

OFSWA  
Annual Report 2008



**OFSWA**  
Ontario Forestry Safe Workplace Association

*Partners on the Road to Zero*

# OFSWA ANNUAL REPORT 2008





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## Mission Statement

The Ontario Forestry Safe Workplace Association is dedicated to leading and partnering in the development of the healthiest and safest workplaces where the ultimate measure of success is zero injuries and illnesses.



## OFSWA Five-Year Goals

OFSWA will continue to review short- and long-term goals in light of the ongoing realignment and restructuring of prevention services and resources in Ontario. Throughout this process, OFSWA will cooperate wherever and whenever possible to ensure the most effective and cost-efficient delivery of front-line health and safety services and resources.

OFSWA will provide to member firms health and safety training, consultation, industrial hygiene services, ergonomic assessments and information that are current, industry-specific and founded on leading-practice principles. These efforts will be shaped by the “Road to Zero” target of eliminating injuries and illnesses from forestry workplaces by 2037 or earlier.

OFSWA will motivate, support and guide member firms, with an emphasis on firms at highest risk, to become more self-reliant and internally responsible in health and safety, emphasizing the importance of self-enforcement in eliminating injuries and illnesses.

OFSWA will develop and distribute information-gathering systems and analysis tools to measure the short- and long-term impact of health and safety training on work behaviour and attitudes and to predict the health and safety training and consultation needs of member firms. An expanding focus on computer-based training will provide more flexible, cost-effective health and safety training solutions for firms.

OFSWA will focus on musculoskeletal disorder prevention in all forestry WSIB rate groups through information, training, on-site assessments and staffing initiatives, as well as joint projects with prevention partners that strengthen the internal responsibility system by providing firms with tools to identify, assess and eliminate ergonomic hazards and associated injuries, and to develop effective early and safe return to work programs.

OFSWA will continue to develop health and safety resources that address the specific training and information needs of new and young workers.

OFSWA will maintain and strengthen its partnerships with the forest industry, volunteer district safety committees, the Occupational Health and Safety Council of Ontario, the Ministry of Labour, the Ministry of Training, Colleges and Universities, other Health and Safety Associations and the Workplace Safety and Insurance Board.



## Report from the President



Peter Nitschke

Six years of difficulty for the forest industry in Ontario have taken a toll, with mill closures, downsizing and depressed markets causing uncertainty as to long-term plans for our industry. We will continue to face challenges in the years to come. Hopefully, we should begin to see some signs of recovery, particularly with a change in government with our southern trading partners, a lower-valued dollar, and energy costs at levels that will provide the much-needed assistance to commence rebuilding the industry.

On a more positive note, the Ontario Forestry Safe Workplace Association Board of Directors continued to guide our focus on our Strategic Plan and our path to eliminate workplace injuries and illness by 2037 or earlier. Despite the many distractions facing us, we continue to meet these objectives.

The economic pressures placed on the forest industry were also felt by the Ontario Forestry Safe Workplace Association, as 10% of our annual operating budget is generated through recoveries from training and sale of products. During this economic crisis our association worked extremely hard to meet our financial obligations and continued to provide services to all clients.

The Board of Directors convened a number of meetings at which the WSIB Chief of Prevention, Mr. Tom Beegan, brought forward a vision of a better-aligned prevention system for all clients under the WSIB. To that end, strategic meetings took place with all prevention system partners in June 2008 to design an aligned prevention system which ensures that all clients – regardless of size and where they were located, or the type of business they are in – receive required services from any of our prevention system partners without constraints and in a coordinated and complementary manner. As President, I attended additional meetings in Toronto with our Chief Executive Officer, Mr. Cecil Demers, where we looked at draft models of a realigned prevention system with fewer health and safety associations and one northern health and safety association for the north which would provide services to all clients from North Bay to the Manitoba border.

As of the end of 2008, the WSIB Board of Directors supported continuing work on the new prevention system model and they will be working with all prevention partners in 2009 to develop the new aligned system with full implementation expected in 2010. The OFSWA Board of Directors has agreed to participate in the development of a new, better-aligned prevention system, provided that our forestry sector specifics continue to be in place, forestry staff continue to report back to the forestry sector in North Bay, services continue to be provided to forestry clients by forestry health and safety experts, and the voice and needs of the forestry sector are equally weighted on the new governing Board of the new northern health and safety association. To date, it appears these goals are achievable.

The OFSWA Board has been a strong advocate of a better-aligned prevention system for years and welcomes any initiative that will reinvest resources on the front lines, as this is where we will make the gains to reach our common goal to eliminate all workplace injuries and illnesses by 2037 or earlier. The Board supports all our prevention system partners on the Road to Zero, with the reduction of lost-time injuries by 7% commencing in 2008 for the next five years.

A lot of hard work has been done over the year by our Board, the members of the forest industry we serve, our prevention system partners and our staff during these exceptional times that we all face. Over the next year we will all be called

upon to do what we can to ensure a better-aligned system that we will all benefit from, with the focus of eliminating injuries and illnesses which we all champion on and off work, as this is what we believe.

As President, I would like to thank our dedicated Board of Directors for sharing their opinions candidly, agreeing on principles and direction collectively, and actively supporting the President during the change process and in difficult economic times. I also must acknowledge and thank, on behalf of the entire Board, our Chief Executive Officer, Mr. Cecil Demers, for his leadership and guidance not only within OFSWA but at the Occupational Health and Safety Council of Ontario, chairing committees and ensuring the new aligned prevention system for the north and the province will bring the needed changes to reach our vision.

On behalf of the Board, I would also like to express our sincere appreciation for the dedication and professionalism demonstrated by all our staff and I welcome new staff that have joined us during 2008. Our board and I congratulate each of you for remaining focused on the important job at hand during a year which has included continued shrinkage in our client base, successful conclusion of contract negotiations, and discussion of significant change to your workplace. As the new system takes shape, we will continue to keep each of you fully informed, encourage your questions, and welcome your input and advice.

Our Volunteer District Health and Safety Committees throughout the province continue to network and support our system-wide initiatives that greatly assist our Association in meeting our operational objectives. Our board and staff thank you for your ongoing assistance and commitment.

It has been my pleasure to serve as President of OFSWA and I will continue to work with our board and staff as we move forward, ensuring that the needs of our forestry sector continue to be met and that we reach our goal of eliminating injuries and illnesses from forestry workplaces.



**Peter Nitschke**  
**President**

## Report from the Chief Executive Officer



Cecil L. Demers, CRSP

Following up on our five-year strategic plan for OFSWA and our commitments to our prevention system partners and OFSWA's Board of Directors, we are on target towards the elimination of all workplace injuries and illness by 2037 or earlier. During 2008, lost-time injuries decreased by more than 40% for all our forestry rate groups as total hours worked fell by about 30% compared to 2007.

The system-wide WSIB prevention initiative on the Road to Zero established an annual 7% reduction in lost-time injuries for the next five years that started in 2008. OFSWA has also committed to this annual reduction as our Road to Zero target.

I would like to commend all our staff for the fine work that was done, allowing OFSWA operations to meet our financial obligations based on our recoveries to cover core staff salaries not approved in our funding from the WSIB Prevention Division over the past 7 years. This alone has placed considerable stress on our ability to focus totally on working with a broader base of clients in order to make an even larger impact on eliminating injuries and illnesses and the campaign of an annual 7% reduction in lost-time injuries system-wide.

2008 was probably the year that our organization spent the most time and resources on numerous committees, strategic planning meetings with our prevention partners and alignment of the existing system. One of the major purposes of all these efforts is to reinvest resources in the front lines that will provide much-needed services to clients across the province who are not currently receiving them. Even with this drain on resources, OFSWA never took our focus away from meeting our operational objectives and services to as many clients throughout the system that we could possibly reach on a face-to-face basis, to evaluate their health and safety performance and build on what they already have in place that would lead them to zero lost-time injuries and illness.

Through partnering initiatives, OFSWA was able to provide northern services to clients of the Farm Safety Association, the Municipal Health and Safety Association and the Ontario Service Safety Alliance, as well as other interested groups that are clients of the WSIB Prevention System. This demonstrated to all these clients that they are part of one system that is committed to providing the best possible service and products to them in an efficient and cost-effective manner.

The SWO Safety Group program for OFSWA firms participating once again paid great dividends in the amount of a \$1.02 million rebate on WSIB premiums that was shared by 114 firms. With the alignment of clients in the north falling under the future aligned northern health and safety association, a new group of clients will open up to join and be part of Safety Groups and obtain recognition for the work they have done or will commit to do.

Our annual OFSWA awards program continues to measure the health and safety improvements made by firms throughout the province, moving these firms to a higher level of health and safety performance, efficiency and measurable outcomes. I would like to thank our system partners, the WSIB and MOL, for their assistance in helping ensure that compliance and the internal responsibility system are working at the firms that are being considered for awards.

2008 provided ongoing challenges for everyone in Ontario that required a different way of doing business. On the positive side, it brought everyone in the prevention system much closer together, and once the issues were placed on the table there was a lot of commonality and solutions were available to streamline and get movement where required. This is going to continue in the year ahead, as all our prevention system partners move towards a more aligned prevention system that will definitely provide the much-needed services and assistance to all clients during this ongoing difficult period for our economy.

