

Statements of Operations and Cash Flows

Unaudited Statement of Operations

For the Six Months Ending June 30, 2010

	Budget (YTD) (000's)	Actual (YTD) (000's)	Previous (YTD) (000's)
Income			
Assessments including self-insured	\$102,189	\$102,999	\$95,696
Investments	28,998	(15,027)	47,883
Province of NB	450	(175)	450
	<u>\$131,637</u>	<u>\$87,797</u>	<u>\$144,029</u>
Expenses			
Claims costs incurred	103,445	100,733	99,508
Administration	19,746	18,165	17,722
Appeals Tribunal	884	762	724
Legislative obligations	688	649	762
	<u>\$124,763</u>	<u>\$120,309</u>	<u>\$118,716</u>
Excess of income over (expenses) for the period	<u>\$6,874</u>	<u>(\$32,512)</u>	<u>\$25,313</u>

Unaudited Statement of Cash Flows

For the Six Months Ending June 30, 2010

	Actual (YTD) (000's)	Previous (YTD) (000's)
Cash flow from operating activities		
Cash received from:		
Assessed employers	\$ 107,508	\$ 100,510
Self-insured employers	14,407	13,065
Interest and dividends	14,013	13,381
Province of New Brunswick	400	900
	<u>\$136,328</u>	<u>\$127,856</u>
Cash paid to:		
Injured workers or third parties on their behalf	\$ 65,691	\$ 65,565
Suppliers & employees, for administration and other services	19,728	20,315
	<u>\$85,419</u>	<u>\$85,880</u>
Net cash provided by operating activities	\$50,909	\$41,976
Cash flow from investing activities		
Cash received from:		
Sale of Investments	\$150,199	\$127,531
Cash paid for:		
Purchase of investments	\$ 200,557	\$ 141,423
Purchase of capital assets	1,094	599
	<u>\$201,651</u>	<u>\$142,022</u>
Net cash (used in) investing activities	(51,452)	(14,491)
Increase in cash during the year:	(543)	27,485
Cash and short-term investments, beginning of period	51,092	34,428
Cash and short-term investments, end of period	\$50,549	\$61,913

The above statements have been prepared in accordance with the accounting policies and practices outlined in the notes to the financial statements contained in *WorkSafeNB's 2009 Annual Report*.

Risk Assessment

The Board of Directors continues to monitor risks identified in the 2010-2015 Strategic Plan and Risk Assessment.

Level of Risk	2010-2015 Risk Strategy
■ Acceptable	● Reduce
■ Cautionary	● Accept
■ Unacceptable	

Unique Mandate Risks

- Balancing benefit-related decisions to ensure intergenerational equity and system sustainability ■ ●
- Board succession planning ■ ●
- Appeals Tribunal decisions that are inconsistent with WorkSafeNB policy ■ ●
- Gaps and delays in OHS legislation ■ ●
- Varying expectations of WorkSafeNB's OHS role ■ ●
- Funding level ■ ●
- Changes to international financial reporting standards ■ ●
- Defining WorkSafeNB's role in return to work ■ ●
- Government decisions that are independent of WorkSafeNB advice ■ ●
- Fraud and abuse ■ ●

Risks to Reputation

Operational Risks

- Impact of external agencies' recommendations on WorkSafeNB ■ ●
- Employee retirement levels ■ ●
- Retaining WorkSafeNB employees in specialized fields ■ ●
- Impact of catastrophic events on business continuity ■ ●
- Impacts of culture, language and literacy ■ ●
- Skills and labour shortages ■ ●
- Emerging high-risk industries ■ ●
- Changes to legislation and policies in other jurisdictions and levels of government ■ ●
- General health status of New Brunswick workers ■ ●
- Availability and cost of health care ■ ●

External Risks

Management's Cautionary Notes:

