

British Columbia Council for International Education

2016/17 ANNUAL SERVICE PLAN REPORT



For more information on the British Columbia Council for International Education contact:

Suite 603 – 409 Granville Street
Vancouver, B.C. V6C 1T2

Phone: 604-637-6766

Email: bccie@bccie.bc.ca

or visit our website at www.bccie.bc.ca

Board Chair's Accountability Statement



I am pleased to submit the *2016/17 Annual Service Plan Report* for the British Columbia Council for International Education (BCCIE). The BCCIE *2016/17 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2016/17 - 2018/19 Service Plan*. I am accountable for those results as reported.

A handwritten signature in black ink, which appears to read "Jim Hamilton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jim Hamilton
Board Chair

Table of Contents

Board Chair’s Accountability Statement.....	3
Chair/Executive Director Report Letter.....	5
Purpose of the Organization.....	6
Strategic Direction and Context.....	6
Report on Performance.....	7
Goals, Strategies, Measures and Targets.....	8
Financial Report.....	12
Discussion of Results and Financial Report Summary Table.....	12
Financial Resource Summary Table.....	13
Auditor’s Report.....	14
Audited Financial Statements.....	14
Appendix A – Additional Information.....	32
Appendix B – Crown Corporations Mandate and Actions Summary.....	33

Chair/Executive Director Report Letter



On behalf of the Board of Directors, management and staff of BCCIE, we are pleased to submit the 2016/17 BCCIE Annual Service Plan Report, demonstrating performance against targets outlined in the 2016/17-2018/19 Service Plan.

In 2016/17, BCCIE met all organization-specific targets for key performance measures in the Service Plan, and provided fundamental support towards achievement of the provincial target to increase the number of international students studying in B.C. by 50 percent by 2016.



As directed by the 2016/17 Mandate Letter, BCCIE continued to support [*British Columbia's International Education Strategy*](#) through a number of priority initiatives, including the coordination of education missions to Brazil, China, Japan, and Southeast Asia and hosting incoming delegations seeking to further education partnerships within British Columbia. In June 2016, BCCIE organized its largest annual conference to date, supporting leadership within the sector, facilitating introductions and partnerships, and augmenting the professional development of over 400 delegates. BCCIE also led international education activities in northern B.C. throughout 2016/17 including

support for the capacity building and development of the international education program at Northwest Community College (NWCC).

Consistent with 2016/17 Mandate Letter direction to ensure integration of the Taxpayer Accountability Principles, BCCIE focused on activities outlined in its Strategic Engagement Plan designed to enhance two-way communication between the Ministry of Advanced Education and BCCIE. In our respective capacities as Board Chair and Executive Director, we participated in strategic discussions on organization performance including meetings with the Minister and Deputy Minister of Advanced Education and with the Minister and Deputy Minister of Education. At the senior management level, BCCIE met monthly with staff of the Ministries of Advanced Education and Education to ensure alignment of the work of BCCIE with ministry priorities and to discuss progress on Operational Plan deliverables. Collectively, these actions confirmed the ongoing collaborative working relationship with the ministries and provided for enhanced strategic outlook of the organization.

In 2016/17, BCCIE continued to focus on increasing professional development opportunities for the Board of Directors. Activities undertaken concentrated on both governance and sector specific business. In December 2016, members of the Board attended a second professional development session focused on corporate governance facilitated by the Ministry of Finance. Board members separately took part in a professional development opportunity at the December 2016 Board retreat that featured noted provincial economist Dr. Roslyn Kunin and highlighted the most recent economic impact study on international education in B.C. Additional actions related to Board governance included completion of a Board orientation manual, further refinement of a professional development schedule and discussion and planning for Board member succession by the Governance committee. BCCIE will continue to carry out activities that support its Board, which reflect good governance and organizational policies, procedures and protocols.


