

SkilledTradesBC

2022/23
Annual Service Plan Report

August 2023



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Board Chair's Accountability Statement



SkilledTradesBC 2022/23 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2022/23 – 2024/25 Service Plan published in 2022. I am accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'C. Oliver', written over a thin horizontal line.

Cindy Oliver
Board Chair,
August 9, 2023

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Letter from the Board Chair & CEO

SkilledTradesBC's Board of Directors is pleased to report that nearly all the performance measures set out in the [2022/23 – 2024/25 Service Plan](#) have been met and in some cases, far surpassed expected targets. Notably, SkilledTradesBC achieved an unprecedented milestone, reaching over 40,000 registered apprentices across the province, effectively growing a strong skilled workforce for B.C.'s future economy.

Aligned with the [Mandate Letter](#), the 2022/23 Service Plan outlined the Government's five foundational principles and priorities that would guide SkilledTradesBC's work: putting people first, supporting equity and anti-racism, working towards lasting and meaningful reconciliation, ensuring a better future through fighting climate change, and supporting a strong and sustainable economy that works for everyone.

In December 2022, SkilledTradesBC officially transitioned from Industry Training Authority to its new name, along with its expanded mandate from the Ministry of Post-Secondary and Future Skills (PSFS). SkilledTradesBC developed a new three-year strategic plan in response to the expanded mandate and Government's principles and priorities.

In its commitment to putting people first, SkilledTradesBC implemented customized supports to meet client needs, established a new Skilled Trades Certification Advisor team and expanded its Apprenticeship Advisor team to better serve employers and trades workers across B.C.

SkilledTradesBC is committed to supporting equity and diversity and continue the work towards an inclusive trades training and apprenticeship system. This year, SkilledTradesBC achieved its targets and saw strong increases for both women and Indigenous participation in under-represented trade apprenticeships, showing positive strides in attracting and retaining individuals to build a diverse and inclusive skilled trades workforce.

SkilledTradesBC continues to build meaningful reconciliation, working with its Indigenous Advisory Council in the development of the strategic plan and review of its mandate. SkilledTradesBC's Board and leadership team visited Terrace, B.C. to meet with Indigenous communities and apprentices from Kitselas Five Tier System and Tea Creek and witnessed the positive impact its community-based trades training programs have on Indigenous communities.

In line with CleanBC and the fight against climate change, SkilledTradesBC continued to work internally and with system partners to adapt trades training needs to support a low carbon economy including the incorporation of sustainable materials and practices into their programs.

SkilledTradesBC will continue its work with government and system partners to build an inclusive, world-class skilled trades workforce that meets the needs of British Columbians and supports the tens of thousands of job openings in the next decade and a stronger economy.



Cindy Oliver
Chair, SkilledTradesBC
August 9, 2023

Shelley Gray
CEO, SkilledTradesBC
August 9, 2023

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's [2021/22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the [SkilledTradesBC 2022/23 – 2024/25 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

SkilledTradesBC, formerly known as Industry Training Authority (ITA), is the Crown Corporation that advances British Columbia's skilled trades training system. Together with employers and industry partners, SkilledTradesBC upholds the highest standards for training, issues credentials, supports apprentices, funds programs and promotes a wide range of rewarding careers in the trades. SkilledTradesBC is building the most diverse and sustainable workforce in Canada by supporting equitable access to skilled trades programs and helping British Columbians unlock their potential—creating a world-class workforce, one career journey at a time.

Continued under the [Skilled Trades BC Act](#), SkilledTradesBC's purpose is: a) to manage and support an industry training and apprenticeship system in British Columbia; b) to ensure that the industry training and apprenticeship system meets the Province's need for skilled workers; c) to work with the Government to achieve the Government's objectives respecting the industry training and apprenticeship system; and, d) to promote apprenticeship and industry training programs by encouraging employers and individuals to participate in those programs; and, e) to promote participation of Indigenous people in the industry training and apprenticeship system.

Other authorities are defined in the [Skilled Trades BC Act](#). SkilledTradesBC's mandate and accountabilities are developed through a [Mandate Letter](#), which is signed by the Minister of Post-Secondary Education and Future Skills and each member of the SkilledTradesBC Board.

Operating Environment

B.C. has faced a tight labour market as it continues to recover from the impacts of the COVID-19 pandemic. According to the B.C. Labour Market Outlook: 2022 Edition, approximately 83,000 new job openings in the trades are expected in the next decade, primarily due to the retiring workforce and economic expansion.

On December 1, 2022, Skilled Trades Certification was legislated in B.C., making it mandatory for workers to either be a registered apprentice or fully certified to work in specific trades, starting with the implementation of seven electrical and mechanical trades. Skilled Trades Certification aims to formally recognize the skills of current and future trades workers, raise the profile of the trades, and help to draw a more diverse workforce, ensuring they have the skillsets needed to adapt to industry changes over time.

Skilled Trades Certification (STC) implementation has encouraged people to register for their apprenticeships as there has been a notable increase in the number of apprentice registrations in the trades related to STC. Employer sponsor registrations has also shown positive growth, supported by the Canada Apprenticeship Service grant which provides financial incentives to small and medium sized businesses to hire new first-year apprentices in 39 Red Seal Trades.

SkilledTradesBC continues to recover from the impacts of the pandemic, with Certification of Qualifications not yet returning to pre-pandemic levels. This is partially due to the negative impacts of COVID-19 on training and employment and the tight labour market, where apprentices may delay going back to school for technical training due to the continued high demand for skilled workers to stay in the workforce. SkilledTradesBC will continue to monitor this while increasing support and resources for apprentices to achieve certification.