I would like to thank the WSIB Prevention Division for their commitment and support during 2008 and our shared vision of a much better-aligned system on the Road to Zero with a sustainable 7% reduction in lost-time injuries or better across the entire system.

Most importantly, I would like to thank our OFSWA Board of Directors for their ongoing support, guidance and commitment to reach our strategic goals and vision of injury-free workplaces for everyone.

Our Volunteer District Health and Safety Committees continue to be vital links between OFSWA and the front line of our clients, ensuring that communications are open and information is disseminated on a current and timely basis to all clients across the province.

I cannot emphasize enough my sincere appreciation and thanks for having the opportunity to work with a dedicated team of OFSWA staff that truly continues to make a difference, including my Executive Assistant, the Coordinator of Administrative Services and the administrative team, the Coordinator of Program Development and the program development team, and the Manager of Field Services and our Consultant Trainers for their ongoing commitment, support and guidance that truly demonstrates the positive impact on the Road to Zero.

I will continue to work as hard as I can to build a solid long-term future for the new aligned prevention system with our prevention partners, OFSWA Board, staff and industry to continue to move our shared vision of workplaces free of injuries and illnesses closer to reality.



**Cecil L. Demers, CRSP**

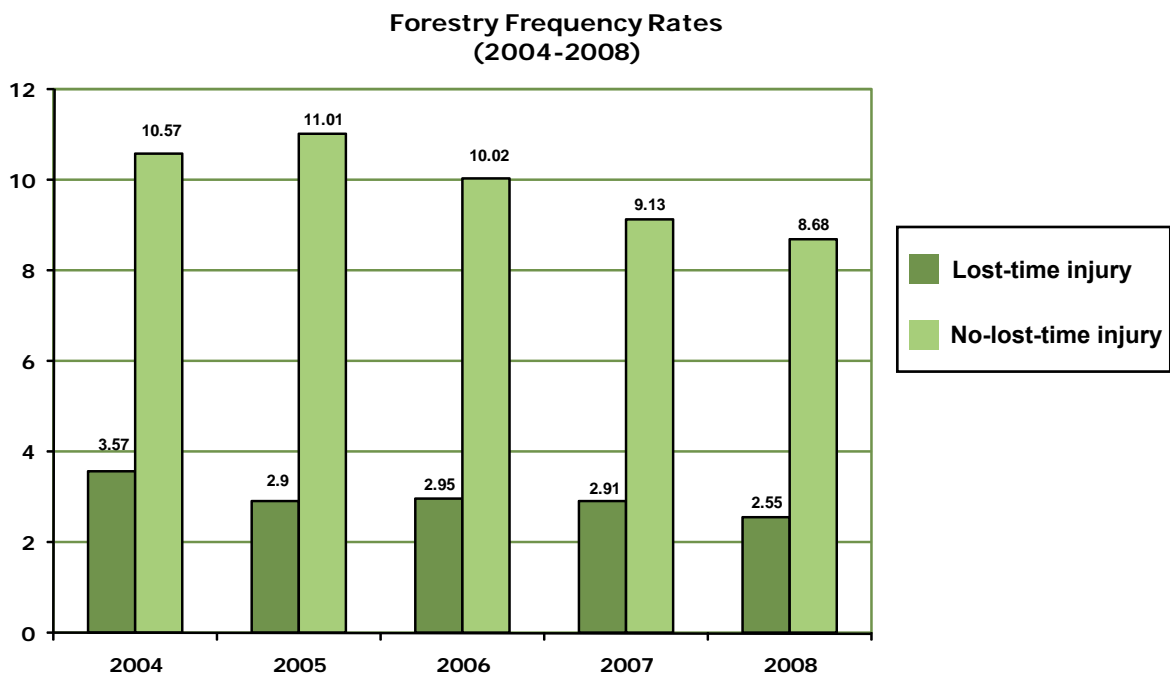
**Chief Executive Officer and Secretary-Treasurer**

## Major OFSWA Activities in 2008

### Front-line resources focused on firms at highest risk

A perennial reality of health and safety in all forestry rate groups in Ontario is that the problems are concentrated in a small minority of firms. Data compiled in 2008 from the previous year showed that 1,325 (87.6%) of the 1,512 OFSWA member forestry firms in Ontario reported zero lost-time injuries.

One of OFSWA’s core operating strategies is a reflection of the above reality. Because our available resources prevent us from reaching every firm under our mandate, we have traditionally identified firms that, because of their health and safety difficulties, present a priority for our involvement. This practice began more than a decade ago and has since become the service-delivery model for the entire prevention system in Ontario.



OFSWA’s nine field Consultant Trainers continued to focus extensive efforts on helping identified focus firms improve and advance their individual health and safety programs in 2008. In the second half of the year OFSWA re-evaluated the list of focus firms based on initial action plans completed in the first half of 2008 and injury statistics. After this review, the existing list of 120 focus firms was re-developed into a priority list of 74 firms that had experienced lost-time injuries (LTI) or no-lost-time injuries (NLTI) in the first half of 2008. This list became our focus firm list for follow-up consultations throughout the remainder of 2008. At year-end, 73 of the 74 firms had received a follow-up consultation based on our focus firm consultation protocol. The one outstanding firm was inactive when contacted.

This approach to front-line service delivery allowed our limited resources to focus on firms most needing our assistance and coaching. This focused approach has been successful in raising the profile of key areas of concern throughout the industry and ensuring that OFSWA field staff capitalize on their knowledge and skills in these areas during each consultation.

Through our ongoing statistical analysis of progress with both focus and non-focus firms, we continue to see a decline in both lost-time injuries (LTI) and no-lost-time injuries (NLTI) in all forestry rate groups. Based on this analysis of 2008 injury performance, only 25% of the identified 120 focus firms experienced one or more LTIs and 41% of this same focus group experienced one or more NLTI as of August 21, 2008. Follow-up consultations assisted in advancing the previous needs analysis recommendations which we felt would have a direct impact on eliminating workplace hazards. At year-end these same firms had experienced 79 LTIs in 2008 compared to 167 in 2007, a 53% reduction, and 366 NLTIs in 2008 compared to 542 in 2007, a 33% reduction.

Because many of OFSWA's focus firms also fall under the WSIB Risk Assessment Model, Consultant Trainers have been able to provide timely assistance to these firms to address Ministry of Labour orders and facilitate program advancements during consultations. As of December 31, 2008, OFSWA had provided on-site consultations to 91.5% of focus and non-focus WSIB Risk Assessment Model firms throughout the province. This represents 76 of 82 identified firms. The remaining 6 firms were consulted within the first two weeks of 2009. At year-end these same firms had experienced 104 LTIs in 2008 compared to 209 in 2007, a 50.2% reduction, and 477 NLTIs in 2008 compared to 569 NLTI's in 2007, a 16.2% reduction.

## Organization-wide efforts reached more firms more effectively

OFSWA was active on a number of fronts in 2008 to increase our exposure to the industry. Among our field staff, this effort took the form of setting minimum targets in each district for face-to-face consultations. From a communications standpoint, the main focus in 2008 was on reorganizing, expanding and simplifying our website with a view to making it the focal point for forestry firms seeking information of all kinds about OFSWA's services, and for immediate access to a wide range of downloadable health and safety resources.

OFSWA's goal in the field was to increase member firm exposure to our services through consultations. The target was 55 firm consultations per OFSWA district for a total of 385 firm contacts. As of December 31, 2008, consultations which met this criterion were completed with a total of 254 firms in the nine districts. This represented 66% of the 385 firm contacts necessary to achieve the annual requirement of 55 firm consultations per district. Items which impacted on this objective included added travel to cover expanded district boundaries and greater focus on member firm training to meet revenue commitments.

In addition to totally revamping the structure and layout of our website for easier navigation, OFSWA has created a strong French-language presence on the site. But the most significant change to the website is that it has been stocked with numerous downloadable health and safety resources in English and French. These include:

**Talking Safety:** OFSWA is continuously developing "Talking Safety" topics that can be downloaded for use by supervisors, health and safety coordinators and other workplace leaders as the basis for brief, informal safety meetings with workers.

**Road to Zero Resources:** OFSWA's mission is to build industry awareness and identification with the "Road to Zero" campaign to eliminate injuries and illnesses from forestry workplaces. As part of that campaign, OFSWA provides firms with instant access to a number of downloadable health and safety resources.

**Ergonomic Solutions:** A broad range of downloadable tools for recognizing, assessing and controlling hazards that contribute to musculoskeletal disorders (MSD) are available for downloading. Resources include Ergonomic Safety Talks, leading practices, tip sheets, Physical Demands Analysis forms for operators of 16 different pieces of forestry equipment, and links to external MSD prevention resources.

**Training and Products:** Our new website design transforms the entire site into a shopping environment for OFSWA products and services. Our powerful new products and services database also provides continuously updated lists of OFSWA products and services, including updated training schedules.

**The Log:** English and French issues of OFSWA's newspaper, which is published twice annually, are downloadable in PDF format from the current issue back to 2004. We also now provide an extensive bilingual archive of OFSWA "Industry Alerts" that describe actual incidents in Ontario forest industry operations, explain the causes of each incident and outline the necessary steps to prevent it from happening again.

