WCB SASKATCHEWAN WORKERS' COMPENSATION BOARD

SASKATCHEWAN WORKERS' COMPENSATION BOARD ANNUAL REPORT 2011

It's about believing

MISSION: ZERO

Change is only possible when we **believe** it is possible. If I **believe** I can prevent an injury, I will. Thousands of Saskatchewan people are proving that every day by **achieving Mission: Zero.**

— David R. Eberle, Chairperson

Even one workplace injury is **too many**.

If **someone** gets hurt, it hurts **everybody**.

My job is to make sure our people go home safe **every day**.

Safety is **not optional**.

I believe in Mission: Zero.

There’s **no such thing** as an accident.

Zero is the only number that **makes sense**.

I take **nothing** for granted.

I’m **committed** to doing **everything** I can.

This is a **cultural change**.

Click to see who believes.

Vision

In serving injured workers and employers, we excel in the development and delivery of workers' compensation programs and services. In serving all workers and employers, we develop and deliver injury prevention programs and services that move Saskatchewan quickly to zero workplace injuries.

Mission

In support of our vision, our mission is to:

1. Provide the right service, at the right time, and be cost effective in our processes.
2. Build positive relationships with workers, employers, and others affected by the workers' compensation system.
3. Build positive relationships and implement programs that move Saskatchewan to zero workplace injuries.
4. Ensure the health and safety of our employees is considered in all of our decisions and actions.
5. Communicate clearly our distinct identity, benefits, and beliefs.
6. Ensure the organizational and financial integrity of the Workers' Compensation Board.
7. Be accountable for our results.

Contents

Year at a **Glance**

	2011	2010	2009	2008	2007
Number of workers covered [1]	**377,004**	370,659	353,384	354,295	346,387
Time Loss injury rate (per 100 workers) [2]	**3.05**	3.12	3.44	3.70	3.80
Total injury rate (per 100 workers) [2]	**8.73**	8.70	9.32	10.21	9.87
Number of claims reported	**39,689**	38,773	39,558	43,303	41,301
Number of Time Loss claims accepted [2]	**11,516**	11,574	12,141	13,093	13,166
Fatal claims accepted [3]	**36**	44	32	31	36
Average duration in days [4]	**34.44**	34.67	34.10	33.11	32.08
Active employer accounts [5]	**41,972**	40,365	38,354	35,946	34,364
Average premium rate [6]					
(per $100 of insurable earnings)	**1.61**	1.63	1.66	1.69	1.84
Number of appeals filed					
Appeals Department	**940**	1,150	951	1,064	1,021
Board Appeal Tribunal	**190**	239	232	219	208
Claims costs ($ millions)	**199.7**	228.3	222.8	205.8	202.0
Premium revenue ($ millions) [7]	**282.0**	251.0	255.2	245.2	240.7
Investment income ($ millions) [8]	**(33.5)**	147.2	27.0	22.0	149.2
Benefits liabilities ($ millions)	**1,013.9**	1,021.3	995.7	969.5	955.3
Funded position ($ millions)					
Injury Fund [8]	**229.3**	235.9	111.0	109.0	99.0
Reserves	**60.8**	61.3	59.7	58.2	57.3
AOCI [9]			6.3	(146.5)	91.3
Funding percentage [10]	**119.0**	111.5	111.2	111.2	110.4

1 Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information as of December 31st. Does not include workers for self-insured employers.
2 Based on new claims reported to, and accepted by, the WCB in the year. Does not include claims for self-insured employers.
3 In the self-insured employer category, there was 1 fatality in 2011, 1 in 2010, 2 in 2009, 0 in 2008, and 1 in 2007.
4 Average days on compensation based on all Time Loss claims paid within a 12-month period.
5 Active employers excludes employers whose assessment accounts were closed during the year.
6 All years are Board approved rates.
7 Premium revenue regrouped to be consistent with AWCBC definitions of Key Statistical Measures. Prior years have been adjusted.
8 Under International Financial Reporting Standards (IFRS), unrealized gains and losses on investments are recorded in investment income when incurred. The 2010 figure was restated to conform with IFRS requirements. In prior years, the term *Investment revenue* was used. It has been changed to *Investment income* to conform to language used in the financial statements.
9 Under IFRS, Accumulated Other Comprehensive Income (unrealized gains and losses on investments), is combined with the Injury Fund. The 2010 figure was restated to conform with IFRS requirements.
10 Beginning in 2010, the calculation of Funding Percentage was changed to be consistent with prior years. The calculation now excludes the unrealized gains and losses on investments in the Injury Fund.

Letters of Transmittal

The Honourable Vaughn Solomon Schofield
Lieutenant Governor Province of Saskatchewan

May it please Your Honour:
I respectfully submit the Annual Report of the Workers' Compensation Board for the Calendar Year 2011.

THE HONOURABLE DONALD MORGAN, Q.C.
Minister Responsible for the Workers' Compensation Board

The Lieutenant Governor in Council:

We are pleased to submit the eighty-second Annual Report of the Workers' Compensation Board for the year ending December 31, 2011.

Respectfully submitted,

DAVID R. EBERLE
Chairperson

WALTER EBERLE
Board Member

KAREN SMITH
Board Member

Message from the Board

WALTER EBERLE
Board Member

KAREN SMITH
Board Member

DAVID R. EBERLE
Chairperson

Believe

v. accept as true; have faith in.

Like so much of Saskatchewan's heritage, the formation of your workers' compensation system was driven first by the belief that it was the right and necessary thing to do, and then by the commitment, resolve and faith of determined individuals to make that belief a reality.

Commitment, resolve, and a steadfast faith — these are the values that built our province. These are the values that founded your WCB. And they are the values that guide your Board today. For us, *it is about believing.*

We have the good fortune of a booming economy and social stability that make Saskatchewan the best place in Canada to put down roots. When times are good, it can be tempting to think that your compensation system is archaic. Or, that the Meredith Principles that are the foundation of our system are out of touch.

At the WCB, we know that nothing could be further from the truth. The circumstances that in the early 1900s led to bankruptcies, costly and unpredictable legal proceedings, and injured workers dependent on their families and communities, continue to play out in jurisdictions that have less progressive systems than our own.

We know, too, that your compensation system contributes to the economic stability and quality of life that we enjoy. That's why our faith in the Meredith Principles — those fundamental beliefs about workers' compensation first expressed in 1913 — remains the basis for our decisions and actions.

Our Strategic Plan is where our commitment, resolve and faith merge. It's where your Board defines its directions to the WCB so that it remains relevant and responsive to your needs. And it's where the Meredith Principles continue to influence the future of your compensation system.

We are proud of the accomplishments that were achieved in 2011. This annual report highlights our financial and operational performance, and progress towards our Strategic Plan. You will see that you continue to be well served by a professional management team and administration that sets challenging targets and then strives to meet them. You also will see that we again made gains in our mission to eliminate workplace injuries. There is a cautionary note, though. While our injury rate continues to drop, the volume of claims is growing. We encourage you to take the lead in your organization to bring the claim count down. Whether it is training, education or targeted enforcement, we want you to believe — as we do — that this is the right and necessary thing to do.

Your WCB is one of the highest performing compensation systems in Canada. We could not achieve that result without your cooperation and the contribution of our valued employees. Thank you. It is an honour to serve you.

The Meredith Principles

The Meredith Principles are the foundation of workers' compensation systems across Canada. Sir William Meredith first articulated the principles in 1913. The principles ensure that Saskatchewan's workers' compensation system contributes to social and economic stability, and positively impacts our quality of life.

1. **No fault compensation** — Every work related injury is covered regardless of who is to blame; the employer, the employee or a co-worker.
2. **Security of benefits** — The system shall be fully funded to ensure that there are sufficient funds to meet current and future costs arising from work injuries.
3. **Collective employer liability** — All employers contribute to the system based on industry groupings, thus ensuring certainty of payment for injured workers and removing the risk of bankruptcy for employers.
4. **Independence of the Board** — The system shall be governed by an independent Board which can fairly serve and respond to the needs of workers and employers without partisan political interference.
5. **Exclusive jurisdiction** — The Board has exclusive jurisdiction so that each claim can be considered on its individual merits and benefits can be provided promptly without the need to sue for damages.

The **WCB Board**: **Structure, Mandate** and **Role**

The WCB is an independent tribunal that administers *The Workers' Compensation Act, 1979* (the Act).

The WCB operates like an insurance company. It protects registered employers from lawsuits when a workplace injury happens. It provides guaranteed benefits and programs to injured workers in industries covered by the Act. Its costs are funded entirely by premiums paid by employers in covered industries. The premiums are based on injury frequency and costs. Any injured worker in an industry covered by the Act can claim benefits and programs. Any employer in an industry covered by the Act must register with the WCB and pay invoiced premiums.

Nearly 42,000 firms with more than 377,000 workers registered with the WCB in 2011. The WCB receives and accepts about 32,000 injury claims each year. About one-third will be for Time Loss injuries. This means that the injured worker missed work for longer than the day he or she was injured. Over $199 million was spent on worker benefits and programs in 2011.

Board Structure

The WCB has a three-person Board: a Chairperson and two Board Members. The Board Members are appointed by the provincial government after consulting with business and labour organizations.

David Eberle was appointed Chairperson of the WCB in March 2008. Mr. Eberle was born and raised in Saskatchewan. He practiced law in Melfort and Humboldt. He was General Counsel and a member of the Senior Management Team at Humboldt Flour Mills until it was sold in 1998. David and his wife live in Humboldt where they have a family business. David is an active community volunteer. He has been a school trustee and a board member for local service and sports clubs, and has chaired many fundraising projects. David is a former board member of the St. Elizabeth's Hospital Foundation.

Karen Smith represents employers on the WCB Board. She was first appointed in June 2005. Her professional background includes Director of Employee Benefit Plans for the Saskatchewan School Boards Association. Ms. Smith is active in the business community. She represented employers on the WCB's former Early Intervention Program Advisory Committee. She also was a member of the Human Resources Committee for the Saskatchewan Chamber of Commerce. Karen was on the board for the Saskatchewan Assessment Management Agency and several community organizations. She is a former member of council for the Village of Buena Vista and is a life member of the Provincial Association of Resort Communities of Saskatchewan.

Walter Eberle represents labour on the WCB Board. He was first appointed in December 2001. Walter was a member of the 2001 Workers' Compensation Act Committee of Review. He spent 22 years as a staff representative at the Regina-based Grain Services Union and served on committees with the Canadian Labour Congress and the Saskatchewan Federation of Labour. Walter spent four years in the Royal Canadian Navy, two years with SaskPower, and 15 years with the former Saskatchewan Wheat Pool. He also coordinated the development of an occupational health and safety research centre in Mozambique. The centre continues to operate today.

Board Mandate and Responsibilities

The Board decides the WCB's broad strategic imperatives. It also makes certain that WCB operations and financial performance have the proper oversight. This requires Board Members to:

1. Provide long-range objectives and policies.
2. Recommend legislative change to the provincial government.
3. Safeguard the WCB's resources and assets.
4. Monitor the WCB's performance.
5. Report to stakeholders.

6. Hear and decide final appeals on employer classifications or injured worker compensation and benefit decisions.

Saskatchewan is the only province with a full-time WCB Board. The Chairperson and Board Members meet their responsibilities through:

- Committees of the Board.
- Regular and formal meetings of the Board and between the Board and the WCB's Chief Executive Officer (CEO).
- Requiring and receiving regular formal reports that monitor the WCB's financial and operational performance.
- Decisions on final level appeals.
- Approval of new or amended policies.

Their duties require that the Board maintain skills and knowledge appropriate to their tasks. Board Members:

- Attend industry congresses and symposiums organized by the Association of Workers' Compensation Boards of Canada.
- Attend courses and events from the Canadian Council of Administrative Tribunals that focus on topics like best practices for administrative tribunals.
- Take training offered through the Foundation of Administrative Justice on best and leading practices, and topics like interpreting legislation, decision writing, and effective hearings.
- Participate in The Directors' Series offered by Deloitte which focuses on market reforms, financial reporting requirements, and governance challenges.
- Attend educational conferences organized by the International Association of Industrial Accident Boards and Commissions.
- Attend professional development programs and workshops through the Directors' College, a joint venture of McMaster University and The Conference Board of Canada.
- Attend professional development programs through the Institute of Corporate Directors, a joint venture with the Rotman School of Management.

A Governance Framework That Defines Accountability

The Board recognizes the importance of a clearly defined governance framework to support their accountabilities as stewards of the workers' compensation system. The Board's first governance policy was approved in 2000. The policy is reviewed periodically by the Board.

Elements within the Board's governance framework that define and chart how accountabilities will be met include:

1. **WCB Investment Committee**
   Fundamental to Saskatchewan's workers' compensation system is the guarantee to workers that benefits and programs will be available if and when they are needed. To back up that guarantee, the WCB is required to be fully funded; that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of the claims. Termed the WCB's *benefits liability,* the amount needed at the end of 2011 to meet future costs was $1.014 billion. Investment assets, the financial resources that back up the funding guarantee to workers, were valued at $1.378 billion at the end of 2011.

   The WCB Investment Committee, comprised of the three Board Members, with the WCB's CEO and Chief Financial Officer serving in *ex officio* roles, oversees the WCB's financial policies and investments. The Investment Committee is prudent in its policies, goals and objectives to ensure the stability of the WCB. The Committee recommends to the Board the approval of the WCB's Investment Policy and Guidelines and the appointment of the investment managers, and monitors the performance of the investment managers against the benchmarks established in the Investment Policy and Guidelines.

   In discharging its responsibilities, the Investment Committee meets quarterly to review investment performance and annually to review the Investment Policy and Guidelines, engages a financial consultant to monitor and advise on the performance of investment managers, and participates in ongoing training of investing and investment management.

2. **WCB Audit Committee**
The Board, with the WCB's CEO serving in an *ex officio* capacity, serves as the WCB Audit Committee. The role of the Committee is oversight.

The Committee:

- Annually reviews the Committee mandate and conducts ongoing training in financial literacy.
- Monitors the auditing, accounting and financial reporting processes.
- Reviews the annual audited financial statements and related disclosures, including the Management Discussion and Analysis.
- Ensures compliance with legal and regulatory requirements; also ensures and periodically reviews internal controls on finance, accounting and legal compliance.
- Reviews and monitors the independent auditors appointed by the Board.
- Ensures the independence and performance of the Internal Audit Department and external auditors.
- Ensures communication among WCB Board Members, WCB management, the Internal Audit Department, and external auditors.
- Meets privately with WCB executive management, the Internal Audit Department, the Provincial Auditor, the external auditor and the external actuary.

Through the Committee, the Board also ensures that management practices and programs are in place to identify, monitor and manage risks to the operation of the WCB.

The Committee's role does not relieve WCB management of its responsibilities for preparing financial statements that accurately and fairly present the WCB's financial results and condition or the responsibilities of the independent accountants relating to the audit or review of financial statements.

3. **Setting Strategy, Monitoring Performance**
The WCB's Strategic Plan and broad organizational goals and objectives are set out by the Board. This includes an annual review of the WCB's vision, mission, principles and beliefs, values and strategy statements.

Annually the CEO must submit an Operating Plan for Board approval. Regular management reports on progress towards the plan are supplied to the Board Members.

The annual Strategic and Operational Plan is published and forms part of required reporting at the WCB's Annual General Meeting. The Saskatchewan WCB was the first Canadian compensation board to hold annual stakeholder meetings as part of its governance and accountability framework.

4. **Budget and Employer Rate Approvals**
The CEO prepares an annual budget for Board approval. Monthly reports are provided to the Board, with variance explanations when financial targets are not met.

Employer premium rates are set through a rigourous process that includes the advice and oversight of an external actuary. Once the proposed rates have been presented to stakeholder groups, and those groups have had an opportunity to address concerns to the Board, the rates are approved by the Board.

5. **Code of Conduct**
Effective governance recognizes that boards of directors have a responsibility to influence the culture of the organizations they govern. The WCB's Board adopted a Code of Conduct in 2000 that serves as a guideline when conducting the business of the WCB.

The Code of Conduct established a set of principles, foremost among them being an obligation of accountability to *'... workers, employers, the general public and government. This obligation includes* *the competent, conscientious and effective accomplishment of the duties of the Board.'*

Other principles include a focus on strategic direction, decisions that serve the best interests of all stakeholders, monitoring and reporting on the WCB's performance, and ensuring the capability of governance through the continuing development and education of Board Members.

At the direction of the Board, WCB management developed a corporate Code of Conduct and Ethics that reflects the Board's own Code of Conduct, and that is intended to guide employees in their decisions and actions. Management monitors and reports on employee compliance with the corporate code.

Setting High Standards; Expecting Results

As stewards of the workers' compensation system, the Board expects management to meet high performance standards and holds the organization to a reporting standard that ensures transparency for stakeholders.

Financial performance is monitored through the Board's committee structure, regular management reporting against budget and other financial targets, and ensuring compliance with financial reporting and accounting standards. Reporting on financial performance is part of regular stakeholder events like the WCB's Annual General Meeting and annual rate setting meetings, and through the WCB's annual reports.

Program and management performance is measured through a corporate Balanced Scorecard that tracks the WCB's achievement of the Strategic Plan set by the Board. The WCB has been publishing its Balanced Scorecard as part of its annual reports since 1999. Metrics include worker and employer service satisfaction measures, time to first payment after an injury, time to process appeals, stability of employer premium rates, fully funded status, the injury rate, and program metrics like cost per Time Loss claim, and the percentage of injured workers who return to work.

Another initiative implemented by the Board ensures that the WCB's policies and procedures are reviewed regularly and amended when required. The initiative requires that each policy and its operating procedure are reviewed by management at least once every three years.

The Board and the WCB's executive management recognize that compliance with legislation and policies, and effective and efficient operations, require continual monitoring of operations and, in particular, key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims and include file reviews by Team Leaders for completeness and accuracy. The WCB's Team Support Department provides another element of quality assurance through random file reviews of short-term and long-term injury claims, payments and vocational rehabilitation files.
- An Internal Audit Department that provides independent, objective assurance and consulting to the Audit Committee of the Board and to management and that evaluates processes for risk management, internal control and governance.
- An appeals process that provides injured workers and employers with an objective review of WCB decisions and actions. Appeals are first considered by the Appeals Department and, if not resolved, then by the Board Appeal Tribunal.
- A Fair Practices Office that receives concerns related to the fairness of WCB actions and decisions, and where appropriate, forwards recommendations to WCB managers to resolve concerns.

Please visit the WCB's website at wcbsask.com for more information on Board governance, the WCB's operations and performance, and to view the WCB's 2011 Stakeholder Report and the 2011 Annual Report of the WCB's Fair Practices Office.

Message from the Executive

PETER FEDERKO
Chief Executive Officer

GRAHAM TOPP
Vice-President, Operations

DONNA KANE
Vice-President, Human Resources and Team Support

Believe

v. have confidence; trust.

It is our privilege to report on our 2011 operating and financial results.

We made significant progress on our Board Members' Strategic Plan in 2011. It is a Plan that envisions excellence in programming and services, and the elimination of workplace injuries. And it is a Plan that requires us to maintain organizational and financial integrity, and to be accountable for our results. We *believe* that by meeting these requirements – service and programming excellence, injury prevention, management integrity and accountability – we uphold your confidence and trust in your workers' compensation system.

Our Operational Plan is the focus of our daily work. Our Plan outlines how we intend to achieve the vision and strategic directions set out by your Board Members. In this report, you will find information on our 2011 results reported through our Balanced Scorecard and the Management Discussion and Analysis (MD&A). The Balanced Scorecard gives you trend analysis on metrics that gauge our progress towards our Operational Plan.

The MD&A provides you with a context for understanding how and why we made important financial and operational decisions during the year. Both are important accountability tools that we encourage you to review.

Three 2011 results merit specific mention because of the importance they play in our operational priorities.

- While the Time Loss injury rate fell to 3.05 per cent, the ninth consecutive year-over-year decrease, it did not meet the 2011 target. Another important metric — the Total injury rate — increased from 8.70 to 8.73 per cent. And for the first time since 2008, the number of reported claims grew year-over-year. These signal the need for even greater effort in prevention training, education, youth engagement, and targeted enforcement so that the hard won gains of the past decade are not lost.

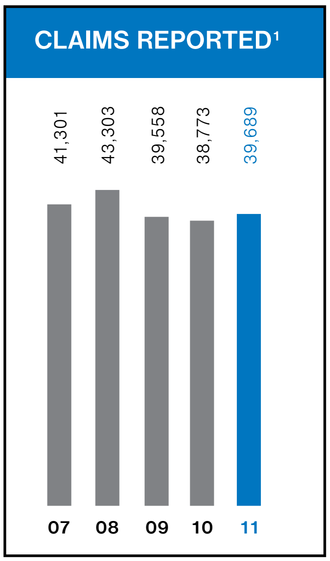
- Our greatest operational priority in 2011 was the development of a claims management system that will support our goals for customer service excellence. This multi-year project is the greatest single task undertaken by the WCB in nearly two decades. We made a commitment to our clients that we would maintain service levels while building the new system. Year-end measures indicate that we have done so. Our injured worker and employer service satisfaction ratings remain above 4.0 out of 5, firmly in the service excellence range.

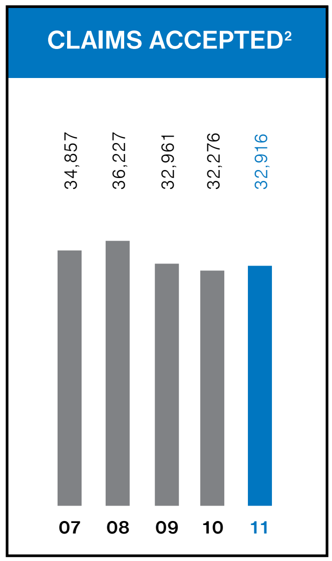
- This is the first time that our financial statements are presented using the International Financial Reporting Standards (IFRS). The IFRS is a higher standard of reporting and accountability that we endorse. Using IFRS means that each of us will need to learn how the new reporting standards change our financial statements. For example, using IFRS, we report our unrealized investment gains and losses for the year, as part of investment income. This means our Statement of Operations now reflects the volatility of investment markets. As markets go up and down, so will both our investment income and our financial results. For example, in 2011, the net effect of weak investment markets was an investment loss of $33.5 million and an operating loss of $7.0 million.

