

Workplace Safety North  
ANNUAL REPORT 2010





# Contents

Our mission and vision	3
Firm roots, strong branches	5
Message from the Chair and CEO	6
New teams, new directions	7
On the road to zero	8
New structures, new relationships	10
Programs, products, information and events	12
A path to the future	13
Financial report	15





# Our mission and vision

## We believe

Illnesses and injuries can and must be prevented. Belief in prevention drives action and commitment to change.

## Our mission

We are a force for positive action – anticipating and responding to the greatest needs of our clients, and bringing together our partners, members, and diverse communities to build safer, healthier, stronger workplaces.

## Our vision

Every worker home safe and healthy.

## We will accomplish our mission by being...

### Experts:

Mobilizing our know-how in the management of high-risk hazards.

### Knowledge Brokers:

Acquiring and creating knowledge unique to our industries, and optimizing information exchange.

### Change Agents:

Facilitating organizational improvement through auditing, consulting and training.

### Champions:

Advocating workplace health and safety in Northern Ontario communities.





Continuity gives us roots; change gives us branches, letting us stretch and grow and reach new heights.

**Pauline R. Kezer**



## Firm roots, strong branches

For those of us who train, consult, educate and inform people in the workplaces of Ontario about occupational health and safety, change was the constant in 2010. We were not alone in having to adapt to new realities. All Ontario workplaces, big and small, experienced the daily challenges of repositioning themselves in an economy still staggering from the deep recession that began in 2008.

Change brings with it the necessity to innovate, to build new partnerships and blaze new trails. The process is certainly turbulent and sometimes painful. But organizations that are willing to seize the opportunities presented by change emerge from it stronger and more dynamic.

Workplace Safety North (WSN) was formed January 1, 2010 by the amalgamation of three health and safety associations – the Ontario Forestry Safe Workplace Association (OFSWA), the Pulp and Paper Health and Safety Association (PPHSA) and the Mines and Aggregates Safety and Health Association (MASHA), including Mine Rescue.

While this internal transformation got underway, a province-wide transition was unfolding among our sister health and safety associations. In all, twelve organizations built to serve the various sectors of Ontario's work force blended into four, of which Workplace Safety North is one. Thus began a new approach to delivering prevention services in Ontario.



Workplace Safety North head office located at 690 McKeown Avenue, North Bay ON



# Message from the Chair and Chief Executive Officer



William Shaver, Chair  
WSN Board of Directors

It's been one year since Workplace Safety North was formed. During these past 12 months, staff and management have devoted themselves to building new programs and tools based on tried and tested methods from our three legacy associations.

For a newborn organization, WSN has a remarkably long history. Our forestry and pulp and paper sector legacy associations were each founded almost a century ago, in 1915. Our mining/mine rescue predecessor organization dates from 1929. WSN inherits the knowledge, expertise and relationships with which our founding associations helped their clients lower injury and illness rates. This is the solid legacy on which we started to build in 2010.

What we are is who we serve – approximately 3,800 clients employing a workforce of nearly 125,000 in the forestry, mining, pulp and paper, and converting industries. But it doesn't stop there. As a result of the province-wide restructuring of the health and safety associations, WSN is positioned to coordinate the delivery of injury and illness prevention services to an additional 15,500 workplaces throughout northern Ontario, representing a further 150,000 workers.

The overall objective is to implement a service delivery model that enhances access to all workplace sectors of Northern Ontario and ensures, at a minimum, compliance with legislative requirements. This model also provides the benefit of enhanced service delivery efficiency for all Ontario prevention system partners.

Our corporate identity is firmly rooted in the belief that workplace illnesses and injuries can and must be prevented. Belief in prevention drives our action and commitment to change.

Faced with both new challenges and persistent workplace safety and health issues, WSN is committed to focusing its resources on achieving four overarching goals:

1. Injury and Illness Elimination
2. Client and Stakeholder Satisfaction
3. Employee/Organizational Excellence
4. Financial Responsibility

At the end of our first year of operation it's important to review what we have accomplished. We said we would support WSN clients to eliminate fatality, lost-time injury and total injury rates through targeted outreach and interventions. WSN hit all targets related to consulting, training and integrated planning. WSN primary clients demonstrated a 14% injury reduction in LTI frequency and a 5.2% reduction in total injuries over 2009 as measured by WSIB. WSN as a whole exceeded the system target of 50% high engagement levels with the employers who need us most, with an 81% high engagement rate.

Our profound appreciation to our clients, staff, Directors and advisory volunteers for taking the time to share what has made your legacy association so successful, and your commitment to bringing that forward to help us expand and improve our offerings. Thanks to you, our new organization will make the best possible use of its resources for the best of all possible reasons – preventing workplace injury and illness, and saving lives.

William Shaver  
Chair, WSN Board of Directors

Candys Ballanger-Michaud  
President and CEO, Workplace Safety North



## New teams, new directions

As part of a province-wide effort to integrate and improve health and safety service delivery, Ontario's prevention system adopted a strategy that resulted in structural changes to each health and safety association.

