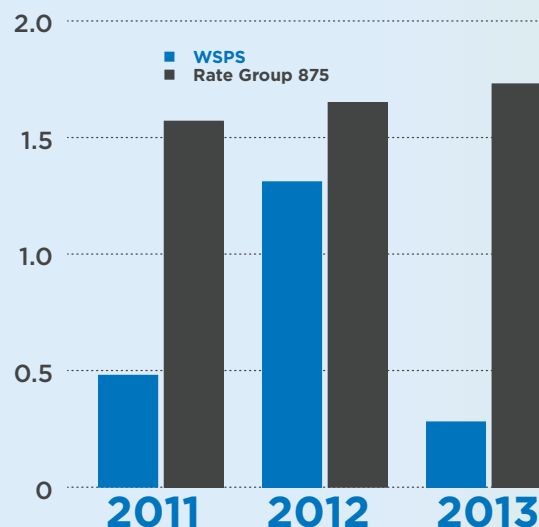
Leading by example in health and safety is a foundational principle woven into our journey as an organization. Since amalgamating in 2010, we have worked with our Board and other organizational leaders in building an internal WSPS health and safety system that takes into account the whole health of our organization.

Over the past three years we have worked to expand, monitor and improve our WSPS management system around occupational health and safety. Among these efforts, we have paid careful attention to employee engagement, culture, health practices, wellness and corporate social responsibility. For example,

- WSPS' Joint Health & Safety Committee (JHSC) and Wellness Sub-Committee is actively engaged in launching a holistic Employee Wellness Program.
- To meet CSA's Z1000 health and safety standard, hazard and risk assessments conducted among 30 percent of employees, determined the highest risk priorities for WSPS: motor vehicle incidents (MVIS), psychosocial hazards, unknown customer site hazards, and musculoskeletal disorders (MSDs).
- Enhanced policies, procedures and staff training to augment this work.
- Conducted two AonHewitt employee engagement surveys – through Queen's University, that pointed to opportunities for heightened work processes, role clarity, resources, and rationalization of business prospects.
- Continue to enrich corporate social responsibility through charitable donations and support for such causes as mental health awareness, as well as our community volunteer program and volunteer days for staff.
- Actively listen to our stakeholders using a variety of channels, including surveys; meetings; individual conversations; anonymous feedback mechanisms; and several employee committees, eg. the JHSC, employee engagement, organizational advisory team, front-line staff committees and resolution coaches.

Another important tenet for WSPS is the need to demonstrate transparency in our operations. As the following graphs illustrate, we have been steadfast in monitoring key indicators that point toward our health as an organization.

Total Injury Rate for 2011-13¹



Determining Our Top Risks at WSPS



This graph illustrates WSPS' top four hazards as identified through an internal risk assessment. As reported by WSPS employees, Motor Vehicle Incidents (MVI) represented the highest risk followed by Psychosocial, Unknown Client Site Hazards, and MSDs which tied in priority level for the next three spots. Using a risk matrix tool, these hazards were categorized by determining the likelihood multiplied by severity of an event occurring.

...working with you to improve your sectors' health and safety performance

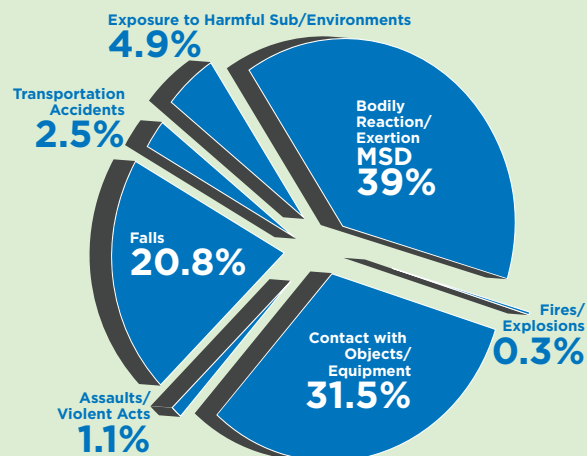
Comparison of Total Injury Rates for WSPS Sub-Sectors²



Other leading organizations – many of whom belong to the sectors and subsectors we represent, are also taking great strides on the road to improved health and safety performance. We support their efforts by offering insights into industry statistics that may help them measure and demonstrate their own progress.