The goal of all these initiatives is to maximize the impact of our services and products on forestry firms without placing any additional financial burden on an industry that has been in a state of recession for more than five years.

Internet-based training provides forestry firms with more flexible and cost-efficient options to ensure that they have a well-trained workforce. As part of our commitment to expand the availability of this option, OFSWA began in 2008 to develop an Internet-based version of the mandatory Mechanical Harvesting / Forestry Pit and Road Construction Equipment Operator common core classroom training. This Internet-based program, launched in April 2009 in both English and French, is the equivalent of the existing common core classroom training, so that logging companies – especially those in remote locations that require just-in-time pre-employment training for employees – can access the electronic version of the classroom training.

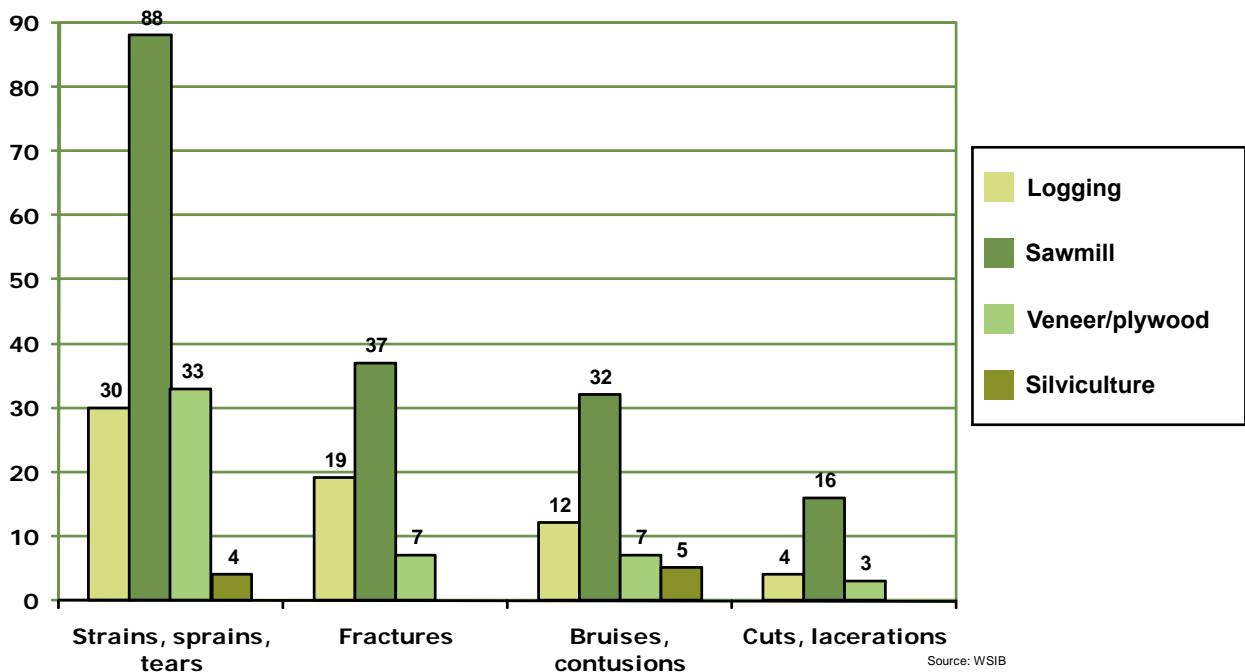
### MSD prevention services and resources further expanded

The most typical injury in forestry work is no different from what happens in other industrial sectors of Ontario: gradual damage to muscles, ligaments, tendons or nerves as a result of repetitive, forceful or awkward movements. Musculoskeletal disorders (MSDs) are the most common injury type in all forestry industries, accounting for more than one-third of all lost-time injuries in recent years. The percentage of such injuries is highest in sawmills and veneer/plywood and other board mills where so many work processes involve repetitive physical activities over prolonged periods.

Statistics gathered in 2008 from the previous year showed that strains, sprains and tears accounted for 49% of lost-time injuries in veneer/plywood and other board mills, 37% in sawmills, 30% in logging operations and 29% in silviculture operations. These types of injuries were slightly less prevalent in logging and silviculture than the year before, but slightly more prevalent in sawmills and veneer/plywood and other board mills.

Our statistical analysis showed that being struck by an object and bodily reaction (an ergonomics-related problem resulting from repetitive motion and awkward postures) were the two leading causes of injury in the forest industry as a whole. Bruises and contusions were among the top five injury causes in all four forestry sectors.

**Most Common Lost-Time Injuries in Forestry Sectors (2007)**



OFSWA’s Consultant Trainer/Ergonomist consulted with firms with the highest incidence of MSD-related injuries in the nine OFSWA districts and provided on-site assistance and resources to them. Each consultation involved an on-site assessment, with the completion of a needs analysis report and a follow-up contact by telephone or e-mail within three months of the initial consultation.

The majority of the logging firms OFSWA serves are small (five or fewer full-time equivalent workers) and often geographically remote. In an effort to help these firms develop effective health and safety policies and procedures, OFSWA introduced separate resource packages for conventional and mechanical logging operations. The resource packages were translated and are also available in French. This practice continued in 2008 with the development of an ergonomic resource package for smaller forestry firms.

In addition to the above resource, our website contains a downloadable 35-page forestry-specific digest of information and tools drawn from the Occupational Health and Safety Council of Ontario (OHSCO) Musculoskeletal Disorders Prevention Series of resources. The idea behind this project was to distil the information in those resources for the benefit of firms that don’t have the personnel, time or health and safety expertise to wade through the entire MSD Prevention Series to help them recognize, assess and control MSD-related hazards in their workplace.

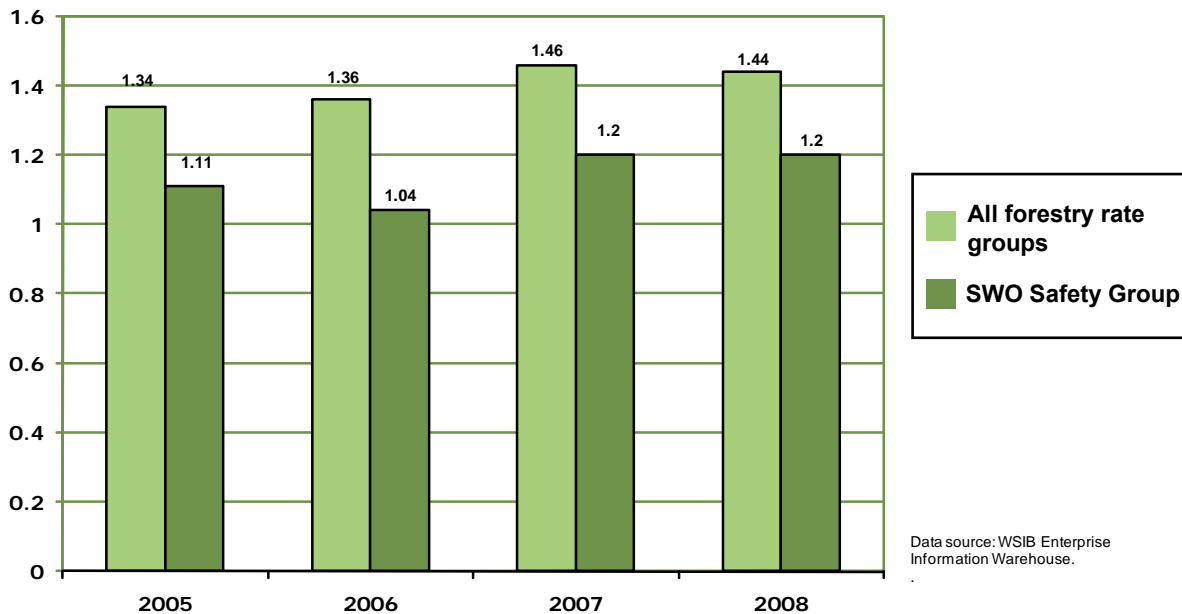
We have also posted a downloadable self-guided working package for forestry firms. This tool promotes the Internal Responsibility System by providing a step-by-step process for the establishment and operation of a workplace ergonomic assessment team.

