

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)**

FINANCIAL STATEMENTS

DECEMBER 31, 2020

DRAFT

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DECEMBER 31, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Members of:
Nova Scotia Construction Safety Association

Opinion

We have audited the financial statements of **Nova Scotia Construction Safety Association** ("the Association"), which comprise the statement of financial position as at December 31, 2020 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dartmouth, Nova Scotia
May XX, 2021

Chartered Professional Accountants

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NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020 Budget \$	2020 Actual \$	2019 Actual \$
REVENUES			
Membership (Note 12)	2,255,600	2,163,478	2,144,877
Safety services	833,200	584,725	889,642
Other (Note 13)	62,400	64,481	65,587
Government assistance	-	25,000	-
	<u>3,151,200</u>	<u>2,837,684</u>	<u>3,100,106</u>
EXPENSES			
<i>Safety services</i>			
Salaries and benefits - training	747,755	673,150	658,536
Training	130,900	102,299	104,847
Salaries and benefits - COR services	662,298	596,218	583,275
COR services	46,900	15,996	37,681
Salaries and benefits - OH&S	427,289	384,657	376,307
OH&S services	25,200	24,805	16,356
Research and communications	243,600	77,438	164,985
Quality assurance	21,800	5,725	6,480
Amortization of capital assets	12,275	12,275	14,395
	<u>2,318,017</u>	<u>1,892,563</u>	<u>1,962,862</u>
<i>Administrative</i>			
Salaries and benefits	299,103	259,443	263,503
e-Logic learning system	158,800	153,922	123,975
Settlement	-	125,000	-
Professional fees	77,300	88,334	105,937
Staff education	69,900	31,893	34,086
Board of directors	35,900	25,298	5,957
Staff travel	50,200	15,031	24,109
Interest and bank charges	18,050	13,979	15,075
Other	26,200	10,850	16,767
	<u>709,253</u>	<u>723,750</u>	<u>572,642</u>
<i>Operating</i>			
Property	213,300	185,904	160,030
Amortization of capital assets	104,925	91,055	84,390
Amortization of intangible assets	51,900	52,857	41,202
Office supplies	22,000	21,023	20,129
Telephone	23,000	19,398	18,079
Postage	21,500	16,155	19,295
Office equipment operating leases	2,700	2,736	2,227
Advertising and promotion	1,500	338	2,664
	<u>440,825</u>	<u>389,466</u>	<u>348,016</u>
	<u>3,494,295</u>	<u>3,005,779</u>	<u>2,900,287</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(343,095)</u>	<u>(168,095)</u>	<u>199,819</u>

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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	Investment in Capital and Intangible Assets	Unrestricted	Internally Restricted (Note 9)	Total 2020	Total 2019
	\$	\$	\$	\$	\$
Net assets - beginning of year	1,711,295	1,350,524	204,068	3,265,887	3,066,068
Excess (deficiency) of revenues over expenses	(156,187)	(12,843)	935	(168,095)	199,819
Acquisition of capital assets	14,190	(14,190)	-	-	-
Acquisition of intangible assets	18,001	(18,001)	-	-	-
Payments on obligation under capital lease	11,288	(11,288)	-	-	-
Interfund transfers	-	(9,000)	9,000	-	-
Net assets - end of year	<u>1,598,587</u>	<u>1,285,202</u>	<u>214,003</u>	<u>3,097,792</u>	<u>3,265,887</u>

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**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

