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actsafe★

**Re-engagement
and Renewal**

2013 Annual Report

ABOUT

Acts safe collaborates with the motion picture and performing arts industries in British Columbia to provide innovative, accessible health and safety training and resources.

Acts safe is funded by the employers in B.C.'s arts and entertainment industries. We operate through two Standing Committees that represent the motion picture and performing arts communities. Membership on these committees includes both employer and worker representatives.

Contact

Email: info@actsafe.ca

Website: www.actsafe.ca

Acts safe was established in 1998 at the request of industry representatives and WorkSafeBC in recognition of the unique nature of the arts and entertainment industries. From 1998 to 2010, Acts safe was known as Safety and Health in Arts Production and Entertainment (SHAPE).

MISSION STATEMENT

Our mission

Collaborating with B.C.'s motion picture and performing arts industries to provide innovative, accessible health and safety training and resources.

Our values

Accessibility, Collaboration, Innovation

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MESSAGE FROM THE CHAIR

Two thousand and thirteen was a year of renewal for Actsafe, as we focused on reaffirming our organizational values and re-engaging with our stakeholders in the motion picture and performing arts industries. This was underscored by a focus on renewal of leadership and staff.

After an intensive five-month search, the Board hired Geoff Teoli as Actsafe's new Executive Director. Geoff brings 18 years of leadership in the motion picture production industry. He worked primarily as a film location manager and independent film producer, which has provided him with an intimate knowledge of physical production and a wealth of industry relationships.



Catherine Roome, Chair

Such relationships are crucial for Actsafe — we continue to engage our stakeholders, the organizations, women, and men in the motion picture and performing arts industries, in a meaningful way so we can deliver services and resources that make a difference when it comes to health and safety. In fact, increasing stakeholder engagement was one of the three strategic initiatives described in Actsafe’s three-year business plan for 2012–2014.

Our remaining initiatives were to maintain an efficient, service-oriented organization and to ensure a healthy, high-functioning organizational structure. With the recent changes that Actsafe has been making, I believe we are well on our way. Looking ahead, we are excited to be examining all aspects of our value proposition as part of a longer-term strategic and business planning process.

In 2013, we completed a review of Actsafe’s bylaws. The Board adopted new bylaws (available at actsafe.ca) to deliver improved governance. In the fall, Actsafe launched a membership program aligned with the new bylaws. The program includes a formal membership registration system, with a new online membership registration portal.

On a sad note, one of our colleagues and a great safety advocate, Jack Vlahovic passed away in 2013. Jack sat on the Motion Picture Standing Committee for nearly 10 years as a representative of Teamsters 155.

My sincere thanks to the Board of Directors, our stakeholders and the Actsafe team for their continuing efforts to make Actsafe a productive and efficient organization.



Catherine Roome
Chair, Actsafe Board of Directors

EXECUTIVE DIRECTOR'S REPORT

Actsafes faced several challenges in 2013, among them a turnover in leadership and staff. This transition definitely presented a challenge for a small organization tasked with providing services and resources for a wide range of stakeholders in the motion picture and performing arts industries. However, with the help of our dedicated Board of Directors and interim General Manager, Don Parman, Actsafes made it through the year with minimal interruption to our day-to-day operations, and we continued to pursue the objectives of our three-year business plan, which concludes in 2014.

Actsafes began a shift in 2012 from being a producer of materials to developing deeper relationships with our stakeholders. This approach became even more prevalent in 2013 with the change in Actsafes's leadership. We are



Geoff Teoli, Executive Director

striving to better understand the needs of our various stakeholders and evaluating how well Actsafe's core competencies are in sync with those needs.

