

Building On a Legacy

Annual Report 2014



"Safety Through Knowledge"



Farm and Ranch Safety and Health Association

FARSHA seeks to reduce the number of incidents on farms and ranches in British Columbia through an active program of education, training, and consultation in all regions of the province.

2014 Annual Report of the Farm and Ranch Safety and Health Association

March 31, 2015

Text written by: Kathy Eccles

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Mission Statement

FARSHA seeks to reduce the number of incidents on farms and ranches in British Columbia through an active program of education, training, and consultation in all regions of the province.



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This annual report, and those from previous years, are available online at www.farsha.bc.ca.

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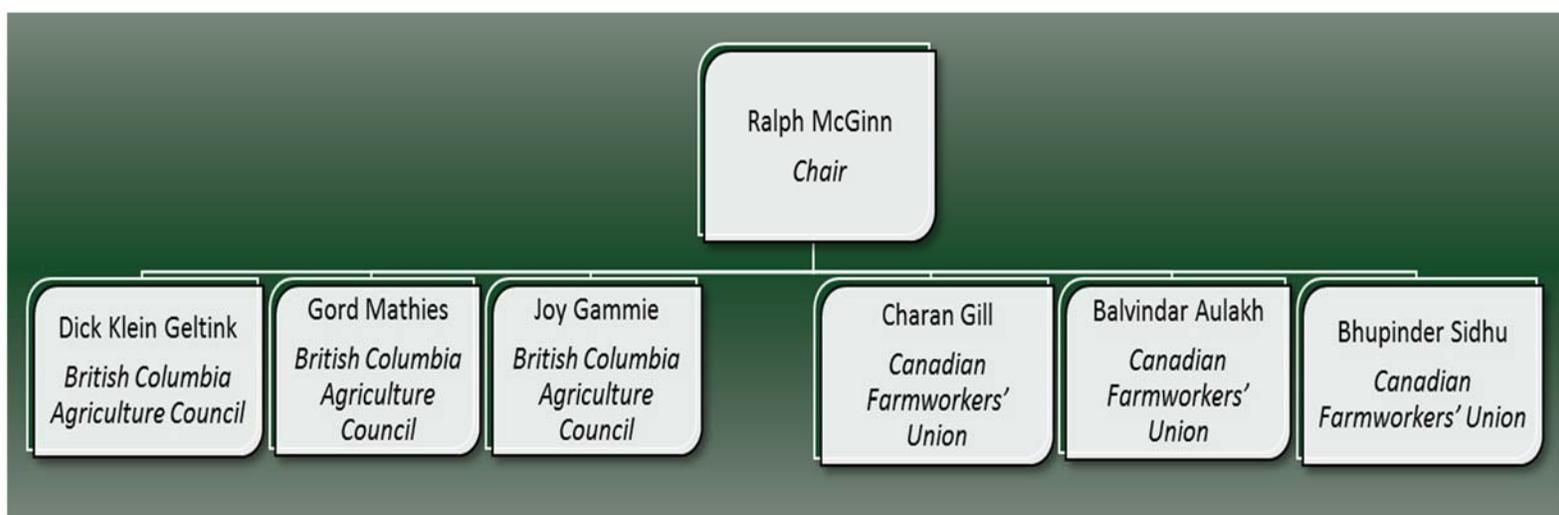
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Board of Directors



Letter from the Board Chair

FARSHA experienced a year of renewal and revitalization in 2014. Wendy Bennett took over as the new Executive Director at the beginning of the year and has provided an energetic and forward-thinking leadership to the operations. There are many new and exciting initiatives underway that have been envisioned and championed by Wendy.

Lorne Gosick was hired during the year as a COR Program Manager. Lorne brings experience and a seasoned focus to FARSHA's COR initiative. He has been extremely active in educating the agricultural sector on the benefits of COR and the processes needed to become certified.

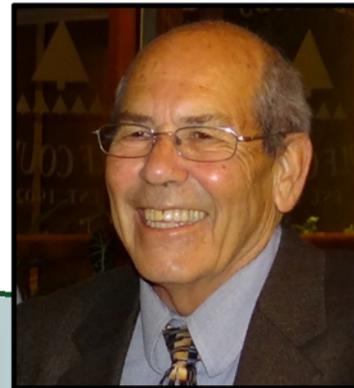
The Board of Directors is pleased with the new direction and focus initiated by the Executive Director over the year and is looking forward to her strong and capable leadership in 2015 and the years ahead.

The injury rate for all workers in the province has been significantly reduced over the last 20 years and that applies to the agricultural sector as well. However, having said that, the duration or length of time an injured worker is off work has increased substantially. Many research studies have demonstrated that long duration is extremely costly to employers, both in increased premiums and in the cost of hiring and training replacement workers. In addition, the injured worker often faces psychological and social problems related to being separated from their workplace for a lengthy period of time. One of the initiatives FARSHA staff will be working on in 2015 and beyond will be to educate employers about the duration issue and assist them in developing effective modified work programs and promoting early, graduated return to work for injured or ill workers.

WorkSafeBC will be conducting an evaluation of FARSHA in the near future to determine whether the organization's education, training and on-site assistance are meeting the industry's needs. In the meantime, the Board of Directors is confident that FARSHA's work will continue to positively impact the health and safety of agricultural workers in British Columbia.