The primary goal of these changes was to increase the ratio of frontline staff to support staff in each association, thus maximizing our efforts where they matter most – in the workplaces we serve.

The net result of the restructuring at WSN was that some positions at the North Bay office were eliminated in 2010. This was a painful but necessary step to prepare for our expanded role in the field as primary provider of health and safety services, programs and products to all workplaces throughout the north. It also helped ensure our sustainability and effectiveness within an evolving prevention system that will soon undergo a new round of changes.

The organizational compass points we are using to guide us through this transition are injury and illness prevention in the workplaces we serve, and increased client and stakeholder satisfaction. Our investment in organizational excellence and financial responsibility is also reflected in these structural changes.

With input from our inaugural Board of Directors, our senior management team, staff and prevention partners, we have reconfigured ourselves on the front lines of health and safety.

Our prevention services and mine rescue services field staff are more integrated, nimble and responsive to the needs of the workplaces they serve.



Our 26 prevention services consultant/trainers, including two ergonomic/health specialists, embraced the challenge of expanding their activities to employers outside WSN's traditional sectors of forestry, mining and pulp and paper.

The efforts of our field staff are now being coordinated with those of northern-based field staff of other health and safety associations, creating a single Health and Safety Ontario entry point for client services from North Bay to the Manitoba border. Increased coordination of services at the provincial level also translates into more effective response to client needs by field staff.

Our 10 mine rescue officer/consultants, supplemented by an emergency services specialist, continue the important work of training and equipping volunteers who fight fires, rescue injured personnel and respond to a wide array of incidents in the province's mines.

WSN's Mine Rescue program also ensures state-of-the-art emergency response capability throughout the province by way of a network of mine rescue stations.



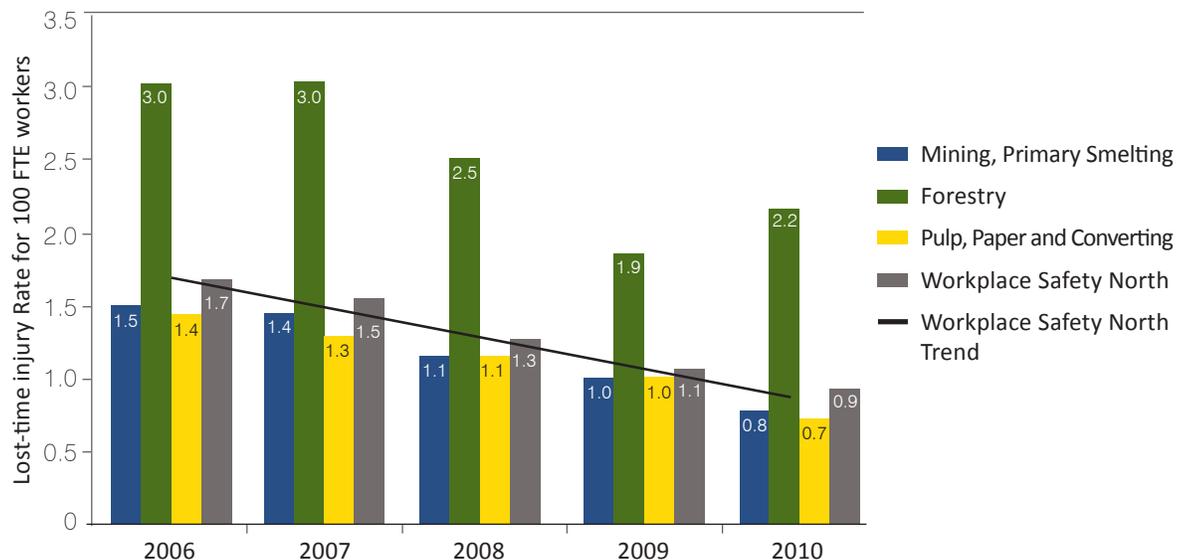
## On the road to zero

WSN continued the consulting strategy of our legacy-sector predecessors by focusing our efforts on clients most in need of our services. This strategy reflects a broader prevention system philosophy, and our contact with these “high opportunity” firms with above-average injury rates exceeded system targets in 2010. Broken out by legacy sector, the following results were achieved:

- ✓ Forestry sector – 240 firms selected, 100% engaged (85% high engagement, 1% medium and 14% low)
- ✓ Mining sector – 73 firms selected, 95% engaged (80% high engagement, 17% medium and 3% low)
- ✓ Pulp and paper, printing and converting sector – 127 firms selected, 100% engaged, (71% high engagement, 17% medium and 12% low)
- ✓ An additional 134 high opportunity firms were contacted by WSN consultant/trainers on behalf of Workplace Safety and Prevention Services.

As the chart below shows, the steady decline in lost-time injury frequency rates in all sectors attests to the effectiveness of our strategy of strategically focused client contact.

**Workplace Safety North  
Lost-time Injury Rates 2006-2010**



Source: WSIB, EIW, as of December 31, 2010.



