2013 ANNUAL REPORT

Protecting the Public

Promoting and Modernizing Skilled Trades

ONTARIO COLLEGE OF TRADES
ORDRE DES MÉTIERS DE L'ONTARIO

About Us

The Ontario College of Trades is an industry-driven, professional regulatory body with a mandate to protect the public interest by regulating and promoting skilled trades in Ontario. One of the main responsibilities of the College is to ensure that individuals performing the skills of compulsory trades have the training and certification required to legally practise the trade in Ontario. The College puts the decision-making in the hands of those who are directly impacted by those decisions.

Cover Photo: Apprentice Simone Hewitt

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Setting the Wheels in Motion

It's been my honour and pleasure to lead this Board through a year of firsts.

From the moment the Ontario College of Trades opened its doors to the public on April 8, 2013, both my Board colleagues and our staff have performed above and beyond the call of duty to build an organization like none other in North America. We have no doubt faced our share of challenges, but we have risen to meet them time and again.

From its earliest stages, the College was designed to protect the public by regulating and promoting the skilled trades, and over the year we have done just that.

Each day, enforcement officers across Ontario are inspecting worksites to ensure that important work is being done by certified tradespeople. Their efforts have gone a long way to improve public safety and diminish the underground economy.

Along with my colleagues on the Board of Governors, I have made it a priority to meet with as many stakeholders as possible to listen and bring back their valuable feedback to the College.

Our Registrar and CEO David Tsubouchi has devoted a considerable amount of time and effort to reaching out to parents, school boards, young people and new Canadians to talk to them about the value of a career in the trades. It is crucially important work, and there is absolutely no doubt that it is contributing to a higher profile of the skilled trades. Young people are beginning to- quite rightly- view an apprenticeship as a form of higher learning, just like college or university. That is a significant step in the right direction, and I am excited to witness a new generation of Ontarians embrace the skilled trades.

It is also important to recognize the dedicated work that the Trade and Divisional Boards have done over the past year. In addition to updating the Training and Curriculum Standards, they are the main link from industry to the College's governance structure. They are tasked with the difficult job of exploring the issues around the apprenticeship program and the trade classification review process, and they have completed their work with deftness and devotion.

The Annual Report highlights all of the good things that the College has been able to achieve over the year, and I want to express my thanks to my colleagues on the Board for their expertise and advice and to David Tsubouchi and his management and staff for their dedication and hard work. I look forward to another successful year with this dynamic organization.

Thank you,

Ron Johnson
Chair, Board of Governors

Setting the Stage for Modernization

Reflecting back on the past year, I am impressed by the accomplishments that have been made to date on our mission to modernize the trades.

After years of planning and industry consultation the Ontario College of Trades (the College) began accepting members on April 8, 2013. I was not at the helm for most of 2013 and want to thank my predecessor Bob Guthrie for all he did to set the sails so I could seamlessly take on my new role in September.

From the outset, the College has had two key priorities – on the one hand, to protect the public interest; and on the other, to raise the public profile of and promote the skilled trades. In 2013, we put those priorities into action.

For the first time in Ontario, enforcement officers are now visiting worksites to confirm that someone working in a compulsory trade has the qualifications to do the job safely. And through the free registry on our website, the public or a business can now confirm if someone in a compulsory trade has the required qualifications to do the work. We have made great strides in enhancing consumer protection over the past year, and Ontarians from across the province can feel confident that the College will continue to work hard with their safety in mind.

A career in the skilled trades should be a first-choice for more of our young people; therefore we have made it a priority to reach out to schools, parents, students and new Canadians about the value of a career in the skilled trades. The response so far has been excellent, and in the coming year I, personally, look forward to getting out to even more schools to talk with young people about all the opportunities a career in the skilled trades can provide.

In addition to enforcement and promotion, the College has been hard at work issuing Certificates of Qualification, statements of membership and developing Training and Curriculum standards. To say it has been a busy year would be an understatement.

Though the past year has not been without its hurdles, we have managed to succeed in a sometimes challenging landscape. I want to acknowledge the Board of Governors for their commitment to helping us meet our objectives and, in particular, to recognize our Chair Ron Johnson who has worked tirelessly on our behalf. We have also maintained a good working relationship with the staff at the Ministry of Training, Colleges and Universities and appreciate their support during this transition. And finally, a big thank you to management and staff at the College for their passion and dedication to the important work we do.

Thank you,

David Tsubouchi
Registrar and CEO

History

IN THE BEGINNING

Research and Consultation

Just a few short years ago, consolidating the regulation and promotion of the skilled trades in Ontario under one roof was a mere notion. Many agreed that it was a good idea but it had never been done before.

However, in less than five years, the concept of the College has moved from being the subject of two comprehensive government sponsored reports to legislation and, finally, implementation.

Tim Armstrong took the first steps along the road to where the College is today. In his April 2008 report on compulsory certification for skilled trades in Ontario, commissioned by the Ontario Ministry of Training, Colleges and Universities, Mr. Armstrong's primary recommendation was the creation of "an all trades governance institution ... whose functions would include the establishment of expert panels to consider applications for compulsory certification and provide advice to the Minister; to engage in certification enforcement; to raise the profile and status of the trades; and provide for periodic review(s) of ratio provisions."

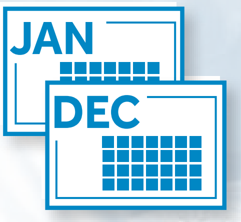
In September 2008, Mr. Armstrong's report and its recommendations were accepted by the government and Kevin Whitaker, Chair of the Ontario Labour Relations Board, was appointed to take the Armstrong report to the next stage of implementation. His final report, published in early 2009, set out the recommendations for the creation of the Ontario College of Trades.

Throughout the development and planning of the creation of the College, industry stakeholders were widely consulted. Input and feedback was sought from employers, skilled tradespeople, and training providers. Written submissions were received and read, and public consultations held.

