

# Annual Report

April 1<sup>st</sup>, 2024 –  
March 31<sup>st</sup>, 2025

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## Legislatively Required Content

Skilled Trades Ontario (STO) operates under the *Building Opportunities in the Skilled Trades Act, 2021* (BOSTA), which established the agency and outlines its statutory responsibilities. As part of its mandate, STO delivers key operational services that support Ontario's skilled trades system. This includes administering apprenticeship programs, managing the certification process, and maintaining a public registry of tradespeople to ensure confidence in training and certification standards. The promotion of skilled trades is undertaken collaboratively with the Minister of Labour, Immigration, Training and Skills Development.

BOSTA imposes specific reporting obligations and information-sharing authorities that govern STO's accountability to the Minister of Labour, Immigration, Training and Skills Development (the "MLITSD" or "Ministry"). Under section 48(1)<sup>1</sup>, STO is required to prepare an annual report each fiscal year, submit it to the Minister, and make it available to the public. The form, content, and timing of this report must align with directives issued by the Management Board of Cabinet, as stipulated under section 48(2)<sup>2</sup>.

In addition to these requirements, section 48(3)<sup>3</sup> authorizes the Minister to direct STO to include any specific additional content in its annual report. STO is also obligated to provide any further reports or information the Minister may request at any time, in accordance with section 48(5)<sup>4</sup>.

Beyond the annual report, the Minister may require other reports and updates from STO to support oversight and transparency. Under section 44(1)(a)<sup>5</sup>, the Minister has the authority to request any reports or information from STO deemed necessary. Furthermore, section 64<sup>6</sup> grants the Minister the power to require reports from training delivery agents, STO, and other prescribed persons at specified times and in specified formats. To date, no additional persons have been prescribed under this section, and the Minister has not exercised these powers to request reporting beyond the annual report.

STO remains committed to meeting all legislative and regulatory obligations, delivering accurate and timely information to the Minister, and supporting a transparent, accountable, and effective skilled trades system that serves the people of Ontario.

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<sup>1</sup> Section 44(1)(a): *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28, Sched. 1, s. 44(1)(a).

<sup>2</sup> Section 48(1): *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28, Sched. 1, s. 48(1).

<sup>3</sup> Section 48(2): *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28, Sched. 1, s. 48(2).

<sup>4</sup> Section 48(3): *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28, Sched. 1, s. 48(3).

<sup>5</sup> Section 48(5): *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28, Sched. 1, s. 48(5).

<sup>6</sup> Section 64: *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28, Sched. 1, s. 64.

## **Skilled Trades Ontario**

### Overview

Skilled Trades Ontario (STO) is a Crown agency established by the BOSTA<sup>7</sup>. STO is governed and managed by a Board of Directors and a Chief Executive Officer/Registrar. The Ministry remains responsible for regulatory decisions related to apprenticeship training, and the overall direction of STO.

During the 2024-2025 fiscal year, STO prepared to assume statutory responsibility for certain apprenticeship and certification functions previously managed by the Ministry, effective April 2, 2025. This includes the registration of training agreements, the administration of exams, and the issuance of Certificates of Apprenticeship. With this transition, STO will be the primary point of contact for apprenticeship services in Ontario, supported by expanded service channels and regional hubs across the province.

### **Current Responsibilities:**

STO is responsible for apprenticeship and skilled trades training and certification in Ontario. Under BOSTA, its responsibilities include:

- Establishing apprenticeship and other training programs for trades, including training standards, curriculum standards, and certifying examinations.
- Conducting research and evaluating whether a trade should be prescribed under the Act and making recommendations to the Minister.
- Issuing certificates under the Act.
- Maintaining a Public Register of apprentices and holders of Certificates of Qualification and Provisional Certificates of Qualification in compulsory trades.
- Promoting trades and apprenticeship, as well as inclusivity and diversity within the skilled trades system.
- Conducting research and collecting data to support continuous improvement in the skilled trades system.
- Collaborating with other Canadian governments on the Interprovincial Standards Red Seal Program, trade standards, and mobility agreements.
- Carrying out any other objects as may be prescribed.

### **Additional Responsibilities (effective April 2, 2025):**

As of April 2, 2025, statutory responsibility for additional functions was transferred from the Ministry to STO. These functions include:

- Registering apprentices and managing training agreements.
- Issuing Certificates of Apprenticeship upon program completion.
- Administering examinations, including certifying examinations.
- Assessing the experience and qualifications of individuals who have not completed an apprenticeship program in Ontario.

### **Planning and Capacity-Building in 2024–2025:**

In preparation for the April 2025 transition of responsibilities, STO undertook significant planning and capacity-building activities. These included:

- Extending call centre hours and launching updated web resources to better support clients through the transition.
- Developing a regional service model, with service hubs to be established in 2025–2026 in Thunder Bay, Ottawa, London, and Vaughan.
- Advancing operational readiness for exam administration, with a focus on increasing scheduling flexibility and accessibility for apprentices and trade qualifiers across the province.

These efforts demonstrate STO's commitment to delivering modern, client-focused services and enhancing accessibility within Ontario's skilled trades system.