## Lost-time injuries 2006-2010 incident type

Event or Exposures	Mining Primary Smelting		Forestry		Paper, Printing and Converting Industries		Workplace Safety North	
	#	%	#	%	#	%	#	%
<b>Contact with objects and equipment</b>	601	25%	623	31%	1,060	30%	2,284	29%
<b>Falls</b>	314	13%	310	16%	461	13%	1,085	14%
<b>Bodily reaction and exertion</b>	1,021	42%	744	38%	1,809	50%	3,574	45%
<b>Exposure to harmful substances or environments</b>	203	8%	67	3%	103	3%	373	5%
<b>Transportation incidents</b>	116	5%	111	6%	58	2%	285	4%

Despite the wide range of occupations and equipment used in the three legacy sectors served by WSN, the most common types of incidents and injuries in these sectors are very similar and consistent with province-wide trends. Injuries related to ergonomic hazards (bodily reaction/exertion and falls) accounted for 60% of lost-time injuries in our three legacy sectors from 2006 to 2010. Over that same period, musculoskeletal disorders (MSD) occurred in 46% of lost-time injuries in forestry, 48% in mining and 53% in the paper, printing and converting sector.

The prevalence of the same hazards in all workplaces speaks to the wisdom of moving to a more integrated service and program/product delivery strategy within WSN and across the prevention system. This new approach is already paying dividends at the administrative level of WSN's operations, with 2010 initiatives such as the joint training calendar for northern Ontario. This calendar enables clients from our legacy sectors and beyond to tap quickly into existing training opportunities for their workforce and select training sessions that best fit their priorities.

At the outset of the amalgamation of the three northern associations, WSN made a commitment to our clients that they would see no interruption of services as we moved through the transition period. Our training figures for 2010 confirm that commitment. Total participant training days in 2010 exceeded our target of 10,700 training days by more than 20%:

- ✓ Forestry sector – 3,132 participant training days
- ✓ Mining sector – 2,989 participant training days
- ✓ Mine rescue – 5,485 participant training days
- ✓ Pulp and paper, printing and converting sector – 1,270 participant training days
- ✓ Total WSN – 12,876 participant training days



## New structures, new relationships

Changes at WSN's North Bay office were implemented in 2010 to support our integrated approach in the field. At the senior management level, the Vice President Northeast and Mine Rescue oversees the field staff based in northeastern Ontario and sets strategic priorities with the Sudbury-based Mine Rescue Manager. The Director Northwest and South manages WSN field services in those parts of the province. Each of these positions reports to the Executive Vice President Prevention & Rescue Services who is responsible for all WSN field activities.

Two Customer Care Representatives now serve as the administrative liaison between our field staff and the clients. Three Prevention Services Assistants handle the preparation and distribution of training, consultation and information materials to field staff and clients. A Prevention Services Coordinator oversees the work of these teams. Much of the material we distribute is developed, printed and prepared in-house.

The creative work of developing WSN's program, product and communications materials is handled by our Prevention Solutions Development team. This team includes two Prevention Solutions Writers, two Program/Training Specialists who divide their time between program development and field work, a Program Development Coordinator, Multimedia Producer, Translator and Marketing and Brand Coordinator.

These teams bring a wealth of experience and sector expertise from their work with WSN's three legacy associations. They are a key factor in how WSN will sustain, improve and expand its role as the hub of health and safety services and products for northern Ontario workplaces.

### Our inaugural Board of Directors

On the governance side of our activities, an inaugural WSN Board of Directors was established in 2010. The board is composed of knowledgeable and experienced individuals with a successful history of leadership and a commitment to the promotion of workplace health and safety. A Board of nine ensures a diversity of perspectives, backgrounds, expertise and experience within the Board, while being small enough for effective dialogue and the full participation of each director.

WSN Board members support the association, its vision and its work by lending expertise to help:

- ✓ Provide objective representation of our members' interests in every sector
- ✓ Determine WSN's strategic imperatives
- ✓ Provide ongoing support and guidance to WSN's executive staff
- ✓ Ensure effective organizational planning
- ✓ Ensure adequate resources are available and used effectively
- ✓ Raise public awareness about WSN and the services we provide to our members.

WSN Board of Directors, left to right: William Shaver (Chair), Candys Ballanger-Michaud (President and CEO), Gaetan Carrier, Clyde Healey, Dwight Harper, John Benoit, Marshall Greensides, Terry Bochko, Sandra Haddad.





## Expanding partnerships

In addition to our Board of Directors, Sector Advisory Committees were established in 2010 to represent the three legacy sectors. These committees provide a forum to exchange ideas and concerns related to the programs, services and products provided by WSN. The committees also help WSN identify existing and emerging occupational health and safety issues and trends to support the strategic development of new initiatives. Membership in the Sector Advisory Committees is representative of the rate group classification units, business size and type, labour-management diversity and geographic distribution of the workplaces WSN serves. These committees are advisory only and have no administrative authority.

