



Annual Report 2024



**ONE
TSSA**



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.

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

Throughout Ontario, the Technical Standards and Safety Authority (TSSA) enhances public safety through engagement, evidence, enforcement and education. TSSA regulates the safety of amusement devices, boilers and pressure vessels, elevating devices, fuels, operating engineers, and ski lifts. Its range of safety services includes engineering design reviews, authorization of regulated entities and professionals, inspections, data collection and risk analysis, compliance support, enforcement, prosecution activities, and public education.

TSSA strongly believes in a safety system, in which safety is a shared responsibility. Equipment designers, manufacturers, installers, maintainers, owners, insurers, consumers and the public join TSSA and work together for a safer Ontario. TSSA oversees the safety system, focusing on where the risk is the greatest and takes a collaborative approach to help its regulated customers remain compliant and operate safely.

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

This report is reflective of our fiscal year 2024 (May 1, 2023 - April 30, 2024); hereinafter referred to as FY24.

* Known as the Ministry of Public and Business Service Delivery prior to June 6, 2024.

Vision, Purpose and Values

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

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Message from the Chair

Partnership is at the core of our modernized regulatory approach. TSSA strongly believes in a safety system where all our stakeholders join TSSA and work together to manage public safety risk.

TSSA began fiscal year 2024 (FY24) on strong footing and with a renewed commitment to safety as we embarked on a new Strategic Plan. Our accomplishments in the past fiscal year are a testament to dedication, collaboration and leadership of the TSSA team, working in partnership with our valued stakeholders to drive our mission forward and make Ontario a safer place for all.

Partnership is at the core of our modernized regulatory approach. TSSA strongly believes in a safety system where all our stakeholders join TSSA and work together to manage public safety risk. In FY24, we made significant strides in fostering collaboration. By introducing new platforms and streamlining processes, we have made it easier for our stakeholders and safety partners to engage with us. Notably, our revamped corporate website and user-friendly TSSA Client Portal empower regulated individuals and entities to actively manage safety, by providing easier access to information, tools and services and giving customers the ability to conduct transactions online and manage their own business information. By updating their profiles and information, regulated parties can help TSSA build up more reliable and accurate data to prioritize our efforts to reduce harm.

Our strong partnership with the Ontario government remains a critical component of our efforts to prepare the province for the future, with the necessary oversight in place to ensure safety. In collaboration with the Ministry of Public and Business Service Delivery and Procurement, we're advancing initiatives to close safety gaps and modernize regulatory frameworks. From exploring licensing regime enhancements to facilitating the safe use of alternative fuels aligned with Ontario's low-carbon hydrogen strategy, TSSA is committed to building a safer and more sustainable future for all Ontarians.



**I am confident
in our ability to
work effectively
together.**

At the Board level, we're privileged to have industry leaders and experts from diverse professions and backgrounds guiding TSSA's strategic decisions. In FY24, the appointment of Glen Padassery as Vice-Chair, succeeding Brian Chu, reflects our continuing commitment to excellence in governance and leadership. We thank Brian for his years of dedicated service and significant contributions in the role of Vice Chair.

Additionally, the TSSA team received some well-deserved accolades in recognition of their outstanding commitment to safety. Bonnie Rose, our President and CEO was acknowledged as a Top Woman in Safety for the second time by Canadian Occupational Safety's (COS) magazine. This honour was followed by TSSA being named a three-time winner of a 5-Star Safety Cultures Award by COS. These awards underscore our collective dedication to fostering a culture of safety and innovation. Congratulations to Bonnie and the entire TSSA team on these remarkable achievements!

With our fresh Strategic Plan, robust governance, strong safety partnerships and a high-performing TSSA team, I am excited about the future of TSSA. I am confident in our ability to work effectively together and that we are well-positioned to continue to make substantial progress towards a safer Ontario today and tomorrow.



Robert J. ("RJ") Falconi
Chair, Board of Directors

Message from the President & CEO

We've observed significant progress in the areas where we've established compliance standards.

TSSA achieved a significant milestone in FY24, marking our progress towards delivering improved safety outcomes. Our safety data show a steady decline in Risk of Injury or Fatality (RIF) since FY21, indicating a reduction in risk. As part of delivering our Outcome-Based Regulator strategy, we're introducing more Compliance Standards across regulated sectors and devices. These standards align harm reduction efforts with the level of risk posed. We've observed significant progress in the areas where we've established compliance standards. For passenger elevators, the compliance rate has more than doubled and for fuel contractors the compliance rate has reached an impressive 80%. These positive safety trends are a strong testament to the collaborative efforts of TSSA, its partners, and regulated clients in prioritizing and advancing safety standards.

Having launched a new five-year Strategic Plan in FY24, we remain committed to delivering on our safety mandate. Our new strategy brings with it a redefined Vision, Purpose, and Values, which serve as our compass. We've woven these guiding principles into the very fabric of our operations, ensuring that safety outcomes are a fundamental aspect of everything we do. TSSA being honoured with a 5-Star Safety Cultures Award for the third consecutive year underscores our strong commitment.

On behalf of TSSA's Executive Leadership Team, I'd like to thank our employees and stakeholders for their contributions to informing and supporting the new Strategic Plan. Our collaboration has ensured a smooth and successful start to this new strategy. The solid progress achieved by the dedicated ONE TSSA team in this inaugural year empowers us to pursue critical safety initiatives down the road.



TSSA team members now have easy access to trustworthy safety data, leading to more efficient processes and better data insights.

To further enhance our team's capabilities, we laid the foundation with a new talent development initiative that will equip managers and supervisors with advanced leadership and team-building skills for the future. Set to launch in early FY25, the Leadership training reflects our commitment to investing in our teams, nurturing growth and preparing tomorrow's leaders.

In FY2024, we made significant strides in advancing our "Ease of Doing Business" objective, a key theme outlined in our new strategy. Notably, the implementation of the TSSA Client Portal and the revamped corporate website were both made possible by a remarkable cross-functional team effort, these new digital platforms offer easy access to our high-volume services and essential information and tools in a user-friendly, streamlined manner, 24 hours a day, 7 days a week.

The launch of the Client Portal also marks the successful completion of the five-year OASIS project, our most critical investment in digital modernization that fuels our ongoing transformation. Additionally, at the organizational level, we established a centralized Customer Service unit to support our new commitment to improving the quality of customer service. Collectively, these initiatives are transforming the way we interact with clients, making it easier for them to do business with TSSA.

