

Private Career Training Institutions Agency
Financial Statements
For the years ended March 31, 2011 and 2010

**Private Career Training Institutions Agency
Financial Statements
For the years ended March 31, 2011 and 2010**

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Independent Auditor's Report

To the Board 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, 2011 and at March 31, 2010, and the Statements of Operations, Changes in Net Assets and Cash Flows for the years then ended and 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 generally accepted accounting principles, 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.

Auditor's 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 the auditor's 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, the auditor considers 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, 2011 and March 31, 2010 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
June 3, 2011

Private Career Training Institutions Agency
Statement of Financial Position

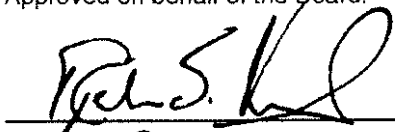
March 31	2011	2010
Assets		
Current		
Cash (Note 4)	\$ 150,774	\$ 375,758
Temporary Investments (Note 5)	665,574	123,596
Accounts receivable (Note 10)	49,451	18,388
Prepaid expenses	18,891	12,320
	884,690	530,062
Long term investments (Note 5)	38,293	36,031
Property and equipment (Note 6)	50,479	97,443
	\$ 973,462	\$ 663,536

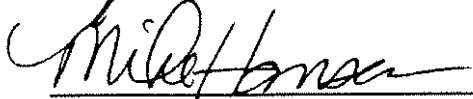
Liabilities and Net Assets

Liabilities

Current		
Accounts payable and accrued liabilities	\$ 139,091	\$ 115,181
STCF fee revenue payable (Note 10)	97,825	116,292
Unclaimed PPSEC payments to students (Note 3)	14,973	42,979
Deferred registration and accreditation fee revenue	69,147	68,444
	321,036	342,896
Net Assets		
Invested in property and equipment	50,479	97,443
Available	601,947	223,197
	652,426	320,640
	\$ 973,462	\$ 663,536

Approved on behalf of the Board:





Private Career Training Institutions Agency
Statement of Operations

For the year ended March 31	2011	2010
Revenue		
Accreditation fees and costs (net) (Note 7)	\$ 1,489,582	\$ 1,240,360
Registration fees	569,828	602,946
Management fees and chargebacks (Note 10)	359,496	275,404
Investment revenue	21,804	23,201
Other fees and miscellaneous revenue	39,004	19,509
	2,479,714	2,161,420
Expenses		
Advertising and recruiting	53,638	6,131
Amortization	67,315	79,999
Bank and payroll service charges	8,854	7,254
Board	49,286	42,886
Computer supplies and maintenance	18,289	11,415
Contract Services	51,019	15,133
Courier and postage	10,750	8,078
Equipment lease and maintenance	10,226	10,278
Insurance	6,533	6,317
Office and supplies	34,166	24,142
Professional fees	126,803	141,301
Publications	5,428	8,606
Rent	147,603	128,781
Salaries and benefits	1,508,277	1,477,989
Staff development and conferences	10,737	3,186
Telephone and fax	24,732	20,373
Travel and meals	28,017	11,435
Uncollectible accounts	5,216	8,986
Workshops	9,045	17,547
	2,175,934	2,029,837
Net gain from operations	303,780	131,583
Gain on recapture of uncashed student refunds (Note 12)	28,006	971
Gain on disposal of assets	-	93
	331,786	132,647
Excess of revenues over expenses for the year	\$ 331,786	\$ 132,647

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Private Career Training Institutions Agency
Statement of Changes in Net Assets

For the year ended March 31

	Invested in Property and Equipment	Available	2011	<u>Total</u> 2010
Balance, beginning of year	\$ 97,443	\$ 223,197	\$ 320,640	\$ 187,993
Excess of revenue over expenses for the year	-	331,786	331,786	132,647
Amortization	(67,315)	67,315	-	-
Inter-fund transfers	20,351	(20,351)	-	-
Balance, end of year	\$ 50,479	\$ 601,947	\$ 652,426	\$ 320,640