Ralph McGinn
Chair, Board of Governors



“The Board of Directors is pleased with the new direction and focus initiated by the Executive Director over the year and is looking forward to her strong and capable leadership in 2015 and the years ahead.”

Letter from the Executive Director

FARSHA enjoyed an incredible year in 2014, both at head office and throughout the province. With Bruce Johnson's retirement, we were charged with carrying on the legacy that he created over the course of 20 years. Keeping agricultural workers safe and healthy is not a small task. The relationships that FARSHA safety consultants and advisors have built over the decades allows them to continue to fulfill this mandate year after year at agricultural workplaces around the province.

After learning as much as Bruce could possibly share with me, I was excited to take on the role of Executive Director, knowing he was always just a phone call away. There were several staff changes during the year; the result continues to be an exceptional team working toward the common goal of supporting employers in agriculture to keep their families and workers safe and healthy.

Confined spaces in agriculture was a significant topic in 2014 and continues to be a primary concern for agricultural employers. FARSHA worked directly with WorkSafeBC to develop a strong awareness program for employers in every commodity and provided group seminars to help ensure worker safety when confined spaces are identified at any site. Our goal continues to be ZERO fatalities in agricultural confined spaces and, in 2014, that goal was reached!

FARSHA continues to be a dynamic organization, adapting to the needs of the various commodities and addressing any and all safety concerns. We will continue to grow and nurture the relationships that have been developed over 20 years, and to be supportive and responsive to industry needs. I personally am very thankful for the amazing team I am working with — they are exceptional.



Wendy Bennett, CRSP
Executive Director



“Confined spaces in agriculture was a significant topic in 2014 and continues to be a primary concern for agricultural employers.”

Building on a Legacy



The Farm and Ranch Safety and Health Association (FARSHA) has made important contributions to agricultural safety and health in British Columbia for more than two decades.

Work in 2014 continued to build on the strong foundation that former Executive Director Bruce Johnson built after 20 years of service to FARSHA. Going forward, new Executive Director Wendy Bennett has continued to strengthen efforts in several vital areas of safety and health, from confined space safety to the Certificate of Recognition (COR) program.

Suitably, FARSHA's theme for 2014 is "Building on a Legacy." Bruce was recognized at a retirement party, held at Redwoods Golf & Country Club on September 24, attended by 50 people, including his family, FARSHA's board and staff, and representatives from key partner organizations, including the Canadian Agricultural Safety Association (CASA) and PAMI.

Johnson retires; leaves legacy of vibrant FARSHA

by DAVID SCHMIDT

ABBOTSFORD – One of, if not the, longest serving executive directors in BC agriculture is calling it a day.

Bruce Johnson is turning over the reins of the Farm and Ranch Safety & Health Agency (FARSHA) to Wendy Bennett effective February 1. Bennett has been with FARSHA since being hired as director of programs in February 2013.

"I have been wanting to do this for some time and we had succession in our minds when we hired Wendy," Johnson says, adding he will continue to consult on FARSHA projects until the end of the year.

FARSHA was formed in 1993 as a condition of bringing agriculture under the aegis of WorkSafe BC (WSBC). Funded out of WSBC agricultural premiums, it was the first agency of its kind in the province although the model has since been duplicated in other sectors.

For the first 12 years, agriculture was subject to its own regulations but has been subject to the same Occupational Health & Safety Regulations as all other industries in the province since 2006.

Johnson was hired as FARSHA's first employee in 1994.

"I spent the first couple of years on the road, meeting



Bruce Johnson

with commodity associations and their members to inform them about the regulations," Johnson recalls.

As part of that effort, he set up a network of safety consultants around the province. The consultants work with farmers and ranchers on a one-to-one basis, helping them develop safety plans, training workers and providing other input on health and safety issues on their farms and ranches.

"Everything we do is no charge to the farmers and ranchers," Johnson says. "We like to say our services are free but they better be worth it."

FARSHA has grown substantially in the 20 years since he was hired and now has a staff of 15. There is a five-person office staff, three full-time safety consultants in the Fraser Valley and seven safety officers hired on a contract basis through the rest of the

province.

Prompted by several high-profile fatalities in the agricultural sector, including one in the mushroom sector and another involving the transport of farm labourers, WCB has recently increased the number of officers covering the agriculture sector which in turn has increased the demand for FARSHA's services.

"WCB has a focus on ranching right now," Johnson says, adding FARSHA is working with WCB to "make the regulations sensible for farmers and ranchers."

They are also working with WCB on the confined space issue, fingered as the culprit in the mushroom deaths.

"We are trying to set up a centre of excellence so we can provide the tools farmers need to work safely in confined spaces," Johnson says.

Recently, FARSHA worked with WCB to develop a Certificate of Recognition (COR) program for agriculture. Under COR, farmers and ranchers can save up to 10 percent on their WCB premiums by developing and implementing an approved health and safety plan.

As of the end of 2013, five farms and ranches are fully COR-registered, the most recent being Coldstream Ranch, and another 15 are "somewhere in the process."

Facts about FARSHA:

Launched in 1993 as a joint initiative of WorkSafeBC (Workers' Compensation Board of British Columbia), the BC Agriculture Council, and the Canadian Farmworkers' Union.

