Annual Report 2014

Yukon Workers' Compensation Health and Safety Board

Members of the Board of Directors

The Yukon Workers' Compensation Health and Safety Board is governed by a Board of Directors made up of two representatives of workers, two representatives of employers, a neutral chair and a neutral alternate chair. The President/CEO of the Yukon Workers' Compensation Health and Safety Board sits as a non-voting member.

Mark Pike, Chair
Appointed January 4, 2014 – January 3, 2017
(Earlier appointments:
November 5, 2013 – January 3, 2014
November 5, 2010 – November 4, 2013)

Vicki Hancock, Alternate Chair
Appointed October 22, 2012 – October 21, 2015
(Earlier appointments:
August 24, 2012 – October 22, 2012
August 24, 2009 – August 23, 2012
August 15, 2006 – August 14, 2009)

Gary Annau, Representative of Employers
Appointed January 28, 2012 – January 27, 2015
(Earlier appointments:
November 29, 2011 – January 27, 2012
November 29, 2008 – November 28, 2011
November 29, 2005 – November 28, 2008
November 29, 2004 – November 28, 2005)

Carl Schulze, Representative of Employers
Appointed February 17, 2014 – February 16, 2017
(Earlier appointment:
February 17, 2011 – February 16, 2014)

W. Cary Gryba, Representative of Workers
Appointed October 22, 2012 – October 21, 2015

Luigi Zanasi, Representative of Workers
Appointed April 20, 2013 – April 19, 2016

Joy Waters, President/CEO

Message From the Board of Directors

When it comes to safety, we are all in this together. For example, think back to your first safety lesson.

It might have been a warning about the dangers of traffic, fast-flowing water or hot stoves, but it did not come from the Yukon Workers' Compensation Health and Safety Board.

For most, a parent or guardian schooled us in hazard identification when we were very young. They did so because the peril was real and recognizing hazards can be difficult. That knowledge is passed along, voluntarily, to ward off danger and prevent calamities.

The need for those lessons never ends.

We carry these early lessons from our parents beyond our homes into the workplace. There, we depend on our colleagues, supervisors and employers to help us identify new hazards and to safely manage any dangers that may be on site.

And, eventually, we pass these lessons along to somebody else because delivering such crucial information is a collective responsibility – our responsibility.

The Yukon Workers' Compensation Health and Safety Board is a microcosm of the community – of every Yukon workplace.

It is business and labour working together to promote safety and prevent disability.

Nobody wants to see people hurt – either at home or on the job.

In 2014, too many Yukoners saw such things.

There were five workplace fatalities this year.

Those, and other horrific incidents, left gaping holes in families and our communities.

While tragic events sometimes don't appear to be workplace incidents, they became workplaces for our community first responders when they came to deal with this aftermath.

In this way, these tragic events ripple through the community, blurring the line between what constitutes a workplace incident and what does not.

Today, society is beginning to understand that injuries to the psyche can be as disabling as physical injuries.

So, as part of our effort to help employers and workers cope with this emerging field, we held a conference on mental health in the workplace.

Our social marketing campaign encourages people to think before they act, and to work to eliminate hazards on the job.

We encourage improved workplace safety through our CHOICES rebate program, which rewards employers for embracing good safety and return-to-work training and procedures.

And Occupational Health and Safety's first-ever targeted enforcement initiative sought to assist garages and engine shops improve their safety culture.

That came in addition to our safety officers' regular efforts, which sees them fan out across the territory to inspect workplaces and help employers improve their safety practices.

Over the last six years, across most industries, these initiatives are working.

Together, through these safety and return-to-work programs, employers, workers and the staff of the Yukon Workers' Compensation Health and Safety Board have reduced the cost of injuries in the territory. As those costs fall, so do assessment rates.

But that work seems insignificant in the face of the community's five workplace fatalities and all the other tragic incidents workers had to respond to in 2014.

We cannot imagine the impact these deaths have had, and will have, on families, friends and the workplaces where they occurred, or the sorrow felt by the community.

We can tell you these tragedies are deeply felt by every one of the Board of Directors and each staff member here at the Yukon Workers' Compensation Health and Safety Board.

Our goal is zero – to have every Yukoner feel confident they will return home safely to their families at the end of the day.

This is a shared responsibility. It falls on us all to make a difference.

Our goal is to prevent all workplace death, injury, disability and jobsite safety infractions. We embrace our goal of zero because any injury is unacceptable.

This year, five workers failed to return home at the end of the day and many others harbour memories of tragic events that happened in their workplace.

We simply must do better.

These workers are our fathers and mothers, our sisters and brothers and our friends.

Preventing our loved ones from being disabled or killed on the job is vital work.

And lessons passed along at home and at a school are carried to the workplace, just as lessons learned in the workplace are carried home and to school.

We do this because these people are our family, our friends ... our community.

We are all in this together. And we can do better.

New and Revised Policies

One new policy and three policy revisions came into effect in 2014:

- Merits and Justice of the Case
- New Evidence at Reviews and Appeals
- Firefighters' Presumption
- Coverage for Workers Outside Yukon

The Yukon Workers' Compensation Health and Safety Board thanks members of the Policy Working Group, the Stakeholder Advisory Committee and others for their input and guidance in developing and honing these policies.

EN-02, Merits and Justice of the Case
Effective January 1, 2014

This revised policy:

- Added a clause clarifying what information decision-makers must include in a referral package sent to a service provider outside Yukon Workers' Compensation Health and Safety Board.
- Ensures service providers have access to all the information needed to render an unbiased opinion.

AP-03, New Evidence at Reviews and Appeals
Effective January 1, 2014

This revised policy:

- Reminds decision-makers at all levels of appeal that the clause added to EN-02 (see above) applies to them.
- Increases consistency in decision-making process.

EN-14, Firefighters' Presumption
Effective March 28, 2014

This policy provides a cancer presumption to full-time firefighters and was revised in 2014 to extend the presumption to part-time and volunteer firefighters.

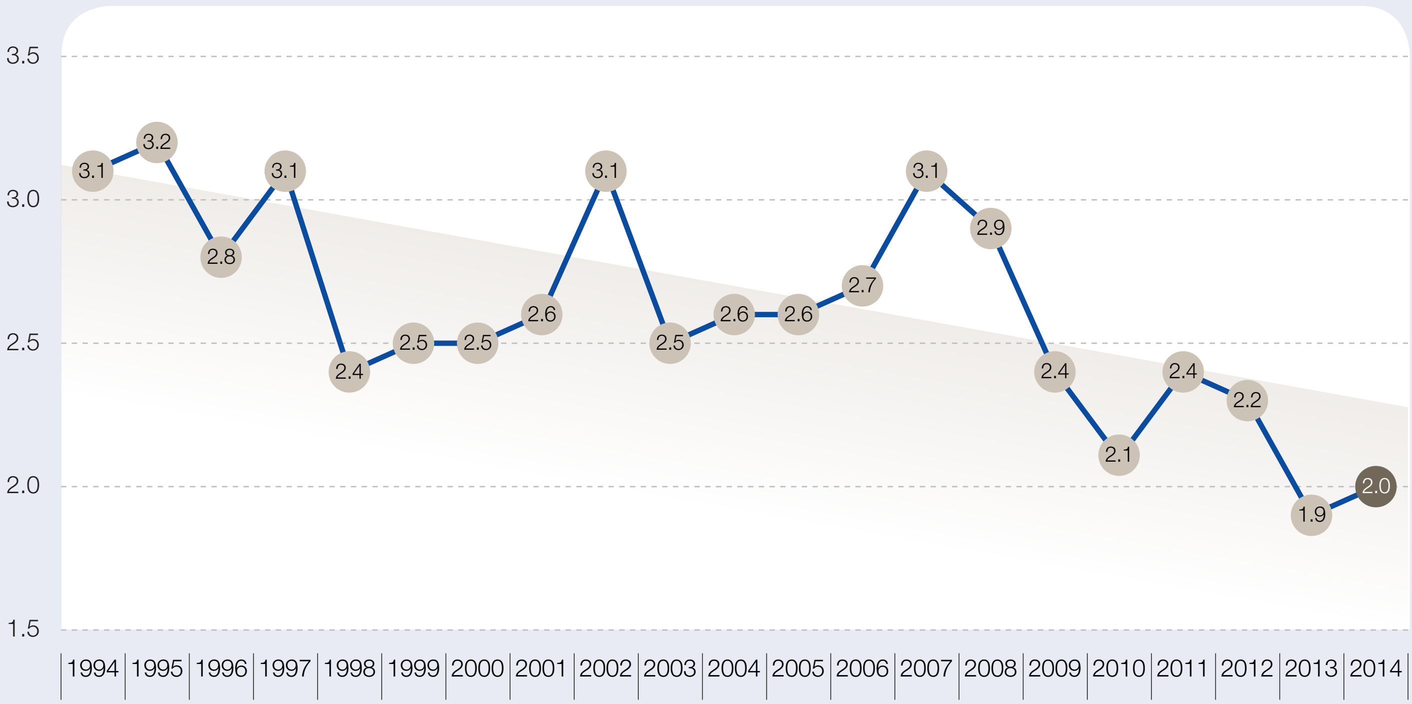
The presumption means long-serving firefighters who get certain types of cancer will be presumed to have a work-related disease, expediting the claims process. The authority for this cancer presumption is provided under section 17.1(2) of the *Workers' Compensation Act*. It does not apply for forest firefighters.

EA-14, Coverage for Workers Outside Yukon
Effective July, 2014

This new policy:

- Guides YWCHSB decision-makers regarding coverage to Yukon workers employed outside Yukon and outside Canada.
- Ensures Yukon employers and the Compensation Fund are limited in additional liability they may be exposed to when workers are sent outside Yukon.
- Clarifies employer responsibilities when sending workers to work outside Yukon.
- Informs employers how to apply for extended coverage when they want to send workers outside Yukon.

Lost-time* Injury Rate per 100 Covered Workers**



*Lost-time per Annual Report definition.

**Covered Workers estimated from Assessable Payrolls and an Average Annual Employment Income (AAEI) assumption (per SAAD data). AAEI estimated for 2013 and 2014.

Source: Statistics Canada (SAAD), YWCHSB

Safety Compliance

In 2014, Occupational Health and Safety officers issued 37 penalties for Occupational Health and Safety infractions on Yukon worksites, 15 more than the 22 issued in 2013.

Safety compliance reporting is important to both employers and workers because it identifies workplace safety trends in the previous year. Through it, we see what the most common safety lapses were in the community, what industries were affected and how employers, supervisors and employees fared compared to the previous year.

Safety officers issued $30,070 in fines in 2014, up from the $21,430 issued in 2013.

Refusal to wear appropriate personal protective equipment, or lack of policies governing the use of such gear, resulted in 20 of the 37 penalties issued in 2014. Lack of fall arrest and hard hats led to most of those penalties.

Many of the other 17 penalties stemmed from employers' and supervisors' failure to provide necessary training and supervision of employees, or to comply with orders written by safety officers.

In total, penalties were issued to 17 workers and five supervisors. Fifteen penalties were issued to 12 employers.

In 2014, no fines were issued to employers for failing to report serious incidents. This is an improvement over 2013, when two fines were issued.

The Yukon Workers' Compensation Health and Safety Board posts administrative penalties on its website so employers and workers can see infractions and know what they cost. This allows people to review their jobsites and work practices for similar problems before someone is injured or killed.

These penalties are applied to the industry group they were collected from. Those companies not following the safety regulations injure more workers and increase the cost of running the compensation system.

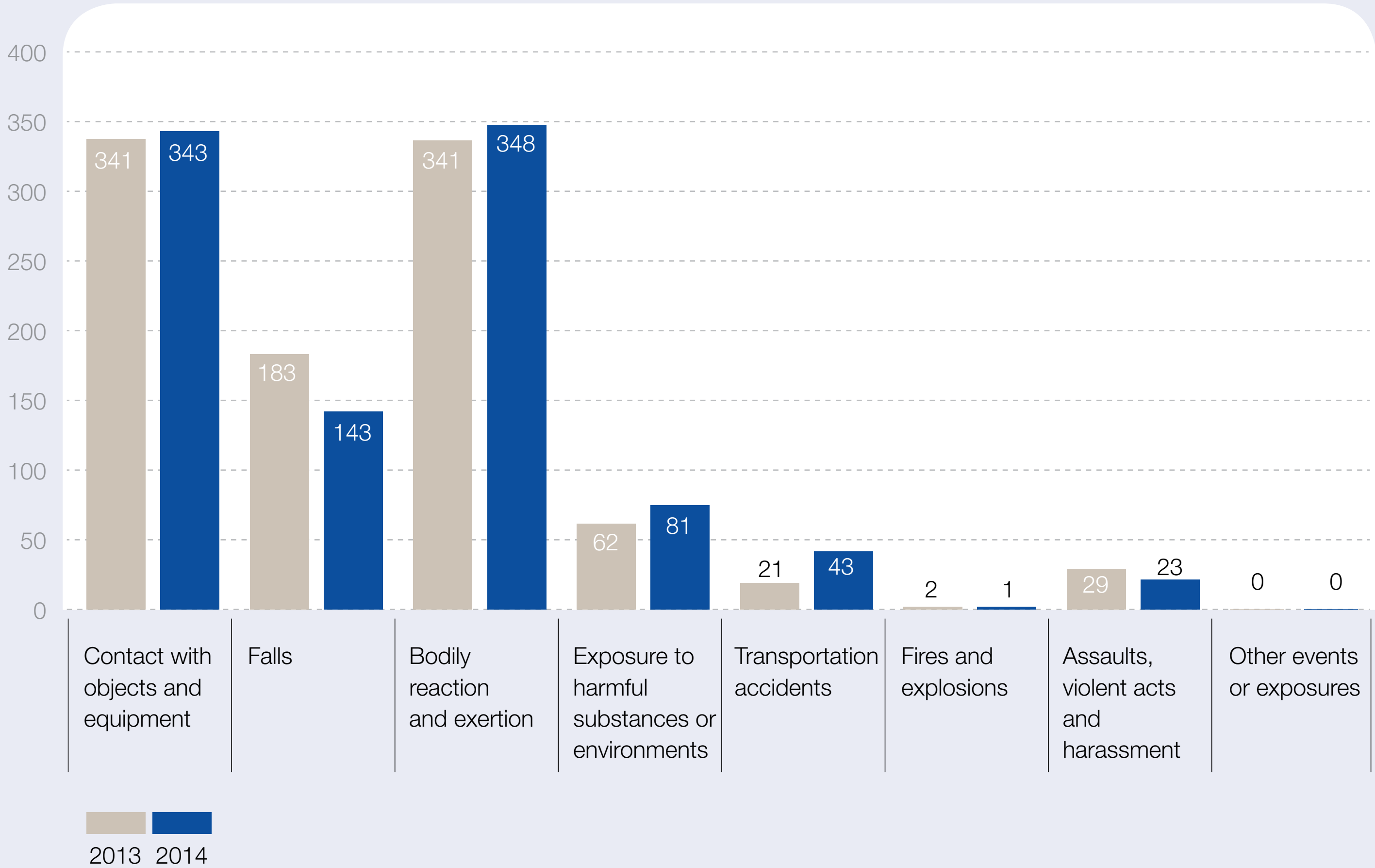
The Yukon Workers' Compensation Health and Safety Board opened its seasonal office in Dawson City again in 2014. This office supports employers and workers looking for information about occupational health and safety issues in the region.

