

# **Financial Information Act Return**

## Financial Statements Year Ended March 31, 2010

(Published in accordance with the Financial Information Act,  
Chapter 131, Statutes of British Columbia, 1979)



THE RIGHT SKILLS ► A PROVEN ADVANTAGE

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**INDUSTRY TRAINING AUTHORITY**  
**STATEMENT OF FINANCIAL INFORMATION APPROVAL**  
**FISCAL YEAR ENDED MARCH 31, 2010**

The undersigned represents the Board of Directors of the Industry Training Authority and approves all statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

A handwritten signature in black ink, appearing to read "Pasacreta", with a long, sweeping flourish extending upwards and to the right.

Frank Pasacreta,  
Chair, Board of Directors  
September 30, 2010

## MANAGEMENT REPORT FISCAL YEAR ENDED MARCH 31, 2010

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with generally accepted accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the 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.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of the Board. The Audit Committee meets with management, the internal auditors and the external auditors at least twice a year.

The ITA's external auditor, the Auditor General of British Columbia has the responsibility for assessing the management systems and practices of the ITA.

The Auditor General of British Columbia conducts an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the ITA's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit Committee of the Board and meet on a regular basis.

On behalf of the Industry Training Authority



Kevin Evans  
Chief Executive Officer



Sue Thomas, CA.  
Executive Lead, Finance and  
Corporate Services

July 22, 2010

Prepared pursuant to Financial Information Regulation, Schedule 1, section 9

# **Audited Financial Statements**

Fiscal Year Ended  
March 31, 2010

From the Annual Report 2009 / 2010  
Pages 22 to 35.

## **FINANCIAL REPORT**

### **Management's Discussion & Analysis**

The ITA's largest revenue source is the contribution from the Province of British Columbia, and this increased in 2009/10. Nevertheless, the province's budget update of September 2009 resulted in a smaller increase than was initially forecast.

The impact of the budget update was moderated by reduced training demand during the year, but still required scaling back activities across all other areas of ITA operations. In particular, program development activities either ceased or were significantly reduced.

The provincial contribution included \$8.64 million originating with the federal government through the Canada-BC Labour Market Agreement (LMA) for labour supply initiatives. Other income continued to be negatively impacted by the effects of economic and market conditions on investment revenues.

Spending increases occurred as the scope of labour-supply initiatives grew. Core expenditures were impacted by a number of factors, including the mobile training unit transfer, and an obligation arising from potential voluntary purchases by employees of past service in the Public Service Pension Plan.

Training delivery expenses (funding provided to public and private training providers) were below budget, as the economic downturn reduced training demand. This trend accelerated during 2009/10 and is expected to continue into 2010/11. Lower training demand contributed to an increased year-end surplus, although some training funding was re-directed to other activities.

The ITA is required to move any operating surplus into a capital reserve. These funds will be directed to activities including continuing functional expansion of the new ITADirectAccess information management system.

The ITA and its training delivery partners achieved above-target training seat utilization in 2009/10 as limited demand led to cancellation of training intakes. Despite this efficient use of financial resources, it is critical that the ITA balance utilization efficiency with accessible and timely training and sustained training capacity. This has financial implications because skill shortages are expected to re-emerge rapidly as economic conditions improve.

The ITA has maintained its 2010/11 utilization rate target at the level targeted for 2009/10. Training availability impacts will be monitored continuously, and relatively high levels of training delivery spending may be necessary even if demand remains temporarily soft. To fund unforeseen training needs, the ITA will continue to maintain the Learner Demand Fund established in 2008/09.

Detailed descriptions of both external and internal risks and capacity issues impacting operational and financial performance in 2009/10 appear under the heading "Report on Performance: The

Context” (page 9). The most significant of these continued to be the economic downturn. In combination with the related reduction in funding from the province, it resulted mainly in scaled-back program development and other activities, and below-budget training-delivery expenses leading to the increased surplus.

Going forward, sustained financial resources will be required for additional enhanced skills assessment and labour-supply development (particularly engagement of women, immigrants and Aboriginal people). These requirements are being met through LMA funding which is forecast to continue through 2013/14 (subject to annual legislative approvals).

A high degree of uncertainty continues about training demand in 2010/11, in light of what could be lasting impacts of the economic downturn. To moderate these impacts, The ITA implemented various measures in 2009/10 and will focus on fostering renewed sponsorship commitments in 2010/11. This strategy will depend in part on sustained provincial funding.

