



2019

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

Rafe Vogel
MID-WEST QUILTING CO. LTD.

Staff

Judy Murphy
PRESIDENT & CEO

Lisa Alfred
CHIEF FINANCIAL OFFICER

Erin Black
INSTRUCTOR/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 - ROAD SAFETY

Lorna Martin
FINANCIAL ADMINISTRATOR

July Milosevic
COORDINATOR - OCCUPATIONAL HEALTH & SAFETY

Adam Paoletic
INSTRUCTOR/CONSULTANT

Joel Ramos
WAREHOUSE ATTENDANT

Larry Redmond (Retired October 2019)
DIRECTOR OF ROAD SAFETY

Lynda Shaw
CUSTOMER SERVICE REPRESENTATIVE

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

Anita Zubricki
DIRECTOR OF MARKETING



"SSM is extremely reliable and a pleasure to work with. They have been able to alleviate my workload in terms of training and they are my #1 go to for all inquiries safety and training."

2019 Client Satisfaction Survey

our service

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 represents its moral owners, the public of Manitoba. On their behalf, the Board 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 am appreciative of all the work this Committee has performed over 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 would like to thank the members of this Committee for their service in the past year.

We recognize that a high functioning Board requires continuous renewal and we work on recruiting competent, committed new directors. Unfortunately, this year, we did not welcome any new directors. We received resignations from Rose Marie Couture and Kurtis Calder, and I would like to thank them both for their contributions to the Board. In particular, I would like to acknowledge Rose Marie as our former Board Chair, who worked diligently to ensure a smooth transition when I assumed the role of Chair.

Continuing education for Board members is important. Over the past year, the Board benefitted from guest speakers who provided

information about SSM's investment portfolio, and about Winnipeg's meth crisis and how it affects safety. We also focused on Policy Governance® education at Board meetings. In addition, SSM provides support for directors to attend relevant educational events.

Using our 2018 Board evaluation survey as a benchmark, we continued to focus on director engagement with the help of a new Board engagement survey, Board meeting feedback surveys, Round Table discussions at every meeting, and one-on-one interviews with the Board Chair. We also renewed the Board's focus on our Strategic Outcomes with discussions that included identifying the forces of change that are impacting SSM.

The Board monitors compliance with its policies as well as progress against the Strategic Operating Plan. This year we note full compliance and excellent progress against the plan. The business remains strong and the organization is well-positioned for the future. The Board is grateful for the steady hand that the CEO and leadership team bring to the company in the face of the forces of change. I would particularly like to commend management and staff on the opening of a newly expanded and renovated facility, the introduction of new services, and the development of a brand strategy and marketing plan. In addition, the Board has taken note of an internal re-organization, and of staff's involvement in creating the organization's Value and Culture Statement and developing the 2020 Strategic Operating Plan.

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

Alice Sayant
SSM Board Chair

Message from the President & CEO

SSM continues to make an impact on Manitoba. In 2019, we helped over 26,000 people understand why safety is a vital part of daily life. We made a difference through training and consulting in 652 Manitoba companies. Our conference attracted 562 individuals. We helped not for profit organizations raise over \$95,866 in eleven communities over the holiday season.

In 2019, we opened the doors with new classrooms including new technology, new offices and expanded warehouse training space. We are proud of our new space – it is designed to provide the very best experience for our students, clients and staff.

We also created the Simplified Blueprint for Safety™ in 2019. This process provides a roadmap for companies to assess their progress and implement the most effective safety management program with the inspiration and guidance from our expert consultants.

This year, Larry Redmond, our Director of Road Safety made the decision to leave SSM. Larry was a driving instructor for SSM and in 2009, assumed the role of Director of Road Safety. We thank Larry for all his contributions and his passion for road safety. He will be missed.

David Erl has been promoted to Director of Operations and assumed responsibility for road safety in addition to his previous role as Director of Occupational Health and Safety. Rowena Mangell has assumed the new role of Coordinator, Road Safety. Congratulations David and Rowena!

