

OSSA



The 2002 Annual Report

Message from the Chair

A LOOK BACK. A LOOK AHEAD.

In 2002, the Ontario Service Safety Alliance celebrated its first five years as a health and safety organization. In that time, the contours of the OSSA have taken shape, and we have built an organization and an approach that proves that prevention can save lives and create tangible returns on investment for our stakeholders.

As members of the OSSA, each of us has an important role to play in the success of our organization. Indeed, we each must lead and inspire change. By adopting OSSA's integrated approach to health and safety we are setting ourselves apart from other employers. And we are committing ourselves to making Ontario's service industry the healthiest and safest in the world.

Over the next five years, the OSSA Board of Directors will continue to carefully plan, manage and evaluate our resources to grow our potential and secure the benefits our sector deserves. We support the OSSA in achieving its four key strategic goals: *improving financial viability; learning and growing; improving business processes and leveraging external stakeholders.*

As a member of the OSSA Board of Directors, I have confidence in our management team and I share in their commitment to our strategic direction and business plans. Our collective belief in, and our passion for, health and safety are essential to our success. We look forward to your continued commitment and involvement in this exciting new strategy.

Bob Meehan
Chair, OSSA Board of Directors



Message from the President & CEO

FIVE YEARS OF SUCCESS

Five short years ago, we set out to build a safe workplace association that took a unique approach to workplace health and safety – one that demonstrated a commitment to creativity, innovation and growth.

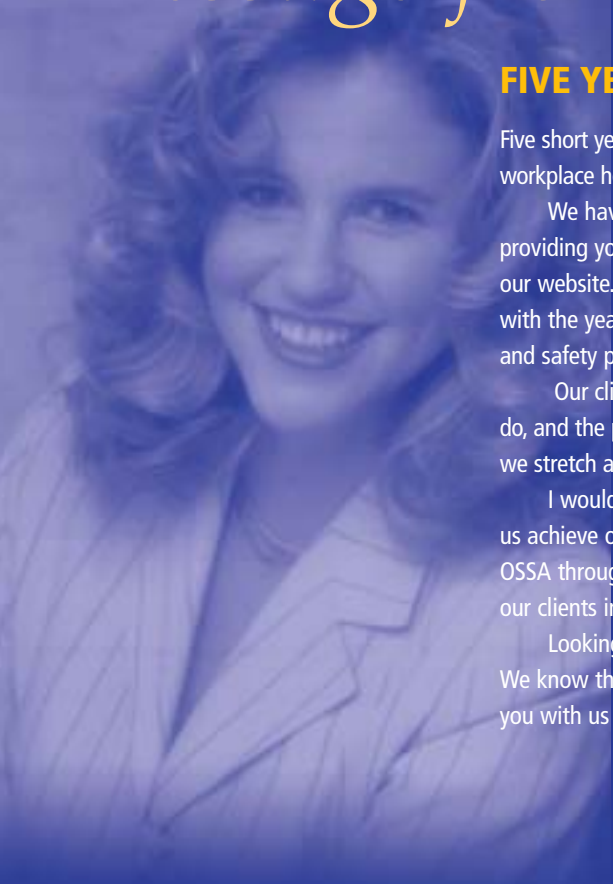
We have worked hard to meet that commitment. In the past five years, the OSSA has focused on providing you with the right streams of service – whether it be our consulting services, our products or our website. We have worked towards developing lasting partnerships that have the capacity to evolve with the years. At the same time, we have encouraged you to grow and become proactive in your health and safety practices.

Our clients have always been the touchstone for all our efforts. OSSA's capacity to change as you do, and the professionalism and dedication of our staff are attributes you can expect to see in volume as we stretch and succeed in reaching our vision and mission.

I would like to recognize our Board members, staff and volunteers for their tireless work in helping us achieve our goals. Special thanks and gratitude go to John Baker who was President & C.E.O. of OSSA throughout 2002. The fact that we achieved so many milestones and accomplished so much for our clients in twelve short months is testament to his leadership, vision and dedication.

Looking ahead, we will continue to welcome opportunities for growth and rise to new challenges. We know that, in another five years, there will be more to celebrate – and we look forward to having you with us to share in our success.

Elizabeth Mills
President & CEO
Ontario Service Safety Alliance



OSSA Vision, Mission and Values

A significant portion of 2002 was dedicated to the development of OSSA's new five-year strategic plan. In addition to a core team, OSSA staff, clients and stakeholders were involved in a series of focus group sessions to support each phase of development. This extremely inclusive and comprehensive process garnered an exciting and challenging new plan.