## Summary of Financial Results 2005 to 2010 and Financial Forecast 2011 to 2013

### Statement of Operations (in \$ millions)

	Notes	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2010 Budget	Variance Budget	Variance Prior Year	2011 Forecast	2012 Forecast	2013 Forecast
<b>Revenues</b>													
Contributions from the Province	1	\$78.1	\$77.8	\$90.8	\$97.6	\$103.4	<b>\$112.8</b>	\$111.7	\$1.1	\$9.4	\$110.5	\$102.8	\$102.1
Contributions from the Government of Canada		—	—	—	—	—	<b>0.1</b>	—	0.1	0.1	1.9	1.7	0.7
Other Income		0.5	0.7	1.1	1.3	0.9	<b>0.9</b>	0.9	—	—	0.5	1.1	1.2
		78.6	78.5	91.9	98.9	104.3	<b>113.8</b>	112.6	1.2	9.5	112.9	105.6	104.0
<b>Expenses</b>													
Program Development/Designation	2 & 3	1.6	1.4	2.8	2.8	0.9	<b>0.5</b>	0.3	0.2	(0.4)	3.0	3.0	3.0
Industry Training Organizations	3	—	0.6	1.2	1.9	4.9	<b>4.6</b>	4.6	—	(0.3)	3.4	3.4	3.4
Assessment & Certification	4	—	—	—	0.3	0.3	<b>0.5</b>	0.5	—	0.2	2.8	3.4	4.0
Training Delivery	5	70.4	72.1	80.3	84.7	85.5	<b>87.9</b>	91.2	(3.3)	2.4	85.1	76.8	74.4
Labour Market Development/Supply Side Initiatives	5	—	—	—	0.3	2.5	<b>8.7</b>	8.5	0.2	6.2	10.3	10.1	10.1
ITA Core Expenditures	6	4.2	5.7	6.6	7.4	8.2	<b>9.0</b>	7.0	2.0	0.8	7.7	8.3	8.4
Amortization		0.1	0.1	0.3	0.6	0.5	<b>0.5</b>	0.5	—	—	0.6	0.6	0.7
		76.3	79.9	91.2	98.0	102.8	<b>111.7</b>	112.6	(0.9)	8.9	112.9	105.6	104.0
<b>Excess (Deficiency) of Revenue Over Expenditure</b>													
		\$ 2.3	\$ (1.4)	\$ 0.7	\$ 0.9	\$ 1.5	<b>\$ 2.1</b>	\$ —	\$ 2.1	\$ 0.6	\$ —	\$ —	\$ —
<b>Capital Expenditures</b>													
		0.1	0.3	2.2	1.2	1.2	<b>1.2</b>	1.2	—	—	1.0	1.0	1.0

The above information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).

Expenditures are categorized in a different manner in the forecast than in previous ones, for better alignment with the ITA's mandate, strategic plan and current service plan.

#### Notes

- 1 Deferred contributions from the province included in Contributions from the Province.
- 2 Mobile Trainer expenses included in Program Development/Designation.
- 3 Program development expenses for Industry Training Organizations moved to Industry Training Organizations for 2009 and 2010.
- 4 Assessment for 2005-2007 was bundled with Customer Services provided by Service BC. In 2008 the contract ended and these salaries and benefits became part of ITA Core Expenditures. Assessment & Certification forecast includes Multiple Assessment Pathways costs.
- 5 Youth Program expenses in the forecast are included in Labour Market Development/Supply Side Initiatives, Training Program Delivery includes E-PRENTICE LMA funded costs.
- 6 Salaries and benefits are included in ITA Core Expenditures.

## Statement of Management Responsibility for Financial Reporting

The Industry Training Authority's (ITA) management is responsible for the preparation of the accompanying financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. These financial statements include some amounts based on management's estimates and judgments.

Management is responsible for the integrity and fairness of the financial statements and has established internal control systems to provide reasonable assurance that relevant and reliable financial information is produced and that assets are safeguarded.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities and relies on the Audit Committee to assist the Board in the discharge of its responsibilities. The Audit Committee meets periodically with management and external auditors concerning internal controls and all other matters relating to financial reporting.

The Industry Training Authority's auditor is the Auditor General of British Columbia. The Auditor General has full and unrestricted access to the Audit Committee. The Auditor General has performed an independent audit of the financial statements for the ITA in accordance with Canadian generally accepted auditing standards. The Auditor General's report outlines the scope of this independent audit and his opinion on the financial statements of the ITA.



**Kevin Evans**

Chief Executive Officer



**Sue Thomas, CA**

Executive Lead, Finance and Corporate Services

Richmond, British Columbia

May 18, 2010



## Report of the Auditor General of British Columbia

*To the Members of the Board of Directors of  
the Industry Training Authority, and*

*To the Minister of Advanced Education and Labour Market Development,  
Province of British Columbia:*

I have audited the statement of financial position of the *Industry Training Authority* as at March 31, 2010, and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian 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 Authority* as at 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.