For example, in 2013, we saw a decline in Lost Time Injuries (LTIs) and Non-Lost Time Injuries (NLTIs) – an important trend, particularly when considering that the workforce grew over the same period of time. We also noted that WSPS LTIs are caused by bodily reaction/exertion typically resulting in musculoskeletal disorders

2013 WSPS Member Firm LTIs by Incident Event³



(39%), contact with objects/equipment (31.5%), falls (20.8%), exposure to harmful substances and environments (4.9%) and transportation accidents (2.5%).

While we are seeing a positive trend with less severe injuries, it's troubling to see that the traumatic fatality rate is not moving in the same direction and has actually stayed at about the same level as last year. Once again, contact with objects/equipment (33%), transportation incidents (30%), falls (17%) and electrocutions (10%) are the events that cause the highest number of traumatic fatalities.

Sources: EIW (Enterprise Information Warehouse), March 2014.

¹ Total Injury Rate for 2011-13: Detailed Account Profile Reports, March 2012, 2013, 2014, Rate Group Profiles for Rate Group 875, March 2012, 2013, 2014

² Comparison of Total Injury Rates for WSPS Sub-Sectors: Detailed WSPS Sub-Sector Reports, March 2012, 2013, 2014

³ 2013 WSPS Member Firm LTIs by Accident Event: Custom EIW (Enterprise Information Warehouse) report created on May 12, 2014

Workplace Safety & Prevention Services

Financial Statements

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Workplace Safety & Prevention Services

Notes to Financial Statements

To the Members of Workplace Safety & Prevention Services

We have audited the accompanying financial statements of Workplace Safety & Prevention Services, which comprise the balance sheet as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in accordance with the basis of accounting as disclosed in Note 1(b).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in Note 1(b); this includes the determination that the basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assess-

ments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Workplace Safety & Prevention Services as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting as described in Note 1(b).

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1(b) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Workplace Safety & Prevention Services to meet the requirements of the Ministry of Labour. As a result, the financial statements may not be suitable for another purpose.

Chartered Accountants, Licensed Public Accountants

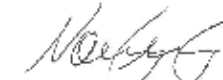


Markham, Ontario
April 28, 2014

December 31	2013	2012
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 10,325,481	\$11,251,210
Short term investments (Note 3)	20,494,966	16,189,922
Accounts receivable	1,631,932	1,086,263
Inventory	1,581	41,284
Prepaid expenses	127,622	121,712
	32,581,582	28,690,391
Restricted cash (Note 4)	339,085	564,392
Long term investments (Note 5)	200,000	—
Investment in CHSI (Note 6)	2,204,033	1,825,076
Capital assets (Note 7)	1,288,321	1,516,688
	\$ 36,613,021	\$32,596,547
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 2,134,508	\$ 3,145,588
Customer deposits	587,798	682,089
Vacation payable	353,149	422,463
Current portion of rental incentive	3,712	3,712
	3,079,167	4,253,852
Rental incentive	22,891	26,603
Attendance credits (Note 9)	15,750	172,044
Exit benefits (Note 10)	323,335	392,348
Deferred MOL revenue (Note 11)	563,469	2,041,763
Deferred capital contributions (Note 12)	319,376	382,787
Employee future benefits – MOL	—	42,612
Deferred MOL surplus (Note 13)	3,500,000	1,572,955
Employee future benefits (Note 14)	21,883,000	17,843,000
	29,706,988	26,727,964
Net assets		
Contributed surplus (Note 15)	48,776	48,776
Invested in capital assets	968,945	1,133,901
Internally restricted for CHSI capital expenditures (Note 16)	1,422,253	1,043,296
Internally restricted for long term plans (Note 17)	716,059	750,000
Unrestricted (Note 18)	3,750,000	2,892,610
	6,906,033	5,868,583
	\$ 36,613,021	\$32,596,547

On behalf of the Executive Board:


 Director


 Director

The accompanying notes are an integral part of these financial statements.

