



ANNUAL REPORT 2022



**Technical
Safety Authority
of Saskatchewan**

TABLE OF CONTENTS

CHAIR'S MESSAGE	04
VISION, MISSION, VALUES	05
LETTER FROM THE CEO	06
MANAGEMENT'S DISCUSSION OF FINANCIAL AND OPERATIONAL PERFORMANCE	09
BOARD OF DIRECTORS	28
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS	31
INDEPENDENT AUDITORS' REPORT	32
FINANCIAL STATEMENTS	35
NOTES TO THE FINANCIAL STATEMENTS	38



CHAIR'S MESSAGE



COLLEEN VANCH

a number of cultural change management strategies to promote and ensure the organization's alignment with TSASK's vision and mission. We are grateful for the efforts of TSASK's leadership and front-line people, as well as their tireless commitment to enhancing public safety.

As a Board, we also implemented a number of renewal strategies to address retirements among our directors. I want to express our sincere gratitude to three directors who retired from their roles on the TSASK Board this past year: Tom Robinson, a director since 2015 and Board Chair since 2017; Greg Mrazek, a director since 2015 and Chair of the Audit and Finance Committee; and Norm Beug, who joined in 2016, acted as Vice-Chair, and chaired the Technical Committee. Their leadership has been integral to TSASK's success and ability to earn the trust of stakeholders.

As part of our renewal, recognizing the expansion of TSASK's responsibilities, the Board increased its size by one, bringing the total number of directors to eight. We welcomed four new directors – Doug Kelln, Ron Styles, Rick Hoffman, and Shawna Argue – all who bring diverse skills and fresh perspectives to our Board. I encourage you to read about each of them beginning on page 28 of this report. From a Board leadership perspective, I was honoured to accept the role of Board Chair and I look forward to maintaining TSASK's commitment to integrity and transparency. And finally, I would like to acknowledge Shelley Lipon, Madeleine Robertson, and Doug Kelln, all who took on additional responsibilities as committee Chairs.

Even as TSASK's responsibilities and Board evolve, the organization's commitment to excellence in public safety remains unchanged. With the support of our people and the industry partners who make up our customer base, TSASK will continue to support growth and economic prosperity in Saskatchewan, with safety as our top priority.

Sincerely,

A handwritten signature in black ink that reads "C Vancha".

Colleen Vancha
Chair of the Board

OUR VISION

A leading and innovative safety authority - a Saskatchewan service provider, inspiring and shaping excellence in public safety.

OUR MISSION

In collaboration with industry, owners, and operators, we provide professional safety, educational, and regulatory services that create a high level of confidence in public safety.

OUR VALUES

● *SAFETY IS PARAMOUNT* - We practice uncompromised safety in and through the services we deliver.

● *RESPECT* - We treat colleagues, customers, and stakeholders with respect.

● *INTEGRITY* - We are open, honest, ethical, and transparent in our conduct.

● *TEAMWORK* - We believe in the strength of collaborative efforts, with the organization and with stakeholders.

● *ACCOUNTABILITY* - We are committed to responsible, consistent, and dependable actions.

● *PROFESSIONAL SERVICE* - We add value to our customers through excellence in everything we do.

● *RECOGNITION* - We value and acknowledge the work, ideas, initiatives, and contributions of our colleagues and customers.

● *CONTINUOUS LEARNING* - We empower our employees by supporting learning, growth, and transfer of knowledge to support continuous improvement and innovation.



LETTER FROM THE CEO

I am pleased to provide this report on the performance of the Technical Safety Authority of Saskatchewan for the 2021-22 fiscal year.

It is an understatement to say the past year threw some curveballs at our team. For the second consecutive year, we – like everyone – faced the ever-evolving challenges caused by a global pandemic. We also continued with the integration of responsibilities for gas and electrical licensing, permitting and inspections, which we took on during fiscal 2021, and added new responsibilities for plumbing permitting and inspections in fiscal 2022. Like the industrial partners who make up our customer base, we were working with a lot of moving parts and our success required a commitment to planning, communication, and execution.

I can say with no small measure of pride that our team not only faced those curveballs; they knocked them out of the park. We adapted to our current environment and evolved the way we deliver certain services, including the use of remote technologies for some inspections. With our new responsibilities for plumbing permitting and inspections, we provided additional training to inspectors, and developed internal systems to meet our requirements and the needs of industry. We continued the integration of new people and technologies, building a more cohesive approach to the services we provide across expanding areas of responsibility. All this was achieved without compromising the standard of safety that is at the heart of what we do and how we operate.

Most importantly, our team – from our Board of Directors to management to our people on the front line – know our work is not done. As pleased as we are with our progress in 2021-22, it was one step

on a long journey to create the most effective and efficient safety authority possible. We do, however, move forward with the knowledge that our people will find solutions to whatever challenges are thrown our way.

The Power of Change

It is a common misconception that safety is a product of rigid processes and checklists. While there is truth in the importance of well-documented routines, the reality is that delivering services to enhance safety performance requires innovative approaches and thinking. An example is our work this year on amusement ride inspections – a smaller but important part of our service delivery. With the return of fairs and exhibitions, our team put in place a new plan to do more advance work to pre-inspect equipment that may have been out of service during the pandemic and to ensure operators are familiar with the equipment in their care. It improved certainty that Saskatchewan families could enjoy a safe experience at their local fairs and exhibitions.

As TSASK takes on new technologies, we are working to embed this spirit of innovative thinking in our planning and approaches. We have the benefit of bringing together experienced professionals from different areas, including our historical base in boiler and pressure vessels, elevating devices and amusement rides, as well as people trained in our more recent technologies of gas, electrical, and plumbing. Although each technology requires specific industry knowledge, we share thinking across platforms to identify best practices that can improve safety outcomes in all to meet the needs of industry and strengthen the economic future of Saskatchewan.

Our goal is to have alignment across our operations – in our offices and in the field –

on our approach to safety and customer service. It's a process of cultural integration that will ensure we consistently do the right things in the right ways. Among our priorities is to identify the types of inspections that can materially improve safety. Our measure of success isn't doing more inspections; it is identifying the installations and equipment that hold higher risk and improving the way we inspect those projects.

This approach is a source of pride for our people, who recognize the importance and value of the work they do each day. In an employee engagement survey conducted by a third party in December 2021, our people identified the strength of the safety culture at TSASK, and provided a 4.4 out of 5 rating on workplace culture. Even through a challenging two years of transformation and a doubling of staff size, employee engagement remained high and provided a strong foothold to move forward.

We will continue to follow our change management plan, built on communicating and engaging with stakeholders; establishing and communicating a policy framework to support change; and identifying and executing our critical path.

We know that change is a constant – and our objective is to continue to see incremental improvements that demonstrate we are changing for better safety results.

Scaling Up

The expansion of TSASK's areas of responsibility brings a necessary expansion of every element of our operations. It requires more inspectors, more people in administration, more equipment, and more infrastructure. It also brings more revenue that – with diligent planning and prudent financial management – will support our current needs and enable us to build the organization for the future.



Our goal is to have alignment across our operations – in our offices and in the field – on our approach to safety and customer service.

Our revenues in 2021-2022 grew to \$26.88 million, up from \$16.59 million in the previous year and triple the \$8.85 million prior to taking on our new responsibilities. Expenses of \$25.36 million were also much greater than the \$16.52 of the prior year, primarily as a result of additional salaries as our number of employees grew to 155 people from 65 two years ago. Even as we worked through this period of transformation, we generated net earnings of \$1.52 million in fiscal 2022, which compared to \$76 thousand in the prior year. This profitability will support additional investment in the people and systems needed to support our transformation and to prepare for the future. It is important to note that revenue from new technologies – specifically gas and electrical – can rise and fall with construction activity, so we are cautious in preserving sufficient capital to support the business we build today.

We recognize that additional investment will be needed across the board to support our new size. Internal systems, including financial and information technology infrastructure, are a work in progress as we are aligning our operations to address needs of very different industries. Our changing world also requires investment in digital delivery and an expanded customer portal. Our approach is to invest our time in planning before investing our dollars on delivery. This includes a planning session scheduled for October 2022, with representation from across our company, to prepare us for building systems that are smart and sustainable.

A Series of Transformations

The changes at TSASK are more than one large transformation; they are the beginning of a series of transformations. We expect to continually improve on what we do and how we do it.

In part, our transformations will continue because of the changing world we live in. The growth in the electric vehicle marketplace has increased demand for electrical charging stations across the province and for special circuits for home charging. Advances in solar energy production are leading to larger solar installations on farms and industrial sites. The desire for battery-storage systems to secure energy supply is changing the requirements for inspection. TSASK is also involved in discussions as Saskatchewan studies the potential for small nuclear reactors and explores a range of avenues for future energy production.

We have the good fortune of being in a province with a large number of young, ambitious, and inventive professionals who are up to this challenge. As we expand our organization, we see a generational change taking hold that will help us today and prepare us for the future.

It is an exciting time for TSASK, which is a strange place for an organization that appreciates reliability and predictability.

We want to be “boring” but our environment requires us to remain dynamic and thoughtful in our approach.

Our people have demonstrated a palpable sense of pride in improving public safety in Saskatchewan, and I am proud of their efforts.

With the continuing support of industry and the Ministry of Government Relations – as well as our Board of Directors – we will keep working to enhance public safety in Saskatchewan.

Sincerely,



Bill Scott
Chief Executive Officer



The changes at TSASK are more than one large transformation; they are the beginning of a series of transformations.



MANAGEMENT'S DISCUSSION OF FINANCIAL AND OPERATIONAL PERFORMANCE

The purpose of Management's Discussion of Financial and Operational Performance is to enhance understanding of the industry trends that drive TSASK's priorities as an organization. It also provides financial and operational context to support the disclosures contained in the 2021-22 audited financial statements.

Organizational Overview

The Technical Safety Authority of Saskatchewan (TSASK) is a not-for-profit organization established July 1, 2010, through The Technical Safety Authority of Saskatchewan Act. TSASK was created from the Licensing and Inspections Branch of the Ministry of Corrections, Public Safety and Policing. The present relationship resides with the Ministry of Government Relations. TSASK's initial mandate involved the delivery of safety programs related to pressure equipment, elevating devices, and amusement rides in the province. TSASK has since taken on responsibility for gas and electrical licensing (previously under the Ministry of Government Relations) beginning in 2020, gas and electrical permitting and inspections (previously under SaskPower) in 2021, and plumbing permitting and inspections (previously under the Saskatchewan Health Authority) in 2022.