John Doyle, MBA, CA  
Auditor General

*Victoria, British Columbia  
May 18, 2010*

## Statement of Financial Position

As at March 31, 2010

	Note	2010	2009
<b>ASSETS</b>			
Cash and Cash Equivalents		\$ 6,584,833	\$ 7,145,031
Accounts Receivable	3	4,156,783	2,541,808
Prepaid Expenses	4	630,397	1,172,652
		<b>11,372,013</b>	10,859,491
Capital Assets	5	3,222,568	3,609,327
		<b>\$ 14,594,581</b>	\$ 14,468,818
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	6	\$ 5,582,489	\$ 6,458,646
Deferred Contribution	7	782,312	782,312
Deferred Capital Contributions	8	30,064	1,169,818
<b>NET ASSETS</b>			
Invested in Capital Assets		3,192,505	2,439,510
Unrestricted	9	5,007,211	3,618,532
		<b>8,199,716</b>	6,058,042
		<b>\$ 14,594,581</b>	\$ 14,468,818

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

On behalf of the Board of Directors



**Frank Pasacreta**  
Chair, Board of Directors



**Jack Carthy**  
Chair, Audit Committee

## Statement of Changes in Net Assets

For the Year Ended March 31, 2010

	Invested in Capital Assets	Unrestricted	Total 2010	Total 2009
<b>Balance, Beginning of Year</b>	\$ 2,439,510	\$ 3,618,532	<b>\$ 6,058,042</b>	\$ 4,501,302
Excess of Revenues over Expenses For the Year	—	2,141,674	<b>2,141,674</b>	1,556,740
Investment in Capital Assets:				
Cost	1,190,177	(1,190,177)	—	—
Amortization	(437,182)	437,182	—	—
<b>Balance, End of Year</b>	<b>\$ 3,192,505</b>	<b>\$ 5,007,211</b>	<b>\$ 8,199,716</b>	<b>\$ 6,058,042</b>

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

## Statement of Operations

For the Year Ended March 31, 2010

	Note	2010	2009
<b>Revenues</b>			
Contributions from the Province		\$ 111,693,375	\$ 103,397,113
Deferred Capital Contribution Recognition			
– Mobile Training Unit Transfer	15(c)	1,118,514	–
Royalties (Queen's Printer)	15(d)	329,053	–
Examination and Assessment Fees		272,870	259,193
Interest Income		120,454	540,965
Contributions from the Federal Government		97,093	–
Designation Fees		36,113	54,283
Other Income		106,529	30,000
		<b>113,774,001</b>	<b>104,281,554</b>
<b>Expenses</b>			
Contributions to Training Providers		87,558,840	85,157,241
Labour Market Agreement Projects /			
Aboriginal Labour Supply Initiatives	10	8,732,852	2,489,292
Industry Training Organizations	11	4,648,773	4,924,907
Salaries and Benefits	14(a)	4,452,383	3,565,952
Information Systems Operating Costs		1,141,432	1,196,369
Transfer of Mobile Training Unit	15(c)	1,118,514	–
General Office and Business Expenses		752,987	811,692
Professional Services		599,763	1,107,179
Exams and Invigilation		458,953	322,462
Amortization Expense		458,422	501,766
Building Occupancy Charges		359,381	299,069
Program Development Costs – Non ITO		328,405	657,879
Secondary School Apprenticeship			
(SSA) Scholarships		299,000	332,000
Communications and Marketing		225,989	698,851
Board Fees and Expenses		157,711	183,942
Travel		157,241	242,907
Curriculum Costs (Queen's Printer)	15(d)	181,681	–
Mobile Training Unit Operating Costs		–	233,306
		<b>111,632,327</b>	<b>102,724,814</b>
<b>Excess of Revenues over Expenses for the Year</b>		<b>\$ 2,141,674</b>	<b>\$ 1,556,740</b>

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

## Statement of Cash Flows

For the Year Ended March 31, 2010

	<b>2010</b>	<b>2009</b>
<b>Cash Provided By (Used For):</b>		
<b>Operating Activities</b>		
Excess of Revenues over Expenses for the year	\$ 2,141,674	\$ 1,556,740
<b>Items not affecting Cash:</b>		
Amortization of Deferred Capital Contributions	(1,139,754)	(196,119)
Amortization Expense	458,422	501,766
Transfer of Fixed Asset	1,118,514	—
Changes in Working Capital:		
Decrease (Increase) in Accounts Receivable	(1,614,975)	(2,206,745)
Decrease (Increase) in Prepaid Expenses	542,255	(186,865)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(876,157)	1,757,394
	629,979	1,226,171
<b>Investing Activities</b>		
Purchase of Capital Assets	(1,190,177)	(1,160,419)
	(560,198)	65,752
<b>Increase (Decrease) in Cash</b>		
<b>Cash, Beginning of Year</b>	7,145,031	7,079,279
<b>Cash, End of Year</b>	\$ 6,584,833	\$ 7,145,031
Represented by:		
Bank Account – Operating	\$ 6,547,481	\$ 7,121,673
Bank Account – Program	37,052	23,058
Petty Cash	300	300
	\$ 6,584,833	\$ 7,145,031

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

## Notes to Financial Statements

For the Year Ended March 31, 2010

### 1. Authority and Purpose

The Industry Training Authority (ITA) was established on January 2, 2004 as a not for profit corporation and an agent of the Provincial government under the *Industry Training Authority Act*. Its Board of Directors consists of nine members appointed by the provincial government.