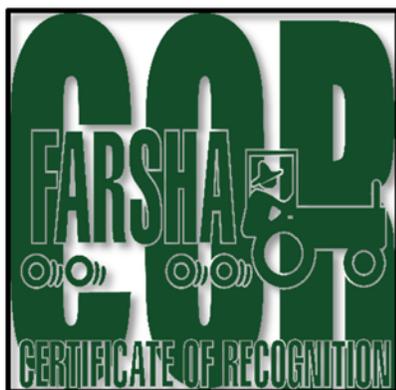
- Funded by a levy on the assessments paid to WorkSafeBC by the province's registered agricultural employers.
- Overseen by a 10-member Board of Directors; see Appendix One on page 16.
- Staffed at a head office in Langley by the Executive Director and four employees, who manage or coordinate programs, projects, communication and administration.
- Three Safety Advisors (SAs) serve a variety of commodity groups in the Lower Mainland and Fraser Valley.

Regional Safety Consultants (RSCs) bring specialized knowledge of ranching and a variety of other agricultural sectors to producers in eight provincial regions.

A Year in Action

FARSHA conducted a total of **1,712** on-site consultations in 2014, a high pace equal to 2013.

FARSHA delivered **779** training sessions to **4,963** participants. There were high numbers of participants at several priority presentations, including New & Young Worker training (**551**), Fork Lift/Skid Steer (**541**), WHMIS (**442**), General Farm Safety (**391**), Introduction to FARSHA (**309**), Fit Testing (**206**), Tractor Training (**203**), Animal Handling (**194**), Musculoskeletal Injuries (**146**), Supervisor Training (**98**) and Exposure Control (**75**). Five courses in Pesticide Applicators Certificate Training were held with **55** participants from the mushroom, cranberry, greenhouse growers and general agriculture sectors.



- FARSHA's Agricultural Health and Safety Program was introduced to **35** employers, **16** new programs were launched, and **69** follow-ups were conducted to revisit existing programs. Further follow-up inspections were conducted at **45** workplaces.
- FARSHA's agricultural health and safety consultants and specialists made **38** employer presentations to **947** participants. Another **17** presentations were made to agricultural associations to a total audience of **435**.
- The **11** Safety Day events organized by FARSHA's Regional Safety Consultants attracted **174** attendees from around the province.
- In addition, **36** Certificate of Recognition presentations were delivered to **155** employers and their representatives. COR baseline audits were conducted at **9** worksites.



WorkSafeBC Statistics

The injury rate (the number of accepted compensation claims per 100 person-years worked) in agriculture has dropped from a high of 5.0 in 2000 to 2.6 in 2013. The percentage of serious injury claims declined from 28 percent in 2010 to 22 percent in 2014. For more detailed statistics, please see Appendix Five on Page 19 or visit WorkSafeBC's online [Industry Safety Information Centre](#).

A Year in Action

In addition to the emphasis on face-to-face communication in the field, FARSHA capitalized on a variety of media to raise awareness of important issues in agricultural safety and health.



FARSHA in the News

There were **13** articles on FARSHA and its activities published in 2014. Executive Director Wendy Bennett was interviewed by **WorkSafe Magazine** for a July/August 2014 article on confined space safety at farms and vineyards. Reg Steward, FARSHA's provincial ranching consultant, continues to be a regular contributor of health and safety articles to **Beef in BC** magazine. **Country Life in BC** covered FARSHA's new confined space project (see more on page 6) and young worker safety was the focus in an article by **British Columbia Fruit Grower**.

In addition, FARSHA placed advertisements in several agricultural trade magazines, inviting employers to call a toll-free number for more information on the COR program. Ads were published in Berry Grower, Fruit and Vegetable Magazine, British Columbia Fruit Grower, Orchard & Vine, Canadian Grapes to Wine, WorkSafe Magazine, Beef in BC, and B.C. Holstein News. Also, ads on confined space safety ran in WorkSafe Magazine.

"Hottest in Demand"

In a *WorkSafe* magazine article in June 2014, entitled "Safety signage for a multicultural workplace," Wendy Bennett noted that FARSHA distributed signage in Punjabi, Spanish, Vietnamese and French to agricultural workers last year. The most popular topic? "Safety in confined spaces is an important issue in agriculture – and these signs are the 'hottest in demand' right now, Wendy said."



BC NAOSH Week on YouTube



Close to 300 people attended the CSSE/NAOSH Week Safety Forum and Award Luncheon held on October 23, 2014 in Richmond, BC. Serving as the President of the BC NAOSH Week Steering Committee, FARSHA's Wendy Bennett was featured on a YouTube video of the event, produced by WorkSafeBC. In her comments at the awards luncheon, she noted that a safety and health program "doesn't have to be a very big, expensive, time-consuming venture. She stressed, "It's just recognizing safety in your workplace and allowing everybody to be part of it."

Watch the 2014 NAOSH Week video at [YouTube](#).

Working in Partnership

Reporting

FARSHA draws on WSBC and Canadian Agricultural Injury Reporting (CAIR) for information about injuries, illnesses and deaths in agriculture. This information is used to identify patterns and trends, and to determine the primary focus for awareness efforts and solutions. FARSHA regularly publishes online the most recent work-related agricultural statistics from WorkSafeBC. For details, go to <http://farsha.bc.ca/resources/statistics/>.



