



ANNUAL REPORT 2023

Inspiring and Shaping Excellence in Public Safety



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Chair's Message



COLLEEN VANCHA

On behalf of the Board of Directors of the Technical Safety Authority of Saskatchewan (TSASK), it is my pleasure to introduce the Company's annual report for the 2022-23 fiscal year.

This past year was an important time for the organization, as management focussed on integrating provincial plumbing inspections and harmonizing best practices among its five technologies – Electrical, Boilers and Pressure Vessels, Gas, Plumbing, and Elevators and Amusement Rides. Management and Board members also conducted a comprehensive strategic review of

the expanded organization to identify near-term areas of focus, including bringing its risk-based framework to all technologies and developing a multi-year information technology strategy that will identify and prioritize resources based on value, risk mitigation and safety. I want to express the Board's gratitude and congratulations to TSASK's leadership and front-line people for their tireless commitment to enhancing public safety for the Province of Saskatchewan.

As a Board, we continue to refine our processes and composition to ensure we have the resources necessary

to lead the larger organization. In November, we were pleased to welcome Keith Comstock to the Board as one of the Province's Order-in-Council appointments. Mr. Comstock joined Saskatchewan's public service in 1979 and spent the last eight years as Assistant Deputy Minister of Government Relations.

We also made some changes to our leadership responsibilities. Given that my second and final term expired on August 31, 2023, Shelley Lipon will become the Board Chair. Rick Hoffman will serve as Vice-Chair and will also Chair the Audit Committee. Ron Styles takes on the Chair role for the Governance and Human Resources Committee. In addition, each Director will now sit on a minimum of two committees. Profiles of each director can be found on page 26 of this report.

I want to personally thank my fellow Board members and Bill Scott, Chief Executive Officer, for their support and leadership throughout my time with the organization. TSASK's commitment to excellence in public safety remains, and together with its people and industry partners, TSASK will continue to support growth and economic prosperity in Saskatchewan.

Sincerely,

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 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.

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.

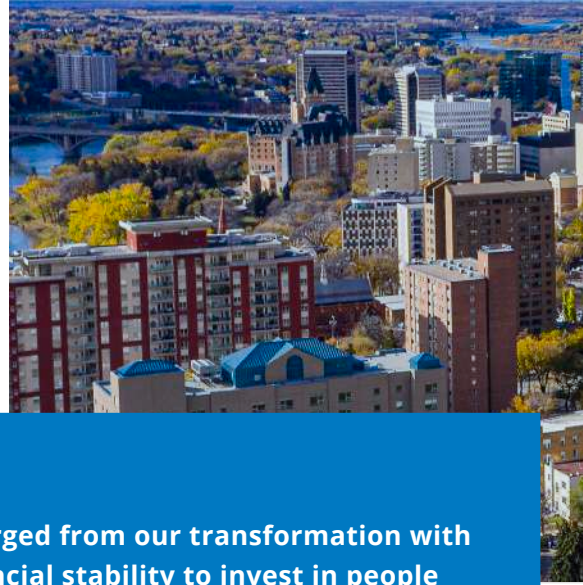
ACCOUNTABILITY - We are committed to responsible, consistent, and dependable actions.

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.

Message from the CEO



“ We emerged from our transformation with the financial stability to invest in people and infrastructure that can directly impact public safety. ”

I am pleased to provide this report on the performance of the Technical Safety Authority of Saskatchewan for the 2022-23 fiscal year.

The past 12 months marked a significant milestone in the evolution of TSASK. It was the first full fiscal year of our “new normal” – operating in a post-pandemic environment with the fully expanded list of technologies operating under our banner. Any discussion of TSASK performance must start by acknowledging the challenge of undertaking that expansion during a pandemic, and the incredible work of the people who made it happen. We have an outstanding team that took on a great deal of heavy lifting, and I am proud of everything our group accomplished through some very demanding years.

Like any milestone however, it is a fleeting moment of achievement and we recognize that our current “normal” is a temporary state. TSASK will – and must – continue to evolve and identify ways to capitalize on



the strengths of our bigger, broader team. The past three years have been an exercise in gathering the pieces under one roof, as we prepared for and added responsibility for gas and electrical licensing, permitting, and inspections in 2021, and plumbing permitting and inspections in 2022. Now the real work begins as we enter a new stage of connecting these pieces in ways that will improve our contribution to safety and economic growth in Saskatchewan.

As recent years have shown, our people are ready for that challenge. We are fortunate to have strong leadership and clear direction from our Board of Directors, a depth of knowledge across our management team, and a demonstrated commitment from the growing list of front-line people who take on the daily work of inspections and administration. As pleased as I am to report on our progress to date, I am even more excited about our potential for the future.

A Stable Foundation for the Future

The addition of new responsibilities to TSASK's mandate had an expected

and obvious impact on the indicators commonly used to measure performance. We do more, so the numbers associated with our financial performance are higher in many categories than in our pre-expansion state.

TSASK's revenues for fiscal 2023 grew to \$28.1 million, which compared to \$26.9 million last year and \$16.6 million two years ago. The increase over the past two years is an indicator of the change in the size and scale of our operations. Our expenses for the current year were \$25.6 million – slightly higher than the \$25.4 million of the previous year, as the full-year cost of salaries for our expanded team increased to \$18.9 million this year from \$18.6 million last year. Our net earnings for 2022-23 reached \$2.5 million compared to \$1.5 million in fiscal 2022. This strong financial performance is a testament to the investment in the preparation and planning made in the early stages of our expansion.

The discussion of these results however, should not overshadow the real measures of success for our organization. TSASK's vision

is to be a leading and innovative safety authority, and to inspire and shape excellence in public safety. We collaborate with industry and individuals to develop and deliver safety, educational, and regulatory services that inspire confidence in public safety. In simple terms, our objective is not to generate more revenue or increase earnings; it is to improve safety performance across Saskatchewan.

With the initial work of bringing new technologies and new people into TSASK behind us, we can sharpen our focus on systems and processes – secure in the knowledge that we emerged from our transformation with the financial stability to invest in people and infrastructure that can directly impact public safety.

Creating an Integrated Organization

While the expansion of TSASK has been dramatic, changes to safety performance tend to be incremental. After giant leaps, our attention now is on the small steps – What can we do better today? How can we become a better resource for industry? How do we increase awareness and

understanding of programs that improve safety?

The initial task is to create an integrated organization that leverages the collective expertise of people across our diverse technologies. Each of the technologies we oversee is unique and requires different training and skills, but the cross-pollination of ideas and approaches may help us improve the overall way we deliver services. The combination of our offices in Regina is a significant step as we are bringing different technologies together under one roof.

The most important element in our integration is that we have people and partners who share a common interest in and commitment to safety. Across the board, we strive to create an environment that makes it possible for our people to go home every day and feel they accomplished something that had a positive effect on safety in Saskatchewan. Most days, the impact may not be groundbreaking or revolutionary. It will be doing the right things – taking those small steps – that help industry and our province grow in a responsible and safe way.

Information technology will be an important resource in this integration process, and we will continue to invest in this area. We have long understood that communication is a critical building block for safety and that our infrastructure must address our needs internally and externally. We held meetings that included managers and front-line people from different technologies, and developed a lengthy list of improvements that

could be supported by updates to our IT infrastructure and website. We narrowed that to a shorter list of priorities and have initiated the process of building our internal capacity to support these changes. It is a complex task but one that will ultimately improve the way we gather and share data.

For the past number of years our mantra has been that we don't improve safety by doing more inspections; we improve safety doing more inspections that matter. The evolution of our IT system will give us a greater ability to identify higher-risk installations so we can direct our energies to those projects. By making risk mitigation, rather than volume of inspections our priority, we can deploy our resources in the best possible way.

