

Annual Report

April 1, 2023 to
March 31, 2024

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Message from Board Chair



On behalf of the Board of Directors, I am pleased to present Skilled Trades Ontario's (STO) annual report for 2023-24.

This past year was marked by significant achievements, continued growth and a steadfast commitment to improving the skilled trades and apprenticeship system in Ontario. Under the leadership of Melissa Young, Chief Executive Officer and

Registrar, and with a dedicated team of staff, STO has made considerable progress towards our mandate and strategic priorities.

This year, we increased access to information through the use of digital first design principles, expanded our efforts to promote the skilled trades as a career of choice, and continued to champion diversity, equity, inclusion and belonging in the skilled trades industry.

I would like to extend my heartfelt gratitude to our Board of Directors, leadership team, staff and industry partners for their dedication and support this past year. As STO heads into its third year of operation, I am excited about the many opportunities before us and look forward to our ongoing collaboration.

Together, we will continue to build towards our vision of making Ontario the place where skilled trades professionals thrive.

Michael Sherrard

Board Chair, Skilled Trades Ontario

Message from CEO/Registrar

This annual report not only showcases STO's achievements, but also our commitment to creating a brighter future for Ontario apprentices and skilled trades professionals.

As we commemorate our second year as an agency, this annual report highlights our progress over a 12-month period, beginning April 1, 2023, and ending March 31, 2024.

During this time, and in partnership with the Ministry of Labour, Immigration, Training, and Skills Development (MLITSD), we have made significant strides towards our mandate to simplify services, tackle the labour shortage and promote careers in the skilled trades.

We hosted our inaugural industry summit on apprenticeship, where we unveiled the framework for our 2023-2026 strategic plan and welcomed feedback from over 250 industry leaders, educators and apprentices.

We launched the STO Certificates of Qualification and wallet cards and began distribution to skilled trades professionals across Ontario.

We implemented new tools to help streamline the pathways from apprentice to journeyperson, and we initiated strategic promotion of the trades through our public perception research project.

Our agency released our inaugural strategic plan, which provides a clear roadmap for driving growth in the sector and positioning Ontario as a leader in apprenticeship.

In partnership with MLITSD, we completed our second iteration of the LevelUp! career fairs, where we doubled the number of locations and connected with over 28,000 educators, students and parents.

Finally, we launched STO Connected, an external newsletter designed to share news and accomplishments with our network of stakeholders provincially.

None of these achievements would have been possible without the support of our Board of Directors, our dedicated staff and valued partners and stakeholders. I want to thank each of them for their ongoing support.

The future holds tremendous potential for STO as we continue to innovate, collaborate and advocate for the skilled trades.

Melissa Young

Former CEO/Registrar, Skilled Trades Ontario

About Skilled Trades Ontario

Skilled Trades Ontario ('STO', or 'the agency') is a Crown agency established under the *Building Opportunities in the Skilled Trades Act, 2021*¹ (BOSTA) and began operations in January 2022. STO is governed and managed by a Board of Directors and a Chief Executive Officer/Registrar. The Minister of Labour, Immigration, Training and Skills Development (the Minister) is responsible for regulatory decisions related to apprenticeship training and certification, Ontario's skilled trades and the overall direction of the agency.

In short, the Ontario government launched STO to improve trades training, simplify services, promote and market the trades, develop the latest training and curriculum standards and provide a streamlined user-friendly experience for tradespeople.² "An independent Board of Directors will lead the agency in delivering on the government's Skilled Trades Strategy to break the stigma surrounding the trades, simplify the system, and encourage employers to hire more apprentices."³

At the time of this report, STO is responsible for apprenticeship standards and skilled trades training and certification in Ontario, which includes:

- establishing apprenticeship programs, including training standards, curriculum standards and certification exams
- assessing experience and qualifications of individuals who have not completed an apprenticeship program in Ontario
- issuing Certificates of Qualification in all trades with certifying exams
- renewing Certificates of Qualification in compulsory trades
- maintaining a Public Register of people authorized to work in compulsory trades
- promoting inclusivity and diversity in relation to trades and apprenticeship
- conducting research in relation to trades and apprenticeship

¹ [Building Opportunities in the Skilled Trades Act, 2021, S.O. 2021, c. 28](#)

² News Release: Ontario Launching New Agency to Better Serve Tradespeople. January 25, 2022. <https://news.ontario.ca/en/release/1001478/ontario-launching-new-agency-to-better-serve-tradespeople>

³ Ibid.

Mission

To support Ontario's economic success as the central authority responsible for establishing leading-edge standards in the skilled trades to meet the opportunities of today and the challenges of tomorrow. Vision

Make Ontario the place where skilled trades professionals thrive.

Values

- **Professional:** Setting high standards for a trusted and valued skilled trades workforce.
- **Accessible:** Making the pathways into the skilled trades clear and straightforward for all.
- **Agile:** Providing leading-edge education and certification standards.
- **Collaborative:** Building strong partnerships with skilled trades professionals, employers, and training providers.
- **Engaged:** Being there for skilled trades professionals, where and when they need us.

Ongoing Transition to Mature State

STO's enabling statute, BOSTA, includes sections that are not yet proclaimed. If proclaimed, those sections would transfer the responsibilities of registering apprenticeship training agreements, issuing apprenticeship certification, and administering examinations from the Minister of Labour, Immigration, Training and Skills Development (MLITSD) to STO in the future.

The transition of these additional functions to STO will define the future delivery of additional services by STO in the mature state. Definitive implementation timelines depend on government approval of the model and any potential statutory changes required.

The Ministry will continue to oversee the administration of funded apprenticeship programs, including financial incentive programs delivered by the Ministry to clients and other programs/initiatives such as pre-apprenticeship and Ontario Youth Apprenticeship Program (OYAP) delivered by key partners.