### SWO Safety Group program continued to build on strengths

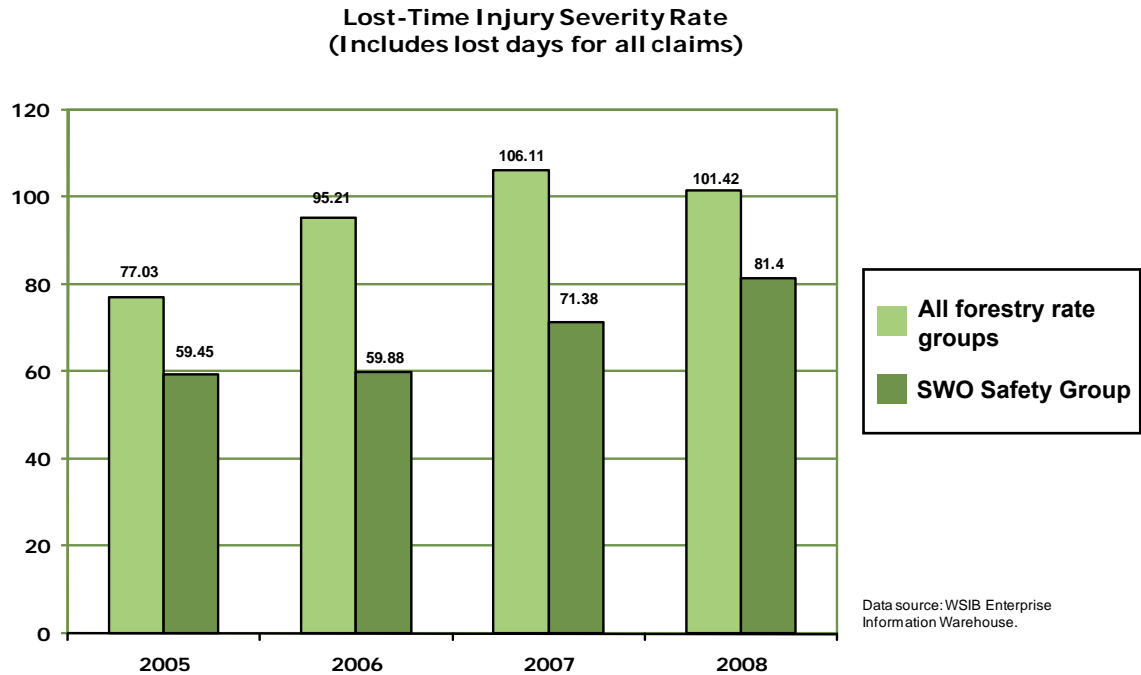
The success of the Safe Workplace Ontario (SWO) Safety Group program has been significant since its inception in 2000. The 114 firms that participated in the Safety Group in 2007 shared a \$1.02-million rebate on their WSIB premiums at the end of 2008. Over and above the \$9.7 million in rebate funds that have been received by SWO Safety Group participants since 2000, many injuries have been prevented through health and safety program enhancements initiated by each Safety Group member firm. SWO Safety Group members are now recognized as a group of firms with injury experience significantly better than the average for their individual rate groups.

OFSWA’s Safe Workplace Ontario certification program has been the foundation of the Safety Group since 2000. Established in 1997, SWO is a comprehensive audit process with which individual forestry firms have been able to continuously monitor and improve their health and safety programs. This voluntary program provides specific and detailed health and safety standards in 21 different areas to guide firms in their efforts.

**Lost-Time Frequency Rate  
(Lost-time injuries with seven or more days lost)**



As the year progressed, SWO Safety Group Report Cards provided by WSIB showed an increase in lost-time severity rates and no reduction in lost-time injury frequency among SWO Safety Group firms in 2008 compared to the year before. (See charts above and below.) Although frequency and severity rates for Safety Group firms have been consistently better than the rates for forestry firms as a whole, OFSWA will continue to closely monitor firms that have seen a spike in injuries over the past three years and our Consultant Trainers will contact these firms and conduct a full review of their current health and safety program to identify possible concerns and provide recommendations.



WSIB will be implementing a pilot project of its new Accreditation for Ontario Workplaces new incentive program. OFSWA was front and centre in 2008 in participating in the consultation and information sessions relating to Accreditation and offered to participate in the pilot project. The Accreditation program will encompass a complete health and safety management system which firms are measured against based on established criteria. This management system covers all aspects of an effective health and safety system. The Accreditation program will set this system as a minimum standard for recognizing superior health and safety performance.

OFSWA has applied for “Accrediting Partner” status under the program and is available to assist firms in preparing and working through the Accreditation process. An Accreditation information session was held at each of the SWO Safety Group meetings in the fall of 2008 to advise firms of the program and answer specific questions regarding their potential participation in the Accreditation pilot project. Senior SWO Safety Group firms who feel that their current health and safety program meets the management system requirements may decide that participating in the pilot of the Accreditation program as an ideal platform for taking their health and safety program to the next level.

## **OFSWA programs responded to health and safety priorities**

The forest industry crisis of the past several years showed no signs of abating in 2008. Since 2001, annual total hours worked in Ontario's forest industries have declined more than 50%, from 42 million in 2001 to 20.5 million in 2008. 10 million fewer hours were worked in forestry in 2008 compared to the year before. The forestry work force in Ontario has declined from 21,000 full-time equivalent workers in 2001 to 10,273 in 2008.

The long-term economic crisis in forestry has forced OFSWA to intensify its efforts to help firms maintain their focus on health and safety issues. In addition to more aggressively promoting our products and services to the firms we serve, we continued to use the committee process as an essential element in the development process for new initiatives such as the Ministry of Natural Resources / Ministry of Labour Working Around Dangerous Trees guidelines and OFSWA program development activities.

Our ongoing involvement with the Forestry Sector Interagency Group, volunteer district safety committees, SWO Safety Group and specialized industry committees enables us to plan programs that respond to industry-identified needs and to build industry awareness of these needs prior to developing and launching the program. We also continue to measure a broader industry perception of current and future health and safety needs through our annual stakeholder evaluation survey.

### **Internet-based training programs**

As noted on page 12, OFSWA vastly increased the amount of downloadable health and safety resources on our website, and we continued to expand the scope of our online training by developing a bilingual online version of the mandatory Mechanical Harvesting / Forestry Pit and Road Construction Equipment Operator common core classroom training.

OFSWA's website content and existing online training programs such as SafePlanting.com for tree planters and WHMIS add a convenient and flexible source of knowledge and information for the growing number of forestry firms that have fast and reliable Internet access. In conjunction with the Northern Centre for Advanced Technology (NORCAT) we also offer bilingual online training programs on confined spaces and the transportation of dangerous goods. OFSWA will continue to expand its efforts in developing Internet-based training, and OFSWA's website will continue to be a major outlet for health and safety information and resources.

### **Lockout training programs for forestry mills and mobile machine operators**

Virtually every year, Ontario forestry workers are seriously injured or killed because machinery was not locked out and de-energized. To help combat this perennial problem, OFSWA revised its half-day classroom lockout training program to ensure that it provides the most up-to-date procedures and requirements for the creation of a zero-energy state. The course content has been tailored specifically to lockout procedures in forestry mill situations.

Once the mills program was completed, work began on the development of a lockout training program for operators of mobile forestry equipment. This program addresses the specific lockout requirements for mobile machines by pulling together information and resources from a number of existing OFSWA programs and adding new and updated information. Both programs are now available to the industry.

### **New machine guarding training**

The second most frequent cause of traumatic injuries and fatalities in forestry is worker contact with machinery that hasn't been properly guarded. Every day, workers in Ontario's forest industry encounter log and wood processing machines that have the potential to cause serious injury if a worker comes into contact with their moving parts.

OFSWA developed a new half-day training program that examines all guarding-related hazards in forestry operations and the legal responsibilities of employers, supervisors and workers to recognize, assess and control those hazards. The course reviews the various ways hazards can be guarded and the various types of guards.

Included with the participant materials for the training is a package consisting of a guarding booklet and a full-colour information poster. This program is now available to the industry.

## Revised Train-the-Trainer program

Because of the sheer number of forestry firms in Ontario we are mandated to serve (1,512 in 2008), OFSWA's nine Consultant Trainers can't possibly reach them all. Therefore an important element of our mandate is to ensure that external trainers have the knowledge and skills to deliver effective health and safety training. In 2008 OFSWA revised and updated its one-day Train-the-Trainer program.

Delivered by our Consultant Trainers, this course places particular emphasis on recognizing the characteristics of effective and ineffective trainers, understanding the six basic steps in proper preparation, the effective use of visual aids and how to confirm that learning has occurred using a variety of evaluation techniques. The course includes a workshop segment in which each participant practises his or her training delivery technique in front of the group and receives feedback and advice from the instructor. This revised training was introduced in March 2009.

## "Talking Safety" workplace meeting topics

As noted on page 12, among the OFSWA initiatives in 2008 to help forestry firms maintain their focus on health and safety through the industry's prolonged downturn is the posting of 15 "Talking Safety" meeting topics on our website for downloading at no additional cost. The safety meetings are designed to be conducted by firms on-site over a 10 to 15-minute period. The topics are being developed on a monthly basis by OFSWA program development and field staff.

While it's being emphasized to firms that brief safety meetings are not a substitute for the more detailed and comprehensive training that OFSWA also offers, they can be very helpful as orientation or refresher tools. The "Talking Safety" topics are downloadable as individual PDF documents or as a PDF booklet. Every month, a "Talking Safety" topic is highlighted on our website and a hard copy of it is enclosed with all OFSWA product mailings to firms.

## Translation of OFSWA programs in 2008

The development and delivery of products and services in both French and English is a key element of OFSWA's mandate, particularly in Northern Ontario. OFSWA employs a full-time translator and bilingual administrative staff members in our North Bay office, and bilingual Consultant Trainers are stationed in regions of the province with a sizeable francophone population. The majority of our programming is available to forestry firms in both English and French.

