

Financial Information Act Return

Financial Statements Year Ended March 31, 2012

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



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INDUSTRY TRAINING AUTHORITY
STATEMENT OF FINANCIAL INFORMATION APPROVAL
FISCAL YEAR ENDED MARCH 31, 2012

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 cursive script, appearing to read "Frank Pasacreta".

Frank Pasacreta,
Chair, Board of Directors
Jul 24, 2012

MANAGEMENT REPORT

FISCAL YEAR ENDED MARCH 31, 2012

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.

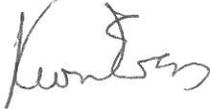
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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 expresses 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.
Chief Financial Officer

July 24, 2012

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

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Audited Financial Statements

Fiscal Year Ended
March 31, 2012

From the Annual Report 2011 / 2012

Pages 24 to 39

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Industry Training Authority and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Industry Training Authority



Kevin Evans
Chief Executive Officer



Sue Thomas CA
Chief Financial Officer

May 15, 2012

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of the Industry Training Authority, and
To the Minister of Jobs, Tourism and Innovation, Province of British Columbia*

Report on the Financial Statements

I have audited the accompanying financial statements of the Industry Training Authority, which comprise the statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010, and the statements of operations and changes in accumulated surplus, changes in net financial assets and cash flows for the years ended March 31, 2012, and March 31, 2011, 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

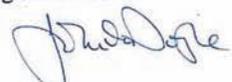
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Industry Training Authority as at March 31, 2012, March 31, 2011, and April 1, 2010, and the results of its operations and its cash flows for the years ended March 31, 2012, and March 31, 2011, in accordance with Canadian public sector accounting standards.

Victoria, British Columbia
May 15, 2012


John Doyle, MAcc, CA
Auditor General

Industry Training Authority

Statement of Financial Position

in thousands of dollars

| | <i>Note</i> | March 31, 2012 | March 31, 2011 (Restated - Note 3) | April 1, 2010 (Restated - Note 3) |
|--|-------------|----------------|---------------------------------------|--------------------------------------|
| Financial Assets | | | | |
| Cash and cash equivalents | 4 | 15,292 | 8,896 | 6,585 |
| Accounts receivable | 5 | 26 | 29 | 11 |
| Due from government/ other government organizations | 6 | 3,859 | 4,365 | 4,146 |
| | | 19,177 | 13,290 | 10,742 |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | 7 | 4,914 | 3,205 | 2,983 |
| Employee future benefits | 8 | 3 | - | - |
| Due to government/ other government organizations | 9 | 1,521 | 2,043 | 2,599 |
| Deferred revenue | 10 | 555 | - | - |
| | | 6,993 | 5,248 | 5,582 |
| Net financial assets | | 12,184 | 8,042 | 5,160 |
| Non-financial assets | | | | |
| Tangible capital assets | 13 | 4,610 | 3,751 | 3,223 |
| Prepaid expenses | | 592 | 590 | 630 |
| | | 5,202 | 4,341 | 3,853 |
| Accumulated surplus | | 17,386 | 12,383 | 9,013 |
| Contingent liabilities | 12 | | | |
| Contractual obligations | 14 | | | |

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



Frank Pasacreta
Board Chair



Jack Carthy
Audit Committee Chair

Industry Training Authority

Statement of Operations and Changes in Accumulated Surplus

in thousands of dollars

| | <i>Note</i> | Budget (Note 19) | March 31, 2012 | March 31, 2011 (Restated - Note 3) |
|--|-------------|---------------------|----------------|---------------------------------------|
| Revenues | | | | |
| Provincial general funding | | 94,444 | 94,444 | 94,444 |
| Provincial grants and other | | 8,560 | 8,313 | 17,152 |
| Provincial crowns | | 4,250 | 4,250 | - |
| Federal funding received | | 300 | 192 | 634 |
| Operating | | 500 | 383 | 452 |
| Fees | | 332 | 383 | 341 |
| Investment income | | 180 | 293 | 243 |
| Other | | 21 | 31 | - |
| | | 108,587 | 108,289 | 113,266 |
| Expenses | | | | |
| Standards development | 15 & 16 | 2,746 | 2,437 | 2,608 |
| Industry engagement (non standards work) | | 3,399 | 3,382 | 3,621 |
| Assessment and certification | | 2,434 | 1,067 | 1,833 |
| Training delivery | | 78,522 | 74,781 | 79,349 |
| Labour supply initiatives | | 11,582 | 12,537 | 14,068 |
| Administration | | 9,904 | 9,082 | 8,417 |
| | | 108,587 | 103,286 | 109,896 |
| Annual surplus | | - | 5,003 | 3,370 |
| Accumulated surplus at the beginning of the year as originally reported | | | 11,592 | 8,201 |
| Adjustments to accumulated surplus: | | | | |
| Change on transition to Public Sector Accounting Standards | | | | |
| Deferred contributions from province Yes2It | | | 782 | 782 |
| Deferred capital contributions tenant improvements | | | 9 | 30 |
| Accumulated surplus at beginning of year restated | | | 12,383 | 9,013 |
| Accumulated surplus at end of year | | | 17,386 | 12,383 |

