



SAFETY MATTERS

ANNUAL REPORT FY 2017

Inspections

Regulations



Safety Matters

The double-entendre
of success.

Greater Protection

Commitment

When it comes to your family, friends and loved ones, safety matters; in fact, it's essential to everything you believe in – to the greater protection of yourself, your home and those around you. For the Technical Standards and Safety Authority (TSSA), nothing could come closer to the truth.

Safety is the essence of our work. From engineering, inspection and investigations to examinations, certification and licensing, the men and women of TSSA connect with industry, government and the public – bringing safety matters to the forefront and taking risk-informed action.

Together our actions matter, providing Ontario with an enviable record of safety and making the province a safer place to live, work and play.

In this year's report, we recognize the safety actions of three recipients of TSSA's annual Safety Awards program. They reflect a deep commitment to safety and inspire many to follow their safety lead.

Their actions speak louder than words. See how this is particularly true for our safety results this year, and equally true for safety throughout the province of Ontario.

ANNUAL REPORT



Message from the Chair	2
Message from the President and CEO	4
Our Year In Review	6
TSSA Safety Awards 2017	12
Management's Discussion and Analysis	20
Financial Statements	30
Corporate Information	40
Corporate Scorecard	43

Technical Standards and Safety Authority

Mandated by the Government of Ontario, TSSA is Ontario's public safety regulator in four key sectors: fuels, elevating and amusement devices, boilers and pressure vessels and operating engineers, and upholstered and stuffed articles. Working collaboratively with stakeholders, TSSA reports to

the Ministry of Government and Consumer Services (MGCS), the Ontario government body that sets public safety policy, oversees both the delivery of safety services and TSSA's organizational performance, and retains authority for the *Technical Standards and Safety Act, 2000*.



Partners In Safety

Collaboration

Inform

THE FUTURE IS... SAFETY

Providing strong stewardship, including organizational oversight and strategic direction, TSSA's Board of Directors led another impressive, safety-driven year. Keeping Ontario one of the safest jurisdictions in the world, I am proud to serve alongside the men and women of TSSA who make safety matter – every hour of every day. Their actions – from inspection, engineering, and investigation to collaborative work on safety codes, consultative regulatory reviews and risk-informed initiatives – are the thoughtful result of safety matters at its best.

We operate within an ever-evolving domain with new safety risks emerging amidst a renewed focus on smart regulation and reducing regulatory burden. This fiscal year, TSSA's Board of Directors with its senior management developed an ambitious strategic plan for the next five years to ensure we effectively reduce safety risks and provide value to our customers and stakeholders. Through an interactive planning process, we engaged TSSA staff, regulated customers and our partners, eliciting valuable input and feedback that informed the final result. As the Chair of TSSA's Board of Directors, I am proud of this particular approach and remain confident in its forward-thinking direction.

One of TSSA's critical projects tied to that forward-thinking is the multi-year plan to modernize the organization's information technology (IT) platform known as the 20/20 Program. Like all major IT initiatives, the challenge is daunting but necessary to support TSSA's modernization. This initiative promises to re-engineer core processes to improve safety delivery, bring greater operational efficiencies, position TSSA to take advantage of innovation, and further integrate risk-informed decision-making across TSSA's services and regulated sectors. I was pleased to see the continued governance of TSSA's Board sub-committee for 20/20 this year – with Douglas Harrison, TSSA's Vice Chair, in the lead.

This fiscal year, the Board continued to monitor top enterprise risks – with a key focus on TSSA's commitment to 'fix the foundation' and strengthen its internal culture. With additional oversight enhancements, the Board created a third standing committee focused on Safety and Regulatory

Affairs. Designed to measurably enhance safety, the committee has broader governance over: enhanced safety outcomes and compliance strategies; emerging safety and regulatory best practices; initiatives to enhance awareness and understanding of TSSA's safety priorities and strategies; and development of a modernized regulatory framework that emphasizes risk-informed decision-making.

I have complete confidence in the direction of the Board's committees and the promise of our future initiatives.

I remain equally impressed with TSSA's commitment to safety and its consultative work with industry and government partners. TSSA has been a strong advocate for an adaptive regulatory framework to ensure greater flexibility in responding to emerging safety issues and technological advances. Public consultation sponsored by both TSSA and the Ministry of Government and Consumer Services this year have strengthened the process, and reports to the Board have confirmed its ongoing success.

Good governance, accountability and transparency continue to strengthen TSSA's reputation as Ontario's public safety regulator and the organization promises to further develop risk-informed approaches, new innovative improvements and proven, safety-driven initiatives. TSSA and its Board remain committed to exemplary governance to ensure we deliver the best possible safety services to Ontario.

With a clear strategic position, solid financial practices and our collective commitment to safety, TSSA will continue to meet both the goals and standards the organization has set with its vision to be a valued authority for a safer Ontario.

I am proud to be part of this important organization and excited about its dedicated actions to continually improve public safety.



Norm Inkster
Chair, Board of Directors



Safety First

Educate

Enforce

THE IMPORTANCE OF... **SAFETY**

'Safety Matters' is a fitting theme for this year's report as it speaks to both the risk-informed work of the men and women of TSSA and the commitment and passion for public safety shared by staff, the Ministry of Government and Consumer Services (MGCS) and regulated industry members. Together, we all make safety matter. That was particularly true in this year's strong performance.

Mitigating risk drives many of our actions as TSSA becomes increasingly risk-informed. This year, TSSA played a leading role in the development of a national public risk guideline to help its regulatory partners advance risk-informed decision-making (RIDM) and proactively support public safety.

With risk analysis identifying carbon monoxide (CO) as a significant safety concern, TSSA broadened its approach, positioning CO as a public health priority with national and global partners. This promises to promote greater awareness, increase access to data and analysis, and establish national safety collaboration. With plans to develop a more comprehensive strategy, TSSA will continue to leverage its leading work on risk, consider other experiences in tackling CO, and explore technical and regulatory solutions.

Ontario's safety matters are realized through the dedicated actions of TSSA staff – from daily inspections, engineering reviews, and licensing, certification and examination to detailed investigations, high-risk prosecutions, and greater safety consultation. Their actions emphasize prevention, identify gaps in compliance and apply the best safety policies and practices to ensure Ontario becomes a safer place, every day. For our partners with a similar drive for safety, we have developed the TSSA Safety Awards, and I am pleased to announce three new winners who demonstrate the power of collaboration in public safety this year. They proudly reinforce the idea that we all contribute to a safer Ontario. I encourage you to read their stories.

Working together with industry partners, TSSA and MGCS as a trusted advisor, we have made noteworthy advances in regulatory renewal, including: public review of the final amendments to the Boilers and Pressure Vessels Regulation; devel-

opment of an expert panel to review the Operating Engineers Regulation; and a final review of the Upholstered and Stuffed Articles Regulation. As technology advances and industries modernize, the focus on regulatory renewal is central to ensuring public safety and reflects our collective efforts within TSSA, the Ministry and the regulated sectors to continually improve.

That drive to improve is the force behind TSSA's 20/20 Program. To provide a more flexible, effective infrastructure, we plan to improve safety service delivery, support data accuracy, develop a modern and sustainable foundation to enhance customer experience, embed RIDM across activities, and foster continuous improvement. This year, we implemented change management practices, selected new systems within Finance and Operations, applied key business process improvements within TSSA's safety service delivery, and initiated the first phase of TSSA's new public website to increase use of online tools, enhance customer interactions, and deliver better navigation, user-friendly content and search functionality.

TSSA also developed an ambitious strategic plan for the next five years to effectively reduce safety risks and provide value to our customers and stakeholders. We will continue to build on this momentum to ensure we achieve our vision and become a genuinely modern regulator. Under a five-year horizon, the new plan has foundational enablers and strategic goals for regulatory renewal, service excellence and empowering the public and regulated customers to adopt safe behaviours. I encourage you to read our Strategic Plan and Business Plan on TSSA's website.

These are only some of the safety matters accomplished this year, and TSSA is seeking even greater improvements in 2018 to provide continued safety for all Ontarians. With your support, we look forward to another year of important safety matters.



David Scriven

Acting President and CEO



Safety Initiatives

Safety Networks

World Class
Safety

SAFETY MATTERS IN ACTION

Every waking hour, the safety-driven matters of TSSA's inspectors, engineers and support staff make Ontario a safer place to live, work and play. In addition to that drive and our safety activities, TSSA continually enhances safety within national and international code committees, regulatory reviews, industry workshops, public consultations, technical training, risk reduction groups, and regular involvement with contractors, mechanics, engineers, and TSSA's industry-based advisory councils. In this way, TSSA plays a critical role in maintaining Ontario's reputation as one of the safest jurisdictions in the world.

That achievement would not be possible without the power of TSSA's partners in safety – within industry, the government and the public. It is the embodiment of TSSA's belief that we all share responsibility for safety. Together, we make safety matter.

To honour that role in public safety, TSSA is proud to present the winners of TSSA's Safety Awards to acknowledge the exceptional actions of three nominees who made safety matter this year.