Endnotes

- Source: Corporate Services, information as of December 31, 2009.
- Source: WorkSafe Services, annual data as of December 31, 2009.
- Source: Human Resources, December 31, 2009.
- Source: AWCBC Key Statistical Measures #21. Note: New Brunswick has a three-day waiting period; therefore, the number of lost time claims may not reflect every lost-time injury as defined by AWCBC.
- Source: WorkSafe Services, June 30, 2010.
- Source: WorkSafeNB 2009 Client Satisfaction Survey.
- This is a new measure. Targets will be established once five years of data exists.
- Days absent = the total days absent / (actual yearly budgeted - vacant positions).
- Staff turnover = active positions / (active positions + terminated positions) per year.
- Source: Human Resources, June 30, 2010.
- Excludes files opened that do not result in a claim.
- Prior years adjusted to most current data.
- Staff Engagement is a new measure for 2008.
- Annual Outcomes are reported using the data provided in the Annual Results Document and do not reflect changes as the data matures.
- Source: Corporate Services, information as of June 30, 2010.
- Manageable claims include, for example, claims that were reported late, appealed, or where an employer filed a form of election.
- More precise trends in accident frequencies can be determined at year-end, when data has matured and seasonal influences have diminished.
- Target of 105% prior to September 2006.
- All fatalities occurred under the *WC Act* in 2009, based on year of accident.

Contact Information

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"Little Things Matter."

Being Accountable:

Second Quarter Results: April to June 2010

WorkSafeNB is committed to ensuring the highest standards in governance and administration. As such, management is pleased to present to the Board of Directors, WorkSafeNB's second quarter results. This scorecard provides a summary of WorkSafeNB's progress towards achieving its five strategic goals, measures, and targets as established during the Board of Directors' annual strategic planning and risk assessment process. This document includes a summary of:

- ➡ Annual outcomes related to the goals, measures, and targets;
- ➡ Year-to-date indicators that track the achievement of the goals;
- ➡ Management's notes to communicate how specific initiatives are helping to fulfill our strategic commitment;
- ➡ Statements of Operations and Cash Flows; and
- ➡ Risks that the Board continues to monitor with cautionary notes from management, when applicable.

Achieving Our Vision: Healthy and Safe Workplaces in New Brunswick

Goals Annual Outcomes: December 31, 2009¹⁴

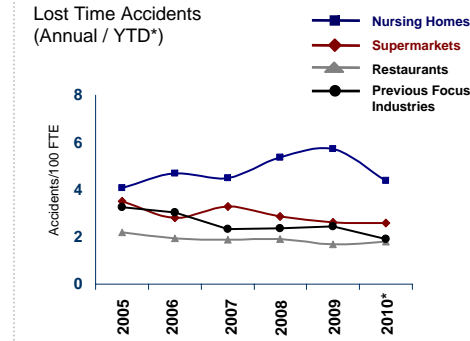
Accident Frequency Rate		2005	2006	2007	2008	2009	Target 2010
All accidents per 100 Full-time Equivalents (FTE) ¹²		3.79	3.48	3.48	3.40	3.24	< 3.48
Lost-time accidents per 100 FTE ⁴	NB	1.42	1.33	1.36	1.36	N/A	< Canada
	Canada	2.56	2.39	2.24	2.12	N/A	

Percentage of workers & employers agreeing workplace accidents and injuries are inevitable ⁷				
	Injured Workers	General Workers	Registered Employers	Non-registered Employers
2008	65%	55%	57%	51%
2009	71%	52%	60%	61%