Governance and Appointments

Board Composition, Appointments and Remuneration

Appointee	Date First Appointed	Current Appointment Expires	Total Annual Remuneration	Per Diem Remuneration Rate
Michael Sherrard, Chair	Jan. 1, 2022	Dec. 31, 2024	\$ 9,975.00	\$ 350.00
Bradley Hill, Member	Feb. 1, 2024	Jan. 31, 2026	\$ 0.00	\$ 200.00
Bradley Nicpon, Member	Aug. 10, 2023	Aug. 9, 2025	\$ 800.00	\$ 200.00
Christine Wellenreiter, Member	Jan. 1, 2022	Dec. 31, 2024	\$ 3,951.80	\$ 200.00
James Barry, Member	Jan. 1, 2022	Dec. 31, 2024	\$ 2,300.00	\$ 200.00
Jason Ottey, Member	Jan. 1, 2022	Dec. 31, 2024	\$ 2,800.00	\$ 200.00

Appointee	Date First Appointed	Current Appointment Expires	Total Annual Remuneration	Per Diem Remuneration Rate
John Breslin, Member	Jan. 6, 2022	Jan. 5, 2025	\$ 2,300.00	\$ 200.00

Karen Renkema-Millar, Member	Jan. 1, 2022	Dec. 31, 2024	\$ 2,900.00	\$ 200.00
Lee Greenberg, Member	Jan. 1, 2022	RESIGNED June 21, 2023	\$ 500.00	\$ 200.00
Lindsay Engel, Member	Jan. 01, 2022	RESIGNED June 22, 2023	\$ 1,082.77	\$ 200.00
Michael Gallardo, Member	Jan. 17, 2022	Jan. 16, 2025	\$ 3,400.00	\$ 200.00
Ronald Kelusky, Member	Jan. 1, 2022	Dec. 31, 2024	\$ 4,000.00	\$ 200.00
Walid Abou-Hamde, Member	Aug. 10, 2023	Aug. 9, 2025	\$ 900.00	\$ 200.00
Total Board Remuneration			\$ 34,909.57	N/A
Apr. 1, 2023 to Mar. 31, 2024				

Appointee	Date First Appointed	Current Appointment Expires	Total Annual Remuneration	Per Diem Remuneration Rate
Melissa Young, CEO and Registrar	Jan. 1, 2022	Dec. 31, 2024	Melissa Young received an annual salary as CEO and Registrar but does not receive remuneration as a Board member.	N/A

Board Committees and Sub-Committees

The following Committees were established to support the board in the execution of its responsibilities.

The **Executive Committee** is charged with assisting the Board in its oversight role by conducting business between Board meetings and assisting the Board in carrying out its mandate.

Members:

- John Breslin – Member
- Michael Gallardo – Member
- Ron Kelusky – Member
- Jason Ottey – Member
- Michael Sherrard – Committee Chair
- Christine Wellenreiter – Member

The **Finance & Audit Committee** is charged with assisting the Board in its oversight role over the Corporation's finances.

Members:

- James Barry – Member
- Brad Nicpon – Member

- Ron Kelusky – Committee Chair
- Michael Sherrard – Member

The **Governance Committee** is charged with assisting the Board with its internal governance.

Members:

- James Barry – Member
- Brad Nicpon – Member
- Michael Gallardo – Committee Chair
- Michael Sherrard – Member

In addition, the board may establish sub-committees (advisory/ad hoc committees) for the delivery of a particular objective. The Governance Committee has created a **Diversity Equity Inclusion and Belonging (DEIB) Sub-Committee** to inform and deliver on promotion of inclusivity and diversity in relation to trades and apprenticeship.

Members:

- James Barry – Member
- Michael Gallardo – Sub-Committee Chair
- Jason Ottey – Member
- Christine Wellenreiter – Member

Operational Activities and Performance

BOSTA sets out STO's corporate objects and includes sections that are not yet proclaimed. When proclaimed, those sections would transfer the responsibilities of registering apprenticeship training agreements, issuing apprenticeship certification and administering examinations from the Minister of Labour, Immigration, Training and Skills Development to STO.

To support planning for STO's mature state service delivery model, MLITSD awarded a contract to the consulting firm MNP LLP to work with Ministry and STO to identify mature state options and make recommendations regarding model design and implementation planning to the Minister. STO established a dedicated team to sport transition and continues to work closely with MLITSD through a joint Ministry-STO governance structure to develop implementation plans to facilitate a smooth transition. Definitive implementation timelines depend on government approval of the model and any potential statutory changes required.

In addition, over the past year, significant efforts have been made to support an innovative apprenticeship and certification model, promote and advance the skilled trades, facilitate research, and build a diverse, equitable, and inclusive skilled trades sector.

STO's key operational activities between April 1, 2023 and March 31, 2024 are reflective of STO's 2023-2026 Strategic Plan, STO's Board approved 2023-2025 Business Plan, and the government priorities outlined in the minister's Letter of Direction. These priorities have been grouped into four categories aligned with STO's Strategic Plan:

Strategic Pillar #1 – Support an innovative apprenticeship and certification model

Strategic Pillar #2 – Promote and advance the skilled trades

Strategic Pillar #3 – Facilitate research in the skilled trades

Strategic Pillar #4 – Build a diverse, equitable and inclusive skilled trades sector

Strategic Pillar #1: Support an innovative apprenticeship and certification model

Key actions:

- Clearly communicate Ontario's apprenticeship model.
- Update, and rebrand, training and curriculum standards.
- Enhance certification and examination processes.
- Support labour mobility by developing a framework to assess equivalencies for qualified internationally trained professionals in their country of origin before their arrival in Ontario.

Progress

1. Modernization of Certification Processes

Since November 2023, over 50,000 STO branded certificates and new STO wallet cards have been issued to certified individuals. To support the efficient distribution of all credentials, STO has increased the frequency of print production routines to ensure certificates and wallet cards are delivered to clients within a 4-week timeframe from issuance.

In support of BOSTA's certificate of qualification renewal/expiry requirements, STO sent out notices to clients advising of the expiry routine resumption of compulsory trade certificates. Clients who had not renewed their compulsory trade certificates were provided options for renewal before the expiry routine resumption took effect on April 1, 2024.

STO continued to update and maintain the Public Register based on trade certificate renewal activity parallel to the distribution of STO credentials.

For the 2023-2024 year STO prioritized the recruitment and retention of bilingual customer service staff to support clients effectively in both official languages.

2. Standards Updates

The responsibilities for standards development and implementation continue to be shared between STO and the Ministry. In collaboration with industry STO develops the content, structure and design of both apprenticeship training and curriculum standards.

The implementation of standards and administration of exams resides within the Ministry's statutory roles and responsibilities. The Ministry establishes and monitors registered training agreements with apprentices and employer sponsors, administers examinations and provides individuals who successfully complete an apprenticeship program with a Certificate of Apprenticeship (CofA). Therefore, as part of the implementation plan for standards products, the Ministry must update relevant processes and technologies (e.g., changes in Ministry system(s), upload of new digital logbooks, etc.) and provide advance notice to the Ministry regional offices.

