

# **Workplace Safety & Prevention Services**

Financial Statements  
**March 31, 2025**

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## Independent Auditor's Report

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### To the Board of Directors of Workplace Safety & Prevention Services

#### Opinion

We have audited the financial statements of Workplace Safety & Prevention Services (the "Corporation"), which comprise the statement of financial position as at March 31, 2025, 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 Corporation as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting framework prescribed by the Ministry of Labour, Immigration, Training and Skills Development ("MLITSD").

#### Basis of 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 Corporation 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.

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Corporation to comply with the financial reporting provisions of the MLITSD. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Board of Directors of the Corporation and should not be used by parties other than the Board of Directors of the Corporation.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the MLITSD, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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



## **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 Corporation'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 Corporation'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 Corporation 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
July 24, 2025

# Workplace Safety & Prevention Services

## Statement of Financial Position

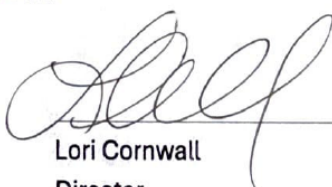
As at March 31, 2025

	2025 \$	2024 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	800,189	1,855,260
Short-term investments (note 3a)	13,913,036	13,071,647
Accounts receivable (note 13)	2,803,322	2,585,701
Prepaid expenses	168,166	177,570
	<u>17,684,713</u>	<u>17,690,178</u>
<b>Long-term investments</b> (note 3b)	17,148,872	18,231,406
<b>Capital assets</b> (note 5)	-	13,192
	<u>34,833,585</u>	<u>35,934,776</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6, 11)	4,650,865	5,473,035
Customer deposits	577,108	762,037
	<u>5,227,973</u>	<u>6,235,072</u>
<b>Deferred capital contributions</b>	-	13,192
<b>Employee future benefits</b> (note 7)	17,024,700	16,419,200
	<u>22,252,673</u>	<u>22,667,464</u>
<b>Net Assets</b>		
<b>Contributed surplus</b>	48,776	48,776
<b>Unrestricted</b>	12,532,136	13,218,536
	<u>12,580,912</u>	<u>13,267,312</u>
	<u>34,833,585</u>	<u>35,934,776</u>
<b>Commitments</b> (note 9)		

Approved on behalf of the Executive Board



Jody Young  
Director



Lori Cornwall  
Director

The accompanying notes are an integral part of these financial statements.

# Workplace Safety & Prevention Services

## Statement of Operations

For the year ended March 31, 2025

	2025 \$	2024 \$
<b>Revenue</b>		
Ministry of Labour, Immigration, Training and Skills Development funding (note 11)	30,326,767	33,144,265
Training and publication recoveries (note 8)	8,695,128	9,454,581
Amortization of deferred capital contributions	13,192	8,792
Interest income	1,287,027	1,171,405
Other income	194,955	114,191
	<u>40,517,069</u>	<u>43,893,234</u>
<b>Expenditures</b>		
Advertising and promotion	773,369	888,076
Amortization of capital assets	13,192	8,792
Board of director expenses	986	3,119
Employee benefits (note 7)	8,975,118	9,558,325
Equipment and maintenance	131,603	101,519
Finance charges and bad debts	235,691	223,782
Insurance	249,472	265,244
IT expenses	3,041,892	2,808,244
Occupancy (note 10)	60,519	1,704,182
Office and general	168,209	726,173
Other personnel costs	204,751	255,073
Postage and courier	12,944	33,762
Professional fees	477,864	1,034,666
Program delivery expenses	1,680,735	2,165,960
Research	55,088	671,395
Salaries	23,713,344	25,315,736
Subscriptions	88,554	140,935
Supplies, service and equipment	56,192	93,956
Telecommunications	20,988	77,598
Travel and vehicle	478,508	726,437
Volunteer expenses	78,050	173,639
	<u>40,517,069</u>	<u>46,976,613</u>
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<u>-</u>	<u>(3,083,379)</u>

The accompanying notes are an integral part of these financial statements.

# Workplace Safety & Prevention Services

## Statement of Changes in Net Assets

For the year ended March 31, 2025

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	<u>2025</u>		<u>2024</u>
	<b>Contributed surplus \$</b>	<b>Unrestricted \$</b>	<b>Total \$</b>
<b>Net assets – beginning of year</b>	48,776	13,218,536	13,267,312
Excess (deficiency) of revenue over expenditures	-	-	-
Employee future benefits remeasurements (note 7)	-	(686,400)	(686,400)
<b>Net assets – end of year</b>	<u>48,776</u>	<u>12,532,136</u>	<u>12,580,912</u>

The accompanying notes are an integral part of these financial statements.