Jim Hamilton
Board Chair


Randall Martin
Executive Director

Purpose of the Organization

In 2012, under [Canada Starts Here: The BC Jobs Plan](#), government released *British Columbia's International Education Strategy* (Strategy) with the goals to create a globally-oriented education system, to ensure all students receive quality learning and life experiences, and to maximize the social, cultural and economic benefits of international education for B.C. As a key partner, the purpose of BCCIE is to promote international education in and for the Province of British Columbia, to enhance British Columbia's international reputation for education and to support the *Strategy*. In doing so, BCCIE works closely with the Ministry of Advanced Education, Ministry of Education and Ministry of International Trade.

Through activities that promote B.C. to international learners and their families, BCCIE serves the needs of all education sectors in British Columbia: public and independent K-12, public and private post-secondary and language schools. BCCIE provides opportunities for the sector to learn from experts in the international education field, coordinates and supports incoming delegations and familiarization tours, organizes and implements government and sector missions abroad, reports on the economic impact of international education in B.C., and works to grow the B.C. brand.

BCCIE is a provincial Crown corporation reporting to the Ministry of Advanced Education and is incorporated under the [Societies Act](#). Additional information regarding the Board of Directors and corporate governance can be found online and specific links can be accessed in Appendix A.

Strategic Direction and Context

In the [2016/17 Mandate Letter](#), Government directed BCCIE to take the following specific strategic priority actions:

- Consult with the Ministry of Advanced Education to develop and implement an Operational Plan for 2016/17 based on activities that:
 - Support and align with sector and Provincial priorities for international education and the International Education Strategy; and,
 - Focus on the following three areas:
 - Increase international participation throughout the British Columbia education system;
 - Provide market support for the international education sector in British Columbia, including government and sector missions abroad; and,
 - Provide communication and professional development for the international education sector in British Columbia, including Summer Seminar 2016.
- Work with the Ministry of Advanced Education and partner ministries to inform a refresh of the International Education Strategy.

The Mandate Letter also outlined direction from government to ensure activities and internal practices align with the Taxpayer Accountability Principles.

In the 2016/17-2018/19 Service Plan, BCCIE identified an ongoing challenge related to the sustainability of continued expansion into new markets. BCCIE worked in close collaboration with ministry partners to mitigate this challenge and successfully leveraged mature partnerships with federal colleagues in key markets to reduce costs of providing value added events for B.C. institutions, such as networking receptions and in-market institutional visits. These measures enabled BCCIE to lead Team B.C. missions to emerging markets in Brazil and several key nations in Southeast Asia, while maintaining relationships

in established markets through the execution of additional Team B.C. missions to China and Japan. BCCIE continues to work with partner ministries on strategic planning for established and emerging markets.

BCCIE also identified an opportunity to extend its reach at international events with the expansion of the Canada education brand to private career training institutions. As a result of active outreach to these institutions, BCCIE realized an increase in participation by six private career training institutions on Team B.C. missions and at value added events abroad, and contributed to a stronger and more coordinated B.C. presence internationally.

While not specifically identified in the 2016/17-2018/19 Service Plan, BCCIE undertook a number of international education projects in conjunction with its ministry partners. Working with the Ministry of Advanced Education, BCCIE implemented initiatives that promoted and enhanced post-secondary education opportunities in northern B.C. Additionally, BCCIE collaborated closely with the Ministry of Education on several projects, including the administration of the Ministry of Education international education scholarships; working with the International Public Schools Education Association (IPSEA) on a marketing mission to Vietnam and Thailand; and working with the Ministry of Education and IPSEA to develop marketing packages for B.C. school districts. All ministry-related projects were consistent with Mandate Letter direction to undertake activities that align with provincial priorities for international education and the *Strategy*.

Report on Performance

As directed in the Mandate Letter, BCCIE worked closely with the Ministry of Advanced Education to establish activities and set targets in the 2016/17 BCCIE Operational Plan. These activities and targets directly support the *Strategy*, and form the basis for corresponding goals, strategies, measures and targets outlined in the 2016/17-2018/19 Service Plan. In addition, BCCIE worked closely with partner ministries throughout 2016/17 to inform the development of a refreshed *Strategy*.

