

CANADIAN CENTRE FOR OCCUPATIONAL  
HEALTH AND SAFETY

Future Oriented Financial Statements  
for the year ended March 31, 2011

## Canadian Centre for Occupational Health and Safety

### Statement of Management Responsibility

Responsibility for the compilation, content, and presentation of the accompanying future-oriented financial information for the year ended March 31, 2011 rests with CCOHS management. The future-oriented financial information has been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector. The future-oriented financial information is submitted for Part III of Estimates (Report on Plans and Priorities), and will be used in the department's Departmental Performance Report to compare with actual results.

Management is responsible for the integrity and objectivity of the information contained in future-oriented financial information and for the process of developing assumptions. Assumptions and estimates are based upon information available and known to management at the time of development, reflect current business and economic conditions, and assume a continuation of current governmental priorities and consistency in departmental mandate and strategic objectives. Much of the future-oriented financial information is based on these assumptions, best estimates, and judgment and gives due consideration to materiality. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. However, as with all such assumptions, there is a measure of uncertainty surrounding them. This uncertainty increases as the forecast horizon extends.

The actual results achieved for the fiscal years covered in the accompanying future-oriented financial information will vary from the information presented and the variations may be material. *(note: CCOHS is preparing these statements as part of a two year pilot project and readers should be cautioned that this is the second year of the pilot).*



Bonnie Easterbrook, CGA,  
Controller  
Hamilton, Ontario  
January 31, 2010



S. Len Hong, President and Chief Executive  
Officer  
Hamilton, Ontario  
January 31, 2010

## Canadian Centre for Occupational Health and Safety

### FUTURE ORIENTED STATEMENT OF FINANCIAL POSITION

At March 31

<b>Assets</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	\$	\$	\$
<b>Financial assets:</b>			
Due from the Consolidated Revenue Fund	350,807	345,807	396,079
Accounts receivable	268,536	288,536	309,007
	619,343	634,343	705,086
<b>Non-financial assets:</b>			
Inventory for resale	100,000	100,000	93,375
<u>Tangible capital assets</u>	329,399	276,083	297,767
	429,399	376,083	391,142
	1,048,742	1,010,426	1,096,228
<b>Liabilities</b>			
Accounts payable and accrued liabilities	358,934	340,000	546,688
Deferred revenues	759,496	759,496	856,408
Vacation pay	410,000	410,000	405,445
Employee severance benefits (note 7)	1,900,000	1,800,000	1,733,118
Deferred revenues - donations (note 6)	95,807	95,807	95,807
Contributions to inquiries service received in advance	-	-	45,000
	3,524,237	3,405,303	3,682,466
<b>Equity of Canada</b>	(2,475,495)	(2,394,877)	(2,586,238)
	1,048,742	1,010,426	1,096,228

*The accompanying notes form an integral part of these future oriented financial statements.*

## Canadian Centre for Occupational Health and Safety

### FUTURE ORIENTED STATEMENT OF OPERATIONS

For the year ended March 31

	2011	2010	2009
	\$	\$	\$
<b>Revenues</b>			
Proceeds from sales	3,120,471	2,849,111	2,772,664
Projects and collaborative agreements	1,000,000	900,000	817,587
<b>Total revenues</b>	<b>4,120,471</b>	<b>3,749,111</b>	<b>3,590,251</b>
<b>Expenses</b>			
<b>Operations</b>			
Salaries and employee benefits	7,995,524	7,629,661	7,397,534
Professional and special services	1,050,540	1,082,582	1,059,049
Accommodation	713,537	713,537	713,537
Transportation and communications	150,000	170,374	138,858
Information	137,000	136,147	136,397
Purchased repair and upkeep	132,000	194,441	127,579
Utilities, materials and supplies	153,000	84,599	98,809
Rentals	23,000	57,930	30,037
	<b>10,354,601</b>	<b>10,069,271</b>	<b>9,701,800</b>
<b>Administration</b>			
Salaries and employee benefits	300,000	293,565	281,123
Governors and committees	18,000	18,124	17,285
Travel	21,000	20,799	34,355
Professional and special services	500	500	2,303
Utilities, materials and supplies	50	50	53
	<b>339,550</b>	<b>333,038</b>	<b>335,119</b>
<b>Other expenses</b>			
Amortization of tangible capital assets	66,684	66,684	143,911
Loss on disposal of tangible capital assets	-	-	4,954
	<b>66,684</b>	<b>66,684</b>	<b>148,865</b>
<b>Total expenses</b>	<b>10,760,835</b>	<b>10,468,993</b>	<b>10,185,784</b>
<b>Net cost of operations</b>	<b>(6,640,364)</b>	<b>(6,719,882)</b>	<b>(6,595,533)</b>

