

# 2019 ANNUAL REPORT



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# MESSAGE FROM THE BOARD

The Centre for Health & Safety Innovation (CHSI) is a destination for innovation and applied learning in the prevention and elimination of workplace injuries and illnesses. As directors of the Board, we are committed to CHSI's mission of being a unique meeting place that inspires prevention in Ontario communities.

This past year has seen the world changing, leaders uniting and businesses responding. We are dedicated to providing a key resource to assist organizations and their people in thriving in a challenging – and invigorating - new decade.

Innovation is more than a concept to us. It is a necessity and a key driver in how we will shape the future of CHSI. What you need is what we need – and we are here with you to meet the challenges and make a difference going forward.

## 2019 BOARD MEMBERS



**LYNN BROWNELL**  
*President and CEO, WSPS*



**SANDRA MILLER**  
*Vice President, Government  
Relations, WSPS*



**ENZO GARRITANO**  
*President and CEO, IHSA*



**FATIMA LUIS**  
*Vice President, Marketing &  
Finance, IHSA*



# A LETTER FROM THE GM



*Michael J. Smith*

## CHSI STAFF

(\*As of December 2019)

Our team is behind every aspect of CHSI and the CEC strategy. We are committed to delivering superior performance and outstanding customer service experiences.

**Michael J. Smith**  
*General Manager*

**Jack Mangal**  
*Facilities Manager*

**Murray Parr**  
*Guest Services Manager*

**Serie Buzmion**  
*Office & Accounting Coordinator*

**Andrew Fernandes**  
*Facilities Coordinator*

**Anna Santoli**  
*Reservations Coordinator*

**Shahad Ashoor**  
*Client Services Coordinator*

**Lawrence Goldbourne**  
*Day Porter*

CHSI is a dynamic meeting place. We believe that the experience our guests have at our Centre is the most important factor. CHSI is a place to foster new relationships and connect with your existing network of colleagues. We take pride in our ability to allow this aspect of community to thrive.

The Corporate Event Centre is our brand. It is what we are all about. The Corporate Event Centre at CHSI is where our guests attend meetings, training events, conferences, seminars, and learn. We believe that learning is more than just attending some of these events. Learning is also more than just the content of these events. The facilities, amenities and ancillary services are here to complement learning.

During 2019, we saw a growth in new clients. We welcome you to the centre and thank you for trusting us as your host. Our business development plan focuses on growing our business; however, we can never lose sight of our trusted and loyal guests that form our foundation. Thank you to the continued business that you bring to our centre. We also thank our collaborative relationships with our members, tenants and service providers. Their professional approach brings joy and life to our centre. Please remember to connect with our various tenants to see how they might help you.

As a non-profit entity, we are always looking for innovative and creative ways to support health and safety awareness, education and training. We are focused on creating new programs and a speaker series for CHSI. This too, will complement what is already here. We are excited about this development and look forward to releasing more details in 2020.

In the meantime, stay healthy and be well.

With gratitude.



# STRATEGIC FOCUS

Our focus, has and always will remain, on building our vision. That vision is communities free of injuries and illness. Historically, CHSI has been an unique meeting place for collaboration and innovation to prevent injuries and illness. Supporting our members, clients, guests, service provider partners and tenants, we remain committed to this vision. The strategic focus of CHSI is to broaden this focus.

We will be working on developing and delivering programs that supplement the work of our partners. This includes, but not limited to a speaker series, that focuses on effective organizations. Effective organizations and the people and communities that invest so much of their time towards health, safety and wellness is paramount. The focus of CHSI over the next 5 years, guided by a strategic plan update in 2021 will be the blue print for our future.

## OUR VISION

Communities free of injuries and illness.

## OUR MISSION

"To be a unique meeting place for applied learning and innovation and to inspire prevention in the community."

## OUR VALUES

1. Respect for each other, our communities and unique contributions
2. Customer focus
3. Lead by example in creating a healthy and safe environment
4. Life-long learning
5. Entrepreneurial spirit
6. Responsible stewardship and transparency

# BUSINESS VISION

## VALUE PROPOSITION

CHSI's value proposition tells prospects why they should do business with us rather than our competitors and makes the benefits of products or services crystal clear from the outset.