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	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	531,560	1,133,507
Cash - internally restricted (Note 9)	103	204,068
Term deposits	717,201	-
Term deposits - internally restricted (Note 9)	213,900	-
Accounts receivable (Note 3)	297,063	360,969
Prepays	<u>39,952</u>	<u>34,604</u>
	1,799,779	1,733,148
CAPITAL ASSETS (Note 4)	1,380,574	1,469,714
INTANGIBLE ASSETS (Note 5)	<u>256,674</u>	<u>291,530</u>
	<u>3,437,027</u>	<u>3,494,392</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	264,314	144,396
Deferred revenue (Note 7)	36,260	34,160
Current portion of obligation under capital lease	<u>9,454</u>	<u>8,971</u>
	310,028	187,527
OBLIGATION UNDER CAPITAL LEASE (Note 8)	<u>29,207</u>	<u>40,978</u>
	<u>339,235</u>	<u>228,505</u>
NET ASSETS		
INVESTMENT IN CAPITAL AND INTANGIBLE ASSETS	1,598,587	1,711,295
UNRESTRICTED	1,285,202	1,350,524
INTERNALLY RESTRICTED (Note 9)	<u>214,003</u>	<u>204,068</u>
	<u>3,097,792</u>	<u>3,265,887</u>
	<u>3,437,027</u>	<u>3,494,392</u>
COMMITMENTS (Note 10)		
SIGNIFICANT EVENT (Note 11)		

Approved by the Board

_____ Director

_____ Director

NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020	2019
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess (deficiency) of revenues over expenses	(168,095)	199,819
Items not affecting cash		
Amortization of capital assets	103,330	98,785
Gain on disposal of capital assets	-	(1,214)
Amortization of intangible assets	<u>52,857</u>	<u>41,202</u>
	(11,908)	338,592
Changes in non-cash working capital items		
Accounts receivable	63,906	63,146
Prepays	(5,348)	(17,951)
Accounts payable and accrued liabilities	119,918	105,646
Deferred revenue	<u>2,100</u>	<u>12,076</u>
	<u>168,668</u>	<u>501,509</u>
FINANCING		
Payments on obligation under capital lease	(11,288)	(12,105)
INVESTING		
Acquisition of term deposits	(931,101)	-
Acquisition of capital assets	(14,190)	(430,266)
Proceeds on disposal of capital assets	-	7,400
Acquisition of intangibles	<u>(18,001)</u>	<u>(19,500)</u>
	<u>(963,292)</u>	<u>(442,366)</u>
CHANGE IN CASH	(805,912)	47,038
CASH - beginning of year	<u>1,337,575</u>	<u>1,290,537</u>
CASH - end of year	<u><u>531,663</u></u>	<u><u>1,337,575</u></u>
 Cash consists of:		
Cash	531,560	1,133,507
Cash - internally restricted	<u>103</u>	<u>204,068</u>
	<u><u>531,663</u></u>	<u><u>1,337,575</u></u>

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. OPERATIONS

The Nova Scotia Construction Safety Association ("the Association") was incorporated under the Societies Act of Nova Scotia on May 21, 1993. It is committed to providing quality, accessible and affordable safety services. As an Association founded by and responsible to the construction industry, the Association is dedicated to developing a positive occupational health and safety culture within the province's construction sector and its communities of interest. The Association is a non-profit organization and is exempt from income taxes under Section 149.1(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Net asset funds

Investment in Capital and Intangible Assets Fund

The Investment in Capital and Intangible Assets Fund is used to account for capital and intangible assets, including their acquisition, financing, amortization and disposal. Operating costs of capital assets are accounted for by the Investment in Capital and Intangible Assets Fund.

Unrestricted Fund

The Unrestricted Fund is used for the Association's day-to-day ongoing activities. This fund includes the assets, liabilities, revenues and expenses other than those related to the Investment in Capital and Intangible Assets Fund and Internally Restricted Fund.

Internally Restricted Fund

The Internally Restricted Fund was created by the Board of Directors for the purpose of financing the cost of specific future capital asset replacements.

Cash and internally restricted cash

Cash and internally restricted cash consists of cash on hand and bank balances held with a financial institution.

NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets are recorded at cost. Amortization is provided for using the following rates and methods over their estimated useful lives as follows:

Assets under capital lease	Term of lease	Straight line
Building	4%	Diminishing balance
Computer equipment - administrative	30%	Diminishing balance
Computer equipment - services	30%	Diminishing balance
Office equipment	20%	Diminishing balance
Paving	8%	Diminishing balance
Sign	10%	Diminishing balance
Training equipment	20%	Diminishing balance

One half year's amortization is taken in the year of acquisition and year of disposal.

