

**Private Career Training Institutions Agency -  
Student Training Completion Fund  
Financial Statements  
For the year ended March 31, 2006**

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## Auditors' Report

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**To the Board of the  
Private Career Training Institutions Agency**

We have audited the Statement of Financial Position of the Private Career Training Institutions Agency - Student Training Completion Fund as at March 31, 2006 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Vancouver, British Columbia  
May 5, 2006

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


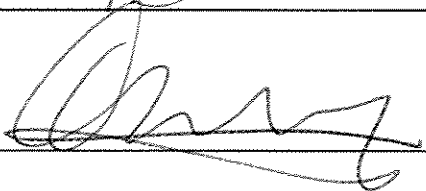
	2006	2005
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,681,868	\$ 1,306,839
Portfolio investments	2,189,524	-
Accounts receivable	-	3,000
	\$ 3,871,392	\$ 1,309,839

**Liabilities and Net Assets**

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 6,490	\$ 2,500
STCF contributions payable (Note 5)	243,313	-
	249,803	2,500
<b>Net Assets</b>		
Available	3,621,589	1,307,339
	\$ 3,871,392	\$ 1,309,839

Approved on behalf of the Board:

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

	For year ended March 31 <b>2006</b>	For the period from formation (November 22, 2004) to March 31 2005
<b>Revenue</b>		
STCF Initial Contribution		
Previous registrants	\$ 859,088	\$ 1,099,081
New registrants (net of refunds)	(39,208)	88,888
Tuition Revenue Fee Payment (Note 2)	1,882,679	160,979
Interest and miscellaneous	66,686	5,039
	<u>2,769,245</u>	<u>1,353,987</u>
<b>Expenses</b>		
Student tuition claims	289,356	-
Interest and bank charges	2,376	156
Investment management fee	6,815	-
Management fees (Note 3)	131,976	43,992
Miscellaneous expenses	934	-
Professional fees	8,580	2,500
School closure costs	14,958	-
	<u>454,995</u>	<u>46,648</u>
<b>Excess of revenues over expenses for the year</b>	<b>2,314,250</b>	<b>1,307,339</b>
<b>Net assets, beginning of the year</b>	<b>1,307,339</b>	<b>-</b>
<b>Net assets, end of the year</b>	<b>\$ 3,621,589</b>	<b>\$ 1,307,339</b>

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

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

	For year ended March 31 <b>2006</b>	For the period from formation (November 22, 2004) to March 31 2005
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 2,314,250	\$ 1,307,339
Items not involving cash		
Provision for new contribution refunds payable	<u>243,313</u>	-
	<b>2,557,563</b>	1,307,339
Changes in non-cash working capital balances		
Accounts receivable	3,000	(3,000)
Accounts payable and accrued liabilities	<u>3,990</u>	<u>2,500</u>
	<b>2,564,553</b>	1,306,839
<b>Investing activities</b>		
Purchase of investments	<u>(2,189,524)</u>	-
<b>Increase in cash during the year</b>	<b>375,029</b>	1,306,839
<b>Cash, beginning of year</b>	<u>1,306,839</u>	-
<b>Cash, end of year</b>	<b>\$ 1,681,868</b>	<b>\$ 1,306,839</b>

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

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

**March 31, 2006**

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<b>Nature of Business</b>	<p>The Private Career Training Institutions Agency - Student Training Completion Fund (the "Fund") was established under section 13 of the Private Career Training Institutions Act on November 22, 2004.</p> <p>The Fund is administered by the Private Career Training Institutions Agency (the "Agency"), a self-funding and self-regulating agent of the Province of British Columbia. Separate financial statements are available that report on the activities of the Agency.</p> <p>The Fund is administered as part of the Agency's mandatory registration system and voluntary accreditation program for private post-secondary educational institutions in the Province of British Columbia. Specifically, it is the mechanism by which students attending registered institutions that cease to operate may make claims in order to recover lost tuition.</p>
<b>Portfolio Investments</b>	<p>The Fund invests its excess cash resources in portfolio investments on a short-term basis. These investments are all classified as held-for-trading and are therefore recorded at market value. The cost value of the investments at March 31, 2006 was \$2,222,078.</p>
<b>Revenue</b>	<p>Institutions that were previously members of the Private Post-Secondary Education Commission (a predecessor entity to the Agency) must pay into the Fund a portion of the security held on their behalf by the Agency in order to register. These fees are recognized when the institutions register under the new Act for the first time.</p> <p>STCF Initial Contribution is recognized upon registration.</p> <p>Monthly Tuition Revenue Fee Payments are recognized when received.</p>
<b>Financial Instruments</b>	<p>The Fund's financial instruments consists of cash, portfolio investments, accounts receivable, accounts payable and new contribution refunds payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to any significant interest, currency or credit risks arising from these financial instruments.</p>
<b>Use of Estimates</b>	<p>The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at March 31, 2006 and revenues and expenses during the year then ended. The actual outcome could differ from the estimates made in the preparation of the financial statements. Amounts subject to the greatest degree of estimation are new contribution refunds payable.</p>

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

**March 31, 2006**

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**1. Income, Capital and Goods and Services Taxes**

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

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**2. Reliance on Participating Institutions' Data**

The regulations of the Agency obligate registered institutions to make payments to the Fund based on a percentage of training fees charged to students. The payment rates are established by the Regulations to the Act. Payments are recorded based on information from the participating institutions.

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**3. Fund Administration and Related Party Transactions**

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

The Fund pays the Agency a monthly management fee in exchange for administering the fund. The Agency's Board sets the amount at which the fee will be charged.

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**4. Economic Dependence**

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

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**5. STCF Contributions Payable**

New registrants pay their STCF initial contribution fees based upon estimates of tuition revenues they will collect, or \$5,000, whichever is greater. After their first year of operations an amount is refunded if the STCF initial contribution paid exceeds the actual amount owed. The Fund estimates the proportion of revenues that will ultimately be refunded and accrues this as a liability.