



2020

ANNUAL REPORT





Safety Services Manitoba

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our team

Board of Directors

Board Chair

Alice Sayant
QSM CONSULTING

Board Vice-Chair

Ken Thomas
B.P. & SONS GRAIN AND STORAGE INC.

Board Members

Dwight Doell
SAFE WORK MANITOBA

Ken Dufault
MEDIGAS MANITOBA LTD./INNOVAIR MEDICAL GROUP

Glenn Fleetwood
PEGUIS FIRST NATION

Dan Lester
LILYFIELD DEVELOPMENT INC.

Anna Maria Magnifico
SR. ADVISOR, PUBLIC/GLOBAL AFFAIRS,
TRADE AND GOVERNANCE

Aileen Madden
IGM FINANCIAL

Corrine Scott
LIQUOR, GAMING & CANNABIS AUTHORITY OF MANITOBA

Rafe Vogel
PRIVATE MEMBER

Curtis Wennberg
MANITOBA PUBLIC INSURANCE

Staff

Judy Murphy
PRESIDENT & CEO

Lisa Alfred
CHIEF FINANCIAL OFFICER

Erin Black
INSTRUCTOR/CONSULTANT

Miranda Deline
SAFETY CONSULTANT

David Erl
DIRECTOR OF OPERATIONS

Laura Fabro
CUSTOMER SERVICE REPRESENTATIVE

Dana Johnson
INSTRUCTOR/CONSULTANT

Doug Kit
DIRECTOR OF BUSINESS DEVELOPMENT

Kaitlyn Lee
INSIDE SALES REPRESENTATIVE

Rowena Mangell
COORDINATOR - SAFE DRIVING

Lorna Martin
FINANCIAL ADMINISTRATOR

July Milosevic
COORDINATOR - OCCUPATIONAL HEALTH & SAFETY

Adam Paoletic
SENIOR SAFETY CONSULTANT

Joel Ramos
WAREHOUSE ATTENDANT

Lynda Shaw
CUSTOMER SERVICE REPRESENTATIVE

Donna Wilkie
COORDINATOR OF COMMUNITY SAFETY, EXECUTIVE
ASSISTANT TO THE PRESIDENT & CEO

Anita Zubricki
DIRECTOR OF MARKETING



“SSM is both a client and service provider to us. As a company who does a lot of work involving safety in automation, we appreciate their commitment to both providing effective training and the focus on safety in the workplace.”

2020 Client Satisfaction Survey

our service

our story

Message from the Board Chair

Safety Services Manitoba (SSM) provides safety training and consulting services with the goal of making Manitoba safer. SSM's Board of Directors provides oversight to ensure that SSM achieves appropriate results for a cost-effective use of resources, while avoiding unacceptable actions. To fulfill its role, the Board has adopted Policy Governance® principles that emphasize an outward focus, diverse viewpoints, strategic leadership, role clarity, collective decision-making, and a proactive focus on the future.

The Board's Nominating and Governance Committee helps to ensure the Board continues to adhere to these principles. Among other duties, the Committee reviews all Board policies annually, manages board succession and director recruitment, evaluates Board engagement, tracks director competencies, and monitors director attendance. I would like to thank the members of this Committee for all they have done in the past year.

The Audit Committee ensures the Board fulfills its financial oversight responsibilities. This Committee reviews the annual Audit Plan, the Audit Findings Report, and the Audited Financial Statements, and recommends these to the Board for approval. I am appreciative of the work of this Committee over the past year.

We recognize that a high functioning Board requires continuous renewal, and we work on recruiting competent, committed new directors. This year we welcomed Aileen Madden, Corinne Scott and Curtis Wennberg to the Board.

During the year, Glenn Fleetwood resigned from the Board due to other commitments. In addition, Anna Maria Magnifico's second term expired, and she chose not to seek re-election. Their contributions will be missed. On behalf of the Board, I would like to thank Glenn and Anna Maria for their service.

