



ANNUAL REPORT 2019



**TECHNICAL
SAFETY BC**

Safe technical systems. Everywhere.

IN 2019, WE CONTINUED TO INVEST IN OUR PEOPLE
AND OUR CAPABILITIES AS A KNOWLEDGE-BASED
AND DATA-DRIVEN ORGANIZATION TO DELIVER
PRODUCTS AND SERVICES IN SUPPORT OF BC'S
EVOLVING SAFETY SYSTEM.

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THE ORGANIZATION IN 2019

WHO WE ARE

We are an independent, self-funded organization mandated to oversee the safe installation and operation of technical systems and equipment. In addition to issuing permits, licences, and certificates, we work with industry to reduce safety risks through assessment, research, education and outreach, and enforcement.

WHAT WE DO

We deliver safety services across the following technologies in the province:

- Electrical equipment and systems;
- Natural gas and propane appliances and systems, including hydrogen;
- Boilers, pressure vessels, and refrigeration systems;
- Elevating devices, such as elevators and escalators;
- Passenger ropeways, such as aerial trams and ski lifts;
- Amusement rides and devices;
- Railways, including commuter rail, common carrier rail, and heritage rail; and
- Complex and integrated technical systems involving several technologies.

THE SAFETY SERVICES WE DELIVER

- **Assessing** technical work and equipment, including collecting information through physical assessment, incident investigation, and registering new equipment and designs.
- **Certifying individuals and licensing contractors and operators** to perform regulated work.
- **Supporting clients** in the development of safety management approaches, and auditing their safety management plans or equivalent standard approaches.
- **Educating** and sharing technical systems safety information with our clients and the broader public to better control risks.
- **Taking enforcement actions** that promote an equitable safety system where all participants are compliant with regulations.
- **Conducting research**, including contributing to provincial and national safety code development and updating regulations for the technologies we serve.

THE LEGISLATIVE AND REGULATORY FRAMEWORK WE OPERATE WITHIN

- *Safety Authority Act*;
- *Safety Standards Act* and Regulations;
- *Railway Safety Act* and Regulations;
- *Freedom of Information and Protection of Privacy Act*;
- *Workers Compensation Act*;
- *Ombudsperson Act*; and
- *Offence Act*.



“I have observed Technical Safety BC’s continual pursuit of building a safer British Columbia by identifying and addressing hazards, and providing the tools, knowledge and impetus to reduce incidents and injuries by improving safety-minded decision making.”

MESSAGE FROM THE CHAIR OF THE BOARD

Technical Safety BC has been well served by the calibre of our [Board of Directors](#) over the years. Good governance sets a culture and tone for an organization and this is a deliberate and important part of strategy.

I am delighted to welcome Ivan Limpricht, Judy Cavanagh, Angela Wesley, Ken Tourand, and Jeremy Coughlin as our newest Board Directors, and to welcome Neil Cumming for a second term; and, I am excited for their contributions as we work together to advance technical safety in British Columbia. I extend my appreciation to Brenda Eaton, Geordie Henderson, Ian Banks and Doug Scott, whose terms ended in 2019, for their contributions to safety and good governance.

I have observed Technical Safety BC’s continual pursuit of building a safer British Columbia by identifying and addressing hazards, and providing the tools, knowledge and impetus to reduce incidents and injuries by improving safety-minded decision making. With advances in digital technology in the built environment, the introduction and adoption of digital tools are growing rapidly. Technical Safety BC has responded to this transformation by embracing new technologies, introducing new digital systems, and improving access to data.

In addition to ongoing work across all technical systems in 2019, Technical Safety BC undertook an evaluation of emerging risks in trampoline parks and other amusement rides and devices. With several high profile ammonia release incidents, we continued to work with industry to bring a higher level of risk management and stronger maintenance practices, while advocating nationally for renewed focus on this area of significant public risk.

I want to acknowledge the organization’s efforts to engage with clients, stakeholders, and the public to deliver services through increased communication, relevant information and data products that increase their participation in the safety system.

George Abbott
Chair of the Board

“We recognize that one of our great strengths is our humanity, and so we continue to put both our clients and stakeholders, as well as our employees, at the centre of everything we do.”



MESSAGE FROM THE PRESIDENT & CHIEF EXECUTIVE OFFICER

In 2019, we looked forward 10 years and set a [strategic roadmap](#) in pursuit of our vision of *Safe technical systems. Everywhere*. We have become a knowledge-based organization with an increasing ability to derive insights from data and act upon those insights. We recognize that one of our great strengths is our humanity, and so we continue to put both our clients and stakeholders, as well as our employees, at the centre of everything we do. And, we remain strongly committed to bringing diverse perspectives to the table in order to innovate, deliver service excellence and influence safe behaviour.

As an organization, we are deeply focused on what happens at the intersection of technology and humanity. When we recognize that technical systems and technology require human guidance and intervention, we also must acknowledge that at the root of every technical failure lies human behaviour. Safety comes as a result of safety-minded decisions; each of us – our clients, our stakeholders and our employees – wants to make the best decisions possible each day.

Our advanced analytics and machine learning algorithms are continually improved to help us better understand and identify high hazards and potential risks. These insights make it easier for clients to manage technical safety, and allow all of us to focus on work that provides the most value and the greatest positive impact on safety.

Our work in 2019 shows the powerful results that can be achieved when we create and share information and knowledge to cultivate safety literacy, and collaborate on new opportunities.

I invite you to view our [State of Safety 2019](#) to learn more.

A stylized handwritten signature in black ink, consisting of a large 'C' and 'R' followed by a wavy line.

Catherine Roome
President & Chief Executive Officer



BUSINESS PERFORMANCE

In 2019, our Business Plan outlined the following priorities:

Lifecycle oversight

Increase participants' knowledge so that they can better manage safety risks for installing, operating and maintaining aging technical systems.

Product and service delivery excellence

Use innovation to increase the effectiveness of our safety hazard assessments and to increase participation in the safety system.

Behaviour change through insight

Build partnerships and share what we have learned so we can help participants make informed safety decisions.

LIFECYCLE OVERSIGHT

Every piece of technical equipment goes through lifecycle phases. Management of these phases is crucial to ensure ongoing safe operation. Our goal with the Lifecycle Oversight priority is to increase client knowledge so that they can better manage safety risks when installing, operating and maintaining aging technical systems.

Understanding and addressing risk is at the core of keeping people safe. In 2019 Technical Safety BC implemented risk treatment plans against three of BC's highest safety risks (ammonia release, carbon monoxide poisoning and escalator moving walk brake failure), and is developing a fourth for electric shock. To understand our transportation technologies better, we updated transportation Hazard Maps, identified emerging risks and added them to our Risk Repository, where we continue to monitor high and emerging risks. In the wake of the 2017 Fernie incident, where three people died as a result of an uncontrolled ammonia release, we finalized and published [refrigeration maintenance guidelines](#) for all owners of refrigeration systems.

A best practice for lifecycle management is the introduction of Maintenance Control Programs (MCPs). In 2019 we delivered online functionality

for Elevating Maintenance Control Programs. This serves as a key source of data on elevating devices that improves oversight. We also submitted a Request for Regulatory Amendment to the Ministry of Municipal Affairs and Housing, setting new parameters for regulating amusement experiences and enabling future implementation of MCPs in this technology.

In order to ensure lifecycle knowledge is disseminated, we developed a new continuing education Training Provider Program, introduced in October 2019. By the end of the year, this program had recognized four training providers for the launch of the 2018 Canadian Electrical Code.

Oversight of the safety system depends on partnership with our clients and stakeholders to reduce reporting barriers. In December 2019, we rolled out an improved online hazard reporting system; enhancing our ability to manage hazards reported by the public.

PRODUCT AND SERVICE DELIVERY EXCELLENCE

We set out this year to increase the effectiveness of our safety hazard assessments and improve client, stakeholder and public experience in order to increase Connection to the safety system.

Using artificial intelligence (AI) to assess risks on many of our permit classes allows for the most efficient use of our safety officers' time by providing them with insight on the assessments that are most likely to reveal a High Hazard (levels 3, 4, and 5). In 2019 we were able to achieve:

- 18% increase in as-found hazards rated level 3, 4, and 5 identified in Q4 2019 compared to Q4 2018;
- 19.9% increase in as-found hazards rated level 3, 4, and 5 identified and addressed in Q4 2019 compared to Q4 2018; and
- 117.7% increase in as-found hazards rated level 3, 4, and 5 identified, addressed, and published in Q4 2019 compared to Q4 2018.

We also conducted eight sample plans to acquire data in areas where we have limited knowledge:

- Electrical contractor audit;
- Two elevating device contractor audits;
- Gas machine learning pilot;
- Gas Class 1 industrial/ commercial facilities;
- Rail fee impact;
- Wood dust generating facilities; and
- Elevating devices using Greater Victoria contractors.

All plans achieved a target completion rate of 80% of the physical inspections performed on the sample population.

To understand our clients and stakeholders better, we embarked on the construction of a pilot market model that enables us to measure our impact on the electrical safety system through permit transactional volumes. By understanding the natural growth of the market, we were able to measure a cumulative 5.21% volume increase in electrical operating permits year-over-year. We also developed a new metric, Presence, which measures the awareness of the broadest population of relevant individuals and organizations, and helps us understand their perception of us. We aimed for improvement in both areas, and through campaign activity and customer experience enhancements, were able to see overall gains in the combined Presence metric of 31% year-over-year. We also tested client relationship management system capabilities to better segment our clients and deliver more relevant programs and communications in the years ahead.

To support a culture of safety for our own employees and our clients, we introduced Aware360, a mobile solution that enables employees to check in/out while they are engaging in higher risk activities or during hazardous situations, including working alone or in remote locations.

BEHAVIOUR CHANGE THROUGH INSIGHT

Safety depends on decisions made by people in the safety system. In 2019, we sought to improve our ability to influence safety-minded decision-making by looking for insights in the data we collect and gather from local governments, and developing behavioural interventions.

Our first priority was to develop data sharing partnerships with local governments that would enable us to collect, standardize, govern, and operationalize data collection. By the end of 2019 we had data-sharing partnerships with ten local governments, BC Hydro, and FortisBC. We developed and implemented a data governance strategy and quality review process, and we established priorities for new data acquisitions through the development of a strategic relations policy and the implementation of an innovation portfolio governance strategy. We also put in place an agreement on a data-sharing application program interface (API) with BC Hydro.

In June, we conducted a hackathon that yielded valuable insights from the local government and utility data, one of which was suitable for a Behavioural Intervention test. This insight ultimately improved the conversion of installation permits into operating permits in the electrical technology, which resulted in a cumulative 5.21% increase in electrical operating permits in 2019.

An important program goal in 2019 was to build internal awareness, capacity, and skills to use evidence to implement projects aimed at changing behaviour. The organization worked to embed outcome evaluation as a critical component of five major projects in 2019, and we are targeting all projects in 2020. In addition, we were able to establish multi-year behaviour change initiatives to solve several internal and external challenges:

- Non-compliance declaration behaviour (via the new non-compliance tracking tool) interim evaluation completed, including data collection, analysis and reporting.
- Gas installation permit intervention solution implemented, and monitoring of intervention is underway.
- Multi-year intervention designed for arena owners and managers as part of ammonia release prevention; intervention and evaluation plan completed.
- Amusement Rides Program Redesign; evaluation planning underway.
- Virtual demonstration for boiler contractor licensing; evaluation planning completed.

Maintaining momentum on the important priority of positive behavior change will be critical for 2020. The behaviour change strategy delivered in 2019 has been embedded in the 2020 Business Plan and all organizational roadmaps.



CORPORATE GOVERNANCE



THE *SAFETY AUTHORITY ACT* CREATED BC SAFETY AUTHORITY (NOW OPERATING AS TECHNICAL SAFETY BC) AND CONTAINS THE BASIC RULES BY WHICH THE ORGANIZATION IS GOVERNED. THE ACT IS SUPPLEMENTED BY A BOARD GOVERNANCE MANUAL, ADMINISTRATIVE AGREEMENTS WITH THE PROVINCE OF BC, AND PROTOCOL AGREEMENTS.