We are grateful to partner with Manitoba companies and organizations in both the private and public sector, and we are pleased to see these relationships continue to evolve in 2019. We highly value our partnership with Manitoba Public Insurance to help drivers understand what they can do to stay safe on the road. Our student evaluations and customer service survey responses tell the story of our impact. You will find some of those quotes throughout the report.

The safety landscape in Manitoba continues to evolve. SSM is well positioned to leverage the opportunities and meet the challenges. Our focus will remain on providing excellence and expertise to our clients.

Each and every SSM staff member is dedicated to the purpose of making Manitoba safer. I am proud of our team members and their accomplishments. I am grateful to our Board of Directors and each member's dedication to SSM's core purpose and to good governance.

Together, we will inspire and guide even more individuals and businesses towards ensuring that each person with whom we come in contact has the knowledge, tools and self-awareness to change behaviour that will allow them to return home safely to their families at the end of each day. I look forward to what 2020 will bring!

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.

“SSM has become a one-stop shop, making it easy and convenient for employers. Having a dedicated consultant who knows the industry and understands your organizations processes (and challenges!) is certainly beneficial in all areas of your Safety Management System.”

2019 Client Satisfaction Survey

“99% of SSM clients were satisfied with Safety Services Manitoba.”

2019 Client Satisfaction Survey



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.

Newly Expanded Facility

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



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 - 2019

In order for SSM to have the success we had this past year we needed to identify our partners', clients' and stakeholders' needs for 2019. We did our research and the results speak for themselves. One hundred percent of SSM clients indicated their satisfaction with SSM services. We enhanced existing and created new partnerships, as well as enhanced and created safety programs and services offered at Safety Services Manitoba.

2019 SSM OHS Conference – Safety Be Part of the Solution

Our 2019 OHS Conference spoke to the fact that safety should always be part of the solution. Every day we are faced with issues that demand a solution in some form or another. From changing a lightbulb up in the rafters to cleaning a spill on the production floor. The program was designed with helping out delegates be part of the solution at work, at home and in their community.

Our 34th Annual Conference was attended by 562 delegates.

2019 Assembly of Manitoba Safety Professionals

SSM hosted the 5th 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 Glyn Jones, EHS Partnerships; Jamie Hall, COO of SAFE Work Manitoba, Eldeen Pozniak, CRSP, Pozniak Safety Ass. Inc. and Dr. Farrell Cahill, Horizon Occupational Health Solutions.

the story so far - 2019

SSM in the Community

Rudy Brings Manitobans Home for the Holidays

For 25 years running, Operation Red Nose has helped to get Manitobans – and their vehicles – home safely for the holidays. At SSM, we know the value of making our province the safest place to live and work, and we are proud to host this important program in Manitoba and turn our facility into Winnipeg’s volunteer headquarters. This year, 2,371 volunteers gave 4,459 rides in eleven communities across Manitoba, raising \$95,866 for a variety of youth/sports organizations in the province.

Steps for Life

SSM is also proud to support and participate in the annual Steps for Life: Walking for Families of Workplace Tragedy. The 11th annual walk was a huge success! On Sunday, May 5th, over 300 people gathered at Kildonan Park for the 5 km fundraising walk. Walkers raised \$21,000 for Steps for Life.

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.



“It makes my job easier, because I know that I can rely on your team to meet the requirements for safety that I want my employees to have.”

2019 Client Satisfaction Survey



our reach

26073

students trained

9106

participants in Road Safety

7857

participants in Occupational Safety

8548

participated in Mature Driver, ATV and Snowmobile presentations

93%

motorcycle testing pass rate

652

client companies trained

562

delegates attended SSM OHS Conference

our impact

from our 2019 Client Satisfaction Survey

Occupational Safety: What our students said and learned

- SSM has helped our employees be job ready for the roles that are required and it is done in a timely matter.
- SSM has contributed vastly to changing our culture from a "Safety is a nuisance" culture to a "let's integrate safety into our daily routine" culture. Drastically reducing our WCB costs.
- They have provided training and consulting that our Team Members have been able to use on a day-to-day basis in the workplace that has made a definite impact in their safety.
- Our culture is slowly shifting and everyone is getting more accountable and involved in health & safety.
- SSM has provided us with quality training and consulting services over many years now.
- They have enabled us to create a much better safety management system and allowed us to keep our training up to date. This has enabled us to remain compliant within current H&S legislation.