This knowledge is supplemented by reports from CAIR that cover injuries, illnesses or deaths of unregistered farm owners, as well as those of farm family members who may not be classified as workers. CAIR produces publicly available reports and articles, which are available on its website at <http://www.cair-sbac.ca/>.

Research

FARSHA actively supports the research conducted by CAIR, based at the Alberta Centre for Injury Control and Research. For the last 18 years, CAIR has been accumulating a detailed database that is available to researchers. FARSHA frequently draws on this information when developing new programs. In addition, FARSHA:

- Partnered with the BC Dairy Association to research H₂S (hydrogen sulphide) exposure of dairy farm workers when manure is being agitated. This is a two year project.
- Worked with the National Children’s Center and the National Farm Medicine Center in Marshfield, Wisconsin on a mobile application evaluation rubric to determine the effectiveness of various health and safety apps and their applicability to agriculture.

Campaigns

- Developed safe work practices for ALL agriculture equipment and machinery;
- Concentrated on large animal safety;
- Mobile equipment inspection app continues to be popular throughout industry;
- Teamed with the CASA and the Canadian Federation of Agriculture to promote Canadian Agricultural Safety Week’
- Developed, with WSBC and the BC Cranberry Growers Association (BCCGA), a cranberry farm safety workbook and toolkit presented to growers at a seminar in March’
- Helped organize and host the 2014 awards luncheon for BC NAOSH Week;
- Hosted commodity - specific confined space awareness sessions to continue helping employers to identify and manage spaces on their sites;
- Continue to provide training for seasonal workers in their primary language;
- Refocused our tractor safety awareness to ensure farmers are wearing seatbelts;
- Worked with WorkSafeBC to provide ALL agriculture employers with confined space safety material – booklets, stencils, stickers.

COR: Recognizing Leaders

WorkSafeBC recognizes and rewards employers who implement “health and safety management systems in occupational health and safety.” FARSHA is the Certificate of Recognition (COR) certifying body for primary agriculture in BC. In 2014, FARSHA hired a full-time Program Manager to oversee and expand COR. In addition, an extensive advertising campaign in industry trade publications helped increase awareness of the program.

FARSHA’s Regional Safety Consultants and Safety Advisors continued to roll-out the COR Program to BC agricultural employers. They conducted COR gap analyses and baseline audits, assisting employers to remedy deficiencies in their health and safety programs in preparation for COR eligibility. In particular, large employers were targeted for COR audits during the year.

2014 COR Recipients

FARSHA is pleased to congratulate the following producers who received the Certificate of Recognition following successful completion of the Occupational Health and Safety audit. These BC leaders in agricultural health and safety have demonstrated their commitment to workplace health and safety. COR-certified, they are now eligible for WSBC premium rebates of 10 percent.



Coldstream Ranch



Vernon Seed Orchard Group



All Seasons' Mushrooms



SunSelect Produce Inc.



Bron and Sons Nursery Co.

Thanking Our Team

Along with a central staff in Langley, BC, FARSHA's team of Safety Advisors and Regional Safety Consultants are located around the province serving all of British Columbia's registered agricultural employers in the province and their workers.

There were significant changes to the staff in 2014. FARSHA announced a change in leadership following the retirement of Bruce Johnson. New faces were welcomed during the year and several employees are recognized here for their dedication and long service.



Wendy Bennett was promoted to Executive Director on February 1.



Lorne Gosick joined FARSHA in June as the new COR Program Manager.



Jody McCall joined FARSHA in the summer of 2014 as a Dairy Safety Consultant



Sheri Siciliano is FARSHA's new Office Assistant in Langley.



TJ Garcha joined as Safety Advisor Lower Mainland with a focus on berries, vegetables and greenhouses.



Naylene Beirnes joined FARSHA for the practicum of the University of the Fraser Valley Agricultural Diploma program.