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

Industry Training Authority

Statement of Changes in Net Financial Assets

in thousands of dollars

| | Budget (Note 19) | March 31, 2012 | March 31, 2011 (Restated - Note 3) |
|---|---------------------|----------------|---------------------------------------|
| Annual operating surplus | - | 5,003 | 3,370 |
| Acquisition of tangible capital assets | (1,839) | (1,585) | (1,118) |
| Disposal of tangible capital assets | - | - | - |
| Amortization of tangible capital assets | 660 | 716 | 620 |
| (Gain)/loss on sale of tangible capital assets | - | 10 | - |
| Write-downs on tangible capital assets | - | - | (30) |
| | (1,179) | (859) | (528) |
| (Acquisition)/use of prepaid expense | (10) | (2) | 40 |
| | (10) | (2) | 40 |
| (Increase)/ decrease in net financial assets | (1,189) | 4,142 | 2,882 |
| Net financial assets at beginning of year | 8,042 | 8,042 | 5,160 |
| Net financial assets at end of year | 6,853 | 12,184 | 8,042 |

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

Industry Training Authority

Statement of Cash Flows

in thousands of dollars

| | March 31, 2012 | March 31, 2011 (Restated - Note 3) |
|--|----------------|---------------------------------------|
| Operating transactions | | |
| Annual surplus | 5,003 | 3,370 |
| Non-cash items included in annual surplus increase/(decrease): | | |
| Amortization | 716 | 590 |
| Change in prepaid expenses | (2) | 40 |
| Change in receivables | 509 | (237) |
| Change in payables and accrued liabilities | 1,190 | (334) |
| Change in deferred revenue | 555 | - |
| Cash provided by operating transactions | 7,971 | 3,429 |
| Capital transactions | | |
| Proceeds on sale of tangible capital assets | 10 | - |
| Cash used to acquire tangible capital assets | (1,585) | (1,118) |
| Cash applied to capital transactions | (1,575) | (1,118) |
| Increase in cash and cash equivalents | 6,396 | 2,311 |
| Cash and cash equivalents at beginning of year | 8,896 | 6,585 |
| Cash and cash equivalents at end of year | 15,292 | 8,896 |

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

Industry Training Authority

Notes to Financial Statements

for the Years Ended March 31, 2012 and March 31, 2011

1. Nature of Operations

Industry Training Authority (ITA) is a Crown agency established on January 2, 2004 and operates under the authority of the *Industry Training Authority Act*. ITA reports to the Legislative Assembly through the Ministry of Jobs, Tourism and Innovation. The mandate of the ITA is to oversee occupational standards, credentialing, and apprenticeship for skilled trades and occupations in demand by industry and the BC labour market. It serves the public interest ensuring industry standards and credentials are in place for skilled trades and occupations, while providing individuals with accessible technical apprenticeship training opportunities that are closely linked to workplace opportunities. These services are grouped into the following key areas: standards, industry engagement, assessment and certification, training delivery and labour supply initiatives.

ITA is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a Basis of accounting

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

b Conversion to Public Sector Accounting Standards

Commencing with the 2012 fiscal year, at the request of the Minister of Finance, ITA has adopted Canadian public sector accounting ("PSA") standards as issued by the Public Sector Accounting Board. These financial statements are the first financial statements for which ITA has applied Canadian public sector accounting standards. ITA has early adopted the accounting standards contained in PS 1201 – *Financial statement presentation*, PS 3410 – *Government transfers*, PS 2601 – *Foreign currency translation* and PS 3450 – *Financial instruments* in the preparation of these financial statements.

c Tangible capital assets

Tangible capital assets are recorded at cost, which included amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|--------------------------------|------------|
| Furniture and equipment | 5 years |
| Computer hardware and software | 3-10 years |
| Leasehold improvements | 10 years |

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to ITA's ability to provide credentials and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Transfers of capital assets from related parties are recorded at carrying value. ITA has recorded additions relating to computer software for apprenticeship records at carrying value.

d Employee future benefits

- i. The employees of ITA belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The joint trustee board of the plan determines the required plan contributions annually.