The office also provides an ongoing inspection presence in the Klondike.

In 2014, the mine-rescue unit ran one instructor course with its partner Northern Safety Network Yukon. The Yukon Workers' Compensation Health and Safety Board issued four instructor certificates.

The unit also examined 5 basic mine-rescue courses at Yukon mines. In total, 21 underground and 16 surface mine-rescue certificates were issued in 2014.

Accepted Claims by Event or Exposure



Building for the Future

In 2014, the Board of Directors approved an addition to 401 Strickland to address overcrowding issues and future needs.

Construction began in July 2014.

Looking at our space requirements, three key factors influenced the decision to add onto the building:

1) The structure's excellent condition;
2) The location; and
3) Having all staff under one roof maximizes the ability of the Yukon Workers' Compensation Health and Safety Board to achieve its strategic mandate of preventing disability.

The job was awarded to a local contractor – Ketza Construction Corp. – following a public, price-driven tender. Whitehorse-based Koybashi Architect is the Yukon Workers' Compensation Health and Safety Board's advisor on the project.

The total budget for the addition is $5.5M and occupancy is scheduled for 2015.

Return to Work

The organization continues to work with its stakeholder partners, employers, workers and health-care providers to get injured workers safely back to work as quickly as possible.

Effective return-to-work outcomes prevent long-term disability and psychological issues for workers and their families. Injured workers heal faster and better when they get back to work, even if they can't resume their previous duties right away.

In 2014, the Northern Safety Network Yukon held return-to-work classes in Whitehorse, Dawson City and Watson Lake designed to teach businesses the basics about accommodating injured workers on their jobsites. In total, 20 classes were held and 212 people took the training.

The Yukon Workers' Compensation Health and Safety Board's return-to-work consultant continues to field employer questions and helps them meet their obligations under Section 40 of the *Workers' Compensation Act*. This section outlines both workers' and employers' obligations to cooperate in the early and safe return-to-work process.

Employers with more than 20 workers are subject to Section 41 of the *Workers' Compensation Act*, which lays out specific guidelines, remedies and penalties to ensure re-employment obligations to injured workers are met.

The Yukon Workers' Compensation Health and Safety Board is also working with health-care providers to get accurate, detailed information about the functional abilities of injured workers.

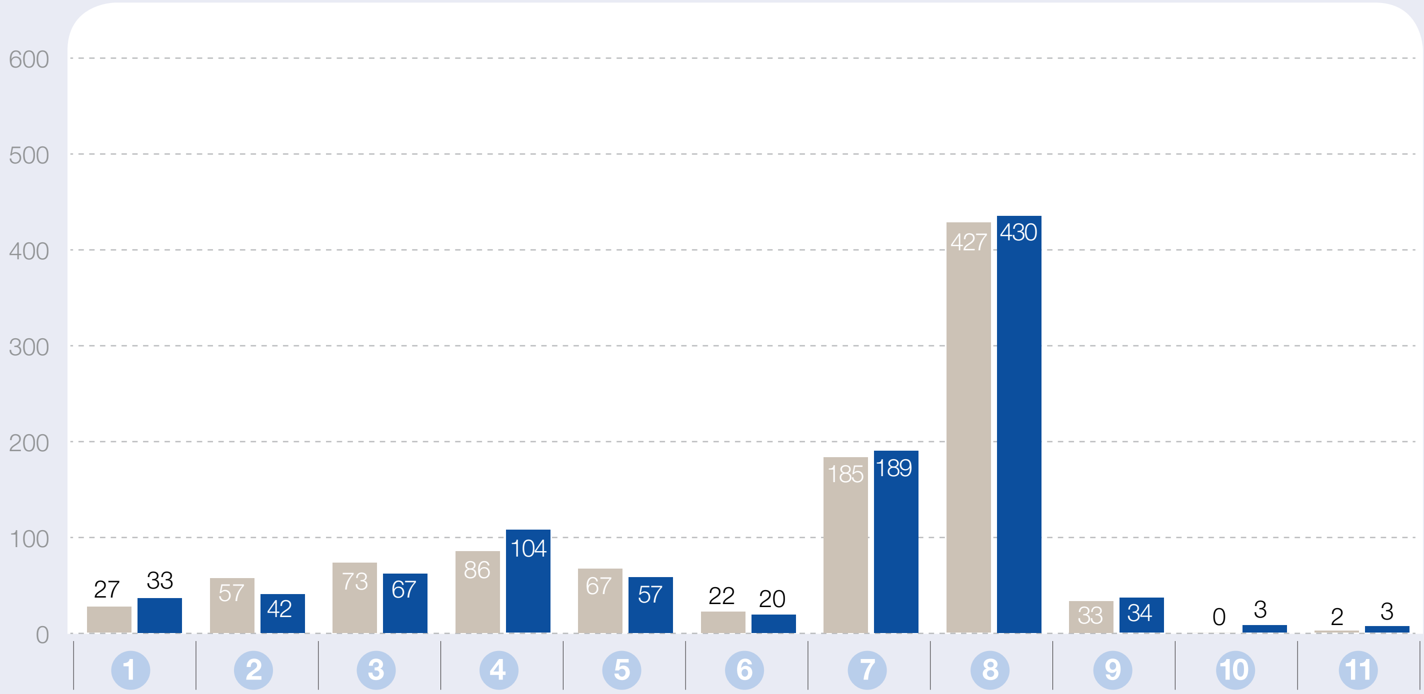
Through cooperation between employers, workers and health-care providers, the Yukon has some of the best claim results in Canada.

In 2014, we saw 435 time-loss claims, up from the 419 registered in 2013. We also saw an increase in mental health claims this year.

By the end of 2014, about 80 per cent of our claimants had recovered and moved off compensation benefits within three months. Within a year, 93 per cent of clients had recovered and moved off benefits.

All these activities help prevent disability and enables the effective management of the compensation system.

Accepted Claims by Occupation



1 Management Occupations
2 Business, Finance and Administration Occupations
3 Natural and Applied Sciences and Related Occupations
4 Health Occupations
5 Occupations in Social Science, Education, Government Service and Religion
6 Occupations in Art, Culture, Recreation and Sport
7 Sales and Service Occupations
8 Trades, Transport and Equipment Operators and Related Occupations
9 Occupations Unique to Primary Industry
10 Occupations Unique to Processing, Manufacturing and Utilities
11 Unknown or Uncoded

Young and New Worker Initiatives

The Yukon Workers' Compensation Health and Safety Board's two young worker coordinators deliver the "Work Shouldn't Hurt" program, visiting 14 Grade 10 Planning and Shop classes in Whitehorse as well as Yukon communities in 2014.

The program explains why the students are at a higher risk of injury and trains them to identify common workplace hazards. It also encourages them to work safely with chemicals and controlled products, and lays out their responsibilities and rights on the worksite.

We have continued our participation in the annual video contest, which aims to teach students about worker rights and workplace health and safety.

In October, the coordinators launched the next version of the video contest and started promoting it among high school students throughout the Yukon.

In addition to working with high school students, the coordinators continued to support a program for students from Kindergarten to Grade 5.

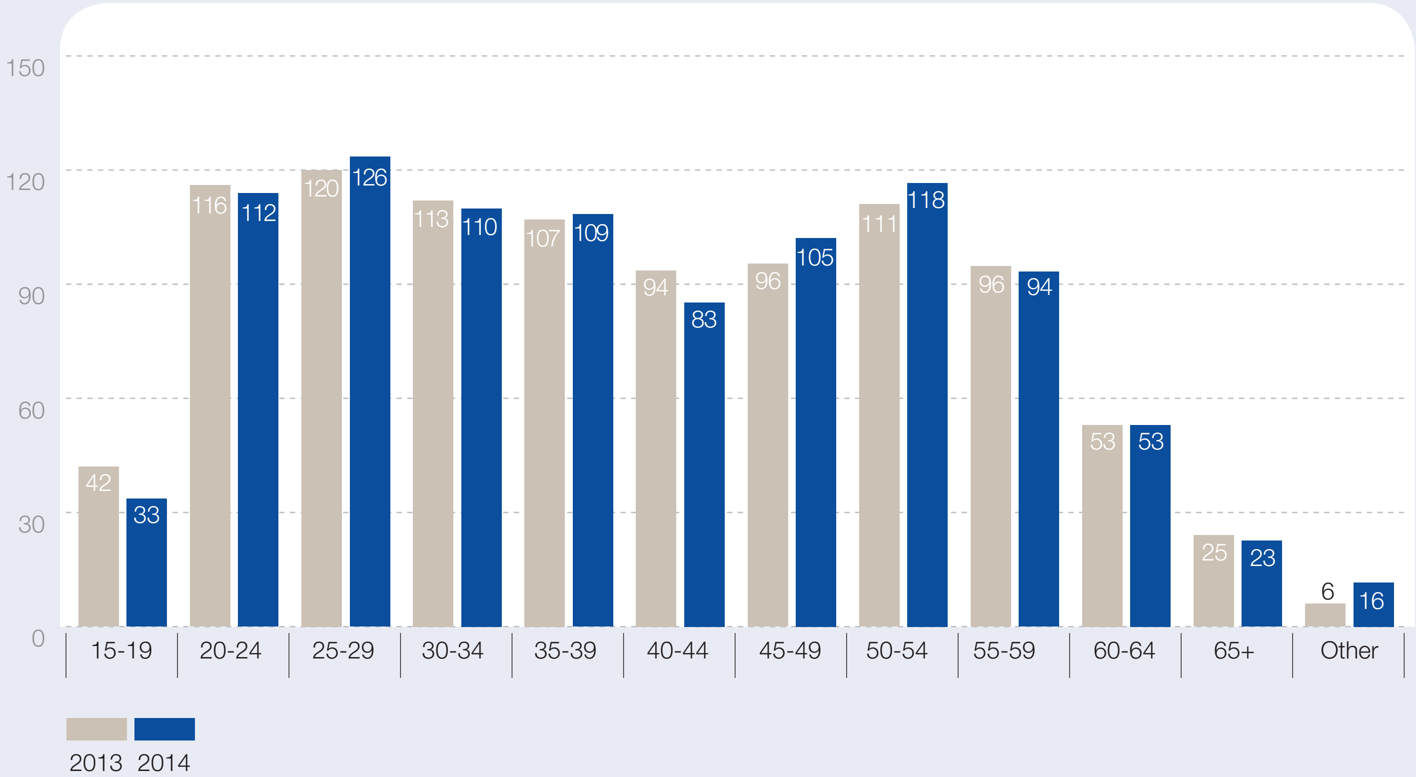
The younger grades' material features a cute mascot, Susie the Squirrel. This material was presented to 25 schools across the territory. The teacher kits include a safety-related book, teacher manual, poster, sticker and, of course, Susie the Squirrel puppet. The Susie campaign has been translated to French to reach even more students.

The older students are getting a package called "Stop, think, do!" focused on hazard identification and injury prevention.

The coordinators also promote trades and technologies among young workers under the age of 30 through Skills Canada and Skills Canada Yukon and through presentations made to Yukon College students, those working at Yukon Government and in the CHALLENGE Program and to foreign workers in the territory.

One coordinator also sits on the board of Skills Canada as the territory's representative and on the National Technical Committee for the safety competition, which oversees the National Skills Canada Competitions. This position allows the coordinator to work with safety professionals from across Canada.

Accepted Claims by Age Group



Accepted Claims by Young Workers

In 2014, the unit investigated several workplace fatalities.

The death of a worker corralling wild horses near Kusawa Lake led to an investigation into safety procedures within the Yukon Agriculture Branch.

The death of a retail employee at Home Hardware was also investigated by the unit in 2014.

The unit assisted with investigations into two trucking deaths, one at the Wolverine Mine and a second near Watson Lake. While these were both federal matters, the work of the investigative unit supported the investigative effort.

The investigator probed two workplace-related deaths in the placer industry. The investigation determined neither of those deaths happened while the worker was on the job.

The investigator provided supporting research for 12 claim files and investigated businesses suspected of under-reporting payroll. When such cases are discovered, a reassessment of the employer's payroll is made and penalties levied.

The investigative unit provided security services to the YWCHSB, and, through attendance at national meetings of the Association of Workers' Compensation Boards of Canada, learned about new developments in the field and emerging threats confronting the industry.

Through its important work, the unit ensures the ethical and honest use of compensation funds. It probes the causes of workplace accidents. And it holds Yukon Workers' Compensation Health and Safety Board board members, staff, employers, workers, health care and service providers accountable for their actions.

The unit also helps ensure claimants get the benefits they are entitled to receive.

Privacy and Security

The Yukon Workers' Compensation Health and Safety Board recognizes and respects the importance of confidentiality and security of personal information in this increasingly open electronic age.

Our clients trust us with their personal information and we ensure we meet their increasing expectations for the protection of privacy while providing needed access to information. We continue to weave information security into the fabric of our business activities and have developed a strong culture committed to respect and the protection of personal information.

In support of this objective, YWCHSB has developed privacy policies and directives and taken steps to secure our facilities and infrastructure.