For the year ended December 31	2013	2012
Revenue		
Workplace Safety & Insurance Board/Ministry of Labour funding (Note 19)	\$ 30,384,446	\$31,625,170
Training and publication recoveries (Note 20)	9,919,974	10,043,408
Amortization of deferred capital contributions (Note 12)	63,411	65,748
Interest income	471,741	422,929
	40,839,572	42,157,255
Expenditures		
Advertising and promotion	425,420	301,034
Amortization of capital assets	198,327	280,419
Board of director expenses	5,365	3,728
Employee benefits	7,137,484	7,332,664
Equipment and maintenance	79,651	74,659
Finance charges and bad debts	148,784	57,503
Insurance	232,342	177,475
IT expenses	1,038,068	1,373,339
Occupancy	3,028,823	2,899,890
Office and general (recovery)	(1,730)	35,772
Other personnel costs	563,990	230,639
Postage and courier	118,063	106,578
Professional fees	185,102	335,709
Program delivery expenses	804,444	728,482
Research	111,987	223,127
Safety product costs	1,652,054	1,696,625
Salaries	22,528,722	22,645,813
Subscriptions	92,008	56,494
Supplies, service and equipment	406,843	356,014
Telecommunications	438,179	357,290
Travel and vehicle	816,602	824,637
Volunteer expenses	170,551	160,635
	40,181,079	40,258,526
Excess of revenue over expenditures before undernoted	658,493	1,898,729
Income from Centre for Health and Safety Innovation (CHSI) (Note 6)	378,957	283,158
Excess of revenue over expenditures	\$ 1,037,450	\$ 2,181,887

The accompanying notes are an integral part of these financial statements.

For the year ended December 31	2013						2012
	Contributed Surplus	Invested in Capital Assets	Internally Restricted for CHSI Capital Expenditures	Internally Restricted for Long Term Plans	Unrestricted	Total	Total
Net assets, beginning of year	\$48,776	\$ 1,133,901	\$ 1,043,296	\$ 750,000	\$ 2,892,610	\$ 5,868,583	\$ 3,686,696
Excess (deficiency) of revenue over expenditures	—	(143,706)	378,957	—	802,199	1,037,450	2,181,887
Proceeds on disposal of capital assets	—	(21,250)	—	—	21,250	—	—
Transfer from internally restricted funds (Notes 17 and 18)	—	—	—	(33,941)	33,941	—	—
Net assets, end of year	\$48,776	\$ 968,945	\$ 1,422,253	\$ 716,059	\$ 3,750,000	\$ 6,906,033	\$ 5,868,583

For the year ended December 31	2013	2012
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 1,037,450	\$ 2,181,887
Adjustment to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Amortization of deferred capital contributions	(63,411)	(65,748)
Amortization of capital assets	198,327	280,419
Loss on disposition of capital assets	8,790	—
Income from Centre for Health and Safety Innovation	(378,957)	(283,158)
Employee future benefits expense (recovery) – MOL	(42,612)	2,528
Employee future benefits expense (Note 14)	4,610,000	4,137,400
Employee future benefits paid (Note 14)	(570,000)	(450,000)
Changes in non-cash working capital balances		
Accounts receivable	(545,669)	38,286
Inventory	39,703	31,317
Prepaid expenses	(5,910)	133,001
Accounts payable and accrued liabilities	(1,011,080)	(471,604)
Customer deposits	(94,291)	(309,444)
Vacation payable	(69,314)	(111,735)
Rental incentive	(3,712)	(3,712)
Attendance credits	(156,294)	143,371
Exit benefits payable	(69,013)	(286,419)
Deferred MOL revenue	(1,478,294)	1,478,955
Deferred MOL surplus	1,927,045	—
	3,332,758	6,445,344
Investing activities		
Decrease in restricted cash	225,307	143,048
Increase in short term investments	(4,305,044)	(2,589,758)
Increase in long term investments	(200,000)	—
Proceeds on disposition of capital assets	21,250	—
	(4,258,487)	(2,446,710)
Net change in cash and cash equivalents	(925,729)	3,998,634
Cash and cash equivalents, beginning of year	11,251,210	7,252,576
Cash and cash equivalents, end of year	\$10,325,481	\$ 11,251,210

The accompanying notes are an integral part of these financial statements.