As a result of the global COVID-19 pandemic, SSM faced unprecedented challenges during 2020. Our Board sought to find the right balance of providing management with support, while fulfilling our oversight responsibilities. In addition to our regular calendar of Board meetings, special meetings were scheduled to review management's plans and projections. All Board and Committee meetings were held virtually to comply with provincial health guidelines.

The Board is grateful to staff, the management team, and the CEO for guiding the organization through this difficult year. After an initial shutdown, SSM re-opened with new methods of service delivery and strict compliance to health guidelines like physical distancing and smaller class sizes. The switch to work-from-home was almost seamless, maintaining high productivity and quality client service. The organization's positive financial results, as well as the continued loyalty of its clients, are a testimony to this hard work.

2021 promises to be another challenging year, as COVID restrictions will continue to impact SSM and its clients. In addition, our long-time CEO, Judy Murphy, will be leaving SSM mid-year. Judy's leadership has impacted the organization in so many positive ways. She will certainly be missed. Finding a new CEO to lead the organization into the future will be the Board's top priority.

The work that we do at the Board level is dependent on the day-to-day efforts of our CEO, the leadership team, and the entire SSM staff and contractors. On behalf of the Board, I would like to thank them all for their outstanding work in 2020.

Alice Sayant
SSM Board Chair

Message from the President & CEO

An annual report provides time for reflection on the achievements of the past year and optimism for what is to come. My 2019 report ended with the following: “I can’t wait to see what 2020 will bring”. My anticipation and enthusiasm for the coming year could not have predicted a world pandemic that would leave no business or individual unaffected.

At the same time, we used the pandemic to demonstrate our flexibility and to prove that we could step up to the challenge. In two short days, our full-time staff transitioned from the office to remote work and Zoom became a daily routine. In less than a month, in partnership with dedicated contractors, we converted many of our courses to live remote training. During the weeks that followed, we implemented all protocols to create a “COVID-safe” environment for our staff and students who needed to access the facility. We stayed close to our clients and students as we scheduled and re-scheduled in person classes in response to the situation each week. We accessed government support where it was available in order to minimize the financial impact of the pandemic.

During the year, we expressed our thanks to our safety consultants Dana Johnson and Erin Black as they left for other opportunities. We welcomed Miranda Deline to the team in November. We shared Kaitlyn Lee’s joy as she and her husband welcomed their first child, Everett, into their family.

Throughout this year of massive change, the management, staff and contractors of SSM delivered. We started out strong and ended strong. I am deeply grateful for every one of them.

I also am grateful for our Board of Directors. They have responded to my COVID-frequent email communication with encouragement and support. They have asked all the right questions and then been our greatest cheerleaders. Alice Sayant has chaired the Board with great competence, expertise and grace. SSM has been most fortunate to have Alice as Chair.

As we close 2020, dare I say that I can’t wait to see what 2021 will bring? Whatever it is, I know that the people of SSM will step up and meet that challenge head on.

Judy Murphy
President & CEO



our people

our story 9

Vision

SSM is Manitoba's premier strategic safety partner.

We successfully guide and inspire individuals and businesses to embrace a culture of safety.

Think safety – think SSM!

Core Purpose

Make Manitoba safer with innovative, responsive safety services.

Core Values

- We value safety.
- We are ethical.
- We do the right thing and if we are not sure, we ask.
- We behave professionally and uphold the values and codes of conduct of our professional designations.
- We adhere to confidentiality and legal requirements.
- We follow our organization's policies.
- We keep the brand reputation of SSM front and centre.
- We take pride and enjoyment in making a difference for our clients and partners.
- We are flexible and adaptable.
- We build healthy relationships inside and out by extending common courtesies, listening, helping and being accountable.
- We run our organization like a business; we are proactive and entrepreneurial.



“As a company who does a lot of work involving safety in automation, we appreciate SSM's commitment to both providing effective training and the focus on safety in the workplace.”