### Forestry, Paper, Printing and Converting Advisory Committee

Daniel Barron	Cascades Boxboard Group, Mississauga
Kevin Belisle	Smurfit-MBI, Guelph
Michael Chafe	Norampac – OCD, Mississauga
Marilyn Findlay	Domtar Pulp and Paper Products Inc., Dryden
Eddie Heideman	Heideman Forest Services, Eganville
David G. Milton	Ontario Lumber Manufacturers' Assoc.
Eric R. News	Cascades Boxboard Group, Cobourg Division
Jack Phillips	Commonwealth Plywood Company Limited, Pembroke
Scott Russell	Wolverine Forest Products, A division of Buchanan Woodlands Inc., Thunder Bay

### Mining Advisory Committee

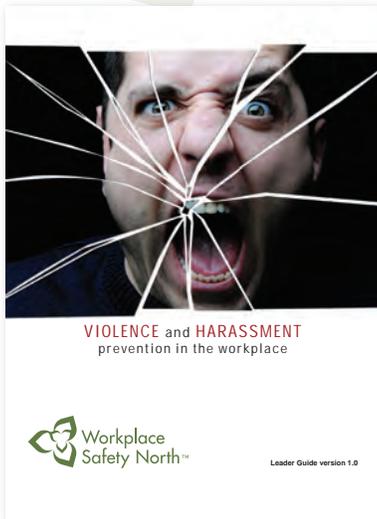
David Church	The Canadian Salt Company Limited Ojibway Mine, Windsor
Barry Federchuk	Xstrata Copper, Timmins
Brian Hagan	Lake Shore Gold Corp, Toronto
Nancy Hutchison	United Steelworkers, Toronto
Al Robb	Sifto Canada Inc., Goderich
Roy Slack	Cementation Canada Inc., North Bay
Dave Stewart	Xstrata Nickel – Nickel Rim South Mine, Garson

Another way WSN taps into stakeholder insights is through sponsorship of a Safety Group. The Safety Groups program is a Workplace Safety and Insurance Board incentive process that recognizes and rewards companies that build the daily prevention of injuries and illness into their management system. Late in 2010, the 63 companies that participated in the WSN Safety Group in 2009 shared in a rebate on their WSIB insurance premiums of just under \$683,000. The 36 meetings that contributed to the rebate provided many opportunities for industry networking and mentoring under the guidance of WSN field staff.

The forestry sector of WSN has been sponsoring a Safety Group for the past eleven years, with annual rebates totalling over \$10 million. Members of this voluntary group have consistently maintained a lower lost-time injury frequency and severity rate than the forest industry average. Building on the successes in the forestry sector, WSN expanded its Safety Group in 2010 to include participants from the mining and pulp and paper sectors, as well as other northern employers.

WSN is working with other Safety Group sponsors in Thunder Bay, Sault Ste. Marie, North Bay and Timmins to give companies a greater opportunity for networking. Joining forces with other Safety Groups in this way will enable the sharing of high-profile speakers, workshop or training activities.

# Programs, products, information and events



Despite a busy year of corporate integration and consolidation, WSN launched a substantial number of new and revised training programs, made inroads in many areas of client communications, and hosted or participated in industry events built around health and safety.

Our first joint program offering was a multi-sector half-day training program that reviews the new legal requirements for violence and harassment prevention in the workplace. As an example of effective prevention-system cooperation, WSN's Prevention Solutions Development team condensed and adapted a one-day program developed by the health care sector of the Public Services Health and Safety Association and tailored it to the needs of our clients. The program was hugely successful with clients.

Other program development projects completed in 2010 included:

- ✓ Update, revision and French translation of Introduction to Professional Chainsaw Operation common core training
- ✓ Update and revision of Introduction to Professional Cable Skidding common core training, with French translation to follow in 2011
- ✓ Half-day fall protection training for the forestry sector
- ✓ Half-day training in safe travel on logging roads
- ✓ A tunnel firefighting training program for the mining sector
- ✓ Update and revision of the emergency preparedness training component of the supervisory common core program for the mining sector
- ✓ French translation of machine guarding training for the forestry sector
- ✓ Adaptation of a pulp and paper sector OHS Act and Regulations training program for federally regulated clients
- ✓ Creation of a one-day version of the three-day pulp and paper sector Supervisory Series training that focuses on legislative compliance and workplace inspections
- ✓ Adaptation of the pulp and paper sector incident investigation program to suit specific client needs.



As WSN's internal transition unfolded, we made a point of keeping the lines of communication open with clients throughout 2010, so that they fully understood the nature of the changes. This was done through face-to-face contact by our field staff, stakeholder meetings, selective mailings, a final edition of the three legacy association newsletters, updates in the Mine Rescue newsletter and regular postings on the WSN website.

In addition to transparent information-sharing with clients, our Prevention Solutions Development team completed the following projects in 2010:

- ✓ Sponsored and organized the 2010 WSN Mining Conference
- ✓ Developed the WSN website in tandem with the three other HSAs as part of a new Health and Safety Ontario online portal
- ✓ Developed a WSN products and services catalogue that reflects the full range of offerings from our three predecessor organizations as well as new, integrated programs and products
- ✓ Launched a WSN YouTube site containing seven promotional videos related to WSN products and programs. The site has been visited more than 8,000 times to date.
- ✓ Developed a rescue assessment tool for smelters, refineries and tunnels
- ✓ Re-branded our corporate logo, display banners, letterhead, business cards, notepads and event booth
- ✓ Produced joint legacy-association 2009 Annual Report
- ✓ Published three issues of Mine Rescue Link Line Newsletter



## A path to the future

In January 2010 the Minister of Labour established an Expert Advisory Panel to lead a review of Ontario's prevention and enforcement system. The panel's report, based on extensive public consultations with labour, business and workplace health and safety organizations, was issued in December 2010. One of its key recommendations was that responsibility for the health and safety associations and coordination of prevention program delivery be transferred from WSIB to the Ministry of Labour. This recommendation has been adopted by the government of Ontario and will result in the creation of a new prevention organization in 2012.