As Actsafe's new Executive Director, I also worked to better understand our relationship with WorkSafeBC, focusing especially on the common ground between their priorities and ours. Actsafe welcomes WorkSafeBC's move toward more outcome-based performance reporting, rather than simple output performance indicators. We are also working to ensure that Actsafe resources are aligned with WorkSafeBC's "High Risk Strategy," which focuses resources on areas of greatest risk of injury and fatalities. Striving for this sort of alignment will move us closer toward what I believe is a powerful philosophy: that Actsafe should be doing fewer things of greater value. It's important to focus on the most significant issues so we can enable change that will make a difference.

It was also a rollercoaster year for the motion picture industry, which saw an unprecedented slowdown in the first half of the year. This resulted in a significant decline in demand for Actsafe's training and consultation. Fortunately, the second half of the year saw an almost complete reversal within the industry, which led to a large number of new workers coming to Actsafe for safety training. Overall, the year balanced out in terms of course attendance and revenue.

Actsafe also did some housekeeping related to operations. Following a banking audit, we moved our banking to VanCity Credit Union. VanCity is more in line with Actsafe's values and they provide services tailored to the not-for-profit sector. We also switched our employee benefits to a different provider, Great-West Life. This resulted in reduced costs and improved benefits because of our association with the national branch of IATSE's large-membership group benefits plan.

I would like to thank the Board of Directors and the Standing Committees for their contributions to Actsafe and their support during the first few months of my leadership in 2013. Author and educator Richard Leider wrote: "The good life means living in the place where you belong, being with the people you love, doing the right work — on purpose." I feel I am in that place and am grateful for it.

I'd also like to thank the Actsafe staff for their hard work. Thanks to Marty and Maureen for their continuing dedication and for helping me get up to speed after joining the organization. Also, thanks and welcome to Anand Kanna, our new Manager of Communications & Project Development, and Ria Alvero, our new Communications Coordinator.



Geoff Teoli
Executive Director, Actsafe

PUBLICATIONS & ONLINE MEDIA

As part of a three-year business plan, Actsafe is moving away from the production of materials and information and focusing more on our relationships with the people and industries we serve. However, resources such as publications and videos remained a part of our activities in 2013 — such resources are one way for Actsafe to engage with stakeholders. Publications and other media in 2013 included the following.

Performing arts safety bulletins

Three bulletins newly developed or revised:

- “Rigging Systems and Flown Scenery” (revised)
- “Use and Set Up of Large Tents” (revised)
- “Performer Flying & Aerial Stunts (new)

Performing Arts Safety Bulletin #7 RIGGING SYSTEMS AND FLOWN SCENERY

Anyone who is responsible for rigging must understand the legislation before proceeding with any rigging work. Rigging is one of the most dangerous tasks in the theatre and it presents hazards for:

- The operator (musculoskeletal and other bodily injuries)
- The performer or crew onstage below being crushed by falling scenery)
- The audience (being crushed by falling scenery)
- Other set pieces, furniture, stage floors and the rigging equipment itself

Definition: Rigging – Generally refers to anything that is used for attaching, supporting or flying scenery, lights, rigging grids, rigging and associated equipment. This includes but is not limited to: wire ropes, chains, slings, attachments, connecting things and associated components.

NOTE: This guideline does not cover hoists, chain falls and material handling equipment.

Applicable WorkSafeBC Regulations:
Part 15 Rigging: <http://www2.gov.bc.ca>

1. OPERATION AND MAINTENANCE

a) The owner of rigging equipment and associated equipment is responsible for ensuring that the equipment is in good working order.

NOTE: For the purposes of this bulletin, the person responsible for the rigging is the person who is in control of the rigging at the time of the incident.

b) All rigging of set lines, head-bob lines, head-bob cables and manufacturer's equipment must be done by a qualified person.

c) The methods allowed for rigging are:

- The use of approved rigging equipment
- The use of approved rigging techniques
- The use of approved rigging materials
- The use of approved rigging methods

d) The maintenance of rigging equipment must be done by a qualified person.