The ITA is mandated to govern, expand and improve British Columbia's industry training system. It serves the public interest in seeing industry's needs for skilled labour are met, while providing individuals with accessible technical training opportunities that are closely linked to workplace opportunities.

The ITA's mandate and accountabilities are defined in the *Industry Training Authority Act*. Further direction and accountability are provided through a Shareholder's Letter of Expectations, executed jointly by the ITA and the Minister of Advanced Education and Labour Market Development.

The ITA receives substantially all of its funding from the Province of British Columbia through the Ministry of Advanced Education and Labour Market Development. It is exempt from income tax under the *Income Tax Act*.

### 2. Significant Accounting Policies

These financial statements are prepared by management in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. The following is a summary of significant accounting policies used in the preparation of these financial statements.

#### (a) Revenues and Expenses

The ITA follows the deferral method of accounting for contributions. Operating contributions from the Province are recognized as revenue in the period in which they become receivable. Capital or other restricted funding is deferred and recognized as revenue in the period in which the related expenses are incurred.

Contributions payable to Post Secondary Institutions and other service providers for training programs are recognized as expenses in the period in which the transactions and events giving rise to the contributions have occurred.

#### (b) Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over their estimated useful life:

Mobile Trainer	10 years
Hardware and Software	3 – 5 years
ITADirectAccess	10 years
Furniture and Tools	3 years
Leasehold Improvements	3 – 5 years

#### (c) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The ITA has designated cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities as held for trading and measured them at fair value, which approximates their carrying value due to the immediate or short-term maturity of these instruments.

It is management's opinion that the ITA is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## Notes to Financial Statements

For the Year Ended March 31, 2010

### (d) Use of Estimates

The preparation of the financial statements of the ITA requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the rates for amortization, ACE IT program liabilities and contingent liabilities. Actual results could differ from estimates.

### (e) Future Accounting and Reporting Changes

The ITA is currently classified as a “Government Not-for-Profit Organization” for financial reporting purposes under Generally Accepted Accounting Principles (“GAAP”). In March 2010, the Public Sector Accounting Board (“PSAB”) released the exposure draft “Financial Reporting by Government Not-for-Profit Organizations,” in which they propose that government NPOs follow the Public Sector Accounting (“PSA”) Handbook with the incorporation of the existing 4400 series (the 4400 series are the existing not-for-profit GAAP standards). This proposed change would apply beginning in the ITA’s March 31, 2013 year-end, but would also be applied to comparative figures in that year. PSAB is proposing to incorporate the 4400 series without substantive modification at this time. Currently, the ITA reports its financial results based on the 4400 series layered upon accounting standards used by the private sector. With the proposed change, the underlying framework would instead become PSAB, meaning that where the 4400 series did not specifically address a financial reporting matter PSAB would apply. Management is in the process of assessing implications on the future financial reporting for the ITA.

### 3. Accounts Receivable

	2010	2009
Province of British Columbia	\$ 3,839,647	\$ 2,489,881
Government Related Entities	198,690	35,840
Federal Government	107,882	—
Trade and Other	10,564	16,087
	<b>\$ 4,156,783</b>	<b>\$ 2,541,808</b>

The Accounts Receivable Province of British Columbia is for the Labour Market Agreement project which is on a cost recovery basis from the Ministry of Advanced Education and Labour Market Development.

### 4. Prepaid Expenses

	2010	2009
Industry Training Organizations	\$ —	\$ 388,265
Private Trainers	436,373	472,500
LMA – Flexible Learning Simon Fraser University	4,024	143,482
Interprovincial Computerized Exam Management	104,765	110,421
Operational Expenses	85,235	57,984
	<b>\$ 630,397</b>	<b>\$ 1,172,652</b>

## Notes to Financial Statements

For the Year Ended March 31, 2010

### 5. Capital Assets

	Cost	2010 Accumulated Depreciation	Net Book Value	2009 Net Book Value
Hardware and Software	\$ 1,147,646	\$ 694,065	\$ 453,581	\$ 125,217
ITADirectAccess	3,283,083	646,508	2,636,575	2,231,627
Furniture and Tools	301,233	265,583	35,650	45,518
Leasehold Improvement	269,824	173,062	96,762	111,089
Mobile Trainer	—	—	—	1,095,876
	<b>\$ 5,001,786</b>	<b>\$ 1,779,218</b>	<b>\$ 3,222,568</b>	<b>\$ 3,609,327</b>

### 6. Accounts Payable and Accrued Liabilities

	2010	2009
Trade	\$ 2,427,718	\$ 3,571,060
Province of British Columbia	594,966	225,283
Public Training Institutions	212,606	653,631
School Districts	1,686,750	1,541,063
Federal Government	104,945	—
Accrued Salaries and Benefits	555,504	467,609
	<b>\$ 5,582,489</b>	<b>\$ 6,458,646</b>

### 7. Deferred Contribution

The deferred contribution represents unspent resources externally restricted for the Youth Exploring Skills to Industry Training (YES 2 IT) program.