The OASIS project continues to deliver value through new capabilities and efficiency gains. Our team's rigorous data cleansing efforts through all phases of the project allowed us to transition reliable and accurate information from a legacy system to a centralized system we call our Data Lake. As a result, TSSA team members now have easy access to trustworthy safety data, leading to more efficient processes and better data insights. Furthermore, decommissioning our old platform has resulted in cost savings.

Strengthening processes and addressing safety gaps remain a focal point for TSSA. For example, in the past year, we made encouraging progress in resolving Historical Lapsed Authorizations, with more than 80 per cent of identified devices addressed by the end of FY2024.

Engagement, collaboration, and partnership are fundamental elements of our modernized regulatory framework.

Engagement, collaboration, and partnership are fundamental elements of our modernized regulatory framework. Over the past year, we actively engaged with industry stakeholders on new compliance standards and key modernization initiatives, including exploring new areas for annual licensing. We value the feedback shared with us, which we will consider when formulating policies and programs to enhance safety.

We are grateful to the Advisory Councils for their invaluable feedback, which helps shape our decisions to enhance public safety in our province. Through ongoing, constructive partnership, we will not only advance safety outcomes but also position Ontario at the forefront of new opportunities, including the development of hydrogen, biofuels, and nuclear power, by expanding to meet the growing demand.

Looking ahead, TSSA remains steadfast in our commitment to prioritizing safety and executing on four strategic themes: Rewarding, Purpose-Driven Work, Outcome-Based Regulator, Ease of Doing Business, and Future-Ready. With strong momentum in implementing our Strategic Plan, supported by a thriving community of partners, TSSA is poised to play a pivotal role in leading the way towards a safer Ontario.



Bonnie Rose
President & Chief Executive Officer

Our Year in Review

Highlights

2024

- April**
 - Launched TSSA Client Portal (OASIS Final Release)
 - Garnered 5-Star Safety Cultures Award
 - Implemented plan for Payment Card Industry (PCI) Compliance
- March**
 - Kicked off the 5th Annual Trunk Slammers (Unregistered Fuels Workers) Awareness & Enforcement Campaign
 - CEO Bonnie Rose Named Among Canada's Top Women in Safety
- February**
 - Launched a central data repository "the Data Lake" and decommissioned a legacy system
- January**
 - CO Safety Winter Wise Seasonal Campaign

2023

- November**
 - New corporate website went live with refreshed branding
 - CO Safety Campaign during CO Awareness Week
- September**
 - Released Public Safety Report with Improved Format
 - Heating Contractor Auditor Program came into effect
- June**
 - Launched revised Compliance Standards for hydraulic and traction elevators
- May**
 - Seminars on Alternate Process for Pressure Piping Inspection in Ontario



April 2024

**Garnered 5-Star
Safety Cultures Award**

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. TSSA has only four recommended actions left to complete. In fiscal year 2025, TSSA will continue to address the outstanding recommendations.

Significant Prosecutions

While working with stakeholders toward compliance is the cornerstone of safety, at times, TSSA must resort to prosecution as an effective tool of enforcement.

In fiscal year 2024, TSSA pursued five prosecution files for a total of \$40,500 in fines, plus a 25 per cent victim surcharge fee.

There are also two 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 serious consequences.



Strategic Plan Highlights

Rewarding, Purpose-Driven Work

Completed leadership development program for supervisors

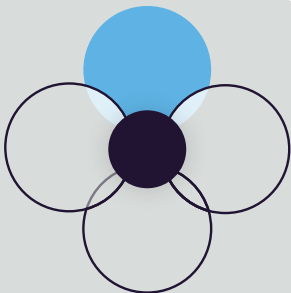
All employees play a role in ensuring TSSA achieves its ambitious goals as outlined in the new Strategic Plan. Strong leadership is essential at all levels to steer the organization in the right direction. To this end, during FY24, TSSA built a leadership development program for supervisors and future leaders. This program is an important development initiative that will serve to foster a culture of leadership, accountability, and teamwork and is set to be delivered in the upcoming fiscal year.

Stronger efforts to improve two-way communications

As part of our goal to enhance two-way communications between employees and all levels of management, TSSA hosted more frequent face-to-face meetings and exchanges. Focusing on the new Strategic Plan and TSSA's strategic direction, these interactions provided employees with opportunities to ask questions, share information, provide feedback, and voice concerns. As an organization, TSSA also benefitted from these dialogues in considering diverse perspectives, discussing challenges, identifying opportunities and brainstorming solutions together as a team.

Improved workload balance and knowledge transfer through capacity planning

Capacity planning is a critical step to ensure TSSA remains equipped to operate effectively to deliver on its safety mandate and address the needs of regulated customers now and in the future. This is especially important now in light of the challenging skilled labour market and impending retirements within the organization. In FY24, TSSA identified and prioritized resources to train employees ahead of retirements, ensuring adequate knowledge transfer and creating promotional opportunities for talented individuals. Employees also received training on various operational activities to establish backups for critical functions and single-source roles.



Outcome-Based Regulator

Increased internal data available for 40 per cent of TSSA authorizations

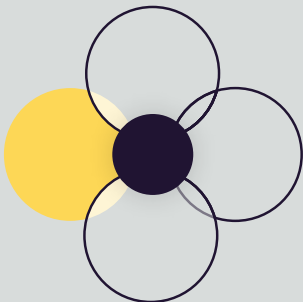
Data plays a pivotal role in TSSA's Outcome-Based Regulator approach, which leverages data analytics to identify the highest risks that require immediate attention and harm reduction efforts. In FY24, TSSA successfully boosted internal data available for risk-based decision to over 40% of all authorizations. This was achieved through initiatives such as the Heating Contractor Audit Program, linking elevating devices contractor data through the OASIS project, and enhanced internal incident data management processes.

Developed and launched Outcome-Based Regulator awareness campaigns

TSSA launched an awareness campaign to continue educating both internal and external stakeholders about why TSSA is transforming to become an Outcome-Based Regulator, how the transformation impacts them and the role they play in strengthening our data and enhancing compliance to reduce risk and improve safety. Facilitated through managers and supervisors, the internal campaign demonstrated how the transformation directly relates to employees and their job functions, ensuring stronger alignment within the organization towards realizing the outcome-driven vision. The external-facing part highlights how the new regulatory approach enhances safety outcomes within the province and outlines the compliance requirements for respective regulated industries.

