

**INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2000**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of the Industry Training and Apprenticeship Commission have been prepared by management in accordance with generally accepted accounting principles. The financial statements present fairly the financial position of the Commission as at March 31, 2000, and the results of its operations and the changes in its financial position for the year ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records are properly maintained to facilitate the preparation of reliable financial statements in a timely manner.

The Auditor General of British Columbia has performed an independent audit of the Industry Training and Apprenticeship Commission. The Auditor's Report outlines the scope of this independent audit and expresses an opinion of the financial statements of the Industry Training and Apprenticeship Commission.



Kerry Jochen  
Chief Executive Officer

# Report of the Auditor General of British Columbia

*To the Members of the Board of Directors  
of the Industry Training and Apprenticeship Commission, and*

*To the Minister of Advanced Education, Training and Technology,  
Province of British Columbia:*

I have audited the balance sheet of the *Industry Training and Apprenticeship Commission* as at March 31, 2000 and the statements of revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Industry Training and Apprenticeship Commission* as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.



*Victoria, British Columbia  
June 2, 2000*

Wayne Strelloff, CA  
Auditor General

# INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

## BALANCE SHEET AS AT MARCH 31, 2000

|   | 2000                | 1999                |
|---|---------------------|---------------------|
| <b>Assets</b>                                       |                     |                     |
| Balance in the Special Account (Note 3)             | \$ 2,031,075        | \$ 1,778,010        |
| Accounts Receivable                                 | 3,941               | 73,153              |
| Prepaid Expenses                                    | 212                 | -                   |
| Capital Assets (Note 4)                             | 424,756             | 181,790             |
|   | <u>\$ 2,459,984</u> | <u>\$ 2,030,953</u> |
| <b>Liabilities</b>                                  |                     |                     |
| Grants and Contributions Payable                    | \$ 498,201          | \$ 296,803          |
| Other Accounts Payable and Accrued Liabilities      | 101,926             | 50,783              |
| Accrued Employee Leave Entitlements (Note 5)        | 384,980             | 314,300             |
|   | <u>985,107</u>      | <u>661,886</u>      |
| <b>Accumulated Excess of Revenues over Expenses</b> | <u>1,474,877</u>    | <u>1,369,067</u>    |
|   | <u>\$ 2,459,984</u> | <u>\$ 2,030,953</u> |

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

Approved by the Board of Directors:

  
Chair

  
Chief Executive Officer

# INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

## STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2000

|  | 2000                | 1999                |
|--|---------------------|---------------------|
| <b>Revenues</b>  |                     |                     |
| Contributions from the Province (Note 6)                               | \$ 70,105,000       | \$ 68,596,000       |
| Licenses and Permits   | 210,778             | 176,361             |
|  | <u>70,315,778</u>   | <u>68,722,361</u>   |
| <b>Expenses</b>  |                     |                     |
| Contributions to Industry Training and Apprenticeship Programs         | 61,674,618          | 60,866,780          |
| Salaries and Benefits  | 5,696,631           | 5,065,401           |
| Building Occupancy Charges (Note 6)                                    | 725,959             | 763,158             |
| General Office and Business Expenses                                   | 430,895             | 385,927             |
| Information Systems Operating Costs (Note 6)                           | 378,549             | 356,488             |
| Travel   | 343,568             | 249,403             |
| Professional Services  | 224,836             | 246,185             |
| Printing, Publications and Marketing                                   | 389,597             | 149,049             |
| Trade Advisory Committees  | 126,689             | 112,825             |
| Board Fees and Expenses  | 67,692              | 107,027             |
| Amortization   | 150,934             | 58,353              |
|  | <u>70,209,968</u>   | <u>68,360,596</u>   |
| <b>Excess of Revenues over Expenses</b>                                |                     |                     |
| For the Year   | 105,810             | 411,765             |
| <b>Accumulated Excess of Revenues over Expenses, Beginning of Year</b> | 1,369,067           | 957,302             |
| <b>Accumulated Excess of Revenues over Expenses, End of Year</b>       | <u>\$ 1,474,877</u> | <u>\$ 1,369,067</u> |