DESIGN AND CONSTRUCTION

1. Fly systems should be designed:

- for simplicity and reliability in use
- to ensure predictability and reliability in use
- to include a passive restraint system
- to include a control option to prevent emergency

2. Conduct load calculations with due regard to safety factors.

3. In the case of manually-operated fly systems, the person operating the fly system must be able to see the physical capabilities of the system.

4. Ensure hardware and other technical equipment used (ropes, lines, cables) is of the appropriate weight and strength for the purpose and is marked with a load rating, either on the equipment or in accompanying documentation.

Performing Arts Safety Bulletin #14 PERFORMER FLYING AND AERIAL STUNTS

Performer flying and aerial stunts involve much greater potential for serious or fatal injury than normal performance activities. This document provides general guidelines for the principles of safe design, risk assessment, rehearsal and performance.

OVERVIEW

Performer flying and aerial stunts require the supervision of a fully trained and experienced professional aerialist-coordinator, the use of appropriate engineering and specialized equipment. The role of the flying director/stunt coordinator/rigger may vary, but that person, to be qualified, must have the appropriate experience, expertise and ability to ensure a safe and secure work environment in order to give people the ability to create their art.

This bulletin uses the title “stunt coordinator” to refer to the qualified person. British Columbia

All parties involved in performer flying must understand each aspect of the effects.

HEALTH AND SAFETY REGULATIONS DEFINE THE SCOPE OF THE BULLETIN:

DESIGN AND CONSTRUCTION

1. Fly systems should be designed:

- for simplicity and reliability in use
- to ensure predictability and reliability in use
- to include a passive restraint system
- to include a control option to prevent emergency

2. Conduct load calculations with due regard to safety factors.

3. In the case of manually-operated fly systems, the person operating the fly system must be able to see the physical capabilities of the system.

4. Ensure hardware and other technical equipment used (ropes, lines, cables) is of the appropriate weight and strength for the purpose and is marked with a load rating, either on the equipment or in accompanying documentation.

Performing Arts Safety Bulletin #15 USE AND SET-UP OF LARGE TENTS

Overview

When storing any activity requiring the use of a tent that will be occupied by people, the first step is to conduct a risk assessment. The risk assessment will help identify how much space you need and help identify risks associated with flammables (i.e. hairmakeup, costumes, paints, food services, clothing racks, etc). The risk assessment will also help determine how much additional space you require for seating and the type of seating that will be safe to use.

Tent Selection Use and Placement

Consideration should also be given to placement use of the tent for:

- production, performance or other purposes
- duration of intended use
- variable weather conditions
- topography

Minimum recommended space for seating. Remember to add space for specialized activities and overhead fixtures such as trussing, availability of electricity, lighting, logistics.

TENT SIZE	SQ. FT.	THEATRE STYLE SEATING	RECTANGULAR TABLE SEATING
10 x 10	100		
12 x 12	144		
14 x 14	196		
16 x 16	256	40	40
18 x 18	324	50	50
20 x 20	400	60	60
22 x 22	484	70	70
24 x 24	576	80	80
26 x 26	676	90	90
28 x 28	784	100	100
30 x 30	900	110	110
32 x 32	1024	120	120
34 x 34	1156	130	130
36 x 36	1296	140	140
38 x 38	1444	150	150
40 x 40	1600	160	160
42 x 42	1764	170	170
44 x 44	1936	180	180
46 x 46	2116	190	190
48 x 48	2304	200	200
50 x 50	2500	210	210

NOTE:

For example: If you are planning to seat guests at 8 banquet tables (8 people per table), plan on 80 to 85 net tables, plus space for specialized activities such as costume storage, food preparation or book signings etc.

Motion picture safety bulletin

Actsafes adapted California's new gimbals bulletin for British Columbia, expanding the title to "Gimbals/Motion Bases."

Motion picture fact sheets

Four newly developed fact sheets:

- "Use and Set-Up of Large Tents"
- "Working Alone or in Isolation"
- "WSBC Insurance Coverage for Motion Picture Productions"
- "Concussions"

MSDS Fetch database

The Vancouver School Board developed this online database of material safety data sheets (MSDSs). Actsafes pays an annual fee that gives Actsafes members access to the database and allows them to upload MSDSs so they can be shared with others in the industry.