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<sup>7</sup> Government of Ontario. (2021). *Building Opportunities in the Skilled Trades Act*, 2021, S.O. 2021, c. 28. Retrieved from <https://www.ontario.ca/laws/statute/s21028>

## Mandate

STO is a Crown agency overseen by the Ministry. The agency is responsible for ensuring that apprentices and skilled trades professionals are trained and certified to the highest quality standards, supporting a strong and competitive skilled trades workforce in Ontario. In addition to its certification and service delivery responsibilities, STO also promotes rewarding careers in the skilled trades and raises awareness about their vital contribution to Ontario's economy. The Government of Ontario outlines STO's role and responsibilities in Section 40 of BOSTA<sup>8</sup>. They include:

- Establishing apprenticeship and training programs, including standards and certification exams.
- Conducting research to evaluate and recommend trades for designation under the Act.
- Issuing Certificates of Qualification and assessing equivalency for non-apprenticeship applicants.
- Maintaining a public register of apprentices and certificate holders in compulsory trades.
- Supporting the Minister in promoting skilled trades, apprenticeship, inclusivity, and diversity.
- Supporting research initiatives related to skilled trades and apprenticeship, in collaboration with the Minister.
- Working with Canadian governments on the Red Seal Program and trade standards, in partnership with the Minister.

## Vision

Make Ontario the place where skilled trades professionals thrive.

## Mission

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

## 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.

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<sup>8</sup> Government of Ontario. (2021). *Building Opportunities in the Skilled Trades Act, 2021*, S.O. 2021, c. 28. Retrieved from <https://www.ontario.ca/laws/statute/s21028>

## **Message from the Board Chair**

On behalf of the Board of Directors, I am pleased to present Skilled Trades Ontario's Annual Report for 2024–25.

This past year marked an important milestone for our organization, as we laid the groundwork for the ambitious transition of responsibilities for certifying examinations and apprenticeship registration across the province. This work positions Skilled Trades Ontario to take on a stronger role in supporting apprentices, trades professionals, and employers across Ontario.

We also welcomed Candice White as Chief Executive Officer and Registrar in 2024. Under her leadership, the agency has navigated this period of change with clarity, purpose, and a strong focus on service excellence.

Over the past year, we modernized how people access our services online, expanded our efforts to promote the skilled trades as a career of choice, including partnering with the ministry to support the LevelUp! Career fairs, which welcomed nearly 45,000 students—and continued to champion diversity, equity, inclusion, and belonging across the sector.

I extend my sincere thanks to our Board of Directors, staff, and industry partners for their continued dedication. As we enter our third year of operation, I'm excited about what's ahead.

Together, we are building a system that works for learners, employers, and trades professionals—and making Ontario the best place to pursue a career in the skilled trades.



**Michael Sherrard**  
Board Chair  
Skilled Trades Ontario

## Message from the CEO

Now more than ever, a strong skilled trades workforce is essential to Ontario's economic resilience. In times of change and uncertainty, trades professionals play a vital role in keeping industries moving, businesses growing, and communities thriving. Skilled Trades Ontario is committed to making it simpler, faster, and more accessible for people to enter and succeed in the trades, ensuring that Ontario has the workforce it needs for the future.

Since stepping into my role as CEO, I have been inspired by the dedication, adaptability, and expertise of Ontario's skilled trades professionals. Together with the support of the provincial government, our industry partners and staff, we have made great strides in modernizing apprenticeship training, streamlining processes, and strengthening support for apprentices and journeypersons.

This plan reinforces our commitment to continuous improvement and sets a clear path forward. As we build on the strong foundation in place, we remain focused on enhancing client services, expanding opportunities, and ensuring that Ontario's skilled trades system remains modern, responsive, and prepared for long-term success.

I am grateful to our provincial government, Board, staff, and partners for their collaboration and dedication. Together, we will continue to strengthen Ontario's skilled trades system and ensure it remains a key driver of economic opportunity and stability.



Candice White  
Chief Executive Officer & Registrar  
Skilled Trades Ontario

## Yearly Activities

### Strategic Alignment and Transformation

In 2024–25, STO continued to advance the priorities outlined in its inaugural three-year Strategic Plan (2023–2026), which is built on four foundational pillars:

1. Supporting an innovative apprenticeship and certification model
2. Promoting and advancing skilled trades
3. Facilitating research in the skilled trades
4. Building a diverse, equitable, and inclusive skilled trades sector

These pillars have shaped STO’s strategic direction and guided the development of its 2024–25 Business Plan and its response to the Minister’s Letter of Direction. STO’s activities this year reflect strong alignment across all three documents, ensuring government priorities—such as improving client service, enhancing digital delivery, expanding access to certification, and fostering inclusive workforce development—were fully integrated into its operations.

BOSTA outlines STO’s corporate mandate and includes provisions that, if proclaimed, would transfer responsibility for apprenticeship pathways and certification exam administration from the MLITSD to STO.

To support planning for this future state, MLITSD engaged MNP LLP<sup>9</sup> to collaborate with both the Ministry and STO in developing mature-state service delivery model options. During the timeframe of the Annual Report, STO, through its dedicated transition team and in close partnership with MLITSD via a joint governance structure, completed the design of implementation plans, which subsequently received government approval.

Throughout the past year (April 1, 2024 – March 31, 2025), STO has made significant progress across all four strategic pillars. These efforts have supported STO’s transformation as a Crown agency and its role in delivering modern, accessible, and client-focused services within Ontario’s skilled trades ecosystem.

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<sup>9</sup> MNP LLP: Meyers Norris Penny Limited Liability Partnership

## Pillar 1: Supporting an Innovative Apprenticeship and Certification Model

Objectives	Activities Underway or Completed
A) Simplify apprenticeship pathways	Developed future state service delivery models for apprenticeship and certification, in collaboration with MLITSD.
B) Improve certification and examination processes	Enhancements to the STO Digital Portal for streamlined certification applications and logbook tracking.
C) Update training and curriculum standards	Launched bilingual trade certificates and wallet cards to improve accessibility and convenience.
D) Clearly communicate Ontario's model	Finalized framework for prioritizing curriculum and training standards updates.
	Continued work on the International Credential Recognition (ICR) Project to expedite trade certification.
	Strengthened examination support through a dedicated Exam Support Unit, which supported 5852 candidates in 2024, leading to a 26% retake pass rate on the next attempt.

