

**Financial Information Act Return
Financial Statements for the year ended March 31, 2020**

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
For the year ended March 31, 2020**

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.



Cynthia Oliver

Chair, Board of Directors

September 24, 2020

Industry Training Authority

Management Report For the year ended March 31, 2020

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, BDO Canada LLP, has the responsibility for assessing the management systems and practices of the ITA.

BDO Canada LLP 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



Shelley Gray

Chief Executive Officer



Farnaz Riahi, CPA, CA

Chief Financial Officer

September 24, 2020

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



**Audited Financial Statements
For the year ended March 31, 2020**

**Financial Statements of Industry Training Authority
for the year ended March 31, 2020**

Industry Training Authority
Management's Report
for the Year Ended March 31, 2020

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 financial statements.

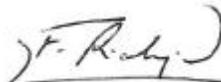
The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements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

The external auditors, BDO Canada LLP, 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 Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Industry Training Authority



Shelley Gray
Chief Executive Officer



Farnaz Riahi CPA,CA
Chief Financial Officer

May 15, 2020



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Independent Auditor's Report

To the Members of the Audit Committees of Industry Training Authority

Opinion

We have audited the financial statements of the Industry Training Authority, which comprise the Statement of Financial Position as at March 31, 2020, and the Statements Operations and Changes in Accumulated Surplus, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Industry Training Authority as at March 31, 2020, and its results of operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Industry Training Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Industry Training Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Industry Training Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Industry Training Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Industry Training Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Industry Training Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Industry Training Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 12, 2020

Industry Training Authority
Statement of Financial Position
As at March 31, 2020
in thousands of dollars

| | Note | 2020 | 2019 |
|--|-------------|--------------|--------------|
| Financial Assets | | | |
| Cash | | 3,577 | 3,762 |
| Accounts receivable | | 30 | 42 |
| Due from government/other government organizations | 3 | 3,482 | 2,049 |
| | | 7,089 | 5,853 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 4 | 2,859 | 1,742 |
| Due to government/other government organizations | 6 | 2,282 | 2,609 |
| Deferred revenue | 7 | 620 | 775 |
| | | 5,761 | 5,126 |
| Net financial assets | | 1,328 | 727 |
| Non-financial assets | | | |
| Tangible capital assets | 9 | 6,807 | 6,552 |
| Prepaid expenses | | 423 | 1,012 |
| | | 7,230 | 7,564 |
| Accumulated surplus | | 8,558 | 8,291 |
| Contractual obligations | 10 | | |
| Subsequent Events | 14 | | |

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



Cindy Oliver
Board Chair



Wally Penner
Audit and Risk Committee Chair

Industry Training Authority
Statement of Operations and Changes in Accumulated Surplus
For the Period Ended March 31, 2020
in thousands of dollars

| | Note | Budget (Note 13) | 2020 | 2019 |
|--|-------------|-----------------------------|---------------------|---------------------|
| Revenues | | | | |
| Provincial core operating grant | | 98,877 | 98,877 | 97,679 |
| Provincial project based funding | | 10,200 | 9,964 | 10,632 |
| Federal funding received | | - | 588 | 99 |
| Operating Fees | | - | 279 | 296 |
| Investment income | | 450 | 484 | 456 |
| Other | | 850 | 1,076 | 993 |
| | | 118 | 118 | 118 |
| | | <u>110,495</u> | <u>111,386</u> | <u>110,273</u> |
| Expenses | | | | |
| | <i>11</i> | | | |
| Training Investment | | 92,462 | 93,819 | 95,977 |
| Program Standards and Assessments | | 4,023 | 4,390 | 3,986 |
| Industry Engagement | | 802 | 563 | 599 |
| Customer Experience | | 4,124 | 3,682 | 3,264 |
| Communication | | 900 | 671 | 1,682 |
| Business Support | | 8,184 | 7,994 | 7,889 |
| | | <u>110,495</u> | <u>111,119</u> | <u>113,397</u> |
| Annual surplus (deficit) | | <u>-</u> | <u>267</u> | <u>(3,124)</u> |
| Accumulated surplus at the beginning of the year | | | 8,291 | 11,415 |
| Accumulated surplus at end of year | | | <u><u>8,558</u></u> | <u><u>8,291</u></u> |