In addition to creating French-language versions of the Spring/Summer and Fall/Winter 2008 editions of our newspaper, *The Log*, our Translator worked on the French-language version of our new online Mechanical Harvesting/Forestry Pit and Road Construction Equipment Operator common core trainings. Other OFSWA programs that were translated in 2008 included:

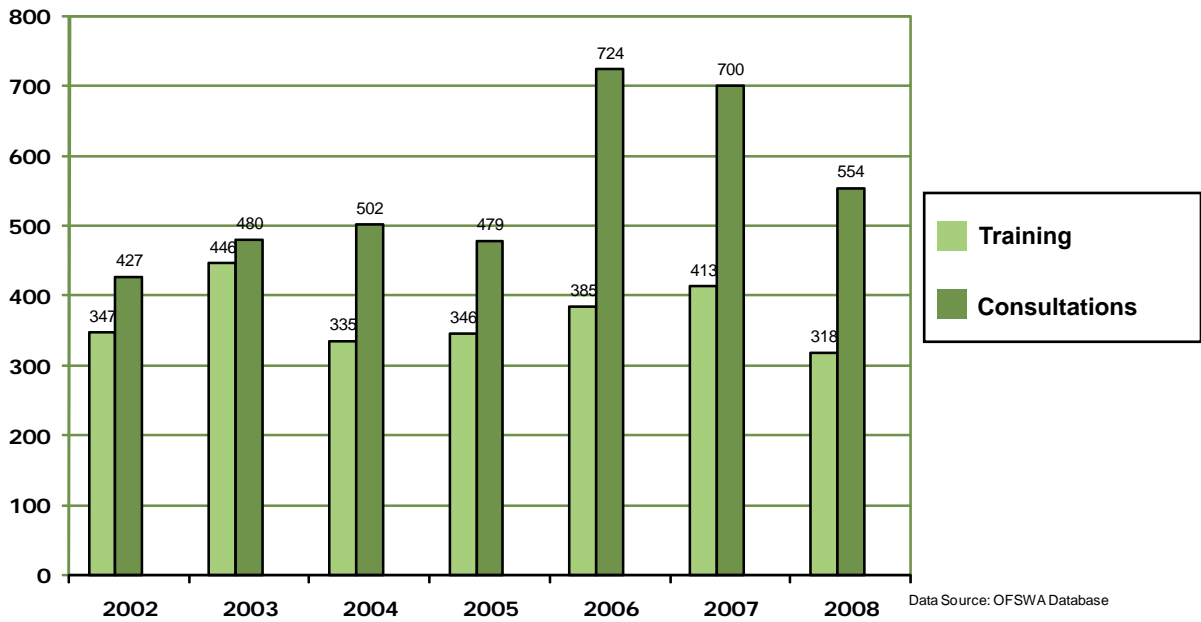
- Joint Health and Safety Committee Certification Part One: Basic Certification (three-day training)
- Joint Health and Safety Committee Certification Part Two: Workplace-Specific Hazard Training (two-day training)
- Lockout: Control of Energy Hazards in Forestry Mills (half-day training)
- Occupational Health and Safety Act and Regulations (half-day training)
- Incident Investigation (half-day training)

## Training and consultation activity remains strong despite industry woes

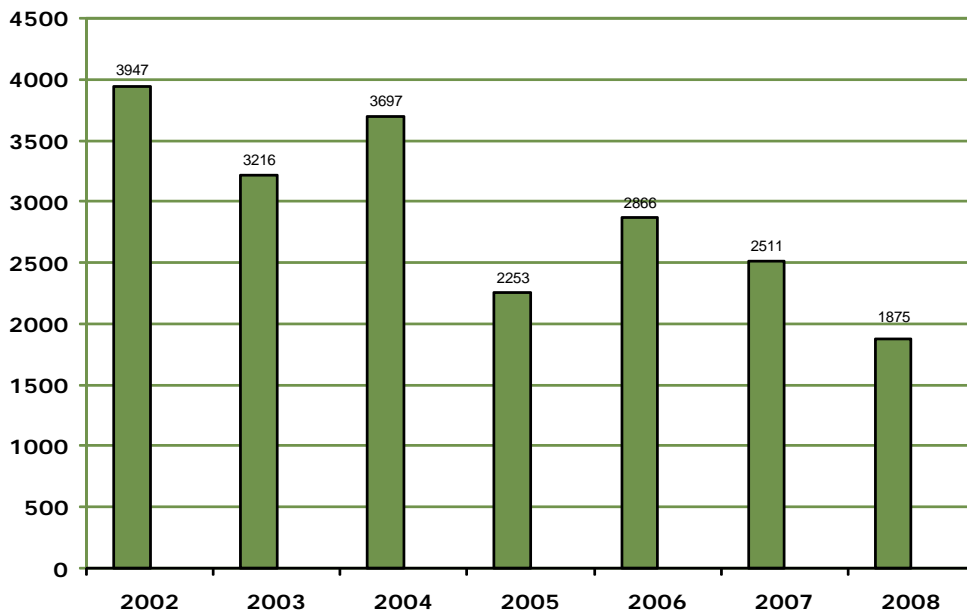
As the first chart below indicates, the annual number of OFSWA training sessions and consultations remained steady or increased from 2002 to 2008 despite a 50% drop in full-time hours worked over that period through the prolonged forest industry slump. This is testament to the industry’s ongoing commitment to keep health and safety issues front and centre. That commitment is also reflected in the steady decline in injury frequency rates since 2002.

Where the reduction in the size of the forest industry workforce and the declining fortunes of the industry show up more clearly is in the annual number of participant training days for OFSWA training sessions, which have dropped more than 50% since 2002.

**OFSWA Training Sessions and Consultations  
2002-2008**



**Participant Training Days for OFSWA Training Sessions 2002-2008**



Data Source: OFSWA Database

**Ontario Forestry Safe Workplace Association  
Training Courses and Consultations  
January 1 to December 31, 2008**

<b>Training Courses</b>	<b># of Sessions</b>	<b># of Participants</b>	<b># of Participant Training Days</b>
Confined Space Online Training	1	1	N/A
Ergonomic Injury Prevention, Strain and Sprain Hazard Controls in Forestry - 1/2 Day	7	52	26
Ergonomic Solutions "Applied Ergonomics Workshop on WMSD Control Strategies" - 1 Day	1	1	1
Every Reasonable Precaution - 1/2 Day	9	118	59
Fall Protection - 1/2 Day	2	22	11
Incident Investigation - 1/2 Day	11	125	62.5
Industrial Lift Truck Operation - 1 Day	4	24	24
Joint Health and Safety Committee Certification Training Part One: Basic Certification - 3 Days	9	64	192
Joint Health and Safety Committee Certification Training Part Two: Workplace Specific Hazard Training - 2 Days	12	68	136
Lockout: Control of Energy Hazards in Forestry Mills - 1/2 Day	9	122	61
Machine Guarding - 1/2 Day	6	51	25.5
Mandatory Cutter/Skidder Certification (Evaluation) - 1/2 Day	15	26	13
Mandatory Forestry Pit & Road Construction (Evaluation) - 1 Day	1	2	2
Mechanized Harvesting Equipment Operator Certification (Evaluation) - 1 Day	27	50	50
Mechanized Harvesting- Forestry Pit and Road Construction Equipment Operator Safety Training Refresher - 1/2 Day	4	7	7
Mechanized Harvesting/Forestry Pit & Road Construction Equip. Operator Safety Training Train the Trainer - 2 Days	3	5	10
Mechanized Harvesting-Forestry Pit and Road Construction Equipment Operator Safety Training Common Core - 1 Day	24	83	83
Mobile Machine Lockout: Control of Energy Hazards - 1/2 Day	1	4	2
Mobile Machine Mechanic Safety Training - 1/2 Day	1	30	15
Occupational Health and Safety Act and Industrial Regulations - 1/2 Day	16	142	71
Professional Chainsaw Operation Common Core Training -1 1/2 Days	12	39	58.5
Professional Chainsaw Operation Module 1 & 2 - 1 Day	4	25	25
Professional Chainsaw Operation Module 1 (Chainsaw Sharpening & Maintenance) - 1/2 Day	2	11	5.5
Professional Chainsaw Operation Module 2 (Safe Chainsaw Handling) - 1/2 Day	9	57	28.5
Professional Chainsaw Operation Module 4 (Field Practice) - 1 1/2 Days	1	3	4.5
Professional Chainsaw Operation/Professional Cable Skidding Train The Trainer - 3 Days	1	1	3
Professional Chainsaw Operation/Professional Cable Skidding Core Training -2 Days	11	36	72
Professional Chainsaw Saw Operation/Professional Cable Skidding Refresher - 1 Day	3	3	3
Professional Cable Skidding Common Core Training - 1/2 Day	2	2	1
Planned Workplace Inspection and Hazard Recognition - 1/2 Day	11	90	45
Professional Chainsaw Operation (Full Course) - 3 Days	14	111	333
Professional Chainsaw Operation (Train The Trainer) - 3 Days	4	23	69
Safe Chainsaw Operation (Non-Logging) - 2 Days	12	93	186
Safe Chainsaw Use in Forestry Mills - 1/2 Day	7	60	30
Safe Chainsaw Use in Forestry Mills Train The Trainer- 1/2 Day	1	4	2
Safe Planting.com Online Training	12	245	N/A
Train The Trainer - 1 Day	5	22	22
Transportation of Dangerous Goods Online Training	13	59	N/A
WHMIS - 1/2 Day	7	162	81
WHMIS Online Training	9	45	N/A
Working Safely with Propane in the Forestry Industry - 1/2 Day	2	51	25.5
Working Safety with Propane Train the Trainer - 1/2 Day	1	1	0.5
Yard Loader Safety Training - 1/2 Day	12	57	28.5
Yard Loader Safety Training Train the Trainer - 1/2 Day	1	1	0.5
<b>Total Training</b>	<b>318</b>	<b>2197</b>	<b>1875</b>