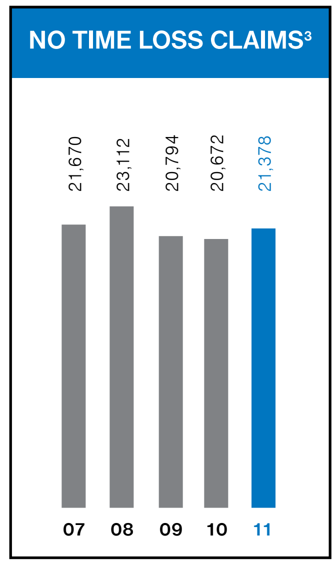
Our goals are only achieved with the cooperation of injured workers, their employers, care givers, and our partners in workplace safety. Thank you for sharing our goals and for the confidence and trust that you place in us to deliver an effective compensation system.

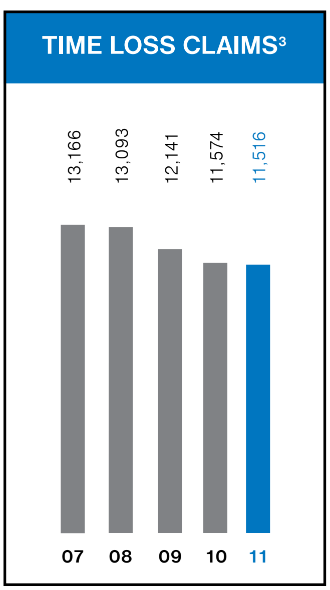
We are grateful to our employees who devote their careers to helping injured workers, their employers and their families to recover from a workplace injury. They truly make a difference in someone's life each day. We thank them for their commitment, dedication and professionalism.

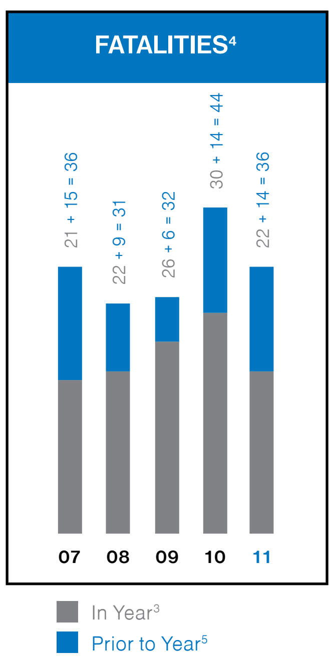
Statistical Summary

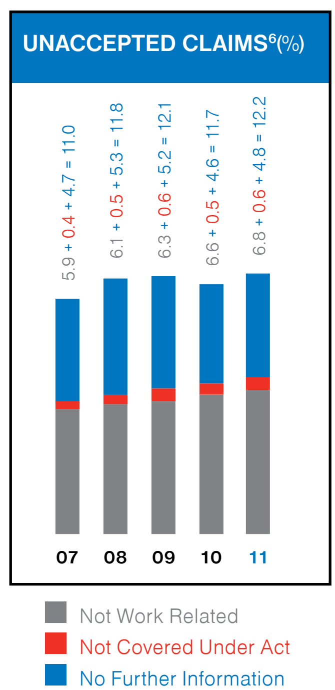












1 Claims Reported: New claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, wcbsask.com.

2 Claims Accepted includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers.

3 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work related, still pending, and/or duplicated within the system.

4 Excludes claims for self-insured employers. There was 1 in 2011, 1 in 2010, 2 in 2009, 0 in 2008 and 1 in 2007.

5 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims for self-insured employers, claims not covered under the Act, not work related, still pending, and/or duplicated within the system.

6 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at January 27, 2012 for 2011 claims reported. Claims are not accepted when the industry is not covered by *The Workers' Compensation Act, 1979,* a claim is not work related, or no further information is received following the initial report of the injury. Total may not equal due to rounding.

2011 TOP FIVE RATE CODES WITH INJURIES*

Rate Code	Number of Claims Reported
G22 Health Authorities, Hospitals, Care Homes	5,060
B13 Commercial, Industrial Construction	1,814
T42 Transportation, Courier, Commercial Bus	1,663
C32 Grocery, Department Store, Hardware	1,506
G31 Cities, Towns, Villages, RMs	1,370

* All claims reported and accepted in 2011.

2011 TOP FIVE OCCUPATIONS WITH INJURIES*

Occupation	Number of Claims Reported
Nurse aides, orderlies and patient service associates	1,647
Truck drivers	1,427
Construction trades helpers and labourers	1,197
Retail salespersons and sales clerks	1,046
Welders and related machine operators	1,035

* All claims reported and accepted in 2011.

2011 TOP FIVE AREAS OF INJURY*

Body Part	Number of Claims Reported
Back	5,490
Fingers	4,570
Eyes	2,162
Head	2,033
Shoulder	2,010

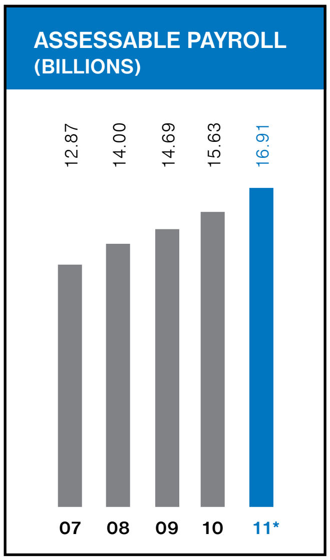
* All claims reported and accepted in 2011.

2011 INJURIES BY AGE & GENDER*

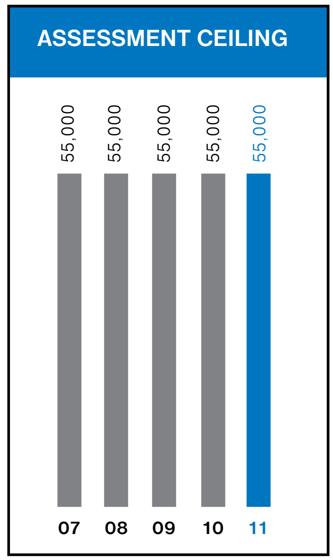
Age	Male	Female	Unknown Gender**	Total
Under 25	4,849	1,557		6,406
25 – 34	5,862	2,106	1	7,969
35 – 44	4,217	2,264		6,481
45 – 54	4,345	3,048	2	7,395
55 – 64	2,392	1,693		4,085
65 & Over	434	135		569
Unknown Age**	8	3		11
Total	**22,107**	**10,806**	**3**	**32,916**

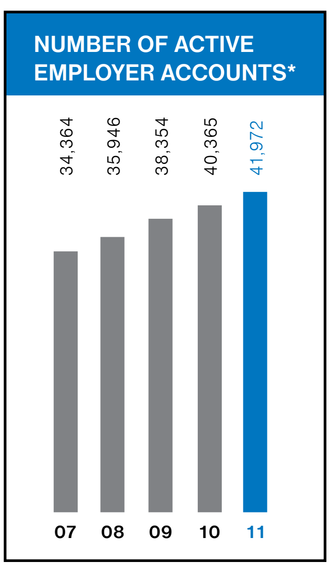
* All claims reported and accepted in 2011.
** At time of publication there were 3 claims with unknown gender and 11 claims with unknown ages.

Statistical Summary

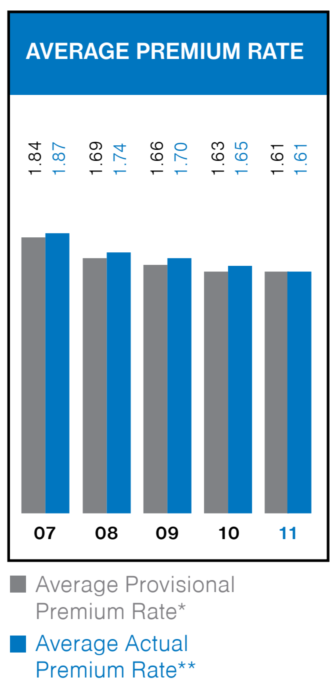


* Payroll provisional as at December 31st. Previous year's figures have been updated to reflect actual assessment payroll.





* Active employers excludes employers whose assessment accounts were closed during the year.



* Average Board approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

** This rate consists of the base rate net of experience rating. 2011 rate is the Board approved rate at time of publication. 2010 rate is restated to reflect actual 2010 experience rating.

Injury Rates

RATE CODE	DESCRIPTION	% OF WORKERS INJURED WITH TIME LOSS					% OF WORKERS INJURED				
		2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
All Class*		3.05%	3.12%	3.44%	3.70%	3.80%	8.73%	8.70%	9.32%	10.21%	9.87%
A11**	Light Agricultural Operations	6.96%	8.77%	8.20%	9.74%	8.63%	16.07%	18.96%	20.28%	22.12%	20.61%
A21	Farming & Ranching	2.73%	2.59%	4.12%	2.79%	5.31%	6.14%	6.76%	7.79%	7.66%	8.99%
A31	Grain Elevators & Inland Terminals	1.01%	1.36%	1.23%	1.34%	1.18%	4.00%	4.52%	4.75%	4.09%	3.24%
B11	Construction Trades	3.54%	4.60%	5.75%	6.46%	7.19%	15.02%	15.66%	17.64%	20.33%	18.68%
B12	Residential Construction	4.84%	5.52%	5.84%	8.23%	9.70%	14.60%	16.02%	16.12%	23.98%	22.46%
B13	Commercial, Industrial Construction	2.96%	3.31%	4.37%	7.38%	6.57%	13.05%	14.56%	16.62%	24.40%	21.72%
C12	Light Commodity Marketing	1.45%	1.19%	1.88%	1.44%	1.57%	3.67%	3.33%	4.36%	3.81%	4.04%
C32	Grocery, Department Stores, Hardware	2.56%	2.93%	2.82%	2.87%	3.14%	7.27%	7.75%	7.77%	8.13%	8.14%
C33	Wholesale, Chain Stores	4.00%	4.41%	4.83%	5.33%	5.87%	9.65%	10.40%	11.77%	12.69%	13.21%
C41	Co-operative Associations	4.02%	4.14%	4.19%	4.27%	4.11%	10.08%	10.57%	11.75%	11.76%	10.15%
C51	Lumber Yard, Builders Supplies	4.73%	4.96%	4.17%	6.01%	6.23%	11.89%	11.91%	11.73%	14.80%	14.58%
C61	Automotive, Implement Sales & Service	2.43%	2.10%	2.49%	2.35%	2.35%	6.60%	5.75%	6.38%	6.78%	6.46%
C62	Automotive Service Shops, Towing	2.43%	2.36%	2.91%	3.31%	3.72%	8.01%	8.77%	9.44%	10.49%	11.80%
D32	Operation of Oilwells	1.21%	0.76%	0.97%	0.73%	1.21%	4.28%	3.81%	4.22%	3.12%	4.60%
D41	Oilwell Servicing	3.33%	3.82%	2.98%	3.78%	3.74%	17.01%	17.49%	13.30%	15.40%	14.02%
D51	Service Rigs, Water Well Drilling	4.22%	2.96%	2.20%	4.90%	2.77%	25.63%	18.16%	16.57%	21.80%	17.31%
D52	Seismic Drilling	2.18%	1.93%	1.60%	3.45%	3.11%	18.61%	15.07%	10.27%	21.99%	17.00%
D71	Open Pit Mining	0.47%	0.69%	0.50%	0.93%	1.08%	14.58%	9.95%	13.86%	10.87%	12.00%
D72	Underground Softrock Mining	1.11%	1.27%	1.62%	2.05%	1.39%	9.01%	10.94%	10.35%	11.55%	8.68%
D73	Underground Hardrock Mining	1.54%	1.17%	1.36%	2.38%	2.79%	11.73%	12.52%	11.10%	11.78%	10.32%
G11	Post Secondary Education	1.13%	1.33%	1.38%	1.36%	1.36%	3.43%	3.80%	3.70%	3.66%	3.63%
G12	Elementary & Secondary Education	3.07%	3.16%	3.19%	3.53%	2.88%	7.53%	7.15%	7.41%	8.04%	7.54%
G22	Health Districts, Hospitals, Care Homes	5.79%	5.85%	6.12%	6.12%	6.26%	12.39%	12.60%	13.08%	13.21%	12.78%
G31	Cities, Towns, Villages, RMs	5.03%	5.04%	5.59%	5.28%	4.97%	12.10%	12.11%	14.18%	14.36%	14.21%
G51	Government of Saskatchewan & Ministries	3.09%	3.13%	3.23%	3.05%	3.02%	7.67%	7.58%	8.11%	7.79%	7.41%
M31	Manufacturing, Pipeline Operations	1.14%	0.82%	1.17%	1.95%	1.47%	3.88%	2.91%	3.43%	4.38%	3.83%
M33	Refineries & Upgrader	1.06%	1.37%	1.31%	1.46%	0.78%	4.47%	5.58%	4.51%	4.89%	4.98%
M41	Dairy Products, Soft Drinks	7.02%	8.44%	10.88%	14.01%	12.14%	20.53%	21.38%	26.11%	22.57%	18.57%
M42	Bakeries, Food Prep & Packaging	3.04%	4.03%	4.46%	2.78%	2.59%	8.08%	11.03%	13.38%	10.34%	8.68%
M62**	Mills, Semi Medium Manufacturing	7.29%	6.62%	9.22%	9.19%	9.05%	17.63%	16.62%	21.03%	23.83%	23.28%
M72	Processing Meat, Poultry & Fish	6.34%	6.11%	6.91%	11.97%	10.24%	27.74%	21.51%	24.46%	41.74%	35.83%
M81	Metal Foundries & Mills	2.16%	2.58%	2.00%	2.37%	2.33%	11.86%	11.01%	10.56%	13.36%	10.94%
M91	Agricultural Equipment	5.99%	5.27%	6.72%	10.30%	9.66%	20.23%	18.57%	22.19%	29.89%	29.80%
M92	Machine Shops, Manufacturing	5.94%	6.37%	7.28%	9.59%	11.15%	18.49%	19.12%	20.64%	28.56%	28.41%
M94	Iron and Steel Fabrication	7.94%	7.18%	7.96%	11.01%	14.27%	25.58%	24.22%	24.02%	41.26%	43.92%
R11**	Road Construction & Earthwork	2.71%	2.71%	2.05%	3.79%	4.16%	9.78%	10.01%	8.15%	12.61%	11.93%
S11	Legal Offices, Financial, Drafting	0.20%	0.31%	0.32%	0.38%	0.26%	0.82%	0.59%	0.77%	0.89%	0.72%
S12	Offices, Professionals	0.67%	0.64%	0.61%	0.68%	0.75%	2.04%	1.80%	1.83%	2.01%	2.00%
S21	Community & Social Services	1.44%	1.47%	1.51%	1.39%	1.91%	3.77%	3.75%	3.81%	3.74%	4.06%
S22	Restaurants, Catering, Dry Cleaning	1.32%	1.41%	1.69%	1.87%	2.00%	4.32%	4.46%	4.87%	5.72%	6.20%
S23	Hotels, Motels, Taxis	1.87%	2.24%	2.70%	2.44%	2.71%	4.65%	5.79%	6.17%	6.43%	5.84%
S32	Personal, Business & Leisure Services	2.77%	3.63%	3.74%	3.47%	3.79%	8.38%	11.52%	12.93%	10.06%	10.24%
S33	Caretaking, Park Authorities	2.27%	2.37%	2.59%	2.48%	3.32%	6.73%	5.90%	6.48%	5.99%	8.03%
S41	Engineering, Testing & Surveying	0.57%	0.61%	0.77%	0.65%	0.69%	2.43%	2.32%	2.51%	2.98%	2.69%
T42**	Transportation, Courier, Commercial Bus	7.38%	6.31%	7.17%	5.89%	6.39%	15.39%	13.27%	14.54%	13.17%	13.46%
T51	Operation of Railways	1.59%	2.06%	2.38%	1.97%	2.18%	5.15%	5.23%	5.34%	5.18%	5.31%
T61	Commercial Air Transportation	2.34%	2.11%	1.19%	1.89%	1.90%	6.32%	6.21%	5.51%	7.68%	7.97%
U11	Telecommunications	2.72%	2.38%	1.96%	1.80%	1.38%	4.96%	4.32%	4.07%	3.58%	3.36%
U31	Electric Systems	3.31%	2.48%	1.67%	1.80%	1.95%	6.87%	5.64%	6.76%	6.38%	6.77%

Injury Rates equals the number of claims divided by the number of workers covered.
Number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.
* All Class Injury Rates excludes self-insured claims and workers.
** In 2011, the F41 rate code was disbanded and affected firms were reclassified into A11, M62, R11, and T42. The injury rates for all years have been calculated under the new classification scheme.

Claim Durations

RATE CODE	DESCRIPTION	AVERAGE DURATION IN DAYS				
		2011	2010	2009	2008	2007
All Class*		34.44	34.67	34.10	33.11	32.08
A11**	Light Agricultural Operations	39.44	33.52	31.09	36.37	27.70
A21	Farming & Ranching	73.98	54.28	51.86	55.33	72.54
A31	Grain Elevators & Inland Terminals	27.95	17.52	13.15	22.59	29.56
B11	Construction Trades	27.48	27.21	30.19	26.69	26.71
B12	Residential Construction	54.94	46.11	47.28	42.46	38.23
B13	Commercial, Industrial Construction	55.36	54.98	49.49	46.40	44.02
C12	Light Commodity Marketing	26.56	27.64	26.92	27.32	29.07
C32	Grocery, Department Stores, Hardware	28.98	31.08	26.12	27.39	27.22
C33	Wholesale, Chain Stores	26.92	26.15	23.50	29.65	23.98
C41	Co-operative Associations	25.93	27.79	27.12	27.46	25.02
C51	Lumber Yard, Builders Supplies	30.53	31.10	27.92	23.59	24.20
C61	Automotive, Implement Sales & Service	33.73	31.45	29.93	27.72	30.06
C62	Automotive Service Shops, Towing	45.31	45.68	36.39	33.26	22.95
D32	Operation of Oilwells	31.40	31.74	40.10	30.06	33.53
D41	Oilwell Servicing	68.61	55.93	71.07	54.18	54.44
D51	Service Rigs, Water Well Drilling	62.05	66.09	92.54	52.47	71.53
D52	Seismic Drilling	66.51	83.33	73.01	49.92	60.34
D71	Open Pit Mining	45.00	61.35	46.44	41.39	27.24
D72	Underground Softrock Mining	46.90	52.63	62.92	49.88	40.13
D73	Underground Hardrock Mining	55.01	76.45	71.20	63.22	40.02
G11	Post Secondary Education	26.23	36.85	19.21	25.69	20.18
G12	Elementary & Secondary Education	37.21	31.05	34.29	36.38	34.37
G22	Health Districts, Hospitals, Care Homes	24.64	27.74	29.38	29.25	28.03
G31	Cities, Towns, Villages, RMs	26.20	24.27	26.88	28.95	29.06
G51	Government of Saskatchewan & Ministries	44.42	43.60	36.07	34.48	37.31
M31	Manufacturing, Pipeline Operations	36.50	16.60	19.95	8.28	20.49
M33	Refineries & Upgrader	25.40	31.69	30.35	39.16	31.43
M41	Dairy Products, Soft Drinks	33.31	22.62	17.73	21.08	14.78
M42	Bakeries, Food Prep & Packaging	35.54	28.54	25.37	28.08	28.73
M62**	Mills, Semi Medium Manufacturing	30.99	29.36	34.11	26.65	30.17
M72	Processing Meat, Poultry & Fish	33.67	35.36	32.72	28.66	36.67
M81	Metal Foundries & Mills	46.92	32.98	40.02	36.07	50.80
M91	Agricultural Equipment	23.97	25.66	25.75	19.77	20.98
M92	Machine Shops, Manufacturing	25.80	27.63	28.63	24.16	22.93
M94	Iron and Steel Fabrication	25.05	38.06	32.52	23.48	23.63
R11**	Road Construction & Earthwork	63.71	60.93	59.15	54.23	55.38
S11	Legal Offices, Financial, Drafting	23.78	18.69	16.86	30.47	34.91
S12	Offices, Professionals	32.16	28.64	28.01	32.00	29.16
S21	Community & Social Services	28.41	27.18	23.49	26.54	27.86
S22	Restaurants, Catering, Dry Cleaning	29.18	28.52	29.24	27.16	25.76
S23	Hotels, Motels, Taxis	33.33	29.31	32.84	39.59	27.30
S32	Personal, Business & Leisure Services	29.10	30.62	28.06	34.81	30.58
S33	Caretaking, Park Authorities	26.24	30.21	38.83	38.34	34.15
S41	Engineering, Testing & Surveying	29.15	39.24	36.34	34.14	25.02
T42**	Transportation, Courier, Commercial Bus	43.25	54. 42	51.20	52.91	51.97
T51	Operation of Railways	74.52	49.10	61.04	52.30	51.91
T61	Commercial Air Transportation	30.84	34.44	49.67	38.47	34.98
U11	Telecommunications	15.36	23.27	21.66	30.35	31.96
U31	Electric Systems	23.12	17.12	19.62	19.97	36.20

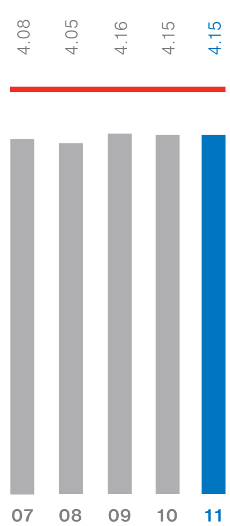
Average duration in days equals total days lost divided by claims with time lost.

* All Class duration excludes self-insured claims.

** In 2011, the F41 rate code was disbanded and affected firms were reclassified into A11, M62, R11, and T42. The claim durations for all years have been calculated under the new classification scheme.

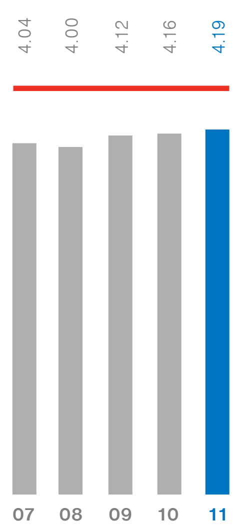
Balanced **Scorecard**

Stakeholders



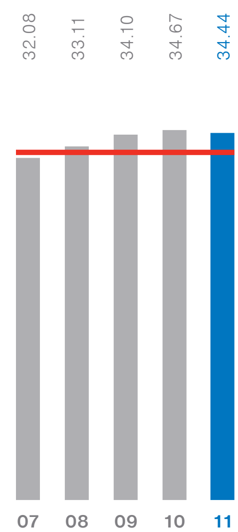
WORKER SERVICE FEEDBACK

Measure — Target 4.75



EMPLOYER FEEDBACK

Measure — Target 4.75



TIME LOSS CLAIM DURATION

Measure — Target 32.35

WORKER SATISFACTION

Shows injured worker satisfaction with WCB services, using a semi-annual random survey of claimants. A rating of 4 or above indicates that overall workers are satisfied with the quality of service provided by the WCB.