Continued to address historical lapsed authorizations

In FY24, TSSA continued to track and address the historical lapsed authorizations that expired between April 30, 2016, and April 30, 2021. Encouraging progress has been made in this effort, with over 80 per cent of the 3,500 lapsed devices being resolved by the end of the fiscal year. While investigating new historical lapsed authorizations, the team also identified process gaps leading to finding additional lapsed devices. The new discoveries have strengthened TSSA's ability to improve its safety process and mitigate against potential illegal operations.



Ease of Doing Business

Established a Customer Service Centre with a plan to improve customer service

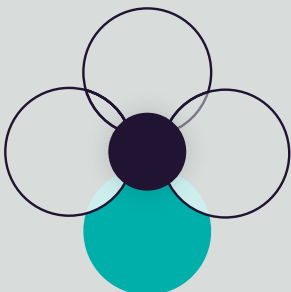
Recognizing the importance of seamless and consistent services, TSSA realigned its operations to elevate customer experience. During FY24, a centralized team was formed to service customers, supported by digital offerings including a user-friendly self-service portal and a revamped website. Additionally, TSSA devised a long-term plan aimed at driving continual enhancements in customer service for the coming years.

Launch of new corporate website

TSSA launched a new corporate website during the fiscal year as part of its commitment to make things easier for regulated clients. The revamped website is carefully redesigned based on customer input and provides an easy and efficient way to access core information, resources and services, while delivering a more engaging, intuitive and user-friendly experience.

Launch of TSSA Client Portal

TSSA concluded its multi-year IT and business solution project, OASIS, with the successful launch of its final release – the TSSA Client Portal. For four years TSSA has been aggressively cleaning data, and through successive releases, moving the organization on to a new IT system in preparation for the release of the portal. The self-service portal streamlines the customer experience, making it easier to do business with TSSA. Through this new digital platform, users have quick access to the highest-volume applications and a suite of capabilities that enable them to conduct a range of online transactions directly and update their business information as needed. This translates into faster servicing time for customers and improved overall efficiency for TSSA.

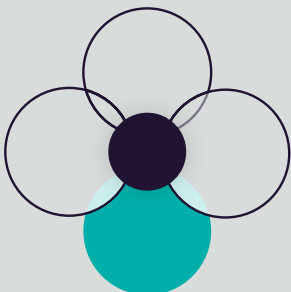


Advancing the documentation and simplification of work instructions

TSSA documented and simplified 81 work instructions in the Boilers and Pressure Vessels, Elevating Devices, and Fuels Safety programs, as well as in the Inspection Scheduling and Customer Service departments. This work contributed to ongoing consistency and harmonization, as well as knowledge transfer, throughout the organization.

Implemented plan for Payment Card Industry (PCI) Compliance to facilitate secure online transactions

With the growth in credit card transaction volumes, aligning with the PCI Data Security Standard is essential for TSSA's operations. An independent assessment of TSSA's PCI control environment confirmed that transactions processed through TSSA's online payment portals are PCI compliant. In FY24, TSSA had implemented additional recommendations from the analysis to further enhance data security for online transactions.



Developed policy and technical framework for Hydrogen and Biofuels

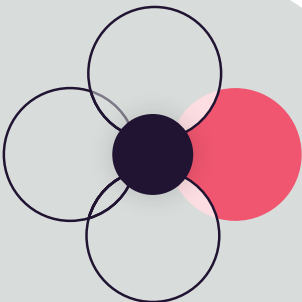
In FY24, TSSA developed policies and technical frameworks to support the regulation of Hydrogen and Biofuels. This involved conducting an analysis of available standards, research, and regulatory approaches, followed by formulating regulatory proposals that consider stakeholders, equipment, and existing standards.

Implemented Phase 1 of digitization strategy for historical data

The success of OASIS allowed TSSA to capture existing data, transfer it from the legacy system and store it for easy retrieval from a data lake during FY24. Employees find it significantly easier to access safety data through the data lake. By decommissioning a legacy system, TSSA further reduces cost and improves operational efficiency. This also demonstrates the additional value generated from OASIS.

Red Seal Program

TSSA worked with Skilled Trades Ontario (STO), the Ministry of Labour, Immigration, Training and Skills Development (MLITSD), and the then Ministry of Public and Business Service Delivery (MPBSD) to consider options for the Red Seal endorsement in Ontario for gas and oil burner technicians. The government will not be pursuing changes to the existing regulatory framework and TSSA continues to be the regulator for these occupations.



Safety Program Highlights



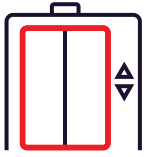
Boilers and Pressure Vessels and Operating Engineers Safety Programs

Alternate Process for Pressure Piping Inspection

As of May 1, 2023, a voluntary, alternative process to the existing inspection procedure for eligible piping fabrications and installations has been implemented, providing a streamlined compliance approach for the regulated community. This process alleviates burdens on regulated parties, eliminating the need to wait for a TSSA inspector to perform in-person inspections of low-risk systems and sign off. Through this process, eligible piping contractors are allowed to inspect their applicable systems and submit a data report that gets reviewed by TSSA. TSSA actively promoted the transition to this new approach by hosting a series of seminars and training courses throughout the year, ensuring industry professionals understand the new process and its requirements.

Celebrating Canadian Boiler Society's 100 Year Anniversary

In FY24, the Canadian Boiler Society, a key partner in the boiler and pressure vessel industry, commemorated its 100th anniversary. TSSA's Chief Engineer represented the organization at the society's highly attended anniversary event and annual general meeting. He provided the latest updates on Ontario's Boiler and Pressure Vessel safety regulations and TSSA's progress towards becoming an Outcome-Based Regulator, while acknowledging the society's significant contribution to advancing industry innovation and safety standards in Canada throughout its remarkable 100-year history.



Elevating Devices, Amusement Devices and Ski Lift Safety Programs

Updated Compliance Standards for hydraulic and traction elevators

TSSA announced improved Compliance Standards in June 2023, for hydraulic and traction elevators. The change results in a more effective safety program with very focused requirements in the compliance standards. This means there are fewer high-risk orders that can be issued on a periodic inspection than previously communicated. To inform the industry on these updated standards, TSSA hosted various webinars, providing insights into their implementation and implications.



