

# **Private Career Training Institutions Agency (BC)**

**2014/15 – 2016/17  
ANNUAL SERVICE PLAN REPORT**



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## Message from the Public Administrator and Accountability Statement



Dear Minister Andrew Wilkinson

On behalf of the management and staff of the Private Career Training Institutions Agency (PCTIA), I am pleased to submit the Annual Report on the 2014/2015 - 2016/2017 Service Plan.

PCTIA has been supporting the private post-secondary career training sector of British Columbia and providing student protection since 2004. More than 51,000 students attended 323 private career training institutions in British Columbia in 2013/2014. Last year the sector contributed \$275M to the

British Columbia economy.

On April 17, 2014, government announced its intention to transfer the function of PCTIA to the Ministry of Advanced Education and transferred the powers, duties and functions of the PCTIA Board to a Public Administrator. The new *Private Training Act* was introduced on February 11, 2015 and received Royal Assent on March 25, 2015. When the Act comes into force through regulation in the fall of 2015, it will strengthen education quality, streamline administrative processes, and introduce new progressive enforcement mechanisms to better protect students and improve public confidence in the private career training sector.

Pending the implementation of the Act, the responsibilities and activities of PCTIA continued during the 2014-15 reporting period. During 2014/15, PCTIA focused on:

- working with Ministry of Advanced Education staff to facilitate the transfer of responsibility for the private career training sector, including extensive consultation with sector stakeholders;
- replacing an outdated database with a new customer information management system;
- upgrading the accounting system with new business management software; and
- streamlining the institutional accreditation report used by institutions and audit team members in the accreditation process.

Four areas of risk were identified in the last Service Plan: capacity, revenue generation, legal resources and advanced technology. In 2014/15 these risks were mitigated by upgrading technology and tools.

PCTIA ended the 2014/15 fiscal year with an operating surplus of \$167,476. The financial position of the Agency is stronger than the previous fiscal year, with no debt and a total cumulative surplus of \$868,834. The variances between the budget and the actual were as follows: total revenue was 6.1% under budget and expenses were 10.7% under budget.

The Agency successfully met several key goals which support the student protection mandate of PCTIA by conducting more site-visits and connecting with a higher number of students.

**Accountability Statement**

The PCTIA 2014/15 Annual Service Plan Report compares actual results to the expected results identified in the 2014/15-2016/17 Service Plan. I am accountable for the contents of the report, including the results as reported.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sandra Carroll', written in a cursive style.

Sandra Carroll  
Public Administrator

Private Career Training Institutions Agency (BC)

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## **Purpose of the Organization**

Accountable to the Minister of Advanced Education, PCTIA regulates private career training institutions in BC by: providing student protection; enforcing basic education standards; and holding accredited institutions to a higher standard of quality. By legislation, institutions offering programs 40 hours or longer in duration and with tuition of \$1,000 or higher must be registered with PCTIA.

### **Vision**

To support quality education in the private post-secondary career training sector in British Columbia through regulating standards and providing protection to students.

### **Mandate**

Established in November 2004, the Private Career Training Institutions Agency (PCTIA) is a Crown Corporation created under the [\*Private Career Training Institutions Act \(PCTI Act\)\*](#). Its mandate, as set out in the Act is:

- To establish basic education standards for registered institutions and to provide consumer protection to the students and prospective students of registered institutions;
- To establish standards of quality that must be met by accredited institutions; and
- To carry out, in the public interest, its powers, duties and functions under the Act, the regulations and the bylaws.

### **Core Business Areas and Services**

PCTIA sets basic education standards for all regulated institutions. Registered institutions must meet these basic education standards. Accredited institutions are required to meet additional standards of quality.

Institutions are monitored for compliance to these set standards, which include such things as teacher qualifications, minimum student tuition refund policies, appropriate equipment, and financial capacity. Adherence to these standards is overseen through monthly reporting and onsite compliance visits.

### **Student Training Completion Fund**

The Student Training Completion Fund (STCF) is established under the PCTI Act. Should a registered institution close unexpectedly before a student has completed his or her program, the student may be eligible for a full or partial refund of their tuition to compensate for the uncompleted portion of their program.

A formal complaint process exists for students who believe they have been misled by a private career training institution. When the PCTIA Board (now the Public Administrator) finds a student has been misled in a material way by the institution, it may order a refund of all or a portion of the tuition fees paid by a student. This refund is paid out of the STCF and recovered from the institution.

## **Strategic Direction and Context**

### ***Strategic Direction***

Through the [2014/15 Government's Letter of Expectations](#), government provided strategic direction to PCTIA. This direction included:

- Developing a comprehensive engagement strategy to determine the impact of the 2012 Bylaw revisions;
- Developing a communication plan to enhance external relations with students, institutional stakeholders, the public and the Ministry of Advanced Education;
- Developing a financial stability plan; and
- Meeting quarterly with government and PCTIA staff to provide progress reports and discuss PCTIA specific goals and performance measures.

### ***Strategic Context***

With the April 17, 2014 announcement, the strategic direction of the PCTIA was expanded to include the transfer of its functions into government. PCTIA still maintained a focus on sector engagement, external communications, and financial stability, but did so in the larger context of working with the Ministry of Advanced Education to inform new legislation and regulations and to widely engage with the private post-secondary sector on issues related to the transfer of responsibility for the sector to government. This engagement included widespread consultations throughout the province with over 230 private career training institutions.

## Report on Performance

### Goal 1: Enforcing Basic and Quality Education Standards

The existing basic education standards were set by the former PCTIA Board and are reflected in the PCTIA Bylaws. All registered institutions must abide by those standards and are monitored against them for compliance. In addition to the basic education standards, the standards of quality are required for accredited institutions.

#### 2014/15 - 2016/17 Service Plan Strategies

*1. Continue to provide information workshops for institutions to increase understanding of compliance requirements and best practices.*

#### **Action Taken:**

- Continued to host both registration and accreditation workshops.
- Held a total of 30 workshops with 373 participants.
- Offered alternative delivery of workshops (e.g. online, webinars, conference calls).
- Developed workshops for the Combined Registration and Accreditation Voluntary Registrants' process.
- Developed workshops and a streamlined registration process for Languages Canada members.
- Other information workshops were discontinued in 2014/15 due to pending transition into the Ministry of Advanced Education.

*2. Continue on development of internal quality assurance standards which will result in consistent enforcement.*

#### **Action Taken:**

- Launched a new accounting system, automating previously manual process.
- Launched a new customer information management system.
- Streamlined forms and processes for registration and accreditation.
- Developed training materials for accreditation team members to ensure consistent assessment of standards.



3. Utilize the risk management framework developed over the past year to identify institutions where a risk of closure and/or quality are most likely. Prioritize visits and reviews of institutions where risks to the students and the STCF are greatest.

**Action Taken:**

- Continued to use the risk assessment tool in determining type of site visit required (basic vs comprehensive).
- Developed two different compliance report templates based on perceived risk.

<b>Goal 1: Enforcing Basic Education Standards</b>				
Measure and Summary	2012/2013	2013/14	2014/15 Target	2014/15 Actual
Number of Workshops	17	26	20	33
Summary: Target was surpassed. The number of workshops conducted exceeded the target as institutions will now require accreditation in order to achieve EQA designation and be eligible to host international students. Therefore more voluntary registrants are seeking registration and currently registered institutions are seeking accreditation.				
Rate of Non-compliance	4.5	4.85	3	3.21
Summary: Target was not achieved. However, the rate of non-compliance was reduced from the previous year. The decrease in the rate of non-compliance is a result of increased exposure of institutions to PCTIA staff and the resulting opportunity to engage and educate as well as transparency in the posting of compliance reporting assessment tools.				
Number of Routine Site Visits	200	244	250	289
Summary: Target was surpassed. The number of site visits increased by 18% from 2013/14.				
Number of Non-Routine Site Visits (as a result of being identified in the risk management framework)	N/A	N/A	N/A	N/A
Summary: PCTIA didn't move forward with this initiative due to the transition into the Ministry of Advanced Education.				