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Nature and Purpose of Organization

Safe Workplace Promotion Services Ontario ("SWPSO") is a not-for profit organization established on April 20, 2009 and subsequently renamed to Workplace Safety & Prevention Services (WSPS or the "Association"). On January 1, 2010 the former Farm Safety Association ("FSA"), Industrial Accident Prevention Association ("IAPA"), Ontario Service Safety Alliance ("OSSA") and Safe Workplace Promotion Services Ontario ("SWPSO") amalgamated and continued operating under the name SWPSO.

WSPS is a not-for-profit occupational health and safety organization providing health and safety training material and services to Ontario's agricultural, manufacturing and service sectors. WSPS assists organizations achieve safer and healthier work environments by identifying and reducing workplace risks and hazards to prevent and reduce workplace injuries, illness and disease.

The Association is exempt from tax under Section 149(1)(l) of the Income Tax Act.

b. Basis of Accounting

The Association expenses in the year of acquisition, purchased software costs which are less than \$50,000 per unit as well as computer hardware costs which are less than \$5,000 per unit. Except as noted above, the Association's accounting policies are in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), which is one of the financial reporting frameworks in Canadian generally accepted accounting principles.

c. Revenue Recognition

The Association follows the deferral method of accounting for funding. Restricted funding from the Ministry of Labour (MOL), Workplace Safety and Insurance Board (WSIB) and the other government Ministries are deferred and recognized as revenue when the related expenses are incurred. Course and seminar recoveries are recognized as revenue when services are rendered and there is reasonable assurance of collection. Safety product recoveries relating to inventory are recognized as revenue when goods are shipped and there is reasonable assurance of collection. Unrestricted funding is recognized as revenue when received or receivable. Funding received for capital expenditures is deferred and recognized as revenue on the same basis as amortization of the related assets.

Interest income is recognized on a time proportion basis.

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

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

- | | | | | | | | | | | | |
|-------------------------------------|--|-------------------|---------|------------------|---------|--------------------|---------|-----------|---------|------------------------|-------------------|
| d. Cash and Cash Equivalents | Cash and cash equivalents consist of cash on hand, balances with the Association's bank and investments with original maturity dates of three months or less at the date of acquisition. | | | | | | | | | | |
| e. Contributions Receivable | Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured. | | | | | | | | | | |
| f. Rental Incentive | The Association has entered into a lease that provides a free rent period. The total amount of cash to be paid over the term of the lease is accounted for on a straight-line basis over the term of the lease. The excess of rent expense over cash paid related to free rent periods is reflected in liabilities. | | | | | | | | | | |
| g. Financial Instruments | Financial instruments are recorded at fair value when acquired or issued. All guaranteed investment certificates and money market funds have been designated to be in the fair value category, with gains and losses reported in operations in the period in which they arise. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. | | | | | | | | | | |
| h. Capital Assets | <p>Capital assets are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful life of the assets as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Computer software</td> <td>3 years</td> </tr> <tr> <td>Office equipment</td> <td>5 years</td> </tr> <tr> <td>Computer equipment</td> <td>3 years</td> </tr> <tr> <td>Furniture</td> <td>5 years</td> </tr> <tr> <td>Leasehold improvements</td> <td>Term of the lease</td> </tr> </table> | Computer software | 3 years | Office equipment | 5 years | Computer equipment | 3 years | Furniture | 5 years | Leasehold improvements | Term of the lease |
| Computer software | 3 years | | | | | | | | | | |
| Office equipment | 5 years | | | | | | | | | | |
| Computer equipment | 3 years | | | | | | | | | | |
| Furniture | 5 years | | | | | | | | | | |
| Leasehold improvements | Term of the lease | | | | | | | | | | |
| i. Inventory | Course and seminar inventory is valued at the lower of cost and net realizable value and are expensed in safety product costs. Cost is determined on a first-in, first-out basis. | | | | | | | | | | |