***Working Alone* video**

Produced for the motion picture and performing arts industries and shared with all stakeholder groups. Also available online through actsafe.ca and Actsafes's YouTube channel.

Concussion seminar and video

Actsafes produced an instructional seminar and video as follow-up to the groundbreaking concussion study conducted in 2012, which looked at stunt-performance injuries. The seminar was presented by Kerry Goulet, founder of stopconcussions.com, a leading international authority on the education, awareness, and effects of concussions.

TRAINING & CERTIFICATION

The significant slowdown in the motion picture industry during the first half of 2013 had the effect of reducing the numbers of participants in Actsafe training courses that are largely attended by motion picture workers. For example, the courses listed in the following table dropped in numbers from 2012 to 2013.

Actsafetraining courses most affected in 2013 by the slowdown in the motion picture industry

Course	Number of participants	Decrease from 2012
Safety Awareness: Motion Picture	104	48%
Aerial Platform Certification	197	19%
Fall Protection	186	26%
Forklift Certification	156	16%

Note: The majority of the participant registrations for the courses listed in the table occurred in the third and fourth quarters, as the industry picked up and many new workers required training.

On the other hand, the Occupational First Aid Level 1 course saw an increase of 34% from 2012 (382 participants), as three-year renewals from 2010 expired for OFA Level 1.

Another course that saw a significant increase was the online WHMIS course, which increased by 100% to 292 participants in 2013.

Despite the slowdown in the motion picture industry, overall 1531 participants were involved in Actsafetraining courses in 2013, an increase of 2.5% from 2012.

INDUSTRY OUTREACH

Actsafesafe has engaged with stakeholders over the years primarily through the activities of our health and safety consultant, Marty Clausen. He made a combined total of 218 site visits, an increase of 6% from 2012. In addition, there were 654 consultations (up 30% from 2012), which include phone calls, emails, meetings, and research requests.

Also in 2013, Marty conducted 241 respirator fit tests during the course of 18 site visits. This marked a decrease of 25% from 2012. This could be accounted for by two factors: the slowdown in film and television production early in 2013 and a decrease in the amount of smoke and fog being used in productions.

Hearing tests

Hearing tests conducted by Actsafesafe's mobile testing provider totalled 775 in 2013, a 33% increase from 2012. This could be a result of the influx of new workers in film and television

production as the industry bounced back in the fall from its slow start earlier in the year.

Play it Safe program

Actsafesafe is proud to have contributed to the development of this live production safety program for high school theatres. It was produced by the Vancouver School Board and officially launched at a three-day event hosted by the VSB. Actsafesafe is looking for opportunities to share the resource with other school districts in 2014. Play it Safe is available free online at actsafesafe.ca.

Workplace bullying and harassment regulations

Actsafesafe focused its fall communications around supporting the WorkSafeBC launch of the new bullying and harassment regulations, and we helped distribute associated WorkSafeBC resources through our newsletter, website, and email.

HEALTH & SAFETY ISSUES

Here's a brief list of some of the issues Actsafe addressed in 2013:

- Aerial lifts
- Working alone
- Reporting close calls
- Resource roads
- City of Vancouver Indoor Event Pilot Program
- Flood safety
- Summer sun health & safety
- Distracted driving
- Cough & sneeze etiquette
- Guidelines for firearms in theatres
- MSDS Fetch database
- Workplace bullying & harassment
- Stunt performer safety awareness
- Concussion seminars, AEDs (defibrillators)
- Winter driving
- Propane safety
- Insurance coverage for motion picture productions



APPENDIX A: WHO WE ARE

STAFF

Geoff Teoli

Executive Director

Marty Clausen

Health and Safety Consultant

Maureen Kaake

Operations Manager

Anand Kanna

Manager, Communications and
Project Development

Ria Alvero

Communications Coordinator

BOARD OF DIRECTORS

Catherine Roome

Chair (non-voting)