With a focus on generating awareness and action among our targeted business communities, all communication materials feature key messages:

### WE ARE A FOCAL POINT:

A meeting place that serves as the nexus of health and safety in Ontario for applied learning in the prevention and elimination of workplace injuries and illnesses.

### WE ARE A RESOURCE:

For key employers, employees and others seeking expertise and direction on how to make workplaces injury and illness free.

### WE ARE COLLABORATIVE:

A space to cultivate new ideas, initiatives, partnerships and alliances in health and safety, facilitating the exchange of knowledge from its roots in research to application in the workplace.

# OUR DIGITAL SPACE

Digital Media is one of the best ways to connect with clients who already love our brand. It's also important for reaching those who haven't heard of our business yet. With the help of Ankit Designs maintaining our fresh CEC and "mobile-first," AODA compliant website we're focused on delivering superior value and connecting with the right audience.

# 26K IMPRESSIONS

The CEC brand continues to have an active presence on multiple platforms with the following platforms. Thanks to a re-focus on social media, we can engage with our guests on a real-time basis to answer their questions or address their concerns. We are listening and responding on Facebook, Twitter, LinkedIn and Instagram.



# COMMUNITY MATTERS

In the past few years we have seen a shift in the attitude towards community engagement from a 'nice-to-have' to a crucial element of a company. We're always looking for ways to connect with our community on a deeper level. Here is what we accomplished this year:



Hispanic Womens Network



Tenant Christmas Lunch



Velocity Cycling Club



*a highlight of...*

# What Our Clients Are Saying ..

*The Corporate Event Centre at CHSI, is where great events start. Whether you need a meeting, training or conference space, we ensure seamless meeting experiences that increase focus, collaboration and productivity.*



*"The rooms were extremely easy for meeting administrators to set up! It's a great space. We've had positive feedback from our members who have attended meetings at the event space and we'll absolutely use the meeting space again in the future! Thank you for accommodating our last-minute requests- this helped us tremendously!"*

- MEDTECH CANADA

*"Cost to book a boardroom is incomparable to any other venue in the area- from a Government perspective this is very important!"*

- CANADA BORDER SERVICES AGENCY

*"The facility was very nice, very professional atmosphere and brightly lit rooms with lots of windows. All the equipment that we required was part of the room cost which we really appreciated. Overall, very satisfied with our experience at the Corporate Event Centre."*

- HANSON CANADA



*The Centre worked perfectly for our meeting purposes and the staff there was only too happy to help in the coordination. Everyone was very pleased. Thank you!"*

- MOLSON COORS CANADA



*"The space was very professional, the room and facility were clean, and the room was exactly what we expected to take our clients to. We were impressed with the overall set up of Centre. This particular event had several of our executives attend and they were very impressed with the facility. We look forward to returning in the future."*

- CSN COLLISION



*Corporate Event Centre's highlights are complimentary parking; all rooms are appropriate for training; onsite catering and cafe; and laptop connectivity. The place is perfect. Everything is superb!*

- MINISTRY OF TRANSPORTATION



*a year's overview of*

# OUR FACILITY AT A GLANCE

6

MAJOR FACILITIES PROJECTS  
COMPLETED INCREASING  
CLIENT EXPERIENCE

The beginning of the year the parking lot was in very poor condition. The pavement was cracked and unsightly. Cracks and potholes show up as a result of inclement weather and heavy use, we worried this could give our customers the wrong impression of our business. Also, as a business that prides itself free of injuries and illness repaving the parking lot goes beyond just curb appeal; it means ensuring employees, tenants and our customers are safe from risk for an accident or injury — all to deliver a positive memorable experience at the Corporate Event Centre.

## COMPLETED PROJECTS

- Parking Lot Repair - Paving and Painting Lines
- Fence Repair
- Furniture Replacement - Chair and Table
- Wheel Repairs
- Energy Audit
- General Facility Repairs and Maintenance



*before*



*after*



# FOOD SERVICES



*Transform your food service experience. Every day.*

## WHAT DOES THIS MEAN TO YOU?

*Transform is a powerful word. Each Dana café delivers:*

- Enhanced safety measures
- A variety of great fresh foods prepared from scratch
- Unique menus every day
- Unprecedented customer engagement
- Adaptable practices based on continually listening so your food service vision becomes a reality.