In Fiscal Year (FY) 2023/24, the following Registrar approved standards were implemented:

Apprenticeship Training Standards

- [Powerline Technician \(434A\)](#) – as of April 17, 2023
- [Developmental Services Worker \(620D\)](#) – as of May 8, 2023
- [Tool and Die Maker \(430A\)](#) – as of May 23, 2023
- [Elevating Devices Mechanic \(636E\)](#) – as of June 5, 2023
- [Electrician – Construction and Maintenance \(309A\)](#) – as of June 19, 2023
- [Refrigeration and Air Conditioning Systems Mechanic \(313A\)](#) – as of December 4, 2023
- [Residential Air Conditioning Systems Mechanic \(313D\)](#) – as of December 4, 2023
- [Motorcycle Technician \(310G\)](#) – as of December 18, 2023
- [Automotive Service Technician \(310S\)](#) – as of January 15, 2024

Curriculum Standards

- [Heavy Equipment Operator – Tractor Loader Backhoe \(636A\)](#) – as of September 5, 2023
- [Heavy Equipment Operator – Excavator \(636B\)](#) – as of September 5, 2023
- [Heavy Equipment Operator – Dozer \(636C\)](#) – as of September 5, 2023

As of March 31, 2024, the following standards were approved by the Registrar and pending translation and/or implementation by the Ministry:

Apprenticeship Training Standards

- Sprinkler Fire and Protection Installer (427A)
- Hairstylist (332A)

Curriculum Standards

- [Electrician – Construction and Maintenance \(309A\)](#)
- [Electrician – Domestic and Rural \(309C\)](#)
- [Industrial Electrician \(442A\)](#)

During the FY, over 16 certifying exams (with different versions of each exam) were implemented. For security reasons exams and implementation timelines are not explicitly referenced here.

Industry actively participates throughout the process of developing standard products. Advisory committees specific to each standard product are established within the industry. Subject matter experts and training delivery agents participate on these committees. Over 30 different Ontario products across skilled trades in all four sectors were in various stages of product development this FY. STO conducted eight surveys including five industry apprenticeship training standard surveys. While distribution rates for surveys differ depending on the purpose and trade/occupation, initial distribution of each survey is between 50-100 organizations/companies. Those organizations/companies are asked to further distribute the survey to their network who also may wish to provide feedback (known as secondary distribution). STO received approximately 400 respondents (some individual and some as large organizations/companies) across all eight surveys.

Red Seal Endorsements

STO completed and submitted over 35 different Red Seal Reports (e.g., Red Seal Occupational Standard (RSOS) action reports, situational analyses, exam action reports, etc.) for over 24 different Red Seal trades. The content creation of these reports was done in collaboration with industry through the [Red Seal Activity workshop process](#). As many of the activities related to certifying exams, the trades are not listed for security reasons.

In FY 2023/24, 200 industry participants supported STO's completion of 40 Red Seal activities/workshops (e.g., jurisdictional reviews, item banks, RSOS reviews where other province/territory has host duties, etc.) across 26 different Red Seal trades⁴.

In addition, STO performed hosting duties for 10 Red Seal Trades⁵. Hosting duties include RSOS sessions, item bank preparation, final quality control and editing, item and exam activation, as well as annual item maintenance. Ontario industry and training delivery representatives had a higher volume and larger scale participation in hosting functions (compared to other provinces and territories participating in the Red Seal program)

The interprovincial Red Seal program requires both a written and practical examination to be in place for a jurisdiction to issue the Red Seal endorsement for the trade of Hairstylist. Over this FY, STO has engaged other jurisdictions in Canada on their processes, fees and procedures for the Hairstylist Red Seal practical exam. Industry Advisory Committees, with representatives across diverse regions, communities and demographics, were established to:

- Review and re-develop a draft 2018 tool to meet/exceed established Red Seal benchmarks and enhance its inclusive nature.

⁴ Red Seal trades included: Tilesetter, Painter and Decorator, Sprinkler Fitter, Bricklayer, Plumber, Transport Trailer Technician, Metal Fabricator (Fitter), Industrial Mechanic (Millwright), Floorcovering Installer, Tower Crane Operator, Gasfitter Class A, Gasfitter Class B, Refrigeration and Air Conditioning Mechanic, Construction Electrician, Drywall Finisher and Plasterer, Heavy Duty Equipment Technician, Mobile Crane Operator, Baker, Truck Transport Mechanic, Automotive Service Technician, Ironworker (Generalist), Ironworker (Structural/Ornamental), Ironworker (Reinforcing), Construction Craft Worker, Steamfitter/Pipefitter, Boilermaker

⁵ A host province or territory leads Red Seal activities. Red Seal trades that are hosted by Ontario: Bricklayer, Motorcycle Technician (temporary assigned to ON), Industrial Electrician, Baker, Automotive Service Technician, Construction Craft Worker, Tool and Die Maker, Machinist, Mobile Crane Operator (supported Manitoba), Tower Crane Operator

- Establish logistics and considerations for implementation across the province (e.g., possible examination test sites, identification of critical examiner responsibilities, recommended marking schema, etc.)

During fall 2023, the practical examination tool was updated to apply to all hair types to ensure complete gender neutrality and underwent peer review by focus groups. As of March 31, 2024, STO was in the process of scheduling pilot testing of the tool in four sites across the province. As the Ministry has statutory responsibility for exam

administration, STO continued to work with the Ministry on the practical exam's future implementation.

In February 2022, the government announced its intention to recognize all Red Seal trades by naming three fuel related occupations under BOSTA. From February 2022 until September 2023 a project group consisting of representatives from the MLITSD, Ministry of Public and Business Service Delivery, Technical Standards and Safety Authority and STO worked together to identify options to offer Red Seal endorsement in three fuel-related occupations: Gasfitter – Class A, Gasfitter – Class B and Oil Heat Systems Technician. The government will not be pursuing changes to the existing regulatory framework and TSSA continues to be the regulator for gas and oil burner technicians.

3. Enhanced Support Services:

For the FY of 2023-2024 the Exam Support Unit (ESU) worked with over 3,500 clients across the spectrum of Provisional Certificate of Qualification (PCofQ) holders and approved Trade Qualifiers.

Through ESU assistance 1,000 PCofQ holders and 150 Trade Qualifier clients were successful in passing the CofQ exam. Previously, these clients were unable to pass their final CofQ exam. This work has resulted in 1,150 newly certified skilled trades professionals. Of our almost 500 Trade Qualifier clients, ESU assisted approximately 150 to be successful, reflecting a 32% pass rate.