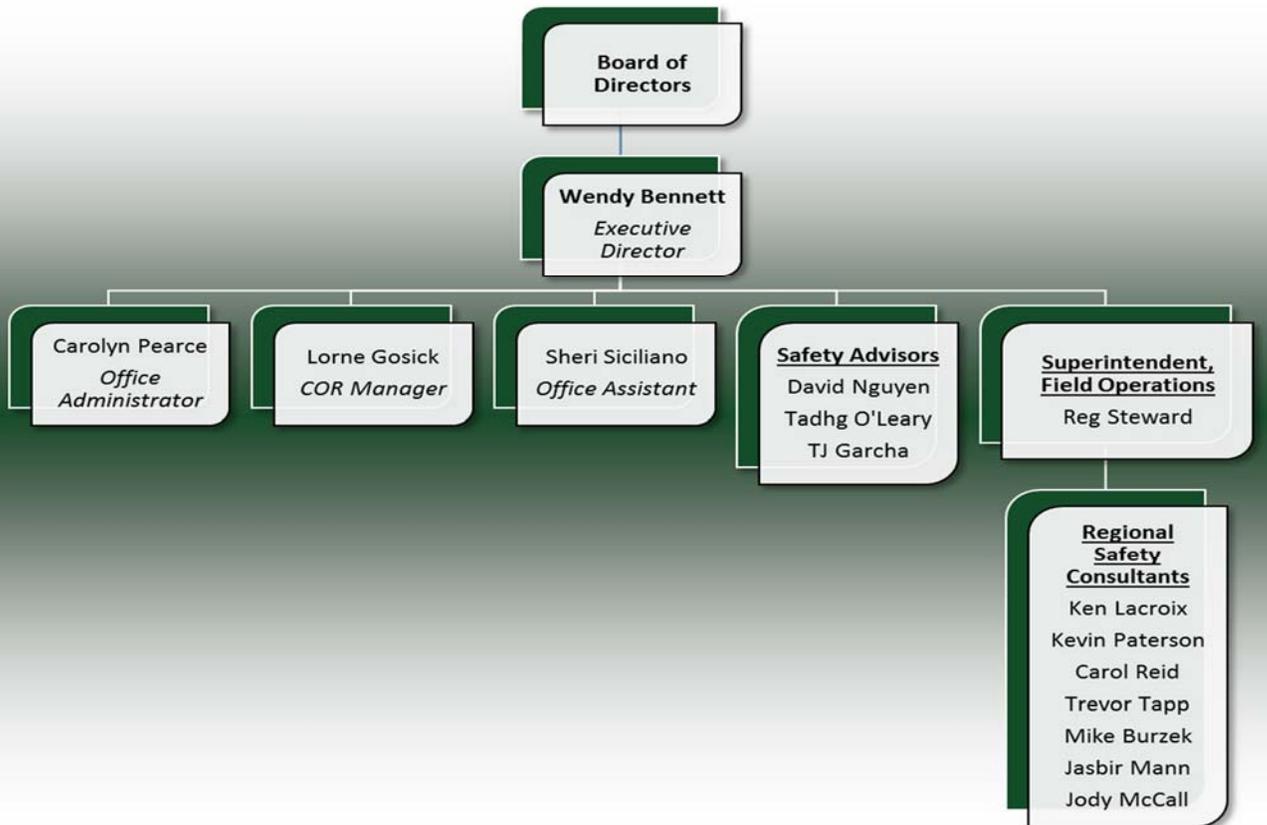


Reg Steward, provincial ranching consultant and Superintendent of Field Operations, is thanked for his 14 years of service to FARSHA and to the farmers and ranchers in the Cariboo region. His leadership in the field continues to be exemplary.