## Pillar 2: Promoting and Advancing the Skilled Trades

Objectives	Activities Underway or Completed
A) Promote skilled trades as a viable, respected career	Partnered on the annual 'Level Up!' Skilled Trades Career Fairs across Ontario, targeting students, parents, and educators.
B) Increase public understanding and participation	Held the inaugural Industry Summit with over 250 stakeholders; a follow-up is planned annually with the addition of an awards ceremony.
C) Enhance stakeholder engagement	Maintained active stakeholder engagement through school visits, industry events, and advisory groups.
	Advanced public awareness using targeted social media content that highlights diverse skilled trades professionals, especially women and underrepresented groups.
	Completed public opinion research to assess awareness of STO and value of skilled trades certification.
	Procured a marketing consultant for the production of a marketing campaign with a spring and fall launch scheduled in 2025.

### Pillar 3: Facilitating Research in Skilled Trades

Objectives	Activities Underway or Completed
A) Use data and research to inform policy	Jointly submitted RAIS data with MLITSD to Statistics Canada.
B) Establish STO as a center of excellence for skilled trades insight	Continued development of data dictionary and data-sharing frameworks.
C) Promote evidence-based decision-making	Launched an online Research Hub to centralize information and policy resources for employers, apprentices, and intermediaries.
	Engaged Workforce Planning Boards to identify meaningful labour market data and insights.
	Participated in national research initiatives via the Canadian Council of Directors of Apprenticeship (CCDA), including climate literacy and diversity, equity, inclusion, and belonging DEIB research.

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

Objectives	Activities Underway or Completed
A) Ensure representation of Ontario's diverse population	Supported inclusion through Industry Advisory Committees (IACs) that welcome diverse participation in curriculum and exam development.
B) Promote equitable access to apprenticeship and certification	Integrated inclusive competencies into apprenticeship standards (e.g., anti-bullying, communication).
C) Build inclusive internal and external practices	Participated in national Communities of Practice to share best practices for equity and accessibility.
	Continued annual reporting to the Ontario Fairness Commissioner to ensure transparent and fair certification processes.
	The Exam Support Unit provides targeted support to help equity-deserving clients overcome barriers to certification.

#### Alignment with the Minister's 2024–25 Letter of Direction

STO is actively delivering on key expectations outlined in the Minister's annual letter:

- **Credential Recognition:** Advancing ICR project for high-demand trades.
- **Updated Standards:** Finalizing curriculum evaluation framework and updating trade standards with industry input.
- **Promotion of Trades:** Engaging in outreach, social media, and research to improve perception and awareness.
- **Governance Readiness:** Enhanced organizational processes in preparation for expanded authority under BOSTA, including the transfer of apprenticeship and exam administration.

## **Registrational Activities**

### Capacity Building for Examination Preparation

We expanded the support and resources available to candidates preparing for the Certificate of Qualification (CofQ) examination. This included increasing the number of available seats through the Virtual Learning System (VLS), which contributed to improved candidate readiness and exam success rates.

### International Credential Recognition

We introduced a formal process for recognizing international credentials, streamlining access for skilled immigrants. This initiative supports government priorities related to workforce integration, inclusion, and equity by removing barriers for internationally trained workers seeking to enter Ontario's skilled trades workforce.

### Domestic Labour Mobility Assessments

Assessment practices were enhanced with the addition of the Interprovincial application pathway to STO's digital portal. This improvement supports the smooth recognition of credentials across provinces and territories, reinforcing national labour mobility goals and helping workers transition seamlessly across jurisdictions.

### Bilingual Service Delivery

To improve accessibility for French-speaking clients, we recruited additional bilingual staff. This initiative reinforces our commitment to equitable service delivery and ensures compliance with official language requirements, contributing to a more inclusive and responsive client service experience.

### Renewal Sticker Implementation

We successfully implemented the use of renewal stickers for Journeypersons, enhancing operational efficiency and improving the client experience in maintaining Journeyperson credentials. This initiative streamlines processes and supports timely credential renewal.

### Preparation for Apprenticeship Transition to Skilled Trades Ontario

We participated in planning and coordination efforts to support the transition of apprenticeship registration, completion, and exam administration responsibilities to STO. This work included system readiness assessments and comprehensive knowledge transfer planning to ensure a smooth and effective transition that took place April 2, 2025.

These initiatives directly supported government priorities by promoting workforce inclusion through recognition of international and interprovincial qualifications, enhancing service accessibility through the use of digital tools, and strengthening Ontario's licensing and credentialing processes.

## **Performance Measures**

### Governance, Accountability, and Compliance

In alignment with the 2024–25 Annual Letter of Direction, STO was tasked with finalizing a Memorandum of Understanding (MOU) with the Minister and operating in full compliance with relevant legislative and policy directives, including the Agencies and Appointments Directive, the Accessibility for Ontarians with Disabilities Act, and the French Language Services Act. STO also aligned with Treasury Board/Management Board of Cabinet (TB/MBC) mandates and began submitting quarterly value-for-money assessments. The publication of the 2022–23 Annual Report on March 26, 2024, and the internal policy reviews demonstrate a commitment to transparency, accountability, and ethical integrity.

### Operational Efficiency and Service Delivery

In line with the Minister's direction, STO implemented a standard service timeline for processing apprenticeship registrations, reducing processing times from 60 days to 12 days by April 2024. The agency also focused on improving digital-first services and monitoring client satisfaction. Updates were provided to the Ministry, with enhancements to the Trades Qualification (TQ) Digital Portal and quarterly reporting fulfilling the service delivery mandate.

