



ANNUAL REPORT
FISCAL YEAR
2023

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About Us

The Technical Standards and Safety Authority (TSSA) is Ontario's public safety regulator, mandated by the Government of Ontario to enforce technical safety regulations and enhance public safety.

Throughout Ontario, TSSA regulates the safety of amusement devices, boilers and pressure vessels, elevating devices, fuels, operating engineers, and ski lifts.

TSSA reports to the Ministry of Public and Business Service Delivery (MPBSD). MPBSD oversees TSSA's delivery of safety services and organizational performance and retains authority for the *Technical Standards and Safety Act, 2000*.

TSSA's range of safety services includes public education and consumer information, examination, certification, licensing and registration, engineering design review, data analytics, risk evaluation, standards development, inspections, investigations, safety management consultation, compliance support, and enforcement and prosecution activities.

TSSA also provides limited non-regulatory services through contracts to organizations, mainly in the nuclear industry.

Our Vision*:

Working together for a safer Ontario today and tomorrow.

Our Purpose*:

To enhance safety in Ontario through engagement, evidence, enforcement and education.

Our Core Values*:

Our work as ONE TSSA is grounded in our commitment to a set of core values:

- **Safety:** Be safety focused at all times
- **Collaboration:** Work well with others
- **Accountability:** Be responsible for our actions and deliver on our commitments
- **Integrity:** Conduct ourselves with transparency using risk-informed evidence
- **Inclusion:** Leverage diversity through inclusive, respectful leadership
- **Innovation:** Be forward thinking, adaptable and data driven

* Reflective of TSSA's new strategic direction, effective May 1, 2023.



Message from the Chair

First and foremost, I'd like to congratulate the TSSA team for successfully delivering on a very ambitious Strategic Plan. Your achievements over the past six years are as much accomplishments for the organization as they are for the people of Ontario. Through your hard work and your dedication to launching initiatives that target situations most likely to cause harm, you've made the province safer for years to come. Thank you for seeing the strategy through and positioning TSSA to have a progressively greater impact on public safety in the future.

The final year of the 2018-2023 Strategic Plan marked a huge milestone with the launch of Release 3 of OASIS (Operations Analytics Safety Innovations System), TSSA's upgraded IT business solution. OASIS is really transformative for TSSA because we now have one customer relationship management system for the entire organization that provides the reliable data and visibility needed to deliver on our safety mandate. The full implementation of OASIS improves most core functions at TSSA, including intake, billing, customer service support, procurement, and invoicing, and provides modern platforms for operations and finance. On top of that, the first three releases also provide a solid foundation to take harmonization and digitization of operational processes to the next level and expand Outcome-Based Regulator initiatives across the organization.

Furthermore, the successful launches of OASIS releases over the course of this Strategic Plan have made it possible for TSSA to complete the majority of the Auditor General's recommendations from the 2018 Value-for-Money Audit Report. This progress has allowed TSSA to become a more valued and effective technical and public safety regulator.

A constructive working relationship with government has been instrumental to TSSA delivering on its safety mandate this past year. As a result of the Elevating Devices regulation, TSSA launched a Residential Elevator Availability Portal through which elevator owners are now

required to report elevator outages lasting longer than 48 hours. In addition, we appreciate the active involvement from government as we sought feedback on our new Strategic Plan. We are very pleased that government is aligned with us on the future direction of TSSA and the completion of our Outcome-Based Regulator transformation.

It is also important to note that the Memorandum of Understanding (MOU) between the Minister of Public and Business Service Delivery and TSSA underwent significant revisions that saw the implementation of new and updated requirements come into effect at the start of Fiscal Year 2023 (FY23). The new MOU reflects a more modern government oversight approach. With the continued support of government and its modernization of governance practices, I am confident that TSSA will make an even greater impact on the enhancement of safety in the province in the years ahead.

The Board of Directors welcomed a new member this past year. We were delighted to have Lynne Innes join us late in FY23 and add new skills and perspectives to our diverse group of leaders. Additionally, we are very proud that we have maintained the diversity of our Board's composition. We are dedicated to our commitment of having Board members reflect the members of the communities we serve throughout Ontario.

With a new Strategic Plan, solid governance, strong safety partnerships and a high-achieving TSSA team in place, the Board of Directors and I are truly excited for the future of TSSA and safety in Ontario.

Robert J. ("RJ") Falconi
Board Chair



Message from the President & CEO

As we recently wrapped up the final year of our 2018-2023 Strategic Plan, I look back with pride on the incredible milestones we've reached by staying the course on our ambitious strategic objectives. With a collective goal of making Ontario safer for our families, friends and communities, TSSA employees were the propelling force behind our safety achievements. They worked persistently to get challenging initiatives off the ground, enabled them to gain momentum, and pushed them forward in spite of obstacles and unforeseen circumstances. On behalf of TSSA's Executive Leadership Team, I'd like to thank our employees for exemplifying our core values that were in place to guide us over the last six years: *Safety; Leadership; Integrity; Respect; Accountability; Communication and Collaboration*. With all of us working together we have been able to realize our vision of being a valued authority for a safer Ontario.

The response from our regulated parties and safety partners to the organizational transformation we've made over the past six years has been overwhelmingly positive. While some of the changes have required customers to adapt to a significant shift in the way we perform our oversight responsibilities – like a new business model, a new customer relationship management system, and new risk-based inspection and compliance support programs – stakeholders have made it clear that our new collaborative, data-driven approach is a necessary evolution, and they want to see us finish what we've started. We are very pleased and grateful to have industry on board with our Outcome-Based Regulator transformation. We remain committed to working with industry in a supportive and collaborative manner to achieve desired safety outcomes for the Province of Ontario.

One of our strategic goals for Fiscal Year 2023 (FY23) was to ratify two collective agreements, following our inspectors' and engineers' decision to unionize in FY21. It is often a lengthy and challenging process to arrive at an agreement that meets the needs of both parties. During the negotiation process, we experienced a 12-week labour disruption, which, of course, no one wanted to see happen, but it is part of the collective bargaining process we have

in our province. We were pleased to have both agreements ratified in the fall of 2022. Moving forward, we are laser focused on our organizational culture. We have introduced regular Team Dialogue sessions with the Executive Leadership Team, giving all employees an open forum to share feedback, ask questions and voice concerns. Through these frequent mutual exchanges, we want to foster a high-trust, inclusive environment where all employees know that their input isn't just valued – it's essential to our organization delivering on its public safety mandate.

The TSSA team is passionate about safety. Our proudest achievement this year was to complete 12 months with not a single lost-time injury. And the progress we've made delivering on the year-six business objectives from our Strategic Plan speaks to our commitment to working together to see our modernization transformation through to completion and further enhance public safety in the province. This past year, we successfully launched the third release of our IT business solution, OASIS, integrating the Elevating Devices, Amusement Devices and Ski Lift Safety Programs onto the system so that all industries we regulate have the clean, reliable data we require to make informed, risk-based decisions. We also launched four new Compliance Standards for Traction Elevators, Hydraulic Elevators, Ski Lifts, and Escalators, which identify high-risk non-compliances that must be prioritized to reduce the potential for harm. These Compliance Standards were incorporated into the launch of OASIS Release 3, giving us the ability to link authorizations to inspections. In addition, to track down those operating in an unauthorized capacity, we implemented a program to begin to address authorizations that expired prior to May 2021, and either reinstate the authorizations, confirm the businesses or devices are no longer operating, or shutdown the illegal operations. We are very pleased with the success we've had in resolving these accounts and reducing the underground market. FY23 also saw us engage with various internal and external stakeholders to develop a new Strategic Plan to guide our actions for the next five years.

In fact, stakeholder engagement played a key role in the successful delivery of the vast majority of our strategic goals. The extensive consultation process with employees, regulated parties, Advisory Councils, associations, government and other regulators throughout all stages of the development of our 2024-2028 Strategic Plan really helped us to build a strategy that meets the unique needs and expectations of our wide array of safety partners and, most importantly, of consumers. We also engaged industry on the development of our Compliance Standards and held educational sessions prior to launching the Compliance Standards to ensure all parties understood how to best keep devices safe. Additionally, we sought and continue to seek feedback back from all stakeholders, including the public, on the new website we're building to ensure everyone can easily access the safety information and resources they require when we launch the site in FY24.