BOARD OF DIRECTORS



GEORGE ABBOTT CHAIR OF THE BOARD

Location: Victoria, BC

Director since: January 6, 2014

Latest date for retirement: April 1, 2022

Appointed by: Board

Positions held: Ex officio, Finance & Audit Committee; Ex officio, Strategic Advisory Committee; Ex officio, Governance & Human Resources Committee

George Abbott is a veteran politician and a doctoral candidate in political science at the University of Victoria. First elected as an MLA for the Shuswap in 1996, George has served as Minister of Education, Minister of Aboriginal Relations and Reconciliation, Minister of Health, Minister of Community, Aboriginal and Women's Services, and Minister of Sustainable Resource Management.

George was Deputy House Leader for the Official Opposition and critic for municipal affairs and forests. He was Deputy Chair of the select standing committees on Forests, Energy, Mines and Petroleum Resources, and was a member of the select standing committee on Aboriginal Affairs. Additionally, he sat on the Official Opposition Caucus Committee on Crime.

Before his election to the Legislative Assembly, George was a political science instructor at Okanagan University College. He also owned the oldest and largest berry farm in the Interior.



IAN BANKS

Location: North Vancouver, BC

Director since: January 6, 2014

Latest date for retirement: January 6, 2020

Appointed by: Board

Positions held: Chair, Finance & Audit Committee

Ian Banks has 20 years' diverse business experience in operations, finance, sales, marketing and IT. Currently, Ian is Chief Information Officer at Metrie, North America's leading manufacturer and distributor of solid wood and MDF finishing products.

Prior to joining Metrie, Ian worked with Ritchie Bros. Auctioneers; was President of an internet-based startup, and was Vice President of Global IT at PMC-Sierra. He also led the western Canadian IT services and software solutions team at TELUS, was a management consultant at Fujitsu, was Chief Information Officer at a major transportation services Crown corporation, and served as a visiting professor at Simon Fraser University's MBA Program.

Ian's board experience includes for-profit and not-for-profit boards including the CIO Association of Canada and The Bloom Group (formerly Saint James Community



KAREN BAZYLEWSKI

Location: Coquitlam, BC

Director since: April 10, 2015

Latest date for retirement: April 10, 2021

Appointed by: Board

Positions held: Member, Finance & Audit Committee; Member, Strategic Advisory Committee; Member, Governance & Human Resources Committee

Karen Bazylewski has been active in the construction industry for over 40 years and is a Member of the Mechanical Contractors Association of BC and the British Columbia Construction Association. Karen is currently a Project Manager with Modern Niagara – Vancouver. She is a former Board Member of both the Construction Industry Training Organization (Chair, Program Standards Committee) and the Vancouver Regional Construction Association (Executive, Education, Awards of Excellence (Chair), Partnership, Manufacturers and Suppliers (Chair) and Trade Contractors Committees). Karen is also a past Member and President of the Canadian Construction Women Association (CCW). In 2002, Karen was the recipient of the VRCA/CCW Outstanding Women in Construction Award.



JEREMY BLACK

Location: Whistler, BC

Director since: April 2, 2017

Latest date for retirement: April 2, 2023

Appointed by: Board

Positions held: Member, Finance & Audit Committee; Member, Strategic Advisory Committee; Member, Governance & Human Resources Committee

Jeremy Black is a Chartered Professional Accountant (CA) and business executive with nearly 30 years of varied business, financial, and leadership experience. Jeremy is the Chief Financial Officer of Metrie, a large, privately-owned manufacturer and distributor of specialty building products. Before Metrie, he was the Senior Vice President and Chief Financial Officer of Whistler Blackcomb where he led finance, investor relations, information technology, and strategy development initiatives for the largest and most visited four-season mountain resort in North America.

Prior to joining Whistler Blackcomb in 2013, Jeremy was the Vice President, Business Development & Corporate Secretary of Ritchie Bros. Auctioneers. In addition to bringing significant financial expertise to the board, he brings an in-depth knowledge of safety and risk management, including experience as an asset owner responsible for multiple technologies overseen by Technical Safety BC.



NEIL CUMMING

Location: Richmond, BC

Director since: March 31, 2016

Latest date for retirement: March 31, 2019

Appointed by: Minister

Positions held: Member, Strategic Advisory Committee; Member, Governance & Human Resources Committee

Neil Cumming is a civil engineer and business leader with extensive technical, managerial, and leadership experience. He is the current President of Celeritas Consultants Ltd. and past President and Chief Executive Officer of Levelton Consultants Ltd. Neil has been active with a number of business practice and technical committees with the Canadian Standards Association, the American Concrete Institute, Engineers and Geoscientists BC, and the Canadian Construction Documents Committee. He was a Director of the Consulting Engineers of BC (now ACEC-BC) from 2001-05, and served as President in 2003-04. He has also served on the national Board of Directors of the Canadian Council of Independent Laboratories, and was a Technical Safety BC Board Director from 2016-2019.



BRENDA EATON

Location: Victoria, BC

Director since: January 6, 2014

Latest date for retirement: January 6, 2020

Appointed by: Board

Positions held: Chair, Strategic Advisory Committee

Brenda Eaton is a seasoned corporate director serving as the Chair of Transelec; Vice Chair of the project board overseeing the construction of Victoria's new sewage treatment plant; and a Director for BC Ferries, Westland Insurance, and LifeLabs.

Prior to becoming a corporate director, Brenda held a variety of senior finance positions in the B.C. Government. She also served as Deputy Minister of three government departments: Finance, Energy, and Social Services. For four years, she was Deputy Minister to the Premier of British Columbia, and prior to that, was Chief Financial Officer at a health authority.

Brenda has been awarded the Queen's Golden Jubilee Medal, WXN's 100 Most Powerful Women in Canada, voted Consumer Choice's BC Businesswoman of the Year and the University of Victoria Distinguished Alumni Award.



IVAN LIMPRIHT

Location: Abbotsford, BC

Director since: July 3, 2019

Latest date for retirement: July 3, 2022

Appointed by: Minister

Positions held: Member, Finance & Audit Committee

Ivan Limpriht is the former President of United Food and Commercial Workers Union (UFCW), the largest private sector union in British Columbia. Previously, he held positions such as secretary/treasurer, director, and union representative with UFCW. Active in his community, Ivan has also served as Director for BC Forum and Concert Properties Limited, Chair of the Board of Trustees for UFCW's pension plan, and as Chair of the Board of Trustees for UFCW's Health and Welfare Benefits Plan. He studied labour relations at the Labour College of Canada and attended the Labor and Worklife Program at Harvard Law School. He lives in Abbotsford, BC.



DAVID GUSCOTT

Location: Vernon, BC

Director since: March 31, 2016

Latest date for retirement: March 31, 2021

Appointed by: Board

Positions held: Member, Finance & Audit Committee; Member, Strategic Advisory Committee; Member, Governance & Human Resources Committee

David Guscott is an experienced and accredited board member having served on eight boards in BC and Ontario. He recently retired as President and Chief Executive Officer of E-Comm911 where he worked with municipalities, fire, police, and ambulance across BC to grow E-Comm to become the largest 9-1-1 emergency call centre in Canada, driven by a strong vision for service and accountability.

David came to BC in 2006 to join VANOC where he was Executive Vice-President for Celebrations and Partnerships for the 2010 Olympic and Paralympic Winter Games. He was Deputy Minister of three ministries in Ontario including Transportation, Labour, and Communications.

He brings to the board extensive experience in developing partnerships with municipalities; a strong technical background in public safety, transportation, and environmental management, as well as broad board experience.

David has a Masters of Public Administration from Queen's University.



GEORDIE HENDERSON

Location: Vancouver, BC

Director since: January 6, 2014

Latest date for retirement: January 6, 2020

Appointed by: Board

Positions held: Chair, Governance & Human Resources Committee

Geordie Henderson is a software industry entrepreneur, investor, and business principal with extensive software product development, sales, service delivery, and management experience.

Geordie is currently General Manager, Cloud Messaging at AWS in Vancouver. Previous to AWS, Geordie led the software development team at Bench Accounting and prior to that, Hootsuite. He is also active in the Canadian software start-up community as an investor, advisor, and board member.



JUDY CAVANAGH

Location: New Westminster, BC

Director since: July 3, 2019

Latest date for retirement: July 3, 2022

Appointed by: Minister

Positions held: Member, Strategic Advisory Committee

Judy Cavanagh is currently a consultant with The Cavanagh Group. Previously she was an Executive Director for Operations and Strategic Initiatives with the Office of the Premier, former Deputy Minister of Government Priorities and Women's Equality, and Assistant Deputy Minister with Intergovernmental Relations, Human Resources and Women's Equality. She has also served as a Director of AgSafe BC and Oxfam Canada. She holds a Bachelor of Arts in sociology and anthropology from Simon Fraser University in Vancouver. Judy lives in New Westminster, BC.



NANCY OLEWILER

Location: Vancouver, BC

Director since: April 1, 2018

Latest date for retirement: March 31, 2021

Appointed by: Board

Positions held: Member, Finance & Audit Committee; Member, Governance & Human Resources Committee

Nancy Olewiler is an economist, professor, and director of the School of Public Policy at Simon Fraser University. She holds a PhD in economics from the University of British Columbia and her areas of research focus on public policy, including energy and climate policy, regulation and risk, and transportation. She has published in academic journals, edited books, provided reports for governments, and has written two widely used textbooks. Nancy has served on the Board of Directors of BC Hydro, Powertech, and TransLink, is on Canada's Ecofiscal Commission, a member of the Climate Solutions Clean Growth Council for BC, and the Chair of the Macroeconomic Accounts Advisory Committee for Statistics Canada.



DOUG SCOTT

Location: Vancouver, BC

Director since: March 31, 2016

Latest date for retirement: March 31, 2019

Appointed by: Minister

Positions held: Member, Finance & Audit Committee; Member, Governance & Human Resources Committee

Doug Scott is a construction industry senior level executive and entrepreneur with extensive commercial design-build and industrial facilities construction expertise, including business process re-engineering, infrastructure re-design and financial and business development negotiations.

Doug is currently the President and Owner of Wales McLelland Construction, a leading firm for over 45 years in the commercial design-build construction industry. Prior to Wales McLelland Construction, Doug held senior project manager and project engineer positions with a large international, heavy-civil contractor. He currently serves as a Benefits Trustee with the Independent Contractors and Business Association (ICBA) and previously served as an ICBA Board Member. Doug has an engineering degree from Queen's University and is a Member of the Association of Professional Engineers and a registered professional engineer in BC.



GAIL STEPHENS

Location: Victoria, BC

Director since: December 7, 2017

Latest date for retirement: December 7, 2020

Appointed by: Minister

Positions held: Member, Finance & Audit Committee; Member, Strategic Advisory Committee; Member, Governance & Human Resources Committee

Gail Stephens brings more than 20 years of experience leading large, complex organizations to the Technical Safety BC Board of Directors. Her past experience includes serving as Chief Executive Officer of the British Columbia Pension Corporation and as the Chief Administrative Officer for the City of Winnipeg and City Manager for the City of Victoria.

Most recently, Gail was the start-up Chief Operating Officer, then interim President and Chief Executive Officer for the Canadian Museum of Human Rights, where she led the museum and its management departments through its first few years of operation.

Gail has sat on numerous boards, including Coast Capital Savings, the David Foster Foundation, Via Rail Canada Inc., and the BC Industry Training Authority. She is currently the President of Gail Stephens Consulting, which provides management consulting services, and an Executive Advisor to the President/Owner of Focus Equities

THE ROLE OF THE BOARD

Technical Safety BC is governed by a Board of Directors that provide oversight and ensure that we are safe, transparent, and collaborative in our practices. The Board has the fiduciary responsibility of overseeing the conduct of our business and ensuring that all major issues affecting the business and affairs of the organization are given proper consideration. In performing its functions, the Board also considers the legitimate interests of industry, communities, and government.

DIRECTOR SELECTION

Directors are appointed on the basis of merit; they must meet the qualifications established in the *Safety Authority Act*; and abide by a [code of conduct](#) and our [governance manual](#).