2020 Client Satisfaction Survey

SAFETY
SERVICES MANITOBA

Your trusted source for occupational & road safety training & consulting



our
future

our strengths

The SSM Team

Our team is focused on providing simplified, high-quality and effective client experiences. Our people understand our clients' needs and are knowledgeable, competent and passionate about safety.

Flexibility

We train at the site of our clients' choice, at the hours that meet their needs and at any location in Manitoba.

Customization

We customize courses and our consulting services to clients' requirements.

Qualified and Credentialed Personnel

Our services are delivered by credentialed individuals who have the resources and expertise of all SSM staff.

Breadth of Services

We are a one-stop shop for all our clients' safety training and consulting needs.

Expanded Facility

Our expanded facility offers a quality student experience. Our classrooms have the latest technology and we have increased our warehouse training space.



our leadership

strategic outcomes

All Manitoba citizens embrace a culture of safety, for a cost-effective use of resources.

- SSM influences, within our resources, a growing number of Manitoba businesses and citizens;
- Workers, supervisors and employers have increased knowledge of safe workplace practices;
- Manitobans have increased knowledge of the safe operation of motor vehicles, ATV's and snowmobiles; and,
- The organization maintains financial resources to successfully sustain itself and create growth, funded by the operational cash flow.

Governance

Safety Services Manitoba's Board of Directors operate under the following governing principles:

- Emphasis on outward vision rather than internal preoccupation;
- Encouragement of diversity of viewpoints;
- Strategic leadership more than administrative detail;
- Clear distinction of Board and Chief Executive roles;
- Collective rather than individual decisions;
- Forward thinking rather than looking back on the past or focusing on the present; and,
- Proactivity rather than reactivity.

The Board conducts regular evaluation of its performance via a survey of its members following every meeting.

The Board exercises its oversight function by holding the President and Chief Executive Officer accountable for the organization's performance through the regular monitoring of progress of strategic and operating plans, financial results and variances and compliance with clearly defined Executive Limitations.

The Board conducts regular in-camera meetings without management present.

strategic outcomes

This Board has three committees:

Audit Committee

Chair, Ken Thomas

The Audit Committee assists the SSM Board of Directors in fulfilling its oversight responsibilities in the following areas:

- 1) Financial performance;
- 2) Adequacy of internal controls present;
- 3) Liaison with the external auditors; and,
- 4) Other functions as may be assigned by the Board.

The Audit Committee meets a minimum of twice a year including pre- and post-audit meetings with the external auditors. The Audit Committee meets in-camera with the external auditors following each meeting.

Governance and Nominating Committee

Chair, Ken Dufault

The Governance and Nominating Committee leads the process for Board appointments, presents a slate of nominees to the Board at the Annual General Meeting and makes recommendations to the Board regarding Board policies.

Compensation Committee

Chair, Alice Sayant

The Compensation Committee summarizes the performance of the President & CEO and makes recommendations to the Board regarding their compensation.

the story so far - 2020

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2020 was a year of challenges! At the start of the pandemic, SSM had to pivot quickly to shift to remote work. We closed our doors completely for 2 months. We quickly researched and developed an alternative delivery method with “Live Remote Training”. Once our doors re-opened, SSM ensured that it met or exceeded all Public Health Guidelines with smaller class sizes, physical distancing and mask protocols. We continued to offer our services in the safest way possible through Live Remote Training and strict adherence to safe in-person protocols.

2020 SSM OHS Conference: 20/20 Safety Vision

Our 2020 SSM OHS Conference: 20/20 Safety Vision serves as a helpful reminder to keep our eyes focused on safety on the job, at home and in the community. The program was designed to bring your safety vision to the next level to encourage everyone attending to strive for their safety vision to be at 20/20.

The 35th Annual SSM OHS Conference was attended by 571 delegates.