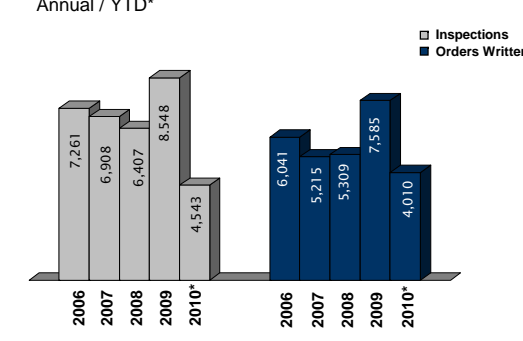
No data available prior to 2008

Year-to-date Indicators*: June 30, 2010

Focus Industries Accident Rate⁵



OHS Compliance⁵

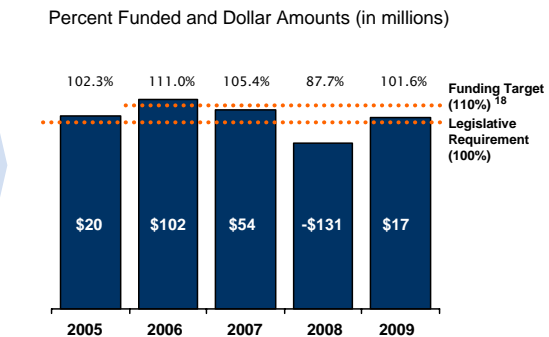


Safety¹⁷

- Continued attention to current focus industries has led to a decline in accident frequencies for some industries. Accident frequency for supermarkets and restaurants has improved when compared to the five-year average. Supermarkets had 2.59 accidents per 100 FTE's (5yr average = 3.01) and restaurants had 1.80 accidents per 100 FTE's (5yr average = 1.92). Year-to-date results for 2010 also suggest that the accident frequency trend among nursing homes may be improving.
- The rate of time loss accidents per 100 FTE's for focus firms was 4.06 in the second quarter, 4.7 % less than the five-year average of 4.26. Focus Firms are those selected workplaces with poor safety records that receive more intensive consultation to influence injury reduction and build health and safety infrastructure.
- WorkSafeNB continues to emphasize OHS compliance. Inspections and orders written in the second quarter of 2010 are 15.9% and 22.6% higher, respectively, than the same period in 2009.
- Activities for WorkSafeNB's social marketing campaign "Little Things Matter" included 6 weeks of television and radio ads, arena and bus advertising, campaign posters; and launch of a web contest.
- 1,999 participants have registered year-to-date for JHSC Training. Participation will have doubled over the last four years (990 participants in 2007).
- WorkSafeNB promoted and participated in the Annual Day of Mourning on April 28, 2010.

Balance

Funding History¹

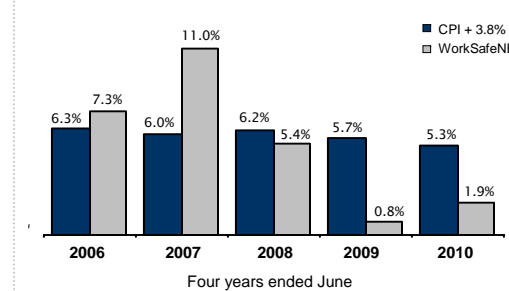


Assets and Liabilities (\$000,000)

	Assets	Liabilities
2005	\$920.2	\$899.9
2006	\$1,035.7	\$933.2
2007	\$1,065.5	\$1,011.0
2008	\$930.4	\$1,061.2
2009	\$1,066.0	\$1,049.2

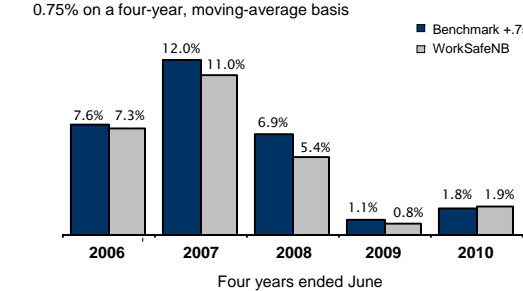
Performance Objective 1:15

The investment portfolio's rate of return is to exceed the increase in the CPI +3.8%, on a four-year, moving-average basis



Performance Objective 2:15

The investment portfolio's rate of return is to exceed the return generated by the investment policy-defined benchmark portfolio by 0.75% on a four-year, moving-average basis