The *Safety Authority Act* states that the Board will consist of at least nine, but no more than fifteen, members. The Minister may appoint up-to-three directors. The remaining Directors are appointed by the sitting Directors. Non-government candidates for the Board are screened and shortlisted by a nominating committee based on the knowledge, skills, and abilities of the candidates. The Directors make final selections from a list of suitable candidates provided by the nominating committee.

As of December 31, 2019, the Board consisted of eleven members, three of whom were appointed by the Minister.

COMMITTEES OF THE BOARD

The work of the Board is supported by committees that provide additional focus on matters such as:

- financial affairs, audits, insurance and investments;
- governance and nominating functions, CEO performance evaluation and recruitment, compensation and other human resource issues;
- technical and enterprise risk oversight;
- regulatory development and compliance; and
- strategic advice and oversight.

The 2019 committee structure included the:

- Finance and Audit Committee;
- Governance and Human Resources Committee; and
- Strategic Advisory Committee.

Each committee operates according to a Board-approved mandate outlining its duties and responsibilities. When required, these committees make recommendations to the Board for approval.

THE FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities relating to financial reporting, accounting systems, budgets, internal controls, and audit process. The Chair of the Finance and Audit Committee is required to be a financial expert.

The Finance and Audit Committee's major accomplishments in 2019 included:

- Provided oversight to management's financial risk management policies and procedures, including the review of the Investment Policy, Investment Manager, and Asset Capitalization Policy.
- Provided oversight to management's internal financial controls framework.
- Reviewed the 2018 financial statements, notes to the financial statements and Management Discussion and Analysis with management and the external auditor.
- Reviewed and approved the external auditor's plan to audit the 2019 annual financial statements.
- Reviewed and approved the internal auditor's annual audit plan, audit charter, and terms of reference and reviewed regular reports by internal auditors on the audits performed while monitoring management's responses.
- Reviewed the quality of the audit, the audit team, and the audit partner.
- Reviewed the 2018 insurance claims experience and approved the 2019-2020 insurance coverage and renewal.
- Reviewed and approved fees for 2019 and 2020.
- Reviewed Technical Safety BC's investment portfolio and reserve requirements.
- Reviewed Directors' fees and expenses for 2018.
- Reviewed and evaluated the performance of the Internal Auditor.

GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The Governance and Human Resources Committee assists the Board in oversight responsibilities relating to governance, compensation, and human resource policies and strategies. This committee also serves as the nominating committee.

The Governance and Human Resources Committee's major accomplishments in 2019 included:

- Acted as the Nominating Committee, recommending to the Board the appointment of three new Board members (terms to commence on January 7, 2020).
- Provided oversight to the Board orientation process of two Ministerial Board appointments (terms commenced on July 3, 2019).
- Approved the audited corporate results for the 2018 variable incentive plan (for excluded employees).
- Approved the 2019 variable incentive plan (for excluded employees) measures and targets.
- Reviewed the annual conflict of interest declarations of directors and officers.
- Conducted the annual review of Technical Safety BC's governance practices and made recommendations to the Board to enhance committee mandates, governance structure, and the Board Chair skills matrix.
- Reviewed and recommended performance plans for the President and Chief Executive Officer and the Corporate Secretary and evaluated the performance of the President and Chief Executive Officer and the Corporate Secretary.
- Reviewed and recommended a succession plan for the President and Chief Executive Officer and succession process for executive and leadership positions.
- Reviewed and provided oversight on director, executive, and excluded employee compensation trends.
- Reviewed and recommended to the Board on the collective bargaining strategy.

¹ The Governance and Human Resources Committee also serves as the Nominating Committee.

- Reviewed the performance and compliance of management concerning occupational health and safety and the program.
- Reviewed the state of the organization's culture.
- Provided oversight, approved, and recommended to the Board the publication of enforcement actions and investigation findings and other regulatory actions including identification of involved parties.
- Reviewed and recommended to the Board proposed refinements from the external consultant's Board Evaluation Report for implementation to enhance Board and Board Committee practices.

STRATEGIC ADVISORY COMMITTEE

The Strategic Advisory Committee assists the Board in fulfilling its oversight responsibilities by reviewing management's recommendations which relate to strategic planning, implementation of key strategic initiatives, regulatory responsibilities, stakeholder consultation, and safety oversight.

The Strategic Advisory Committee's major accomplishments in 2019 included:

- Guided the annual strategic planning process.
- Reviewed and approved the 10-Year Strategy (2019-2029) and 2020-2022 Business Plan.
- Reviewed the Business Continuity Plan and Critical Incident Response capability and preparedness.
- Reviewed and approved the 2018 State of Safety Report.
- Reviewed corporate IT strategy, including review of Information Security Assessment findings, development, and progress.
- Reviewed the Structured Resource Allocation Program progress and value of machine learning in assessment operations.
- Reviewed Enterprise Risks and reviewed the independent review of risk control processes for each technology.
- Received reports on technical risk registries and operational activities including education and enforcement.
- Reviewed Compliance and Enforcement program development and unpermitted work capture progress.
- Reviewed regulatory change plans and recommendations for amendment of legislation to the Province of British Columbia to update reference standards, improve the safety system, and evolve the governing legislation and regulations in accordance Technical Safety BC's 10-Year Strategy.

DIRECTORS' ATTENDANCE

In 2019, there were four regularly scheduled Board meetings, a two-day strategic planning session, and an Annual Public Meeting. The following table illustrates the number of meetings each Director attended as compared to the number of meetings the particular Director was eligible to attend

during the 12 months that ended December 31, 2019. Some directors also attended meetings and interview sessions for new Board member recruitment, a new director orientation session, and ride-alongs with Technical Safety BC safety officers.

DIRECTORS	BOARD MEETINGS (7 MEETINGS)	FINANCE & AUDIT COMMITTEE (4 MEETINGS)	GOVERNANCE & HUMAN RESOURCES COMMITTEE (5 MEETINGS)	STRATEGIC ADVISORY COMMITTEE (4 MEETINGS)	TOTAL
George Abbott	7/7	4/4	5/5	4/4	20/20
Ian Banks	7/7	4/4	–	–	11/11
Karen Bazylewski	7/7	1/2	3/3	4/4	15/16
Jeremy Black	7/7	4/4	2/2	2/2	15/15
Judy Cavanagh ¹	2/2	–	–	2/2	4/4
Neil Cumming ²	1/1	–	2/2	1/1	4/4
Brenda Eaton	5/7	–	–	4/4	9/11
David Guscott	7/7	2/2	2/2	2/2	13/13
Geordie Henderson	6/7	–	5/5	–	11/12
Ivan Limpright ³	2/2	2/2	–	–	4/4
Nancy Olewiler	7/7	2/2	5/5	–	14/14
Doug Scott ⁴	1/1	1/1	2/2	–	4/4
Gail Stephens	6/7	2/2	2/2	4/4	14/15

¹ Appointed to the Board on July 3, 2019

² Retired from the Board on March 31, 2019

³ Appointed to the Board on July 3, 2019

⁴ Retired from the Board on March 31, 2019

DIRECTORS' COMPENSATION

The Governance and Human Resources Committee is responsible for making recommendations to the Board respecting director compensation. An independent review of Technical Safety BC's director compensation practices against comparable organizations was conducted in 2018. Based on that review, the Board approved adjustments to the quantum of meeting fees and annual retainers payable to Board and committee members. The adjustments were effective as of April 1, 2019.

Director compensation is set at such a level so as to:

- Affirm the directors' responsibilities and the professional nature of the work that directors are expected to perform.
- Attract and retain qualified individuals to serve as directors.
- Partially compensate directors for their time and lost opportunity costs and be seen as "value received" for value given.
- Foster high levels of engagement and commitment to best in class governance;
- Recognize the different levels of time and responsibility associated with the Board Chair, Committee Chair, and director positions.
- Recognize an element of public service.
- Reflect Technical Safety BC's values.

The following table shows director compensation as of April 1, 2019. Compensation increased from April 1, 2018.

FEE	2019 \$	2018 \$
Annual retainer – Chair	46,500	42,200
Annual retainer – Finance and Audit Committee Chair	20,000	17,900
Annual retainer – Governance and Human Resources Committee Chair	20,000	17,900
Annual retainer - Strategic Advisory Committee Chair	18,000	17,900
Annual retainer - Directors	13,400	12,700
Board/Committee meetings fee	825	790
Maximum daily meeting fee	1,185	1,185
Teleconference of less than one hour	400	395

DIRECTORS' RETAINER AND MEETING FEES FOR 2018

The following table reflects the total retainers and meeting fees earned by directors in 2019 compared to 2018.

DIRECTORS	RETAINER \$	MEETING FEES \$	TOTAL RETAINER/ FEES 2019 \$	TOTAL RETAINER/ FEES 2018 \$
George Abbott (Board Chair)	45,425	18,800	64,225	57,210
Ian Banks (Committee Chair)	19,475	9,005	28,480	25,290
Karen Bazylewski	13,225	12,235	25,460	23,760
Jeremy Black	13,225	12,270	25,495	22,970
Judith Cavanagh	6,700	5,775	12,475	-
Neil Cumming	3,175	3,160	6,335	-
Brenda Eaton (Committee Chair)	17,975	7,355	25,330	25,010
David Guscott	13,225	10,655	23,880	17,425
Geordie Henderson (Committee Chair)	19,475	10,620	30,095	27,380
Ivan Limpricht	6,700	5,775	12,475	-
Nancy Olewiler	13,225	12,270	25,495	17,425
Charles (Doug) Scott	3,175	3,160	6,335	22,970
Gail Stephens	13,225	12,270	25,495	21,375

THE EXECUTIVE TEAM



CATHERINE ROOME
PRESIDENT & CHIEF EXECUTIVE OFFICER

Location: Vancouver, BC

Catherine is a courageous, visionary leader who is relentlessly driven to change the world and believes that people have an extraordinary ability to bring a shared vision into reality. Her passion and commitment to growing the next generation of leaders inspires the modern, diverse people practices at Technical Safety BC.

One of BC's senior leaders in the engineering and technology sector, Catherine has consistently delivered game-changing strategies that use technology innovation for public good. A "futurist," she is building Technical Safety BC's place in the algorithmic economy using predictive insights to create long-term, sustainable social and financial value, as she steers the organization towards its vision of *Safe technical systems. Everywhere.*



PHIL GOTHE
VICE PRESIDENT, OPERATIONS & CLIENT EXPERIENCE

Location: Vancouver, BC

Phil believes that "to live is to lead," and that the primary role of leadership is to imagine and create conditions for employees to thrive.

A thoughtful and caring leader, Phil supports teams of client service representatives and technically-minded specialists to enable the development of ground-breaking new approaches to technical safety oversight. By focusing on client experience and risk-based assessment practices, Phil invests in working relationships to advance the understanding and management of safety risks. He has a deep regard for the knowledge and capability of clients and employees, and believes that developing a system of engaged duty holders is vital to maintaining confidence in the safety system.

A graduate of Collège militaire royal de Saint-Jean, Phil began his career in naval operations in the Royal Canadian Navy. Before joining Technical Safety BC in 2009, Phil spent 10 years leading business strategy development and continuous improvement consulting engagements in the forest products, helicopter and heavy equipment industries. Phil has an MBA from the University of Western Ontario, and obtained a Chartered Director designation from The Directors College. He is inspired by lifelong learning and peoples' infinite capacity to improve and achieve results.



KATE BAILLIE

VICE PRESIDENT, MARKETING & COMMUNICATIONS

Location: Vancouver, BC

Kate has spent her career putting clients and teammates at the centre of what she does. She is a curious and inspiring leader who looks at opportunities holistically to motivate and engage teams towards practical, multi-dimensional solutions. Comfortable in a constantly changing landscape, she listens actively and digs for the truth, using observation and data to build cases for change.

Kate joined Technical Safety BC from TELUS, where she led teams in marketing, communications and customer experience. She has a Bachelor of Applied Arts degree from Ryerson Polytechnical University and an MBA from the Richard Ivey School of Business at the University of Western Ontario.

When not obsessing over safety, Kate works to improve diversity in the workplace, mentors up-and-coming leaders and likes to spend time outside – either doing hard labour in her garden or enjoying all the amazing hiking and kayaking that Vancouver has to offer.