MAY 2009:

LEGISLATION INTRODUCED AND PASSED

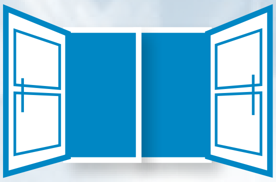
The Ontario College of Trades and Apprenticeship Act, 2009, was introduced in the Ontario legislature in May and received royal assent in October of that same year.



2010-2012:

THE PLANNING YEARS

As the first regulatory body for the skilled trades in North America, there was no developmental road map to follow. The first two years following the passage of the Act were about ensuring that plans were in place, stakeholders were further consulted and appropriate resources were allocated before the College became operational.

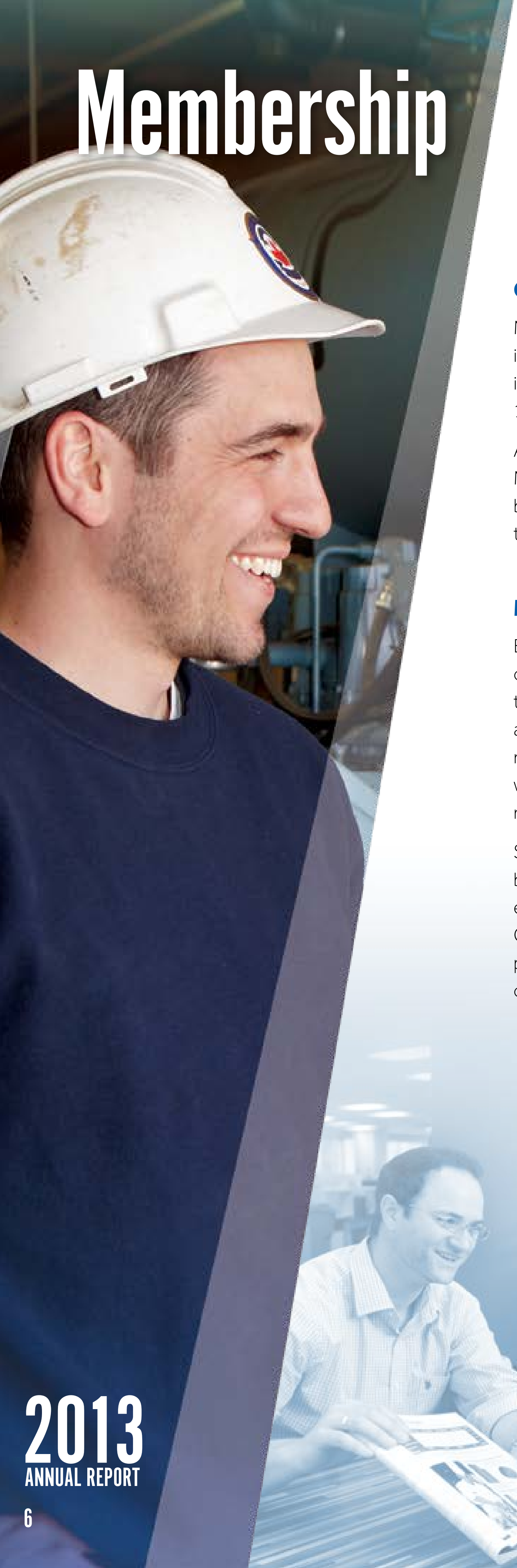


APRIL 8, 2013:

IT'S OFFICIAL

The College officially opens its doors to members.

Membership



Total membership in the Ontario College of Trades (the College), as of December 31, 2013, was 261,076.

Compulsory or voluntary

Membership in the College is compulsory for any journeyperson in any one of 22 skilled trades in the province. Membership is optional for employers and journeypersons in another 134 identified skilled trades.

Apprentices in any training agreement through the Ontario Ministry of Training, Colleges and Universities (MTCU) must also be a member of the College, regardless of the trade in which they are working.

Membership building

Early 2013 saw the College preparing for the opening of its doors to members on April 8, 2013. In February and March, the College sent two rounds of letters to more than 280,000 active apprentices and journeypersons, all potential College members. In the week prior to the launch, data from the MTCU was migrated to the College and used to populate the core membership system.

Shortly after the College started accepting members at the beginning of April, it was apparent that service expectations had exceeded estimates. Over the next few months, the Operations Group managing the implementation of the new systems and processes introduced amendments that addressed these operational and service challenges.

Member services

On average, the College's call centre staff fielded almost 26,000 calls monthly in 2013.

As hold times decreased over the first nine months that the call centre was in operation, so too did the number of abandoned calls. By the end of 2013, only 5% of callers hung up and those who waited for service were on hold for an average of only one minute.

But member assistance provided by the College was not limited to phone calls. In addition to addressing concerns by phone, member services staff also: responded to more than 22,000 emails; met with 5,000 members in person at the office; and even worked off-site in order to help engage and support membership.

Other functions provided by member services include:

- Processing of all individual and mass applications;
- Validating exam eligibility, processing payments, and providing exam guidance;
- Generating exam result letters and addressing any concerns of those that may not have passed exams;
- Maintaining the online public register (For more information, please see page 9);
- Printing and shipping membership identification; and,
- Generating invoices, billing, payment and collections processing.

Benefits of membership: Building an affinity program

The College began actively building its affinity program in 2013. The first confirmed program was an insurance and group benefit plan. A request for proposal was posted to the College's website and open to any provider. A further 14 companies were directly contacted by the College and a preferred vendor was identified in late 2013. The details of the new program will be communicated to members in early 2014 with an overall launch scheduled for April.

OPERATIONAL ELEMENT	2013 Year End
Core Membership Activity	
Total Active Members	261,076
Memberships Renewed	111,752
Memberships Expired	27,230
Memberships Suspended	909
Memberships Cancelled	7,267
New Members	14,723

Active Trade Qualifications	
Apprentices	94,978
Journeyperson Candidates	4,763
Tradespersons	20
Journeypersons	192,410
Employers/Sponsors	92
Total Trade Qualifications	**292,263**

Payment Processing Activity (Includes HST Collected)	
Initial Membership Fee	$1,245,610
Annual Membership Fee	$11,618,623
Provisional Membership Fee	$13,502
Exam Fee	$2,133,882
Total Revenue Processed	**$15,011,617**

Contact Activity	
Total Calls Received	**231,712**
Hold Time - Avg	5:09
Handle Time - Avg	3:30

Protecting the Public Interest

A priority of the Ontario College of Trades is the protection of the public interest by monitoring and enforcing compliance with ***The Ontario College of Trades and Apprenticeship Act, 2009*** (the Act). To that end, in 2013, the College established an enforcement and compliance division, including a complaints and disciplinary process associated with professional misconduct, incompetence or incapacity.