Road Safety: What our students said and learned

- One thing I will change is my time management with driving - that I need to be more aware of my surroundings.
- Always be checking my mirrors and looking around-take ownership of my actions.
- To think of how your driving affects others on the road.
- To check my speed more often.
- To not touch my cellphone while driving: keep my life and others safe.
- Where the blind spots are on trucks.
- I am not the only driver that matters.
- Look left and right even if the light is green, amber lights don't mean go.
- Facts on drinking and driving...always thought you could metabolize drinks faster.

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manitoba safety council
o/a safety services manitoba

FINANCIAL STATEMENTS
DECEMBER 31, 2019

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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, 2019, 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, 2019, 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
February 28, 2020

MNP LLP

CHARTERED
ACCOUNTANTS

statement of financial position as at december 31, 2019

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2019	2018
ASSETS					
CURRENT					
Cash (Note 3)	\$ 1,603,109	-	-	1,603,109	1,988,056
Accounts receivable (Note 4)	164,264	-	-	164,264	151,146
Goods and Services Tax receivable	19,420	-	-	19,420	8,232
Marketable securities (Note 5)	140,000	-	353,813	493,813	436,545
Prepaid expenses	80,480	-	-	80,480	109,154
Inventory	16,432	-	-	16,432	21,783
	2,023,705	-	353,813	2,377,518	2,714,916
CAPITAL ASSETS (Note 6)	-	720,785	-	720,785	182,249
	<u>\$ 2,023,705</u>	<u>720,785</u>	<u>353,813</u>	<u>3,098,303</u>	<u>2,897,165</u>
LIABILITIES					
CURRENT					
Accounts payable and accruals (Note 8)	\$ 363,241	-	-	363,241	344,900
Deferred revenue (Note 9)	266,836	-	-	266,836	234,763
Deferred grant revenue (Note 10)	31,875	-	-	31,875	42,075
	661,952	-	-	661,952	621,738
DUE TO FUNDS (Note 7)	144,897	(144,897)	-	-	-
	<u>\$ 806,849</u>	<u>(144,897)</u>	<u>-</u>	<u>661,952</u>	<u>621,738</u>
NET ASSETS					
Unrestricted	\$ 1,216,856	-	-	1,216,856	1,039,209
Invested in capital assets	-	720,785	-	720,785	182,249
Internally restricted	-	144,897	353,813	498,710	1,053,969
	1,216,856	865,682	353,813	2,436,351	2,275,427
	<u>\$ 2,023,705</u>	<u>720,785</u>	<u>353,813</u>	<u>3,098,303</u>	<u>2,897,165</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

statement of operations for the year ended december 31, 2019

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2019	2018
REVENUES					
Road safety	\$ 1,831,751	-	-	1,831,751	1,841,254
Occupational safety	1,977,855	-	-	1,977,855	1,725,638
Occupational health and safety conference	325,207	-	-	325,207	349,065
Operation Red Nose	139,500	-	-	139,500	136,375
Membership	15,250	-	-	15,250	20,000
Golf tournament	-	-	-	-	22,831
Other income	26,782	-	-	26,782	28,543
Community safety	7,220	-	-	7,220	6,930
	-	-	-	-	-
TOTAL REVENUES	<u>\$ 4,323,565</u>	<u>-</u>	<u>-</u>	<u>4,323,565</u>	<u>4,130,636</u>
SERVICE DELIVERY EXPENSES					
Road safety	\$ 813,734	-	-	813,734	780,862
Occupational safety	1,175,869	-	-	1,175,869	1,054,039
Occupational health and safety conference	195,521	-	-	195,521	187,244
Operation Red Nose	134,702	-	-	134,702	130,759
Golf tournament	-	-	-	-	20,779
Community safety	5,235	-	-	5,235	5,045
	5,235	-	-	5,235	5,045
	<u>\$ 2,325,061</u>	<u>-</u>	<u>-</u>	<u>2,325,061</u>	<u>2,178,728</u>