KATE PARKER

VICE PRESIDENT, PEOPLE

Location: Vancouver, BC

Kate is driven by the belief that an organization will only truly excel when its people are encouraged and challenged to show up as their best selves every day. At Technical Safety BC, she uses courage, energy and curiosity to get at the heart of our challenges and opportunities, and facilitates bold conversations that question the status quo. To fulfill on our promise to model the integration of humanity and technology, Kate draws on her experience driving cultural transformation and people-focused change, building our capacity to adapt to changing environments and develop each person to their maximum potential.

Kate has a proven track record of transforming HR practices across industries including mining, heavy machinery, and healthcare. She holds a degree in Psychology and Kinesiology from Simon Fraser University and completed her graduate studies at UBC's Sauder School of Business. Kate is a recognized speaker in the areas of leadership development, diversity and employee health and wellness. Outside of the office, she is most often found on the North Shore trails, or creating new dishes in the kitchen (but rarely following a recipe!).



DEREK E. PATTERSON

VICE PRESIDENT, REGULATORY LEADERSHIP & CORPORATE SECRETARY

Location: Vancouver, BC

Derek actively supports individuals and initiatives that improve technical safety in BC. His extensive professional experience underpins a principled, comprehensive and astute capacity for strategy and problem solving. He is courageous in his leadership of peers and reports alike, respectfully challenging and empowering individuals in their contributions to the organization.

Derek is highly experienced in the practice of regulatory law and change management, having served as chief legal, risk and compliance advisor, and corporate secretary to senior leadership teams and boards of both public companies and Crown corporations.

Prior to joining Technical Safety BC, Derek held senior positions with a number of organizations, including the Insurance Corporation of BC and the Investment Industry Regulatory Organization of Canada. Derek holds a law degree from Osgoode Hall Law School and an MBA from the Schulich School of Business at York University, as well as ICD.D and CPHR designations. He is called to the bar in both Ontario and British Columbia.



CLAUDIO PINI

CHIEF INFORMATION OFFICER

Location: Vancouver, BC

Claudio brings over 25 years of experience and thoughtful implementation in IT infrastructure, application management, and operations. Coming to Technical Safety BC from UBC, Claudio has held the roles of Director, IT Transformation; Director, Application Management Services; and most recently Director, Teaching and Learning Services. Prior to UBC, Claudio worked for Accenture for 17 years supporting clients as diverse as Best Buy Canada, BC Hydro, and Dupont.



ABRAHAM VAN POORTVLIET

VICE PRESIDENT, DATA ANALYTICS & DECISION SCIENCE

Location: Vancouver, BC

Exploration and discovery have been recurring themes in Ab's life. In his role of VP, Data Analytics and Decision Science, he now supports others in their discovery and innovation. By nurturing leadership in others, Ab aims to create a culture of experimentation and learning that propel safety knowledge and action. Together with his team, Ab carries responsibilities for research & analytics, business intelligence, engineering, incident investigation, and risk management.

Ab has worked in a variety of progressive roles at Technical Safety BC since he joined in 2005. Originally from the Netherlands, Ab previously worked as a project leader for safety engineering in railway infrastructure, and as a risk analyst at the Dutch Ministry of Transportation. Ab holds an MBA from Simon Fraser University, a doctorate in public administration, and an MSc in applied physics. He is a registered Professional Engineer and Chartered Professional Accountant in British Columbia.

EXECUTIVE COMPENSATION PLAN

TECHNICAL SAFETY BC IS A PROGRESSIVE EMPLOYER WITH A 10-YEAR STRATEGY TO MOVE US TOWARDS OUR VISION OF *SAFE TECHNICAL SYSTEMS. EVERYWHERE.*

The objectives of Technical Safety BC's executive compensation plan are to:

- Open configuration options.
- Attract and retain capable individuals with diverse skill sets.
- Remain internally fair and externally competitive.
- Demonstrate sensitivity to our stakeholder communities.
- Offer a total rewards package that balances stable elements of compensation with pay at risk.
- Achieve alignment of our priorities and efforts to our 10-Year Strategy and three-year Business Plan.

Technical Safety BC's executive compensation plan elements comprises the following:

BASE SALARY

Technical Safety BC establishes salary ranges according to a blended market position that is midway between the public not-for-profit sector and the private sector markets. The range spans from 80% to 120% of the blended market median. Placement within the salary range depends on the competence, experience, and level of contribution to the business plan and strategy.

VARIABLE INCENTIVE PLAN

This element is the at-risk portion of annual compensation and is dependent on the achievement of critical corporate and individual objectives aligned to our 10-Year Strategy. It is also intended to reinforce our value of accountability at the leadership level in the organization. Annual incentive awards are determined on a discretionary basis dependent on the achievement of strategic objectives that are established annually by the Board of Directors. Corporate performance is assessed by management and audited by Internal Audit. The Board of Directors assesses the performance of the President and Chief Executive Officer and the Corporate Secretary annually. The President and Chief Executive Officer assesses the performance of the remaining executive team members.

PENSION PLAN

Technical Safety BC supports a pension plan that will contribute to employees' financial well-being in their retirement years.

HEALTH AND WELLNESS BENEFITS

A mix of extended health, dental, and income protection benefits are offered to support the health of employees.

CAR ALLOWANCE

A monthly car allowance is provided to account for business travel using personal vehicle.

EXECUTIVE COMPENSATION

NAME & PRINCIPAL POSITION	SALARY	INCENTIVE PLAN COMPENSATION PAID	PENSION	HEALTH & WELLNESS BENEFITS	ALL OTHER COMPENSATION PAID	TOTAL	PREVIOUS 2 YEARS TOTALS
	\$	\$	\$	\$	\$	\$	\$
	(A)	(B)	(C)	(D)	(E)		
Catherine Roome <i>President & CEO</i>	301,903.14	94,597.49	29,737.50	7,347.00	13,237.32	446,822.45	2018 = 446,103.76 2017 = 438,404.16
Kate Baillie <i>VP, Communications & Marketing</i>	186,666.42	8,486.24	18,386.62	4,693.80	9,120.00	227,353.08	2018 = 49,140.40
Phil Gothe <i>VP, Operations and Client Experience</i>	218,773.60	42,884.73	21,363.58	6,485.40	10,012.32	299,519.63	2018 = 274,333.68 2017 = 270,644.34
Kate Parker <i>VP, People</i>	186,666.41	-	18,386.62	6,709.80	9,709.67	221,472.50	2018 = 20,448.31
Derek Patterson <i>VP, Regulatory Leadership & Corporate Secretary</i>	225,208.71	48,574.31	22,183.05	7,104.70	9,637.32	312,708.09	2018 = 310,049.40 2017 = 308,919.14
Claudio Pini ¹ <i>Chief Information Officer</i>	65,544.42	-	6,456.13	2,236.60	3,649.79	77,886.94	-
Ab van Poortvliet <i>VP, Data Analytics & Decision Science</i>	190,536.10	34,962.55	18,767.83	3,889.80	9,637.32	257,793.60	2018 = 230,206.59 2017 = 170,081.07
Brian Simmers ² <i>VP, Client Experience & CFO</i>	36,595.04	47,693.84	3,379.48	1,178.10	1,593.78	90,440.24	2018 = 311,594.99 2017 = 306,782.72

(A) Salary earned

(B) Variable Incentive Pay

(C) Pension

(D) MSP Premiums, Extended Healthcare, Dental, Group Life, Long Term Disability, Short Term Disability, Accidental Death and Dismemberment

(E) Car Allowance, Vacation Leave Payout

¹ Commenced in role as of August 19, 2019² Departed role on February 16, 2019

THE ADVISORY PANELS, COMMITTEES, AND GROUPS

Technical Safety BC consults formally on various issue-specific topics and summaries of consultation results can be found [here](#). In addition to the [Committees of the Board](#), Technical Safety BC's senior leadership connects with stakeholders as needed for advice or recommendations on topical strategic issues and proposed policies and strategies. Engagement is also achieved through meetings and the formation of advisory panels, committees, and groups comprising of industry stakeholders who can provide technical safety insight and recommendations.

ADVISORY PANELS

Amusement Devices government and regulatory advisory panel

Neil Arason, Ministry of Health	Dr. Meena Dawar, Vancouver Island Health Authority	Shannon Laboucane, Ministry of Municipal Affairs and Housing	Robin Santos, Technical Safety Authority of Saskatchewan
Gina Bennett, Markel International	Dr. Murray Fyfe, Vancouver Island Health Authority	Sandy Millar, JTL Group	Sunny Silva, Technical Standards & Safety Authority
Dr. John Carsley, Vancouver Coastal Health	Cynthia Hogan, Coroner's Office	Roger Neat, Technical Standards & Safety Authority	Richard Taki, Vancouver Coastal Health
Steve Chong, Vancouver Coastal Health	Shannon Horner, Ministry of Municipal Affairs and Housing	Linda Phillips, Ministry of Health	

ADVISORY COMMITTEES AND WORKING GROUPS

The technology advisory committees, listed below, met twice in 2019 and provided valuable contributions to engagement and consultation efforts. Input from committee members and internal stakeholders will be used to revise the approach to the advisory committees in 2020. The 2020 vision is to increase collaboration, effectively leverage industry insights, and build relationships for co-creation.

Boiler Technology Advisory Committee

Matt Buss, representing education and training	Steven Lukawitski, representing professional engineers	Dave Mills, representing licensed contractors	Andrew Wright, representing heavy industry
Rock Doyer, representing energy industry	Greg Manzulenko, representing energy industry	Clayton Mullen, representing utilities	
Robert Gottschlich, representing welding industry	Glenn McQuarrie, representing ice facilities	Christy Walsh, representing asset owners	

Elevating Devices Technology Advisory Committee

Rob Busch, representing installation and service contractors	Albert Leung, representing building code and regulators	Ryan Mick, representing manufacturing contractors	Eric Peterson, representing consultants
Allister Hayes, representing licensed contractors	Heiner Marnet, representing installation and service contractors	Justin Ordze, representing licensed contractors	Don Sanchez, representing contractor services for people with physical disabilities
Oskar Kwieton, representing building management/owners		Steve Patrick, representing building management/owners	

Elevating Device Technology Advisory Committee Major and Minor Alterations Working Group

Christopher Blais	Sam Hamze	Peter Sorensen
Sheldon Bornstein	Brett Keeble	Glenn Zolnierczyk
Michael Chadney	Noel Paiuk	
James Gray	Kipp Rudd	

Electrical Technology Advisory Committee

Jon Fairbrother, representing consultants	Lawrence Gibson, representing equipment certification and standards	Ken Scambler, representing distributors and manufacturers	Caley Tracey, representing licensed contractors
Jim Gamble, representing education and training	Dale Risvold, representing licensed contractors	Mike Shea, representing consultants	Adam van Steinburg, representing labour
Gary Geissinger, representing consultants	Jason Rowley, representing local governments	Paul Steele, representing local governments	

Gas Technology Advisory Committee

Byron Book,
representing fire place
manufacturers

Rob Gardner,
representing
professional engineers

Ken Newbert,
representing
consultants

Michael Pizzolato,
representing
installation and service
contractors

Wayne Cankovic,
representing utilities

Clint Hillman,
representing propane

Glen Ohs,
representing utilities

Darren Tocher,
representing propane

Doug Cordero,
representing licensed
contractors

Rob Marchiori,
representing licensed
contractors

PUBLIC ADVISORY COMMITTEE ON TECHNICAL SAFETY

The purpose of the Public Advisory Committee on Technical Safety (PACTS) was to provide non-technical insights and feedback on Technical Safety BC initiatives, as a one year pilot project involving eight committee members who were selected to represent diverse public perspectives. In 2019, the PACTS pilot ended and the engagement team is exploring more digital engagement options for collecting public input while increasing reach.

Thank you to the following members of the Public Advisory Committee on Technical Safety:

Glenn Hodge

Jenna Mitchell

Ursula Sommerfeld

Don Maki

Ian Mulcaster

Trevor Whalley

Wade Matheson

SAFETY STANDARDS ADMINISTRATORS' GROUP

Technical Safety BC maintains standing relationships with ten local governments that administer the Safety Standards Act for gas and electrical. The purpose of these relationships is to share information and work collaboratively to support greater consistency across jurisdictions.