Those efforts have been recognized by the Yukon's Information and Privacy Commissioner, who reported the Yukon Workers' Compensation Health and Safety Board is the first public body in the territory to develop a privacy management program.

We continue to examine our practices in a manner that allows us to proactively adjust and improve our processes to ensure we protect information in our care.

The **CHOICES** Program financially rewards employers who improve workplace safety and return-to-work practices in their businesses.

The program benefits employers, workers and the Yukon Workers' Compensation Health and Safety Board by preventing disability, promoting safety and return-to-work practices in Yukon workplaces.

Employers can register for CHOICES simply by checking a box on their annual Employer Payroll Return.

That simplified registration system, which was launched in 2011, continues to show results.

In 2014, participation in the CHOICES Program increased two per cent, to 52 per cent of total employer payroll from 50 per cent in 2013. Participating employers saved a total of $463,500 in 2014, down from $582,000 in 2013.

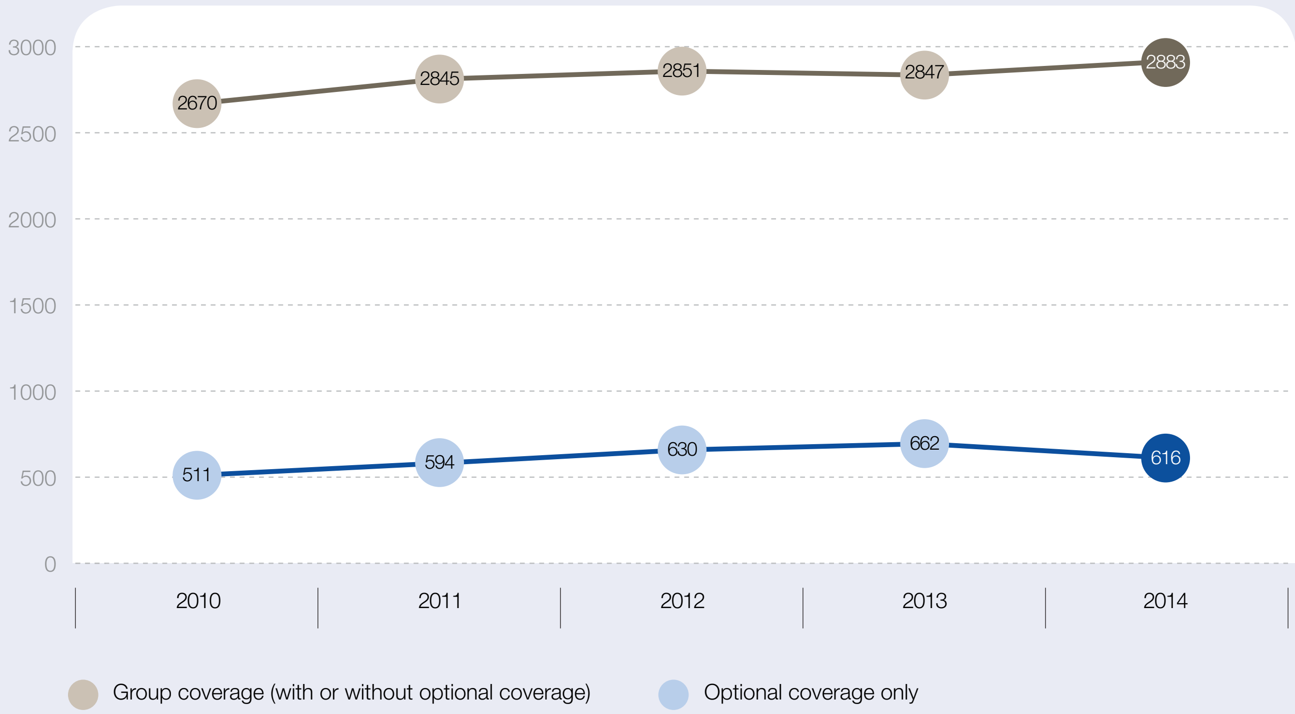
As well, employers with a Certificate of Recognition (COR) or a Small Employers Certificate of Recognition (SECOR), or equivalency, automatically receive a rebate credit on their assessment premium accounts of 10 per cent.

And, in 2014, those employers participating in COR saw the biggest savings. The number of employers participating in COR rose to 75 from 71 in 2013. And those 75 businesses saved a total of $356,000.

There were 44 SECOR-qualified businesses in 2014, up from the 31 that qualified in 2013. In total, those businesses saved $22,360.

Non-certified employers can show, through a third-party provider, that they have completed a specified number of safety and/or return-to-work training hours for their workers. These employers received rebates from four to six per cent of assessable payroll after finishing their training requirements.

Employers Registered*



Assessment Year / *Count of employers with rateable assessment revenue.
Note: an employer may consist of multiple businesses. Employers are only counted once in any given year.

Employer Assesssments

Assessment revenues in 2014 were $22.1 million compared to $22.6 million in 2013, a decrease of $500,000.

Most of this change was expected as the Board of Directors approved a reduction in the average assessment rate.

This fifth consecutive annual reduction lowered assessment rates for 29 industry rate groups in 2014.

Rate increases/decreases

This year, about 2,000 employers saw their assessment rate fall as much as three per cent.

Another 1,300 saw their assessment rates remain stable.

Two hundred saw their rates increase as much as four per cent.

The average assessment rate in 2014 was $2.18, down from $2.34 in 2013.

The rate structure in 2014 reinforces the message that industries with good safety performance will not have to support those that are injuring workers.

It was announced in 2014 that industries that cost the most to the system pay the highest assessment rates.

Letters of Clearance

Approximately 19,000 letters of clearance were issued by the Assessments branch in 2014. The letters confirm contractors working for an employer are registered with the Yukon Workers' Compensation Health and Safety Board and have paid their assessment premiums. Contractors not in good standing with the Yukon Workers' Compensation Health and Safety Board leave employers with the potential liability of paying assessment premiums for contractors on the labour portion of their contract.

Audits

In 2014, 213 audits were conducted with Yukon businesses. Meeting with businesses in this way allows us to tell employers about the compensation system while confirming accurate reporting of employer payrolls and ensuring they are in the proper industrial classification.

The audits resulted in adjustments, or additional payment premiums due to the Yukon Workers' Compensation Health and Safety Board of $127,000 compared to $246,000 in 2013. Most of these adjustments are related to employers under-reporting payrolls and monies due from employers on the labour portion of contracted work, where the contractor did not have compensation coverage.

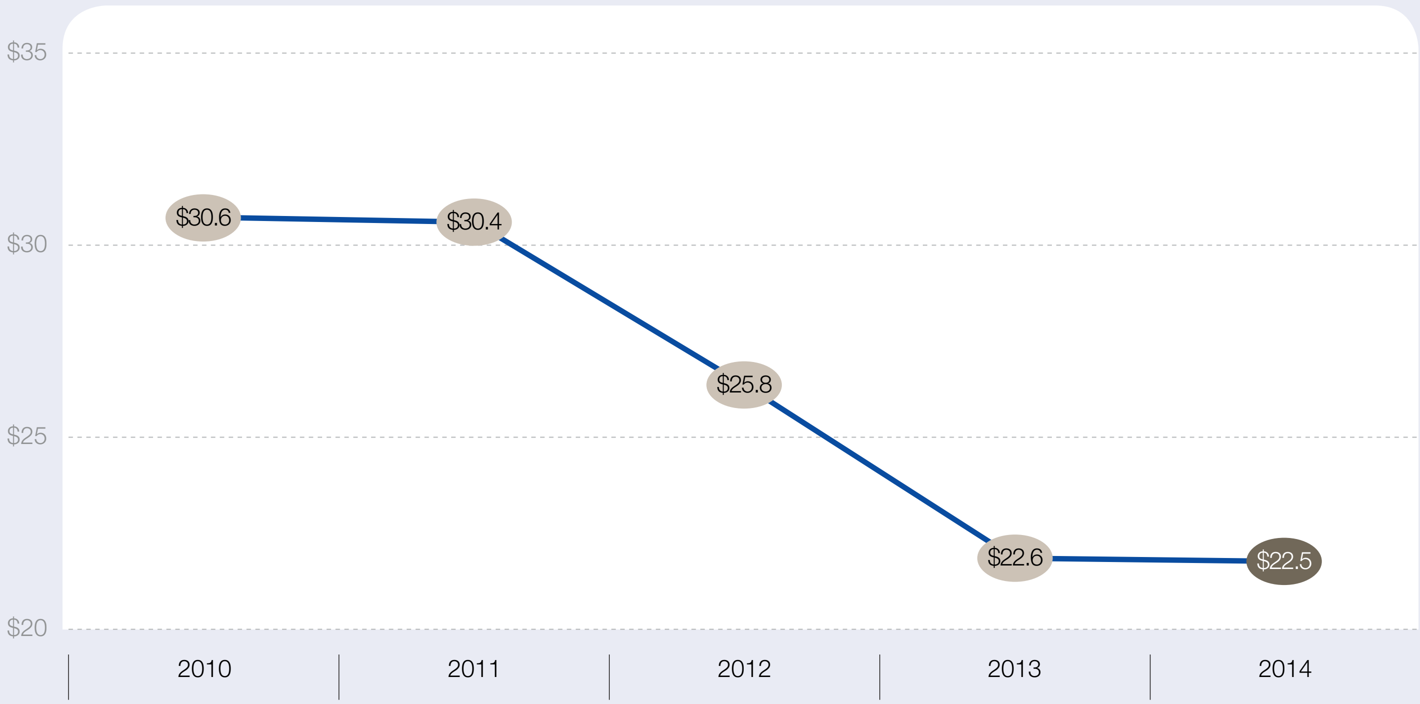
Penalties

If employers do not meet their payment obligations to the compensation system, it adds costs to the system. To support employers who are in compliance, penalties and interest charges are levied against those who do not meet the required timelines.

In 2014, $334,000 in penalties were handed to employers who failed to meet deadlines for registering with the Yukon Workers' Compensation Health and Safety Board, filing their Annual Payroll Return and/or for not paying their assessment premiums, compared to $352,000 in 2013.

This money is used to offset future assessment rate calculations through allocation to assessment revenues.

Assessment Revenue* ($millions)



Assessment Year
*Prepared on an Assessment Year basis. Rateable Revenue only. May not match the Financial Statements.

Estimated Assessable Payroll* ($millions)

Assessment Year / *includes optional coverage amounts.

Number of Appeals Heard, Resolved and Pending in 2014

2014 WCAT Appeal Statistics for January 1 to December 31

Appeals at the Workers' Compensation Appeal Tribunal	12
Decisions	
Decisions confirmed	4
Decisions reversed	7
Decisions varied	1

2014 Board Appeal Statistics for January 1 to December 31

Reviews by Hearing Officer	33
Decisions	
Decisions confirmed	18
Decisions reversed	4
Decisions varied	11

2014 Appeal Panel of the Board of Directors January 1 to December 31

Determination on Right of Action Appeals	0
Confirmed	0
Reversed	0
Varied	0
Occupational Health and Safety Appeals	0
Confirmed	0
Revoked	0
Decreased	0
Assessment Appeals	0
Confirmed	0
Reversed	0
Varied	0

Release of Information Statistics for 2014

	Workers' Advocate	Worker	Employer	Appeal Tribunal	Other	**Total**
January - March	20	21	4	2	24	**71**
April - June	24	12	1	2	9	**48**
July - September	29	12	5	10	32	**88**
October - December	31	9	2	1	5	**48**
Total	**104**	**54**	**12**	**15**	**70**	**255**

2003 - 2014 Totals

	Workers' Advocate	Worker	Employer	Appeal Tribunal	Other	**Total**
2014	104	54	12	15	70	**255**
2013	141	44	14	9	52	**260**
2012	138	38	13	13	109	**311**
2011	170	57	16	28	38	**309**
2010	182	51	11	56	61	**361**
2009	173	45	23	22	24	**287**
2008	238	71	10	18	21	**358**
2007	194	69	20	66	2	**351**
2006	265	53	8	40	4	**370**
2005	408	67	6	71	10	**562**
2004	468	73	20	42	6	**609**
2003	336	80	14	44	9	**483**
Total	**2817**	**702**	**167**	**424**	**406**	**4516**

A Safety Officer Story

Ron Ratz Mike Wadsworth

In May, safety officer Mike Wadsworth came within a heartbeat of dying on the job.

Wadsworth had joined the Yukon Workers' Compensation Health and Safety Board in March. He and mine safety officer Ron Ratz had wrapped up an inspection of the Sa Dena Hes minesite and, by 3:15 p.m., the two men were back in Watson Lake.

Over dinner - Wadsworth had the pork chops, Ratz a clubhouse and soup – the two men discussed what to do next.

Originally, they were going to overnight in Watson Lake, but it was a warm, sunny evening and it was still relatively early.

They decided to drive back to Whitehorse to their families. The next day, they'd have a full day in the office where Ratz would help Wadsworth draft his first inspection report.

They got in the truck around 5 p.m. Ratz drove. Wadsworth lived.

"It was fun driving back together - we were having quality time talking about fishing with the grandkids," said Ratz.

The trouble started about 50 minutes down the road.

"Out of the blue, Mike wanted to adjust the temperature," said Ratz. "He said he wasn't feeling good. I kidded him it was the porridge he'd ordered for breakfast."

Wadsworth started feeling clammy and hot.

"I turned the air conditioning on," said Wadsworth. "It didn't help. I felt sick, nauseous.

"I asked Ron to stop."

Wadsworth was anxious and needed air.

Both men thought it may be food poisoning. Wadsworth soon realized it wasn't.

"As soon as my feet hit the ground, I knew it was something bad," he said. "There was no pain, but as soon as I tried to get back in the truck, there was a heavy weight on my chest. It felt like a truck had rolled on top of it.

"I'd never felt anything like that in my life. I couldn't breathe. It felt like there was something on my chest. Everything was tingling - my arms and legs - like pinpricks."

One hand was on the door, the other was on the pull strap. Wadsworth is a strong, stocky fellow.

"I couldn't get back in. Then the pain started."

Ratz had left the truck and moved to help.

"I knew right away he was in severe cardiac distress," said Ratz, once a BC ambulance trauma specialist who had spent months in Vancouver's Davie Street station, one of the busiest in the province.

Ratz pulled Wadsworth back into the truck, reclined his seat and took his pulse.