Miles Muir

Performing Arts Employer
Representative

Don Parman

Performing Arts Worker Representative

Dusty Kelly

Motion Picture Worker Representative

Tracey Wood

Motion Picture Employer Representative

Cheryl Nex

Entertainment Partners Canada
Representative (treasurer, non-voting)

Geoff Teoli

Actsafes Representative
(non-voting)

STANDING COMMITTEES

Actsafe has two standing committees: one for the motion picture industry, and one for the performing arts industry. Each committee includes industry representatives from employer associations and unions. The committees each select an employer representative and a worker representative for Actsafe's Board of Directors.

MOTION PICTURE STANDING COMMITTEE

Catherine Roome

BC Safety Authority (chair, non-voting)

Dusty Kelly

International Alliance of Theatrical Stage
Employees (IATSE) Local 891

Daryl Litke

Association of Canadian Film Craftspeople
(ACFC) West

Ron Hrynuik

Bridge Studios

Lori Stewart

Union of British Columbia Performers

Jason Cameron

Directors Guild of Canada — BC

Tracey Wood

Alliance of Motion Picture and Television
Producers

Michael Kaerne

Commercial Production Association of Western
Canada (CPAWC)

Lorrie Ward

Teamsters Local 155

Louise Baker-Griffiths

International Alliance of Theatrical Stage
Employees (IATSE) Local 669

Gigi Boyd

Canadian Film & Television Production
Association

PERFORMING ARTS STANDING COMMITTEE

Catherine Roome

BC Safety Authority (chair, non-voting)

Zaena Campbell

Dancer Transition Resource Centre (DTRC)

Don Parman

Canadian Institute for Theatre Technology (CITT-BC)

Dusty Kelly

International Alliance of Theatrical Stage Employees (IATSE) Local 891

Eleanor Stacey

Greater Vancouver Professional Theatre Alliance

Gene Ramsbottom

Vancouver Musicians Association (VMA) Local 145

Dani Fecko

Professional Association of Canadian Theatres

Kevin Dale McKeown

Alliance for Arts and Culture

Louis-Marie Bournival

Canadian Actors Equity Association

Mary-Ann Moir

Vancouver Symphony

Jessica Wadsworth

Canadian Alliance of Dance Artists (CADA-BC)

Adam Shadbolt

International Alliance of Theatrical Stage Employees (IATSE) Local 118

Miles Muir

Vancouver Civic Theatres

Mirna Zager

The Dance Centre

Matt Lees

Riggitt Services Inc.

Richard Gould

International Alliance of Theatrical Stage Employees (IATSE) Local 168

APPENDIX B: FINANCIAL REPORTS

Actsafes Safety Association

Financial Statements

December 31, 2013

Independent Auditor's Report

To the Board of Directors of Actsafe Safety Association

Report on the Financial Statements

We have audited the accompanying financial statements of Actsafe Safety Association, which comprise the statement of financial position as at December 31, 2013 and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

D+H Group LLP Chartered Accountants

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Vancouver, British Columbia
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www.dhgroup.ca
Chartered Accountants
Chartered Accountants



Understanding. Advising. Guiding.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Actsafe Safety Association as at December 31, 2013, 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.

