

# Making a Difference

2010 Annual Report



Service and Hospitality Safety Association of Saskatchewan

# Our Mission

To generate positive change in health and safety practices within the service and hospitality industry of Saskatchewan.



# Making a Difference

2010 Annual Report

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# A Pressing Matter



*"In 2010, we had only two lost-time injuries for the whole year!"*

– **Bob Beekman**

General Manager, Canadian Linen and Uniform Service

The beginning of 2010 was marked by a change in focus at the Regina location of Canadian Linen and Uniform Service, one of the largest linen supply companies in Canada. General Manager Bob Beekman noticed that in the year prior, a lost-time injury had occurred every 35 to 60 days. Investigations were backed up, the reporting process was flawed, and there was a trail of unfinished paperwork.

"Two of SHSA's safety advisors, Larry Glow and David Walker, stepped up to help us," says Bob. "They were our eyes and our ears. They gave us the information ... sent us in the right direction." Through consultation and training seminars, management at Canadian Linen learned what they could expect from the WCB and what they could ask of their employees.

"Our goal was obviously to reduce costs where possible," says Bob, "but also to eliminate claims by providing a safer workplace. The SHSA gave us direction and helped us with our safety program. Our longest stretch in 2010 was 270 days without a lost-time injury."

Bob considers their success a collaborative effort based on raised awareness. "It's everybody. It's the WCB and the SHSA doing their part. Our program is improving. Our employee knowledge and buy-in of the program has improved. I think in 2011, we'll see our WCB rates drop and some of those savings will start to come back to us."



## Who We Are:

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The Service and Hospitality Safety Association of Saskatchewan Inc. (SHSA) is a non-profit organization funded through the service and hospitality sectors in Saskatchewan. Organizations and businesses that pay into the Workers' Compensation Board (WCB) rate codes S21, S22 and S23 are automatically members of the SHSA.

### Our Mandate:

The SHSA exists to assist members to develop, improve and implement workplace health and safety management systems. We provide guidance and resources to help members establish safe workplace policies and practices, and reduce duration of claims and WCB rates through strategic planning and claims management practices. To do this, we focus on five key responsibilities:

Consulting	We evaluate and analyze accident and claims data, policies and procedures for employers and provide specific direction and support in reducing injury rates and claims durations.
Training and Education	We deliver training and education to employers or groups of employers who can directly impact injury rates and claims durations.
Research	We conduct ongoing research on best practices for safety and claims management, legislation and regulations to maintain our status as the industry experts in safety.
General Information	We provide general communications to all our members on safety issues affecting the industry.
Innovation	We incorporate best practices and use appropriate technologies.

# The SHSA Board of Directors

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Larry Bird

**Chair**

Ricky's All Day Grill, Regina

Derek McWilliam

**Vice Chair**

Athabasca Basin Security, Saskatoon

Tom Mullin

**2<sup>nd</sup> Vice Chair**

Saskatchewan Hotel & Hospitality Association, Regina

Cheryl Sanders

**3<sup>rd</sup> Vice Chair**

Saskatoon Inn, Saskatoon

Jim Bence

Saskatoon Travelodge Hotel, Saskatoon

Maggie Choboter

Delta Regina Hotel, Regina

Theresa Lanigan

Prince Albert Safe Shelter for Women, Prince Albert

Claude Marcotte

Caleb Management Ltd., Saskatoon;

Hal Stupnikoff

Saskatchewan Outfitters Association, Prince Albert

Terry Thorsteinson

Bregg Cleaners, Regina.



## Report from the Chair

### It's been a year of change.

For some organizations, change requires a period of inactivity. The Service and Hospitality Safety Association of Saskatchewan Inc. (SHSA) has proven itself to be exactly the opposite. Under the direction of our new CEO, George Marshall, several new recruits joined our seasoned professionals over the past year. Together they tackled the 2010 to 2012 strategic plan that the Board had so strongly encouraged them to do. The plan aims to reduce the number of time loss injuries by 75 per cent in the Priority 30 group. This would result in a reduction in direct costs of \$1.5 million over the three years and \$750,000 per year thereafter. By 2013, this cost reduction could translate to a 10 per cent reduction in WCB premiums for all members. Thanks to the combined efforts of our staff, we've exceeded our projections to date.