VISION

Lead and inspire change: Workplace injury and illness are unacceptable.

MISSION

Enable Ontario service sector workplaces to be the healthiest and safest in the world.

VALUES

- We demonstrate the courage to lead through creativity, innovation and growth.
- We model integrity in everything we do; through stewardship, reliability and compassion.
- We build strong, enduring relationships based on trust.
- We are committed to finding ways to do things better.

STRATEGIC GOALS

- Improve financial viability
- Strengthen internal business processes
- Leverage external stakeholders
- Learn and grow

CLIENT/STAKEHOLDER ROLES

OSSA clients are already leading and inspiring change. They have adopted OSSA's integrated approach to health and safety and, as such, are setting themselves apart from other employers.

Each year, OSSA clients save the system:

- \$11 million in premiums
- \$7 million in benefit costs
- 44,000 lost work days
- 620 lost time and non-lost time injuries

We believe the wisdom and commitment of our clients will make Ontario's service sector workplaces the healthiest and safest in the world.

Tim Hortons

As owners of three Tim Hortons franchises in the Niagara Region, Doug and Susan Burr – a husband and wife Tim Hortons franchise team – have the entrepreneurial drive, management skills and dedication required in today's competitive food industry.

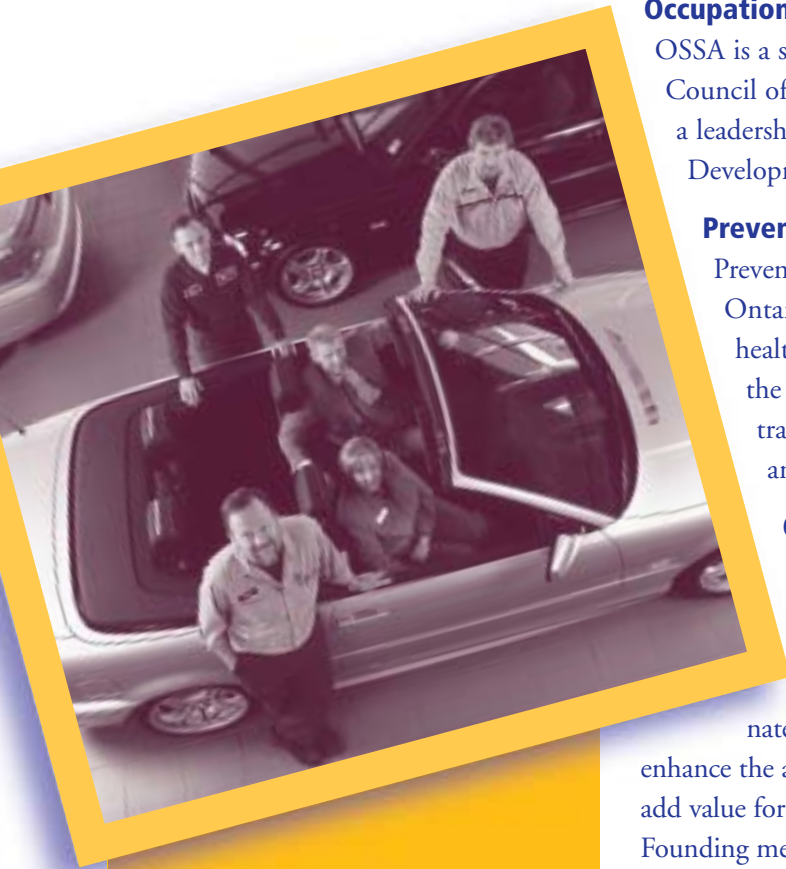
Over the years, the Burr's commitment and insistence on operating safely has resulted in a culture where health and safety has become a day-to-day initiative. It was this commitment that led them to OSSA for assistance in integrating health and safety into their workplace. Today, new employees complete an intensive health and safety orientation that includes hands-on training and checklists that highlight health and safety concerns. All employees understand their health and safety responsibilities and receive regular training and safety reminders.

The result? Employees are happier because they know that management cares about them. This translates into lower injury and turnover rates. Management is pleased because they have healthier and happier employees and reduced WSIB costs from fewer injuries.



Highlights of the Year

2002 provided the Ontario Service Safety Alliance with new opportunities to extend its reach while solidifying partnerships and client service.



Performance Group of Automotive Companies

The Performance Group offers the Niagara region a complete range of auto products and services that includes six dealerships as well as a full auto-body/auto glass division, a leasing division and Thrifty Car Rental business. Over 200 employees call Performance Group home, including many young seasonal workers.