The Journey Continues

As pleased as we are with the successful expansion of our entity, we know that our path will always be a pursuit of continuous improvement. There is no finish line.

We are continuing to share our experience and insights with the provincial government as it works toward a new utilities act that may consolidate and simplify the regulations governing safety in Saskatchewan. This is an important long-term initiative that we expect will enhance our ability to serve our stakeholders.

Our view of the world, however, extends far beyond our provincial borders and we continue to explore

new ideas and best practices that can advance the safety culture in Saskatchewan. We take a great degree of pride in the fact that TSASK has become a recognized leader in the national conversation on safety. As an example, our electrical inspections department was one of four provincial entities included in a taskforce with national health and safety leaders on the online sale of unapproved electrical products. We encourage our people to be the leading professionals in our industry and they have earned their place among the industry leaders. This approach has helped us attract and retain committed professionals who make our organization better.

I am extremely proud of the work of our people and I thank them for their efforts. Collectively, we are grateful for the continuing support of industry and the Ministry of Government Relations, as well as our Board of Directors.

TSASK passed a significant milestone in fiscal 2022-23 and we will continue to push forward in the years ahead.

Sincerely,



Bill Scott
Chief Executive Officer

Management's Discussion of Financial & 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 2022-23 audited financial statements. TSASK has revised the structure of this year's report to better reflect the organization and to provide clarity to the performance of each area of operation.

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Organizational Overview

The Technical Safety Authority of Saskatchewan (TSASK) is a not-for-profit organization established in 2010 through The Technical Safety Authority of Saskatchewan Act. TSASK was originally 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 arm's length from the provincial government under the terms of a Safety Standards Agreement and reports through the Ministry of Government Relations.

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 and installations;
- 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.

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 has supported 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 present and future needs of our entity.

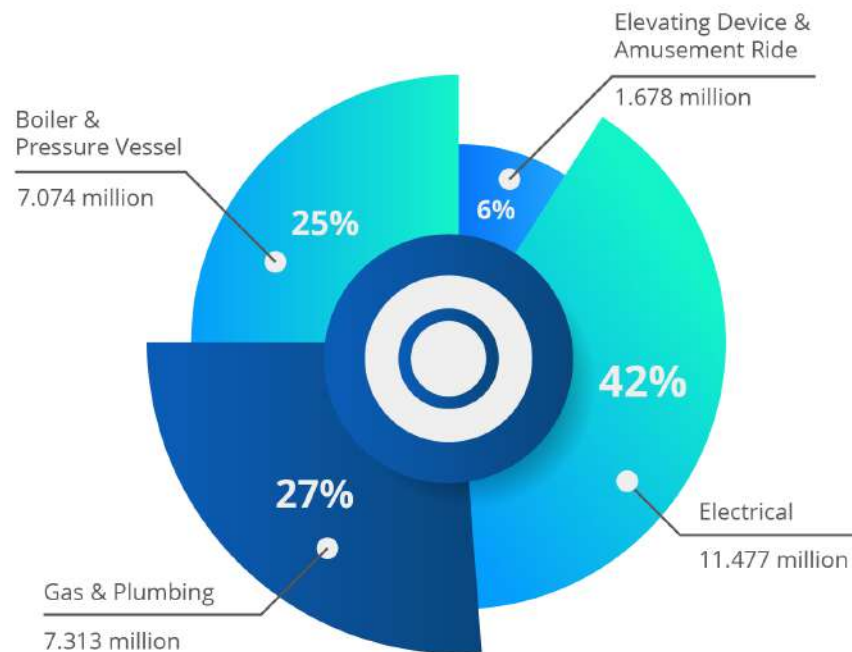
Revenues

TSASK revenues for fiscal 2022-23 were \$28.110 million, a 4.6 percent increase over the \$26.882 million of the previous year. The higher total was driven largely by increased demand for permits and the licensing of people, both of which experienced greater demand resulting

from improved economic conditions in Saskatchewan. In addition, TSASK benefitted from an increase in interest revenue generated by higher interest rates.

Electrical licensing, permitting and inspections were the largest revenue stream for TSASK, representing 42 percent of total TSASK revenue in 2022-23. Gas licensing, permitting and inspections, combined with plumbing permitting and inspections, contributed approximately 27 percent, while boiler and pressure vessel activities contributed 25 percent. Revenue from inspections and licensing related to elevating devices and amusement rides represented 6 percent of TSASK revenue. Economic conditions in Saskatchewan can materially affect electrical, gas and plumbing permitting and inspections, which means TSASK is now exposed to greater fluctuations in revenue than in the past.

Revenue by Technology



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.

Net Earnings

TSASK generated net earnings of \$2.486 million in fiscal 2022-23, which compared to \$1.524 million the previous year. The higher net earnings reflected the expanded size and scope of TSASK, with increased revenues from inspections, permits and licensing, as well as higher interest earned on investments. This, combined with long-term planning to control major expenses (including salaries and benefits) during the expansion, effectively resulted in higher net earnings.

FTE COUNT - JUNE 30



Total expenses for fiscal 2022-23 were \$25.624 million, which compared to \$25.358 million the prior year. Salaries and benefits are TSASK's largest expense at \$18.943 million, which reflected a 1.7 percent increase from the prior-year total of \$18.631 million. On June 30, 2023, TSASK had 153 full-time equivalent (FTEs) employees, which compared to 155.6 at the end of fiscal 2022. TSASK's employee base has grown from 64.9 FTEs at the end of fiscal 2020 to the current level as a result of the addition of new areas of responsibility.

Expenses related to travel and transportation remained relatively consistent at \$2.315 million in 2022-23 compared to \$2.293 million in the prior year. Rent and technology costs rose to \$2.205 million, up \$188 thousand year over year, primarily because of a technology refresh. The remainder of the expenses decreased to \$2.162 million, down \$255 thousand year over year. This is primarily due to a decrease in amortization (\$273 thousand) as equipment transferred from the merge with SaskPower was completely written off. An increase in training and development offset prior year one-time start-up costs related to integration of the plumbing technology.

Capital Expenditures

Total capital expenditures for the year were \$53 thousand, which compared to \$86 thousand in 2021-22. Expenditures in the current year included ongoing development of web portals (\$42 thousand), and an exam scanner (\$11 thousand).

Net Assets

TSASK's total net asset position as of fiscal 2023 was \$8.675 million compared to \$6.189 million as of June 30, 2022, an increase of 40 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 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. As of June 30, 2023, TSASK was in compliance with this requirement and has restricted \$3.160 million as an external reserve.

Review of Performance By Technology

TSASK has responsibilities for a broad range of technologies – electrical, gas, plumbing, boiler and pressure vessels, elevating devices, and amusement rides. Our programs are designed to improve the administration, awareness, and oversight of technical safety in Saskatchewan for industry and the general public. 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 related to technologies that fall under TSASK's responsibility by legislation. TSASK is building consistency into the delivery of licensing, permitting and inspections across various technologies, while recognizing the unique responsibilities, revenue models and requirements for each area of operation. Our ambition is to establish TSASK as a recognized leader in the best-practice delivery of services and to ensure we adhere to protocols that protect the health and safety of our staff, customers and public.

Electrical Operations

TSASK's responsibilities for electrical installations range from high-voltage installations and upgrades in mining, industrial, and commercial facilities, to lower-voltage work in commercial buildings, farm operations, and residential homes. TSASK electrical inspectors conduct sample inspections across the industry to 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 consumer and commercial-based electrical products to

ensure the equipment is certified and approved for use. TSASK investigates electrical shock and fire incidents where electrical installations or equipment are a possible cause. Inspections staff are located across the province to provide maximum coverage for inspecting electrical work.