2011 average satisfaction for workers was 4.15 out of 5.0.

EMPLOYER SATISFACTION

Shows employer satisfaction with WCB services using a semi-annual random survey. A rating of 4 or higher indicates that overall employers are satisfied with the quality of service provided by the WCB.

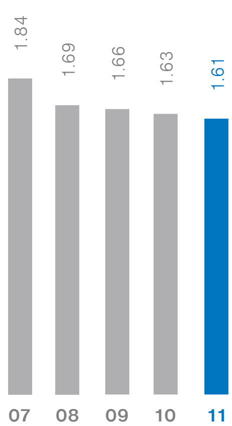
2011 average satisfaction for employers was 4.19 out of 5.0.

CLAIMS

Indicates the average number of days paid for Time Loss claims, represented by all Time Loss claims paid within a 12-month period.

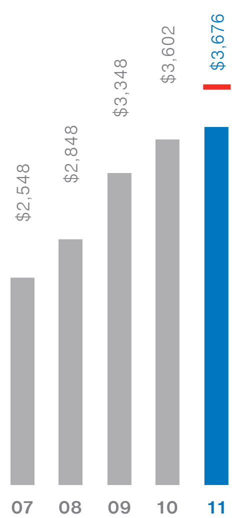
The 7 per cent increase in duration over the past five years indicates an increase in the severity of claims.

Financial



AVERAGE PREMIUM RATE

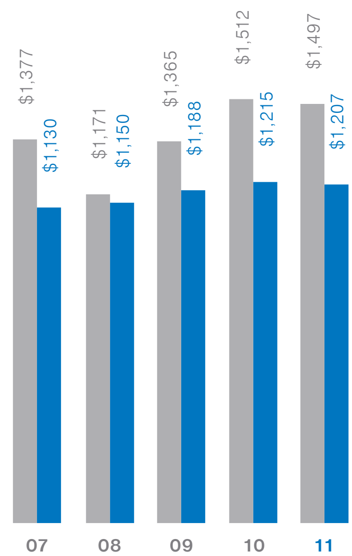
Measure



ADMINISTRATION COSTS PER TIME LOSS CLAIM

Measure

2011 Target $4,356



FULLY FUNDED STATUS* (millions)

Assets Liabilities

* Assets and Liabilities have been restated for 2010 under IFRS.

STABILITY OF RATES

Shows the change in employer premium rates over time.

2011 average Board approved employer premium rate net of experience rating was $1.61. This rate was 1.2 per cent lower than in 2010 and resulted in Saskatchewan continuing to have one of the lowest premium rates among provincial jurisdictions.

ADMINISTRATION COSTS PER TIME LOSS CLAIM

Demonstrates the average cost of administering a Time Loss claim, an important measure of administrative efficiency.

To be in the top performing quartile, the administration cost per Time Loss claim must be below $4,356. The actual 2011 cost was $3,676. Saskatchewan remains a top performer for this measure.

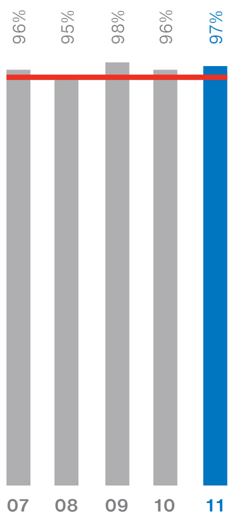
FULLY FUNDED STATUS

Illustrates the comparison between the WCB's assets and liabilities.

For 2011, assets were $1,497 million and liabilities were $1,207 million.

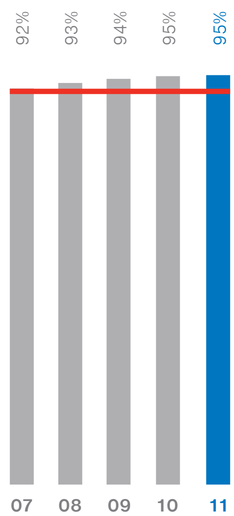
The WCB continues to be able to fund 100 per cent of its legislated requirements.

Internal



ACCURACY OF ENTITLEMENT DECISIONS

Measure — Target 95%



RETURN TO WORK

Measure — Target 92%

TIME TO FIRST PAYMENT

Measure — Target 75%

ACCURACY OF ENTITLEMENT DECISIONS

Independent quality assurance reviews are made to determine accuracy of entitlement decisions.

At 97 per cent, 2011 results surpassed the 95 per cent target.

RETURN TO WORK

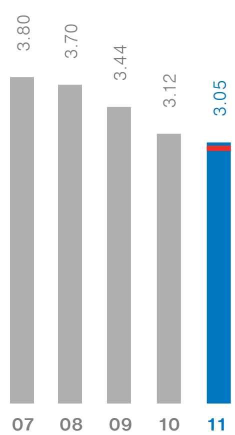
Depicts the proportion of injured workers who have returned to work after being declared employable.

Based on all closed claims, 95 per cent of injured workers returned to work in 2011. The remainder either moved to long-term compensation, or did not return to work for reasons not related to their claim. This result exceeds the 92 per cent target.

INCOME REPLACEMENT

Shows the proportion of workers receiving their first wage loss cheque within 14 days of the date of injury.

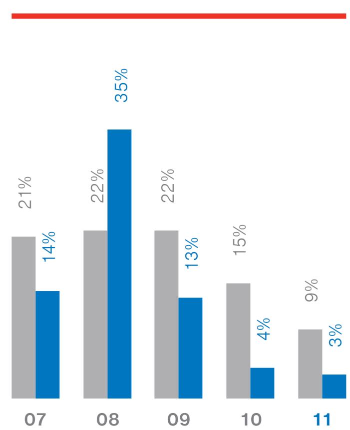
By comparison, 74 per cent of eligible workers received their first cheque within 14 days of the date the WCB was notified of the injury.



INJURY RATE

Measure

2011 Target 3.00%



TIME TO PROCESS APPEALS

Appeals Department

Board Appeal Tribunal

Target 50%

INJURY RATE

Measures the number of Time Loss injuries per 100 workers.

The provincial injury rate continues to drop, reaching 3.05 per cent in 2011, a 38 per cent reduction since 2002.

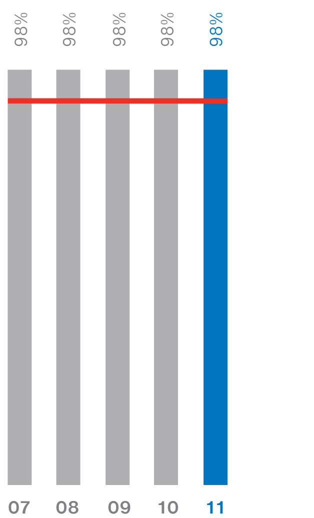
APPEALS

Depicts the length of time to process an appeal from the date it is received by the WCB until it is rendered.

Output levels continue to hamper possible gains in customer wait times in the Appeals Department. Improvements in output remain the focus in the department. Changes in the number of appeals received are not anticipated.

While in 2011 the Board was able to reduce the number of outstanding appeals by about one-third, there still needs to be an improvement in the turnaround time. We are beginning to see improvement in this area and expect significant improvement in 2012.

Foundation



DEMONSTRATED COMPETENCE

EMPLOYEE ENGAGEMENT

DEMONSTRATED COMPETENCE

Indicates the percentage of employees demonstrating required competencies for their jobs.

Introduced in 2005, this measure has been consistent at 98 per cent year-over-year.

EMPLOYEE ENGAGEMENT

The WCB introduced a new employee engagement survey in early 2010. The WCB now surveys employees every two years.

Management Discussion and **Analysis**

The Management Discussion and Analysis (MD&A) is the responsibility of management and is intended to provide a narrative explanation of the Saskatchewan Workers' Compensation Board's (WCB's) financial condition and results of operations for the year ended December 31, 2011. The Board Members carry out their review of the MD&A following a recommendation from the Audit Committee.

The MD&A should be read in conjunction with the audited financial statements and supporting notes as its purpose is to complement and supplement these documents. Forward-looking narrative statements contained in this discussion and analysis represent management's expectations based on information available as of March 7, 2012. Because forward-looking statements involve certain risks and uncertainties, actual future results may differ from those anticipated in this discussion.

Business Overview

The Workers' Compensation Act, 1979, (the Act) provides the WCB's operating authority and mandate. The WCB provides workplace injury insurance and services in Saskatchewan for industries covered by the Act. It is a monopoly, at arms-length from the provincial government, and operates as an administrative tribunal. It is responsible and accountable for decisions concerning entitlement to benefits that are guaranteed by legislation. Benefits can be income replacement, medical treatment (physician visits, prescriptions, hospital stays, surgeries and treatments, appliances and prosthetics), vocational rehabilitation and modifications to the workplace, home, or vehicle.

The WCB assists injured workers and their families through recovery and rehabilitation following a workplace injury. The WCB's goal is to return an injured worker to suitable employment as soon as it is medically safe to do so. In recent years, the WCB's mandate has evolved to include workplace safety and injury prevention programming.

The WCB raises funds for its operations through premiums paid by employers and from market returns on its investments. It reports to the legislature of Saskatchewan through the Minister Responsible for the Workers' Compensation Board.

The WCB's operations are guided by a Strategic and Operational Plan (SOP) developed by the Board Members and executive management. The SOP is reviewed annually and defines strategic objectives and corporate initiatives in five Key Result Areas:

- Injury Prevention,
- Excellent Service,
- Effective Processes,
- Competent People and
- Financial Integrity.

The Board Members receive quarterly reports on progress towards the SOP including performance measures called Balanced Scorecard indicators. Detail on the SOP and the Balanced Scorecard indicators can be found at wcbsask.com.

WorkSafe Saskatchewan (WSS) is our partnership with the Ministry of Labour Relations and Workplace Safety. WSS develops and delivers programs and services for Injury Prevention in our SOP. Its strategic objective is to help move Saskatchewan to zero workplace injuries. WSS's strategic and operational plan can be viewed at worksafesask.ca.

The WCB may partner with other organizations to advance strategic objectives and serve the interests of workers or employers. For example, the WCB is a founding partner of Safe Saskatchewan, a non-profit organization dedicated to eliminating unintentional injuries. Working with Safe Saskatchewan, the WCB launched the Health & Safety Leadership Charter in June 2010. Senior leaders with 129 organizations from across the province signed the charter in its first year, publicly declaring their commitment to the health and safety of their employees, customers, contractors, and the wider community. A 2012 leadership event is planned for June 14 in Regina.

Enterprise Risk Management

Enterprise risk management identifies risks to achieving strategic and operational success, and the controls in place to manage those risks. A risk register is used to rank the risks based on how well controls manage them. The WCB completes an annual risk register that is used as a reference in strategic and operational planning, budgeting and performance management cycles.

The most significant risks identified in 2011, and their controls were:

1. **Project Management** — Projects are undertaken at the WCB to accomplish its goals and objectives. Projects vary in complexity. There is risk that projects may fall short of expected targets, timelines and results if they are not properly planned, executed and monitored. Controls are:

    - Training.
    - Prioritization.
    - Monthly reporting.
    - The operational planning process.

2. **Health Care Costs** — Health care costs are a risk now and will continue to be a risk into the future. The rate of health care inflation is greater than the general inflation rate. There is a risk to achieving Key Result Areas if costs are not managed. Controls are:

    - Injury prevention and the WorkSafe Saskatchewan and Safe Saskatchewan partnerships.
    - Health care provider contracts.
    - Monitoring costs.
    - The provincial drug formulary.
    - Expediting services to injured workers.
    - Multi-disciplinary assessments.

3. **Workplace Injuries** — The WCB's focus is Mission: Zero. The WCB is working towards eliminating workplace injuries. There is a risk that the WCB is not effective in influencing the number of workplace injuries in Saskatchewan. Controls include:

    - The WorkSafe Saskatchewan partnership.
    - The Safe Saskatchewan partnership.
    - Experience rating program.
    - Social marketing.
    - Helping employers and other groups.

4. **Compensation Costs** — Several factors may affect an increase in compensation costs. Growing compensation costs might affect the WCB's ability to achieve its Key Result Areas. Controls are:

    - Injury prevention and the WorkSafe Saskatchewan and Safe Saskatchewan partnerships.
    - Quality assurance and quality control.
    - Early medical treatment and return to work programs.
    - Monitoring costs.

2011 Operational Highlights and Future Prospects

Prevention of Work Related Injuries

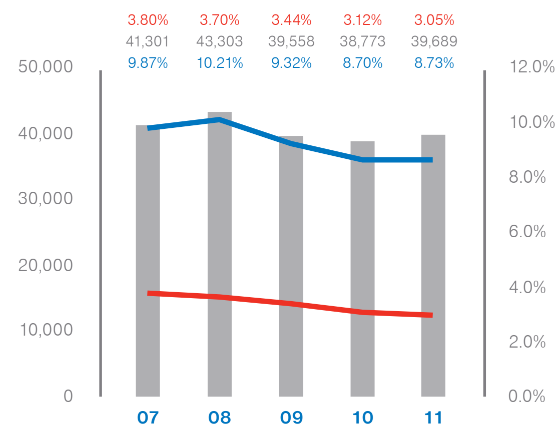
Time Loss Injury Rate – 2011: 3.05 per cent
(2010: 3.12 per cent)
Total Injury Rate – 2011: 8.73 per cent
(2010: 8.70 per cent)
Total Claims Reported – 2011: 39,689 (2010: 38,773)
Total Claims Accepted – 2011: 32,916 (2010: 32,276)

Injury prevention has been a key component of the WCB's strategic vision since 2003. In 2008, stronger language was added to the WCB's Vision Statement making it clear that strategic success means ***zero*** workplace injuries in Saskatchewan.

Great progress was made in 2009 and 2010 resulting in WorkSafe establishing more aggressive WorkSafe injury related targets in 2011. Good progress was made in 2011, however not all targets were met. The Time Loss injury rate dropped for the ninth straight year, from 3.12 per cent to 3.05 per cent. The combined efforts of Saskatchewan's workers, employers and safety organizations deserve credit for the ongoing progress being achieved.

The WCB understands that continuing and concerted effort is needed to bring the injury rate down further. According to the latest statistics available from the Association of Workers' Compensation Boards of Canada (AWCBC), in 2010 Saskatchewan had the second highest Time Loss injury rate in Canada.

The injury rate is calculated by taking the number of Time Loss claims (TLCs) accepted and paid in the year and dividing it by the number of workers covered by the WCB. The number of covered workers is expressed as full-time equivalents, or FTEs, and is determined by dividing reported payroll by the average weekly wage.



CLAIMS REPORTED AND INJURY RATES
Claims Reported
Time Loss Injury Rate (per 100 workers)
Total Injury Rate (per 100 workers)

In 2011 the WCB accepted 11,516 TLCs which is 58 fewer than the 11,574 TLCs accepted by the WCB in 2010. This is the ninth year in a row that the number of TLCs has dropped. This is a positive sign given that there were 6,345 more full-time workers covered by the WCB in 2011. However, the total number of claims reported to the WCB increased by 916 claims – the first increase since 2008. The WCB and its WorkSafe Saskatchewan partner will continue monitoring this metric to learn if this increase is an anomaly or the beginning of an upward trend.

While lowering the number of Time Loss injuries and reducing the Time Loss injury rate is important, the WCB's vision speaks to eliminating *all* workplace injuries, and so the WCB also calculates a total injury rate that reflects the total number of claims accepted.

In 2010, the total injury rate in Saskatchewan was 8.70 per cent. Through its WorkSafe Saskatchewan partnership with the Ministry of Labour Relations and Workplace Safety, the WCB set the goal of reducing the total injury rate to 8.25 per cent in 2011. As at December 31, 2011, Saskatchewan's total injury rate was 8.73 per cent.

Youth are statistically more likely to be injured on the job than a worker over the age of 25 years. In 2011, the goal was to lower youth injuries as a percentage of all injuries from 19.3 per cent to 18.9 per cent. As at December 31, 2011, the rate was 19.5 per cent. Despite the increase over 2010 in the percentage and number of youth injuries, the total number of youth injuries was the second lowest since the WCB started tracking the number in 2003. Since its peak in 2008, the number of youth workplace injuries has dropped by 1,759.

The long-term drop in the injury rate lends support to the WCB's strategies of partnerships and joint initiatives. These efforts for workplace safety are working. The increase in the number of claims and total injury rate in 2011 is worrisome, however. Going forward, we will continue to work with our partners and look for new partnerships and opportunities that restore our positive trend towards Mission: Zero. The WCB's attention will continue to focus on:

1. **Building greater capacity for occupational health and safety programming in Saskatchewan workplaces.** This includes providing training and informational events throughout Saskatchewan as well as developing new programs and resources to help employers better manage health and safety in their workplaces. In 2011, two new programs were introduced where needs were identified: *Understanding the WCB* and presentations to local Chamber of Commerce members.

2. **Supporting the development and use of safety management systems.** The Joint Industry Committee (JIC), formed in 2006, is a group of safety leaders who encourage employers to adopt health and safety programs and to establish appropriate certification standards. In 2011, the JIC completed a project to consolidate the guidelines. The evaluation tool developed in 2010 was successfully piloted against the rigourous standards established by the JIC.

3. **Developing and supporting partnerships that advance injury prevention.** In 2011, WorkSafe Saskatchewan sponsored safety leadership awards, featured several workplaces which had positive injury prevention stories and partnered with several organizations to advance injury prevention in various industries and demographics. WorkSafe Saskatchewan continues to support research and innovation in health and safety through the WorkSafeBC Research Secretariat.

4. **Influencing the health and safety beliefs and behaviours of Saskatchewan youth.** An ongoing youth research project was started in 2011 to better understand the attitudes, behaviours and demographics of Saskatchewan youth so that appropriate programs, services, and promotional campaigns can be delivered. WorkSafe Saskatchewan continued to support the youth video contest and established a social marketing campaign targeted at youth. WorkSafe has partnered with Labour Standards on a project to review and improve the Young Worker Readiness Certificate Course. WorkSafe has developed a partnership with Safe Saskatchewan and the Ministry of Education to support the development of curriculum and resources to enhance injury prevention education within the school system.

5. **Informing the general public on the urgency of eliminating workplace injuries.** This includes social marketing that continues to deliver compelling messages on zero injuries, zero fatalities and zero suffering. In 2010, WorkSafe Saskatchewan developed many new publications and training materials. The WorkSafe campaign continues to achieve high recognition. The level of awareness by the general public of the WorkSafe campaign remained high at 69.6 per cent. This is an increase in the level of awareness reported in 2010 from 68.5 per cent. There was also a significant increase in

the recognition of Mission: Zero by the general public from 41.0 per cent in 2010 to 54.7 per cent in 2011. Many organizations have adopted Mission: Zero as their call to action.

6. **A targeting initiative.** The WorkSafe partners help employers with significant numbers of workplace injuries through audits, inspections, and consulting to improve health and safety programs. This strategy continues to be successful, with the 2011 Priority 50 employers reducing their combined Time Loss injury rate by 11.1 per cent and their combined Total injury rate by 5.3 per cent, resulting in 280 fewer Time Loss claims and 137 fewer total claims.

Experience Rating Program

Discounts – 2011: $24.5 million to 21,750 employers (2010: $21.9 million to 21,148 employers)
Surcharges – 2011: $23.3 million to 1,504 employers (2010: $21.6 million to 1,444 employers)

The WCB's Experience Rating Program (ERP) provides employers financial incentives to improve or adopt workplace safety, injury prevention measures and effective return to work programs.

The ERP ensures that the relatively small number of employers responsible for the majority of costs in the system will pay higher premiums through surcharges. Employers who do not contribute to the costs of the system receive a discounted premium rate. Discounts and surcharges are calculated when the annual rates are set in the fall of each year and are applied to the employer's industry premium rate for the upcoming year.

There are two programs: the advanced program applies to employers who pay more than $15,000 in premiums to the WCB over a three-year period; employers who pay less than this amount are in the standard program.

Employers in the ERP's advanced program are subject to a 200 per cent maximum surcharge while employers in the standard program are subject to a 75 per cent maximum surcharge. The maximum discount available to employers in the standard program is 25 per cent. Employers in the advanced program are eligible for a maximum 30 per cent discount.

In 2011, 1,504 Saskatchewan employers paid $23.3 million in surcharges while 21,750 employers received discounts of $24.5 million. The remaining 18,718 employers covered by the WCB received neither a discount nor a surcharge.

By reducing the number of work injuries and their associated costs, employers can move from a position of paying a surcharge to a position of receiving a discount. This is most effectively done through effective workplace health and safety programs and programs that return injured workers to work as soon as medically safe to do so.

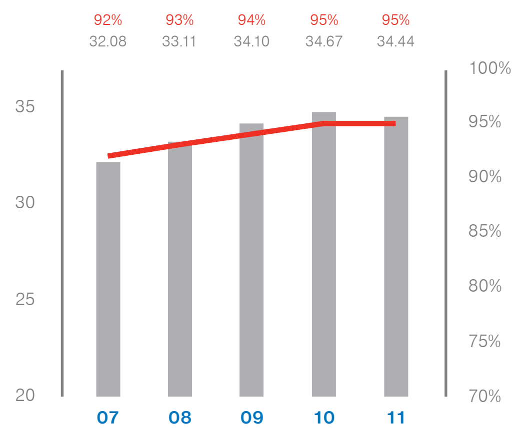
Claims Management Process

Return to Work – 2011: 95 per cent (2010: 95 per cent)
Average Duration – 2011: 34.44 days (2010: 34.67 days)

Claims management results in 2011 are slightly better than those in 2010:

- 95 per cent of injured workers sustaining a Time Loss injury returned to work, the same percentage as in 2010 and surpassing the WCB's 92 per cent objective.

- Average duration, the measure of timeliness of return to work, decreased 0.7 per cent to 34.44 days per Time Loss claim, falling short of the 32.35 day strategic objective. The primary driver of the decrease in duration is a decrease in the duration of 2 and 3 year old claims in the system.



