

Ministry of Advanced Education Training Completions Fund



Financial Statements for 2017-18

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Letters of Transmittal



*The Honourable Tina
Beaudry-Mellor,
Minister of Advanced
Education*

His Honour, the Honourable W. Thomas Molloy,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Financial Statements of the Training Completions Fund for the Ministry of Advanced Education for the fiscal year ending March 31, 2018.

A handwritten signature in black ink, appearing to be 'Tina Beaudry-Mellor'.

Tina Beaudry-Mellor

Minister of Advanced Education



*Mark McLoughlin
Deputy Minister of Advanced
Education*

The Honourable Tina Beaudry-Mellor,
Minister of Advanced Education

Dear Minister Beaudry-Mellor:

I have the honour of submitting the Financial Statements of the Training Completions Fund for the Ministry of Advanced Education for the fiscal year ending March 31, 2018.

A handwritten signature in black ink, appearing to be 'Mark McLoughlin'.

Mark McLoughlin

Deputy Minister of Advanced Education

2017-18 Financial Overview

Management's Responsibility for Financial Statements

Management of the Ministry of Advanced Education is responsible for the accompanying financial statements. The Ministry maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

Management prepares these statements in accordance with Canadian public sector accounting standards, using management's best estimates and judgement when appropriate.

The Provincial Auditor expresses an independent opinion on these statements. Her report provides the scope of her audit and states her opinion.

The Deputy Minister of Advanced Education approves the financial statements. The financial statements are tabled in the Legislative Assembly.

On behalf of the Ministry of Advanced Education,



Scott Giroux

Executive Director of Corporate Finance

Ministry of Advanced Education

June 27, 2018

Provincial Auditor's Report



PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Training Completions Fund, which comprise the statement of financial position as at March 31, 2018, and the statement of operations and changes in net financial assets, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, 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.

I believe that 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 Training Completions Fund as at March 31, 2018, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'Judy Ferguson'.

Regina, Saskatchewan
June 21, 2018

Judy Ferguson, FCPA, FCA
Provincial Auditor

Financial Statements

Training Completions Fund Statement of Financial Position

As at March 31		
	2018	2017
Financial Assets		
Due from General Revenue Fund (Note 5)	\$ 669,959	\$620,318
Interest Receivable from General Revenue Fund	1,915	760
Total Financial Assets	\$671,874	\$621,078
Liabilities and Net Financial Assets		
Liabilities		
Unearned Revenue	\$41,481	\$46,201
Performance Bonds (Note 6)	-	-
Total Liabilities	\$41,481	\$46,201
Net Financial Assets (Statement 2)	\$630,393	\$ 574,877

See accompanying notes to financial statements

Training Completions Fund Statement of Operations and Changes in Net Financial Assets

For the Year Ended March 31		
	2018	2017
Revenue		
Assessment Fees	\$50,038	\$37,474
Interest Income (Note 5)	5,478	3,080
	\$ 55,516	\$ 40,554
Increase in Net Financial Assets for the year	\$ 55,516	\$ 40,554
Net Financial Assets, beginning of year	574,877	534,323
Net Financial Assets, end of year	\$630,393	\$574,877

See accompanying notes to financial statements

Training Completions Fund

Statement of Cash Flows

For the Year Ended March 31		
	2018	2017
Cash Receipts provided by (used in) Operating Activities		
Receipts of Assessment Fees	\$45,318	\$ 48,276
Receipts of Bank Interest	4,323	3,130
Total Operating	\$49,641	\$ 51,406
Net Increase in Due from General Revenue Fund	\$ 49,641	\$51,406
Due from General Revenue Fund, beginning of year	620,318	568,912
Due from General Revenue Fund, end of year	\$669,959	\$620,318

See accompanying notes to financial statements

Training Completions Fund

Notes to the Financial Statements

March 31, 2018

1. Overview of the Fund

The Training Completions Fund (Fund) was created under *The Private Vocational Schools Regulation Act, 1995*. The Act was proclaimed on December 15, 1995.

The Fund is administered by the Ministry of Advanced Education (Ministry). The revenue of the Fund consists of monies that operators are directed by regulations to provide, donations to the Fund and earnings from the investments of the Fund. The Fund is used to provide the financial resources necessary to complete the training or provide refunds to students affected by the closure of a private vocational school.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards issued by the Public Sector Accounting Board. A statement of remeasurement gains and losses has been omitted as there were no relevant transactions to report.