2020 Assembly of Manitoba Safety Professionals

SSM hosted the 6th Annual Assembly of Manitoba Safety Professionals and is proud that it was once again a great success. Safety and health professionals from across Manitoba joined us for presentations by Dave Fennell, Dave Fennell Safety Inc., Kevin Dawson, Board of Canadian Registered Safety Professionals, Daniel Blair, Bit Space Development Ltd., Jon Lutz, Wpg. Police Service Inspector, Jay Shaw, Asst. Chief, Wpg. Fire Paramedic Service, Dr. Michael Wahl, Horizon Occupational Health Solutions, Waqar Mughal, Mughal & Ass. Management Consulting Inc.

the story so far - 2020

SSM in the Community

Operation Red Nose

Operation Red Nose adapted to the current situation and SSM was proud to assist in an online awareness campaign which was held from December 1st to 31st, 2020. "Continue being an Operation Red Nose Ambassador and don't let a loved one drive under the influence! One person can make the difference!"

Steps for Life

SSM is also proud to support and participate in the annual Steps for Life: Walking for Families of Workplace Tragedy. The 12th annual walk was held virtually on Sunday, May 3rd due to Covid-19.

Steps for Life is the primary fundraising event for Threads of Life, a national charity dedicated to supporting families who have suffered from a workplace fatality, life-altering injury or occupational disease.



“SSM has helped us improve our safety culture and given our staff more knowledge on the legislation and regulations requirements.”

2020 Client Satisfaction Survey





our results

our reach

16,904

students trained

5,960

participants in safe driving

5,584

participants in Occupational Safety

4,809

participated in Mature Driver, ATV
and Snowmobile presentations

96%

motorcycle testing pass rate

545

client companies trained

571

delegates attended
SSM OHS Conference

Occupational Safety: What our students said and learned

- Always wear PPE and look outside the box when it comes to safety.
- Make sure everyone knows what is happening and take your time.
- I will emphasize pre-op inspections on all equipment going forward.
- I will change my approach to safety at work especially around the forklift. I'll also enlighten others.
- Spot the Hazard. Assess the Risk. Find a Safer Way.
- Always look over your surrounding when operating forklifts.
- Looking for hazards proactively as opposed to taking reactive measures.
- Not a one-man job.
- Will always check surroundings and be patient.
- Always pay attention to safety, do not rush.

Safe Driving: What our students said and learned

- I will be more diligent with my stopping time / distance, one strategy I will change is how I scan and evaluate the road, always stay alert.
- Every time I get behind the wheel I will always remember I can take someone's life or even mine because of stupid decisions.
- Focus more on my own actions behind the wheel with less distractions.
- How to deal with aggressive drivers.
- I will be more mindful of my surroundings and avoid rushing.
- There were a few traffic laws I was unaware of.
- Understanding that my attitude affects my driving.
- Learned that 6/10 drivers admitted to driving when fatigued - which is one of the main causes of accidents.
- Choices can lead to devastating consequences.
- Will change my habits around time management because there is no reason to be speeding and to prevent accidents.

financial statements

financial statements

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manitoba safety council
o/a safety services manitoba

FINANCIAL STATEMENTS
DECEMBER 31, 2020

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independent auditors' report

To the Directors of Manitoba Safety Council o/a Safety Services Manitoba:

Opinion

We have audited the financial statements of Manitoba Safety Council o/a Safety Services Manitoba (the "Organization"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, 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 Organization as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

independent auditors' report

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 Organization'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 Organization'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 Organization 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.