Continuing Education for the Amusement Device Sector

In partnership with the National Association of Amusement Ride Safety Officials (NAARSO), TSSA organized another successful annual training event in April 2024. Held over three days in Oshawa, Ontario, the event drew more than 160 registrants who earned 16 hours of continuing education credits from NAARSO. The seminar brought together TSSA inspectors and key industry stakeholders including ride manufacturers, engineers, academics, ride mechanics, theme park operations professionals. Attendees gained insights into various topics, such as ride inspection and audit, rider accessibility, ride evacuation, maintenance records, standards and regulatory updates, welding best practices, electrical requirements, grounding and bonding. The event concluded with NAARSO level I and II exams where aspiring engineers can pursue professional accreditation.

Professional Training Seminar for Safety Program Team

Continuing education is essential to maintaining elevating device mechanic authorization in Ontario. The National Association of Elevator Safety Authorities (NAESA), Canadian Region, conducted its annual seminar dedicated to elevating device inspection and updates on codes and standards. Nearly 200 individuals participated in this comprehensive training session that was held from November 7 -9, 2023. Inspectors, engineers, and staff from TSSA's Elevating and Amusement Devices and Ski Safety Program were among the attendees. The seminar covered a range of topics, including updates on the new Elevator Code, presentations on electronic components, and a specific requirement for escalator inspection.



Fuels Safety Program

Heating Contractor Audit Program Formalized

The Heating Contractor Audit Program that was launched a few years ago moved to a formal audit program as of September 1, 2023. Under the revised Heating Contractor Audit Program, TSSA inspectors now focus on the contractor's business operation instead of conducting field inspections for code compliance. This allows the contractor to be responsible for regulatory compliance, including checking their fuel technicians' work in the field. The program continues with enhanced processes incorporating learnings since it was first launched a few years ago.

Advisory on the Use of Existing Unapproved Equipment: Commercial or Industrial

Fuel equipment regulated by TSSA must receive approval before it can be sold, leased, rented, installed, or put into use. However, recognizing there may be existing equipment in Ontario lacking appropriate approval, TSSA acknowledges the need for businesses to continue operations while ensuring compliance. In response, TSSA offers variances to allow companies to operate their existing, unapproved equipment—defined as equipment in situ for a substantial period—until official approval is obtained. To clearly communicate these variances, TSSA issued an advisory to clarify the conditions under which unapproved fuel equipment can operate during the Field Approval process.

Industry Webinar for Construction Heat Program

TSSA and Enbridge co-hosted an informative webinar on Construction Heat Program updates in November 2023. Enbridge experts provided insights into the Construction Heat Program, while TSSA engineers discussed the responsibilities of builders. The webinar attracted notable participation and interest from industry professionals, fostering an interactive dialogue, among attendees that included TSSA certificate holders, TSSA-registered contractors and TSSA-licensed fuel distributors.

Fuel Safety Inspector Training Program

Inspectors joining TSSA's Fuels Safety team participated in a new training program. These theoretical and practical sessions offer a consistent approach to learning the standards and practices expected of inspectors and equipping new hires with the knowledge and skills they need to perform their safety mandates.

Public Safety Education Campaigns

Committed to increasing public awareness of the risks associated with misuse and mishandling of TSSA-regulated equipment and devices, TSSA promoted public safety through a number of initiatives aimed at changing unsafe behaviours including:

Carbon Monoxide (CO) Safety – increasing awareness of the dangers of CO poisoning and how to prevent them

BBQ Safety – guiding Ontarians on sensible and safe barbecuing practices

Dig Safety – reminding the public to get locates from Ontario One Call before digging or excavating

Patio Heater Safety – highlighting the hazards associated with the misuse of patio heaters and telling users how to be safe

Seasonal 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



Partnering for a Safe Ontario

Safety Awards 2024

Impact Award
Modern Niagara
Group Inc.



Leading the Way to Safety Excellence Through Education and Partnership

As one of Canada's largest mechanical contractors responsible for building much of the country's infrastructure, Modern Niagara Group Inc. goes above and beyond industry regulations to prioritize safety. Its commitment to safety excellence and proactive approach to fostering a culture of compliance has earned it the Technical Standards and Safety Authority's (TSSA) Impact Award for 2024.

"We take our role very seriously because what we build out there represents the places where people are going to work, play, live, and heal. There's a substantial obligation that comes with that," said Clinton Askwith, Director of Compliance with Modern Niagara. "We want to make sure that we're delivering the safety and compliance services that we need to make that happen."

Modern Niagara's investment in training and development enables its team to navigate regulatory requirements, uphold safety standards and relay safety and compliance messaging to stakeholders in various jurisdictions. The organization's partnerships with safety regulators are also instrumental in mitigating risks and facilitating client-friendly solutions through initiatives spanning certification development, incident reporting, internal audits and adapting to outcome-based regulations.

When asked if there is one significant factor that distinguishes the organization's ability to contribute to safety in a meaningful way, Askwith emphasized that the whole is greater than the sum of its parts.

"It's important that we never lose sight of the fact that safety must continue to be the primary motivator in business activities."

— Clinton Askwith
Modern Niagara
Group Inc.

"I don't know if there's a single point that can be identified because the safety culture within Modern Niagara has been built into a mature program over the years; it is at the core of everything we do," said Askwith, pointing to Modern Niagara's leadership, management buy-in and practice of putting people first.

Modern Niagara works with clients in the boilers, pressure vessels and pressure piping sectors, operating engineers in registered plants and fuel-related operations. Educating stakeholders about safety requirements and compliance is a strong component of what the organization does. "Even though it might not be a sector that we engage in, we want to make sure that if a client has a question, we can help guide them down the right road to finding the answer."

It has become increasingly challenging for regulators and regulated parties to keep up with the rapid pace of innovation and change. "We are all forced to adapt very quickly on many fronts and sometimes, given the rapid changes, the fundamentals of safety may slip off the radar," cautioned Askwith.

As a result, the shift towards data-driven decision-making has become more critical in identifying safety gaps and addressing inconsistencies. Data analytics on emerging trends provide a framework that guides safety decisions and the actions required to mitigate identified risks. In short, it is about taking a holistic approach to safety that includes a culture that values quality work, prioritizes people and supports positive client experiences.