### Digital Transformation and Client Experience

STO advanced its digital-first agenda by continuing the digital logbook pilot in 10 trades and enhancing client-facing digital tools, in line with the Minister's direction to adopt user-centered, digital-first services. Regular progress updates were submitted, and improvements were made using agile and user-centered design principles. Digital navigation tools and the applicant type feature in Release 3.09 of the TQ Digital Portal were successfully launched, indicating meaningful progress.

### Labour Mobility and Trade Equivalency

To strengthen labour mobility, STO worked on trade equivalency processes and recognition agreements, especially with CUSMA and EU jurisdictions. The launch of the Certificate of Qualification (CofQ) Expiry Routine and updates to the Trade Equivalency pathway align with these goals. Plans for Red Seal endorsements and inter-jurisdictional alignment are underway.

### Marketing, Communications, and Public Perception

STO launched a provincewide, multi-media communications and advertising campaign to promote apprenticeship opportunities and increase awareness of careers in the skilled trades among youth, parents, and educators. Significant campaign development took place during the reporting period, including the procurement of marketing and advertising firms to lead creative development and media buying, the development, review and refinement of two rounds of campaign concepts, and strategic message testing to ensure relevance and resonance, particularly among youth. The campaign will officially launch at the 2025 Ontario Apprenticeship Summit.

STO also provided public relations training for the previous CEO in March 2024 and launched *STO Connected*, its first external stakeholder newsletter, in December 2023, helping to keep industry, educators, and partners informed and engaged.

### Second Chance Employment and Inclusion Initiatives

STO was tasked with positioning itself as a second chance employer and promoting equity, diversity, and inclusion (EDI). The agency renewed access to LinkedIn Learning, revised internal HR policies, and documented outreach efforts to displaced Ukrainians and underrepresented groups, showcasing systemic efforts to improve inclusive employment practices.

### Strategic Policy, Research, and Data Use

The agency advanced its research and data strategy by developing a system data registry, completing outcome-based reporting for federal claims, and preparing for long-term data sharing with the Ministry. The publication of 10 years of CofQ data on the STO Resource Hub and submission of Q4 and Q1 UTIP project reports indicate alignment with open data and evidence-based policy commitments.

### Preparation for Long-Term System Transformation

STO took foundational steps toward a mature integrated service delivery model. Process mapping for apprenticeship and exam administration was completed, and draft future-state service models were reviewed. An executive lead for the transition was appointed in February 2024, and planning for the Ontario Apprenticeship Summit began, reflecting STO's commitment to forward-looking transformation.

<b>Priority Area</b>	<b>Key Requirements (As outlined in the Annual Letter of Direction)</b>	<b>Evidence of Completion</b>
Governance, Accountability, Compliance	Finalize MOU, comply with directives, submit reports	Annual Report (Mar 2024), HR policy review, value-for-money assessments
Operational Efficiency	Improve processing timelines, digital services, client feedback	Digital Portal enhancements, Q1 & Q4 UTIP reports, apprenticeship registration updates
Digital Transformation	Expand digital logbook, improve navigation, agile design	Release 3.09 deployed, digital tools expanded, real-time reporting
Labour Mobility & Trade Equivalency	Streamline recognition, Red Seal, cross-jurisdiction coordination	CofQ Expiry Routine, updated equivalency pathways, recognition planning
Marketing & Communications	Public campaign, media training, stakeholder engagement	CEO media training (Mar 2024), public survey, newsletter launch (Dec 2023). Commenced the production of a multi-phase marketing campaign.
Second Chance & Inclusion Initiatives	Inclusive hiring, support for displaced individuals, promote EDI	HR policy updates, outreach to Ukrainians, LinkedIn Learning access, ICR Initiative worked with Motor Vehicle Retailers of Ontario to assess 310S Technicians from the Philippines.
Policy, Research, Data Use	Strategy, performance metrics, dashboards, data sharing	Data registry, open data policy, strategic plans, UTIP reporting

System Transformation	Future-state planning, program design, capacity building	Transition project leadership, streamlined the apprenticeship journey, Apprenticeship Summit planning

## Financial Performance

In the 2024–25 fiscal year, STO recorded total revenue of \$22.4 million, marking a substantial increase from the previous year's \$16.6 million. This growth reflects both a strong operational year and the positive impacts of organizational transformation initiatives.

STO's registration services team played a pivotal role in this success by expediting member communication and facilitating the transition of former Ontario College of Trades (OCOT) members to STO. As a result, client fee revenue rose by \$3.4 million, or 33%, due to many former OCOT members rejoining after the College's wind-down.

Examination fee revenue also increased significantly - by \$1.4 million, or 40% as more apprentices and experienced tradespeople completed their Certificate of Qualification (CofQ) exams. Similarly, assessment fee revenue grew by \$275,000, or 25%, as demand for trade equivalency assessments increased. This growth was supported by an expanded team of trade analysts, which allowed STO to process a higher volume of assessments throughout the year.

STO also saw a notable increase in grant funding. In the first full year of delivering the Union Training and Innovation Program, the Government of Canada provided \$1.0 million in project funding. Additionally, the 2024–25 fiscal year marked the launch of a three-year Workplace Safety and Insurance Board (WSIB) project to promote health and safety in the skilled trades, which contributed \$47,000 in revenue.

Total expenses for the year amounted to \$22.8 million, an increase of \$6.1 million, or 37%, compared to the previous fiscal year. These cost increases were expected, as STO continued to onboard new staff to support expanded core operations, transition Ministry-led functions, and deliver new programs and projects. Salaries and benefit costs rose by \$4.8 million, or 39%, due to both workforce growth and the implementation of the new collective agreement with STO's OPSEU-represented employees.

Other notable increases in spending occurred in information technology, advertising and promotion, and member communication. These expenses were driven by the ramp-up of core operations and the ongoing transfer of functions from the Ministry to STO.