"As soon as I looked at Ron, I knew it was not good," said Wadsworth.

"When I looked at him, his face was ashen and his lips were a deep blue – almost purple," said Ratz. "He presented very badly.

"I didn't expect him to get back to Watson."

They were almost halfway between Watson Lake and Teslin. After a very brief talk about options, Ratz turned the vehicle around and raced back towards Watson Lake's hospital.

He called ahead for EMS and police support with the VHF radio.

"Mike actually suffered three more attacks while on the road," said Ratz. "After each attack, Mike told me it was simply indigestion and asked me to turn around and head home, saying he was feeling much better."

But Wadsworth's pulse was weak and he soon was having trouble talking. Ratz urged his friend to focus and tried to keep him engaged and conscious.

Near Upper Liard, Wadsworth was no longer conscious and Ratz started to brake to administer CPR. That's when they both heard the siren.

Two police cruisers came up the road, and Wadsworth roused.

"I think we were met at Upper Liard - I couldn't see anything," said Wadsworth. "Ron said we couldn't risk moving me, so the RCMP escorted us to the hospital."

Wadsworth was wheeled in at 6:21 p.m.

"They immediately started injecting me with stuff," said Wadsworth.

Wadsworth suffered another three massive heart attacks in the hospital. It was now 6:48 p.m. Without the medical staff and resources, he would have died.

"Those heart attacks were nothing like the ones on the road," said Ratz. "There's no question, he wouldn't have made it until morning."

Wadsworth needed heart surgery.

At 2 a.m., a medevac took him to Vancouver. At 5:30 a.m., just 12.5 hours after he'd started driving back to Whitehorse, he was in an operating room at St. Paul's Hospital having a stent put in to relieve a 90 per cent blockage of his coronary artery.

"There was immediate relief," said Wadsworth, who was awake during the procedure. "It was like cleaning a pipe out – like unplugging a culvert. I was ready to leave the OR right away."

They didn't let him. Barb, Wadsworth's wife, found him resting comfortably at the hospital when she arrived around 11 a.m.

Wadsworth had had a previous heart attack in 2004 for a 20 per cent blockage, but it was nothing like this, he said.

"There was no pain, no nothing," he said. "I thought I had indigestion. And they treated it with drugs."

This time, the recovery was longer.

During it, Wadsworth and Barb visited the Yukon Workers' Compensation Health and Safety Board offices to thank Ratz.

That was an unusual moment for the trauma specialist.

"In Vancouver, you never see your patients again," said Ratz. "You never know the full story.

"Barb squeezed me tightly. That's a good sign - she wanted him back."

In July, Wadsworth returned to work.

"Coming back to work was the best thing for me," he said. "I didn't want to be sitting around all day thinking about what could have happened."

Still, it was a "little weird," he said.

"People weren't sure what to say. I felt good, but they told me to slow down. At first, they didn't let me do much. But just to be here at work was a good thing.

"We're a tight knit group in this building."

Today, he's fully back to work.

"I feel great," he said. "And we still joke, 'Those pork chops will kill you.'"

Following the incident, staff is much more knowledgeable about the symptoms of heart attacks and the organization's safety plan was refined. One change is that Yukon Workers' Compensation Health and Safety Board vehicles now have lists of emergency phone numbers to make it easier to call for help in a crisis.

Still, Wadsworth's brush with death couldn't have been closer.

"If I had been driving, we wouldn't be having this conversation," he said with a grin. "I should go to Vegas."

Management Discussion and Analysis

This segment deals with the Compensation Fund's (the Fund) financial performance for the year ended December 31, 2014. The audited financial statements are integral to this analysis and should be read in conjunction with it. Unless otherwise indicated, all amounts are expressed in Canadian dollars and have been derived from the Fund's annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Forward-Looking Statements

Any forward-looking statements in this document represent the views of management. Forward-looking information is subject to many risks and uncertainties, and may contain significant assumptions about the future. These statements are presented to assist stakeholders in understanding the Fund's financial position, priorities and anticipated financial performance.

Risk and uncertainties about future assumptions include, but are not limited to, the changing financial markets; industry mix of the Yukon workforce; general economy; legislation; accounting standards; appeals and court decisions; and other risks which are known or unknown. The reader is cautioned about placing reliance on the forward-looking information contained herein.

Operating Results

The 2014 operating surplus was slightly lower than the previous year: $13.2 million versus $14.3 million in 2013. As was the case in 2013, investment revenue was the main contributor to the Fund's surplus in 2014 providing revenues of $18.9 million.

Total comprehensive income, which is made up of the operating surplus plus the actuarial gains and losses related to post-employment and other long-term employee benefits, was $13.1 million in 2014 versus $14.7 million in 2013.

Revenues

The Fund's total revenue in 2014 was $42.1 million versus $51.4 million in 2013. The Fund has two sources of revenue: assessment revenue and investment revenue. The decrease in the overall revenue was directly attributable to a decrease in investment revenue.

Assessment revenue in 2014 was $22.1 million, down slightly from $22.6 million in 2013.

Investment revenue in 2014 was $18.9 million, down by $8.9 million, versus $27.8 million in 2013. The Fund posted good returns in all asset classes, earning an overall return of 10 per cent versus the benchmark return of 10.6 per cent. The overall return for the past five years has been 9.3 per cent versus the benchmark of 8.3 per cent. This has been the sixth consecutive year of positive investment returns, and the Yukon Workers' Compensation Health and Safety Board's disciplined, structured, conservative approach to managing its investment portfolio continues to help the Fund maintain a very strong financial position.

Expenses

Total claims expenses decreased to $17.7 million in 2014 from $26.3 million in 2013. In 2013, claims costs were higher due to the early adoption of a provision for latent occupational diseases of $10.6 million. Recording this provision was mandatory for all Canadian compensation boards in 2014.

Administration costs increased slightly to $10.7 million in 2014 from $10.3 million in 2013 mainly due to a general increase in salary costs as provided for in the collective bargaining agreement and management payroll policies.

Balance Sheet

At the end of each fiscal year, the benefits liability for all injuries that have occurred to date is calculated by the Workers' Compensation Health and Safety Board's actuary. This liability represents the actuarial present value of all future benefits and related administration costs. As at December 31, 2014, this liability was $138.1 million, an increase of 2% over the previous year. The increase was much lower than expected due to favourable experience gains in the 2014 claims costs.

The total assets of the Fund have increased by $16.5 million in 2014 primarily as a result of the increase in the investment portfolio. The value of the investment portfolio at end of 2014 was $215 million versus $202 million at the end of 2013. This increase is attributable to the continuing favourable investment returns.

Strong financial results continue to strengthen the balance sheet, bringing reserve levels to 129% above their target range. This strong financial position will benefit the Fund when the proposed future International Financial Reporting Standard—IFRS 4 *Insurance Contracts*—comes into effect, potentially increasing the value of the benefits liability. Also, this excess of assets over liabilities mitigates the impact of year-to-year income fluctuations, providing rate stabilization and assurance that benefit obligations will be met in the long run. Finally, the strength of the balance sheet assures stakeholders that the Fund can address future financial commitments should financial markets and economies weaken.

Outlook

The Yukon Workers' Compensation Health and Safety Board must be able to respond to new challenges and opportunities in a rapidly changing environment. Through stakeholder consultation on key issues; prudent financial management; developing cost effective business processes for its clients; retention and development strategies for its staff; and closely monitoring economic and operating trends, the organization will be able to proactively respond to these emerging issues.

Together with its stakeholders, the Yukon Workers' Compensation Health and Safety Board will continue to seek out innovative ways to minimize the impact of workplace injuries and illness for Yukoners. One day it is hoped that the Board's vision of Zero can be met.

Zero safety violations.
Zero worker injuries and illnesses.
Zero disabilities.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Workers' Compensation Health and Safety Board (the "Board") is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund assets are safeguarded and controlled; transactions of the Compensation Fund are in accordance with relevant legislation, regulations and board policies; and that the Board's resources are managed efficiently and economically and the operations of the Board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Compensation Fund. The accompanying financial statements as at December 31, 2014 include amounts based on management's best estimates as determined through experience and judgement, and are prepared in accordance with International Financial Reporting Standards. Other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises its responsibilities through the Finance, Investment, and Audit Committee (the "Committee"). The Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board of Directors, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing his opinion on the financial statements. He also considers whether the transactions that come to his notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

Morneau Shepell, an independent consulting actuarial firm, has completed an actuarial valuation of the benefits liability included in the financial statements of the Compensation Fund and reported thereon in accordance with accepted actuarial practice.

Kurt Dieckmann
Acting President and Chief Executive Officer

Jim Stephens, CMA, CGA
Vice President, Operations and Chief Financial Officer

April 14, 2015

MORNEAU SHEPELL

40 Crowther Lane, Suite 300, Knowledge Park
Fredericton, New Brunswick E3C 0J1

Actuarial Statement of Opinion

I have completed the actuarial valuation of the benefits liability of the Yukon Workers' Compensation Health and Safety Board (the "board") as at December 31, 2014 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

1. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the benefits liability.
2. The actuarial assumptions adopted in computing the benefits liability are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for workers' compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the board.
4. The estimate of the actuarial liabilities as at the valuation date is $138,119,000. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. A provision for future claims arising from long latency occupational diseases is included in this valuation. This liability includes future administrative expenses for all benefits, with the exception of the Annuity benefit. It does not include any self-insured employers.
5. The liability as at the valuation date for Annuity contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits to injured workers was obtained from the board's finance division and is included in item 4 above.
6. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations and the financial statements fairly present the results of the valuation.
7. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
8. The valuation is based on the provisions of the *Workers' Compensation Act* of the Yukon Territory and on the board's policies and practices in effect on the valuation date.

Thane MacKay, F.C.I.A.

This report has been peer reviewed by Conrad Ferguson F.C.I.A.

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Compensation Fund

Report on the Financial Statements

I have audited the accompanying financial statements of the Compensation Fund, which comprise the statement of financial position as at 31 December 2014, and the statement of operations and comprehensive income, statement of changes in funded position (equity) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Compensation Fund as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Workers' Compensation Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Compensation Fund and the financial statements are in agreement therewith. In addition, the transactions of the Compensation Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations and the *Financial Administration Act* of Yukon and regulations.

Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

14 April 2015
Vancouver, Canada

Compensation Fund | Statement of Financial Position
As at December 31 (in Canadian Dollars)

	Note	2014 ($000s)	2013 ($000s)
ASSETS			
Cash		$ 7,903	$ 4,921
Accounts receivable	6	1,448	2,162
Prepaid expenses		201	188
Investments	7	214,991	202,020
Property and equipment	8	5,423	4,055
Intangible assets	9	3,688	3,763
Total assets		**$ 233,654**	**$ 217,109**
LIABILITIES			
Accounts payable and accrued liabilities	10	$ 5,015	$ 4,505
Deferred portion of government grant	11	268	310
Benefits liability	12	138,119	135,175
Employee benefits	13	2,279	2,239
Total liabilities		$ 145,681	$ 142,229
FUNDED POSITION (EQUITY)	14		
Prevention Fund		-	386
Reserves		87,973	74,494
Total equity		87,973	74,880
Total liabilities and equity		**$ 233,654**	**$ 217,109**

Commitments and Contingencies (notes 16 and 19)

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

Approved by the Yukon Workers' Compensation Health and Safety Board

Mark Pike
Chair

Compensation Fund | Statement of Operations and Comprehensive Income
For the year ended December 31 (in Canadian Dollars)

	Note	2014 ($000s)	2013 ($000s)
Revenue and Income			
Assessment revenue		$ 22,143	$ 22,598
Net investment income	7	18,945	27,796
Recoveries and other receipts		976	992
		$ 42,064	$ 51,386
Expenses			
Claims expenses	12	$ 17,717	$ 26,280
Administration	17		
General and Administration		7,403	7,165
Occupational Health and Safety		2,476	2,465
Workers' Advocate		495	344
Appeal Tribunal		199	156
Yukon Chamber		115	92
Act Review		-	56
Prevention	18	443	499
		$ 28,848	$ 37,057
Operating surplus		**$ 13,216**	**$ 14,329**
Other comprehensive income			
All items presented in other comprehensive income will not be reclasssified to operating surplus in subsequent periods:			
Actuarial (loss) gain on post-employment and other employee benefits	13	(123)	329
Total comprehensive income		**$ 13,093**	**$ 14,658**

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

Compensation Fund | Statement of Changes in Funded Position (Equity)
For the year ended December 31 (in Canadian Dollars)

	Stabilization Reserve ($000s)	Adverse Events Reserve ($000s)	Prevention Fund ($000s)	Total ($000s)
Balance at January 1, 2013	**$ 39,390**	**$ 20,407**	**$ 425**	**$ 60,222**
Operating surplus for 2013	14,329	-	-	14,329
Other comprehensive income	329	-	-	329
Total comprehensive income for 2013	14,658	-	-	14,658
Transfer to / from Prevention Fund	39	-	(39)	-
Transfer to / from Adverse Events Reserve	(1,321)	1,321	-	-
Balance at December 31, 2013	**$ 52,766**	**$ 21,728**	**$ 386**	**$ 74,880**
Operating surplus for 2014	13,216	-	-	13,216
Other comprehensive loss	(123)	-	-	(123)
Total comprehensive income for 2014	13,093	-	-	13,093
Transfer to / from Prevention Fund	-	386	(386)	-
Transfer to / from Adverse Events Reserve	(48)	48	-	-
Balance at December 31, 2014	**$ 65,811**	**$ 22,162**	**$ -**	**$ 87,973**

Capital Management and Reserves (note 14)

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

Compensation Fund | Statement of Cash Flows
For the year ended December 31 (in Canadian Dollars)

	2014 ($000s)	2013 ($000s)
Operating activities		
Cash received from:		
Employers, for assessments	$ 21,882	$ 23,188
Investment revenue - interest	2,967	3,017
Investment revenue - dividends	3,569	2,872
Recoveries and other receipts	1,310	619
	29,728	29,696
Cash paid to:		
Claimants or third parties on their behalf	(14,921)	(15,272)
Employees, for salaries and benefits	(8,588)	(8,145)
Suppliers, for administrative and other goods and services	(958)	(2,412)
	(24,467)	(25,829)
Total cash provided by operating activities	5,261	3,867
Investing activities		
Net sale (purchase) of investments	38	(5,364)
Purchases of property and equipment	(1,644)	(356)
Purchases of intangible assets	(673)	(450)
Total cash used in investing activities	(2,279)	(6,170)
Net increase (decrease) in cash	**2,982**	**(2,303)**
Cash, beginning of year	4,921	7,224
Cash, end of year	**$ 7,903**	**$ 4,921**

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

Compensation Fund | Notes to the Financial Statements
December 31, 2014 (in Canadian Dollars)

1. Reporting Entity

The Compensation Fund (the "Fund") was established by the *Workers' Compensation Act* of Yukon (the "Act") and is administered by the Yukon Workers' Compensation Health and Safety Board (the "Board") pursuant to the Act. In 2008, the Act was amended and received assent in the Legislative Assembly. The effective date of the new Act was July 1, 2008. The Board is exempt from income tax and the Goods and Services Tax.