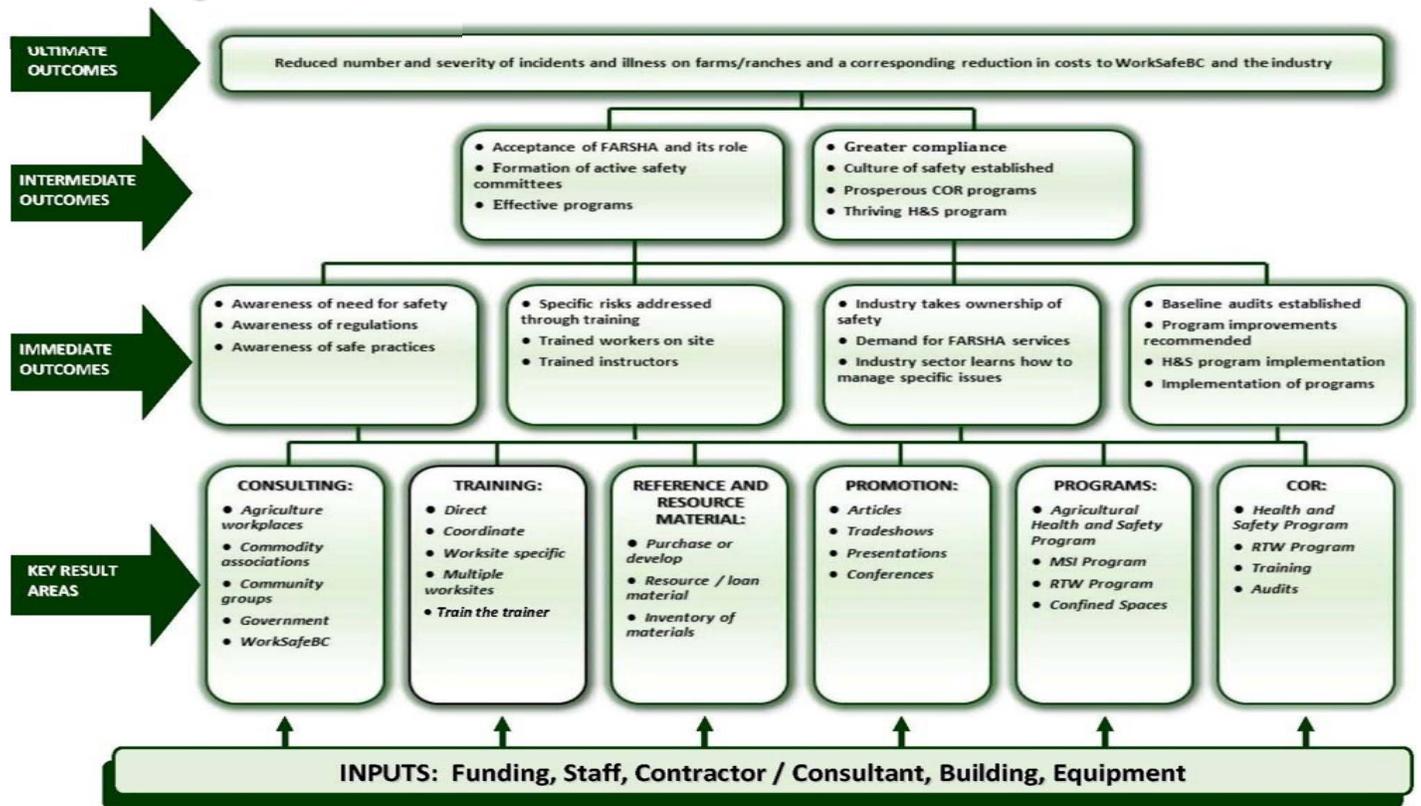


Carolyn Pearce is greatly appreciated for her 14 years as FARSHA's Office Administrator. She continues to be an invaluable resource to all involved with FARSHA.

FARSHA's Organizational Chart



FARSHA Logic Model



Going Forward in 2015

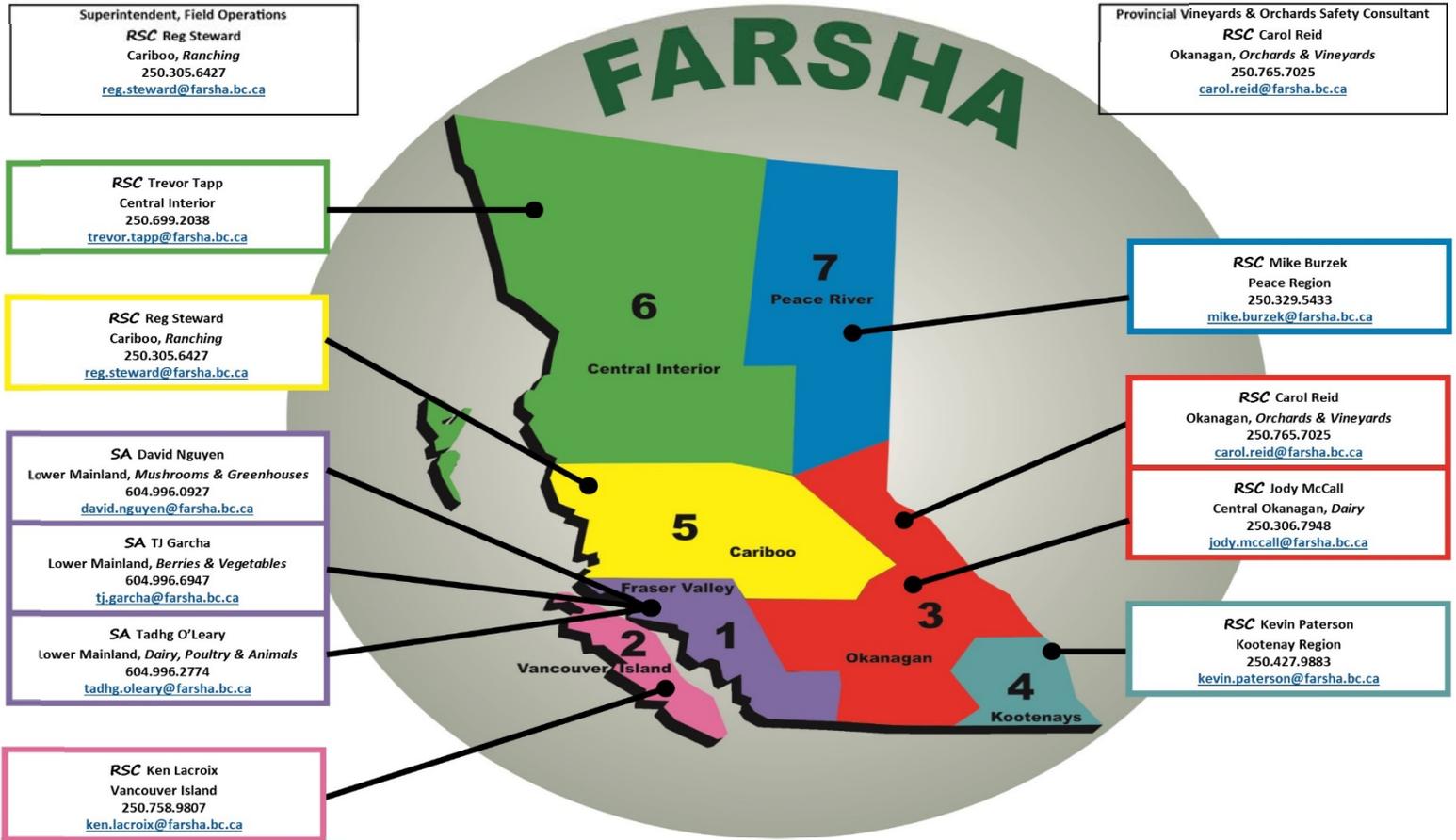
In an interview he gave to *Canadian Occupational Health and Safety* magazine, retired Executive Director Bruce Johnson describes how he started with FARSHA more than 20 years ago: “I saw an article in the paper looking for someone with an agriculture and health and safety background to start an association.” Armed with the right credentials, and looking for a career change, in 1993, he became the head of the first association of its kind in BC, a safety offshoot designed to bring agriculture under the auspices of BC’s workers’ compensation system, now WorkSafeBC.