Revenues

Electrical permitting and inspections generated \$11.477 million in revenue in fiscal 2023, compared to \$10.658 million during the prior year. The increase occurred even as the numbers for permits issued and inspections completed remained consistent with the prior year, as fees associated with permits and inspections vary according to the size and value of projects.

Permits, Inspections and Licensing

TSASK continually reviews all electrical work to maintain the integrity of electrical licenses.

The number of permits issued in 2022-23 was consistent with the prior year, with 88,045 in this fiscal year compared to 88,354 last year. As per the previous year, TSASK prioritized inspections of projects that have higher risks, resulting in a similar number of inspections completed – 33,349 in 2022-23 compared with 33,406 in 2021-22. Inspectors identified 1,256 defects during the year and saw 1,229 defects corrected prior to the end of the fiscal year. In addition, adjustments were made to improve the reliability of our plan reviews and inspections in the mining sector.

TSASK also conducts compliance audits of electrical contractors during the year to evaluate adherence to

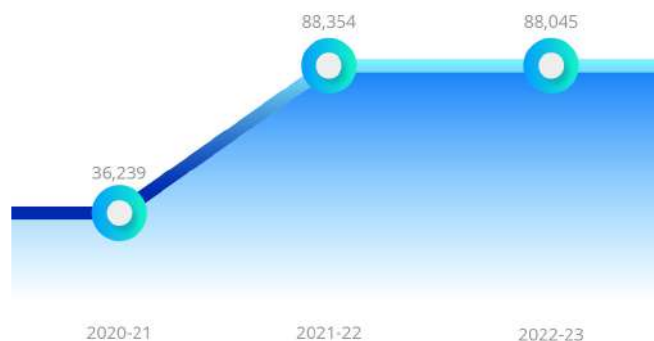
the Electrical Inspections Act. Where contractors were found to be negligent in reporting all permits, appropriate penalties were issued for non-compliance. In addition, TSASK escalated enforcement of the Electrical Inspections Act, which led to seven discipline notices and four stop work orders being issued during the year. This led to one employer becoming licensed, and to permits being acquired on projects that had been initiated without permits.

Electrical inspectors also conducted field approvals for specialized electrical appliances not certified by an accredited Standards Council of Canada certification body. The number of field approvals increased to 74 this year, compared to 70 in the previous year.

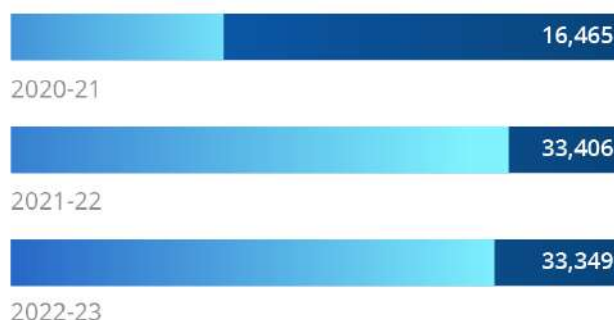
Electrical licensing became the responsibility of TSASK in August 2020 and, as part of this transition, TSASK began a process of re-assessing licensing data to ensure consistency and accuracy across technologies. This review, which is still in progress, may result in updates to previously reported data. For fiscal 2023, TSASK recorded 2,438 new or renewed electrical journeyperson licences, and 766 electrical contractor licences, which compared to 3,238 journeyperson, and 905 contractor licences the previous year. Licences can be renewed on a one- or three-year basis, which results in year-over-year fluctuations. As a result, the total number of journeyperson licences at year end was 7,336 (compared to 8,626 the prior year) and contractor licences was 1,738 (compared to 1,886).

The Registered Electrical Contractor Program (RECP) was introduced five years ago to improve safety and consistency related to electrical installations and is available to electrical contractor companies that have demonstrated a commitment to safety and compliance. Inspections works with contractors who qualify for the program by maintaining a clean incident record and a low defect ratio on permitted projects. The number of companies enrolled in the RECP increased to 87 in 2022-23, up from 83 the previous year, and 76 two years ago. The intent is to reduce risk by working with industry to ensure the highest standard of safety adherence on an ongoing basis.

Electrical Permits



Electrical Inspections



Gas Operations

Gas inspectors enforce installation codes and standards related to gas-fuelled equipment such as furnaces, boilers, water heaters, grain dryers, and industrial gas equipment. TSASK conducts sample inspections across the industry, as well as 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 other appliances.

Revenues

Gas permitting and inspections generated \$6.861 million during the year, which compared to \$6.919 million during the prior year. The stability of revenue is reflective of year-over-year consistency in the number of permits, inspections, and licences.

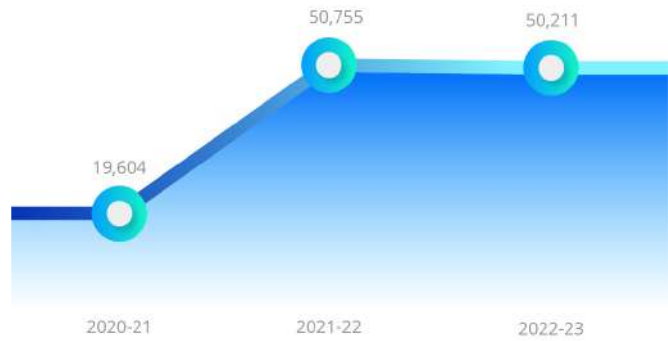
Permits, Inspections and Licensing

The number of gas permits issued in 2022-23 decreased marginally to 50,211 compared to 50,755 issued in the 2021-22 fiscal year. Inspectors completed 28,129 inspections in 2022-23, which is consistent with the 28,902 inspections completed the prior year. In the final six months of the previous year, TSASK increased focus on identifying and inspecting higher-risk items. The value of this focus was confirmed as a higher number of gas deficiencies were identified. Inspectors identified 3,049 defects in fiscal 2023 and saw 2,909 defects corrected, including a number of low-risk deficiencies carried over from the previous fiscal year. The nature and severity of a defect will determine the time given to correct a defect. In addition, TSASK operates a red-tag program in cooperation with contractors and utilities. This allows gas inspectors to ensure hazardous or potentially hazardous conditions are resolved in a timely fashion and to address design flaws through appropriate certification bodies. In fiscal 2023, 2,439 red tags were submitted, compared to 2,318 the previous year.

Gas-fuelled appliances must be certified for use in Canada by a Standards Council of Canada-accredited certification body in compliance with a nationally recognized gas appliance standard. Where no standard exists, uncommon or specialized gas appliances may be approved for use through TSASK’s field approval program under provisions detailed in the gas inspections regulations. The number of field approvals completed by TSASK for gas appliances this year increased to 266 (compared to 225 the previous year). This allows industry a reasonable path to ensure compliance.

The number of licences for gas fitters, which have a one- or three-year option, was 2,832 in fiscal 2023 (compared to 3,303 the prior year) and for gas contractors was 1,533 compared to 2,291. TSASK, which assumed responsibility for gas licensing in 2020, continued to work toward consistency in licensing data across different technologies. This may lead to updates to previously reported data.