In August 2023, STO partnered with the Virtual Learning Strategy Program (VLS) Canada to enhance support for individuals with learning differences or disabilities. Throughout the year ESU enrolled approximately 223 clients in the program.

VLS provides a range of services tailored for learning challenges, including the Learning Disability Online Risk Indicator (LDORI), online Psycho-educational testing, and instructional strategies and guidelines for challenges such as ADHD, executive functioning, anxiety, and other specific learning disabilities.

In the seven months that ESU has enrolled clients into the VLS program, all nine clients who completed the VLS program successfully passed the certifying exam on the very next attempt.

The ESU will continue to work with all remaining clients to support their future exam attempts.

International Credential Recognition Project

The government directed STO to explore recognition agreements to help facilitate labour mobility and eliminate any and all barriers to practise a trade in Ontario, with a focus on the following jurisdictions: European Union, United States of America and Mexico. In the spring of 2023 STO onboarded a manager to oversee the development of a project framework to:

Facilitate labour mobility for individuals trained in jurisdictions whose training standards are similar to, meet, or exceed Ontario quality standards.

Assess equivalencies for individuals in their country of origin before their arrival in Ontario.

Preliminary discussions with national certification bodies and several international authorizing entities have occurred. As of March 31, 2024, STO is awaiting formal government approval of STO's project plan and proposed funding model of a new International Credential Recognition Project (ICR).

Digital Portal and Digital Logbooks

As identified in last year's Annual Report, the Ministry began the Skilled Trades Digital Portal project prior to the establishment of STO.

As of March 31, 2024, the combined STO and Ministry team successfully planned and implemented agreed functionality into the STO business system.

Registration Services staff were dedicated to digital first customer service delivery through various intake channels. To support this initiative, Registration Services continued to work with the Ministry to implement enhancements to the STO Digital Portal. Most notably, the addition of refined application pathways for trade qualifiers and improved guiding text for all Portal users.

Planning is underway to evaluate and develop outstanding Portal features (e.g., examination booking, recognition and certification issuance) to meet the vision of a onestop digital service.

STO is also working with the Ministry to implement the digital logbooks available on the Portal beyond the current pilot stage.

Strategic Pillar #2: Promote and Advance the Skilled Trades

Key Actions:

- Promote the skilled trades as a career of choice.
- Champion a variety of career paths in the skilled trades professions.
- Demonstrate the value of certification and apprenticeship.
- Communicate a clear and unified identity to its stakeholders and industry partners.

Progress:

Public Perception and Outreach

This year, STO launched a wide-ranging research project to better understand public perceptions about careers in the skilled trades. The initial phase of the project utilized focus groups of youth, parents and educators to uncover key insights on attitudes and misconceptions about the industry and barriers to entry.

STO engaged a leading research and data analytics firm to undertake the work and the results will be used to inform a future advertising campaign to bring more awareness to the opportunities available in Ontario's skilled trades industry.

STO Branding and Social Media Presence

Another key focus for STO this year was continuing to strengthen our brand identity and social media presence. These efforts have been central to increasing STO's visibility and engagement with our target audiences, as well as increasing awareness and understanding about Ontario's skilled trades sector among the general public. We saw tremendous growth across our social media platforms. As of March 31, 2024, the total follower count across all STO social channels was over 21,500, a 270% increase from the same period last year.

This growth is a testament to the effectiveness of our content and engagement strategy. As we move forward, we will continue to innovate our strategies to maintain and build on this momentum and engage meaningfully with our audiences.

Over 100 standards products available on the STO website were rebranded in English and French.

Events and Career Fairs

In 2023, STO collaborated with the Ministry to host the second annual LevelUp! career fairs, doubling the number of locations from last year. Hosting 10 fairs across the province, we reached more than 28,000 students, parents and educators.

For many students, LevelUp! career fairs are their first introduction to Ontario's skilled trades. By talking with skilled trades professionals and engaging in hands-on, "try-a-trade" experiences, students saw firsthand what a future in the skilled trades could bring them. We extended this learning through individual school visits, reaching more than 2,500 students and parents in Peel, Halton, Hamilton and Niagara alone.

Early in 2024, STO's stakeholder team took part in the Landscape Ontario hiring expo and the Metrolinx job fair to promote opportunities in the trades to adult job seekers and fielded questions from mature learners at a session hosted by the Upper Canada District School Board. In addition to career fairs, STO's CEO and Registrar, participated and spoke at several industry events throughout the year, including the Supporting Women in Trades Conference hosted by the Canadian Apprenticeship Forum, the Aboriginal Apprenticeship Board's Annual Conference, the Canadian Council of Directors of Apprenticeship's Spring Meeting and the Ontario Road Builders' Association's 97th Annual Conference. Active engagement with key audiences allowed STO to strengthen partnerships and gain valuable feedback from stakeholders about industry needs.

Strategic Pillar #3: Facilitate Research in the Skilled Trades

Key actions:

- Establish online Research Hub for respected and trusted research and insights to support policies related to apprentices, employers and government.
- Use data to support evidence-based decision-making on policies related to the skilled trades sector.

- STO will build a user-centric culture that is focused on making processes and services work better for apprentices and skilled trades professionals.

Progress:

As indicated in last year's Annual Report, STO and the Ministry have worked together to better understand data methodologies and definitions given the current co-delivery model of apprenticeship. To better understand labour market forecasts as well as inform the development of a research plan, STO has nurtured its relationship by meeting on a regular basis with representatives from Regional Workforce Planning Boards, the Ministry's Finance, Analysis and Systems Support Branch (Labour Market Information and Research Branch), Canadian Apprenticeship Forum and Statistics Canada. Further, STO actively participated on the Canadian Council of Directors of Apprenticeship (CCDA) Research Committee.

On March 22, 2023, STO published 50 Trade Reports on the [Trades Information page](#) of STO's website. Each report, available in French and English is for each of the Red Seal trades offered in Ontario. The standardized reports cover a range of topics, including workforce profiles, education pathways, income trends and demographic information. These reports provide valuable insights into the current state of trade by utilizing several sources such as Statistics Canada, Labour Force surveys in addition to STO's operational database. They serve as a valuable resource for our many stakeholders, but also industry professionals and individuals considering a career in the skilled trades.

As of March 31, 2024 STO soft launched the [Resource Hub](#) on its website. At launch, the Resource Hub featured newly published trade reports, a directory of helpful links, and other skilled trades-related resources and information. Additional items are being developed that will be added in future phases.