Let's face it, if you wanted "status quo" and your employees, guests or students were satisfied with highly processed and packaged goods from food factories, then you likely wouldn't be reading this. Today's consumers demand better food, safer food and meals made-from-scratch that avoid additives, preservatives or genetically modified ingredients and excessive packaging.

Our Brand Belief & Behaviours are how we hold our culinary teams fundamentally accountable to behave and make decisions when serving every guest, every day.

Our blend of local sourcing, culinary craftsmanship and inherently healthy menu choices gives guests confidence in choosing their unique, daily meal selections.

Our brand behaviours ensure that we deliver our brand promise to you every day.

## LEADING EDGE SAFETY

Safety is the most important aspect of cooking great meals from scratch every day. All Dana food service employees must complete the TrainCan Basics.fst® food safety program. All Supervisors are mandated to complete the TrainCan ADVANCED.fst® food safety program as a supervisor.

The proof is in the results. Dana operations hold the best safety record for the lowest Lost-Time Accidents in the Canadian food service industry. We provide monthly and on demand training on every topic from Food Safety, Health & Safety to new operational enhancement programs to keep our culinary teams current.

Dana Hospitality continues our dedication to supporting our hospitals, businesses, higher education and private school clients and employees whom we serve every day. Our culture of cooking from scratch is driven by skilled culinary teams who are committed to practicing high Food Safety and Worker Health & Safety standards. This training has helped our teams adapt quickly to being able to operate under extraordinary environments.

## CREATE

*We empower our culinary teams to deliver friendly, professional and authentic food experiences every day.*

## RELATE

*We actively listen to feedback and incorporate changes into our daily menus based on these guest interactions.*

## INNOVATE

*Our cafés take a comprehensive holistic approach to effectively implement best sustainable practices.*



# CENTRE FOR HEALTH & SAFETY INNOVATION'S ENVIRONMENTAL SAVINGS

**82KG**

of Wood

**1,818 L**

Water



We take sustainability seriously creating more environmental opportunities and procedures.

**184 KG**of CO<sub>2</sub>**13KG**

of waste



CHSI is committed to leading by example, ensuring sustainable practices, sourcing local farms and suppliers reducing the waste of long distance food distribution.

## How We Calculate Environmental Impact



*Our calculations for environmental savings are based your account's use of DocuSign as of February 2020. We update account-specific data approximately every two weeks, and estimate the number of pieces of paper saved by looking at three factors:*

- 1. Number of envelopes sent*
- 2. Number of pages per envelope*
- 3. Number of receipts per envelope*



# FINANCIAL STATEMENTS 2019

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Centre for Health &  
Safety Innovation

Financial Statements  
For the year ended  
December 31, 2019



*a year's overview*

# FINANCIAL HIGHLIGHTS



## Independent Auditor's Report

To the Board of Directors of  
Centre for Health & Safety Innovation

### *Report on the Financial Statements*

#### *Opinion*

We have audited the accompanying financial statements of Centre for Health & Safety Innovation, which comprise the balance sheet as at December 31, 2019 and the statements of loss and and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Centre for Health & Safety Innovation as at December 31, 2019, and its financial performance 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 ("CAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter*

We draw attention to note 14 on the financial statements, which describes the impact of the emergence of the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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

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

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with CAS. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



As part of an audit in accordance with CAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. 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 Centre's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
5. 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.

*S+C Partners LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Mississauga, Ontario  
April 9, 2020

**Centre for Health & Safety Innovation****Statement of Operations and Net Assets**

Year ended December 31, 2019

	2019	2018
<b>Revenue</b>		
Building rental (note 11)	\$ 3,080,841	\$ 3,014,121
Food services (note 3)	922,469	892,452
Room rental	757,181	810,409
Interest	57,310	62,286
Operating cost recoveries (note 11)	30,634	784,596
Other	6,794	2,412
Community events	-	3,388
	<b>4,855,229</b>	<b>5,569,664</b>
<b>Expenses</b>		
Rent	3,024,947	2,904,950
Salaries and benefits (note 7)	768,606	640,622
Food services (note 3)	692,872	671,697
Utilities	342,782	327,481
Repairs and maintenance (note 8)	262,386	369,577
Office services and equipment	185,564	205,567
Amortization	179,649	158,369
Cleaning	128,327	177,903
Mailroom	53,531	52,144
Professional fees	49,027	68,896
Life safety and security	15,438	15,066
Advertising and promotion	10,027	20,083
Travel	2,021	1,879
Special events	988	704
Bad debts	-	2,189
	<b>5,716,165</b>	<b>5,617,127</b>
<b>Deficiency of revenue over expenses</b>	<b>\$ (860,936)</b>	<b>\$ (47,463)</b>