Moving forward, we will continue to involve our stakeholders and seek feedback on initiatives that impact their lives and businesses – like the new customer self-service portal we're developing to make it easier for our regulated stakeholders to transact with us. We truly appreciate your valuable input, which helps us to ensure we're providing value to the province and the public we serve. We will use this approach as we embark on our new Strategic Plan and work together for a safer Ontario today and tomorrow.



Bonnie Rose
President & Chief Executive Officer

The response from our regulated parties and safety partners to the organizational transformation we've made over the past six years has been overwhelmingly positive.



Our Year in Review

Highlights

2022

May

Celebrated TSSA's 25-Year Anniversary
Launched Historical Lapsed Authorizations Reinstatement Program

July

Launched Residential Elevator Availability Portal

August

Issued Elevating Devices Code Adoption Document Amendment

October

Engaged Communities with CO Safety Autumn Watch Seasonal Campaign

November

Launched CO Safety Campaign during CO Awareness Week

2023

January

Kicked Off CO Safety Winter Wise Seasonal Campaign

February

Launched New Human Capital Management System: MyHR

March

Implemented Leave of Absence Policy for Certificate Holders
Won 5-Star Safety Cultures Award
Launched Elevator and Escalator Compliance Standards
Went Live with OASIS Release 3
Launched 4th Annual Trunk Slammers (Unregistered Fuels Workers)
Awareness & Enforcement Campaign

April

Launched New Strategic Plan



March 2023 –
Launched 4th Annual Trunk
Slammers (Unregistered
Fuels Workers) Awareness &
Enforcement Campaign

Response to Auditor General's Recommendations

TSSA continues to make great progress on addressing the Auditor General of Ontario's recommendations from the 2018 Value-for-Money Audit Report. As of the fourth quarter TSSA and the Ministry of Public and Business Service Delivery had submitted evidence to the Auditor General demonstrating that 90% of all recommendations from the 2018 value for money audit are complete. All initiatives associated with the remaining recommendations are in progress. TSSA will continue to address the outstanding recommended actions, many of which are tied to the delivery of strategic objectives.

Significant Prosecutions

While working with stakeholders toward compliance is the cornerstone of safety, TSSA must resort, at times, to prosecution as an effective tool of enforcement. In fiscal year 2023, TSSA pursued 12 prosecution files for a total of \$157,000 in fines plus a 25 per cent victim surcharge fee. There are also six prosecutions currently before the courts awaiting trials. Successful prosecutions of this nature send a powerful message that Ontario's safety laws must be respected and that any violator who puts the public at risk will face the full extent of the law.



TSSA will continue to address the outstanding recommended actions from the Office of the Auditor General of Ontario, many of which are tied to the delivery of strategic objectives.

Strategic Plan Highlights



Modern Regulatory Framework

Revise TSSA's risk score

The ability to rank devices and facilities based on known risk factors is a key element of TSSA's outcome-based regulation framework and enables TSSA to determine the high-risk areas where it must allocate its resources to improve public safety. In FY23, TSSA reviewed its long-standing risk score model for elevators to identify changes that would ensure TSSA is optimizing its resources to focus on reducing harms by targeting high-risk areas. Significant progress has been made to establish a reliable predictive data tool that prioritizes inspection activities by identifying devices and facilities that are most likely to cause a risk to public safety. In the validation and review phase, TSSA's new risk score model will roll out for other sectors in the coming years and will improve transparency by ultimately providing publicly available risk scores.

Implement plan for historical lapsed authorizations

Building on the success of the ongoing lapsed authorizations program launched in FY22, TSSA implemented a program to address historical lapsed authorizations that expired between April 30, 2016, and April 30, 2021, to bring those authorization holders back into compliance. The program has effectively strengthened TSSA's ability to track those operating illegally. As part of this initiative, TSSA developed a Renewal, Reinstatement, and Requalification Policy. The policy outlines the requirements for obtaining a current authorization, including applicable associated fees, after an authorization has lapsed. TSSA has also implemented a Leave of Absence Policy for certificate holders that allows them to apply for a leave of absence from their TSSA-certified fields and re-certify without requalification.



Service Excellence

Engage stakeholders to develop a new Strategic Plan

Developed with input from a diverse group of stakeholders and key partners, TSSA's new 2024-2028 Strategic Plan provides an overview of the priorities TSSA has established for the next five years and outlines what success will look like as the organization meets its future goals. In the winter of 2022, TSSA began to gather input from its employees, advisory

councils including the Consumer Advisory Council, regulated parties, other regulators, the Ministry of Public and Business Service Delivery, and Ministry of Labour, Immigration, Training and Skills Development, through surveys, focus groups, and interviews. Key stakeholders and regulatory partners commented on a draft plan before TSSA officially launched the new Strategic Plan in April 2023, prior to its effective date of May 1, 2023. Stakeholder insights also helped to inform a redefined vision, purpose and set of values to guide TSSA's strategy and actions.

Implement four compliance standards that link authorization and inspection and that are incorporated into TSSA's new IT and business solution, OASIS

Making further progress on its journey to becoming an Outcome-Based Regulator, TSSA launched four new evidence-based, data-driven Compliance Standards for Traction Elevators, Hydraulic Elevators, Ski Lifts, and Escalators in FY23. Compliance standards identify high-risk issues and requirements—allowing TSSA and industry to focus on reducing the highest risks. They also facilitate regulated parties' understanding of their responsibilities. The launch of the third release of OASIS, TSSA's IT business solution, incorporated the new Compliance Standards into the system, giving TSSA the capability to link authorizations and inspections.



Safety Awareness & Active Compliance

Launch elevator availability webpage

TSSA launched its Residential Elevator Availability Portal on July 1, 2022, to facilitate the new regulatory requirement for owners of elevators in residential buildings and long-term care homes to report elevator outages lasting 48 hours or longer. Elevator outage records give the public access to information that will help them make better informed decisions when buying or renting a home in a building. The data collected by the portal will help the government and TSSA consider whether further changes related to elevator safety and availability will be needed in the future. TSSA engaged with industry members to ensure they understood their obligations, using various communication vehicles, including e-blasts and appearances at association events, and used digital media channels to heighten public awareness of the tool and its safety benefits.

Complete design of new corporate website and begin development

TSSA made great progress on the development of its new website in FY23, completing the plans, navigation, wireframes and design. Throughout the process, TSSA gathered input from a variety of stakeholders on the type of information and design that would best suit their needs. The feedback is guiding the development of a user-friendly website with improved content organization and overall user experience, set to launch in FY24.



Engaged People & Effective Teams

Measure culture transformation

In FY23, TSSA conducted a follow-up survey to an employee survey conducted in 2018 to measure the company's progress on its transformation to a culture of leadership, accountability and teamwork. The organization saw an improvement in teamwork across TSSA and noted opportunities to further support the direction in which TSSA is heading as an Outcome-Based Regulator. TSSA used findings from the survey to help inform its 2024-2028 Strategic Plan. One of the four key themes in the new Strategic Plan is Rewarding, Purpose-Driven Work with a goal to foster an environment where employees feel valued, supported and engaged in meaningful work.

Negotiate two collective agreements

In late FY21, TSSA inspectors and engineers voted to be union represented. Both collective agreements were ratified in FY23. TSSA and the Society, the union that represents TSSA's engineers, reached an agreement on a first contract that was ratified by members in a vote held in September 2022. TSSA inspectors, represented by the Ontario Public Service Employees Union (OPSEU), ratified a first collective agreement in October 2022. TSSA respects the rights of its employees to organize and is committed to working together as one team to meet its objectives and deliver safety for all Ontarians.

Launched new human resources system

Improving the employee experience, TSSA launched MyHR, a state-of-the-art human capital management system that integrates employee information management, time and absence reporting, and payroll functions, while providing self-service capabilities for employees and managers. The system also manages major human resources processes, such as recruitment and onboarding. Facilitating timely, data-driven decisions to support business leaders, the new system will incorporate future modules.



Solid Operational Foundation

Launch OASIS Release 3 including a data lake (storage)

TSSA launched the third release of OASIS, its IT business solution, which integrated the Elevating Devices, Amusement Devices and Ski Lift Safety Programs into TSSA's Customer Relationship Management (CRM) and data storage systems. OASIS Release 3 was an incredible milestone for TSSA, as the organization now has all of its safety programs operating on the same CRM, furnishing TSSA with real-time, trustworthy data that will serve as the foundation for informed, risk-based decision making, the hallmark of an Outcome-Based Regulator.