BCCIE met all of the organization-specific targets outlined in the 2016/17-2018/19 Service Plan, and provided fundamental support toward achievement of the provincial target to increase the number of international students in B.C. by 50 percent by September 2016.

BCCIE further incorporated the Taxpayer Accountability Principles into organizational practices, procedures and policies during 2016/17. To increase cost consciousness and accountability, BCCIE updated its practices and protocols for professional development events, created an orientation manual for the Board of Directors and continued to improve mechanisms for monitoring and managing the budget. In addition, BCCIE continues to concentrate on the principle of service orientation. Through additional contracts to support northern B.C. international education initiatives and the administration of scholarships for the K-12 sector, BCCIE provides valuable services for the sector, regularly gathering feedback to continue to improve client service.

Goals, Strategies, Measures and Targets

Goal 1: Increase International Participation throughout our Education System

Objective: to create a globally-oriented education system in British Columbia – a system that embraces diversity and positions all students for success.

Strategies

- Develop country/region action plans for new and emerging markets;
- Expand the number of pairings (from six to seven pairs) for the BCCIE International Education Mentorship Program through an annual call for applications;
- Increase institutional participation (from 23 to 24 institutions) in the B.C. Study Abroad (BCSA) Consortium and student participation in study abroad opportunities through active outreach to B.C. institutions, K-12 school districts and independent schools; and
- Work collaboratively with the Ministry of Education to support incoming students from established international education markets through the administration of a scholarship program.

Performance Measure 1: Satisfaction with International Education Mentorship Program

Performance Measure ¹	2013/14 Actual ²	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percentage of BCCIE International Education Mentorship Program participants who were either satisfied (4.0) or very satisfied (5.0) with the program	N/A	100%	89%	90%	100%	90%	90%

Data Source: BCCIE

¹ BCCIE surveys existing mentors and mentees on an annual basis using a standard five-point Likert scale to measure program satisfaction (1.0 = very dissatisfied; 2.0 = dissatisfied; 3.0 = neither dissatisfied nor satisfied; 4.0 = satisfied; 5.0 = very satisfied).

² This performance measure was modified in 2014/15 to include an assessment of the quality of the service BCCIE is delivering with the Mentorship program versus the previous measure of number of mentorships established; therefore, no data is available for years prior to 2014/15.

Discussion

The BCCIE International Education Mentorship Program facilitates the transfer of knowledge and expertise from experienced international education professionals to new practitioners. The program supports and encourages succession planning and maintains the recognized professionalism of practitioners in this sector. It further enables the growth of the sector and increases the competitive advantage of B.C.

This measure demonstrates success in building the capacity and expertise of international education practitioners in B.C. in order to increase the international outlook and profile of their institutions, an action within the *Strategy*. Due to the annual cycle of the program and final survey, the satisfaction scores for 2016/17 reflect the 2015/16 program year.

BCCIE aimed to achieve 90 per cent satisfaction among participants in the International Education Mentorship Program. Actual results indicated 100 per cent of participants were satisfied with the program, demonstrating success in providing a valued service for the sector. As participant numbers are small for this program (approximately 10-14 participants), it is possible for one response to significantly affect overall satisfaction results for the year, therefore future targets have not been adjusted. If satisfaction rates continue to remain high year over year, BCCIE will consider the measure substantially implemented.

Goal 2: Provide Market Support for the International Education Sector in B.C.

Objective: to assist in positioning British Columbia as the preferred destination in Canada for learners from around the world.

Strategies

- Organize and implement government and education sector missions and major events, host incoming delegations and familiarization tours, and grow the B.C. brand; and,
- Participate in and coordinate a strong B.C. presence at the Department of Global Affairs Canada signature events to maximize the competitive advantage of B.C.