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

## Centre for Health &amp; Safety Innovation

## Statement of Financial Position

December 31, 2019

<b>Assets</b>	<b>2019</b>	<b>2018</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,354,724	\$ 3,472,158
Receivables (note 11)	251,533	222,722
Prepaid expenses	35,838	294,886
Current portion of straight-line rent	160,101	160,101
	<b>3,802,196</b>	<b>4,149,867</b>
<b>Long-term investments</b>	-	200,000
<b>Capital assets (note 4)</b>	<b>201,384</b>	<b>332,306</b>
<b>Lease deposit (note 5)</b>	<b>311,563</b>	<b>302,620</b>
<b>Long-term portion of straight-line rent</b>	<b>26,683</b>	<b>186,784</b>
	<b>\$ 4,341,826</b>	<b>\$ 5,171,577</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 6 and 11)	\$ 81,677	\$ 280,543
Current portion of straight-line rent	160,101	160,101
	<b>241,778</b>	<b>440,644</b>
<b>Long-term portion of straight-line rent</b>	<b>407,743</b>	<b>186,784</b>
<b>Tenant deposits (note 5)</b>	<b>243,129</b>	<b>234,037</b>
	<b>892,650</b>	<b>861,465</b>
<b>Net assets</b>		
<b>Unrestricted net assets</b>	<b>644,238</b>	<b>1,488,204</b>
<b>Replacement reserve (note 8)</b>	<b>1,753,861</b>	<b>1,770,831</b>
<b>Members' capital investment (note 9)</b>	<b>1,051,077</b>	<b>1,051,077</b>
	<b>3,449,176</b>	<b>4,310,112</b>
	<b>\$ 4,341,826</b>	<b>\$ 5,171,577</b>

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

Approved :

\_\_\_\_\_  
Director\_\_\_\_\_  
Director



**Centre for Health & Safety Innovation****Statement of Changes in Net Assets**

Year ended December 31, 2019

	Unrestricted net assets	Replacement reserve	Members' capital investment	2019	2018
<b>Net assets, beginning of year</b>	<b>1,488,204</b>	<b>1,770,831</b>	<b>1,051,077</b>	<b>4,310,112</b>	<b>4,357,575</b>
<b>Deficiency of revenue over expenses</b>	<b>(843,966)</b>	<b>(16,970)</b>	<b>-</b>	<b>(860,936)</b>	<b>(47,463)</b>
	<b>644,238</b>	<b>1,753,861</b>	<b>1,051,077</b>	<b>3,449,176</b>	<b>4,310,112</b>

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

## Centre for Health &amp; Safety Innovation

## Statement of Cash Flows

Year ended December 31, 2019

	2019	2018
<b>Cash flows from operating activities</b>		
Net deficiency	\$ (860,936)	\$ (47,463)
Adjustments to reconcile net deficiency to cash provided by operating activities:		
Amortization	179,649	158,369
	(681,287)	110,906
Change in non-cash working capital items related to operations:		
Receivables	(28,811)	(99,148)
Prepaid expenses	259,048	(276,195)
Accounts payable and accrued liabilities	(198,868)	14,138
Deposits	149	121
	(649,769)	(250,178)
<b>Cash provided by (used in) financing activities</b>		
Increase in long-term portion of straight-line rent	381,060	-
<b>Cash provided by (used in) investing activities</b>		
Decrease in long-term investments	200,000	-
Purchase of capital assets	(48,725)	(74,368)
	151,275	(74,368)
<b>Decrease in cash and cash equivalents</b>	(117,434)	(324,546)
<b>Cash and cash equivalents, beginning of year</b>	3,472,158	3,796,704
<b>Cash and cash equivalents, end of year</b>	\$ 3,354,724	\$ 3,472,158
<b>Bank indebtedness is comprised of:</b>		
Cash	\$ 1,756,660	\$ 2,785,925
Term deposits, short-term and cashable	1,598,064	686,233
	\$ 3,354,724	\$ 3,472,158

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

## Centre for Health & Safety Innovation

### Notes to the Financial Statements

December 31, 2019

#### 1 Purpose of organization

Centre for Health & Safety Innovation is a not-for-profit organization, incorporated without share capital. The Centre was incorporated under the laws of Ontario on September 8, 2004. The Centre's purpose is to create a focal point for innovation and applied learning in the prevention of workplace injuries and illnesses and to act as a key resource for employers, employees and others seeking expertise and direction on how to make workplaces safer.