<b>Consultations</b>	<b># of Sessions</b>	<b># of Participants</b>	<b># of Participant Training Days</b>
Audits	50		
District Committee Facilitation	13		
Ergonomic Assessments	70		
Industrial Hygiene Testing	22		
Injury Investigation	9		
Joint Health and Safety Committee Facilitation	2		
Needs Analysis	368		
Safe Workplace Ontario (SWO)	20		
<b>Total Consultations</b>	<b>554</b>		

**Total Training Courses and Consultations 2008**      872      2197      1875

<b>Top 12 Training Courses</b>			
Mechanized Harvesting Equipment Operator Certification (Evaluation) - 1 Day	27	50	50
Mechanized Harvesting-Forestry Pit and Road Construction Equipment Operator			
Safety Training Common Core - 1 Day	24	83	83
Occupational Health and Safety Act and Industrial Regulations - 1/2 Day	16	142	71
Mandatory Cutter/Skidder Certification (Evaluation) - 1/2 Day	15	26	13
Professional Chainsaw Operation (Full Course) - 3 Days	14	111	333
Transportation of Dangerous Goods Online Training	13	59	N/A
Joint Health and Safety Committee Certification Training Part Two: Workplace Specific			
Hazard Training - 2 Days	12	68	136
Professional Chainsaw Operation Common Core Training -1 1/2 Days	12	39	58.5
Safe Chainsaw Operation (Non-Logging) - 2 Days	12	93	186
Yard Loader Safety Training - 1/2 Day	12	57	28.5
SafePlanting.com Online Training	12	245	N/A
Incident Investigation - 1/2 Day	11	125	62.5
<b>Total for Top 12 Training Courses</b>	<b>180</b>	<b>1098</b>	<b>1021.5</b>
<b>Total Training</b>	<b>318</b>	<b>2197</b>	<b>1875</b>
<b>% of Total</b>	<b>56.60</b>		

## OFSWA Awards recognize efforts to improve health and safety

OFSWA's health and safety awards program promotes and encourages the pursuit of excellence in forestry health and safety. Both our annual Health and Safety Achievement Awards and our Continuous Improvement Awards, for reductions in total injury frequency and severity on a consistent basis over a five-year period, recognize effective activities by forestry firms to improve health and safety in their operations.

The Continuous Improvement Award is given to one OFSWA member firm from each of two size categories: firms that have worked at least 500,000 worker hours over the past five years and firms that have worked less than 500,000 worker hours. All winning firms received a vinyl award banner suitable for outdoor display. The names of winning firms were publicized by OFSWA through our newspaper, The Log, and our website, as well as at Safety Group meetings and other industry conferences, workshops and meetings throughout the year

### 2008 Health and Safety Achievement Award winners by OFSWA district

<b>District D (Timmins)</b>	030: Genier Bros. Trucking Limited, Cochrane 033: Elk Lake Planing Mill Limited, Elk Lake
<b>District E (North Bay)</b>	030: Sturgeon Falls Brush & Contracting Limited, Sturgeon Falls
<b>District F (Sault Ste. Marie)</b>	036: Birchland Veneer Limited, Thessalon (regional award)
<b>District G (Guelph)</b>	033: Bernie McGlynn Lumber Limited, Mildmay
<b>District H (Bancroft)</b>	033: Pastway Planing Limited, Combermere

### 2008 Continuous Improvement Award winners

Firms with 500,000 or more hours worked	AbitibiBowater Thunder Bay Sawmill, Thunder Bay (033)
Firms with 100,000 to 499,999 hours worked	Henry Fiset and Sons Limited, Elk Lake (030)

Voluntary district safety committees provide an important forum in which firms can network and co-operate on health and safety concerns, leading practices and innovations of interest to them all. The district safety committee system promotes a collective stake in continuously improving health and safety and helps strengthen internal responsibility in each firm that participates. OFSWA provides organizational support for district safety committee events, helping with the distribution of promotional material and notices of meetings and seminars. One district committee, the Nordic Regional Safety Committee, was especially active in 2008 and received the Volunteer District Health and Safety Committee Award.

## Zero fatalities is the only acceptable goal

OFSWA fully supports WSIB’s Road to Zero plan for the eventual elimination of injuries and illnesses from Ontario workplaces. In 2008 OFSWA launched a number of promotion and information elements with which to guide forestry firms down that road. Our ultimate goal is to build industry awareness and identification with the principles of the Road to Zero philosophy of health and safety. That philosophy has always been a major factor in OFSWA’s dealings with member firms through training, consultations and communications. The Road to Zero campaign provides a visible, achievable goal on which the forest industry can set its sights.

While everyone in Ontario’s prevention system recognises that it will take time to eliminate all injuries and illnesses from the province’s workplaces, putting a permanent end to work-related fatalities is the most urgent priority of all.

From 1950 through 1980, the average annual number of fatalities in Ontario forestry work was 17. It wasn’t until the late 1980s that the annual forestry death toll began to fall below 10 on a consistent basis. The average annual number of work-related fatalities in forestry since 2002 has been less than four. That is undoubtedly a substantial improvement, but the fatality figures in the table below continue to be a tragic and unacceptable statistic.

The top priority of OFSWA’s Road to Zero campaign is to continue to help forestry health and safety programs evolve to the point that work-related fatalities are a distant memory.

### Fatality claims in forestry WSIB rate groups, 2001-2008

Rate Group	2001	2002	2003	2004	2005	2006	2007	2008	Total
<b>030</b>	5	2	2	2	0	1	0	1	13
<b>033</b>	2	1	2	1	0	1	0	2	9
<b>036</b>	0	0	0	1	0	0	0	0	1
<b>Total Schedule I Employers</b>	7	3	4	4	0	2	0	3	23
<b>Schedule II Employer (MNR)</b>	1	0	4	0	0	0	0	0	5
<b>Total All Employers</b>	8	3	8	4	0	2	0	3	28

## OFSWA Staff

### **Chief Executive Officer and Secretary Treasurer**

Cecil L. Demers, CRSP

### **Manager of Field Services**

Tom Welton, CRSP

### **Executive Assistant**

Christine Gervais

### **Coordinator of Administrative Services**

Jan Sweet

### **Coordinator of Program Development**

John Levesque

### **Administrative Assistant Account/Purchasing**

Micheline Bédard

### **Administrative Assistant/Reception**

Susan Cooper

### **Administrative Assistant/Training**

Melissa Laplante

### **Administrative Assistant/Office**

Gaëtane Dubois

### **SWO Safety Group Administrative Assistant**

Rose Bédard

### **Data Analyst**

Judi Norman

### **Program Developer - Training**

Kelly Ann Smith

### **Graphic Designer**

Brant Schewe

### **Multimedia Producer**

Neil Brown

### **Translator**

Jean Bélec

### **District Consultant Trainers**

- A) Gary Dickey, CRSP
- B) Chris Serratore, CRSP
- C) Gilles Boisvert
- D) Marc Guiho, CRSP
- E) Bernie Stockermans, CRSP
- F) Mike Lemay
- G) Walter Koch
- H) Brian Lawrence, CRSP
- I) Robert Schryer, CRSP

### **Consultant Trainer/Ergonomist**

Sabrina Francescut, HBK, CK

## Board of Directors

### Management Representatives

Peter Nitschke (President)

John Bagacki

Eddie Heideman

Jack Phillips

### Worker Representatives

James Curr (Past-President)

Gaëtan Carrier (Vice-President)

Steven Larabee

Jerry Van Es

### Appointed Provincial Representatives

Vacant (OFL appointed)

Paul Field (WSIB appointed)

Jamie Lim (OFIA appointed)

David Milton (OLMA appointed)

Rob Timlin (WSIB appointed)

**Ontario Forestry Safe  
Workplace Association  
Financial Statements  
For the year ended December 31, 2008**



**Ontario Forestry Safe Workplace Association**  
**Financial Statements**  
For the year ended December 31, 2008

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**BDO Dunwoody LLP**  
Chartered Accountants  
and Advisors

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North Bay, Ontario, P1B 2T5  
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Toll Free: 1-800-461-6324  
Fax: (705) 495-2001  
www.bdo.ca

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## Auditors' Report

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### **To the Members of the Ontario Forestry Safe Workplace Association**

We have audited the statement of financial position of the Ontario Forestry Safe Workplace Association as at December 31, 2008 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the association's management. 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Dunwoody LLP*

Chartered Accountants, Licensed Public Accountants

North Bay, Ontario  
February 27, 2009

# Ontario Forestry Safe Workplace Association

## Statement of Financial Position

**December 31** **2008** **2007**

### Assets

#### Current

Cash and cash equivalents	\$	<b>422,910</b>	\$	476,277
Investments - short-term (Note 1)		<b>150,000</b>		150,000
Accounts receivable		<b>65,436</b>		33,662
Prepaid expenses		<b>26,595</b>		22,005