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

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

- j. Employee Future Benefits** The Association follows the CPA Canada Handbook – Accounting requirements for accounting for employee future benefits with respect to its post-retirement life and health benefits plan. Under these requirements, current service cost of post-retirement benefit plans are charged to income annually. Cost is computed on an actuarial basis using the projected benefits method and based on management's best estimates.
- k. Pension Plan** The Association's contributions to a multi-employer, defined contribution pension plan are expensed when contributions are due.
- l. Investment in Centre for Health and Safety Innovation (CHSI)** The Association is a founding member of Centre for Health and Safety Innovation ("CHSI"), a not-for-profit organization that provides shared premises for the Association and one other Ontario health and safety organization. Under its membership agreement, the Association paid a fee of 74.36% of the start up and operating costs of CHSI up to December 31, 2006. The Association records its payment of the initial costs of CHSI, and its proportionate share of annual operating results on the equity basis.
- m. Impairment of Long-Lived Assets** The Association monitors events and changes in circumstances which may require an assessment of the recoverability of its long-lived assets. If required, the Association would assess recoverability using estimated future undiscounted operating cash flows. If the carrying amount of an asset is not recoverable, an impairment loss is recognized in operations, measured by comparing the carrying amount of the asset to its discounted cash flow value.
- n. Use of Estimates** The preparation of the financial statements in conformity with the basis of accounting as described in Note 1 (b) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

2. CASH AND CASH EQUIVALENTS

	2013	2012
Cash - current account	\$ 6,286,258	\$ 5,941,210
Cash - treasury/investment account	4,039,223	5,310,000
	\$ 10,325,481	\$11,251,210

3. SHORT TERM INVESTMENTS

	2013	2012
Canadian money market mutual funds	\$ 3,029,420	\$ —
Guaranteed Investment Certificates maturing between March 8, 2014 and December 5, 2014 yielding between 1.35% and 1.90% (2012 - March 8, 2013 and December 5, 2013 yielding between 1.35% and 1.85%)	17,465,546	16,189,922
	\$20,494,966	\$16,189,922

4. RESTRICTED CASH

The amount is restricted for the purpose of funding attendance credits and exit benefits.

5. LONG TERM INVESTMENTS

	2013	2012
Canadian market linked Guaranteed Investment Certificate, maturing May 17, 2016	\$ 100,000	\$ —
Canadian dividend fund Guaranteed Investment Certificate, maturing May 17, 2016	100,000	—
	\$ 200,000	\$ —

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

6. INVESTMENT IN CENTRE FOR HEALTH AND SAFETY INNOVATION

The Centre for Health and Safety Innovation (CHSI) is a not-for-profit organization, incorporated under the laws of the province of Ontario on September 8, 2004 whose purpose is to create a focal point for innovation and applied learning in the prevention of workplace injuries and illnesses and to act as a key resource for employers, employees and others seeking expertise and direction on how to make workplaces safer. The organization is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

In addition to the Association, CHSI's members include Infrastructure Health and Safety Association. The Workplace Safety and Prevention Services maintains a 74.36% share in CHSI while the Infrastructure Health and Safety Association maintains a 25.64% share.

The most recent audited financial statements at December 31, 2013 of Centre for Health & Safety Innovation as reported on by another firm of accountants with a report date of March 17, 2014 reflect the following:

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

6. INVESTMENT IN CENTRE FOR HEALTH AND SAFETY INNOVATION *(continued)*

	CHSI	WSPS 74.36% share
Assets	\$ 3,713,920	\$ 2,761,671
Liabilities	749,916	557,638
Net assets	\$ 2,964,004	\$ 2,204,033
Operating results (year ended December 31, 2013):		
Revenue	\$ 4,927,603	\$ 3,664,166
Expenses (operating)	4,358,495	3,240,977
Excess of revenue over expenses	569,108	423,189
Expenses (transfer to replacement reserve)	59,482	44,232
Increase in net assets	\$ 509,626	\$ 378,957
Cash Flows:		
Operating	\$ 954,987	\$ 710,128
Financing	(220,000)	(163,592)
Investing	(118,982)	(88,475)
Increase in cash during year	\$ 616,005	\$ 458,061
Investment consists of:	2013	2012
Balance, beginning of year	\$ 1,825,076	\$ 1,541,918
Proportionate share of excess of revenue over expenses	378,957	283,158
Balance, end of year	\$ 2,204,033	\$ 1,825,076