The Fund, as administered by the Board, provides compensation for injury or death by accidents arising out of and in the course of employment. Annual assessments are levied upon employers by applying their industry assessment rate to their actual or estimated payrolls for the year. The assessment and investment revenue pays for all claims, administration and prevention expenses.

Since 1992, the Board has also been responsible for the administration of the *Occupational Health and Safety Act* and regulations to advance strategies for preventing workplace injuries in the territory.

The Board, a territorial entity, is domiciled in Canada and has its office at 401 Strickland Street, Whitehorse, Yukon, Canada.

2. Statement of Compliance and Basis of Preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved and authorized for issue the 2014 financial statements on April 14, 2015.

Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for investments classified as held-for-trading that are measured at fair value. The Fund's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Fund operates, which is also the presentation currency of the financial statements.

All financial information is presented in Canadian dollars and has been rounded to the nearest thousand dollars, unless otherwise stated.

Critical Accounting Estimates and Judgements

The Board makes estimates and judgements in respect of certain key assets and liabilities of the Fund. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of estimation uncertainties which have a significant risk of resulting in a material adjustment within the next financial year are the following:

- Note 7 Investments – Valuation of financial instruments
- Note 12 Benefits liability – Determination of discount rates and other assumptions
- Note 12 Benefits liability – Determination of latent occupational disease provision
- Note 13 Employee benefits – Determination of discount rates and other assumptions

The major areas of judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are the following:

- Note 7 Investments – Classification of financial instruments
- Note 8 Property and equipment – The degree of componentization
- Note 9 Intangible assets – The determination of development costs eligible for capitalization

3. Adoption of Future Accounting and Reporting Standards

New and revised accounting standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Fund's financial statements are listed below. This listing is of standards and interpretations issued that the Board reasonably expects to be applicable at a future date. The Board intends to adopt these standards when they become effective.

IFRS 9 *Financial Instruments*
In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* ("IFRS 9") to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Board is currently evaluating the impact the final standard is expected to have on the Fund's financial statements.

Other changes to standards with no expected significant impact

Amendments
In May 2014, the IASB issued amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*: *Clarification of Acceptable Methods of Depreciation and Amortisation,* which are effective prospectively for annual periods beginning on or after January 1, 2016. The amendments apply to revenue-based methods of depreciation and amortization. The adoption of these amendments is not expected to have a significant impact on the Fund's financial statements.

In November 2013, the IASB issued amendments to IAS 19 *Defined Benefit Plans: Employee Contributions,* which is effective retrospectively for annual periods beginning on or after July 1, 2014. The amendments apply to employee contributions. The adoption of these amendments did not have a significant impact on the Fund's financial statements.

Various other amendments were made in 2014 to existing IFRSs, none of which are applicable to the Fund's financial statements.

Annual improvements

In September 2014, the IASB issued the Annual Improvements 2012 – 2014 cycle to make necessary but non-urgent amendments to existing IFRSs. The amendments are effective for annual periods beginning on or after July 1, 2016; however, these amendments are not expected to have a significant impact on the Fund's financial statements.

In December 2013, the IASB issued the Annual Improvements 2010 – 2012 and 2011 – 2013 cycles to make necessary but non-urgent amendments to existing IFRSs. The amendments are effective for annual periods beginning on or after July 1, 2014; however, these amendments did not have a significant impact on the Fund's financial statements.

Future accounting changes

The IASB is currently working on revisions to IFRS 4 *Insurance Contracts*. A revised exposure draft was issued in June 2013 and comments closed on the revised exposure draft in October 2013. In March 2015, the IASB reached tentative decisions on substantially all issues relating to its general model for insurance contracts and will review the implications of these modifications before finalizing the project. In addition, the IASB continues to deliberate on the model for contracts with participation features. The effective date of the revised standard is anticipated to be three years after the issuance of the final standard, which is expected after 2015. The impact of the proposed revisions is not determinable at the present time.

4. Significant Accounting Policies

The following is a summary of the significant accounting policies:

(a) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and bank balances net of any bank overdrafts. Cash and short-term investments held by custodians for investment purposes are not available for general use and are included in investments.

(b) Assessments

Assessment revenue is calculated monthly on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the Board. Separate rates of assessment are established for each industry classification. At year end, assessments receivable and payable are adjusted based on the difference between estimated and actual payrolls.

The Board administers the Government of Yukon employees' compensation claims related to injuries prior to January 1, 1993, when the Government was a self-insured employer. The Fund receives reimbursement for the claim costs and related administrative expenses of those employees (note 15(a)). These amounts are recorded in recoveries and other receipts in the year in which the related expenses are incurred.

(c) Recoveries from third parties

Since July 1, 2008, under section 51 of the *Workers' Compensation Act*, the Board is deemed to be an assignee of a cause of action in respect of a worker's injury that arose out of a work-related injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim create the settlement. Out of the settlement are paid the legal costs, and legal disbursements, and all past, present and future costs. Any funds remaining will be paid to the worker. The amount recovered for past, present and future costs is used to offset future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the benefits liability.

Revenue received from third party recoveries is recorded in the year the settlement occurs. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

(d) Financial instruments

Investments

Investments are classified as held-for-trading because they are acquired for the purpose of selling or repurchasing in the near term and are measured at fair value through profit or loss. The fair value of publicly traded investments is the quoted market price which approximates the bid price at the end of the reporting period. Pooled fund units are valued at their year end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date. Short-term investments held by the investment managers for investment purposes are included in Investments.

Net investment income is comprised of realized gains and losses earned in the period arising on the sale of investments; unrealized gains and losses arising from fluctuations in fair value in the period; and dividends and interest earned in the period; net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in net investment income in the period in which they arise.

The Board does not enter into any financial derivative instruments as part of managing its investment portfolio.

Other financial assets and liabilities
Accounts receivable and assessments receivable are classified as loans and receivables. Accounts payable and accrued liabilities, and assessments refundable are classified as other financial liabilities. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts receivable, assessments receivable, accounts payable and accrued liabilities, and assessments refundable, their carrying values approximate their fair values, which are classified as Level 2 in the fair value hierarchy.

Fair value hierarchy
The Fund uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. The Board's policy is to recognize transfers into or out of the fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no such transfers between levels in 2014 (2013 – No transfers).

Impairment of financial assets
The carrying amount of accounts and assessments receivables is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. The Board assesses at each reporting date whether a financial asset or group of financial assets is impaired. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets and liabilities
A financial asset is derecognized when the contractual right to the cash flows from the asset expires or if the Board transfers the financial asset and substantially all risk and rewards of ownership to another entity.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled, or expire.

(e) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated based on the straight-line method, using rates based on the estimated useful lives of the assets as follows:

Buildings	10 – 50 years
Furniture and equipment	5 – 10 years
Computer equipment	5 – 10 years

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. The security system is considered a significant component of the Strickland building.

The estimated useful life, residual value and depreciation method is reviewed at each year end and any change in estimate is made on a prospective basis.

The fair value of land and the Mine Rescue Station building has been recorded as deemed cost on January 1, 2010.

(f) Intangible assets

Intangible assets are comprised of purchased software and internally developed software systems.

Research costs are expensed as incurred. Development costs of internally developed software systems are capitalized when the system is technically feasible, resources are available, costs can be measured reliably, management intends to use the asset and future economic benefits are probable. The asset is derecognized when it no longer meets these criteria. Salaries, wages and benefits directly related to internally developed software systems are included in the asset's cost. When the asset is substantially complete and is available for use, development costs capitalization ceases and the costs are transferred to the related asset category and amortized.

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment. Amortization is calculated based on the straight-line method, using rates based on the estimated useful lives of the assets as follows:

Systems and software	5 – 12 years

The estimated useful life and amortization period is reviewed at each year end and any change in estimate is made on a prospective basis.

(g) Impairment of non-financial assets

IAS 36 *Impairment of Assets* requires an entity to test assets for impairment if indicators of impairment exist. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows from other assets or groups of assets.

Based on an analysis of cash flows, the Board has established that the appropriate cash generating unit for impairment review is the entity. The Board has statutory power under the Act to increase premiums and/or charge a premium surcharge to ensure full funding into the foreseeable future and therefore, impairment at the entity level is remote.

Individual assets that may have experienced impairment due to loss, damage, obsolescence or curtailed service potential will be reviewed and the estimated useful life, depreciation method and residual value adjusted.

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. As at December 31, 2014, management conducted an impairment review at the entity level, which confirmed that there were no indicators of impairment—changes in the legislative, economic or business environment—that would have a material impact on the Board's ability to generate future economic benefits from its operating (non-financial) assets.

(h) Government grants

There are two types of government grants which include government grants related to expenses and government grants related to assets. Government grants related to expenses are recognized as income when there is reasonable assurance that the conditions attached to the grant will be complied with and the grant will be received. When the grant relates to an asset, it is recognized as deferred income and is released into income in equal amounts over the expected useful life of the related asset.

In 2005, the Government of Yukon approved the reinstatement of ongoing funding for the Mine Safety Program (the "Program") through an annual grant to the Board. The Program, which was transferred to the Board in 1993, provides mine rescue training and support services as well as mine safety inspection services. The funding is to be reviewed by the Government, at a minimum, every five years. The grant is accounted for as income in the period in which the related expenses are incurred (note 11).

In 2011, the Board signed an agreement with the Government of Yukon which provides the Board with funding for the purpose of upgrading mine safety equipment. The grant is accounted for as deferred income and released into income over the expected useful life of the equipment (note 11).

(i) Benefits liability

The benefits liability is determined annually and represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefits liability includes a provision for future payments on claims that have not been finalized to date. It also includes a provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims as well as future claims management costs. A provision has been made for claims related to known latent occupational diseases which may have occurred in the current or previous years, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Due to the nature of the estimated liability for long latent occupational diseases and the extent of related historical claims information available, this liability is more uncertain by its nature than other benefits liabilities (note 12).

The benefits liability is comprised of four liabilities—medical aid, compensation, pension, and annuity:

- Medical aid includes benefits for medical aid, emergency transportation, traditional aboriginal healing, and death and funeral expenses.

- Compensation includes benefits for short and long-term compensation for loss of earnings and personal property, lump sum payments for permanent impairment, and rehabilitation assistance.

- The pension liability includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.

- The annuity liability is for workers who have received compensation for the same disability for at least 24 months. An amount equal to ten percent of the total compensation payments, plus interest, is set aside to provide a retirement annuity when a worker becomes entitled to apply for Old Age Security benefits.

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The benefits liability is determined annually by an independent actuarial valuation. The Actuarial Statement of Opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is reviewed by the independent actuary for reasonableness as part of the annual actuarial valuation of the benefits liability.

(j) Employee benefits

Short-term employee benefits
Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include wages and salaries, sick leave and special leave benefits expected to be used, and annual vacation leave earned but not yet used.

Other long-term employee benefits
Benefits that are expected to be settled beyond twelve months are determined based on an actuarial valuation as the best estimate of future cash flows discounted to present value with actuarial gains and losses recognized in other comprehensive income as incurred. These benefits include long service vacation leave and sick leave benefits earned but not used.

Post employment benefits

(i) Retirement and severance benefits
Retirement or severance benefits are available to employees who have completed five years of service with the Board. Payments are made upon retirement or termination, with benefits increasing with additional length of service. The benefit obligation is determined based on an actuarial valuation using estimates of future inflation and interest rates. Actuarial gains and losses are recognized in other comprehensive income as incurred. The obligation is calculated using the projected unit credit method prorated on service.

(ii) Public Service Pension Plan
Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Fund to cover current service cost. Pursuant to legislation currently in place, the Fund has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Fund.

(k) Leases

Leases, which do not transfer substantially all the risks and benefits of ownership of the asset to the Fund, are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

The Board has entered into operating leases for storage premises, rental accommodation for travel, and vehicles. The leases have an average life of 1 year (2013 – 1 year).

5. Risk Management

The Fund has exposure to the following financial risks: credit risk, liquidity risk, and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

The Board's management is responsible for monitoring performance, recommending changes to the Investment Policy, and selecting investment managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy. The investment managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, independent consultants benchmark the performance of the Fund's investment managers and advise on the appropriateness and effectiveness of the Fund's Investment Policy and practices.

The following sections present information about the Fund's exposure to each of the above risks and the Board's objectives, policies and processes for measuring and managing each risk. There were no changes to these risks or the Board's objectives, policies and process for managing them during the year ended December 31, 2014.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Excess cash is held on deposit with the government's banker. Short-term deposits with this bank are rated as R-1 (high). To manage this risk, the Board, as prescribed in the Investment Policy, has determined that cash and cash equivalents held in the investment portfolio and short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The Board has stayed within these guidelines during the year.

Fixed Income Portfolio Credit Ratings

Ratings	AAA	AA	A	BBB	31-Dec-14 ($000's)	31-Dec-13 ($000's)
Fixed Income Securities	$ 32,090	$ 17,461	$ 30,245	$ 4,540	$ 84,336	$ 77,587
Totals	$ 32,090	$ 17,461	$ 30,245	$ 4,540	$ 84,336	$ 77,587

The Fund's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer or a cost recovery customer (the "customer") will be unable to pay amounts due to the Fund. The Fund's maximum exposure to credit risk associated with its accounts receivable and assessments receivable is $1,448,000 (2013 – $2,162,000). Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Statement of Financial Position are net of these allowances for bad debts. Accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer may default. At December 31, 2014, there were no accounts receivable and assessments receivable that were past due but not impaired. The Board takes into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The Board recognizes a bad debt provision when management considers that the expected recovery is less than the carrying amount receivable.