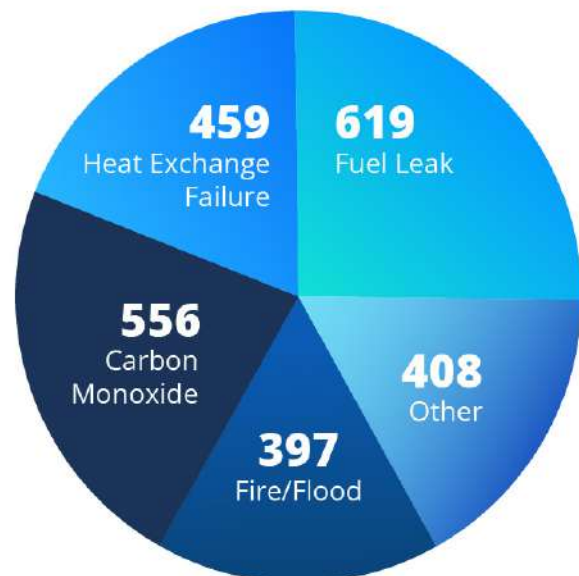
Gas Permits



Gas Inspections



Red Tag Categorizations for 2023



Plumbing Operations

Plumbing and gas technologies are closely related, which allows plumbing operations to function as an extension of gas operations. The cities of Regina, Saskatoon, and Lloydminster, along with the Global Transportation Hub, have jurisdictional authority for plumbing permitting and inspections within their borders, and do not fall under TSASK’s authority. The Saskatchewan Health Authority has oversight of private sewage works. TSASK plumbing inspectors conduct sample inspections to 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.

Revenues

Plumbing permitting and inspections generated \$452 thousand in revenue in its first full year under TSASK’s responsibility, which compared to \$170 thousand in revenue during the six months these inspections were the responsibility of TSASK in the prior year.

Permits, Inspections and Licensing

Plumbing work must be conducted under the authority of a permit. The number of plumbing permits issued in 2022-23 increased to 2,366 from 894 issued during the six months TSASK was responsible for plumbing in the prior year. The larger number of permit submissions was expected, and represents TSASK’s commitment to increasing permitting and inspection compliance in the plumbing technology. Of the 2,366 permits issued, 48 were homeowner permits. Inspectors completed 4,307 inspections in 2022-23, compared to 913 during the six-month period reported in 2021-22. The number of inspections exceeded the number of permits, as plumbing systems may require multiple inspections at the rough-in and finishing stages of construction. A total of 269 deficiencies were identified in the current year. To better serve our customers, including plumbing contractors

Plumbing Permits



Plumbing Inspections



working to construction schedules, inspectors used remote-meeting technology to conduct 451 inspections this year.

Eligibility to obtain a permit is limited to journeyperson plumbers, persons who employ a journeyperson 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. In 2022-23, 64 individual and contractor credentials were verified, bringing the total number of verifications to 270 since plumbing was transferred to TSASK in January 2021. Journeyperson plumbers are not required to obtain a licence to practice the plumbing trade in Saskatchewan.

Boiler and Pressure Vessel Operations

TSASK boiler and pressure vessel inspectors monitor pressure equipment safety through equipment and plan design reviews; verification and inspection of manufacturer quality procedures, new installations, fabrication and repair works; and continued inspection and oversight of equipment until its final decommissioning. These activities include equipment and systems in industrial settings and processing facilities, power production facilities, institutional buildings such as schools and hospitals, commercial buildings, and residential apartments. In addition, TSASK generates revenue from the testing and licensing of industry professionals such as welders and boiler plant operators.

Revenues

Activity related to boiler and pressure vessels generated \$7.073 million for the year, which was \$231 thousand more than the previous year's total of \$6.842 million. Activity levels increased year over year as a result of renewed construction activity following the pandemic.

Equipment licensing remained the largest revenue category related to boiler and pressure vessels, and contributed \$3.785 million in fiscal 2023, which was \$4 thousand higher than the \$3.781 million of the previous year. Design registration for boilers and pressure vessels generated \$778 thousand, which is a 12 percent (\$107 thousand) decrease from the \$885 thousand of the previous year, when a surge in new design registrations in all areas of activity created a spike. The current-year revenue for design registration remained higher than the annual average of \$673 thousand between 2019-

2021. Inspection revenue for 2022-23 increased to \$555 thousand, up \$65 thousand from the \$490 thousand of 2021-2022.

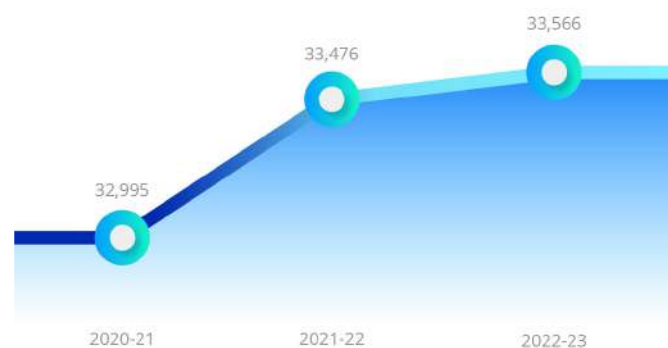
Exams, certification and licensing for welders, power engineers, and equipment inspectors generated \$1.267 million in revenue, which is \$191 thousand more than the previous year. This favourable variance is primarily due to a 42 percent increase in demand for permits to operate in urgent circumstances.

Permits, Inspections and Licensing

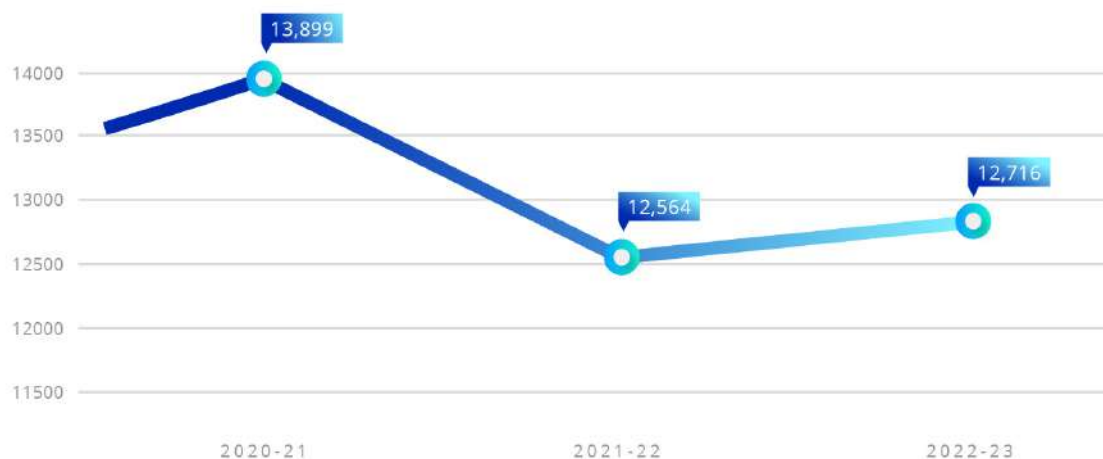
The number of licensed pressure equipment items in Saskatchewan increased to 33,566 in 2022-23, which is slightly higher than the 33,476 licensed in 2021-22 and reflected the consistent growth of industry in Saskatchewan.

The number of equipment installation acceptances increased to 3,650, up from 3,267 in 2021-22 and 3,567

Licensed Pressure Equipment



Total Boiler & Pressure Vessel Inspections



two years ago. More intense winter conditions led to an 8.0 percent increase in inspections related to propane heating installations (primarily to support construction projects) as well as 14.8 percent growth in inspections connected to other installations, repairs and alterations to equipment. The larger number of acceptance inspections does not translate directly to a growth in licensed equipment as a number of inspections are related to smaller or lower-risk equipment that does not require ongoing licensing, or to repairs and alterations, while other equipment has been decommissioned or replaced. The number of in-service inspections was 7,758 compared to 8,028, with the decrease reflecting the cycle of inspections.