Similar to last FY, STO collaborated with the Ministry again this FY to finalize the annual Registered Apprenticeship Information System (RAIS)⁴ data submission to Statistics Canada.

At the time of writing, STO is not yet party to an information sharing agreement with the Ministry. Interim data sharing protocols for internal and external requests are in place.

Monthly data dashboards are provided to STO's Board of Directors.

⁴ [Surveys and statistical programs - Registered Apprenticeship Information System \(RAIS\) \(statcan.gc.ca\)](#)

STO published a bilingual *Fast Facts* brochure that contains training and certification information for all 144 prescribed trades. Brochures were handed out at numerous events including the fall 2023 Industry Summit and fall career fairs.

Strategic Pillar #4: Build a Diverse, Equitable, Inclusive Skilled Trades Sector

Key Actions:

- Strive to ensure the skilled trades reflect Ontario's diverse population and geography.
- Build partnerships to encourage the representation of equity-deserving communities, youth and Indigenous peoples in the skilled trades.
- Evolve its practices, policies, tools and technologies to create an equitable and inclusive culture.

Progress:

Industry Engagement

The standards development process relies on the participation of subject matter experts (industry representatives actively working on the “tools of their trade/occupation”) and instructors (active instructors teaching apprentices programs at Ministry approved Training Delivery Agents). In FY 2023/24, over 570 individuals indicated their interest in participating on a Standards Industry Advisory Committee (IAC) and/or participation in the survey validation process by completing [STO's online application process](#). Many

applicants are professionals in trades where standards products are not being actively worked on this fiscal year. This expanding pool of interested subject matter experts serves as a valuable resource for identifying participants for Standards IACs or supporting Red Seal activities. As STO continues to revise and enhance its standard products, selected individuals from this pool will be invited to contribute to the IAC, while others will be included in the survey validation process.

Each Standards IAC reflects a diverse cross section of the skilled trade including regional variations, sector variations within an industry or trade, diversity in years of experience, areas of expertise, language and terminology variations. Standard IACs generally involve a limited number of industry participants, typically between six to eight members, who must be active subject matter experts or instructors in their respective trades. Participation in IACs demands dedicated time and effort from these experts.

Therefore, not every applicant who expressed interest in joining a Standard IAC will necessarily receive a survey, unless they opt to receive one. Industry at large, outside of the Standards IAC expresses opinions and contributes to the product development lifecycle through a validation survey. These validation surveys have broad distribution by STO to industry organizations/companies, as well as those who asked to receive and participate in the validation survey process, with express request for those initial recipients to further distribute the validation survey link.

Rejuvenation of Apprenticeship Training and Curriculum Standards for Red Seal Trades in Ontario Project

As of March 31, 2024, STO onboarded and trained seven staff to support a new project: Modernization of Apprenticeship Training and Curriculum Standards for Red Seal Trades in Ontario. Together with project partners, STO will apply a diversity, inclusion and environmental impact lens to develop accessible materials and resources to support 25,000 apprentices in Ontario preparing for, progressing in and obtaining certification in an apprenticeship in Red Seal trades. The specific objectives of this three-year project are to:

- Rejuvenate Ontario's Apprenticeship Training Standards and Curriculum Standards to align with Red Seal recommendations to support the mobility of apprentices.
- Develop and enhance the language and terminology of 14 specific Apprenticeship Training Standards and Curriculum Standards across 11 Red Seal trades to better reflect diversity, inclusion, and increased accessibility; to support environmental protection; and to address the needs of equity-deserving groups; and
- Develop support materials and establish new procedures to facilitate the delivery of training in remote geographic locations; minimize language barriers; and incorporate new resources to support trainers in delivering the on-the-job portion of the apprenticeship pathway to apprentices.

Together with industry partners, and ongoing stakeholder collaboration the expected outcomes of the three-year project are:

- Increased union and employer participation in apprenticeship
- Increased harmonization of 14 standards with Red Seal Occupational Standards/National Occupational Analysis and

- Reduced barriers and challenges limiting apprenticeship outcomes in Red Seal trades, particularly those from equity-deserving groups.

Performance Measurement

As identified in [Regulation 876/21 under BOSTA](#), there are a total of 144 skilled trades.

There are two types of classifications for prescribed trades: compulsory or noncompulsory. Non-compulsory trades comprise 84% of all 144 prescribed trades; and 16% of all trades are compulsory.

Compulsory trades can only be worked in by apprentices and licensed journeypersons. Some examples include plumber, electrician, steamfitter and hairstylist. A record of all apprentices and licensed journeypersons in the compulsory trades are displayed on the [Public Register](#). All compulsory trades have certifying exams. Skilled tradespeople in compulsory trades must renew their Certificate of Qualification (CofQ) each year.

In Ontario, there are 121 non-compulsory trades. Some examples of non-compulsory trades include General Carpenter, Cook, Industrial Electrician and Child Development Practitioner.

Unlike compulsory trades, an individual does not need to be a registered apprentice or a certified journeyperson to legally work in a non-compulsory trade. Some noncompulsory trades offer certifying exams and CofQ. Further, information regarding individuals practicing the non-compulsory trade do not appear on the STO Public Register.

In Ontario, currently there are 50 trades that are part of the Interprovincial Red Seal Program—the national standard for the trade across Canada. 65% of the prescribed 144 skilled trades are not part of the Interprovincial Red Seal Program

There are compulsory Red Seal trades and non-compulsory Red Seal trades. Not all Red Seal trades are compulsory; not all compulsory trades have Red Seal endorsements.

[Regulation 876/21 under BOSTA](#) prescribes 83 trades that have a certifying exam (representing 58% of all prescribed trades).

For trades without a certifying exam, the Ministry issues a CofA upon completion of an apprenticeship program. This is the highest level of certification available for 43% of the prescribed trades without a certifying exam. As there is no certifying exam in those

trades, STO does not issue a CofQ and cannot accept Trade Equivalency Assessment applications for those trades.

In STO's second year of operation, and without government-approved future state models, outcome statements and performance measures continue to evolve. In the latter half of 2023 STO established measures corresponding to four key outcome statements.

Outcome 1 - Standards and Certification: Ontario's training and curricula standards, and corresponding supports result in recognized credentials.

11,122

Certificates of Qualification (CofQ)
issued. CofQs confirm that an individual has passed the prescribed certifying exam for their trade.