With the expanded mandate and implementation of Skilled Trades Certification, SkilledTradesBC has increased its outreach to employers and apprentices to support them through the transition. These added efforts increased the volume of inquiries and requests received by teams that have direct interactions with employers and apprentices and further propelled SkilledTradesBC's adoption of technology and progress in its digital transformation journey through the launch of a modern self-serve digital portal. The new mobile-friendly portal gives apprentices and employers ability to have 24/7 access to their information and increased self-serve functionality to ensure SkilledTradesBC can better serve its clients. The platform is the foundation for further online services and will also support client needs with the implementation of Skilled Trades Certification.

As Indigenous communities continue to build more capacity to provide training to their members, there is a growing interest in being able to deliver skilled trades training in the communities. In response, SkilledTradesBC has collaborated with Indigenous communities to create innovative training delivery models, such as Community Based Training, where Indigenous people are able to receive trades training without leaving home and start their apprenticeships within their communities. Building and strengthening relationships with Indigenous communities and connecting the right partners to advance Indigenous people in skilled trades continues to be a priority, reflecting SkilledTradesBC's commitment to the B.C. Declaration on the Rights of Indigenous Peoples Act and Calls to Action of the Truth and Reconciliation Commission.

Economic Statement

After rebounding rapidly in 2021, British Columbia's economy saw slower yet strong growth in 2022. B.C.'s real GDP growth of 3.6 per cent last year was the fourth highest among provinces (tied with Ontario) and grew at the same pace as the national average, following growth of 6.2 per cent in 2021. Growth in B.C.'s real GDP was mostly supported by service-producing industries such as transportation and warehousing, accommodation and food services, and professional, scientific and technical services. Goods-producing industries also experienced growth led by construction.

While B.C.'s recovery broadened in 2022, it remained uneven as sectors such as transportation and warehousing; accommodation and food services; and arts, entertainment and recreation have yet to fully recover to pre-pandemic levels. B.C.'s labour market continued to grow in 2022, with employment growth of 3.2 per cent and an average unemployment rate of 4.6 per cent, while wages and salaries increased by 10.8 per cent. Consumer spending on goods grew slowly after a rapid expansion at the beginning of the recovery and nominal retail sales posted overall growth of 3.1 per cent. Last year, prices rose dramatically as strong demand for goods and services was met with lingering supply-chain challenges and high prices for global commodities following Russia's invasion of Ukraine.

In 2022, B.C.'s inflation rate averaged 6.9 per cent, the fastest annual rate since 1982, and up from 2.8 per cent in 2021. B.C. housing starts totaled 46,721 units in 2022, down 1.9 per cent compared to the previous year. Despite the decline, housing starts in 2022 were the second highest on record. Home sales fell sharply in 2022 as they adjusted to higher mortgage rates not seen since 2008. B.C. MLS home sales decreased by 35.2 per cent in 2022 compared to 2021. Meanwhile the MLS average home sale price rose by 7.4 per cent in 2022 because of strength early in the year, despite monthly declines in 9 of the last 10 months of the year.

On the external front, B.C.'s international merchandise exports grew by 20.4 per cent, boosted by strong commodity prices in the first half of 2022.

Report on Performance: Goals, Objectives, and Results

Goal 1: B.C. has an inclusive skilled trades training and apprenticeship system that reflects our diverse population.

Objective 1.1: Create a more inclusive, diverse, and accessible trades training culture.

An inclusive and diverse trades training culture and workforce is essential to strengthening B.C.'s communities and supporting the economy.

Key results

- Expanded the program delivery of the Be More Than a Bystander Training to trade instructors and industry leaders.
- Partnered with training providers and Indigenous organizations across B.C. to deliver 17 skills development and employment programs focused on meeting the needs of underrepresented groups through funds from the Government of Canada and British Columbia.

Summary of progress made in 2022/23

In partnership with key organizations in the trades, SkilledTradesBC delivered programs to help support underrepresented groups and create a more inclusive trades training culture. This included continued work with the BC Centre for Women in Trades Training (BCCWITT) through the Regional Representative program to support leadership development, cultural change and retention of tradeswomen and other under-represented groups, as well as the Be More Than a Bystander program to eliminate gender-based harassment and violence in the workplace. This past year, the Regional Representative program expanded to more than 150 representatives across the province, with the addition of 100 new representatives trained. Be More Than A Bystander trained another 98 facilitators, equipping more than 250 facilitators across B.C. with the tools and strategies to create more inclusive, safe and respectful workplaces for all.

Through the Workforce Development Agreement (WDA) Funding, SkilledTradesBC worked with eight service providers to deliver 17 programs, offering a range of pre-apprenticeship programs and services to 1145 clients last year. These programs include Women in Trades Training, Indigenous Peoples in Trades Training, Equity Seeking Groups in Trades Training and Persons with Disabilities. The three programs for persons with disabilities were completed as of March 31, 2023. In addition, SkilledTradesBC also developed Indigenous Youth Trade Sampler programs which are now being implemented.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
1.1a Increase of women entering under-represented trades apprenticeships ^{1,2,3}	782	810	1,072
1.1b Increase of Indigenous peoples entering into apprenticeships ^{1, 4}	1,220	1,240	1,492
1.1c Increase the proportion of women in under-represented trades ^{1,2, 3}	5.7%	5.8%	6.2%
1.1d Increase the proportion of Indigenous peoples in apprenticeships ^{1, 4}	8.1%	8.0%	8.6%

Data source: SkilledTradesBC’s Direct Access Information System

¹The Direct Access Information System is the registration online portal for all apprentices and sponsors in British Columbia. The database includes current as well as lapsed apprentices and sponsors and is accessed through confidential online log-in by the access holder. SkilledTradesBC uses the information to track registrations and certifications of participants in the trades training system.