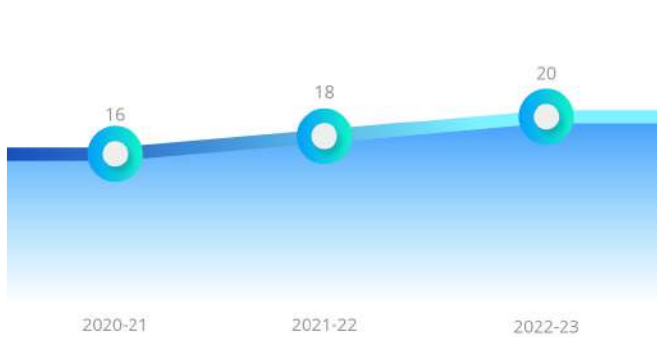
TSASK inspectors also oversee a program of Quality Management Systems (QMS), which is available to companies that can illustrate their commitment to safety through a documented inspection program, and can demonstrate increased internal accountability and quality control. The owners, who are primarily 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 continued to grow, reaching 20 in 2022-23 compared to 18 the previous year and 16 two years ago. Companies committed to a QMS now represent 38.8 percent of the licensed inventory operated in Saskatchewan. In addition to internal QMS programs, seven inspection companies maintained their QMS designation in Saskatchewan, compared to nine the previous year. The total number of inspector licences, which are valid for a five-year period, increased to 399 from 373 the previous year and 354 two years ago.

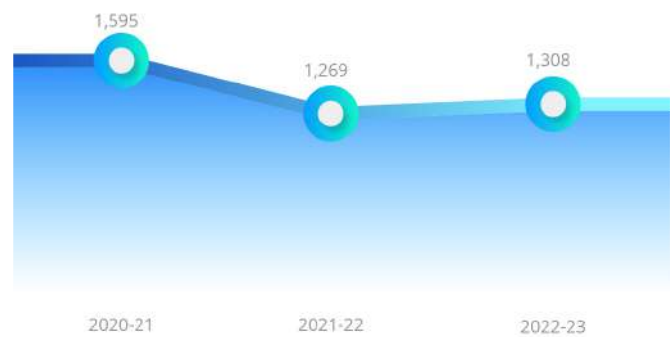
TSASK reviews designs for pressure equipment that are to be operated in Saskatchewan to determine that the design complies with provincial legislation as well as relevant codes and standards. Design activity was marginally higher in fiscal 2023, as TSASK registered 1,662 pressure equipment designs compared to 1,633 the previous year. This included 950 boiler and pressure vessel designs, up from 915 in fiscal 2022. This year saw 557 pressure fitting registrations, which was consistent with the prior year, and 132 piping registrations, down slightly from 168 of the previous year.



QMS Companies



QMS Inspections



Certifications and Licensing

TSASK provides programs to ensure companies and people responsible for pressure equipment meet a defined standard of competency. In 2022-23, TSASK issued 136 Certificates of Authorization to companies that have demonstrated quality control systems for the installation, repair, alteration, and/or manufacture of pressure equipment. This compared to 96 certificates issued the previous year. These certificates are valid for a period of three years, with 333 currently active.

TSASK administered 719 physical demonstration tests of welders during 2022-23, and authorized contractors completed an additional 401 tests. In addition, 396 welder licences were transferred from other provinces. In total, 3,078 active welder qualification licences have been issued.

TSASK's capabilities also undergo industry review. In February 2023, the American Society of Mechanical Engineers (ASME) completed an interim 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. 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.

The number of valid power engineering licences for boilers and refrigeration plants operating in the province declined for the fourth consecutive year, with 8,658 licences compared to 8,705 licences the previous year. Renewals, however, increased to 2,598 from 2,428 in 2022-23. Power engineering licences have one- and five-year validation options, so changes in renewal numbers reflect the cyclical nature of the renewal process rather than the number of active power engineers licensed in the province. The number of certification exams delivered in 2022-23 rose to 2,037, up from 1,776 exams administered in 2021-22.

Elevating Devices and Amusement Rides Operations

TSASK elevator inspectors oversee elevating device safety through equipment plan registration; inspection and testing of new installations; alterations and modernizations; monitoring of equipment testing completed by contractors; and the ongoing testing of elevating devices until decommissioned. Elevating devices include passenger and freight elevators, industrial lifts and personnel hoists, escalators, lifts for persons with disabilities, and ski lifts. Amusement ride inspectors ensure safety standards are met related to thrill rides, stationary rides, go-karts, and inflatable rides by assessing structural, mechanical and hydraulic components; electrical and control systems; safety guarding and restraints; and materials required for flame-spread reduction.

Revenues

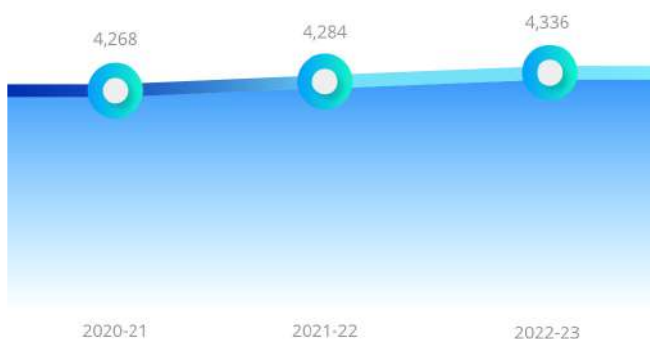
The combined total of elevating device and amusement ride revenue decreased to \$1.678 million for 2022-23, which is \$40 thousand lower than the previous year's \$1.718 million. The biggest share of the decrease was attributed to a decline in amusement ride equipment licensing revenue, as the prior year had increased activity resulting from the restart of events following the pandemic.

Permits, Inspections and Licensing

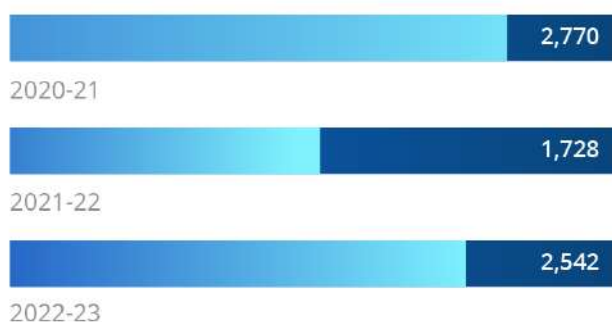
The number of licensed elevating devices in the province grew to 4,336 from 4,284 the previous year. The number of devices typically grows as new elevators become active in new buildings, while a decline reflects buildings being demolished or lifts for people who need barrier-free access are no longer being required. TSASK reviews designs for elevating devices to be operated in Saskatchewan to confirm the design complies with provincial legislation as well as relevant codes and standards. The number of elevating device plans registered increased to 113 in 2022-23, up from 100 in the previous year, as construction activity accelerated across the province.