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

7. CAPITAL ASSETS

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	\$ 906,749	\$ 906,749	\$ 906,749	\$ 906,749
Office equipment	1,029,312	1,029,312	1,273,268	1,261,378
Computer equipment	767,663	767,663	767,663	767,663
Furniture	823,883	823,883	823,883	821,404
Leasehold improvements	2,804,623	1,516,302	2,867,499	1,365,180
	\$ 6,332,230	\$ 5,043,909	\$ 6,639,062	\$ 5,122,374
Net book value		\$ 1,288,321		\$ 1,516,688

During the year the Association disposed of \$243,956 (2012 - \$423,500) in fully amortized assets and wrote off leasehold improvements of \$62,876 (2012 - \$nil) with accumulated amortization of \$32,836 (2012 - \$nil).

8. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances including federal and provincial sales tax, payroll withholdings and related tax of \$Nil (2012 - \$Nil).

9. ATTENDANCE CREDITS

Prior to January 1, 1991, the former IAPA and prior to January 1, 2001, the former FSA participated in the WSIB Attendance Credits Plan under which certain employees, based upon their accumulated attendance credit days, were provided with payment on retirement or separation. Commencing January 1, 1991, the former IAPA and commencing January 1, 2001, the former FSA were required to discontinue their participation in the WSIB Attendance Credits Plan.

Due to past funding arrangements between these Associations and the WSIB, it has been agreed that the WSIB will assume the full liability for attendance credits earned by employees of the Association who commenced employment prior to January 1, 1988 (IAPA) and January 1, 1998 (FSA). The Association, however, will be liable for attendance credits earned by employees hired between those dates and December 31, 1990.

WSIB has provided funding for one of the four amalgamated Associations (FSA, IAPA, OSSA and SWPSO).

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

10. EXIT BENEFITS

Effective January 1, 1991, the former IAPA implemented an exit benefits plan under which all employees hired prior to July 1, 2006, were eligible to receive payment on retirement or separation equal to one week's salary for each year of service. This plan was discontinued effective January 1, 2009 and employees were given the option of being paid out or deferring payment until their termination. Payouts are based on the current salary at time of payment.

11. DEFERRED MOL REVENUE

Deferred revenue consists of the following:

	2013	2012
Prepaid rent	\$ 146,469	\$ 146,469
Operating	417,000	1,895,294
	\$ 563,469	\$ 2,041,763

Changes in the deferred revenue balance are as follows:

	2013	2012
Deferred revenue, beginning of the year	\$ 2,041,763	\$ 562,808
Funding for first quarter 2013 expenditures received in 2012	—	1,534,955
Funding for first quarter 2014 expenditures received in 2013	417,000	—
Current year's expenditures from prior year's restricted excess funding incurred for special projects (Note 19)	(1,895,294)	(56,000)
Deferred revenue, end of the year	\$ 563,469	\$ 2,041,763

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

12. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets.

	2013	2012
Balance, beginning of year	\$ 382,787	\$ 448,535
Amortization of deferred capital contributions	(63,411)	(65,748)
Balance, end of the year	\$ 319,376	\$ 382,787

13. DEFERRED MOL SURPLUS

Prior to the amalgamation, as a result of unauthorized capital asset purchases in 2008, the WSIB required that the cost of the 2008 unauthorized capital asset purchases reduce the funding from WSIB on a dollar for dollar basis. In the current year, \$1,927,045 (2012 - \$Nil) in revenue from MOL has been allocated to deferred MOL surplus to address this deficiency (Note 19).