Working together, as an advocate and a valued safety authority, TSSA employed a number of key initiatives to achieve greater public safety throughout the year. Here are a few highlights.

HIGHLIGHTS OF THE YEAR

Tackling the Silent Killer

Carbon monoxide (CO) safety and awareness has been one of TSSA's most significant, risk-informed strategies for several years. As a leading cause of accidental poisonings in Ontario, CO awareness is a top priority for public awareness and keeping Ontarians safe. This past year, TSSA created a new awareness and advocacy strategy for tackling this user-related risk. Dubbed 'The Silent Killer' campaign, TSSA effectively utilized various digital, social and print media across the province, including: TTC, GO Train and bus shelter advertisements; Cineplex movie trailer, audience interaction and magazine highlights; strategic

The theme of this year's annual report, 'Safety Matters', is more than just a double entendre. It is the practical basis of TSSA's efforts to keep Ontario safe in its regulated sectors.

posts on social media; and a customized website at www.thesilentkiller.ca. Grabbing greater attention with a movie trailer twist, the Silent Killer campaign educated millions across the province and maximized engagement – bringing CO safety to life in a compelling new way.

With a network of partners from USA, England, France and Italy, TSSA hosted an international CO conference to share global data, identify common risk analyses and share best practices in managing and reducing this public health concern. With an evolving interest in collaboration around safety analysis and risk mitigation, TSSA gained positive input from experts in the fields of public health and technical safety, regulators, industry and academia. With plans to position CO as a global health issue, TSSA will continue to leverage its leading work on risk, consider the experiences of health agencies in tackling public health issues, and explore technical and regulatory solutions.

Greater Consultation with Safety Reviews

Safety regulations require a comprehensive renewal with TSSA's joint partners, the Ministry of Government and Consumer Services (MGCS) and industry stakeholders, as technological advances and industry modernizes to improve consumer benefits and further public safety. This year, significant advances were achieved, including: public review of the final amendments for Boilers and Pressure Vessels underway; development of an expert panel for regulatory change within Operating Engineers; a decision

to modernize the regulations for Upholstered and Stuffed Articles pending further consultation; and, initiating the second phase of regulatory change for other TSSA jurisdictions in the coming year.

Improvements were made to TSSA's consultative processes for Code Adoption Documents and Director's Orders, including: greater analysis of risk, legal and cost impacts of new codes and orders; jurisdictional context (when appropriate); and proactive stakeholder engagement. TSSA additionally consulted with the Ministry on its Open Data Initiative to maximize access to data, which in turn will facilitate evidence-based policy, inform service delivery and promote greater transparency and accountability. With the ongoing development of TSSA's 20/20 Program to support data accuracy, improve safety service delivery and embed risk-informed decisions across core activities, the organization remains committed to the Ministry's Open Data Initiative.

Getting Social with Safety

One of TSSA's most important obligations is to raise awareness of safety risks associated with user behaviour, and this year was no exception. Creating a number of safety videos for our social media channels, TSSA promoted elevator and escalator safety with known user-related risks, showcasing what can go wrong when riders exercise unsafe behaviour. Four videos dramatically depicted the consequences of: stroller usage, loose clothing, rushing riders and not paying attention to children on escalators; and being trapped, digitally distracted, rushing doors and not paying attention to children on elevators. With an online 'Be Safe Not Sorry' campaign, TSSA effectively gained interest through social media on TSSA's YouTube channel, Twitter, Facebook and Instagram accounts.

Employer of the Year/20th Anniversary

TSSA not only celebrated a 20-year milestone this year as Ontario's delegated administrative authority for public safety, the organization won Canada's Outstanding Employer of the Year Award from The Learning Partnership and its Take Our Kids to Work program. This annual program, in which Grade 9 students are hosted by parents, friends and relatives at workplaces across the country, helps students connect school, the world of work, and their future career choices. Recognized for helping develop young Canadians, building a community of

safety and supporting employee engagement, TSSA was one of fifteen celebrated winners across the country.

Significant Prosecutions in Elevator Safety

While working with stakeholders toward compliance is the cornerstone of safety, TSSA must resort, at times, to prosecution as an effective tool of enforcement. Such was the case against ThyssenKrupp and Schindler, two large elevator corporations. ThyssenKrupp was found guilty of failing to maintain a safe elevator and putting an unsafe elevator into service; the court levied a \$375K fine plus a 25% victim surcharge for a total \$469K. Schindler was found guilty of putting an unsafe elevator into service, failing to ensure regular maintenance, inspections and tests, and failing to maintain an up-to-date log book; the court levied a \$80K fine plus a 25% victim surcharge for a total \$100K. Successful prosecutions of this nature send a powerful message that Ontario's safety laws must be respected and any violator who puts the public at risk will face the full extent of the law.

SAFETY PROGRAM HIGHLIGHTS

Ontario's safety laws are realized through the dedicated actions of TSSA's men and women – from daily inspections, engineering reviews, and licensing, certification and examination to detailed investigations, high-risk prosecutions, and greater safety consultation with industry, the government and the public.

With an increasingly risk-based approach, these actions emphasize prevention, identify gaps in compliance and apply the best safety policies and practices to ensure Ontario becomes a safer place, every day.

A number of highlights demonstrate those safety matters in action across TSSA's programs this year.

Boilers and Pressure Vessels Safety Program

The Boilers and Pressure Vessels (BPV) Safety Program successfully completed its stakeholder consultations with regulatory change, developing amendments with the Ministry, including greater oversight of insurers, addressing data challenges, periodic inspections and non-compliance with Certificate of Inspection. The program additionally implemented a new consultative process with updates of the BPV code adoption document, including a 30-day public consultation process on proposed amendments from the Canadian Standards Association that incorporated changes

A photograph of a modern building facade featuring several glass-enclosed elevators. The elevators are white with black frames and are illuminated from within, showing interior lights and handrails. The building has a light-colored facade and large windows. The image is used as a background for a graphic design.

Elevating Safety

Ensuring Safety

In Service

suggested by Ontario's technical and safety stakeholders. Expanding its safety expertise in the nuclear industry, BPV brought greater full-time inspection to the Darlington Power plant as Ontario Power Generation enters the next stage of its refurbishment, maintaining its excellent reputation for safety through a rigorous inspection and maintenance regime.

Operating Engineers Safety Program

The Operating Engineers (OE) Safety Program continued to address a safety concern with the skills shortage in power engineering, including continued collaboration on student co-op placements across the province, encouraging additional power plant involvement, accrediting more colleges and advocating greater co-op involvement between colleges and chief engineers. The program additionally implemented several improvements, including a simplification of OE certification and examinations, contributed to the development of national standardized plant ratings for the safe management and operation of power plants, and sought feedback on TSSA's safety guidelines for Organic Rankine Cycle systems that use organic fluids instead of water. With the regulatory review underway, the program and MGCS convened an expert panel that developed recommendations going forward, including the expansion of practical OE experience, risk-based approaches to the regulation, clarity for non-technical readers, and burden reduction on industry – without compromising safety.

Elevating Devices Safety Program

Conducting research into the relationship between safety and compliance, the Elevating Devices (ED) Safety Program developed a comprehensive compliance strategy, focusing on: TSSA's core strength in risk management and data analysis; greater stakeholder education and awareness; and possible regulatory solutions to expand joint responsibility between elevator contractors and owners, seeking to further reduce the regulatory burden and increase safety compliance. In a pilot phase, the ED Safety Program will: develop new approaches to incentivize/disincentivize behaviour; apply possible licence restrictions/monetary penalties for low compliance; and form an industry group to solicit recommendations on rewarding the highest compliant behaviour. In the ski industry, TSSA's Ski Lift Safety Program continued its effective partnership with the Canadian Ski Instructors Alliance, TSSA's 2016 Safety Award winner, for their exceptional, front-line action in ski lift safety.

Amusement Devices Safety Program

As part of its support to owners and operators to provide rider accessibility for persons with disability, the Amusement Devices (AD) Safety Program developed a guideline for accommodation strategies in the water slide industry, including recommendations for risk assessments, which is currently under industry review. The AD Safety Program continued to support a consistent application of safety standards across jurisdictions with the development of a Code Adoption Document that will harmonize Canadian and American safety requirements. The program additionally implemented several improvements, including automated processes for permits and licensing, and new certification for mechanical inflatables as well as a new definition for bungee-assisted devices, both designed to increase safety and reduce the regulatory burden on industry.

Fuels Safety Program

The Fuels Safety Program continued its risk-informed approach by addressing carbon monoxide safety in private and multi-unit dwellings and additional aspects of fuel safety in commercial buildings, specifically food service locations and the risk of fires, explosions and carbon monoxide due to poor maintenance of fuel-fired appliances. Collaborating with industry, TSSA worked with restaurant owners and operators, gaining a greater understanding of this risk and developing joint strategies to enhance safety in the sector. In the second phase of the special buildings project, TSSA formed a collaborative working group with schools to bring greater awareness to risks associated with maintenance/installation requirements of fuel-fired equipment in academic locations across Ontario. The program additionally implemented improvements to its contractor audit program, including proportional auditing, regulatory attestations and the creation of a TSSA Audit Administrator. The initiative focused on TSSA inspection of contractor work-in-the-field, and enhanced safety by providing better oversight of compliance.