*The accompanying notes form an integral part of these future oriented financial statements.*

### STATEMENT OF EQUITY OF CANADA

For the year ended March 31

(in dollars)

	2011	2010	2009
	\$	\$	\$
<b>Equity of Canada, beginning of year</b>	(2,394,877)	(2,586,238)	(2,146,081)
Net cost of operations	(6,640,364)	(6,719,882)	(6,595,533)
Services received without charge from other government departments (note 8)	1,241,512	1,240,024	1,243,046
Net cash provided by Government (note 5)	5,313,234	5,721,491	4,813,343
Change in due from the Consolidated Revenue Fund	5,000	(50,272)	98,987
<b>Equity of Canada, end of year</b>	<b>(2,475,495)</b>	<b>(2,394,877)</b>	<b>(2,586,238)</b>

*The accompanying notes form an integral part of these future oriented financial statements.*

## Canadian Centre for Occupational Health and Safety

### FUTURE ORIENTED STATEMENT OF CASH FLOW

For the year ended March 31

(in dollars)

	2011	2010	2009
	\$	\$	\$
<b>Operating Activities</b>			
Net cost of operations	6,640,364	6,719,882	6,595,533
Non-cash items:			
Amortization of tangible capital assets	(66,684)	(66,684)	(143,911)
Loss on disposal of tangible capital assets		-	(4,954)
Services received without charge from other government departments (note 11)	(1,241,512)	(1,240,024)	(1,243,046)
Variations in Statement of Financial Position:			
(Increase) in accounts payable and deferred revenue	(18,934)	303,600	(57,727)
(Increase) in liability for vacation pay and compensatory leave	-	(4,555)	(22,204)
(Increase) in liability for employee severance benefits	(100,000)	(66,882)	(195,582)
(Decrease) increase in accounts receivable	(20,000)	(20,471)	(168,928)
Increase (decrease) in inventory	-	6,625	2,183
(Increase) decrease in deferred revenue - donations	-	45,000	(46,750)
Cash used by operating activities	5,193,234	5,676,491	4,714,614
<b>Capital investment activities</b>			
Acquisitions of tangible capital assets	120,000	45,000	98,729
<b>Financing activities</b>			
Net cash provided by Government of Canada	5,313,234	5,721,491	4,813,343

---

*The accompanying notes form an integral part of these future oriented financial statements.*

## **Canadian Centre for Occupational Health and Safety**

**Notes to the Future Oriented Financial Statements – March 31, 2011**

### **1. Authority and Objectives**

The Canadian Centre for Occupational Health and Safety (CCOHS) was established in 1978 under the *Canadian Centre for Occupational Health and Safety Act* and is a departmental corporation named in Schedule II to the *Financial Administration Act*. The objectives of CCOHS are to promote the right of Canadians to a healthy and safe working environment and to enhance the physical and mental health of workers. CCOHS' operating expenditures are funded in part by its operating revenue and by a budgetary lapsing appropriation.

CCOHS has two program activities for reporting purposes. The main activity is occupational health and safety information development, delivery services and tripartite collaboration. In addition, CCOHS has a new program activity, Internal Services, as required by Treasury Board Secretariat (TBS). This activity captures administrative costs as defined by TBS. This is the first year for segregating this activity and estimated costs are \$2,652,000 for 2009-10. The financial statements are presented in standard object format for all expenses, as this is the most meaningful presentation.