Administrators

Stephen Côté-Rolvink, City of Maple Ridge	Doug Patan, City of Kelowna	Fred Tewfik, City of Richmond
John de Ruiter, City of North Vancouver	Patrick Shek, City of Burnaby	Wayne White, City of Vancouver
Brett Dwyer, District of North Vancouver	Kevin Spooner, District of West Vancouver	
Ryan Morhart, City of Victoria	Paul Steele, City of Surrey	

Electrical Technical Group

Darcy Fitzgerald, District of West Vancouver	Dave Rasmussen, City of North Vancouver	Mike Staples, City of Victoria
Keiller Gowans, District of North Vancouver	Jason Rowley, City of Vancouver	Paul Steele, City of Surrey
Paul Kelly, District of Maple Ridge	Eric Sipila, City of Burnaby	Wayne White, City of Vancouver

Gas Technical Group

Jeff Dale, City of Kelowna	Jim Siemens, City of North Vancouver	Phil White, City of Vancouver
Rob Dyer, District of Maple Ridge	Harold Tamagi, City of Burnaby	Phil Wynne, City of Richmond
Gordon Postle, District of North Vancouver		



MANAGEMENT DISCUSSION AND ANALYSIS

AS A NOT-FOR-PROFIT ENTITY, TECHNICAL SAFETY BC OPERATES WITHIN A LONG-TERM FINANCIAL PLANNING STRATEGY, BALANCING THE INVESTMENTS IN THE SAFETY SYSTEM OVER A PERIOD OF YEARS. A SUSTAINABLE TECHNICAL SAFETY BC AIMS TO DELIVER ITS 10-YEAR STRATEGY AND VISION: *SAFE TECHNICAL SYSTEMS. EVERYWHERE.*

Prudent investment in employees, training, tools, and capital assets support our work in assessment, education and outreach, enforcement, and research, which is essential to achieving our objectives and advancing technical safety in the Province.

This Management Discussion and Analysis details Technical Safety BC's financial and operating results for the year ended December 31, 2019 and should be read in conjunction with the audited financial statements.

RESULTS

TABLE 1: KEY FINANCIAL PERFORMANCE INDICATORS:

KEY FINANCIAL PERFORMANCE INDICATORS	2019	2018
Monetary indicators (in 000's)	\$	\$
Total revenue	70,684	65,603
Operating expenditures	68,762	67,828
Salaries and benefits	48,195	44,332
Excess of revenue over expenditures	1,922	(2,224)
Operating reserve	7,403	5,873
Capital budget spend	3,174	7,069
Other indicators		
Total volumes (in 000') ¹	295	277
Average fee	\$ 236	\$ 235
Contribution margin	39.2%	38.5%
Overhead ratio	36.4%	41.9%
Full Time Equivalent (FTEs) employees	393	402

¹ Transaction volumes described in this report are calculated in accordance with accounting policies and may vary from permit volumes described in other Technical Safety BC publications.

Total revenues were \$70.7 million (an increase of 8% or \$5.1 million over 2018). Continued growth in the construction industry, particularly in non-residential projects, led to an increase in installation and operating permits over 2018. Permit volumes were further supported by internal initiatives to increase participation in the safety system, including building relationships with duty holders, identifying unpermitted equipment, and compliance and enforcement activities. Investment income grew as a result of strong market performance.

Operating expenses (\$68.8 million) grew by a modest 1% or \$0.9 million compared to 2018. The organization continued to invest in technical programs in order to promote innovative and scalable safety solutions while providing consistency across technologies and enhancing our incident investigation expertise. We increased our innovation, information technology, and business intelligence capabilities in order to support the development of our client-centric service delivery model and our ability to predict safety system risks. We saw a significant reduction in our expenditure on facilities compared to 2018 when we incurred extra costs related to the office relocation from New Westminster to Vancouver.

The focus of our capital expenditure shifted from facilities improvements in 2018 towards investment in our information systems in 2019. We developed systems to allow clients to easily manage their non-compliances, built a platform for compliance and enforcement case management and laid the groundwork for our business transformation program. The scheduled replacement of older fleet vehicles was delayed from late 2019 to early 2020.

For the year ended December 31, 2019, Technical Safety BC incurred a surplus of \$1.9 million of revenue over expenses compared to a deficit of \$2.2 million in 2018. Revenue was higher than expected, both as a result of strong permitting volumes in the latter half of 2019 and high market gains from investments. Expenses were in line with budget.

The operating reserve increased from \$5.9 million to \$7.4 million, and represents 10% of the 2020 operating expense budget. This compares to our internal operating reserve target of 15%.

REVENUE

As an independent, self-funded, not-for-profit organization, Technical Safety BC generates revenue through the delivery of services, such as permits and licensing.

The primary sources of revenue are installation and operating permits, inspections of technical work and equipment, licence and certificate issuance, and the registration of new equipment and designs. We also derive revenues under the [Alternative Safety Approach \(ASA\)](#) program, which allows clients to register certain technical equipment and systems for special assessment, such as boilers and pressure vessels or electrical systems.

Our financial performance is also impacted by British Columbia's construction industry. Installation permits are affected by housing starts, renovations, commercial and industrial building activity, and investment in public infrastructure.

Our total revenue reached \$70.7 million in 2019, which was 8% higher than the prior year's revenue of \$65.6 million. Services and related fees represent approximately 97% of our revenue. The remainder is comprised of investment income, monetary penalties, and other revenue.

TABLE 2: COMPONENTS OF TOTAL REVENUE

REVENUE (IN 000'S)	2019 \$	2018 \$
Installation permits	38,734	37,588
Operating permits	17,443	15,582
Certification and licensing	4,078	4,212
Design registration	2,449	2,128
Inspections	2,285	2,116
ASA and ESA	1,405	1,295
Equipment approvals	1,018	977
Client education and administrative	824	579
Miscellaneous service revenue	243	204
Total service and related fee revenue	68,478	64,682
Investment and other revenue ¹	2,206	921
Total revenue	\$70,684	\$65,603

¹ Contains sublease revenue, recognized in previous years under miscellaneous service revenue.

In 2019, 57% (\$38.7 million) of service and related fee revenue was comprised of installation permits and 25% (\$17.4 million) was comprised of operating permits. This compares to 58% and 24% in 2018, respectively. The overall transaction volume was recorded at 294,921, which is 6% higher than 2018. Both installation permit and operating permit volumes have increased by 4% compared to 2018. The higher volume of transactions and slightly higher average permit value resulted in a \$3.8 million increase to service and related fee revenues.

Investment and other revenue increased by \$1.3 million. 2018 saw a unrealized loss on investments of \$0.5 million at the end of the year – this was regained in early 2019. As a result of this

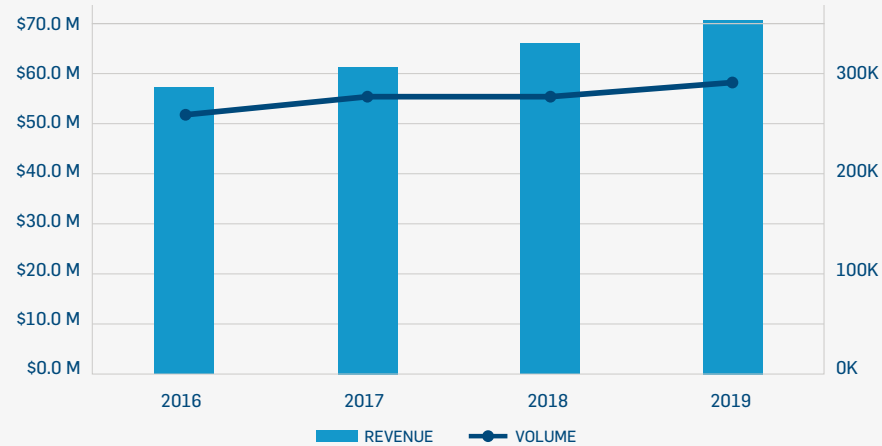
market correction and further stock market gains, investment income exceeded 2018 by \$1.5 million. Income from monetary penalties and asset disposals decreased by \$0.3 million and \$0.1 million, respectively; offset an increase in rent revenue of \$0.2 million.

We continue to focus on identifying and acting on compliance and enforcement to improve overall safety. In 2019, we estimate that this initiative resulted in the issuance of \$1.3 million in permits that would not have otherwise been issued. Technical Safety BC is committed to this program as it is an integral part of the safety system.

REVENUE BY YEAR

Revenue has grown consistently from 2016 to 2019, which is mainly attributed to favourable market conditions and predictable fee increases. Transaction volumes grew consistently from 2016 to 2017, with a slight decrease in 2018. In 2019 transaction volumes grew 6.5%.

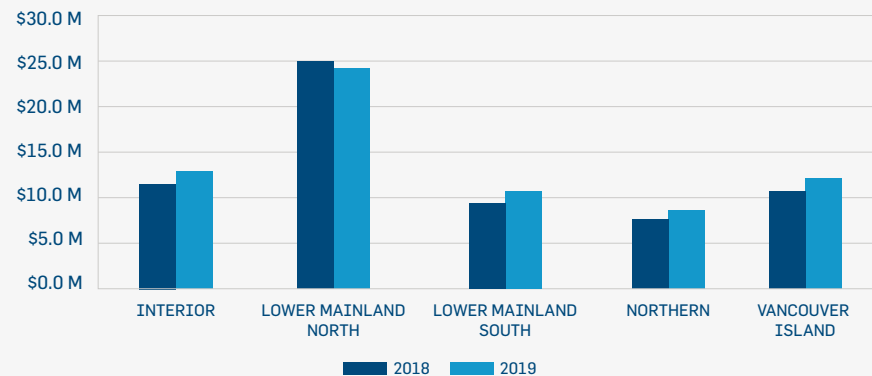
GRAPH 1: REVENUE AND VOLUME BY YEAR



REVENUE BY REGION

There was growth in service and related fee revenues in all regions of British Columbia, except for Lower Mainland North, compared to 2018. Higher growth in Lower Mainland South (14%) and Vancouver Island (10%) were due to a stronger commercial market and higher residential construction activity in these regions.

GRAPH 2: REVENUE BY REGION

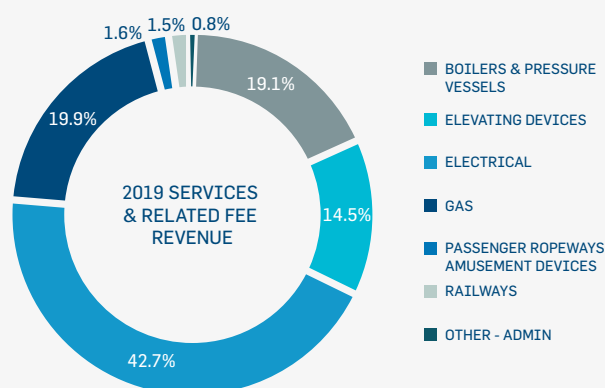


REVENUE BY TECHNOLOGY

Service and related fee revenues are collected from the oversight of seven different technologies: Electrical; Gas; Boilers, Pressure Vessels and Refrigeration; Elevating Devices; Railways; Passenger Ropeways; and Amusement Devices.

The Electrical technology contributes the largest portion (43%) of service and related fee revenue. The next three largest revenue sources are Gas; Boilers, Pressure Vessels and Refrigeration; and Elevating Devices. The percentage of each revenue category is fairly consistent year-over-year.