²Under-represented trades exclude any trade where 25% or more of the population are women.

³This performance measure was revised in the latest service plan. For more details on forward-looking planning information, including the performance measure and current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

⁴This performance measure was not carried forward in the latest service plan. For more details on forward-looking planning information, including the performance measure and current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

SkilledTradesBC exceeded all targets under Goal 1, strongly surpassing targets of women entering into underrepresented trades apprenticeships by 32 per cent and increasing the number of Indigenous peoples entering into skilled trades apprenticeships by 20 per cent. These results support SkilledTradesBC’s mandate to promote the trades and shift the perception of the trades to a more inclusive workforce, with increasing programming for these groups contributing to the increases. Welder, Carpenter and Heavy Equipment Operator trades programs saw the largest increases amongst women and Indigenous people.

Additionally, the proportionality of women in underrepresented trades and Indigenous people in trades also surpassed targets. This is an indicator of SkilledTradesBC’s success in addressing barriers such as sexism, bullying and harassment, shifting culture, and changing stereotypes associated with a workforce predominately populated by men and non-Indigenous people.

Goal 2: Apprentices and employers have the information and support they need for success.

Objective 2.1: Support more apprentices to complete their apprenticeship journey to build B.C.'s workforce.

By providing apprentices and employers with the right information and supports, they are more equipped to succeed in completing their apprenticeship and starting a career in the skilled trades, supporting B.C.'s future economy.

Key results

- Launched Virtual Learning Strategist Project in partnership with the province of New Brunswick to provide online based learning support to apprentices in their learning and certification journey.
- Introduced new refresher and upgrading courses that aim to prepare trades workers for the Interprovincial Red Seal exam.

Summary of progress made in 2022/23

SkilledTradesBC continued its work on the Standardized Level Exam (SLE) project, aimed at providing internal and external reporting and resources to help apprentices, employers, and training providers to improve outcomes. An update on this project was presented to the BC Association of Trades and Technical Administrators (BCATTA) in November 2022 and was well-received.

SkilledTradesBC has entered into an agreement with New Brunswick and four other jurisdictions on a Virtual Learning Strategist Project. Funded by Employment and Social Development Canada, the project offers personalized and flexible support customized to individual learning needs, providing supports during their certification journey. There are currently 200 rotating seats available in B.C.

To provide support to apprentices and trade qualifiers in their pursuit of certification, SkilledTradesBC introduced new refresher and upgrading courses that aim to prepare trades workers for the Interprovincial Red Seal exam. These courses, which are distinct from other credentialed programs, provide targeted training and guidance to help trades workers meet the necessary requirements for certification.

SkilledTradesBC has also developed an enhanced application process to support trade qualifiers, helping to better identify where there may be gaps in knowledge to support better outcomes. SkilledTradesBC will work with the individual to help support them to success, including refresher training, learning and other necessary supports. Additionally, SkilledTradesBC implemented the level challenger process to help validate an individual's experience, enabling them to enter the most appropriate level of apprenticeship, where they have some but not all the required experience to achieve full certification.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
2.1a Number of CofQs issued ¹	5,572	5,650	5,329
2.1b Number of CofQs issued to women ¹	424	455	406
2.1c Number of CofQs issued to Indigenous peoples ¹	280	285	259
2.1d Youth participating in skilled trades ^{2,3}	8,825	9,300	10,018

Data source: SkilledTradesBC’s Direct Access Information System

¹This performance measure was not carried forward in the latest service plan. For more details on forward-looking planning information, including the performance measure and current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

²This performance measure was revised in the latest service plan. For more details on forward-looking planning information, including the performance measure and current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

³Youth are defined as between the ages of 16 to 26 who enter an apprenticeship program to gain work experience or take technical trades training while in high school during the fiscal year.

The economic shutdown and delays that occurred during the pandemic continue to impact the number of credentials being issued. The number of credentials issued to women and Indigenous people as well as overall number of certifications declined in the last year, resulting in not meeting the associated performance measures by a small margin. Labour shortages have also created difficulties for apprentices and other trades workers to take time out of the labour force to attend training and prepare to write their final exam.

While there were larger decreases in the number of credentials issued for Professional Cook, Construction Electrician and plumber, some trades experienced an increase in credentials such as Heavy Duty Equipment Technician and Air Conditioning Mechanic. The decline in credentials for Indigenous people and women occurred in different trades for each group. There were fewer certificates issued to women for Baker, while there was an increase in certifications for Professional Cook in the Indigenous community. The increase in Indigenous people attaining certification in Professional Cook can be attributed to the incorporation of more Indigenous culture into the program, thus encouraging more Indigenous people to take on the trade to completion.

Youth (ages 16-26) participation in skilled trades enrollment increased by 14 per cent in the last year and surpassed the target by 8%. This is a successful demonstration of SkilledTradesBC’s efforts to promote skilled trades as a well-paying, viable career for youth, ensuring there are enough trades professionals to meet future labour market demands.

Goal 3: B.C.'s skilled trades training and apprenticeship system is innovative to support future apprentices.

Objective 3.1: With the SkilledTradesBC's partners, improve access to the trades training and apprenticeship system through innovation, efficiency, and technology.

By working with partners to incorporate innovation and technology into the trades training system, SkilledTradesBC aims to remove barriers, improve access to information, and increase efficiency in order to support the success of apprentices and remain responsive to B.C.'s evolving labour market.