### **2. Underlying Assumptions**

These future-oriented statements have been prepared:

- As at December 31, 2010
- On the basis of government policies, government priorities and external environment at the time the future-oriented financial information was finalized
- According to the requirements of the Treasury Board Accounting policies which are based on Canadian generally accepted accounting principles for the public sector.
- On the basis that the resources provided will enable CCOHS to deliver the expected results specified in the Report on Plans and Priorities
- On the basis of historical costs.

### **3. Variations and Changes to the Forecast Financial Information**

While every attempt has been made to accurately forecast final results from 2009/10 to 2010/11, actual results achieved are likely to vary from the forecast information presented, and this variation could be material.

Once the Report on Plans and Priorities is presented, CCOHS will not be updating the forecasts for any changes to appropriations or forecast financial information made in ensuing supplementary estimates. Variances will be explained in the Departmental Performance Report.

## Canadian Centre for Occupational Health and Safety

### 4. Significant Accounting Policies

These financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector and year-end instructions issued by the Office of the Comptroller General. Significant accounting policies are as follows:

a) Parliamentary appropriations

CCOHS is financed in part by the Government of Canada through Parliamentary appropriations. Appropriations provided to CCOHS do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 5 provides a high-level reconciliation between the bases of reporting.

b) Due from the Consolidated Revenue Fund and net cash provided by government

CCOHS operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by CCOHS is deposited to the CRF and all cash disbursements made by CCOHS are paid from the CRF. Due from the CRF represents the amount of cash that CCOHS is entitled to draw from the CRF, without further appropriations, in order to discharge its liabilities. Net cash provided by government is the difference between all cash receipts and all cash disbursements including transactions with departments of the federal government.

c) Forecasted Revenues

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues. Subscriptions revenues are recognized in the period when the initial shipment is made for all physical goods, such as CD-ROM, and DVD. Revenues for subscriptions of internet based products are recognized over the term of the subscription.

Subscriptions are based upon the right to use the information for a specified period. Information may be updated during the subscription period.

Cash that have been received but not yet earned is recorded as deferred revenue. The deferred revenue represents cash received in advance of initial and ongoing product delivery or granting of website - access.

d) Forecasted Expenses – Expenses are recorded on the accrual basis:

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and audit services are recorded as operating expenses at their estimated cost.

## Canadian Centre for Occupational Health and Safety

### e) Employee future benefits

- (i) Pension benefits: Eligible employees contribute to the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. CCOHS' contributions to the Plan are charged to expenses in the year incurred and represent CCOHS' total obligation to the Plan. Current legislation does not require CCOHS to make contributions for any actuarial deficiencies of the Plan.
- (ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them and are estimated based on employees' salaries, duration of service and age.

### f) Accounts receivable

Accounts receivable are stated at amounts expected to be ultimately realized. An allowance is made for receivables from external parties where recovery is considered uncertain.

### g) Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

### h) Foreign currency transactions

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange in effect on March 31<sup>st</sup>. Gains and losses resulting from foreign currency transactions are included in the statement of operations according to the activities to which they relate.

### i) Inventories for resale

Inventories are valued at the lower of cost and net realizable value. Inventories are primarily print materials held for resale.

### j) Tangible capital assets

All tangible capital assets and leasehold improvements with an acquisition cost of \$1,000 or more are capitalized at cost. Tangible capital assets are amortized over their estimated useful life on a straight-line basis, as follows:

## Canadian Centre for Occupational Health and Safety

<b>Asset Class</b>	<b>Amortization Period</b>
Computer equipment	3 years
Furniture and equipment	5 years
Software	1-5 years
Leasehold improvements	5 years
Measuring equipment	5 years

### k) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector and year-end instructions issued by the Office of the Comptroller General requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The liability for employee future benefits and the estimated useful life of tangible capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

## 5. Parliamentary Appropriations

CCOHS receives its funding through annual Parliamentary appropriations and external revenues. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, CCOHS has different net results of operations for the year on a government funding basis than on an accrual accounting basis. These differences are reconciled in the following tables:

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net cost of operations	6,640,364	6,719,882	6,595,533
Adjustments for items affecting net cost of operations but not affecting appropriations			
Less			
Amortization of tangible capital assets (note 6)	(66,684)	(66,684)	(143,911)
Services provided without charge from other			
Government departments	(1,241,512)	(1,240,024)	(1,243,046)
Loss on disposal of tangible capital assets	-	-	(4,954)