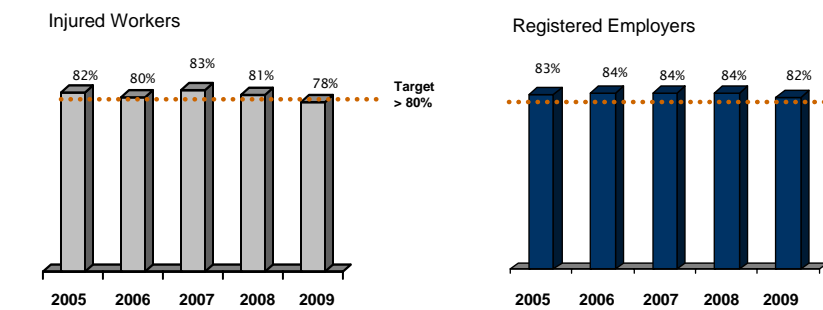


Balance

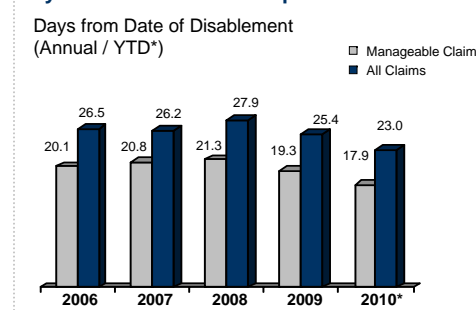
- The Board of Directors completed its annual strategic planning and risk assessment process. It reaffirmed the vision, mission, mandate, values, goals, and targets and identified 30 strategies to leverage opportunities, 41 legislative and policy priorities, and 4 evaluation and engagement priorities.
- WorkSafeNB's investment portfolio lost 3.4% in the second quarter of 2010, but is up 9.1% over the last year. A number of factors caused equity markets around the world to decline in the second quarter of 2010, including European debt concerns (particularly in Greece) which called into question the strength of the recovery, the "flash crash" in May which caused the Dow Jones index to drop 7% in 15 minutes, and the news of slower than expected Chinese growth and weaker than expected U.S. employment gains.
- WorkSafeNB requested investigation of 87 claims in the second quarter for potential fraud and abuse. Year-to-date 144 claims have been referred for investigation.

Service

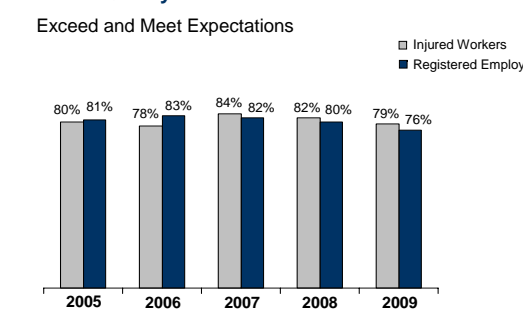
Client Satisfaction⁶



Days-to-First-Benefit Cheque^{15,16}



Overall Quality of Service⁶

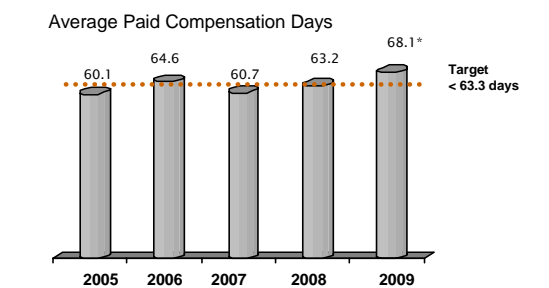


Service

- Days-to-first-cheque improved during the second quarter – by 12.8% for manageable claims and 15.0% for all claims, compared to the second quarter of 2009. One factor contributing to this improvement was the increased use of the electronic accident reporting form by workplaces.
- WorkSafeNB began billing and collecting assessments under the *Firefighters Compensation Act*.
- WorkSafeNB is reviewing service standards for injured workers related to promptness, communication, and promotion of service.
- Corporate Research Associates Inc. was awarded the annual Client Satisfaction Survey contract for 2010.

Return to Work

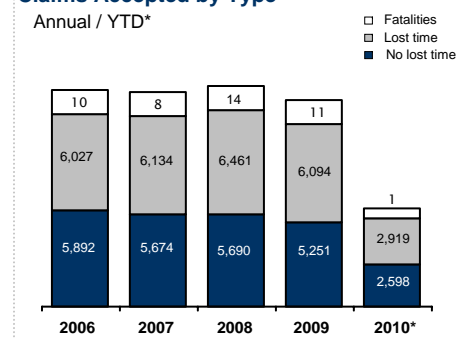
Claim Duration of Clients With a RTW Goal²