Upholstered and Stuffed Articles

The Upholstered and Stuffed Articles (USA) Safety Program worked with MGCS and industry partners on a comprehensive regulatory review and the Ministry completed a final consultation paper for public review. With a decision to modernize the regulation, the government is currently conducting its last round of public consultations. The program also launched



Safety Counts

Increasing Safety

Advocacy

targeted, risk-informed inspections of independent retailers, continued its incident reporting for consumer safety, conducted a safety review of used coils and frames in bedding and furniture, and made further progress on risk-informed data.

TSSA's safety-based matters and goals are continually measured against a balanced scorecard throughout the year. As a means to assess its progress and its safety impact,

TSSA's balanced scorecard provides a detailed account of organizational performance and key safety achievements for the fiscal year. It can be found on page 43 to 44 of this report.

For greater detail and analysis of TSSA's safety matters and the measured safety within its regulated sectors, read the Annual State of Safety Public Safety Report. The full report as well as a reader-friendly summary is available for your safety reference on TSSA's website at www.tssa.org.



MAKING SAFETY **MATTER ACROSS** ONTARIO

With safety as a shared responsibility, TSSA recognizes the exceptional efforts of individual and corporate actions across Ontario, affirming the idea that we all have role to play in safety. Ontario's enviable safety record is the result of these actions and the considerable teamwork between TSSA, industry partners, safety advocates and technical experts.

Such was the impetus behind the creation of TSSA's Safety Awards program. In its third, celebratory year, TSSA is proud to present our winners this year – two in fire and CO safety and one in escalator safety.

Bringing greater safety to their community, their industry and the province of Ontario, these recipients promote safety-driven acts that resonate with the public they proudly serve. See how our noteworthy winners made safety matter this year.



Safety Partners

Industry
Leaders

Safety
Counts

A man in a dark blue suit and striped tie stands on a modern staircase with glass railings. Overlaid on the image are three circles: a large red one in the center, and two smaller grey ones to its left. The text 'Safety in Action' is inside the red circle, 'Industrial Processes' is inside the top grey circle, and 'Engineers' is inside the bottom grey circle.

Safety in Action

Industrial
Processes

Engineers

John Calderón
EHC-Global,
Marketing Director

A FIRM GRIP ON SAFETY



EHC Global is literally riding the safety rail. As a leading manufacturer of handrails, safety brushes, rollers and lift components for escalators, elevators and moving walks, EHC helps millions move safely in public transit systems, shopping centres, airports, office buildings, hospitals, condominiums and other metropolitan spaces.

Global in its reach, EHC is distinctly Canadian. Founded in 1977 as the Escalator Handrail Company, EHC had its start in Oshawa where it remains today as the headquarters for global operations.

Their most recent Ontario venture helped Lakeridge Health, one of Oshawa's largest community hospitals, maximize passenger safety. Retrofitting the hospital's escalators, EHC brought its patented NT SafeRail to Lakeridge, featuring permanent, vandal-resistant safety messages: Hold the Handrail; Attend Children; and Avoid Sides. Those messages went directly on the handrail – where riders get a firm grip on safety.

As the first healthcare facility in the world to gain EHC's SafeRail, Lakeridge was more than elevated.

"We used our latest innovation," says John Calderón, EHC Marketing Director, "to encourage safe and responsible rider use at Oshawa's biggest hospital. This was important to the safety and comfort of Lakeridge patients, staff and visitors."

This fit nicely with TSSA's own efforts in addressing safety in hospitals and other special buildings with vulnerable occupants who face difficulty evacuating in an emergency. While this initiative continues its success in fuel safety, TSSA's risk analysis also noted a rising challenge with unsafe riding behaviour on escalators.

"This year, we attempted to mitigate the known risks of

We used our latest innovation
to encourage safe and
responsible rider use at
Oshawa's biggest hospital.

escalator injury," says Roger Neate, TSSA Director of Elevating and Amusement Devices, "with four dramatic videos (on social media and TSSA's YouTube channel) so everyone can practice safe escalator behaviour. EHC's safety designs and escalator messaging uniquely complement our own safety efforts."

Their designs go even further – with an antimicrobial handrail to stop germs and bacteria, deflector safety brushes to keep riders from dangerous side-step entrapments, and a motion handrail to ensure safe entry and exiting by detecting the speed and direction of travel.

EHC brought their handrail ingenuity to the public transit market too, implementing greater safety solutions with the NT MotionRail for the Chicago Transit Authority – the second largest public transportation system in the United States. London Underground and Dubai Metro also enjoy EHC's safety benefits of motion detection, enabling riders to take a more natural step on and off the escalator.

"While EHC has a truly global presence," says Mr. Neate, "their safety impact on Ontario's riding public is more than worthy of TSSA's Impact Safety Award."

With a passion for safety and engineering excellence, EHC has firm grip on escalator safety.



Alex Soubliere
Friendly Fires,
Co-Owner

A RECIPE FOR SAFETY



When you believe in something so strongly, it tends to catch on. Ontario's Friendly Fires, one of Canada's largest full-service fireplace and barbecue retailers, is no exception. Their distinguishing feature, the one that sets them apart and inspires? Safety.

"Our secret to success," says Alex Soubliere, Friendly Fires Co-Owner, "has been the importance we've placed on safety. Installation of propane and gas fireplaces is a serious business, and our continuous learning, attention to detail and focus on safety ensures our customers enjoy their home with peace of mind. And that benefits everyone."

Friendly Fires has the complete package and their record is testament to the safety processes they've put into place. From the start, they begin with the safest, high quality components, including gas venting and piping that exceed safety code and manufacturer requirements. For example, after conducting research into the safest units, Friendly Fires decided to deal primarily with standing pilot stoves and fireplaces. But above products – it's people. Mr. Soubliere continually makes sure he hires the right people for the right job – with an extensive on-boarding program, regular peer evaluations and posts of all staff bios on their website.

From the sale to the final installation, Friendly Fires has documented in-house processes, including custom forms, technical reviews and electronic record keeping of before and after photos. This is done to maintain customer accounts and ensure any pre-existing issues are identified and resolved. The team uses custom diagnostics to ensure the successful completion of work. Checklists are reviewed once again in post installation.

"Our goal is leave each installation in a safer condition than we started," says Mr. Soubliere. "We further educate customers so they can enjoy their fireplace without worry or concern."

Friendly Fires utilizes videos and aids for technical sales on its

Our goal is to leave each
installation in a safer condition.
We educate customers so
they can enjoy their fireplace
without concern.

website and YouTube channel, helping customers understand some of the issues and nuances with gas and propane fireplaces. They solicit customer feedback and commit to ongoing audits to promote continuous development and reinforce their commitment to safety.

And finally, the company has developed an internal operations manual called the 'Friendly Fires Cookbook', which contains recipes for success, including operational services, health and safety procedures, and countless safety lessons. The cookbook has garnered so much attention that it's beginning to spread like wild (friendly) fire. They now have consulting contracts with other fireplace retailers to roll out their own safety cookbooks and give talks at industry conferences across North America.

"Alex Soubliere and Friendly Fires do everything," says John Marshall, TSSA's Fuels Safety Director, "from gas and propane diagnostics, detailed inspection reports, and annual cleaning and safety checks, including tests of ambient carbon monoxide levels and venting. They are a definite asset to TSSA, our fuels safety mandate and the people of Ontario."

With that kind of safety culture, it's no surprise that Friendly Fires won Hearth Retailer of the Year in 2014 from industry advocates and remain TSSA's Impact on Safety Award winner this year.



Amanda Nichols
Peterborough
Fire Services,
Fire and Life Safety
Educator

Safety in Action

CO Safety

Awareness

SOUND THE SAFETY ALARM



Amanda Nichols knows a thing or two about safety. She's the Fire and Life Safety Educator for Peterborough Fire Services (PFS) and, like other noble firefighters across Ontario, took a heart-felt pledge to save lives. This year, Amanda took her pledge to the community in a uniquely creative way.

Tasked with raising awareness, Ms. Nichols asked Peterborough to test all smoke and carbon monoxide (CO) alarms and take the 'Alarm Pledge', attesting to their safe working condition on the PFS website. Residents could win prizes, like PFS fire extinguishers, and take real ownership over the fire and CO safety in their home. While creativity went into the 'Sound the Alarm' program, including some eye-catching advertisements and publicity, the real ingenuity happened behind the scenes.

Collaborating with the City of Peterborough and their IT Division, Ms. Nichols worked with Geomatics/Mapping staff and the latest technology to capture current alarm data from residents who took the 'Alarm Pledge' on their website. Fire crews were able to capture live data while visiting each home, record vital smoke and CO alarm compliance, and further educate and assist homeowners.