If there is any bad news to be told, it is that medical costs are on the rise. Even with reductions in the incidence of claims, overall costs may force an increase in workers' compensation premiums. Also, we are in a growth phase in this province and that means there will be more individuals entering the workforce, and possibly more injuries and increased costs. With this in mind, the SHSA is embarking on an intensified program of education. The board has challenged the staff to expand their programs and services in 2011 so that we are working with even more employers on a one-on-one basis to improve their safety systems.

Congratulations to our staff and membership on a very successful year.

A handwritten signature in black ink that reads "Larry Bird". The signature is written in a cursive, flowing style.

Larry Bird

Board Chair, SHSA

# The SHSA Staff

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From left to right

**Larry Glow**, Senior Safety Advisor; **Shannon Pockaj**, Business Manager; **George Marshall**, Chief Executive Officer;  
**Bay Vayachack**, Event Coordinator; **Alison Zoerb**, Business Advisor; **David Walker**, Safety Advisor.



## Message from the CEO

### We're making a difference.

Our member businesses and organizations have seen a significant reduction in injuries – and that's what we've been working toward. We can see that we're making more progress than ever before and I believe it's because we're thinking differently. We're looking at our goals differently. We're questioning everything we do and looking for ways to do it better. It's an approach that will serve us well as we enter a challenging year ahead.

In 2010, we focused on working with the Priority 30 employers in the hope that if we made a difference with them, it would affect everyone's premium rates. It's starting to work. In 2010, we targeted a reduction of 25 time loss claims in the Priority 30 group. Working with those employers, we jointly exceeded the target by achieving a reduction of 65 time loss claims. To put that number into perspective, it accounted for almost 41 per cent of all claims in our industries. That 41 per cent improvement came from less than one per cent of all employers. The financial impact is staggering. We have contributed to a reduction in total costs from an all-time high of \$7.7 million in 2009 to just under \$6.6 million in 2010. These are the lowest costs we've had as an industry since 2007, despite the fact that payroll in the industry has increased nearly 31 per cent since then.

Research suggests the key to having a safety culture lies with leadership. That is why, on June 10, I joined 200 key Saskatchewan business leaders in signing the first-ever Health and Safety Leadership Charter. These leaders are committed to "Working to Zero." We all hope that by working together, we will be instrumental in improving the lives of Saskatchewan people, enhancing the economic environment for business, and saving millions of dollars in health and social costs. The next signing is in June of 2011 and it's an opportunity for our membership to speak out about their commitment to safety – to stand up and be counted – and I firmly believe that we will be among the greatest contributors.

Here's to a healthy and safe year ahead.

George Marshall

Chief Executive Officer, SHSA

# Room to Grow



*"It's really helped because everyone seems more knowledgeable."*

– Joyce Bodnar

Manager of Human Resources, Radisson Saskatoon

With 430 hotels in operation globally, Radisson characterizes its facilities as "Hotels That Love to Say Yes!" While they love to say yes to their customers, they also give a resounding nod when they're offered a way to improve their business practices. "It wasn't that we were having any issues," says Joyce Bodnar, Manager of Human Resources at Radisson Saskatoon. "The reason we work with the SHSA is because they provide a lot of support in the way of training for our staff."

"Currently working for us we have about 180 staff," says Joyce. "It depends on the type of training, but we do send the majority of our staff to the various seminars." SHSA safety

advisors have also enabled the Radisson to provide some of their training independently. "The SHSA came to the hotel last year and trained all our managers on WHMIS, so now we can do our own training within departments here at the hotel!"

The Radisson Saskatoon is one hotel that certainly loves to say yes when asked if their staff has safety training and programs in place. "Our premiums actually went down the year before and it was quite a huge amount," explains Joyce. "Working with the SHSA is ongoing to ensure our premiums stay where they should be."