Performance Measure 2: Satisfaction with Coordination of Missions

Performance Measure ¹	2013/14 Actual ²	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percentage of B.C. participants who were either satisfied (4.0) or very satisfied (5.0) with the coordination and organization of the Team B.C. mission	N/A	100%	82%	95%	100%	95%	95%

Data Source: BCCIE

¹ BCCIE surveys participants using a standard five-point Likert scale to measure their satisfaction with the coordination and organization of the mission (1.0 = very dissatisfied; 2.0 = dissatisfied; 3.0 = neither dissatisfied nor satisfied; 4.0 = satisfied; 5.0 = very satisfied).

² This performance measure was modified in 2014/15 to include an assessment of the performance of BCCIE versus the previous measure of number of missions; therefore, no data is available for 2013/14.

Discussion

Team B.C. missions refer to senior government missions and other missions abroad that are coordinated and organized by BCCIE and may include a delegation of B.C. K-12 school districts and private high schools, public and private post-secondary institutions and language schools. These help to position B.C. as a leading destination for international students and support B.C. schools, school districts and institutions to develop partnerships and enhance their profiles. These missions also include a series of value-added events hosted and organized by BCCIE, and may involve some level of coordinated B.C. branding. The measure does not include feasibility missions to explore market opportunities. In 2016/17, BCCIE undertook Team B.C. missions in the new and emerging markets of Brazil and countries in Southeast Asia, as well as missions to the established markets of China and Japan.

BCCIE surveyed participating schools and institutions following the Brazil, Southeast Asia (Vietnam/Indonesia/Philippines), China, and Japan missions in fall 2016. Averaged results measure success in providing a key service for the sector. The actual results for 2016/17 indicated 100 percent of participants who responded to the survey reported satisfaction with the service delivered. The increase over 2015/16 results is a reflection of the feedback received and work BCCIE undertook during the year to continue to refine the mission planning and delivery process.

This measure is an indicator of success in promoting the world class education system in B.C. on the international stage, thereby maximizing the economic benefits of international education for B.C., and supporting a key goal of the *Strategy*. BCCIE strives for continued high performance under this measure, a key service to the sector, and will monitor and adjust targets as required.

Performance Measure 3: International students studying in British Columbia

Performance Measure ^{1,2,3}	Baseline	2015 Actual	2016 Target	2016 Actual	2017 Target	2018 Target
International students studying in British Columbia ^{4,5}	90,037	130,053	135,056	136,905	TBD	TBD

Data Source: Immigration, Refugees and Citizenship Canada (IRCC), Research DataMart as of March 2016 (baseline – 2015), January 2017 (2016 actual).

¹ Baseline and targets were restated to reflect new IRCC reporting methodology.

² Includes students enrolled in kindergarten to grade 12 schools, public and private post-secondary institutions and private language schools.

³ Reports the number of permit holders with valid study permit(s) in the calendar year. This is a unique count of all persons who held one or more valid permits on one or more dates between January 1st and December 31st. Data as of March 2016 and January 2017 are subject to change and may differ from those reported in the annual IRCC Facts and Figures report.

⁴ Defined by the intended destination as specified on the permit and, when the intended destination is not specified for permits signed on or after January 1st, 2012, the last known address of the permit holder as of December 31st of the given year is used.

⁵ The release of 2016 data completes reporting on the International Education Strategy. Future targets are to be determined.

Discussion

Significant economic, social and cultural benefits accompany the increased global orientation of our education system. International students drive economic growth, create jobs, foster research and innovation and help meet provincial labour market needs. They also enrich our classrooms, campuses and communities with diverse global perspectives.

Government launched the *Strategy* in May 2012 and set an aspirational target to increase the number of international students studying in B.C. by 50 percent by 2016. The four year *Strategy* concluded in fall 2016. The 2016 data shows that the number of international students in B.C. increased from 90,037 (Baseline) to 136,905 in 2016, an increase of 52 percent, surpassing the target for growth by 1,849.