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

Industry Training Authority
Statement of Changes in Net Financial Assets
For the Period Ended March 31, 2020
in thousands of dollars

| | Budget (Note 13) | 2020 | 2019 |
|--|-----------------------------|--------------|-------------|
| Annual operating surplus (deficit) | - | 267 | (3,124) |
| Acquisition of tangible capital assets | (1,450) | (1,522) | (1,371) |
| Amortization of tangible capital assets | 1,260 | 1,267 | 1,444 |
| Write-downs on tangible capital assets | - | - | 1 |
| | (190) | (255) | 74 |
| Acquisition of prepaid expense | - | 589 | (279) |
| Increase/(decrease) in net financial assets | (190) | 601 | (3,329) |
| Net financial assets at beginning of year | 727 | 727 | 4,056 |
| Net financial assets at end of year | 537 | 1,328 | 727 |

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

Industry Training Authority
Statement of Cash Flows
For the Year ended March 31, 2020
in thousands of dollars

| | 2020 | 2019 |
|--|--------------|--------------|
| Operating transactions | | |
| Annual surplus (deficit) | 267 | (3,124) |
| Non-cash items included in annual surplus/(deficit) increase/(decrease): | | |
| Amortization | 1,267 | 1,444 |
| Write-downs on tangible capital assets | - | 1 |
| Change in non cash operating items | | |
| Change in prepaid expenses | 589 | (279) |
| Change in receivables | (1,421) | 1,159 |
| Change in payables and accrued liabilities | 790 | (9) |
| Change in deferred revenue | (155) | (623) |
| Cash provided/(used) by operating transactions | 1,337 | (1,431) |
| Capital transactions | | |
| Cash used to acquire tangible capital assets | (1,522) | (1,371) |
| Cash applied to capital transactions | (1,522) | (1,371) |
| Decrease in cash during the year | (185) | (2,802) |
| Cash at beginning of year | 3,762 | 6,564 |
| Cash at end of year | 3,577 | 3,762 |

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

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

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 Advanced Education, Skills and Training. 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: industry engagement, standards, assessment and certification, training investment delivery and labour supply initiatives, customer contact centre and communication.

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 in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

b. 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 | Until the end of the lease term |

Amortization is charged from the date the asset is put into use until it is taken out of use. Assets under construction are not amortized until the asset is put into 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. The net write-downs are accounted for as expense in the statement of operations.

c. Employee future benefits

- i. The employees of ITA belong to the Public Service Pension Plan, which is a multi-employer joint trusteeship 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.

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

2. Summary of Significant Accounting Policies –continued

c. Employee future benefits

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.

d. Prepaid expenses

Prepaid expenses include payments for rent and other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

e. 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.

f. 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.

g. Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

Monetary assets and liabilities denominated in a foreign currency are translated at the rate of exchange in effect at the reporting date. Revenues and expenses are translated at the rate prevailing at the transaction date. Foreign currency translation gains and losses are included in profit or loss in the period in which they arise.

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

2. Summary of Significant Accounting Policies – continued

h. Financial instruments

The fair value of a financial instrument is the estimated amount that ITA would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, accounts receivable, due from government/other government organizations, accounts payable and accrued liabilities and due to government/other government organizations approximate their carrying values given their short-term maturities.

i. Measurement uncertainty

The preparation of financial statements is in conformity with Canadian public sector accounting standards. 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: collectability of accounts receivable and due from government/other government organizations, the useful life of tangible 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.

3. Due from Government and Other Government Organizations

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|---------------------|---------------------|
| Provincial government | 3,404 | 1,965 |
| Other government organizations | 78 | 84 |
| | <u>3,482</u> | <u>2,049</u> |

4. Accounts Payable and Accrued Liabilities

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Accounts payable and accrued liabilities | 2,487 | 1,330 |
| Accrued vacation pay | 217 | 175 |
| Salaries and benefits payable | 155 | 237 |
| | <u>2,859</u> | <u>1,742</u> |

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

5. 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 (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2019, the plan has about 64,000 active members and approximately 50,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The latest actuarial valuation as at March 31, 2017, indicated a funding surplus of \$1,896 million for basic pension benefits on a going concern basis. ITA paid \$788 (2019: \$726) for employer contributions to the plan in fiscal 2020. The next valuation will be as at March 31, 2020, with results available in early 2021.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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 and dental under this plan.