The contribution of ITA to the plan is recorded as an expense for the year.

- ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

e Prepaid expenses

Prepaid expenses include payments to private trainers for classes spanning the fiscal year end as well as other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

f Revenue recognition

Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

g Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

h Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions and there are no foreign denominated assets or liabilities existing at year end.

i Financial instruments

ITA has the following financial instruments:

i. Cash and cash equivalents

Cash and cash equivalents includes cash held in a high yield account at a Canadian bank and is subject to an insignificant risk of change in value.

ii. Accounts receivables

Accounts receivables are primarily from the province or the federal government. They are subject to an insignificant risk of change in value.

iii. Accounts payables

Accounts payables are to trade, and to the province and government related entities that are due within 30 days.

All financial assets and financial liabilities are measured at cost which approximates fair value due to the short term nature of these accounts.

j Measurement uncertainty

The preparation of financial statements is in conformity with Canadian public sector accounting standards for provincial reporting entities. These standards require management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include: the useful life of capital assets and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

3. Conversion to Public Sector Accounting Standards

Commencing with the 2012 fiscal year, ITA has adopted Canadian public sector accounting ("PSA") standards. These financial statements are the first financial statements for which ITA has applied Canadian public sector accounting standards. At the direction of the Minister of Finance ITA has early adopted the accounting standards contained in PS 1201 – *Financial statement presentation*, PS 3410 – *Government transfers*, PS 2601 – *Foreign currency translation* PS 3450 – *Financial instruments and Portfolio Investments* PS 3041 in the preparation of these financial statements.

The impact of the conversion to Canadian public sector accounting standards on the accumulated surplus at the beginning of the 2011 fiscal year, the date on transition, and the comparative annual surplus is presented in the Statement of Operations and Changes in Accumulated Surplus. These accounting changes have been applied retroactively with restatement of prior periods except for the accounting standards contained in PS 2601 and PS 3450 as these standards specifically prohibit retroactive application. The following changes have been implemented to comply with PSA:

a Statement of Financial Position

(in \$ thousands)

| Retroactive Changes | Previously Stated April 1, 2010 | Adjustment April 1, 2010 | Restated April 1, 2010 |
|-------------------------------|------------------------------------|-----------------------------|---------------------------|
| Deferred contribution | 782 | (782) | - |
| Deferred capital contribution | 30 | (30) | - |

The deferred contribution is the funding received from the province to support the Yes2IT youth in trades program. There are no indicators that create the conditions to continue to defer this funding under public sector accounting standards.

Deferred capital for tenant improvements for offices rented from the province. There also were no indicators that created the conditions to continue to defer this funding.

b Statement of Operations and Changes in Accumulated Surplus

(in \$ thousands)

| | Previously Stated March 31, 2011 | Adjustment March 31, 2011 | Restated March 31, 2011 |
|-------------------------------|-------------------------------------|------------------------------|----------------------------|
| Deferred contribution | - | - | - |
| Deferred capital contribution | 21 | (21) | - |

There was no revenue recognized from the deferred contribution for Yes2IT during this time period.

Deferred capital for tenant improvements revenue recognition no longer qualified as a deferred capital contribution.

c Statement of Cash Flow

There were no impacts to the cash flow as a result of the conversion to Public Sector Accounting Standards.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

4. Cash and Cash Equivalents

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 | April 1, 2010 |
|-------------------|----------------|----------------|---------------|
| Unrestricted cash | 15,292 | 8,896 | 6,585 |

5. Accounts Receivables

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 | April 1, 2010 |
|---------------------|----------------|----------------|---------------|
| Revenues receivable | 4 | 9 | 4 |
| Accrued interest | 22 | 20 | 7 |
| | 26 | 29 | 11 |

6. Due from Government and Other Government Organizations

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 | April 1, 2010 |
|--------------------------------|----------------|----------------|---------------|
| Provincial government | 3,512 | 3,108 | 3,840 |
| Federal government | 345 | 1,255 | 108 |
| Other government organizations | 2 | 2 | 198 |
| | 3,859 | 4,365 | 4,146 |

7. Accounts Payable and Accrued Liabilities

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 | April 1, 2010 |
|--|----------------|----------------|---------------|
| Accounts payable and accrued liabilities | 4,346 | 2,863 | 2,428 |
| Salaries and benefits payable | 505 | 279 | 503 |
| Accrued vacation pay | 63 | 63 | 52 |
| | 4,914 | 3,205 | 2,983 |

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

8. Employee Future Benefits

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. BC 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.