44.5%

Overall Exam Pass Rate
Average pass rate across Red Seal and Non-Red Seal trades with a certifying exam.

Breakdown of CofQs Issued	#	%
For Compulsory Trades	7, 867	71
For Non-compulsory Trades	3,255	29
To Females	931	8
To Males	10,166	91
To Other Gender	25	<1
For Red Seal Trades	9,862	89
For Non-Red Seal Trades	1,260	11
Construction	6,181	56
Motive Power	2,358	21
Industrial	1,631	15
Service	952	9

Outcome 2 – Customer Service: A streamlined; user-friendly experience is provided for tradespeople.

196,998

Service Delivery: Number of clients and stakeholders engaged through inbound and outbound phone calls.

21,868

Service Delivery: Number of clients and stakeholders engaged through emails.

Further, STO worked towards service standards aligned with the *Fair Access to Regulated Professions and Compulsory Trades Act*, 2006 and regulations thereunder by completing 5,255 assessments in the 2023-2024 FY.

Outcome 3 - Promotion and Participation: Value of, and participation in trades and apprenticeship are effectively promoted to stakeholders.

21,538

Social Media Followers

Breakdown of Social Media Followers	#
Facebook	417
Instagram	6,271
LinkedIn	13,704
X	860
YouTube	286

Further, the STO website has experienced an increase in web traffic as well, with 7,363,325 in overall web traffic and 1,417,226 in unique views/users.

Outcome 4 - Building Capacity: STO employees are engaged and equipped to provide outstanding service in meeting STO's mandate.

75%

Employee Survey Response Rate

In early 2024, STO conducted its first employee engagement survey. The survey was open for feedback between Jan. 22 and Feb. 7, 2024. The specific survey measured impacts such as organizational, leadership and employee reflection. The majority of respondents (52%) were employed with STO for less than two years. Approximately a quarter of respondents were employees of the previous organization. The largest age group of respondents were Millennials (ages 30-44).

Using the typical Employee Satisfaction Index, which measures the level of workplace satisfaction among workers, most survey responses were within acceptable satisfaction ranges or above.

Financial Performance

STO demonstrated near break-even performance in its second fiscal period of operations, as the agency transitioned from its stand-up phase to more normalized

operations. Expenses in the year slightly outpaced the growth in revenues, resulting in a marginal \$70.9K deficit.

Revenue comes mainly from client membership, trade equivalency assessment and exam service fees. The total revenue was \$16.6M, or an increase of \$1.4M over the previous year (2022-2023 prorated over 12 months). The increase was mostly due to higher interest income and contributions from the Government of Canada.

Expenses consisted mostly of employee salaries and benefits. Total expenses were \$16.7M, or an increase of \$2.4M over the previous year (2022-23 prorated over 12 months). The agency hired additional staff to work towards fulfilling its Mandate requirements. Other noteworthy expenses in the year related to information technology and office realty space.

Despite a near break-even year of operational performance, the agency realized a net \$2.24M increase in cash flows. Of this increase, \$1.7M is related to collections, primarily on annual client fees, for services to be rendered in the 2024-2025 FY. STO also received \$305K in contributions from the Government of Canada to subsidize the costs associated with its initiative to modernize apprenticeship training and curriculum standards for Red Seal skilled trades. Together, these cash inflows accumulated to account for 89% of the total increase.

Enterprise Risk Management

As a leading business practice, STO has implemented processes to identify, assess, and develop strategies to mitigate risks. Strategies to mitigate risks rely on a comprehensive and collaborative approach, where risks identified are assessed for their impact to the agency, and an action plan is then implemented and monitored on an ongoing basis to evaluate effectiveness for risk mitigation.

For the 12 months encompassed in this annual report, the following areas of risk impacted STO's operations.

Risk	High Level Overview and Mitigation Actions
Talent Acquisition and Retention	<p>Limited staff strength at the wind down of OCOT and launch of STO led to difficulty in completing new statutory objects and some deliverables in the Mandate.</p> <p>Mitigation activities:</p> <ul style="list-style-type: none"> • A detailed organization-wide HR Plan is in place with key deliverables and timeframes associated the initial stage of STO's transformation. • The Human Resources Division has worked to build capacity for the organization by recruiting and onboarding over 85 staff into new or vacant positions. As the Talent Acquisition (TA) team continues to work with leaders across STO on departmental recruitment activities, planning for future recruitment and transition related positions is a high priority. The TA team supports the development and recruitment of several organizational roles key to STO's ongoing and future success.
Requirements as Crown agency	<p>Continued progress is being made in addressing requirements set out in government legislation and directives. However, there is lack of clarity around roles and operational expectations as the MOU and future state funding model have yet to be finalized with the Ministry.</p> <p>Mitigation activities:</p> <ul style="list-style-type: none"> • STO continues to work with the Ministry to finalize the MOU. • In the interim, the agency has been aligning its processes and practices with provisions anticipated to be in the final MOU. • A future state funding model continues to be negotiated with the Ministry.
Risk	High Level Overview and Mitigation Actions

Outdated Technology	<p>STO uses outdated ERP software that is approaching end of useful service life. This can impact the agency's ability to report financial information on a timely manner to key stakeholders.</p> <p>Mitigation activities:</p> <ul style="list-style-type: none"> • A comprehensive review of STO's ERP software has been completed. • The agency is considering options for new software.
Transition of Apprenticeship Projects	<p>STO will soon assume full operations of the Digital Portal and several apprenticeship administrative service functions from the Ministry. Risks relate to the unsuccessful transition of these responsibilities and a lack of resources to carry out the respective initiatives.</p> <p>Mitigation activities:</p> <ul style="list-style-type: none"> • Dedicated transition teams have been established that are working collaboratively with the Ministry to ensure the success of these projects. • A future state funding model is being negotiated with the Ministry to ensure the agency has sufficient resources to fund ongoing project costs.

STO Audited Financial Statements

STO's audited financial statements for the 2023-2024 FY follow.