A Chief Prevention Officer (CPO), reporting to the Minister of Labour, will be appointed to coordinate and align prevention system strategies, priorities and programs, and to oversee the health and safety associations, including WSN. A multistakeholder Prevention Council has been established to advise the CPO and the MOL on setting prevention system priorities and measuring progress.

As this latest round of changes unfolds in 2011, the staff and Board of Directors remain focused on WSN's mission and vision. We fully embrace the continuing evolution of a more flexible, integrated and aligned prevention system, because the ultimate beneficiaries of these changes will be the clients we serve.



Workplace Safety North staff and board in front of head office located at 690 McKeown Avenue, North Bay ON





**Workplace Safety North**  
**Financial Statements**  
For the year ended December 31, 2010

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**Contents**

<b>Independent Auditors' Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7 - 10
Notes to Financial Statements	11 - 18



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## Independent Auditors' Report

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### To the Members of Workplace Safety North

We have audited the accompanying financial statements of Workplace Safety North, which comprise the statement of financial position as at December 31, 2010, and the statement of operations, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles, 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.

#### Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 North as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

North Bay, Ontario  
 March 11, 2011

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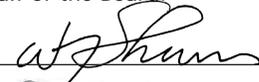
## Workplace Safety North Statement of Financial Position

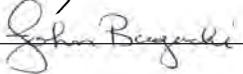
December 31	2010	2009
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 832,851	\$ -
Investments - short-term (Note 2)	1,275,242	-
Accounts receivable	409,032	103,012
Program supplies	114,286	-
Prepaid expenses	63,844	8,204
	<u>2,695,255</u>	<u>111,216</u>
Investments - long-term (Note 2)	1,845,611	-
Capital assets (Note 3)	2,955,228	187,382
	<u>\$ 7,496,094</u>	<u>\$ 298,598</u>

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,100,741	\$ 187,493
Due to Workplace Safety & Insurance Board (Note 9b)	102,468	-
Deferred revenue (Note 4)	115,161	-
	<u>1,318,370</u>	<u>187,493</u>
Accrued post-retirement expenses (Note 6)	2,621,896	-
Deferred capital funding (Note 5)	2,664,976	176,374
	<u>6,605,242</u>	<u>363,867</u>
<b>Commitments (Note 7)</b>		
<b>Net Assets</b>		
Internally restricted - capital assets	290,252	11,008
Unrestricted net assets	600,600	(76,277)
	<u>890,852</u>	<u>(65,269)</u>
	<u>\$ 7,496,094</u>	<u>\$ 298,598</u>

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



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## Workplace Safety North Statement of Changes in Net Assets

For the year ended December 31	2010			2009
	Internally restricted - capital assets	Unrestricted net assets	Total	
Balance, beginning of year	\$ 11,008	\$ (76,277)	\$ (65,269)	\$ -
Transfer from legacy organizations (Note 1)	354,076	738,841	1,092,917	-
Capital asset additions in the year	52,407	(52,407)	-	-
Excess (deficiency) of revenues over expenses	(127,239)	(9,557)	(136,796)	(65,269)
<b>Balance, end of year</b>	<b>\$ 290,252</b>	<b>\$ 600,600</b>	<b>\$ 890,852</b>	<b>\$ (65,269)</b>



## Workplace Safety North Statement of Operations

<b>For the year ended December 31</b>	<b>2010</b>	<b>2009</b>
(with comparative amounts for the seven month period)		
<b>Revenues (Note 8)</b>	<b>\$ 10,402,312</b>	<b>\$ 223,249</b>
<b>Expenses</b>		
Wages and salaries	6,373,996	92,515
Benefits and other personnel costs	2,280,978	-
Travel and vehicle	686,916	10,485
Occupancy costs	658,175	-
Program delivery	507,641	-
Information technology	170,266	-
Telecommunications	100,657	-
Office and general	100,116	5,691
Equipment and maintenance	90,872	3,941
Professional fees and consulting	72,450	147,615
Meetings	67,620	1,758
Advertising and promotion	54,337	7,604
Postage and courier	50,758	-
Director's expenses	46,014	18,909
Insurance, bank charges and bad debt	33,926	-
Ground control	21,820	-
Subscriptions and library	17,899	-
Amortization	760,892	-
	<b>12,095,333</b>	<b>288,518</b>
Less: Recoveries (Note 11)	<b>1,556,225</b>	<b>-</b>
<b>Net expenses</b>	<b>10,539,108</b>	<b>288,518</b>
<b>Excess (deficiency) of revenues over expenses for the year</b>	<b>\$ (136,796)</b>	<b>\$ (65,269)</b>