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

# INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2000

|  | 2000                       | 1999                       |
|--|----------------------------|----------------------------|
| <b>Sources of Cash Equivalents</b>                         |                            |                            |
| <b>Cash Equivalents Provided by Operations</b>             |                            |                            |
| Excess of Revenues over Expenses for the year              | \$ 105,810                 | \$ 411,765                 |
| Add (Less): Items not affecting Cash Equivalents           |                            |                            |
| Amortization (non-cash expense)                            | 150,934                    | 58,353                     |
| Increase (Decrease) in Grants and Contributions Payable    | 201,398                    | (22,428)                   |
| Increase in Other Accounts Payable and Accrued Liabilities | 51,143                     | 21,458                     |
| Increase in Accrued Employee Leave Entitlements            | 70,680                     | 37,895                     |
| Decrease (Increase) in Accounts Receivable                 | 69,212                     | (69,900)                   |
| (Increase) Decrease in Prepaid Expenses                    | (212)                      | 1,758                      |
|  | <u>648,965</u>             | <u>438,901</u>             |
| <b>Cash Equivalents Used by Investing Activities</b>       |                            |                            |
| Purchase of Capital Assets                                 | <u>(393,900)</u>           | <u>(161,589)</u>           |
| <b>Increase in Cash Equivalents</b>                        | <b>255,065</b>             | <b>277,312</b>             |
| <b>Cash Equivalents, Beginning of Year</b>                 | <b>1,776,010</b>           | <b>1,498,698</b>           |
| <b>Cash Equivalents, End of Year</b>                       | <u><u>\$ 2,031,075</u></u> | <u><u>\$ 1,776,010</u></u> |
| <b>Represented by:</b>                                     |                            |                            |
| Balance in the Special Account                             | <u><u>\$ 2,031,075</u></u> | <u><u>\$ 1,776,010</u></u> |

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

# INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2000

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### Note 1 The Commission

The Industry Training and Apprenticeship Commission (the Commission) was established on November 28, 1997 as a corporation and agent of the Provincial government under the authority of the *Industry Training and Apprenticeship Act*.

The mandate of the Commission is to:

- create an industry driven training and apprenticeship system;
- identify, monitor and assess the needs of the British Columbia labour market for skilled persons;
- expand the number of skilled persons in designated trades and occupations;
- increase the proportion of under-represented groups in designated trades and occupations;
- integrate education and training systems to ensure a smooth transition from school to the workplace;
- promote and encourage continuous skills upgrading, learning and certification;
- develop and expand a system of provincially recognized credentials for designated trades and occupations; and
- ensure efficient and effective use of resources through the coordination and integration of industry training and apprenticeship programs.

### Note 2 Significant Accounting Policies

#### (a) Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles.

#### (b) Revenues and Expenses

Contributions received from the Province are recorded as revenue on an accrual basis.

Contributions are recognized as expenses in the period that the events giving rise to the contribution occurred, as long as:

- (i) payment has been authorized;
- (ii) eligibility criteria, if any, have been met by the recipient; and
- (iii) a reasonable estimate of the contribution can be made.

# INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2000

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### Note 2 Significant Accounting Policies – continued

#### (c) Capital Assets

Capital assets are recorded at cost and are amortized on a straight-line basis over the estimated useful life of the assets as follows: Computer Hardware and Software - 3 years.

### Note 3 Balance in the Special Account

The *Industry Training and Apprenticeship Act* establishes the Industry Training and Apprenticeship Special Account in the general fund of the Province of British Columbia.

This Special Account consists of:

- money transferred from a vote;
- assessments made on employees or employers for the cost of maintaining an industry training or apprenticeship program;
- fees for services; and
- any other revenues received by the Commission.

Money may be paid out of the Special Account for projects or initiatives undertaken by the Commission, and for the costs of operating and administering the Commission. The Special Account balance includes the accumulated excess of revenues over expenses that may not be spent without additional Treasury Board approval.

### Note 4 Capital Assets

|                                   | Cost       | Accumulated<br>Amortization | Net<br>Book Value |
|-----------------------------------|------------|-----------------------------|-------------------|
| Computer Hardware and<br>Software | \$ 649,754 | \$ 224,998                  | \$ 424,756        |

# INDUSTRY TRAINING AND APPRENTICESHIP COMMISSION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2000

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### Note 5 Accrued Employee Leave Entitlements

The Commission is responsible for the leave entitlements earned by its employees that existed prior to its incorporation on November 28, 1997. The Balance in the Special Account includes a cash transfer made to provide for this liability.

### Note 6 Related Party Transactions

(a) The Commission received \$70,105,000 from the Ministry of Advanced Education, Training and Technology. The Commission uses these revenues to make contributions to industry training and apprenticeship programs at universities, colleges and training schools in British Columbia, and to fund the operations of the Commission.

(b) All office facilities are leased through the British Columbia Buildings Corporation. Total lease payments for the year ended March 31, 2000 were \$725,959.

(c) The Ministry of Finance and Corporate Relations provides data processing services to the Commission. Total data processing costs for the year ended March 31, 2000 were \$316,502.

### Note 7 Donated Services

Services for finance and administration, human resources, information management, freedom of information and protection of privacy and communication are provided to the Commission by other ministries. These amounts are not readily quantifiable, so their value has not been included in the financial statements.

### Note 8 Pension Plan

The Commission and its employees contribute to the Public Service Pension Plan in accordance with the Pension (Public Service) Act. The Superannuation Commission of the Province of British Columbia administers the Plan, including the payment of pension benefits on behalf of employers and employees to whom the Act applies.

The plan is a defined benefit plan. The financial statements of the plan are included in the Public Accounts of the Province. The Province of British Columbia has statutory responsibility for any unfunded liability.