The third release of OASIS also marked the completion of data cleansing and storage of high priority files in all program areas. TSSA has data governance guidelines, along with assigned data owners and data stewards in place whose responsibility is to monitor TSSA's data quality going forward.

Begin developing OASIS Release 4 – customer self-service portal

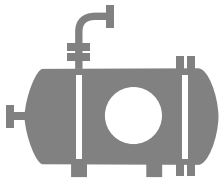
In FY23, TSSA began the planning and preparation for the fourth and final release under the OASIS project, which will provide considerable value to TSSA customers through an expanded portal. Delivering a simplified customer experience and self-service features to all TSSA customers, the portal will launch in FY24.

Safety Program Highlights

Boilers and Pressure Vessels and Operating Engineers Safety Programs

Updated Guidelines for Registering Non-Nuclear Fittings in Ontario

In FY23, TSSA updated the guidelines for the registration of non-nuclear fittings in the province of Ontario. The guidelines set out the requirements for the registration and manufacture of non-nuclear fittings and reflect changes that were made to CSA Standard B51-19. The updated guidelines are intended to help those submitting engineering designs to TSSA ensure their designs are in compliance with the *Technical Standards and Safety Act, 2000*, and all applicable codes and standards, as well as improve the design review time and process. The new guidelines were published on the TSSA website on May 1, 2023.



Development of Alternate Process for Pressure Piping Inspection in Ontario

In line with TSSA's Outcome-Based Regulator approach, TSSA developed a new process by which eligible piping contractors are permitted to inspect low-risk piping systems and complete a 'Piping Systems Installation and Test Data Report', as an alternative to a TSSA inspection. This option is meant to reduce unnecessary burden on regulated parties, who will no longer have to wait for a TSSA inspector to review low-risk systems and sign off. The alternate process still provides regulatory oversight and is only applicable to jurisdictional piping fabricated and installed in the province of Ontario. During the year, TSSA engaged with industry members to walk through the new process, gather feedback and field questions. The new process was made available as an option as of May 1, 2023.

Ice Surface Plant Advisory

Refrigerated ice surfaces are an important part of Ontario's recreational landscape. As these facilities continue to expand beyond traditional hockey arenas and curling clubs to fulfill sporting and recreational needs, TSSA consulted with industry partners throughout the year to develop an advisory about plant safety at ice surface sites. The new advisory provides guidance on how to safely operate and maintain indoor and outdoor refrigerated ice rinks that are run commercially or by a community or municipality in Ontario.



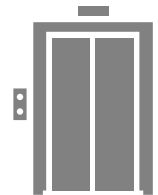
Elevating Devices, Amusement Devices and Ski Lift Safety Programs

Elevating Devices Code Adoption Document Amendment (CAD) in Effect

As part of TSSA's ongoing efforts to harmonize Ontario's safety requirements with national codes and standards, an updated Elevating Devices CAD went into effect on August 1, 2022. There are 13 separate codes within the Elevating Devices CAD, which had last been updated and published in May 2019.

Webinars on Compliance Standards for Elevators and Escalators

Prior to the launch of Compliance Standards — lists that identify high-risk non-compliances — for elevators and escalators in March 2023, TSSA hosted two very well attended live webinars to provide industry members with an overview and answer questions. With hundreds in attendance, TSSA discussed why and how the Compliance Standards were developed, items that will be examined during periodic inspections, the difference between high-risk, medium-risk and low-risk non-compliances, and more. The webinar recordings have been made available for reference on TSSA's website.



Elevator and Escalator Safety Public Education Campaign

During National Elevator Escalator Safety Awareness week in November 2022, TSSA ran a digital communications campaign to raise public awareness of risks associated with riding elevators and escalators and proper safety etiquette. As part of the campaign, TSSA shared a case study from its Public Safety Report depicting a real-life example of an escalator incident, as well as videos from its 'Be safe, not sorry' public education series illustrating risky elevator and escalator scenarios and ways to avoid them.



Contractual Agreements for Inspection Services

To help support inspection services to TSSA's regulated stakeholders, TSSA entered into contractual agreements to address periods when there are a high volume of inspections.



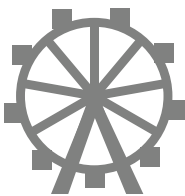
Fee Relief for Amusement and Ski Sectors

The Ontario Government provided financial support to the amusement and ski sectors by enabling TSSA to extend fee relief to these industries, which had been critically challenged by the COVID-19 pandemic. TSSA facilitated the Ontario

Government's reduction of fees by 75% for all ski device licences and amusement device permits. This relief measure to support the continued recovery of the amusement and ski sectors builds upon previous financial relief provided by the Ontario Government in FY22.

Amusement Device Sector Continuing Education

TSSA once again teamed up with the National Association of Amusement Ride Safety Officials (NAARSO) to host the Amusement Ride Safety Training Forum. The two-day event provided training on ride inspection, codes and standards, employee safety and ride manufacturing. Attendees, which included engineers, carnival and fixed park owners and operators, and ride mechanics, received 16 hours of NAARSO continuing education credits.



Fuels Safety Program

Changes to Licensing Fees for Propane Bulk Plant and Fill Site Facilities

In response to stakeholder feedback, TSSA adjusted the fee categories for propane bulk plant and fill site facilities by adding more categories that better align with the different sized facilities seen in Ontario. The fee adjustment, which took effect on May 1, 2022, also lowered fees for smaller propane sites.

New Inspector Training Program

TSSA launched a formal Fuels Safety Inspector Training Program that provides a thorough and structured combination of in-class and in-field training to new inspectors to facilitate a consistent knowledge base across the team. Through the completion of



various modules, new inspectors will supplement their expertise in the fuels industry with the practical skills and hands-on experience to proficiently perform inspections in alignment with TSSA's Outcome-Based Regulator approach.

Contractual Agreements with Third-Parties for Inspection Services

To provide more timely inspection services to TSSA's regulated stakeholders in Northern Ontario, TSSA entered into contractual agreements with third-parties to support its inspection workforce in the Fuels Safety Program to ensure TSSA could manage a high volume of inspection requests. The companies are called UL Solutions and Origin and Cause.

Public Safety Education Campaigns

Committed to increasing public awareness of the dangers of mishandling fuel-burning devices, TSSA promoted public safety with a number of programs aimed at changing unsafe behaviours, including the following campaigns:

- **Carbon Monoxide (CO) Safety** – increasing awareness of the dangers of CO poisoning and how to prevent them
- **Dig Safety** – reminding the public to get locates from Ontario One Call before digging
- **Patio Heater Safety** – highlighting the hazards associated with the misuse of patio heaters
- **BBQ Safety** – guiding Ontarians on sensible and safe barbecuing practices
- **Spring Flooding Safety** – enhancing awareness of fuel and elevator related hazards caused by flooding
- **"Trunk Slammers" Awareness** – addressing the public safety issue of uncertified technicians and unregistered fuels contractors
- **Winter Safety Reminders** – reminding Ontarians to keep gas meters and fuel-burning appliance vents free from snow and ice

Impact Award Winner: Brandon Irwin of Osler Bluff Ski Club



SAFETY AWARDS 2023

A Strong Safety Mindset Saves a Life on the Slopes

As a Lift Operator at Osler Bluff Ski Club in Blue Mountains, Ontario, Brandon Irwin proved that a vigilant safety mindset can save lives on the slopes. His unwavering focus on customers, along with a life-saving outcome from his prompt safety actions, has distinguished him as the winner of the TSSA Impact Award 2023.

At Osler, staff members are well-trained in safety protocols. New operators undergo training in recognizing urgent situations, such as frostbites, severe weather conditions, and passengers requiring assistance. In case of emergencies, the operators are backed by experienced full-time and volunteer ski patrol teams that includes former paramedics, firefighters and some doctors.

Brandon, who was hired for the 2022–2023 season, consistently demonstrated his commitment to ensuring the safety of skiers and snowboarders visiting the club. Richard Burrows, Outdoor Operations Manager of the ski club, describes Brandon as friendly, compassionate, and customer-focused. "Brandon has great customer service skills and a positive attitude, which goes a long way when educating passengers on the safe use of a chairlift," said Richard.