Private Career Training Institutions Agency
Statement of Cash Flows

For the year ended March 31	2011	2010
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 331,786	\$ 132,647
Items not involving cash		
Amortization	67,315	79,999
Unrealized gain on investments	(15,485)	(28,485)
Gain on disposal of property and equipment	-	(93)
	<u>383,616</u>	<u>184,068</u>
Changes in non-cash working capital balances		
Accounts receivable	(31,063)	(565)
Prepaid expenses	(6,571)	1,557
Accounts payable and accrued liabilities	23,912	3,026
STCF fee revenue payable	(18,467)	116,292
Unclaimed PPSEC payments to students	(28,006)	(1,720)
Deferred registration and accreditation fee revenue	703	(224,288)
Institutions Payable - deferred revenue refunds (Note 11)	-	(259,350)
	<u>324,124</u>	<u>(180,980)</u>
Investing activities		
Purchase of property and equipment	(20,351)	(85,115)
Proceeds on disposal of property and equipment	-	93
(Purchase) sale of temporary investments (net)	(528,757)	352,645
	<u>(549,108)</u>	<u>267,623</u>
Increase (decrease) in cash during the year	(224,984)	86,643
Cash, beginning of year	375,758	289,115
Cash, end of year	\$ 150,774	\$ 375,758

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Private Career Training Institutions Agency Summary of Significant Accounting Policies

March 31, 2011

Nature of Operations The Private Career Training Institutions Agency (the "Agency") was incorporated under the Private Career Training Institutions 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 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.

Revenue Registration and accreditation fees are recognized when estimable. 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.

Property & Equipment Property and equipment are recorded at cost with amortization provided on a straight-line basis over their estimated useful lives as follows:

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

Private Career Training Institutions Agency Summary of Significant Accounting Policies

March 31, 2011

Financial Instruments The Agency's financial instruments consists of cash, investments, accounts receivable, accounts payable and accrued liabilities, STCF fee revenue payable and unclaimed PPSEC payments to students. 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. These financial instruments are accounted for as follows:

Held for trading

The Agency has designated cash and investments as held for trading. These instruments are initially recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in the Statement of Operations. Net gains and losses arising from changes in fair value are recognized immediately in the Statement of Operations.

Loans and Receivables

The Agency has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Due to the short term nature of accounts receivable, its carrying value approximates fair value.

Other financial liabilities

The Agency has classified accounts payable and accrued liabilities, STCF fee revenue payable and unclaimed PPSEC payments to students as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Due to the short term nature of accounts payable and accrued liabilities, STCF fee revenue payable and unclaimed PPSEC payments to students their carrying value approximates fair value.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at March 31, 2011 and revenues and expenses during the year then ended. The actual outcome could differ from the estimates made in the preparation of the financial statements. Amounts subject to the greatest degree of estimation are Unclaimed PPSEC payments to students (Note 3) and the value of Asset Backed Commercial Paper (Note 5).

Private Career Training Institutions Agency
Summary of Significant Accounting Policies

March 31, 2011

**New Accounting
Pronouncements**

On September 7, 2010, the Treasury Board of the Province of British Columbia issued a directive to Crown agencies to adopt Public Sector Accounting Standards, without not-for-profit provisions, for all fiscal years commencing after January 2011. The Agency is currently assessing the impact of these changes.

Private Career Training Institutions Agency
Notes to Financial Statements

March 31, 2011

1. Income and Capital Taxes

The Agency is exempt from federal and provincial income and capital taxes under Section 149(1)(d) of the Income Tax Act.

2. Reliance on Participating Institutions' Data

Prior to June 1st, 2009 the regulations of the Agency obligate registered institutions to make payments to the Fund based on a percentage of tuition fees charged to students. Effective June 1st, 2009 the regulations and the bylaws of the Agency obligate registered institutions to make monthly payments to the Fund 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 are established by the Regulations to the Private Career Training Institutions 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.

3. Unclaimed PPSEC Payments to Students

Unclaimed PPSEC payments to students include payments that remain outstanding for claims made against the financial securities posted by institutions for training not delivered. In the current year, the Agency has set aside \$14,973 (2010 - \$42,979) in order to satisfy these claims.

4. Cash

The Agency has one bank account at a chartered bank that is non interest bearing.

5. Investments

	2011	2010
Canadian short-term fixed income	\$ 14,096	\$ 11,919
Global equity	125,996	111,677
Term deposit	525,483	-
Subtotal	665,575	123,596
Canadian asset-backed commercial paper	38,293	36,031
	\$ 703,868	\$ 159,627

* The term deposit earns interest at 1.35% and matures December 23, 2011.