CLAIM DURATION AND RETURN TO WORK PERCENTAGE

Duration in Days

Return to Work Percentage

Both the return to work percentage and average claims duration are among the best results for all Canadian compensation systems. Based on the most recently published national indicators, Saskatchewan has the lowest average duration of all provinces in Canada. The results are especially noteworthy because both metrics are dependent on all stakeholders in the system performing their responsibilities in a timely manner.

Decision accuracy measures the quality of claims decisions made by the WCB. This metric increased from 96 per cent in 2010, to 97 per cent in 2011 which surpassed the 95 per cent target for the year. The WCB also measures time to first payment, which is the number of days it takes to issue a first payment after the WCB is notified of an injury. The target is that 75 per cent of first payments are made within 14 days of injury occurrence. The average percentage in 2011 decreased 7 per cent to 64 per cent of first time payments. While still short of the target, Saskatchewan's average time to first payment for 2010, the most recent year available for comparison, is the lowest in Canada.

The WCB uses an independent agency of record to conduct customer service satisfaction surveys for both injured workers and employers. The survey methodology is called the Common Measurements Tool. It is specifically designed to measure satisfaction levels with public services.

In 2011, employers rated their overall satisfaction with claim services at 4.19 out of 5, up 0.03 from the 2010 average. Workers average satisfaction of 4.15 out of 5 was unchanged from 2010.

While survey results of 4.0 or greater are defined as excellent, the WCB strives for a target of 4.75. Customer survey results are analysed to identify areas of service improvement that are most important to WCB customers. The analysis is specific to each of the WCB's nine claim management teams, giving each team the information it needs to make service changes that meet their clients' needs. The WCB benchmarks its customer service ratings against other Canadian government and public agencies that use the same survey methodology. Benchmarking data shows the WCB's customer satisfaction ratings tend to place above the national average.

In 2011, the WCB made significant progress on its highest priority internal project — the replacement of the claims management system. The implementation of this multi-year project was extended to allow a phased-in approach with the new system going live in February 2012. The size and complexity of the project required the dedication of significant WCB resources in 2011 and will serve to improve customer service, case management outcomes, and administrative efficiency.

Human Resources and Team Support

The WCB integrates human resources into its strategic and operational planning processes to ensure that human resource processes are aligned with the organization's strategic direction. The WCB believes that, because its people strategies and related processes are closely aligned with its business strategies, there is a corresponding contribution to the organization's effectiveness now and in the future.

A key result of the Strategic and Operational Plan is its competent people strategy. The strategy has multiple objectives related to hiring, developing, engaging and retaining staff.

Once employees join the organization, the WCB invests in employee training and development. There were two significant training and development initiatives in 2011. The first was delivering learning modules of the newly designed leadership development program. The second was employee training in the new claims management system. Both initiatives involved the preparation of training material and curriculum so that staff was well prepared.

The WCB's Balanced Scorecard reports on two metrics related to its staff complement. The first is *Demonstrated Competence,* defined as the percentage of employees demonstrating the required competence for their jobs. The target for this metric is 90 per cent. In 2011, employees demonstrated 98 per cent competence, as measured through the WCB's performance management system. The second metric, *Employee Engagement,* is gauged through an employee survey that is conducted every two years. The 2011 data has an engagement rating of 102 against a target of 106.

The WCB, like other organizations, is challenged not only to find the best employees but to retain them in a robust economy that has produced a tight labour market. The WCB continues to track internal employee demographics to ensure the organization is achieving positive outcomes with respect to recruiting, developing and retaining a diverse staff complement.

From a quality perspective, opportunities to enhance the quality of decision-making, which includes the correct application of policies, is addressed through the review of initial adjudication decisions. The target of 95 per cent accuracy of entitlement decisions was surpassed in 2011. Without encroaching on decision-making independence, quality assurance staff provided constructive feedback to help achieve these quality outcomes.

Once again, the WCB was proud to be recognized as a top Saskatchewan employer in 2011; the fourth consecutive year that the WCB has earned this designation. It has contributed significantly to the organization's ability to source quality employees.

2011 Financial Highlights

International Financial Reporting Standards

On January 1, 2011 all publicly accountable enterprises, including Government Business Enterprises (GBE) like the WCB, were required to adopt International Financial Reporting Standards (IFRS).

The WCB prepared its first financial statements in accordance with IFRS for the year ending December 31, 2011. To help stakeholders understand how the new reporting standard affects financial reporting, the WCB:

- Prepared IFRS comparative figures for December 31, 2010, and an opening balance sheet as at January 1, 2010 — the date of transition to IFRS.
- Completed a reconciliation of the changes in the Injury Fund from Generally Accepted Accounting Principles (GAAP) to IFRS on January 1, 2010.

- Completed a reconciliation between GAAP and IFRS of the Comprehensive Income for the year ended December 31, 2010 and the Injury Fund on December 31, 2010.

All three of the above reconciliations are included in note 4 of the audited financial statements.

Prior to the adoption of IFRS, investments were recorded at fair market value on the Statement of Financial Position and the change in unrealized gains and losses was recorded in an account called Accumulated Other Comprehensive Income (AOCI). Under IFRS, the investments continue to be recorded at fair market value on the Statement of Financial Position; however, the change in unrealized gains and losses is being recorded through investment income. This means that volatile investment markets can produce swings in operating deficits and surpluses. For example, GAAP reporting recorded Comprehensive Income of $12.1 million for December 31, 2010. Adoption of IFRS increased investment income reported from $43.9 million to $147.2 million, due to the recording of the increase in unrealized gains on investments. This increased the Comprehensive Income and the Injury Fund by a similar amount.

In 2011, investment markets performed very poorly and market values decreased. Investment income recorded was a negative $33.5 million compared to the $147.2 million in 2010.

Other changes to our financial statements, as a result of IFRS, are as follows:

- **Employee defined benefit obligations** — The WCB sponsors a Defined Benefit Pension Plan for employees enrolled prior to October 1, 1977. Under GAAP, the WCB expensed $719,000 of the unamortized actuarial losses related to its Defined Benefit Plan. Under IFRS, the WCB recognized all unamortized actuarial losses in the Injury Fund on January 1, 2010. As a result there is no amortization of these unamortized actuarial losses in 2010. The impact on Comprehensive Income for 2010 is an increase of $719,000.
- **Real Estate** — The WCB had direct holdings in Real Estate that, under GAAP, were recorded at cost but under IFRS are recorded at market value. The majority of the Direct Holdings in Real Estate were sold in 2010. By recording these holdings at market, $9,030,000 of the 2010 gain on the sale was recorded in the Injury Fund on January 1, 2010. In 2010 the market value of remaining Direct Holdings in Real Estate increased by $2,000 so the net impact on the 2010 Comprehensive Income is a decrease of $9,028,000.
- **Retiring Allowance** — The WCB provides a retiring allowance to retiring employees who have attained a certain age or completed a designated number of years of service. The attribution method, the method to allocate benefits to periods of service, under GAAP differs from the method required under IFRS. The impact on the Comprehensive Income for 2010 is a decrease of $67,000.

Saskatchewan's economy remained strong in 2011 but, as indicated above, the global markets have not fully recovered from the lows reached in early 2009 and more recently sovereign debt issues in the global economy. Despite the poor investment performance, a strong Saskatchewan economy drove premium revenue increases and costs were stable. This minimized the impact of the poor investment performance and held the operating loss to a modest $7.0 million. Even with the 2011 loss, the WCB remains in a fully funded position.

Revenues

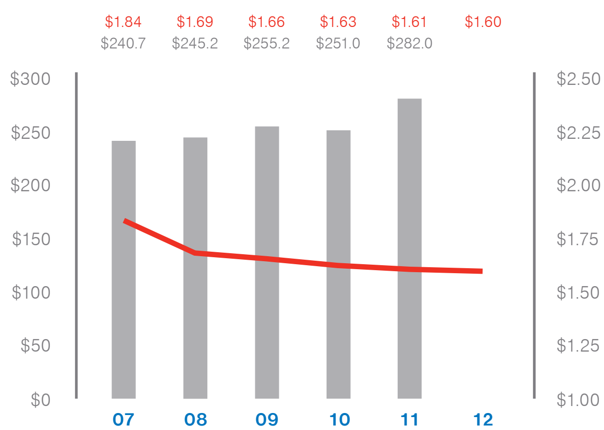
Premium income and investment income are the WCB's two sole sources of revenue. In 2011, revenues totaled $248.5 million, a 37.6 per cent decrease from 2010, driven by the decrease in investment income outlined below.

Premiums

Total premium revenue is made up of base premiums plus discounts and surcharges through the Experience Rating Program (ERP).

For 2011, employer assessable payrolls increased by 8.2 per cent to $16.91 billion due to strong economic growth, particularly in the Building Construction and Oil & Gas sectors. As a result, base premium revenue increased by 12.3 per cent from $251.6 million in 2010 to $282.6 million in 2011. This is despite the decline in the average premium rate from $1.63 in 2010 to $1.61 in 2011. The net cost of the ERP remained relatively constant in 2011 at $1.2 million.

With continuing declines in the Time Loss injury rate, and increases in reported payroll, the average premium rate for 2012 declined 0.6 per cent to $1.60 — down from $1.61 in 2011.



PREMIUM REVENUE AND AVERAGE PREMIUM RATE

Premium Revenue (millions)

Average Premium Rate (per $100 Insurable Earnings)

Investment Income

Investment income is an important revenue stream for the WCB. It supplements premiums to help cover total expenses for the year.

The long-term assumption that investments will generate an annual nominal rate of return of 5.75 per cent is built into the calculation of benefits liabilities as well as the premium rate setting model. In 2011, the WCB's portfolio of investments had a negative return of 2.2 per cent at market compared to a positive return of 11.9 per cent in 2010 and 13.6 per cent in 2009.

With the change to IFRS, investment income includes both realized income and unrealized gains or losses on investments during the year. Investment income could now fluctuate significantly year to year to reflect the change in the market value of WCB's investments.

For example, excluding unrealized gains and losses on investments, WCB's realized investment income decreased $30.8 million from $79.2 million in 2010 to $48.4 million in 2011. However, under IFRS, WCB shows a $180.7 million decline from investment income of $147.2 million in 2010 to an investment loss of $33.5 million in 2011. This decline is due almost entirely to the fact that WCB had $68.0 million in unrealized gains in 2010 and $81.9 million in unrealized losses in 2011.

The 2011 investment loss of $33.5 million includes:

- $81.9 million from net unrealized losses during the year on investments held at the end of 2011, less
- $48.4 million of realized investment income made up of:
  - $36.7 million of income from interest and dividends, plus
  - $15.3 million of net gains realized from the sale of investments, less
  - $3.6 million for investment expenses.

The WCB records its investments at market value. The WCB's Statement of Investment Policies and Goals (SIP&G) allows WCB's investment managers to lend investment securities to third parties for the purposes of generating additional revenue. Under IFRS, the investments under this Securities Lending Program are shown separately in the Statement of Financial Position. The combined investments on the Statement of Financial Position, $1,378.2 million, is a $33.9 million decline from the 2010 total of $1,412.1 million.

Investment Strategy

The WCB's SIP&G outlines its investment and risk philosophy. The SIP&G reflects the long-term nature of the WCB's liabilities and the impact of future inflation on its existing liabilities.

The WCB diversifies among asset classes — fixed income securities, equities, mortgages, and real estate — to achieve its long-term investment goals and to maximize returns at an acceptable risk. The WCB further diversifies within asset classes by selecting investment managers with different investment mandates and styles.

The WCB's Investment Committee reports to the WCB's Board Members and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. It also monitors the performance of the investment managers against established benchmarks. The Investment Committee recommends prudent policy goals and objectives to safeguard funding stability. The Committee meets regularly to monitor the performance of the investment managers and to review the ongoing relevance of the policies.

Expenses

The WCB has five main categories of expenses: claims costs, administration, safety and prevention, annuity fund interest and legislated obligations.

Claims Costs

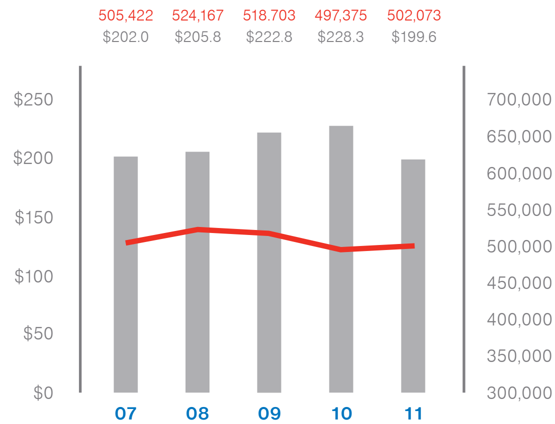
As reported in the Statement of Operations, claims costs totaled $199.7 million in 2011, a 12.5 per cent decrease from 2010. Claims costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. Benefits liabilities represent the amount required to pay the future costs of all claims.

The compensation component of claims costs consists of:

- Short-term wage loss and long-term earnings replacement payments to injured workers and their dependents,
- The health care services provided to injured workers, and
- Any vocational rehabilitation required to return injured workers to meaningful employment.

In 2011, compensation costs paid were $195.8 million, a $3.9 million increase over 2010. Administration costs for adjudicating and managing claims are also allocated to claims costs, bringing the total 2011 compensation payments to $207.0 million, a 2.1 per cent or $4.3 million increase over 2010.

The $199.7 million of claims costs reported in the Statement of Operations consists of the $207.0 million in cash expenses less a $7.3 million actuarial decrease to benefits liabilities. The benefits liabilities represent legislated obligations to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail further on in this analysis. The application of the reduction in the benefits liabilities has reduced total compensation costs for 2011 by $3.0 million.



CLAIMS COSTS AND COMPENSATION DAYS PAID

Claims Costs (millions)

Compensation Days Paid

Durations and the number of Time Loss claims (TLCs) are two key drivers of compensation costs. The duration of TLCs paid decreased in 2011. There was a decrease in the number of new TLCs for the year, as well. A reduction in the number of TLCs from previous years influences overall claim costs. Total TLCs, that is all Time Loss claims paid, in 2011 were 14,577, or a 1.6 per cent increase from the 14,345 claims paid a year earlier.

The increase in total TLCs paid in 2011 was partially offset by the shorter durations of the claims in the system and resulted in a 0.9 per cent increase in the total number of compensation days paid during the year: 502,073 total compensation days were paid in 2011 compared to 497,375 days in 2010. The increase in days paid resulted in short-term wage loss payments of $64.8 million in 2011. This represents a 2.7 per cent increase over 2010.

Payments for long-term disability or earnings replacement and survivor benefits decreased in 2011 to $53.9 million, compared to $58.0 million in 2010. This decrease was primarily due to a decrease in the number of injured workers receiving current Act long-term earnings replacement. In 2011, the number of injured workers receiving benefits dropped by 134 to 5,187.

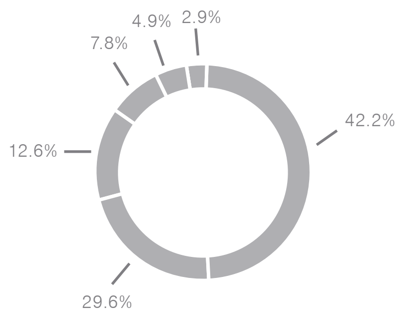
Health care payments in 2011 increased to $73.0 million, a 9.6 per cent increase over 2010. The WCB continues to invest more in treatment at the primary care level to help injured workers return to work as soon as it is medically safe to do so. The 2011 increase is primarily due to increased product and service fees paid to health care providers and suppliers in this sector and accounts substantially for the overall increase in health care costs.

Vocational rehabilitation remains an important component of compensation as it provides the retraining and education required when injured workers cannot return to their pre-injury job. Vocational rehabilitation costs decreased slightly in 2011 to $4.1 million, a drop of $0.2 million from 2010. The WCB remains diligent in its efforts to ensure that workers who require services are given the appropriate training, education, and modifications to their homes and workplaces.

Benefits Liabilities

Benefits liabilities decreased 0.7 per cent in 2011 to $1,013.9 million. This decrease was driven by a decrease in projected future long-term disability benefits.

In addition to projecting mortality tables for an additional year, the liability for expected future survivor awards was determined using a ten year average rather than the five year average used previously. The remaining long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2010. The real rate of return used is 3.25 per cent, and wages are expected to increase at 1.0 per cent above the assumed 2.5 per cent inflation rate. The WCB considers these assumptions to be a realistic best estimate of future expectations.



BENEFITS LIABILITIES

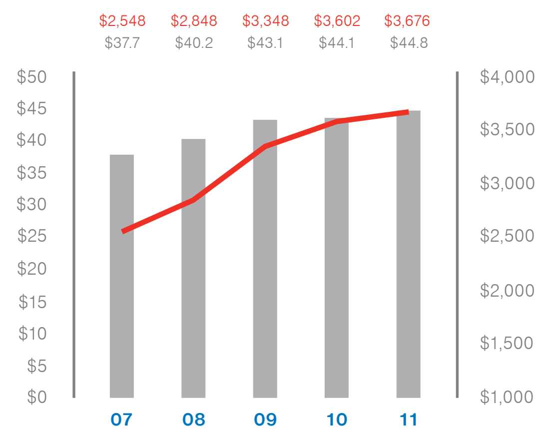
42.2%	Long-Term Disability	$	427,683,000
29.6%	Health Care	$	299,790,000
12.6%	Short-Term Wage Loss	$	127,271,000
7.8%	Survivor Benefits	$	79,572,000
4.9%	Future Benefits Administration	$	50,072,000
2.9%	Vocational Rehabilitation	$	29,558,000
100%	Total	$	1,013,946,000

Most wage-based benefits paid by the WCB are expected to increase at the rate of inflation and will be discounted at the nominal rate. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 3.25 per cent real rate of return. However, all wage-based benefits including short-term and pension awards for long-term disability and survivor benefits are subject to a ceiling based on the maximum wage rate prescribed under Section 38.1 of the Act. For the purpose of determining the present value of these future obligations that are capped by statutory limits, the obligations have been discounted using the nominal rate of return of 5.75 per cent per year.

The benefits liabilities also contain an amount set aside to administer benefits in future years. The WCB has determined that the allowance for the expenses included in the liability valuation should be 4.2 per cent of the liability for long-term disability and survivor awards and 6.3 per cent of the liability for all other claims. Future benefits administration accounts for $50.1 million of the $1,013.9 million total benefits liabilities.

Administration Expenses

Administration costs rose to $44.8 million in 2011, a 3.1 per cent increase, before costs charged to Future Benefits Administration. This increase reflects an increase in salary and employee benefit costs, an increase in costs for building operations and consulting services, and a decrease in amortization of property plant and equipment.



ADMINISTRATION EXPENSES AND ADMINISTRATION COST PER TIME LOSS CLAIM

Administration Expenses (millions)

Administration $ per Time Loss claim

An important measure of administrative efficiency is the administration cost per Time Loss claim. This was calculated to be $3,676 in 2011 compared to $3,602 in 2010. The increase reflects the drop in the pure number of Time Loss claims and the slight increase in administration costs overall. Saskatchewan continues to have the second lowest administration cost per Time Loss claim in Canada.

A second measure of administrative efficiency tracked by WCBs across the country is the administration cost per $100 of assessable payroll. For 2011, the WCB's ratio is $0.27 per $100 of assessable payroll. Again, Saskatchewan ranks in the top three in Canada.

Changes in administration expenses are sometimes compared to changes in the provincial Consumer Price Index. For the period 2002 to 2011, the Saskatchewan CPI increased by 22 per cent. The WCB's administration expenses for the same period increased by 17.6 per cent.

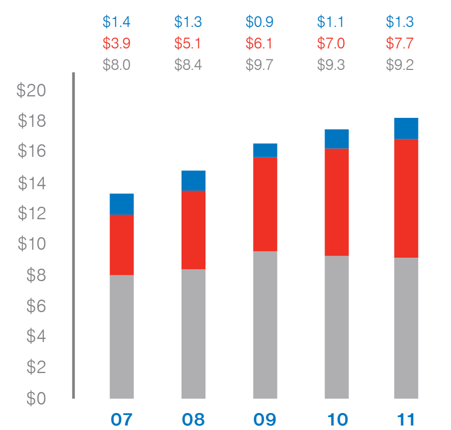
Safety and Prevention

Safety and Prevention is made up of funding to the Occupational Health and Safety Division (OH&S) of the Ministry of Labour Relations and Workplace Safety, funding to safety associations, and for WorkSafe Saskatchewan.

The Act requires that the WCB funds the operations of OH&S; however, the OH&S budget is approved by the Government of Saskatchewan through the provincial budgeting process. The role of OH&S is to help workplace parties to meet their responsibility to identify and correct health and safety hazards. As well, OH&S assists occupational health committees and worker representatives, inspects workplaces, and enforces health and safety regulations. In 2011, this funding dropped by 0.1 per cent to $9.2 million.

Safety funding is provided to seven safety associations that represent seventeen industry rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funds for the year increased $.7 million to $7.7 million in 2011.

Expenditures on WorkSafe Saskatchewan increased in 2011 to $1.3 million from $1.1 million in 2010 primarily due to more WorkSafe Saskatchewan promotion. The WCB and its WorkSafe Saskatchewan partner, the Ministry of Labour Relations and Workplace Safety, remain confident that investments to promote injury prevention and awareness will pay significant future dividends through fewer injuries to workers and lower costs for employers. Through its strategic and operational planning process WorkSafe will further focus its efforts to ensure funds are spent in areas most in need of improvement. Details on WorkSafe Saskatchewan, its Strategic and Operational Plan, as well as reporting of results against that plan, can be found at worksafesask.ca.



SAFETY AND PREVENTION (MILLIONS)

- OH&S
- Safety Associations
- WorkSafe Saskatchewan

Annuity Fund Interest

The Act requires the WCB to compensate injured workers for the loss of retirement income due to a workplace injury. The WCB sets aside an additional 10 per cent of all eligible benefits payments into an injured worker's annuity fund. This begins once the worker has received benefits for more than 24 consecutive months. The WCB continues to set aside funds until the worker returns to work or reaches age 65. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2011 contributions to the fund amounted to $5.7 million, down slightly from 2010.