Training and education

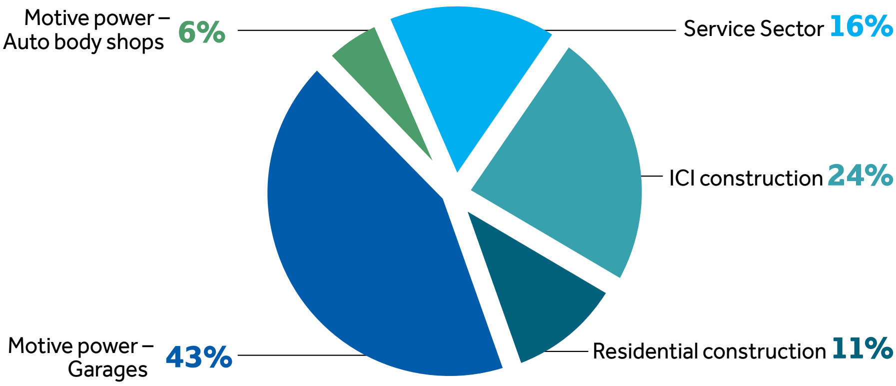
In May 2013, after a period of rigorous training and education, the first class of 20 enforcement officers graduated and hit the road. Ten of the officers were deployed to the northeastern region of the province and to cover communities such as Thunder Bay, Sudbury, North Bay and Peterborough. The Hamilton, Kitchener, London region had six dedicated enforcement officers while four enforcement officers covered the Toronto, Brampton and Keswick area. Almost two thirds of the graduates are experienced tradespeople who hold membership in the College.

In the eight months following the enforcement unit's creation, the officers visited more than 3,000 workplaces. These visits primarily focused on educating the trades and the public about the College and membership requirements.

During those visits, officers found that one in five workers (21%) was not compliant with the Act. However, armed with information about compulsory trades and the requirements under the Act, most employers took the necessary steps to rectify compliance issues.

A second class of 22 enforcement officers graduated in December 2013 and began workplace inspections in January 2014.

FIELD VISITS BY SECTOR



Complaints and Discipline

The College also investigates all complaints of professional misconduct, incompetence or incapacity made against College members. Members as well as non-members may be subject to penalties/tickets/charges for offences.

In 2013, the College received 225 complaints from the public. By the end of the year, these complaints were in various stages of resolution.

Members have the right to hear and respond to all complaints formally made against them through the complaints process.

Public register

Consumers can help protect their own interests by confirming the qualifications of someone working in a compulsory trade either by asking to see that individual's Certificate of Qualification or through the new public register. In 2013, the College also launched a public register on its website. It is the first time in Ontario that consumers or businesses can check:

- The type of membership a tradesperson holds;
- The terms, condition, and/or limitations imposed on a tradesperson's membership; and,
- The tradesperson's standing in the College.

The register also provides other information, including any findings of professional misconduct and incompetence. Under circumstances determined by the College's Discipline Committee, the Fitness to Practise Committee may also publish information on the website about a members' incapacity.

The public register was the College's second most visited webpage from April-December, 2013.

"The look of surprise when I ask them for a member's Certificate of Qualification never gets old. For years, or even decades, no one has asked to see it. Now that they know someone is checking them, they realize EVERYONE is going to be checked. This is an important step for consumer protection."

Dominic Machado
Enforcement Officer
Compliance & Enforcement Division

Promoting Skilled Trades

A key part of the College's mandate is to modernize and promote skilled trades in Ontario.

Reaching out to the next generation of journeypersons

From the beginning, the College has been actively reaching out to youth and those traditionally underrepresented (i.e. women, Aboriginal people and newcomers) in the skilled trades to encourage them to see apprenticeships and the trades as viable, first-choice career options.

College representatives participated in many career fairs throughout the province and attended information sessions at secondary schools and Employment Ontario offices. The College also attended:

- **Future Building** — an interactive three-day exhibition that provides young career seekers with the opportunity to experience hands-on activities in all areas of the construction sector
- **Student Life Expo** — largest education and lifestyle event with over 25,000 graduating high school students
- **Ontario Technological Skills Competition** — the premiere skills competition in the country
- **And many other events.**

Stakeholder outreach

Throughout 2013, the College hosted face-to-face stakeholder consultations across the province. These were opportunities for skilled trades representatives and those from the College to discuss ways to work together to promote skilled trades in Ontario, protect consumers and bring added value to College members.

College representatives also attended more than 140 events where they met to discuss issues and ideas for modernizing the trades.

Working with our partners

The College was a gold level sponsor of the 2013 Annual Ontario Technical Skills Competition sponsored by Skills Canada-Ontario held May 6-8 at RIM Park in Waterloo. Almost 2,000 young people competed in high school and college-level competitions.

The College was also a bronze level sponsor of the Higher Education Summit and Premier's Awards. This two-day event held in Toronto in mid-November explored the challenges facing educators, governments and business leaders.

The College online

The College revamped its website in July 2013. The updated site better reflects the College's brand and includes improved user access and more interactive features.

The most viewed pages on the website were:

- Trades in Ontario, which outlines the skilled trade sectors and the roles within each sector;
- Public Register, where consumers can confirm if a person working in a trade with compulsory College membership has the appropriate certification;
- Contact Us;
- Member Services which introduces the benefits of College membership; and,
- Member Log-in

The French version came online in September.

The average time on the website during visits in 2013 was just over

FOUR MINUTES.