Key results

- Launched a new customer portal with more self-serve functions, providing access to information 24/7 including through mobile devices.
- Introduced a new mobile-friendly website that offers greater access to information for employers and apprentices.
- Continued to work with training providers to promote new ways of delivering training models to enhance apprentices' training experiences and enable them to better meet industry needs.
- Hired an additional five Apprenticeship Advisors for a total of 25 advisors offering direct supports to apprentices, trades workers, employers and Indigenous communities across the province.

Summary of progress made in 2022/23

SkilledTradesBC launched a new mobile-friendly website and modern self-serve digital portal that increased functionality and access to information for apprentices and employers in the field. Introducing two new technology platforms for customers that were integrated for one customer journey required a complex, phased process to ensure a seamless technology change. In the first three months of implementation, SkilledTradesBC.ca saw a 30 per cent increase in website traffic and achieved its mobile-friendly goal with 60 per cent of users now accessing the mobile version of the website (previously 48 per cent). As of March 2023, there have been 2,500 new apprentice registrations through the portal with 45 per cent of total apprentices adopting our new self-service functions. Due to this transition, about one-third of the customer service requests are now handled through the portal. The platform is the foundation for further digitalization services and will also support the implementation of Skilled Trades Certification.

Since the introduction of hybrid teaching due to the pandemic, a number of training providers have continued to deliver alternative delivery formats, working towards finding the best balance between online and in-person, aiming to provide the best trades education possible. Several training providers use simulators, virtual/augmented reality programs, training software, and mobile training units in the delivery of programs providing students with real-life simulations of the tasks they will encounter on the job. According to the Annual Apprentice Survey, nearly 80 per cent of apprentices

said that they can attend technical training at a time and place that meets their needs, demonstrating that accessibility is an important factor in supporting apprentices to get certified.

SkilledTradesBC also expanded its Apprenticeship Advisor team to provide further on-the-ground support across the province. The team created a proactive outreach framework to identify apprentices facing challenges, so they can use relevant supports early on and achieve successful outcomes.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
3.1a Employer Satisfaction with SkilledTradesBC Support ^{1,2}	81%	≥80%	81%
3.1b Apprentice Satisfaction with SkilledTradesBC Support ^{1,2}	81%	≥80%	81%

Data source: Sentis Market Research has been commissioned by SkilledTradesBC to conduct the survey.

¹Data is collected by online surveys. Research best practices and quality assurance methods are employed throughout the process. Survey analysis includes a margin of error in which the targets must fall.

²This performance measure was revised in the latest service plan. For more details on forward-looking planning information, including the performance measure and current targets for 2023/24 – 2025/26, please see the latest service plan on the BC Budget website.

1,300 employers and 2,534 apprentices participated in SkilledTradesBC’s annual satisfaction survey in 2022-23. Employers and apprentices were highly satisfied with the level of support they received when interacting with the SkilledTradesBC staff. They also believe that SkilledTradesBC is consistently delivering high-quality service, supporting successful apprenticeship journeys for employers and apprentices. SkilledTradesBC offers various supports which include regional supports across the province through Apprenticeship Advisors, who can provide region-specific supports. The high satisfaction measure is also a result of SkilledTradesBC’s meaningful partnerships with training providers and employers who also have integral roles in successful apprenticeships.

Goal 4: Implement Skilled Trades Certification to help address the demand for skilled trades workers and support more apprentices to completion.

Objective 4.1: Support apprentices, employers, and other system partners in their transition to Skilled Trades Certification in B.C.

To effectively implement Skilled Trades Certification and support apprentices to get certified, SkilledTradesBC needs to provide supports and resources to apprentices, employers and other system partners to ease the transition.

Key results

- Hired a team of Skilled Trades Certification Advisors across the province to support Skilled Trades Certification
- Completed six virtual information sessions and eight Open Houses across the province, meeting close to 300 employers, apprentices and industry to support implementation of Skilled Trades Certification.
- Initiated 685 outreach activities for employers in the Skilled Trades Certification trades.
- Developed policies and processes to support Skilled Trades Certification and developed a roadmap to integrate it into the customer support model, including online portal development.

Summary of progress made in 2022/23

Skilled Trades Certification was legislated in B.C. in December 2022, requiring uncertified workers in selected trades to get registered as an apprentice or become a certified journeyman within a one-year transition period.

To support the implementation of Skilled Trades Certification, 13 Skilled Trades Certification Advisors were recruited to ensure strong regional representation across the province, providing on-the-ground support to employers and trades workers.

With the support of Skilled Trades Certification Advisors and Apprenticeship Advisors, SkilledTradesBC has remained focused on Skilled Trades Certification educational outreach with sponsor groups in their respective region, as well as the broader public to support full implementation in December 2023. SkilledTradesBC completed 8 of the 10-stop open house tour across the province between January to March 2023 with a diverse set of participants from employers to prospective apprentices, Indigenous community members, training providers, unions and the local school district. Six virtual information sessions were held between January to March with a total of 125 participants.

SkilledTradesBC implemented an online assessment tool for Skilled Trades Certification apprentices and skilled trades workers, enabling participants to evaluate their work experience so they may assess their readiness to successfully challenge an apprenticeship level exam. By using the tool,

trades workers can enter at a level that considers their experience and knowledge rather than having to start at the beginning of the program.

An enhanced application and verification process has been developed to support trade qualifiers. By verifying work experience, the eligible trade qualifier can move directly to writing the exam.

If certain skills are identified as lacking to be successful on the exam during the verification process, SkilledTradesBC will work with the individual to help support them to success including refresher training, learning and other necessary supports.