These costs are event driven and are recorded when the long term disability event occurs. 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.

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

6. Due to Government and Other Government Organizations

| | 2020 | 2019 |
|--------------------------------|--------------|--------------|
| Federal government | 1 | 1 |
| Provincial government | 640 | 392 |
| Other government organizations | 1,641 | 2,216 |
| | 2,282 | 2,609 |

ITA's liabilities to government and other government organizations are all amounts payable that are due within 30 days. Other government organizations includes: colleges, universities and school districts.

7. Deferred Revenue

ITA received \$530 and \$814 in tenant inducements for leasehold improvements to the Richmond office in fiscal 2012 and 2016 respectively. This revenue is being deferred and recognized over the term of the lease.

The province provided \$500 in 2018 to support a series of innovative trades training pilots at public post-secondary trades training providers.

The federal government provided \$638 (2019: \$7) to support the multi-year Women in Construction initiative.

| | Balance 2019 | Receipts | Transferred to revenue | Balance 2020 |
|--|-----------------|------------|---------------------------|-----------------|
| Tenant inducement Richmond Office | 681 | - | (118) | 563 |
| Province - innovative trades training pilots | 87 | - | (87) | - |
| Federal - Women In Construction Initiative | 7 | 638 | (588) | 57 |
| | 775 | 638 | (793) | 620 |

8. Fiscal Risk Management

a. Financial management risk objectives and policies

In the normal course of operations, ITA is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk and liquidity risk.

b. Credit risk

Credit risk is the risk that the ITA's counterparties will fail to meet their financial obligations to the ITA, causing a potential financial loss.

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

8. Fiscal Risk Management – continued

b. credit risk

Accounts receivable primarily consists of amounts due from other governments/other government organizations; therefore, collection risk is low. ITA does not consider its exposure to credit risk to be material.

c. Liquidity risk

Liquidity risk is the risk that the ITA may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost effective manner to meet its commitments as they come due.

ITA has in place a planning, budgeting and forecasting process to determine the funds required to support the ITA's normal operating requirements. ITA's annual budgets are approved by the Board of Directors, the Ministry of Advanced Education and Skills Training and the Treasury Board.

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

9. Tangible Capital Assets

| 2020 (in \$ thousands) | | | | |
|-------------------------------|--|---|-----------------------------------|-----------------------|
| | Furniture and equipment | Computer hardware and software | Leasehold improvements | 2020 Total |
| Cost | | | | |
| Opening balance | 1,460 | 13,558 | 1,806 | 16,824 |
| Additions | 10 | 1,512 | - | 1,522 |
| Closing Balance | 1,470 | 15,070 | 1,806 | 18,346 |
| Accumulated Amortization | | | | |
| Opening balance | 1,390 | 7,985 | 897 | 10,272 |
| Additions | 27 | 1,082 | 158 | 1,267 |
| Closing Balance | 1,417 | 9,067 | 1,055 | 11,539 |
| Net book value | 53 | 6,003 | 751 | 6,807 |
| 2019 (in \$ thousands) | | | | |
| | Furniture and equipment | Computer hardware and software | Leasehold improvements | 2019 Total |
| Cost | | | | |
| Opening balance | 1,431 | 12,262 | 1,806 | 15,499 |
| Additions | 29 | 1,342 | - | 1,371 |
| Disposals | - | (46) | - | (46) |
| Closing Balance | 1,460 | 13,558 | 1,806 | 16,824 |
| Accumulated Amortization | | | | |
| Opening balance | 1,280 | 6,854 | 739 | 8,873 |
| Additions | 110 | 1,176 | 158 | 1,444 |
| Disposals | - | (45) | - | (45) |
| Closing Balance | 1,390 | 7,985 | 897 | 10,272 |
| Net book value | 70 | 5,573 | 909 | 6,552 |

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

10. Contractual Obligations

ITA has entered into a number of multiple-year contracts for operating leases for premises. 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.