## Overview

The big news for 2010 is that time loss claims were reduced by 159 industry wide and that the SHSA's Priority 30 group accounts for 65 of these. The goal was to achieve a modest reduction of 25 time loss claims. But instead, the Priority 30 group and SHSA worked together to exceed this target by 260%. The impact to the industry was a potential savings of \$650,000 in direct costs and \$3.3 million in indirect costs. These results led to the greatest one-year reduction in total claims costs in industry history... \$1.1 million. The SHSA is making a difference – and at a much faster rate than anticipated.

## A Strong Beginning

The first order of business for the year was to hire a new Chief Executive Officer for the organization. George Marshall was hired in January after spending about two and a half years at the Saskatchewan Assessment Management Agency as a manager of business process improvement. Prior to that, he spent more than six years at the Saskatchewan Workers' Compensation Board working on rate setting, experience rating and research.

## Building the SHSA Team

From the outset, Mr. Marshall was presented with a challenge. He had to provide leadership and direction following a significant staff turnover. The vacancies provided an opportunity to hand pick specialists who could contribute their valuable skills in an environment conducive to team building. In addition to the tried and true duo of safety advisor Larry Glow and business manager Shannon Pockaj, a number of new staff members were recruited. David Walker was enticed from the construction industry and hired as Safety Advisor. He recently completed his Occupational Health and Safety Certificate from BCIT and received a CSO (Construction Safety Officer) certificate from Saskatchewan Construction Safety Association. Alison Zoerb took on the position of Business Advisor. Alison is a recent graduate from the University of Saskatchewan with a degree in commerce, specializing in human resources. And to fill the important role of Event Coordinator for the multitude of seminars and Lunch 'n Learns, the association hired Bay Vayachack.



## New Directions

In the history of the organization, the SHSA has primarily provided general training that covers responsive safety actions such as administering first aid, supervising a swimming pool or using a fire extinguisher. Knowing that they were only scratching the surface, the staff had already drafted a new strategic plan that concentrated on a comprehensive series of training vehicles, focusing on prevention and aimed at those businesses that really needed the help. It was the seed of an idea – a plan with the potential to change the direction of the association and achieve substantial results.

## Priority 30 is Born

The SHSA identified the 30 businesses within the membership that needed the greatest amount of assistance to overcome their safety issues. In 2009, 30 of the 3,900 employer members accounted for 338 time-loss claims. Since an average time-loss claim costs between \$5,000 and \$10,000 in direct costs and significantly more in indirect costs, the 30 members contributed between \$1.7 million and \$3.4 million in shared costs to the industry.

A strategy was devised to direct the majority of the SHSA's resources to those members, now categorized as the Priority 30, providing them with site-specific training. The course material transcended traditional training and engaged such issues as claims management, incident investigation, hazard analysis, procedures, practices and policies. By making an impact on this group's future claims activity, it will mean lower premium rates for all employers in the industry. Making a difference with them will make a difference with everyone.

## The Health and Safety Leadership Charter

As part of the Priority 30 group, each member's CEO and General Manager will make a public commitment in 2011 to be a part of the solution to Saskatchewan's injury epidemic. They will each sign the Health and Safety Leadership Charter co-sponsored by WorkSafe Saskatchewan and Safe Saskatchewan. This charter is the first of its kind in the province, and calls upon all business leaders in Saskatchewan to contribute to a cultural shift to establish safety as a value ingrained in every facet of their organization.



## Expanding Programs, Training, Expertise

After having determined the programming and training for the Priority 30 group and the extended membership, SHSA staff reviewed, reworked and in many cases reinvented the existing courses. Then they created new programs, full and half-day seminars, and Lunch 'n Learns. They attended professional development sessions themselves, increasing their own knowledge and ensuring they have leading edge information to pass along.