Performance measure(s) and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
4.1a Number of site visits completed by Compliance Officers ¹	N/A	Establish Program	Established Program
4.1b Number of business days to respond to exam accommodation requests ¹	N/A	Establish Data Collection Methods	Established Data Collection Methods
4.1c Number of business days to process Trade Qualifier applications ¹	N/A	Establish Data Collection Methods	Established Data Collection Methods

Data source: TBD

¹This performance measure was not carried forward in the latest service plan. For more details on forward-looking planning information, including the performance measure and current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

SkilledTradesBC hired a team of Skilled Trades Certification Advisors to lead the implementation and compliance throughout the province to support the transition to Skilled Trades Certification. As of March 31, 2023, the team has initiated 685 outreach activities with employers and will be implementing site visits for 2023/24. To ensure SkilledTradesBC is providing efficient pathways to certification for eligible uncertified workers, SkilledTradesBC has established a data collection method to accurately measure the time it takes to respond to exam accommodation requests and Trade Qualifier applications. Skilled Trades Certification compliance requirements will be introduced in December 2023.

Financial Report

For the auditor's report and 2022/23 Audited Financial Statements, see [Appendix B](#). These documents can also be found on the SkilledTradesBC website.

This report on SkilledTradesBC's financial results for the year ended March 31, 2023 should be read in conjunction with the 2022/23 Audited Financial Statements.

Discussion of Results

2022/23 Surplus

In fiscal 2022/23, SkilledTradesBC recorded a surplus of \$1.5 million for the fiscal year ended March 31, 2023 (1.3 percent of expenses) primarily due to higher than budgeted revenues from interest income. This surplus will be retained and utilized to support fiscal year 2023/24 capital expenditures to advance the build out of SkilledTradesBC online services.

Revenues

Revenues of \$117.4 million were \$1.9 million (1.6 percent) higher than budget, mainly due to increased interest income and additional funding from the Province related to compensation costs under the Shared Recovery Mandate and cost recovery programs.

- SkilledTradesBC's 2022/23 revenues consisted mainly of core funding of \$105.1 million received from Ministry of Post-Secondary Education and Future Skills.
- SkilledTradesBC also received \$10.4 million in funding for trades training through the Canada-BC Workforce Development Agreement to continue targeted training of under-represented and multi-barriered groups in the trades. Additional funding of \$0.2 million from the Ministry was provided to support the delivery of Community-Based Indigenous Skills Trades Training.
- SkilledTradesBC generated \$1.7 million in revenue through operations and investment income to support its operations, representing 1.4 percent of total revenues.

Expenses

Expenses of \$115.9 million were \$0.4 million (0.3 per cent) higher than budget. More than 89 per cent of SkilledTradesBC total expenditures were directed into training investment, operations, engagement and Skilled Trades Certification.

- Training Investment provides funding for training providers to deliver trades training and support apprentice, foundation, and other training initiatives. These expenditures, which totalled \$89.4 million, were delivered in line with budget and accounted for 78.2 per cent of total expenses excluding capital asset amortization.
- Operations expenditures to support clients throughout their apprenticeship journey totalled \$9.1 million, and was lower than budget by \$0.6 million (6.0 per cent) due to salary savings associated with the timing of implementation of the Skilled Trades Certification.

- Operations activities includes program development, exam management, trades qualifier assessment, learner resources, as well as customer experience supports through the customer service call centre, regional Apprentice Advisors and apprentice completions support.
- Engagement investments, which include trades inclusion and equity, truth and reconciliation and external relations, totalled \$3.9 million and were higher than budget by \$0.2 million (5.4 percent) due to additional programming.
- Skilled Trades Certification compliance were \$0.9 million which is \$0.8 million (48.3 per cent) lower than budget as planned expenses were right timed to align with the timing of the SkilledTradesBC Act enactment.
- Business support costs of \$11.0 million, while below 10 per cent of total costs, were \$2.1 million (24.4 per cent) higher than budget mainly due to IT and other corporate infrastructure to support the expanded mandate of SkilledTradesBC.
- Capital asset amortization totalled \$1.6 million and were lower than budget by \$0.5 million (23.2 percent) due to the timing of asset additions and a lower starting asset base than budgeted.

Liabilities

Liabilities were \$6.3 million which is \$1.1 million (15.3 per cent) lower than budget due to new school district funding agreements ensuring funding was received during the fiscal year.

Capital

\$2.4 million was invested in capital expenditures during the year, which was \$0.2 million (7.2 per cent) lower than budget due to information technology programming. SkilledTradesBC funds its capital expenditure from its accumulated surplus and did not receive specific capital funding.

Accumulated Surplus

The accumulated surplus was \$10.1 million at year end with \$9.6 million invested in tangible capital assets.

Financial Summary

(\$ millions)	2021/22 Actual ²	2022/23 Budget	2022/23 Actual	2022/23 Variance
Revenues				
Contributions from Province	103.271	104.476	105.101	0.625
Recoveries from Province	13.490	10.234	10.653	0.419
Recoveries from Federal	0.420	0.000	-0.004	-0.004
Other Income & Recoveries	0.975	0.818	1.653	0.835
Total Revenue	118.156	115.528	117.403	1.875
Expenses				
Training Investment	96.545	89.575	89.434	-0.141
Operations	8.174	9.654	9.077	-0.577
Engagement	3.066	3.657	3.896	0.239
Skilled Trades Certification: Compliance ³	0.029	1.666	0.862	-0.804
Business Support	8.962	8.861	11.026	2.165
Capital Asset Amortization	1.374	2.115	1.625	-0.490
Total Expenses	118.150	115.528	115.920	0.392
Annual Surplus	0.006	0.000	1.483	1.483
Total Liabilities	-8.212	-7.349	-6.324	1.025
Capital Expenditures	3.118	3.346	2.408	-0.938
Accumulated Surplus	-8.619	-8.936	-10.102	-1.166

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

² Results have been restated for the adoption of Asset Retirement Obligations.