Winnipeg, Manitoba

MNP LLP

CHARTERED
ACCOUNTANTS

statement of financial position

as at december 31, 2020

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2020	2019
ASSETS					
CURRENT					
Cash (Note 3)	\$ 1,588,479	-	-	1,588,479	1,603,109
Accounts receivable (Note 4)	311,186	-	-	311,186	164,264
Goods and Services Tax receivable	16,993	-	-	16,993	19,420
Marketable securities (Note 5)	140,000	-	374,133	514,133	493,813
Prepaid expenses	48,163	-	-	48,163	80,480
Inventory	5,980	-	-	5,980	16,432
	2,110,801	-	374,133	2,484,934	2,377,518
CAPITAL ASSETS (Note 6)	-	644,011	-	644,011	720,785
	<u>\$ 2,110,801</u>	<u>644,011</u>	<u>374,133</u>	<u>3,128,945</u>	<u>3,098,303</u>
LIABILITIES					
CURRENT					
Accounts payable and accruals (Note 7)	\$ 200,755	-	-	200,755	363,241
Deferred revenue (Note 8)	92,474	-	-	92,474	266,836
Deferred grant revenue (Note 9)	375	-	-	375	31,875
	293,604	-	-	293,604	661,952
Canadian Emergency Business Account (NOTE 10)	30,000	-	-	30,000	-
	323,604	-	-	323,604	661,952
DUE TO (FROM) FUNDS (Note 11)	62,397	(62,397)	-	-	-
	<u>\$ 386,001</u>	<u>(62,397)</u>	<u>-</u>	<u>323,604</u>	<u>661,952</u>
NET ASSETS					
Unrestricted	\$ 1,724,800	-	-	1,724,800	1,216,856
Invested in capital assets	-	644,011	-	644,011	720,785
Internally restricted	-	62,397	374,133	436,530	498,710
	1,724,800	706,408	374,133	2,805,341	2,436,351
	<u>\$ 2,110,801</u>	<u>644,011</u>	<u>374,133</u>	<u>3,128,945</u>	<u>3,098,303</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

statement of operations for the year ended december 31, 2020

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2020	2019
REVENUES					
Road safety	\$ 1,235,072	-	-	1,235,072	1,831,751
Occupational safety	1,620,268	-	-	1,620,268	1,977,855
Occupational health and safety conference	354,361	-	-	354,361	325,207
Operation Red Nose	-	-	-	-	139,500
Membership	12,250	-	-	12,250	15,250
Other income	22,291	-	-	22,291	26,782
Community safety	4,650	-	-	4,650	7,220
		-	-		
TOTAL REVENUES	\$ 3,248,892	-	-	3,248,892	4,323,565
SERVICE DELIVERY EXPENSES					
Road safety	\$ 474,846	-	-	474,846	813,734
Occupational safety	845,305	-	-	845,305	1,175,869
Occupational health and safety conference	193,558	-	-	193,558	195,521
Operation Red Nose	566	-	-	566	134,702
Community safety	4,073	-	-	4,073	5,235
		-	-		
	\$ 1,518,348	-	-	1,518,348	2,325,061

Continued on next page

statement of operations

for the year ended december 31, 2020

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2020	2019
EXPENSES (continued from previous page)					
	\$ 1,518,348	-	-	1,518,348	2,325,061
ADMINISTRATIVE EXPENSES					
Advertising	53,240	-	-	53,240	135,105
Amortization	-	159,274	-	159,274	159,598
Bad debts (recovery)	-	-	-	-	(6,291)
Communications	31,059	-	-	31,059	29,365
Computer service	126,989	-	-	126,989	100,769
Occupancy (Note 14)	222,510	-	-	222,510	458,861
Operating	89,920	-	-	89,920	132,646
Professional fees	35,527	-	-	35,527	19,996
Salaries and benefits (Note 14)	674,511	-	-	674,511	868,374
	1,233,756	159,274	-	1,393,030	1,898,423
TOTAL EXPENSES	\$ 2,752,104	159,274	-	2,911,378	4,223,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	496,788	(159,274)	-	337,514	100,081
OTHER ITEMS					
Gain on disposal of capital assets	-	11,156	-	11,156	13,575
Unrealized gains on marketable securities	-	-	20,320	20,320	47,268
	-	11,156	20,320	31,476	60,843
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 496,788	(148,118)	20,320	368,990	160,924