Private Career Training Institutions Agency
Notes to Financial Statements

March 31, 2011

5. Investments (Continued)

The Canadian market for third-party sponsored Asset Backed Commercial Paper ("ABCP") suffered a liquidity disruption in mid-August 2007. The ABCP was subject to a court supervised restructuring process that has resulted in the pooled assets being replaced by asset-backed long-term notes. The market for the long-term notes has been of generally low volume to date.

The Agency's management has estimated the fair value of these assets using a valuation model provided by the external investment advisors which includes consideration of a guarantee provided by the investment advisors and arm's length sales of ABCP near year end by the Agency. On March 31, 2011, as a result of the valuation, the Agency has recognized a valuation allowance of \$4,203 (2010 - \$9,616), reflecting the estimated decline in fair value of these investments as at 2011 fiscal year end.

The estimate of the fair value of the Agency's ABCP investments as at March 31, 2011 is subject to significant uncertainty. While management believes that its valuation technique is appropriate in the circumstances, changes in significant assumptions could affect the value of ABCP securities in the future. Given the limited amount involved, no material adverse impact to the Agency is foreseen.

6. Property and Equipment

	2011		2010	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 93,287	\$ 81,720	\$ 11,567	\$ 17,022
Office furniture	56,332	48,246	8,086	9,097
Tenant improvements	103,807	84,253	19,554	39,107
Computer software	54,455	49,620	4,835	19,342
Course development	19,313	12,876	6,437	12,875
	\$ 327,194	\$ 276,715	\$ 50,479	\$ 97,443

Private Career Training Institutions Agency
Notes to Financial Statements

March 31, 2011

7. Accreditation Fees and Costs

	2011	2010
Revenue	\$ 1,677,980	\$ 1,381,636
Direct costs	188,398	141,276
	\$ 1,489,582	\$ 1,240,360

8. 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, 2011 the following requirements were held in trust by the Agency and are not reported elsewhere in these financial statements:

Cash	\$	63,663
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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 Private Post-Secondary Education Commission.

9. Commitments

The Agency is obligated under operating leases for office premises, copier and postage meters that expire in 2012 to 2013. The Agency is committed to annual payments for future years as follows:

Year	Amount
2012	94,625
2013	2,236
	\$ 96,861

In addition, the Agency is responsible for its share of operating costs for the office premises over the term of the lease.

Private Career Training Institutions Agency
Notes to Financial Statements

March 31, 2011

10. Student Training Completion Fund

The Agency established the Student Training Completion Fund (the "Fund") for the sole purpose of helping carry out its mandate. The Agency administers the Fund in exchange for annual management fees of \$309,000 (2009 - \$262,392), which is set out by the Board of Directors of the Agency.

As at March 31, 2011 an amount of \$97,825 (2009 - \$116,292) was owed by the Agency to the Fund and is included in STCF Fee revenue payable. At March 31, 2011, the Fund owed the Agency \$25,551 (2010 - \$8,617) and was included in accounts receivable.

The Fund prepares separate financial statements and no Fund assets, liabilities or transactions have been reported elsewhere in these financial statements.

The following summarizes the financial position of the Fund and its operations for its fiscal year ended March 31, 2011 (with comparative figures provided as at March 31, 2010):

	<u>2011</u>	<u>2010</u>
Cash and investments	\$ 11,712,346	\$ 10,497,251
Accounts receivable	150,198	246,310
Total assets	\$ 11,862,544	\$ 10,743,561
Accounts payable and accrued liabilities	\$ 27,229	\$ 37,601
Claims payable to students	129,383	104,436
Student complaint refunds payable	67,326	32,719
STCF contribution payable	28,489	147,278
PCTIA Payable	25,551	-
Total liabilities	277,978	322,034
Net assets available	11,584,566	10,421,526
Total liabilities and net assets	\$ 11,862,544	\$ 10,743,560
STCF initial contribution (net)	\$ 90,500	\$ 39,140
Tuition revenue fee payments	1,287,972	1,663,437
Recoveries from institutions of student complaint tuition refunds	124,913	58,787
Interest and miscellaneous revenue (loss)	507,932	677,584
Total revenues for year	2,011,317	2,438,948
Student tuition claims	197,913	318,356
Student complaint tuition refunds	124,913	59,147
Administrative expenses	525,451	331,704
Total expenses for year	848,277	709,207
Excess of revenue over expenses for year	\$ 1,163,040	\$ 1,729,741

Private Career Training Institutions Agency
Notes to Financial Statements

March 31, 2011

11. Institutions Payable - Deferred Revenue Refunds

Due to the changes in the PCTIA fee structure, which took effect June 1, 2009, institutions are no longer assessed annual main and branch campus fees or annual program fees. The Agency liquidated a substantial portion of its portfolio investments and issued refunds for the unearned portion of these fees during the prior fiscal year.