The annuity funds accrue annual interest based on an internally calculated rate of return. The rate of return is based on the return of the WCB's investment portfolio but spreads gains and losses on investments over five years to reduce fluctuation in the annuity rate. As a result, in 2008 while the WCB experienced a negative return on its investment portfolio, the annuity rate remained positive at 2.8 per cent. The effect of 2008's negative return, however, will continue to impact annuity rates until 2012. In 2011, interest earned totaled $2.8 million, representing an interest rate of 1.7 per cent. This compares to $2.9 million earned in 2010 also at a rate of interest of 1.7 per cent.

Total annuity payouts in 2011 were $7.5 million, up 1.3 per cent from the $7.4 million paid out in 2010. The resulting $166.1 million annuity fund payable at December 31, 2011 increased .6 per cent over the balance at December 31, 2010. While there were 5,858 active claims with annuities at the end of 2011 compared to 5,841 at the end of 2010, the average annuity fund remained approximately $28,000 per claim.

Legislated Obligations

Under the Act, the WCB is obliged to fund the operations of the Office of the Worker's Advocate. Funding in 2011 was just under $1.0 million, up 18 per cent over 2010. In addition, a Committee of Review completed its work in 2011 which resulted in $.3 million in costs.

Funding Strategy

The WCB's Funding Policy sets the parameters for the Injury Fund and each of the reserves held by the WCB.

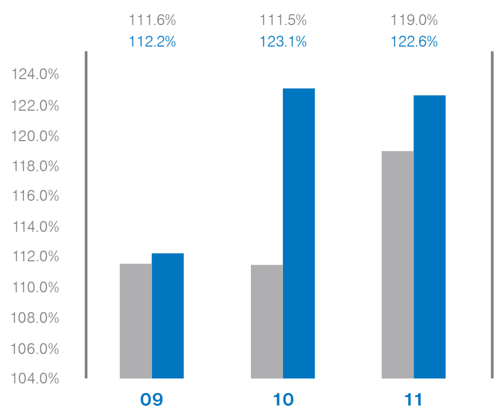
The targeted range for the Injury Fund is 5 per cent to 20 per cent of benefits liabilities. The Injury Fund is maintained in this range to ensure sufficient funds are available to meet required benefit levels and reduce fluctuations in the average premium rate. If the funded status moves outside the targeted range, it will be restored through the use of reasonable charges and rebates over a period not to exceed five years.

With the change to IFRS, WCB undertook a review of its Funding Policy in 2011 as the Injury Fund now included the unrealized gains and losses on investments. Without a change to the Funding Policy, the funding percentage would have been 122.6 per cent in 2011 and restated to 123.1 per cent in 2010.

However, the Funding Policy states that these unrealized gains and losses on investments, which were previously held in AOCI, would not be considered in the determination of the funded status of the WCB, considered for purposes of determining premium rates or rebates nor considered as available for benefit enhancements. Therefore, the WCB revised its Funding Policy to remove these unrealized gains and losses from the Injury Fund for the purposes of calculating the funding percentage. The calculation then remains consistent year-over-year and the funding percentage is not subject to significant fluctuations in the market value of investments.

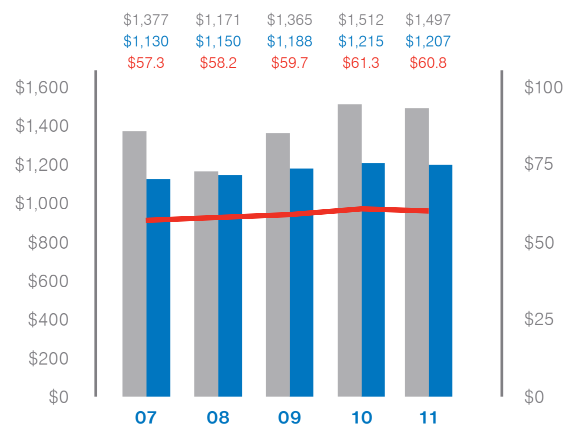
Based on the revised Funding Policy, the funding percentage at December 31, 2011 was 119.0 per cent and 111.5 per cent as restated for December 31, 2010. The rise in the revised funding percentage in 2011 is due to the decline in the benefits liabilities and the increase in premiums revenue while holding administration expenses stable.

The $7.0 million operating loss in 2011, less a total $0.4 million reduction to reserves to comply with the funding policy, results in a balance of $229.3 million in the Injury Fund at the end of 2011. This is a decrease from $235.3 million at the end of 2010. However, for Funding Policy purposes the Injury Fund, excluding unrealized gains on investments, increased from $117.3 million at December 31, 2010 to $192.6 million at December 31, 2011. The funding percentages are disclosed in note 20 of the financial statements.



FUNDING PERCENTAGE

Revised Funding Policy
IFRS



FUNDED POSITION AND RESERVES (MILLIONS)*

Assets
Liabilities
Reserves

* Assets and liabilities have been restated for 2010 under IFRS.

The Second Injury and Re-employment Reserve was established to provide employers with cost relief on claims that are attributed to an earlier injury and to help return to work through retraining. Currently, the $10.1 million in this reserve is 1.0 per cent of the benefits liabilities as recommended by the funding policy.

The Disaster Reserve and Occupational Disease Reserve were created to meet the requirements of the Act with respect to disasters and to meet the costs of emerging occupational diseases. The Disaster Reserve has two components: one for less severe disasters which meet the threshold outlined in the Act and one for rare but very severe disasters. The Funding Policy specifies 1.0 per cent of benefits liabilities for each component. The total of the Disaster Reserve was $20.3 million at the end of 2011. With respect to the Occupational Disease Reserve, the Funding Policy specifies a rate of 3.0 per cent of benefits liabilities which resulted in a balance of $30.4 million at the end of 2011.

The reserves combined for a total of $60.9 million at December 31, 2011 compared to $61.3 at the end of 2010.

Internal Controls Over Financial Reporting

The objective of financial reporting is to prepare reliable financial statements. This involves attaining reasonable assurance that the financial statements are free from material misstatements. The Internal Controls Over Financial Reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable financial statements.

Beginning in 2009, the WCB began certifying in its annual report that the financial statements are presented fairly, in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

The WCB established an ICOFR Committee to assess its internal controls over financial reporting and to provide assurance that internal controls are adequate to prevent material misstatement of the financial statements. The

Committee assessed the control environment in which the internal controls operate and evaluated internal controls related to certain financial processes, transactions, and applications. The assessments undertaken by the Committee in 2011 did not identify any material weaknesses in internal controls over financial reporting. The 2011 report by the Chief Executive Officer and the Director Finance and Administration can be found on page 37 of this annual report.

Looking Ahead

Economic Outlook

The Conference Board of Canada predicts the outstanding economic performance in Saskatchewan will continue in 2012. Saskatchewan's economy is expected to grow 4.2 per cent in 2012 due to continued strength in the natural resource sector which will produce increased capital investment and production particularly in the potash and oil industries. Other key factors that are forecasted to contribute to the economic growth in Saskatchewan are strong residential investment due to the strength of the Saskatchewan economy and continued population growth, and an increase in non-residential investment and manufacturing sales from high commodity prices and continued growth in the mining sector. In addition, the province is predicted to have the second lowest unemployment rate in Canada in 2012.

This positive outlook for Saskatchewan is reflected in the increase in the WCB's employer assessable payroll forecast from $16.91 billion in 2011 to $17.67 billion in 2012.

Business Outlook

The fast pace of Saskatchewan's economy coupled with projections of tight labour markets may mean that workplaces are under increased pressure to work longer hours or at a faster pace. This would pose an increased risk in the workplace that could result in more workplace injuries for some sectors or occupations. The WCB monitors the injury rate by sector for any indicators that suggest an industry's rate is cause for concern.

The WCB will continue to identify threats and opportunities to its corporate business plan during its strategic planning process, and to create action plans to ensure it can meet future challenges in its operational and financial plan with confidence. Specific strategic initiatives include:

- Focused human resource planning and programs will continue to help the WCB to recruit and keep a capable workforce.
- Continued emphasis on the elimination of work related injuries by the WorkSafe Saskatchewan partnership, and increased collaboration with stakeholders to bring greater attention to the high personal and economic cost of injuries.
- Continued prudent investment strategies to capitalize on expected positive corporate earnings growth in 2012 and thereby improve the WCB's investment performance.
- Cooperation with healthcare providers so that injured workers receive the most appropriate and timely health care services.

Responsibility for **Financial Statements**

The financial statements are the responsibility of management and have been prepared in conformity with International Financial Reporting Standards. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly represent in all material respects, the financial condition, results of operations, and cashflows as at December 31, 2011.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2011 operated effectively with no material weaknesses in the design or operation of the controls.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board Members. The Board Members meet periodically with financial officers of the WCB and the external auditors. The Internal Audit Department conducts reviews designed to test the accuracy and consistency of the WCB's internal controls, practices and procedures.

KPMG LLP has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the WCB's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditor's Report outlines the scope of their examination and their opinion.

PETER FEDERKO CA
Chief Executive Officer

OS MONTANINI CMA
Director, Finance and Administration

March 7, 2012

Actuarial **Certification**

To the Board Members of the Saskatchewan Workers' Compensation Board ("WCB")

I have completed an actuarial valuation as at December 31, 2011 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 1979* (the Act) in respect of claims that occurred prior to the valuation date.

I have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In my opinion, the claims data is sufficient and reliable for the purposes of the valuation.

The valuation was based on the provisions of the Act in effect as of December 31, 2011 and reflected the legislated fixed and floating maximum wage rates. The Benefits Liability includes provision for claims arising in the future in respect of latent occupational diseases only to the extent that such claims have been experienced in the past. It does not include any additional or explicit allowance for latent occupational diseases. It does include a provision for future expenses relating to the administration of existing claims. Payments made by the WCB on a self-insured basis are excluded from the valuation of the Benefits Liability.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the WCB's future obligations, with a margin for investment returns on the WCB's invested assets being less than best estimate and an allowance for the floating maximum wage, applicable to pre-September 1, 1985 injuries. They are based on the provisions of the Act at the valuation date, the WCB's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In my opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are appropriate and consistent with sound actuarial principles.

The actuarial valuation of the Benefits Liability of $1,013,946,000 represents the actuarial present value at December 31, 2011 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2011. In my opinion, the amount of the Benefits Liability makes appropriate provisions for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation.

This actuarial report has been prepared and my opinions have been given in accordance with accepted actuarial practice in Canada.

Hewitt Associates, operating as Aon Hewitt

MARK MERVYN
Fellow, Canadian Institute of Actuaries
March 2, 2012

Independent **Auditor's Report**

To the Members of the Saskatchewan Workers' Compensation Board

We have audited the accompanying financial statements of Saskatchewan Workers' Compensation Board, which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, the statements of operations, changes in funded position, and cash flows for the years ended December 31, 2011, and December 31, 2010, and notes, comprising 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 International Financial Reporting Standards, 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 our 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, we consider internal control relevant to the entity'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 entity'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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Workers' Compensation Board as at December 31, 2011, December 31, 2010 and January 1, 2010, and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

Chartered Accountants

KPMG LLP

Regina, Canada
March 7, 2012

Statement of **Financial Position**

As at	December 31 2011	December 31 2010	January 1 2010
(Thousands of dollars)			
Assets			
Cash and cash equivalents (note 5)	**$ 46,430**	$ 45,082	$ 61,195
Receivables (note 6)	**23,685**	20,404	28,789
Investments under security lending program (note 7)	**183,872**	211,407	114,267
Investments (note 7)	**1,194,374**	1,200,737	1,141,502
Property, plant and equipment (note 8)	**13,198**	13,881	14,480
Other assets (note 9)	**35,940**	20,631	8,496
	$ 1,497,499	$ 1,512,142	$ 1,368,729
Liabilities			
Payables and accrued liabilities (note 10)	**$ 27,309**	$ 28,574	$ 28,235
Benefits liabilities (note 11)	**1,013,946**	1,021,265	995,658
Annuity fund payable (note 12)	**166,091**	165,106	163,686
	1,207,346	1,214,945	1,187,579
Funded Position (see accompanying statements)			
Injury Fund	**229,316**	235,921	121,410
Reserves (note 13)	**60,837**	61,276	59,740
	290,153	297,197	181,150
	$ 1,497,499	$ 1,512,142	$ 1,368,729

Contingencies (note 19)
See accompanying notes to financial statements.

Approved by the Board and signed on their behalf on March 7, 2012.

DAVID R. EBERLE
Chairperson

WALTER EBERLE
Board Member

KAREN SMITH
Board Member

Year ended December 31, 2011

Statement of **Operations**

(Thousands of dollars)

	2011	2010
Revenues		
Premiums (note 14)	**$ 281,983**	$ 250,959
Investment income (note 7)	**(33,510)**	147,194
	248,473	398,153
Expenses		
Claim costs (note 11)	**199,663**	228,335
Administration (schedule 1)	**33,640**	32,691
Safety and prevention (note 15)	**18,186**	17,382
Annuity fund interest (note 12)	**2,785**	2,873
Legislated obligations (note 16)	**1,243**	825
	255,517	282,106
Comprehensive Income (Loss)	**$ (7,044)**	$ 116,047

See accompanying notes to financial statements.

Statement of **Changes**
In Funded Position

(Thousands of dollars)

	Injury Fund	Accumulated Other Comprehensive Income	Reserves	Total Funded Position
Balance January 1, 2010 (Canadian GAAP)	$ 111,016	$ 6,310	$ 59,740	$ 177,066
First time adoption of IFRS (note 4)	10,394	(6,310)	–	4,084
Balance January 1, 2010	121,410	–	59,740	181,150
Comprehensive income (IFRS)	116,047	–	–	116,047
Appropriation of funds to reserves	(1,536)	–	1,536	–
Balance December 31, 2010	235,921	–	61,276	297,197
Comprehensive loss	(7,044)	–	–	(7,044)
Appropriation of funds from reserves (note 13)	439	–	(439)	–
Balance December 31, 2011	$ 229,316	$ –	$ 60,837	$ 290,153

See accompanying notes to financial statements.

Year ended December 31, 2011

Statement of **Cash Flows**

(Thousands of dollars)

	2011	2010
OPERATING ACTIVITIES		
Cash received from:		
Premiums	**$ 283,659**	$ 255,615
Dividends	**21,747**	19,048
Interest	**16,222**	17,168
	321,628	291,831
Cash paid to:		
Claimants, or third parties on their behalf	**204,705**	190,172
Employees and suppliers, for administrative and other goods and services	**45,478**	42,121
Safety and prevention programs	**18,312**	17,736
Ministry of Labour Relations and Workplace Safety	**812**	764
	269,307	250,793
Net cash provided by operating activities	**52,321**	41,038
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	**1,031,303**	1,039,418
Cash paid for:		
Purchase of investments	**1,065,697**	1,081,242
Purchase of property, plant and equipment	**737**	853
Purchase of other assets	**15,842**	14,474
	1,082,276	1,096,569
Net cash used in investing activities	**(50,973)**	(57,151)
Increase (decrease) in cash during the year	**1,348**	(16,113)
Cash and cash equivalents, beginning of year (note 5)	**45,082**	61,195
Cash and cash equivalents, end of year (note 5)	**$ 46,430**	$ 45,082

See accompanying notes to financial statements.

Notes

To Financial Statements

1. NATURE OF OPERATIONS:

The Saskatchewan Workers' Compensation Board (WCB) operates under the authority of *The Workers' Compensation Act, 1979* (the Act) and its purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

Though WCB does not receive government funding or other assistance, it is required by the Act to maintain an Injury Fund sufficient to meet all present and future compensation costs. Premium rates are established at a level to provide for current and future cost of claims and operations arising from current claims. WCB is a Government Business Enterprise (GBE) and as such is exempt from income tax.

2. BASIS OF PRESENTATION:

Statement of compliance

The financial statements for the year ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Committee (IFRIC). These are WCB's first financial statements using IFRS and IFRS 1, *First-time adoption of International Financial Reporting Standards,* has been applied.

WCB's financial statements were previously prepared in accordance with Canadian generally accepted accounting principles (GAAP). Canadian GAAP differs in some areas from IFRS. In preparing the financial statements, management has amended certain accounting and valuation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2010 have been restated to reflect these adjustments. Any adjustments as a result of differences between Canadian GAAP and IFRS have been reflected in WCB's opening statement of financial position as of January 1, 2010, the transition date. Certain information that is considered material to the understanding of WCB's financial statements along with reconciliations and descriptions of how the transition from Canadian GAAP to IFRS has affected the reported financial position, financial performance and cash flows are provided in note 4.

Basis of measurement

The financial statements have been prepared using the historical cost basis except for financial instruments. The methods used to measure the values of financial instruments are discussed further in note 3.

Statement of financial position classification

The statement of financial position has been prepared using the liquidity format in which the assets and liabilities are presented broadly in order of liquidity. The assets and liabilities comprise both current and non-current amounts.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is WCB's functional currency and are rounded to the nearest thousand unless otherwise noted.

Use of estimates and judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the benefits liabilities (note 11), the valuation of receivables (note 6), investments (note 7) and employee future benefits (note 17).

3. SIGNIFICANT ACCOUNTING POLICIES:

Financial Assets and Liabilities

The measurement basis for financial assets and financial liabilities depends on whether the financial assets and liabilities have been classified as fair value through profit and loss, available for sale, held to maturity, loans and receivables, or other financial liabilities. Financial assets and liabilities classified as fair value through profit and loss are measured at fair value and changes in fair value are recognized in comprehensive income. Financial assets classified as available for sale are measured at fair value with unrealized changes in fair value recorded in other comprehensive income; however, unrealized losses considered other than temporary are recognized as a decrease to comprehensive income. Financial assets designated as held to maturity, loans and receivables, or other financial liabilities are measured at amortized cost using the effective interest method. WCB has no financial assets and liabilities designated as available for sale or held to maturity.

WCB has designated its cash and cash equivalents and investments as fair value through profit and loss. Receivables are designated as loans and receivables. Payables and accrued liabilities and annuity fund payable are designated as other financial liabilities. Benefits liabilities are exempt from the above requirement.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investments

All investments are carried at fair value. The fair value of short-term investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments. The fair value of equities are determined based on the quoted market price, based on the latest bid prices. The fair value of pooled equity funds are based on the quoted market values of the underlying investments, based on the latest bid prices. The fair value of bonds and debentures are based on model pricing techniques that effectively discount prospective cash flows to present value taking into consideration duration, credit quality and liquidity. The fair value of the pooled mortgage fund is determined based on the market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage. The fair value of the pooled real estate fund is determined based on the market values of the underlying real estate investments, normally based on appraisals.

WCB records its investment purchases and sales on a trade-date basis, being the date when the transactions are entered into.

Investments under securities lending program

Securities lending transactions are entered into on a collateralized basis. The securities lent are not derecognized on the statement of financial position given that the risks and rewards of ownership are not transferred from WCB to the counterparties in the course of such transactions. The securities are reported separately on the statement of financial position on the basis that the counterparties may resell or re-pledge the securities during the time that the securities are in their possession.

Securities received from counterparties as collateral are not recorded on the statement of financial position given that the risks and rewards of ownership are not transferred from the counterparties to WCB in the course of such transactions.

Investment income

WCB recognizes interest revenue as earned, dividends when declared, pooled fund revenue when a distribution is declared, realized gains and losses on investments when the investment has been sold and unrealized gains and losses based on the changes in market value of the investments held.

Interest revenue includes amortization of any premium or discount recognized at the date of purchase of the security. Amortization is calculated using the effective interest method. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

Transaction costs are included in the acquisition cost of individual investments. Direct investment expenses, such as external custodial, investment management and investment consultant expenses, are recorded against investment income.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. As no borrowing costs are attributable to the acquisition of property, plant and equipment, there are no capitalized borrowing costs included in cost. The estimated useful lives of the assets are as follows:

Building	40 Years
Leasehold improvements	15 Years
Office furnishings	10 Years
Computer equipment	3 – 4 Years

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through WCB's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2011 has been determined by estimating future benefits payments in accordance with WCB's administrative policies and practices in effect at December 31, 2011.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Intangible Assets

Other assets include software development costs. These costs are amortized on a straight-line basis from the date the programs are put into operation over their estimated useful life. The estimated useful life of software development costs range from three years to fifteen years.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83 of the Act. Where compensation is paid for a period exceeding twenty-four consecutive months, an additional amount equal to 10% of eligible benefits paid is set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund earns interest based on an internally calculated rate of return. At age 65 the client must provide direction to WCB for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the period end date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Unrealized foreign exchange gains and/or losses arising on monetary and non-monetary investments designated as fair value through profit and loss are recognized in investment income. Unrealized gains and/or losses arising on translation are charged to operations in the current year. Translation gains and/or losses related to other financial assets and liabilities are charged to operations in the current year.

Employee Future Benefit Plans

WCB provides a defined benefit pension plan and a defined contribution pension plan that provide retirement benefits for its employees.

For the defined benefit plan, the cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and future pension indexing. The discount rate used to determine the accrued benefit obligation is determined with reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. Pensions will be increased annually by the lesser of 2.50% or 50% of the Consumer Price Index in the immediately preceding year.

For the defined contribution plan, employee contributions are matched by WCB and expensed in the period made.

Future Accounting Policy Changes

The following future changes to accounting standards will have applicability to WCB:

Insurance Contracts

IASB issued exposure draft ED/2010/8 Insurance Contracts (the ED) on July 30, 2010. The ED proposes a new standard on accounting for insurance contracts, which would replace IFRS 4, *Insurance Contracts.* The proposals represent the first comprehensive IFRS accounting model for insurance contracts and are expected to have a significant impact on the financial reporting of insurers such as WCB. The ED does not propose an effective date for the new standard since the IASB plans additional deliberation on the effective dates of these proposals. The final standard is expected in 2012, with implementation not expected before 2015.

Financial Instruments

IFRS 9, *Financial Instruments,* was issued in November 2009 and modifies previous standard IAS 39, *Financial Instruments: Recognition and Measurement.* The new standard requires financial instruments to be measured at either fair value or amortized cost. Under the new standard, the existing categories for available for sale, held to maturity, and loans and receivables will be eliminated.

Equities will have the option to be designated as fair value through other comprehensive income, similar to the current available for sale designation, except that realized gains or losses would remain in accumulated other comprehensive income and impairment decisions would not be required. A fair value option (fair value through income, consistent with held for trading) will continue to be available on the condition that accounting mismatches are reduced.

The current standard requires adoption by January 2015, which has been deferred from the original adoption date of January 2013 and early adoption is permitted.