14. EMPLOYEE FUTURE BENEFITS

The Association provides extended health care, dental and life insurance benefits to all employees with the cost of these benefits recognized on an accrual basis under the CPA Canada Handbook - Accounting section 3461. The accrued benefit obligation relating to post-retirement benefit plans as at December 31 is as follows:

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

14. EMPLOYEE FUTURE BENEFITS *(continued)*

	2013	2012
Accrued benefit obligation, beginning of year	\$39,655,500	\$ 28,694,000
Actuarial loss due to change in discount rate	—	5,160,900
Actuarial loss (gain)	(1,039,800)	3,412,100
Current service cost	1,538,800	1,273,400
Interest cost on obligation	1,636,400	1,565,100
	41,790,900	40,105,500
Benefit payments	(570,000)	(450,000)
Accrued benefit obligation, end of year	41,220,900	39,655,500
Funded status – plan deficit	41,220,900	39,655,500
Unamortized past service costs	(1,993,100)	(2,226,300)
Unamortized net actuarial losses	(17,344,800)	(19,586,200)
Accrued benefit liability	\$21,883,000	\$ 17,843,000
Benefit plan expense		
Current service cost	\$ 1,538,800	\$ 1,273,400
Interest on accrued benefit obligation	1,636,400	1,565,100
Amortization of actuarial losses	1,201,600	1,065,700
Amortization of past service costs	233,200	233,200
Net benefit plan expense	\$ 4,610,000	\$ 4,137,400

The significant actuarial assumptions adopted in measuring the Association's accrued benefit obligations are as follows:

Discount rate – net benefit cost	4.0% (2012 – 4.5%)
Discount rate – accrued obligation at year-end	5.0% (2012 – 4.0%)
Annual rates of increase:	
Extended health care	8.5% in 2014, decreasing by 0.5% per annum to 5.00% in 2021
Dental care	4.0% (2012 – 4.0%) per annum

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

15. CONTRIBUTED SURPLUS

On January 1, 2001 the former FSA became self-administered and the value of assets previously recorded as expenditures and funded by the WSIB was recorded as contributed surplus.

16. INTERNALLY RESTRICTED FUND FOR CHSI CAPITAL EXPENDITURES

The Board approved setting up an internally restricted fund at December 31, 2012 for the Association's share of future capital expenditures relating to CHSI. The fund was designated based on a reserve fund study performed on CHSI in 2011. In the current year, the Association allocated \$378,957 (2012 - \$283,158) to this fund and transferred \$Nil (2012 - \$760,138) from unrestricted net assets. These amounts represent the Association's share of CHSI's replacement reserve and unrestricted net assets.

17. INTERNALLY RESTRICTED FOR LONG TERM PLANS

The Board approved setting up an internally restricted fund at December 31, 2012 to fund certain commitments and long term plans and activities. In the current year, the Association allocated \$Nil (2012 - \$Nil) to this fund and transferred \$33,941 to unrestricted net assets (2012 - \$750,000 from unrestricted net assets).

18. UNRESTRICTED NET ASSETS

Based on a directive from WSIB, there is a requirement to build up the unrestricted net assets to \$3,750,000, which has been achieved in the current year.

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

19. WORKPLACE SAFETY & INSURANCE BOARD/MINISTRY OF LABOUR FUNDING

	2013	2012
WSIB funding consists of the following:		
Approved funding allocation – operations	\$ —	\$ 7,894,386
Add: expenditures of deferred amounts from prior years	360,339	56,000
	360,339	7,950,386
MOL funding consists of the following:		
Approved funding allocation – operations	30,833,197	25,209,739
Add: expenditures of deferred amounts from prior years	1,534,955	—
Less: approved amounts for future operation expenditures	(417,000)	(1,534,955)
approved amounts for deferred MOL surplus (Note 13)	(1,927,045)	—
	30,024,107	23,674,784
	\$ 30,384,446	\$ 31,625,170

20. TRAINING AND PUBLICATION RECOVERIES

	2013	2012
Conferences	\$ 1,994,244	\$ 1,964,201
Consulting	1,897,085	1,676,095
E-learning training	338,841	397,210
Training	4,373,499	4,303,804
Safety literature and information services (safety products)	660,568	947,643
Safety group	655,737	754,455
	\$ 9,919,974	\$ 10,043,408

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

21. COMMITMENTS

The Association has operating leases for various office premises and equipment with minimum annual payments as follows:

Year	Amount
2014	\$ 134,000
2015	128,000
2016	24,000
2017	15,000
	<hr/>
	\$ 301,000

22. PENSION PLAN

Employees belong to the WSIB Employee's Superannuation Plan, a defined contribution plan with employer contributions in the year amounting to \$2,679,806 (2012 - \$2,243,962) and are included in employee benefits.