BCCIE is one of many partners working towards achieving an increased number of international students in the province. Although BCCIE is not directly responsible for recruiting students, an expected outcome of government-led and coordinated sector Team B.C. missions, and hosting international delegations, is an increase in the number of international students who choose B.C. as a study destination. The organization is also responsible for the promotion of B.C. as a world class education destination. The contribution of BCCIE is important and therefore the target is included as a measure in the service plan.

Goal 3: Provide Communication and Professional Development for the International Education Sector

Objective: to provide effective professional development offerings, research, services and strategic communications to all international education stakeholders in British Columbia.

Strategies

- Plan, organize and host an annual Summer Seminar conference; and,
- Develop and coordinate a series of professional development offerings relevant to all participants in the international education sector.

Performance Measure 4: Satisfaction with Professional Development Events and the Annual Summer Seminar Conference

Performance Measure ¹	2013/14 Actual ²	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percentage of participants who were either satisfied (4.0) or very satisfied (5.0) with BCCIE's professional development offerings including the annual Summer Seminar	N/A	95%	95%	92%	95%	93%	94%

Data Source: BCCIE

¹ BCCIE surveys participants using a standard five-point Likert scale to measure their satisfaction with events (1.0 = very dissatisfied; 2.0 = dissatisfied; 3.0 = neither dissatisfied nor satisfied; 4.0 = satisfied; 5.0 = very satisfied).

² This performance measure was slightly modified in 2014/15 to reflect a change in the way participant satisfaction was reported; therefore, no data is available prior to 2014/15.

Discussion

BCCIE hosts a number of professional development events each year in addition to the Summer Seminar conference (known as Summer Conference beginning in 2017). These events incorporate specific issues aligned with deliverables under the *Strategy*, and bring stakeholders together to share best practices, discuss new ideas and collaborate on a variety of topics such as marketing and recruitment, study abroad and student services. Satisfaction with professional development events is an indicator of success in building the capacity to create a globally-oriented education system.

In 2016/17, BCCIE hosted nine professional development events on topics such as marketing, study abroad, immigration and intercultural best practices, ranging in size from three to 45 participants per session. In addition, BCCIE hosted its largest ever Summer Seminar conference in 2016 with over 400 delegates. Survey response rates for both professional development events and Summer Seminar vary for each session but remain consistently high, despite challenges with collecting responses at these events, with an average response rate of 60 percent for professional development events and 33 percent for Summer Seminar conference.

BCCIE aimed to achieve 92 percent of participants satisfied with their participation in these events. The averaged survey results indicated 95 percent of participants satisfied, demonstrating success in providing a valued service for the sector. BCCIE set the targets for this performance measure using an average of results from professional development events and Summer Seminar conference evaluations over the last four years and will continue to monitor progress against the targets, making adjustments as necessary.

Financial Report

Discussion of Results and Financial Report Summary Table

BCCIE provided the services and activities outlined in the 2016/17-2018/19 Service Plan within the operating budget, ending the year with a small surplus of \$11,988. The organization worked closely with the Board's Finance and Human Resources Committee members and the Ministry of Advanced Education to ensure expenditure of operating funds and execution of activities were in alignment with the mandate, Operational Plan and *Strategy*.

BCCIE generated additional revenue from professional development activities including the Summer Seminar conference, and from the following government and sector contracts: Ministry of Education – scholarships, marketing packages; Ministry of Advanced Education - Northern Pathways initiative and Northern Marketing initiative; Ministry of International Trade - execution of education trade missions; and K-12 sector - IPSEA marketing mission. This additional revenue enabled BCCIE to enhance existing plans and complete supplementary activities in support of the sector. By leveraging strategic partnerships and coordinating activities with provincial and Federal colleagues, the revenue generated covered all expenditures, including activities over and above those identified in the Operational Plan.

Consistent with the direction under Taxpayer Accountability Principles, BCCIE will continue to closely monitor resources and expenditures to ensure services are delivered in an efficient and cost - effective manner. BCCIE will work collaboratively with the Ministry of Advanced Education, Ministry of Education and Ministry of International Trade to develop strategies to manage expenditures, utilize partnerships and ensure alignment with the mandate to support key government priorities.