Data source for above measures: internal

**Goal 2: Increased Quality Standards and Perceived Value of Accredited Institutions**

Accreditation is voluntary for institutions and requires an institution to operate to a higher standard of quality than the basic education standards required for registered institutions. The majority of institutions seeking accreditation do so in order to qualify to apply for Student Aid BC funding and/or

the Education Quality Assurance (EQA) designation. On February 6, 2014, the Ministry of Advanced Education announced that all post-secondary institutions and language schools accepting international students for study programs of longer than six months will be required to have EQA designation. A requirement for EQA designation for private non-degree granting institutions is PCTIA accreditation. Accreditation also puts institutions in the lowest fee category for contributions to the STCF. Nearly half (153 of 323) of PCTIA institutions were accredited at the end of the 2013/14 enrolment period. The number of accredited institutions has increased slightly since the previous year. As accreditation is one of the pathways to EQA, PCTIA anticipates an increase in the number of accredited institutions in the coming years.

In the 2014/15 Service Plan, PCTIA planned to build additional value into accreditation, encouraging more institutions to obtain higher quality standards. The expectation was that promoting accreditation would result in more institutions seeking accreditation. However the higher quality control standards are challenging to meet and resulted in only a small increase.

### 2014/15 – 2016/17 Service Plan Strategies

*1. Partner with the Ministry of Advanced Education and other provincial educational quality organizations to increase awareness of accreditation as a pathway to EQA, StudentAidBC and likely as a requirement for the International Student Program designation list.*

#### **Action Taken:**

- Worked closely with the Ministry of Advanced Education to increase awareness of the International Student Program designation list by distributing Ministry news releases to institution stakeholders and updating the PCTIA website with links to current information.
- Continued cooperation with BC Care Aide and Community Health Worker Registry.
- Continued cooperation with the College of Traditional Chinese Medicine Practitioners and Acupuncturists of BC (CTCMA) and Emergency Medical Assistants Licensing Board (EMALBC).
- Worked with Languages Canada to develop a streamlined process for their member institutions.
- Worked with Transport Canada to develop streamlined accreditation process with flight schools. This work continues.

Institutions offering programs in areas where licensing or certification are required often must also satisfy the requirements of additional regulatory bodies, such as the BC Care Aide & Community Health Care Worker Registry, the College of Traditional Chinese Medicine Practitioners and Acupuncturists of BC (CTCMA), and Transport Canada. In some cases the institution may be asked to provide similar information to both PCTIA and the additional body.

By continuing to expand its network of contacts with third party accrediting/regulation bodies, the Agency is able to identify areas of duplication, make use of third party subject matter expertise and work towards streamlining processes to ease the reporting burden on institutions wherever feasible.

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In 2014/15, PCTIA staff continued to participate, wherever possible, as an observer or at a committee level on a number of licensing boards.

StudentAid BC also collects data and conducts site visits to institutions. With the transition of PCTIA to the Ministry, it is anticipated that this duplication may be alleviated if not entirely eliminated.

Additionally, PCTIA worked with Languages Canada toward the implementation of a streamlined process for Languages Canada member institutions approaching the PCTIA registration/accreditation process. The collaboration resulted in a process that reduced the application process by approximately 50%.

*2. The risk assessment tool rewards accredited high performing institutions, with a track record of quality, through abbreviated compliance visits and reviews.*

**Action:**

- Continued to use the risk assessment tool in determining type of site visit required (basic vs comprehensive).
- Developed two different compliance report templates based on perceived risk.
- Continued with action plan for abbreviated visits to low-risk institutions.

The risk assessment tool allows PCTIA to manage time more effectively by recognizing low-risk institutions with less direct oversight. Higher risk institutions undergo more thorough compliance checks and oversight. The pilot of this approach was initiated in mid-2014. Phase two began in late 2014 with a roll-out across all institutions. Institutions that maintain better compliance records are rewarded with abbreviated site visits. These visits take less time to prepare and conduct, thus focusing staff resources on higher risk institutions.

PCTIA continues to highlight, through its communication to students and the public, the enhanced requirements to which an accredited institution must commit. Institutions use their accreditation status in marketing and promotional materials to demonstrate their commitment to quality standards.

Goal 2: Increased Quality Standards and Perceived Value of Accredited Institutions				
Measure and Summary	2012/2013	2013/14	2014/15 Target	2014/15 Actual
Number of Institutions Applying for Accreditation	13	14	20	49
Summary: The number of institutions applying for accreditation has increased by 250% from 2013/14, reflecting the requirement that institutions must now be PCTIA accredited to remain on the ISP designation list.				

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Percentage of Overall Institutions which are Accredited	49%	50%	75%	48.6%
Summary: While applications increased well above target, the number of institutions completing the process did not meet the target as most applications were received late in 2014/15. These applications will be completed during 2015/16.				
Number of Abbreviated Compliance Visits and Reviews (accredited institutions only)	N/A	N/A	N/A	N/A
Summary: PCTIA didn't move forward with this initiative due to the transition into the Ministry of Advanced Education.				

Data source for above measures: internal

### **Goal 3: Increased Awareness, Effectiveness, and Transparency**

A student or potential student who is unaware of the regulation of private career training in BC may also be unaware of the protection afforded by PCTIA. They may also be unaware of resources offered to assist in their post-secondary decision making, and the remedies available to them. Similarly, an institution which is unaware of the requirements for registration may be operating a non-complying business. In 2014/15, PCTIA continued to use a number of approaches to increase awareness, effectiveness and transparency with institutions.

#### 2014/15 - 2016/17 Service Plan Strategies

*1. The Communications and Research Coordinator role introduced in 2013 is responsible for increasing value-add website, social media and media content to enhance relations with students, institutional stakeholders, the public and Ministry of Advanced Education.*

Due to the transition of PCTIA into the Ministry of Advanced Education, the role of Communications and Research Coordinator ceased to exist, as much of the communications will be carried out by the Government Communications and Public Engagement staff working with the Ministry once the transition takes effect.

The Agency continues to frequently update the news items on the PCTIA website, issue e-newsletters to institutional stakeholders and communicate news items through the use of social media.

*2. Continue using compliance visits to speak to students about the role of the PCTIA, provide contact information and explain their rights as a student.*

#### **Action Taken:**

- Three Compliance Review Officers now conduct a higher number of visits and meet more students.

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All post-secondary institutions and language schools accepting international students for study programs of longer than six months will now be required to have BC's EQA designation in order to be on the federal ISP designation list. This new requirement, being phased in over 18 months, ensures institutions hosting international students meet the province's highest standard of education quality. Promoting the role of PCTIA to students of those institutions now required to register with the Agency to achieve EQA will be more important than ever.

Prior to site visits, institutions are asked to forward emails on behalf of the Agency with links to an online student survey and the PCTIA website. During site visits, Compliance Review Officers address students with an introduction to PCTIA and distribute information brochures. A desired outcome of enhanced contact with students is to make them aware of PCTIA, its consumer protection mandate, the regulatory environment within which institutions operate and the relief available should their institution close unexpectedly or if they feel they have been misled by their institution.

*3. Create an online post-visit survey for institutions to provide feedback on satisfaction levels following a site visit.*

- Online student satisfaction surveys are conducted in advance of site visits to reach as many students as possible.

In 2014, PCTIA began piloting an online version of the previously paper-based anonymous student satisfaction surveys. The survey raises the profile of PCTIA among students and alerts the Agency to compliance issues. The Agency decided to conduct the online student satisfaction surveys prior to a site visit in an attempt to reach as many students as possible. Hard copies of the survey continue to be handed out at site visits if required. In 2014/15, PCTIA staff surveyed 6,587 students. The Agency expects this number to increase with the International Student Program changes now encompassing a higher number of students.

The phone data for 2013/14 is slightly lower and may be attributed to an increased use of email communication. Following an initial phone conversation with a student, the Student Support Coordinator follows up by email and encourages the student to submit forms and documents electronically. This action has resulted in fewer phone calls. The decrease in phone enquiries could also be attributed to higher levels of institution compliance. The more institutions comply with PCTIA bylaws, the lower the number of student complaints received.