Brandon's life-saving intervention unfolded on Family Day, on the morning of February 20, 2023. While working at the top of the Poplar chair, Brandon noticed a passenger in distress. When the passenger's chairlift was approaching, Brandon observed that the passenger was not paying attention, moving, or showing signs to unload.

Realizing that the elderly passenger was pale and in need of urgent medical attention, Brandon immediately called for Ski Patrol assistance and then stopped the chairlift on the unloading ramp. He attended to the 76-year-old passenger and assured him that help was on the way. "For a serious situation like that you have to stay calm. You want the person who needs help to understand they are in good hands," Brandon explained.

The Ski Patrol, which included several retired medical professionals, arrived in just four minutes. They could tell the passenger was likely experiencing a stroke based on the symptoms the passenger was showing while being examined. The man was transferred to the bottom of the hill where the ambulance was waiting to rush him to a nearby hospital in Barrie. The passenger was immediately airlifted from there to Toronto for emergency surgery, during which a clot was successfully removed. The man recovered from the incident without any long-term effects.

The entire process, from Brandon's initial call to the transfer to Emergency Medical Services (EMS), took only 21 minutes. In emergencies like this, time is of the essence. Brandon's focus on passenger safety, along with his quick thinking and acting, saved the passenger's life.

As a safety champion, Brandon advocates taking precautions whenever possible. "Always prepare for the worst. Like that day, I was never expecting to have a man come up the lift and have a stroke," he said. "Always be prepared for any situation, whether it's summer, winter, or when you're driving. Always stay alert."

Legacy Award Winner: The Western University Power Plant Team



SAFETY AWARDS 2023

Care for People Drives 20 Years of Safety Success

For two decades, Western University's Power Plant team has maintained an impeccable record of zero lost-time incidents. This safety achievement demonstrates the plant's robust safety culture, earning the 15-strong Power Plant team the TSSA Legacy Award for 2023.

Established in 1922, the central power plant supplies the campus with high-pressure steam through its 23,082 kW rated 1st Class plant. Comprising steam boilers, water chillers, and air compressors, this facility also fuels the campus district energy system for 66 diverse campus buildings. Structures dating back to the power plant's inception coexist alongside new builds. One such new addition is the Ronald D. Schmeichel Building for Entrepreneurship and Innovation, Western University's first net-zero energy building, set to open later in 2023. The power plant also provides high-pressure steam to the London Health Sciences Centre's University Hospital, a one-million-square-foot acute care facility.

Despite the complex and expanding scope of operations, the Power Plant team has a wide-ranging toolkit to tackle new challenges. Clear safety policies, sophisticated maintenance systems, frequent safety meetings and briefings, and an extensive training program are among the tools in use. Just as a computer's hardware relies on software, these tools are guided by the fundamental principles this team upholds.

"Safety is deeply personal, a duty of care," said Stephen Burton, Manager Power Plant Operations and Chief Engineer at Western University. "You don't want to see people injured; you want people to go back to their families in the same condition they came to work."

Stationary Engineer Lewis Pellar, who represents workers on the joint health and safety committee, shared the same view. "I want the new employees here to have a fulfilling, injury-free career, pursuing the trade they've chosen. Similarly, I want our senior employees to enjoy the retirement they've been working towards throughout their careers."

A profound sense of caring for people motivates the Power Plant team to go above and beyond and to keep innovating. At the power plant, a team of 13 stationary engineers often work alone after hours, such as nights or weekends, to ensure high-pressure steam, chilled water and compressed air are available 24/7, 365 days a year. Working solo exposes these solitary workers to risks in the event of an injury or medical emergency.

Thinking outside the box, the team devised a 'working alone' program that leverages technology and automation to improve safety for lone workers. The program requires the lone workers to acknowledge a system alarm every hour. If they fail to do so, the system automatically alerts Campus Safety and Emergency Services to perform a wellness check on the operator.

"Statistically, it's harder now to maintain a zero lost-time incident record," said Stephen. "The longer you go, the harder it is to maintain that record. Real safety is what people are doing when no one's watching. We have a great safety culture here at Western University."

Lewis believes that openness, communication, and the absence of blame are vital to sustaining a successful safety culture. "It's crucial to cultivate an environment where open communication is encouraged, and individuals feel comfortable voicing their concerns," he said. "If a safety incident occurs, we should address it openly. Let's talk about what exactly happened. How can we approach it differently next time? What changes, whether procedural, behavioral, or engineering-related, are required? The key is to openly discuss things like these and follow up with actions."



Management Discussion and Analysis (MD&A)

Management's Discussion and Analysis (MD&A) provides insight and understanding into TSSA's financial results and outlines the organization's financial performance against its objectives for the fiscal year ending April 30, 2023 (FY23). The MD&A should be read in conjunction with TSSA's audited financial statements to understand the connection between strategy, enterprise risk and financial results.

Financial Highlights

TSSA's total revenue was \$74.6 million, down 4 per cent from last year. Regulatory revenue of \$67.3 million was lower than the prior year by 5 per cent, due to the OPSEU inspector strike that began on July 21 and ended on October 18, 2022, when inspectors returned to work. Non-regulatory revenue of \$7.3 million was 3 per cent higher than the previous year.

TSSA's regulatory revenue mix comprises revenue from Licensing/Registration/Certification (LRC and other) (\$41.2 million), Inspections (\$19.3 million), Engineering (\$5.6 million) and Investment income (\$1.2 million). In FY22, the Board of Directors approved a 2.6% inflationary fee increase for fiscal year 2023, effective May 1, 2022, for the Fuels and Boilers and Pressure Vessels and Operating Engineers (BPV/OE) programs. The fee changes allow for a more equitable reflection of the true cost of public safety services and are being used to implement the Auditor General's recommendations and launch initiatives that will lead to improved safety and industry burden reduction.

TSSA's three program areas – Elevating Devices, Amusement Devices (ED/AD); Fuels; and BPV/OE – predominantly generate regulatory revenue. In addition, the ED/AD and BPV/OE programs produce non-regulatory revenue.

TSSA launched the New Business Model on May 1, 2021. The New Business Model allows for prepaid flat fees, which are scaled based on categories. These fees include periodic and initial inspections and one follow-up inspection in addition to supporting standards and codes work, investigation, prosecutions, and reinvestments in public safety through data analytics, compliance support and education. The FY23 financial results indicate continued success with the New Business model, allowing for both more

predictable fees for customers and more stable revenue for TSSA. The New Business Model also addresses the recommendation of the Ontario's Auditor General for TSSA to review its fee schedule.

The ED/AD Safety Program generated regulatory revenue of \$30.0 million, 2 per cent higher than the prior year. Fuels Safety Program revenue of \$22.6 million was lower by 7 per cent compared to last year. BPV/OE Safety Program regulatory revenue of \$14.7 million was also lower by 13 per cent compared to the prior year. The reductions in Fuels and BPV/OE in large part were due to the inspector strike TSSA experienced earlier in the year.

TSSA is committed to managing expenses, optimizing efficiency, and creating an environment in which there are sustainable, low costs. In FY23, management focused on delivering its strategic initiatives, foregoing non-strategic initiatives due to time and resource constraints resulting from the strike. Total expenses were \$73.5 million, a 4 per cent expense decrease over the prior year. Intent on investing in technology and process improvements to deliver data integrity and overall efficiency, TSSA is focused on the OASIS program, a multi-year IT business solution transformation to replace the organization's enterprise resource planning (ERP) system and enable TSSA to become an Outcome-Based Regulator. TSSA will continue to support the OASIS program in FY24 and beyond with the investments required to complete this strategic project and decommission older systems. Total expenses in FY23 for TSSA's OASIS program were \$3.6 million, 10% per cent higher than last year. Increases over last year are due the OASIS Release 3 go-live delay from November 1, 2022, to March 1, 2023, as a result of the OPSEU inspector strike. Excluding the OASIS program, core business expenses were 5 per cent lower than the prior year. Despite the decrease in revenue, the lower spend in expenses (excluding OASIS) resulted in a positive operating leverage of 0.2 per cent.

Salaries and benefits are TSSA's largest expenditure due to the nature of its business as a service organization. Spend in this area was lower compared to the prior year, primarily due to the OPSEU inspector labour disruption.