# Workplace Safety & Prevention Services

## Statement of Cash Flows

For the year ended March 31, 2025

	2025 \$	2024 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures for the period	-	(3,083,379)
Adjustment to reconcile excess (deficiency) of revenue over expenditures to net cash provided by operating activities		
Amortization of deferred capital contributions	(13,192)	(8,792)
Amortization of capital assets	13,192	8,792
Employee future benefits expense (note 7)	962,900	958,900
Employee future benefits paid (note 7)	(1,043,800)	(1,052,400)
Reinvested investment income	(611,464)	(805,489)
Changes in non-cash working capital balances		
Accounts receivable	(217,621)	319,243
Prepaid expenses	9,404	45,563
Accounts payable and accrued liabilities	(822,170)	1,653,427
Customer deposits	(184,929)	(105,887)
	<u>(1,907,680)</u>	<u>(2,070,022)</u>
<b>Investing activities</b>		
Proceeds from redemption of short-term investments	36,978,819	38,590,625
Purchase of short-term investments	(30,543,512)	(33,635,685)
Proceeds from redemption of long-term investments	177,397	-
Purchase of long-term investments	(5,760,095)	(3,245,178)
	<u>852,609</u>	<u>1,709,762</u>
<b>Change in cash during the year</b>	<u>(1,055,071)</u>	<u>(360,260)</u>
<b>Cash - beginning of year</b>	<u>1,855,260</u>	<u>2,215,520</u>
<b>Cash - end of year</b>	<u>800,189</u>	<u>1,855,260</u>
<b>Non-cash transaction</b>		
Transfer of long-term investments to short-term investments	6,665,232	3,192,530

The accompanying notes are an integral part of these financial statements.

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### 1 Nature and purpose of corporation

Workplace Safety & Prevention Services ("WSPS" or the "Corporation") is an Ontario not-for-profit corporation providing health and safety training materials and services to the agriculture, manufacturing and service sectors under Section 22.5 of the Occupational Health and Safety Act, R.S.O 1990, c 0.1. WSPS assists organizations to achieve safer and healthier work environments by identifying and reducing workplace risks and hazards to prevent and reduce workplace injuries, illness and disease.

The Corporation is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada).

### 2 Summary of significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), except for transactions listed below, where the financial statements have been prepared by management based on the financial reporting framework prescribed by the Ministry of Labour, Immigration, Training and Skills Development ("MLITSD"). The accounting policies not consistent with Canadian accounting standards for not-for-profit organizations are as follows:

- (a) Computer hardware purchases under \$5,000, and software purchases under \$50,000 that are capital in nature are not capitalized, and instead are expensed as incurred.

#### Revenue recognition

The Corporation follows the deferral method of accounting for funding. Restricted funding from the MLITSD, Workplace Safety and Insurance Board ("WSIB") and other government ministries is deferred and recognized as revenue when it can be reasonably estimated, collection is reasonably assured and the related expenses are incurred. Course and seminar recoveries are recognized as revenue when services are rendered and there is reasonable assurance of collection. Safety product recoveries relating to inventory are recognized as revenue when goods are shipped and there is reasonable assurance of collection.

Unrestricted funding is recognized as revenue when received or receivable. Funding received for capital expenditures is deferred and recognized as revenue on the same basis as the amortization of the related assets.

Interest income is recognized as revenue when earned.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued, and are subsequently measured at amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.



# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer software	3 years
Office equipment	5 years
Computer equipment	3 years
Furniture	5 years
Leasehold improvements	over the term of the lease

### Impairment of capital assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expenditure in the statement of operations. Any unamortized deferred capital contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

### Employee future benefits

#### (i) Post-retirement benefits

For employees who joined the Corporation prior to October 1, 2015, the Corporation provides certain non-pension post-retirement benefits consisting of extended health and other benefits. The defined benefit obligation is calculated based on the most recent actuarial valuation report prepared for accounting purposes.

The Corporation applies the following policies:

- The Corporation accrues its obligations under defined benefit plans and the related costs when the benefits are earned through current service.
- The cost of retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health-care costs.
- Remeasurements and other items are composed of actuarial gains (losses) on the accrued benefit obligation and arise from differences between the actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation, past service costs and gains and losses arising from settlements and curtailments. Actuarial gains and losses arise when the accrued benefit obligations change during the year. The actuarial gains and losses and other remeasurements, including plan amendments, are recorded in the statement of changes in net assets when incurred.