"With this technology," says Cathy Robertson, PFS Chief Fire Prevention Officer, "we're really changing behaviour. Amanda is helping ensure our community takes personal responsibility for fire and CO safety, and our fire crews are effectively accessing live data to predict alarm compliance and visit more homes with education efforts and events."

Data is automatically uploaded into the PFS system, which allows staff to eliminate the need to manually enter every home. Firefighters can effectively visit more at-risk homes to raise awareness.

Amanda took a heart-felt pledge to save lives. This year, she took a pledge to the community in a uniquely creative way.

The 'Sound the Alarm' program became so successful, other fire departments have asked Ms. Nichols how they can bring the same safety success to their municipalities.

And as news spread, PFS found themselves winning the Ontario Fire and Life Safety Educators award for Program of the Year. At the Ontario Association of Fire Chiefs conference in May 2017, Ms. Nichols accepted the award for greatly exceeding the targets for reach/effectiveness and positive community impact.

Beyond managing smoke and CO alarm safety, Ms. Nichols additionally developed a customized program to assist vulnerable occupancies within Peterborough, training hospital, long-term care and retirement home staff in fire safety plans, fire drills and emergency evacuations. Its success led to a review of all safety plans and identification of training needs to improve the level of fire safety throughout the entire community.

"Amanda is truly committed," says John Marshall, TSSA's Director of Fuels Safety. "Her ability to organize events, transform communities and broaden fire and CO safety awareness, including efforts that complement TSSA's own safety-driven actions in special buildings and vulnerable occupancies, it's no wonder that PFS and their Fire and Life Safety Educator are this year's recipient of TSSA's Impact Safety Award."

OPERATIONAL AND FINANCIAL PERSPECTIVES

The Management's Discussion and Analysis (MD&A) provides insight and understanding into TSSA's financial results and outlines the organization's financial and business performance against its strategic and business plans for the fiscal year ended April 30, 2017. The MD&A should be read in conjunction with TSSA's audited financial statements and balanced scorecard to understand the connection between strategy, enterprise risk and financial results.

Forward-looking statements in the MD&A require management to make assumptions, giving rise to inherent risks and uncertainties. As such, they contain elements that may not be fully accurate and/or make assertions on TSSA's financial objectives, vision and strategic goals that may not all be achieved.

CORPORATE OVERVIEW

TSSA's core activities enforce and promote public safety in four broad sectors mandated by the Government of Ontario: Boilers and Pressure Vessels/Operating Engineers (BPV/OE), Elevating Devices and Amusement Devices and Ski Lifts (ED/AD & Ski Lifts), Fuels, and Upholstered and Stuffed Articles (USA).

TSSA's activities are guided by four over-arching priorities as outlined in its 5-Year Strategic Plan, which concluded this fiscal year: Compliance First, Leverage Risk Knowledge, Shared Responsibility for Safety and Organizational Effectiveness.

Some notable accomplishments from the year include:

Compliance First

Compliance with Ontario's public safety laws is one of the principle tenets of TSSA's efforts to enhance safety as an effective regulator. Compliance First initiatives concentrate on areas of non-compliance as noted in TSSA's Annual State of Public Safety Report. Over the past year, TSSA gained significant ground and greater insight into enhancing safety in the elevating devices sector.

- Conducting research into the relationship between

Through a rigorous, scientific approach, TSSA applies risk analysis in addressing safety concerns and fulfilling its safety mandate.

safety and compliance, TSSA developed a comprehensive compliance strategy, focusing on: TSSA's core strength in risk management and data analysis; greater stakeholder education and awareness; and possible regulatory changes to expand joint responsibility between elevator contractors and owners, seeking to further reduce the regulatory burden and increase safety compliance.

- Assessing the efficacy of utilizing fees to affect compliance, TSSA conducted a thorough analysis of the non-compliance issue, developing: new approaches to incentivize/disincentivize behaviour; possible licence restrictions/monetary penalties for low compliance; and a proposal to form an industry group to solicit recommendations on rewarding the highest compliant behaviour.

Leverage Risk Knowledge

Through a rigorous, scientific approach, TSSA applies risk analysis in addressing safety concerns and fulfilling its safety mandate. Using an evidence-based approach, TSSA is able to ensure its safety decisions are transparent and objective, demonstrating a clear understanding of the risk identified and demonstrating the impact on safety of its risk mitigations. This past year, TSSA broadened its scope in applying risk-based solutions and advancing the science of risk management.



Company Profile

424
Employees in
Ontario

42 Engineers

228
Inspectors

- TSSA remains a key contributor in developing a first-of-a-kind guideline to establish a national standard on the application of risk management by organizations/regulators with primary responsibility of protecting the public interest. Many of the recommendations in the guideline align with TSSA's implementation of risk-informed decision-making (RIDM), positioning TSSA as a leader in this regard.
- TSSA continued its risk-informed approach by addressing fuel safety in commercial buildings, specifically food service locations and the risk of fires, explosions and carbon monoxide (CO) due to poor maintenance of fuel-fired appliances. Collaborating with industry, TSSA worked with restaurant owners and operators, gaining a greater understanding of risk and developing joint strategies to enhance safety in the sector. In the second phase of this special buildings project, TSSA formed a collaborative working group with schools to bring greater awareness to risks associated with maintenance/installation requirements of fuel-fired equipment in academic locations across Ontario.

Shared Responsibility for Safety

Collaboration is essential to public safety and TSSA strengthened its approach with all of its partners within industry, government and the broader public. This year, TSSA significantly expanded its safety reach through shared responsibility, including:

- With CO poisoning as TSSA's single largest source of risk, the organization continued its public education and advocacy initiatives with a strong emphasis on expanding partnerships and building greater awareness through video production, social media and effective public engagement. Positioning CO as a public health priority, TSSA engaged national and global partners to gain greater risk awareness, increase access to data and analysis, and establish interim safety targets.
- Regulatory renewal is central to ensuring public safety, particularly as technology advances and industries modernize. This year, TSSA and the Ministry of Government and Consumer Services (MGCS) continued with its multi-year, joint initiative to review the regulations TSSA is mandated to enforce. Significant advances were achieved, including:

consultations complete/public review of the final BPV amendments underway; development of an expert panel for regulatory change within Operating Engineers; decision to modernize the USA regulations; and, initiating the second phase of regulatory change for other TSSA jurisdictions in the coming year.

Organizational Effectiveness

Organizational effectiveness is the holistic means by which TSSA fulfills its public safety mandate. To build the foundation necessary to support achievement of its vision, this year TSSA focused on enhancing employee engagement, data management and customer value, and made a number of important advances in driving organizational efficiency and effectiveness, including:

- With TSSA's strong productivity, cost control and efficiency, including lower expenditure from TSSA's move to its new facility, the organization extended a fee freeze for an additional year in all industry sectors.
- Providing TSSA's inspectors with the right tools and resources to effectively deliver TSSA's public safety mandate is a critical component of organizational excellence. This year, TSSA created unique combinations of instructor-led training, use of Skype technology, online learning modules and on-the-job training to maximize learning experiences in the ED program. Standardized training and soft skills on communication, customer relationship management, conflict resolution and leadership were additionally developed to provide consistency and increase knowledge.

TECHNOLOGY OVERVIEW

TSSA's information systems are a key enabler of its business strategy. Business architecture, data management, applications, mobile solutions, and infrastructure all underpin the organization's safety activities. This year, TSSA made progress in a major, multi-year business transformation initiative that will include the replacement of the organization's enterprise resource planning (ERP) platform with a combination of flexible and configurable solutions. The TSSA 20/20 Program will ultimately establish and maintain a modern and sustainable foundation to enhance customer experience, support data accuracy, improve safety service delivery, embed risk-

informed decisions across core activities, and develop a continuous improvement process fueled by innovation.

TSSA 20/20 Program highlights and other key technology accomplishments include:

- Change management practices/training implemented to meet organizational needs and to support TSSA's 20/20 Program; process redesign, configuration and testing of three modules in a new Finance system; and key business process re-engineering within inspection, engineering, licensing, certification and examinations and intake.
- Modernized environment within TSSA's new head office, including immersive video conferencing, wireless technology, mobile printing, enhanced network security and user protection.
- Development of TSSA's public website to increase use of online tools, enhance seamless customer interactions, provide timely and accurate information, improve business intelligence, and deliver better navigation, user-friendly content and search functionality.

ENTERPRISE RISK MANAGEMENT OVERVIEW

Enterprise Risk Management (ERM) forms an integral part of TSSA's strategic, business and internal audit planning cycles. The goal of TSSA's ERM program is to identify, assess and monitor the management of risks with a view to minimize adverse outcomes and maximize opportunities. Like any business, TSSA is susceptible to risks that, if unmitigated, could threaten the sustainability of the organization.

Guided by a risk framework, including annual reporting to the Board of Directors and quarterly reporting to each Board Committee, ERM brings a consistent approach to the identification, assessment and control of risks as they relate to each of the corporate objectives. This includes an analysis to evaluate the urgency, likelihood and potential impact of enterprise-wide risks. Risk mitigation plans are developed and embedded in the strategic, business and operating plans.