Goal 3: Increased Awareness, Effectiveness, and Transparency of PCTIA				
Measure and Summary	2012/13	2013/14	2014/15 Target	2014/15 Actual
General Phone Enquiries from the Public	2,548*	2,376	2,800	1,725
Summary: The actual number of phone enquiries from the public decreased significantly due to increased use of email communication and higher levels of institution compliance.				
Incoming Calls from Students Regarding Institutions	1,032*	803	1,500	1,500
Summary: Target achieved. The Compliance Review Officers reach out to students while on site visits				

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has increased awareness of PCTIA functions.				
Number of Students Participating in Survey	N/A	N/A	2,500	6,587
Summary: Target surpassed. Surveys were sent out to students prior to the site visit to ensure as many students as possible were reached.				
Visitors to the Website (pctia.bc.ca)	N/A	N/A	Setting Baseline	80,113
Summary: As this was the first year of collecting the data, no baseline had been set.				
Post-Visit Survey Satisfaction Levels (Institutions)	N/A	N/A	3	3.58
Summary: The surveys request ratings in four areas: Admissions; Instruction; Facilities, Equipment, Supplies & Resources and; Student Services & Support. The survey satisfaction level is based on an average score in four areas. A baseline score of 3 was set by PCTIA. A Compliance Review Officer will follow-up with an institution regarding the student survey satisfaction rates where the average score is less than 3.				

Data source for above measures: internal tracking, phone

\*This was the first full year recorded: Data Period November 1, 2012 – October 31, 2013. The ‘actual’ figure is based on the 2013/14 fiscal year.

## **Financial Report**

### ***Management Discussion and Analysis***

The transition of PCTIA into the Ministry of Advanced Education has been underway since the April 2014 announcement. The dissolution of the Agency will happen once new legislation is brought into force, anticipated for late Fall 2015. Until this time, the *Private Career Training Institutions Act*, regulation and bylaws remain in place and the work of PCTIA continues. All decisions formerly made by the Board, including adjudication of claims and complaints, are now made by the Public Administrator.

Private Career Training Institutions Agency (BC)

Financial Report

PCTIA Statement of Operations 2014/15

For the year ended	BUDGET 2015	March 31, 2015	March 31, 2014	Variance Current Year to Budget		Variance Current Year to Prior Year	
				\$	%	\$	%
<b>Revenue</b>							
Accreditation fees	\$ 2,181,382	\$ 2,058,185	\$ 1,927,806	\$ (123,197)	-5.6%	\$ 130,379	6.8%
Registration fees	887,831	757,099	611,287	(130,732)	-14.7%	145,812	23.9%
Other fees and miscellaneous revenue	27,958	53,203	37,572	25,245	90.3%	15,632	41.6%
STCF management fees and chargebacks	611,011	611,011	482,887	-	0.0%	128,124	26.5%
Investment revenue	7,125	7,491	32,940	366	5.1%	(25,449)	-77.3%
	<b>3,715,307</b>	<b>3,486,989</b>	<b>3,092,492</b>	<b>(228,318)</b>	<b>-6.1%</b>	<b>394,498</b>	<b>12.8%</b>
<b>Expenses</b>							
Accreditation on-site audits	354,225	325,698	252,840	(28,527)	-8.1%	72,858	28.8%
Amortization	75,262	96,799	38,948	21,537	28.6%	57,851	148.5%
Bank and payroll service charges	25,750	20,328	16,369	(5,422)	-21.1%	3,960	24.2%
Board	66,210	4,507	30,974	(61,703)	-93.2%	(26,467)	-85.4%
Communications	15,000	1,597	2,401				
Computer supplies and maintenance	88,857	60,078	8,102	(28,779)	-32.4%	51,977	641.6%
Consultants - other	135,750	187,388	20,173	51,638	38.0%	167,215	828.9%
Courier and postage	4,500	4,485	6,816	(15)	-0.3%	(2,330)	-34.2%
Equipment lease and maintenance	16,341	16,625	16,536	284	1.7%	89	0.5%
Insurance	15,325	14,523	13,664	(802)	-5.2%	859	6.3%
Office and supplies	20,000	16,404	26,705	(3,596)	-18.0%	(10,301)	-38.6%
Professional fees	145,800	85,026	111,880	(60,774)	-41.7%	(26,855)	-24.0%
Recruiting	30,000	12,418	3,470	(17,582)	-58.6%	8,948	257.9%
Rent and parking	307,761	272,283	300,702	(35,478)	-11.5%	(28,419)	-9.5%
Salaries and benefits	2,131,576	2,016,874	2,131,615	(114,702)	-5.4%	(114,741)	-5.4%
Staff development and conferences	35,000	28,156	9,128	(6,844)	-19.6%	19,028	208.4%



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Telephone	32,488	26,328	29,529	(6,160)	-19.0%	(3,201)	-10.8%
Travel and meals	94,301	91,557	45,707	(2,745)	-2.9%	45,849	100.3%
Uncollectible accounts	-	2,271	3,119	2,271	0.0%	(848)	-27.2%
Workshops	12,000	36,168	4,913	24,168	201.4%	31,255	636.2%
Contingency	109,161	-	-	(109,161)	0.0%	-	0.0%
	<b>3,715,307</b>	<b>3,319,513</b>	<b>3,073,590</b>	<b>(395,794)</b>	<b>-10.7%</b>	<b>245,923</b>	<b>8.0%</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ (0)</b>	<b>\$ 167,476</b>	<b>\$ 18,901</b>	<b>167,476</b>	<b>0.0%</b>	<b>148,575</b>	<b>786.0%</b>

## Student Training Completion Fund Statement of Operations 2014/15

For the year ended	BUDGET 2015	March 31, 2015	March 31, 2014	Variance Current Year to Budget		Variance Current Year to Prior Year	
				\$	%	\$	%
<b>Revenue</b>							
STCF initial contribution	\$ 140,000	\$ 36,000	\$ 54,000	\$ (104,000)	-74.3%	\$ (18,000)	-33.3%
Tuition revenue fee payment	1,173,169	1,250,233	1,214,628	77,064	6.6%	35,605	2.9%
Recoveries from institutions of student complaint tuition refunds	65,000	21,103	278,646	(43,897)	-67.5%	(257,543)	-92.4%
Investment revenue	393,153	701,018	1,034,835	307,865	78.3%	(333,817)	-32.3%
Miscellaneous revenue	500	2,306	-	1,806	361.1%	2,306	0.0%
	<b>1,771,822</b>	<b>2,010,660</b>	<b>2,582,109</b>	<b>238,838</b>	<b>13.5%</b>	<b>(571,450)</b>	<b>-22.1%</b>
<b>Expenses</b>							
Bank charges and miscellaneous	3,000	991	371	(2,009)	-67.0%	619	166.7%
Investment management fees	60,000	94,392	67,589	34,392	57.3%	26,803	39.7%
Management fees - PCTIA	611,011	611,011	482,887	-	0.0%	128,124	26.5%
Professional fees	40,550	18,365	60,900	(22,185)	-54.7%	(42,535)	-69.8%
Student tuition claims from closures	550,000	137,290	495,810	(412,710)	-75.0%	(358,520)	-72.3%
Student complaint tuition refunds	65,000	21,103	278,646	(43,897)	-67.5%	(257,543)	-92.4%
Uncollectible accounts	45,000	-	256,825	(45,000)	100.0%	(256,825)	100.0%
	<b>1,374,561</b>	<b>883,151</b>	<b>1,643,028</b>	<b>(491,410)</b>	<b>-35.8%</b>	<b>(759,877)</b>	<b>-46.2%</b>

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Excess of revenues over expenses for the year	\$ <b>397,261</b>	\$ <b>1,127,509</b>	\$ <b>939,081</b>	<b>730,248</b>	<b>183.8%</b>	<b>188,428</b>	<b>20.1%</b>
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**PRIVATE CAREER TRAINING INSTITUTIONS AGENCY  
CAPITAL EXPENDITURES FOR THE YEAR**

Computer Equipment	\$	64,253
Office Furniture	\$	3,607
Tenant Improvements	\$	3,235
Computer Software	\$	4,021
ERP development	\$	65,448
Total	\$	<u>140,564</u>

## **PCTIA OPERATING VARIANCE DETAILS 2014/15**

### Revenue:

#### Accreditation fees:

Increase from prior year due to increase in the number of institutions coming up for their renewal of accreditation, and rate increases for specific transactional based fees. Under budget due to anticipated activity stemming from the language school accreditation requirement not materializing.