## Workplace Safety North Statement of Cash Flows

For the year ended December 31	2010	2009
(with comparative amounts for the seven month period)		
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses for the year	\$ (136,796)	\$ (65,269)
Items not involving cash		
Amortization of capital assets	760,892	-
Amortization of deferred capital funding	(633,653)	-
Post retirement benefit expense	430,100	-
Changes in non-cash working capital balances		
Accounts receivable	(396,852)	(103,012)
Program supplies	26,057	-
Prepaid expenses	81,144	(8,204)
Accounts payable and accrued liabilities	514,023	187,493
Due to Workplace Safety & Insurance Board	83,881	-
Deferred revenue	(399,143)	-
	<b>329,653</b>	<b>11,008</b>
<b>Investing activities</b>		
Purchase of capital assets	(534,394)	(187,382)
Cash transferred from legacy organizations	1,268,379	-
Purchase of investments	(507,096)	-
	<b>226,889</b>	<b>(187,382)</b>
<b>Financing activities</b>		
Repayment of obligation under capital lease	(16,578)	-
Capital funding	481,987	176,374
Employee benefits expense paid	(189,100)	-
	<b>276,309</b>	<b>176,374</b>
<b>Increase in cash and cash equivalents during the year</b>	<b>832,851</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 832,851</b>	<b>\$ -</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



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## Workplace Safety North Summary of Significant Accounting Policies

December 31, 2010

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<b>Nature of Business</b>	Workplace Safety North is a not-for-profit corporation that was registered under Letters Patent on June 3, 2009 as a corporation without share capital. The primary purpose of the organization is to contribute to the continuous improvement of health and safety in all sectors in Northern Ontario as well as the mining and aggregates, pulp and paper and forestry industries province wide, by providing products and services to member companies.
<b>Income Taxes</b>	The organization is an organization without share capital carrying on not-for-profit activities and as such it is not subject to income taxes.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents includes cash on hand, current bank accounts and short-term deposits, if any, with maturity of less than 90 days.
<b>Program Supplies</b>	Mine Rescue Program supplies are stated at the lower of cost and net realizable value. Cost is determined using the first-in/first-out method. Inventories of video tapes, literature and smaller safety equipment is expensed in the year costs are incurred.
<b>Capital Assets</b>	Capital asset purchases are stated at cost and are amortized on a straight-line basis as follows:  Computer hardware and software - 3 - 5 years Office equipment - 5 years Mine rescue office and emergency response equipment - 10 years Leaseholds - remaining term of lease Vehicles - 7 years



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## Workplace Safety North Summary of Significant Accounting Policies

December 31, 2010

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**Employee Future Benefits** The organization offers non-pension post-retirement benefits to employees through non-pension defined benefit plans. The costs associated with these future benefits are actuarially determined using the projected benefits method prorated on service and best estimate assumptions. (See Note 6).

The organization is an employer member of the WSIB Employees' Pension Plan and the WSIB Employees' Supplementary Pension Plan (the "Plans"), which are multi-employer, defined benefit pension plans. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plans, including investment of the assets and administration of the benefits. The organization has adopted defined contribution plan accounting principles for these Plans because insufficient information is available to apply defined plan accounting principles. The organization records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plans for past employee service.

**Revenue Recognition** Operating funding received from the Workplace Safety and Insurance Board (WSIB) is recognized in the period to which it relates. The organization recognizes recoveries when they are earned for training courses, certification and consulting services.

The organization accounts for revenue received from WSIB to fund capital asset purchases as deferred capital funding. The capital funding is amortized and included in revenue at the same rate the respective asset is being amortized. Other types of funding may also be included in deferred revenue if it relates to future costs/expenses.

Recoveries are recognized when products are shipped to customers for publications and video sales.

**Accounting Estimates** The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the year. The principal estimates used in the preparation of these financial statements are the determination of the allowance for doubtful accounts, the determination of the allowance for inventory obsolescence, the estimated useful life of capital assets and the estimates involved in employee future benefits. Actual results could differ from management's best estimates as additional information becomes available in the future.



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## Workplace Safety North Summary of Significant Accounting Policies

December 31, 2010

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### Financial Instruments

The organization classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:

#### Assets held-for-trading

Financial instruments classified as assets held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expensed when incurred.

In these financial statements cash and cash equivalents have been classified as held-for-trading.

#### Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Transaction costs are expensed when incurred.

In these financial statements accounts receivable have been classified as loans and receivables and accounts payable and accrued liabilities have been classified as other financial liabilities.

#### Held-to-maturity investments

Financial instruments classified as held-to-maturity investments are carried at amortized cost using the effective interest method. Interest income or expense is included in net income (loss) over the expected life of the instrument. Transaction costs are capitalized to the asset.

In these financial statements investments have been classified as held-to-maturity investments.