GRAPH 3: TOTAL SERVICE AND RELATED FEE REVENUES BY TECHNOLOGY



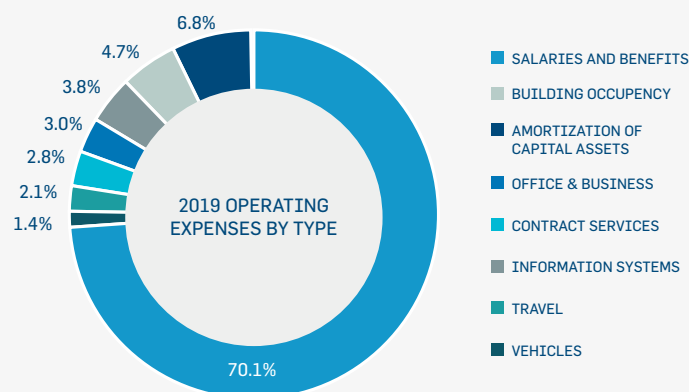
EXPENSES

In 2019, Technical Safety BC focused on three strategic priorities: lifecycle oversight, product and service delivery excellence, and behaviour change. We continued to improve the management of risks by advancing technical knowledge, developing strategies to understand and influence safe behaviour, and increasing connection to the safety

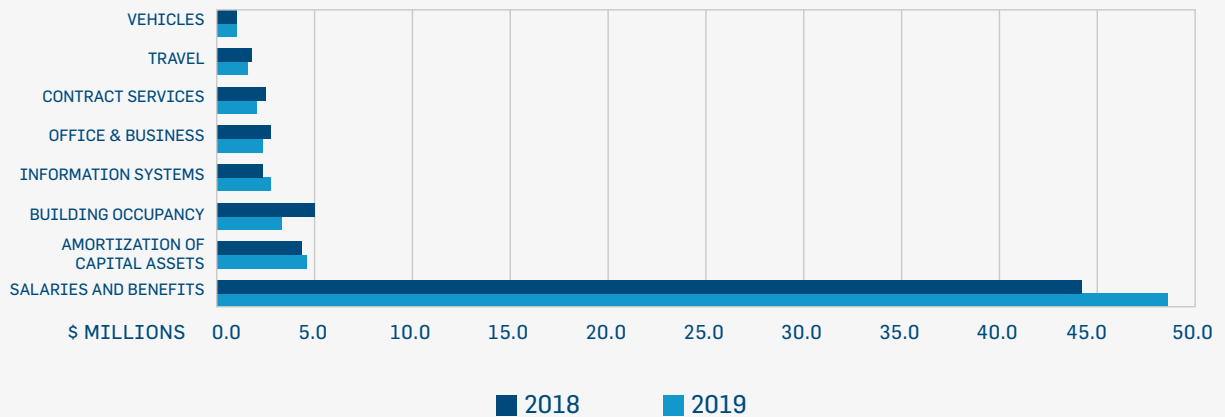
system through education, enforcement, research, and sharing of technical safety system insights.

Salaries and benefits continued to grow as the largest proportion of costs at 70%, compared to 65% in 2018. Building occupancy costs returned to historical levels at 5% of total costs.

GRAPH 4: COMPOSITION OF 2019 OPERATING EXPENSES



GRAPH 5: ANNUAL OPERATING EXPENSE COMPARISON



Salaries and benefits expenses exceeded prior year by \$3.9 million (9%). This increase is due to an increase in the number of safety officers, technical trainers, and incident investigators, which directly support our clients. We invested in our innovation and outreach expertise to increase the effectiveness of our safety hazard assessments and to increase participation in the safety system. We also restructured our technical programs team to allow us to streamline our safety oversight across technologies.

Building occupancy expenses decreased by \$1.8 million (35%) compared to 2018. The decrease was due to one-time costs incurred in 2018, related to the office relocation from New Westminster to Vancouver.

Information expenses increased by \$0.6 million (32%) compared to the prior year mainly due to investment in business intelligence tools and piloting new operational software.

Amortization increased \$0.2 million (6%) compared to the prior year. This relates to capital investment in computer hardware and software development in 2019 and the new Vancouver and Comox offices in 2018.

Contract Services expenses decreased by \$0.5 million (22%) compared to 2018. In 2019, employees were recruited for several positions that were previously filled by contractors in 2018.

Office and business expenses decreased by \$0.5 million (20%) compared to 2018. This was mostly due to reductions in costs related to office service contractors, business meeting expenditures, and collection fees.

Training expenses decreased by \$0.5 million (38%) compared to 2018. This was due to the postponement of scheduled technical leadership training in 2019.

CAPITAL SPENDING

During 2019, Technical Safety BC spent \$3.2 million in capital. \$2.2 million of this related to information systems investment that enhances client online experience, improves client knowledge and participation in the safety system, and streamlines business processes. Another \$0.5 million was spent on computer hardware, including network storage equipment.

Capital was also invested in furniture for the Vancouver and Comox offices. Fleet vehicle purchases were lower than previous years, as shipping delays resulted in purchases scheduled for 2019 being accounted for in 2020. Expenditure on vehicles in 2020 will be atypically high as a result of this.

RESERVES AND UNRESTRICTED NET ASSETS

Technical Safety BC's net assets consist of property, equipment, and intangibles, as well as operating, capital, and education reserves. Since 2011, the Board has targeted a reserve level equal to 15% of the operating expenses for the following year. In 2019, the operating reserve increased to \$7.4 million or 10% of the projected 2020 operating expense due to the surplus of revenues over expenses in 2019.

The capital reserve is allocated from the operating reserve to fund long-term capital investment projects such as the modernization of facilities and information technology systems. The balance in any given year represents the estimated capital

expenditures over a period of years, depending on the needs of the organization at the time. Technical Safety BC has allocated \$7.1 million for planned capital expenditure in 2020. We will continue to focus on IT solutions that support our strategic priorities and we will incur costs for both the delayed 2019 and scheduled 2020 vehicle replacements.

The education reserve was established in accordance with the *Safety Standards Act* to reserve monetary penalties collected to pay for safety education programs. In 2019, we collected \$0.2 million from monetary penalties, which will be used for future educational activities.

TABLE 3: COMPARISON OF RESERVES AND NET ASSETS

RESERVES AND NET ASSETS	2019 \$	2018 \$
Investment in property, equipment, and intangible assets	14,086,662	15,490,268
Education reserve	388,119	429,122
Capital reserve	7,050,428	5,432,000
Operating reserve	7,403,321	5,872,585
Total Net Assets	28,928,530	27,223,975

RISK AND UNCERTAINTY

TECHNICAL SAFETY BC HAS ADOPTED A PROACTIVE APPROACH FOR IDENTIFYING, EVALUATING, AND RESPONDING TO THE RISKS THAT SYSTEMATICALLY ARISE FROM ITS ACTIVITIES BY ESTABLISHING ITS ENTERPRISE RISK MANAGEMENT FRAMEWORK.

The framework uses industry standards and best practices to enable the Board and Executive to fulfill their fiduciary responsibilities. Our enterprise risk management framework focuses on the following categories of risks for reporting purposes:

SAFETY SYSTEM RISK

Technical Safety BC has a disciplined focus on its regulatory oversight of the safety system to fulfill its mandate of enhancing public safety in accordance with our administrative agreement with the Province of British Columbia. This requires participants to understand technical safety hazards caused by the unsafe installation and operation of regulated technical equipment or systems. The participant is ultimately responsible to understand and manage regulated technical safety hazards and risk event exposures.

Risk treatment is a combination of prevention and mitigation strategies deployed under the Accident Prevention Model. The model applies a multi-faceted approach to managing technical systems safety risks through the four pillars of assessment, education and outreach, research, and enforcement. The model aims to reduce the degree of harm to the public and foster an environment where participants understand their role and responsibilities and are accountable for the work they perform or declare.

We continuously enhance our regulatory oversight practices by striking a balance between focusing on safety performance and risk-based physical assessments while using the data collected to refine strategies. As we proceed into 2020 and beyond, we will continue to improve the way we provide oversight to aging equipment as well as mechanisms to detect emerging technical safety risks in the province.

STRATEGIC RISK

Strategic risk is the potential for loss arising from business decisions, improper implementation of business plan strategies, or a lack of responsiveness to changes in the external environment within which Technical Safety BC operates.

We manage strategic risk through robust planning processes, one of which led to our [10-Year Strategy](#). This strategy was updated in 2019 with input from clients, stakeholders, government, employees, and Technical Safety BC's Board of Directors. Our strategic objectives are further supported and refined by our [three-year business plan](#) developed annually, detailing the measures and tactics being used to achieve our strategic goals.

COMPLIANCE RISK

Similar to other organizations, Technical Safety BC must comply with legislation and regulations, particularly the *Safety Authority Act* under which Technical Safety BC was established; the *Income Tax Act*; and the terms of Technical Safety BC's administrative agreement with the Province of British Columbia. Despite being constituted as an organization independent of government, we are subject to the requirements of the *Freedom of Information and Protection of Privacy Act* and we are obligated to comply with the Payment Card Industry Data Security Standards Regulations. Technical Safety BC adheres to all acts and regulations to which we are subject.

To fulfill our safety mandate we collect personal information such as names, addresses, and contact details. Access to personal information is subject to British Columbia's *Freedom of Information and Protection of Privacy Act*. Our data governance and our information security program include practices to prevent and detect unauthorized access, misuse or loss. We regularly educate and train our employees, conduct vulnerability assessments, and implement at best security practices.

OPERATIONS RISK

As a regulator, we are faced with potential exposures associated with the delivery and quality of our products and services, including the effective administration of both the *Safety Standards Act* and regulations, and the *Railway Safety Act*. Continuous training of our employees, structured resource allocation, and the establishment of policies and procedures are just some of the practices that enable Technical Safety BC to reduce its exposures.

We are also exposed to challenges from changing demographics that may prevent us from attracting and retaining qualified employees for key roles. We mitigate the impact of this challenge by engaging in proactive workforce planning with all stakeholders.

FINANCIAL AND REPORTING RISK

Financial risk includes concerns about threats to revenue and the possibility that prime sources of income could shrink. Global economies continue to face challenges arising from weak oil and gas prices and international trade disputes. Economic cycles impact our clients, particularly those in the construction industry. Declining permit volumes, particularly installation permits, negatively impact our revenues. We mitigate the impact of this uncertainty through financial resiliency practices such as cost reduction measures and the use of our reserve funds. Activities aimed at increasing participation in the safety system, such as education, enforcement, and innovations will also offset negative economic trends.

Financial risk is also mitigated through our financial investments, capital reserves, and our liquidity. A conservative portfolio of our financial investments is managed by our investment advisors and is invested in short term bonds and Canadian dividend producing equities in accordance with our investment policy. In 2019, revenue growth of 8% combined with continued cost management and strong investment returns, increased our operating reserves to 10%.

OUTLOOK

IN 2020 WE WILL CONTINUE THE IMPLEMENTATION OF OUR NEW 10-YEAR STRATEGY, BUILDING ON OUR THREE STRATEGIC PRIORITIES OF SAFETY LEADERSHIP, PRODUCT AND PROCESSES, AND PEOPLE AND INNOVATION.

In accordance with our 2020 Business Plan, we will lead improvements in technical system oversight by leveraging knowledge and stakeholder relationships to better manage risks now and in changing conditions. We will enable increased connection to the safety system through improved and innovative channels, allowing for efficient utilization and positive user experience of our products and processes. We will also leverage partnerships, research, digital innovation and insights to increase knowledge, share safety information, and influence safety-minded decisions and behaviour.

There are exceptional levels of uncertainty in the revenues for 2020. After two years of slow activity, the residential property sales market accelerated in the latter part of 2019 and early 2020. This was expected to support future construction activity, however, at the time of publication, economic forecasts are changing rapidly with the recent declaration of a global pandemic.

At the beginning of 2020, the World Health Organization was informed of a new virus known as Coronavirus (COVID-19). This virus has spread globally and caused business disruptions across many countries. There is likely to have a negative financial impact to Technical Safety BC in the upcoming months. Delays in construction may be caused by temporary shutdowns, labour shortages, and supply chain disruptions. Impacts will be greater if restrictions on movements continue to affect general economic activity. This in turn may affect top line growth for the year and, in more severe circumstances, into 2021. In the event that we see a shortfall in revenues, our strong balance sheet should carry us through the slowdown in activity.

The operating and capital expenditure plans for 2020 are aligned to support progress along the 10-Year Strategy and long-term financial sustainability.

Table 4, below, illustrates 2020-2022 projections.

The projections below were prepared before any economic impact of COVID-19 was countenanced and now may vary significantly from actual results. With the current level of uncertainty it is not possible to revise these projections with any confidence.