The Centre's members include Workplace Safety & Prevention Services ("WSPS") and the Infrastructure Health & Safety Association of Ontario ("IHSA"). Approximately 59% (2018 - 63%) of the Centre's revenue is generated from these members. WSPS and IHSA contributed 74.4% and 25.6% of the members' capital investment respectively.

The Centre is exempt from income taxes under the Income Tax Act.

#### 2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

##### Basis of presentation

The preparation of these financial statements is in conformity with ASNPO and required management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they became known.

##### Revenue recognition

The Centre recognizes building rent on a straight-line basis over the term of the respective lease agreements.

Food service and room rental revenue are recognized as the services are provided.

Revenue from operating cost recoveries and other incidental income is recognized in accordance with the terms of the subtenant lease agreements in the period to which it relates.

##### Cash and cash equivalents

Cash and cash equivalents consist of current cash accounts and term deposits with a maturity period less than 3 months in length or are cashable prior to maturity.

##### Straight-line rent

The Centre leases space and subleases it to the members and other parties. Rent free periods and step-rent increases are amortized on a straight-line basis, over the term of the respective lease agreements.

##### Investment in joint arrangements

The Centre accounts for its investment in joint arrangements as jointly controlled operations. The Centre records all assets and liabilities it directly incurs, as well as its proportionate share of revenues and expenses for the fiscal year.



## Centre for Health & Safety Innovation

### Notes to the Financial Statements

December 31, 2019

## 2 Significant accounting policies (continued)

### Property, plant and equipment

Property, plant and equipment are stated at cost. Amortization is provided for over the estimated useful life of the assets at the following rates:

Computer hardware	3 years straight line
Furniture and fixtures	5 years straight line

Leasehold improvements are amortized using the straight-line basis over the term of the respective lease.

Amortization in the year of acquisition is recorded at one-half the normal rate.

### Financial instruments

#### Measurement of financial instruments

The Centre initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Centre subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, receivables, and long-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The 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 the reversal is recognized in net income.

## 3 Investment in joint arrangements

The Food Services Arrangement between the Centre and Dana Hospitality LP ("Dana"), to provide catering and cafeteria services within the premises, is a jointly controlled operation effective May 16, 2016. There are no assets or liabilities directly attributable to the Food Services Arrangement. Operating results have been recorded in to the financial statements as follows:

	% Operations
Revenue - Food Services	87.0 %
Expenses - Food Services	87.0 %

Dana is responsible for managing and providing a food service program, employing and training all personnel, offering a variety of menu items to promote healthy and nutritious eating, implementing scheduling, safe food handling, arrange for licensing and permits, collection of cash sales, and cleaning of food preparation surfaces.

The Centre is responsible for providing all necessary equipment and space in premises, utilities for the operation, and all repairs, maintenance and cleaning required.

## Centre for Health & Safety Innovation

### Notes to the Financial Statements

December 31, 2019

#### 4 Property, plant and equipment

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 441,428	\$ 410,422	\$ 31,006	\$ 33,796
Furniture and fixtures	417,890	414,447	3,443	3,592
Leasehold improvements	1,480,412	1,313,477	166,935	294,918
	<b>\$ 2,339,730</b>	<b>\$ 2,138,346</b>	<b>\$ 201,384</b>	<b>\$ 332,306</b>

#### 5 Lease and tenant deposits

In 2006, the Centre paid a deposit of \$761,583 to its landlord. As at December 31, 2019, a total of \$589,650 (2018 - \$589,650) has been amortized as rent expense. The remainder of this lease deposit will be amortized as rent expense in the last month of the term as per the lease agreement (see note 12). The deposit is interest bearing at the Bank of Canada's prime rate, compounded annually. As at December 31, 2019, included in lease deposits is accrued interest totaling \$139,631 (2018 - \$130,688).