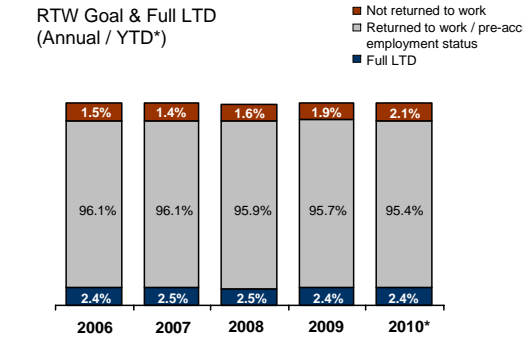
Median paid compensation days

2005	21.0 days
2006	22.0 days
2007	21.1 days
2008	20.7 days
2009	25.8 days*

Claims Accepted by Type^{5,11,19}



Lost-time Claim Disposition⁵

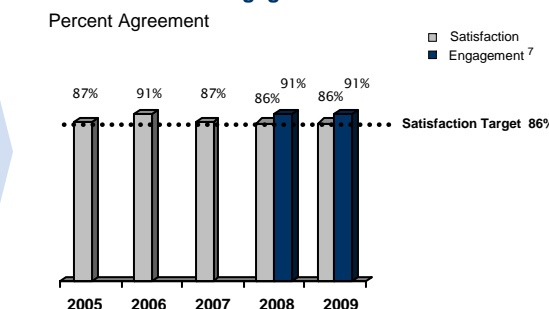


Return to Work

- The Soft Tissue Shoulder Injury pilot launched in 2009 incorporated partnerships between WorkSafeNB, surgeons, and physiotherapy providers to reduce claim duration, improve return to work outcomes, and reduce the need for surgery. Results of the pilot include:
 - 84% client satisfaction for pilot participants;
 - 62% reduction in claim duration, average duration is down from 41 weeks to 15.4 weeks;
 - 95% reduction in the need for surgery to treat the injury; and;
 - 9% increase in the number of injured workers who return to work.
- In consultation with the Physiotherapy Clinical Practice Issues Committee, standard functional outcome measurements were developed. Analysis of data from the participating physiotherapy clinics is underway to determine validity and establish minimum standards for improving outcomes for physiotherapy.
- As a best practice in case management, regions have initiated a process for monitoring open claims to ensure milestones in the continuum of care are being met.

Staff Satisfaction & Engagement

Staff Satisfaction & Engagement^{3,13}

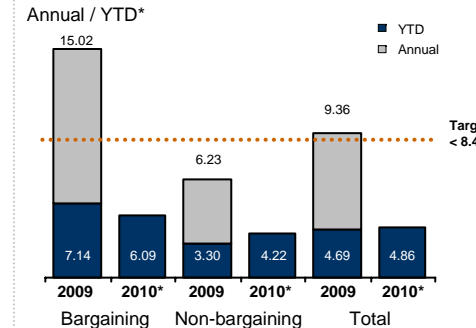


Health & Safety³

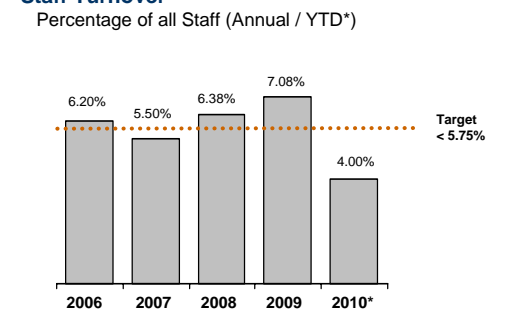
Annual Safety Index

Year	Safety Index
2007	87%
2008	86%
2009	87%

Days Absent^{8,10}



Staff Turnover^{9,10}



Staff Satisfaction and Engagement

- In the spring, over 300 employees attended the annual staff meeting and recognition banquet. 62 staff were honoured for their long-term commitment to the organization (5 to 35 years), and 11 retired.
- Year-to-date, two staff claims were accepted under the *WC Act*.
- Four incidents of violence against WorkSafeNB employees were reported in the second quarter.
- Four employees were provided with return to work assistance, two have returned to full duties.
- Five employees were promoted within WorkSafeNB, and one joined the Growing Leaders Program which provides mentorship and training for employee development.
- A new collective agreement was signed between CUPE local 946 and WorkSafeNB.