Public Register

Launched in 2013, the Public Register — one of the most visited pages on the College website — serves a dual purpose. Not only does it allow consumers to verify the qualifications of the skilled tradespeople within the 22 trades with compulsory membership in the College, but it is also an opportunity to reinforce the importance of the need for confidence in hired tradespeople.

The Public Register provides consumers with information about:

- The type of College membership a tradesperson holds;
- All trades and classes for which a tradesperson holds qualifications, as well as any terms, conditions, and/or limitations imposed on their membership;
- A tradesperson's standing in the College; and,
- Any other information prescribed in College by-laws or the ***Ontario College of Trades and Apprenticeship Act, 2009*** (OCTAA), such as any findings of professional misconduct, incompetence or incapacity by the College's Discipline and Fitness to Practice Committees.

SETTING STANDARDS AND PROMOTING EXCELLENCE

The Standards Unit is responsible for setting the training and certification standards for all trades named under the Ontario College of Trades and Apprenticeship Act (OCTAA). This includes developing all of the Training Standards (on-the-job competencies), Curriculum Standards (in-school training), Examination Development (Certificate of Qualification) and Exemption Tests. We do this by working with our subject-matter experts to develop content and format for these products. The Training Standards are used by Ontario apprentices to track and record the tasks they perform on job sites to fulfill the requirements to complete their apprenticeship. The Curriculum Standards developed by the Standards Unit are used by all Training Delivery Agencies (TDAs) in Ontario who offer technical training to support the apprenticeship program.

The Unit facilitates the meetings for over 50 Trade Boards and works closely with the Ministry of Training, Colleges and Universities (MTCU) to ensure all aspects of the apprenticeship are working efficiently.

The Unit also participates in the Interprovincial Red Seal Program which has represented Industry's Standard of Excellence since 1959. Through the Program, tradespersons are able to obtain a Red Seal endorsement on their provincial/territorial certificates by successfully completing an interprovincial Red Seal examination. The Interprovincial Standards Red Seal Program acknowledges their competence and ensures recognition of their certification throughout Canada without further examination.

The Ontario College of Trades appoints the Director of Apprenticeship for Ontario to sit on the Canadian Council of Directors of Apprenticeship (CCDA) which is responsible for administering the Red Seal Program in each province and territory.

The Standards Unit has a representative on the Interprovincial Standards and Examination Committee (ISEC) which is a working committee that reports to the CCDA. It provides a vital link for industry partners to develop current and relevant standards to facilitate the development of a certified, competent and mobile skilled trade's workforce. This committee is responsible for the ongoing development of Red Seal standards (National Occupational Analyses) and the development of interprovincial examinations based on those standards. The ISEC sets guidelines for administrative and security procedures related to the development of Red Seal products.

Review Panels – Open and transparent

Independent review panels make decisions about the ratio of journeypersons to apprentices in a particular trade and whether or not a trade should be a compulsory or voluntary trade. Before arriving at any decision, the public, members of the College, and industry stakeholders are invited to make written and oral submissions to the review panel through an open and transparent process.

Panel members are drawn from the Roster of Adjudicators that is maintained by the College of Trades Appointments Council. The Appointments Council is an agency of the Ontario government that is separate and independent from the College. Each review panel consists of three members selected from the Roster of Adjudicators - two are selected by the relevant divisional board, while the Chair is selected by the College's Board of Governors.

Ratio Reviews

Journeyperson-to-apprentice ratios are set out in regulations and establish the number of apprentices who may be sponsored or employed in relation to the number of journeypersons employed in particular trades.

Ratios vary by trade and sector. Ratios are determined not by the College, but by independent review panels that follow a legislated criteria-based process involving industry and public consultations.

As of December 2013, there were 33 skilled trades in Ontario with an established journeyperson-to-apprentice ratio.

In 2013, review panels completed reviews of the 33 trades subject to ratios. In spring 2014, regulations come into effect that implement the outcomes of these reviews and standardize the way ratios are expressed in regulation.

The ratio review process is initiated every four years, and will begin again in 2016.

Trade Classification Reviews

Skilled trades are reviewed from time to time to determine whether the trade should be voluntary or compulsory. Currently, there are 22 skilled trades with compulsory membership in the College. A Trade Classification Review is initiated by the Board of Governors at the request of the relevant trade board. Once the review is initiated, anyone interested in presenting an opinion will be invited to make a written submission to the review panel.

The call for submissions and the applicable deadlines are posted on the College's website at the time of the review.

Current regulations require a review panel to consider the following criteria when making a decision:

- The scope of practice of the trade.
- How the classification or reclassification of the trade may affect the health and safety of those working in the trade and the public who may be affected by the work.
- The effect, if any, of the classification or reclassification of the trade on the environment.
- The economic impact of the classification or reclassification of the trade on apprentices, journeypersons, employers and employer associations and, where applicable, on trade unions, employee associations, apprentice training providers and the public.
- The classification of similar trades in other jurisdictions. The supply of, and demand for, journeypersons in the trade and in the labour market generally.
- The attraction and retention of apprentices and journeypersons in the trade.

Individuals or representatives of organizations who have filed a written submission may, if they choose, make an in-person submission at the oral consultation.

In 2013, one Trade Classification Review – Sprinkler and Fire Protection Installer - was initiated. Information with respect to reviews is posted on the College's website.

Deloitte.

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Independent Auditor's Report

To the Board of Governors
Ontario College of Trades

We have audited the accompanying financial statements of the Ontario College of Trades (the "College"), which comprise the statement of financial position as at December 31, 2013 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.