Non-salary operating expenses increased by \$1.5 million, or 7 per cent, over the prior year. Impacts from easing COVID-19 restrictions in addition to costs related to the OPSEU inspector labour disruption were attributable to the expense increase. The spend was partially offset by a HST refund related to the last four years and lower bad debt resulting from the implementation of the New Business Model. Additionally, where possible and prudent, expense reductions, delays and deferrals were achieved in a variety of key non-salary expense categories. Non-strategic initiatives were placed on hold to focus employees on delivering strategic initiatives.

TSSA generated an excess of revenue over expenses of \$1.1 million primarily due to expense savings, timing of spend and the HST credit. Despite these savings, TSSA ended the year with a net excess \$0.4 million lower than prior year driven by the labour disruption.

Capital Expenditures

The capital expenditures for the year were \$3.3 million. Excluding the impact of OASIS and strategic IT programs, FY23 capital expenditures were \$0.4 million, \$0.2M lower than FY22, and primarily related to computer hardware and end-of-life system replacements.

Net Assets

TSSA's financial position remains strong with net assets of \$34.3 million. TSSA continues to operate with no unfunded liabilities and maintains a solid working capital position (excluding deferred revenue) of \$20.7 million (\$16.5 million as of April 30, 2022). Accounts receivable related to customer accounts is significantly lower than last year due to the New Business Model. The current ratio (excluding deferred revenue) of 1.9:1 is lower than FY22 which was 2.1:1. This decline is not of concern to management, as it is marginally lower than last year. TSSA's investments in short- and long-term financial instruments total \$53.8 million (\$47.8 million as of April 30, 2022). This increase in investments over the prior year is a result of the New Business Model, which is based on a model of prepaid fees. TSSA investments are held to maturity in high quality, very low-risk financial instruments, adhering to the investment policy approved by the Board of Directors.

At FY23 year end, TSSA's total reserve level was \$20.6 million, 29.5 per cent of total operating expenses, excluding expenses for the OASIS program. Within the reserve, the internally restricted reserve of \$18.3 million represents 26.1 per cent of total operating expenses. The balance of the unrestricted reserve of \$2.4 million is sufficient to support FY24 operating and capital funding requirements, including planned investments in the strategic plan and systems replacement/ decommissioning activities in the OASIS program for FY24.

Fiscal Year 2024 Outlook

The FY24 budget represents management's commitment to stakeholders to develop and implement a practical financial plan aligned with the vision and strategic priorities of TSSA. The emphasis is on delivering efficient, customer-focused processes that support TSSA's regulated mandate, while funding investments to ensure a solid business foundation and modernization for the future.

To address the inflationary pressures for FY24, a fee increase is planned to support TSSA's key responsibilities and ensure its financial stability. In FY24, fees for all programs (except ED/AD/SKI) will be increased by 4.0 per cent in order to expedite the reduction of cross-subsidization between safety programs, support the modernization process, and continue to address the Auditor General's recommendations. While the fee increase is not sufficient to eliminate TSSA's regulatory net margin deficit, it helps reduce the projected net deficit until TSSA implements adjustments based on the FY23 assessment of the revised fee structure implemented on May 1, 2021.

TSSA's total budgeted revenue is \$82.4 million, an anticipated increase of 8.4 per cent versus the prior year. FY23 revenue was reduced as a result of the labour disruption.

TSSA's total budgeted expenses amount to \$84.3 million, which is an increase of 14.0 per cent over the prior year and includes internal resource costs to support the volume of planned activities to deliver TSSA's safety mandate and investments to achieve the strategic and business plan objectives.

Core business expense growth, excluding OASIS program expenses, is expected to be 17.9 per cent over FY23. This increase is primarily driven by lower salary and benefits in FY23 due to the labour disruption, in addition to increases in IT costs for software licences, data storage and the Data Lake - a central repository for historical and current data to enable analytics and reporting. Additionally, TSSA continues to focus on planned initiatives, including its transformation to an Outcome-Based Regulator, digitization including its online customer portal, and developing a regulatory framework in new areas in an effort to position TSSA for the future.

TSSA's capital budget for FY24 is projected at \$2.5 million. The spend is driven by a combination of the OASIS program and the Data Lake, as well as spend to upgrade and maintain IT infrastructure to ensure effectiveness, security, performance and reliability.

The balance sheet is expected to remain solid, and liquidity will continue to be strong, based on available working capital and ongoing cash management. TSSA's liquidity ratios are strong, with cash available to support operations and capital investments. TSSA's investment portfolio of high-grade, low-risk investments remains consistent with the corporation's policy and is also closely monitored by a third-party investment manager.

TSSA reserves are 29.5 per cent of expenses, excluding OASIS expenses, at the end of FY23. The total reserve level at the end of FY24 is expected to be 21.5 per cent. The reserve policy targets a restricted reserve level of 25 per cent of budgeted operating expenses. It is expected that reserves will begin to increase in FY25 as TSSA works towards completion of the Data Lake and digitization initiatives. Recovery of the reserves will be achieved through fee increases, in addition to other measures identified by management, to support the business in achieving its long-term vision and goals and ensure adequate capital for unforeseen economic events. As such, TSSA expects that the reserve target will be surpassed in FY26.

TSSA is confident that the established operating and capital budgets will enable the successful execution of TSSA's regulatory mandate and overall business plan. In FY24, TSSA will continue to focus on its New Strategic Plan and transformation into an Outcome-Based Regulator, with the ability to clearly demonstrate improved safety outcomes for Ontarians. TSSA is committed to being a trusted partner and educator and assisting the regulated community in achieving compliance and safety outcomes, while reducing unnecessary burden on the industry and fostering economic growth.

Independent Auditor's Report

To the Members of
Technical Standards and Safety Authority

Opinion

We have audited the financial statements of Technical Standards and Safety Authority ("TSSA"), which comprise the statement of financial position as at April 30, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TSSA as at April 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of TSSA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing TSSA's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate TSSA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing TSSA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 TSSA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TSSA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause TSSA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
June 28, 2023

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants
Licensed Public Accountants

Technical Standards and Safety Authority

Statement of Financial Position

(In thousands of dollars)

April 30	2023	2022
Assets		
Current		
Cash	\$ 7,512	\$ 4,605
Short-term investments (Note 3)	30,484	20,239
Accounts receivable (Note 4)	3,647	5,406
Prepaid expenses	<u>1,643</u>	<u>1,539</u>
	43,286	31,789
Long-term investments (Note 3)	23,307	27,584
Capital assets (Note 5)	2,061	2,435
Intangible assets (Note 6)	<u>12,267</u>	<u>10,365</u>
	<u>\$ 80,921</u>	<u>\$ 72,173</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 22,346	\$ 15,050
Lease inducements (Note 8)	266	245
Deferred revenue	<u>23,197</u>	<u>22,622</u>
	45,809	37,917
Lease inducements (Note 8)	<u>843</u>	<u>1,129</u>
	<u>46,652</u>	<u>39,046</u>
Net assets (Notes 13 and 14)		
Invested in capital and intangible assets	13,632	11,911
Internally restricted	18,247	13,947
Unrestricted	<u>2,390</u>	<u>7,269</u>
	<u>34,269</u>	<u>33,127</u>
	<u>\$ 80,921</u>	<u>\$ 72,173</u>

Commitments and contingencies (Note 15)

On behalf of the Board



Robert J. Falconi
Board Chair



Glen Padassery
Chair of Audit, Finance and Risk Committee

See accompanying notes to the financial statements.

Technical Standards and Safety Authority

Statement of Operations

(In thousands of dollars)

Year ended April 30	2023	2022
Regulatory business revenue		
Elevating and amusement devices	\$ 29,454	\$ 29,299
Fuels	22,215	24,272
Boilers, pressure vessels and operating engineers	<u>14,422</u>	<u>16,818</u>
	66,091	70,389
Non-regulatory business revenue	<u>7,311</u>	<u>7,116</u>
	<u>73,402</u>	<u>77,505</u>
Regulatory business expenses		
Salaries, wages and benefits	47,706	52,351
Operating	19,034	17,639
Amortization	<u>1,767</u>	<u>1,416</u>
	68,507	71,406
Non-regulatory business expenses	<u>4,989</u>	<u>5,122</u>
	<u>73,496</u>	<u>76,528</u>
Deficiency of regulatory business revenue over regulatory business expenses	(2,416)	(1,017)
Excess of non-regulatory business revenue over non-regulatory business expenses	2,322	1,994
Investment income	<u>1,236</u>	<u>549</u>
Excess of revenue over expenses	<u>\$ 1,142</u>	<u>\$ 1,526</u>

See accompanying notes to the financial statements.