statement of changes in net assets for the year ended december 31, 2020

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2020	2019
NET ASSETS, BEGINNING OF YEAR	\$ 1,216,856	865,682	353,813	2,436,351	2,275,427
Excess (deficiency) of revenues over expenses	496,788	(148,118)	20,320	368,990	160,924
Purchases of capital assets	(82,500)	82,500	-	-	-
Proceeds on disposal of capital assets	11,156	(11,156)	-	-	-
Transfers	82,500	100,000	10,000	-	-
Usage of prior year transfers (Note 12)	82,500	(82,500)	-	-	-
NET ASSETS, END OF YEAR	<u>\$ 1,724,800</u>	<u>706,408</u>	<u>374,133</u>	<u>2,805,341</u>	<u>2,436,351</u>

statement of cash flows

for the year ended december 31, 2020

	2020	2019
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenues over expenses	\$ 368,990	160,924
Amortization	159,274	159,598
Unrealized gains on marketable securities	(20,320)	(47,268)
Gain on disposal of capital assets	(11,156)	(13,575)
Deferred grant revenue recognized	(31,500)	(71,600)
	<u>465,288</u>	<u>188,079</u>
CHANGES IN WORKING CAPITAL ACCOUNTS		
Accounts receivable	(146,922)	(13,118)
Goods and Services Tax receivable	2,427	(11,188)
Prepaid expenses	32,317	28,674
Inventory	10,452	5,351
Accounts payable and accruals	(162,486)	18,341
Deferred revenue	(184,362)	32,073
Deferred grant revenue cash received	-	61,400
	<u>16,714</u>	<u>309,612</u>
FINANCING		
Advances of Canadian Emergency Business Account loan	40,000	-
INVESTING		
Purchase of capital assets	(82,500)	(704,300)
Proceeds on disposal of capital assets	11,156	21,230
Purchases of marketable securities	-	(10,000)
	<u>(71,344)</u>	<u>(694,559)</u>
DECREASE IN CASH RESOURCES	(14,630)	(384,947)
CASH RESOURCES, BEGINNING OF YEAR	<u>1,603,109</u>	<u>1,988,056</u>
CASH RESOURCES, END OF YEAR	<u>\$ 1,588,479</u>	<u>1,603,109</u>

The accompanying notes are an integral part of these financial statements

notes to financial statements for the year ended december 31, 2020

1. INCORPORATION AND NATURE OF THE ORGANIZATION

Manitoba Safety Council o/a Safety Services Manitoba (the "Organization") is a charitable, non-profit, non-political organization established in 1964 that is a registered educational institution with Canada Revenue Agency. Through the offering of courses and seminars and publication and distribution of safety information, the Organization aims to prevent accidental injury or occupational illness in Manitoba by providing effective transportation and workplace safety programs. The Organization qualifies as a charitable organization as defined in the Income Tax Act of Canada and, as such, is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and includes the following significant accounting policies:

Fund accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: Operating Fund, Capital Fund and Investment Fund.

The Operating Fund reports the Organization's unrestricted revenues and expenses related to program delivery and administrative activities.

The Capital Fund reports the Organization's assets, liabilities, revenue and expenses related to the Organization's capital assets.

The Investment Fund reports the Organization's assets, liabilities, revenue and expenses related to the Organization's investments.

The fund is intended to serve as a reserve intended to sustain operations for a period in the event of detrimental economic conditions.

Revenue recognition

The Organization uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

Program revenue is recognized when the related courses are delivered.

Membership revenue is recognized in the fiscal year to which it relates when collection is reasonably assured.

Conference and fundraising revenue is recognized when the event takes place.

Operation Red Nose revenue is recognized when the program services are delivered.

Grants are recognized when the related expenses are incurred.

notes to financial statements

for the year ended december 31, 2020

Government assistance

The Organization has recorded the funds received under the Canada Emergency Wage Subsidy program as an offset to salaries and benefits expense in the statement of operations. Additionally, the Organization has recorded funds received from the Canada Emergency Rent Subsidy as an offset to occupancy expense in the statement of operations.