TSASK's registration, inspection, certification and licensing programs and services primarily operate on a fee-for-service basis. These fees are charged to the sectors that design, manufacture, install, operate, and own potentially hazardous equipment. TSASK administers and enforces the provisions of the following legislation and related regulations:

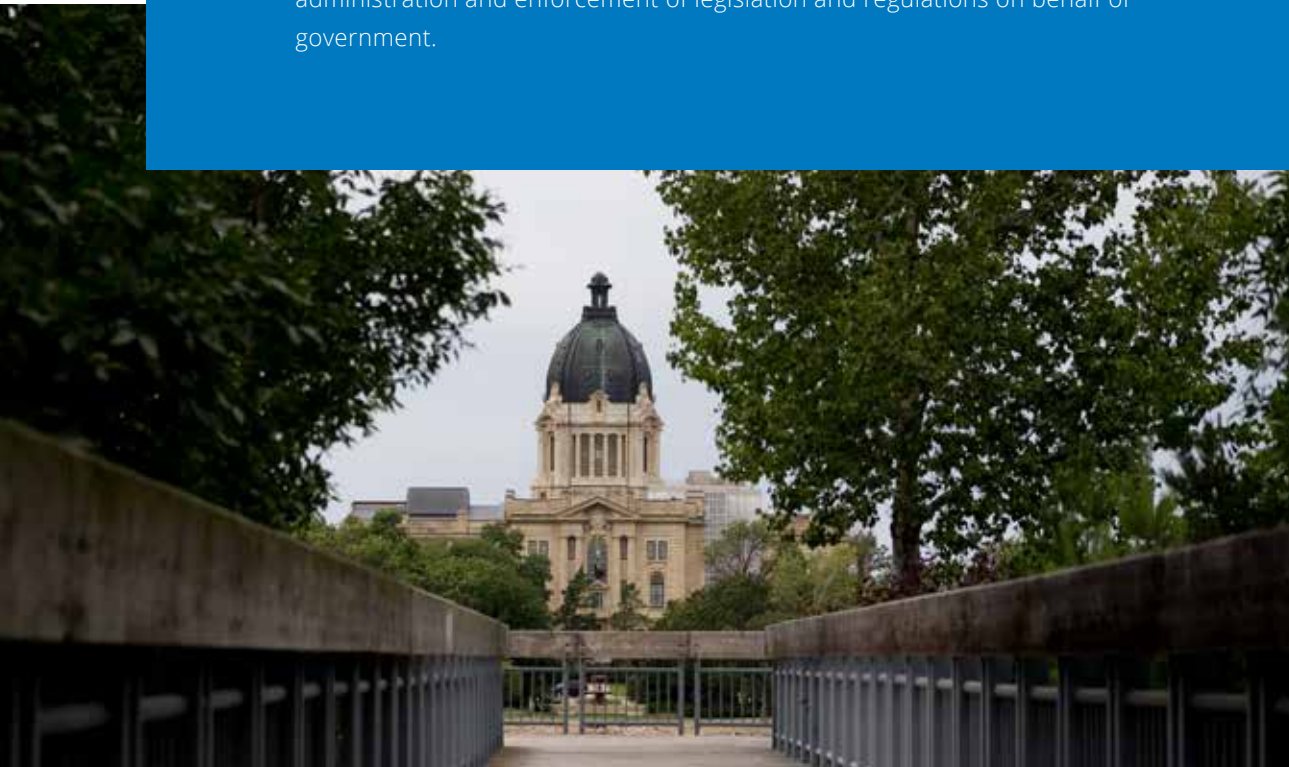
- The Boiler and Pressure Vessel Act, 1999;
- The Passenger and Freight Elevator Act;
- The Amusement Ride Safety Act;
- The Electrical Inspections Act, 1993;
- The Electrical Licensing Act;
- The Gas Inspections Act, 1993;
- The Gas Licensing Act, and;
- The Plumbing Code Regulations.

TSASK operates at arms-length from the provincial government, under the terms of a Safety Standards Agreement (SSA).

The Government of Saskatchewan, through the Ministry of Government Relations, continues to be responsible for the legislative and regulatory requirements governing the safe operation of boilers, pressure vessels, elevators, and amusement rides. Government Relations is also responsible for legislative and regulatory requirements related to gas and electrical licensing and inspections, which were previously the responsibility of SaskPower; as well as plumbing permitting and inspections, previously under the Ministry of Health. The Government continues to be responsible for establishing safety standards and policies, as well as legislative and regulatory requirements related to public safety.

Corporate Mandate

The Technical Safety Authority of Saskatchewan is responsible for the administration and enforcement of legislation and regulations on behalf of government.



Our professional team provides a full range of programs and services including:

- licensing and permitting;
- assessing regulated equipment design;
- overseeing the fabrication and installation of regulated equipment;
- assessing and certifying knowledge and quality practices within registered organizations;
- testing, certifying, and licensing of industry personnel;
- inspecting regulated equipment;
- educating and informing industry;
- contributing to the advancement of safety standards;
- enforcing standards and legislative compliance; and
- investigating reported accidents.

These services are provided to individuals and organizations that design, manufacture, install, operate, or own any equipment that falls within our area of responsibility.

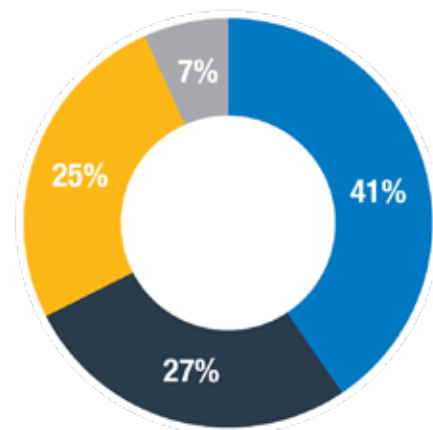
In 2018, the provincial government announced a plan to extend TSASK's areas of responsibility to create a more comprehensive single technical safety services agency for the province. Since that announcement, TSASK has successfully assumed responsibility for gas and electrical permitting, licensing and inspections, and plumbing permitting and inspections.

Fiscal 2021-22 Review of Financial Performance

TSASK's ability to operate as a financially sustainable enterprise is the foundation for our capacity to provide the oversight and licensing required by industry and the Province of Saskatchewan. Long-term financial management and planning also supports our ability to expand into additional areas of responsibility. TSASK strives to deliver services in a cost-effective way for industry while ensuring that we recover expenses and generate sufficient earnings to fund the future needs of our entity.

Electrical licensing, permitting and inspections are the largest revenue stream for TSASK, representing 41 percent of total TSASK revenue in 2021-22. Gas licensing, permitting and inspections combined with plumbing permitting and inspections (for six months of the current fiscal year) contributed approximately 27 percent, while boiler and pressure vessel activities, which were historically the largest source of revenue, contributed 25 percent. Economic conditions in Saskatchewan can materially affect gas and electrical permitting and inspections, which means TSASK is now exposed to greater fluctuations in revenue.

REVENUE BY TECHNOLOGY



ELECTRICAL	41%
GAS & PLUMBING	27%
BOILERS & PRESSURE VESSELS	25%
ELEVATING DEVICES & AMUSEMENT RIDES	7%

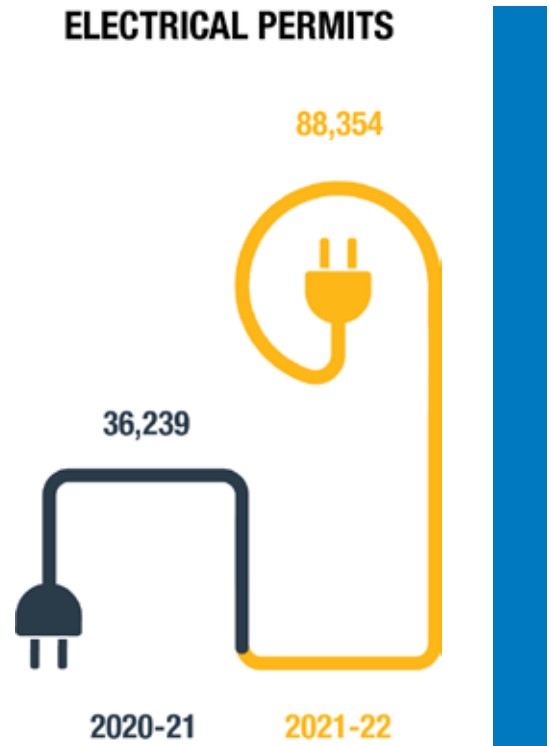
Revenues

TSASK revenues for fiscal 2021-22 were \$26.882 million, 61.7 percent higher than the \$16.591 million of the previous year and more than triple the \$8.849 million of two years ago prior to the addition of new responsibilities. The increase for the current fiscal year reflects the first full year of revenue related to gas and electrical technologies, which can fluctuate depending on economic activity from year to year.

Electrical Revenue

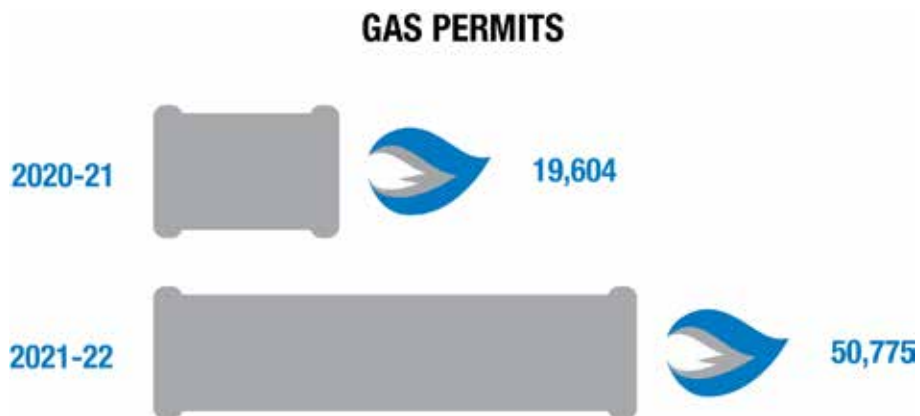
Electrical permitting and inspections generated \$10.658 million in revenue during the 12-month period, which compared to \$4.125 million during the five months of the prior year that this technology was TSASK's responsibility. TSASK's responsibilities for electrical range from high-voltage installations and upgrades in mining, industrial and commercial facilities to lower-voltage work in commercial, farm, and residential buildings. TSASK electrical inspectors ensure an appropriate level of safety when electrical installations are connected to existing installations; when a facility is undergoing an annual inspection; or when residential properties require a review to ensure they meet safety requirements. Inspectors also monitor and assess electrical products that are displayed or sold in retail stores or at events like home shows, to ensure the equipment is certified and approved for use. The TSASK inspections team is involved in electrical shock incidents and fire investigations where electrical installations or equipment are the possible cause. Inspections staff are located across the province to provide maximum coverage for inspecting electrical work. During this fiscal year, TSASK created an additional mine inspection position to allow distinct responsibility for northern and southern regions and improve capacity for backup coverage.

The number of permits issued during the fiscal year increased to 88,354 from 36,239 the previous year, including 36,239 permits during the five months under TSASK. The increase reflects renewed activity in oil and gas, agriculture, and commercial construction. During this same period, 33,406 inspections were completed, which compared to 37,467 the previous year. The decrease reflects the heightened focus on higher-risk installations.