³ Compliance for Skilled Trades Certification includes awareness and education building functions.

Variance and Trend Analysis

The Financial results for the fiscal year 2022/23 reflect the second year of implementing the Skilled Trades Certification.

The Canada-BC Workforce Development Agreement cost recovery program is lower than 2022 actual results reflecting the end of COVID-19 related priority funding.

Risks and Uncertainties

Key risks and uncertainties affecting SkilledTradesBC's financial outlook include balancing the pressures to meet the demands of the changing labour force and market while also delivering on the mandate requirements, including the implementation of Skilled Trades Certification.

Financial pressures related to rising inflation and costs associated with growing our workforce and supporting the B.C.'s trades training system.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 Mandate Letter from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
<p>Work closely with government to explore options to support government’s mandate letter commitment to “restore the compulsory trades system to improve safety and give more workers a path to apprenticeship completion.”</p>	<ul style="list-style-type: none"> • Skilled Trades Certification was legislated in B.C on December 1, 2022. • Leading up to the legislation being passed, SkilledTradesBC prioritized building relationships with apprentices, employers and stakeholders through province-wide engagement and continued this outreach through the beginning of the one-year implementation period to ensure successful outcomes. • Please see Goal 4.
<p>Work with system partners and focus on supporting apprentices to complete their training, particularly those whose training has been impacted by the COVID-19 pandemic, through targeted programs and supports.</p>	<ul style="list-style-type: none"> • As an ongoing priority, SkilledTradesBC continued to support apprentices in completing their training and getting certified through targeted programs and supports. The impacts of the pandemic and economic shutdown continue to effect Certification of Qualification results. • Please see Goal 2.
<p>Complete implementing a three-year performance management framework project in 2021/22. Through this work, the ITA will increase public reporting of trades training data to expand transparency and collaboration between system partners, and to establish greater stakeholder accountabilities for trades training outcomes.</p>	<ul style="list-style-type: none"> • SkilledTradesBC completed its performance management framework in 2021/22 to improve accountability and transparency within B.C.’s trades training system and continues to make trades training and apprenticeship evidence-based data more readily available by publishing Open Data and responses to Freedom of Information requests.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
<p>Continue to work with employers, industry, training providers and communities to design and implement initiatives and policies that will contribute to eliminating racism, sexism, bullying, and harassment in skills trades.</p>	<ul style="list-style-type: none"> As an ongoing priority, SkilledTradesBC continued to work with partners to implement initiatives, policies and programs to support underrepresented groups and help build a more inclusive, safer and respectful skilled trades training system and workforce. Please see Goal 1.

Appendix B: Auditor's Report and Audited Financial Statements

SkilledTradesBC Management's Report for the Year Ended March 31, 2023

Management's Responsibility for the Financial Statements

THE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT IN ACCORDANCE WITH CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS AND THE INTEGRITY AND OBJECTIVITY OF THESE STATEMENTS ARE MANAGEMENT'S RESPONSIBILITY.

Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of SkilledTradesBC and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of SkilledTradesBC



Shelley Gray
Chief Executive Officer



Max Logan
Chief Financial Officer

May 11, 2023



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BDO Canada LLP
1100 - Royal Centre
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Independent Auditor's Report

To the Members of the Audit Committee of SkilledTradesBC

Opinion

We have audited the financial statements of SkilledTradesBC, which comprise the Statement of Financial Position as at March 31, 2023, and the Statements Operations and Changes in Accumulated Surplus, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SkilledTradesBC as at March 31, 2023, and its results of operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of SkilledTradesBC 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing SkilledTradesBC'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 SkilledTradesBC or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 these 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 SkilledTradesBC'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 SkilledTradesBC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SkilledTradesBC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants


Vancouver, British Columbia

May 11, 2023

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

SkilledTradesBC
Statement of Financial Position
As at March 31, 2023
in thousands of dollars

	Note	2023	2022 (restated-Note 2)
Financial Assets			
Cash		2,293	2,549
Accounts receivable		87	15
Due from government	3	4,002	4,983
		6,382	7,547
Liabilities			
Accounts payable and accrued liabilities	4	3,394	4,010
Due to government/other government organizations	6	2,078	3,025
Deferred revenue	7	347	677
Obligations under capital lease	11	37	47
Asset retirement obligations	8	468	453
		6,324	8,212
Net (debt) financial assets		58	(655)
Non-financial assets			
Tangible capital assets	10	9,585	8,802
Prepaid expenses		459	482
		10,044	9,284
Accumulated surplus		10,102	8,619
Contractual obligations	11		



Cindy Oliver
Board Chair



Wally Penner
Audit & Risk Committee Chair

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

SkilledTradesBC
Statement of Operations and Changes in Accumulated Surplus
For the Year Ended March 31, 2023
in thousands of dollars

	Note	Budget (Note 14)	2023	2022 (restated-Note 2)
Revenues				
Provincial core operating		104,476	105,101	103,271
Provincial project based funding		10,234	10,653	13,490
Federal funding received/(returned)		-	(4)	420
Operating		250	259	291
Fees		355	445	418
Investment income		115	831	148
Other		118	118	118
		115,528	117,403	118,156
Expenses				
	<i>12</i>			
Training Investment		89,575	89,434	96,545
Operations		9,654	9,077	8,174
Engagement		3,657	3,896	3,066
Skilled Trades Certification: Compliance & Education		1,666	862	29
Business Support		10,976	12,651	10,336
		115,528	115,920	118,150
Annual surplus		-	1,483	6
Accumulated surplus at the beginning of the year			8,619	8,613
Accumulated surplus at end of year			10,102	8,619