Auditor's 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 entity'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 entity'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 the College as at December 31, 2013 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.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
April 29, 2014

Ontario College of Trades

Statement of financial position
as at December 31, 2013

	2013	2012 (Note 10)
	$	$
Assets		
Current assets		
Cash (Note 7)	**6,753,082**	657,830
Accounts receivable	**3,055,796**	1,627,408
Prepaid expenses	**193,998**	40,735
	10,002,876	2,325,973
Capital assets (Note 3)	**3,780,589**	2,562,864
	13,783,465	4,888,837
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	**1,755,955**	1,516,245
Deferred revenue (Note 5)	**12,080,306**	53,083
Sub-lease deposits	**-**	20,879
Current portion of deferred rent inducements	**109,371**	109,371
Current portion of capital lease obligation (Note 8)	**64,605**	98,428
	14,010,237	1,798,006
Long term		
Deferred capital contributions (Note 6)	**2,519,450**	2,562,864
Deferred rent inducements	**683,572**	479,615
Capital lease obligation (Note 8)	**40,766**	48,352
	3,243,788	3,090,831
	17,254,025	4,888,837
Commitments (Note 8)		
Net assets (deficit)		
Invested in capital assets	**1,155,768**	(146,780)
Unrestricted	**(4,626,328)**	146,780
	(3,470,560)	-
	13,783,465	4,888,837

Approved on behalf of the Board of Governors

____________________________ Chair

The accompanying notes to the financial statements are an integral part of this financial statement.

Ontario College of Trades

Statement of operations
year ended December 31, 2013

	2013	2012
	$	$
Revenue		
Membership fees	**4,902,815**	-
Other fees	**1,539,560**	-
Government grants	**6,218,258**	8,035,873
Amortization of deferred capital contributions	**558,240**	382,690
Rental income	**74,328**	255,513
Interest income	**31,158**	-
Harmonized Sales Tax rebate	**1,833**	4,460
	13,326,192	8,678,536
Expenses		
Salaries and benefits	**9,197,266**	4,739,075
Office and administration	**2,047,323**	288,775
Professional services	**1,331,392**	956,870
Trade governance and other meetings	**1,080,872**	498,445
Media and materials	**998,562**	836,120
Premises	**917,980**	864,951
Amortization of capital assets	**710,238**	382,690
Information technology	**512,553**	107,463
Interest	**566**	4,147
	16,796,752	8,678,536
Deficiency of revenue over expenses	**(3,470,560)**	-

The accompanying notes to the financial statements are an integral part of this financial statement.

Ontario College of Trades

Statement of changes in net assets
year ended December 31, 2013

	2013			2012		
	Invested in capital assets	**Unrestricted**	**Total**	Invested in capital assets	Unrestricted	Total
	$	**$**	**$**	$	$	$
Net assets, beginning of year	**(146,780)**	**146,780**	**-**	(210,822)	210,822	-
Excess of revenue over expenses	**-**	**(3,470,560)**	**(3,470,560)**	-	-	-
Additions to capital assets	**1,927,963**	**(1,927,963)**	**-**	1,048,484	(1,048,484)	-
Amortization of capital assets	**(710,238)**	**710,238**	**-**	(382,690)	382,690	-
Deferred capital contributions	**(514,826)**	**514,826**	**-**	(1,048,484)	1,048,484	-
Amortization of deferred capital contributions	**558,240**	**(558,240)**	**-**	382,690	(382,690)	-
Capital lease obligations incurred	**(67,108)**	**67,108**	**-**	(25,690)	25,690	-
Capital lease obligations repaid	**108,517**	**(108,517)**	**-**	89,732	(89,732)	-
Net assets, end of year	**1,155,768**	**(4,626,328)**	**(3,470,560)**	(146,780)	146,780	-

The accompanying notes to the financial statements are an integral part of this financial statement.

Ontario College of Trades

Statement of cash flows
year ended December 31, 2013

	2013	2012 (Note 10)
	$	$
Operating activities		
Deficiency of revenue over expenses	**(3,470,560)**	-
Add items not affecting cash		
Amortization of capital assets	**710,238**	382,690
Amortization of deferred capital contributions	**(558,240)**	(382,690)
	(3,318,562)	-
Net changes in non-cash working capital balances		
Accounts receivable	**(1,428,388)**	(1,553,773)
Prepaid expenses	**(153,263)**	(34,394)
Accounts payable and accrued liabilities	**239,710**	(543,795)
Deferred revenue	**12,027,223**	(891,523)
Deferred rent inducements	**203,957**	282,070
	7,570,677	(2,741,415)
Financing activities		
Sale of investments	**-**	165,000
Sub-lease deposits	**(20,879)**	786
Capital lease obligation incurred	**67,108**	25,690
Capital lease obligations repaid	**(108,517)**	(89,732)
Deferred capital contributions	**514,826**	1,048,484
	452,538	1,150,228
Investing activity		
Additions to capital assets	**(1,927,963)**	(1,048,484)
Net cash inflow (outflow)	**6,095,252**	(2,639,671)
Cash, beginning of year	**657,830**	3,297,501
Cash, end of year	**6,753,082**	657,830

The accompanying notes to the financial statements are an integral part of this financial statement.

1. Nature of operations

The Ontario College of Trades and Apprenticeship Act, 2009 was introduced to the Legislature in May of 2009 and received Royal Assent on October 27, 2009. Under the legislation, the Ontario College of Trades (the "College") has the mandate and powers to regulate all approved trades in Ontario, and will perform standard regulatory functions such as:

- Issuing licenses and certificates of membership;
- Protecting the public interest through investigation and discipline mechanisms;
- Setting standards for training and certification;
- Conducting research and collecting relevant data to support future apprenticeship and certification policies; and
- Removing barriers and increasing access for internationally-trained workers.

The College will also direct activities of adjudicative Trade Panels.

As a not-for-profit professional membership corporation, the College is exempt from tax under section 149(1) of the Income Tax Act.

The College, which is at arm's-length from the government, started accepting and registering members from April 8, 2013. The College's members include all apprentices, certified workers (journeypersons - certificate of qualification holders) in compulsory trades, employers who employ journeypersons or who sponsor and/or employ apprentices and those in voluntary trades who choose to join.

2. Significant accounting policies

Financial statement presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, using the deferral method of reporting restricted contributions.