Technical Standards and Safety Authority

Statement of Changes in Net Assets

(In thousands of dollars)

Year ended April 30

	Invested in capital and intangible assets	Internally restricted	Unrestricted	Total 2023	Total 2022
Net assets, beginning of year	\$ 11,911	\$ 13,947	\$ 7,269	\$ 33,127	\$ 31,601
Excess (deficiency) of revenue over expenses	(1,574)	-	2,716	1,142	1,526
Investment in capital assets	434	-	(434)	-	-
Investment in intangible assets	2,861	-	(2,861)	-	-
Net assets fund transfer	-	4,300	(4,300)	-	-
Net assets, end of year	<u>\$ 13,632</u>	<u>\$ 18,247</u>	<u>\$ 2,390</u>	<u>\$ 34,269</u>	<u>\$ 33,127</u>

See accompanying notes to the financial statements.

Technical Standards and Safety Authority

Statement of Cash Flows

(In thousands of dollars)

Year ended April 30	2023	2022
Increase (decrease) in cash		
Operating		
Excess of revenue over expenses	\$ 1,142	\$ 1,526
Items not affecting cash:		
Amortization of capital assets	808	725
Amortization of intangible assets	959	691
Amortization of leasehold improvement allowance (Note 8)	(193)	(193)
Amortization of rent free period (Note 8)	(72)	(59)
Unrealized loss on short-term investments	<u>-</u>	<u>19</u>
	2,644	2,709
Change in non-cash working capital items (Note 10)	<u>9,526</u>	<u>10,755</u>
	<u>12,170</u>	<u>13,464</u>
Investing		
Proceeds on maturity of short-term investments	1,594	18,120
Purchase of short-term investments	(11,839)	(19,342)
Proceeds on maturity of long-term investments	18,047	16,571
Purchase of long-term investments	(13,770)	(24,389)
Acquisition of capital assets	(434)	(370)
Acquisition of intangible assets	<u>(2,861)</u>	<u>(2,346)</u>
	<u>(9,263)</u>	<u>(11,756)</u>
Increase in cash	2,907	1,708
Cash		
Beginning of year	<u>4,605</u>	<u>2,897</u>
End of year	<u>\$ 7,512</u>	<u>\$ 4,605</u>

See accompanying notes to the financial statements.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

1. Nature of operations

Technical Standards and Safety Authority (“TSSA”) is a statutory corporation without share capital under the Technical Standards and Safety Act, 2000 (the “TSS Act”), based on amendments that were proclaimed effective May 1, 2010. TSSA is responsible for the administration of the TSS Act. As required by the amendments, TSSA entered into a Memorandum of Understanding (“MOU”) with the Ministry of Government and Consumer Services of the Province of Ontario (“MGCS”). Effective April 24, 2013, and pursuant to the TSS Act, MGCS and TSSA executed an amendment to the MOU to revoke and replace the prior additional non-regulatory objects of TSSA, including certain procedures to facilitate compliance with the revised requirements. These revised objects reflect more clearly the non-regulatory business activities of TSSA.

TSSA’s objectives, as outlined in the TSS Act and MOU, allow TSSA to continue to administer the TSS Act and its regulations to promote and undertake public safety activities in relation to matters assigned to it, including training, certification, licensing, registration, audit, quality assurance, inspection, investigation and enforcement, subject to certain additional powers of the MGCS. TSSA is exempt from income tax.

Regulatory business revenue reflects those activities prescribed under the TSS Act.

In addition to its regulatory business services, TSSA offers services to the federal and Ontario provincial government and undertakes other contracts that are not regulated, as permitted by the TSS Act and MOU. This revenue is categorized as non-regulatory business revenue and includes service revenue from engineering activities and inspections.

2. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook - Accounting.

Revenue recognition

Revenue from elevating and amusement devices; fuels; and boilers, pressure vessels and operating engineers comprises inspection, engineering and licensing, registration and certification fees.

Revenue from the provision of inspection and engineering services is recorded when services are performed. Non-refundable licensing, registration and certification fees are recognized as deferred revenue when received. These fees are then recognized evenly over the period covered by the fee.

Interest income is recognized as revenue when earned and is recorded on an accrual basis.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

2. Significant accounting policies (continued)

Financial instruments

TSSA considers any contract creating a financial asset, liability or equity instrument as a financial instrument. A financial asset or liability is recognized when TSSA initially becomes party to contractual provisions of the instrument. TSSA accounts for the following as financial instruments:

- Cash
- Short-term and long-term investments
- Accounts receivable
- Accounts payable

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of each fiscal year, if there are indicators of impairment. If there is an indicator of impairment, TSSA determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount TSSA expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

Capital assets

Purchased capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Leases that transfer substantially all the benefits and risks of ownership are capitalized. Replacements are expensed in the year of replacement. Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following rates:

Equipment	4 years
Furniture and fixtures	5 years
Computer hardware	3 years
Leasehold improvements	Remaining term of lease

Amortization of a capital asset commences when it is brought into service.

Contributed capital assets are recorded at fair value at the date of contribution.

Assets attributable to capital projects that are not available for use are held as assets in progress and are not amortized until the asset is substantially complete and available for use.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

2. Significant accounting policies (continued)

Intangible assets

Intangible assets relate to the costs of internally and externally developed software and business systems. Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following rates:

Business systems	10 years
Computer software	2 years

Amortization of an intangible asset commences when it is brought into service.

Contributed intangible assets are recorded at fair value at the date of contribution.

Assets attributable to projects that are not available for use are held as assets in progress and are not amortized until the asset is substantially complete and available for use.

Impairment of long-lived assets

TSSA assesses long-lived assets for impairment whenever conditions or changes in circumstances indicate that the asset no longer contributes to its ability to provide goods and services, or that the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When conditions indicate that a long-lived asset is impaired, the net carrying amount of the asset is written down to its fair value or replacement cost. The write-downs of long-lived assets are accounted for as an expense in the statement of operations and are not reversed.

Allocation of expenses

TSSA classifies expenses in the statement of operations by business type, regulatory business and non-regulatory business. TSSA allocates certain expenses as noted below on a consistent basis each year. Allocated expenses and the basis of allocations are as follows:

- (i) Direct labour and benefits are allocated on the basis of time incurred as a percentage of revenue; and
- (ii) Certain corporate support expenses are allocated using various allocation methods, including percentage of revenue and square footage of space.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

3. Investments

Short-term investments consist of the following:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Cash	\$ 97	\$ 97	\$ 60	\$ 60
Guaranteed investment certificates	<u>30,387</u>	<u>30,387</u>	<u>20,179</u>	<u>20,179</u>
	<u>\$ 30,484</u>	<u>\$ 30,484</u>	<u>\$ 20,239</u>	<u>\$ 20,239</u>

Short-term investments have yields between 0.65% and 5.35% (2022 - 0.4% and 2.26%) and mature prior to March 04, 2024 (2022 - February 22, 2023).

Long-term investments consist of guaranteed investment certificates and have effective rates between 1.02% and 5.20% (2022 - 0.65% and 2.95%), maturing from July 29, 2024 to January 31, 2028 (2022 - May 2023 to October 2026).

TSSA holds fixed income securities which are subject to market risk, interest risk and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains and losses and interest income.

The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise.

The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

TSSA does not enter into any derivative instrument arrangements for hedging or speculative purposes.

4. Accounts receivable

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 4,068	\$ 6,354
Allowance for doubtful accounts	<u>(421)</u>	<u>(948)</u>
	<u>\$ 3,647</u>	<u>\$ 5,406</u>

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

5. Capital assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 1,653	\$ 1,567	\$ 86	\$ 91
Furniture and fixtures	930	930	-	-
Computer hardware	4,408	3,757	651	628
Leasehold improvements	<u>3,908</u>	<u>2,584</u>	<u>1,324</u>	<u>1,716</u>
	<u>\$ 10,899</u>	<u>\$ 8,838</u>	<u>\$ 2,061</u>	<u>\$ 2,435</u>

6. Intangible assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Business systems	\$ 20,802	\$ 8,535	\$ 12,267	\$ 10,361
Computer software	<u>1,582</u>	<u>1,582</u>	<u>-</u>	<u>4</u>
	<u>\$ 22,384</u>	<u>\$ 10,117</u>	<u>\$ 12,267</u>	<u>\$ 10,365</u>

Accumulated additions to the business systems transformation project of \$4.814 (2022 - \$2,012) have not yet been amortized, as they are not substantially complete or available for use at April 30, 2023.