Intangible assets

Intangible assets are accounted for at cost. Amortization is based on the estimated useful life using the straight line method over a 5-10 year period. One half year's amortization is taken in the year of acquisition and year of disposal.

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. Any impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Membership revenue

Membership revenue relating to the Workers' Compensation Board of Nova Scotia ("WCB") levy is recorded based on amounts provided by WCB as per Note 12. Associate membership revenue is recorded when billed, at the beginning of the membership term, provided collection is reasonably assured.

Safety services

Safety services revenue is recognized when the service has been provided to the member, provided the price is fixed or determinable and collection is reasonably assured.

NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

Other revenue

Other revenue, consisting of investment, rental and other, is recognized on a monthly basis, when earned, provided the price is fixed or determinable and collection is reasonably assured.

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and obligation under capital lease.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in the excess of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in the excess of revenues over expenses.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for uncollectible accounts receivable, WCB levy receivable, useful lives of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates (continued)

The main item for which a significant estimate was made is accounts receivable for a levy received from WCB. To estimate this amount, management is required to make various assumptions that it considers reasonable. Any changes to the assumptions could have a significant impact on the Association's excess of revenues over expenses and financial position. As a result, the membership revenue of the Association could increase or decrease in upcoming years as described in Note 12.

Government assistance

The Association recognizes government assistance when the conditions under which the assistance was approved have been met and collection is reasonably assured. Government assistance related to non-capital expenditures are recognized as revenue in the period in which the related expenses were incurred. Capital asset grants are accounted for as a reduction of the cost of the related asset.

3. ACCOUNTS RECEIVABLE	2020	2019
	\$	\$
Trade receivables	89,053	120,410
WCB levy receivable	227,180	257,502
Allowance for doubtful accounts	(19,170)	(16,943)
	<u>297,063</u>	<u>360,969</u>

4. CAPITAL ASSETS	Cost	Accumulated Amortization	Net 2020	Net 2019
	\$	\$	\$	\$
Land	128,565	-	128,565	128,565
Assets under capital lease	49,949	14,985	34,964	44,954
Building	1,427,273	682,806	744,467	775,487
Computer equipment - administrative	242,360	211,597	30,763	27,388
Computer equipment - services	382,447	373,317	9,130	13,043
Office equipment	211,906	182,099	29,807	36,636
Paving	412,014	54,019	357,995	389,125
Sign	27,461	16,025	11,436	12,707
Training equipment	194,213	160,766	33,447	41,809
	<u>3,076,188</u>	<u>1,695,614</u>	<u>1,380,574</u>	<u>1,469,714</u>

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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5. INTANGIBLE ASSETS	Cost \$	Accumulated Amortization \$	Net 2020 \$	Net 2019 \$
Application development	-	-	-	19,500
Curriculum development	304,078	142,210	161,868	192,276
LMS software system	124,048	32,714	91,334	74,893
Website	<u>6,945</u>	<u>3,473</u>	<u>3,472</u>	<u>4,861</u>
	<u>435,071</u>	<u>178,397</u>	<u>256,674</u>	<u>291,530</u>

During the year, applications development of \$19,500 was complete and capitalized in LMS Software System.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020 \$	2019 \$
Trade payables	40,267	86,176
Accrued liabilities	221,064	57,869
Government remittances	<u>2,983</u>	<u>351</u>
	<u>264,314</u>	<u>144,396</u>

7. DEFERRED REVENUE

	2020 \$	2019 \$
Safety services	<u>36,260</u>	<u>34,160</u>

8. OBLIGATION UNDER CAPITAL LEASE

	2020 \$	2019 \$
Xerox Canada Ltd, repayable in quarterly instalments of \$2,858 until December 2024, including interest at 5.27% per annum, secured by office equipment with a net book value of \$34,965.	38,661	49,949
Less current portion	<u>9,454</u>	<u>8,971</u>
	<u>29,207</u>	<u>40,978</u>

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

8. OBLIGATION UNDER CAPITAL LEASE (Continued)

Future minimum lease payments due over the next four years on obligation under capital lease are as follows:

	\$
2021	8,573
2022	11,430
2023	11,430
2024	<u>11,430</u>
	42,863
Less amount representing interest	<u>4,202</u>
Balance	<u><u>38,661</u></u>

9. INTERNALLY RESTRICTED NET ASSETS

The Association has established a capital reserve fund held in an interest bearing account and guaranteed investment certificates for the purpose of financing the cost of specific future capital asset replacement. Annual funding and the specific projects that are to be financed by the capital reserve fund are decided by the Board. The funds are held in the capital reserve fund's interest bearing bank account.