Gas Revenue

Gas permitting and inspections generated \$6.919 million during the year, which compared to \$2.618 million in revenue during the five months they were part of TSASK in the prior year. Gas inspectors



enforce installation codes and standards related to gas-fuelled equipment such as furnaces, boilers, water heaters, grain dryers, and industrial gas equipment. These inspectors also conduct inspections when a safety concern is raised or when local bylaws related to services like daycares or food trucks require inspection. Activity in this area can be affected by factors such as weather, as harsh conditions can lead to additional installations of equipment like furnaces or boilers, and by economic conditions, which can drive installations of garage heaters, barbecues, or decorative appliances.

The number of permits issued in 2021-22 decreased to 50,775 from 51,992 for all of 2020-21, including 19,604 issued during the five months TSASK had responsibility for gas permitting in the prior year. The number of completed inspections declined to 28,902 from 35,988 on a year-over-year basis. As TSASK took on responsibility for plumbing permitting inspections, gas inspectors were actively involved in program and permitting development, technical and administrative training, and the implementation of new workflows and permitting processes. The integration focused on identifying and inspecting higher-risk items, resulting in fewer but more essential inspections.

Plumbing Revenue

Plumbing permitting and inspections generated \$170 thousand in revenue during the six months following the transfer of responsibility to TSASK from the Saskatchewan Health Authority. Given the close relationship between plumbing and gas technologies, TSASK's new plumbing program was designed to operate as an extension of the existing gas program. The cities of Regina, Saskatoon, and Lloydminster, along with the Global Transportation Hub, maintain jurisdictional authority for plumbing permitting and inspections within their borders and do not fall under TSASK's authority. The Saskatchewan Health Authority maintains oversight of private sewage works. TSASK plumbing inspectors enforce the National Plumbing Code of Canada and associated standards related to the design, construction, and component certification

of plumbing systems. A plumbing system includes sanitary drainage and venting, water distribution, rainwater removal, and fixtures utilized by the end user.

The number of permits issued during the first six months of TSASK's plumbing oversight (January 2022-June 2022) was 894. Permit intake aligned with historical data reported by the Saskatchewan Health Authority. Inspectors completed 913 inspections during the six-month period. The number of inspections exceeded the number of permits as plumbing systems require inspections at the rough-in and finishing stages of construction.

Boiler and Pressure Vessel Revenue

Activity related to boiler and pressure vessels generated \$6.842 million for the year, which was \$171 thousand more than the previous year's total of \$6.671 million. Activity levels increased year-over-year as a number of new construction projects were initiated in Saskatchewan as pandemic conditions eased.

Design registration for boilers and pressure vessels generated \$885 thousand, which is a 49 percent (\$290 thousand) increase over the previous year total of \$595 thousand. The increase reflects the surge in new design registrations in all areas of activity. Inspection revenue increased to \$490 thousand, up \$27 thousand from the \$463 thousand of 2020-2021.

Licensing remained the largest revenue category related to boiler and pressure vessels and contributed \$3.781 million in fiscal 2022. This is \$17 thousand lower than the previous year.

Exams, certification and licensing for welders, power engineers, and equipment inspectors remained an important part of TSASK's mandate and generated \$1.085 million in revenue, which is \$11 thousand less than the previous year. This was offset by an increase in permits to operate, as companies required additional qualified power engineers.

Elevating Device and Amusement Ride Revenue

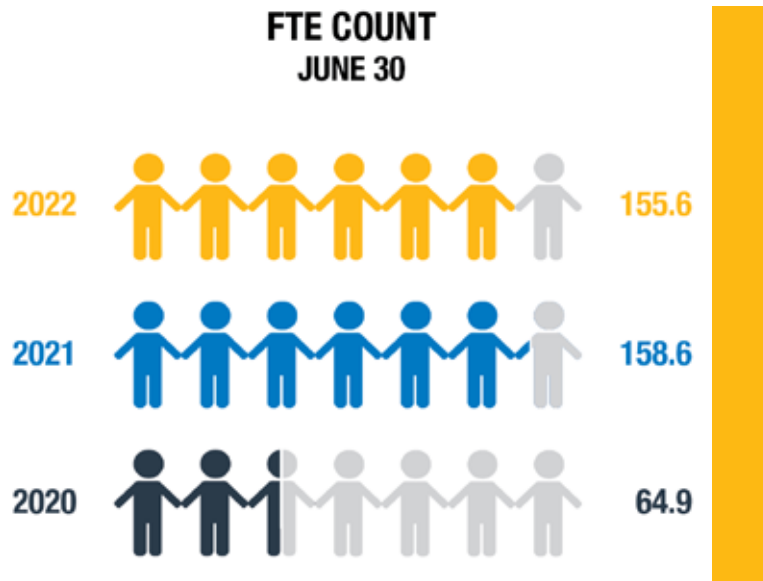
The combined total of elevating device and amusement ride revenue increased to \$1.718 million for 2021-22, which is \$139 thousand higher than the previous year's amount of \$1.579 million. The post-pandemic return of events around the province resulted in a \$66 thousand increase in revenue for amusement ride licensing, with revenue for inspections also increasing by \$22 thousand. Elevator licensing was up \$25 thousand over the previous year due to increased equipment inventory.

Expenses

As industries across Saskatchewan are operating in highly competitive market environments, TSASK has made it a priority to monitor expenses to ensure the ability to provide the required service without compromising safety practices or leadership. TSASK's budgets and plans are developed with a long-term view, as the aim is to reduce the long-term cost of delivering our services while investing in the people and technology required to advance excellence in public safety.

TSASK had proactively planned for additional costs related to new responsibilities for plumbing permitting and inspections in 2021-22, as well as gas and electrical licensing, permitting and inspections in the previous year. By making the necessary investments in people, planning, and infrastructure, we executed an efficient and effective transition while minimizing any risk to public safety or disruptions to industry and we will continue to invest in and refine systems to support these objectives.

As a result, total expenses for fiscal 2021-22 were \$25.358 million, which compared to \$16.515 million the prior year and \$9.558 million two years ago. Salaries and benefits are TSASK's largest expense and were the primary factor in this increase as the number of employees more than doubled with the addition of gas and electrical responsibilities midway through fiscal 2021. With these positions on payroll for the full 12 months of fiscal 2022, salaries and benefits grew to \$18.631 million, an increase of \$6.805 million over the \$11.826 million of the previous year. At June 30, 2022, TSASK had 155.6 full-time equivalent (FTEs) employees, which compared to 158.6 at the end of fiscal 2021 and 64.9 in fiscal 2020, prior to the addition of gas and electrical work. We will continue to assess the staffing needs of our evolving enterprise as integration continues.



With a growing complement of people and responsibilities, TSASK expended a greater amount on almost all cost areas required to accommodate staff and deliver services. The largest increase was for travel and transportation, which rose to \$2.293 million from \$1.227 million the previous year. This increase primarily reflects the cost of carrying a fleet of vehicles through the full 12-month period.

Rent and technology costs rose to \$2.017 million, up \$375 thousand year over year, while spending on information technology systems and services rose by \$95 thousand. The expanded enterprise resulted in higher costs in other areas, including business services (\$762 thousand compared to \$382 thousand); amortization (\$617 thousand compared to \$481 thousand); and administrative items (\$444 thousand compared to \$322 thousand).

Net Earnings

TSASK generated net earnings of \$1.524 million in fiscal 2021-22, which compared to \$76 thousand the previous year. The increases in revenue and profitability generated by gas and electrical activities more than offset higher costs related to the expansion. By diligently planning and preparing for the expansion and managing our resources through the pandemic, TSASK completed the initial stages of the integration process in a strong financial position. This will enable ongoing investment in people and systems to support new responsibilities and refine our cost structure to efficiently serve industries and customers across Saskatchewan.

Capital Expenditures

Total capital expenditures for the year were \$86 thousand, which compared to \$162 thousand in 2020-21. Expenditures in the current year included server equipment (\$9 thousand), laptop computers (\$44 thousand), and an automation system for journal entry (\$33 thousand).

Net Assets

TSASK's total net asset position as of fiscal 2022 was \$6.189 million compared to \$4.665 million as of June 30, 2021, an increase of 33 percent. The net asset position is comprised of an investment in capital assets, an unrestricted reserve, as well as an externally restricted operating reserve. The Safety Standards Agreement (SSA) provides that TSASK must achieve and maintain a surplus or reserve that is not less than the value of the audited salaries and benefits of TSASK for a two-month period. At the time the Agreement was signed, the financial performance of TSASK was uncertain. The parties agreed that the reserve would be accumulated by setting aside 10 percent of TSASK's audited profits annually. As of June 30, 2022, TSASK had restricted \$1.550 million as TSASK is working to build the amount required in the SSA.





Review of Operational Performance

Since 2010, TSASK has been delegated by government to administer and enforce public safety provisions of legislation and regulations related to boilers and pressure vessels, elevating devices, and amusement rides. The organization took on similar responsibilities for gas and electrical licensing in August 2020, gas and electrical inspections in February 2021, and plumbing permitting and inspections in January 2022. Operations and administration staff provide a full range of programs and services to individuals and organizations that design, manufacture, install, operate, or own any equipment that falls under the legislation in any of these areas.

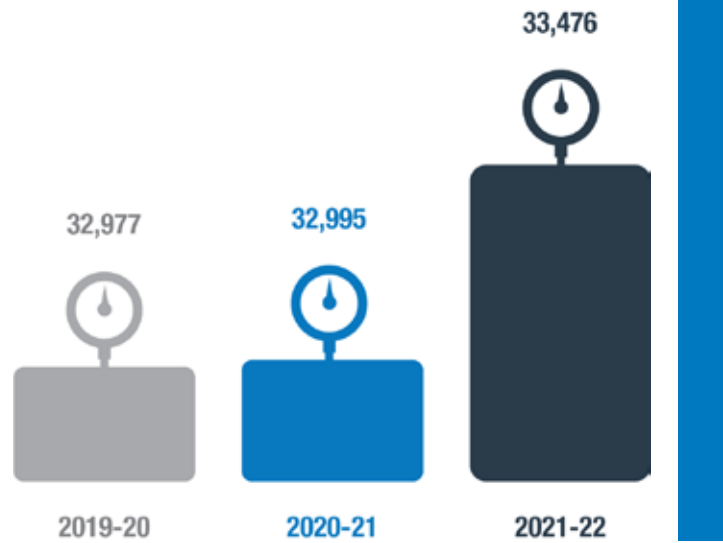
TSASK delivered these services without interruption and integrated new areas of responsibility despite challenges created by the pandemic. By adapting office environments and adopting technology supports, we continued to operate as an essential service while following all provincial guidelines related to enhanced sanitization, installation of physical barriers, mandatory masking, and physical distancing. These steps enabled us to meet the needs of customers and to support people requiring certification and licensing. We continued to rent larger examination spaces that allowed us to increase the frequency of power engineering testing while ensuring physical separation that met COVID-19 guidelines. TSASK will continue to adhere to protocols that protect the health and safety of our staff, customers, and public.