Fair Value Measurement

In May 2011, the IASB published IFRS 13, *Fair Value Measurement* (IFRS 13). IFRS 13 replaces the fair value measurement guidance contained in various standards with a single source of fair value measurement guidance. This standard may impact the measurement of fair value for certain assets and liabilities as well as the associated disclosures.

IFRS 13 is applicable prospectively for annual periods beginning on or after January 1, 2013. Earlier application is permitted with disclosure of that fact. WCB is in the process of assessing the impact of IFRS 13 on its financial statements.

4. FIRST-TIME ADOPTION OF IFRS:

Consistent with other Canadian publicly accountable enterprises, WCB is required to prepare its financial statements for the year ending December 31, 2011 in accordance with IFRS. WCB has accordingly restated its previously reported 2010 results and financial position.

IFRS 1, First-time adoption of International Financial Reporting Standards – Exemptions

WCB is required to determine its IFRS accounting policies and apply them retrospectively to establish its opening statement of financial position under IFRS. However, IFRS 1, *First-time adoption of International Financial Reporting Standards*, provides a number of exemptions upon first-time adoption of IFRS. WCB has used the following exemptions in preparing the January 1, 2010, statement of financial position and the December 31, 2011 financial statements:

(a) Employee defined benefit obligations

WCB has elected to use the IFRS 1 exemption available and recognize all unamortized actuarial gains and losses and all unamortized net transitional assets existing at the transition date immediately in the Injury Fund.

WCB has elected to use the IFRS 1 exemption available to prospectively disclose from the date of transition the present value of the defined benefit obligation, the fair value of the plan assets, the surplus or deficit in the plan, and experience adjustments arising on the plan liabilities or plan assets. This will be increased in each subsequent year, until five years of information is included.

(b) Designation of previously recognized financial instruments

WCB has elected to use the IFRS 1 exemption available and change the classification of cash and cash equivalents and all investments from available for sale to fair value through profit or loss.

(c) Leases

WCB has elected to use the IFRS 1 exemption available with regards to determining if an arrangement contains a lease. This exemption eliminates the requirement for WCB to reassess the determination of whether an arrangement contains a lease at the date of transition if the conclusion under Canadian GAAP is the same as the conclusion that would have been reached under IFRS.

Reconciliations from Canadian GAAP to IFRS

Funded position as at January 1, 2010

(Thousands of dollars)

	Note	Injury Fund	Reserves	Accumulated Other Comprehensive Income	Total Funded Position
Balance as at December 31, 2009					
(Canadian GAAP)		$ 111,016	$ 59,740	$ 6,310	$ 177,066
Employee defined benefit obligations	1				
Unamortized actuarial gains/losses		(5,120)	–	–	(5,120)
Reclassification of investments	2				
Unrealized gains/losses		6,310	–	(6,310)	–
Real Estate	3				
Recorded at market		9,030	–	–	9,030
Retiring Allowance	4				
Attribution method		174	–	–	174
Total Adjustments		10,394	–	(6,310)	4,084
Balance as at January 1, 2010 (IFRS)		$ 121,410	$ 59,740	$ –	$ 181,150

Funded position as at December 31, 2010

(Thousands of dollars)

	Note	Injury Fund	Reserves	Accumulated Other Comprehensive Income	Total Funded Position
Balance as at December 31, 2010					
(Canadian GAAP)		$ 121,591	$ 61,276	$ 118,622	$ 301,489
Employee defined benefit obligations	1				
Unamortized actuarial gains/losses		(4,401)	–	–	(4,401)
Reclassification of investments	2				
Unrealized gains/losses		118,622	–	(118,622)	–
Real Estate	3				
Recorded at market		2	–	–	2
Retiring Allowance	4				
Attribution method		107	–	–	107
Total Adjustments		114,330	–	(118,622)	(4,292)
Balance as at December 31, 2010 (IFRS)		$ 235,921	$ 61,276	$ –	$ 297,197

Comprehensive Income for the year ended December 31, 2010

(Thousands of dollars)

	Note	Canadian GAAP December 31, 2010	IFRS Adjustments	IFRS December 31, 2010
Revenues				
Premiums		$ 250,959	$ –	$ 250,959
Investment income	2 & 3	43,910	103,284	147,194
		294,869	103,284	398,153
Expenses				
Claim costs		228,335	–	228,335
Administration	1 & 4	33,343	(652)	32,691
Safety and prevention		17,382	–	17,382
Annuity fund interest		2,873	–	2,873
Legislated obligations		825	–	825
		282,758	(652)	282,106
Comprehensive Income		$ 12,111	$ 103,936	$ 116,047

1) Employee defined benefit obligations

The WCB sponsors a Defined Benefit Pension Plan for employees enrolled prior to October 1, 1977. Under GAAP, WCB allocated a portion of its retirement benefit costs associated with the defined benefit pension plan as net benefit plan expense in the current year. Under IFRS, WCB is utilizing an IFRS 1 election to recognize all unamortized actuarial gains and losses and all unamortized net transitional assets existing at the transition date immediately in the Injury Fund. The impact on the Injury Fund at January 1, 2010 is a decrease of $5,120,000.

For the year ended December 31, 2010, this accounting policy difference resulted in a decrease in expenses of $719,000. The total adjustment to the Injury Fund between Canadian GAAP and IFRS at December 31, 2010 was a decrease of $4,401,000.

2) Reclassification of Investments

Upon adoption of IFRS, WCB has elected to use the IFRS 1 exemption available to change the designation of investments from available for sale to fair value through profit and loss. At January 1, 2010, this reclassification of unrealized gains has resulted in a decrease in accumulated other comprehensive income and an increase in the Injury Fund of $6,310,000.

For the year ended December 31, 2010, this accounting policy difference resulted in a decrease to other comprehensive income and an increase in investment income of $112,312,000. The total adjustment to Accumulated Other Comprehensive Income at December 31, 2010 was a decrease of $118,622,000 with an offsetting increase in the Injury Fund.

3) Real Estate

The WCB has direct holdings in Real Estate that under GAAP were recorded at cost. Under IFRS, the best estimate of fair value is used when an investment is not quoted in an active market. The market value for the direct holdings in Real Estate at January 1, 2010 is based on appraisal values from third parties. The appraisal values are considered reasonable due to the fact that the direct holdings were sold in 2010 and the realized value approximated the fair value at January 1. The impact on the Injury Fund at January 1, 2010 is an increase of $9,030,000.

For the year ended December 31, 2010, this accounting policy difference resulted in a decrease in investment income of $9,028,000. The total adjustment to the Injury Fund between Canadian GAAP and IFRS at December 31, 2010 was an increase of $2,000.

4) Retiring Allowance

The WCB provides a retiring allowance to retiring employees that have attained a certain age or completed a designated number of years of service. The attribution method, the method to allocate benefits to periods of service, under GAAP differs from the method required under IFRS. Under GAAP the attribution method commenced benefit accruals from the employee's date of hire while the IFRS method requires that the accruals not begin until the designated numbers of years prior to the age the employee first becomes eligible to retire. The impact on the Injury Fund at January 1, 2010 is an increase of $174,000.

For the year ended December 31, 2010, this accounting policy difference resulted in an increase in expenses of $67,000. The total adjustment to the Injury Fund between Canadian GAAP and IFRS at December 31, 2010 was an increase of $107,000.

5. CASH AND CASH EQUIVALENTS:

(Thousands of dollars)

	2011	2010
Notes and commercial paper	**$ 47,305**	$ 42,856
Cash in bank, net of outstanding cheques	**(875)**	2,226
	$ 46,430	$ 45,082

The effective interest rates on the notes and commercial paper are 0.8% to 1.4% (2010 - 1.0% to 1.3%).

6. RECEIVABLES:

(Thousands of dollars)

	2011	2010
Premiums	**$ 16,117**	$ 13,645
Other	**5,776**	5,357
Accrued interest	**3,698**	3,675
Interprovincial claims	**1,501**	1,790
Investment proceeds receivable	**476**	141
	27,568	24,608
Allowance for doubtful accounts	**(3,883)**	(4,204)
	$ 23,685	$ 20,404

Premiums receivable includes an estimate of $3,194,000 (2010 - $3,700,000) for premium revenue to be assessed when employers submit their final insurable earnings information for 2011. The estimate is based on the total estimated premium revenue for the year less premiums received for the year. The total estimated premium revenue uses management's best estimate and judgment in calculating the employers' final payroll amounts for the year.

Investment proceeds receivable represent transactions traded in December, 2011 but not settled until January, 2012.

At the end of the year, receivables of $21,378,000 (2010-$18,193,000) were due within one year.

The allowance for doubtful accounts is a provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made. The allowance details are as follows:

(Thousands of dollars)

	2011	2010
BALANCE, beginning of year	**$ 4,204**	$ 3,913
Amounts written off	**(989)**	(1,700)
Current provision	**668**	1,991
BALANCE, end of year	**$ 3,883**	$ 4,204

The aging of receivables is as follows:

(Thousands of dollars)

	2011	2010
Less than 60 days	**$ 15,648**	$ 11,716
61 to 180 days	**3,743**	4,244
181 to 365 days	**1,987**	2,233
Greater than 1 year	**6,190**	6,415
	$ 27,568	$ 24,608

7. INVESTMENTS AND INVESTMENTS UNDER SECURITY LENDING PROGRAM:

(a) The carrying value of investments and investments under security lending program is as follows:

(Thousands of dollars)

	2011	2010
Investments		
Bonds and debentures	**$ 308,339**	$ 292,199
Equities	**313,407**	355,027
Pooled equity funds	**279,423**	321,786
Pooled real estate fund	**164,314**	144,528
Pooled mortgage fund	**65,720**	49,420
Short-term holdings	**63,171**	37,777
	1,194,374	1,200,737
Investments under Security Lending Program		
Bonds and debentures	**$ 73,320**	$ 96,840
Equities	**108,753**	114,567
Short-term holdings	**1,799**	–
	183,872	211,407
	$ 1,378,246	$ 1,412,144

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

(Thousands of dollars)

		2011		2010	
	Term to Maturity In Years	Carrying Value	Average Effective Yield	Carrying Value	Average Effective Yield
Government of Canada Securities					
	1 – 5	**$ 91,786**	**1.40%**	$ –	–
	6 – 10	**12,855**	**3.48%**	21,913	3.30%
	Over 10	**10,167**	**3.53%**	19,432	4.03%
Provincial & Municipal Securities					
	1 – 5	**7,152**	**1.70%**	2,049	3.80%
	6 – 10	**37,191**	**4.21%**	41,968	4.15%
	Over 10	**56,890**	**5.04%**	45,120	4.72%
Corporate Securities					
	Less Than 1	**–**	**–**	36,968	4.76%
	1 – 5	**67,564**	**3.84%**	104,867	3.96%
	6 – 10	**57,422**	**4.47%**	79,005	4.71%
	Over 10	**40,632**	**4.94%**	37,717	5.29%
Total		**$ 381,659**		$ 389,039	

(ii) Equities and pooled equity funds:

WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Fund returns are based on the success of the fund managers.

WCB's equity investments include foreign equities of $99,641,000 (2010 - $91,455,000).

WCB has an investment in a pooled equity fund for Europe, Asia and the Far East (EAFE) with a carrying value of $82,525,000 (2010 - $95,709,000). WCB also has an investment in a pooled global equity fund with a carrying value of $137,194,000 (2010 - $150,987,000), an investment in a Canadian Equity Small Cap fund with a carrying value of $58,113,000 (2010 - $75,090,000) and an investment in an S&P/TSX Index fund with a carrying value of $1,591,000 (2010 - $0) .

(iii) Pooled real estate fund:

All of WCB's real estate holdings are in Canadian commercial property. These holdings consist of an investment in a pooled real estate fund with a carrying value of $164,314,000 (2010 - $144,527,000).

(iv) Pooled mortgage fund:

WCB has an investment in a pooled mortgage fund with a carrying value of $65,720,000 (2010 - $49,420,000).

(v) Short-term holdings:

Short-term holdings is comprised of treasury bills, notes and commercial paper with effective interest rates of .8% to 1.3% (2010 - .9% to 1.2%) and average term to maturity of 2.30 months (2010 - 3.33 months).

(vi) Securities lending:

WCB's Statement of Investment Policies and Goals allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for pledged collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105% of the market value of the securities lent.

At December 31, 2011 WCB had $183,872,000 (2010 - $211,407,000) in equities, bonds and debentures and short term investments on loan to various counterparties. At December 31, 2011 the total amount of collateral pledged to WCB amounted to $193,065,000 (2010 - $222,142,000).

(b) Investment income

Net investment income was derived from the following sources:

(Thousands of dollars)

	2011			2010		
	Realized	**Unrealized**	**Total**	Realized	Unrealized	Total
Cash and cash equivalents	**$ 564**	**$ –**	**$ 564**	$ 368	$ –	$ 368
Bonds and debentures	**24,803**	**12,554**	**37,357**	25,250	3,953	29,203
Equities	**12,675**	**(44,633)**	**(31,958)**	35,954	34,260	70,214
Pooled equity funds	**10,695**	**(71,475)**	**(60,780)**	8,775	27,217	35,992
Pooled real estate fund	**19**	**19,786**	**19,805**	9,533	2,130	11,663
Pooled mortgage fund	**2,902**	**1,855**	**4,757**	2,483	429	2,912
Short-term holdings	**383**	**(6)**	**377**	223	–	223
Investment expenses	**(3,632)**	**–**	**(3,632)**	(3,381)	–	(3,381)
	$ 48,409	**$ (81,919)**	**$ (33,510)**	$ 79,205	$ 67,989	$ 147,194

(c) Determination of fair value

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are based on observable market data; and
Level 3 Inputs that are not based on observable market data.

(Thousands of dollars)

Assets at fair value as at December 31, 2011

	Level 1	Level 2	Level 3	Total
Bonds and debentures	**$ –**	**$ 381,659**	**$ –**	**$ 381,659**
Equities	**422,160**	**–**	**–**	**422,160**
Pooled equity funds	**279,423**	**–**	**–**	**279,423**
Pooled real estate fund	**–**	**164,314**	**–**	**164,314**
Pooled mortgage fund	**–**	**65,720**	**–**	**65,720**
Short-term holdings	**64,970**	**–**	**–**	**64,970**
	$ 766,553	**$ 611,693**	**$ –**	**$ 1,378,246**

Assets at fair value as at December 31, 2010

	Level 1	Level 2	Level 3	Total
Bonds and debentures	$ –	$ 389,039	$ –	$ 389,039
Equities	469,594	–	–	469,594
Pooled equity funds	321,786	–	–	321,786
Pooled real estate fund	–	144,528	–	144,528
Pooled mortgage fund	–	49,420	–	49,420
Short-term holdings	37,777	–	–	37,777
	$ 829,157	$ 582,987	$ –	$ 1,412,144

During the year, no investments were transferred between levels.

(d) Financial risk management

WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, which include market risk, credit risk and liquidity risk, are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. The asset mix helps reduce the impact of market fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

The Board Members review the SIP&G annually and receives regular reporting from the investment manager and custodian regarding compliance with the SIP&G.

(i) Market risk

WCB invests in publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds. Market risk is the risk that the fair value of these financial instruments will decline because of changes in market prices. Market prices can change as a result of changes in equity prices, interest rates, or foreign exchange rates. WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Equity price risk

WCB is exposed to changes in equity prices in Canadian, U.S, EAFE, and global markets. In the SIP&G, WCB limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the fair value of WCB's equity portfolio. Investment in pooled funds shall not exceed 10% of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

The following table indicates the approximate change that would be expected to comprehensive income based on a 10% change in WCB's benchmark indices at December 31, 2011:

(Thousands of dollars)

Change in Equity Benchmarks	**2011**	2010
S&P/TSX Composite Index	**$ 31,769**	$ 39,561
S&P 500 Index	**9,108**	8,183
MSCI EAFE Index	**8,345**	10,074
World (ex-Canada) Index	**13,719**	15,099
S&P/TSX Small Cap Index	**5,172**	6,045

Interest rate risk

WCB is exposed to fluctuations in interest rates that can impact the fair value of its bonds and debentures. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a 1% increase in interest rates would decrease comprehensive income by approximately $23,099,000 at December 31, 2011 (2010 - $25,271,000), representing 6.1% (2010 - 6.5%) of the $381,659,000 (2010 - $389,039,000) fair value of bonds and debentures.

Foreign exchange risk

WCB has certain investments denominated in foreign currencies. During 2011 WCB did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. In the SIP&G, WCB limits its holdings in foreign equities to 32% of the investment portfolio. As at December 31, 2011, WCB's holdings in foreign equities and pooled equity funds had a fair value of $319,360,000 (2010 - $338,151,000) representing 22.4% (2010 - 23.2%) of the fair value of the total investment portfolio, including cash equivalents. At December 31, 2011, it is estimated that a 10% appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in an increase in comprehensive income of approximately $31,936,000 (2010 - $33,815,000).

(ii) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. WCB's credit risk arises primarily from cash and cash equivalents, receivables, fixed term investments and the mortgage pooled fund. The maximum credit exposure related to these financial instruments is $518,369,000 (2010 - $501,719,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For cash equivalents, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10% of the market value of the bond investment portfolio. WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by WCB (note 6).

Credit ratings for the bonds and debentures are as follows:

(Thousands of dollars)

	2011		2010	
Credit Rating	**Carrying Value**	**Percent of Portfolio**	Carrying Value	Percent of Portfolio
AAA	**$ 154,766**	**40.6%**	$ 165,030	42.4%
AA	**115,062**	**30.1%**	117,997	30.3%
A	**83,704**	**21.9%**	84,356	21.7%
BBB	**28,127**	**7.4%**	21,656	5.6%
	$ 381,659		$ 389,039	

(iii) Liquidity risk

Liquidity risk is the risk that WCB is unable to meet its financial obligations. Cash resources are managed daily based on anticipated cash flows. Receivables and Payables and accrued liabilities are short-term in nature and the amounts due within one year are disclosed in notes 6 and 10. The cash flow to pay claims benefits is disclosed in note 11 and to pay annuity funds is disclosed in note 12. WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities.

8. PROPERTY, PLANT AND EQUIPMENT:

(Thousands of dollars)

	Land	Buildings	Leasehold Improvements	Office Furnishings	Computer Equipment	2011 Total	2010 Total
Cost							
BALANCE, beginning of the year	**$ 1,375**	**$ 14,017**	**$ 6,112**	**$ 5,236**	**$ 13,056**	**$ 39,796**	$ 38,967
Additions during the year	**–**	**–**	**43**	**147**	**546**	**736**	829
Disposals during the year	**–**	**–**	**(57)**	**(1,321)**	**(11,516)**	**(12,894)**	–
BALANCE, end of the year	**$ 1,375**	**$ 14,017**	**$ 6,098**	**$ 4,062**	**$ 2,086**	**$ 27,638**	$ 39,796
Accumulated Amortization							
BALANCE, beginning of the year	**$ –**	**$ 6,408**	**$ 2,668**	**$ 4,524**	**$ 12,315**	**$ 25,915**	$ 24,487
Amortization for the year	**–**	**350**	**405**	**118**	**546**	**1,419**	1,428
Disposals during the year	**–**	**–**	**(57)**	**(1,321)**	**(11,516)**	**(12,894)**	–
BALANCE, end of the year	**$ –**	**$ 6,758**	**$ 3,016**	**$ 3,321**	**$ 1,345**	**$ 14,440**	$ 25,915
2011 Net Book Value	**$ 1,375**	**$ 7,259**	**$ 3,082**	**$ 741**	**$ 741**	**$ 13,198**	$ 13,881
2010 Net Book Value	$ 1,375	$ 7,609	$ 3,444	$ 712	$ 741	$ 13,881	

9. OTHER ASSETS:

(Thousands of dollars)

	2011	2010
Intangible assets	**$ 32,312**	$ 17,138
Net accrued pension benefit asset (note 17)	**3,179**	3,201
Prepaid expenses	**449**	292
	$ 35,940	$ 20,631

Intangible Assets

Intangible assets are comprised of the following:

(Thousands of dollars)

	Cost	Accumulated Amortization	2011 Net Book Value	2010 Net Book Value
System development				
BALANCE, beginning of year	$ 46,181	$ (29,043)	$ 17,138	$ 5,166
Additions during the year	16,769	–	16,769	14,058
Amortization for the year	–	(1,595)	(1,595)	(2,086)
Disposals during the year	(4,344)	4,344	–	–
BALANCE, end of year	$ 58,606	$ (26,294)	$ 32,312	$ 17,138

During the year, $16,769,000 (2010 - $14,058,000) of internally generated system development costs were capitalized, including $16,109,000 (2010 - $12,593,000) that is unamortized at the end of the year. The total unamortized internally generated system development costs at the end of the year is $31,384,000 (2010 - $15,275,000).

10. PAYABLES AND ACCRUED LIABILITIES:

(Thousands of dollars)

	2011	2010
Occupational Health & Safety	$ 9,174	$ 9,300
Employee benefits liability	6,133	5,697
Other	5,370	7,644
Premium refunds	5,322	4,687
Worker's Advocate	964	812
Accrued investment purchases	346	434
	$ 27,309	$ 28,574

At the end of the year, payables and accrued liabilities of $27,152,000 (2010 - $28,409,000) were due within one year.

11. BENEFITS LIABILITIES AND CLAIM COSTS EXPENSE:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2011 including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefit liabilities.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Projected future benefits payments have been discounted to their present value by applying a discount rate of 5.75% per annum. The determination of the projected future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2011	2010
Inflation	**2.50%**	2.50%
Expected future growth in gross wages	**3.50%**	3.50%
Expected future increase in health care costs	**7.00%**	7.00%
Discount rate	**5.75%**	5.75%

The current year's claim costs expense includes the actuarial cost of claims for reported and unreported work-related injuries that occurred during the year and adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods.