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## Workplace Safety North Summary of Significant Accounting Policies

December 31, 2010

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### New Accounting Pronouncements

#### Accounting Standards for Not-for-Profit Organizations (NPO)

In December 2010, the Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) issued new standards for not-for-profit organizations (NPOs) as follows:

For non-government (private sector) NPOs, they have a choice of:

1. International Financial Reporting Standards ("IFRS") or
2. Accounting Standards for NPOs (which is essentially the Accounting Standards for Private Enterprises with the current 4400 series of NPO specific standards added with some minor changes)



## Workplace Safety North Notes to Financial Statements

December 31, 2010

### 1. Amalgamation

On January 1, 2010, the organization received \$7,142,413 in total assets and assumed \$6,049,496 in total liabilities pursuant to the conveyance agreements with three former safety associations being Mines and Aggregates Safety and Health Association, Ontario Forestry Safe Workplace Association and Pulp and Paper Health and Safety Association. Amounts recorded include the realization of amounts due to/from the continuing entity as represented in the individual safety associations. The difference between assets received and liabilities assumed of \$1,092,917 has been presented as a transfer from legacy organizations on the statement of changes in net assets.

### 2. Investments

Short-term investments consists of six guaranteed investment certificates maturing between January 2011 and June 2011 bearing interest ranging from 2.05% to 4.60%.

Long-term investments consists of eight guaranteed investment certificates and one bond maturing between June 2012 and November 2015 bearing interest ranging from 1.25% to 5.05%.

### 3. Capital Assets

	2010		2009	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 214,524	\$ 48,182	\$ 7,396	\$ -
Computer hardware and software	234,693	95,247	83,233	-
Leaseholds	35,790	4,475	-	-
Vehicles	300,827	51,273	96,753	-
Emergency response equipment	2,930,283	561,712	-	-
	<b>\$ 3,716,117</b>	<b>\$ 760,889</b>	<b>\$ 187,382</b>	<b>\$ -</b>
Net book value		<b>\$ 2,955,228</b>		<b>\$ 187,382</b>



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**Workplace Safety North  
Notes to Financial Statements**

**December 31, 2010**

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**4. Deferred Revenue**

	<u>2010</u>	<u>2009</u>
Deferred recoveries	\$ 31,575	\$ -
Deferred ground control funding	69,232	-
Deferred safety group funding	14,354	-
	<u>\$ 115,161</u>	<u>\$ -</u>

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**5. Deferred Capital Funding**

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 176,374	\$ -
Add: Transfer from legacy organizations	2,640,268	-
Add: Capital funding for the year	514,380	176,374
Less: Amortization of deferred capital funding	(633,653)	-
Less: Due to WSIB re: unspent capital funding at year end	<u>(32,393)</u>	<u>-</u>
Balance, end of year	<u>\$ 2,664,976</u>	<u>\$ 176,374</u>



## Workplace Safety North Notes to Financial Statements

December 31, 2010

### 6. Accrued Post-Retirement Expenses

At December 31, this liability consists of the following:

- a. Accumulated attendance credits have been provided for employees with less than 3 years service at January 1, 1991 in the amount of \$21,747 (2009 - \$Nil).
- b. Exit benefits accumulating at a rate of 5 days per year of service from January 1, 1991 have accumulated (see below).
- c. The cost of post-retirement benefits consisting primarily of premiums for prescription drugs coverage to eligible retired employees (see below).

The costs in b. and c. are determined in accordance with accepted actuarial practice. The figures presented are from an actuarial report dated February 22, 2011. Selected information about this plan is as follows:

At December 31, 2010 the organization's accrued benefit liability relating to post-retirement benefit plans is as follows:

Accrued Benefit Liability:	2010	2009
Accrued benefit liability, beginning of year	\$ -	\$ -
Transfer from legacy organizations	2,359,200	-
Current service costs	204,800	-
Interest cost on obligation	157,600	-
Amortization of actuarial losses and other	67,700	-
	2,789,300	-
Benefit payments	(189,100)	-
Accrued benefit liability, end of year	\$ 2,600,200	\$ -

A reconciliation of the organization's accrued benefit obligation to the accrued benefit liability is as follows:

	2010	2009
Accrued benefit obligation	\$ 3,145,600	\$ -
Unamortized past service costs	136,400	-
Unamortized net actuarial losses	(681,800)	-
Accrued benefit liability	\$ 2,600,200	\$ -




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## Workplace Safety North Notes to Financial Statements

December 31, 2010

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### 6. Accrued Post-Retirement Expenses (continued)

Total accrued post-retirement expenses

	2010	2009
Exit benefits and health and dental insurance	\$ 2,600,149	\$ -
Accumulated attendance credits	21,747	-
	\$ 2,621,896	\$ -

Included in wages and salaries is a net benefit expense as follows:

	2010	2009
Total service cost of the plan for the year	\$ 204,800	\$ -
Interest on average liabilities	157,600	-
Amortization of initial obligation	13,800	-
Amortization of net actuarial gains/losses	57,600	-
Amortization of past service costs	(3,700)	-
	\$ 430,100	\$ -

Actual payments during the year were \$189,100 (2009 - \$-).