**664,941** 681,944

**Investments - long-term** (Note 1) **250,000** 150,000

**Capital assets** (Note 2) **86,280** 81,413

**\$ 1,001,221** **\$ 913,357**

### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$	<b>84,915</b>	\$	121,397
Vacation payable		<b>56,750</b>		54,267
Deferred funding - Safety Group (Note 3)		<b>1,528</b>		-
Deferred funding - WSIB		<b>8,400</b>		-
Deferred recoveries		<b>3,319</b>		2,322
Current portion of obligation under capital lease (Note 4)		<b>16,493</b>		16,557

**171,405** 194,543

**Obligation under capital lease** (Note 4) **15,425** 30,530

**Deferred capital funding - WSIB** (Note 5) **59,699** 70,522

**Accrued post-retirement expenses** (Note 6) **611,950** 523,121

**858,479** 818,716

**Commitments** (Note 7)

**Subsequent event** (Note 8)

#### Net Assets

Investment in capital assets		<b>54,362</b>		34,336
Unrestricted net assets (Note 9)		<b>88,380</b>		60,305

**142,742** 94,641

**\$ 1,001,221** **\$ 913,357**

On behalf of the Board:



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary/Treasurer

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## Ontario Forestry Safe Workplace Association Statement of Changes in Net Assets

<b>For the year ended December 31</b>	<b>2008</b>			<b>2007</b>	
	Investment in Capital Assets	Unrestricted Net Assets	Total	Total	
<b>Balance, beginning of year</b>	<b>\$ 34,336</b>	<b>\$ 60,305</b>	<b>\$ 94,641</b>	<b>\$</b>	<b>146,975</b>
Excess of revenues over expenses (expenses over revenues) <sup>i)</sup>	<b>(22,803)</b>	<b>70,904</b>	<b>48,101</b>		<b>(52,334)</b>
Investment in capital assets	<b>42,829</b>	<b>(42,829)</b>	<b>-</b>		<b>-</b>
<b>Balance, end of year</b>	<b>\$ 54,362</b>	<b>\$ 88,380</b>	<b>\$ 142,742</b>	<b>\$</b>	<b>94,641</b>

- i) Excess of expenses over revenues under Investment in Capital Assets consists of amortization expense net of amortization of deferred funding.

## Ontario Forestry Safe Workplace Association Statement of Operations

For the year ended December 31	2008	2007
<b>Revenues</b> (Note 10)	<b>\$ 2,489,017</b>	<b>\$ 2,443,456</b>
<b>Expenses</b>		
Wages, benefits and personnel costs (Notes 3, 6 and 11)	2,038,583	2,103,389
Travel and vehicle expenses	276,751	280,051
Occupancy costs (Note 7)	125,811	124,848
Program delivery costs	85,404	96,781
Computer services	82,415	71,999
Office and general	55,918	56,074
Directors expenses	41,264	54,387
Equipment and maintenance	35,568	28,611
Insurance, finance and bad debts	22,062	21,812
Advertising and promotion	21,615	20,151
Professional fees and outside consultants	15,570	8,611
Amortization of capital assets	33,626	23,788
	<b>2,834,587</b>	2,890,502
<b>Less: Recoveries</b> (Notes 3 and 12)	<b>393,671</b>	394,712
	<b>2,440,916</b>	2,495,790
<b>Excess of Revenues over Expenses (Expenses over Revenues) for the year</b>	<b>\$ 48,101</b>	<b>\$ (52,334)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# Ontario Forestry Safe Workplace Association Statement of Cash Flows

For the year ended December 31	2008	2007
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses (expenses over revenues) for the year	\$ 48,101	\$ (52,334)
Items not involving cash		
Amortization of capital assets	33,626	23,788
Amortization of deferred revenue and other revenue	(10,823)	(17,478)
Post-retirement benefit expense (Note 6)	97,300	103,600
	168,204	57,576
Changes in non-cash working capital balances		
Accounts receivable	(31,774)	12,429
Prepaid expenses	(4,590)	12,391
Accounts payable, accrued liabilities and vacation payable	(33,999)	1,018
Deferred recoveries	997	(2,839)
Deferred funding - Safety Group	1,528	(4,065)
Deferred revenue - WSIB	8,400	-
	108,766	76,510
<b>Investing activities</b>		
Purchase of investments	(100,000)	-
Purchase of capital assets	(38,493)	(37,176)
	(138,493)	(37,176)
<b>Financing activities</b>		
Payment on capital lease obligation	(15,169)	-
Employee benefits paid (Note 6)	(8,471)	(16,540)
Deferred revenue received (Note 5)	-	88,000
	(23,640)	71,460
<b>(Decrease) increase in cash and cash equivalents during the year</b>	<b>(53,367)</b>	<b>110,794</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>476,277</b>	<b>365,483</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 422,910</b>	<b>\$ 476,277</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# Ontario Forestry Safe Workplace Association Summary of Significant Accounting Policies

December 31, 2008

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<b>Nature of Business</b>	The association was registered under Letters Patent on February 4, 1915 as a corporation without share capital. The association receives funding from the Workplace Safety & Insurance Board (WSIB) in order to provide services and products with respect to health and safety to members of the forestry resource industry.
<b>Income Taxes</b>	The association is an organization without share capital carrying on not-for-profit activities and as such it is exempt from income taxes.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents includes cash on hand, current bank accounts and short-term deposits, if any, with terms to maturity of less than 90 days.
<b>Inventory</b>	Inventories of CD's and DVD's, literature and safety equipment are expensed as incurred.
<b>Capital Assets</b>	Capital asset purchases are stated at cost and are amortized as follows: <ul style="list-style-type: none"><li>Computer hardware and software - straight line basis, over three years, with half the stated rate taken in the year of acquisition.</li><li>Audio visual, and office equipment - straight line basis, over five years, with half the stated rate taken in the year of acquisition.</li><li>Leaseholds - straight line basis over the remaining life of the lease.</li></ul>
<b>Employee Future Benefits</b>	The association offers non-pension post-retirement benefits to employees through defined benefit plans. The costs associated with these future benefits are actuarially determined using the projected benefits method prorated on service and best estimate assumptions. (See Note 6).

# Ontario Forestry Safe Workplace Association

## Summary of Significant Accounting Policies

December 31, 2008

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### Revenue Recognition

Operating funding received from the Workplace Safety and Insurance Board is recognized in the period to which it relates. The association recognizes recoveries when they are earned for training courses, certification and other.

The association accounts for revenue received from WSIB to fund capital asset purchases as deferred revenue. The deferred revenue is amortized and included in revenue at the same rate the respective asset is being amortized.

Recoveries are recognized when products are shipped to customers for publications and CD and DVD sales.

### Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires 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 financial statements, and the reported amounts of revenues and expenses during the year. The principal estimates used in the preparation of these financial statements consist of the assumptions used in the determination of accrued post-retirement expenses. Actual results could differ from these estimates.

### Financial Instruments

The association classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The association's accounting policy for each category is as follows:

#### Assets held-for-trading

Financial instruments classified as assets held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expensed when incurred.

In these financial statements cash and cash equivalents have been classified as held-for-trading.

#### Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Transaction costs are expensed when incurred.

In these financial statements accounts receivable have been classified as loans and receivables and accounts payable and accrued liabilities have been classified as other financial liabilities.

# Ontario Forestry Safe Workplace Association Summary of Significant Accounting Policies

December 31, 2008

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## Financial Instruments (continued)

### Held-to-maturity investments

Financial instruments classified as held-to-maturity investments are carried at amortized cost using the effective interest method. Interest income or expense is included in net income (loss) over the expected life of the instrument. Transaction costs are capitalized to the asset.

In these financial statements short-term investments have been classified as held-to-maturity investments.

## New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the association, are as follows:

### Financial Statement Presentation by Not for Profit Organizations

Section 4400 has been amended for the treatment of net assets invested in capital assets and for the presentation of revenues and expenses. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The association is currently assessing the impact of the new standard.

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

**December 31, 2008**

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### 1. Investments

Short-term investments consists of one guaranteed investment certificate (GIC) for \$150,000 (2007 - one GIC) maturing in May 29, 2009, bearing interest at 4.5%.

Long-term investments consists of three GICs totalling \$250,000 (2007 - one GIC) maturing in May and June 2010, bearing interest at rates between 4.10% and 4.46%.

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### 2. Capital Assets

	2008		2007	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 13,580	\$ 12,968	\$ 13,580	\$ 12,723
Computer hardware	104,914	43,840	87,942	19,625
Computer software	21,906	6,597	8,840	1,476
Audio visual equipment	118,910	109,625	110,455	106,707
Leaseholds	85,628	85,628	85,628	84,501
LAN costs	48,730	48,730	48,730	48,730
	<b>\$ 393,668</b>	<b>\$ 307,388</b>	<b>\$ 355,175</b>	<b>\$ 273,762</b>
Net book value		<b>\$ 86,280</b>		<b>\$ 81,413</b>

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### 3. Safety Group Funding

In fiscal 2008 the association received funding from the Provincial Executive of the Safety Group participants for the specific purpose of offsetting the costs of personnel specific to this program. The amount of funding received during the year was \$54,620 (2007 - \$52,335) and the balance unspent at year end was \$1,528 (2007 - \$NIL). The unspent amount has been recorded as deferred revenue and will be spent in fiscal 2009. The funding of these amounts has been included in recoveries and the expenditure of these amounts has been included in wages, benefits and personnel costs on the statement of operations.