	<u>2023</u>	<u>2022</u>
Assets in progress, beginning of year	\$ 2,012	\$ 2,661
Additions	2,802	2,336
Amounts available for use	<u>-</u>	<u>(2,985)</u>
Assets in progress, end of year	<u>\$ 4,814</u>	<u>\$ 2,012</u>

7. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$2,455 (2022 - \$542), which relate to sales tax, payroll remittances and oversight fees charged by the MGCS.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

8. Lease inducements

Lease inducements reflect an original leasehold improvement allowance and free rental period rental equalization of \$2,629. As of April 30, 2023, the residual balance of the inducement is \$1,109 (2022 - \$1,374). The lease inducements and rent-free period are amortized over the term of the lease.

	<u>2023</u>	<u>2022</u>
	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvement allowance	\$ 696	\$ 889
Rent free period	<u>413</u>	<u>485</u>
Lease inducements	1,109	1,374
Current portion	<u>266</u>	<u>245</u>
	<u>\$ 843</u>	<u>\$ 1,129</u>

9. Allocation of expenses

Direct labour and benefits expenses of \$2,235 (2022 - \$2,417) have been allocated to non-regulatory business expenses.

Corporate support expenses of \$33,516 (2022 - \$33,818) have been allocated as follows:

	<u>2023</u>	<u>2022</u>
Regulatory business expenses	\$ 31,446	\$ 31,582
Non-regulatory business expenses	<u>2,071</u>	<u>2,236</u>
	<u>\$ 33,516</u>	<u>\$ 33,818</u>

10. Supplemental cash flow information

Change in non-cash working capital items:

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 1,759	\$ 912
Prepaid expenses	(104)	(426)
Accounts payable and accrued liabilities	7,296	3,134
Deferred revenue	<u>575</u>	<u>7,135</u>
	<u>\$ 9,526</u>	<u>\$ 10,755</u>

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

11. Pension plans

TSSA has established defined contribution pension plans for its employees. Contributions by TSSA on account of current service pension costs paid and expensed amounted to \$2,430 (2022 - \$2,413).

12. Indemnification of directors and officers

TSSA has indemnified its past, present and future directors and officers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors and officers are personally named as a result of their service, provided they acted honestly and in good faith with a view to the best interest of TSSA. The nature of the indemnity prevents TSSA from reasonably estimating the maximum exposure. TSSA has purchased directors' and officers' liability insurance with respect to this indemnification.

13. Net assets

a) Invested in capital and intangible assets

The amount represents net book values of capital and intangible assets, net of the leasehold improvement allowance (Note 8).

b) Internally restricted and unrestricted

TSSA has an approved internally restricted reserve to ensure sufficient capital is maintained for continued services and to allow for significant unforeseen economic events. This policy, approved by the Board, sets a threshold target internally restricted reserve level of 25% of budgeted regulatory and non-regulatory operating expenses, excluding expenses associated with Board-approved strategic initiatives. The Board considers the sum of the internally restricted reserve and unrestricted net assets to be the total reserve. As at April 30, 2023, the total reserve was \$20,637 (2022 - \$21,216). The unrestricted net assets balance of \$2,390 (2022 - \$7,269) represents funding for future business initiatives.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

14. Capital disclosures

TSSA's capital is its net assets as reflected in the statement of financial position. Within net assets, TSSA manages its internally restricted reserve and unrestricted reserve, as described in Note 13. TSSA's primary objective of enhancing public safety is supported by safeguarding its assets and ensuring it remains financially viable through effective risk-based planning, investment and cost management policies and procedures. TSSA manages its capital structure through its strategic planning process, as approved by the Board. This includes an annual budget of revenue and expenses, investments in capital assets and intangible assets and management of cash and interest-bearing short-term/long-term investments. There are no externally imposed restrictions on its capital structure.

15. Commitments and contingencies

Operating facility

Under the terms of its banking agreement, TSSA has available a demand operating facility of up to \$10,000. This facility bears interest at TSSA's bank's prime rate per annum and is secured by a general security agreement over TSSA's assets and assignment of fire and business interruption insurance. As at April 30, 2023, \$Nil (2022 - \$Nil) was drawn on the facility.

Lease obligations

TSSA leases office space, cloud-based online services, vehicles and equipment. Future minimum payments, by year and in the aggregate, under operating leases with initial or remaining terms of one year or more, consist of the following:

2024	\$	1,293
2025		1,091
2026		840
2027 and thereafter		<u>404</u>
	\$	<u>3,628</u>

Litigations

TSSA has been named as defendant in certain litigations alleging actual and punitive damages. The possible outcomes or any settlements are not determinable at April 30, 2023. It is management's belief that the ultimate outcome will not materially affect TSSA's financial position. Settlement, if any, will be accounted for during the period of resolution.

Technical Standards and Safety Authority

Notes to Financial Statements

(In thousands of dollars)

April 30, 2023

16. Revenues and expenses by program

The revenues and expenses of each of the three programs operated by TSSA under the TSS Act, and the revenues and expenses arising from non-regulatory operations, are as follows:

	Elevating and amusement devices	Fuels	Boilers, pressure vessels and operating engineers	Non- regulatory business	2023
Revenue	\$ 29,454	\$ 22,215	\$ 14,422	\$ 7,311	\$ 73,402
Expense	<u>24,614</u>	<u>24,601</u>	<u>19,292</u>	<u>4,989</u>	<u>73,496</u>
Excess (deficiency) of revenue over expenses	<u>\$ 4,840</u>	<u>\$ (2,386)</u>	<u>\$ (4,870)</u>	<u>\$ 2,322</u>	<u>\$ (94)</u>
	Elevating and amusement devices	Fuels	Boilers, pressure vessels and operating engineers	Non- regulatory business	2022
Revenue	\$ 29,299	\$ 24,272	\$ 16,818	\$ 7,116	\$ 77,505
Expense	<u>25,069</u>	<u>25,593</u>	<u>20,744</u>	<u>5,122</u>	<u>76,528</u>
Excess (deficiency) of revenue over expenses	<u>\$ 4,230</u>	<u>\$ (1,321)</u>	<u>\$ (3,926)</u>	<u>\$ 1,994</u>	<u>\$ 977</u>

Corporate Information

TSSA's Board of Directors

Robert J. Falconi, Chair

Managing Director, Raylee Valley Group

Brian Chu, Vice Chair

Founding Partner, Bogart Robertson & Chu LLP

Cathy Bailey

Vice President, Hospital Finance and Chief Financial Officer for Baycrest Hospital

Andrew Bedeau

Senior Manager of Cash Management and Payment Services, TD Bank

Marni Dicker

Executive Vice President, Infrastructure & Chief Legal Officer, Canadian Premier League

Connie Graham

Board Chair, London Hydro, Inc.

Lynne Innes (as of April 4, 2023)

President and Chief Executive Officer, Weeneebayko Area Health Authority (WAHA)

Jim Keech

President and CEO, Ontario One Call

Michael Lees

Former President, Babcock & Wilcox Nuclear Energy

Peter Marcucci

Former Vice President and Chief Public Safety Officer, Electrical Safety Authority

Glen Padassery

Executive Vice President, Policy and Chief Consumer Office, Financial Services Regulatory Authority of Ontario

Elaine Pitcher

Barrister and Solicitor, Elaine Pitcher Law Office

Susannah Robinson

Vice President, EPCOR Ontario Utilities Inc. CEO, EPCOR Ontario Distribution Ontario Inc.

Tracee Smith (to September 30, 2022)

Founder and CEO of Outside Looking In

Each Board member's term will expire within the next five years.

Board Committees

Each TSSA director is an active member of one of four committees:

Audit, Finance and Risk Committee; Governance and Human Resources Committee; Safety and Regulatory Affairs Committee; and Nominating Committee. Providing oversight in governance, reporting, fiduciary and legal duties, each member plays an important role in guiding TSSA's safety strategies.