## Certificate of Recognition Program Continues

The SHSA continued to offer its Certificate of Recognition Program, a safety program that is recognized by all industries in Saskatchewan. It was developed by the SHSA in conjunction with the Joint Industry Committee (JIC) and the Saskatchewan Construction Safety Association. It consists of 13 elements including health and safety policy, emergency procedures, training and communication. A team of auditors performs an assessment of the member's safety documentation, observes their safety procedures and interviews a cross section of associates on safety policies and procedures.



## The End of a Productive Year

2010 was a year of changes, a year of rebuilding. And now our people are in place, our programs are in place, our clients want our services and we are doing what we were meant to do. We are making a difference.

## The Year Ahead

Just as 2010's establishment of the Priority 30 group allowed the SHSA to streamline its operations and more effectively reach its membership, the 2011 creation of Best Practice groups will empower the membership to establish fair benchmarks and lobby for national equality. 2011 will be an instrumental year for the service and hospitality industry of Saskatchewan.

The first Best Practice group is comprised of a cross section of Saskatchewan hotels. They will begin quarterly meetings in 2011 with a three-part goal. First, they will come together to share openly and implement best practices in health and safety. Second, they will identify industry risks and needs and make recommendations to the SHSA for customized training. And third, they will collectively discuss health and safety practices, policies and legislation and make recommendations to government and other appropriate organizations.

This is the first time a group of this nature has been put together in the hotel industry. Groups like this, however, have been established in other industries. In one of the highest risk industries in Saskatchewan, heavy road construction, industry is working together to find better ways to work with the WCB and to improve their own health and safety practices. The results have been significant. With the successful formation of a best practice group for health and safety in the hotel industry, the SHSA intends to extend the programming, establishing a second group for the commercial laundry industry before the end of 2011.



# Cleaning Up Shop



*"I'm very happy the SHSA called us that day."*

– Darrell Sukkau  
General Manager, AlSCO

With more than 120 textile services facilities worldwide, it's no simple matter for AlSCO to maintain a consistently high level of safety performance. Just as each of the facilities is responsible for creating affiliations with suppliers and customers, they must also partner with local organizations to implement safety training and programs.

"We were having some issues," says Darrell Sukkau, the General Manager of the Saskatoon facility. "Our claims had spiraled a little out of control and our costs were high. The SHSA called us and we got together and chatted. It turned out they have a lot to offer."

The first order of the day was to take care of old business. Cases that had been appealed years before were resolved. "Then they helped with processes and taught us how to internally document and control some of the things that happen," says Darrell. "They helped us with modified work programs. Larry Glow presented the 'Who's driving the bus?' training seminar to our management and union stewards. They've been a great help."

The alliance with the SHSA has definitely paid off for AlSCO. Says Darrell, "Everybody is more aware of what happens now, and our costs have gone down over 90 per cent in 2010." Just as important to Darrell is the decrease in lost-time injuries. "In previous years, we were up around 13. We had two last year."

## Strategic Step

## Ambition

Work with targeted employers to improve their safety and claims management.

To reduce the number of time loss claims for the Priority 30 group by 25 in 2010, 2011 and 2012; and to reduce the average compensation days paid per new time loss claim by 2.0 in 2010, 2011 and 2012.

Develop Certification of Recognition and award where appropriate.

To certify one employer in 2010, 2011 and 2012.

Develop site-specific training for claims management, incident investigation and hazard analysis.

To improve the quality of training programs through standardization and to simplify the process of implementation in 2011, 2012.

Raise awareness of the SHSA and ensure that general information, tools and training are available for all employers.

To increase use of the SHSA website by 15% in 2010, 25% in 2011, and 30% in 2012; and to increase attendance at the SHSA annual seminar by 10% in 2010.

Maintain stable, long-term funding.

To meet all requirements of the funding agreement; to be recognized by WCB and other industry safety associations as the acknowledged leader in strategic planning, budgeting and reporting among all safety associations within Saskatchewan by the end of 2010; to expand the membership by 2012.

## Actions

## Progress in 2010

Safety/Business Advisors worked with the Priority 30 group throughout the year to assist them in implementing safety management systems. Best practice groups were established for hotels and industry groups. A project was initiated to review and update all training programs by the end of April 2011.