The Board believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government based employers may be affected by any downturns due to prevailing economic conditions.
ii. As at December 31, 2014, approximately 70% (2013 – 69%) of accounts receivable and assessments receivable were outstanding for less than 90 days. The Board does not require collateral or other security from employers or customers for accounts receivable or assessments receivable.
iii. The Board has the power and remedies to enforce payment owing to the Fund.

Liquidity risk
Liquidity risk is the risk that the Fund is not able to meet its financial obligations as they become due or can do so only at excessive cost. The Board's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows.

The Fund has access to the Government of Yukon's overall line of credit facility with the Government's banker. This access provides the Fund with overdraft coverage of $7,000,000 if needed.

The Fund's accounts payable, accrued liabilities, and assessments refunds had a carrying value of $5,015,000 as at December 31, 2014 (2013 – $4,505,000) and were all due within 60 days.

Market risk
The Fund is exposed to market risk, which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 15% or less of the fair value of the investment fund.

The table below presents the Fund's investment targets and actual asset mix at fair value:

	Target		Actual	
	Minimum	Maximum	**31-Dec-14**	**31-Dec-13**
Equities				
Canadian	0%	25%	16.4%	16.7%
United States	0%	25%	20.2%	19.3%
International	0%	25%	17.2%	20.5%
Fixed Income				
Short-term investments	0%	10%	6.8%	5.0%
Bonds	35%	85%	39.4%	38.5%
			100.0%	100.0%

The table below presents the effect of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio on operating results and equity:

	31-Dec-14 ($000's)		**31-Dec-13** ($000's)	
Percentage decrease in fair value	-10%	-20%	-10%	-20%
Equities				
Canadian	$ (3,523)	$ (7,046)	$ (3,364)	$ (6,727)
United States	(4,339)	(8,678)	(3,898)	(7,796)
International	(3,705)	(7,409)	(4,134)	(8,268)
Total impact on operating results and equity	$ (11,567)	$ (23,133)	$ (11,396)	$ (22,791)

Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power of current monetary assets. The Board manages inflation risk through its investment allocation between equities and fixed income investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

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The table below presents the effects of a 50 and 100 basis point ("bp")[1] adverse change in the nominal interest rate on the fair value of the bond portfolio on operating results and equity:

	31-Dec-14 ($000's)		31-Dec-13 ($000's)	
Positive bp change in nominal interest rate	+50bp	+100bp	+50bp	+100bp
Bonds	$ (2,818)	$ (5,637)	$ (2,323)	$ (4,646)
Total impact on operating results and equity	$ (2,818)	$ (5,637)	$ (2,323)	$ (4,646)

(1) One basis point (bp) equals 1/100 of 1%; 50 bps = 50/100 of 1%, or 0.5%.

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk:

	Remaining term to maturity				31-Dec-14 ($000's)	31-Dec-13 ($000's)
	< 1 year	1 - 5 years	5 - 10 years	> 10 years	Total	Total
Bonds	$ 2,109	$ 33,698	$ 25,391	$ 23,138	$ 84,336	$ 77,587
Average effective yield	1.43%	1.78%	2.63%	3.02%	2.36%	3.16%

Currency risk

Currency risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar.

Within its pooled investments, the Fund is exposed to exchange rate volatility that is managed by the contracted fund managers. The Board does not undertake long-term hedging strategies for the currency risk of foreign investments. The Fund's most significant exposure is to the US Dollar, the Euro, the British Pound and the Japanese Yen. At December 31, the Fund held foreign currency denominated holdings, at fair value as follows:

Currency	31-Dec-14 ($000's)	31-Dec-13 ($000's)
USD	$ 46,400	$ 41,800
EURO	$ 14,100	$ 13,600
POUND	$ 6,200	$ 9,300
YEN	$ 4,800	$ 4,700

The following table presents the effect of a ten percent appreciation in the Canadian dollar as compared to the US Dollar, the Euro, the British Pound and the Japanese Yen on operating results and equity:

Currency	31-Dec-14 ($000's)	31-Dec-13 ($000's)
USD	$ (4,220)	$ (3,805)
EURO	$ (1,284)	$ (1,238)
POUND	$ (567)	$ (842)
YEN	$ (439)	$ (424)

Derivative financial instruments
The Fund did not have any derivative financial instruments during the year or at year end (2013 – nil).

6. Accounts Receivable

	31-Dec-14 ($000s)	31-Dec-13 ($000s)
Assessments		
Assessed and due from employers	$ 1,558	$ 1,768
Allowance for doubtful accounts	(230)	(102)
	$ 1,328	$ 1,666
Other		
Other receivables and recoveries	$ 228	$ 755
Allowance for doubtful accounts	(108)	(259)
	$ 120	$ 496
	$ 1,448	$ 2,162

Included in other receivables and recoveries are amounts due from the Government of Yukon, which are disclosed in note 15.

Reconciliation of allowance for doubtful accounts

	31-Dec-14 ($000's)	31-Dec-13 ($000's)
Balance, beginning of year	$ 361	$ 298
Accounts written off	(45)	(137)
Recoveries and other adjustments	(188)	-
Current year provision	210	200
Balance, end of year	$ 338	$ 361

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7. Investments

The Board of Directors has established an Investment Policy for the management of the investment process, utilizing external investment managers. The investment managers' compliance with this Investment Policy is monitored on a regular basis.

	31-Dec-14 ($000s) Fair Value	31-Dec-13 ($000s) Fair Value
Fixed-term securities		
Federal bonds	$ 21,759	$ 22,049
Provincial bonds	7,096	5,844
Corporate bonds	54,749	49,115
Municipal bonds	732	579
	84,336	77,587
Equities		
Canadian	35,231	33,637
United States	43,391	38,978
International	37,047	41,338
	115,669	113,953
Other investments		
Cash on account	87	211
Short-term investments	14,107	9,587
Accrued interest receivable	878	770
	15,072	10,568
Investments, sub-total	215,077	202,108
Management fee accrual	(86)	(88)
	$ 214,991	$ 202,020

Net investment income for the year ended December 31 consisted of the following:

	2014 ($000s)	2013 ($000s)
Interest	$ 2,978	$ 3,003
Dividends	3,569	2,863
Realized gains in the year	6,696	3,930
Unrealized gain in fair value in the year	6,299	18,608
Investment management fees	(597)	(608)
	$ 18,945	$ 27,796

Fair Value Hierarchy

The Fund's investments are categorized into the fair value hierarchy based on type, frequency and visibility of pricing, source of pricing and liquidity. There are three levels of classification:

A Level 1 classification reflects public daily market or quote pricing with a good volume level.

A Level 2 classification is used when pricing is:

a) model or matrix based (using observable inputs and/or market information);
b) based on closely-related securities;
c) derived pricing (when no public quote exists); or
d) from a broker quote on less active markets.

A Level 3 security would have no public pricing and poor to non-existent liquidity.

As at December 31, 2014, the Fund held the following financial instruments measured at fair value:

	Level 1 ($000s)	Level 2 ($000s)	Level 3 ($000s)	Total ($000s)
Cash and Cash Equivalents	$ 14,986	$ -	$ -	$ 14,986
Bonds (1)	6,734	77,602	-	84,336
Equities	59,134	-	-	59,134
Pooled Funds	-	56,535	-	56,535
Total Investments	$ 80,854	$ 134,137	$ -	$ 214,991

As at December 31, 2013, the Fund held the following financial instruments measured at fair value:

	Level 1 ($000s)	Level 2 ($000s)	Level 3 ($000s)	Total ($000s)
Cash and Cash Equivalents	$ 10,480	$ -	$ -	$ 10,480
Bonds (1)	6,427	71,160	-	77,587
Equities	54,241	-	-	54,241
Pooled Funds	-	59,712	-	59,712
Total Investments	$ 71,148	$ 130,872	$ -	$ 202,020

(1) Certain bonds previously disclosed as Level 1 are now disclosed as Level 2. Comparative figures reflect this assessment (note 20).

Valuation methodologies for Level 2 financial instruments
Bonds are valued at the year end closing bid prices based on available public quotations from recognized dealers in such securities, or by using appropriate and accepted industry valuation techniques including valuation models and the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices.

Pooled fund units are valued at their year end net asset value, as determined by the fund manager or administrator. For equity and fixed-income pooled funds, these values represent the Fund's proportionate share of underlying net assets at fair values determined using either quoted market prices or year end closing market prices or the average of the latest bid/ask prices based on available public quotations from recognized dealers in such securities.

8. Property and Equipment

	Land ($000s)	Buildings ($000s)	Furniture and Equipment ($000s)	Computer and Equipment ($000s)	Assets under construction (1) ($000s)	Total ($000s)
Cost						
At January 1, 2013	$ 1,045	$ 3,941	$ 1,060	$ 587	$ -	$ 6,633
Additions	-	-	104	167	94	365
Disposals	-	-	(6)	(141)	-	(147)
At December 31, 2013	**$ 1,045**	**$ 3,941**	**$ 1,158**	**$ 613**	**$ 94**	**$ 6,851**
Depreciation and impairment						
At January 1, 2013	$ -	$ 1,761	$ 469	$ 440	$ -	$ 2,670
Depreciation	-	92	91	81	-	264
Disposals	-	-	-	(138)	-	(138)
Impairment	-	-	-	-	-	-
At December 31, 2013	**$ -**	**$ 1,853**	**$ 560**	**$ 383**	**$ -**	**$ 2,796**
Net book value						
At December 31, 2013	**$ 1,045**	**$ 2,088**	**$ 598**	**$ 230**	**$ 94**	**$ 4,055**
Cost						
At January 1, 2014	$ 1,045	$ 3,941	$ 1,158	$ 613	$ 94	$ 6,851
Additions	-	4	66	54	1,520	1,644
Disposals	-	-	-	(17)	-	(17)
At December 31, 2014	**$ 1,045**	**$ 3,945**	**$ 1,224**	**$ 650**	**$ 1,614**	**$ 8,478**
Depreciation and impairment						
At January 1, 2014	$ -	$ 1,853	$ 560	$ 383	$ -	$ 2,796
Depreciation	-	93	83	98	-	274
Disposals	-	-	-	(15)	-	(15)
Impairment	-	-	-	-	-	-
At December 31, 2014	**$ -**	**$ 1,946**	**$ 643**	**$ 466**	**$ -**	**$ 3,055**
Net book value						
At December 31, 2014	**$ 1,045**	**$ 1,999**	**$ 581**	**$ 184**	**$ 1,614**	**$ 5,423**

(1) Capital commitments related to the building addition, which remained under construction at December 31, 2014, are included in note 16.

9. Intangible Assets

	Internal Software Development Costs (1) ($000s)	Software Systems Under Development ($000s)	Software Costs ($000s)	Total ($000s)
Cost				
At January 1, 2013	$ 7,081	$ 41	$ 899	$ 8,021
Additions	167	288	53	508
Disposals	-	-	(58)	(58)
At December 31, 2013	**$ 7,248**	**$ 329**	**$ 894**	**$ 8,471**
Amortization and impairment				
At January 1, 2013	$ 3,480	$ -	$ 600	$ 4,080
Amortization	585	-	43	628
Disposals	-	-	-	-
Impairment	-	-	-	-
At December 31, 2013	**$ 4,065**	**$ -**	**$ 643**	**$ 4,708**
Net book value				
At December 31, 2013	**$ 3,183**	**$ 329**	**$ 251**	**$ 3,763**
Cost				
At January 1, 2014	$ 7,248	$ 329	$ 894	$ 8,471
Additions	239	330	104	673
Disposals	-	-	-	-
Transfer systems to production (2)	659	(659)	-	-
At December 31, 2014	**$ 8,146**	**$ -**	**$ 998**	**$ 9,144**
Amortization and impairment				
At January 1, 2014	$ 4,065	$ -	$ 643	$ 4,708
Amortization	691	-	57	748
Disposals	-	-	-	-
Impairment	-	-	-	-
At December 31, 2014	**$ 4,756**	**$ -**	**$ 700**	**$ 5,456**
Net book value				
At December 31, 2014	**$ 3,390**	**$ -**	**$ 298**	**$ 3,688**

(1) Included in internal software development costs are the claims management system which has a carrying value of $1,360,000 (2013 – $1,698,000) and a remaining amortization period of 4 years and the occupational health and safety system which has a carrying value of $533,000 (2013 – $580,000) and a remaining amortization period of 6 years.

(2) The corporate website and secure network went into production in 2014 and were transferred to internal software development costs during the year.

System research and analysis costs expensed in 2014 were nil (2013 — $76,000).

Commitments related to intangible assets are included in note 16.

10. Accounts Payable and Accrued Liabilities

	31-Dec-14 ($000s)	31-Dec-13 ($000s)
Payable		
Assessments refundable	$ 2,065	$ 2,536
Other payables and accrued liabilities	2,950	1,969
	$ 5,015	$ 4,505

Included in other payables and accrued liabilities are amounts due to the Government of Yukon, which are disclosed in note 15.

11. Government Grants

In 2014, the Board received $330,000 for the Mine Safety Program Grant (2013 – $330,000). This was accounted for as income in the period.

The Board did not receive any funds in 2014 for the purpose of upgrading mine safety equipment (2013 – nil). The deferred portion of the government grant as at December 31, 2014 was $268,000 (2013 – $310,000) and $42,000 (2013 – $42,000) was expensed and released into income during the year.

There are no unfulfilled conditions or contingencies attached to these grants.