Information about obligations for retirement benefits and other employee future benefits is as follows:

a Retirement and other employee future benefits – pension plan

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The maximum contribution rate for eligible employees was 9.28% (2011: 9.28%). ITA's maximum contribution rate is 10.28% (2011: 10.28%). During the year ended March 31, 2012, ITA contributed \$319 thousand (2011: \$318 thousand) to the plan. These contributions are ITA's pension benefit expense. No pension liability for this type of plan is included in the financial statements.

An actuarial valuation is conducted every three years to assess the financial position of the Public Service Pension Plan's (PSPP's) pension fund. The most recent valuation was conducted as at March 31, 2011, and the results showed that the PSPP's basic account had a deficit of \$275.401million. The contribution rate increase effective April 1, 2012 to the basic account is relatively small, which is in part due to the 2010 rebound in the plan's investments. The actuary does not attribute portions of the unfunded liability to individual employers.

b Long-term disability life insurance and health care benefits

ITA provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, ITA is responsible for the payment of the premium costs of medical, dental and Medical Services Plan under this plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

The accrued benefit obligations for employee future benefit plans as at March 31, 2012 is \$3 thousand (2011: \$0).

9. Due to Government and Other Government Organizations

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 | April 1, 2010 |
|--------------------------------|----------------|----------------|---------------|
| Federal government | 11 | 140 | 105 |
| Provincial government | 288 | 223 | 595 |
| Other government organizations | 1,222 | 1,680 | 1,899 |
| | 1,521 | 2,043 | 2,599 |

ITA's liabilities to government and other government organizations are all amounts payable on demand and within a year. Other government organizations includes: colleges, universities and school districts.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

10. Deferred Revenue

(in \$ thousands)

| | Balance April 1, 2011 | Receipts during year | Transferred to revenue | Balance March 31, 2012 |
|-----------------------------------|--------------------------|-------------------------|---------------------------|---------------------------|
| | (Restated - Note 3) | | | |
| Tenant inducement Richmond office | - | 530 | 30 | 500 |
| Aboriginal Research – province | - | 105 | 50 | 55 |
| | - | 635 | 80 | 555 |

ITA received \$530 thousand in tenant inducements for leasehold improvements to the Richmond office. This revenue is being deferred and recognized over the term of the lease.

ITA entered into an agreement with the province's employment and labour market services for a Labour Market Project for Aboriginal research for \$170 thousand. \$105 thousand was advanced to the ITA and the unspent funds are deferred as at March 31, 2012.

11. Fiscal Risk Management

ITA's financial instruments are not exposed to significant risk. They are measured at cost and include: cash and cash equivalents; trade receivables and trade payables.

a Cash and cash equivalents

ITAs cash and cash equivalents are made up of cash held in bank accounts in demand deposits.

- i. Cash is not exposed to significant liquidity risk or market risk which includes currency risk and interest rate risk.
- ii. ITA's objectives in managing these risks are to significantly minimize risk by:
 - (1) Holding cash in a chequing and a deposit account at a Canadian bank,
 - (2) In Canadian currency, and
 - (3) In interest bearing bank accounts.
- iii. There have been no changes in the fiscal risks or ITAs objectives, policies or process, from the previous period.

b Accounts receivables

Accounts receivables are primarily from the provincial and federal governments with less than 1% from trade receivables.

- i. ITA's accounts receivables do not have significant credit, liquidity or market risk.
- ii. ITA's objective is to keep all receivables current. Trade receivables that are past due are not impaired.
- iii. There have been no changes in the fiscal risks or ITAs objective, policies or process, from the previous period.

c Accounts payables

Accounts payables are to trade and to the province and government related entities and are due within 30 days.

- i. ITA's accounts payables do not have significant credit, liquidity or market risk.
- ii. ITA's objective is to keep all payables current.
- iii. There have been no changes in the fiscal risks or ITAs objective, policies or process, from the previous period.