The following accounting policies are considered significant:

a) Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

b) Revenues

Assessment Fees are reported as revenue in the year in which the related certificate of registration is issued. Assessment Fees received in one fiscal period for certificates of registration issued in the following fiscal period are reported as unearned revenue.

Interest Income is recorded in the period in which the transactions or events occurred that gave rise to the revenue.

c) Expenses

Student Compensation is recorded in the period that the expense occurred.

d) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from those estimates.

e) Financial Instruments

The Fund's financial instruments consist of Due from General Revenue Fund, Interest Receivable from General Revenue Fund, Unearned Revenue and Performance Bonds. Due to the immediate or short- term nature, all financial instruments are measured at cost.

f) New accounting standard not yet in effect

PS 3430 Restructuring Transactions, which is a new standard on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities, has not been applied in preparing these financial statements. It will become effective April 1, 2018.

The Fund plans to adopt the new standard on the effective date and is currently analyzing the impact this will have on these financial statements.

3. Financial Instruments and Risk Management

Through its financial assets and liabilities, the Fund is exposed to various risks.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest Receivable from General Revenue Fund is subject to interest rate risk.

Interest Income is a small portion of the Fund's total revenue and increases or decreases in interest rates would not be expected to impact the Fund's operations.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations as they fall due. Regulatory amendments to mitigate the risk including increases to required operator contributions and increased financial security requirements were enacted in November 2014.

4. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to the Minister of Advanced Education, who is the key management personnel of the Fund, and all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, regional colleges and crown corporations under common control of the Government of Saskatchewan (collectively referred to as "related parties").

The Fund has related party transactions with the General Revenue Fund included in these financial statements, which are disclosed separately in Note 5 – Due from the General Revenue Fund.

In accordance with established government practice, the Fund's administrative and occupancy costs were paid by the Ministry. Accordingly, no provision for these costs is reflected in these financial statements.

5. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using its 30-day borrowing rate and the Fund's average daily account balance. The General Revenue Fund's 30-day borrowing rate for 2017-18 ranged from 0.5% to 1.3% (2017 – 0.5% to 0.6%), which resulted in interest revenue of \$5,478 (2017 – 3,080).

6. Performance Bonds Liability

The Fund administers performance bonds and other amounts provided by private vocational school operators. The performance bonds are required under *The Private Vocational Schools Regulation Act, 1995*, to guarantee obligations under student contracts, the Act and regulations.

Performance Bonds liability represents the proceeds from performance bonds and refunds due to students provided by school operators that have not been paid out to satisfy student claims at year end. After all amounts have been paid out to satisfy student claims, the net balance of the proceeds, if any, will be repaid to the issuer.

During the year the Fund refunded \$0 (2017 - \$0) of unused performance bonds to the issuer.

7. Accounting Changes

On April 1, 2017, the Fund adopted the following new standards:

- i) PS 2200 Related Party Disclosures, a new standard defining related parties and establishing guidance on disclosure requirements for related party transactions;
- ii) PS 3210 Assets, a new standard providing guidance for applying the definition of assets and establishing disclosure requirements for assets;
- iii) PS 3320 Contingent Assets, a new standard defining and establishing guidance on disclosure requirements for contingent assets;
- iv) PS 3380 Contractual Rights, a new standard defining and establishing guidance on disclosure requirements for contractual rights; and,
- v) PS 3420 Inter-Entity Transactions, a new standard establishing guidance on accounting for and reporting on transactions between organizations in the government reporting entity.

The adoption of the new standards has been on a prospective basis, without restatement of prior period comparative amounts. The accounting changes did not have a significant impact on the current year financial statements.

For More Information

If you have any questions or comments we invite you to call 1-800-597-8278 or contact:

Ministry of Advanced Education
1120 - 2010 12th Avenue
Regina, Saskatchewan S4P 0M3

The Ministry of Advanced Education produces three annual reports:

- ⇒ The Ministry of Advanced Education Annual Report 2017-18
- ⇒ Student Aid Fund Annual Report 2017-18
- ⇒ Training Completion Fund Financial Statements 2017-18

To obtain more information about the programs and services contained in these Financial Statements or to view other annual reports visit our website at saskatchewan.ca.