Licensed Equipment Inventory

In addition to inspecting installations or alterations in designated technologies, TSASK is responsible for the ongoing inspecting and licensing of pressure vessel equipment, elevating devices, and amusement rides.



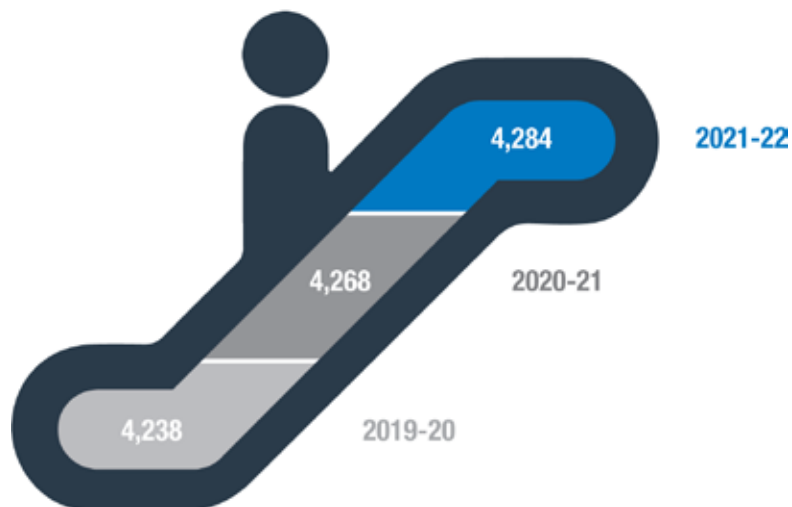
LICENSED PRESSURE EQUIPMENT



The number of licensed pressure equipment items in Saskatchewan increased to 33,476 in 2021-22, which compared to 32,995 in 2020-21, demonstrating an increase in the number of capital projects undertaken in Saskatchewan.

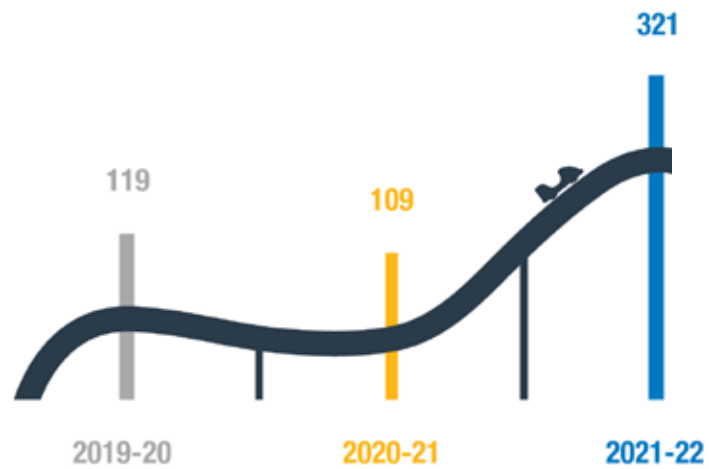
Licensed elevating device inventory includes passenger and freight elevators, dumbwaiters, lifts for barrier-free access, construction personnel lifts, and ski lifts. The 4,284 licensed elevating devices in the province was slightly higher than the 4,268 licensed devices in 2020-21. The number of devices typically grows as new elevators become active in new buildings, while a decline reflects buildings being demolished or lifts for people who need barrier-free access are no longer being required.

LICENSED ELEVATING DEVICES



With the return of fairs and exhibitions as pandemic conditions eased, the number of licensed amusement rides increased to 321 in 2021-22, up from 109 the previous year and closer to the historic average of 380. The number of rides licensed grew in every category, including major travelling amusement rides, inflatables, and go-karts.

AMUSEMENT RIDES



Quality Management Systems

Quality Management Systems (QMS) are available to companies that can illustrate their commitment to safety and demonstrate increased internal accountability and quality control. Owners or insurers of pressure equipment establish a documented inspection program. The owners, who are primarily larger customers, employ qualified inspection personnel who are required to perform recognized, periodic inspections on equipment they own or insure. TSASK approves and audits those programs to ensure compliance.

The number of companies operating under a QMS increased to 18, compared to 16 the previous year and 15 two years ago. The continued growth of this program is material as the new companies operating under a QMS system are among the 25 largest equipment owners in the province. As a result, approximately 37.5 percent of licensed inventory is now operated by companies committed to a QMS.

Significantly, nine inspection companies have earned their QMS designation in Saskatchewan. Inspection companies function as third-party contract inspectors and undergo reviews of their quality systems, employ licensed inspectors, and provide technical support and inspection resources. This makes it possible for companies not large enough to independently operate a QMS program to participate in this process. Smaller companies still require their own QMS program that ensures their commitment and accountability. Access to QMS-designated third-party inspection companies enables the expansion of this program. The total number of inspector licences, which are valid for a five-year period, increased to 373 from 354 in the previous year and 228 two years ago.



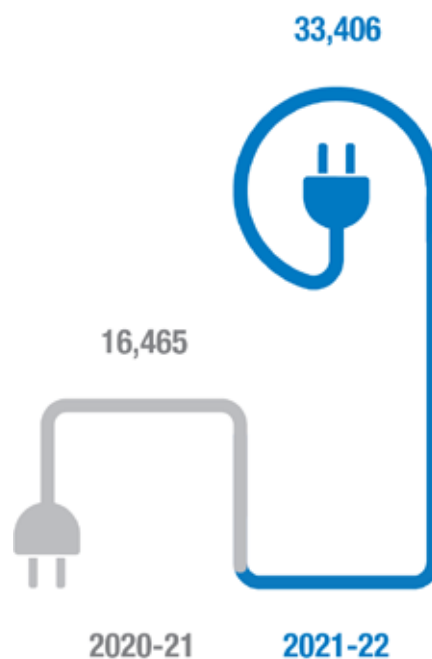
Inspection Services

Inspection services are integral to TSASK’s mandate. They ensure that effective and efficient safety programs are in place to support the growth of the provincial economy. They also confirm continued compliance by various Saskatchewan industry participants who are contributing to the province. Since taking on responsibility for gas and electrical inspections in 2021 and plumbing inspections in 2022, TSASK has engaged in ongoing discussions to evaluate best practices across industries and to determine the most effective measures to improve public safety in the most efficient manner.

TSASK completed 33,406 electrical inspections during 2021-22, which compared to 16,465 during the five-month period TSASK had responsibility for inspections the previous year. Total inspections in 2020-21, including the period inspections, were conducted by SaskPower, was 37,467. The lower number of inspections in the current year is primarily a product of our commitment to refining inspection criteria to ensure our focus is on higher-risk installations. Of the completed inspections in 2021-22, 32,252 were tied to electrical permits, and 1,153 to homeowner permits. Inspectors identified 1,238 defects during the year and confirmed that 929 of those defects were cleared prior to our

fiscal year end. There were 13 discipline notices issued to companies or individuals performing unauthorized electrical work. Four of these notices were cancelled as a result of contractors or individuals becoming licensed during the year, one was rectified, while eight remain in effect.

ELECTRICAL INSPECTIONS



TSASK's expanding responsibilities for gas inspections, which began in February 2021, and plumbing inspections, effective January 2022, required additional training for inspectors and new processes for reporting and documentation. Consistent with our commitment to focusing on higher-risk installations, the 28,902 inspections completed by TSASK in 2021-22 compared to 16,435 inspections in the five-month period of responsibility in fiscal 2021 and 35,988 inspections for the 12-month period including SaskPower. Inspectors identified 2,817 defects during the year and saw 2,994 defects corrected, including outstanding low-risk deficiencies carried over from the previous fiscal year. In addition, 2,318 red tags were submitted, compared to 2,137 the previous year. The red tag program allows TSASK gas inspectors to ensure that legitimate hazardous or potentially hazardous conditions are resolved in a timely fashion and to address design flaws through appropriate certification agencies.

GAS INSPECTIONS



During the six-month period TSASK had responsibility for plumbing inspections, a total of 913 inspections were completed and 110 deficiencies were identified. To better serve our customers, including plumbing contractors working to construction schedules, inspectors now conduct certain plumbing installations using remote-meeting technologies. In the current year, 57 of the 913 inspections were completed remotely.

For pressure equipment, the number of equipment installation acceptances declined 8.4 percent, from 3,567 in fiscal 2021 to 3,267 in fiscal 2022. This is largely a product of construction and weather cycles as fewer propane heating installations were required during the construction season, which more than offset an increase in other installations. The number of in-service inspections had a similar 8.1 percent decline from 8,738 in the previous year to 8,028 this year, largely reflecting inspection cycles.

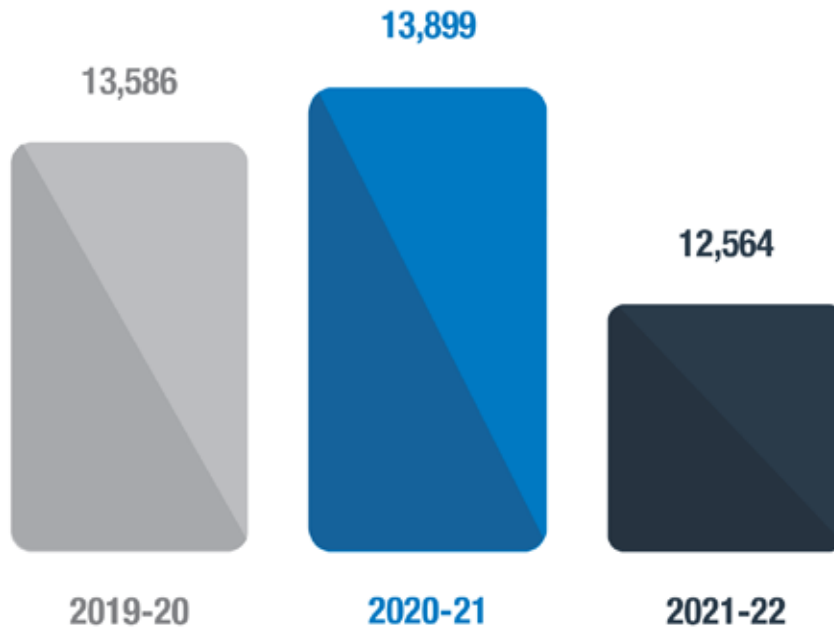
PLUMBING INSPECTIONS

913



2021-22

TOTAL BOILER & PRESSURE VESSEL INSPECTIONS



In addition, a total of 1,269 QMS inspections were completed, compared to 1,594 during the same period last year. QMS reporting is provided to TSASK by QMS partners in April and October so the actual total for TSASK's full fiscal year ending June 30th is greater than the April reporting number. In 2020-21, an additional 1,007 inspections were reported in October to bring the full-year total for the previous year to 2,601. The complete total for 2021-22 will be available in our next annual report.