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2021 | 490 |
| 2022 | 444 |
| 2023 | 441 |
| 2024 | 460 |
| <u>2025</u> | <u>345</u> |

11. Expenses by Object

The following is a summary of expenses by object:

| | <u>Budget</u> | <u>2020</u> | <u>2019</u> |
|--|----------------|----------------|----------------|
| Training provider services (including Youth) | 80,726 | 81,943 | 84,799 |
| WDA-CJF and WIC contractor services | 10,030 | 10,219 | 9,896 |
| Compensation and staff development | 11,388 | 10,646 | 9,868 |
| Communications | 490 | 259 | 1,286 |
| Other operating costs | 2,489 | 2,838 | 2,403 |
| Information systems/telecommunications | 1,656 | 1,503 | 1,543 |
| Other administrative costs | 1,293 | 1,315 | 1,122 |
| Amortization | 1,260 | 1,267 | 1,444 |
| Building occupancy | 1,163 | 1,129 | 1,035 |
| Loss on disposal /writeoff | - | - | 1 |
| | <u>110,495</u> | <u>111,119</u> | <u>113,397</u> |

Industry Training Authority
Notes to Financial Statements
For the year ended March 31, 2020
In \$ thousands

12. Related Party Transactions

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.

The ITA board of directors and senior leadership have confirmed they do not have related party transactions that are not at fair market value.

| | <u>2020</u> | <u>2019</u> |
|--|----------------|----------------|
| Revenues: | | |
| Ministry Advanced Education, Skills & Training | | |
| - core funding | 98,877 | 97,679 |
| - projects WDA-CJF | 9,964 | 10,632 |
| | 279 | 296 |
| | <u>109,120</u> | <u>108,607</u> |
| Expenses: | | |
| Post secondary institutions | 71,456 | 72,117 |
| School districts | 7,116 | 10,765 |
| Ministry of Citizens' Services | 939 | 746 |
| Public Service Pension Plan | 769 | 716 |
| Ministry of Education | 462 | 465 |
| Ministry of Finance | 175 | 44 |
| Ministry of Health | 49 | 65 |
| Ministry of Labour | 15 | 14 |
| Ministry of Tourism, Arts & Culture | 4 | - |
| Ministry of Environment | 2 | 2 |
| Ministry of Jobs, Economic Development & Competitiveness | - | 19 |
| | <u>80,987</u> | <u>84,953</u> |

13. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been approved by the Board of Directors. These budgeted figures were included in ITA's 2019/20 Service Plan.

14. Uncertainty Due to COVID-19

The global pandemic, COVID-19, has significantly disrupted economic activities in BC. This is a difficult time for apprentices, employers and technical training providers. ITA is responding by taking steps to ensure that, wherever possible, apprentices can continue and complete their apprenticeship, despite any interruptions to their programs as a result of COVID-19, and to support providers during this challenging time.

Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption to ITA's operations and related financial impacts cannot be reasonably estimated at this time.

Industry Training Authority

Statement of Guarantees and Indemnities For the year ended March 31, 2020

The Industry Training Authority has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during fiscal year 2019/2020.

Schedule of Debts For the year ended March 31, 2020

The Industry Training Authority had no debts as of the fiscal year ended March 31, 2020.