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

SkilledTradesBC
Statement of Changes in Net (Debt) Financial Assets
For the Year Ended March 31, 2023
in thousands of dollars

	Budget (Note 14)	2023	2022 (restated-Note 2)
Annual surplus for the year	-	1,483	6
Acquisition of tangible capital assets	(2,596)	(2,408)	(3,118)
Amortization of tangible capital assets	2,115	1,625	1,374
	(481)	(783)	(1,744)
Acquisition of prepaid expenses	-	(23)	(181)
(Decrease)/increase in net financial assets	(481)	723	(1,919)
Net financial assets at beginning of year	(665)	(665)	1,254
Net (debt) financial assets at end of year	(1,146)	58	(665)

The accompanying notes are an integral part of these financial statements

SkilledTradesBC
Statement of Cash Flows
For the Year Ended March 31, 2023
in thousands of dollars

	2023	2022 <i>(restated-Note 2)</i>
Operating transactions		
Annual surplus for the year	1,483	6
Non-cash items included in annual surplus:		
Amortization	1,625	1,374
Asset retirement obligation accretion expense	15	13
Change in non-cash operating items		
Change in prepaid expenses	23	(181)
Change in receivables	909	2,204
Change in payables and accrued liabilities	(1,573)	(1,373)
Change in deferred revenue	(330)	(144)
Cash provided by operating transactions	2,152	1,899
 Capital transactions		
Cash used to acquire tangible capital assets	(2,408)	(3,118)
 (Decrease)/Increase in cash during the year	(256)	(1,219)
Cash at beginning of year	2,549	3,768
Cash at end of year	2,293	2,549

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

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

1. Nature of Operations

SkilledTradesBC is a Crown agency of the Government of the Province of British Columbia, was established on January 2, 2004 and operates under the authority of the Skilled Trades BC Act. SkilledTradesBC reports to the Legislative Assembly through the Ministry of Post-Secondary Education and Future Skills. The mandate of the SkilledTradesBC is to lead and manage B.C.’s skilled trades training and apprenticeship system, including ensuring the system meets the province’s need for skilled trades workers. Working with employers, apprentices, industry, labour, training partners, schools, Indigenous and other B.C. communities, and government, SkilledTradesBC funds training, issues credentials, supports apprenticeships, sets program standards, and works to increase opportunities in the skilled trades. These services are grouped into the following key areas: training investment, operations, engagement, Skilled Trades Certification: compliance and education, and business support.

SkilledTradesBC is exempt from income taxes under the *Income Tax Act*

2. Summary of Significant Accounting Policies

a. Basis of accounting

The financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

b. Tangible capital assets

Tangible capital assets are recorded at cost, which included amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Capital Lease - Printers	8 years
Computer hardware and software	3-10 years
Leasehold improvements	Until the end of the lease term

Amortization is charged from the date the asset is put into use until it is taken out of use. Assets under construction are not amortized until the asset is put into productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to ITA’s ability to provide credentials and services. The net write-downs are accounted for as an expense in the statement of operations.

c. Employee future benefits

- i. The employees of SkilledTradesBC belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The joint trustee board of the plan determines the required plan contributions annually. The contribution of SkilledTradesBC to the plan is recorded as an expense for the year.

- ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period

d. Prepaid expenses

Prepaid expenses include payments for rent and other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

e. Revenue recognition

Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Grants and transfers are recorded as expenses when the transfer is authorized, and eligibility criteria have been met by the recipient.

g. Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

h. Financial instruments

Cash, accounts receivable, due from government, accounts payable and accrued liabilities and due to government/other organizations and measured at cost. The Carrying Values of these financial instruments approximates their fair value, given their short-term maturities.

i. Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions. This affects the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of estimates include: collectability of accounts receivable and due from government/other government organizations, the useful life of tangible capital assets, asset retirement obligation and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

j. Asset Retirement Obligation

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

k. Change in accounting policy:

Effective April 1, 2022, SkilledTradesBC adopted the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. The impact of adoption of this standard was as follows:

	2022 Restated	2022 Originally presented	Restatement
Tangible capital assets - cost	22,885	22,534	351
Accumulated amortization – tangible capital assets	14,083	13,817	266
Asset retirement obligation (refer to note 8)	453	-	453
Accumulated surplus beginning of year	8,613	8,936	323
Accumulated surplus end of year	8,619	8,987	(368)
Amortization of tangible capital assets	1,374	1,342	32
Accretion expense	13	-	13

3. Due from Government and Other Organizations

	2023	2022
Provincial government	3,866	4,833
Federal government	136	150
	4,002	4,983

4. Accounts Payable and Accrued Liabilities

	2023	2022
Accounts payable and accrued liabilities	3,029	3,737
Accrued vacation pay	308	271
Salaries and benefits payable	57	2
	3,394	4,010

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

5. Employee Future Benefits

Information about obligations for retirement benefits and other employee future benefits is as follows:

a. Retirement and other employee future benefits – pension plan

SkilledTradesBC and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multiemployer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2021, the plan has about 68,000 active members and approximately 52,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of \$2,667 million for basic pension benefits on a going concern basis. SkilledTradesBC paid \$1,044 (2022: \$883) for employer contributions to the plan in fiscal 2023. The next valuation will be as at March 31, 2023.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because 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.

b. Long-term disability life insurance and health care benefits

SkilledTradesBC provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, SkilledTradesBC is responsible for the payment of the premium costs of medical and dental under this plan. These costs are event driven and are recorded when the long term disability event occurs. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

6. Due to Government and Other Government Organizations

	2023	2023
Federal government	1	1
Provincial government	638	256
Other government organizations	1,439	2,768
	2,078	3,025

SkilledTradesBC's liabilities to government and other government organizations are all amounts payable that are due within 30 days. Other government organizations includes: colleges, universities and school districts that are controlled by the province.