The number of outstanding inspections of non-QMS equipment fell to 1.1 percent compared to 1.6 percent the previous year. The decrease is an expected fluctuation as inspection intervals vary from one, two, or five years depending on equipment type.

TSASK conducted 1,728 in-service inspections of elevating devices (including inspections of escalators and sheave jammers) compared to 2,770 the previous year. This represented 41 percent of the province's elevating devices, which is below the 61.2 percent inspected the previous year and under the 66.7 percent standard set out in TSASK's inspection interval policy. The decline in the inspection rate was a product of renewed demand for inspections in other areas as well as

time committed to training new staff hired during the year.

The number of acceptance inspections related to modification, modernization, or installation increased to 289 from 265 the previous year. The increase reflects a more intensive approach to tracking acceptance inspections, which often require multiple inspections before approvals for licensing and use are issued. In prior years, multiple contacts between inspectors and contractors during the installation, modernization, or modification of an elevating device would be reported as a single acceptance inspection. Inspectors now complete multiple acceptance inspection reports to better communicate and document deficiencies and orders, as well as to provide more timely invoicing. A total of 32 elevating devices were taken out of service during the year because of unacceptable risks related to the condition of equipment, which will require repair or improvement by its owners. This compared to 47 the previous year.

As in other areas, TSASK assessed processes and metrics to prioritize higher-risk inspections that have the greatest effect on public safety. After lengthy study and assessment, TSASK completed

the implementation of a new risk-informed inspection interval regimen for elevating devices in June 2021. This system recognizes differing elevating device types and considers factors such as usage, condition, age of elevator, maintenance levels, and fault-detection systems – allowing inspectors to attend more frequently to devices that hold higher risk. As a result, certain devices may see their inspection intervals shortened from 20 months to eight months. Significantly, the Provincial Auditor completed a follow-up audit to the 2017 performance audit respecting elevating devices and verified that TSASK had developed and documented a new risk-informed inspection plan in this area.

Amusement ride licensing and inspections required renewed attention in 2021-22 as the lifting of certain pandemic conditions allowed the return of travelling rides at fairs and exhibitions. The 348 inspections completed in 2021-22 aligned with typical pre-pandemic numbers and was significantly higher than the 81 inspections completed the previous year. Recognizing the unusual conditions of the past two years, TSASK implemented an increased inspection plan for amusement rides as many pieces of equipment did not operate during the pandemic, and storage and maintenance conditions needed to be considered. In addition, the length of time between scheduled events raised questions about turnover among ride operators and set-up personnel. To address these concerns, TSASK inspections included pre-planning review work, a search of ride-manufacturer notices, evaluation of non-destructive testing reports, on-trailer inspections, set-up and operating inspections when rides were erected, and follow-up inspections on earlier-identified deficiencies. (Multi-stage inspections were recorded as a single inspection.) TSASK implemented mandatory on-trailer inspections in 2022. TSASK inspectors also travelled out of province to perform initial inspection work in cooperation with ride owners and neighbouring provincial safety authorities.

Gas and Electrical Licensing

Gas and electrical licensing became the responsibility of TSASK in August 2020. In 2021-22, our first full fiscal year of responsibility, TSASK

approved 3,238 journeyperson electrical licences and 905 electrical contractor licences, which compared to 2,684 and 906 in the 11-month period of the previous year. These licences can be renewed for one- or three-year terms and raised the total number of journeyperson licences in Saskatchewan to 8,626 (up from 8,096 last year), while the number of electrical contractor licences was 1,886 (compared to 1,887 in the previous year). A total of 1,250 gas-fitter licences were issued, up from 1,045 in the abbreviated reporting period of fiscal 2021, while 1,092 gas contractor licences were issued, compared to 746 last year. These licences also have one- and three-year terms and raised the number of gas-fitter licences to 3,303 (from 3,183) and contractor licences to 2,291 (from 1,760).

Pressure Equipment Competency Certifications

Public safety is a shared responsibility, and TSASK provides programs to ensure companies and people responsible for pressure equipment meet a defined standard of competency. In 2021-22, TSASK issued 96 Certificates of Authorization to companies having demonstrated quality control systems for the installation, repair, alteration, and/or manufacture of pressure equipment, which is slightly lower than the 108 certificates issued the previous year.

Certificates are valid for three-year periods before mandatory review and re-certification and there are 335 Certificates of Authorization currently issued. TSASK administered 460 physical demonstration tests of welders during 2021-22 and authorized contractors completed an additional 475 tests. In addition, 428 welder licences were transferred from other provinces. In total, 2,791 active welder qualification licences have been issued, which are valid for two years or, in the case of inter-provincial transfers, expire at the same date as in the issuing province.

TSASK's capabilities also undergo industry review. In July 2021, the American Society of Mechanical Engineers (ASME) and the National Board of Boiler and Pressure Vessel Inspectors (NBBI) completed

an operational audit of TSASK's Authorized Inspection Agency (AIA) activities related to third-party shop fabrication as well as repair and alteration inspections for boilers and pressure vessels. There were no audit findings and ASME and NBBI each renewed TSASK's Authorized Inspection Agency Certificate of Authorization. TSASK provides inspection services to 10 provincial manufacturers and one company performing fieldwork. TSASK's ASME certification makes it possible for provincial fabricators to deliver products to international markets.

Elevating Device Mechanic (EDM) Certification

TSASK introduced an Elevating Device Mechanic (EDM) certification and licensing requirement at the end of the fiscal year, with full implementation and mandatory licensing taking effect in September 2022. In addition to enhancing public safety by ensuring the qualifications of elevating device mechanics, this certification and licensing is consistent with programs in other provinces and provides Saskatchewan-based mechanics with the ability to deliver services in other provinces. TSASK consulted stakeholders in developing the program and created an online educational course regarding legislation and codes. This online training is a requirement for earning EDM certification and became available at the end of fiscal 2022.

Plumbing Qualifications

Plumbing work in Saskatchewan must be conducted under the authority of a plumbing permit. Eligibility to obtain a permit is limited to journeyman plumbers, persons who employ a journeyman plumber, and homeowners (under certain conditions). In cooperation with Saskatchewan Apprenticeship and Trade

Certification Commission, TSASK validates plumbing credentials to ensure safe and compliant plumbing installations. During the six-month period plumbing fell under TSASK's responsibility, 206 individual and contractor credentials were verified. Journeyman plumbers are not required to obtain a licence to practice the plumbing trade in Saskatchewan.

Design Survey

TSASK reviews designs for pressure equipment and elevating devices that are to be operated in Saskatchewan to determine that the design complies with provincial legislation as well as relevant codes and standards. We also conduct field approvals for specialized gas and electrical appliances that are not certified by an accredited Standards Council of Canada agency.

Design activity increased in fiscal 2022, as TSASK registered 1,633 pressure equipment designs – a 24 percent increase over the registrations the prior year. Piping registrations, typically a sign of new construction or expansions, more than doubled from 83 to 168 year over year. Boiler and pressure vessel designs also increased to 915 in fiscal 2022 compared to 708 the previous year. TSASK began providing the option of electronic design submissions two years ago, and all registrations in the current year were submitted electronically. The number of pressure fitting registrations was consistent with the prior year, as the Canadian Registration Number (CRN) harmonization initiative is now embedded, eliminating the need to have the Canadian Standards Association (CSA) provide registration services. TSASK helped lead this national initiative as part of the Regulatory Reconciliation and Co-operation Table (RCT),



which improves efficiency for industry and, through that, public safety. Our commitment to progressive approaches to safety and cooperation with partners included participation with industry and our provincial counterpart, Alberta Boilers Safety Association, in developing a policy to accept engineered composite systems (ECS) for non-metallic alteration repairs to metallic piping. One ECS procedure was submitted for review and registered for use at three installations. In addition, TSASK registered three hot tapping installations and one over-pressure protection by system design during fiscal 2022.

The number of elevating device plans registered increased to 100 during 2021-22, up from 72 during the prior, as construction activity accelerated across the province.

A total of 225 field approvals were completed for gas appliances, which was consistent with the 226 approvals of the previous year, while 70 field approvals were completed this year for electrical appliances.

Power Engineering

The number of valid power engineering licences for boilers and refrigeration plants operating in the province declined for the third consecutive

year, with 8,705 licences compared to 8,927 the previous year. Renewals, however, increased to 2,428 from 2,320 in 2020-21. Power engineering licences have one- and five-year validation options, so changes in renewal numbers reflect the cyclicity of the renewal process rather than the number of active power engineers licensed in the province. The total number of licence holders has been impacted by the pandemic, with some past licence holders opting to minimize expenses in light of changes to process operations, construction plans, or their personal employment situation.

The number of certification exams delivered in 2021-22 declined to 1,776 from 2,403 exams administered in 2020-21. Certification levels are an important step to improving public safety and TSASK prioritized the delivery of exams in fiscal 2021 to clear a backlog created following the suspension of exams during the pandemic. This created a larger than normal number of exams administered in 2020-21, although the current year total is also below pre-pandemic averages.

Accidents

TSASK's commitment to creating a licensing and operating environment that reduces accidents,

fatalities, and injuries is paramount and remains a priority. We provide oversight that reflects public policies related to risk management and work with industry to monitor compliance with standards established to reduce or eliminate risks related to gas and electrical installations, boilers and pressure vessels, elevators, amusement park rides, and plumbing. We promote safe practices and explore additional activities that can support public safety related to our areas of responsibility. TSASK investigates incidents, complaints, and accidents and, where necessary, demands corrective action.

In 2021-22, TSASK saw an increase in reported incidents and complaints, including 32 involving elevating devices, 19 related to boilers and pressure vessels, four electrical-related fires, five with gas appliances, and four amusement rides. This compared to 29 total reported incidents or complaints the previous year. The higher number is primarily a product of greater reporting compliance included in hospital Occupation Health and Safety data, specifically related to elevating devices. After investigation, the number categorized as accidents included six related to boilers and pressure vessels, six to elevating devices, and three to amusement rides. Among the gas incidents, two were related to the failure of consumer propane tanks; one involved improper maintenance and operation of a gas appliance; another was found to be unrelated to the gas systems, and; the fifth involved a carbon monoxide issue not connected to the gas system. No fatalities were connected to any of these incidents.

Appeals

The Boiler and Pressure Vessel Safety Board, an initiative established within The Boiler and Pressure Vessel Act, 1999, hears appeals against the decisions of the Chief Inspector. The Board has the authority to review decisions related to the cancellation or suspension of a licence; the refusal to register or de-register a design; and the cancellation or suspension of an Inspection Certificate, a Certificate of Authorization, or a Certificate of Qualification. This Board heard its first-ever appeal in May 2022 and upheld the decision of the Chief Inspector.

The Electrical Inspections Act, 1993, and the Gas Inspections Act, 1993, include provisions to appeal to respectively, the Chief Electrical Inspector and the Chief Gas Inspector, any order, decision or directive made by an electrical or gas inspector. Additionally, a decision made by the Chief Electrical Inspector or Chief Gas Inspector may be appealed to the court. No appeals were submitted during 2021-22.