TABLE 4: PROJECTED RESULTS 2020-2022

2020 - 2022 PROJECTIONS (\$'000S)	2020	2021	2022
Service and related fees	69,142	71,908	74,784
New business initiatives	2,356	2,450	2,548
Investment and other income	1,973	2,052	2,134
Total revenue	73,471	76,410	79,466
Expenses	(73,471)	(76,410)	(79,466)
Excess of revenue over expenses	-	-	-

MANAGING REVENUES

For 2020, we anticipate revenues of \$73.5 million, before uncertainty caused by COVID-19. This builds on our 2019 revenue with a projected increase in safety system participation and modest revenue growth from new initiatives. The projection includes approved 2020 fee increases of 2% for the Electrical; Gas; Elevating Devices; and Boilers, Pressure Vessels, and Refrigeration technologies.

INVESTING IN INFRASTRUCTURE

Capital spending in 2020 is focused on creating systems and processes that will support the 10-Year Strategy. We have budgeted \$7.1 million in capital expenditures of which \$2.6 million relates to systems and process innovation, \$1.4 million relates to information technology upgrades, \$2.3 million relates to the replacement of vehicles and mobile safety equipment, and \$0.8 million relates to leasehold improvements in the regions.

MANAGING OPERATING EXPENSES

Technical Safety BC makes every effort to deliver necessary safety programs as efficiently and cost-effectively as possible. Our balanced 2020 operating budget will provide Technical Safety BC with the necessary resources to perform our mandated services. We anticipate that our operating expenses will remain in line with revenues in 2021 and 2022.

INVESTING IN INNOVATION

Technical Safety BC is committed to leveraging innovation to enable us to improve the safety system. We have allocated \$0.3 million for innovation projects and culture development in 2020. Our innovation program aims to improve long-term safety outcomes by allowing us to improve both our efficiency and effectiveness.



FINANCIAL STATEMENTS

Financial Statements of British Columbia Safety Authority
(dba Technical Safety BC) And Independent Auditors' Report
thereon year ended December 31, 2019



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of British Columbia Safety Authority

Opinion

We have audited the financial statements of British Columbia Safety Authority (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and auditors' report thereon, included in the 2019 Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and auditors' report thereon, included in the 2019 Annual Report as at the date of this auditors' 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 the auditors' 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature is a horizontal line.

Chartered Professional Accountants
Vancouver, Canada
March 12, 2020

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)
STATEMENT OF FINANCIAL POSITION

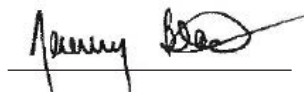
Year ended December 31, 2019, with comparative information for 2018

	2019	2018
ASSETS		
Current assets:		
Cash	\$ 5,648,820	\$ 5,689,793
Accounts receivable (note 3)	2,218,326	2,946,335
Prepaid expenses	1,506,143	1,244,295
Investments (note 4)	7,050,428	5,432,000
	\$ 16,423,717	\$ 15,312,423
Investments (note 4)	27,684,734	24,443,223
Intangible assets (note 5)	4,523,682	4,263,880
Tangible capital assets (note 6)	9,744,236	11,472,951
	\$ 58,376,369	\$ 55,492,477
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 7,096,578	\$ 7,059,812
Deferred revenue	17,485,122	16,234,035
Current portion of capital lease obligation (note 8)	67,960	65,306
Current portion of deferred leasehold inducements (note 9)	327,202	320,030
	24,976,862	23,679,183
Capital lease obligation (note 8)	113,296	181,257
Deferred leasehold inducements (note 9)	3,423,507	3,695,502
Accrued employee future benefits (note 10(b))	849,256	629,322
Asset retirement obligation (note 11)	84,918	83,238
	29,447,839	28,268,502
Net Assets:		
Investment in tangible capital assets and intangible assets	14,086,662	15,490,268
Internally restricted:		
Education reserve	388,119	429,122
Capital reserve	7,050,428	5,432,000
Unrestricted operating reserve	7,403,321	5,872,585
	28,928,530	27,223,975
Commitments (note 15)		
Contingencies (note 16)		
	\$58,376,369	\$55,492,477

See accompanying notes to financial statements.

Approved on behalf of the Board:

 DIRECTOR

 DIRECTOR

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)

STATEMENTS OF OPERATIONS

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
REVENUE		
Services and related fees (note 12)	\$ 68,478,408	\$ 64,682,008
Investment and other income (note 13)	2,205,939	921,430
	70,684,347	65,603,438
EXPENSES:		
Salaries and benefits	48,195,055	44,332,073
General, operating and administration	5,943,902	7,479,518
Amortization and writedown of tangible capital assets and intangible assets (notes 5 and 6)	4,643,057	4,398,201
Building occupancy	3,257,989	5,020,044
Communications and information services	3,920,301	3,529,035
Transportation	2,362,561	2,553,176
Corporate governance	438,840	515,708
	68,761,705	67,827,755
Excess (deficiency) of revenue over expenses	\$ 1,922,642	\$ (2,224,317)

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)

CHANGES IN NET ASSETS

Year ended December 31, 2019, with comparative information for 2018

					2019	2018
	INVESTMENT IN TANGIBLE CAPITAL ASSETS AND INTANGIBLE EDUCATION CAPITAL OPERATING ASSETS	EDUCATION RESERVE	CAPITAL RESERVE	OPERATING RESERVE	TOTAL	TOTAL
Net assets, beginning of year	\$ 15,490,268	\$ 429,122	\$ 5,432,000	\$ 5,872,585	\$ 27,223,975	\$ 29,613,239
Excess (deficiency) of revenue over expenses	(4,626,780)	(251,003)	-	6,800,425	1,922,642	(2,224,317)
Remeasurement loss on accrued employee future benefits (note 10(b))	-	-	-	(218,087)	(218,087)	(164,947)
Net investment in tangible capital assets & intangible assets	3,223,174	-	(3,174,144)	(49,030)	-	-
Interfund transfer (note 14)	-	210,000	4,792,572	(5,002,572)	-	-
Net assets, end of year	\$ 14,086,662	\$ 388,119	\$ 7,050,428	\$ 7,403,321	\$ 28,928,530	\$ 27,223,975

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)

STATEMENTS OF CASH FLOWS

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating		
Excess (deficiency) of revenue over expenses	\$ 1,922,642	\$ (2,224,317)
Items not involving cash:		
Amortization of deferred leasehold inducements	(315,218)	(372,422)
Amortization of tangible capital assets and intangible assets	4,643,057	4,216,309
Gain on disposal of tangible capital assets	(16,277)	(142,747)
Writedown of tangible capital assets and intangible assets	-	181,892
Accretion of asset retirement obligation	1,680	1,238
Change in fair value of investments	(846,703)	473,503
Change in accrued employee future benefits	1,847	(205,863)
Net changes in non-cash working capital items (note 17)	1,754,014	2,677,370
	7,145,042	4,604,963
Financing		
Deferred leasehold inducement	50,395	1,374,765
Principal payments on capital lease obligation	(65,307)	(62,757)
	(14,912)	1,312,008
Investments		
Purchase of tangible capital assets	(994,666)	(6,226,486)
Proceeds from disposal of tangible capital assets	16,277	142,747
Purchase and development of intangible assets	(2,179,478)	(760,033)
Interest on investments re-invested	(1,013,236)	(783,549)
Purchase of investments	(3,000,000)	-
	(7,171,103)	(7,627,321)
Decrease in cash	(40,973)	(1,710,350)
Cash, beginning of year	5,689,793	7,400,143
Cash, end of year	\$ 5,648,820	\$ 5,689,793
Non-cash transactions		
Asset retirement obligation	\$ -	\$ 82,000

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY (dba TECHNICAL SAFETY BC)

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

1. OPERATIONS:

British Columbia Safety Authority ("BCSA") (dba Technical Safety BC) is a not-for-profit organization incorporated through the Safety Authority Act. BCSA administers the service delivery components of the Safety Standards Act delegated to it by the Province of British Columbia. The delegation of authority is based on an Administrative Agreement between the Province of British Columbia and BCSA. The Administrative Agreement establishes the rights and responsibilities and terms and conditions of both parties. BCSA is exempt from income taxes.

BCSA delivers services in British Columbia by partnering with business, industry and the general public to enhance the safety of technical systems, products, equipment and work. BCSA is responsible for overseeing the safety of electrical equipment and systems, boilers, pressure vessels and refrigeration systems, natural gas and propane appliances and systems, elevating devices, railways, passenger ropeways and amusement devices.

estimated period that is based on past history. In both cases, unearned fees are recorded as deferred revenue.

All other revenue is recognized when the services are performed and the amount is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Net assets:

- (i) Investment in tangible capital assets and intangible assets:

These net assets represent the investment that BCSA has made in tangible capital assets and intangible assets.

- (ii) Education reserve:

In accordance with the Safety Standards Act, BCSA established the education reserve to reserve monetary penalties collected by BCSA to be expended on accident prevention and safety education programs.

- (iii) Capital reserve:

The capital reserve was established to fund long-term capital investment projects, such as the modernization of facilities and information technology systems.

- (iv) Operating reserve:

The operating reserve represents the accumulated unrestricted surplus of BCSA.

(d) Investments:

Investments are carried at fair value based on published quoted prices at year-end. All investments are held in pooled funds.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as recommended by the Chartered Professional Accountants Canada.

(b) Revenue recognition:

Fees that cover a specific period are recognized as revenue evenly over that period. Fees that do not cover a specific period and are earned over a period of time are recognized as revenue over an

Investment income and changes in fair value are recognized in the statement of operations.

Short-term investments include those investments which BCSA intends to hold for capital projects in the next fiscal year. Investments that are expected to be realized beyond the next fiscal year are classified as long-term.

(e) Intangible assets:

BCSA customizes third-party software for internal use. All intangible assets are recorded at cost. Direct costs attributable to new customizations or significant modifications to previous customizations are capitalized after the technological feasibility has been established. Direct costs attributable to major safety program development are capitalized. Direct costs attributable to minor modifications of previous customization, and costs to support or service internally customized third-party software are expensed in the period incurred.

When an intangible asset no longer fully or partially has any long-term service potential to BCSA, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, the excess of its net carrying amount over its fair value or replacement cost will be recognized as an expense in the statement of operation.

Amortization commences when the software is brought into service. The software is amortized using the straight-line method over the estimated useful lives of the assets at the following annual rates:

ASSET	BASIS
Software systems	4 to 8 years
Safety program software development costs	5 years

(f) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all costs directly attributable to the acquisition, installation of the asset and costs incurred to bring the asset to the condition necessary for its intended use. Repairs and maintenance costs are recorded as expenses. Betterments which extend the life of an asset are capitalized. When a tangible capital asset no longer fully or partially contributes to BCSA's ability to provide services or the value of future economic benefits or service potentials associated with the asset is less than its net carrying amounts, the excess of its net carrying amount over its fair value or replacement cost will be recognized as an expense in the statement of operation. Amortization of tangible capital assets commences when it is brought into service. The assets are amortized using the straight-line method over the estimated useful lives of the assets at the following annual rates:

ASSET	BASIS
Computer hardware	3 to 5 years
Vehicles	5 years
Furniture and equipment	5 years
Leasehold improvements	term of the lease
Leased tangible capital assets	term of the lease

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)
NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2019

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(g) Deferred leasehold inducements:

Deferred leasehold inducements include amounts received in lease agreements related to leasehold improvements. Amortization of deferred leasehold inducements is recognized over the initial term of the lease, including any rent-free periods, on a straight-line basis against building occupancy expense.

(h) Employee future benefits:

BCSA accrues its obligations under defined benefit plans as the employees render the services necessary to earn the benefits. Actuarial gains (losses) on the accrued benefit obligation arising from differences between actual and expected experience are recognized immediately. Actuarial assumption changes resulting in remeasurement are recognized directly in net assets in the period they occur.

BCSA is a participating employer of the Public Service Pension Plan, a jointly trustee pension plan. The pension plan is a multiemployer plan and as a result, required contributions are expensed as incurred. The plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(i) Asset retirement obligation:

BCSA recognizes a future asset retirement obligation as a liability in the year in which it has a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, and/or normal use of the asset based on management's best estimate of the expenditure required to settle the obligation. BCSA concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset.

The amount of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a risk-free interest rate based on management's best estimate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized as an expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset.

(j) Use of estimates:

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

In particular, management makes estimates to determine the useful lives of tangible capital assets and intangible assets, the period over which deferred revenue is recognized as revenue, accrued employee future benefits at the end of the year, and the asset retirement obligation. Actual results could differ from those estimates.