	2010	2009
Balance, beginning of year	\$ 782,312	\$ 782,312
Amount recognized as revenue	—	—
Balance, end of year	<b>\$ 782,312</b>	<b>\$ 782,312</b>

### 8. Deferred Capital Contributions

	2010	2009
Balance, beginning of year	\$ 1,169,818	\$ 1,365,937
Amount amortized to revenue	(1,139,754)	(196,119)
Balance, end of year	<b>\$ 30,064</b>	<b>\$ 1,169,818</b>

The balance is made up of:

Mobile Training Unit	\$ —	\$ 1,118,514
Deferred Tenant Improvement Allowance	30,064	51,304
	<b>\$ 30,064</b>	<b>\$ 1,169,818</b>

### 9. Unrestricted Net Assets

The unrestricted net assets can be used for investment in capital assets or, with the prior approval of the Treasury Board, for meeting operating expenses in future years.

## Notes to Financial Statements

For the Year Ended March 31, 2010

### 10. Labour Market Agreement Projects/Aboriginal Labour Supply Initiatives

The Canada-British Columbia Labour Market Agreement (LMA) was signed on February 20, 2008. British Columbia, represented by the Ministry of Advanced Education and Labour Market Development (ALMD), receives multi-year funding from Human Resources and Skills Development Canada. The purpose of this funding is to assist individuals to prepare for entry or return to employment. The program expenses are funded on a cost recovery basis from ALMD. Salaries and benefits of \$527,468 (2009 – \$358,982) are included in this recovery.

	<b>2010</b>	<b>2009</b>
Trades Training for New Immigrants	<b>\$ 1,008,221</b>	\$ 244,602
Flexible Learning in the Trades	<b>1,258,503</b>	400,601
Aboriginal Apprenticeship Strategy	<b>1,240,189</b>	583,500
Prior Learning Assessment Tools for Immigrants	<b>989,456</b>	425,695
Empowering Women in Trades	<b>4,143,004</b>	834,894
LMA Funded	<b>\$ 8,639,373</b>	\$ 2,489,292
Aboriginal Apprenticeship Strategy ITA Funded	<b>93,479</b>	—
	<b>\$ 8,732,852</b>	\$ 2,489,292

### 11. Industry Training Organizations

In keeping with its Shareholder Letter of Expectations from the Province, the ITA purchases services to support active and effective industry engagement and leadership through Industry Training Organizations (ITOs) including obtaining industry input in relation to program standards and training demand for each applicable industry sector.

Prior to April 1, 2009 the ITO payments were made in accordance with specific funding agreements that required significant note disclosure of net revenues, cash flow and assets. Starting April 1, 2009 the business model changed to a contractual relationship for services as outlined in the ITO Enterprise Partnership Agreements. With the change in the contractual relationship detailed disclosure is no longer required.

The ITO Enterprise Partnership Agreements are for; the development of new, or modification of existing program standards; industry engagement; challenge assessment; and, promotion of apprenticeship. The ITA does not assume any liability for the ITOs. The Tourism ITO, Propel, is a pre-existing tourism related independent not-for-profit industry association that has always been reported as an arms length transaction.

The payments to ITOs were:

	<b>2010</b>	<b>2009</b>
AITO	<b>\$ 678,000</b>	\$ 707,329
CITO	<b>1,539,871</b>	1,339,529
HEBC	<b>225,000</b>	257,000
Propel	<b>608,000</b>	719,214
RCITO	<b>298,228</b>	639,138
RTO	<b>835,000</b>	949,064
TransCDA	<b>463,737</b>	127,770
	<b>4,647,836</b>	4,739,044
Other Related Costs	<b>937</b>	185,863
	<b>\$ 4,648,773</b>	\$ 4,924,907

## Notes to Financial Statements

For the Year Ended March 31, 2010

### 12. Employees' Pension Plan and Benefits Plan

#### (a) Benefits

The ITA pays 100% of premiums relating to a comprehensive benefits plan for its employees including: extended medical, dental and life insurance. Payments made by the ITA were \$178,225 (2009 – \$170,882). The ITA has no liability for future benefit obligations.

#### (b) Registered Retirement Savings Plan

The ITA has consolidated pension plans and discontinued the employer-paid group RSP effective January 31, 2009. Total employer RSP payments made by the ITA were \$0 (2009 – \$88,524).