Revenue recognition

Government grant revenue is recognized as the related expenditures are incurred. Unearned amounts received are shown as deferred revenue at year end. In 2013, the College received additional grants from the Ontario Ministry of Training, Colleges and universities ("MTCU") (MTCU credits). This is intended to partially offset membership fees of members transferred from MTCU. Members have the option to receive the MTCU credits in cash if they opt not to be a member of the College. MTCU credits revenue is recognized when the invoice is paid, partially or in full, by the member. Any unused MTCU credit is booked as deferred revenue. Unused MTCU credits will be returned to MTCU in the future upon demand.

Membership fees revenue are recognized in the year to which they relate if the amount can be reasonably estimated and collection is reasonably assured. Fees for the next fiscal year received prior to December 31 have been deferred and are recognized as revenue in the next year.

The College charges other fees to its members such as examination fees, issuance of certificates, reinstatement, and other fees. These fees are recognized as revenue when services are rendered.

Contributed materials and services

Contributed materials and services are recognized in these financial statements when the fair value can be reasonably determined.

Financial instruments

The College initially recognizes financial instruments at fair value. Subsequently, at each reporting date, it measures cash at fair value, and accounts payable and accrued liabilities and other liabilities at amortized cost

Ontario College of Trades

Notes to the financial statements
December 31, 2013

2. Significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Amortization is provided on the straight line basis over the lesser of the remaining term of the lease or their estimated useful lives, as follows:

Computer equipment and related software	3 years
Office equipment, furniture and fixtures	5 years
Leasehold improvements	10 years
Vehicles	5 years

Software is amortized over 3 years, except the Trade Membership System ("AMANDA") and the new ERP system, which are being amortized over a 5-year period.

Harmonized Sales Tax rebate and Input Tax Credit

From October 14, 2010 to April 7, 2013, the College did not collect Harmonized Sales Tax ("HST") in respect of membership fees. As the College qualifies as a public service body, it applied for a rebate of 50% of the Federal portion and 82% of the Provincial portion of the Harmonized Sales Tax it paid during the year. Harmonized Sales Tax paid in respect of capital asset purchases has been deferred and will be recognized as revenue as the related capital assets are amortized.

OCOT started collecting membership fees on April 8, 2013 and opted to collect HST on the membership fees, net of the MTCU credits applied. Other transactional fees being collected (exam fees, provisional certificate fees etc.) are also charged HST. Consequently, OCOT started claiming Input Tax Credits on the same date.

Deferred rent inducements

Deferred rent inducements, consisting of free rent, are amortized on a straight-line basis over the term of the lease.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include accrued liabilities and the amortization of capital assets.

3. Capital assets

			2013	2012
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Computer equipment and related software	**1,991,070**	**537,354**	**1,453,716**	1,096,991
Office equipment, furniture and fixtures	**909,783**	**348,790**	**560,993**	490,128
Leasehold improvements	**1,352,049**	**299,742**	**1,052,307**	975,745
Vehicles	**792,859**	**79,286**	**713,573**	-
	5,045,761	**1,265,172**	**3,780,589**	2,562,864

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include $26,209 (2012 - $8,828) with respect to government remittances.

The College assumed a liability in respect of the College's employees that transferred from the Ontario Ministry of Labour, payable upon individual employee's termination or retirement from the College. The balance of the liability as at December 31, 2013 is $19,447 (2012 - $101,395). The liability is estimated at its present value and is included in accounts payable and accrued liabilities.

5. Deferred revenue

				2013	2012
	Deferred grant	Deferred sublease grant	Deferred membership revenue	Total	Total
	$	$	$	$	$
Opening balance	48,679	4,404	-	53,083	944,606
Add: amounts received	9,092,673	-	15,587,327	24,680,000	7,086,852
Less: amounts recognized as revenue	6,218,258	4,404	6,430,115	12,652,777	7,978,375
Balance, end of year	2,923,094	-	9,157,212	12,080,306	53,083

6. Deferred capital contributions

	2013	2012
	$	$
Opening balance	2,562,864	1,897,070
Add: amounts received	514,826	1,048,484
Less: amounts recognized as revenue	558,240	382,690
Balance, end of year	2,519,450	2,562,864

7. Credit facility

The College has access to a $6 million credit facility with a major bank, accessible through corporate credit cards, operating line of credit and bankers' acceptances, and guaranteed by the Province of Ontario. As at December 31, 2013, $70,000 was outstanding on the line of credit (2012 - $Nil).

Ontario College of Trades

Notes to the financial statements
December 31, 2013

8. Commitments

The College has obligations under non-cancelable capital and operating leases and a service agreement. The minimum annual payments consist of the following:

	Operating lease	Capital lease
	$	$
2014	954,085	63,230
2015	954,085	27,682
2016	961,133	12,212
2017	961,133	-
2018	975,230	-
Thereafter	2,211,889	-
Minimum annual lease payments	7,017,555	103,124
Add: amount representing interest	-	2,247
Total obligations	7,017,555	105,371
Less: current portion	-	64,605
	7,017,555	40,766

The effective average interest rate of the capital leases is 0.99 % with an average term to maturity of three years.

Interest expense of $566 (2012 - $3,598) related to capital leases is included in the statement of operations.

9. Public Service Pension Plan

Some of the College's employees transferred from the MTCU on April 1, 2011. These employees participate in the Public Service Pension Fund ("PSPF") which is a defined benefit pension plan. The Province of Ontario, which is the sole sponsor of the PSPF, determines the College's annual contributions to the PSPF. Since the College is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the College, as the sponsor is responsible for ensuring that the pension funds are financially viable. The College's expense is limited to the required contributions to the PSPF. The College's employer contributions to the plan during 2013 amount to $93,854 (2012 - $56,052).

10. Comparative amounts

A comparative amount of $154,686 related to HST receivable previously recorded as a reduction to accounts payable and accrued liabilities, has been reclassified to accounts receivable in the statement of financial position.