Industry Training Authority

Schedule of Employee Remuneration and Expenses For the year ended March 31, 2020

| Name | Remuneration | Expenses |
|----------------------|--------------|----------|
| Alan Wrong | 118,374 | 7,596 |
| Anita Handregan | 122,735 | 9,536 |
| Anita Rattan | 102,011 | 4,197 |
| Cara Lenoir | 78,349 | 16,374 |
| Cher Steinke | 78,153 | 1,756 |
| Chris Bey | 75,758 | 29 |
| Christina Kare | 75,888 | 116 |
| Christine Klar | 80,579 | 2,565 |
| Colleen Rogan | 102,973 | 7,190 |
| Cory Williams | 100,840 | 8,481 |
| Craig Woods | 78,950 | 5,460 |
| Dal Dhatt | 80,684 | 3,996 |
| Daljit Dhadwal | 80,928 | 1,719 |
| Donna Anderson | 79,485 | 5,738 |
| Donna Henderson | 80,579 | 1,779 |
| Doug Podetz | 84,913 | 13,091 |
| Eva Lum | 79,464 | 1,476 |
| Farnaz Riahi | 153,381 | 12,365 |
| Finbar O'Sullivan | 79,361 | 12,608 |
| Gwyn MacGregor | 104,820 | 6,507 |
| Heather Lee | 80,769 | 2,081 |
| Helen Poss | 81,104 | 12,114 |
| Jacob Mckay | 76,305 | 44,585 |
| Jason Leber | 102,449 | 4,731 |
| Judy Harris | 112,888 | 873 |
| Karen King | 99,286 | 12,639 |
| Kathryn Rockwell | 79,546 | 2,412 |
| Kirstin Leversage | 79,590 | 835 |
| Kyle Preston | 80,777 | 10,231 |
| Laura Bosneaga | 81,330 | 36 |
| Leanne Tan | 86,025 | 36 |
| Lisa Ayton | 82,181 | 10,950 |
| Lubna Ekramoddoullah | 76,975 | 1,332 |
| Marlin Ratch | 80,150 | 19,416 |
| Michael Cameron | 122,671 | 35,342 |
| Michael Stewart | 89,139 | 4,981 |
| Michelle Anderlini | 102,995 | 8,941 |

Industry Training Authority

Schedule of Employee Remuneration and Expenses For the year ended March 31, 2020

| Name | Remuneration | Expenses |
|---|------------------|----------------|
| Michelle Vucko | 82,485 | 5,724 |
| Nicole Adams | 123,348 | 17,817 |
| Pam Eales | 92,244 | 27,686 |
| Paul Zelinski | 79,436 | 4,108 |
| Paulette Sangalang | 123,952 | 10,596 |
| Pavin Akis | 98,083 | 6,433 |
| Ranjit Biln | 122,398 | 5,725 |
| Rod Bianchini | 156,391 | 12,340 |
| Sebastien Paquet | 75,405 | 24,567 |
| Shannon Hanson | 76,320 | 22,432 |
| Shaun Cox | 79,425 | 8,086 |
| Shelley Allan | 122,823 | 9,550 |
| Shelley Gray | 210,818 | 48,042 |
| Shelley Williams | 112,419 | 2,412 |
| Tara Fong | 106,429 | 9,563 |
| Vanessa Sobhee | 86,496 | 2,723 |
| Vern Weber | 79,884 | 623 |
| Consolidated total of other employees with remuneration and expenses of \$75,000 or less | 3,502,561 | 108,630 |
| Total Employee: | 8,683,322 | 621,171 |

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

Taxable Benefits are stipulated by the Canada Revenue Agency and included in remuneration. They may not necessarily be amounts that have been paid to employees. Expenses are components of other operating costs and other administrative costs on the Audited Financial Statements.

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

Industry Training Authority

Statement of Severance Agreements For the year ended March 31, 2020

There were six severance agreements made between the Industry Training Authority and the non-unionized employees during fiscal year 2019/2020.

These agreements represent 0.5 to 18 months of compensation.

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, 2020

| Name | Position | Remuneration | Expenses |
|--|-----------------------|---------------|----------------|
| Roberta Ellis | Chair, ended Dec 2019 | 10,550 | 1,320 |
| Cynthia Oliver | Chair, as of Dec 2019 | 12,492 | 2,194 |
| Bob Davis | Director | 9,017 | 3,132 |
| Jonathan Whitworth | Director | 633 | - |
| Lisa Langevin | Director | 2,725 | 2,306 |
| Peter Baker | Director | 6,000 | 1,583 |
| Thomas Nyce | Director | 7,200 | 4,108 |
| Tracey MacKinnon | Director | 4,270 | 1,131 |
| Wally Penner | Director | 7,108 | 11,094 |
| William (Laird) Cronk | Director | 4,950 | - |
| Total Board Fees & Expenses | | 64,945 | 26,868 |
| Meeting Expenses Paid by ITA (catering, room rental, professional services and Intranet Aprio) | | | 55,563 |
| | | | 147,376 |
| Total Board Costs included in the Financial Statements | | | 147,376 |