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes would be included in restricted cash.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. No amount has been included where fair value could not be reasonably determined.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If

notes to financial statements for the year ended december 31, 2020

so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenues over expenses in the year the reversal occurs.

Inventory

Inventory consists of course manuals. Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs. The amount of inventory expensed and included in Service delivery expenses during the year is \$27,840 (2019 - \$45,417).

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization for leasehold improvements is recorded over the term of the lease. Amortization for all other capital assets is provided using the straight-line method over five years, which is intended to amortize the cost of assets over their estimated useful lives.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

notes to financial statements

for the year ended december 31, 2020

3. CASH

The Organization has an authorized, operating line of credit with Assiniboine Credit Union, of up to \$48,000 (2019 - \$48,000), bearing interest at prime plus 2.75% (2019 - prime plus 2.75%), secured by a general security agreement providing first charge on all assets of the Organization. As at December 31, 2020, no amount of the line of credit had been expended (2019 - \$nil).

The Organization earns interest at a variable rate depending on the balance in the account, for the month of December 2020 interest was earned at a rate of .56% (2019 - 1.88%) on its High Rate Savings account. The balance of this account at December 31, 2020 was \$1,438,069 (2019 - \$1,486,189).

The Organization earns interest at a variable rate depending on the balance in the account, for the month of December 2020 interest was earned at a rate of 0.175% (2019 - 0.220%) on its Community Builder account. The balance of this account at December 31, 2020 was \$36,159 (2019 - \$14,904). This balance reflects the impact of cheques and deposits outstanding at year-end.

4. ACCOUNTS RECEIVABLE

	2020	2019
Accounts receivable	\$ 199,422	164,264
Canada Emergency Wage Subsidy	37,164	-
Education tax refund	63,600	-
Rent subsidy	11,000	-
	<u>\$ 311,186</u>	<u>164,264</u>

5. MARKETABLE SECURITIES

	2020	2019
Operating Fund		
Mutual funds - cost	\$ 125,000	125,000
Cumulative market value adjustment	15,000	15,000
	<u>140,000</u>	<u>140,000</u>
Investment Fund		
Mutual funds - cost	232,264	232,264
Cumulative market value adjustment	141,869	121,549
	<u>374,133</u>	<u>353,813</u>
	<u>\$ 514,133</u>	<u>493,813</u>

notes to financial statements for the year ended december 31, 2020

6. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	2020 NET BOOK VALUE
Computers and video equipment	\$ 190,806	119,227	71,579
Leasehold improvements	507,609	105,562	402,047
Motorcycles	270,257	163,598	106,659
Office equipment	243,195	181,323	61,872
Safety equipment	22,329	20,475	1,854
Signage	16,909	16,909	-
Vehicle	61,802	61,802	-
	<u>\$ 1,312,907</u>	<u>668,896</u>	<u>644,011</u>
	COST	ACCUMULATED AMORTIZATION	2019 NET BOOK VALUE
Computers and video equipment	\$ 164,947	90,997	73,950
Leasehold improvements	507,609	55,306	452,303
Motorcycles	254,016	149,231	104,785
Office equipment	266,401	181,338	85,063
Safety equipment	22,329	17,645	4,684
Signage	16,909	16,909	-
Vehicle	81,566	81,566	-
	<u>\$ 1,313,777</u>	<u>592,992</u>	<u>720,785</u>

notes to financial statements for the year ended december 31, 2020

7. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2020</u>	<u>2019</u>
Trade payables	\$ 2,798	16,371
Accrued liabilities	29,720	114,053
Accrued special event liabilities	-	92,800
Motorcycle rebate payable	31,390	21,350
Accrued payroll	50,591	49,872
Vacation payable	86,256	68,795
	<u>\$ 200,755</u>	<u>200,755</u>

8. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Programs	\$ 91,979	103,948
Special events	495	162,888
	<u>\$ 92,474</u>	<u>266,836</u>

9. DEFERRED GRANT REVENUE

	<u>2020</u>	<u>2019</u>
ALL TERRAIN VEHICLE		
Balance, beginning of year	\$ 25,375	30,175
Amount received during year	-	40,000
Less: Amounts recognized as revenue during the year	(25,375)	(44,800)
	<u>-</u>	<u>25,375</u>
MATURE DRIVER PROGRAM		
Balance, beginning of year	6,500	11,900
Amount received during year	-	21,400
Less: Amounts recognized as revenue during the year	(6,125)	(26,800)
	<u>375</u>	<u>6,500</u>
	<u>\$ 375</u>	<u>31,875</u>

Consistent with prior years, the Organization anticipates that the funders will allow contributions to be applied to continuing program costs in future years; however, this is at the option of the funder.

notes to financial statements for the year ended december 31, 2020

10. CANADIAN EMERGENCY BUSINESS ACCOUNT LOAN

Canada Emergency Business Account (CEBA) loan due on demand bearing interest at 0.00%, repayable only after July 1, 2021. If repayment of 75% of the total debt is made on or before December 31, 2022, the repayment of the remaining 25% of such term debt shall be forgiven. In the event the 75% total debt is not repaid by December 31, 2022, the unpaid balance will be converted into a 3-year term loan charging interest of 5.00%. It is the intention of Management that the loan will be repaid prior to December 31, 2022 and as a result, the 25% forgivable portion, representing \$10,000 of the advanced amount of the loan, has been recorded to other income. The remaining \$30,000 is recorded as a liability on the financial statements representing the expected cash settlement in respect of the Canada Emergency Business Account loan.

11. DUE TO (FROM) FUNDS

Income and expenses incurred in one fund on behalf of the other are accounted for in the Due to (from) funds on the statement of financial position. The amounts have no specific terms of repayment and bear no interest.

12. TRANSFER OF NET ASSETS

During the year the Board of Directors approved transfers of \$nil (2019 - \$110,000) from unrestricted net assets as follows:

\$nil (2019 - \$100,000) transferred to the Capital Fund for use in purchasing future capital assets.

\$nil (2019 - \$10,000) transferred to the Investment Fund to increase the reserve intended to sustain operations for a period in the event of detrimental economic conditions.

During the year, the Organization used \$82,500 (2019 - \$704,300) of prior year transfers to the Capital Fund towards the purchases of new capital assets.

13. COMMITMENTS

The Organization has entered into various lease or service agreements with estimated minimum annual payments as follows:

2020	343,300
2021	337,500
2022	330,800
2023	338,200
2024	338,200
Thereafter, to December 31, 2028	1,352,800
	<u>3,040,800</u>

notes to financial statements

for the year ended december 31, 2020

14. GOVERNMENT ASSISTANCE

During the year, the Organization received \$333,478 of Canada Emergency Wage Subsidy and \$150,661 of Canada Emergency Rent Subsidy from the Government of Canada as part of Canada's COVID-19 Economic Response Plan to support Canadians and protect jobs during the global COVID-19 pandemic. These subsidies are accounted for as a reduction to salaries and benefits and to occupancy expenses, respectively. At December 31, 2020, there is \$37,164 related to the wage subsidy and \$11,000 related to rent subsidy in accounts receivable.

14. SIGNIFICANT EVENT

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and not-for-profit organizations through the restrictions put in place by the federal, provincial and municipal governments regarding travel, business operations, and quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are entirely uncertain and thus cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread and duration of the outbreak, including the duration and extent of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to combat the spread of the virus. While the extent of the impact on the Organization's fiscal 2021 operations is unknown, the Organization has been, and will be for the immediate future, significantly restricted in undertaking its usual activities including their annual conference, safety programs, fundraising, and public outreach.



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2020 Annual Report

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