Governance

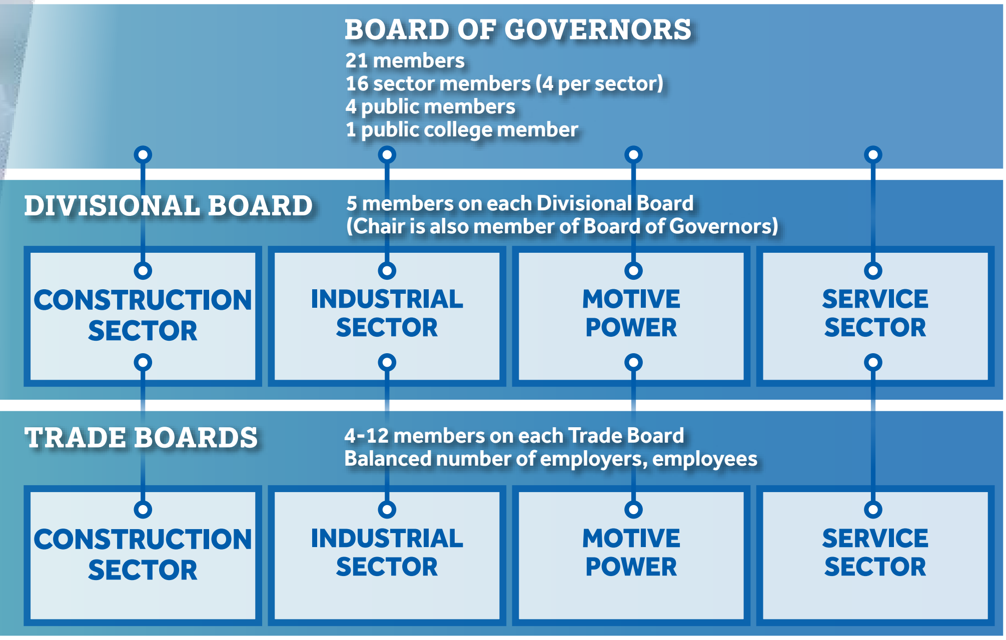
Board of Governors

The Board of Governors for the Ontario College of Trades (the College) manages and administers the College's regulatory and business operations, with a focus on providing strategic direction to the College's executive management. The Board has the responsibility of promoting the College's mandate by providing oversight of management's resource allocation, risk management and financial policies and decisions.

The 21-member Board of Governors is appointed by the College of Trades Appointments Council (the Appointments Council): four are selected from the general public; four each from the construction, industrial, motive power, and service sectors; and one member represents Ontario's colleges of applied arts and technology. The 16 sector-based Board members are equally representative of employers and employees.

There are five Board committees required by statute: Complaints; Discipline; Executive; Fitness to Practise; and Registration Appeals. In addition, the Board has three standing committees: Finance and Audit; Governance and Nominations; and Regulations.

The Board of Governors met eight times in 2013, the statutory committees met 13 times and the standing committees of the Board met 18 times.



Divisional Boards

There are four divisional boards representing the construction, motive power, industrial and service sectors. Divisional boards advise the Board of Governors on issues within their sector, including trends, emerging technologies, opportunities and challenges.

Each divisional board has five members drawn from the sector it represents – two employee members, two employer members, and one member of the Board of Governors who serves as chair of the divisional board. Divisional board members are appointed by the Appointments Council for terms of up to three years but may serve for more than one term. A divisional board member cannot serve more than six consecutive years.

In 2013, the Construction Divisional Board, the Industrial Divisional Board and the Service Divisional Board each met three times. The Motive Power Divisional Board met twice.

> ***"It's an honor to serve on the Board of Governors at the College. I get the opportunity to work with others in the industry to help shape the future of the skilled trades in Ontario. There's nothing like making an impact like that."***
>
> Jules Danielewski,
> Member, Board of Governors

Trade Boards

Trade boards, which are composed of equal numbers of members that are employees and employers and range in size from four to 12 members, advise the divisional board for its sector on issues relating to the trade (or group of trades) for which it was established. Upon receiving a trade board recommendation, the divisional board is required to make a decision about the recommendation and advise the trade board in writing of the outcome. The divisional board is also required to notify the Board of Governors of its decision and response to the trade board.

In addition to their advisory roles, trade boards can request a Trade Classification Review. The Board of Governors then establishes an independent three-person review panel, selected from among members of the Roster of Adjudicators, to consider whether a trade should be classified as having compulsory or voluntary College membership.

Similar to the Board of Governors and divisional boards, trade board members are appointed by the Appointments Council for terms of up to three years but may serve more than one term. A trade board member cannot serve more than six consecutive years.

In 2013, there were 47 trade boards in active service which met approximately 120 times during the calendar year.

Appointments to the College Governance Structure

Appointments to the Board of Governors, divisional boards, trade boards and the Roster of Adjudicators are made by the Appointments Council, an agency of the Ontario government that is separate and independent from the College. Together, these three levels of boards and the independent roster of review panel members form the cornerstone of the College's governance structure and ensure that the membership of the College is fairly represented at all levels.

In making appointments to the College's governance structure, the Appointments Council takes into account: the diversity of Ontario's population; the province's French and English duality; gender balance; employee and employer representation; geographic diversity; and small, medium and large business representation.

The Appointments Council is comprised of industry leaders, chosen by the Minister of Training, Colleges and Universities.

Members of the Board of Governors

Ron Johnson, Chair

Mr. Johnson brings to the College Board of Governors his long-standing passion for promoting the skilled trades in the province. He is currently Deputy Director of Interior Systems Contractors Association of Ontario and the Interior Finishing Systems Training Centre where he has developed curriculum, managed budgets and finances and advocated for better health and safety practices. As a former member of provincial parliament, he also shares with the College and its Board his understanding of public policy as it relates to apprenticeship training. While in government, Mr. Johnson was the vice-chair of several legislative standing committees, and played a key role in steering legislation through the public process.

Pat Blackwood, Vice-Chair

Mr. Blackwood has been a very strong advocate for skilled trades and apprenticeship as a viable and stable career choice for young people for more than 15 years. He is a Skilled Trades National Representative for the Canadian Auto Workers (CAW) union and was appointed Director of Skilled Trades for CAW Canada in 2012. In September 2013, he became the first Director of Skilled Trades for Unifor. He is a member of the apprenticeship committees for the Ontario Federation of Labour (OFL) and the Canadian Labour Congress. He is past chair of the Canadian Apprenticeship Forum (CAF) and continues to sit on its Board of Directors Executive Committee. He also continues to chair the Canadian Apprenticeship Journal's Editorial Board. Mr. Blackwood served his apprenticeship at General Motors and worked as a Millwright for over 17 years in the maintenance and construction departments.