TSASK introduced a Risk Informed Inspection Plan (RIIP) for elevating devices in June 2021 and continued with its implementation in fiscal 2023. The RIIP determines appropriate inspection intervals based on a range of factors, including the type of device, usage rate, frequency and type of maintenance, equipment age and condition, environmental operating conditions, and the most likely incident consideration. A total of 2,542 in-service inspections of elevating devices (including escalators and ski lifts) were conducted in 2022-23, which compared to 1,728 the previous year. The number of inspections represented 58.6 percent of the total number of devices, up from 41.0 percent the previous year. The RIIP is focused on targeted inspections that reduce inspection intervals for higher-risk devices and TSASK continues to

Licensed Elevating Device



Elevating Device Inspections

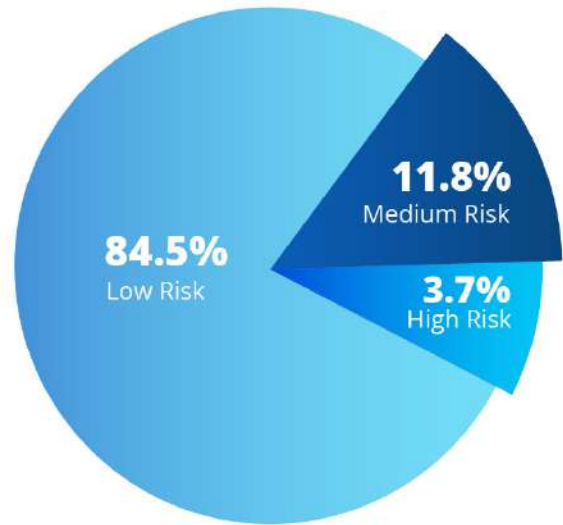


follow up on past-due inspections, specifically for devices in medium- and high-risk categories. All equipment, including equipment with a higher-risk categorization, is required to meet minimum public safety codes or standards, and generally accepted operating conditions, to remain safe for public use. Items not meeting these thresholds are removed from service pending corrective actions or repairs.

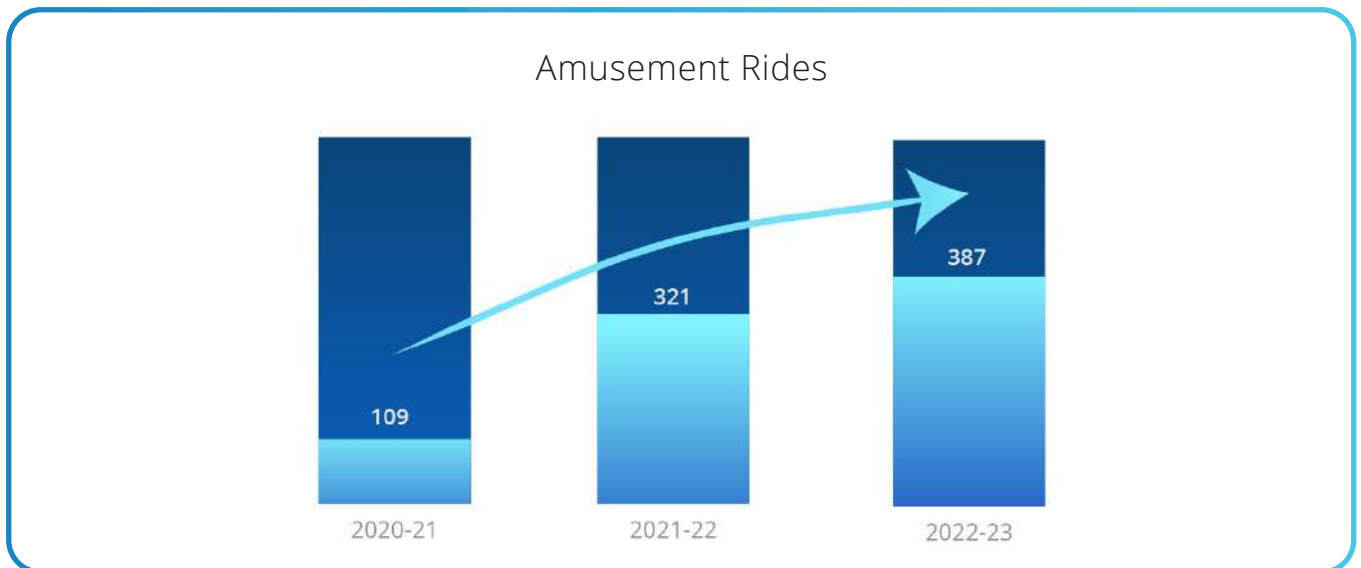
The number of acceptance inspections related to modification, modernization, or installation reached 288, consistent with 289 of the previous year. A total of 40 elevating devices were taken out of service during the year due to unacceptable risks related to the condition of equipment, which will require repair or improvement by its owners. This compared to 32 the previous year. TSASK's handling of amusement ride licensing and inspections continued to evolve in the wake of the pandemic, as we maintained and formalized through policy, certain protocols introduced over the previous two years during the initial return of fairs and events. This included pre-planning work, review of manufacturer notices, evaluation of non-destructive testing reports, on-trailer and operating inspections, as well as required or random follow-up inspections.

The number of licensed amusement rides increased to 387 in 2022-23, bringing it into alignment with the pre-pandemic average of 380. This compared to 321 licensed amusement rides the previous year and 109 in 2020-21.

Elevating Device Inventory Risk



A total of 282 inspections were completed in fiscal 2023 compared to 348 inspections the prior year, which also included out-of-province inspections on equipment destined for use in Saskatchewan. The total number of licenses does not align with the total number of inspections as TSASK's fiscal year-end falls in the middle of the fair and exhibition season. As a result, some rides may be licensed in one year and inspected the next and others may experience inspections in two different calendar years, but the same TSASK fiscal year.



Elevating Device Mechanic (EDM) Certification

TSASK introduced an Elevating Device Mechanic (EDM) certification and licensing requirement at the end of the previous fiscal year, and full implementation and mandatory licensing took 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. In the program's first year, 101 EDM licences were issued and active, with an additional 17 Mechanic-in-Training (MIT) licences also issued. A total of 293 people completed the course, including many owners and people in building maintenance positions who wanted to improve their knowledge.

General Operational Activities

Accidents

TSASK's commitment to creating a safety system 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. 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, requires corrective action.

In 2022-23, TSASK saw a small increase in reported incidents and complaints, with 67 in the current year compared to 64 the prior year. This year's list involved 31 elevating devices, 19 related to boilers and pressure vessels, eight electrical-related fires, eight related to gas installations, and one associated with an amusement ride. An increase in the number of incidents over the past two years is primarily a product of greater reporting compliance, specifically related to trips on escalators or elevator entrapments. After investigation, the number categorized as accidents included three related to boilers and pressure vessels that had overheated or experienced a process failure. Electrical incidents were largely related

to fires in older homes and one older commercial building. Among the gas incidents reported, the issues were related to equipment malfunction, installation issues or accidental damage. No fatalities or serious injuries 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. No appeals were filed with this Board during 2022-23.

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 2022-23.

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 2023.

Status of Acts and Regulations

Safety is a process of continuous improvement, and TSASK continued to work 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. Among the priority items is the development of the Utility Codes Act, intended to consolidate gas, electrical, and plumbing inspection and licensing acts. TSASK is a participant in this process, which included public consultations in 2023. Improved public safety is a product of thoughtful regulation, and a shared commitment to this goal contributes to the growth of industry in Saskatchewan.

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 of the Saskatchewan Integrity Association (SIA) and continues to support its ongoing operation. SIA is an owner association of pressure equipment inspectors, and company integrity management inspectors, who are focused on continuously improving and optimizing the safety, reliability, and integrity of pressure equipment within Saskatchewan facilities. During fiscal 2023, there were 19 member companies that represent 39.6 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. Significantly, TSASK is recognized as a national leader and joined Technical Safety BC, and the Technical Standards and Safety Authority (Ontario), in the Canadian Technical Safety Systems Regulators – Operations Forum. This collaboration framework brings together senior leadership from multiple jurisdictions to consider new approaches for the regulation and oversight of safety systems.

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.

TSASK also maintained its engagement with multiple gas and electrical industry stakeholders, including mining, oil and gas companies; mechanical and electrical contractors associations; the Saskatchewan Sign Association; the Canadian Propane Association; Saskatchewan Apprenticeship and Trade Certification Commission; Saskatchewan Polytechnic; SaskEnergy; SaskPower; Saskatoon Light and Power; Swift Current Light and Power; the Saskatchewan Building Officials Association; City of Regina Fire and Protective Services; and Saskatoon Fire Department. In addition, TSASK led a recently established industry group in the mining sector to review issues with local and national implications.