12. Gain on Recapture of Uncashed Student Refunds

Student refunds that are not claimed are held as a liability for 7 years while the Agency makes attempt to contact the student. If the student cannot be located, after 7 years the amount is brought into the Agency's income.

13. Contingent Liability

The Fund has been named as defendant in a lawsuit with a claim in excess of \$800,000. This lawsuit was filed in the 2005/06 fiscal year and nothing further has been heard from the Plaintiff. The Agency on the Fund's behalf intends to dispute this claim should it ever be brought to trial. Management believe the case against the Fund would be dismissed because neither the Agency or the Fund were party to the transactions between the Plaintiff and those who either paid or received the student fees in question.

14. Capital Disclosures

The Agency considers its capital to be its net assets. Its restricted net assets consist of amounts invested in property and equipment (See the Statement of Changes in Net Assets). The Agency's objectives, when managing its capital, are to safeguard its ability to continue as a going concern so it can continue to provide services to students. Annual budgets are developed and monitored to ensure the Agency's capital is maintained at an appropriate level.

**Private Career Training Institutions Agency - Student
Training Completion Fund
Financial Statements
For the years ended March 31, 2011 and 2010**

**Private Career Training Institutions Agency - Student
Training Completion Fund
Financial Statements
For the years ended March 31, 2011 and 2010**

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Independent Auditor's Report

To the Board of the
Private Career Training Institutions Agency

We have audited the Statement of Financial Position of the Private Career Training Institutions Agency - Student Training Completion Fund as at March 31, 2011 and March 31, 2010 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended and a summary of significant accounting policies 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 generally accepted accounting principles, 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.

Auditor's 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 the auditor's 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, the auditor considers 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, these financial statements present fairly, in all material respects, the financial position of the Private Career Training Institutions Agency - Student Training Completion Fund as at March 31, 2011 and March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
June 3, 2011

**Private Career Training Institutions Agency -
Student Training Completion Fund
Statement of Financial Position**

March 31 **2011** **2010**

Assets

Cash	\$ 251,190	\$ 198,157
Investments (Note 4)	7,744,250	7,326,408
Investment accounts (Note 5)	3,231,498	2,515,949
Accounts receivable	52,373	130,018
PCTIA collections receivable	97,825	116,292
	11,377,136	10,286,824
Long term investments (Note 4)	485,408	456,737
	\$ 11,862,544	\$ 10,743,561

Liabilities and Net Assets

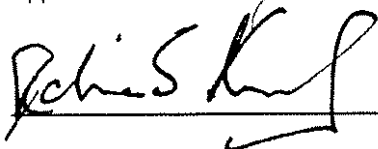
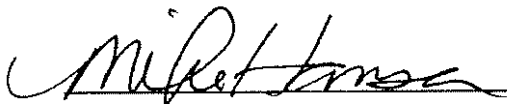
Liabilities

Accounts payable and accrued liabilities	\$ 52,780	\$ 37,602
Student claims payable	129,383	104,436
Student complaint refunds payable	67,326	32,719
STCF contributions payable (Note 9)	28,489	147,278
	277,978	322,035

Net Assets

Available	11,584,566	10,421,526
	\$ 11,862,544	\$ 10,743,561

Approved on behalf of the Board:

**Private Career Training Institutions Agency -
Student Training Completion Fund
Statement of Operations and Change in Net Assets**

For the year ended March 31	2011	2010
Revenue		
STCF Initial Contribution	\$ 90,500	\$ 39,140
Tuition Revenue Fee Payment (Note 2)	1,287,972	1,663,437
Recoveries from institutions of student complaint tuition refunds	124,913	58,787
Investment revenue (Note 4)	507,498	672,363
Miscellaneous revenue	434	5,221
	<u>2,011,317</u>	<u>2,438,948</u>
Expenses		
Actuarial Report	3,080	5,250
Bank charges	415	1,880
Investment management fee	30,637	27,401
Management fees (Note 6)	309,000	262,392
Professional fees	19,882	11,232
School closure costs	10,412	12,652
Student tuition claims	197,913	318,356
Student complaint tuition refunds	124,913	59,147
Student complaint costs	40,084	-
Uncollectable Accounts	111,941	10,897
	<u>848,277</u>	<u>709,207</u>
Excess of revenues over expenses for the year	<u>1,163,040</u>	<u>1,729,741</u>
Net assets, beginning of the year	<u>10,421,526</u>	<u>8,691,785</u>
Net assets, end of the year	<u>\$ 11,584,566</u>	<u>\$ 10,421,526</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