12. Contingent Liabilities – Pension

ITA has an accrual for an obligation arising from employees' potential voluntary purchase of past service in the Public Service Pension Plan of \$53 thousand (2011: \$81 thousand). Changes in the accrual are reflected in the Statement of Operations.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

13. Tangible Capital Assets

March 31, 2012 (in \$ thousands)

| | Furniture and equipment | Computer hardware & software | Leasehold improvements | March 31, 2012 Total |
|---------------------------------|----------------------------|------------------------------------|---------------------------|-------------------------|
| Cost | | | | |
| Opening Balance | 308 | 5,533 | 280 | 6,121 |
| Additions | 225 | 767 | 593 | 1,585 |
| Disposals | (52) | (2) | (273) | (327) |
| Closing Balance | 481 | 6,298 | 600 | 7,379 |
| Accumulated Amortization | | | | |
| Opening Balance | 281 | 1,835 | 254 | 2,370 |
| Additions | 32 | 631 | 53 | 716 |
| Disposals | (42) | (2) | (273) | (317) |
| Closing Balance | 271 | 2,464 | 34 | 2,769 |
| Net book value | 210 | 3,834 | 566 | 4,610 |

Cost at March 31, 2012 includes work in progress as follows: Leasehold improvements \$0 (April 1, 2011: \$7 thousand)

March 31, 2011 (in \$ thousands)

| | Furniture and equipment | Computer hardware & software | Leasehold improvements | March 31, 2011 Total |
|---------------------------------|----------------------------|------------------------------------|---------------------------|-------------------------|
| Cost | | | | |
| Opening Balance | 301 | 4,431 | 270 | 5,002 |
| Additions | 7 | 1,102 | 10 | 1,119 |
| Write-downs | - | - | - | - |
| Closing Balance | 308 | 5,533 | 280 | 6,121 |
| Accumulated Amortization | | | | |
| Opening Balance | 266 | 1,340 | 173 | 1,779 |
| Additions | 15 | 495 | 111 | 621 |
| Write-downs | - | - | (30) | (30) |
| Closing Balance | 281 | 1,835 | 254 | 2,370 |
| Net book value | 27 | 3,698 | 26 | 3,751 |

Cost at March 31, 2011 includes work in progress as follows: Leasehold improvements \$7 thousand (April 1, 2010: \$0)

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

14. Contractual Obligations

ITA has entered into a number of multiple-year contracts for the delivery of services for operating leases for premises and equipment. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

(in \$ thousands)

| Contractual obligations | March 31, 2013 | March 31, 2014 | March 31, 2015 | March 31, 2016 | March 31, 2017 | Thereafter |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------|
| Future operating lease payments – office | 195 | 195 | 195 | 195 | 202 | 910 |
| Future operating lease payments – copiers | 12 | 12 | 8 | - | - | - |
| | 207 | 207 | 203 | 195 | 202 | 910 |

15. Government Transfers

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 |
|---------------------------------|----------------|----------------|
| Revenue: | | |
| Provincial general funding | 94,444 | 94,444 |
| Provincial other funding/grants | 8,288 | 17,152 |
| Provincial crown | 4,250 | - |
| | 106,982 | 111,596 |
| Expenses: | | |
| Ministry of Education | 165 | 219 |
| Post secondary institutions | 70,111 | 73,731 |
| Private training institutions | 6,542 | 7,168 |
| TTCBC | - | 325 |
| School districts | 4,088 | 3,855 |
| LMA related transfers | 5,268 | 4,901 |
| Skills Canada | - | 295 |
| CES | - | 1,789 |
| Asia Pacific Gateway | - | 216 |
| Aboriginal agencies | - | 90 |
| | 86,174 | 92,589 |

The majority of the expenses listed above are related to training with LMA related transfers being part of both: training delivery and assessment and certification. There were no liabilities created from the government transfers received. There were no changes in the recognition of these expenses as a result of the change to PSAB.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

16. Expenses by Object

The following is a summary of expenses by object:

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 |
|---|----------------|----------------|
| ITO-delivered services | 5,683 | 6,061 |
| Training provider services (including Youth) | 78,653 | 85,447 |
| Labour Supply Initiatives (Women, Aboriginal & Immigrant) | 8,218 | 7,719 |
| Assessment & certification | 1,067 | 1,833 |
| Other operating costs | 785 | 870 |
| Compensation | 4,585 | 3,945 |
| Staff development | 79 | 53 |
| Information systems / telecommunications | 1,309 | 1,266 |
| Communications & marketing | 555 | 245 |
| Building occupancy and other | 512 | 393 |
| Amortization | 716 | 590 |
| Loss on disposal | 10 | - |
| Other administrative costs | 1,114 | 1,474 |
| | 103,286 | 109,896 |

Compensation and staff development costs for all ITA employees are included in Administration in the Statement of Operations as all program delivery and employee activity is in support of ITA's single product; Certificates of Qualification.