The major enterprise risks facing TSSA in the fiscal year relate to data and technology. The organization is actively addressing these through the major, transformative TSSA 20/20 Program.

Additional risks related to recruitment, staff retention and growth are being addressed through several talent

TSSA has maintained a multi-year regulatory fee freeze since the last fee schedule in May 2013 , supported by cost control efforts.

development, employee engagement and change management initiatives.

An extensive review of TSSA's ERM was recently completed and recommendations are currently being implemented to enhance the way in which TSSA identifies and monitors current and emerging risks.

FINANCIAL HIGHLIGHTS

TSSA's total revenues of \$68.4 million were below prior year by 3.1%. TSSA's revenue mix is comprised of Inspection (\$35.4 million), Licensing/Registration/Certifications and Exams (\$23.2 million), Engineering (\$8.9 million), and Investment income (\$0.9 million). Revenue is derived from fees that are based on cost recovery principles. TSSA has maintained a multi-year regulatory fee freeze in place since the last fee schedule that was issued May 1, 2013, supported by cost control efforts.

TSSA's four program areas, ED/AD, BPV/OE, Fuels and USA, predominantly generate regulatory revenue. In addition, ED/AD and BPV/OE produce non-regulatory revenue. Commentary on each follows.

The ED/AD Safety Program generated regulatory revenue of \$23.6 million, which was lower than the prior year by 8.3%. The decrease was primarily driven by a normalized volume of priority safety inspections, following the successful completion of TSSA's initiative to eliminate the backlog of follow-ups in fiscal 2016. Some revenue reduction was also driven by consolidating periodic inspections with outstanding low risk follow-ups within a single site visit; this has a positive customer impact and increases efficiency, but reduces revenue. Fiscal 2017 included the temporary freeze of punitive, multiplier fees for non-compliance during ED follow-up inspections. The program continues to look for new approaches to incentivize safety behaviour and deter non-compliance in the sector.



Cost Reduction

Strategic
Planning

Knowledge

Engineering revenue also declined year-over-year as the majority of the engineering reviews were completed during fiscal 2016, specifically related to a Ministry of Labour requirement to retrofit elevator car tops with guardrails.

BPV/OE regulatory revenue of \$15.2 million was favourable to the prior year by 2.3% due to an increase in customer-driven business volumes for both inspection and engineering services. The number of periodic/shop inspections and inspection hours increased year-over-year with a partial offset due to lower general inspections and training delivery by inspectors. Engineering revenue was higher due to increased piping reviews.

Fuels Program revenue of \$21.1 million was lower than prior year by 3.2%, primarily due to lower inspection revenues from fewer periodic and ad hoc inspections as well as pipeline strikes.

The USA Safety Program generated revenue of \$4.2 million, which grew 1.3% over prior year as the number of renewal licences increased.

Non-regulatory business revenue of \$4.3 million consists of a limited number of customer contracts, primarily in BPV, which has grown by 6.8% due to demand from the nuclear sector. ED/AD non-regulatory inspection revenue also increased from higher customer demand than the prior year.

TSSA remains committed to providing customer value while closely monitoring all expenses to achieve cost reductions, efficiencies and productivity gains. Management of expenses over a multi-year period resulted in expenses that were lower in fiscal 2017 than in fiscal year 2014 by \$1.0 million, or 1.5%.

Total expenses were \$64.5 million, a modest increase of \$0.7 million or 1.1% over the prior year, demonstrating continued expense control with increased investment in TSSA's 20/20 Program, the regulatory review process and strategic initiatives. Total spend for TSSA's 20/20 Program in fiscal 2017 was \$2.7 million as the multi-year business transformation to replace the organization's ERP system progresses. Excluding the TSSA 20/20 Program, core business expenses decreased by \$0.8 million or 1.3% over the prior year. The year-over-year reduction in core business expenses did not offset the impact of the revenue decline. This results in negative operating leverage and a balanced scorecard measurement of the change in expense relative to the change in revenue. TSSA's financial resources allow

TSSA remains committed to providing customer value while monitoring all expenses to achieve cost reductions, efficiencies and productivity gains.

for this measure to be negative in the short term to support a continued fee freeze and investment in key business initiatives such as regulatory review.

Salaries and benefits remained TSSA's largest spend due to its structure as a service organization. This spend was up by 5.9% over prior year, representing most of the increase in expenses, with increases in permanent and temporary staffing levels to effectively deliver its safety mandate and invest in the TSSA 20/20 Program. Additions or changes to staffing are managed through tightly controlled business case justifications. Staffing for the TSSA 20/20 Program accounts for more than 50% of the year-over-year growth to salaries and benefits. TSSA will continue to support the TSSA 20/20 Program with the required resource level to advance its build and testing phases in fiscal 2018.

Non-salary operating expense reductions were achieved primarily through significantly lower facilities-related costs as a result of TSSA's office relocation. Expense reductions, delays and deferrals were obtained in a variety of other key non-salary expense categories, particularly in corporate-related costs.

TSSA generated an excess of revenue over expenses of \$3.9 million, a \$2.9 million decrease over prior year. This was due to a decrease in revenue of \$2.2 million primarily due to lower ED inspection revenue as explained above, and higher expenses of \$0.7 million, primarily due to increased investment in TSSA's 20/20 Program. Concerted efforts to manage core business expenses to support the increased investment in the TSSA 20/20 Program will continue with the goal of further improving operational efficiencies.

The excess of revenue over expenses continues to strengthen the reserve level that will support further investment in the TSSA 20/20 Program to build a strong foundation for the future.

The reserve level also provides a stable base for an additional year of a fee freeze in fiscal 2018, as previously announced. TSSA has not increased fees since the implementation of the new fee schedule on May 1, 2013. Revenues are based on the approved cost recovery structure, consistent with the guidelines contained in TSSA's Memorandum of Understanding with the Ontario government, and ensure future investment in safety programs for the province of Ontario.

CAPITAL EXPENDITURES

The capital expenditures of \$6.4 million were significantly above prior year related to investments for sustaining and enhancing TSSA's business operations, primarily within the TSSA 20/20 Program and leasehold improvements related to the relocation of TSSA's office. TSSA obtained a significant leasehold allowance and a free rental period totaling \$2.475 million, funding a large portion of the leasehold improvement capital spend. The lease inducements are recorded as a liability on the balance sheet in accounts payable and accrued liabilities, and are amortized over the life of the lease as discussed in note 6 to the financial statements. As TSSA's relocation was completed in early fiscal 2017, capital spend for the new facility in support of the office relocation is complete.

Management continues to ensure all capital investments support value to stakeholders and reflect the strategic objectives of the organization.

NET ASSETS

TSSA's financial position remains strong with net assets of \$39.5 million. TSSA continues to operate with no funded liabilities and maintains a solid working capital position (excluding deferred revenue) of \$19.5 million (\$11.1 million in fiscal 2016). Working capital increased by \$8.4 million compared to prior fiscal year, which included the ED Licence credit to elevating device owners recorded in current liabilities. Accounts Receivable related to customer accounts decreased as revenue reduced. The current ratio (excluding deferred revenue) of 2.5:1 indicates a continued healthy liquidity position. TSSA's investments in short and long-term financial instruments, totalling \$48.2 million (\$47.4 million in fiscal 2016), are held in high quality, very low risk financial instruments, which adhere to the investment policy as approved by the Board of Directors.

At fiscal 2017 year end, TSSA's total reserve was \$34.9 million or 54% of total operating expenses. Within the total reserve,

the restricted reserve of \$28.4 million represented 44% of total operating expenses. The balance of the unrestricted reserve of \$6.4 million is sufficient for supporting fiscal 2018 planned investments in the business process redesign and systems replacement activities in the TSSA 20/20 Program, as previously described. TSSA has a reserve policy that includes a set of rules that apply when the reserve level is above or below 25% to guide business decisions related to revenue, expense and capital, ensuring appropriate investments are made supporting TSSA's mandate. Management regularly assesses TSSA reserves to ensure adequate capital is maintained to fund enhancements to the safety system for the benefit of Ontarians as well as the ability to absorb unforeseen economic circumstances.

FISCAL YEAR 2018 OUTLOOK

TSSA's fiscal year 2018 is informed by its new 5-Year Strategic Plan that seeks to further evolve safety by modernizing regulatory principles, addressing technological advances, and ensuring greater collaboration with industry and government.

The fiscal 2018 budget represents management's commitment to stakeholders to develop and implement a practical financial plan aligned with the vision and strategic priorities. The emphasis is on delivering efficient, customer focused processes that support TSSA's regulated mandate while funding investment to "fix the foundation" and modernize for the future. Continued cost control supports the extension of the fee freeze to May 1, 2018. The most recent fee schedule was approved effective May 1, 2013. TSSA's fees overall have increased less than the rate of inflation since its inception in 1997 and the organization will continue to strive to find ways to restrain fee increases in the future.