"It's important that we never lose sight of the fact that safety must continue to be the primary motivator in business activities," said Askwith, who sees the award as a recognition of the work that the Modern Niagara team does. "I am very happy for our people because it shows their efforts are recognized and make a significant impact on our day-to-day operations."



Safety Awards 2024

Legacy Award
Andreas Tanzer



Trailblazer's Legacy of Safety Leadership Sets the Standard for Waterpark Industry

Water has always been a recurring theme throughout Andreas Tanzer's life. As the son of master sailboat builder Johann Tanzer, Tanzer inherited his father's passion for facilitating fun in the water. Over a 38-year career, he has become a leading figure in professional water-ride design and the development of industry standards and safety regulations for the waterpark industry.

Tanzer, who recently retired as Director of Research, Designs and Standards with ProSlide Technology Inc. in Ottawa and continues to provide consulting services to the amusement and waterpark industry as president of AJT Consulting Ltd., is the recipient of the Technical Standards and Safety Authority's (TSSA) Legacy Award for 2024.

TSSA's annual Safety Awards recognize individuals and organizations that go beyond their regular call of duty to improve safety outcomes for Ontarians. The Legacy Award, in particular, is given to those with a longstanding commitment to safety conscientiousness in their field.

The award is the culmination of an illustrious career spanning almost four decades. "I was completely surprised and humbled," said Tanzer, who had no idea he had been nominated for the award.

Tanzer's role in ProSlide focused primarily on safety and ensuring that the industry has and uses the best practices available. "As I am part of the TSSA Amusement Devices Advisory Board and serving as the American Society for Testing and Materials (ASTM) F24's Vice Chair on Amusement Rides and Devices, it is my obligation and goal to ensure the safety of the amusement industry," he said.

Tanzer was conferred the Legacy Award for his safety contributions to the waterpark industry and leadership. He has been instrumental in creating industry standards and chairing the ASTM F24 committee's task group for water slides. His significant efforts have led to the establishment of the internationally recognized ASTM F2376 Standard Practice for Classification, Design, Manufacture, Construction, and Operation of Water Slide Systems in 2006.

**"Don't stand by
and watch;
be part of
the industry."**

— Andreas Tanzer

Currently the ASTM F24 Vice-Chair on Amusement Rides and Devices, Tanzer remains deeply involved in the committee's task group for water slides and aquatic play structures. His pioneering work in standards development and innovative water ride design has earned him numerous accolades. Andreas received the WWA Kelly Ogle Memorial Safety Award in 2009 and was presented with the 2015 Kelly Ogle Memorial Award for his work on ensuring the safety of the waterpark industry.

Tanzer said working with amusement safety professionals from around the world inspires him to go above and beyond to improve safety. "This gives me a greater sense of how the industry strives to be and stay safe; this also helps motivate me," he said.

Tanzer finds great satisfaction in the collaborative efforts that go into developing, designing, engineering and installing safe rides and seeing how others share the same passion and care to ensure amusement ride safety. Meeting people like park operators, maintenance personnel and the general public at various amusement parks and witnessing how the work behind the scenes culminates in riders' laughter and enjoyment is also a key motivator. "This drives me to keep the rides safe and protect everyone who uses them," said Tanzer.

For safety professionals and organizations looking to strengthen their safety leadership and practice in the amusement industry, Tanzer advises them to get involved with the industry and standards organizations. "Don't stand by and watch; be part of the industry."

He also urged organizations and safety professionals to educate themselves by connecting with new professionals and industry veterans. "Once you make connections and start understanding how standards, organizations and inspectors work and what standards they follow, you will be in a much better position to make your organization, park or amusement facility safer and more effective."



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, 2024 (FY24). 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 \$79.5 million, an increase of 7 per cent from last year. Regulatory revenue of \$71.0 million was higher than the prior year by 7 per cent, due to inspectors returning to work after the OPSEU inspector strike that occurred between July 21 and October 18, 2022. Non-regulatory revenue of \$6.4 million was 13 per cent lower than the previous year. Interest income of \$2.1 million was higher by 72 per cent.

TSSA's regulatory revenue mix comprises revenue from Licensing/Registration/Certification (LRC) (\$42.9 million), Inspections (\$21.9 million) and Engineering (\$6.1 million). In FY23, the Board of Directors approved a 4.0 per cent inflationary fee increase for FY24, effective May 1, 2023, 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 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 BPV/OE program produces non-regulatory revenue.

The ED/AD Safety Program generated regulatory revenue of \$30.1 million, 2 per cent higher than the prior year. Fuels Safety Program revenue of \$23.9 million was higher by 8 per cent compared to last year. BPV/OE Safety Program regulatory revenue of \$17.0 million was higher by 18 per cent compared to the prior year. The year over year increases are in large part due to the prior year inspector strike TSSA experienced.

TSSA is committed to managing expenses, optimizing efficiency, and creating an environment in which there are sustainable, low costs. In FY24, management focused on delivering its strategic initiatives, and managing spend to deliver budgeted net margin, given the revenue challenges. Total expenses were \$81.8 million, an 11 per cent increase over the prior year. Aiming to deliver data integrity and overall efficiency through investment in

technology and process improvements, TSSA is focused on completing 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. At the end of FY24, TSSA successfully delivered the fourth and final release of OASIS. The latest release – in the form of a client self-service portal – provides customers with a 360-degree dashboard that displays account information, notifications, application status and provides the ability to make payments on the new service platform via credit card. Total expenses in FY24 for TSSA's OASIS program were \$2.0 million, 44 per cent lower than last year. The decrease in spend over last year is due to the reduced scope and effort of Release 4 as compared to Release 3 (in FY23). Excluding the OASIS program, core business expenses were 14 per cent higher than the prior year. Despite the increase in revenue, the higher spend in expenses (excluding OASIS) resulted in a negative operating leverage of 7.6 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 higher compared to the prior year, where FY23 wage savings were realized as a result of the OPSEU inspector labour disruption.

Non-salary operating expenses increased by \$1.2 million, or 6 per cent, over the prior year. FY23 operating expense spend was partially offset by a one-time HST refund. FY24 cost increases were modest and reflective of prudent management decisions with a focus on delivering strategic initiatives.

TSSA generated a deficit of revenue over expenses of \$2.3 million primarily due to revenue softness in part driven by resource constraints. TSSA ended the year with a net margin deficit \$3.4 million lower than prior year. The decrease was driven by favourable FY23 results, attributed to savings which resulted from the labour disruption and the one-off HST rebate.