STO reported a year-end deficit of \$475,000, compared to \$71,000 in the previous year. Despite the increase, the deficit was lower than anticipated, as several planned projects were deferred to the 2025–26 fiscal year.

By the close of the fiscal year, STO held just over \$28 million in cash and \$807,000 in other assets. The organization's liabilities included \$2.2M in accounts payable and \$7.2M in deferred revenue. The net asset balance totaled \$18.8M, of which \$12.8M was internally restricted and \$6.0M was unrestricted.

## Significant Events

### Registration Services

During the third quarter of 2024–2025, Registration Services encountered several significant events that impacted service delivery. Each event was managed through targeted mitigation strategies designed to minimize disruption while supporting the agency’s strategic objectives. These events were closely aligned with the priorities outlined in STO’s business plan, particularly in the areas of business continuity, digital service delivery, and exam integrity.

One key development was the potential labour disruption related to the Ontario Public Service Employees Union (OPSEU). Upon receiving notice of a possible strike, Registration Services immediately shifted focus to contingency planning. Although a work stoppage was ultimately averted, the threat posed a serious risk to the delivery of core registration services. This scenario aligned with strategic priorities around workforce readiness and business continuity. In response, the agency proactively redeployed and trained staff to maintain essential operations, automated selected business processes to enhance efficiency, and issued timely digital communications to inform clients about possible service impacts.

A Canada Post strike also significantly affected Registration Services by delaying the distribution of printed materials and the receipt of mailed applications and renewal payments. This disruption resulted in a backlog of client requests and underscored the critical importance of the agency’s digital transformation strategy. Mitigation efforts included expanding the use of digital print copies, promoting the use of self-service options available through the Skilled Trades Ontario Portal, and providing clear guidance to clients on digital alternatives to help reduce processing delays and ensure ongoing service continuity.

Collectively, these events demonstrated the importance of resilience, proactive risk management, and ongoing innovation in service delivery. The agency remains committed to protecting the integrity of registration services and maintaining public trust in Ontario’s skilled trades system.

## Risk Management Overview

STO continues to identify and address risks associated with the establishment and fulfillment of its mandate and business plan objectives. As the agency matures beyond its initial standing-up phase, its risk management plan is evolving to ensure the organization remains *risk-ready*—with potential risks clearly identified, thoroughly understood, and supported by strategies to reduce their likelihood or mitigate their impact.

The agency has also continued to meet the requirements of the government’s quarterly Risk Assessment process. Regular reports outlining key risks and corresponding mitigation strategies are submitted to the Ministry.

<b>Risk Category</b>	<b>Description</b>	<b>Mitigation Strategies</b>
Accountability and Establishment	Transitioning from a regulatory body to a Crown agency with new governance and financial standards.	Developed required reporting materials; aligning financial practices with government rules; enhancing compliance processes.
Skilled Trades Digital Portal	Launch and stabilization of the digital platform initiated before STO’s formation.	Completed initial portal; addressed system and data issues through upgrades and testing.
Labour Market Risks	Shortages due to retirements and lack of representation among underrepresented groups.	Targeted outreach, inclusive recruitment, and research-informed promotion of skilled trades careers.

## Key Risk Categories and Mitigation Strategies

### *1. Accountability and Establishment of a New Crown Agency*

STO has successfully met most of its accountability and transparency obligations as a Crown agency. The organization continues to enhance its internal governance and reporting practices in alignment with its legislative mandate. Initial reporting materials required under the Agencies and Appointments Directive have been developed, and process improvements are ongoing to ensure full compliance. Additionally, following the transition from a fee-based regulatory entity, STO has reviewed and updated its inherited financial and accounting practices to align with government accounting standards, addressing any identified gaps.

### *2. Skilled Trades Digital Portal*

The Skilled Trades Digital Portal was originally initiated by MLITSD prior to the establishment of STO. Designed as a user-friendly, one-stop digital platform to support skilled trades and apprenticeship services, the initial build of the digital portal has been completed. Transition risks identified in previous reports have been mitigated from an infrastructure standpoint, including through Amanda System upgrade patches, vendor-issued updates, and a successful data center migration aligned with STO’s long-term strategy and the Ministry’s technology direction. Data accuracy issues have also been resolved, with the system having passed both the CSA audit and the annual penetration test. While the portal continues to be the responsibility of

MLITSD for the coming year, including management of the contract and vendor relationship—STO is actively providing input into two upcoming portal releases to ensure alignment with operational needs. STO is also making progress in making efforts to establish internal staff capacity to support ongoing portal operations in future phases.

### *3. Labour Market Risks*

STO continues to monitor and respond to labour market risks, including the potential for shortages due to an aging workforce and the underrepresentation of specific demographic groups in the skilled trades. To address these issues, the agency is actively promoting skilled trades as a career of choice. Strategies include targeted outreach initiatives, inclusive recruitment efforts, and evidence-based approaches informed by STO's research plan.

## Summary of Human Resources Impacts

STO recognizes that attracting and retaining a diverse, energized, engaged, and competent workforce is key to its long-term success. As the organization continues to mature, a focused Human Resources Strategy will be essential to supporting the delivery of STO's mandate. This will include a compensation review across all levels of the organization, from Executive positions down to bargaining roles, ensuring that job descriptions are updated, pay equity principles are being adhered to and STO remains competitive in the marketplace as an employer of choice.

The HR strategy will also outline ways to promote employee engagement and retain top talent. This will be achieved through the development and implementation of relevant strategies, policies, and human resources practices. STO will continue to seek and attract high-caliber candidates in alignment with departmental priorities, using best-in-class selection tools with a strong emphasis on diversity, equity, inclusion, and belonging (DEIB). The organization also plans to implement an applicant tracking system to enhance recruitment processes, as part of a broader HR Management System update.