TSSA is projecting a deficit of \$5.2 million primarily due to investment required for end-to-end business process redesign and new systems implementation (TSSA 20/20 Program), as discussed in the Technology section, and to deliver TSSA's safety mandate. As TSSA produced a net margin of \$3.9 million in fiscal 2017, this is a reduction of \$9.1 million from the prior year.

Regulatory net deficit of \$6.2 million or 10% of revenues is lower than the net margin achieved in prior year, and non-regulatory net margin of \$1.0 million is a decrease of less than \$0.1 million over prior year.

Total budgeted revenue is \$69.7 million. Revenue growth is volume driven as fees are frozen, and is projected to increase modestly by 1.9% compared to fiscal 2017 across in all Programs. Best estimates of business activity volumes include projected device volume growth/changes, volume and mix of inspection work expected (based on assessment of risk factors and projected compliance levels), and manufacturing activity resulting in engineering reviews and initial inspections.

Budgeted expenses of \$74.9 million are anticipated to grow by 16%, primarily driven by a \$7.6 million investment in the TSSA 20/20 Program. The organization has committed significant internal resources to the TSSA 20/20 Program and is engaging a third party vendor to work with the internal team and system integrators to staff the program as it progresses towards its successful completion.

Total expense growth is expected to be 8.9%, excluding the investment in TSSA 20/20. This is the first increase in core business expenses in 3 years, and is consistent with supporting the core mandate and the business initiatives in the new 5-year strategic plan, including regulatory review work and safety advocacy as outlined in the strategic initiatives. The ED program continues to invest in staffing to support a multi-year compliance strategy, and key open positions across the organization are being filled.

While this expense growth exceeds the projected revenue growth of 1.9%, TSSA has the financial resources in place to allow for this investment. Cost control and efficiency gains in fiscal years 2015-2017 resulted in a reduction in total expenses, putting TSSA in a good position to invest for the future. Core business expenses, excluding the TSSA 20/20 Program, will be managed in a number of ways: staffing changes continue to require stringent business case justification, inflationary increases are to be absorbed with cost saving initiatives, and offsets identified for one time or cyclical expenditures. TSSA will continue to invest in workforce training, development and safety, the stability and performance of core IT infrastructure, including website renewal, and programs such as the TSSA Safety Awards. Innovative approaches to delivering corporate support processes are being identified on an ongoing basis, such that the

TSSA's fees have increased less than the rate of inflation and TSSA will continue to strive to find ways to restrain fee increases in the future.

growth rate in support costs is planned to be below the growth rate in direct operating costs. Minimal work will be performed on the existing ERP system as focus is on replacing it as per the TSSA 20/20 Program.

TSSA's capital budget for fiscal 2018 is projected at \$4.2 million, driven by a combination of the TSSA 20/20 Program and other Information Services (IS) projects. There will be continued capital spending to upgrade and maintain IS infrastructure to ensure effectiveness, security, performance and reliability as well as upgrading the main corporate website. There is limited capital spend on existing systems with the focus on the TSSA 20/20 Program.

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

TSSA continues to monitor its reserves. The unrestricted reserve balance at the end of fiscal 2017 is adequate to support the upcoming TSSA 20/20 Program and all initiatives to deliver the strategic plan, including regulatory review work and advocacy initiatives. The restricted reserve policy targets a reserve level of 25% of budgeted operating expenses in order to support the business in achieving long-term vision and goals and ensure adequate capital for unforeseen economic events. It is expected that the reserve will continue to support TSSA's multi-year capital requirements.

TSSA is confident that the established operating and capital budgets will enable the successful execution of TSSA's regulatory mandate and overall business plan.



Regulated Sectors

Safety
Advocates

Knowledge
Base

MANAGEMENT'S DISCUSSION & ANALYSIS

TECHNICAL STANDARDS AND SAFETY AUTHORITY

STATEMENT OF INCOME AND EXPENSES

(In thousands of dollars)

Year ended April 30, 2017 with Fiscal 2018 Budget

	Fiscal 2017 Actual \$'000	Fiscal 2018 Budget \$'000	Changes	
			\$	%
REGULATORY BUSINESS:				
Boilers and Pressure Vessels/ Operating Engineers Revenue	15,175	15,775	540	4%
Elevating and Amusement Devices Revenue	23,611	23,676	65	0%
Fuels Revenue	21,124	21,393	269	1%
Upholstered and Stuffed Articles Revenue	4,171	4,271	100	2%
Total Revenue	64,081	65,055	974	2%
Expenses	61,261	71,292	10,031	16%
NET MARGIN	2,820	(6,237)	(9,057)	(321%)
	4%	-10%		
NON-REGULATORY BUSINESS:				
Revenue	4,293	4,607	314	7%
Expenses	3,231	3,584	353	11%
NET MARGIN	1,062	1,023	(39)	4%
	25%	22%		
TOTAL TSSA:				
Revenue	68,374	69,662	1,288	2%
Expenses	64,492	74,876	10,384	16%
NET MARGIN	3,882	(5,214)	(9,096)	(234%)
	6%	-7%		

TECHNICAL STANDARDS AND SAFETY AUTHORITY

CAPITAL EXPENDITURE

(In thousands of dollars)

Year ended April 30, 2016 with Fiscal 2017 Budget

	Fiscal 2017 Actual \$'000	Fiscal 2018 Budget \$'000	Changes	
			\$	%
Capital Expenditure	6,416	4,230	(2,185)	(34%)



FINANCIAL STATEMENTS

For year ended
30 April 2017

Auditor's
Report

INDEPENDENT AUDITORS' REPORT

To the Members of Technical Standards and Safety Authority

We have audited the accompanying financial statements of Technical Standards and Safety Authority, which comprise the statement of financial position as at April 30, 2017, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Technical Standards and Safety Authority as at April 30, 2017, 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.

Chartered Professional Accountants
Licensed Public Accountants



July 18, 2017
Toronto, Canada

TECHNICAL STANDARDS AND SAFETY AUTHORITY

STATEMENT OF FINANCIAL POSITION

(In thousands of dollars)

Year ended April 30, 2017

	2017	2016
ASSETS		
Current		
Cash	\$ 3,016	\$ 6,447
Short-term Investments (Note 3)	20,739	11,034
Accounts Receivable (Note 4)	8,321	8,692
Prepaid Expenses	851	607
	32,927	26,780
Long-term Investments (Note 3)	27,496	36,379
Capital Assets (Note 5)	5,215	876
Intangible assets (Note 6)	1,279	498
	\$ 66,917	\$ 64,535
LIABILITIES		
Current		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 13,396	\$ 15,657
Deferred Revenue	14,017	13,256
	27,413	28,913
Net assets		
Invested in Capital Assets and Intangible Assets	4,641	1,376
Restricted Reserve (Note 12)	28,447	28,447
Unrestricted Reserve (Note 12)	6,416	5,799
	39,504	35,622
Commitments and Contingencies (Note 14)		
	\$ 66,917	\$ 64,535

On behalf of the Board



Norm Inkster

Chair of the Board of Directors



Michael Lees

Chair of Audit, Finance and Risk Committee

TECHNICAL STANDARDS AND SAFETY AUTHORITY

STATEMENT OF OPERATIONS

(In thousands of dollars)

Year ended April 30, 2017

	2017	2016
Regulatory Business Revenue		
Elevating and Amusement Devices	\$ 23,611	\$ 25,743
Fuels	21,124	21,824
Boilers and Pressure Vessels and Operating Engineers	15,175	14,832
Upholstered and Stuffed Articles	4,171	4,116
	64,081	66,515
Non-regulatory Business Revenue	4,293	4,019
	68,374	70,534
Regulatory Business Expenses		
Salaries, Wages and Benefits	44,652	42,471
Operating	15,311	15,744
Amortization	1,298	2,919
	61,261	61,134
Non-regulatory Business Expenses	3,231	2,627
	64,492	63,761
Excess of regulatory business revenue over regulatory Business Expenses	2,820	5,381
Excess of non-regulatory business revenue over Non-regulatory Business Expenses	1,062	1,392
Excess of Revenue Over Expenses	\$ 3,882	\$ 6,773

STATEMENT OF CHANGES IN NET ASSETS

(In thousands of dollars)

Year ended April 30, 2017

	Invested in capital assets and intangible assets	Restricted reserve (Note 12)	Unrestricted reserve (Note 12)	Total 2017	Total 2016
Net Assets, Beginning of Year	\$ 1,376	\$ 28,447	\$ 5,799	\$ 35,622	\$ 28,849
Excess (Deficiency) of Revenue Over Expenses	(1,137)	–	5,019	3,882	6,773
Investment in Capital Assets	5,366	–	(5,366)	–	–
Investment in Intangible Assets	1,050	–	(1,050)	–	–
Deferred Lease Inducements	(2,014)	–	2,014	–	–
Net Assets, End of Year	\$ 4,641	\$ 28,447	\$ 6,416	\$ 39,504	\$ 35,622

STATEMENT OF CASH FLOWS

(In thousands of dollars)