(k) Financial instruments:

BCSA's financial instruments consist of cash, accounts receivable, investments, and payables and accruals. Cash, accounts receivable, and payables and accruals are initially recorded at fair value and subsequently recorded at cost or amortized cost. Investments are initially measured at fair value, and also subsequently carried at fair value, with changes in fair value recognized in the statement of operations.

The carrying value of accounts receivable, and payables and accruals approximates fair value as at December 31, 2019 and 2018.

BCSA classifies financial instruments measured at fair value into one of three levels of a fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values:

Level 1 – quoted prices in active markets;

Level 2 – measurements determined using valuation models that employ observable inputs; and

Level 3 – measurements determined using valuation models that employ unobservable inputs.

All investments held by BCSA at December 31, 2019 are considered Level 2 (2018 – Level 2).

3. ACCOUNTS RECEIVABLE:

	2019	2018
Trade and other receivables	\$ 2,770,024	\$ 3,383,734
Allowance for doubtful accounts	(551,698)	(437,399)
	\$ 2,218,326	\$ 2,946,335

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)

NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2018

4. INVESTMENTS:

BCSA manages its investment portfolio through a third party investment manager, who invests according to BCSA's investment policy. Investments are held in short-term bond and Canadian dividend funds.

	2019		2018	
	COST	FAIR VALUE	COST	FAIR VALUE
Short-term bond fund	\$ 27,920,525	\$ 28,129,815	\$ 24,111,026	\$ 24,139,535
Canadian dividend fund	5,852,813	6,605,347	5,649,080	5,735,688
	33,773,338	34,735,162	29,760,106	29,875,223
			2019	2018
Current portion			\$ 7,050,428	\$ 5,432,000
Long-term portion			27,684,734	24,443,223
			\$ 34,735,162	\$ 29,875,223

5. INTANGIBLE ASSETS:

	2019		2018	
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Software systems	\$ 20,001,156	\$ 16,442,039	\$ 3,559,117	\$ 3,706,123
Safety program software development costs	173,020	173,020	-	-
Software systems under development	964,565	-	964,565	557,757
	\$ 21,138,741	\$ 16,615,059	\$ 4,523,682	\$ 4,263,880

Software systems include online transaction and reporting tools, the core production system and Human Resources Management System.

In 2019, there was no write down of intangible assets (2018 - \$166,068).

6. TANGIBLE CAPITAL ASSETS:

			2019	2018
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Computer hardware	\$ 5,693,402	\$ 4,237,060	\$ 1,456,342	\$ 1,616,580
Software systems integral to hardware operations	1,225,253	1,033,327	191,926	277,168
Vehicles	5,371,133	4,098,147	1,272,986	1,561,550
Furniture and equipment	4,962,342	3,129,280	1,833,062	2,209,264
Leasehold improvements	9,208,265	4,385,440	4,822,825	5,574,346
Leased tangible capital assets	334,740	167,645	167,095	234,043
	<u>\$ 26,795,135</u>	<u>\$ 17,050,899</u>	<u>\$ 9,744,236</u>	<u>\$ 11,472,951</u>

Included in tangible capital assets is work in progress totalling \$76,001 (2018 - \$845,652) which has not been amortized.

In 2019, there was no write down of tangible capital assets (2018 - \$15,824).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	2019	2018
Trade payables and accruals	\$ 1,034,090	\$ 1,830,794
Government taxes and remittances	659,990	424,135
Wages and related costs payable	5,402,498	4,804,883
	<u>\$ 7,096,578</u>	<u>\$ 7,059,812</u>

Government remittances consist of amounts such as, sales taxes, Board of Directors' and employee payroll withholdings, employee benefit costs and worker's compensation premiums.

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)

NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2019

8. CAPITAL LEASE OBLIGATION:

BCSA has capital leases for vehicles with future minimum annual payments as follows:

2020	\$ 73,959
2021	73,959
2022	43,141
Total minimum lease payments	191,059
Less amount representing interest at 3.99%	9,803
Present value of minimum capital lease payments	181,256
Current portion	67,960
Long-term portion	\$ 113,296

9. DEFERRED LEASEHOLD INDUCEMENTS:

In 2019, deferred leasehold inducements relate to leasehold improvements in the currently occupied Vancouver office and Comox office, with estimated remaining lease terms of 106 months and 42 months, respectively.

	2019	2018
Deferred leasehold inducements, beginning of year	\$ 4,015,532	\$ 3,013,189
Leasehold inducements	50,395	1,374,765
Less amortization recorded net of building occupancy expense	(315,218)	(372,422)
Deferred leasehold inducements, end of year	3,750,709	4,015,532
Current portion	327,202	320,030
Long-term portion	3,423,507	\$ 3,695,502

10. ACCRUED EMPLOYEE FUTURE BENEFITS:

(a) Public Service Pension Plan:

BCSA and its permanent employees contribute to the Public Service Pension Plan, a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including asset investment and plan administration. The pension plan is a multi-employer contributory defined benefit pension plan with 64,000 active members and 50,000 retired members as at March 31, 2019.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest valuation as at March 31, 2017 indicated a \$1.9 billion surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2020.

Employer contributions paid by BCSA to the Public Service Pension Plan during the year were \$3,641,375 (2018 - \$3,240,380).

(b) Defined Supplemental Retirement Benefit Plan:

Under the collective agreement and terms of employment, BCSA accrues a provision for a Defined Supplemental Retirement Benefit Plan as employees render the services required to earn that benefit. Employees eligible to receive a benefit from the Public Service Pension Plan upon retirement and who have completed 20 years of service with BCSA are entitled to an additional benefit from the Defined Supplemental Retirement Benefit Plan. The additional benefit is calculated as one to three month's salary, based on the number of years of service between the employee's 20th and 30th year with BCSA (maximum).

BCSA accrues the cost of these employee future benefits over the periods in which the employees earn the benefit. The cost of employee future benefits is actuarially determined using the projected benefit method pro-rated on service and includes, but is not limited to, management estimate of future salary increases, the retirement age and date of employees and the discount rate. The discount rate used is based on market rates as at the measurement date. Actuarial gains (losses) arise from changes in actuarial assumptions used to determine the accrued benefit obligation. Past service costs from plan amendments and net actuarial gains or losses are recognized in the statement of changes in net assets in the period they occur.

The latest full actuarial valuation was at December 31, 2019. A full actuarial valuation is performed every three years. Extrapolations of the last valuation are performed by the actuary in years where a full valuation is not performed.

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)
NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2019

The following is the reconciliation of the accrued employee future benefits liability:

	2019	2018
Accrued employee future benefits, beginning of year	\$ 629,322	\$ 670,238
Current service cost	60,965	63,648
Interest cost	23,914	22,118
Benefits paid	(83,032)	(291,629)
Remeasurement loss	218,087	164,947
Accrued employee future benefits, end of year	\$ 849,256	\$ 629,322

The expense for the plan is comprised of the following:

	2019	2018
Current service cost	\$ 60,965	\$ 63,648
Interest cost	23,914	22,118
Retirement benefit plan expense	\$ 84,879	\$ 85,766

The significant actuarial assumptions adopted in measuring the accrued benefit obligation are as follows:

	2019	2018
Discount rate	3.10%	3.80%
Rate of compensation increase	3.10%	3.10%

The accrued benefit obligation is not funded as funding is provided when benefits are paid. Accordingly, there are no plan assets.

11. ASSET RETIREMENT OBLIGATION:

In accordance with the lease agreement, BCSA is required to restore the leased space for its Vancouver office to its original condition at the end of the lease term. BCSA has recorded an asset retirement obligation amount of \$84,918 as at December 31, 2019 (2018 - \$83,238).

12. SERVICES AND RELATED FEES REVENUE:

	2019	2018
Installation permits	\$ 38,733,687	\$ 37,588,491
Operating permits	17,442,690	15,582,264
Certification and licensing	4,077,952	4,212,530
Design registration	2,449,259	2,127,654
Inspections	2,284,977	2,115,545
ASA and ESA	1,404,621	1,295,648
Equipment approvals	1,018,129	976,910
Client education and administrative services	823,904	579,292
Miscellaneous	243,189	203,674
	\$ 68,478,408	\$ 64,682,008

13. INVESTMENT AND OTHER INCOME:

	2019	2018
Investment income	\$ 1,033,210	\$ 802,547
Change in fair value on investments	846,703	(473,503)
	1,879,913	329,044
Rental income	262,762	41,917
Interest income on cash balances	100,739	133,700
Gain on disposal on tangible capital assets	16,277	142,747
Monetary penalties issued (cancelled)	(53,752)	274,022
	\$ 2,205,939	\$ 921,430

14. INTERNAL FUND TRANSFERS:

Internal fund transfers is comprised of the following:

(a) Education reserve:

Transfer of \$210,000 from the operating reserve to the internally restricted reserve for monetary penalties collected that will be expended on accident prevention and safety education programs.

(b) Capital reserve:

Transfer of \$4,792,572 from the operating reserve to the capital reserve to fund long-term capital investment projects.

BRITISH COLUMBIA SAFETY AUTHORITY (DBA TECHNICAL SAFETY BC)

NOTES TO FINANCIAL STATEMENTS CONTINUED

Year ended December 31, 2019

15. COMMITMENTS:

(a) Operating leases:

BCSA leases office space with future minimum annual payments as follows:

2020	\$ 2,011,614
2021	1,954,221
2022	1,780,672
2023	1,581,750
2024	1,570,350
Thereafter	6,333,745
	<hr/> \$ 15,232,352

(b) Line of credit:

BCSA has two undrawn credit facilities, each with a maximum borrowing capacity of \$2,000,000. The first credit facility can be drawn at the prime lending rate. The second credit facility can be drawn at the greater of the prime lending rate and the 30 day Bankers' Acceptance CDOR rate plus 0.625%. There were no amounts drawn on the line of credit as at December 31, 2019 (2018 - nil).

16. CONTINGENCIES:

In the ordinary course of operations, BCSA may be contingently liable for litigation and claims with customers, suppliers and employees. Specific claims have been brought against BCSA, the outcome of which is indeterminable at this time. Liabilities on any litigation are recognized in the financial statements when the loss is likely and can be reasonably estimated. In management's judgment, no material exposure exists on the eventual settlement of any existing litigation.

17. CHANGE IN NON-CASH WORKING CAPITAL ACCOUNTS:

	2019	2018
Accounts receivable	\$ 728,009	\$ 227,729
Leasehold inducement receivable	-	2,880,790
Prepaid expenses	(261,848)	35,937
Accounts payable and accrued liabilities	36,766	(752,356)
Deferred revenue	1,251,087	285,270
	<hr/> \$ 1,754,014	<hr/> \$ 2,677,370

18. FINANCIAL INSTRUMENTS RISK, EXPOSURE AND MANAGEMENT:

BCSA has exposure to the following risks from its financial instruments:

(a) Credit risk:

Credit risk is the risk of loss resulting from the failure of a customer or other debtor to honour its financial obligations. BCSA is exposed to credit risk with respect to the accounts receivable. Trade accounts receivable over 120 days are reviewed quarterly. All amounts over \$2,500 are reviewed for collectability and specific provisions are made accordingly. For remaining accounts, management applies a general provision based on past experience of collection.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. BCSA is exposed to fair value risk on its investments. BCSA is not significantly exposed to foreign currency risk or other price risk.

(c) Interest rate risk:

Interest rate risk is the risk that BCSA's investments will change in fair value due to future fluctuations in market interest rates. The risk arises primarily on interest-bearing financial instruments held in pooled money market and Canadian dividend funds.

(d) Liquidity risk:

Liquidity risk is the risk that BCSA will not be able to meet its financial obligations as they fall due. BCSA's approach to managing liquidity risk is to ensure that it will have a sufficient net monetary position and cash flow generated from operations to fund the operations and settle debt and liabilities when due. BCSA also maintains an operating reserve to mitigate this risk.

There has been no change to the risk exposure in 2019.

19. COMPARATIVE INFORMATION:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.



GLOSSARY

To view our glossary, visit technicalsaftybc.ca/glossary



**TECHNICAL
SAFETY BC**

Safe technical systems. *Everywhere.*