Capital Expenditures

The capital expenditures for the year were \$2.5 million. Excluding the impact of OASIS and strategic IT programs, FY24 capital expenditures were \$0.3 million, \$0.1M lower than FY23, and were primarily related to computer hardware, end-of-life system replacements and the purchase of office equipment required to support day-to-day operations.

Net Assets

TSSA's financial position remains strong with net assets of \$32.0 million. TSSA continues to operate with no unfunded liabilities and maintains a solid working capital position (excluding deferred revenue) of \$9.6 million (\$20.9 million as of April 30, 2023). The current ratio (excluding deferred revenue) of 1.4:1 is lower than FY23 which was 1.9:1. The decrease in working capital and current ratio are driven by short-term investments maturing and funds being reinvested in long-term investments in FY24. TSSA's investments in short- and long-term financial instruments total \$55.4 million (\$53.8 million as of April 30, 2023). 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 FY24 year end, TSSA's total reserve level was \$17.9 million, 22 per cent of total operating expenses, excluding expenses for the OASIS program. Within the reserve, the internally restricted reserve of \$17.1 million represents 21 per cent of total operating expenses. The balance of the unrestricted reserve of \$0.8 million is adequate to support the operating and capital funding requirements, including planned investments in the strategic plan for FY25.

Fiscal Year 2025 Outlook

The FY25 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 FY25, a fee increase is planned to support TSSA's key responsibilities and ensure its financial stability. In FY25, fees for all programs will be increased by 5.0 per cent in order to expedite the reduction of cross-subsidization between safety programs, and support the modernization process. The fee increase will reduce the net margin deficit; however, the increase is not enough to eliminate the deficit. TSSA will continue to review fees on an annual basis to address the net margin deficit.

TSSA's total budgeted expenses amount to \$86.9 million, which is an anticipated increase of 6.0 per cent over where we expect to end FY24 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 8.0 per cent over FY24. This increase is primarily driven by FY25 wage increases and lower salary and benefits in FY24 due to delayed hiring. Additionally, TSSA continues to focus on planned initiatives, including its

transformation to an Outcome-Based Regulator, improved client services, building boiler and pressure vessel capacity including nuclear inspection and engineering capacity and developing a regulatory framework in new areas, in an effort to position TSSA for the future.

TSSA's capital budget for FY25 is projected at \$1.0 million. The spend is driven by investments in the FY25 strategic initiatives and 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 closely monitored by a third-party investment manager.

TSSA continues to monitor its reserves, which are expected to be 22.0 per cent of expenses, excluding OASIS expenses, at the end of FY24. The total reserve level at the end of FY25 is expected to be 19.6 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 FY27. Recovery of the reserves will be achieved through fee increases, in addition to other efficiency measures identified by management, to support the business in achieving its long-term vision and goals and ensure adequate capital for unforeseen economic events.

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 FY25, TSSA will continue to focus on its 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, 2024, 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, 2024, 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 26, 2024

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

Technical Standards and Safety Authority Statement of Financial Position

(In thousands of dollars)

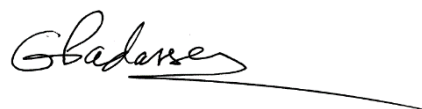
April 30	2024	2023
Assets		
Current		
Cash	\$ 7,080	\$ 7,512
Short-term investments (Note 3)	21,446	30,484
Accounts receivable (Note 4)	5,333	3,647
Prepaid expenses	1,573	1,643
	35,432	43,286
Long-term investments (Note 3)	33,944	23,307
Capital assets (Note 5)	1,422	2,061
Intangible assets (Note 6)	13,180	12,267
	\$ 83,978	\$ 80,921
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 26,320	\$ 22,346
Lease inducements (Note 8)	295	266
Deferred revenue	24,841	23,197
	51,456	45,809
Lease inducements (Note 8)	534	843
	51,990	46,652
Net assets (Notes 13 and 14)		
Invested in capital and intangible assets	14,088	13,632
Internally restricted	17,447	18,247
Unrestricted	453	2,390
	31,988	34,269
	\$ 83,978	\$ 80,921

Commitments and contingencies (Note 15)

On behalf of the Board



Robert J. Falconi
Board Chair



Glen Padassery
Chair, Audit, Risk and Finance Committee

See accompanying notes to the financial statements

Technical Standards and Safety Authority Statement of Operations

(In thousands of dollars)

Year ended April 30	2024	2023
Regulatory business revenue		
Elevating and amusement devices	\$ 30,096	\$ 29,454
Fuels	23,938	22,215
Boilers, pressure vessels and operating engineers	16,951	14,422
	70,985	66,091
Non-regulatory business revenue	6,387	7,311
	77,372	73,402
Regulatory business expenses		
Salaries, wages and benefits	55,253	47,706
Operating	18,726	19,034
Amortization	2,195	1,767
	76,174	68,507
Non-regulatory business expenses	5,605	4,989
	81,779	73,496
Deficiency of regulatory business revenue over regulatory business expenses	(5,189)	(2,416)
Excess of non-regulatory business revenue over non-regulatory business expenses	782	2,322
Investment income	2,126	1,236
(Deficiency) excess of revenue over expenses	\$ (2,281)	\$ 1,142
Allocation of expense (Note 9)		

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 2024	Total 2023
Net assets, beginning of year	\$ 13,632	\$ 18,247	\$ 2,390	\$ 34,269	\$ 33,127
Excess (deficiency) of revenue over expenses	(2,014)	-	(267)	(2,281)	1,142
Investment in capital assets	173	-	(173)	-	-
Investment in intangible assets	2,297	-	(2,297)	-	-
Net assets fund transfer	-	(800)	800	-	-
Net assets, end of year	\$ 14,088	\$ 17,447	\$ 453	\$ 31,988	\$ 34,269

Technical Standards and Safety Authority Statement of Cash Flows

(In thousands of dollars)

Year ended April 30	2024	2023
Increase (decrease) in cash		
Operating		
(Deficiency) excess of revenue over expenses	\$ (2,281)	\$ 1,142
Items not affecting cash:		
Amortization of capital assets	811	808
Amortization of intangible assets	1,384	959
Amortization of leasehold improvement allowance (Note 8)	(181)	(193)
Amortization of rent free period (Note 8)	(99)	(72)
	<u>(366)</u>	<u>2,644</u>
Change in non-cash working capital items (Note 10)	4,003	9,526
	<u>3,637</u>	<u>12,170</u>
Investing		
Proceeds on maturity of short-term investments	30,217	1,594
Purchase of short-term investments	(21,179)	(11,839)
Proceeds on maturity of long-term investments	13,537	18,047
Purchase of long-term investments	(24,174)	(13,770)
Acquisition of capital assets	(173)	(434)
Acquisition of intangible assets	(2,297)	(2,861)
	<u>(4,069)</u>	<u>(9,263)</u>
(Decrease) Increase in cash	<u>(432)</u>	<u>2,907</u>
Cash		
Beginning of year	7,512	4,605
End of year	\$ 7,080	\$ 7,512

Technical Standards and Safety Authority Notes to Financial Statements

(In thousands of dollars)

April 30, 2024

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.