To embed DEIB as a foundational element of STO's workplace culture, a comprehensive DEIB Framework will be developed and launched. This framework will outline actionable and achievable strategies to ensure that all employees feel valued, respected, and included.

STO will continue to actively work with its bargaining partner, OPSEU Local 503. Recently, STO successfully bargained a new collective agreement which runs to December 31, 2025. As the organization prepares for the next round of bargaining, STO will also focus on commitments made to researching and determining the feasibility and opportunities around a defined benefit pension plan as well as potential updates to group health benefits.

STO is committed to positioning itself as a learning organization, empowering leaders and supporting the growth and professional development of its workforce. A robust learning and development strategy, including the use of a learning management system, will be key to this approach.

To support organizational resilience and continuity, STO will leverage its established succession planning strategy to maintain operational effectiveness and retain institutional knowledge. A new compensation and total rewards strategy will also be implemented to promote fairness, equity, and the retention of top talent at all levels of the organization.

Operational effectiveness will be further enhanced through updates to the Human Resources Management System (HRMS). These updates may include reviewing existing service offerings and expanding the access system or modules to better support staff and HR needs. In addition, STO will review and update its existing HR policies and procedures to ensure they remain current and relevant, while developing new policies as required.

As part of its ongoing workforce planning, STO is preparing employees for the transition from a fully remote work environment to an in-office or hybrid work model. These efforts will be managed thoughtfully to support both organizational objectives and employee well-being.

Finally, STO continues to operate within its current staff allocation as it collaborates with MLITSD to support the planning and implementation of a future-state integrated service delivery model. Although the increase to FTE count allows for many new services to transition to STO, the organization does feel that further discussion with the Ministry is needed as service delivery continues to expand and more FTEs may be required.

## Appointees

### Board Composition, Appointments and Remunerations

Appointee	Date First Appointed	Current Appointment Expires	Total Annual Remuneration	Per Diem Remuneration Rate	Board Meeting Attendance – <i>A total of 8 meetings were held from April 1, 2024 to March 31, 2025</i>
Walid Abou-Hamde, member	August 10, 2023	August 9, 2025 Resigned June 26, 2024	\$400.00	\$200.00	4/8
James Barry, Member	January 1, 2022	December 31, 2024	\$1,300.00	\$200.00	4/8
John Breslin, Member	January 6, 2022	February 1, 2026	\$3000.00	\$200.00	7/8
Michael Gallardo, Member	January 17, 2022	January 17, 2027	\$3,900.00	\$200.00	8/8
Bradley Hill, Member*	February 1, 2024	January 31, 2026	\$0.00	\$200.00	8/8
Ronald Kelusky, Member	January 1, 2022	December 31, 2024	\$2,600.00	\$200.00	6/8
Karen Renkema-Millar, Member	January 1, 2022	January 1, 2027	\$1,900.00	\$200.00	6/8
Bradley Nicpon, Member	August 10, 2023	August 9, 2025	\$2,100.00	\$200.00	7/8
Jason Ottey, Member	January 1, 2022	January 1, 2027	\$2,800.00	\$200.00	7/8
Michael Sherrard, CHAIR	January 1, 2022	January 1, 2028	\$10,675.00	\$350.00	8/8
Christine Wellenreiter, Member	January 1, 2022	January 1, 2027	\$6,282.00	\$200.00	8/8
Bradley West	January 16, 2025	January 16, 2028			1/8
Total Board Remuneration  April 1, 2024 – March 31, 2025			\$34,957	N/A	

Melissa Young, CEO and Registrar	January 1, 2022	November 15, 2024	Melissa Young received an annual salary as CEO and Registrar but does not receive remuneration as an <i>ex-officio</i> Board Member.	N/A	
Candice White, CEO and Registrar	November 25, 2024	November 25, 2027	Candice White received an annual salary as CEO and Registrar but does not receive remuneration as an <i>ex-officio</i> Board Member.	N/A	

\*Please note that the figures in the "Board Meeting Attendance" table represent the number of meetings each board member attended. Some absences reflect the fact that the member had not yet been appointed to the Board at the time of the meeting(s):

- **Walid Abou-Hamde** was not on the Board during the September, October, and November 2024 meetings, as well as the February 2025 meeting.
- **James Barry** was not on the Board during the February 2025 meeting.
- **Ronald Kelusky** was not on the Board during the February 2025 meeting.
- **Bradley West** joined the Board in February 2025 and attended that month's meeting.

### 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
- Karen Renkema-Millar – Member
- Jason Ottey – Member
- Michael Sherrard – Board Chair & Committee Chair
- Christine Wellenreiter – Member

The **Finance and Audit Committee** is charged with assisting the Board in its oversight role over the Corporations finances.

Members:

- Bradley Hill – Member
- Karen Renkema-Millar – Committee Chair
- Michael Sherrard – Board Chair & Committee Member
- Bradley West – Member

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

Members:

- Michael Gallardo – Committee Chair
- Bradley Nicpon – Member
- Michael Sherrard – Board Chair & Member

The **DEIB Sub-Committee** is a Governance Committee Sub-Committee charged with providing guidance and support to the Corporation in fulfilling obligations to promote diversity and equity within the trades industry and apprenticeship model.