Building occupancy and other includes the moving costs related to the new consolidated offices on August 29, 2011.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

17. Related Party Transactions

a Board and Employees

Payments training delivery of \$0 (2011: \$1,789,000), \$0 (2011: \$295,000) and \$0 (2011: \$216,000) were made to three separate not-for-profit societies, each of whose Boards included a board member, employee or former employee of ITA. An employee's spouse, as a contractor was paid \$0 (2011: \$948). The Board members and employees did not participate in the approval of the payments. During 2011, a former employee was a part time instructor at one of the post secondary institutions funded to provide training delivery and was a member of the Board of Trustees for the Public Service Pension Plan.

b Province

ITA has the following transactions with the government and other government controlled organizations.

(in \$ thousands)

| | March 31, 2012 | March 31, 2011 |
|---|----------------|----------------|
| Provincial general funding – Ministry of Jobs, Training and Innovation | 94,444 | 94,444 |
| Provincial other funding/grants – Ministry of Jobs, Training and Innovation | 8,303 | 17,152 |
| Crown – Trades Training Consortium BC | 4,250 | - |
| Operating – Queens Printer | 383 | 452 |
| | 107,380 | 112,048 |
| Transfers to: | | |
| Post secondary institutions | 70,159 | 73,731 |
| School districts | 4,088 | 3,855 |
| Trades Training Consortium BC | - | 325 |
| Ministry of Education | 165 | 219 |
| Ministry of Citizens' Services – Accommodation and Real Estate Services | 216 | 392 |
| Queen's Printer & BC Mail Plus | 711 | 545 |
| Public Service Pension Plan | 319 | 318 |
| Service BC | 332 | 315 |
| Other government related entities | 42 | 20 |
| | 76,032 | 79,720 |

ITA's office leases with the Ministry of Citizens' Services – Accommodation and Real Estate Services ended August 31, 2011.

18. Comparative Figures

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

19. Budgeted Figures

Budgeted figures as approved by the Board of Directors have been provided for comparison purposes.

INDUSTRY TRAINING AUTHORITY

**STATEMENT OF GUARANTEES AND INDEMNITIES
FISCAL YEAR ENDED MARCH 31, 2012**

The Industry Training Authority has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during fiscal year 2011/2012.

**SCHEDULE OF DEBTS
FISCAL YEAR ENDED MARCH 31, 2012**

The Industry Training Authority had no debts as of the fiscal year ended March 31, 2012.

INDUSTRY TRAINING AUTHORITY
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
For the Year Ended March 31, 2012

| Name | Remuneration | Expenses |
|---|---------------------|-----------------|
| Ashifa Dhanani | 96,696 | 1,543 |
| Cory Williams | 92,474 | 2,855 |
| Diane Evans | 87,431 | (994) |
| Doug Podetz | 101,825 | 9,170 |
| Gary Macey | 151,066 | 6,868 |
| Gary McDermott | 110,637 | 33,092 |
| Helena Fehr | 94,636 | 2,544 |
| Jeff Nugent | 131,156 | 12,721 |
| Jessi Zeilke | 109,199 | 7,952 |
| Jim Pelton | 110,001 | 9,650 |
| Judy Harris | 96,002 | 2,024 |
| Karen Zukas | 97,309 | 2,939 |
| Kevin Evans | 198,807 | 26,457 |
| Michael Stewart | 80,067 | 1,207 |
| Natalia Dumitrescu | 96,281 | 10,266 |
| Robert Scales | 96,307 | 5,282 |
| Rodger Hargreaves | 106,204 | 7,742 |
| Ruth McGillivray | 87,894 | 1,000 |
| Shelley Seidman | 96,692 | 2,163 |
| Sue Thomas | 134,556 | 3,595 |
| Consolidated total of other employees with remuneration and expenses of \$75,000 or less | 1,634,539 | 25,003 |
| Total Employee: | 3,809,779 | 173,079 |

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.

The credit balance for Diane Evans's expenses is due to the Federal Government reimbursements crossing over the period end.

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

Prepared as required by Financial Information Regulation, Schedule 1, subsection 6(7)

INDUSTRY TRAINING AUTHORITY
STATEMENT OF SEVERANCE AGREEMENTS
FISCAL YEAR ENDED MARCH 31, 2012

There were three severance agreements made between the Industry Training Authority and the non-unionized employees during fiscal year 2011/2012.