#### (c) Public Service Pension Plan

The ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2008) determined the Plan has a surplus. Despite the surplus, the Public Service Pension Board of Trustees is required to implement a contribution rate increase of 0.15% each, for plan members and employers to meet the funding requirements of the *Pension Benefits Standards Act*. The increase in rates went into effect April 1, 2009. Contributions to the Plan by the ITA for the fiscal year were \$310,514 (2009 – \$186,287).

### 13. Commitments

The ITA has operating lease obligations for premises and copiers.

		Leases		Copiers		Total
2011	\$	377,973	\$	11,976	\$	389,949
2012		298,514		11,976		310,490
2013		222,283		11,976		234,259
2014		189,245		11,976		201,221
2015		—		5,988		5,988
	\$	1,088,015	\$	53,892	\$	1,141,907

### 14. Contingent Liabilities

#### (a) Pension

The ITA has accrued \$400,000 for an obligation arising from employees' potential voluntary purchases of past service in the Public Service Pension Plan. This accrual has been reflected in the current year Statement of Operations.

#### (b) Contractor

The ITA had a service agreement with a contractor that has ended. While the ITA's assessment is that, under the terms of the agreement, it has limited exposure to a potential claim, the outcome and amount of this potential claim for indemnification against the ITA is not determinable at this time. Accordingly, no provision for settlement or for damages has been made in these financial statements in regard to this dispute.

## Notes to Financial Statements

For the Year Ended March 31, 2010

### 15. Related Party Transactions

#### (a) Province

The ITA is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately are considered to be in the normal course of operations and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties. The significant related party transactions include contributions to Post Secondary Institutions of \$75,484,037, School Districts of \$4,812,860 Secondary School Apprenticeship Scholarships through the Ministry of Education of \$299,000 and payments for leased facilities through the Ministry of Citizen's Services – Accommodation and Real Estate Services for \$359,381.

#### (b) Board and Employees

Payments of \$1,500,000 (\$1,570,000 – 2009) and \$310,000 (2009 – \$79,881) were made to two separate not-for-profit societies, each of whose Boards included a board member, employee or former employee of the ITA. The Board member and employees did not participate in the approval of the payments. A new ITA Board member resigned their position on an ITO Board within six weeks of their appointment. An employee is a part time instructor at one of the post secondary institutions funded to provide training delivery and is a member of the Board of Trustees for the Public Service Pension Plan.

#### (c) Mobile Trainer

For the year ended March 31, 2009 the Minister of Advanced Education and Labour Market Development requested the ITA to transfer the mobile trainer and tools to Nicola Valley Institute of Technology, a related party. The transfer of the mobile trainer and tools on April 1, 2009 at its book value of \$1,118,514 has no impact on ITA's Statement of Operations. The expense for the disposal of the mobile trainer and tools is offset by the recognition of the deferred capital contribution revenue.

#### (d) Queen's Printer

The ITA has a licensing agreement with the Queen's Printer for ITA copyrighted learning materials. Included in this agreement is a business model to support the self financed updating of curriculum.

### 16. Economic Dependence

Operations for the ITA are dependent on continued funding from the Ministry of Advanced Education and Labour Market Development to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the ITA as a "going concern".

### 17. Capital Disclosure

The ITA receives funding from the Province of British Columbia through the Ministry of Advanced Education and Labour Market Development. The ITA defines capital to be net assets. The ITA cannot incur debt. Funding received for designated purposes must be used for the purpose outlined in the funding letter.

The ITA cannot have a deficit without the prior Ministry approval and any excess from operations is restricted by the Treasury Board for capital use only. Capital plans are developed and monitored to ensure capital is spent appropriately.

The ITA has complied with the external restrictions on the funding provided.

### 18. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

**INDUSTRY TRAINING AUTHORITY**

**STATEMENT OF GUARANTEES AND INDEMNITIES  
FISCAL YEAR ENDED MARCH 31, 2010**

The Industry Training Authority has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during fiscal year 2009/2010.

**SCHEDULE OF DEBTS  
FISCAL YEAR ENDED MARCH 31, 2010**

The Industry Training Authority had no debts as of the fiscal year ended March 31, 2010.

**INDUSTRY TRAINING AUTHORITY**

**SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES**

**For the Year Ended March 31, 2010**

<b>Name</b>	<b>Remuneration</b>	<b>Expenses</b>
Ashifa Dhanani	\$ 110 322	\$ 3 477
Doug Podetz	101 452	9 927
Ed Jarvis	80 814	6 678
Evelyn Taylor	79 042	3 423
Gary McDermott	116 562	4 893
Geoff Stevens	84 012	1 470
Jeff Nugent	138 444	23 479
Jessi Zeilke	112 262	3 395
Johannes Steinmann	107 243	6 504
Judy Harris	93 894	1 427
Kevin Evans	214 614	21 204
Lisa Dooling	110 693	3 334
Michael Stewart	84 161	1 888
Robert Scales	98 827	4 443
Rodger Hargreaves	103 190	9 527
Sandy Steward	148 860	4 625
Shelley Seidman	99 807	2 235
Sue Thomas	143 768	4 933
<b>Consolidated total</b> of other employees with remuneration and expenses of \$75,000 or less	<b>\$ 1 856 541</b>	<b>\$ 39 545</b>
<b>Total Employees:</b>	<b>\$ 3 884 508</b>	<b>\$ 156 407</b>

**Explanation of Differences in Schedule of Remuneration and Expenses to Audited Statements**

Taxable Benefits are stipulated by the Canada Customs and Revenue Agency and included in remuneration. They may not necessarily be amounts that have been paid to employees.