With OSSA's help and guidance, Performance Group has developed a comprehensive health and safety program where health and wellness are stated corporate values; safety is a belief; and improving workplace health and safety is one of their strategies. A caring corporate culture values its employees, promotes from within and acknowledges employees who provide excellent customer service.

While there is no finish line in the drive for health and safety excellence, the Performance Group is ahead in the race. Most importantly, its employees are driving home at the end of their shift – alive and well.

PARTNERSHIPS

Occupational Health and Safety Council of Ontario

OSSA is a strong contributor to the Occupational Health and Safety Council of Ontario (OHSCO). Over the past year, OSSA has assumed a leadership role in OHSCO's Stakeholder Relationship Strategy Development and Strategic Planning Initiatives.

Prevention Dynamics

Prevention Dynamics is a not-for-profit corporation registered in Ontario. Its mandate is to represent and act for the provincial health and safety associations. OSSA is committed to its role on the Prevention Dynamics board of directors. This participation translates directly into savings and efficiencies for OSSA clients and the system.

Ontario Occupational Health & Safety Centre of Excellence

In 2001, OSSA took part in a feasibility study that looked at how the safe workplace organizations could work together to make more efficient use of existing resources and eliminate duplication of effort. This study, completed in 2002, will enhance the ability of the health and safety partners to share services and add value for Ontario's workplaces. OSSA is proud to be one of the Founding members that will move this initiative forward.

Workplace Safety & Insurance Board and Ministry of Labour Hamilton Charter

This project was implemented to develop a model of effective partnerships between the WSIB, MOL and OSSA at the regional level to assist with better co-ordination of service to clients.

Workplace Safety & Insurance Board Secondment

In 2002, an OSSA staff representative was seconded to the Workplace Safety & Insurance Board (WSIB) for six months. The secondment provided both groups with the opportunity to clarify roles and responsibilities and enhance the delivery of service to mutual clients in the service sector.

LEADERSHIP

Obligation of Leadership

OSSA's management team developed and launched its Obligation of Leadership, a framework for managing and coaching staff to high performance.

PRODUCTS AND SERVICES

Client Value Survey

The 2002 Client Value Survey once again confirmed that our clients recognize the value of OSSA's products, services and integrated approach to health and safety. Year over year, an average of 88% of clients indicate that they have changed their approach to health and safety as a result of working with OSSA and 95% of clients indicate that they are satisfied overall with OSSA products and services.

Occupational Health and Safety in Ontario – A Managers Guide to Safe Work Practices

OSSA released The Manager's Guide To Safe Work Practices. This comprehensive product covers 39 topics on the most common health and safety management issues found in Ontario's service industry, including health and safety communication, provisions, practices, management, and joint health and safety committees.

DDS Distribution Services

OSSA relocated distribution of its products to DDS Distribution Services. As a result, service standards for order processing have been greatly enhanced, and the OSSA has achieved a 5-business day reduction in sales order processing time.

OSSA.com

OSSA launched a new strategy for the maintenance of its website. This strategy was designed to ensure that the site maintains its status as a valuable source of health and safety information and a viable service option for OSSA clients.

Safety In Motion

OSSA launched its Safety In Motion program aimed at increasing awareness of Musculoskeletal Injuries and strategies for prevention. A series of two-hour workshops ran throughout the province in the Spring of 2002 as a precursor to the larger conference in Toronto in September.

The Conference offered participants a full-day workshop building on the information that was presented in the Spring workshops. In evaluations, 90% of participants felt that the conference did an excellent job of meeting its objectives.

Consulting Services

OSSA undertook several initiatives aimed at enhancing delivery of consulting services to clients, including:

- Re-alignment of client referral zones to improve the distribution of service in regions across Ontario.
- A review of small business needs in the service sector and integration of the findings into OSSA's consulting framework.
- Refinement of the consulting framework to reflect the needs of all OSSA clients, and to ensure consistency in delivery and quality of service.

Canadian Tire

What makes the Canadian Tire Sault Ste. Marie store a true groundbreaker? It's the belief that health and safety is a global responsibility. It's the fact that each position has clearly defined accountability and responsibilities for health and safety. And it's the instilled culture of health and safety throughout the store.

With consulting services provided by OSSA, Canadian Tire has proven that health and safety has to be part of the culture every day or you lose it. From the support of the General Manager and the Owner Operator, health and safety is integrated into everything they do to protect employees and customers alike.

With this attitude it's little wonder that Canadian Tire has been so successful. With more than 200 employees, the store enjoys nominal turnover. There is a direct correlation between sound health and safety practices and employee morale. And, most importantly, all employees know that health and safety is a priority – for everyone.