10. COMMITMENTS

The Association has entered into lease agreements for a vehicle and office equipment. Future minimum lease payments over the next four years are as follows:

	\$
2021	9,357
2022	9,357
2023	2,457
2024	614

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
(OPERATING AS CONSTRUCTION SAFETY NOVA SCOTIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

11. SIGNIFICANT EVENT

On March 11, 2020 the World Health Organization categorized COVID-19 a global pandemic. The Association's membership levels have not experienced significant adverse impact, however safety service classroom operations have seen a significant adverse impact in shifting to online offerings. Any further impact this outbreak may have on the Association's operations cannot be reliably estimated at this time.

The Government of Canada initiated various programs to mitigate the impact of the pandemic. During the year, the Association received \$25,000 from the 10% Temporary Employment Wage Subsidy program.

The Association continues to operate and the full impact of this event on the Association's cash flows is not known at this time.

12. MEMBERSHIP REVENUE

Included in membership revenue is the industry-wide levy received by the Association from construction contractors. At each year end, the Association records an amount receivable for this levy based on amounts provided by WCB. The levy is calculated based on \$0.17 per \$100 of estimated payroll for employers in the construction and ready-mix concrete industries. The receivable amount is an estimate based on changing factors and as a result is subject to over or understatement. Any amounts received in excess of the prior year's receivable are recorded as revenue in the year in which they are received.

	2020	2019
	\$	\$
Levy assessed relating to the current fiscal year	2,133,949	2,127,673
Levy received relating to the prior years in excess of estimate	26,729	7,504
Associate membership revenue	<u>2,800</u>	<u>9,700</u>
	<u>2,163,478</u>	<u>2,144,877</u>

**NOVA SCOTIA CONSTRUCTION SAFETY ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
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13. OTHER REVENUE	2020	2019
	\$	\$
Investment	10,084	14,910
Rental	44,574	41,028
Other	<u>9,823</u>	<u>9,649</u>
	<u>64,481</u>	<u>65,587</u>

14. OPERATING LINE OF CREDIT

The Association has an operating line of credit authorized in the amount of \$250,000, secured by a general security agreement over all assets of the Association, bearing interest at the Bank's prime rate plus 1% per annum. As of December 31, 2020 the balance on the operating line of credit was \$NIL (2019 - \$NIL).

15. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at December 31, 2020.

It is management's opinion that the Association is not exposed to significant currency or interest rate risks from its financial instruments. The risks arising on financial instruments are limited to the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash, accounts receivable and investments. The Association deposits its cash and purchases investments from a reputable financial institution and therefore believes the risk of loss to be remote. The Association is exposed to credit risk from accounts receivable. Approximately 62% (2019 - 76%) of the Association's accounts receivable balance is due from WCB. The Association believes this credit risk is minimized as the Association has a close business relationship and no collection issues with WCB in the past. A provision for impairment of accounts receivable is established when there is objective evidence that the Association will not be able to collect all amounts due.

15. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and obligation under capital lease. The Association generates sufficient cash flow from operating activities to fund operations and fulfil obligations as they become due. Sufficient financing facilities are in place should cash requirements exceed cash generated from operations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to this risk mainly in respect of its investments.

16. BUDGET AMOUNTS

The budget amounts disclosed on the statement of operations are unaudited and are provided for information purposes only.

17. ECONOMIC DEPENDENCE

The Association is economically dependent on monies collected from employers in the construction sector in the form of a levy. The levy is collected on the Association's behalf by WCB. There is an agreement in place between the Association and WCB regarding this levy. The agreement was renewed on September 1, 2020 and ends on August 31, 2024.