The Plumbing Code Regulations, 2021, and the Construction Code Act, 2021, include provisions to appeal a plumbing inspector's order through the Saskatchewan Construction Standards Appeal Board. No appeals were submitted during 2022.

Status of Acts and Regulations

Safety is a process of continuous improvement, and TSASK worked closely with the Government of Saskatchewan on a number of fronts to ensure proper legislation, processes, and oversight are applied in all areas of responsibility. While TSASK operates at arm's length from the provincial government, the Ministry of Government Relations retains responsibility for establishing public policy and amendment of all associated acts and regulations.

This shared commitment to public safety led the Government of Saskatchewan to pursue the transfer of additional responsibilities to TSASK with the intent to create a single safety authority in the province to ensure a consistent approach to standards and delivery of services. With the passage of Bill 180 in the Saskatchewan legislature in June 2020, formal approval was granted for this transition. Ultimately, the goal is to improve public safety and efficiently regulate safety to support the growth of industry in Saskatchewan. The changes required amendments to The Gas Inspections Act (1993), The Gas Licencing Act, The Electrical Inspections Act (1993), The Electrical Licencing Act, and The Plumbing Code Regulations.

In all areas of responsibility – previous and new – TSASK continually reviews and updates its approach to reflect changing national and interprovincial industry standards and codes.

Industry Associations

TSASK was integral in the creation and continues to support, the ongoing operation of the Saskatchewan Integrity Association (SIA). SIA is an owner association of pressure equipment inspectors and company integrity management inspectors who are focused on continuously improving and optimizing safety, reliability, and integrity of pressure equipment within Saskatchewan facilities. During fiscal 2021-22, there were 17 member companies that represent 37.5 percent of the equipment in the province.

TSASK enjoys strategic and collaborative relationships and shares complementary objectives with a number of industry groups that are connected to safety. Our industry partners include SIA, the Chief Power Engineers Association (CPEA), and the Canadian Propane Association (Saskatchewan Chapter). Together with industry partners, TSASK works to assess and develop policies in areas including pressure piping design registration, QMS reporting, incident reporting definitions, power engineer operating policies, and propane relief device recertification.

The addition of responsibility for gas and electrical activities led to new industry partnerships.

TSASK maintained existing programs with the Electrical Contractors Association of Saskatchewan, including a registered contractor program, and held regular meetings to review industry standards and practices. TSASK's electrical inspections personnel also have connections to the oil and gas, mining, and sign industries to share updates related to electrical codes and receive feedback on programs and services. In addition, TSASK leads a recently established industry group in the mining sector to review issues with local and national implications.

Gas inspections has also maintained its engagement with multiple industry stakeholders, including the Mechanical Contractors Association of Saskatchewan, the Canadian Propane Association, Saskatchewan Apprenticeship and Trade Certification Commission, Saskatchewan Polytechnic, and SaskEnergy. Electrical and gas inspectors also work in co-operation with City of

Regina Fire and Protective Services and Saskatoon Fire Department. With the addition of responsibility for plumbing permitting and inspections, TSASK has established relationships with industry stakeholders including: the Saskatchewan Health Authority; the cities of Regina, Saskatoon and Lloydminster; the Global Transportation Hub; the Saskatchewan Water Security Agency; The Canadian Advisory Council on Plumbing; the Canadian Institute of Plumbing and Heating, and; the American Water Works Association: Western Canada Section.

Our history of working with industry associations and peers was vitally important to our response to COVID-19. TSASK will continue to monitor health guidelines related to infectious diseases and communicate with industry members, customers, and inspectors to create the safest possible environment for all stakeholders.

Participation in the Standard Development Process and Liaison with Industry and Other Regulators

TSASK continues to contribute to, and participate in, national and international standards development. As members of the Canadian Standards Association (CSA), the National Board of Boiler and Pressure Vessel Inspectors (NBBI), the American Society of Mechanical Engineers (ASME), the Interprovincial/Territorial Gas Advisory Council, and the Canadian Regulatory Council on Plumbing, TSASK personnel participate on the following technical committees related to codes and standards adopted under provincial legislation:

- CSA B51 - Boiler, Pressure Vessel and Pressure Piping Code;
- CSA B52 - Mechanical Refrigeration Code;
- CSA B44 - Elevating Devices;
- CSA B149.1 - Natural Gas and Propane Installation Code;
- CSA B149.2 - Propane Storage and Handling Code;
- CSA B149.3 - Code for the Field Approval of Fuel-burning Appliances and Equipment;
- CSA B149.5 - Installation Code for Propane Fuel Systems and Containers on Motor Vehicles;
- CSA B149.6 - Code for Digester Gas, Landfill Gas and Biogas Generation and Utilization;

- CSA B108 – Natural Gas Refuelling Stations Installation Code;
- CSA Appliances and Equipment Committee (jointly with American National Standards Institute);
- ASME Boiler and Pressure Vessel Code;
- Association of Chief Boiler and Pressure Vessel Inspectors (ACI);
- Association of Provincial Chief Elevator Inspectors (APCEI);
- Standardization of Power Engineers Examinations Committee (SOPEEC);
- CSA C22.1, Canadian Electrical Code, Part 1;
- CSA C22.2, Multiple Electrical Equipment Standards;
- CSA M421 Use of Electricity in Mines;
- Canadian Advisory Council on Electrical Safety (CACES);
- Underwriters Laboratory of Canada Advisory Council;
- Committee for the Code for Electrical Installations at Oil and Gas Facilities published by TSASK;

TSASK is committed to ensuring that it maintains effective liaisons with other regulators and industry by attending and participating in the following associations and committees;

- Saskatchewan Integrity Association (SIA);
- Upstream Chief Inspectors Association (UCIA);
- International Pressure Equipment Integrity Association (IPEIA);
- Saskatchewan Power Engineers Technology Program Advisory Committee;
- The National Public Safety Advisory Committee (a Federal/Provincial/Territorial Advisory Committee);
- Electrical Liaison Council;
- Saskatchewan Chief Power Engineers Association;
- Canadian Propane Association – Saskatchewan Chapter;
- International Association of Electrical Inspectors – Prairie Chapter;
- Electrical Contractors Association of Saskatchewan (Liaison Committee and Associated Sub-committees);

- Mechanical Contractors Association of Saskatchewan (Liaison Committee and Associated Sub-committees), and;
- Saskatchewan Sign Association.

Education and Information Sessions

As a means to identify and meet the needs of those who have an interest in Saskatchewan's public safety systems, TSASK continued to develop and deliver public education and information sessions. TSASK education and information services were provided through in-person sessions and virtual formats.

With the addition of plumbing permitting and inspections in 2022, TSASK worked in partnership with the Mechanical Contractors Association of Saskatchewan to develop technical and administrative education seminars. These seminars were made available to all gas and plumbing contractors at locations around the province and online. Information sessions were also held with SaskEnergy technicians, SaskPolytechnic students, and mechanical contractors.

Electrical inspections provided online training related to the 2021 Canadian Electrical Code, which was adopted in November 2021 with enforcement beginning in January 2022. Initial training was provided during fiscal 2021 to explain the changes to industry and additional sessions were developed to address feedback and updates to the interpretations. This information was also made available online and Inspections contributes code-related articles to the trade publication Electrical Business five times per year. In addition, TSASK delivered awareness programs and training related to electrical safety near water usage.

TSASK also increased the number of Pressure Equipment Safety Legislation (PESL) seminars, which promote knowledge of safety legislation and adopted codes, from four to six and provided instruction to 48 attendees, up from 41 the previous year. These seminars covered key information areas in greater detail than is typically available through self-study.

BOARD OF DIRECTORS

The Technical Safety Authority of Saskatchewan's Board is comprised of five to 10 members, with representation from industry and business. Two positions are appointed through Order-in-Council by the Government of Saskatchewan. Mr. Ken Acton and Ms. Madeleine Robertson were the government appointees for fiscal 2021-22.



Colleen Vancha
Chair

Ex-Officio : Governance and HR Committee; Audit and Finance Committee; Technical Committee

Colleen Vancha, President of Creative Advantage Consulting Ltd., is a strategic communications, investor relations and capital markets specialist serving clients throughout Canada. In 2011, Colleen retired from her global role as Viterra's Senior Vice-President of Investor Relations and Corporate Affairs where she provided executive leadership in capital market strategies, corporate communications and investor relations, public affairs, continuous disclosure, stakeholder relationships, brand and risk management, governance and social responsibility. She managed teams in Regina and Calgary, Canada and in Adelaide, Australia and oversaw public affairs, branding and shareholder relations globally.

Colleen currently chairs the Certification Governance Committee with the Canadian Investor Relation Institute, the national association for investor relations professionals in Canada. She previously served as Board Chair and co-chaired the Resource and Education and Membership Committees. She has served on the Board and the Executive Committee of the Saskatchewan Chamber of Commerce as Second Vice President and co-chaired their Finance Committee for many years. She is a Canadian Investor Relations Institute Fellow and received the CIRI Lifetime Achievement and Award of Excellence for Investor Relations in 2013. She joined the TSASK Board of Directors in September 2017. She lives in Regina.



Shelley Lipon
Vice-Chair

Chair: Audit and Finance Committee; Member: Governance and HR Committee

Shelley Lipon is a Fellowship Chartered Accountant who has served in various senior executive roles both in the public and non-profit sectors over the last 30 years including operating as a CEO of a Saskatchewan Treasury Board Crown Corporation. She is currently working with an International company leading their global customer services area.

Shelley has also been involved with a local executive search company recruiting and mentoring our future leaders.

Shelley was the President of the Saskatchewan Association of Chartered Accountants, Chaired the Finance and Audit Committee for the Saskatchewan Research Council and is currently also serving as Director and Chair of the Audit and Finance Committee on the Hospitals of Regina Foundation Board. She joined the Board in March, 2019. She lives in Regina.



Ken Acton
Director

Member: Governance and HR Committee; Technical Committee

Ken Acton has been a Director since 2016, appointed by the Saskatchewan Lieutenant Governor in Council.

Ken spent over 28 years in the Saskatchewan Public Service before retiring at the end of September 2016. He held numerous senior leadership roles including Assistant Deputy Minister of Courts and Civil Justice with the Ministry of Justice and Attorney General, Deputy Minister of Social Services, and completed his career with the Public Service as Special Advisor to the Deputy Minister of Social Services. Ken joined the Johnson Shoyama Graduate School of Public Policy at the University of Regina as an Executive-in-Residence in October 2016.

Ken served as Chair of the Public and Private Rights Board of Saskatchewan from 1990 to 2011, a member of the Saskatchewan Legal Aid Commission from 2008 to 2013 and was a Director of the Saskatchewan Housing Corporation serving on the Board from 2012 to 2017. He joined the Board in December, 2016. He lives in Moose Jaw.