Expenses are components of the Travel and the General Office and Business expenses on the Audited Statements.

**INDUSTRY TRAINING AUTHORITY**  
**STATEMENT OF SEVERANCE AGREEMENTS**  
**FISCAL YEAR ENDED MARCH 31, 2010**

There were three severance agreements made between the Industry Training Authority and the non-unionized employees during fiscal year 2009/2010.

**These agreements represent from 4 weeks to nine months of compensation.\***

\* "Compensation" means the value of salary plus benefits in lieu, life and dependent life insurance.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

**INDUSTRY TRAINING AUTHORITY**

**SCHEDULE OF BOARD OF DIRECTORS REMUNERATION AND EXPENSES**

**For the Year Ended March 31, 2010**

<b>Name</b>	<b>Position</b>	<b>Remuneration</b>	<b>Expenses</b>
Frank Pasacreta	Chair	\$ 14 850	\$ 3 345
Frank Borowicz	Chair (Past)	15 300	9 009
Allan Bruce	Director	11 200	-
Barbara Naef	Director	6 000	-
Dana Francis	Director	1 850	-
Gord Stewart	Director	7 950	358
Jack Carthy	Director	10 250	1 647
Jack Davidson	Director	1 650	582
Kurt Krampfl	Director	2 400	590
Laura Stanton	Director	2 400	664
Patty Sahota	Director	1 650	690
Suromitra Sanatani	Director	2 850	1 263
Tom Kirk	Director	12 550	12 497
<b>Total Board Fees &amp; Expenses</b>		<b>\$ 90 900</b>	<b>\$ 30 645</b>
Meeting Expenses paid by ITA			20 190
Board Professional Services			15 976
			<b>\$ 157 711</b>
<b>Total Board Costs on Financial Statements</b>			<b>\$ 157 711</b>

**Variance:**

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**INDUSTRY TRAINING AUTHORITY**

**SCHEDULE OF SUPPLIES OF GOODS AND SERVICES  
For the Year Ended March 31, 2010**

<b>Supplier Name</b>	<b>Amount Paid</b>	<b>Supplier Name</b>	<b>Amount Paid</b>
Aboriginal Community Career Employment Services Society	35 854	KaryoEdelman	225 381
Adecco Employment Services Limited	67 988	Kirstin Leversage	31 718
Allegra Print & Imaging	44 015	Kwantlen University College	3 499 124
Automotive Training Standards Organization	641 118	Linda Mangnall	28 998
B.C. Milk Producers Association	131 600	Medical Services Plan	41 994
B.C. Road Builders and Heavy Construction Association	91 209	Metis Skills and Employment Centre Inc.	192 595
Bayleaf Software Inc.	111 161	Minister of Finance	1 146 500
BC Floor Covering Joint Conference Society	118 575	NetNation Communications Inc.	42 486
BC Pension Corporation	161 198	North Island College	2 894 465
Bell Canada	61 808	Northern Lights College	2 459 720
British Columbia Construction Association	1 327 458	Northwest Community College	2 193 817
British Columbia Funeral Association	174 019	O.E. Training Ltd.	117 624
British Columbia Institute of Technology	19 635 720	Odgers Berndtson	25 740
British Columbia Trucking Association	31 850	Okanagan College	9 090 848
British Columbia Wall & Ceiling Association	194 535	Optimum Public Relations	53 898
Bull, Housser & Tupper LLP	130 186	Pacific Vocational College	2 443 264
Caltron Business Machines Limited	35 173	Prince George Nechako Aboriginal Employment and Training Association	99 544
Camosun College	5 819 429	Quadrant Marine Institute Inc.	113 410
Canada JobMart Ltd. dba Izen Consulting	135 355	Ray & Berndtson Tanton Mitchell	40 704
CanWest Inc	33 358	RCABC Educational Foundation	392 895
Capilano University	72 000	Receiver General of Canada	188 117
CES Career Education Society	1 510 656	Residential Construction Industry Training Organization	291 148
CGI Information Systems and Management Consultants Inc.	1 276 213	Rick Bos	29 058
CITO BC Construction Industry Training Organization	1 389 996	Rogers Wireless Inc.	46 431
College of New Caledonia	5 206 924	RTO BC Resource Training Organization	865 185
College of the Rockies	2 062 260	S.U.C.C.E.S.S.	85 310
Commerce Court Communications	35 982	School District No. 5 (Southeast Kootenay)	75 585
Computronix (Canada) Ltd.	53 684	School District No. 6 (Rocky Mountain)	34 250
DC 38 Joint Trade Soc dba The Finishing Trades Inst of BC	319 485	School District No. 8 (Kootenay Lake)	44 345
Diners Club International	236 495	School District No. 20 (Kootenay Columbia)	75 750
DIVERSEcity Community Resources Society	145 789	School District No. 22 (Vernon)	42 588
Douglas College	28 560	School District No. 23 (Central Okanagan)	469 000
Edge Training & Consulting Ltd.	418 471	School District No. 33 (Chilliwack)	57 250
Electrical Industry Training Institute	640 704	School District No. 34 (Abbotsford)	152 750
Electrical Joint Training Committee Society	96 300	School District No. 35 (Langley)	154 750
Encon Group Inc.	238 503	School District No. 36 (Surrey)	423 586
Enform Canada	71 904	School District No. 37 (Delta)	121 875
go2 Tourism HR Society	612 981	School District No. 38 (Richmond)	100 119
Grand & Toy	29 175	School District No. 39 (Vancouver)	148 000
Herzog Associates Inc.	128 754	School District No. 40 (New Westminster)	48 250
HortEducationBC	181 708	School District No. 41 (Burnaby)	235 625
Horticulture Centre of the Pacific	91 023	School District No. 42 (Maple Ridge-Pitt Meadows)	189 000
Identica	26 317	School District No. 43 (Coquitlam)	212 750
Infocus Management Consulting	62 537	School District No. 46 (Sunshine Coast)	63 250
ITS Consulting Inc.	267 580	School District No. 47 (Powell River)	144 250
John T. Jones, Chief Councillor/Old Massett Village Council	77 475	School District No. 48 (Howe Sound)	37 125
Joint Apprentice Refrigeration Training School	556 746	School District No. 54 (Bulkley Valley)	25 500