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

Industry Training Authority

Schedule of Payment for Suppliers of Goods and Services For the year ended March 31, 2020

| Supplier Name | Amount | Supplier Name | Amount |
|---|------------|--|-----------|
| A. Willock Information Systems Inc. | 39,312 | Electrical Joint Training Committee Society | 88,275 |
| Access Trades Society | 93,993 | Employer Health Tax | 166,134 |
| Alianz Development Inc. | 1,634,271 | Floorlayers Union Local No. 1541 | 27,335 |
| AllstreamBusiness Inc. | 36,172 | Gitxsan Forest Inc. | 34,417 |
| Andy Wong | 25,588 | Gordon Elliot | 30,282 |
| BC Hydro Trades Training Centre | 58,125 | Hemlock Printer Ltd. | 138,414 |
| BCFED - BC Centre for Women in the Trades | 330,614 | Horticulture Centre of the Pacific | 174,843 |
| BDO Canada LLP | 31,327 | Info-Tech Research Group Inc. | 256,648 |
| Bell Canada (BW-1XTXLJ999) | 37,458 | InSite Information Systems Corporation | 171,097 |
| Brand Alliance | 35,732 | ITS Consulting Inc. | 262,034 |
| British Columbia Construction Association | 3,385,088 | IUOE Local 115 Training Association | 239,589 |
| British Columbia Funeral Association | 161,696 | Kitselas First Nation | 267,075 |
| British Columbia Institute of Technology | 19,620,767 | Kwantlen Polytechnic University | 3,085,655 |
| British Columbia Wall & Ceiling Association | 133,650 | Lambda Solutions | 44,853 |
| Camosun College | 7,412,674 | Local 2404 Joint Apprenticeship and Training Committee | 65,250 |
| CGI Information Systems and Management Consultants Inc. | 447,665 | McNeill Nakamoto Recruitment Group | 26,149 |
| Coast Mountain College | 1,775,332 | Medical Services Plan | 50,513 |
| College of New Caledonia | 4,100,161 | Ministry of Citizens' Services | 987,723 |
| College of the Rockies | 1,691,520 | Ministry of Education | 217,360 |
| Computronix (Canada) Ltd. | 264,167 | Nicola Valley Institute of Technology | 876,760 |
| Construction Foundation of BC | 595,803 | North Island College | 2,709,327 |
| DC 38 Joint Trade Soc dba The Finishing Trades Inst of BC | 370,358 | Northern Lights College | 1,877,688 |
| Deloitte LLP | 35,280 | Norton Rose Fulbright Canada LLP | 40,625 |
| Diners Club International | 401,406 | Okanagan College | 7,876,262 |
| EITI - Electrical Industry Training Institute Global Ltd. | 156,604 | Okanagan Training & Development Council Society | 30,000 |

Industry Training Authority

Schedule of Payment for Suppliers of Goods and Services For the year ended March 31, 2020