Report on Other Legal and Regulatory Requirements

As required by the *Society Act (British Columbia)*, we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
February 28, 2014



Chartered Accountants

Actsafe Safety Association

Statement of Financial Position

December 31, 2013

	2013	2012
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	374,720	718,285
Accounts receivable	3,500	2,310
GST/HST rebate receivable	10,421	24,266
Prepaid expenses	<u>3,533</u>	<u>5,221</u>
	392,174	750,082
Property and equipment (Note 4)	72,201	92,425
Prepaid rent	<u>16,490</u>	<u>16,490</u>
	<u>480,865</u>	<u>858,997</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	29,041	44,524
Deferred revenue (Note 5)	5,752	410,600
Current portion of deferred lease inducements (Note 6)	<u>3,174</u>	<u>3,174</u>
	37,967	458,298
Deferred lease inducements (Note 6)	<u>4,500</u>	<u>7,674</u>
	<u>42,467</u>	<u>465,972</u>
Commitments under operating leases (Note 7)		
Net assets		
Internally restricted (Note 8)	250,000	250,000
Unrestricted	<u>188,398</u>	<u>143,025</u>
	<u>438,398</u>	<u>393,025</u>
	<u>480,865</u>	<u>858,997</u>

See accompanying notes to the financial statements.

Approved by the Board



, Director



, Director

Actsafes Safety Association

Statement of Operations and Changes in Net Assets Year ended December 31, 2013

	2013	2012
	\$	\$
Revenue		
WorkSafe BC funding	819,000	778,900
Course fees	121,178	99,589
Investment and other income	<u>6,747</u>	<u>6,173</u>
	<u>946,925</u>	<u>884,662</u>
Expenses		
Program expenses		
Industry and work site services	19,677	14,926
Industry training	157,451	135,330
Insurance	5,927	6,274
Programs	182,375	219,305
Promotion and outreach	57,518	48,942
Research and development	24,810	44,107
Stakeholders	<u>8,788</u>	<u>9,759</u>
	<u>456,546</u>	<u>478,643</u>
Administrative expenses		
Amortization of property and equipment	25,119	23,106
Bank charges and merchant fees	10,284	9,452
Board of directors (Note 9)	12,665	31,560
Office	21,744	21,410
Professional fees	16,544	12,222
Rent	98,384	97,973
Salaries and benefits	<u>260,266</u>	<u>168,981</u>
	<u>445,006</u>	<u>364,704</u>
Total expenses	<u>901,552</u>	<u>843,347</u>
Excess of revenue over expenses	45,373	41,315
Net assets, beginning of year	<u>393,025</u>	<u>351,710</u>
Net assets, end of year	<u>438,398</u>	<u>393,025</u>

See accompanying notes to the financial statements.

Actsafes Safety Association

Statement of Cash Flows

Year ended December 31, 2013

	2013	2012
	\$	\$
Cash flows from (used in) operating activities		
Excess of revenue over expenses	45,373	41,315
Items not affecting cash		
Amortization of lease inducements	(3,174)	(3,174)
Amortization of property and equipment	25,119	23,106
Changes in non-cash working capital		
Decrease (increase) in		
Accounts receivable	(1,190)	2,250
GST/HST rebate receivable	13,845	7,140
Prepaid expenses	1,688	(3,795)
Increase (decrease) in		
Accounts payable and accrued liabilities	(15,483)	13,043
Deferred revenue	(404,848)	409,500
	<u>(338,670)</u>	<u>489,385</u>
Cash flows from (used in) investing activity		
Acquisition of property and equipment	<u>(4,895)</u>	<u>-</u>
Increase (decrease) in cash during the year	(343,565)	489,385
Cash and cash equivalents, beginning of year	<u>718,285</u>	<u>228,900</u>
Cash and cash equivalents, end of year	<u>374,720</u>	<u>718,285</u>
Cash and cash equivalents is comprised of		
Cash	96,018	468,285
Term deposits	<u>278,702</u>	<u>250,000</u>
	374,720	718,285

See accompanying notes to the financial statements.

Actsafes Safety Association

Notes to the Financial Statements

December 31, 2013

1. Organization and economic dependence

Actsafes Safety Association (the "Association") was incorporated under the *Society Act of British Columbia* on March 23, 1998. The Association's mandate is to promote health and safety in the motion picture, theatre, music and other performing arts industries.

The Association is exempt from income taxation pursuant to Section 149 of the Income Tax Act as long as certain criteria continue to be met.