Audit, Finance and Risk Committee (AFRC)

Glen Padassery, Chair

Cathy Bailey, Member

Peter Marcucci, Member

Andrew Bedeau, Member

Robert J. Falconi, Ex-Officio Voting Member

Governance and Human Resources Committee (GHRC)

Brian Chu, Chair

Susannah Robinson, Member

Marni Dicker, Member

Tracee Smith, Member (to September 30, 2022)

Robert J. Falconi, Ex-Officio Voting Member

Safety and Regulatory Affairs Committee (SRAC)

Elaine Pitcher, Chair

Mike Lees, Member

Connie Graham, Member

Jim Keech, Member

Robert J. Falconi, Ex-Officio Voting Member

Nominating Committee

Robert J. Falconi, Chair

Elaine Pitcher, Member

Brian Chu, Member

Glen Padassery, Member

Board Remuneration Policy

Members of the Board of Directors are remunerated in a manner that enables the organization to attract high calibre directors to support the organization's commitment to corporate governance excellence, while remaining accountable to all stakeholders through transparent compensation practices that are fiscally prudent. With the aid of an external consultant, the levels of remuneration for the Board Chair, Vice Chair, Committee Chairs and Directors are established based on a combination of annual retainers and meeting fees. Director total compensation levels are triennially reviewed against industry comparators within crown corporations and non-government regulatory organizations and associations. A blend of the market median of these comparators is utilized to establish compensation levels for retainers and meeting fees.

The policy strictly follows transparent and fiscally responsible compensation practices.

For additional information on Board remuneration, please visit www.tssa.org.

TSSA Pay Policy

TSSA's compensation philosophy is to pay a competitive total compensation package in order to attract and retain talented resources in the industry, while remaining accountable to all stakeholders through compensation practices that are fiscally prudent.

Based on market data collected by an external consulting firm, creating a blend from the public and private sectors, TSSA's pay policy provides base compensation at the median of market comparators utilizing greater Toronto area comparators for all non-executive employees and national data for the executive group.

For non-unionized employees, annual salary reviews are conducted and, at the discretion of the organization and within the overall budget approved by the Board, increases are administered on a merit basis with consideration to internal equity, external competitiveness (market data) and individual performance. Salaries and annual increases for unionized employees are determined through the collective bargaining process and collective agreements. In addition, TSSA adheres to the requirements of the Pay Equity Act. Reinforcing a performance culture and providing compensation that is competitive and appropriate for the organization, eligible employees must meet basic performance criteria in order to be eligible for variable pay.

Legislation, Bylaw and Policy Changes

Legislation

Amendments to *Technical Standards and Safety Act* regulations enacted in 2018 and 2019 came into force on July 1, 2022, to support alternate rules, administrative monetary penalties and data collection for Elevating Devices. O Reg 289/21 (Administrative Penalties) prescribes enforcement activities for offences under O Reg 209/01 (Elevating Devices regulation), which are subject to administrative monetary penalties. Additional amendments to the Elevating Devices regulation were made to support elevator outage reporting.

Data Management

TSSA remains committed to ensuring better access to timely, reliable data by having effective data collection procedures and governance in place. Integrating all of TSSA's safety programs onto one system, TSSA launched the third release of OASIS, its IT business solution program, to improve data integrity and overall efficiency. Recognizing that data accuracy is at the core of TSSA's regulatory actions and decisions, the multi-year modernization program, being rolled out over four phases, is key to TSSA's transition to an Outcome-Based Regulator. Prior to each release of the program, extensive efforts are undertaken to cleanse the data and implement the proper controls and oversight to ensure ongoing data integrity.

TSSA has put in place data governance practices which include appointment of data owners and data stewards with clear data quality responsibilities and established metrics with targets for high priority data sets. In addition, TSSA implemented dashboards and controls to prevent and identify data entry errors.

For the last four years, TSSA's Safety and Risk Officer has reviewed the process and data used to create TSSA's Annual Public Safety Report, and made recommendations, which TSSA has adopted where applicable.

Client Satisfaction / Value Survey

TSSA conducts a customer satisfaction/value survey of its stakeholders, clients and holders of authorizations on a biennial basis through a third-party independent research firm. The goal of the research is to strengthen customer relationships through establishing a deeper understanding of the value TSSA provides as an organization.

A copy of the most recent survey results is available on [TSSA's website](#).

Complaint Handling

TSSA strives to achieve fairness and satisfaction as a valued regulator and has a framework in place to handle complaints. A complaint may be an expression of dissatisfaction with respect to services TSSA provides or actions of staff. Although TSSA seeks to address complaints at the level they are raised, should the matter require further attention, the complaint is escalated to more senior leaders, including Statutory Directors appointed under the delegated safety legislation, or the President and Chief Executive Officer.

TSSA also has a third-party Whistle Blowing Service to which potential TSSA wrongdoings can be reported by anyone. Reports are then investigated and tracked on a confidential basis. The Whistle Blowing Service also accepts reports and complaints about TSSA's regulated parties. Visit TSSA's website for more information about the Whistle Blowing Service.

An independent and confidential resource employed by TSSA, TSSA's Ombudsman supplements the organization's other formal communications channels. Concerns may be raised and discussed with the Ombudsman and suggestions for improvements brought forward.

The Ombudsman's Annual Report documents both the Ombudsman's and Whistle Blower Service's activities. Visit TSSA's website for more information about [TSSA's Ombudsman](#).

French Language Services

TSSA responded to all requests for French services as they arose during the year. This year, TSSA made its safety education material available to the public online in French and delivered two of its carbon monoxide public education safety campaigns in bilingual format.

Accessible Goods, Services and Facilities

Committed to providing services that are accessible to people with disabilities in accordance with the provincial Accessibility for Ontarians with Disabilities Act (AODA) - Accessibility Standard for Customer Service: Regulation 429/07, TSSA strives to ensure the provision of customer service in a way that reflects the AODA core principles: Dignity, Independence, Integration and Equal Opportunity. TSSA's Customer Service Accessibility Policy and Multi-Year Accessibility Plan are available online at www.tssa.org.

Performance Targets and Results

TSSA sets annual performance targets which are reviewed and approved by the Minister of Public and Business Service Delivery. These Key Performance Indicators are published on the TSSA website at www.tssa.org.

TSSA's Executive Leadership Team for Fiscal Year 2023

Bonnie Rose, President and CEO

Tom Ayres, Vice President, Policy, Legal and General Counsel

Dan Brazier, Chief Financial Officer

Alexandra Campbell, Vice President, Communications and Stakeholder Relations

Laura Desjardins, Vice President, Human Resources (to April 21, 2023)

Vice President, Strategic Initiatives (as of April 24, 2023)

Nashir Jiwani, Interim Vice President, Operations

TSSA's Statutory Appointments for Fiscal Year 2023

The individuals listed below are designated as Directors under Ontario's *Technical Standards and Safety Act, 2000* and/or specific regulations.

Roger Neate, Director, Elevating and Amusement Devices Safety Program

Ajay Raval, Director, Boilers and Pressure Vessels and Operating Engineers Safety Program

Sam Sadeghi, Director, Fuels Safety Program

Phil Simeon, Policy Director

Advisory Councils

Industry Advisory Councils input and advise on TSSA's safety strategies, initiatives and service delivery, essential to the continued safety of Ontarians. Since TSSA's creation, the organization has pursued this effective form of collaboration through its eight industry Advisory Councils. Council chairs are listed below.

Cindy Sypher, Amusement Devices

Rodney Philip, (Fall 2022) and Greg Black (Spring 2023), Boilers and Pressure Vessels and Operating Engineers

Kelly Leitch, Elevating Devices

Brent Francis, Liquid Fuels

Martin Luymes, Natural Gas

David Karn, Propane

Kevin Nichol, Ski Lifts

Consumers Advisory Council

Advocating for public interest in TSSA safety matters, the Consumers Advisory Council provides essential input into TSSA services, policies and actions. Members are listed below.

G. Rae Dulmage, Chair

Ahmad Hussein, Member

Kathryn Woodcock, Member

Ronald Morrison, Member

Jay Jackson, Member

Christine Simpson, Member

Sunaina Menezes, Member

For more information on Advisory Councils, including minutes of meetings, please visit www.tssa.org.



Technical Standards and Safety Authority

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