Board of Governors

Seated (Left to Right)

Ron Johnson (Chair),
Catherine Poultney,
Jules Danielewski,
Rob Brewer,
George Katinas,
Tom Carvin,
Chantelle Fitzgibbon,
Robin Barker,
Don Gosen,
Irene Harris,
David Tsubouchi (Registrar & CEO)

Standing (Left to Right)

Pauline Faubert,
Royston Maybery,
Pat Blackwood (Vice-Chair),
Piero Cherubini,
James Barry,
Dave Suess,
Jamie Holmes

Missing from Picture

Chelsey Rae Hooker,
Jennifer Moon,
Ucal Powell

COMPULSORY TRADES

Electrician — Construction and Maintenance
Electrician — Domestic and Rural
Hoisting Engineer — Mobile Crane Operator 1
Hoisting Engineer — Mobile Crane Operator 2
Hoisting Engineer — Tower Crane Operator
Plumber
Refrigeration and Air Conditioning Systems Mechanic
Residential (Low Rise) Sheet Metal Installer
Residential Air Conditioning Systems Mechanic
Sheet Metal Worker
Steamfitter
Alignment and Brakes Technician
Auto Body and Collision Damage Repairer
Auto Body Repairer
Automotive Electronic Accessory Technician
Automotive Service Technician
Fuel and Electrical Systems Technician
Motorcycle Technician
Transmission Technician
Truck and Coach Technician
Truck-Trailer Service Technician
Hairstylist

VOLUNTARY TRADES

Architectural Glass and Metal Technician
Brick and Stone Mason
Cement (Concrete) Finisher
Concrete Pump Operator
Construction Boilermaker
Construction Craft Worker
Construction Millwright
Drywall Finisher and Plasterer
Drywall, Acoustic and Lathing Applicator
Exterior Insulated Finish Systems Mechanic
Floor Covering Installer
General Carpenter
Hazardous Materials Worker
Heat and Frost Insulator
Heavy Equipment Operator - Tractor Loader Backhoe
Heavy Equipment Operator - Dozer
Heavy Equipment Operator - Excavator
Ironworker - Generalist
Ironworker - Structural and Ornamental
Native Residential Construction Worker
Painter and Decorator -Commercial and Residential
Painter and Decorator - Industrial
Powerline Technician
Precast Concrete Erector
Precast Concrete Finisher
Refractory Mason
Reinforcing Rodworker
Restoration Mason
Roofer
Sprinkler and Fire Protection Installer
Terrazzo, Tile and Marble Setter
Bearings Mechanic
Blacksmith
Cabinetmaker
Composite Structures Technician
Computer Numerical Control (CNC) Programmer
Die Designer
Draftsperson - Plastic Mould Design
Draftsperson - Tool & Die Design
Draftsperson - Mechanical
Electric Motor System Technician
Electrical Control (Machine) Builder
Electrician (Signal Maintenance)
Elevating Devices Mechanic
Entertainment Industry Power Technician
Facilities Mechanic
Facilities Technician
Fitter - Assembler (Motor Assembly)
General Machinist
Hydraulic/Pneumatic Mechanic
Industrial Electrician
Industrial Mechanic Millwright
Instrumentation and Control Technician
Light Rail Overhead Contact System Linesperson
Locksmith
Machine Tool Builder and Integrator
Metal Fabricator (Fitter)
Mould Designer
Mould Maker
Mould or Die Finisher
Optics Technician (Lens and Prism Maker)
Packaging Machine Mechanic
Pattern Maker
Precision Metal Fabricator
Pressure Systems Welder
Process Operator - Wood Products
Process Operator - Refinery, Chemical and Liquid Processes
Process Operator - Food manufacturing
Process Operator - Power
Pump Systems Installer
Railway Car Technician
Relay and Instrumentation Technician
Roll Grinder/Turner
Saw Filer/Fitter
Ski Lift Mechanic
Surface Blaster
Surface Mount Assembler
Thin Film Technician
Tool and Die Maker
Tool and Gauge Inspector
Tool and Cutter Grinder
Tool/Tooling Maker
Tractor-Trailer Commercial Driver
Water Well Driller
Welder
Agricultural Equipment Technician
Automotive Glass Technician
Automotive Painter
Heavy Duty Equipment Technician
Marine Engine Technician
Motive Power Machinist
Powered Lift Truck Technician
Recreation Vehicle Technician
Small Engine Technician
Tire, Wheel and Rim Mechanic
Turf Equipment Technician
Aboriginal Child Care Practitioner
Agricultural - Dairy Herdsperson
Agricultural - Fruit Grower
Agricultural - Swine Herdsperson
Appliance Service Technician
Arborist
Assistant Cook
Baker
Baker-Patissier
Chef
Child and Youth Worker
Child Care Practitioner
Cook
Developmental Services Worker
Educational Assistant
Electronic Service Technician
Gemsetter/Goldsmith
Hardware, Lumber and Building Materials Retailer
Horse Groom
Horse Harness Maker
Horticultural Technician
Information Technology - Contact Centre Customer Service Agent
Information Technology - Contact Centre Sales Agent
Information Technology - Contact Centre Technical Support Agent
Information Technology - Hardware Technician
Information Technology - Network Technician
Institutional Cook
Micro Electronics Manufacturer
Native Clothing and Crafts Artisan
Network Cabling Specialist
Parts Technician
Pool, Hot Tub and Spa - Service Technician
Pool, Hot Tub and Spa - Installer
Retail Meat Cutter
Saddlery
Special Events Coordinator
Utility Arborist
Wooden Boat Rebuilder

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ONTARIO COLLEGE OF TRADES
ORDRE DES MÉTIERS DE L'ONTARIO