
Auditors' Report

To the Commissioners of the
Private Post-Secondary Education Commission

We have audited the Statement of Financial Position of the Private Post-Secondary Education Commission as at March 31, 2000 and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the 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.

Vancouver, British Columbia
May 11, 2000


Chartered Accountants

**Private Post-Secondary
Education Commission
Statement of Financial Position**

March 31 2000 1999

Assets

Current

Cash	\$	754,776	\$	640,409
Accounts receivable		59,471		6,246
Prepaid expenses		12,026		14,475

		826,273		661,130
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Capital assets (Note 1)

		40,692		22,287
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	\$	866,965	\$	683,417
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Liabilities and Net Assets

Liabilities

Current

Accounts payable and accrued liabilities	\$	93,121	\$	47,116
Deferred registration and accreditation fee revenue		615,008		563,821

		708,129		610,937
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Net Assets

Invested in capital assets		40,692		22,287
Internally restricted for special purposes (Note 3)		72,480		25,171
Available		45,664		25,022

		158,836		72,480
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	\$	866,965	\$	683,417
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Approved on behalf of the Board:

Betty Tubley Commissioner

[Signature] Commissioner

**Private Post-Secondary
Education Commission
Statement of Operations**

For the year ended March 31

	Total	
	2000	1999
Revenue		
Registration fees	\$ 872,660	\$ 773,094
Grant from Ministry of Advanced Education, Training and Technology	108,000	100,000
Accreditation fees and costs	307,063	88,424
Interest and miscellaneous	36,346	24,360
	1,324,069	985,878
Expenses		
Accreditation team direct costs	150,161	27,384
Advertising and publications	8,589	26,224
Amortization	74,632	21,919
Commissioners	30,222	37,014
Equipment rental	4,570	4,000
Miscellaneous	44,596	8,840
Office and supplies	66,048	65,141
Professional fees	17,368	33,606
Rent	124,181	160,557
Repairs and maintenance	7,782	11,316
Salaries and benefits	658,188	585,128
Telephone and fax	23,050	29,158
Travel and meals	27,612	26,751
	1,336,999	1,037,081
Net income (loss) from operations	87,070	(51,203)
Gain on disposal of assets	(714)	-
	86,356	(51,203)
Excess (deficiency) of revenue of expenses for the year	\$ 86,356	\$ (51,203)

**Private Post-Secondary
Education Commission
Statement of Changes in Net Assets**

For the year ended March 31

	Invested in Capital Assets	Internally Restricted for Special Purposes	Available	2000	<u>Total</u>	1999
Balance, beginning of year	\$ 22,287	\$ 25,171	\$ 25,022	\$ 72,480		123,683
Excess of revenue over expenses for the year	-	-	86,356	86,356		(51,203)
Amortization	(74,632)	-	74,632	-		-
Inter-fund transfers	93,037	47,309	(140,346)	-		-
Balance, end of year	\$ 40,692	\$ 72,480	\$ 45,664	\$ 158,836		\$ 72,480

**Private Post-Secondary
Education Commission**
Summary of Significant Accounting Policies

March 31, 2000

Nature of Business	<p>The Private Post-Secondary Education Commission was incorporated under the Private Post-Secondary Education Act on July 27, 1990. The Commission is an agent of the Province of British Columbia.</p> <p>The Commission is involved in developing and administering a mandatory registration system and voluntary accreditation program for private post-secondary educational institutions in the Province of British Columbia.</p>								
Revenue	<p>Registration fees are recognized over the registration period. The portion of registration and accreditation fees that relate to the period following the Commission's year end have been reflected on the balance sheet as deferred revenue. The period of registration commences when all requirements of registration are met.</p>								
Capital Assets	<p>Capital assets are recorded at cost with amortization provided on a straight-line basis at the following annual rates:</p> <table><tr><td>Computer hardware</td><td>- 33 1/3%</td></tr><tr><td>Computer software</td><td>- 50%</td></tr><tr><td>Office furniture</td><td>- straight line basis over 5 years</td></tr><tr><td>Tenant improvements</td><td>- straight line basis over term of the lease</td></tr></table>	Computer hardware	- 33 1/3%	Computer software	- 50%	Office furniture	- straight line basis over 5 years	Tenant improvements	- straight line basis over term of the lease
Computer hardware	- 33 1/3%								
Computer software	- 50%								
Office furniture	- straight line basis over 5 years								
Tenant improvements	- straight line basis over term of the lease								
Financial Instruments	<p>The Commission's financial instruments consists of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Commission is not exposed to any significant interest, currency or credit risks arising from these financial instruments. Fair values of financial instruments are approximated by their carrying values unless otherwise stated.</p>								
Use of Estimates	<p>The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at March 31, 2000 and revenues and expenses during the year then ended. The actual outcome of the estimate could differ from the estimates made in the preparation of the financial statements.</p>								

**Private Post-Secondary
Education Commission
Notes to Financial Statements**

March 31, 2000

1. Capital Assets

			2000	1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 207,236	\$ 176,393	\$ 30,843	\$ 6,253
Office furniture	65,434	58,115	7,319	12,509
Tenant improvements	4,326	1,796	2,530	3,525
	\$ 276,996	\$ 236,304	\$ 40,692	\$ 22,287

2. Income, Capital and Goods and Services Taxes

The Commission is exempt from federal and provincial income and capital taxes under Section 141(1)(d) of the Income Tax Act. As an agent of the Province, the Commission is not subject to goods and services tax.

3. Net Assets Internally Restricted for Special Purposes

The Commission has internally designated these amounts as funding for costs associated with carrying out the Commission's mandate, enforcement of the Act, and as a stabilization fund for fluctuations in registration.

4. Security requirements

Many institutions applying for registration with the Commission are to provide financial security in conjunction with their application. Security requirements are met by way of investment and surety bonds, letters of credit or cash. As of March 31, 2000 the following requirements were held in trust by the Commission and are not reported elsewhere in these financial statements:

Cash and investment bonds	\$ 4,467,526
Letters of credit	\$ 15,641,391
Surety bonds	\$ 23,163,656

**Private Post-Secondary
Education Commission
Notes to Financial Statements**

March 31, 2000

5. Commitments

The Commission is obligated under operating lease for office premises which expires in November 29, 2002 and is committed to annual payments for the next five years as follows:

Year	Amount
2001	\$ 113,991
2002	116,505
2003	78,788
2004	-
2005	-
	<u>\$ 309,284</u>

Accountants' Report on the Security Requirements Held by the Private Post-Secondary Education Commission

To the Commissioners of the
Private Post-Secondary Education Commission


As specifically agreed, we have performed the following procedures on the security requirements held by the Private Post-Secondary Education Commission as at March 31, 2000. As reported in the accounting records of the Commission:

- (a) We obtained a listing of institutions registered with the Commission and selected a sample of 30 institutions for testing.
- (b) We reviewed the security requirements as specified by the Commission to ensure that the security collected was consistent with the security requirements. No exceptions were noted.
- (c) For each institution selected, we physically verified the existence of the security instrument on March 31, 2000. No exceptions were noted.
- (d) We verified that the face amount of the security instrument was equal to or in excess of the security required by the Commission. No exceptions were noted.

The procedures do not constitute an audit of the security requirements held by the Commission and, accordingly, we do not express an opinion on the security requirements held by the Commission as at March 31, 2000.

This report is for use solely by the Commissioners of the Private Post-Secondary Education Commission.

Vancouver, British Columbia
April 3, 2000


Chartered Accountants