Year ended April 30, 2017

	2017	2016
Increase (decrease) in cash		
Operating		
Excess of Revenue Over Expenses	\$ 3,882	\$ 6,773
Items Not Affecting Cash		
Amortization of capital assets	1,029	657
Amortization of intangible assets	269	2,262
Amortization of Deferred Lease Inducements	(161)	–
Unrealized (Gain) Loss on Short-term Investments	(26)	96
Unrealized Gain on Long-term Investments	14	29
	5,007	9,817
Change in Non-cash Working Capital Items (Note 9)	(3,687)	4,796
	1,320	14,613
Investing		
Proceeds on Maturity of Short-term Investments	4,200	11,947
Purchase of Short-term Investments	(13,879)	(8,790)
Proceeds on Maturity of Long-term Investments	16,512	3,865
Purchase of Long-term Investments	(7,643)	(17,094)
Acquisition of Capital Assets	(5,366)	(444)
Acquisition of intangible assets	(1,050)	(531)
Deferred lease inducements recorded in accounts payable	2,475	–
	(4,751)	(11,047)
(Decrease) Increase in Cash	(3,431)	3,566
Cash		
Beginning of Year	6,447	2,881
End of Year	\$ 3,016	\$ 6,447

NOTES TO FINANCIAL STATEMENTS
1. Nature of Operations

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

TSSA's objectives, as outlined in the TSS Act and MOU, allow TSSA to continue to administer the TSS Act and its regulations to promote and undertake public safety activities in relation to matters assigned to it, including training,

certification, licensing, registration, audit, quality assurance, inspection, investigation and enforcement, subject to certain additional powers of the MGCS. TSSA is exempt from income tax.

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

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

2. Significant Accounting Policies

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

Revenue Recognition:

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

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

Financial Instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. TSSA has not elected to carry any such financial instruments at fair value.

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

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

Accounts Receivable

At year end, TSSA assesses whether there are any indications that the carrying value of the receivables may be impaired. For purposes of impairment testing, each significant account is assessed individually; the balance of the accounts are grouped on the basis of similar credit risk characteristics. When there is an indication of impairment, TSSA determines whether there has been a significant adverse change in the expected timing or amount of future cash flows. When TSSA identifies a significant adverse change, it reduces the carrying amount of the receivable to the higher of the amount that could be realized by selling the receivable at the statement of financial position date and the present value of the cash flows expected to be generated by holding the receivable.

When the extent of impairment of a previously written down receivable decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement.

TECHNICAL STANDARDS AND SAFETY AUTHORITY

(In thousands of dollars)

Year ended April 30, 2017

Capital Assets

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

Equipment	4 Years
Furniture and Fixtures	5 Years
Computer Hardware	3 Years
Leasehold Improvements	Remaining Term of Lease

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

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

Assets attributable to capital projects that are not available for use are held as construction in progress and are not amortized until they are brought into service.

Intangible Assets

Intangible assets relate to the costs of internally and externally developed software and business systems.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following rates:

Business Systems	5 Years
Computer Software	2 Years

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rates of exchange at the year-end date. Revenue and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in the statement of operations.

Realized foreign exchange gain of \$28 (2016; \$206) is included in the statement of operations.

Allocation of Expenses

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

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

Use of Estimates

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

3. Investments

Short-term investments consist of cash, bankers' acceptances, guaranteed investment certificates and bonds, with yields between 1.21% and 2.40% (2016; 1.25% and 2.45%), maturing prior to April 30, 2018 (2016; March 5, 2017).

TECHNICAL STANDARDS AND SAFETY AUTHORITY

(In thousands of dollars)
Year ended April 30, 2017

Long-term investments consist of the following:

	2017		2016	
	Cost	Market Value	Cost	Market Value
Corporate and Government Bonds	\$ 27,142	\$ 27,496	\$ 35,747	\$ 36,379

The long-term investments have effective rates between 0.6% and 2.50% (2016; 1.21% and 2.50%), maturing from May 2018 to June 2021 (2016; June 2015 to November 2019).

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

The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

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

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

4. Accounts Receivable

	2017	2016
Accounts Receivable	\$ 8,889	\$ 9,443
Allowance for Doubtful Accounts	(568)	(751)
	\$ 8,321	\$ 8,692

5. Capital Assets

	Cost	Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
Equipment	1,629	909	720	3
Furniture and Fixtures	890	155	735	4
Computer Hardware	1,957	1,629	328	426
Leasehold Improvements	3,734	302	3,432	445
	\$ 8,210	\$ 2,995	\$ 5,215	\$ 878

Additions of \$Nil (2016; \$393) to leasehold improvements have not yet been amortized as they are not in use.

6. Intangible assets

	Cost	Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
Business Systems	\$ 7,248	\$ 6,285	\$ 963	\$ 307
Computer Software	1,384	1,068	316	191
	\$ 8,632	\$ 7,353	\$ 1,279	\$ 498

Additions to business systems of \$736 (2016; \$22) have not yet been amortized as they are not in use.

TECHNICAL STANDARDS AND SAFETY AUTHORITY

(In thousands of dollars)

Year ended April 30, 2017

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$1,562 (2016; \$1,454), which relate to sales tax, payroll remittances and oversight fees charged by the MGCS.

Also included in accounts payable and accrued liabilities are lease inducements generated from a leasehold improvement allowance and free rental period rental equalization which amounted to \$2,475 (2016; \$Nil). As of April 30, 2017 the remaining balance of the inducement is \$2,314 (2016; \$33). The lease inducements and rent free period are amortized over the term of the lease.

	Inducement received	Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
Rent Free Period	\$ 461	\$ –	\$ 461	\$ –
Leasehold Improvement Allowance	2,014	161	1,853	33
Lease Inducements	\$ 2,475	\$ 161	\$ 2,314	\$ 33

8. Allocation of Expenses

Direct labour and benefits expenses of \$1,621 (2016; \$1,218) have been allocated to non-regulatory business expenses. Corporate support expenses of \$25,046 (2016; \$25,147) have been allocated as follows:

	2017	2016
Regulatory Business Expenses	\$ 23,805	\$ 24,063
Non-regulatory Business Expenses	1,241	1,084
	\$ 25,046	\$ 25,147

9. Supplemental cash flow information

Change in non-cash working capital items:

	2017	2016
Accounts receivable	\$ 371	\$ (1,281)
Prepaid expenses	(244)	924
Accounts payable, net of deferred lease inducements	(4,575)	4,415
Deferred revenue	761	738
	\$ (3,687)	\$ 4,796

10. Pension Plans

TSSA has established defined contribution pension plans for its employees. Contributions by TSSA on account of current service pension costs paid and expensed amounted to \$1,913 (2016; \$1,854).

11. Indemnification of Directors and Officers

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

TECHNICAL STANDARDS AND SAFETY AUTHORITY

(In thousands of dollars)

Year ended April 30, 2016

12. Restricted Reserve

TSSA has an approved restricted reserve to ensure sufficient capital is maintained for continued services and to allow for significant unforeseen economic events. This policy, approved by the Board, sets a target restricted reserve level of 25% of budgeted operating expenses. The Board considers the sum of the restricted reserve and unrestricted reserve to be the total reserve. As at April 30, 2017, the total reserve was \$34,863 (2016; \$34,246). The balance of \$6,416 (2016; \$5,799) in the unrestricted reserve represents funding for future business initiatives.

13. Capital Disclosures

TSSA's capital is its net assets as reflected in the statement of financial position. Within net assets, TSSA manages its restricted reserve and unrestricted reserve, as described fully in Note 12. TSSA's primary objective of enhancing public safety is supported by safeguarding its assets and ensuring it remains financially viable through effective risk-based planning, investment and cost management policies and procedures. TSSA manages its capital structure through its strategic planning process, as approved by the Board. This includes an annual budget of revenue and expenses, investments in capital assets and intangible assets and management of cash and interest-bearing short-term/long-term investments. There are no externally imposed restrictions on its capital structure.

14. Commitments and Contingencies

Operating Facility:

Under the terms of its banking agreement, TSSA has available a demand operating facility of up to \$750. This facility bears interest at TSSA's bank's prime rate plus 0.25% per annum and is secured by a general security agreement over TSSA's assets and assignment of fire and business interruption insurance. As at April 30, 2017, \$Nil (2016; \$Nil) was drawn on the facility.

Lease Obligations

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

2018	\$ 1,523
2019	1,443
2020	975
2021	795
2022	605
Thereafter	\$ 3,023
	\$ 8,364

Litigations

TSSA has been named as defendant in certain litigations alleging actual and punitive damages. However, it is management's belief that the ultimate outcome will not materially affect TSSA's financial position. Settlement, if any, will be accounted for during the period of resolution.

15. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.



CORPORATE INFORMATION

for year ended
30 April 2017

Team
Safety

TSSA'S BOARD OF DIRECTORS

Don Aronson

President, Aronson and Associates Inc.

