

**SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES
IN HEALTH INC.**

Financial Statements

Year Ended December 31, 2021


MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan Association for Safe Workplaces in Health Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan Association for Safe Workplaces in Health Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance Committee. The Finance Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Chief Executive Officer



Board Chair

Regina, SK
March 09, 2022



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Association for Safe Workplaces in Health Inc.

Opinion

We have audited the financial statements of Saskatchewan Association for Safe Workplaces in Health Inc. (the Association), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 report. We are independent of the Association in accordance with 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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

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An asset to our clients, not an expense

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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 these 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 Association'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 Association'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 Association 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.

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



Chartered Professional Accountants

Regina, Saskatchewan
March 9, 2022

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 471,486	\$ 293,870
Accounts receivable	9,806	8,394
Goods and services tax recoverable	2,712	2,868
Prepaid expenses	15,186	10,040
Investments (Note 4)	1,052,849	509,753
Government subsidy receivable	-	495,699
	1,552,039	1,320,624
CAPITAL ASSETS (Note 5)	34,536	48,005
INTANGIBLE ASSETS (Note 6)	607	7,767
	\$ 1,587,182	\$ 1,376,396
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 50,295	\$ 46,231
Wages payable	50,235	56,775
Employee deductions payable	11,734	27,825
Deferred revenue (Note 7)	313,527	210,838
	425,791	341,669
NET ASSETS	1,161,391	1,034,727
	\$ 1,587,182	\$ 1,376,396
 CONTINGENT FUNDING (Note 8)		
COMMITMENTS (Note 9)		

ON BEHALF OF THE BOARD

Denise Dick Director

Christina Bengtson Director

See accompanying notes to financial statements

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Operations and Changes in Net Assets Year Ended December 31, 2021

	2021	2020
REVENUES		
<u>Saskatchewan Workers' Compensation Board funding:</u>		
Annual operating	\$ 1,777,000	\$ 1,777,000
Education Sector Safety Initiative	110,877	160,935
<u>Ministries of Health and Social Services funding:</u>		
EMS lift sheet program	107	60,000
Specialized infection prevention and control program	233,934	10,727
<u>Other revenues:</u>		
Training and development program fees	74,633	50,318
Interest	10,417	10,284
Miscellaneous revenue	1,443	-
	2,208,411	2,069,264
EXPENSES		
Salaries and benefits	1,367,242	1,498,480
Special projects	344,812	219,700
Training and development	121,719	152,077
Rent	112,277	109,431
Communications	46,897	51,037
Office	46,137	32,774
Pandemic response	40,192	58,621
Professional fees	16,981	11,225
Amortization of capital assets	14,624	14,393
Insurance	9,411	7,189
Utilities	8,157	7,944
Repairs and maintenance	7,302	4,466
Amortization of intangible assets	7,160	7,160
Memberships	815	830
Advertising	-	1,913
	2,143,726	2,177,240
EXCESS OF REVENUES (EXPENSES) FROM OPERATIONS	64,685	(107,976)
OTHER INCOME		
Canada Emergency Wage Subsidy	61,979	495,699
EXCESS OF REVENUES (EXPENSES)	126,664	387,723
NET ASSETS - BEGINNING OF YEAR	1,034,727	647,004
NET ASSETS - END OF YEAR	\$ 1,161,391	\$ 1,034,727

See accompanying notes to financial statements

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Cash Flows Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 126,664	\$ 387,723
Items not affecting cash:		
Amortization of capital assets	14,624	14,393
Amortization of intangible assets	7,160	7,160
Reinvested earnings on investments	309	(9,845)
	148,757	399,431
Changes in non-cash working capital:		
Accounts receivable	(1,413)	12,157
Accounts payable	4,065	9,636
Deferred revenue	102,689	210,838
Prepaid expenses	(5,146)	352
Goods and services tax recoverable	156	(2,019)
Government subsidy receivable	495,699	(495,699)
Wages payable	(6,540)	(7,226)
Employee deductions payable	(16,091)	14,162
	573,419	(257,799)
Cash flow from operating activities	722,176	141,632
INVESTING ACTIVITIES		
Purchase of capital assets	(1,155)	(24,130)
Redemption of investments	100,000	262,332
Purchase of investments	(643,405)	(500,000)
	(544,560)	(261,798)
Cash flow used by investing activities	(544,560)	(261,798)
INCREASE (DECREASE) IN CASH FLOW	177,616	(120,166)
CASH - BEGINNING OF YEAR	293,870	414,036
CASH - END OF YEAR	\$ 471,486	\$ 293,870

See accompanying notes to financial statements

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements
Year Ended December 31, 2021

1. NATURE OF OPERATIONS

Saskatchewan Association for Safe Workplaces in Health Inc. (the "Association") is a not-for-profit organization of Saskatchewan.

The Association's mission is to make workplace health and safety a priority for all. The Association is funded by the Saskatchewan Workers' Compensation Board (Sask WCB) through a portion of premiums paid by healthcare employees.

The Association is exempt from income taxes under subsection 146(1)(e) of the Canadian *Income Tax Act*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Association follows the deferral method of accounting for contributions which includes funding from government agencies. 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. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Training and development revenues are recognized in the year the related event occurs or service is provided.