Financial statements of Skilled Trades Ontario

March 31, 2024

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Independent Auditor's Report

To the Board of Directors
Skilled Trades Ontario

Opinion

We have audited the financial statements of Skilled Trades Ontario ("STO"), which comprise the statement of financial position as at March 31, 2024 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2024 (the "Year"), and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of STO as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of STO in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

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

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

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing STO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate STO or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of STO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on STO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause STO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 30, 2024

Skilled Trades Ontario
Statement of financial position
As at March 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash		31,355,588	29,117,370
Accounts receivable	3	247,937	342,629
Prepaid expenses		403,260	357,833
		32,006,785	29,817,832
Long term			
Deposits		93,085	93,085
Capital assets	4	190,509	247,401
		32,290,379	30,158,318
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5 and 10	1,909,418	1,602,383
Deferred revenue	6	10,686,170	8,994,801
Current portion of deferred rent inducements		6,216	—
Current portion of capital lease obligation	9	93,992	67,947
		12,695,796	10,665,131
Long term			
Deferred capital contributions	7	12,750	—
Deferred contributions	7	176,305	—
Deferred rent inducements		17,094	16,364
Capital lease obligation	9	65,869	83,360
		272,018	99,724
		12,967,814	10,764,855
Commitments	9		
Net assets			
Invested in capital assets		17,898	96,094
Internally restricted		12,801,200	13,000,000
Unrestricted net assets		6,503,467	6,297,369
		19,322,565	19,393,463
		32,290,379	30,158,318

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

Approved on behalf of the Board of Directors



_____, Chair

Skilled Trades Ontario
Statement of operations
Year ended March 31, 2024

		March 31, 2024 (12 months)	March 31, 2023 (15 months)
	Notes	\$	\$
Revenue			
Client fees	6	10,410,310	12,897,826
Other fees	6	4,485,490	5,202,464
Interest and other income		1,502,449	963,485
Government of Canada	7	129,020	—
Sponsorship revenues	6	76,500	—
Province of Ontario	7	3,921	—
Amortization of deferred capital contributions	7	750	—
		16,608,440	19,063,775
Expenses			
Salaries and benefits	10	12,399,874	13,627,515
General and administration		1,964,659	1,912,528
Client communications		868,034	881,766
Professional services		782,828	614,585
Trade governance and stakeholder meetings		504,494	315,729
Amortization		159,449	219,884
		16,679,338	17,572,007
(Deficiency) excess of revenue over expenses		(70,898)	1,491,768

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

Skilled Trades Ontario
Statement of changes in net assets
Year ended March 31, 2024

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	March 31, 2024 (12 months) Total \$	March 31, 2023 (15 months) Total \$
Net assets, beginning of year	96,094	13,000,000	6,297,369	19,393,463	17,901,695
(Deficiency) excess of revenue over expenses	(158,699)	(198,800)	286,601	(70,898)	1,491,768
Additions to capital assets	102,557	—	(102,557)	—	—
Deferred capital contributions	(13,500)	—	13,500	—	—
Capital lease obligations incurred	(102,557)	—	102,557	—	—
Capital lease obligations repaid	94,003	—	(94,003)	—	—
Net assets, end of year	17,898	12,801,200	6,503,467	19,322,565	19,393,463

Notes

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

Skilled Trades Ontario
Statement of cash flows
Year ended March 31, 2024

	Notes	March 31, 2024 (12 months) \$	March 31, 2023 (15 months) \$
Operating activities			
Excess (deficiency) of revenue over expenses		(70,898)	1,491,768
Add items not affecting cash			
Amortization of capital assets		159,449	219,884
Amortization of deferred capital contributions	7	(750)	—
Deferred rent inducements		6,946	16,364
Net changes in non-cash working capital balances			
Accounts receivable		94,692	525,715
Prepaid expenses and deposits		(45,427)	(192,488)
Accounts payable and accrued liabilities		307,035	(2,973,864)
Deferred revenue		1,691,369	(878,798)
		2,142,416	(1,791,419)
Investing activity			
Additions to capital assets		(102,557)	(201,643)
Financing activities			
Capital lease obligations repaid		(94,003)	(57,391)
Capital lease obligation incurred		102,557	201,643
Deferred capital contributions received	7	13,500	—
Deferred contributions received	7	176,305	—
		198,359	144,252
Net cash inflow(outflow)		2,238,218	(1,848,810)
Cash, beginning of year		29,117,370	30,966,180
Cash, end of year		31,355,588	29,117,370

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

1. Nature of operations

Skilled Trades Ontario (the "Agency" or "STO") is a Board-governed, operational services Crown agency which replaced the Ontario College of Trades (the "College" or "OCOT") as at January 1, 2022 and is continued as a corporation without share capital as prescribed in the *Building Opportunities in the Skilled Trades Act, 2021*. It operates at arm's length from the Ministry of Labour, Immigration, Training and Skills Development and is responsible for skilled trades certification in Ontario, which includes:

- Establishing apprenticeship programs;
- Assessing experience and qualifications;
- Issuing and renewing Certificates of Qualification;
- Maintaining a Public Register of authorized tradespersons; and
- Conducting research related to apprenticeship and trades.

As a non-share capital corporation, STO is exempt from tax under section 149(1)(d) of the *Income Tax Act* provided certain criteria are met. STO confirms that, to the best of its knowledge, it meets the criteria and qualifies for this tax status for all years since statutorily established.

These financial statements have been prepared in accordance with Canadian public sector accounting standards on the assumption that STO is a going concern. Under the going concern assumption, an organization is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations.

Effective January 1, 2022 the fiscal year end for STO was changed from December 31 to March 31. Accordingly, management elected to reflect a 15 month period for the Statements of operations, changes in net assets and cash flows, during the transition period.

2. Significant accounting policies

Financial statement presentation

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) for government not-for-profit organizations, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), and reflect the following significant accounting policies:

Revenue recognition

Client fee revenue is recognized over the period using the deferral method of accounting for contributions, net of allowance for doubtful accounts.

Amounts received in advance of the period to which they relate are deferred and amortized when appropriate.

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 an additional grant from the Ministry of Training, College and Universities ("MTCU") ("MTCU Credits"). The grant was intended to partially offset client fees of clients transferred from MTCU. Clients have the option to receive the MTCU credits in cash if they opt not to be a client of STO. MTCU credit revenue is deferred and recognized if it relates to offsetting a client fee or is recognized immediately if it is used to offset a returning fee. Any unused MTCU credit is recorded as deferred revenue. Unused MTCU credits continue to be held by STO for any future fees incurred by individuals to whom the credits relate.

2. Significant accounting policies (continued)

Revenue recognition (continued)

Sponsorship revenue comprises revenues from third parties that is recognized at the conclusion of the sponsored event and when amounts are receivable.

STO charges other fees to its clients such as examination fees, issuance of certificates, reinstatement, and other fees. These fees are recognized as revenue when services are rendered and collection is reasonably assured.