Continued on next page

statement of operations for the year ended december 31, 2019

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2019	2018
EXPENSES (continued from previous page)	\$ 2,325,061	-	-	2,325,061	2,178,728
ADMINISTRATIVE EXPENSES					
Advertising	135,105	-	-	135,105	138,953
Amortization	-	159,598	-	159,598	92,293
Bad debts (recovery)	(6,291)	-	-	(6,291)	6,291
Communications	29,3659	-	-	29,365	30,056
Computer service	100,769	-	-	100,769	95,257
Occupancy	458,861	-	-	458,861	346,323
Operating	132,646	-	-	132,646	142,425
Professional fees	19,996	-	-	19,996	23,445
Salaries and benefits	868,374	-	-	868,374	840,629
	1,738,825	159,598	-	1,898,423	1,715,672
TOTAL EXPENSES	<u>\$ 4,063,886</u>	<u>159,598</u>	<u>-</u>	<u>4,223,484</u>	<u>3,894,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	259,679	(159,598)	-	100,081	236,236
OTHER ITEMS					
Gain on disposal of capital assets	-	13,575	-	13,575	17,099
Unrealized gains on marketable securities	8,227	-	39,041	47,268	(18,471)
	8,227	13,575	39,041	60,843	(1,372)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 267,906</u>	<u>(146,023)</u>	<u>39,041</u>	<u>160,924</u>	<u>234,864</u>

statement of changes in net assets for the year ended december 31, 2019

	OPERATING FUND	CAPITAL FUND	INVESTMENT FUND	2019	2018
NET ASSETS, BEGINNING OF YEAR	\$ 1,039,209	931,446	304,772	2,275,427	2,040,563
Excess (deficiency) of revenues over expenses	267,906	(146,023)	39,041	160,924	234,864
Purchases of capital assets	(704,300)	704,300	-	-	-
Proceeds on disposal of capital assets	19,741	(19,741)	-	-	-
Transfers (Note 11)	(110,000)	100,000	10,000	-	-
Usage of prior year transfers (Note 11)	704,300	(704,300)	-	-	-
NET ASSETS, END OF YEAR	<u>\$ 1,216,856</u>	<u>865,682</u>	<u>353,813</u>	<u>2,436,351</u>	<u>2,275,427</u>

statement of cash flows for the year ended december 31, 2019

	2019	2018
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenues over expenses	\$ 160,924	234,864
Amortization	159,598	92,293
Unrealized gains on marketable securities	(47,268)	18,471
Gain on disposal of capital assets	(13,575)	(17,099)
Deferred grant revenue recognized	(71,600)	(57,450)
	<u>188,079</u>	<u>271,079</u>
CHANGES IN WORKING CAPITAL ACCOUNTS		
Accounts receivable	(13,118)	(37,879)
Goods and Services Tax receivable	(11,188)	(30,777)
Prepaid expenses	28,674	(46,595)
Inventory	5,351	7,380
Accounts payable and accruals	18,341	47,960
Deferred revenue	32,073	(58,001)
Deferred grant revenue cash received	61,400	61,700
	<u>309,612</u>	<u>214,867</u>
INVESTING		
Purchase of capital assets	(704,300)	(89,585)
Proceeds on disposal of capital assets	19,741	21,230
Purchases of marketable securities	(10,000)	(20,000)
	<u>(694,559)</u>	<u>(88,355)</u>
INCREASE IN CASH RESOURCES	<u>(384,947)</u>	<u>126,512</u>
CASH RESOURCES, BEGINNING OF YEAR	<u>1,988,056</u>	<u>1,861,544</u>
CASH RESOURCES, END OF YEAR	<u>\$ 1,603,109</u>	<u>1,988,056</u>

The accompanying notes are an integral part of these financial statements

notes to financial statements for the year ended december 31, 2019

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.

Cash

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

notes to financial statements for the year ended december 31, 2019

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 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 of excess in the year the reversal occurs.

notes to financial statements for the year ended december 31, 2019

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 \$45,417 (2018 - \$46,645).