Interest income is recognized in the period earned. Miscellaneous revenue is recognized when received.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Office furniture and equipment	5 years
Leasehold improvements	5 years
Computer hardware	5 years

The Association regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

The website program is being amortized on a straight-line basis over the estimated useful life of five years.

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SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements
Year Ended December 31, 2021

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets including cash, investments, accounts receivable and government subsidies receivable are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates 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 amounts of revenues and expenses during the period.

Significant items subject to such estimates and assumption include the carrying amounts of accounts receivable, amortization of capital and intangible assets, and salary allocations. Actual results could differ from these estimates.

3. ECONOMIC DEPENDENCE

The Association is reliant on the ongoing funding from Sask WCB in order to maintain operations at the current level. In addition, pursuant to an agreement with Sask WCB if there is a termination in the agreement, or if the Association dissolves, all remaining funds and assets are to be distributed to the Sask WCB.

4. INVESTMENTS

	<u>2021</u>	<u>2020</u>
Fixed income securities	\$ 407,842	\$ 509,693
Term deposits	644,946	-
Cash	61	60
	<u>\$ 1,052,849</u>	<u>\$ 509,753</u>

Fixed income securities include market GICs earning interest between 2.02% and 2.26% and maturing between February 2022 and February 2025. Term deposits include GIC's earning interest at 0.35% and maturing between February 2022 and August 2022.

Investments are reported as current as they are available upon short notice. Investments are intended to be renewed on maturity and are held for long-term sustainability of the Association.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements
Year Ended December 31, 2021

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Office furniture and equipment	\$ 112,542	\$ 91,720	\$ 20,822	\$ 29,182
Leasehold improvements	41,561	41,019	542	813
Computer hardware	127,952	114,780	13,172	18,010
	\$ 282,055	\$ 247,519	\$ 34,536	\$ 48,005

6. INTANGIBLE ASSETS

	2021	2020
Website program module	\$ 35,800	\$ 35,800
Accumulated amortization	(35,193)	(28,033)
	\$ 607	\$ 7,767

7. DEFERRED REVENUE

The Association receives funding from agencies which is restricted to specific programming. The Sask WCB provides for the Education Sector Safety Initiative program which runs to July 31, 2022 and the Ministries of Health and Social Services (MHSS) provides for the Specialized Infection Prevention and Control program which runs until March 31, 2022. At the discretion of the funding agencies any unused funding is either returned to the funding agency or carried forward to be used for the ongoing specific program of the Association.

	Opening Balance	Received in Year	Recognized in Current Revenue	Ending
Sask WCB	\$ 139,065	\$ 200,000	\$ (110,877)	\$ 228,188
MHSS	71,773	247,500	(233,934)	85,339
	\$ 210,838	\$ 447,500	\$ (344,811)	\$ 313,527

No funding was required to be returned to the funding agency in 2021 or 2020.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements
Year Ended December 31, 2021

8. CONTINGENT FUNDING

As is common with most funding agreements there exists, at the discretion of the funding agency, to require repayment of funds if the Association is not in compliance with the terms and conditions of the agreements or if the services are not able to be carried out in entirety.

No provision for possible funding repayments is recorded in the current financial statements as the Association has considered all activities to be in compliance with the requirements of the funding. Any notice of funding repayment is recorded in the year it is made known to the Association.

9. COMMITMENTS

As at December 31, 2021, the Association had commitments for contracted work related to the infection prevention and control programs which expire March 31, 2022. The Association also has lease commitments related to the rental of office space and vehicles. The office rental terminates April 30, 2022 and has an option to renew for an additional five years. The vehicle leases vary in terms with expiration dates ranging from June 4, 2025 to December 20, 2025.

	Program			
	Contracts	Office Rental	Vehicles	Total
2022	\$ 93,147	\$ 21,943	\$ 39,604	\$ 154,694
2023	-	-	39,604	39,604
2024	-	-	39,604	39,604
2025	-	-	28,821	28,821

10. ALLOCATED EXPENSES

Included in special project expenses is an allocation of salaries and benefits based on the time spent on projects activities by specific employees. The amount allocated for the year was \$96,505 (2020 - \$131,321).

11. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

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SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements
Year Ended December 31, 2021

11. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk related to services provided to customers in advance of payments being received. The Association has assessed credit risk as low.

Although the Association has, at various time during the year, a significant receivable related to the funding under the Sask WCB and MHSS programming, no concentration of risk has been identified due to the nature of the funding agencies.

The Association utilizes an allowance for doubtful collections based on specific identification of customer accounts which have been assessed by management as uncollectible. As at yearend no allowance has been recorded as all amounts are considered fully collectible.

12. UNCERTAINTY OF IMPACT OF COVID-19

In early 2020, the federal and provincial governments in Canada implemented measures intended to reduce the impact of the Covid-19 pandemic on individuals and organizations. These regulations have effected organizations in different ways, however, as of the report date no significant financial loss has been incurred by the Association. However, the ongoing impact of the continued government measures subsequently remain uncertain.