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12. Benefits Liability

2014
($000s)

	Medical Aid	Compensation	Pension	Annuity	Occupational Disease Provision	Total
Balance, beginning of year	$ 21,380	$ 68,370	$ 27,846	$ 6,990	$ 10,589	$ 135,175
Add claims costs incurred:						
Current year injuries	5,287	7,245	2,947	-	-	15,479
Prior years' injuries	48	(1,291)	1,779	21	-	557
Latent occupational disease provision	-	-	-	-	1,681	1,681
	5,335	5,954	4,726	21	1,681	17,717
Less claims payments made:						
Current year injuries	2,400	1,399	108	-	-	3,907
Claims management	360	210	16	-	-	586
Prior years' injuries	2,315	4,808	2,181	(367)	-	8,937
Claims management	347	668	328	-	-	1,343
	5,422	7,085	2,633	(367)	-	14,773
Balance, end of year	$ 21,293	$ 67,239	$ 29,939	$ 7,378	$ 12,270	$ 138,119

2013
($000s)

	Medical Aid	Compensation	Pension	Annuity	Occupational Disease Provision	Total
Balance, beginning of year	$ 21,544	$ 69,068	$ 26,111	$ 7,320	$ -	$ 124,043
Add claims costs incurred:						
Current year injuries	5,340	7,154	1,621	-	-	14,115
Prior years' injuries	(135)	(833)	2,544	-	-	1,576
Latent occupational disease provision	-	-	-	-	10,589	10,589
	5,205	6,321	4,165	-	10,589	26,280
Less claims payments made:						
Current year injuries	2,293	1,266	35	-	-	3,594
Claims management	344	190	5	-	-	539
Prior years' injuries	2,376	4,837	2,078	330	-	9,621
Claims management	356	726	312	-	-	1,394
	5,369	7,019	2,430	330	-	15,148
Balance, end of year	$ 21,380	$ 68,370	$ 27,846	$ 6,990	$ 10,589	$ 135,175

The following is an actuarial reconciliation of the changes in the benefits liability during the years ended December 31:

	2014 ($ 000's)	2013 ($ 000's)
Balance, beginning of year	$ 135,175	$ 124,043
Add:		
Provision for current year's claims	10,986	9,982
Opening provision for long latent occupational disease	-	10,589
Interest allocated	8,191	7,329
Experience gain	(5,953)	(5,753)
	13,224	22,147
Deduct:		
Payments for prior years' claims	(10,280)	(11,015)
Balance, end of year	$ 138,119	$ 135,175

(a) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

The Board has an objective to control insurance risk, thus reducing the volatility of operating results. In addition, due to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, operating results from the Board's workers' compensation business are affected by market factors, particularly movements in asset values. Short-term variability is, to some extent, a feature of the workers' compensation business.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provide data on the risks to which the Fund is exposed to at any point in time;
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate assessment premiums. Past experience and statistical methods are used as part of the process; and
- The asset mix of the Fund investments is driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match maturity dates of assets with the expected pattern of claim payments.

(b) Terms and conditions of the Act

The terms and conditions attaching to the Act affect the level of insurance risk accepted by the Board. All workers' compensation coverage entered into is subject to substantially the same terms and conditions under the Act.

(c) Concentration of insurance risk

The Fund's exposure to insurance risk is due to workplace injury caused through an event or disaster that occurred during the reporting period, and/or occupational diseases diagnosed during the reporting period. The Fund's benefits liability includes an amount estimated to cover any such occurrences. This figure is reviewed on an annual basis. The Fund's risk is concentrated by industry as some industries have higher claims experience costs than other industries and is mitigated by higher assessments being charged to industries with proven higher experience costs.

December 31, 2014 (in Canadian Dollars)

(d) Development of claims

There is a possibility that changes may occur in the estimate of the Fund's obligations over time. The tables in part (i) of this note show the estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

(e) Interest rate risk

The Fund is exposed to the risk that interest rate movements may materially impact the value of the benefits liability. The financial impact of changing interest rates on the benefits liability is expected to be offset in the longer term by similar changes in claims inflation.

The discount rates being applied to future claims payments in determining the valuation of the benefits liability are disclosed in part (g) of this note.

The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets is set out in note 5.

(f) Liquidity risk

The Fund's exposure to liquidity risk is set out in note 5.

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

Expected timing of future payments for outstanding claims:

	2014	2013
Up to 1 year	5%	4%
Over 1 year and up to 5 years	15%	15%
Over 5 years and up to 10 years	20%	19%
Over 10 years	60%	62%
Total	100%	100%

December 31, 2014 (in Canadian Dollars)

(g) Actuarial assumptions and methods

The key actuarial assumptions used to value the benefits liability are as follows:

	31-Dec-14	31-Dec-13
Discount rate for medical aid benefits - net (1,3)	1.00%	1.00%
Discount rate for compensation benefits - net (2,3)	3.40%	3.40%
Discount rate for survivor and other pension benefits - net (2)	3.40%	3.40%

(1) Net of a discount rate attributable to inflation of 5.0% (2013 – 5.5%).

(2) Net of a discount rate attributable to inflation of 2.5% (2013 – 3.0%).

(3) The same discount rates are attributable to the applicable components of the occupational disease provision.

The benefits liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long-term economic and actuarial assumptions.

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best estimate basis, without margins for adverse deviations, by taking the Board's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required. By waiting until a clear trend has emerged, we reduce the likelihood of larger liability adjustments than warranted, both positive and negative, and unstable financial results.

The degree to which the valuation reflects trends is partly impacted by formulas intended to place the appropriate amount of weight on observed experience for each recent year and partly impacted by professional judgment based on observation of payment and claiming trends, including discussions with the Board's staff about the underlying factors that might be causing an observed trend.

The Medical Aid liability represents the present value of expected future benefit payments for medical services in respect of all claims arising from injuries that occurred on or before December 31, 2014. Medical services include hospital and physician services, prescription drugs, travel expenses, and other eligible medical services under the Act.

Short Term Compensation liability represents the present value of expected future short-term loss of earnings payments in the first seven years of a claim for injuries that occurred on or before December 31, 2014.

The Medical Aid and Short Term Compensation liabilities are calculated using the loss development method also known as the "claims run-off" approach. In this method, historical paid claims data are summarized by injury year and payment year in order to observe the relationships between payments at different durations for each injury year. Historical factors, at each duration, are developed from prior injury years and are applied to injury years that are not yet fully mature in order to estimate the future timing and amount of remaining benefit payments. A provision with respect to the ten percent annuity contribution required on loss of earnings benefits paid beyond 24 months is included in the Short Term Compensation liability.

The Long Term Compensation liability represents the present value of expected future long-term loss of earnings payments for injury years 2008 and prior, including future inflationary adjustments, for individuals still in receipt of a long-term loss of earnings award at December 31, 2014. The Long Term Compensation liability is calculated on a seriatim, or individual basis using the discounted cash flow method. Loss of earnings benefits are indexed annually in the month following the anniversary of the date of when the injured worker's loss of earnings began. Mortality rates are used to determine the future life expectancy of individuals in receipt of a long-term loss of earnings award. A provision with respect to the ten percent annuity contribution required on loss of earnings benefits paid beyond 24 months is included in the Long Term Compensation liability.

The Pension liability represents the present value of expected future pension payments, including future inflationary adjustments, to individuals who have been approved for a pension or survivor award at December 31, 2014. The Pension liability is calculated on a seriatim basis using the discounted cash flow method. Pension benefits are indexed annually on January 1st of each year. Mortality rates are used to determine the future life expectancy of individuals in receipt of a pension award.

The Future Long Term Compensation liability represents the present value of future long-term loss of earnings awards that have not yet reached long-term status as of December 31, 2014. These future awards are in respect of all claims arising from injuries which occurred on or before December 31, 2014. The estimated number and timing of these future awards has been developed based on the historical emergence of claims. In addition, the expected cost of each claim has been developed based on actual long-term awards approved prior to December 31, 2014. A provision with respect to the ten percent annuity contribution required on loss of earnings benefits paid beyond 24 months is included in the Future Long Term Compensation liability.

The Occupational Disease provision represents a portion of the present value of the expected future cost of claims that have not yet been filed but are expected to manifest themselves in the future as a result of cumulative exposure to a causative agent in the workplace (i.e. long latency cases). Only a portion of the total provision is held based on the accumulated exposure up to the valuation date relative to total exposure before an occupational disease manifests itself. Occupational diseases differ from occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a workers' compensation claim. Furthermore, while the circumstances of an injury usually make it clear whether it is work related or not, the link between an occupational disease and the workplace may be difficult to establish.

The discount rate is used to calculate the present value of expected future payments.

The administration rate represents the present value of expected future costs required to provide administrative services for the continuation of claims management and maintenance for existing claims.

As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

The significant changes in the benefits liability for experience gains or losses as at December 31 were:

	Increase (decrease) in benefits liability	
	2014 ($000s)	**2013** ($000s)
Change in runoff factors	$ (1,529)	$ (331)
Update of first year inflation	(789)	(682)
Other changes in actuarial assumptions	1,426	(1,338)
	$ (892)	$ (2,351)
Favourable claims experience during year	(4,836)	(2,661)
	$ (5,728)	$ (5,012)
Actual versus expected claims paid on prior years' injuries	(225)	(741)
	$ (5,953)	$ (5,753)

(h) Liability sensitivity

The most significant assumption in the determination of the benefits liability is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the net discount rate would increase the actuarial present value of the benefits liability resulting in an increase in claims expense and benefits liability. An increase in the discount rate would decrease the actuarial present value, resulting in a decrease in claims expense and benefits liability.

Medical benefits represent approximately 20% (2013 – 20%) of the benefits liability. A change in the assumed excess medical inflation rate (above the assumed inflation rate) would result in a change in claims expense and the benefits liability for medical benefits as follows:

	31-Dec-14 ($000s)		31-Dec-13 ($000s)	
Percentage change in assumed rates	+1%	-1%	+1%	-1%
Increase (decrease) in claims expense and benefits liability from change in net discount rate	$ (10,840)	$ 13,726	$ (10,984)	$ 13,461
Increase (decrease) in claims expense and benefits liability from change in excess medical inflation rate	3,445	(2,505)	3,322	(2,291)

(i) Claims Development

The following table shows the development of claims cost estimates for the eight most recent injury years:

Estimate of Ultimate Claim Payments	2006 and Prior ($000s)	2007 ($000s)	2008 ($000s)	2009 ($000s)	2010 ($000s)	2011 ($000s)	2012 ($000s)	2013 ($000s)	2014 ($000s)	Total ($000s)
At end of accident year	348,034	25,247	24,593	21,560	26,001	28,402	24,192	24,513	24,789	
One year later	343,169	26,069	19,487	18,820	23,288	26,111	25,187	20,973		
Two years later	338,069	23,205	17,116	18,092	23,006	25,087	22,366			
Three years later	327,428	21,047	16,422	17,895	21,645	21,837				
Four years later	314,075	20,422	15,667	17,497	17,971					
Five years later	307,992	21,102	15,248	14,601						
Six years later	314,185	19,137	11,284							
Seven years later	313,491	17,885								
Eight years later	305,578									
Cumulative Payments										
At end of accident year	124,835	3,288	3,082	2,454	3,182	3,721	4,433	3,438	3,757	
One year later	136,388	6,572	4,707	3,963	4,787	5,618	7,404	5,113		
Two years later	145,120	7,607	5,198	4,500	5,394	6,222	8,277			
Three years later	152,350	8,013	5,371	4,880	5,635	6,648				
Four years later	158,990	8,304	5,469	5,067	5,833					
Five years later	164,667	8,528	5,653	5,254						
Six years later	170,717	8,736	5,453							
Seven years later	176,029	8,900								
Eight years later	180,906									
Estimate of Cumulative Claims	305,578	17,885	11,284	14,601	17,971	21,837	22,366	20,973	24,789	457,284
Cumulative Payments	180,906	8,900	5,453	5,254	5,833	6,648	8,277	5,113	3,757	230,141
Estimate of Future Payments	124,672	8,985	5,831	9,347	12,138	15,189	14,089	15,860	21,032	227,143
Effect of Discounting	(59,131)	(4,509)	(2,875)	(4,895)	(7,385)	(8,847)	(7,786)	(9,196)	(11,430)	(116,054)
Effect of Admin Expenses	8,405	594	402	608	660	890	874	943	1,384	14,760
Effect of Occupational Disease Liability	7,210	494	327	493	528	705	700	742	1,071	12,270
Balance Sheet Liability	81,156	5,564	3,685	5,553	5,941	7,937	7,877	8,349	12,057	138,119

During the year ended December 31, 2014, the investigations unit continued to monitor ongoing investigations. The outcome of the investigations is not determinable at this time and therefore, the potential future effect of these claims is not reflected in the benefits liability.

13. Employee Benefits

	31-Dec-14 ($000s)	31-Dec-13 ($000s)
Short-term employee benefits	$ 594	$ 723
Other long-term employee benefits (a)	518	476
Post-employment benefits (b)	1,167	1,040
	$ 2,279	$ 2,239

Short-term benefits included in the above amounts are expected to be paid within the next twelve months.

(a) Other Long-term Employee Benefits

Long service vacation leave is an additional five days of vacation leave available to employees who have completed five years of continuous service with the Board and on each five year anniversary date thereafter.

Unused sick leave credits accumulate and are carried forward to a maximum of 180 days. A retiring employee may convert up to one third as pre-retirement leave.

The balance in the liability accrual for accumulating sick leave benefits and long service vacation for the year was:

	31-Dec-14 ($000s)	31-Dec-13 ($000s)
Long service vacation benefits	$ 39	$ 30
Accumulating sick leave benefits	479	446
Total	$ 518	$ 476

The movement in the accrual for other long-term benefits for the year was:

	2014 ($000s)	2013 ($000s)
Benefits, beginning of the year	$ 476	$ 560
Payments made during the year	(44)	(50)
Current service cost	32	41
Interest cost	22	21
Actuarial loss (gain) and other changes	32	(96)
Benefits, end of the year	$ 518	$ 476

Actuarial loss (gain) remeasurements:

	2014 ($000s)	2013 ($000s)
Effect of changes in financial assumptions	$ 39	$ (89)
Effect of changes in demographic assumptions	(7)	(7)
Remeasurements loss (gain) in other comprehensive income	$ 32	$ (96)

(b) Post-employment Benefits

(i) Retirement and Severance Benefit

Retirement or severance benefits are available to employees who have completed five years of service with the Board. Retirement benefits are one week of pay for each year of service. Severance benefits are half a week of pay for each year of service to a maximum of twenty-eight weeks.

Management employees have a graded retirement and severance benefits per service year arrangement with no maximum payout limit.