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

**December 31, 2008**

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#### 4. Obligation Under Capital Lease

	<b>2008</b>
Obligation under capital lease - 3%, due October 25, 2010 repayable \$12,393 principal and interest annually.	<b>\$ 23,910</b>
Obligation under capital lease - 3%, due November 1, 2010 repayable \$4,164 principal and interest annually.	<b>8,008</b>
	<b>31,918</b>
Less amount due within one year included in current liabilities	<b>16,493</b>
	<b>\$ 15,425</b>

The future minimum lease payments over the next two years are:

2009	<b>\$</b>	<b>16,493</b>
2010		<b>16,493</b>
		<b>32,986</b>
Less imputed interest		<b>1,068</b>
		<b>\$ 31,918</b>

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#### 5. Deferred Capital Funding - WSIB

In fiscal 2007, the organization received a capital grant from the WSIB in the amount of \$88,000. Of this amount \$79,072 has been spent on capital assets by way of direct purchases or capital leases. Of this amount, \$10,823 (2007 -\$17,478) has been recognized as revenue in fiscal 2008 relating to amortization of this funding relating to capital assets purchased.

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

**December 31, 2008**

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### 6. Accrued Post-Retirement Expenses

At December 31 this liability consists of the following:

- a. Accumulated attendance credits have been provided for employees with less than 3 years service at January 1, 1991 in the amount of \$6,550 (2007 - \$6,421).
- b. Exit benefits accumulating at a rate of 5 days per year of service from January 1, 1991 have accumulated (see below).
- c. The cost of post-retirement benefits including dental and supplemental health insurance to eligible retired employees (see below).

The costs in b. and c. are determined in accordance with accepted actuarial practice. The figures presented are from an actuarial report dated January 24, 2008. Selected information about this plan is as follows:

At December 31, 2008 the association's accrued benefit obligation relating to post-retirement benefit plans is as follows:

	2008	2007
<b>Accrued benefit liability</b> , beginning of year	\$ 516,700	\$ 429,800
Current service costs	40,000	46,400
Interest cost on obligation	37,600	34,000
Amortization of actuarial losses and other	19,700	23,200
	614,000	533,400
Benefit payments	(8,600)	(16,700)
<b>Accrued benefit liability</b> , end of year	<b>\$ 605,400</b>	<b>\$ 516,700</b>

A reconciliation of the association's accrued benefit obligation to the accrued benefit liability is as follows:

	2008	2007
Accrued benefit obligation	\$ 785,000	\$ 716,000
Unamortized transitional obligation	(6,000)	(12,300)
Unamortized net actuarial losses	(173,600)	(187,000)
Accrued benefit liability	<b>\$ 605,400</b>	<b>\$ 516,700</b>

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

**December 31, 2008**

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### 6. Accrued Post-Retirement Expenses (continued)

Included in wages, employee benefits and personnel costs is a net benefit expense as follows:

	2008	2007
Total service cost of the plan for the year	\$ 40,000	\$ 46,400
Interest on average liabilities	37,600	34,000
Amortization of initial obligation	6,300	6,300
Amortization of net actuarial losses	13,400	16,900
	\$ 97,300	\$ 103,600

Actual payments made during the year amounted to \$8,597 (2007 - \$16,540).

	2008	2007
Discount rate used at January 1	5.00%	5.00%
Discount rate used at December 31	5.00%	5.00%
Total value of plan assets	\$ Nil	\$ Nil
Expected average remaining service life of active employees	7.6 years	7.6 years
Dental benefits cost inflation trend	3%	
Health and medical cost inflation trend	14% in 2001 decreasing by 1% per annum to an ultimate rate of 5%	

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### 7. Commitments

The association pays its pro-rata share of the lease costs for its current location to the landlord. During the year the lease was extended for a further five years and will expire in September 2013. Monthly lease payments are currently \$6,980 plus monthly escalator costs.

Certain office equipment is leased under an operating agreement over 5 years at an annual rental amount of \$14,978.

The association guarantees the liability of 5 purchasing cards up to a maximum of \$40,500.

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

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### 8. Subsequent Event

Subsequent to year-end, the Workplace Safety & Insurance Board, the significant funding provider, has approved a business case for Ontario's Prevention System which will undertake a critical assessment and restructuring of its programs and services and the way in which these programs are delivered. During 2008, the current prevention system was reviewed, and partners and stakeholders were surveyed to identify opportunities to improve the delivery of prevention services. As a result, a new prevention system is being proposed to address these concerns and the implementation of this new system will involve the restructuring of the Health and Safety Associations (HSA) from fourteen to six and the existing safe workplace associations will be amalgamated into four new organizations. As a result, this association will become part of the Northern HSA which will service all sectors in Northern Ontario, including the forestry, mining, pulp and paper and other industries. The new entity will service approximately 20,000 employers. It is expected that throughout 2009, the four new organizations will commence operations under new legal entities with new Boards of Directors and the Chief Executive Officers will select their management teams and establish organizational structures. It is anticipated at this time that the new structure will become effective as of January 1, 2010.

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### 9. Unrestricted Net Assets - WSIB Funding Policy

The WSIB's "Designated Entity Surplus Policy" dated January 30, 2007 was adopted by the association and became effective on January 1, 2008. The new policy states that the association may elect to follow the requirements set out in the WSIB's "Designated Entity Surplus Policy" dated January 30, 2007 or elect to follow the requirements set out in WSIB's "Health and Safety Association Surplus Recovery Policy" dated March 23, 2001. In accordance with the WSIB's "Health and Safety Association Surplus Recovery Policy" dated March 23, 2001 the association was only allowed to maintain an unrestricted fund balance based on 6% of the current year's WSIB funding, the "Designated Entity Surplus Policy" no longer includes a policy regulating the unrestricted fund balance at year end.

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### 10. Revenues

	<u>2008</u>	<u>2007</u>
<b>Revenues - Workplace Safety &amp; Insurance Board Funding</b>	<b>\$ 2,478,194</b>	<b>\$ 2,425,978</b>
<b>Add:</b> Amortization of deferred revenue	<b>10,823</b>	13,886
<b>Add:</b> Recognition of deferred funding	-	3,592
<b>Revenues - Statement of Operations</b>	<b>\$ 2,489,017</b>	<b>\$ 2,443,456</b>

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

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### 11. Employee Benefits

The association's employees participate in a multi-employer pension plan with the Workplace Safety & Insurance Board (WSIB). The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Each year an independent actuary determines the funding status of WSIB's pension plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation available at the time of financial statement preparation was prepared at December 31, 2007 and disclosed total actuarial liabilities of \$1,663 million in respect of benefits accrued for service with actuarial assets at that date of \$1,702 million indicating an actuarial surplus of \$39 million. Because WSIB's pension plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of WSIB organizations and their employees. As a result, the association does not recognize any share of the WSIB pension surplus or deficit. Included in wages, benefits and personnel costs is employer contributions to this plan in the amount of \$169,409 (2007 - \$174,449).

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### 12. Recoveries

	<u>2008</u>	2007
Courses and seminars	\$ 227,114	\$ 252,206
MTCU - Mechanical harvesting project and other	59,266	21,357
Safety Group (Note 3)	53,091	52,335
Publications, CD's and DVD's	24,938	34,996
Interest	29,262	33,818
	<u>\$ 393,671</u>	<u>\$ 394,712</u>

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### 13. Economic Dependence

The Association receives a significant amount of its revenue from the Workplace Safety & Insurance Board based on annual budget submissions to the Board.

# Ontario Forestry Safe Workplace Association

## Notes to Financial Statements

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### 14. Financial Instruments

#### a. Fair Values

The association's financial instruments are comprised of cash and cash equivalents, investments, accounts receivable, and accounts payable and accrued liabilities.

Cash and cash equivalents is reported at fair value on the statement of financial position. Investments, accounts receivable and accounts payable and accrued liabilities are reported at amortized cost which approximates fair value due to their short-term nature.

#### b. Risks arising from Financial Instruments

##### Credit Risk

The association's cash and cash equivalents and investments are all held at a major financial institution. The association's accounts receivable are made up of a large number of balances from customers in the Ontario forestry industry.

##### Interest Rate Risk

The association manages its portfolio investments based on its cash flow needs and with a view to optimizing its interest income.

The effective interest rate on short-term investments during the year varied from 4.10% to 4.50% (2007 - 4.25% to 4.50%). The average interest rate at the end of the year was 4.30% (2007 - 4.37%) with investments maturing from between five months and one and a half years.

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### 15. Capital Disclosures

The association considers its capital to be the balance retained in net assets, which is generally the difference between its assets and its liabilities as reported on its statement of financial position. The association receives funding from the WSIB for the delivery of programs. These funds are maintained and disbursed under the terms of the relevant funding agreements and management is responsible for adhering to the provisions of these agreements. The association's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its services. Management maintains its capital by ensuring that annual operating and capital budgets are developed based on known or estimated sources of funding. These budgets are shared with all management of the association to ensure that the capital of the association is maintained.