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### (ii) WSIB Employees' Pension Plan

Employees belong to the WSIB Employees' Pension Plan, which is a defined benefit plan that meets the definition of a multi-employer plan under ASPE 3462 and therefore is accounted for as a defined contribution plan. The plan provides for partially indexed pensions based on years of service and earnings rates near retirement. The investment activities and the administrative and accounting matters of the pension are administered by WSIB.

### (iii) WSIB Employees' Supplementary Pension Plan

Employees also belong to the WSIB Employees' Supplementary Pension Plan. On January 1, 2021, WSIB transferred the obligation of funding the WSIB Employees' Supplementary Pension Plan to the Corporation and ceased to be a multiemployer plan under ASPE 3462 and became a defined benefit plan. The plan will continue to provide for partially indexed pensions based on years of service and earnings rates near retirement. The investment activities and the administration of the pension will continue to be administered by WSIB.

### Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Accounts requiring significant estimates include collectability of accounts receivable, accrued and contingent liabilities and employee future benefits.

Employee future benefits liabilities (note 7) are subject to measurement uncertainty because actual results may differ significantly from the Corporation's best long-term estimate of expected results.

## 3 Investments

- a) Short-term investments comprise guaranteed investment certificates totalling \$13,913,036 (2024 – \$13,071,647) maturing between April 4, 2025 and March 16, 2026 (2024 – April 2, 2024 and March 31, 2025) yielding between 1.20% and 6.50% (2024 – 1.76% and 7.03%).
- b) Long-term investments comprise guaranteed investment certificates and bonds totalling \$17,148,872 (2024 – \$18,231,406) maturing between May 4, 2026 and December 15, 2034 (2024 – April 4, 2025 and April 17, 2031) yielding between 1.85% and 5.91% (2024 – 1.20% and 6.07%).

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### 4 Investment in CHSI

Centre for Health & Safety Innovation ("CHSI") is a not-for-profit organization, incorporated under the laws of the Province of Ontario on September 8, 2004, whose purpose is to create a focal point for innovation and applied learning in the prevention of workplace injuries and illnesses and to act as a key resource for employers, employees and others seeking expertise and direction on how to make workplaces safer. CHSI is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada).

Up to February 28, 2021, the Corporation was a party to a joint venture with one other organization in CHSI. The Corporation had chosen to use the equity basis to account for its proportionate share of the annual operating results of CHSI up to February 28, 2021. On March 1, 2021, the Corporation became the sole party to the agreement and was determined to control CHSI. As a result, the Corporation controls CHSI as its sole member and it has derecognized its equity investment and recorded a write-down of the investment of \$24,765 in the statement of changes in net assets in fiscal 2021. On a go-forward basis, the Corporation has chosen not to consolidate CHSI in these financial statements, and disclose key financial information below.

On January 12, 2024, CHSI filed with a trustee in Bankruptcy. As a result of the bankruptcy filing, WSPS' membership agreement with CHSI was ended.

The prior year information below reflects the unaudited financial results provided by CHSI for the period from April 1, 2023 to January 12, 2024.

	March 31, 2024
	\$
Assets	-
Liabilities	-
Net assets	-
	April 1, 2023 to January 12, 2024
	\$
Operating results	
Revenue	4,032,402
Expenditures (operating)	3,985,172
Excess of revenue over expenditures	47,230
Increase in net assets	47,230
Cash flows	
Operating	356,601
Investing	(205,447)
Financing	-
Increase in cash during the period	151,154

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### 5 Capital assets

	<u>2025</u>		<u>2024</u>
	<b>Cost</b> <b>\$</b>	<b>Accumulated amortization</b> <b>\$</b>	<b>Net</b> <b>\$</b>
Computer equipment	-	-	13,192

### 6 Government remittances

Included in accounts payable and accrued liabilities are government remittances including federal and provincial sales tax, payroll withholdings and related tax of \$154,788 (2024 – \$377,798).

### 7 Employee future benefits

The Corporation's employee future benefits comprise:

	<b>2025</b> <b>\$</b>	<b>2024</b> <b>\$</b>
Post-retirement plan	15,687,700	15,103,200
Employees' Supplementary pension plan	1,337,000	1,316,000
	<u>17,024,700</u>	<u>16,419,200</u>

The Corporation provides extended health-care, dental and life insurance benefits to all employees with the cost of these benefits recognized on an accrual basis. The most recently completed actuarial valuation was on March 31, 2025.