**Private Career Training Institutions Agency -
Student Training Completion Fund
Statement of Cash Flows**

For the year ended March 31	2011	2010
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 1,163,040	\$ 1,729,741
Item not involving cash		
Unrealized gain on investments	<u>(203,812)</u>	<u>(492,418)</u>
	959,228	1,237,323
Changes in non-cash working capital balances		
Accounts receivable	77,645	(86,446)
PCTIA collections receivable	18,467	(116,292)
Accounts payable and accrued liabilities	15,178	5,027
Student claims payable	24,947	33,972
Student complaint refunds payable	34,607	32,719
STCF contributions payable	<u>(118,789)</u>	<u>(75,258)</u>
	1,011,283	1,031,045
Investing activity		
Purchase of investments	<u>(958,250)</u>	<u>(1,086,661)</u>
Increase (decrease) in cash during the year	53,033	(55,616)
Cash, beginning of year	<u>198,157</u>	<u>253,773</u>
Cash, end of year	\$ 251,190	\$ 198,157

**Private Career Training Institutions Agency -
Student Training Completion Fund
Summary of Significant Accounting Policies**

March 31, 2011

Nature of Operations The Private Career Training Institutions Agency - Student Training Completion Fund (the "Fund") was established under section 13 of the Private Career Training Institutions Act on November 22, 2004.

The Fund 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 Fund 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. Specifically, it is the mechanism by which students attending registered institutions that cease to operate may make claims in order to recover lost tuition.

New Bylaw provisions were implemented in 2009, as a result of changes to the Private Career Training Institutions Act and Regulations. 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.

Revenue STCF Initial Contribution is recognized upon registration.

Monthly Tuition Revenue Fee Payments are recognized when estimable.

Recoveries from Institutions of student complaint tuition refunds are recognized when approved by the Board.

Expenses Student Tuition Claims and Student Complaint Tuitions refunds are recognized when approved by the Board.

Financial Instruments The Fund's financial instruments consists of cash, investments, investment accounts, accounts receivable, PCTIA collections receivable, accounts payable and accrued liabilities, student complaint refunds payable, student claims payable, and STCF contributions payable. Unless otherwise noted, it is management's opinion that the Fund is not exposed to any significant interest, currency or credit risks arising from these financial instruments. These financial instruments are accounted for as follows:

Held for trading

Financial Instruments classified as held-for-trading are initially recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Net gains and losses arising from changes in fair value are recognized immediately in the Statement of Operations and Changes in Net Assets. The fund classifies its cash and investments as held-for-trading.

**Private Career Training Institutions Agency -
Student Training Completion Fund
Summary of Significant Accounting Policies**

March 31, 2011

**Financial Instruments
(Continued)**

Loans and Receivables

The Fund has classified Accounts Receivable and PCTIA collections receivable as loans and receivables. This asset is initially recognized at its fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Due to the short term nature of accounts receivable, its carrying value approximates fair value.

Other financial liabilities

The Agency has classified accounts payable and accrued liabilities, student claims payable and student complaint refunds payable, and STCF contributions payable as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Due to the short term nature of accounts payable and accrued liabilities, claims and complaints payable to students and STCF contributions payable, their carrying value approximates fair value.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at March 31, 2011 and revenues and expenses during the year then ended. The actual outcome could differ from the estimates made in the preparation of the financial statements. Amounts subject to the greatest degree of estimation are STCF contributions payable (Note 9) and the value of Asset Backed Commercial Paper. (Note 4)

**New Accounting
Pronouncements**

On September 7, 2010, the Treasury Board issued a directive to Crown agencies to adopt Public Sector Accounting Standards, without not-for-profit provisions, for all fiscal years commencing after January 2011. The Fund is currently assessing the impact of these changes.