#### Registration fees:

Increase from prior year due to rate increases for specific transactional based fees, introduction of new fees for some transaction activities, and the registration of some large institutions. Under budget due to anticipated activity stemming from the language school registration requirement not materializing.

#### Management fees (and chargebacks):

Increase from prior year due to more accurately reflecting Agency staff time required to administer the STCF.

### Expenses:

#### Accreditation on-site audits:

Increase from prior year due to the number of institutions being due for their 5 year accreditation review. Under budget due to, for a variety of reasons, rescheduling some accreditation reviews into the next fiscal year.

#### Amortization:

Increase from prior year due to the commencement in the current year of amortization of the new Enterprise Resource Planning (ERP) application which came online early in the fiscal year. Over budget due to an increase in purchase of computer and office equipment to accommodate the transition into government, which helped keep transition related travel costs below budget.

#### Board:

Decrease from prior year and under budget due to discharging the Board and appointing a Public Administrator in April 2014.

#### Communications:

Decrease from prior year and under budget due to cancelling the planned communications program with the announcement of the Agency transitioning into the Ministry.

#### Computer Supplies and maintenance:

Increase from prior year due to the go-live of the new enterprise resource platform application early in the fiscal year, entering into related maintenance contracts for the first time and

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upgrading the internet service to support high definition video conferencing equipment in order to minimize transition related travel costs. Under budget due to not requiring external IT support to the extent planned.

### Consultants – other:

Increase from prior year and over budget due to preparing for transition into government, including consulting work related to information technology, institution risk assessment and an actuarial valuation on the STCF.

### Courier and postage:

Decrease from prior year due to moving to paperless office.

### Insurance:

Increase over prior year due to increase in insurance rates. Under budget due to rate increases being less than budgeted for.

### Office Supplies and expenses:

Decrease from prior year and under budget due to moving to a paperless office and overall effort by staff to decrease the use of other office supplies.

### Professional fees:

Decrease from prior year and under budget due to fewer than anticipated institution closures which reduced student tuition closure claims and closure related legal activity.

### Recruiting:

Increase from prior year due to recruiting costs for one additional position than in prior year. Decrease from budget due to not filling planned positions.

### Rent and parking:

Decrease from prior year and under budget due to cancelling lease for 7<sup>th</sup> floor office space.

### Salaries and benefits:

Decrease from prior year and under budget due to not filling some vacant positions resulting from the anticipated registration and accreditation activity for language schools not materializing.

### Staff development and conferences:

Increase from prior year due to greater focus on developing staff. Under budget due to staff workload restrictions.

### Telephone:

Decrease from prior year and under budget due to restructuring of the mobile phone program.

### Travel and meals:

Increase from prior year due to travel required for transition into government. Under budget due to investment in video conferencing facility and improvement of internet service, both of which helped minimize travel related to the PCTIA transition into government.

## Private Career Training Institutions Agency (BC)

### Uncollectible accounts:

Decrease from prior year due to a reduction in the number of school closures and to a reduction of outstanding amounts owing. Variance from budget due to this not being a budgeted item.

### Workshops:

Increase from prior year and over budget due to holding focus groups and various consultation sessions with stakeholders in preparation for the upcoming transition into government.

## Private Career Training Institutions Agency (BC)

### PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

#### 6 YEAR STATEMENT OF OPERATIONS COMPARISON WITH 3 YEAR FORECAST

For the year ended	March 31,	March 31,	March 31,	March 31,	March 31,	BUDGET	March 31,	Variance Current		Variance Current		Forecast	Forecast	Forecast
	2010	2011	2012	2013 <sup>2</sup>	2014	2015	2015	\$	%	\$	%	2015/16	2016/17	2017/18
<b>Revenue</b>														
Fees from Accredited Institutions	\$ 1,381,636	\$ 1,677,980	\$ 1,684,275	\$ 1,771,243	\$ 1,927,806	\$ 2,181,382	\$ 2,058,185	(123,197)	-5.6%	130,379	6.8%	\$ 2,350,570	\$ 2,350,570	\$ 2,350,570
Fees from Registered Institutions	602,946	569,828	562,703	525,254	611,287	887,831	757,099	(130,732)	-14.7%	145,812	23.9%	756,537	756,537	756,537
Total Revenue from Institutions	1,984,582	2,247,808	2,246,978	2,296,497	2,539,093	3,069,213	2,815,284	(253,929)	-8.3%	276,191	10.9%	3,107,107	3,107,107	3,107,107
Management Fees	275,404	359,496	374,221	471,040	482,887	611,011	611,011	-	0.0%	128,124	26.5%	464,209	464,209	464,209
Other	42,710	60,808	37,751	49,563	70,512	35,083	60,694	25,611	73.0%	(9,817)	13.9%	41,108	41,108	41,108
Ministry grants	-	-	-	-	-	-	-	-	0.0%	-	0.0%	-	-	-
<b>Total Revenue</b>	<b>2,302,696</b>	<b>2,668,112</b>	<b>2,658,950</b>	<b>2,817,100</b>	<b>3,092,492</b>	<b>3,715,307</b>	<b>3,486,989</b>	<b>(228,318)</b>	<b>-6.1%</b>	<b>394,498</b>	<b>12.8%</b>	<b>3,612,425</b>	<b>3,612,425</b>	<b>3,612,425</b>
<b>Expenses</b>														
Salaries & benefits	1,477,989	1,508,277	1,745,736	1,778,518	2,131,615	2,131,576	2,016,874	(114,702)	-5.4%	(114,741)	-5.4%	2,079,692	2,079,692	2,079,692
Accreditation On-Site Audits	141,276	134,250	134,250	207,038	252,840	354,225	325,698	(28,527)	-8.1%	72,858	28.8%	684,325	684,325	684,325
Rent	128,781	147,603	259,294	269,648	300,702	307,761	272,283	(35,478)	-11.5%	(28,419)	-9.5%	278,177	278,177	278,177
Professional fees	141,301	126,803	116,489	137,398	111,880	145,800	85,026	(60,774)	-41.7%	(26,855)	24.0%	116,430	116,430	116,430
Other Operating and Administration	201,767	380,084	429,945	278,157	237,605	700,683	522,833	(177,850)	-25.4%	285,228	120.0%	329,640	329,640	329,640
Amortization	79,999	67,315	57,939	32,375	38,948	75,262	96,799	21,537	28.6%	57,851	148.5%	124,160	124,160	124,160
<b>Total Expenses</b>	<b>2,171,113</b>	<b>2,364,332</b>	<b>2,743,652</b>	<b>2,703,134</b>	<b>3,073,590</b>	<b>3,715,307</b>	<b>3,319,513</b>	<b>(395,794)</b>	<b>-10.7%</b>	<b>245,923</b>	<b>8.0%</b>	<b>3,612,425</b>	<b>3,612,425</b>	<b>3,612,425</b>
<b>Net gain from operations</b>	<b>131,583</b>	<b>303,780</b>	<b>(84,702)</b>	<b>113,966</b>	<b>18,901</b>	<b>(0)</b>	<b>167,476</b>	<b>167,476</b>	<b>0.0%</b>	<b>148,575</b>	<b>786.1%</b>	<b>0</b>	<b>0</b>	<b>0</b>
Non operating revenues	1,064	28,006	14,973	-	-	-	-	-	0.0%	-	0.0%	-	-	-



Private Career Training Institutions Agency (BC)