Members:

- John Breslin – Member
- Michael Gallardo – Sub-Committee Chair
- Jason Ottey – Member
- Michael Sherrard – Board Chair & Sub-Committee Chair
- Christine Wellenreiter - Member

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Financial statements of  
**Skilled Trades Ontario**

March 31, 2025

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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, 2025 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2025 (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, 2025, 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  
June 26, 2025

**Skilled Trades Ontario**  
Statement of financial position  
As at March 31, 2025

	Notes	2025 \$	2024 \$
<b>Assets</b>			
Current			
Cash	3.	28,079,375	31,355,588
Accounts receivable	4.	332,868	247,937
Prepaid expenses		293,167	403,260
		<b>28,705,410</b>	<b>32,006,785</b>
Long-Term			
Deposits		93,085	93,085
Capital assets	5.	88,449	190,509
		<b>28,886,944</b>	<b>32,290,379</b>
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	6.	2,214,976	1,909,418
Deferred revenue	7.	7,236,783	10,686,170
Deferred rent inducements		-	6,216
Capital lease obligation	11.	54,616	93,992
		<b>9,506,375</b>	<b>12,695,796</b>
Long-Term			
Deferred capital contributions	8.	-	12,750
Deferred contributions	9.	499,368	176,305
Deferred rent inducements		-	17,094
Capital lease obligation	11.	33,833	65,869
		<b>533,201</b>	<b>272,018</b>
		<b>10,039,576</b>	<b>12,967,814</b>
Commitments			
	11.		
<b>Net assets</b>			
Invested in capital assets		-	17,898
Internally restricted		12,801,200	12,801,200
Unrestricted		6,046,168	6,503,467
		<b>18,847,368</b>	<b>19,322,565</b>
		<b>28,886,944</b>	<b>32,290,379</b>

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

Approved on behalf of the Board of Directors



**Skilled Trades Ontario**  
Statement of operations  
Year ended March 31, 2025

	Notes	2025 \$	2024 \$
<b>Revenue</b>			
Client fees	7.	13,840,342	10,410,310
Examination fees	7.	4,779,909	3,403,950
Assessment fees	7.	1,355,409	1,081,540
Interest income	3.	1,298,350	1,502,449
Grant - Government of Canada	9.	1,031,018	129,020
Grant - WSIB	9.	46,869	-
Amortization of deferred capital contributions	8.	12,750	750
Grant - Province of Ontario		-	3,921
Sponsorship		-	76,500
		<b>22,364,647</b>	<b>16,608,440</b>
<b>Expenses</b>			
Salaries and benefits	12.	17,189,236	12,399,874
Member communication		1,665,554	720,803
Information technology		1,051,752	731,577
Professional services		559,681	670,331
Stakeholder engagement		481,946	504,494
Advertising and promotion		397,517	147,231
Payment processing charges		389,605	344,770
Occupancy		373,207	378,037
Training and recruitment		244,339	291,045
Membership dues		163,821	158,554
Insurance		144,351	109,168
Amortization of capital assets		136,174	159,449
Supplies & equipment		42,661	64,005
		<b>22,839,844</b>	<b>16,679,338</b>
<b>Deficiency of revenue over expenses</b>		<b>(475,197)</b>	<b>(70,898)</b>

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

**Skilled Trades Ontario**

Statement of changes in net assets

Year ended March 31, 2025

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	2025 Total \$	2024 Total \$
<b>Net assets, beginning of year</b>	<b>17,898</b>	<b>12,801,200</b>	<b>6,503,467</b>	<b>19,322,565</b>	19,393,463
Deficiency of revenue over expenses	(123,424)	-	(351,773)	(475,197)	(70,898)
Net additions to capital assets	34,114	-	(34,114)	-	-
Capital lease obligations incurred	(88,449)	-	88,449	-	-
Capital lease obligations repaid	159,861	-	(159,861)	-	-
<b>Net assets, end of year</b>	<b>-</b>	<b>12,801,200</b>	<b>6,046,168</b>	<b>18,847,368</b>	19,322,565

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

**Skilled Trades Ontario**  
Statement of cash flows  
Year ended March 31, 2025

	Notes	2025 \$	2024 \$
<b>Operating</b>			
Deficiency of revenue over expenses		(475,197)	(70,898)
Adjustments for items not affecting cash			
Amortization of capital assets		136,174	159,449
Amortization of deferred capital contributions	8.	(12,750)	(750)
Deferred rent inducements		(23,310)	6,946
Changes in non-cash operating working capital			
Accounts receivable		(84,931)	94,692
Prepaid expenses		110,093	(45,427)
Accounts payable and accrued liabilities		305,558	307,035
Deferred revenue		(3,449,387)	1,691,369
		<b>(3,493,750)</b>	<b>2,142,416</b>
<b>Investing</b>			
Additions to capital assets		(34,114)	(102,557)
<b>Financing</b>			
Capital lease obligations repaid		(159,861)	(94,003)
Capital lease obligation incurred		88,449	102,557
Deferred capital contributions received	8.	-	13,500
Deferred contributions received	9.	323,063	176,305
		<b>251,651</b>	<b>198,359</b>
(Decrease) increase in cash		<b>(3,276,213)</b>	2,238,218
Cash, beginning of year		<b>31,355,588</b>	29,117,370
<b>Cash, end of year</b>		<b>28,079,375</b>	<b>31,355,588</b>

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

## Skilled Trades Ontario

Notes to the financial statements

March 31, 2025

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### 1. Nature of operations

Skilled Trades Ontario (STO) is a Board-governed, operational services Crown STO which replaced the Ontario College of Trades 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 apprenticeships 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.

### 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 fees are recognized as revenue, net of allowance for doubtful accounts, in the fiscal year to which they relate. The portion of client fees collected that relates to a future fiscal year is recorded as deferred revenue.

Examination fees are recognized as revenue when the examination results are known and disclosed to the writer.

Assessment fees are recognized as revenue when the assessments are complete.

Interest income is recognized as revenue in the period to which it relates.

Grant revenue is recognized as the related expenditures are incurred.

Sponsorship revenue comprises revenues from third parties that are recognized at the conclusion of the sponsored event.