Financial Resource Summary Table (\$)

	2013/14 (Actual)	2014/15 (Actual)	2015/16 (Actual)	2016/17 (Budget)	2016/17 (Actual)	2016/17 (Variance)	2015/16 - 16/17 (Variance)
REVENUE							
Provincial Grant - General Operations	1,300,000	1,360,000	1,500,000	1,500,000	1,500,000	-	-
Provincial Grant – Education Quality Assurance (EQA) ¹	200,000	140,000	-	20,000	25,000	5,000	25,000
EQA (Renewal and New App Fees) ²	152,950	193,100	267,625	19,500	17,325	- 2,175	- 250,300
Summer Seminar ³	160,060	192,540	201,043	215,480	300,407	84,927	99,364
Professional Development ⁴	15,651	4,410	22,214	2,955	1,440	- 1,515	- 20,774
Familiarization Tours (Institutional Support) ⁵	22,000	9,750	-	-	11,700	11,700	11,700
Institution/Sector Mission Contracts ⁶	-	-	-	-	59,200	59,200	59,200
Other Government Contracts ⁷	45,000	90,000	314,877	588,765	710,512	121,747	395,635
Bank Interest ⁸	13,433	16,114	10,333	17,000	10,288	- 6,712	- 45
TOTAL REVENUE	1,909,094	2,005,914	2,316,092	2,363,700	2,635,872	272,172	319,780
EXPENSES							
General Operations (IT, Board Meetings, Supplies, etc.)	1,037,748	1,140,686	1,324,074	1,404,292	1,344,324	- 59,968	20,250
Operations	169,619	152,266	151,704	143,500	129,340	- 14,160	- 22,364
Salaries	783,837	895,639	1,069,308	1,156,092	1,109,922	- 46,170	40,614
Lease	84,292	92,781	103,062	104,700	105,062	362	2,000
EQA	222,511	117,590	32,140	22,500	22,169	- 331	- 9,971
Goal 1 - Internationalization ⁹	93,579	92,526	334,689	511,040	645,936	134,896	311,247
Goal 2 - Market Support ¹⁰	304,615	349,150	356,353	200,753	354,868	154,115	- 1,485
Goal 3 - Communications & Professional Development	212,531	291,760	266,499	225,115	256,587	31,472	- 9,912
TOTAL EXPENSES	1,870,984	1,991,712	2,313,755	2,363,700	2,623,884	260,184	310,129
NET INCOME (LOSS)	38,110	14,202	2,337	-	11,988	11,988	9,651
TOTAL DEBT	-	-	-	-	-	-	-
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	700,969	739,079	753,281	755,618	755,618		
ACCUMULATED SURPLUS AT END OF THE YEAR	739,079	753,281	755,618	755,618	767,606		

Notes:

1. EQA administration has transitioned to the Ministry of Advanced Education. However, in 2016/17, BCCIE continued to be responsible for the collection and processing of a small number of institution payments for EQA, vendor contract management and database hosting and maintenance. BCCIE received a small grant in 2016/17 to provide these services.
2. Beginning 2016/17, EQA reapplication and new application fee payments comprise only a small group of institutions that continue to pay an annual EQA fee. BCCIE was able to retain the revenue generated by these fees to help cover the cost of the EQA functions provided by BCCIE in 2016/17.
3. BCCIE hosted its largest conference to date resulting in additional revenue beyond what was expected.
4. BCCIE hosted a two-day workshop in 2015/16 which generated additional revenue beyond what was expected. This workshop was not offered in 2016/17, accounting for the variance in revenue between the two fiscal years.
5. In 2016/17, BCCIE partnered with another association to host a United States Agents Familiarization Tour. BCCIE received revenue from this association to cover some of the expenses of the tour.
6. In 2016/17, BCCIE was contracted by B.C. school districts to plan and lead a K-12 mission. This revenue reflects the fees collected from the 18 school districts for expenses associated with the mission.
7. In 2016/17, BCCIE received one government contract from the Ministry of Education, additional contracts from the Ministry of International Trade to support missions and two contracts from the Ministry of Advanced Education to support the development of the Northern Pathways and Northern Marketing Initiatives. The Ministry of Education contract included additional funds not known at the time of budgeting.
8. Bank interest is from term deposits and redemption of corporate credit card cash back points. In 2016/17, BCCIE did not redeem all credit card points and therefore revenue was less than expected.
9. In 2016/17, Goal 1 included expenses related to the Ministry of Education and Ministry of Advanced Education government contracts. This was not known at the time of budgeting.
10. In 2016/17, Goal 2 included expenses related to the Ministry of International Trade contracts for the execution of Team BC missions and the K-12 mission BCCIE was contracted by the school districts to complete. These activities were not known at the time of budgeting.