Non operating costs	-	-	-	-	-	-	-				(144,836)	-	-	
<b>Excess of revenues over expenses for the year</b>	<b>132,647</b>	<b>331,786</b>	<b>(69,729)</b>	<b>113,966</b>	<b>18,901</b>	<b>(0)</b>	<b>167,476</b>	<b>167,476</b>	<b>0.0%</b>	<b>148,575</b>	<b>786.1 %</b>	<b>(144,836)</b>	<b>0</b>	<b>0</b>
<b>Accumulated operating surplus</b>	<b>320,640</b>	<b>702,648</b>	<b>632,919</b>	<b>682,457</b>	<b>701,358</b>	<b>701,358</b>	<b>868,834</b>					<b>723,998</b>	<b>723,998</b>	<b>723,998</b>
<b>Accumulated remeasurement losses<sup>1</sup></b>	<b>-</b>	<b>(50,222)</b>	<b>(45,043)</b>	<b>18,929</b>	<b>-</b>	<b>-</b>	<b>-</b>					<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Accumulated Surplus</b>	<b>\$ 320,640</b>	<b>\$ 652,426</b>	<b>\$ 587,876</b>	<b>\$ 701,386</b>	<b>\$ 701,358</b>	<b>\$ 701,358</b>	<b>\$ 868,834</b>					<b>\$ 723,998</b>	<b>\$ 723,998</b>	<b>\$ 723,998</b>
<b>Capital Expenditures</b>	<b>\$ 85,117</b>	<b>\$ 20,351</b>	<b>\$ 70,950</b>	<b>\$ 40,327</b>	<b>\$ 223,190</b>	<b>\$ 45,879</b>	<b>\$ 140,564</b>					<b>\$ 265,820</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>Total Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> PCTIA adopted PSAB reporting standards as of April 1, 2010 which required separate reporting of accumulated remeasurement gains and losses

<sup>2</sup> Certain comparative figures have been reclassified to conform to with the financial statement presentation adopted for the current year. See notes 6 & 13 of the PCTIA financial statements for the year ended March 31, 2014

Financial Statements of

**PRIVATE CAREER TRAINING  
INSTITUTIONS AGENCY**

Year ended March 31, 2015



**KPMG LLP**  
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Canada

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## **INDEPENDENT AUDITORS' REPORT**

To the Public Administrator of the Private Career Training Institutions Agency

We have audited the accompanying financial statements of Private Career Training Institutions Agency, which comprise the statement of financial position as at March 31, 2015, the statements of operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Private Career Training Institutions Agency as at March 31, 2015, and its results of operations, its remeasurement gains and losses, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Accountants

May 14, 2015

Burnaby, Canada

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

## Statement of Financial Position

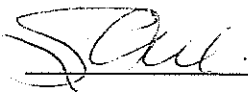
March 31, 2015, with comparative information for 2014

	2015	2014
<b>Financial assets</b>		
Cash	\$ 297,244	\$ 68,446
Accounts and accrued receivables (note 10)	27,673	30,312
Portfolio investments (note 3)	758,783	601,292
	<u>1,083,700</u>	<u>700,050</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (notes 4 and 10)	486,623	235,591
Deferred revenue	21,861	-
Deferred lease inducement (note 8)	33,346	43,876
	<u>541,830</u>	<u>279,467</u>
Net financial assets	541,870	420,583
<b>Non-financial assets</b>		
Tangible capital assets (note 5)	299,451	255,685
Prepaid expenses	27,513	25,090
	<u>326,964</u>	<u>280,775</u>
Accumulated surplus	\$ 868,834	\$ 701,358
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 868,834	\$ 701,358
	<u>\$ 868,834</u>	<u>\$ 701,358</u>

Contingent liability (note 6)

Commitments (note 8)

See accompanying notes to financial statements.



Public Administrator

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

## Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015		
	Budget	2015	2014
	(note 2(b))		
<b>Revenue:</b>			
Accreditation fees	\$ 2,181,382	\$ 2,058,185	\$ 1,927,806
Registration fees	887,831	757,099	611,287
Other fees and miscellaneous	27,958	53,203	37,572
Management fees and chargebacks (note 10)	611,011	611,011	482,887
Investment	7,125	7,491	32,940
	<u>3,715,307</u>	<u>3,486,989</u>	<u>3,092,492</u>
<b>Expenses:</b>			
Accreditation on-site audits	354,225	325,698	252,840
Amortization	75,262	96,799	38,948
Bank and payroll service charges	25,750	20,328	16,369
Board	66,210	4,507	30,974
Communications	15,000	1,597	2,401
Computer supplies and maintenance	88,857	60,078	8,102
Consultants - other	135,750	187,388	20,173
Courier and postage	4,500	4,485	6,816
Equipment lease and maintenance	16,341	16,625	16,536
Insurance	15,325	14,523	13,664
Office and supplies	20,000	16,404	26,705
Professional fees	145,800	85,026	111,880
Recruiting	30,000	12,418	3,470
Rent	307,761	272,283	300,702
Salaries and benefits	2,131,576	2,016,874	2,131,615
Staff development and conferences	35,000	28,156	9,128
Telephone and fax	32,488	26,328	29,529
Travel and meals	94,301	91,557	45,707
Uncollectible accounts	-	2,271	3,119
Workshops	12,000	36,168	4,913
Contingency	109,161	-	-
	<u>3,715,307</u>	<u>3,319,513</u>	<u>3,073,591</u>
Annual surplus	-	167,476	18,901
Accumulated operating surplus, beginning of year	701,358	701,358	682,457
Accumulated operating surplus, end of year	\$ 701,358	\$ 868,834	\$ 701,358

See accompanying notes to financial statements.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

## Statement of Remeasurement Gains and Losses

Year ended March 31, 2015, with comparative information for 2014

	2015		2014	
Accumulated remeasurement gains, beginning of year	\$	-	\$	18,929
Amounts reclassified to the statement of operations:				
Realized gain on portfolio investments		-		(18,929)
Net remeasurement gains for the year		-		(18,929)
Accumulated remeasurement gains, end of year	\$	-	\$	-

See accompanying notes to financial statements.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

## Statement of Changes in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	2015 Budget (note 2(b))	2015	2014
Annual surplus	\$ -	\$ 167,476	\$ 18,901
Acquisition of tangible capital assets	-	(140,565)	(223,190)
Amortization of tangible capital assets	75,262	96,799	38,948
	75,262	(43,766)	(184,242)
Acquisition of prepaid expenses	-	(27,513)	(25,090)
Consumption of prepaid expenses	-	25,090	21,563
	-	(2,423)	(3,527)
Effect of remeasurement gains for the year	-	-	(18,929)
	-	(2,423)	(22,456)
Increase in net financial assets	75,262	121,287	(187,797)
Net financial assets, beginning of year	420,583	420,583	608,380
Net financial assets, end of year	\$ 495,845	\$ 541,870	\$ 420,583

See accompanying notes to financial statements.



# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

## Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 167,476	\$ 18,901
Items not involving cash:		
Amortization	96,799	38,948
Lease inducement	(10,530)	(10,530)
	<u>253,745</u>	<u>47,319</u>
Change in non-cash operating working capital:		
Accounts and accrued receivable	2,639	67,100
Prepaid expenses	(2,423)	(3,527)
Accounts payable and accrued liabilities	251,032	(14,340)
Deferred revenue	21,861	(58,397)
	<u>526,854</u>	<u>38,155</u>
Capital activities:		
Purchase of tangible capital assets	(140,565)	(223,190)
Investing activities:		
Decrease (increase) of portfolio investments	(157,491)	17,640
Net change in cash	228,798	(167,395)
Cash, beginning of year	68,446	235,841
Cash, end of year	<u>\$ 297,244</u>	<u>\$ 68,446</u>

See accompanying notes to financial statements.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements

Year ended March 31, 2015

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## 1. Operations:

The Private Career Training Institutions Agency (the "Agency") was incorporated under the Private Career Training Institutions Act (the "Act") on November 22, 2004. It is a continuation of the Private Post-Secondary Education Commission (the "Commission"). All assets and liabilities of the Commission were transferred to the Agency at book values. The Agency is exempt from federal and provincial income and capital taxes under Section 149(1)(d) of the Income Tax Act.

The Agency is a self-funding Crown Agency whose mandate as set out in the Act is as follows:

- to establish basic education standards for registered institutions and to provide consumer protection to the students and prospective students of registered institutions;
- to establish standards of quality that must be met by accredited institutions; and
- to carry out, in the public interest, its powers, duties, and functions under this Act, the regulations and the bylaws.