The movement in the accrual for retirement and severance benefits for the year was:

	2014 ($000s)	2013 ($000s)
Benefits, beginning of the year	$ 1,040	$ 1,158
Payments made during the year	(83)	(18)
Current service cost	68	84
Interest cost	51	49
Actuarial loss (gain) and other changes	91	(233)
Benefits, end of the year	$ 1,167	$ 1,040

Actuarial loss (gain) remeasurements:

	2014 ($000s)	2013 ($000s)
Effect of changes in financial assumptions	$ 87	$ (194)
Effect of changes in demographic assumptions	4	(39)
Remeasurements loss (gain) in other comprehensive income	$ 91	$ (233)

The plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The risk of default is low as the Fund is in a strong financial position.

The key assumptions used to calculate the retirement and severance benefit are the discount rate and the wage inflation rate. The discount rate of 4.00% (2013 – 4.75%) is selected by reference to a spot curve at the valuation date of high-quality corporate debt instruments with cash flows that match the timing and amount of the expected benefit payments. The annual rate of general escalation in wages is 1.75% for 2015, based on negotiated wage increases, and 2.00% for 2016 and beyond (2013 – 2.00% in 2014) based on management's best estimate.

The expected fund contributions for retirement and severance for the next year are $59,000 (2014 – $83,000). The weighted average duration of the retirement and severance benefit is 12.1 years (2013 – 11.8 years).

(ii) Retirement and Severance Benefit Risks and Sensitivity

The retirement and severance benefit is indirectly exposed to measurement risk from assumptions based on economic factors and uncertainty of future economic conditions, such as discount rates affected by volatile bond markets and inflation risk due to payment timing uncertainty. Demographic factors such as workforce average age and earnings levels, attrition and retirement rates affect current and future benefit costs due to the amount and timing of expected payments.

A change in the key assumptions used to calculate these benefits would result in a change in the obligation and benefit expense as follows:

	31-Dec-14 ($000s)		31-Dec-13 ($000s)	
Percentage change in assumed rates	+1%	-1%	+1%	-1%
Discount rate	$ (167)	$ 195	$ (144)	$ 169
Wage Inflation rate	$ 180	$ (157)	$ 141	$ (124)

The above sensitivity analysis is based on a change in an assumption while keeping all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. The same method of calculation has been applied to the sensitivity analysis as to the calculation of the retirement and severance benefit obligation, the projected unit credit method, and did not change compared to the prior year.

(iii) Public Service Pension Plan

Substantially all of the employees of the Board are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Fund. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution.

The employer contribution rates effective for the year were as follows:

Contribution rate for the year	2014 Up to Maximum	2014 Above Maximum	2013 Up to Maximum	2013 Above Maximum
For employees eligible before January 1, 2013	$ 1.45	$ 7.59	$ 1.64	$ 8.00
For employees eligible after January 1, 2013	$ 1.43	$ 7.59	$ 1.57	$ 8.00
Maximum salary limit	$ 155,000	No limit	$ 150,900	No limit

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. For employees joining the plan after January 1, 2013, the normal retirement age has been raised from age 60 to age 65.

Contributions made to the Public Service Pension Plan by the Fund and the employees for the year were as follows:

	2014 ($000s)	2013 ($000s)
Employees' contributions	$ 502	$ 486
Fund contributions	$ 751	$ 788

The expected contributions to the Plan for the next year are $544,000 (2014 – $492,000) employee contributions and $732,000 (2014 – $714,000) Fund contributions.

(c) Benefit Expense

The following table summarizes the components of the benefit expense recognized in salaries and benefits within administration expenses in the Statement of Operations and Comprehensive Income for the respective plans:

Net benefit expense 2014	Other long-term benefits ($000s)	Severance & retirement benefits ($000s)	Public service pension plan ($000s)	Total ($000s)
Current service cost	$ 32	$ 68	$ 751	$ 851
Interest cost	22	51	-	73
Actuarial loss and other changes	32	91	-	123
	$ 86	$ 210	$ 751	$ 1,047

Net benefit expense 2013	Other long-term benefits ($000s)	Severance & retirement benefits ($000s)	Public service pension plan ($000s)	Total ($000s)
Current service cost	$ 41	$ 84	$ 788	$ 913
Interest cost	21	49	-	70
Actuarial gain and other changes	(96)	(233)	-	(329)
	$ (34)	$ (100)	$ 788	$ 654

14. Capital Management and Reserves

The *Workers' Compensation Act* establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These assessment revenues, combined with investment returns from the Fund's assets, are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors considers that capital is the net difference between assets and liabilities. There have been no changes in the objectives and definition of capital from the previous period. The Fund does not have any external capital requirements. The reserves are established to protect the fully funded position of the Fund and to stabilize the effect of fluctuations in the employer assessment rates and investment returns. At the end of the fiscal year, once the benefits liability is determined, the net difference between the Fund's assets and liabilities is allocated to reserves.

The Board of Directors uses the Funding Ratio (Assets/Liabilities) to manage capital. At December 31, 2014, the Funding Ratio was 160% (2013 – 153%). Management's funding target is 125%, which ensures that the Fund remains fully funded plus sustains the Adverse Events and Stabilization Reserves' target funding levels. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, including the cost of administration.

Under the current Funding Policy, the Prevention Fund and two reserves are established as follows:

Prevention Fund:

The Prevention Fund was established to provide funding for the start up costs of pre-selected accident prevention and workplace safety initiatives. The Board of Directors decided to wind down the Prevention Fund in 2009 and the remaining balance at that time was to be used to cover future commitments from funding agreements that were in place prior to this decision. In 2014, a total of nil (2013 – $39,000) was incurred on accident prevention and workplace safety initiatives in relation to prior funding agreements. During 2014, the remaining Prevention Fund balance of $386,000 (2013 – $386,000) was transferred to the Adverse Events Reserve, concluding the Prevention Fund and bringing its balance to nil.

Reserves:

(i) Stabilization Reserve

The Stabilization Reserve is to protect the fully funded position of the Fund and to stabilize the effect of fluctuations on employer assessment rates. The target level for this reserve is equal to ten percent of the benefits liability, which was $13,812,000 as at December 31, 2014 (2013 – $13,518,000). The operating range for this reserve is determined as the target level balance plus or minus three and a half percent of the benefits liability. At December 31, 2014, the Stabilization Reserve has a balance of $65,811,000 (2013 – $52,766,000).

This reserve is considered to have a surplus when its balance exceeds the top of the operating range and a deficit if the reserve balance is below its target level. The funding policy requires that any deficiency or surplus at the end of a fiscal year be amortized over a period not exceeding ten years from the year in which the deficiency or surplus arose.

A rebate in 2014 was included in the assessment rates as required by the Funding Policy based on the 2013 funded position.

(ii) Adverse Events Reserve

The Adverse Events Reserve is to provide funding for infrequent, unexpected adverse claims experience and catastrophic events to protect employers from the sudden impact of the costs of these types of events. The target level for this reserve is $22,162,000 (2013 – $21,728,000), which has been set at 100 times the maximum wage rate plus ten percent of the benefits liability and is calculated annually upon completion of the actuarial valuation of the benefits liability. Costs related to catastrophic and adverse events and latent occupational diseases are charged to this reserve, resulting in a charge of nil for 2014 (2013 – nil). This reserve is limited to its target level. Funds in excess of the target level are transferred to the Stabilization Reserve, with nil funds transferred in 2014 (2013 – nil). At December 31, 2014, the Adverse Events Reserve has a balance of $22,162,000 (2013 – $21,728,000).

Transfers cannot be made from this reserve to any other temporary fund or reserve if the transfer will reduce this reserve below its target level.

15. Related Party Transactions

(a) Government of Yukon

The Board is a territorial entity with delegated powers on behalf of the Government of Yukon (the "Government"), and is related to all Government departments, agencies and Government corporations.

The Government and entities related to the Government pay assessment premiums to the Fund for workers' compensation benefit coverage.

During 2014, the Compensation Fund paid the Government $420,000 (2013 – $425,000) for building maintenance, computer, office supplies, payroll processing, recruitment, and vehicle services. The Fund reimbursed the Government $495,000 (2013 – $344,000) for the Worker's Advocate Office. The Fund also reimbursed the Government for payroll costs of $8,087,000 (2013 – $8,084,000).

The Government pays certain claims costs to the Compensation Fund for claims prior to 1993 (note 4(b)) and also reimburses the cost of supplementary benefits pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance. Supplementary compensation benefits are granted, pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance, to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund. Effective January 1, 1993, all Government employees were covered by the Fund.

Reimbursements for claims expenses received from the Government were $464,000 in 2014 (2013 – $491,000).

The Board enters into transactions with the Government and entities related to the Government in the normal course of business and the transactions are recorded at fair value.

Revenues and recoveries from the Government for the year ended December 31, 2014 totalled $5,707,000 (2013 – $5,726,000), including the Mine Safety Program Grant (note 11).

Balances due to and from Government of Yukon were as follows:

	31-Dec-14 ($000s)	31-Dec-13 ($000s)
Due to the Government of Yukon	$ (1,892)	$ (1,444)
Due from the Government of Yukon - Recoveries	45	80
Due from the Government of Yukon - Assessments	245	249
Net amount due	$ (1,602)	$ (1,115)

(b) Key Management Personnel

The remuneration of key management personnel, which includes the members of the Board of Directors and the senior management team, recognized as an expense during the period was:

	2014 ($000s)	2013 ($000s)
Short-term employee benefits	$ 1,244	$ 1,263
Post employment benefits	217	112
Other long-term employee benefits	25	(27)
Total remuneration	$ 1,486	$ 1,348

Contributions made to the Public Service Pension Plan by the Fund for key management personnel was $142,000 (2013 – $115,000).

Transactions with responsible key management personnel are negotiated on a commercial basis. Conflicts are overcome by directors declaring their interests and abstaining from voting at Board of Directors meetings.

16. Commitments

The Board has commitments for professional services contracts, contribution agreements, storage facilities and travel accommodation for the next five years as follows:

	Computer software ($000s)	Professional services contracts ($000s)	Contribution agreements ($000s)	Travel and storage ($000s)	Building addition ($000s)	Total ($000s)
2015	$ 130	$ 1,260	$ 612	$ 29	$ 4,001	$ 6,032
2016	30	136	370	-	-	536
2017	15	5	370	-	-	390
2018	-	5	-	-	-	5
2019	-	2	-	-	-	2
	$ 175	$ 1,408	$ 1,352	$ 29	$ 4,001	$ 6,965

17. Administration Expenses

	2014 ($000s)	2013 ($000s)
Salaries and benefits	$ 8,506	$ 8,271
Consulting and professional	983	1,063
Amortization - intangible assets	748	628
General administration	398	237
Buildings	376	348
Computer systems	281	284
Depreciation - property and equipment	274	264
Automobile and travel	245	212
Communications	238	239
Board expenses	163	157
Staffing and recruitment	141	182
Lease expense	104	115
Printing and publications	77	49
Furniture and equipment	42	23
Supplies and stationery	41	63
System development analysis expense	-	76
	$ 12,617	$ 12,211
Less: claims administration expense transferred to claims expenses (note 12)	(1,929)	(1,933)
	$ 10,688	$ 10,278

18. Prevention Expenses

	2014 ($000s)	2013 ($000s)
Contribution Agreements - funded through the Prevention Fund	$ -	$ 39
Contribution Agreements - funded through Operations	443	460
	$ 443	$ 499

19. Contingencies

Due to the nature of the Board's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Fund's financial position or results of operations.

20. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation as follows:

- Note 7 Investments: Certain bonds in the amount of $629,000 were previously disclosed as Level 1 and are now disclosed as Level 2. This change did not have an impact on the Statement of Financial Position.
- Note 12 Benefits Liability: The Medical Aid liability of $21,380,000 has been presented separately from the Compensation liability to align with the presentation used by other Canadian workers' compensation boards. As a result, the Occupational Disease Provision of $10,589,000 has also been presented separately. These changes did not have an impact on the Statement of Financial Position.
- Note 12 Benefits Liability: Additional information on experience gains on prior years' injuries has been added to the disclosure on significant changes in the benefits liability for experience gains or losses, to align with the reconciliation of the changes in the benefits liability that was added to the Board's disclosure in 2014. This change did not have an impact on the Statement of Financial Position.

2014 Year at a Glance

Note		2014	2013
1	Workers Covered	21,560	22,350
2	Open Claims	3,201	3,254
1, 3	Claims	1,229	1,167
1, 3	Accepted Claims	982	979
1, 3	Lost-time Claims	435	419
1	Lost-time Rate (per 100 covered workers)	2.0	1.9
1	Permanent Impairment Awards	31	21
	Worker fatalities	5	3
	Reviews by the Hearing Officer	33	53
4	Appeals heard by the Appeal Tribunal	12	6
1	Registered employers	3,499	3,509
	Maximum assessable earnings/wage rate	$ 83,501	$ 82,105
1	Assessable payroll (millions)	$ 1,078.1	$ 1,088.3
6	Assessment revenue (millions)	$ 22.1	$ 22.6
	Average estimated premium rate (per $100 of insurable earnings)	$ 2.18	$ 2.34
1, 5	Average collected premium rate (per $100 of insurable earnings)	$ 2.08	$ 2.08
6	Investment revenue (millions)	$ 18.90	$ 27.80
6	Investment fund market return	10%	16.20%
6	Fund balance (millions)	$ 215.0	$ 202.0
7	Funded position (per AWCBC - KSM position)	160%	153%
6	Funded position (including target reserves)	129%	122%

Notes:
Data may include revisions to prior releases.

1 2013 revised based on most recent data.
2 Due to changes in system operability, pre-2007 figures are not comparable.
3 Figures may include counts of duplicate occurrences.
4 Decisions rendered.
5 Based on rateable revenue only for the assessment year and includes adjustments to previous estimates of payroll and assessment revenue.
6 per Financial Statements
7 per revised 2008 KSM definition.

Special Note re: Worker Fatalities
Prior to 2011, the defnition used in Annual Reports respecting fatalities was "accepted fatalities," which counted fatalities by the year that the fatality was accepted as a fatality pursuant to workers' compensation rules. Beginning in 2011, fatalities are counted by the year the fatality took place and the definition is no longer narrowly restricted to Workers' Compensation cases. The two measures are not necessarily compatible.

Yukon Workers'
Compensation
Health and
Safety Board