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

TSSA follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

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.

Technical Standards and Safety Authority Notes to Financial Statements

(In thousands of dollars)

April 30, 2024

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, 2024

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, 2024

3. Investments

Short-term investments consist of the following:

	Cost	2024 Fair value	Cost	2023 Fair value
Cash	\$ -	\$ -	\$ 97	\$ 97
Guaranteed investment certificates	21,446	21,446	30,387	30,387
	<u>\$ 21,446</u>	<u>\$ 21,446</u>	<u>\$ 30,484</u>	<u>\$ 30,484</u>

Short-term investments have yields between 1.02% and 5.2% (2023 - 0.65% and 5.35%) and mature prior to April 29, 2025 (2023 - March 04, 2024).

Long-term investments consist of guaranteed investment certificates have effective rates between 1.10% and 5.65% (2023 - 1.02% and 5.20%), maturing from June 16, 2025 to November 06, 2028 (2023 - July 29, 2024 to January 31, 2028).

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

	2024	2023
Accounts receivable	\$ 5,835	\$ 4,068
Allowance for doubtful accounts	(502)	(421)
	<u>\$ 5,333</u>	<u>\$ 3,647</u>

Technical Standards and Safety Authority Notes to Financial Statements

(In thousands of dollars)

April 30, 2024

5. Capital assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Equipment	\$ 1,741	\$ 1,588	\$ 153	\$ 86
Furniture and fixtures	948	947	1	-
Computer hardware	4,493	4,158	335	651
Leasehold improvements	3,890	2,957	933	1,324
	<u>\$ 11,072</u>	<u>\$ 9,650</u>	<u>\$ 1,422</u>	<u>\$ 2,061</u>

6. Intangible assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Business systems	\$ 23,099	\$ 9,919	\$ 13,180	\$ 12,267
Computer software	1,582	1,582	-	-
	<u>\$ 24,681</u>	<u>\$ 11,501</u>	<u>\$ 13,180</u>	<u>\$ 12,267</u>

Accumulated additions to the business systems transformation project of \$1,310 (2023 - \$4,814) have not yet been amortized, as they are not substantially complete or available for use at April 30, 2024.

	2024	2023
Assets in progress, beginning of year	\$ 4,814	\$ 2,012
Additions	2,297	2,802
Amounts available for use	(5,801)	-
Assets in progress, end of year	<u>\$ 1,310</u>	<u>\$ 4,814</u>

7. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$1,736 (2023 - \$2,455), which relate to sales tax, payroll remittances and oversight fees charged by the Ontario Government.

Technical Standards and Safety Authority Notes to Financial Statements

(In thousands of dollars)

April 30, 2024

8. Lease inducements

Lease inducements reflect an original leasehold improvement allowance and free rental period rental equalization of \$2,629. As of April 30, 2024, the residual balance of the inducement is \$829 (2023 - \$1,109). The lease inducements and rent-free period are amortized over the term of the lease.

	2024 Net Book Value	2023 Net Book Value
Leasehold improvement allowance	\$ 515	\$ 696
Rent free period	314	413
Lease inducements	829	1,109
Current portion	295	266
	\$ 534	\$ 843

9. Allocation of expenses

Direct labour and benefits expenses of \$2,448 (2023 - \$2,235) have been allocated to non-regulatory business expenses.

Corporate support expenses of \$36,859 (2023 - \$33,516) have been allocated as follows:

	2024	2023
Regulatory business expenses	\$ 34,331	\$ 31,446
Non-regulatory business expenses	2,528	2,071
	\$ 36,859	\$ 33,516

10. Supplemental cash flow information

Change in non-cash working capital items:

	2024	2023
Accounts receivable	\$ (1,686)	\$ 1,759
Prepaid expenses	70	(104)
Accounts payable and accrued liabilities	3,974	7,296
Deferred revenue	1,645	575
	\$ 4,003	\$ 9,526

Technical Standards and Safety Authority Notes to Financial Statements

(In thousands of dollars)

April 30, 2024

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 \$2,529 (2023 - \$2,430).

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, 2024, the total reserve was \$17,900 (2023 - \$20,637). The unrestricted net assets balance of \$453 (2023 - \$2,387) represents funding for future business initiatives.

Technical Standards and Safety Authority Notes to Financial Statements

(In thousands of dollars)

April 30, 2024

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, 2024, \$Nil (2023 - \$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:

2025	\$	1,395
2026		1,139
2027		684
2028		230
	\$	<u>3,448</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, 2024. 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, 2024

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	2024
Revenue	\$ 30,096	\$ 23,938	\$ 16,951	\$ 6,387	\$ 77,372
Expense	28,328	26,769	21,077	5,605	81,779
Excess (deficiency) of revenue over expenses	\$ 1,768	\$ (2,831)	\$ (4,124)	\$782	\$ (4,405)
	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	24,614	24,601	19,292	4,989	73,496
Excess (deficiency) of revenue over expenses	\$ 4,840	\$ (2,386)	\$ (4,870)	\$ 2,322	\$ (94)

Corporate Information

TSSA's Board of Directors

Robert J. Falconi, Chair
Managing Director, Raylee Valley Group

Glen Padassery, Vice Chair
Executive Vice President, Policy and Chief Consumer Officer,
Financial Services Regulatory Authority of Ontario

Bonnie Agostinho
Former Chief Information Officer of Canadian Tire Bank

Cathy M. Bailey
Vice President, Finance & CFO,
Hospital and Long-Term Care Home, Baycrest Hospital

Andrew Bedeau
Director of Treasury at First Canadian Title Insurance

Brian Chu
Founding Partner, Bogart Robertson & Chu LLP and counsel to the firm

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

Connie L. Graham
Board Chair, London Hydro, Inc.