Shawna L. Argue
Director

Shawna Argue retired from a career in engineering in May 2021. The majority of her career was as an environment, health and safety (EHS) consultant where she provided EHS compliance and management system services to a variety of industrial clients locally and internationally. She completed her professional career employed with the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) where she held a variety of Director roles, including providing support to Council and Executive Committee including strategic direction and governance guidance.

Born and raised in Regina, Shawna earned her Bachelor's of Applied Science degree in Industrial Systems Engineering from the University of Regina in 1987. She subsequently completed her MBA at Athabasca University in 1999.

Shawna has served on several volunteer Boards including as an elected member of Council for APEGS and as President of APEGS. She joined the Board in June, 2022. She lives in Regina.



Rick Hoffman
Director

Member: Audit and Finance Committee

Rick served as the Executive Vice-President and Chief Financial Officer at Farm Credit Canada for nine years before retiring in 2020 after 20 years of service. He was a member of the executive leadership team with overall responsibility for the financial operations including the controller, treasury, venture capital, loan administration and internal audit functions. In addition to the Certified Professional Accountant designation, Rick also holds a Masters of Business Administration and the Institute of Corporate Directors designation.

Rick is a former member of the Board of Directors for the Hospitals of Regina Foundation where he served as the Chair of the Audit and Finance Committee throughout his six year term. He is also a former member of the Financial Executives International serving on the national governance, risk and compliance committee and the local chapter executive, as well as the advisory board for the Levene Graduate School of Business and the accreditation committee for the Society of Management Accountants of Saskatchewan. He lives in Regina.



Doug Kelln
Director

Chair: Technical Committee

Doug is the former President and CEO of SaskEnergy, having retired in 2017. Doug worked directly with SaskEnergy's Board of Directors for over 20 years in his role as President and CEO as well as various Executive positions.

Born and raised in Wadena, Saskatchewan, Doug earned his Bachelor's degree in Civil Engineering from the University of Saskatchewan in 1982. During his working career he provided leadership in engineering design, construction, operations, and customer service roles.

Doug has served on several Boards over the last 20 years. He is currently sitting on the Saskatoon Tribal Council Industrial Contracting Board of Directors. He served on the Saskatchewan Research Council Board for 9 years and the Canadian Gas Association Board of Directors for twelve years, including two years as Chair of the Board. He joined the Board in October, 2021. He lives in Regina.



**Madeleine
Robertson**
Director

Chair: Governance and HR Committee; Member: Audit and Finance Committee.

Madeleine Robertson has been a Director since 2019, appointed by the Saskatchewan Lieutenant Governor in Council.

Madeleine Robertson, Q.C., is a retired lawyer. She practiced in a small firm for a short time, and subsequently, with the Ministry of Justice for Saskatchewan, where she practised law for over 25 years. Madeleine worked in the Legislative Services Branch and had responsibility for law reform initiatives, from the idea phase to implementation, of a wide range of legal topics, including condominium property, limitations, corrections, summary offences and human rights. She retired in 2010. Madeleine was a seminar teacher for the Legislative Processes course for public servants at the Johnson Shoyama

Graduate School of Public Policy from 2012 to 2017. She currently serves as a public representative on the Insurance Council of Saskatchewan, and has served as a public representative on the Life Insurance Council since 2012.

Madeleine is active in community associations and volunteer work and is a recipient of the Sovereign's Medal for Volunteers. She joined the Board in December, 2019. She lives in Regina.



Ron Styles
Director

Member: Governance and HR Committee

Ron presently serves as an Executive-in-Residence for the Johnson-Shoyama Graduate School in addition to providing consulting services for businesses and non-profit corporations in Western Canada.

Ron previously worked for the Government of Saskatchewan in a wide variety of roles in both the Crown and Executive sectors of Government during a long career in the Public Sector. Ron was the President of SaskTel for seven years, retiring in June of 2017, and prior to that he served as the President of the Crown Investments Corporation for five

years, the Deputy Minister of Finance for five years, as well as the Deputy Minister of Highways, the President of Sask Housing, and the President of Sask Water.

During his time in Government, he led a number of significant restructuring initiatives including the last major corporate tax restructuring, the devolution of social housing to the provinces, and SaskTel's shift to an internet company. Ron has served on numerous boards including the Board of SaskFerco, the Conference Board of Canada, Phenomenon Discoveries, the Saskatchewan Government Growth Fund, and the Saskatchewan Credit Union Guarantee Corporation. Ron is presently a board member with GreenWave Innovation. Ron lives in Regina.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

To the Board of Directors:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit & Finance Committee are composed entirely of Directors who are neither management nor employees of Technical Safety Authority of Saskatchewan. The Audit & Finance Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for recommending approval of the financial statements to the Board. The Audit & Finance Committee has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit & Finance Committee is also responsible for recommending the appointment of the Authority's external auditors to the Board.

KPMG LLP, is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the committee and management to discuss their audit findings.

September 8, 2022



William J Scott
Chief Executive Officer



Kim Dumelie
Vice President, Corporate Services

INDEPENDENT AUDITORS' REPORT

To the Directors of the Technical Safety Authority of Saskatchewan:

Opinion

We have audited the financial statements of Technical Safety Authority of Saskatchewan (the Entity), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2022, and its results of 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity 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.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Report document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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 the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 the Entity'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 the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Chartered Professional Accountants

KPMG LLP

Regina, Canada
September 8, 2022

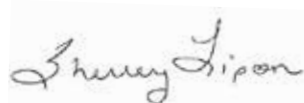
FINANCIAL STATEMENTS

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN STATEMENT OF FINANCIAL POSITION As of June 30, 2022

	2022		2021	
ASSETS				
Current Assets				
Cash	\$	2,514,824	\$	2,615,059
Accounts receivable (note 3)		332,139		1,024,670
Prepaid expenses		210,196		253,929
Short-term investments (note 4)		10,158,161		8,096,930
		<u>13,215,320</u>		<u>11,990,588</u>
Tangible capital assets (note 5)		502,978		859,362
Intangible capital assets (note 6)		932,362		1,107,765
	\$	<u>14,650,660</u>	\$	<u>13,957,715</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued liabilities (note 8)	\$	1,830,671	\$	1,805,024
Deferred revenue (note 9)		4,695,166		5,112,578
Deferred contribution related to capital assets (note 10)		125,000		365,500
Deferred contribution related to plumbing (note 11)		-		112,397
Deferred tenant allowance (note 12)		26,152		31,383
		<u>6,676,989</u>		<u>7,426,882</u>
Deferred revenue (note 9)		1,086,703		1,016,589
Deferred contribution related to capital assets (note 10)		697,916		822,916
Deferred tenant allowance (note 12)		-		26,153
	\$	<u>8,461,608</u>	\$	<u>9,292,540</u>
Net Assets (note 13)				
Invested in capital assets		1,435,340		1,967,127
Externally restricted reserve - safety standards agreement		1,550,000		600,000
Unrestricted reserve		3,203,712		2,098,048
		<u>6,189,052</u>		<u>4,665,175</u>
	\$	<u>14,650,660</u>	\$	<u>13,957,715</u>

Commitments (note 14)
See accompanying notes to the financial statements.

Approved by the Board:



Director



Director

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN
 STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 For the year ended June 30, 2022

	2022	2021
REVENUES		
Electrical safety	\$ 10,657,719	\$ 4,125,334
Gas and plumbing safety	7,089,248	2,617,858
Boiler and pressure vessel safety	6,842,400	6,670,707
Elevator and amusement ride safety	1,718,036	1,579,142
Amortization of deferred contribution related to capital assets (note 10)	365,500	1,328,119
Amortization of deferred contribution related to plumbing (note 11)	112,397	67,603
Interest and other	96,379	81,606
Gain on sale of capital assets	-	120,949
	26,881,679	16,591,318
EXPENSES		
Salaries and benefits	\$ 18,631,232	\$ 11,825,741
Travel	2,293,028	1,227,234
Rent and technology	2,016,628	1,641,839
Other business expenses	761,850	382,238
Amortization	617,403	480,605
Professional services	485,995	546,874
Administrative	444,477	322,137
Board and committees	107,189	88,450
	25,357,802	16,515,118
EXCESS OF REVENUES OVER EXPENSES	\$ 1,523,877	\$ 76,200
Net assets, beginning of year	4,665,175	4,588,975
NET ASSETS, END OF YEAR	\$ 6,189,052	\$ 4,665,175

See accompanying notes to the financial statements.

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN
 STATEMENT OF CASH FLOWS
 For the year ended June 30, 2022

	2022	2021
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,523,877	\$ 76,200
Items not affecting cash		
Amortization of tangible capital assets	408,870	338,589
Amortization of intangible capital assets	208,533	142,016
Amortization of tenant allowance (note 12)	(31,384)	(31,384)
Amortization of deferred contribution related to capital assets (note 10)	(365,500)	(1,328,119)
Gain on sale of capital assets	-	(120,949)
	<u>1,744,396</u>	<u>(923,647)</u>
Net change in non-cash working capital		
Accounts receivable	692,531	(719,133)
Prepaid expenses	43,733	(99,724)
Short-term investments	(2,061,231)	(498,206)
Accounts payable and accrued liabilities	25,647	1,093,372
Deferred contribution related to plumbing (note 11)	(112,397)	112,397
Deferred revenue	(347,298)	1,390,383
	<u>(14,619)</u>	<u>355,442</u>
INVESTING ACTIVITIES		
Additions to tangible and intangible capital assets	(85,616)	(161,761)
Proceeds from the sale of tangible and intangible capital assets	-	1,225,199
	<u>(85,616)</u>	<u>1,063,438</u>
(DECREASE) INCREASE IN CASH	<u>(100,235)</u>	<u>1,418,880</u>
CASH, BEGINNING OF YEAR	<u>2,615,059</u>	<u>1,196,179</u>
CASH, END OF YEAR	<u>\$ 2,514,824</u>	<u>\$ 2,615,059</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF BUSINESS

The Technical Safety Authority of Saskatchewan (TSASK) is a not-for-profit organization established July 1, 2010 through the passage of *The Technical Safety Authority of Saskatchewan Act* (TSASK Act). TSASK was created from the Licensing and Inspections Branch of the Ministry of Corrections, Public Safety and Policing with a mandate of delivering safety programs related to pressure equipment, elevating devices and amusement rides. In 2021, TSASK took on additional responsibilities for gas and electrical licensing permitting and inspections. TSASK's scope was further expanded to include plumbing permitting and inspections beginning on January 1, 2022. TSASK reports to the Ministry of Government Relations.