**THE BRITISH COLUMBIA COUNCIL FOR
INTERNATIONAL EDUCATION**

FINANCIAL STATEMENTS

MARCH 31, 2017

- 1 -

STEELE & CO.
CHARTERED PROFESSIONAL ACCOUNTANTS

STEELE & CO.*

CHARTERED PROFESSIONAL ACCOUNTANTS

*Representing incorporated professionals

SUITE 909
808 WEST HASTINGS STREET
VANCOUVER, BC CANADA V6C 2X4

TELEPHONE: (604) 687-8808
FAX: (604) 687-2702
EMAIL: email@steele-co.ca

INDEPENDENT AUDITOR'S REPORT

**To the Members of
The British Columbia Council for International Education**

We have audited the statement of financial position of The British Columbia Council for International Education ("the Council") as at March 31, 2017 and the statements of operations, change in net financial assets, and cash flows for the year ended March 31, 2017, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 judgement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2017 and the results of its operations, changes in net financial assets and cash flows for the year in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada
May 15, 2017

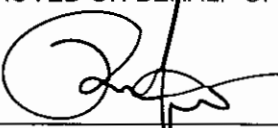

CHARTERED PROFESSIONAL ACCOUNTANTS

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

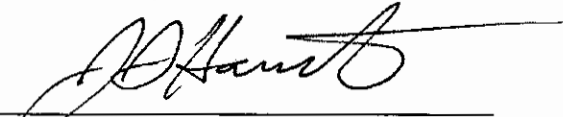
STATEMENT OF FINANCIAL POSITION

	NOTE	MARCH 31,	
		2017	2016
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS	4	\$ 381,407	\$ 276,990
GUARANTEED INVESTMENT CERTIFICATES	5	857,337	857,030
ACCOUNTS RECEIVABLE		-	35
SALES TAX RECEIVABLE		208	376
		<u>1,238,952</u>	<u>1,134,431</u>
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		48,427	60,200
SALARIES AND ASSESSMENTS PAYABLE		130,891	143,613
EMPLOYEE FUTURE BENEFITS	6	145,667	112,413
DEFERRED REVENUE	8	384,679	158,790
		<u>709,664</u>	<u>475,016</u>
NET FINANCIAL ASSETS		<u>529,288</u>	<u>659,415</u>
NON-FINANCIAL ASSETS			
TANGIBLE CAPITAL ASSETS	9	31,266	46,154
PREPAID EXPENSES		207,052	50,049
		<u>238,318</u>	<u>96,203</u>
ACCUMULATED SURPLUS		<u>\$ 767,606</u>	<u>\$ 755,618</u>
GOING CONCERN CONSIDERATIONS	2		
CONTRACTUAL OBLIGATIONS	6 & 7		