These agreements represent from 3 to 7 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, 2012**

| Name | Position | Remuneration | Expenses |
|---|-----------------|---------------------|-----------------|
| Frank Pasacreta | Chair | 25,650 | 17,936 |
| Allan Bruce | Director | 3,033 | 908 |
| David Fehr | Director | 2,588 | 222 |
| Jack Carthy | Director | 8,900 | 405 |
| Jack Davidson | Director | 6,900 | 1,452 |
| Kurt Krampfl | Director | 7,633 | 740 |
| Laura Stanton | Director | 8,250 | 4,244 |
| Patty Sahota | Director | 6,300 | 298 |
| Suromitra Sanatani | Director | 5,850 | 3,113 |
| Tom Kirk | Director | 13,450 | 12,621 |
| Total Board Fees & Expenses | | 88,554 | 41,939 |
| Meeting Expenses Paid by ITA (catering, room rental and Intranet Aprio) | | | 18,228 |
| | | | 148,721 |
| Total Board Costs on Financial Statements | | | 148,721 |

Prepared under the Financial Information Regulation, Schedule 1, section 6(2), (3), (4), (5) and (6)

INDUSTRY TRAINING AUTHORITY
SCHEDULE OF SUPPLIES OF GOODS AND SERVICES
For the Year Ended March 31, 2012

| Supplier Name | Amount Paid | Supplier Name | Amount Paid |
|---|--------------------|---|--------------------|
| Aboriginal Community Career Employment Services Society | 230,120 | Kevin Hanson | 25,323 |
| Automotive Training Standards Organization | 620,514 | Kirstin Leversage | 40,059 |
| BC Floor Covering Joint Conference Society | 25,383 | Kla-how-eya Aboriginal Centre of SACS | 34,917 |
| Bell Canada | 262,580 | Konica Minolta Business Solutions (Canada) Ltd. | 38,036 |
| British Columbia Construction Association | 1,420,951 | Kwantlen Polytechnic University | 3,064,961 |
| British Columbia Funeral Association | 139,740 | Leslie Rodgers | 45,533 |
| British Columbia Institute of Technology | 18,528,490 | Martello Property Services Inc. | 128,584 |
| British Columbia Wall & Ceiling Association | 103,125 | Maxium Developments Inc. | 45,853 |
| Bull, Housser & Tupper LLP | 97,319 | Medical Services Plan | 51,947 |
| Byron Joseph, Chief Councillor / Squamish Nation | 166,667 | Minister of Finance | 470,672 |
| Camosun College | 5,629,390 | Minister of Finance - Accommodation and Real Estate Services Division | 200,673 |
| Canada JobMart Ltd. dba Izen Consulting | 115,920 | Minister of Finance - Queen's Printer | 359,185 |
| Canada Revenue Agency - Tax Centre | 252,827 | MNP LLP | 48,864 |
| Canadian Standards Association | 62,983 | Mosaic Translation Services | 33,552 |
| CGI Information Systems and Management Consultants Inc. | 216,217 | Nicola Valley Institute of Technology | 255,000 |
| CITO BC Construction Industry Training Organization | 2,188,995 | North Island College | 2,879,652 |
| College of New Caledonia | 4,424,649 | Northern Lights College | 1,990,377 |
| College of the Rockies | 1,827,628 | Northwest Community College | 1,538,978 |
| Computronix (Canada) Ltd. | 1,236,405 | Okanagan College | 7,979,695 |
| Concept House Inc. | 41,589 | Pacific Vocational College | 1,268,548 |
| DC 38 Joint Trade Soc dba The Finishing Trades Inst of BC | 601,216 | Pile Drivers, Divers, Bridge, Dock and Wharf Builders, Local 2404 | 49,500 |
| Diners Club International | 195,161 | Prince George Nechako Aboriginal Employment and Training Association | 202,239 |
| Discovery Community College Ltd. | 116,363 | Public Service Pension Plan | 600,092 |
| DIVERSEcity Community Resources Society | 276,633 | Quadrant Marine Institute Inc. | 130,934 |
| Dundee Realty Management (B.C.) Corp | 131,693 | R.A. Malatest & Associates Ltd. | 31,007 |
| EasyAccess Business Solutions Inc. | 64,887 | RCABC Educational Foundation | 415,476 |
| Edge Training & Consulting Ltd. | 81,230 | Receiver General of Canada | 335,950 |
| Electrical Industry Training Institute | 668,544 | Residential Construction Industry Training Organization | 381,696 |
| Electrical Joint Training Committee Society | 82,256 | Rod Munro | 29,897 |
| Encon Group Inc. | 270,782 | Rogers Wireless Inc. | 39,826 |
| Enform Canada | 63,500 | RTO BC Resource Training Organization | 1,159,682 |
| GMG Consulting Services Inc. | 44,836 | S.U.C.C.E.S.S. | 302,996 |
| go2 Tourism HR Society | 780,414 | Salvation Army | 54,730 |
| Grand & Toy | 25,436 | School District No. 5 (Southeast Kootenay) | 82,408 |
| Graphic Office Interiors Ltd. | 182,929 | School District No. 8 (Kootenay Lake) | 94,500 |
| Herzog Associates Inc. | 26,812 | School District No. 20 (Kootenay Columbia) | 88,282 |
| HortEducationBC | 349,877 | School District No. 22 (Vernon) | 99,875 |
| Horticulture Centre of the Pacific | 111,337 | School District No. 23 (Central Okanagan) | 448,297 |
| Hunt Personnel Temporarily Yours | 70,899 | School District No. 27 (Cariboo-Chilcotin) | 53,164 |
| ITS Consulting Inc. | 175,526 | School District No. 33 (Chilliwack) | 35,000 |
| IUOE Local 115 Training Association | 157,196 | School District No. 34 (Abbotsford) | 224,500 |
| Jerry R. Miller | 44,710 | School District No. 35 (Langley) | 160,875 |
| John T. Jones, Chief Councillor/Old Massett Village Council | 31,179 | School District No. 36 (Surrey) | 500,572 |
| Joint Apprentice Refrigeration Training School | 411,780 | School District No. 37 (Delta) | 60,125 |
| KaryoEdelman | 279,706 | School District No. 38 (Richmond) | 107,125 |