In April 2014, the Ministry of Advanced Education (the "Ministry") announced that the Agency would be dissolved and its functions transferred to the Ministry. The Board of Directors of the Agency was replaced by the Public Administrator who provides oversight over the Agency's operations until the Agency is dissolved. The Private Training Act (the "Act"), the legislation to dissolve the Agency, received Royal assent on March 25, 2015. The Agency will continue its current operations until the Act comes into force. Information about the timing of the Act coming into force and events leading up to the dissolution of the Agency are currently unknown. As a result, these financial statements have been prepared assuming the Agency will continue as a going concern for the next fiscal year.

## 2. Significant accounting policies:

### (a) Basis of accounting:

These financial statements are prepared by management in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

### (b) Budget:

The budget information reported in these financial statements represents the 2015 budget developed by management. The 2015 budget was approved by the Board on March 25, 2014.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 2. Significant accounting policies (continued):

### (c) Revenue:

Registration and accreditation fees are recognized when services are provided to the institutions, the price is fixed or determinable, and collectability is reasonably assured. The portion of registration and accreditation fees that relate to the period following the Agency's year end have been reflected on the statement of financial position as deferred revenue.

Prior to June 1, 2009, the regulations of the Agency obligated registered institutions to make payments to the Student Training Completion Fund Trust (the "Fund Trust") based on a percentage of tuition fees charged to students. Effective June 1, 2009 the regulations and the bylaws of the Agency obligate registered institutions to make monthly payments to the Fund Trust and the Agency on the basis of a fixed annual fee based on the institutions' prior fiscal year tuition revenue and by a sum equal to a percentage of the tuition received each month during the current fiscal year. The payment rates to the Fund Trust are established by the Regulations of the Act. The fixed annual fee and the payment rates to the Agency are established by the bylaws of the Agency. Such information is cross referenced to institutions' financial statements and annual enrolment reporting received by the Agency. Payments are recorded based on information from the participating institutions.

### (d) Tangible capital assets:

Tangible capital assets are recorded at cost with amortization provided on a straight-line basis over their estimated useful lives as follows:

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Computer equipment	3 years
Computer software	2 years
Office furniture	5 years
ERP development	6 years
Tenant improvements	straight-line basis over term of the lease

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### (e) Functional and object reporting:

The operations of the Agency are comprised of a single function. As a result, the expenses of the Agency are presented by object in the statement of operations.

### (f) Financial instruments:

Derivatives and equity instruments quoted in an active market are measured at fair value. All other financial assets and financial liabilities are measured at cost or amortized cost. Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 2. Significant accounting policies (continued):

### (f) Financial instruments (continued):

Level 3 Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

The Agency's financial instruments consist of cash, portfolio investments, accounts and accrued receivables, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to any significant interest, currency or credit risks arising from these financial instruments.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

### (g) Investment income:

Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments, writedowns on investments where the loss in value is determined to be other than temporary. Investment transactions are recorded on a trade date basis. Transaction costs are expensed as incurred.

### (h) Trust under administration:

Trusts administered by the Agency as directed by agreement or statute for certain beneficiaries are not included in the Agency's financial statements.

### (i) Employee future benefits:

The Agency and its employees make contributions to the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. These contributions are expensed as paid.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 2. Significant accounting policies (continued):

### (j) Use of estimates:

The preparation of the 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. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and determination of accrued award distribution. Actual results could differ from those estimates.

## 3. Portfolio investments:

Portfolio investments is comprised of a high interest investment savings account carried at amortized cost, which approximates fair value.

## 4. Accounts payable and accrued liabilities:

	2015	2014
Accounts payable and accrued liabilities	\$ 381,289	\$ 137,458
Student Training Completion Fund fee revenue payable	105,334	98,133
	\$ 486,623	\$ 235,591

## 5. Tangible capital assets:

Cost	Balance, March 31, 2014	Additions	Disposals	Balance, March 31, 2015
Computer equipment	\$ 139,640	\$ 64,254	\$ 36,827	\$ 167,067
Office furniture	74,950	3,607	695	77,862
Tenant improvements	37,713	3,235	-	40,948
Computer software	81,573	4,021	2,900	82,694
ERP development	193,132	65,448	-	258,580
	\$ 527,008	\$ 140,565	\$ 40,422	\$ 627,151

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 5. Tangible capital assets (continued):

Accumulated amortization	Balance, March 31, 2014	Disposals	Amortization expense	Balance, March 31, 2015
Computer equipment	\$ 119,265	\$ 36,827	\$ 33,934	\$ 116,372
Office furniture	63,192	695	5,477	67,974
Tenant improvements	13,963	-	6,229	20,192
Computer software	74,903	2,900	8,063	80,066
ERP development	-	-	43,096	43,096
	<u>\$ 271,323</u>	<u>\$ 40,422</u>	<u>\$ 96,799</u>	<u>\$ 327,700</u>

	Net book value March 31, 2014	Net book value March 31, 2015
Computer equipment	\$ 20,375	\$ 50,695
Office furniture	11,758	9,888
Tenant improvements	23,750	20,756
Computer software	6,670	2,628
ERP development	193,132	215,484
	<u>\$ 255,685</u>	<u>\$ 299,451</u>

## 6. Contingent liability:

Certain legal actions are pending against the Agency, the outcome of which cannot be determined at this time. For those actions where it is not possible to determine the outcome of these proceedings, no provision for any potential liability has been recorded in these financial statements. Any settlements will be recorded when they can be estimated.

## 7. Security requirements:

Many institutions applying for registration with the former Commission were to provide financial security in conjunction with their application. Security requirements were met by way of investment and surety bonds, letters of credit or cash. As of March 31, 2015, the Agency had \$40,387 (2014 - \$40,387) of cash held in trust for the security requirements. These amounts have not been included in these financial statements.

The Agency no longer requires financial security in conjunction with applications but has balances remaining as it is still involved in the transition from the Commission.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

---

## 8. Commitments:

The Agency leases premises under a 6-year, 6-month lease for office space at Suite 203, 1155 West Pender Street, Vancouver expiring May 31, 2018.

Under the terms of the lease, remaining basic rent is \$135,919 annually until the expiry date of May 31, 2018. The aggregate of basic rent over the remaining term of the lease is \$430,410. In addition to basic rent, the Agency is required to pay a portion of certain operating costs and property taxes.

Also under the terms of the lease, the Agency received free rent for four months. This free rent was recorded as a deferred lease inducement, which is a non-cash item and is being amortized over the term of the lease.

The Agency is also obligated under operating leases for a copier, phone system and postage meters that expire in 2016 to 2018.

The Agency is committed to annual payments for all leases for future years as follows:

Year	Amount
2016	\$ 157,083
2017	154,491
2018	149,940
2019	30,077
	<hr/>
	\$ 491,591

## 9. Financial instruments:

The Agency through its financial assets and liabilities is exposed to various risks. The following analysis provides an assessment of those risks at March 31, 2015.

### (a) Credit risk:

Credit risk is the risk that the Agency will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Agency to significant concentrations of credit risk consists primarily of accounts receivable.

The maximum amount of credit risk exposure is limited to the carrying amount of the balance in the financial statements.

### (b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Portfolio investments include investments that bear some interest rate risk as the market price may fluctuate based on changes in interest rates.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 9. Financial instruments (continued):

### (c) Market risk:

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Agency is exposed to interest rate risk on its portfolio investments.

### (d) Liquidity risk:

Liquidity risk is the risk that the Agency will not be able to meet its obligations as they fall due. The Agency maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

## 10. Student Training Completion Fund Trust:

The Agency established the Fund Trust for the sole purpose of helping carry out its mandate. The beneficiaries of the Fund Trust are students attending registered institutions. The Agency administers the Fund Trust in exchange for annual management fees of \$611,011 (2014 - \$482,887), which was set out by the Board of Directors of the Agency. The Agency collects fees on behalf of the Fund Trust and provides certain administrative functions.

As at March 31, 2015, an amount of \$105,334 (2014 - \$98,133) was owed by the Agency to the Fund Trust and is included in Student Training Completion Fund fee revenue payable (note 4). At March 31, 2015, there was \$60 owed by the Fund Trust to the Agency (2014 - nil).