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, 2019

3. CASH

The Organization has an authorized, operating line of credit with Assiniboine Credit Union, of up to \$48,000 (2018 - \$48,000), bearing interest at prime plus 2.75% (2018 - prime plus 2.75%), secured by a general security agreement providing first charge on all assets of the Organization. As at December 31, 2019, no amount of the line of credit had been expended (2018 - \$nil).

The Organization earns interest at a variable rate depending on the balance in the account, for the month of December 2019 interest was earned at a rate of 1.88% (2018 - 1.85%) on its High Rate Savings account. The balance of this account at December 31, 2019 was \$1,486,189 (2018 - \$1,727,167).

The Organization earns interest at a variable rate depending on the balance in the account, for the month of December 2019 interest was earned at a rate of 0.220% (2018 - 0.149%) on its Community Builder account. The balance of this account at December 31, 2019 was \$14,904 (2018 - \$55,829). This balance reflects the impact of cheques and deposits outstanding at year-end.

4. ACCOUNTS RECEIVABLE

	2018	
Accounts receivable	\$ 164,264	157,437
Allowance for doubtful accounts	-	(6,291)
	<u>\$ 164,264</u>	<u>151,146</u>

5. MARKETABLE SECURITIES

	2019	2018
Operating Fund		
Mutual funds - cost	\$ 125,000	125,000
Cumulative market value adjustment	15,000	6,773
	<u>140,000</u>	<u>131,773</u>
Investment Fund		
Mutual funds - cost	232,264	222,264
Cumulative market value adjustment	121,549	82,508
	<u>353,813</u>	<u>304,772</u>
	<u>\$ 493,813</u>	<u>436,545</u>

notes to financial statements for the year ended december 31, 2019

6. CAPITAL ASSETS

	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>

	COST	ACCUMULATED AMORTIZATION	2018 NET BOOK VALUE
Computers and video equipment	\$ 173,443	122,025	51,418
Leasehold improvements	140,795	140,795	-
Motorcycles	244,127	131,789	112,338
Office equipment	191,326	180,258	11,068
Safety equipment	26,520	19,095	7,425
Signage	16,909	16,909	-
Vehicle	81,566	81,566	-
	<u>\$ 874,686</u>	<u>692,437</u>	<u>182,249</u>

notes to financial statements for the year ended december 31, 2019

7. ACCOUNTS PAYABLE AND ACCRUALS

	2019	2018
Trade payables	\$ 16,371	54,103
Accrued liabilities	114,053	39,366
Accrued special event liabilities	92,800	85,000
Motorcycle rebate payable	21,350	-
Accrued payroll	49,872	98,853
Vacation payable	68,795	67,578
	<u>\$ 363,241</u>	<u>344,900</u>

8. DEFERRED REVENUE

	2019	2018
Programs	\$ 103,948	83,916
Special events	162,888	150,847
	<u>\$ 266,836</u>	<u>234,763</u>

9. DEFERRED GRANT REVENUE

ALL TERRAIN VEHICLE

	2019	2018
Balance, beginning of year	\$ 30,175	30,175
Amount received during year	40,000	40,000
Less: Amounts recognized as revenue during the year	(44,800)	(33,400)
	<u>25,375</u>	<u>30,175</u>

MATURE DRIVER PROGRAM

Balance, beginning of year	11,900	14,250
Amount received during year	21,400	21,700
Less: Amounts recognized as revenue during the year	(26,800)	(24,050)
	<u>6,500</u>	<u>11,900</u>
	<u>\$ 31,875</u>	<u>42,075</u>

notes to financial statements for the year ended december 31, 2019

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.

10. 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.

11. TRANSFER OF NET ASSETS

During the year the Board of Directors approved transfers of \$110,000 (2018 - \$270,000) from unrestricted net assets as follows:

\$100,000 (2018 - \$250,000) transferred to the Capital Fund for use in purchasing future capital assets.

\$10,000 (2018 - \$20,000) 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 \$704,300 (2018 - \$89,585) of prior year transfers to the Capital Fund towards the purchases of new capital assets.

notes to financial statements for the year ended december 31, 2019

12. COMMITMENTS

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

2020	343,300
2021	343,300
2022	337,500
2023	330,800
2024	338,200
Thereafter, to December 31, 2028	1,352,800
	<u>3,045,900</u>

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.





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