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

23. RELATED PARTY TRANSACTIONS

The Association subleases its premises from Centre for Health & Safety Innovation (CHSI) and pays their proportionate rental area share of the operating costs. Any surplus (deficiency) in CHSI will be shared by the members based on their proportionate rentable areas (see also Note 6). During the year, CHSI charged rental and operating costs of \$2,764,090 (2012 – \$2,777,763). These transactions are in the normal course of business, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and approximates the arm's length equivalent value.

Minimum annual rental lease payments are as follows:

Year	Amount
2014	\$ 1,334,000
2015	1,347,000
2016	1,347,000
2017	1,347,000
2018	1,112,000
Thereafter	3,374,000
	\$ 9,861,000

Amounts not specifically disclosed on the balance sheet:

	2013	2012
Trade accounts receivable	\$ 6,732	\$ 2,900
Trade accounts payable	\$ 2,422	\$ 9,167

During the year, the Association charged CHSI bookkeeping and information technology service fees of \$34,800 (2012 – \$34,800). This amount is measured at the exchange amount (the amount of consideration agreed to by the related parties).

Workplace Safety & Prevention Services

Notes to Financial Statements

December 31, 2013

24. FUNDING AND NET ASSETS

The MOL's "Surplus Investment Policy" with an effective date of September 18, 2013 was adopted by the Association. The policy states that the Association's operations are not to result in a deficit position at the end of any government fiscal year. The amount of surplus that is eligible to be retained by the Association will be a maximum of 6% of the previous year's audited total actual revenue including government transfer payments. Any amount in excess of the 6% maximum amount may be recovered by MOL in the following year through reduction of transfer payment funding.

Surplus funds must be used to support MOL's commitment to enhance health and safety in Ontario workplaces. No surplus funds can be used without written approval from MOL. MOL will notify the Association in writing in a timely manner regarding decisions related to proposed retention of surpluses. The use of surplus funds approved to be retained by the the Association will be tracked by the Association and reported to MOL. Any amount not approved to be retained will be recovered by MOL.

25. ECONOMIC DEPENDENCE

The Association is dependent on the MOL for funding the cost of operations.

26. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to cash and cash equivalents, short term investments and accounts receivable. The Association manages its exposure to this risk by maintaining its cash and cash equivalents, and investments with a major Schedule I bank and where feasible obtaining prepayment for courses held. Accounts receivable is net of an impairment allowance of \$363,367 (2012 - \$382,594).

Liquidity Risk

Liquidity risk is the risk that the Association encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities, vacation payable, attendance credits, exit benefits, deferred WSIB surplus, employee future benefits and commitments. The Association continues to focus on maintaining adequate liquidity to meet operating working capital requirements and capital expenditures.

in tandem

“To do more for the world than the world does for you — that is success.”

— Henry Ford



WSPS Advisory Committee Membership

Agriculture & Horticulture Advisory Committee (AHAC)

4-H Ontario
Arborvalley Urban Forestry Co. Inc.
Bayview Flowers
Bruce Garlough Farms
David Lambert Farms
Hi Berry Farms
Highline Produce Limited
Landscape Ontario
Ontario Federation of Agriculture
Perchlane Farms
Robert Allen Horticultural Services
University of Guelph

Commercial Industrial Services Advisory Committee (CISAC)

Ainsworth
Bee-Clean Building Maintenance
Brookfield Johnson Controls
Canadian Apartment Properties
Real Estate Investment Trust
Carillion Canada
Drake International
DTZ
Engineering for Industry
HLS Linen Services
SGS Canada Inc.
Toromont CAT

Durable Goods Production Advisory Committee (DGPAC)

All Colour Paints Ltd.
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General Dynamics Land Systems Canada
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The Woodbridge Group
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Territory
TJX Canada
Walmart Canada Corp.
WIND Mobile

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Casino Rama
ClubLink Corporation
CN Tower
Compass Group
Fallsview Casino
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White Oaks Resort & Spa
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