Lynne Innes (to January, 2024)
President and Chief Executive Officer,
Weeneebayko Area Health Authority (WAHA)

Jim Keech
President and CEO, Ontario One Call

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

Elaine Pitcher
Barrister and Solicitor, Law Firm of Elaine S. Pitcher
Chair of the Northeast Local Health Integration Network

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

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
Bonnie Agostinho, Member
Cathy Bailey, Member
Andrew Bedeau, Member
Robert J. Falconi, Ex-Officio Member

Governance and Human Resources Committee (GHRC)

Brian Chu, Chair
Peter Marcucci, Member
Susannah Robinson, Member
Robert J. Falconi, Ex-Officio Member

Safety and Regulatory Affairs Committee (SRAC)

Elaine Pitcher, Chair
Marni Dicker, Member
Connie Graham, Member
Jim Keech, Member
Robert J. Falconi, Ex-Officio Member

Nominating Committee

Robert J. Falconi, Chair
Brian Chu, Member
Glen Padassery, Member
Elaine Pitcher, Member

*Committee membership structure as at April 30, 2024.

Corporate Information

Policy Changes

TSSA reviews its policies periodically to ensure they align with the organization's evolving business and operational needs. In FY24, significant updates were made to key policies, including the Code of Conduct and Procurement Policy. The updated Code of Conduct now includes enhanced requirements to prevent conflicts of interest, ensuring professional behavior and compliance for enforcement and regulatory personnel. The Procurement Policy was revised to incorporate streamlined processes, socially responsible criteria, and adjusted thresholds for quotations. For the most current policies, please visit [TSSA's website](#).

Data Management

Data is a key cornerstone of TSSA's evolution to an Outcome-Based Regulator. Through a focus on data governance and data quality standards, TSSA has implemented processes to ensure that good quality data is available for decisions across the company. Data on authorizations, compliance and incidents has been analyzed to form the basis of TSSA risk-based approaches such as compliance standards, inspection frequencies and risk profiles, which are being rolled out to more program areas in this new strategic plan.

With the fourth and last release of the OASIS digital transformation program, TSSA completed the fourth phase of cleansing critical data assets and the focus for the upcoming years is to ensure there is monitoring of data quality on an ongoing basis.

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 five 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.

Public Reports

TSSA produces a variety of corporate reports about its operations and the state of safety in Ontario.

The Strategic Plan defines the major corporate goals for multiple years and the key strategies that will be used to achieve them.

The annual Business Plan looks ahead and defines the objectives, various activities and budget that will be implemented during the fiscal year to support its strategic goals and outlines the capabilities that are needed to fulfill everyday business needs as well as the goals of the Strategic Plan.

The Annual Report reports on TSSA's audited financial statements upon the completion of a fiscal year and describes progress made against the commitments of the Strategic Plan and the Business Plan.

The annual Public Safety Report provides a review of trends and patterns on public safety as well as a summary and analysis of safety data collected by TSSA for Ontario.

These reports can be accessed on [TSSA's website](#).

Customer Value Survey

TSSA conducts a customer value survey of its 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 the [TSSA website](#).

Performance Targets and Results

TSSA sets annual performance targets which are reviewed and approved by the Ministry of Public and Business Service Delivery and Procurement. These Key Performance Indicators are published on the [TSSA website](#).

Complaint Handling

TSSA strives to achieve fairness and satisfaction as a valued regulator. 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, 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 complaint 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 Blowing 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. Moreover, TSSA continued to monitor requests for services in French to determine the appropriate level of service to meet public safety and regulated stakeholder service needs. TSSA continues to translate its educational safety information targeted to the general public and delivered a carbon monoxide public education safety campaign in a bilingual format.

Accessible Goods, Services and Facilities

TSSA is 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. In FY24, TSSA provided accessibility accommodations for 276 candidates who took our examinations. TSSA's Customer Service Accessibility Policy and Multi-Year Accessibility Plan are available online at <https://www.tssa.org>.

TSSA's Executive Leadership Team for Fiscal Year 2024

Bonnie Rose, President and CEO

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

Dan Brazier, Chief Financial Officer

Alexandra Campbell, Vice President, Communications, Stakeholder Engagement and Customer Service

Lisa Dymond, Vice President, People and Culture (as of July, 2023)

Ajay Raval, Vice President, Operations

Laura Desjardins, Vice President, Strategic Initiatives (to October, 2023)

TSSA's Statutory Appointments for Fiscal Year 2024

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

AJ Kadirgamar, Director, Elevating and Amusement Devices Safety Program

Kelly Hart, Director, Fuels Safety Program

Kim Semper, Director, Boilers and Pressure Vessels and Operating Engineers Safety Program

Phil Simeon, Director, Regulatory Policy

Advisory Councils

TSSA engages with industry experts, stakeholders and consumer representatives through Advisory Councils to gather information and input that help us make informed decisions related to our mandate to keep Ontarians safe.

These councils provide a structured mechanism to work with TSSA, sharing relevant knowledge and perspectives, applying experience to study issues, and developing recommendations to help inform and enhance public safety in the province.

Industry Advisory Councils

In support of its mandate to achieve positive safety outcomes and recognizing the need for strategic oversight and management of safety regulations and issues, TSSA actively solicits the advice and input of the key stakeholders from the respective industries that it regulates through a number of industry specific advisory councils. The advisory councils are invited to work with TSSA in support of safety initiatives and general enhancements in service delivery within their respective industries.

Council chairs are listed below.

Cindy Sypher, Amusement Devices

Greg Black (to November, 2023);

Mark Lambert (as of March, 2024), Boilers and Pressure Vessels and Operating Engineers

Kelly Leitch (to September 2023);

Jim Miller (as of October 2024), Elevating Devices

Brent Francis, Liquid Fuels

Martin Luymes, Natural Gas

David Karn, Propane

Kevin Nichol, Ski Lifts

Consumers Advisory Council

Through the Consumers Advisory Council, TSSA hears from consumer protection experts who provide independent advice and guidance on any aspect of TSSA which has an impact on the public or on consumers who are purchasers or users of devices and appliances regulated by TSSA.

Members are listed below.

G. Rae Dulmage, Chair

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.

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