Financial instruments

STO initially recognizes financial instruments at fair value. Subsequently, at each reporting date, it measures cash at fair value, accounts receivable and accounts payable and accrued liabilities at amortized cost. Any subsequent changes in fair value are recorded in the statement of operations.

Cash

Cash includes balances within an operating and high-yield interest savings bank account.

Capital assets

Capital assets are recorded at cost. The cost of a capital asset includes all costs directly related to the acquisition, construction, development or betterment of the capital asset. 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	3 years
Computer software	3 to 5 years
Office equipment, furniture and fixtures	5 years

Capital leases

Capital leases include several computer equipment leases with an average effective interest rate of nil and which are amortized straight-line over 3 years, which are the term of the leases.

Allowance for doubtful accounts

STO records an allowance for doubtful accounts considering the age of an outstanding receivable and the likelihood of its collection. Provisions are also made where collections of the receivable is doubtful based on information gathered through collection efforts. An allowance is reversed once collection of the debt is successful or the amount is written off.

Internally restricted net assets

Internally restricted net assets are internally restricted for purposes of long-term strategic initiatives and unforeseen adverse material events impacting the operations of STO. During the Year, the Board of Directors passed a motion authorizing the use of up to \$250,000 to fund a long-term strategic initiative, of which \$198,800 was spent. Use of estimates

The preparation of financial statements in conformity with Canadian public sector 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.

2. Significant accounting policies (continued)

Internally restricted net assets (continued)

Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include allowance for doubtful accounts, accrued liabilities, and the amortization of capital assets.

3. Accounts receivable

Accounts receivable are presented net of allowance for doubtful accounts which amounts to \$136,831 as at March 31, 2024 (\$293,319 as at March 31, 2023).

Accounts receivable include nil in net remittances receivable from the government as of March 31, 2024 (\$49,205 receivable as at March 31, 2023).

4. Capital assets

	Cost	Accumulated amortization	March 31, 2024 Net book value
	\$	\$	\$
Computer equipment and related software	2,972,371	(2,954,787)	17,584
Office equipment, furniture and fixture	491,152	(480,390)	10,762
Leased computer equipment and related software	286,233	(124,070)	162,163
	3,749,756	(3,559,247)	190,509

	Cost	Accumulated amortization	March 31, 2023 Net book value
	\$	\$	\$
Computer equipment and related software	2,954,403	(2,879,140)	75,263
Office equipment, furniture and fixture	491,152	(472,630)	18,522
Leased computer equipment and related software	201,643	(49,183)	152,460
Leased office equipment, furniture and fixture	10,397	(9,241)	1,156
	3,657,595	(3,410,194)	247,401

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$273,046 net remittances payable from the government as of March 31, 2024 (nil owing as at March 31, 2023).

6. Deferred revenue

	March 31, 2024	March 31, 2023
	\$	\$
Opening balance	8,994,801	9,873,599
Add: amounts received	16,608,169	17,221,492
Less: client fees recognized as revenue	10,410,310	12,897,826
Less: other fees recognized as revenue	4,485,490	5,202,464
Less: sponsorship revenues recognized as revenue	21,000	—
Balance, end of year	10,686,170	8,994,801

7. Deferred capital contributions and deferred contributions from related parties

The change in deferred capital contributions for the Year is as follows:

	March 31, 2024	March 31, 2023
	\$	\$
Opening balance	—	—
Add: amounts received	13,500	—
Less: amounts recognized as revenue	750	—
Balance, end of year	12,750	—

The changes in the deferred contributions for the Year are as follows:

	Province of Ontario	Government of Canada	March 31, 2024	March 31, 2023
	\$	\$	\$	\$
Opening balance	—	—	—	—
Add: amounts received	22,500	305,325	327,825	—
Less: amounts recognized as revenue	3,921	129,020	132,941	—
Less: amounts remitted	18,579	—	18,579	—
Balance, end of year	—	176,305	176,305	—

7. Deferred capital contributions and deferred contributions from related parties (continued)

In the Year, STO received its first contribution from the Government of Canada to support its initiative to modernize apprenticeship training and curriculum standards for Red Seal skilled trades. This initiative, which began in December 2023, is expected to conclude in March 2028. Funding was received for capital purchases and for other project-related costs. Any excess funding provided that exceeds STO's entitlement is repayable upon receipt of notice from the Government of Canada.

STO also received a contribution from the Ontario Ministry of Labour, Immigration, Training and Skills Development ("Province of Ontario") to partially fund its one-day inaugural industry summit event, which promoted the networking of trades professionals and growth of apprenticeship in Ontario.

8. Credit facility

STO has access to a credit facility with a major bank up to \$100,000 as of March 31, 2024 (\$100,000 at March 31, 2023). The credit facility is unsecured and is accessible through corporate credit cards, operating line of credit and bankers' acceptances. No amounts were withdrawn during the year ended March 31, 2024 or the period ended March 31, 2023.

9. Commitments

STO has obligations under non-cancelable capital and operating leases, a sublease agreement, a joint project agreement, and a service agreement. The minimum annual payments consist of the following:

	Operating lease \$	Capital lease \$
2025	593,576	93,992
2026	596,638	44,925
2027	598,820	20,944
2028	222,212	—
2029	—	—
Total obligations	2,011,246	159,861
Less: current portion	593,576	93,992
	1,417,670	65,869

9. Commitments (continued)

The effective average interest rate of the capital leases is nil (nil as at March 31, 2023) with an average term to maturity of two years (three years as at as at March 31, 2023).

In the preceding period, STO secured a sublease for executive office space which included a rent inducement of \$34,528, inclusive of HST. Subsequent to the Year, STO signed an agreement which assigned the administration of this subleased executive office space to Infrastructure Ontario. Except for the monthly rent charge, the terms and conditions of the original lease remain unchanged.

10. Public Service Pension Plan

Some of the STO'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 STO's annual contributions to the PSPF. Since STO is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of STO, as the sponsor is responsible for ensuring that the pension funds are financially viable. STO's expense is limited to the required contributions to the PSPF. STO's employer contributions to the plan during the year ended March 31, 2024 amounted to \$59,147 (\$66,014 for the year ended March 31, 2023).

11. Risk management

Credit risk

Credit risk arises as a result of STO's accounts receivable. In order to reduce this risk STO regularly reviews the outstanding receivable balance to determine if any amounts are significantly past due.

Liquidity risk

STO's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations. STO controls liquidity risk by management of working capital, cash flows, and borrowing facilities.