In 2005, a third party funder provided funding of \$736,671 to be used as a lease deposit on behalf of the Centre's subtenants. As at December 31, 2019, a total of \$589,650 (2018 - \$589,650) has been amortized as building rental revenue. The remainder of the lease deposit will be amortized as building rental revenue in the last month of the term as per the lease agreement. The deposit is interest bearing at the Bank of Canada's prime rate, compounded annually. As at December 31, 2019, included in tenant deposits is accrued interest totaling \$88,333 (2018 - \$79,389) and other deposits totaling \$7,774 (2018 - \$7,626).

#### 6 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2019	2018
Trade payables and accrued liabilities	\$ 49,461	\$ 269,126
Government remittances payable	32,216	11,417
	<b>\$ 81,677</b>	<b>\$ 280,543</b>

## Centre for Health & Safety Innovation

### Notes to the Financial Statements

December 31, 2019

#### 7 Salaries and benefits

Salaries and benefits consists of the following amounts:

	2019	2018
Salaries - full time	\$ 494,042	\$ 395,476
Salaries - part time	158,953	114,782
Payroll deductions	53,936	58,213
Group benefits	61,675	72,151
	<b>\$ 768,606</b>	<b>\$ 640,622</b>

#### 8 Replacement reserve and interfund transfers

The replacement reserve is an internally restricted fund designated for funding the renewal of the building as directed in the Reserve Fund Study completed in December 2012. Expenditures to the replacement reserve fund are formally approved by the Board of Directors through the Capital Renewal Expenditure Plan. Included in repairs and maintenance expense for the year are expenditures allocated to the replacement reserve fund totaling \$nil (2018 - \$29,964) and amortization totaling \$16,970 (2018 - \$16,970).

#### 9 Members' capital investment

In prior years, the Centre's members contributed funds to pay for initial capital expenditures not covered by other sources of funds, as well as the subtenant build out, fences, and installation of automatic doors. These amounts are reflected as members' capital investment within net assets.

	2019	2018
Workplace Safety & Prevention Services	\$ 781,581	\$ 781,581
Infrastructure Health & Safety Association of Ontario	269,496	269,496
	<b>\$ 1,051,077</b>	<b>\$ 1,051,077</b>



## Centre for Health & Safety Innovation

### Notes to the Financial Statements

December 31, 2019

#### 10 Financial instruments

The Centre is exposed to credit risk through its accounts receivable, which are by nature unsecured. The Centre has credit management procedures in place to mitigate the risk to any one party and to the aggregate balance. The Centre's management is of the opinion that the risk that the Centre will realize a loss as a result of not collecting on its receivables is limited based on past experience, its assessment of current economic conditions and historically minimal bad debts.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Centre is exposed to interest rate risk primarily relating to the term deposits.

It is management's opinion that the Centre is not subject to significant currency, liquidity, or other price risk.

#### 11 Related party transactions

During the year, the Centre collected building rent and operating cost recoveries in the amounts of \$2,855,483 (2018 - \$2,923,097) and \$2,342 (2018 - \$758,832) respectively from its members. These transactions are in the normal course of operations and are recorded at the exchange amount. The exchange amount is the amount of consideration established and agreed to by the related parties. The Centre's members are related by virtue of the composition of the Centre's Board of Directors, which consists entirely of Executives from each of the member organizations.

At December 31, 2019, included in receivables are amounts receivables from related parties totaling \$nil (2018 - \$4,435); included in accounts payable and accrued liabilities are amounts payable to related parties of \$1,744 (2018 - \$53,305).

#### 12 Lease commitments

The Centre leases its premises from a third party. The minimum lease payments under the operating lease, which expires February 2021, are as follows:

Year ending December 31,	
2020	\$ 1,897,448
2021	316,241

#### 13 Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

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## Centre for Health & Safety Innovation

Notes to the Financial Statements  
December 31, 2019

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### 14 COVID-19 pandemic

Subsequent to year-end, the emergence of the COVID-19 pandemic has created a significant impact on global, national and local markets, which could have a material impact on the organization.

Some of the key impacts could include, but are not limited to:

- Closure of facilities
- Absence of key personnel
- Reductions in rentals or earnings
- Slower collections of trade receivables or increased bad debts

Management and the Board of Directors are assessing the impact of the pandemic on the organization and implementing steps as appropriate.

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