The Association is funded by the employers in B.C.'s motion picture and performing arts industries, through a levy on their WorkSafe BC assessments. These funds provide the operating funding for the Association's work as an industry-funded industry safety association. A change in this funding structure could have a significant impact on the Association's future operations.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

Use of estimates

The preparation of financial statements in conformity with Canadian general accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Revenue recognition

Funding received under terms of agreements is recognized as revenue in the year in which the related expenses are incurred.

Revenue from WorkSafe BC is recognized when invoiced by the Association in accordance with the funding agreement with WorkSafe BC. Payments from WorkSafe BC received in advance of the fiscal year to which they relate are recorded as deferred revenue.

Revenue from course fees is recognized on the delivery of the courses to attendees.

Investment and other revenue are recorded when earned and when collection is believed to be reasonably assured.

Cash and cash equivalents

Cash and cash equivalents consist of cash and investments that are highly liquid.

Lease inducements

Lease inducements are deferred and amortized over the five year lease on a straight-line basis.

Actsafe Safety Association

Notes to the Financial Statements

December 31, 2013

2. Significant accounting policies - continued

Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives using the following methods and rates:

Leasehold improvements	-	20% straight-line
Office equipment	-	20% declining balance
Furniture and fixtures	-	20% declining balance

3. Cash and cash equivalents

Cash and cash equivalents consist of a cash balance of \$ 96,018 (2012 - \$ 468,285) and a term deposits of \$ 278,702 (2012 - \$ 250,000) earning interest at rates ranging from 0.80% to 1.20% per annum, maturing between January 3, 2014 and September 8, 2014.

4. Property and equipment

	2013		
	\$		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Leasehold improvements	109,716	52,663	57,053
Office equipment	24,477	15,452	9,025
Furniture and fixtures	<u>28,789</u>	<u>22,666</u>	<u>6,123</u>
	162,982	90,781	72,201

	2012		
	\$		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Leasehold improvements	109,716	30,720	78,996
Office equipment	19,582	13,807	5,775
Furniture and fixtures	<u>28,789</u>	<u>21,135</u>	<u>7,654</u>
	158,087	65,662	92,425

5. Deferred revenue

Deferred revenue represents pre-payment of course fees of \$ 5,752 (2012 - \$ 1,100) and WorkSafe BC 2013 funding received in advance of \$ Nil (2012 - \$ 409,500).

Actsafe Safety Association

Notes to the Financial Statements

December 31, 2013

6. Deferred lease inducements	2013	2012
	\$	\$
Lease inducements received	15,870	15,870
Accumulated amortization	<u>8,196</u>	<u>5,022</u>
Balance of deferred lease inducements	7,674	10,848
Less: Current portion	<u>3,174</u>	<u>3,174</u>
	<u>4,500</u>	<u>7,674</u>

7. Commitments under operating leases

The Association is party to operating lease commitments for office premises and equipment. The office premise lease expires May 31, 2016. Minimum annual payments under the leases are as follows:

	\$
2014	67,980
2015	67,980
2016	<u>28,700</u>
	<u>164,660</u>

8. Internally restricted net assets

The Board of Directors has set aside, with approval from WorkSafe BC, an amount totaling \$ 250,000 to be used as a reserve fund. This internally restricted amount is not available for other purposes without approval from the Board of Directors.

9. Board of directors

During the year, board of directors expenses include consulting fees of \$ Nil (2012 - \$ 18,464) related to the review of the Association's bylaws.

10. Financial instruments

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

Fair value

The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are believed to equal their carrying amounts due to their short terms to maturity.

Interest rate risk

Cash and cash equivalents include term deposits bearing interest at a fixed rate. The investments are therefore subject to interest rate price risk as fluctuations in the market rates of interest may increase or decrease their fair value.

Credit risk

Cash and cash equivalents and accounts receivable are exposed to credit risk due to the potential for counterparties to default on their contractual obligations. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