With the transition of plumbing inspections to TSASK, we continued to strengthen relationships with 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; Canadian

Regulatory Council on Plumbing; and the American Water Works Association: Western Canada Section.

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), and the Interprovincial/Territorial Gas Advisory Council. In addition, 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; and
- Committee for the Code for Electrical Installations at Oil and Gas Facilities published by TSASK.

In addition, electrical inspections became part of a national taskforce reviewing the online sale of unapproved consumer electrical products with the goal of establishing a national strategy for safety of electrical products that arrive in Canada from online purchases. This has become a growing problem and is outside of provincial, territorial, and federal legislation. TSASK is one of four provincial entities participating in a national workshop to provide strategies for Health Canada, Standards Council of Canada, and the provinces to address possible safety issues.

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;

- Canadian Technical Safety Systems Regulators – Operations Forum;
- Saskatchewan Integrity Association;
- Upstream Chief Inspectors Association;
- International Pressure Equipment Integrity Association;
- 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 the public safety system, TSASK continued to develop and deliver public education and information sessions. TSASK education and information services were provided to contractors and the public through in-person sessions and virtual formats.

Gas and Electrical Inspections also operated displays at Canadian Western Agribition, Saskatoon Gardenscapes, and the Regina Spring Home Show to inform the public on maintenance of equipment, and on permitting and inspection requirements. In addition, Gas and Plumbing Inspections provided 25 training sessions for stakeholders such as SaskEnergy, students at Saskatchewan Polytechnic, and mechanical contractors. In partnership with the Mechanical Contractors Association of Saskatchewan, TSASK also provided technical and administrative education sessions throughout the province with a primary focus on plumbing technology.

Electrical Inspections continued to provide online training related to the 2021 Canadian Electrical Code and Saskatchewan Interpretations, and contributed code-related articles to the Canadian trade publication “Electrical Business.” The group also continued its awareness program on irrigation, with a presentation at an annual irrigation conference, and developed safety tips for consumers that were posted on the TSASK website.

TSASK delivered four Pressure Equipment Safety Legislation (PESL) seminars, which promote knowledge of safety legislation and adopted codes. These seminars covered key information areas in greater detail than is typically available through self-study, and the number of attendees grew to 53, compared to 48 and 41 in previous years.

A new online course to prepare people to gain elevating device mechanic certification drew 293 people, ranging from hands-on technical experts, to building owners looking to expand their knowledge.

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. Keith Comstock and Ms. Madeleine Robertson were the government appointees for fiscal 2022-23.



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.

Until mid-2023, Colleen chaired the Certification Governance Committee with the Canadian Investor Relations 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 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.



Keith Comstock - Director

Member: Governance and HR Committee; Technical Committee

Keith Comstock has been a Director since 2022, appointed by the Saskatchewan Lieutenant Governor in council.

Keith joined Saskatchewan's public service in 1979 — his career included many years of direct community development work and stints as the province's lead on the cultural industries file, as manager of Municipal Affairs Legislation and Regulation, and as Executive Director of Strategy and Sector Relations.

Keith spent the last 8 years of his public service as Assistant Deputy Minister of Government Relations, and was responsible for Community Planning, Northern Municipal Services, Municipal Infrastructure and Finance, and Advisory Services and Municipal Relations.

After joining the Johnson Shoyama Graduate School of Public Policy in 2019, Keith worked on developing a 3-day governance course designed for municipal leaders that was launched in the fall of 2020. Participants become a certified Municipal Sector Governor and earn the Municipal Sector Governance designation (MS.Gov) upon successful completion of the course and exam. He joined the Board in November 2022. He lives in Regina.



Rick Hoffman - Director

Member: Audit and Finance Committee; Governance & HR 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.



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, K.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.



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.



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.



Shawna L. Argue - Director

Member: Governance and HR Committee

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.

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.

MNP 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 13, 2023



William J Scott
Chief Executive Officer



Kim Dumelie
Vice President, Corporate Services

Independent Auditor's 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 "Organization"), which comprise:

- the statement of financial position as at June 30, 2023
- the statements of operations and changes in net assets for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 Matters

The financial statements for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 8, 2022.

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's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants

MNP LLP

Regina, Canada
September 13, 2023

Financial Statements

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN STATEMENT OF FINANCIAL POSITION As of June 30, 2023

	2023	2022
ASSETS		
Current Assets		
Cash	\$ 1,386,241	\$ 2,514,824
Accounts receivable (note 3)	488,640	332,139
Prepaid expenses	126,461	210,196
Short-term investments (note 4)	8,055,830	10,158,161
	10,057,172	13,215,320
Long-term investments (note 4)	5,757,345	-
Tangible capital assets (note 5)	364,221	502,978
Intangible capital assets (note 6)	779,690	932,362
	\$ 16,958,428	\$ 14,650,660
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 1,501,104	\$ 1,830,671
Deferred revenue (note 9)	5,066,075	4,695,166
Deferred contribution related to capital assets (note 10)	125,000	125,000
Deferred tenant allowance (note 11)	-	26,152
	6,692,179	6,676,989
Deferred revenue (note 9)	1,018,221	1,086,703
Deferred contribution related to capital assets (note 10)	572,916	697,916
	\$ 8,283,316	\$ 8,461,608
Net Assets (note 12)		
Invested in capital assets	445,995	612,424
Externally restricted reserve - safety standards agreement	3,160,000	1,550,000
Unrestricted reserve	5,069,117	4,026,628
	8,675,112	6,189,052
	\$ 16,958,428	\$ 14,650,660

Commitments (note 13)
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, 2023

	2023		2022	
REVENUES				
Electrical safety	\$	11,476,700	\$	10,657,719
Gas and plumbing safety		7,313,029		7,089,248
Boiler and pressure vessel safety		7,073,931		6,842,400
Elevator and amusement ride safety		1,678,097		1,718,036
Amortization of deferred contribution related to capital assets (note 10)		125,000		365,500
Interest and other		443,395		96,379
Amortization of deferred contribution related to plumbing		-		112,397
		28,110,152		26,881,679
EXPENSES				
Salaries and benefits	\$	18,943,123	\$	18,631,232
Travel		2,314,889		2,293,028
Rent and technology		2,204,534		2,016,628
Other business expenses		873,673		761,850
Administrative		428,650		444,477
Professional services		412,035		485,995
Amortization		344,580		617,403
Board and committees		102,608		107,189
		25,624,092		25,357,802
EXCESS OF REVENUES OVER EXPENSES	\$	2,486,060	\$	1,523,877
Net assets, beginning of year		6,189,052		4,665,175
NET ASSETS, END OF YEAR	\$	8,675,112	\$	6,189,052

See accompanying notes to the financial statements.

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN
 STATEMENT OF CASH FLOWS
 For the year ended June 30, 2023

	2023	2022
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,486,060	\$ 1,523,877
Items not affecting cash		
Amortization of tangible capital assets	149,980	408,870
Amortization of intangible capital assets	194,600	208,533
Amortization of tenant allowance (note 11)	(26,152)	(31,384)
Amortization of deferred contribution related to capital assets (note 10)	(125,000)	(365,500)
	2,679,488	1,744,396
Net change in non-cash working capital		
Accounts receivable	(156,501)	692,531
Prepaid expenses	83,735	43,733
Investments	(3,655,014)	(2,061,231)
Accounts payable and accrued liabilities	(329,567)	25,647
Deferred contribution related to plumbing	-	(112,397)
Deferred revenue	302,427	(347,298)
	(1,075,432)	(14,619)
INVESTING ACTIVITIES		
Additions to tangible and intangible capital assets	(53,151)	(85,616)
DECREASE IN CASH	(1,128,583)	(100,235)
CASH, BEGINNING OF YEAR	2,514,824	2,615,059
CASH, END OF YEAR	\$ 1,386,241	2,514,824

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 2020, TSASK took on additional responsibilities for gas and electrical licensing, in 2021, for gas and electrical 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

Some fees are reflected as deferred revenue and recognized as revenue in the year(s) the fee covers. All other revenue is recognized when the good or service is provided and the amount to be received can be reasonably estimated and collection reasonably assured.