Time loss claims were reduced by 65 for the Priority 30 group. This group, representing 1% of employers, accounted for 41% of all time loss claims reduction in the industry. Average compensation days paid per new time loss claim were reduced from 17.72 to 17.70 days.

A feasibility study was developed and results indicated the Certificate of Recognition program should be delivered by the SHSA. An audit tool was developed for the program, as well as a perception survey.

One member completed the requirements and passed the audit. Two other members requested to begin the program in 2011.

Safety management training was reviewed and updated accordingly, with recommendations for enhancements to specific programs.

Staff reviewed and updated the training programs for needle safety/bodily fluids, claims management, supervisor training, safety management systems and incident investigations. Reviews and updates for hazard identification and control, safe work practices and procedures, and auditor training will be completed by the second quarter of 2011.

A new website design was unveiled in early January. Weekly articles were posted on the website, as were a comprehensive selection of generic forms and related links. An email database was established to advertise SHSA news, services and tools. The annual one-day seminar and a series of Lunch 'n Learns were developed.

The SHSA website experienced a decrease of 44% in visits; however, downloaded information increased by 264%. The annual seminar attendance increased by 30%, despite having to cancel the Regina portion. This was due to one of the strongest showings ever in Saskatoon.

The annual report for 2009 was completed and approved by the Board of Directors and the WCB. Strategic plans for the periods 2010 to 2012, and 2011 to 2013 were developed and implemented, including budgets, work plans and accountability reports.

All requirements of the funding agreement were met.

## Strategic Step

## Ambition

Develop and improve strategic alliances/partnerships.

To position the SHSA as the leading safety association in Saskatchewan, which excels in working with partners/alliances to deliver services and programs in a highly effective manner.

Improve administration and work processes.

To ensure 99% accuracy and timely delivery of all accounting practices, compliancy with GAAP and best practices for non profit organizations and safety associations, and highest level of consistency and transparency in all human resource processes. To create a culture of continuous improvement resulting in a 25% improvement in quality, timeliness, productivity and efficiency in all major work processes by 2012. To complete all requirements toward a Certificate of Recognition by 2011.

Enhance technological capabilities of the organization.

To introduce quality control measures consistent with best practices.

Encourage professional development of all employees.

To establish and maintain SHSA staff as the recognized experts in safety, prevention, modified work and return to work in Saskatchewan; and to ensure all staff are competent in all aspects of their job and that each operational function within the organization has adequate resources.

## Actions

## Progress in 2010

Staff worked to improve relationships with key representatives from the WCB, Occupational Health and Safety, industry safety associations, industry members, and safety groups outside the industry.

Relationships were successfully fostered, maintained and expanded.

Reviews were conducted and improvements implemented wherever possible in the areas of accounts payable, payroll, financial reporting, administrative best practices, human resources, and board/staff orientation.

New budget reports and informational packages were developed and implemented. A method of electronic submission and payment of expenses was adopted for staff. Costs were reduced through the introduction of rental vehicles in lieu of paying mileage, and through the renegotiation of hotel fees in both Regina and Saskatoon. A new HR Policy/Procedure Manual is nearly 60% complete and a new Safety Manual is about 80% complete. Progress toward a Certificate of Recognition is on target.

Research was conducted and external consultation was solicited to determine potential improvements to the organization's capabilities.

Skype was adopted to communicate between the Saskatoon and Regina offices, allowing for free video conferencing and long distance. Upgrades to computers and software were completed as scheduled.

Opportunities for professional development were identified and included annual conferences of the Canadian Society of Safety Engineering (CSSE) and the WCB Comp Institute, and the MacPherson, Leslie and Tyerman (MLT) Labour and Employment Law Update.

Combinations of two employees attended the CSSE conference, MLT update, WCB AGM and Industrial Safety Seminar. Individual employees attended two business writing courses, a computer applications course and a leadership development group. Two employees received support on university upgrading. All staff attended the Compensation Institute and participated in a one-day team building session.