The Fund Trust prepares separate financial statements and no Fund Trust assets, liabilities or transactions have been reported in the Agency's financial statements.

The following summarizes the financial position of the Fund Trust and its operations for its fiscal year ended March 31, 2015:

	2015	2014
Cash and portfolio investments	\$ 15,590,886	\$ 13,791,319
Accounts and accrued receivable	113,717	108,625
	15,704,603	13,899,944
Accounts payable and accrued liabilities	68,286	88,183
Contingent liabilities	2,000	-
Accumulated surplus	\$ 15,636,317	\$ 13,811,761
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 14,662,505	\$ 13,534,997
Accumulated remeasurement gains	973,812	276,764
	\$ 15,636,317	\$ 13,811,761



# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 10. Student Training Completion Fund Trust (continued):

	2015	2014
Revenue:		
Initial contribution	\$ 36,000	\$ 54,000
Tuition revenue fee payments	1,250,233	1,214,628
Recoveries from institutions of student complaint tuition refunds	21,103	278,646
Investment	701,018	1,034,835
Other	2,306	-
	2,010,660	2,582,109
Expenses:		
Student tuition claims	137,290	495,810
Student complaint tuition refunds	21,103	278,646
Administrative expenses	724,759	611,747
Uncollectible accounts	-	256,825
	883,152	1,643,028
Annual surplus	\$ 1,127,508	\$ 939,081

	2015	2014
Cash provided by operating activities	\$ 1,102,519	\$ 842,621
Cash used in investing activities	(964,133)	(875,575)

## 11. Municipal pension plan:

The Agency and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 182,000 active members and approximately 75,000 retired members.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2015 with results available in 2016. Defined contribution plan accounting is applied to the Plan, as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating obligation, Plan assets and cost to individual entities participating in the Plan.

The Agency paid \$143,128 (2014 - \$140,333) for employer contributions while the employees contributed \$125,470 (2014 - \$124,706) to the Plan in 2015.

Financial Statements of

**PRIVATE CAREER TRAINING  
INSTITUTIONS AGENCY –  
STUDENT TRAINING  
COMPLETION FUND TRUST**

Year ended March 31, 2015



**KPMG LLP**  
**Chartered Accountants**  
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Burnaby BC V5H 4N2  
Canada

Telephone (604) 527-3600  
Fax (604) 527-3636  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **INDEPENDENT AUDITORS' REPORT**

To the Public Administrator of the Private Career Training Institutions Agency

We have audited the accompanying financial statements of Private Career Training Institutions Agency – Student Training Completion Fund Trust, which comprise the statement of financial position as at March 31, 2015, the statements of operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Private Career Training Institutions Agency - Student Training Completion Fund Trust as at March 31, 2015, and its results of operations, its remeasurement gains and losses, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Accountants

May 14, 2015

Burnaby, Canada

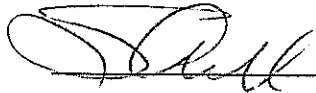
# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
<b>Financial assets</b>		
Cash	\$ 398,993	\$ 260,607
Accounts and accrued receivables (note 6)	113,717	108,625
Portfolio investments (note 3)	15,191,893	13,530,712
	15,704,603	13,899,944
<b>Liabilities</b>		
Accounts payable and accrued liabilities (notes 4 and 6)	66,286	88,183
Contingent liabilities (note 5)	2,000	-
	68,286	88,183
Net financial assets	15,636,317	13,811,761
Accumulated surplus	\$ 15,636,317	\$ 13,811,761
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 14,662,505	\$ 13,534,997
Accumulated remeasurement gains	973,812	276,764
	\$ 15,636,317	\$ 13,811,761

See accompanying notes to financial statements.



Public Administrator

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

## Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015 Budget (note 2(b))	2015	2014
<b>Revenue:</b>			
Initial contribution	\$ 140,000	\$ 36,000	\$ 54,000
Tuition revenue fee	1,173,169	1,250,233	1,214,628
Recoveries from institutions of student complaint tuition refunds	65,000	21,103	278,646
Investment	393,153	701,018	1,034,835
Other	500	2,306	-
	1,771,822	2,010,660	2,582,109
<b>Expenses:</b>			
Bank charges	3,000	991	371
Investment management fee	60,000	94,392	67,589
Management fees and chargebacks (note 6)	611,011	611,011	482,887
Professional fees	40,550	18,365	60,900
Student tuition claims	550,000	137,290	495,810
Student complaint tuition refunds	65,000	21,103	278,646
Uncollectible accounts	45,000	-	256,825
	1,374,561	883,152	1,643,028
Annual surplus	397,261	1,127,508	939,081
Accumulated operating surplus, beginning of year	13,534,997	13,534,997	12,595,916
<b>Accumulated operating surplus, end of year</b>	<b>\$ 13,932,258</b>	<b>\$ 14,662,505</b>	<b>\$ 13,534,997</b>

See accompanying notes to financial statements.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Statement of Remeasurement Gains and Losses

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Accumulated remeasurement gains, beginning of year	\$ 276,764	\$ 484,984
Unrealized gains attributable to portfolio investments	1,050,731	579,416
Amounts reclassified to the statement of operations:		
Realized gain on portfolio investments	(353,683)	(787,636)
Net remeasurement gains for the year	697,048	(208,220)
Accumulated remeasurement gains, end of year	\$ 973,812	\$ 276,764

See accompanying notes to financial statements.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Statement of Changes in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	2015 Budget (note 2(b))	2015	2014
Annual surplus	\$ 397,261	\$ 1,127,508	\$ 939,081
Effect of remeasurement gains for the year	-	697,048	(208,220)
Increase in net financial assets	397,261	1,824,556	730,861
Net financial assets, beginning of year	13,811,761	13,811,761	13,080,900
Net financial assets, end of year	\$ 14,209,022	\$ 15,636,317	\$ 13,811,761

See accompanying notes to financial statements.



# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

## Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 1,127,508	\$ 939,081
Change in non-cash operating working capital:		
Accounts and accrued receivables	(5,092)	20,401
Accounts payable and accrued liabilities	(21,897)	(116,861)
Contingent liabilities	2,000	-
	<u>1,102,519</u>	<u>842,621</u>
Investment:		
Increase in portfolio investments	(964,133)	(875,575)
Increase (decrease) in cash	138,386	(32,954)
Cash, beginning of year	260,607	293,561
Cash, end of year	<u>\$ 398,993</u>	<u>\$ 260,607</u>

See accompanying notes to financial statements.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Notes to Financial Statements

Year ended March 31, 2015

---

## 1. Operations:

The Private Career Training Institutions Agency - Student Training Completion Fund Trust (the "Fund Trust") was established under section 13 of the Private Career Training Institutions Act on November 22, 2004. The Fund Trust, by virtue of the Agency, is exempt from federal and provincial income taxes under Section 149(1)(d) of the Income Tax Act.

The Fund Trust is administered by the Private Career Training Institutions Agency (the "Agency"), a self-funding agent of the Province of British Columbia. Separate financial statements are available that report on the activities of the Agency. The Agency provides administrative services to the Fund Trust.

The Fund Trust is administered as part of the Agency's mandatory registration system and voluntary accreditation program for private post-secondary educational institutions in the Province of British Columbia. It is the mechanism by which students attending registered institutions that cease to operate may make claims in order to recover lost tuition. In addition, the Board of the Agency (the "Board") may authorize a refund of a portion of the tuition fees a student has paid to a registered institution that, in the opinion of the Board, has misled a student regarding its institution or any aspect of its operations.

Monies placed into the Fund Trust or received by the Agency for the Fund Trust must be:

- (a) held in trust by the Agency for the purposes listed in Section 15 of the Private Career Training Institutions Act;
- (b) accounted for separately from other money of the Agency; and
- (c) are not subject to any process of seizure or attachment by any creditor of the Agency.

New Bylaw provisions were implemented in 2012 and revised in 2014.