Benefits Liabilities Continuance Schedule

(Thousands of dollars)

	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	2011 Total	2010 Total
BALANCE, beginning of year	$132,795	$445,292	$88,533	$276,150	$28,514	$49,981	$1,021,265	$995,658
ADD:								
Claim costs incurred:								
Current year injuries	59,991	23,102	5,103	72,108	3,330	9,717	173,351	168,670
Prior years' injuries	(763)	2,959	(3,796)	24,505	1,841	1,566	26,312	59,665
	59,228	26,061	1,307	96,613	5,171	11,283	199,663	228,335
DEDUCT:								
Claim payments made:								
Current year injuries	24,679	642	393	25,770	108	3,229	54,821	50,854
Prior years' injuries	40,073	43,028	9,875	47,203	4,019	7,963	152,161	151,874
	64,752	43,670	10,268	72,973	4,127	11,192	206,982	202,728
BALANCE, end of year	$127,271	$427,683	$79,572	$299,790	$29,558	$50,072	$1,013,946	$1,021,265

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

(Thousands of dollars)

2012	$ 152,583
2013 – 2016	324,528
2017 – 2021	231,669
2022 – 2026	131,489
2027 – 2031	74,603
2032 – 2036	43,058
2037 and beyond	56,016
	$ 1,013,946

The following is a reconciliation of the benefits liabilities:

(Thousands of dollars)

	2011	2010
BALANCE, beginning of year	**$ 1,021,265**	$ 995,658
ADD:		
Provision for current year injuries	**173,351**	168,670
Provision for prior years' injuries		
Change in actuarial assumptions	**–**	31,422
Interest allocated	**54,349**	55,184
Prior years' claim cost experience lower than expected	**(30,874)**	(21,422)
Effect of actual cost of living adjustment higher (lower) than expected	**2,837**	(5,519)
	199,663	228,335
DEDUCT:		
Benefit payments	**195,790**	191,929
Claim adjudication expense	**11,192**	10,799
	206,982	202,728
BALANCE, end of year	**$ 1,013,946**	$ 1,021,265

Claims Development Table

The table illustrates how the estimate of total claims for each injury year has changed at successive year-ends and reconciles the cumulative claims to the current estimate of the outstanding claims liabilities. All amounts shown have been adjusted with interest to the current year-end.

(Thousands of dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	**2011**
End of year	$ –	–	–	202,945	201,479	189,780	200,305	190,581	178,637	$174,905
One year later	–	–	206,018	203,740	207,835	201,183	200,931	191,171	176,062	
Two years later	–	216,625	208,781	200,436	209,832	200,578	200,700	184,782		
Three years later	239,971	221,686	205,701	195,067	209,689	197,394	200,860			
Four years later	244,197	219,925	202,173	191,554	207,365	195,469				
Five years later	242,103	213,952	200,949	185,443	203,252					
Six years later	238,138	210,465	195,427	182,170						
Seven years later	237,937	209,190	193,276							
Eight years later	237,505	206,778								
Nine years later	236,695									
Current year estimated claims	236,695	206,778	193,276	182,170	203,252	195,469	200,860	184,782	176,062	174,905
Cumulative payments	(196,240)	(168,024)	(154,120)	(141,371)	(154,102)	(144,168)	(141,386)	(118,994)	(100,612)	(56,375)
Benefits liabilities	$ 40,455	38,754	39,156	40,799	49,150	51,301	59,474	65,788	75,450	$118,530
Post 2001 benefits liabilities										$578,857
Pre-2002 benefits liabilities										435,089
Total benefits liabilities										$1,013,946

Sensitivity of Actuarial Assumptions

The benefits liabilities are calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the discount rate of 5.75 per cent. The approximate impact of a 0.5 per cent decrease in the discount rate results in a $77,809,000 increase in the benefits liabilities.

The Maximum Wage Rate is $55,000 per year. If the Maximum Wage Rate increased annually based on the increase in the Provincial Average Wage, the benefits liabilities would increase by approximately $76,800,000.

A 1.0 per cent increase in inflation rates for general prices, wages and health care costs (while holding the assumed investment return constant) would result in a $59,358,000 increase in the benefits liabilities.

Health Care benefits liabilities are calculated assuming a future rate of escalation of health care costs of 7.0 percent per year. A 0.5 per cent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately $17,886,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes WCB's injured worker claim termination experience. A flat reduction of 5.0 per cent in these termination rates would increase benefits liabilities by approximately $8,621,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of 5.0 per cent in these mortality rates would increase benefits liabilities by approximately $1,060,000.

Insurance Risk Management

WCB is exposed to certain insurance risks related to its current claims costs and its Benefits Liabilities relating to future claims costs. These insurance risks include employers' return-to-work practices, medical intervention, WCBs effectiveness in managing claims and determining premium rates, and changes in coverage from amendments to the Act. WCB manages these risks through active involvement in return to work programs, Vocational Rehabilitation Programs, contracts with medical providers, certification of medical providers, and standard operating procedures for adjudicating claims and extensive training for new staff. WCB utilizes actuarial models to monitor claims patterns, calculate average premiums, and estimate future claims costs taking into account past experience and using statistical methods consistent with sound actuarial principles. No provision is made for any proposed amendments to the Act until such changes are passed.

12. ANNUITY FUND PAYABLE:

(Thousands of dollars)

	2011	2010
BALANCE, beginning of year	**$ 165,106**	$ 163,686
ADD: Contributions		
Principal	**5,728**	5,929
Interest	**2,785**	2,873
	8,513	8,802
DEDUCT: Payouts		
Principal	**3,532**	3,212
Interest	**3,996**	4,170
	7,528	7,382
BALANCE, end of year	**$ 166,091**	$ 165,106

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2011.

(Thousands of dollars)

2012	$ 8,031
2013 – 2016	31,080
2017 – 2021	43,101
2022 – 2026	42,058
2027 – 2031	23,772
2032 – 2036	9,896
2037 and beyond	8,153
	$ 166,091

Due to the nature of the annuity fund payable, its carrying value at December 31 approximates fair value.

13. RESERVES:

(Thousands of dollars)

	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	2011 Total	2010 Total
BALANCE, beginning of year	**$ 20,425**	**$ 30,638**	**$ 10,213**	**$ 61,276**	$ 59,740
Appropriation (to) from Injury Fund	**(146)**	**(220)**	**(73)**	**(439)**	1,536
Appropriation to fund cost relief for employers	**13,598**	**–**	**15,309**	**28,907**	26,139
Allocations for cost relief for employers	**(13,598)**	**–**	**(15,309)**	**(28,907)**	(26,139)
BALANCE, end of year	**$ 20,279**	**$ 30,418**	**$ 10,140**	**$ 60,837**	$ 61,276

To maintain a funded status that is consistent with the statutory requirements of the Act, WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, revised in 2011, maintains the following reserves and specifies that they be determined based on the current benefits liabilities.

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two percent of benefits liabilities for this reserve.

(b) The Occupational Disease Reserve will cover costs that may arise from latent occupational diseases where exposure today may result in the establishment of a future claim. The funding policy specifies a rate of three percent of benefits liabilities for this reserve.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. The funding policy specifies one per cent of benefit liabilities for this reserve.

14. PREMIUMS:

(Thousands of dollars)

	2011	2010
Premiums	**$ 282,633**	$ 251,590
Experience Rating Program – discounts	**(24,493)**	(21,862)
Experience Rating Program – surcharges	**23,336**	21,621
Other premium related income	**507**	(390)
	$ 281,983	$ 250,959

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claims records.

The Government of Canada is a self-insured employer whose claims are administered by WCB. The Government reimburses WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to WCB for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2011 were $5,843,000 (2010 - $6,165,000).

15. SAFETY AND PREVENTION:

(Thousands of dollars)

		2011		2010
Occupational Health & Safety	**$**	**9,173**	$	9,300
Safety Associations		**7,662**		6,985
WorkSafe Saskatchewan		**1,351**		1,097
	$	**18,186**	$	17,382

Section 117(g) of the Act allows WCB to expend monies for the cost of administration of the industrial safety program.

WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. In 2011, funds were collected on behalf of and disbursed to the Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Safety Association of Saskatchewan Manufacturers, Saskatchewan Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., and Enform.

16. LEGISLATED OBLIGATIONS:

(Thousands of dollars)

		2011		2010
Worker’s Advocate	**$**	**964**	$	812
Committee of Review		**279**		13
	$	**1,243**	$	825

Section 117(h) and (i) of the Act allows WCB to expend monies for the expenses, including salaries and remuneration, of the Office of the Worker's Advocate and the expenses of any Committee of Review established under the Act.

17. EMPLOYEE FUTURE BENEFITS:

WCB sponsors defined benefit and defined contribution pension arrangements covering all employees. For the defined benefit pension plan the WCB uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan expense is based on an extrapolation of the results in the most recent actuarial valuation of the pension plan as at December 31, 2009. The following significant actuarial assumptions were employed to determine the net benefit plan expense and accrued benefit obligations:

	2011	2010
Expected long-term rate of return on plan assets	**4.25%**	4.50%
Discount rate	**4.25%**	4.50%
Average rate of compensation increase	**3.25%**	3.25%
Average remaining service period	**1 year**	1 year
Inflation	**2.25%**	2.25%

Net benefit plan expense is included in salaries and employee benefits in Schedule 1 and is as follows:

(Thousands of dollars)

	2011	2010
Current service cost	**$ 89**	$ 134
Interest cost	**1,594**	1,803
Expected return on plan assets	**(1,590)**	(1,976)
Amortization of net actuarial loss	**–**	–
Net benefit plan expense (revenue)	**$ 93**	$ (39)

Information about WCB's defined benefit pension plan is as follows:

(Thousands of dollars)

	2011	2010
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	**$ 36,354**	$ 31,502
Current service cost – employer share	**89**	134
Current service cost – employee share	**26**	56
Interest cost	**1,594**	1,803
Actuarial loss	**803**	4,605
Benefits paid	**(2,085)**	(1,746)
Accrued benefit obligation, end of year	**$ 36,781**	$ 36,354
Plan assets		
Fair value of plan assets, beginning of year	**$ 36,322**	$ 34,593
Expected return on plan assets	**1,590**	1,976
Employer contributions	**71**	71
Employee contributions	**26**	56
Benefits paid	**(2,085)**	(1,746)
Actuarial gain (loss)	**(2,361)**	1,372
Fair value of plan assets, end of year	**$ 33,563**	$ 36,322
Plan deficit	**$ (3,218)**	$ (32)
Unamortized net actuarial loss	**6,397**	3,233
Net accrued pension benefit asset (note 9)	**$ 3,179**	$ 3,201

The asset allocation of the defined benefit pension plan assets is as follows:

(Thousands of dollars)

		Percent of Plan Assets	
Asset Category	Target Range	2011	2010
Short-term investments	0 – 30%	**7%**	4%
Bonds and debentures	30 – 60%	**42%**	41%
Canadian equities	15 – 35%	**24%**	27%
Foreign equities	15 – 35%	**27%**	28%
Mortgages	0 – 5%	**0%**	0%

WCB also has employees who are members of a defined contribution plan. WCB's financial liability is limited to matching employee contributions of seven and one quarter percent to the plan. During the year, WCB incurred costs of $2,104,000 (2010 - $1,955,000) related to its defined contribution plan.

18. RELATED PARTY DISCLOSURE:

i) Included in these financial statements are transactions with Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to WCB by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan.

All routine operating transactions are settled at prevailing market prices under normal trade terms. WCB has elected to take a partial exemption under IAS24, *Related Party Disclosures*, which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

ii) Key Management Compensation:

Key management personnel include the Chairman of the Board, two board members, the Chief Executive Officer and four members of the senior executive group.

(Thousands of dollars)

	2011	2010
Salaries and other short-term benefits	**$ 1,891**	$ 1,792
Contributions to defined contribution pension plan	**82**	79
	$ 1,973	$ 1,871

19. CONTINGENCIES:

Due to the size, complexity and nature of WCB's operations various claims, appeals and legal matters are pending. In the opinion of management, these matters will not have a material effect on WCB's financial position or results of operations.

20. CAPITAL MANAGEMENT:

WCB's objectives when managing capital are to build a Funded Position that supports the long-term financial stability of WCB and to ensure sufficient funds are available to meet required benefit levels and reduce the fluctuations in the average premium rate.

The process for managing WCB's Funded Position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and was changed during the year to account for the fact that, under IFRS, the Injury Fund includes all unrealized gains and losses on investments at the end of the year. The revised funding policy sets the target range for the Injury Fund, excluding unrealized gains and losses on investments at the end of the year, at 5% to 20% of Benefits Liabilities.

WCB monitors its funded status on the basis of its Funding Percentage. Based on the funding policy, the Funding Percentage is calculated as the Benefits Liabilities plus the balance in the Injury Fund, excluding unrealized gains and losses on investments at the end of the year, divided by the Benefits Liabilities.

The Funding Percentages at December 31 were as follows:

(Thousands of dollars)

	2011	2010
Injury Fund	**$ 229,316**	$ 235,921
Unrealized (gains)/losses on investments	**(36,705)**	(118,622)
	$ 192,611	$ 117,299
Benefits Liabilities	**$ 1,013,946**	$ 1,021,265
Injury Fund as a percentage of Benefits Liabilities	**19.0%**	11.5%
Funding percentage	**119.0%**	111.5%

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The fair value of financial assets and liabilities other than investments (note 7), benefits liabilities (note 11), and annuity fund payable (note 12) approximates carrying value due to their immediate or short term nature.

Schedule 1 —
Administration Expenses

(Thousands of dollars)

	2011	2010
Salaries and employee benefits	**$ 35,728**	$ 34,378*
Amortization (note 8 & 9)	**3,014**	3,514
Building operations	**1,709**	1,564
Computer services	**1,398**	1,350
Communications and postage	**1,036**	1,024
Consulting services	**877**	554
Travel and automobile expenses	**657**	656
Office rental	**648**	636
Printing and office expenses	**603**	615
Professional services	**460**	506
Community relations	**130**	156
Market research	**111**	141
Advertising	**58**	98
Miscellaneous	**69**	63
	46,498	45,255
Less:		
Fees charged to self-insurers	**1,666**	1,765
	44,832	43,490
Less:		
Administration costs charged to Future Benefits Administration (note 11)	**11,192**	10,799
	$ 33,640	$ 32,691

*Adjusted on transition to IFRS. See note 4.

Exhibit 1

Statement of **Investments** (unaudited)

(Thousands of dollars)

Security	Par Value	Carrying Value
Discount Notes and Treasury Bills		
(maturity greater than 90 days)	$ 64,975	$ 64,970
Government of Canada	30,398	33,082
Canada Housing Trust	1,903	2,127
Canada Housing Trust	6,190	6,888
Canada Housing Trust	19,949	19,922
Canada Housing Trust	49,895	49,577
Canada Post Corp.	1,159	1,447
Ontario Infrastructure	1,560	1,765
55 School Board Trust	1,047	1,365
Municipal Finance Authority	11,036	12,630
Province of Alberta	5,699	5,668
Province of British Columbia	12,691	16,569
Province of Manitoba	9,820	10,941
Province of New Brunswick	3,533	4,059
Province of Newfoundland & Labrador	3,581	4,346
Province of Nova Scotia	2,518	3,234
Province of Ontario	7,443	10,114
Province of Quebec	10,305	13,080
Province of Saskatchewan	5,966	7,963
Alberta Capital Fin Authority	2,948	3,407
Hydro-Quebec	4,825	7,857
407 International	4,824	5,238
Alliance Pipeline	1,181	1,467
Bank of Montreal	7,096	7,311
Bank of Nova Scotia	12,691	13,314
BC Ferry Services Inc.	2,420	2,757
Bell Canada	3,440	3,690
Cadillac Fairview Finance Trust	4,545	4,823
Canadian Imperial Bank of Commerce	12,128	12,620
CU Inc.	1,278	1,383
Enbridge Pipelines Inc.	1,735	2,103
Enersource Corp.	1,351	1,598
Epcore Utilities	4,971	5,951
Finning Int'l Inc.	1,455	1,698
GE Capital, Canada	3,908	4,184
Greater Toronto Airports Auth.	4,523	5,240
Great-West Lifeco Inc.	5,840	6,173
Honda Canada Finance Inc.	2,067	2,150
Hydro One Inc.	1,564	1,721
Inter Pipeline Fund	2,636	2,827
John Deere Capital Corp.	2,615	2,801
Metropolitan Life Global Fund	3,134	3,236
National Bank of Canada	5,361	5,555
Ornge Issuer Trust	2,143	2,673
Pembina Pipeline Corporation	960	1,049
Plenary Health Bridgepoint LP	867	1,190
PSP Capital Inc.	8,237	8,718
Rogers Communications Inc.	3,108	3,446
Royal Bank of Canada	14,182	14,735
Royal Office Finance	5,524	6,476
Shoppers Drug Mart Corp.	1,191	1,241
Sun Life Financial	3,303	3,424
TCHC Issuer Trust	2,537	3,028
Telus Corp.	4,526	5,001
Terasen Gas	1,175	1,504
Thompson Reuters	3,345	3,533
Tim Hortons Inc.	694	747
Toronto Dominion Bank	5,232	5,477
Transcanada Pipelines Ltd.	1,023	1,488
Wells Fargo Financial Canada Corp.	3,875	4,048

(Thousands of dollars)

Security	Par Value	Carrying Value
Templeton Global Equity Trust		137,194
Greystone EAFE Plus Fund		82,525
Greystone Canadian Equity Small Cap Fund		58,113
iShares S&P/TSX 60 Index Fund		1,591
Greystone Mortgage Fund		65,720
Greystone Real Estate Fund Inc.		164,314
Agrium Inc.		7,018
Bank of Montreal		15,212
Bank of Nova Scotia		17,802
Baytex Energy Trust		7,940
BlackPearl Resources Inc.		2,076
CAE Inc.		3,680
Canadian National Railway Co.		9,841
Canadian Natural Resources Ltd.		14,532
Canadian Tire Corp.		4,771
Celestica Inc.		2,754
CGI Group Inc.		7,112
Crescent Point Energy Corp.		9,356
Dollarama Inc.		4,015
Eldorado Gold Corp.		6,565
Finning Int'l Inc.		6,810
First Majestic Silver Corp.		2,736
Gildan Activewear Inc.		820
Goldcorp Inc.		15,904
IGM Financial Inc.		3,406
Intact Financial Corp.		8,363
Kinross Gold Corporation		8,043
Magna International Inc.		6,741
Manulife Financial Corp.		9,833
MasterCard Incorporated		2,734
MEG Energy Corp.		5,765
Metro Inc.		5,277
National Bank of Canada		11,348
Open Text Corporation		5,158
Potash Corp of Saskatchewan Inc.		8,950
Precision Drilling Corporation		4,212
Rogers Communications Inc.		7,508
Saputo Inc.		5,913
Semafo Inc.		3,242
Sino-Forest Corp.		142
Suncor Energy Inc.		14,974
Teck Resources Limited		6,969
Tim Hortons Inc.		6,341
Toronto Dominion Bank		25,093
Transcanada Corp.		12,001
Trican Well Service Ltd.		4,472
Valeant Pharmaceutical Int'l Inc.		9,063
Vermilion Energy Inc.		4,429
Yamana Gold Inc.		6,331
Google Inc.		3,093
Apple Inc.		5,219
International Business Machines Corp.		2,812
Medco Health Solutions, Inc.		940
Mosaic Company, The		964
Parker-Hannifin Corporation		1,474
Fossil, Inc.		1,708
ITC Holdings Corp.		1,663
Occidental Pete Corp.		2,122
Franklin Resources Inc.		2,368
Union Pacific Corporation		3,006
BorgWarner Inc.		1,905

(Thousands of dollars)

Security	Par Value	Carrying Value
Praxair Inc.		3,276
McDonald's Corp.		3,090
Cooper Industries plc		1,687
National-Oilwell Varco, Inc.		2,292
Mead Johnson Nutrition Company		2,663
Chevron Corp.		4,243
Accenture plc.		2,242
Wal-Mart Stores, Inc.		2,573
Express Scripts, Inc.		1,944
Freeport-McMoRan Copper & Gold Inc.		1,635
TJX Companies, Inc.		2,909
Check Point Software Technologies Ltd.		2,573
Yum! Brands, Inc.		3,025
Church & Dwight Co., Inc.		2,360
Honeywell International Inc.		2,836
Aflac Inc.		2,428
Viacom Inc.		2,793
UnitedHealth Group Inc.		3,141
JPMorgan Chase & Co.		2,349
AmerisourceBergen Corporation		2,984
Oracle Corp.		2,093
Halliburton		3,015
Altria Group, Inc.		3,020
US Bancorp		2,783
Intel Corp.		2,859
Pfizer Inc.		2,821
	$ 410,126	$ 1,378,246

(Thousands of dollars)

Security	Par Value	Carrying Value
Discount Notes and Treasury Bills (maturity greater than 90 days)	$ 64,975	$ 64,970
Government of Canada Bonds	111,054	114,808
Provincial Government Bonds	81,412	101,233
Corporate Bonds	152,685	165,618
	345,151	381,659
Templeton Global Equity Trust		137,194
Greystone EAFE Plus Fund		82,525
Greystone Canadian Equity Small Cap Fund		58,113
iShares S&P/TSX 60 Index Fund		1,591
Greystone Mortgage Fund		65,720
Greystone Real Estate Fund Inc.		164,314
Canadian Equities		325,252
Foreign Equities		96,908
		931,617
	$ 410,126	$ 1,378,246

Year ended December 31, 2011

Exhibit 2

Statement of **Long-term Investment Dispositions** (unaudited)