| Supplier Name | Amount | Supplier Name | Amount |
|---|-----------|---|---------|
| Open Door Social Services Society | 181,235 | School District No. 40 (New Westminster) | 160,700 |
| Pacific Vocational College | 1,246,810 | School District No. 41 (Burnaby) | 314,650 |
| Pinton Forrest & Madden Group inc. dba PFM Executive Search | 89,180 | School District No. 42 (Maple Ridge-Pitt Meadows) | 317,810 |
| Public Service Pension Plan | 1,456,465 | School District No. 43 (Coquitlam) | 239,530 |
| Quadrant Marine Institute Inc. | 178,112 | School District No. 45 (West Vancouver) | 55,100 |
| Queenswood Consulting Group Ltd. | 83,311 | School District No. 46 (Sunshine Coast) | 109,800 |
| RCABC Educational Foundation | 307,599 | School District No. 47 (Powell River) | 105,700 |
| Receiver General of Canada | 549,818 | School District No. 48 (Sea To Sky) | 86,500 |
| REGUS | 31,992 | School District No. 52 (Prince Rupert) | 44,345 |
| RTI Refrigeration Training Institute | 591,813 | School District No. 53 (Okanagan Similkameen) | 82,400 |
| School District No. 5 (Southeast Kootenay) | 112,280 | School District No. 54 (Bulkley Valley) | 80,250 |
| School District No. 8 (Kootenay Lake) | 163,750 | School District No. 57 (Prince George) | 295,200 |
| School District No. 19 (Revelstoke) | 73,100 | School District No. 58 (Nicola Similkameen) | 32,000 |
| School District No. 20 (Kootenay Columbia) | 122,825 | School District No. 59 (Peace River South) | 134,100 |
| School District No. 22 (Vernon) | 146,800 | School District No. 60 (Peace River North) | 137,850 |
| School District No. 23 (Central Okanagan) | 351,200 | School District No. 61 (Greater Victoria) | 220,908 |
| School District No. 27 (Cariboo-Chilcotin) | 93,300 | School District No. 62 (Sooke) | 157,800 |
| School District No. 28 (Quesnel) | 70,200 | School District No. 63 (Saanich) | 173,500 |
| School District No. 33 (Chilliwack) | 243,545 | School District No. 64 (Gulf Island) | 48,000 |
| School District No. 34 (Abbotsford) | 366,240 | School District No. 67 (Okanagan Skaha) | 89,550 |
| School District No. 35 (Langley) | 266,524 | School District No. 68 (Nanaimo-Ladysmith) | 234,050 |
| School District No. 36 (Surrey) | 584,860 | School District No. 69 (Qualicum) | 90,700 |
| School District No. 37 (Delta) | 138,775 | School District No. 70 (Alberni) | 85,400 |
| School District No. 38 (Richmond) | 130,283 | School District No. 71 (Comox Valley) | 239,222 |
| School District No. 39 (Vancouver) | 316,982 | School District No. 72 (Campbell River) | 84,150 |

Industry Training Authority

Schedule of Payment for Suppliers of Goods and Services For the year ended March 31, 2020

| Supplier Name | Amount | Supplier Name | Amount |
|---|-----------|--|--------------------|
| School District No. 73 (Kamloops Thompson) | 246,900 | Thompson Rivers University | 5,061,707 |
| School District No. 75 (Mission) | 242,750 | Thunderbird Press | 27,882 |
| School District No. 78 (Fraser Cascade) | 77,650 | Trades Training Consortium of British Columbia | 322,440 |
| School District No. 79 (Cowichan) | 402,088 | Trowel Trades Training Association | 93,095 |
| School District No. 81 (Fort Nelson) | 34,350 | UA Piping Industry College of BC | 1,284,803 |
| School District No. 82 (Coast Mountain) | 144,290 | University College of Fraser Valley | 2,315,740 |
| School District No. 83 (North Okanagan-Shuswap) | 118,250 | Vancouver Community College | 6,009,456 |
| School District No. 85 (Port Hardy) | 30,340 | Vancouver Island University | 4,747,640 |
| SDM Realty Advisors Ltd. ITF 8100 Granville Holdings Inc. | 981,610 | | |
| Selkirk College | 1,819,588 | | |
| Sentis Market Research Inc. | 50,059 | | |
| Sheet Metal Workers Training Centre Society | 370,538 | | |
| Skills Canada BC | 150,000 | | |
| Society of Christian Schools British Columbia | 40,000 | | |
| Softchoice LP | 123,766 | | |
| Sprott-Shaw Degree College Corp. | 224,700 | | |
| The Deetken Group - Deetken Enterprises Inc. | 218,291 | | |
| The Manulife Financial Insurance Company | 529,071 | | |
| The Neutral Zone Coaching & Consulting Services Inc. | 46,525 | | |
| The Parone Stevenson Group Inc. dba Excel Career College | 303,148 | | |
| The University of British Columbia | 31,068 | | |
| Total for over \$25,000 paid to suppliers | | | 100,183,030 |
| Total for under \$25,000 paid to suppliers | | | 1,469,891 |
| Total | | | 101,652,921 |

Industry Training Authority

Schedule of Payment for Suppliers of Goods and Services For the year ended March 31, 2020

Total of payments to suppliers for grants and contributions exceeding \$25,000:

| | |
|--|------------------|
| Consolidated total of grants exceeding \$25,000 | 7,981,398 |
| Consolidated total of contributions exceeding \$25,000 | - |
| Consolidated total of grants and contributions exceeding \$25,000 | 7,981,398 |

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 in the year.

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