# Safe and Sound



*"They offered help for everything - it was service like I never had before."*

- **Jim Bence**

Director of Human Resources, Travelodge Hotel

Jim Bence knew about the SHSA long before he became the Director of Human Resources for Travelodge Hotel in Saskatoon. "I'd heard about the organization when I was in Alberta and I was interested," says Jim. "The very first things that impressed me were their philosophy, what they wanted to be as an association, how they dealt with the Workers' Compensation Board and how proactive they were. I knew it was your "go-to" group when you had questions regarding Occupational Health and Safety and your relationship with the levels of government. I really liked what they had going."

Now that Jim is at the Travelodge – a facility that was built by a Saskatoonian and has been a benchmark of the Saskatoon community since 1972 – the services of the SHSA are always near at hand. "The Association has been a great help with our claims management," says Jim. "We were in a surcharge position, which means we were paying higher rates than others in the industry. After getting help from the SHSA, we were receiving a discount. We think that's terrific."

The Travelodge was the first hotel in Saskatchewan to be awarded the Certificate of Recognition for safety management from the SHSA. "It was a tough process but we were incredibly proud to achieve the distinction," says Jim, "and to be the first in Saskatchewan."

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# Auditor's Report and Statement of Financial Position

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C.A.'s Prof. Corp.

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AUDITOR'S REPORT

To the Members of  
THE SERVICE AND HOSPITALITY SAFETY ASSOCIATION OF SASKATCHEWAN INC.

We have audited the statement of financial position of the The Service and Hospitality Safety Association of Saskatchewan Inc. as at December 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Association, as well as evaluating the overall financial presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Association 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.

Regina, Saskatchewan

January 13, 2011



Thorp & Company  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010 (with comparative figures for 2009)\*

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 126,696	\$ 39,802
Accounts receivable	5,635	6,172
Inventory	261	7,535
Prepaid expenses	5,776	9,190
	<u>138,368</u>	<u>62,699</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>14,398</u>	<u>18,706</u>
	<u>\$ 152,766</u>	<u>\$ 81,405</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$ 35,533</u>	<u>\$ 22,989</u>
<b>NET ASSETS</b>		
Net assets invested in capital assets	14,398	18,706
Unrestricted net assets	102,835	39,710
	<u>117,233</u>	<u>58,416</u>
	<u>\$ 152,766</u>	<u>\$ 81,405</u>

\*See accompanying notes

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010 (with comparative figures for 2009)\*

	<b>2010</b>	<b>2009</b>
<b>Revenue</b>		
WCB funding	\$ 662,400	\$ 607,000
Other revenue, net of expenses	(3,793)	5,771
	<u>658,607</u>	<u>612,771</u>
<b>Expenses</b>		
Administration	5,622	7,939
Advertising and promotion	8,114	14,785
Amortization	11,884	12,610
Bad debts	1,253	-
Contracted services	375	14,328
Director's expenses	7,187	11,640
Dues and memberships	3,355	3,373
First aid training	-	23,744
Insurance	5,554	5,527
Meth seminar	-	9,495
Newsletter and printing	14,130	17,876
Office	6,804	9,033
Postage	642	1,136
Professional fees	5,575	7,086
Rent	40,474	34,256
Seminars and meetings	2,218	1,152
Telephone	12,344	11,985
Training	18,805	29,229
Travel	23,548	11,188
Utilities	2,281	2,366
Vehicle	21,419	32,414
Wages and benefits	401,197	415,026
Website	3,776	4,699
Loss on disposal of capital assets	3,233	1,094
	<u>599,790</u>	<u>681,981</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u><b>\$ 58,817</b></u>	<u><b>\$ (69,210)</b></u>

\*See accompanying notes

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010 (with comparative figures for 2009)\*

	Invested in Capital Assets	Unrestricted	<b>2010</b> Total	<b>2009</b> Total
Balance, beginning of year	\$ 18,706	\$ 39,710	\$ 58,416	\$ 127,626
Excess (deficiency) of revenues over expenses	(15,118)	73,935	58,817	(69,210)
Proceeds on sale of capital assets	(641)	641	-	-
Purchase of capital assets with unrestricted funds	11,451	(11,451)	-	-
Balance, end of year	\$ 14,398	\$ 102,835	\$ 117,233	\$ 58,416

The deficiency of revenue over expenses relating to capital assets consists of amortization and loss on disposal of capital assets.