7. Deferred Revenue

SkilledTradesBC received \$530 (fiscal 2012) and \$814 (fiscal 2016) in tenant inducements for leasehold improvements to the Richmond office. This revenue is being deferred and recognized over the term of the lease.

The Ministry of Post-Secondary Education and Future Skills provided \$350 (fiscal 2022) to support Indigenous communities to deliver community-based training and education to improve their employment opportunities at home.

The Federal government provided \$9 (fiscal 2022) to support the multi-year Women in Construction initiative that is now completed. This revenue has been fully recognized as having been spent on eligible activities.

	Balance 2022	Transferred to revenue	Balance 2023
Tenant inducement Richmond Office	327	(118)	209
Community Based Indigenous Skills Trades Training	350	(212)	138
	677	(330)	347

8. Asset Retirement Obligation

SkilledTradesBC has recorded an asset retirement obligation associated with lease obligations for the estimated costs of removal and restoration of fixtures and improvements to the premise's original state. The following is a reconciliation of the changes in the asset retirement obligation during the year:

	2023	2022 (restated)
Balance at beginning of year	453	440
Add: Accretion expense	15	13
Balance at the end of the year	468	453

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

The accretion expense is included in interest expense. The undiscounted estimated cash flows required to settle the obligation are approximately \$494 to be incurred at the expiration or earlier termination of the lease. The lease expires on December 31, 2024. The estimated cash flows were discounted using the government average long term borrowing rate of 3.13%

9. Fiscal Risk Management

a. Financial management risk objectives and policies

In the normal course of operations, SkilledTradesBC is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk and liquidity risk.

b. Credit risk

Credit risk is the risk that the SkilledTradesBC's counterparties will fail to meet their financial obligations to the SkilledTradesBC, causing a potential financial loss.

Accounts receivable primarily consists of amounts due from other governments/other government organizations; therefore, collection risk is low. SkilledTradesBC does not consider its exposure to credit risk to be material.

c. Liquidity risk

Liquidity risk is the risk that the SkilledTradesBC may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost effective manner to meet its commitments as they come due.

SkilledTradesBC has in place a planning, budgeting and forecasting process to determine the funds required to support the SkilledTradesBC's normal operating requirements. SkilledTradeBC's annual budgets are approved by the Board of Directors, the Ministry of Post-Secondary Education and Future Skills and the Treasury Board.

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

10. Tangible Capital Assets**2023 (in \$ thousands)**

	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,546	19,182	2,157	22,885
Additions	4	2,404	-	2,408
Disposals	-	-	-	-
Closing Balance	1,550	21,586	2,157	25,293
Accumulated Amortization				
Opening balance	1398	11,048	1,636	14,083
Additions	39	1,397	189	1,625
Disposals	-	-	-	-
Closing Balance	1,437	12,445	1,826	15,708
Net book value	113	9,141	331	9,585

2022 (in \$ thousands)

	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,465	16,214	2,157	19,836
Additions	140	2,978	-	3,118
Asset write-downs and write-offs	(59)	(10)	-	(69)
Closing Balance	1,546	19,182	2,157	22,885
Accumulated Amortization				
Opening balance	1,431	9,900	1,447	12,778
Additions	26	1,158	190	1,374
Disposals	(59)	(10)	-	(69)
Closing Balance	1,398	11,048	1,637	14,083
Net book value	148	8,134	520	8,802

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

11. Obligations under leases

a. Capital leases

Capital lease payments for leased printers, including principal and interest are as follows:

Year	Amount
2024	10
2025	10
2026	10
2027	9
	39
Less: Interest at rate of 2.45% per annum	2
Present value of minimum lease payments	37

b. Operating lease

SkilledTradesBC has entered into a number of multiple-year contracts for operating leases for premises. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Year	Amount
2024	460
2025	345

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

12. Expenses by Object

The following is a summary of expenses by object:

	Budget	2023	2022 (restated- note2)
Training provider services (including Youth)	78,740	78,433	81,808
WDA-CJF and WIC contractor services	10,030	10,269	13,491
Compensation and staff development	15,784	14,029	12,387
External Relations	1,312	1,286	783
Other operating costs	2,968	3,427	2,954
Information systems/telecommunications	1,920	4,231	2,680
Other administrative costs	1,241	1,437	1,524
Amortization	2,115	1,625	1,374
Building occupancy	1,418	1,183	1,149
	<u>115,528</u>	<u>115,920</u>	<u>118,150</u>

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

13. Related Party Transactions

SkilledTradesBC is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

	(in \$ thousands)	
	2023	2022
Revenues:		
Ministry of Post-Secondary and Future Skills		
- core funding	105,101	103,271
- projects WDA-CJF	10,653	13,490
Ministry of Citizens' Services	259	291
	116,013	175,052
Expenses:		
Post secondary institutions	70,430	70,335
School districts	5,279	8,838
Ministry of Citizens' Services	1,103	998
Public Service Pension Plan	1,048	883
Ministry of Education and Child Care	346	360
Ministry of Finance	227	198
Ministry of Labour	15	12
Ministry of Tourism, Arts & Culture & Sport	21	4
Ministry of Environment & Climate Change Strategy	1	1
Ministry of Jobs, Economic Development & Innovation	-	2
	78,470	81,631

SkilledTradesBC
Notes to Financial Statements
For the Year Ended March 31, 2023
in thousands of dollars

14. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been approved by the Board of Directors. These budgeted figures were included in SkilledTradesBC's 2022-23 Service Plan.