Discount rate used at January 1	5%
Discount rate used at December 31	5%
Total value of plan assets	\$Nil
Expected average remaining service life of active employees	6.7 years
Dental benefits cost inflation trend	3%
Health & medical cost inflation trend	5%



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## Workplace Safety North Notes to Financial Statements

December 31, 2010

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### 7. Commitments

The association leases offices and other premises under various lease agreements. These agreements expire at various dates in the future. The minimum annual lease payments, for all locations in aggregate, excluding goods and services tax, for the next five years are as follows:

2011	\$	415,984
2012		357,699
2013		268,911
2014		89,536
2015		89,536

The organization leases various pieces of office equipment under leases expiring between September 2011 and June 2013 with annual lease payments totaling \$19,371.

The organization guarantees the liability of 18 credit cards issued in the names of the organization's staff up to a maximum \$91,000 in total. These credit cards are used for organization purposes. It is organization's policy to pay the balances of these cards when due.

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### 8. Revenues

	<u>2010</u>	<u>2009</u>
Revenues - Workplace Safety & Insurance Board Funding	\$ 9,456,156	\$ 223,249
Add: Amount recognized for Ground Control Project funding	21,820	-
Add: Expanded rescue services grant	290,683	-
Add: Amortization of deferred WSIB capital funding (Note 5)	<u>633,653</u>	-
Revenues - Statement of Operations	<u>\$10,402,312</u>	<u>\$ 223,249</u>



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## Workplace Safety North Notes to Financial Statements

December 31, 2010

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### 9. WSIB Funding Policy

#### a. Unrestricted Net Assets

The WSIB's "Designated Entity Surplus Policy" was adopted by the organization and became effective on July 7, 2010. Under this policy the entity's operations are not to result in a deficit position at the end of any fiscal year. If the entity records a surplus in any given year the amount of surplus to be retained shall not exceed six percent of the total revenue relating to the fiscal year, any amount in excess of this six percent will be offset through a reduction in approved funding in the following year. Accumulated surplus balances will be reviewed to ensure appropriate identification, planning and use. All expenditures made with surplus funds must be authorized by the WSIB.

#### b. Unspent Grants

In accordance with the WSIB surplus recovery policy the unspent capital and one-time operating funding at year end in the amount of \$102,468 (2009 - \$Nil) was set up as payable to the Workplace Safety & Insurance Board (WSIB).

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### 10. Employee Benefits

The organization's employees participate in a multi-employer pension plan with the Workplace Safety & Insurance Board (WSIB). The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Included in employee benefits is a pension charge of \$642,534 (2009 - \$Nil).

Each year an independent actuary determines the funding status of WSIB's pension plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation available at the time of financial statement preparation was prepared at December 31, 2009 and disclosed an actuarial deficit of \$260 million, on plan assets with a fair value of \$1,643 million.



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## Workplace Safety North Notes to Financial Statements

December 31, 2010

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### 11. Recoveries

The following table discloses the nature of recoveries recognized during the year. Recoveries are amounts charged to both members and non-members for certain services rendered during the year.

	2010	2009
Consulting and training	\$ 1,008,635	\$ -
Certification	209,114	-
Annual conference	124,335	-
Miscellaneous	102,855	-
Interest	67,804	-
Publications and videos	43,482	-
	<u>\$ 1,556,225</u>	<u>\$ -</u>

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### 12. Economic Dependence

The organization receives a significant amount of its revenue from the Workplace Safety & Insurance Board based on annual budget submissions approved by the Board.

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### 13. Financial Instruments

#### a. Fair Values

The organization's financial instruments are comprised of cash and cash equivalents, investments, accounts receivable and accounts payable and accrued liabilities.

Cash and cash equivalents are reported at fair value on the statement of financial position. Investments, accounts receivable and accounts payable and accrued liabilities are reported at amortized cost which approximates fair value due to their short-term nature.



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## Workplace Safety North Notes to Financial Statements

December 31, 2010

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### 13. Financial Instruments (continued)

#### b. Risks arising from Financial Instruments

##### Credit Risk

The organization's cash and cash equivalents and investments are all held at one major financial institution and the organization is therefore exposed to the credit risk from this concentration of cash and cash equivalents and investments. The organization also holds cash and cash equivalents in excess of federally insured limits which exposes it to credit risk. The organization's accounts receivables are made up of a large number of balances from customers in the mining and aggregates, pulp and paper, and forestry industries.

##### Interest Rate Risk

The organization manages its portfolio investments based on its cash flow needs and with a view to optimizing its interest income.

The effective interest rate on investments during the year varied from 1.25% to 5.05%. The average interest rate at the end of the year was 3.40% with investments maturing from between one month and five years.

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### 14. Capital Disclosures

The organization considers its capital to be the balance retained in net assets, which is generally the difference between its assets and its liabilities as reported on its statement of financial position. The organization receives funding from the Workplace Safety and Insurance Board of Ontario (WSIB) for the delivery of programs. These funds are maintained and disbursed under the terms of the relevant funding agreements and management is responsible for adhering to the provisions of these agreements. The organization's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its services. Management maintains its capital by ensuring that annual operating and capital budgets are developed based on known or estimated sources of funding. These budgets are shared with all management of the organization to ensure that the capital of the organization is maintained.