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Proceeds
	Discount Notes and Treasury Bills		
	(classified as long term investments)		$ 288,435
	3M Company		2,672
3.880	407 International	June 16, 2015	421
4.990	407 International	June 16, 2020	410
9.000	55 School Board Trust	June 2, 2033	474
	Accenture plc.		240
	Aflac Inc.		1,289
	Agrium Inc.		1,595
4.450	Alberta Capital Fin Authority	December 15, 2025	392
7.181	Alliance Pipeline	June 30, 2023	5
	Altria Group, Inc.		275
	AmerisourceBergen Corporation		300
	Apple Inc.		762
3.490	Bank of Montreal	June 10, 2023	1,735
3.979	Bank of Montreal	July 8, 2021	670
FR	Bank of Montreal	June 10, 2011	550
	Bank of Montreal		1,026
	Bank of New York Mellon Corp.		1,794
3.350	Bank of Nova Scotia	November 18, 2014	5,314
3.610	Bank of Nova Scotia	February 22, 2016	1,206
4.100	Bank of Nova Scotia	August 6, 2017	3,499
4.990	Bank of Nova Scotia	March 27, 2018	1,108
6.000	Bank of Nova Scotia	October 3, 2018	1,279
	Bank of Nova Scotia		1,508
	Baytex Energy Trust		345
	BCE Inc.		8,381
	Becton, Dickinson and Company		1,787
4.850	Bell Canada	June 30, 2014	1,734
	BlackPearl Resources Inc.		110
6.270	Borealis Infrastructure Trust	May 3, 2011	2,498
	BorgWarner Inc.		1,725
4.310	Cadillac Fairview Finance Trust	January 25, 2021	1,562
	CAE Inc.		346
3.502	Caisse Centrale Desjardins	October 5, 2017	1,818
3.788	Caisse Centrale Desjardins	June 8, 2015	1,780
1.342	Canada Housing Trust	September 15, 2016	19,818
1.411	Canada Housing Trust	March 15, 2016	10,409
1.421	Canada Housing Trust	September 15, 2015	10,976
1.441	Canada Housing Trust	March 15, 2015	23,196
2.750	Canada Housing Trust	December 15, 2015	31,830
3.150	Canada Housing Trust	June 15, 2015	18,150
3.800	Canada Housing Trust	June 15, 2021	5,221
4.600	Canada Housing Trust	September 15, 2011	31,138
3.300	Canadian Imperial Bank of Commerce	November 19, 2014	428
3.400	Canadian Imperial Bank of Commerce	January 14, 2016	1,200
3.950	Canadian Imperial Bank of Commerce	July 14, 2017	5,762
	Canadian Natural Resources Ltd.		1,173
	Canadian Pacific Railway Ltd.		9,350
	Canadian Tire Corp.		326
5.756	Capital Desjardins inc.	April 1, 2019	712
	Celestica Inc.		276
	Cenovus Energy		5,813
	CGI Group Inc.		177
	Check Point Software Technologies Ltd.		273
	Chevron Corp.		392
	Church & Dwight Co., Inc.		642
	Cisco Systems, Inc.		1,466
	Cooper Industries plc		942
	Crescent Point Energy Corp.		602

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Proceeds
4.947	CU Inc.	November 18, 2050	927
5.563	CU Inc.	May 26, 2028	1,246
	Eldorado Gold Corp.		4,415
4.950	Enbridge Gas Distribution Inc.	November 22, 2050	1,438
5.350	Enbridge Pipelines Inc.	November 12, 2039	581
5.800	Epcore Utilities	January 31, 2018	304
	Express Scripts, Inc.		1,267
	First Majestic Silver Corp.		123
	First Quantum Minerals Ltd.		5,158
	Fossil, Inc.		985
	Franklin Resources Inc.		242
	Freeport-McMoRan Copper & Gold Inc.		743
4.400	GE Capital, Canada	February 8, 2018	788
	General Mills		1,838
	Gildan Activewear Inc.		2,584
	Goldcorp Inc.		2,058
	Google Inc.		1,307
1.250	Government of Canada	December 1, 2011	39,743
1.750	Government of Canada	March 1, 2013	3,744
3.000	Government of Canada	December 1, 2015	32,213
3.250	Government of Canada	June 1, 2021	44,959
3.500	Government of Canada	June 1, 2020	24,364
4.000	Government of Canada	June 1, 2041	30,773
4.250	Government of Canada	June 1, 2018	1,298
5.000	Government of Canada	June 1, 2037	4,358
5.750	Government of Canada	June 1, 2029	26,449
5.300	Greater Toronto Airports Auth.	February 25, 2041	427
5.890	Greater Toronto Airports Auth.	December 6, 2013	4,240
	Greystone Canadian Equity Small Cap Fund		8,350
	Greystone EAFE Plus Fund		5,050
	Halliburton		310
	Hewlett - Packard		1,637
5.076	Honda Canada Finance Inc.	May 9, 2013	394
	Honeywell International Inc.		256
5.000	Hydro One Inc.	November 12, 2013	1,665
11.000	Hydro-Quebec	August 15, 2020	403
	IGM Financial Inc.		151
	Intact Financial Corp.		1,326
5.946	Integrated Team Solutions SJHC Partnership	November 30, 2042	405
	Intel Corp.		521
	International Business Machines Corp.		1,018
6.750	Investors Group Inc.	May 9, 2011	1,592
	iShares S&P/TSX 60 Index Fund		75
	ITC Holdings Corp.		158
2.250	John Deere Capital Corp.	October 14, 2014	334
2.300	John Deere Capital Corp.	January 14, 2013	1,349
4.800	John Deere Capital Corp.	April 20, 2012	1,275
	Johnson Controls, Inc.		2,003
	JPMorgan Chase & Co.		230
	Key West		25
	Kinross Gold Corporation		3,284
4.331	Lower Mattagami Energy Limited Partnership	May 18, 2021	927
	Magna International Inc.		4,387
5.200	Manitoba Telecom Services	September 27, 2011	995
	Manulife Financial Corp.		1,039
	McDermott International, Inc.		1,253
	McDonald's Corp.		338
	Medco Health Solutions, Inc.		86
	MEG Energy Corp.		1,124
	Metro Inc.		335

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Proceeds
2.625	Metropolitan Life Global Fund	December 3, 2012	1,385
3.850	Metropolitan Life Global Fund	January 12, 2016	395
	Microsoft Corp.		2,413
	Mosaic Company, The		106
4.800	Municipal Finance Authority	December 1, 2017	1,713
5.667	N - 45 Degrees 1st CMBS Iss Corp.	November 15, 2020	885
3.580	National Bank of Canada	April 26, 2016	2,574
4.700	National Bank of Canada	November 2, 2020	356
	National Bank of Canada		886
	National-Oilwell Varco, Inc.		489
4.397	NAV CANADA	February 18, 2021	801
	Nike Inc.		2,069
	Occidental Pete Corp.		855
3.950	Ontario Infrastructure	June 3, 2013	2,046
4.700	Ontario Infrastructure	June 1, 2037	329
	Open Text Corporation		391
	Oracle Corp.		2,511
	Pacific Rubiales Energy Corp.		7,150
	Parker-Hannifin Corporation		903
	Petrobank Energy and Resources Ltd.		4,227
	Petrominerales Ltd.		3,369
	Pfizer Inc.		243
	Potash Corp of Saskatchewan Inc.		5,306
	Power Corp. of Canada		10,777
	Praxair Inc.		651
	Precision Drilling Corporation		213
1.850	Province of Alberta	September 1, 2016	2,893
3.700	Province of British Columbia	December 18, 2020	685
4.100	Province of British Columbia	December 18, 2019	1,846
4.300	Province of British Columbia	June 18, 2042	2,996
5.700	Province of British Columbia	June 18, 2029	8,042
6.350	Province of British Columbia	June 18, 2031	828
8.750	Province of British Columbia	August 20, 2022	2,566
4.100	Province of Manitoba	March 5, 2041	579
4.150	Province of Manitoba	June 3, 2020	1,227
4.400	Province of Manitoba	September 5, 2025	375
4.600	Province of Manitoba	March 5, 2038	2,583
4.500	Province of Newfoundland & Labrador	April 17, 2037	311
4.000	Province of Ontario	June 2, 2021	5,177
4.200	Province of Ontario	June 2, 2020	12,767
4.700	Province of Ontario	June 2, 2037	2,625
6.200	Province of Ontario	June 2, 2031	1,533
4.250	Province of Quebec	December 1, 2021	5,276
4.500	Province of Quebec	December 1, 2020	10,185
5.750	Province of Quebec	December 1, 2036	3,709
6.250	Province of Quebec	June 1, 2032	464
3.900	Province of Saskatchewan	July 28, 2020	1,217
4.750	Province of Saskatchewan	June 1, 2040	305
6.400	Province of Saskatchewan	September 5, 2031	1,912
	Quadra FNX Mining Ltd.		3,861
	Research In Motion Ltd.		7,776
6.110	Rogers Communications Inc.	August 25, 2040	988
	Rogers Communications Inc.		2,010
3.030	Royal Bank of Canada	June 26, 2016	440
3.270	Royal Bank of Canada	November 10, 2014	1,672
3.360	Royal Bank of Canada	January 11, 2016	4,382
3.660	Royal Bank of Canada	January 25, 2017	6,366
3.770	Royal Bank of Canada	March 30, 2018	3,590
4.840	Royal Bank of Canada	March 11, 2018	3,980
	Royal Bank of Canada		7,010
5.209	Royal Office Finance	November 12, 2032	2,142
	Saputo Inc.		498
	Semafo Inc.		293
4.990	Shoppers Drug Mart Corp.	June 3, 2013	367
	Sino-Forest Corp.		1,200
	SNC-Lavalin Group Inc.		5,823
3.800	South Coast British Columbia Transportation Authority	November 2, 2020	1,590
5.590	Sun Life Financial	January 30, 2023	407
	Suncor Energy Inc.		2,277
	Talisman Energy Inc.		8,433
	Teck Resources Limited		6,685
5.050	Telus Corp.	December 4, 2019	540
5.050	Telus Corp.	July 23, 2023	442
5.950	Telus Corp.	April 15, 2015	427
5.800	Terasen Gas	May 13, 2038	512
4.350	Thompson Reuters	September 30, 2020	1,257
6.000	Thompson Reuters	March 31, 2016	1,200
	Thompson Reuters		3,566
4.200	Tim Hortons Inc.	June 1, 2017	1,655
	Tim Hortons Inc.		398
	Time Warner Inc.		2,787
	TJX Companies, Inc.		750
2.948	Toronto Dominion Bank	August 2, 2016	2,614
4.854	Toronto Dominion Bank	February 13, 2013	4,827
	Toronto Dominion Bank		1,916
	Trican Well Service Ltd.		903
	Union Pacific Corporation		521
	United Rentals, Inc.		1,409
	UnitedHealth Group Inc.		575
	Uranium One Inc.		3,375
	US Bancorp		252
	Valeant Pharmaceutical Int'l Inc.		3,220
	Vermilion Energy Inc.		172
	Viacom Inc.		236
	Wal-Mart Stores, Inc.		632
	Walter Energy, Inc.		1,644
	Yamana Gold Inc.		215
	Yum! Brands, Inc.		475
			$ 1,031,638

Exhibit 3

Statement of **Long-term Investment Acquisitions** (unaudited)

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Par Value	Purchase Value
	Discount Notes and Treasury Bills			
	(classified as long term investments)			$ 315,633
	3M Company	U.S. Equity		374
3.880	407 International	June 16, 2015	396	413
4.990	407 International	June 16, 2020	371	422
	Accenture plc.	U.S. Equity		2,377
	Aflac Inc.	U.S. Equity		868
	Agrium Inc.	Canadian Equity		2,461
	Altria Group, Inc.	U.S. Equity		467
	AmerisourceBergen Corporation	U.S. Equity		1,401
	Apple Inc.	U.S. Equity		1,240
2.960	Bank of Montreal	August 2, 2016	2,595	2,612
3.979	Bank of Montreal	July 8, 2021	5,150	5,190
	Bank of Montreal	Canadian Equity		7,200
	Bank of New York Mellon Corp.	U.S. Equity		535
3.350	Bank of Nova Scotia	November 18, 2014	1,150	1,166
3.610	Bank of Nova Scotia	February 22, 2016	8,362	8,395
4.990	Bank of Nova Scotia	March 27, 2018	832	874
	Bank of Nova Scotia	Canadian Equity		4,631
	Baytex Energy Trust	Canadian Equity		2,837
	Becton, Dickinson and Company	U.S. Equity		86
4.400	Bell Canada	March 16, 2016	2,007	2,005
4.950	Bell Canada	May 19, 2021	1,433	1,428
	BlackPearl Resources Inc.	Canadian Equity		3,866
	BorgWarner Inc.	U.S. Equity		1,944
3.240	Cadillac Fairview Finance Trust	January 25, 2016	3,075	3,117
4.310	Cadillac Fairview Finance Trust	January 25, 2021	2,963	2,956
	CAE Inc.	Canadian Equity		400
3.502	Caisse Centrale Desjardins	October 5, 2017	1,808	1,766
1.342	Canada Housing Trust	September 15, 2016	69,761	69,690
1.411	Canada Housing Trust	March 15, 2016	25,020	25,096
1.421	Canada Housing Trust	September 15, 2015	10,946	10,988
2.750	Canada Housing Trust	December 15, 2015	20,456	20,664
3.750	Canada Housing Trust	March 15, 2020	6,190	6,593
3.800	Canada Housing Trust	June 15, 2021	6,621	7,279
3.300	Canadian Imperial Bank of Commerce	November 19, 2014	2,537	2,560
3.400	Canadian Imperial Bank of Commerce	January 14, 2016	9,060	9,077
	Canadian National Railway Co.	Canadian Equity		9,710
	Canadian Natural Resources Ltd.	Canadian Equity		2,123
	Canadian Pacific Railway Ltd.	Canadian Equity		686
	Canadian Tire Corp.	Canadian Equity		781
5.756	Capital Desjardins inc.	April 1, 2019	662	709
	Celestica Inc.	Canadian Equity		278
	CGI Group Inc.	Canadian Equity		2,636
	Check Point Software Technologies Ltd.	U.S. Equity		2,827
	Chevron Corp.	U.S. Equity		1,796
	Church & Dwight Co., Inc.	U.S. Equity		835
	Cooper Industries plc	U.S. Equity		479
	Crescent Point Energy Corp.	Canadian Equity		3,889
4.543	CU Inc.	October 24, 2041	1,278	1,278
	Dollarama Inc.	Canadian Equity		3,431
	Eldorado Gold Corp.	Canadian Equity		1,913
5.297	Enersource Corp.	April 29, 2011	1,351	1,351
5.800	Epcore Utilities	January 31, 2018	378	435
	Express Scripts, Inc.	U.S. Equity		1,053
	Finning Int'l Inc.	Canadian Equity		8,405
	First Majestic Silver Corp.	Canadian Equity		3,027
	First Quantum Minerals Ltd.	Canadian Equity		2,922
	Fossil, Inc.	U.S. Equity		2,420

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Par Value	Purchase Value
	Franklin Resources Inc.	U.S. Equity		846
	Freeport-McMoRan Copper & Gold Inc.	U.S. Equity		1,186
4.400	GE Capital, Canada	February 8, 2018	789	788
	General Mills	U.S. Equity		88
	Gildan Activewear Inc.	Canadian Equity		1,312
	Goldcorp Inc.	Canadian Equity		2,652
	Google Inc.	U.S. Equity		819
1.250	Government of Canada	December 1, 2011	39,723	39,752
1.500	Government of Canada	November 1, 2013	22,067	22,307
1.750	Government of Canada	March 1, 2013	3,706	3,723
3.000	Government of Canada	December 1, 2015	31,344	31,842
3.250	Government of Canada	June 1, 2021	39,130	38,471
3.500	Government of Canada	June 1, 2020	7,311	7,454
4.000	Government of Canada	June 1, 2017	1,531	1,659
4.000	Government of Canada	June 1, 2041	23,722	26,428
4.250	Government of Canada	June 1, 2018	2,971	3,262
5.000	Government of Canada	June 1, 2037	2,645	3,533
5.750	Government of Canada	June 1, 2029	13,860	17,554
5.260	Greater Toronto Airports Auth.	April 17, 2018	138	158
5.300	Greater Toronto Airports Auth.	February 25, 2041	1,993	1,992
	Greystone Canadian Equity Small Cap Fund	Pooled Fund		3,253
	Greystone EAFE Plus Fund	Pooled Fund		7,340
	Greystone Mortgage Fund	Pooled Fund		14,445
	Halliburton	U.S. Equity		1,513
	Hewlett - Packard	U.S. Equity		3,182
	Honeywell International Inc.	U.S. Equity		712
4.640	Hydro One Inc.	March 3, 2016	1,564	1,673
	IGM Financial Inc.	Canadian Equity		3,919
	Intact Financial Corp.	Canadian Equity		1,910
5.946	Integrated Team Solutions SJHC Partnership	November 30, 2042	404	404
	Intel Corp.	U.S. Equity		467
3.839	Inter Pipeline Fund	June 30, 2018	1,305	1,305
4.967	Inter Pipeline Fund	February 2, 2021	1,331	1,331
	International Business Machines Corp.	U.S. Equity		340
	iShares S&P/TSX 60 Index Fund	Pooled Fund		1,680
	ITC Holdings Corp.	U.S. Equity		1,698
2.250	John Deere Capital Corp.	October 14, 2014	1,380	1,380
2.300	John Deere Capital Corp.	January 14, 2013	1,339	1,338
5.450	John Deere Capital Corp.	September 16, 2015	297	332
	Johnson Controls, Inc.	U.S. Equity		395
	JPMorgan Chase & Co.	U.S. Equity		1,346
	Kinross Gold Corporation	Canadian Equity		3,347
4.331	Lower Mattagami Energy Limited Partnership	May 18, 2021	924	924
	Magna International Inc.	Canadian Equity		1,055
	Manulife Financial Corp.	Canadian Equity		3,931
	MasterCard Incorporated	Canadian Equity		2,653
	McDermott International, Inc.	U.S. Equity		524
	McDonald's Corp.	U.S. Equity		668
	Mead Johnson Nutrition Company	U.S. Equity		2,785
	Medco Health Solutions, Inc.	U.S. Equity		1,130
	MEG Energy Corp.	Canadian Equity		7,820
	Metro Inc.	Canadian Equity		787
3.850	Metropolitan Life Global Fund	January 12, 2016	2,014	2,010
	Microsoft Corp.	U.S. Equity		178
	Mosaic Company, The	U.S. Equity		1,699
2.702	National Bank of Canada	December 15, 2016	2,615	2,615
3.580	National Bank of Canada	April 26, 2016	2,466	2,466
	National Bank of Canada	Canadian Equity		1,080
	National-Oilwell Varco, Inc.	U.S. Equity		729

Exhibit 3

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Par Value	Purchase Value
4.397	NAV CANADA	February 18, 2021	798	798
	Nike Inc.	U.S. Equity		624
	Occidental Pete Corp.	U.S. Equity		698
	Open Text Corporation	Canadian Equity		1,291
	Oracle Corp.	U.S. Equity		2,108
5.727	Ornge Issuer Trust	June 11, 2034	289	300
	Pacific Rubiales Energy Corp.	Canadian Equity		245
	Parker-Hannifin Corporation	U.S. Equity		418
4.890	Pembina Pipeline Corporation	March 29, 2021	960	967
	Petrominerales Ltd.	Canadian Equity		2,327
	Pfizer Inc.	U.S. Equity		447
	Potash Corp of Saskatchewan Inc.	Canadian Equity		1,484
	Power Corp. of Canada	Canadian Equity		155
	Praxair Inc.	U.S. Equity		742
	Precision Drilling Corporation	Canadian Equity		5,916
1.850	Province of Alberta	September 1, 2016	2,888	2,884
FR	Province of Alberta	May 27, 2016	5,699	5,700
3.700	Province of British Columbia	December 18, 2020	3,453	3,405
4.300	Province of British Columbia	June 18, 2042	1,590	1,550
5.700	Province of British Columbia	June 18, 2029	2,170	2,525
6.350	Province of British Columbia	June 18, 2031	8,809	11,581
2.050	Province of Manitoba	December 1, 2016	1,464	1,466
4.100	Province of Manitoba	March 5, 2041	3,498	3,312
4.150	Province of Manitoba	June 3, 2020	1,263	1,300
4.400	Province of Manitoba	September 5, 2025	3,706	3,825
4.600	Province of Manitoba	March 5, 2038	990	999
4.500	Province of New Brunswick	June 2, 2020	400	415
4.500	Province of Newfoundland & Labrador	April 17, 2037	1,648	1,617
4.000	Province of Ontario	June 2, 2021	5,851	5,830
4.700	Province of Ontario	June 2, 2037	2,386	2,451
6.200	Province of Ontario	June 2, 2031	3,236	3,997
4.250	Province of Quebec	December 1, 2021	9,361	10,072
4.500	Province of Quebec	December 1, 2020	700	724
5.750	Province of Quebec	December 1, 2036	700	819
6.250	Province of Quebec	June 1, 2032	5,402	6,810
4.570	PSP Capital Inc.	December 9, 2013	1,919	2,032
	Quadra FNX Mining Ltd.	Canadian Equity		16
	Research In Motion Ltd.	Canadian Equity		2,283
6.560	Rogers Communications Inc.	March 22, 2041	1,810	1,921
	Rogers Communications Inc.	Canadian Equity		1,860
3.030	Royal Bank of Canada	June 26, 2016	3,647	3,645
3.360	Royal Bank of Canada	January 11, 2016	13,206	13,206
3.770	Royal Bank of Canada	March 30, 2018	3,565	3,565
	Saputo Inc.	Canadian Equity		597
	Semafo Inc.	Canadian Equity		1,478
	Sino-Forest Corp.	Canadian Equity		1,104
	Suncor Energy Inc.	Canadian Equity		6,531
	Talisman Energy Inc.	Canadian Equity		4,353
	Teck Resources Limited	Canadian Equity		3,567
5.050	Telus Corp.	July 23, 2023	817	868
5.950	Telus Corp.	April 15, 2015	390	435
	Templeton Global Equity Trust	Pooled Fund		4,351
	Thompson Reuters	Canadian Equity		1,298
	Tim Hortons Inc.	Canadian Equity		1,313
	Time Warner Inc.	U.S. Equity		743
	TJX Companies, Inc.	U.S. Equity		980
2.948	Toronto Dominion Bank	August 2, 2016	2,584	2,584
4.854	Toronto Dominion Bank	February 13, 2013	362	381
	Toronto Dominion Bank	Canadian Equity		7,160
	Transcanada Corp.	Canadian Equity		11,685
8.290	Transcanada Pipelines Ltd.	February 5, 2026	53	75
	Trican Well Service Ltd.	Canadian Equity		2,492
	Union Pacific Corporation	U.S. Equity		303
	United Rentals, Inc.	U.S. Equity		1,877
	UnitedHealth Group Inc.	U.S. Equity		525
	Uranium One Inc.	Canadian Equity		15
	US Bancorp	U.S. Equity		959
	Valeant Pharmaceutical Int'l Inc.	Canadian Equity		976
	Vermilion Energy Inc.	Canadian Equity		4,987
	Viacom Inc.	U.S. Equity		3,063
	Wal-Mart Stores, Inc.	U.S. Equity		1,173
	Walter Energy, Inc.	U.S. Equity		260
	Yamana Gold Inc.	Canadian Equity		6,630
	Yum! Brands, Inc.	U.S. Equity		731
				$ 1,065,609

Head Office
200 – 1881 Scarth Street
Regina, Saskatchewan
S4P 4L1

Toll Free: 1.800.667.7590
Phone: (306) 787-4370
Fax: (306) 787-3915

www.wcbsask.com

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