INDUSTRY TRAINING AUTHORITY
SCHEDULE OF SUPPLIES OF GOODS AND SERVICES
For the Year Ended March 31, 2012

| Supplier Name | Amount Paid | Supplier Name | Amount Paid |
|---|--------------------|---|-----------------------|
| School District No. 39 (Vancouver) | 195,500 | School District No. 82 (Coast Mountain) | 37,863 |
| School District No. 40 (New Westminster) | 88,500 | School District No. 83 (North Okanagan-Shuswap) | 197,066 |
| School District No. 41 (Burnaby) | 189,250 | School District No. 91 (Nechako Lakes) | 39,000 |
| School District No. 42 (Maple Ridge-Pitt Meadows) | 114,000 | Secwepemc Cultural Education Society | 138,240 |
| School District No. 43 (Coquitlam) | 280,375 | Selkirk College | 2,071,744 |
| School District No. 46 (Sunshine Coast) | 54,500 | Sheet Metal Workers Training Centre Society | 301,868 |
| School District No. 47 (Powell River) | 101,500 | Sprott-Shaw Degree College Corp. | 268,838 |
| School District No. 48 (Howe Sound) | 45,750 | Stephen Rosin | 32,368 |
| School District No. 54 (Bulkley Valley) | 40,000 | Stuart Logie doing business as NHI Consulting | 29,547 |
| School District No. 57 (Prince George) | 256,125 | The Deetken Group - Deetken Enterprises Inc. | 30,819 |
| School District No. 59 (Peace River South) | 98,875 | The Deliberation Network | 115,055 |
| School District No. 60 (Peace River North) | 80,500 | Thompson Rivers University | 4,651,334 |
| School District No. 61 (Greater Victoria) | 157,750 | Tidal Multimedia Inc. dba Tidal Interactive | 30,523 |
| School District No. 62 (Sooke) | 78,375 | Tradeworks Training Society | 252,843 |
| School District No. 63 (Saanich) | 143,750 | Transportation Career Development Association of BC | 785,460 |
| School District No. 67 (Okanagan Skaha) | 47,750 | Trowel Trades Training Association | 217,760 |
| School District No. 68 (Nanaimo-Ladysmith) | 154,875 | Twisted Lime Media Inc. | 29,190 |
| School District No. 69 (Qualicum) | 44,978 | UA Piping Industry College of BC | 1,844,230 |
| School District No. 70 (Alberni) | 25,000 | Unison Construction Management Ltd. | 800,706 |
| School District No. 71 (Comox Valley) | 55,500 | United Food and Commercial Workers Local 247 | 515,883 |
| School District No. 72 (Campbell River) | 43,000 | University College of the Fraser Valley | 1,739,160 |
| School District No. 73 (Kamloops Thompson) | 176,625 | VanAsep Training Society | 200,000 |
| School District No. 75 (Mission) | 32,125 | Vancouver Community College | 7,909,778 |
| School District No. 79 (Cowichan) | 46,375 | Vancouver Island University | 5,326,004 |
| Total for over \$25,000 paid to suppliers | | | \$ 99,141,802 |
| Total for under \$25,000 paid to suppliers | | | 1,310,987 |
| Total | | | \$ 100,452,788 |

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. HST charged by vendors will also be included in these totals.

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