Financial Statements

AUDITORS REPORT

To the Directors of Ontario Service Safety Alliance

We have audited the statement of financial position of **Ontario Service Safety Alliance** as at December 31, 2002 and the statements of revenue and expenses, changes in net assets 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, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Ernst + Young LLP

Thornhill, Canada,
February 28, 2003

Chartered Accountants

Ontario Service Safety Alliance

Incorporated without share capital under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at December 31	2002	2001
	\$	\$
ASSETS		
Current		
Cash (note 3)	568,852	714,259
Accounts receivable	218,724	235,312
Prepays and safety products	480,467	445,657
Total current assets	1,268,043	1,395,228
Capital assets, net (note 4)	169,987	84,849
	1,438,030	1,480,077

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	503,094	655,240
Deferred revenue (note 5)	147,866	55,500
Total current liabilities	650,960	710,740
Deferred revenue (note 5)	356,208	345,823
Total liabilities	1,007,168	1,056,563

Net assets

Unrestricted	430,862	423,514
	1,438,030	1,480,077

See accompanying notes

Ontario Service Safety Alliance

STATEMENT OF REVENUE AND EXPENSES

Year ended December 31	2002	2001
	\$	\$
REVENUE		
Workplace Safety & Insurance Board		
Operating	6,994,820	6,797,597
Safety products	—	206,954
Safety products recoveries	723,237	779,452
Interest and other income	105,975	70,491
Amortization of deferred revenue – capital assets	83,469	74,994
Rent recoveries	55,853	96,111
Courses and seminar recoveries	10,003	75,846
	7,973,357	8,101,445
EXPENSES		
Salaries and benefits	4,690,780	4,411,787
Program delivery	1,139,706	1,125,842
Office	529,362	468,990
Travel and business	362,733	322,831
Occupancy costs	296,086	266,786
Advertising and promotion	287,635	562,299
Professional fees	259,508	258,691
Other personnel costs	253,229	274,373
Other	63,501	32,735
Amortization of capital assets	83,469	74,289
	7,966,009	7,798,623
Excess of revenue over expenses for the year	7,348	302,822

See accompanying notes

Ontario Service Safety Alliance

STATEMENT OF NET ASSETS

Year ended December 31	2002	2001
	\$	\$
Net assets, beginning of year	423,514	—
Excess of revenue over expenses for the year	7,348	302,822
Surplus of funding over expenses for the year ended December 31, 2001 transferred from deferred revenue	—	120,692
Net assets, end of year	430,862	423,514

See accompanying notes

Ontario Service Safety Alliance

STATEMENT OF CASH FLOWS

Year ended December 31	2002	2001
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	7,348	302,822
Add (deduct) items not involving cash		
Amortization of deferred revenue – capital assets	(83,469)	(74,994)
Amortization of capital assets	83,469	74,289
	7,348	302,117
Changes in non-cash working capital balances related to operations		
Accounts receivable	16,588	(55,163)
Prepays and safety products	(34,810)	(218,003)
Accounts payable and accrued liabilities	(152,146)	(62,549)
Due to Workplace Safety & Insurance Board	—	(105,536)
Deferred revenue	17,613	49,174
Cash used in operating activities	(145,407)	(89,960)
INVESTING ACTIVITIES		
Purchase of capital assets	(168,607)	—
Proceeds on sale of capital assets	—	705
Cash provided by (used in) investing activities	(168,607)	705
FINANCING ACTIVITIES		
Deferred revenue related to capital assets	168,607	—
Deferred revenue transferred to unrestricted net assets	—	120,692
Cash provided by financing activities	168,607	120,692
Net increase (decrease) in cash during the year	(145,407)	31,437
Cash, beginning of year	714,259	682,822
Cash, end of year	568,852	714,259

See accompanying notes

Notes to Financial Statements

1. DESCRIPTION OF THE ORGANIZATION

Ontario Service Safety Alliance [the "Association"] was incorporated without share capital in Ontario on August 6, 1998 and is a designated entity under the Workplace Health & Safety Act.

The Association is an organization providing health and safety products and services to the service sector. The Association's mission is to be the leading provider of Health and Safety awareness, education assistance and training within the Ontario service industry. The Association is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

Use of estimates

Since a precise determination of many assets and liabilities depends on future events, the preparation of financial statements necessarily involves the use of estimates and approximations and, accordingly, actual results may differ from such estimates and approximations.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the following periods:

Furniture and office equipment	5 years
Computer software	3 years

Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

Revenue recognition

The Association, which is funded by the Workplace Safety & Insurance Board [the "WSIB"], follows the deferral method of accounting for funding. Restricted funding is deferred and recognized as revenue when the related expense occurs. Unrestricted funding is recognized as revenue when received or receivable. Funding received for capital expenditures is deferred and recognized as revenue over the estimated useful life of the capital asset.