**INDUSTRY TRAINING AUTHORITY**

**SCHEDULE OF SUPPLIES OF GOODS AND SERVICES  
For the Year Ended March 31, 2010**

<b>Supplier Name</b>	<b>Amount Paid</b>	<b>Supplier Name</b>	<b>Amount Paid</b>
School District No. 57 (Prince George)	185 375	Simon Fraser University	942 678
School District No. 58 (Nicola Similkameen)	87 725	Skills Canada BC	310 000
School District No. 59 (Peace River South)	164 365	Southern Interior Construction Association	56 280
School District No. 60 (Peace River North)	142 000	Sprott-Shaw Degree College Corp.	559 744
School District No. 61 (Greater Victoria)	133 500	Synovate Ltd.	31 800
School District No. 62 (Sooke)	87 375	The D.C. 38 Joint Trade Society	132 270
School District No. 63 (Saanich)	123 250	The Piping Industry Apprenticeship Board	1 723 888
School District No. 67 (Okanagan Skaha)	50 500	Thompson Rivers University	4 926 238
School District No. 68 (Nanaimo-Ladysmith)	135 000	Trades Training Consortium of British Columbia	200 000
School District No. 70 (Alberni)	27 442	Tradeworks Training Society	185 129
School District No. 73 (Kamloops Thompson)	149 244	Transportation Career Development Association of BC	446 670
School District No. 79 (Cowichan)	70 250	Trowel Trades Training Association	238 305
School District No. 81 (Fort Nelson)	28 573	United Food and Commercial Workers Local 247	1 161 569
School District No. 82 (Coast Mountain)	87 000	University College of the Fraser Valley	1 909 080
School District No. 83 (North Okanagan-Shuswap)	178 216	VanAsep Training Society	655 000
School District No. 91 (Nechako Lakes)	51 500	Vancouver Community College	7 864 685
Secwepemc Cultural Education Society	109 440	Vancouver Island University (Malaspina)	5 220 710
Selkirk College	2 170 124	VANOC/Rona Carpentry Training Delivery Program	182 240
Sheet Metal Workers Training Centre Society	420 362	Vocational Education and Training Assessment Services	498 598
<b>Total for over \$25,000 paid to suppliers</b>			<b>\$ 105 961 528</b>
<b>Total for under \$25,000 paid to suppliers</b>			<b>1 222 712</b>
<b>Total</b>			<b>\$ 107 184 240</b>

**Explanation of Differences in Schedule of Goods and Services to Audited Statements:**

A reconciliation of amounts reported in the Financial Information Act Return and the audited financial statements has not been prepared. The ITA prepares its Financial Statements on an accrual basis while the amounts reported in the Financial Information Act return are based on cash payments in the year. This will result in timing differences between amounts recorded as expenses in the Financial Statements and amounts paid to a vendor in the year.

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Prepared under the Financial Information Regulation, Schedule 1 section 7 and the Financial Information Act, Section 2.

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