## Skilled Trades Ontario

Notes to the financial statements

March 31, 2025

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### 2. Significant accounting policies (continued)

#### *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.

#### *Capital assets*

Capital assets are recorded at cost less accumulated amortization. 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 receivables are doubtful based on information gathered through collection efforts. An allowance is reversed once the debt collection 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. No funds were spent during the year, (2024 - \$198,000).

#### *Group Retirement Plans*

STO accounts for its participation in the group registered retirement savings plan (RRSP) and the OPTrust Pension Plan as defined contribution plans. STO make plan contributions based on participating employees' contributory earnings and recognizes the expense related to these plans as contributions are made.

#### *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 allowance for doubtful accounts, accrued liabilities, and the amortization of capital assets.

**Skilled Trades Ontario**

Notes to the financial statements

March 31, 2025

**3. Cash**

STO's bank accounts are held with one Canadian chartered bank. The accounts earn interest at bank prime less 2.0% (2024 - bank prime less 2.0%).

**4. Accounts receivable**

	2025	2024
	\$	\$
Receivable from clients	614,683	247,750
Allowance for doubtful accounts	(355,157)	(136,831)
Interest receivable	73,342	137,018
	<b>332,868</b>	<b>247,937</b>

**5. Capital assets**

	2025		2024	
	\$		\$	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and related software	-	-	-	17,584
Office equipment, furniture and fixtures	-	-	-	10,762
Leased computer equipment and related software	303,156	214,708	88,448	162,163
	<b>303,156</b>	<b>214,708</b>	<b>88,448</b>	<b>190,509</b>

As of March 31, 2025, capital assets consist of only leased computer equipment and related software. All other furniture and equipment were fully amortized and are no longer in use.

**6. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$339,021 (2024 - \$273,046).

**7. Deferred revenue**

	2025	2024
	\$	\$
Opening balance	10,686,170	8,994,801
Add: amounts received	16,526,273	16,608,169
Less: client fees recognized as revenue	(13,840,342)	(10,410,310)
Less: examination fees recognized as revenue	(4,779,909)	(3,403,950)
Less: assessment fees recognized as revenue	(1,355,409)	(1,081,540)
Less: sponsorship revenues recognized as revenue	-	(21,000)
Ending balance	<b>7,236,783</b>	<b>10,686,170</b>

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## Skilled Trades Ontario

Notes to the financial statements

March 31, 2025

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### 7. Deferred revenue (continued)

In 2013, the Ontario College of Trades (OCOT), received a grant from the Ministry of Training, College and Universities (MTCU) intended to partially offset client fees of clients transferred from MTCU (MTCU Credit). As of March 31, 2025, the rate in which the MTCU credits were used to offset client fees from 2013 has been negligible. Furthermore, the legal obligation to return any remaining MTCU credits if requested by the Ministry has expired. As such, the MTCU credits are no longer a material liability of STO and have been recognized as client fee revenue.

### 8. Deferred capital contributions

	2025	2024
	\$	\$
Opening balance	12,750	-
Add: amounts received	-	13,500
Less: amount recognized as revenue	(12,750)	(750)
Ending balance	-	12,750

### 9. Deferred contributions

	2025	2024
	\$	\$
Opening balance	176,305	-
Add: amounts received	1,400,950	327,825
Less: amount recognized as revenue	(1,077,887)	(132,941)
Less: amount returned	-	(18,579)
Ending balance	499,368	176,305

During the year, STO received \$986,451 (2024 - \$341,325) from the Government of Canada to support its initiative to modernize apprenticeship training and curriculum standards for Red Seal skilled trades. This initiative began in December 2023 and is expected to end in March 2028. Funding was received for project-related costs. Any funding provided that exceeds STO's entitlement is repayable upon receipt of notice from the Government of Canada. As of March 31, 2025, the repayable amount is \$nil, (2024 - \$nil).

During the year, STO received \$414,500 (2024 - \$nil) from the Workers' Safety & Insurance Board (WSIB) to promote occupational health and safety across Ontario's apprenticeship system. This initiative began in December 2024 and is expected to end in August 2027. Funding was received for project-related costs. Any funding provided that exceeds STO's entitlement is repayable upon receipt of notice from WSIB. As of March 31, 2025, the repayable amount is \$nil, (2024 - \$nil).

### 10. Credit facility

STO has access to a credit facility with a major bank up to \$100,000 (2024 - \$100,000). 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 (2024 - \$nil).

## Skilled Trades Ontario

Notes to the financial statements

March 31, 2025

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### 11. Commitments

STO has obligations under non-cancelable capital leases. The minimum annual lease payments for the next three years are as follows:

	\$
	<hr/>
2026	54,616
2027	26,244
2028	7,589
Total obligations	<hr/> <hr/> 88,449

### 12. Pension contributions

Some STO employees participate in the Ontario Public Service Employees' Union Pension Plan (the Plan) which is a defined benefit pension plan. The Plan is sponsored by the Province of Ontario and the Ontario Public Service Employees Union (OPSEU) and determines STO's annual plan contributions. Gains and losses arising from statutory actuarial funding valuations of the Plan are not assets or obligations of STO, as the sponsors are responsible for ensuring that the pension funds are financially viable. STO's expense is limited to the required contributions to the Plan.

STO's contributions to the plan during the year were \$61,493 (2024 - \$59,147).

### 13. Risk management

#### *Credit risk*

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency is exposed to credit risk arising from its accounts receivable. To reduce this risk, STO regularly reviews the outstanding receivable balance to determine if any amounts are significantly past due.

#### *Liquidity risk*

Liquidity risk is the risk that STO encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities and future commitments. STO monitors liquidity risk by management of working capital, cash flows, and borrowing facilities.

### 14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.