TSASK's mandate includes registration, inspection, certification and licensing programs. Services are delivered on a fee-for-service basis, with fees charged to the sectors designing, manufacturing, installing, operating and owning equipment that is potentially hazardous or is otherwise related to public safety in the industries TSASK regulates. TSASK presently administers and enforces the provisions of the following legislation and related regulations:

- *The Boiler and Pressure Vessel Act, 1999;*
- *The Passenger and Freight Elevator Act;*
- *The Amusement Ride Safety Act;*
- *The Electrical Inspections Act, 1993;*
- *The Electrical Licensing Act;*
- *The Gas Inspections Act, 1993;*
- *The Gas Licensing Act;*
- *The Plumbing Code Regulations.*

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

TSASK's financial statements are prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

(b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates include the carrying value of accounts receivable, the estimated useful lives of tangible and intangible capital assets, and the percentage of completion estimates related to revenue. Estimates are based on management's knowledge of current events and actions TSASK may undertake in the future. These estimates and assumptions are reviewed periodically and adjusted for as required.

(c) Revenue Recognition

TSASK follows the deferral method of accounting for contributions. When a fee covers a specific period, revenues are recognized evenly over that period. Where the fee does not cover a specific period and is earned over a period of time, estimates are used to determine the period over which revenue is recognized, based on past history. Fees collected in advance are classified with deferred revenue. All other revenues are recorded when services are performed and are recorded on the accrual basis if the amount to be received can be reasonably estimated and collection reasonably assured.

(d) Corporate Income Taxes

TSASK is incorporated as a not-for-profit organization and is exempt from federal and provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash

Cash is comprised of balances with the bank and is recognized at fair value.

(f) Investments

Investments consist of term deposits and are carried at fair market value.

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization of property and equipment commences when it is brought into service and is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and equipment	3 - 7 years
Leasehold improvements	term of the lease

For any used tangible capital assets which are acquired or contributed, TSASK will assess the appropriate remaining useful life of the asset.

(h) Intangible Capital Assets

Direct costs attributed to the purchase and customization of third-party software are capitalized and are recorded at cost (except for those assets transferred from SaskPower at nil consideration on February 1, 2021 which have been recorded at fair market value). Costs to support or service software are expensed in the period incurred. Amortization of software commences when it is brought into service and is provided on a straight-line basis over the estimated useful life of the asset (3 - 8 years). For any internally developed or used intangible capital assets which are acquired or contributed, TSASK will assess the appropriate remaining useful life of the asset.

(i) Financial Asset Impairment

TSASK assesses impairment of all its financial assets measured at cost or amortized cost. TSASK groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty and/or whether there has been a breach in contract, in determining whether objective evidence of impairment exists. Where there is an indication of impairment, TSASK determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, TSASK reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; and the amount that could be realized by selling the assets. Any impairment, which is not considered temporary, is included in current year earnings.

TSASK reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations.

(j) Deferred Tenant Allowance

Deferred tenant allowance includes amounts received in lease agreements related to leasehold improvements. Amortization of the deferred tenant allowance is recognized over the length of the lease on a straight-line basis.

(k) Financial Instruments

Financial instruments are recognized when TSASK becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value. Financial assets and liabilities originated and issued in related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Part II, Section 3840 Related Party Transactions.

At initial recognition, TSASK may irrevocably elect to subsequently measure any financial instrument at fair value. TSASK has elected to measure investments at fair value. TSASK has elected to subsequently measure all other financial instruments at cost or amortized cost.

3. ACCOUNTS RECEIVABLE

	2022		2021	
Trade	\$	332,005	\$	454,343
Other receivables		27,434		593,127
Allowance for doubtful accounts		(27,300)		(22,800)
	\$	332,139	\$	1,024,670

4. SHORT-TERM INVESTMENTS

Short-term investments consist of term deposits of \$10,158,161 (2021 – \$8,096,930) with yields between 0.60% and 3.28% maturing prior to June 26, 2023 (2021 – yields between 0.43% and 0.48% maturing prior to March 29, 2022).

5. TANGIBLE CAPITAL ASSETS

	Cost 2022		Accumulated Amortization 2022		Cost 2021		Accumulated Amortization 2021	
Furniture and equipment	\$	1,527,968	\$	1,477,533	\$	1,475,483	\$	1,194,693
Leasehold improvements		1,378,510		925,967		1,378,510		799,938
	\$	2,906,478	\$	2,403,500		2,853,993	\$	1,994,631
Accumulated amortization		(2,403,500)				(1,994,631)		
Net book value	\$	502,978	\$	859,362				

6. INTANGIBLE CAPITAL ASSETS

	Cost 2022		Accumulated Amortization 2022		Cost 2021		Accumulated Amortization 2021	
Software	\$	2,217,779	\$	1,285,417	\$	2,184,649	\$	1,076,884
Accumulated amortization		(1,285,417)				(1,076,884)		
Net book value	\$	932,362	\$	1,107,765				

7. DEMAND OPERATING FACILITY AGREEMENT

TSASK has a Demand Operating Facility Agreement providing for a revolving line of credit for loans and overdrafts not to exceed \$250,000. The interest rate is set at prime rate + 0.5% per annum. Bank Security under the agreement consists of a first charge on acquired personal property and guarantee. During the year, TSASK continually had a positive cash balance and at no point was the line of credit accessed (2021 - \$nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022		2021	
Trade payables	\$	93,963	\$	62,526
Accrued liabilities		172,775		128,234
Payroll payable		598,628		520,257
Payroll employer liabilities		956,784		1,085,039
Provincial sales tax and goods and services tax payable		8,521		8,968
	\$	1,830,671	\$	1,805,024

Payroll employer liabilities include amounts owed to employees for vacation time, earned days off, retirement allowances (transferred from SaskPower) and time in lieu not yet paid.

9. DEFERRED REVENUE

	2022		2021	
Deferred elevator licensing	\$	656,454	\$	644,058
Deferred boiler and pressure vessel licensing		3,410,762		4,168,740
Deferred gas and electrical licensing and annual electrical permits		1,714,653		1,316,369
Total deferred revenue	\$	5,781,869	\$	6,129,167
Current portion	\$	4,695,166	\$	5,112,578
Long-term	\$	1,086,703	\$	1,016,589

10. DEFERRED CONTRIBUTION RELATED TO CAPITAL ASSETS

	2022		2021	
Deferred contributions, beginning of year	\$	1,188,416	\$	-
Asset contributions received from SaskPower		-		2,516,535
Recognized as revenue during the period		(365,500)		(1,328,119)
Deferred contributions, end of year	\$	822,916	\$	1,188,416
Current portion	\$	125,000	\$	365,500
Long-term	\$	697,916	\$	822,916

Deferred contributions related to capital assets represent the unamortized amount of contributions for computer software received from SaskPower upon the transfer of gas and electrical operations. The gas and electrical inspection system (GEIS) was recorded at fair market value and will be amortized until 2029.

11. DEFERRED CONTRIBUTION RELATED TO PLUMBING

	2022		2021	
Deferred contribution related to plumbing, beginning of year	\$	112,397	\$	-
Funding received from SHA		-		180,000
Recognized as revenue during the period		(112,397)		(67,603)
Deferred contribution related to plumbing, end of year	\$	-	\$	112,397

On March 30, 2021, the Saskatchewan Health Authority (SHA) contributed \$180,000 to TSASK in order to fund the future transfer of plumbing permitting and inspections services. As of June 30, 2022, TSASK spent the remaining funds on project management costs for plumbing operations and recognized the same amount as revenue.

12. DEFERRED TENANT ALLOWANCE

	2022		2021	
Deferred tenant allowance, beginning of year	\$	57,536	\$	88,920
Amortization of tenant allowance in rent and technology		(31,384)		(31,384)
Deferred tenant allowance, end of year	\$	26,152	\$	57,536
Current portion	\$	26,152	\$	31,383
Long-term	\$	-	\$	26,153

13. NET ASSETS

(a) Invested in capital assets

Net assets invested in capital assets of \$1,453,340 (2021 - \$1,967,127) represent the amount of net assets that are not available for other purposes due to investment in long-term assets.

(b) Externally restricted reserve – Safety Standards Agreement (SSA)

The Safety Standards Agreement expects TSASK to work to achieve and maintain an accumulated surplus or reserve of not less than the value of the audited salaries and benefits expense for a period of two months. The Agreement also notes that TSASK will act in good faith efforts to achieve this reserve by accumulating 10% of the audited profits annually. As of June 30, 2022, TSASK restricted \$1,550,000, thereby meeting half of the expected reserve requirement.

(c) Unrestricted reserve

The reserve represents all accumulated reserve from boiler and pressure vessel operations, elevator and amusement ride operations, gas and plumbing, and electrical operations. This amount can be used to fund future operating initiatives and is unrestricted.

	Invested in capital assets	Externally restricted reserve - SSA	Unrestricted reserve	Total 2022	Total 2021
Net assets, beginning of the year	\$ 1,967,127	\$ 600,000	\$ 2,098,048	\$ 4,665,175	\$ 4,588,975
Excess of revenues over expenses	-	-	1,523,877	1,523,877	76,200
Purchase of tangible and intangible assets	85,616		(85,616)		-
Amortization of tangible and intangible assets	(617,403)	-	617,403	-	-
Increase in externally restricted reserve		950,000	(950,000)		
Net assets, end of the year	\$ 1,435,340	\$ 1,550,000	\$ 3,203,712	\$ 6,189,052	\$ 4,665,175

14. COMMITMENTS

2023	\$	1,703,270
2024		1,228,407
2025		706,385
2026		141,461
2027		141,461
Thereafter		424,382
	\$	4,345,366

15. FINANCIAL INSTRUMENTS

(a) Fair value

TSASK's financial instruments consist of cash, accounts receivable, short-term investments, and accounts payable and accrued liabilities. The carrying amount of TSASK's financial instruments approximates fair value, due to relatively short-term maturities.

(b) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. TSASK is exposed to credit risk with respect to cash, accounts receivable and short-term investments. The cash and short-term investments are maintained with a large federally regulated financial institution in Canada. TSASK assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible. There has been no change to the risk exposures from 2021.

15. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk

Liquidity risk is the risk that TSASK will not be able to meet its financial obligations as they fall due. TSASK's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flow generated from operations to fund the operations and settle debt and liabilities when due. Contractual obligations and payments related to financial liabilities as of June 30, 2022, are all expected to be paid by June 30, 2023.

16. PENSION PLAN

TSASK participates in the Public Employees Pension Plan (PEPP), a defined contribution pension plan. TSASK's obligations to PEPP are limited to 8.6% for out of scope and SGEU employees, 7.25% for IBEW employees, and 6.25% for Unifor employees. During the year, TSASK contributed \$1,185,472 (2021 - \$773,879) to PEPP, which is recorded as an expense within salaries and benefits.

17. TRANSACTIONS WITH GOVERNMENT

TSASK has routine operating transactions with the Government of Saskatchewan which are conducted in the normal course of operations and are recorded at the exchange amount of consideration established and agreed by the related parties. Included in expenses are transactions with the Government of Saskatchewan amounting to \$22,801 (2021 - \$95,082) of which \$2,500 (2021 - \$3,599) was payable at June 30, 2022.

18. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the current year's presentation.



CONTACT **US**

306-798-7111
866-530-8599



info@tsask.ca
www.tsask.ca