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### 7 Employee future benefits (continued)

The continuity of the accrued benefit obligation relating to the post-retirement benefit plan is as follows:

	Post Retirement Plan \$	Employees' Supplementary Pension Plan \$	2025 \$	2024 \$
Accrued benefit liability – beginning of period	15,103,200	1,316,000	16,419,200	16,382,300
Current service cost	140,400	34,000	174,400	166,800
Interest on accrued benefit obligation	726,500	62,000	788,500	792,100
	15,970,100	1,412,000	17,382,100	17,341,200
Actuarial loss (gain)	713,400	(27,000)	686,400	130,400
Benefit payments	(995,800)	(48,000)	(1,043,800)	(1,052,400)
Accrued benefit liability – end of period	15,687,700	1,337,000	17,024,700	16,419,200
Benefit plan expense				
Current service cost	140,400	34,000	174,400	166,800
Interest on accrued benefit obligation	726,500	62,000	788,500	792,100
Net benefit plan expense	866,900	96,000	962,900	958,900

The significant actuarial assumptions adopted in measuring the Corporation's employee future benefits are as follows:

	2025 %	2024 %
Discount rate – net benefit cost	4.90	4.90
Discount rate – accrued obligation at year-end	4.60 – 4.75	4.65 – 4.90
Annual rates of increase		
Extended health-care	5.60, decreasing to an ultimate rate of 3.57	5.60, decreasing to an ultimate rate of 3.57
Dental care	5.00 per annum	5.00 per annum

#### Defined contribution pension plan

The employer contributions made in the year amounted to \$4,315,621 (2024 – \$4,533,797), which are included in employee benefits in the statement of operations.

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### 8 Training and publication recoveries

	2025 \$	2024 \$
Conferences	656,338	522,732
Consulting	2,358,701	2,882,802
E-learning training	1,114,680	948,446
Excellence Program	368,158	343,063
Safety literature and information services (safety products)	231,562	212,458
Training	3,965,689	4,545,080
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	8,695,128	9,454,581

### 9 Commitments

The Corporation has operating leases for office premises and equipment with minimum annual payments as follows:

	\$
2026	146,000
2027	92,000
2028	92,000
	<hr/>
	330,000

### 10 Related party transactions

In prior years, the Corporation subleased its premises from CHSI and paid operating costs based on rented space. In the prior year, CHSI charged rental and operating costs of \$1,514,398. Monthly rental lease payments were made based on agreed-upon amounts for fiscal 2024.

In the prior year, the Corporation charged CHSI human resources service fees of \$6,000. These transactions were in the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and approximates the arm's length equivalent value.

There were no related party transactions in the current year.

# Workplace Safety & Prevention Services

## Notes to Financial Statements

March 31, 2025

### 11 Ministry of Labour, Immigration, Training and Skills Development

Surplus funds retained by the Corporation must be used to support MLITSD's commitment to enhance health and safety in Ontario workplaces. No surplus funds can be used without written approval from MLITSD. MLITSD will notify the Corporation in writing in a timely manner regarding decisions related to proposed retention of surpluses. The use of surplus funds approved to be retained by the Corporation will be tracked by the Corporation and reported to MLITSD. Any amount not approved to be retained will be recovered by MLITSD.

In the current year, MLITSD approved funding in the amount of \$30,521,596 (2024 – \$34,097,081), which included a subsequent increase in funding of \$Nil (2024 – \$3,575,485). At the end of the fiscal year, \$194,829 (2024 – \$952,816) was payable to MLITSD and was included in accounts payable and accrued liabilities on the statement of financial position.

### 12 Economic dependence

The Corporation is dependent on the MLITSD for funding a significant amount of its revenue based on annual budget submissions approved by the MLITSD.

### 13 Financial risk management

The Corporation is exposed to certain financial instrument risks, such as credit risk and liquidity risk. These risks have not changed from the prior year.

#### Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's financial instruments that are exposed to concentrations of credit risk relate primarily to cash, investments and accounts receivable. The Corporation manages its exposure to this risk by maintaining its cash and investments with major Schedule I banks and, where feasible, obtaining prepayment for courses held. Accounts receivable are net of an impairment allowance of \$57,316 (2024 – \$31,857).

#### Liquidity risk

Liquidity risk is the risk the Corporation encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities, and commitments. The Corporation continues to focus on maintaining adequate liquidity to meet operating working capital requirements and capital expenditures.

# **Workplace Safety & Prevention Services**

Notes to Financial Statements

**March 31, 2025**

## **14 Comparative figures**

Certain prior year figures have been reclassified to conform with the current year's financial statement presentation.