The 2014 theme of “Building on a Legacy” pays tribute to Bruce’s contribution, which began as a one-man road show while he travelled around the province, informing agricultural commodity associations and their members about the health and safety regulations.

Since then, FARSHA’s head office staff and team of safety advisors and consultants have delivered nearly 11,000 presentations and training sessions to the agricultural industry, reaching more than 60,000 workers. The association continues to produce safety materials and resources in the diverse languages of BC’s agricultural workers, including Spanish, Punjabi and Vietnamese. As the use of cell phones, laptops and tablets has proliferated, FARSHA has increasingly employed technology to make risk identification and injury prevention easily accessible by introducing new smartphone and Web apps. In year three of the Certificate of Recognition program roll-out, several employers, both large and small, have recognized the benefits of COR and achieved certification.

A number of staff changes has brought new knowledge and insights to the FARSHA team. Going forward in 2015, FARSHA plans to make a significant operational transition. With awareness of FARSHA’s benefits now at an all-time high, as evidenced by the ever-increasing requests from agricultural producers for services, the focus next year will be on helping employers implement safety programs. On-site training and consultation will be followed up by visits to help employers take their programs to the next level — COR certification. In addition, in a campaign to reduce injury duration, FARSHA will become involved in early intervention and return to work initiatives. As ever, the aim in 2015 will be for FARSHA to continue setting high standards for health and safety in BC’s primary agricultural industry.

FARSHA Safety Advisors & Regional Safety Consultants



Injury Rate for 7010 Agriculture Subsector

The following charts illustrate how many claims and serious injury claims an industry has for every 100 workers, and the change in this rate over the most recent five-year period. Industries with a higher rate are considered more risky, while industries with a lower rate are considered less risky. The ultimate target is to have an injury rate of zero.

Measure	2010	2011	2012	2013	2014	2015 YTD
Injury Rate - Selection	2.6	2.3	2.6	2.6		
Injury Rate - All of B.C.	2.3	2.3	2.3	2.3		
Serious Injury Rate - Selection	0.7	0.6	0.5	0.6		
Serious Injury Rate - All of B.C.	0.3	0.3	0.3	0.3		
# Time-loss Claims	532	462	530	537	529	12
# Serious Injury Claims	150	126	110	120	118	0
% Serious Injury Claims	28 %	27 %	21 %	22 %	22 %	0 %
# Person Years	20,160	19,859	20,631	20,521	0	0

Source: WorkSafeBC at <https://online.worksafebc.com/anonymous/wcb.ISR.web/IndustryStatsPortal.aspx?c=2>

Financial Statements

FINANCIAL STATEMENTS OF

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

December 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Farm and Ranch Safety and Health Association

We have audited the accompanying financial statements of Farm and Ranch Safety and Health Association, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

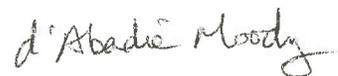
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT, continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Farm and Ranch Safety and Health Association as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Langley, British Columbia
March 20, 2015



Chartered Accountants

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	2014	2013
ASSETS		
Current		
Cash and cash equivalents	\$ 294,619	\$ 255,124
GST refundable and other receivables	15,929	20,519
Prepaid expenses	6,817	11,893
	317,365	287,536
Capital assets (Note 3)	21,098	18,889
	\$ 338,463	\$ 306,425
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 30,072	\$ 19,761
Payroll remittances payable	12,560	-
Salaries payable	5,107	3,267
	47,739	23,028
Deferred revenue (Note 4)	-	24,745
	47,739	47,773
NET ASSETS		
BALANCE	290,724	258,652
	\$ 338,463	\$ 306,425

Approved by the board


 _____ Chairman


 _____ Director

See accompanying notes to the financial statements

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

STATEMENT OF OPERATIONS

Year ended December 31, 2014

	2014	2013
REVENUES		
WorkSafeBC operating grants	\$ 1,128,615	\$ 1,007,887
Other income	-	450
Interest and miscellaneous income	4,032	4,773
	1,132,647	1,013,110
EXPENDITURES		
Amortization	8,169	7,943
Insurance	8,973	8,914
Meetings and per diems	20,694	22,178
Office and general	81,044	61,240
Professional fees	6,534	9,637
Projects	561,263	634,048
Rent and property taxes	52,749	50,776
Telephone	10,850	7,896
Travel and automotive	22,056	37,398
Wages and benefits	332,456	292,933
	1,104,788	1,132,963
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	27,859	(119,853)
COR OPERATIONS		
COR (Deficiency) Surplus (Schedule 1)	4,213	(35,321)
	4,213	(35,321)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 32,072	\$ (155,174)