In April 2014, the Ministry of Advanced Education (the "Ministry") announced that the Agency would be dissolved and its functions transferred to the Ministry. The Board of Directors of the Agency was replaced by the Public Administrator who provides oversight over the Agency's operations until the Agency is dissolved. The Private Training Act (the "Act"), the legislation to dissolve the Agency, received Royal assent on March 25, 2015. The Agency will continue its current operations until the Act comes into force. Information about the timing of the Act coming into force and events leading up to the dissolution of the Agency are currently unknown, as is the future of the Fund Trust. As a result, these financial statements have been prepared assuming the Fund Trust will continue as a going concern for the next fiscal year.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

---

## 2. Significant accounting policies:

### (a) Basis of accounting:

These financial statements are prepared by the Agency in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

### (b) Budget:

The budget information reported in these financial statements represents the 2015 budget developed by the Agency. The 2015 budget was approved by the Board on March 25, 2014.

### (c) Revenue:

Student Training Completion Fund (“STCF”) initial contribution is recognized upon registration. Monthly tuition revenue fee payments are recognized when they are reasonably estimable, the price is fixed or determinable, and collectability is reasonably assured. Recoveries from institutions of student complaint tuition refunds are recognized when an assignment of claim is signed by the student.

The regulations of the Agency, which include regulations related to the Fund Trust, obligate registered institutions to make payments to the Fund Trust based on a percentage of tuition fees received. The payment rates are established by the Regulations to the Private Career Training Institutions Act. Such information is cross referenced to institutions’ financial statements and annual enrolment reporting received by the Agency. Payments are recorded based on information from the participating institutions.

### (d) Expenses:

Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

### (e) Functional and object reporting:

The operations of the Fund Trust are comprised of a single function. As a result, the expenses of the Fund Trust are presented by object in the statement of operations.

### (f) Financial instruments:

Derivatives and equity instruments quoted in an active market are measured at fair value. All other financial assets and financial liabilities are measured at cost or amortized cost. Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 2. Significant accounting policies (continued):

### (f) Financial instruments (continued):

Level 3 Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

The Fund Trust's financial instruments consist of cash, portfolio investments, accounts and accrued receivable, accounts payable and accrued liabilities, and contingent liabilities. Unless otherwise noted, it is management's opinion that the Fund Trust is not exposed to any significant interest, currency or credit risks arising from these financial instruments.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets, except derivatives, are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

### (g) Contingent liability for claims due to institution closures:

The Trust Fund recognizes contingent liabilities for possible student tuition claims at the time an institution closes. Management estimates the amount of contingent liabilities for possible student tuition claims based on the best information about the circumstances of each student enrolled at the time of closure. Estimates are adjusted as additional information is received by management during the claim process. Contingent liabilities are derecognized whenever new circumstances indicate that a payment will not be made.

### (h) Investment income:

Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments, writedowns on investments where the loss in value is determined to be other than temporary. Investment transactions are recorded on a settlement date basis. Transaction costs are expensed as incurred.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 2. Significant accounting policies (continued):

### (i) Use of estimates:

The preparation of the 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. Actual results could differ from those estimates.

## 3. Portfolio investments:

	Fair value hierarchy level	2015	2014
Canadian fixed income	Level 1	\$ 7,011,403	\$ 4,265,735
Canadian high interest investment savings account		467,945	1,879,650
Canadian term deposits	Level 1	1,007,426	1,991,536
Canadian equity	Level 1	2,516,818	3,664,836
Global equity	Level 1	4,188,301	1,728,955
		<b>\$ 15,191,893</b>	<b>\$ 13,530,712</b>

The high interest savings account is carried at amortized cost, which approximates fair value.

The investment accounts are held at one financial institution. The interest rate on the guaranteed investment certificate is 1.76% (2014 – 1.76% and 2.20%).

## 4. Accounts payable and accrued liabilities:

	2015	2014
Accounts payable and accrued liabilities	\$ 46,177	\$ 56,357
Student claims payable	20,109	31,826
	<b>\$ 66,286</b>	<b>\$ 88,183</b>

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 5. Payments from the Fund Trust for institution closures:

Since the Fund Trust was established in November 2004, there have been 48 (2014 - 46) institution closures that resulted in student tuition claims. In total, the Fund Trust has authorized payments on account of students in the amount of \$3,712,884 as at March 31, 2015 (2014 - \$3,577,596).

Contingent liabilities for possible student tuition refund claims due to institution closures in the amount of \$2,000 (2014 – nil) have been recognized in these financial statements.

## 6. Fund administration and related party transactions:

In administering the Fund Trust, the Agency may invest the Fund Trust only in the manner authorized by the Trustee Act.

The Fund Trust pays the Agency an annual management fee of \$611,011 (2014 - \$482,887) in exchange for administering the Fund Trust. The Agency's Board sets the amount at which the fee will be charged. As at March 31, 2015, an amount of \$105,334 (2014 - \$98,133) was owed by the Agency and included in accounts and accrued receivables on the statement of financial position. At March 31, 2015, there was \$60 owed by the Fund Trust to the Agency (2014 - nil).

## 7. Economic dependence:

As the Fund Trust was established solely for the purpose of carrying out the mandate of the Agency, during the Agency's transition into government, the Fund Trust's ability to continue as a going concern is dependent on the continuation of the Agency.

## 8. Financial instruments:

The Fund Trust, through its financial assets and liabilities, is exposed to various risks. The following analysis provides an assessment of those risks at March 31, 2015.

### (a) Credit risk:

Credit risk is the risk that the Fund Trust will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Fund Trust to significant concentrations of credit risk consists primarily of accounts receivable.

The maximum amount of credit risk exposure is limited to the carrying amount of the balance in the financial statements.

### (b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Portfolio investments include investments that bear some interest rate risk as the market price may fluctuate based on changes in interest rates.

# PRIVATE CAREER TRAINING INSTITUTIONS AGENCY – STUDENT TRAINING COMPLETION FUND TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2015

---

## **8. Financial instruments (continued):**

### (c) Market risk:

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Fund Trust is exposed to fair value and interest rate risk on its portfolio investments.

### (d) Liquidity risk:

Liquidity risk is the risk that the Fund Trust will not be able to meet its obligations as they fall due. The Fund Trust maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.



## Management's Report

### ***Management's Responsibility for the Financial Statements***

The financial statements for the Private Career Training Institutions Agency for the year ended March 31, 2015 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.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

For the year ended March 31, 2015, the Public Administrator fulfilled the role of the Board of Directors and was responsible for ensuring that management fulfilled its responsibilities for financial reporting and internal control. For the year ended March 31, 2015 the Public Administrator reviewed internal financial statements on a regular basis. The Public Administrator reviewed and accepted the external audited financial statements for the year ended March 31, 2015.

The external auditors, KPMG, 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 the Private Career Training Institutions Agency and meet when required.

On behalf of Private Career Training Institutions Agency,

Digitally signed by Monica Lust  
DN: cn=Monica Lust, o, ou,  
email=mlust@pctia.bc.ca, c=CA  
Date: 2015.05.19 11:53:24 -07'00'

Monica Lust  
Registrar and CEO

Lyndon Scott  
Chief Financial Officer

May 14, 2015





## Management's Report

### ***Management's Responsibility for the Financial Statements***

The financial statements for the Private Career Training Institutions Agency Student Training Completion Fund Trust for the year ended March 31, 2015 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.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

For the year ended March 31, 2015, the Public Administrator fulfilled the role of the Board of Directors and was responsible for ensuring that management fulfilled its responsibilities for financial reporting and internal control. For the year ended March 31, 2015 the Public Administrator reviewed internal financial statements on a regular basis. The Public Administrator reviewed and accepted the external audited financial statements for the year ended March 31, 2015.

The external auditors, KPMG, 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 the Private Career Training Institutions Agency Student Training Completion Fund Trust and meet when required.

On behalf of Private Career Training Institutions Agency Student Training Completion Fund Trust,

Digitally signed by Monica Lust  
DN: cn=Monica Lust, o, ou,  
email=mlust@pctia.bc.ca, c=CA  
Date: 2015.05.19 11:57:09 -07'00'

Monica Lust  
Registrar and CEO

Lyndon Scott  
Chief Financial Officer

May 14, 2015