Specifically, revenue is recognized as follows:

- Permit fees are recognized when the permit is paid
- Annual permits are recognized evenly throughout a one-year period

2. SIGNIFICANT ACCOUNTING POLICIES

(c) Revenue Recognition (continued)

- Equipment licensing is deferred over a one-year period with the exception of immaterial dollar amount equipment licensing, which is recognized upon payment.
- Licensing for people range from one to five years. Licenses that are not material are recognized as received and others are deferred and recognized over their respective licensing period. Exam fees are recognized when received.
- Designs and plans are recognized as the service completed and provided to the customer.
- Inspection services are recognized when the work has been completed.
- Quality control programs represent a three-year cycle and the revenue is deferred and recognized over three years.
- Other revenues such as legal searches and interest revenue are recognized as received.

(d) Corporate Income Taxes

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

(e) Cash

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

(f) 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	7 years
Computer hardware	3 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.

(g) 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 - 10 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.

(h) Financial Asset Impairment

Assets are reviewed, at least annually, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

(i) 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.

(j) 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. No financial instruments incurred any transaction costs. 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 handbook 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 and cash at fair value. TSASK has elected to subsequently measure all other financial instruments at cost or amortized cost.

3. ACCOUNTS RECEIVABLE

		2023		2022	
Trade	\$	463,773	\$	332,005	
Other receivables		39,737		27,434	
Allowance for doubtful accounts		(14,870)		(27,300)	
	\$	488,640	\$	332,139	

4. INVESTMENTS

Short-term investments consist of term deposits and guaranteed investment certificates of \$8,055,830 (2022 – \$10,158,161) with yields between 3.64% and 5.20% maturing prior to May 12, 2024 (2022 – yields between 0.60% and 3.28% maturing prior to June 26, 2023).

Long-term investments consist of the following:

	Issue Date	Maturity Date	Interest Rate	Fair Value
CIBC Bond	January 2023	August 2024	4.87%	\$ 1,506,266
Principal Protected Note	May 2023	May 2028	3.00%	1,750,000
Guaranteed Investment Certificate	June 2023	June 2025	5.25%	2,501,079
Total				\$ 5,757,345

5. TANGIBLE CAPITAL ASSETS

	Cost 2023	Accumulated Amortization 2023	Cost 2022	Accumulated Amortization 2022
Furniture and equipment	\$ 1,539,191	\$ 1,495,673	\$ 1,527,968	\$ 1,477,533
Leasehold improvements	1,378,510	1,057,807	1,378,510	925,967
Accumulated amortization	\$(2,553,480)		\$(2,403,500)	
Net book value	\$ 364,221		\$ 502,978	

6. INTANGIBLE CAPITAL ASSETS

	Cost 2023	Accumulated Amortization 2023	Cost 2022	Accumulated Amortization 2022
Software	\$ 2,259,708	\$ 1,480,018	\$ 2,217,779	\$ 1,285,417
Accumulated amortization		\$(1,480,018)		\$(1,285,417)
Net book value	\$ 779,690		\$ 932,362	

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 (2022 - \$nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023		2022	
Trade payables	\$	104,471	\$	93,963
Accrued liabilities		72,056		172,775
Payroll payable		-		598,628
Payroll employer liabilities		1,316,674		956,784
Provincial sales tax and goods and services tax payable		7,903		8,521
	\$	1,501,104	\$	1,830,671

Payroll employer liabilities include amounts owed to employees for vacation time, earned days off, retirement allowances and CBA adjustments.

9. DEFERRED REVENUE

	2023		2022	
Deferred elevator licensing	\$	650,811	\$	656,454
Deferred boiler and pressure vessel licensing		3,768,867		3,410,762
Deferred gas and electrical licensing and annual electrical permits		1,664,618		1,714,653
Total deferred revenue	\$	6,084,296	\$	5,781,869
Current portion	\$	5,066,075	\$	4,695,166
Long-term	\$	1,018,221	\$	1,086,703

10. DEFERRED CONTRIBUTION RELATED TO CAPITAL ASSETS

	2023		2022	
Deferred contributions, beginning of year	\$	822,916	\$	1,188,416
Recognized as revenue during the period		(125,000)		(365,500)
Deferred contributions, end of year	\$	697,916	\$	822,916
Current portion	\$	125,000	\$	125,000
Long-term	\$	572,916	\$	697,916

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 TENANT ALLOWANCE

	2023		2022	
Deferred tenant allowance, beginning of year	\$	26,152	\$	57,536
Amortization of tenant allowance in rent, space and equipment		(26,152)		(31,384)
Deferred tenant allowance, end of year	\$	-	\$	26,152
Current portion	\$	-	\$	26,152

12. NET ASSETS

(a) Invested in capital assets

Net assets invested in capital assets of \$445,995 (2022 - \$612,424) 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. As of June 30, 2023, TSASK restricted \$3,160,000 thereby meeting the expected reserve requirement.

(c) Unrestricted reserve

The reserve represents all accumulated reserves from electrical operations, gas and plumbing operations, boiler and pressure vessel operations and elevator and amusement ride 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 2023	Total 2022
Net assets, beginning of the year	\$ 612,424	\$ 1,550,000	\$ 4,026,628	\$ 6,189,052	\$ 4,665,175
Excess of revenues over expenses	-	-	2,486,060	2,486,060	1,523,877
Purchase of tangible and intangible assets	53,151	-	(53,151)	-	-
Recognition of deferred capital grant	125,000	-	(125,000)	-	-
Amortization of tangible and intangible assets	(344,580)	-	344,580	-	-
Increase in externally restricted reserve	-	1,610,000	(1,610,000)	-	-
Net assets, end of the year	\$ 445,995	\$ 3,160,000	\$ 5,069,117	\$ 8,675,112	\$ 6,189,052

13. COMMITMENTS

TSASK has entered into various lease agreements with minimum annual payments as follows:

2024	\$	1,989,945
2025		1,221,117
2026		789,716
2027		669,351
2028		577,499
Thereafter		604,196
	\$	5,851,824

14. FINANCIAL INSTRUMENTS

The organization carries financial instruments. It is management's opinion that is not exposure to significant risk, unless otherwise disclosed.

(a) Interest rate risk

Interest rate risk arises because of fluctuations in interest rates. TSASK is exposed to interest rate risk on its cash and investments which are maintained to provide liquidity while achieving a satisfactory return. Financial instruments consist of cash, account receivable, investments, and account payable and accrued liabilities. The carrying amount of TSASK's financial instruments approximates fair value, due to the conservative profile.

14. FINANCIAL INSTRUMENTS (continued)

(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 investments. The cash and 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 2022.

(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, 2023, are all expected to be paid by June 30, 2024.

15. 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 \$1,180,943 (2022 - \$1,185,472) to PEPP, which is recorded as an expense within salaries and benefits.

16. 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 \$32,649 (2022 - \$22,801) of which \$5,419 (2022 - \$2,500) was payable on June 30, 2023.

17. COMPARATIVE INFORMATION

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

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