See accompanying notes to the financial statements

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2014

	BALANCE, beginning of year	WSBC Allocation	Allocation	Asset purchase	Excess of revenues over expenditures	2014 BALANCE, end of year
Unrestricted	\$ 34,672	\$ -	\$ (25,829)	\$ 18,889	\$ 32,072	\$ 59,804
Investment in capital assets	18,889	-	-	(18,889)	-	-
HSA Reserve Funds	145,941	-	21,618	-	-	167,559
COR Reserve Funds	59,150	-	4,211	-	-	63,361
	\$ 258,652	\$ -	\$ -	\$ -	\$ 32,072	\$ 290,724
	BALANCE, beginning of year	WSBC Allocation	Allocation	Asset purchase	Deficiency of revenues over expenditures	2013 BALANCE, end of year
Unrestricted	\$ -	\$ -	\$ 189,846	\$ -	\$ (155,174)	\$ 34,672
Investment in capital assets	9,865	-	(7,943)	16,967	-	18,889
HSA Reserve Funds	371,992	(97,174)	(111,910)	(16,967)	-	145,941
COR Reserve Funds	31,969	37,757	(10,576)	-	-	59,150
	\$ 413,826	\$ (59,417)	\$ 59,417	\$ -	\$ (155,174)	\$ 258,652

See accompanying notes to the financial statements

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

STATEMENT OF CASH FLOWS

Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 32,072	\$ (155,174)
Item not affecting cash		
Amortization	<u>8,169</u>	7,943
	40,241	(147,231)
Change in non-cash working capital items		
GST refundable and other receivables	4,590	10,077
Prepaid expenses	5,076	(5,242)
Accounts payable and accrued liabilities	<u>24,711</u>	3,357
	74,618	(139,039)
FINANCING ACTIVITY		
Deferred revenue	(24,745)	(616,105)
INVESTING ACTIVITY		
Purchase of capital assets	<u>(10,378)</u>	(16,967)
INCREASE (DECREASE) IN CASH	39,495	(772,111)
CASH, beginning of year	<u>255,124</u>	1,027,235
CASH, end of year	<u>\$ 294,619</u>	<u>\$ 255,124</u>

See accompanying notes to the financial statements

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

1. Nature of operations

Farm and Ranch Safety and Health Association is incorporated under the laws of the province of British Columbia and operates to ensure high standards of occupational health and safety in the agricultural industry by fostering compliance with Workers' Compensation Board regulations and to support overall farm safety.

2. Significant accounting policies

The Association applies the Canadian accounting standards for not-for-profit enterprises.

(a) Cash equivalents

The Association considers all investments with maturities of three months or less and demand bank loans that are utilized periodically for day to day operations to be cash equivalents.

(b) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Test equipment	30% Declining balance
Furniture and fixtures	20% Declining balance
Computer equipment	3 years Straight-line
Computer software	1 year Straight-line

(c) Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

2. Significant accounting policies, continued

(d) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

(e) Use of estimates

The preparation of financial statements in conformity 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 disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include public service bodies rebate, useful lives for amortization of capital assets, and allocation of administration expenses between programs. Actual results could differ from those estimates.

(f) Financial instruments

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the Association is not exposed to significant interest, currency or credit risks and the fair values of these instruments approximate their carrying value.

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

3. Capital assets

	2014		2013	
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Test equipment	\$ 16,417	\$ 6,894	\$ 9,523	\$ 1,002
Furniture and fixtures	64,888	57,228	7,660	9,575
Computer equipment	58,583	54,668	3,915	8,312
Computer software	5,143	5,143	-	-
	\$ 145,031	\$ 123,933	\$ 21,098	\$ 18,889

4. Deferred revenue

	2014		2013	
Funding Received in Advance (WorkSafeBC)	\$ -	\$	24,745	

The amounts relating to WSBC are broken down as follows:

- 1) HSA Operations - \$nil (2013 - \$nil)
- 2) COR Operations - \$nil (2013 - \$24,745)

5. Commitments

As at December 31, 2014, the Association has outstanding lease commitments with respect to the office premise as follows:

2015	\$ 42,834
2016	44,294
2017	45,755
2018	45,755
	\$ 178,638

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

6. Reserve Funds

The WorkSafeBC Board allows the Association to retain operating surpluses equivalent to three months of the WorkSafeBC contract funding amount as reserve funds. The use of such reserve funds are limited to: 1) bridge financing purposes and 2) unforeseen and time sensitive expenses in excess of total approved funding received.

7. Economic dependence

The Association generated approximately 99.7% (2013-99.5%) of its revenue from WorkSafeBC through its levies and assessments of the farming industry. WorkSafeBC also approves the Association's annual budget.

8. Income taxes

The Association is a not-for-profit organization that is exempt from income taxes pursuant to subsection 149(1) of the Income Tax Act.

FARM AND RANCH SAFETY AND HEALTH ASSOCIATION

SCHEDULE TO THE FINANCIAL STATEMENTS

Year ended December 31, 2014

Schedule of COR Revenue and Expenditures

Schedule 1

	2014	2013
WorkSafeBC COR grant	\$ 225,717	\$ 131,279
Accounting and insurance	(3,019)	(3,927)
Auditor and consultants training	(18,616)	(6,436)
Communication and advertising	(27,919)	(6,796)
Computer consulting	(10,947)	(20,568)
Office and miscellaneous	(5,242)	(8,813)
Publication and production	(24,716)	(6,552)
Rent	(10,040)	(9,672)
Telephone	(2,896)	(1,432)
Travel	(11,687)	(15,616)
Wages and benefits	(106,422)	(86,788)
	\$ 4,213	\$ (35,321)

The operating deficit for 2013 excludes capital expenditures of \$10,051. No amortization is allocated to the COR program as capital expenditures are adjusted by WorkSafeBC in determining the annual surplus or deficit relating to the COR program.