**Private Career Training Institutions Agency -
Student Training Completion Fund
Notes to Financial Statements**

March 31, 2011

1. Income and Capital Taxes

The Fund, by virtue of the Agency, is exempt from federal and provincial income taxes under Section 149(1)(d) of the Income Tax Act.

2. Reliance on Participating Institutions' Data

The regulations of the Agency obligate registered institutions to make payments to the Fund 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.

3. Cash Concentration

The Fund has one operating bank account at a chartered bank.

4. Investments

	2011	2010
Canadian short-term fixed income	\$ 667,468	\$ 807,667
Canadian fixed income	3,344,268	3,212,725
Global equity	1,534,603	1,360,208
Global fixed income	2,197,911	1,945,808
Subtotal	7,744,250	7,326,408
Canadian Asset-Backed Commercial Paper	485,408	456,737
	\$ 8,229,658	\$ 7,783,145

The Canadian market for third-party sponsored Asset Backed Commercial Paper ("ABCP") suffered a liquidity disruption in mid-August 2007. The ABCP was subject to a court supervised restructuring process that has resulted in the pooled assets being replaced by asset-backed long-term notes. The market for the long-term notes has been of generally low volume to date.

The Agency's management has estimated the fair value of these assets using a valuation model provided by the external investment advisors which includes consideration of a guarantee provided by the investment advisors and arm's length sales of ABCP near year end by the Agency. As a result of the valuation, the Fund has recognized a calculation allowance of \$53,275 (2010 - \$121,895) reflecting the estimated decline in fair value of these investments as at March 31, 2011.

**Private Career Training Institutions Agency -
Student Training Completion Fund
Notes to Financial Statements**

March 31, 2011

4. Investments (Continued)

The estimate of the fair value of the Agency's ABCP investments as at March 31, 2011 is subject to significant uncertainty. While management believes that its valuation technique is appropriate in the circumstances, changes in significant assumptions could affect the value of ABCP securities in the future.

5. Investment Accounts

The investment saving bank accounts are at two financial institutions. Interest rates on these accounts are currently at 1.0% to 1.25%.

6. Fund Administration and Related Party Transactions

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

The Fund pays the Agency an annual management fee of \$309,000 (2010 - \$262,392) in exchange for administering the fund. The Agency's Board sets the amount at which the fee will be charged. As at March 31, 2011, an amount of \$97,825 (2010 - \$116,292) owed by the Agency and reported as PCTIA collections receivable. At March 31, 2011, the Fund owed the Agency \$25,551 (2009 - \$8,617) and was included in accounts payable and accrued liabilities.

7. Payments from the Fund - School Closures

Since the Fund was established in November 2004, there have been 28 institution closures that resulted in student tuition claims. The Fund has issued payments on account of students in the amount of \$1,837,213 to March 31, 2011.

8. Economic Dependence

As the Fund was established solely for the purpose of carrying out the mandate of the Agency, its ability to continue as a going concern is dependent on the continuation of the Agency.

**Private Career Training Institutions Agency -
Student Training Completion Fund
Notes to Financial Statements**

March 31, 2011

9. STCF Contributions Payable

Prior to June 1, 2009, new registrants paid their STCF initial contribution fees based upon estimates of tuition revenues they will collect, or \$5,000, whichever is greater. After their first year of operations an amount is refunded if the STCF initial contribution paid exceeds the actual amount owed. The Fund estimates the proportion of revenues that will ultimately be refunded and accrues this as a liability. Subsequent to June 1, 2009, new registrants pay a non-refundable initial contribution fee of \$2,000.

10. Contingent Liability

The Fund has been named as defendant in a lawsuit with a claim is in excess of \$800,000. This lawsuit was filed in the 2005/06 fiscal year and nothing further has been heard from the Plaintiff. The Agency on the Fund's behalf intends to dispute this claim should it ever be brought to trial. We believe the case against the Fund would be dismissed because the Fund was not party to the transactions between the Plaintiff and those who either paid or received the student fees in question.

11. Capital Disclosures

The Fund considers its capital to be its net assets. The Fund's objectives, when managing its capital, are to safeguard its ability to continue as a going concern so it can continue to provide services to students. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.

12. Subsequent Event

On April 15, 2011, the Student Training Completion Fund was notified of school closure. Approximately 90 students will require a refund with an estimated amount of \$423,000. The amount is subject to change, and is expected to be approved by the board over the next few months as claims are finalized.