Funding and net assets

The Health and Safety Association Surplus Recovery Policy [the "surplus policy"] allows the Association to retain 100% of surplus funds. Surplus funds are to be recognized and applied towards the elimination of any unrestricted net assets deficiency. Remaining surpluses may be retained as unrestricted net assets but shall not cumulatively exceed 6% of WSIB funding for the fiscal year. The unrestricted net assets balance is available for use by the Association without WSIB approval.

Surpluses in excess of the cumulative 6% maximum unrestricted net assets balance are recognized as deferred revenue for use within a twenty-four month period. Expenditure of these funds requires prior approval of the WSIB. If the deferred revenue is not expended within twenty-four months, the funds are to be transferred to the Prevention Dynamics Corporation.

3. CASH

Cash of \$334,087 is restricted as the use of these funds requires the concurrence of the WSIB that the proposed uses are in accordance with the Association's objectives.

4. CAPITAL ASSETS

Capital assets consist of the following:

	2002		
	Cost \$	Accumulated amortization \$	Net book value \$
Furniture and office equipment	240,634	171,616	69,018
Computer software	301,191	250,518	50,673
Leasehold improvements	145,286	94,990	50,296
	687,111	517,124	169,987

	2001		
	Cost \$	Accumulated amortization \$	Net book value \$
Furniture and office equipment	195,704	128,752	66,952
Computer software	240,383	240,383	—
Leasehold improvements	82,417	64,520	17,897
	518,504	433,655	84,849

5. DEFERRED REVENUE

Deferred revenue consists of the following:

	2002 \$	2001 \$
Capital assets	169,987	84,849
Operating	334,087	260,974
Leasehold improvements restricted funding	—	55,500
	504,074	401,323
Less current portion	147,866	55,500
	356,208	345,823

Changes in the deferred revenue balance are as follows:

	2002 \$	2001 \$
Deferred revenue, beginning of year	401,323	427,143
Restricted funding in excess of the current year's expenditures	186,221	260,974
Funding used for current year's expenditures from prior year's restricted excess funding	(113,108)	—
Increase (decrease) in restricted funding relating to leasehold improvements	(55,500)	55,500
Capital asset funding	168,607	—
Amortization of deferred revenue – capital assets	(83,469)	(74,994)
Decrease in deferred revenue – safety products	—	(206,954)
Surplus for the year ended December 31, 2000 previously recognized as due to the WSIB	—	60,346
Surplus for the year ended December 31, 2000 transferred to unrestricted net assets	—	(120,692)
Deferred revenue, end of year	504,074	401,323

6. LEASE COMMITMENTS

The future minimum annual lease payments under operating leases for premises and computer equipment are approximately as follows:

	\$
2003	247,000
2004	220,000
2005	182,000
2006	164,000
2007	165,000

Board of Directors

Chair

Bob Meehan
President/Owner
Jumbo Video, Fonthill

Directors

Mike Baker
Store Manager
IKEA Canada

John Bennetto
Director, Services Sector
Workplace Safety and Insurance Board

Mary D'Alton
Managing Director
Waterloo Inn and Conference Centre

John Heffner Jr.
President
Heffner Lexus Toyota

Sandra Jordan
Senior Claims Manager
Wal-Mart Canada Corp.

Maurizio Lobalsamo
Health and Safety Co-ordinator
Sobey's Ontario

Edward Meijer
Managing Director
Valhalla Inn

Elizabeth Mills
President & CEO
Ontario Service Safety Alliance

Keith Perron
Manager, Loss Prevention & Security
Ontario Place Corporation

Sandy Robinson
Director of Operations
Hummingbird Centre for the Performing Arts

Conrad D. Turner
Vice President, Human Resources and Administration
Tannis Food Distributors

Alvin Weatherall
Director, Risk Management, Resort Operations Group
Blue Mountain Resorts Limited

Wayne Weatherbee
General Manager, Small Business Services
Workplace Safety and Insurance Board

Sue Yates
National Coordinator for Health and Safety
UFCW

Ontario Service Safety Alliance
4950 Yonge Street
Suite 1500
Toronto, Ontario M2N 6K1
Phone: 416 250-9111
Fax: 416 250-9500
Website: www.ossa.com
Client Services Line: 1 888 478-6772