## STATEMENT OF CASH FLOWS\*

FOR THE YEAR ENDED DECEMBER 31, 2010 (with comparative figures for 2009) (Unaudited)

	<b>2010</b>	<b>2009</b>
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 58,817	\$ (69,210)
Items not involving an outlay of cash:		
Amortization	11,884	12,610
Loss on disposal of capital assets	3,233	1,094
	73,934	(55,506)
Net change in non cash working capital balances (Note 7)	23,769	(1,401)
Cash provided by (used in) operating activities	97,703	(56,907)
Investing activities		
Purchase of capital assets	(11,450)	(8,423)
Proceeds on sale of capital assets	641	1,181
Cash used in investing activities	(10,809)	(7,242)
INCREASE (DECREASE) IN CASH	86,894	(64,149)
CASH POSITION, BEGINNING OF YEAR	39,802	103,951
CASH POSITION, END OF YEAR	\$ 126,696	\$ 39,802

\*See accompanying notes

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

**1. Purpose of the Association**

The Service and Hospitality Safety Association (SHSA) provides safety training and education to organizations to help them lower their WCB premiums. The Association does not charge for its services.

**2. Statute of incorporation**

The Association is incorporated under the Non-profit Corporations Act of Saskatchewan. As a non-profit organization, the Association is exempt from income tax.

**3. Summary of significant accounting policies**

(a) Inventory is recorded at the lower of cost or net realizable value.

(b) Capital assets are recorded at cost. Amortization is provided for on the diminishing balance method at rates which are estimated to amortize the costs over the useful lives of the assets as follows:

Furniture and equipment	20 %
Computer equipment	30, 45, 55 and 100 %
Computer software	100 %

Leasehold improvements are amortized on a straight line basis over the term of the lease.

Assets acquired during the year are amortized at one half of the annual provision.

**4. Economic dependence**

As SHSA's principal source of revenue is provided by the Saskatchewan Workers Compensation Board, ongoing operations will be dependent upon continued funding in the future.

**5. Capital assets**

	Accumulated Cost	Net Book Amortization	2010 Net Book Value	2009 Net Book Value
Furniture and equipment	\$ 60,008	\$ 45,610	\$ 14,398	\$ 17,977
Leasehold improvements	8,309	8,309	-	729
	<u>\$ 68,317</u>	<u>\$ 53,919</u>	<u>\$ 14,398</u>	<u>\$ 18,706</u>

**6. Commitments**

The Association is committed to two leases. The lease relating to the Regina office requires a monthly base rent of approximately \$1,020 plus occupancy costs. The lease expires May 31, 2014.

The lease relating to the Saskatoon office requires a monthly base rent of approximately \$515 plus occupancy costs and property taxes. The lease expires August 31, 2011.

**7. Net change in non cash working capital balances**

	2010	2009
Decrease (increase) in current assets:		
Accounts receivable	\$ 537	\$ (1,140)
Inventory	7,274	(841)
Prepaid expenses	3,414	(370)
	<u>11,225</u>	<u>(2,351)</u>
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	12,544	950
	<u>\$ 23,769</u>	<u>\$ (1,401)</u>

**8. Financial instruments**

The carrying amount for each class of financial assets and financial liabilities approximates the fair value of that class of assets and liabilities.

**9. Objectives for managing capital**

The Association's objective when managing capital is to enable the effective execution of its programs and provide support to its members. The objectives are considered in the budget process and in monitoring the actual revenue and expenses.



## Service and Hospitality Safety Association of Saskatchewan

### Regina office:

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