Bad debts	-	-	(12,439)
	5,332,168	5,413,174	5,191,183
Changes in accounts not affecting current year use of appropriations			
Add (Less)			
Inventory for resale	-	6,625	2,183
Employee severance benefits	(100,000)	(66,882)	(195,582)
Vacation pay and compensatory leave	-	(4,555)	(22,204)
Revenue not available for spending	(43,071)	(43,542)	(149,108)
	5,189,097	5,304,820	4,826,472
Adjustments for items not affecting net cost of operations but affecting appropriations			
Add			
Acquisition of tangible capital assets	120,000	45,000	98,729
Current year appropriations used	5,309,097	5,349,820	4,925,201

b) Appropriations provided and used:

	2011	2010	2009
Human Resources Social Development Canada – Vote 35	3,999,573	3,828,048	3,682,000
Human Resources Social Development Canada - statutory	1,056,967	1,026,808	995,592
Human Resources Social Development Canada – Vote 35A	-	399,100	368,103
Treasury Board – Vote 15 – collective agreements	112,805	85,124	161,796
Treasury Board – Vote 23 – payroll shortfalls	200,000	123,545	104,071
	5,369,345	5,462,625	5,311,562
Less:			
Lapsed appropriations – operating	60,248	112,805	386,361
Current year appropriations used	5,309,097	5,349,820	4,925,201

c) Reconciliation of net cash provided by Government to current year appropriation used:

	2011	2010	2011
	\$	\$	\$
Net cash provided by Government	5,313,234	5,721,491	4,813,343
Revenue not available for spending	(43,071)	(43,542)	(149,108)
Bad debts	-	-	(12,439)
Decrease in accounts receivable	20,000	20,471	168,928
(Decrease) increase in accounts payable and deferred revenue	18,934	(303,600)	57,727
Increase (decrease) in deferred revenue - donations	-	(45,000)	46,750
Current year appropriations used	5,309,097	5,349,820	4,925,201

## Canadian Centre for Occupational Health and Safety

### 6. Deferred Revenue - Donations

CCOHS, by virtue of subsection 6(3) of its Act, may acquire money or other property by gift or otherwise and expend or dispose of those donations subject to their terms, if any. We estimate CCOHS will receive nIL in donations in 2010/2011 (2009/2010 - \$NIL). The balance at March 31, 2011 is estimated at \$95,807).

### 7. Employee Benefits

#### a) Pension Benefits

CCOHS employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and CCOHS contribute to the cost of the Plan. The 2010/2011 expenses are estimated at \$762,408 (2009/2010 - \$748,887), which represents approximately 2.6 time the contributions by employees.

CCOHS' responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

#### b) Employee Severance Benefits

CCOHS provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. In future years, it is estimated that the amounts will decrease as many employees retire and receive payment. Information about the severance benefits, estimated at March 31, is as follows:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Accrued benefit obligation, beginning of year	1,800,000	1,733,118
Expense for the year	200,000	160,979
Benefits paid during the year	(100,000)	(94,097)
	<hr/>	<hr/>
Accrued benefit obligation, end of year	<u>1,900,000</u>	<u>1,800,000</u>

## **8. Related Party Transactions**

CCOHS is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. CCOHS enters into transactions with these entities in the normal course of business. Revenues will include approximately \$400,000 (2010 - \$400,000) from transactions with various Canadian government departments. The transactions with related parties are carried out on similar terms and conditions with those applicable to transactions with external parties.

In addition to transactions previously disclosed, during the year ended March 31, 2011:

- a) CCOHS will receive accommodations provided without charge from Public Works and Government Services Canada will be \$713,537, based upon current agreements. (2010 - \$713,537).
  
- c) Employer's contribution to the health and dental insurance plans paid by the Treasury Board Secretariat are estimated at \$527,984 (2010 - \$526,487), based upon 8.5% of salaries costs.

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included in CCOHS' Statement of Operations because no estimate is currently available.