Lynda Bowles

Former Audit Partner, Deloitte LLP

JoAnne Butler

Vice-President, Market & Resource Development,
Independent Electricity System Operator

Brian Chu

Founding partner of Bogart Robertson & Chu LLP

Douglas Harrison, Vice Chair

President and CEO, VersaCold

Debbie Heiser

Executive Director, Executive Advisory,
Office of the Chief Information Security Office
at Optiv Security Inc.

Aman Hundal

Former Business Continuity Analyst,
Canada Revenue Agency

Norm Inkster, Chair

President, Inkster Incorporated Inc.

Michael Lees

Former President, Babcock & Wilcox Nuclear Energy

Pamela Nowina

Board Member, Electrical Safety Authority (ESA) and
Chair of ESA Board's Audit Committee

Elaine Pitcher

Barrister and Solicitor, Elaine Pitcher Law Office

Connie Roveto

President, Cirenity Management

Wendy Tilford

Board Member, CSA Group and former Deputy Minister,
Ministry of Government and Consumer Services

Helle Tosine

Senior Associate, Optimus SBR Management Consulting

TSSA'S BOARD COMMITTEES

Each TSSA director is an active member of one of three committees: Audit, Finance and Risk Committee, Governance and Human Resources Committee and Safety and Regulatory Affairs Committee. Providing oversight in governance, reporting, fiduciary and legal duties, each member plays an important role in guiding TSSA's safety strategies.

Audit, Finance and Risk Committee

Michael Lees, Chair

Norm Inkster, Ex-Officio Voting Member

Deborah Heiser, Member

Aman Hundal, Member

Connie Roveto, Member

GOVERNANCE AND HUMAN RESOURCES COMMITTEE

JoAnne Butler, Chair

Norm Inkster, Ex-Officio Voting Member

Lynda Bowles, Member

Douglas Harrison, Member

Pamela Nowina, Member

Helle Tosine, Member

SAFETY AND REGULATORY AFFAIRS COMMITTEE

Elaine Pitcher, Chair

Norm Inkster, Ex-Officio Voting Member

Brian Chu, Member

Don Aronson, Member

Wendy Tilford, Member

BOARD REMUNERATION AND TSSA PAY POLICY

Executive compensation and other non-financial awards associated with Board remuneration play an important role in corporate governance and allow TSSA to attract skilled and experienced directors. Similarly, TSSA's Pay Policy seeks to attract and retain essential technical and corporate resources through competitive compensation. Both policies strictly follow transparent and fiscally responsible compensation practices.

For additional information on Board remuneration and TSSA's Pay Policy, please visit www.tssa.org.

ISSUES MANAGEMENT

As TSSA seeks to continually improve customer satisfaction and its high standards of safety service, we address aspects of dissatisfaction, according to the level in which they are raised. Complaints requiring greater attention are escalated to senior personnel, up to and including statutory directors or the President and CEO. TSSA's Ombudsman provides additional support, engaging both staff and industry members to effectively resolve issues and develop ideas for improving the way in which TSSA delivers its services.

FRENCH LANGUAGE SERVICES

TSSA continually monitors French language requests to best determine the linguistic level of service and meet public safety and customer service needs. For more information on TSSA's French Language Services Policy, please contact TSSA toll-free at 1-877-682-8772.

SENIOR MANAGEMENT TEAM

Tom Ayres

Vice President and General Counsel

Brenda Buchanan

Vice President, Human Resources and Training

Georgina Kossivas

Chief Financial Officer

Mark Rodrigues

Director, Internal Audit

David Scriven

Acting President and CEO;

Vice President, Safety Strategy and Corporate Secretary

Peter Wong

Vice President, Operations

TSSA'S STATUTORY APPOINTMENTS

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

Roger Neate

Director, Elevating and Amusement Devices Safety Program

John Marshall, BA, CIGC

Director, Fuels Safety Program

Mike Adams, M.Eng., P.Eng., PMP

Director, Boilers and Pressure Vessels and Operating Engineers Safety Program
Chief Officer, Operating Engineers

Dara Vorkapic

Director, Upholstered and Stuffed Articles Safety Program

INDUSTRY ADVISORY COUNCILS

Industry input and advice in TSSA's safety strategies, initiatives and service delivery is essential to the continued safety of Ontarians. Since TSSA's creation, the organization has pursued this effective form of collaboration through its nine industry advisory councils. Council Chairs are listed below.

Cindy Sypher

Amusement Devices

Steve Lawrence

Boilers and Pressure Vessels

Kelly Leitch

Elevating Devices

Bob Smith

Liquid Fuels

Jim Sanders

Natural Gas

Rod Philip

Operating Engineers

David Karn

Propane

Bruce Haynes

Ski Lift

Lloyd Hall

Upholstered and Stuffed Articles

CONSUMERS ADVISORY COUNCIL

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

Jane McCarthy, Chair

Robert Brady, Member

Thomas Doherty, Member

G. Rea Dulmage, Member

Dolly Gerrior, Member

Elizabeth Nielsen, Member

Kathryn Woodcock, Member

For more information on advisory councils, including minutes of meetings, please visit www.tssa.org.

CORPORATE SCORECARD

COMPANY BALANCED SCORECARD FOR FISCAL YEAR 2017						
(Year End Results at April 30, 2017)						
Objective	Measure	Fiscal Year 2016 Performance Results		Fiscal Year 2017 Target	FY17 Results	Comments
Safety Outcomes						
Reduced health impacts	Risk of Injury or Fatality	16 percent decrease of risk of Injury or fatality compared to baseline of 1.02 RIF for FY12		A reduction from previous year toward the strategic plan target for Fiscal Year 2017 of a 10% reduction from baseline.	18% decrease of RIF compared to baseline of 1.02 RIF for FY12	
Increased regulatory compliance	Periodic inspections/ audits passed on first visit ¹	Fuels		Equal to or better than previous fiscal year ²		
		Contractor audits	54%		56%	
		Licensed sites	52%		54%	
		Elevating and Amusement Devices		Equal to or better than previous fiscal year		
		Elevating Devices	24%		24%	
		Amusement Devices	64%		66%	
		Boilers and Pressure Vessels and Operating Engineers		Equal to or better than previous fiscal year		
		Boilers and Pressure Vessels	98%		98%	
		Operating Engineers	41%		43%	

¹ The median value of periodic inspections/audits passed on first visit over a five-year rolling median. The higher the number the better the compliance.

² Results may be impacted by mandated enforcement initiatives to address identified compliance concerns. These initiatives are described in TSSA's annual public safety performance reports.

CORPORATE SCORECARD

COMPANY BALANCED SCORECARD FOR FISCAL YEAR 2017

(Year End Results at April 30, 2017)

Objective	Measure	Fiscal Year 2016 Performance	Fiscal Year 2017 Target	FY17 Results	Comments
Organizational Effectiveness					
Enhanced Efficiency	Operating Leverage ³	2.4%	Positive Leverage	-1.7% (YTD)	Did not achieve positive leverage as expense reduction versus prior year was exceeded by revenue shortfall.
Enhanced Customer Value	Performance Index Score from Customer Value Survey	165	An improvement from previous year toward the strategic plan target for Fiscal Year 2017 of 205	Score of 198 achieved	Significant improvement from previous year. Achieved 80% of Strategic Plan target.
Enhanced Employee Engagement ⁴	Employee Survey Engagement Score	59%	No survey planned	64% (Pulse Survey Results)	Increase of 5% from previous survey results
Employee Health and Safety	Occupational Health and Safety Dashboard Leading Indicators (training, quality audits completed and average quality audit score)	Green on all indicators	Green on all indicators	Quality Audits, Average Audit Score & Training are on target	Target Achieved.
Financial Performance					
Total revenue	Annual \$	\$70.534 million	\$72.876 million	\$68.373 million	Full year revenue is 6% lower than budget; primarily from inspection activities.
Total net margin	Annual \$	\$6.773 million	\$4.209 million	\$3.880 million	Full year net margin is 8% lower than budget as expense reduction vs. prior year was exceeded by revenue shortfall.

³ Operating leverage is now defined as the difference between the year-over-year increase in revenue less the year-over-year increase in expenses, excluding strategic initiatives.

⁴ Employee engagement surveys are conducted approximately every 18 months.



OUR PURPOSE

Safety Matters

Safety
First

To enhance safety where Ontarians live, work and play.

TSSA's vision is to be a valued authority for a safer Ontario. Our values are a reflection of our commitment to public safety. And the beneficiaries of all our efforts are our public and industry stakeholders. Our core values remain:

Safety – Be safety conscious at all times.

Leadership – Be the best in actions and words.

Integrity – Be honest and ethical.

Respect – Build trust and earn respect.

Accountability – Be responsible for all actions and deliver on commitments.

Communication – Share information responsibly and effectively.

Collaboration – Work together across the whole organization and with our external partners.



Technical Standards and Safety Authority

345 Carlingview Drive
Toronto, Ontario M9W 6N9
Tel: 416-734-3300
Fax: 416-231-1626
Toll Free: 1-877-682-8772 (TSSA)
Email: customerservices@tssa.org
www.tssa.org