APPROVED ON BEHALF OF THE BOARD



 Dr. Randall Martin



 Jim Hamilton

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**STATEMENT OF OPERATIONS**

	<u>2017 BUDGET</u> (NOTE 12)	<u>YEAR ENDED MARCH 31,</u>	
		<u>2017</u>	<u>2016</u>
REVENUES			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	\$ 39,500	\$ 42,325	\$ 267,625
GOVERNMENT GRANTS (SCHEDULE)	2,088,765	2,210,512	1,814,877
ADMINISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	218,435	372,747	223,257
OTHER (SCHEDULE)	17,000	10,288	10,333
	<u>2,363,700</u>	<u>2,635,872</u>	<u>2,316,092</u>
EXPENSES			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	22,500	22,169	32,140
ADMINISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	2,341,200	2,601,715	2,281,615
	<u>2,363,700</u>	<u>2,623,884</u>	<u>2,313,755</u>
ANNUAL OPERATING SURPLUS	<u>\$ -</u>	11,988	2,337
ACCUMULATED SURPLUS			
BEGINNING OF THE YEAR		<u>755,618</u>	<u>753,281</u>
ACCUMULATED SURPLUS			
END OF THE YEAR		<u>\$ 767,606</u>	<u>\$ 755,618</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

	<u>2017 BUDGET</u> (NOTE 12)	<u>YEAR ENDED MARCH 31,</u>	
		<u>2017</u>	<u>2016</u>
ANNUAL OPERATING SURPLUS	\$ -	\$ 11,988	\$ 2,337
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(1,097)	-
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	16,000	15,985	26,294
ACQUISITION OF PREPAID EXPENSES	-	(207,052)	(50,049)
USE OF PREPAID EXPENSES	<u>(16,000)</u>	<u>50,049</u>	<u>77,532</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>\$ -</u>	<u>(130,127)</u>	<u>56,114</u>
NET FINANCIAL ASSETS BEGINNING OF THE YEAR		<u>659,415</u>	<u>603,301</u>
NET FINANCIAL ASSETS END OF THE YEAR		<u>\$ 529,288</u>	<u>\$ 659,415</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**STATEMENT OF CASH FLOWS**

	YEAR ENDED MARCH 31,	
	2017	2016
OPERATING TRANSACTIONS		
CASH RECEIVED FROM		
EQA	\$ 42,325	\$ 267,626
GOVERNMENT GRANTS	2,210,512	1,814,877
ADMINISTRATIVE AND OPERATING CONTRACTS	72,509	15,472
OTHER	10,288	10,333
SUMMER SEMINAR	526,295	295,033
	<u>2,861,929</u>	<u>2,403,341</u>
CASH PAID FOR		
EQA	24,699	25,134
EQUIPMENT RENTAL	22,831	17,096
EVENT FEES	192,158	119,744
HOSPITALITY	156,566	142,068
INFORMATION TECHNOLOGY AND WEBSITES	102,134	92,699
INSURANCE	4,724	4,276
LEADERSHIP AND ORGANIZATION	9,223	7,778
MARKETING	408,561	186,947
OFFICE COMMUNICATIONS	63,730	42,443
OFFICE SUPPLIES AND MISCELLANEOUS	24,335	17,527
PROFESSIONAL AND CONSULTING FEES	218,117	144,149
RENT AND FACILITIES	152,286	161,781
SALARIES AND BENEFITS	1,081,389	1,008,135
SALES TAXES (RECOVERABLE)	185	(235)
SUBSIDIES	-	500
TELECOMMUNICATIONS	15,851	23,526
TRAVEL	279,320	172,627
	<u>2,756,108</u>	<u>2,166,195</u>
CASH PROVIDED BY OPERATING TRANSACTIONS	<u>105,821</u>	<u>237,146</u>
CAPITAL TRANSACTIONS		
CASH USED TO ACQUIRE TANGIBLE CAPITAL ASSETS	(1,097)	-
CASH APPLIED TO CAPITAL TRANSACTIONS	(1,097)	-
INVESTING TRANSACTIONS		
GUARANTEED INVESTMENT CERTIFICATES	(307)	(15,347)
CASH APPLIED TO INVESTING TRANSACTIONS	(307)	(15,348)
INCREASE IN CASH AND CASH EQUIVALENTS	104,417	221,798
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	276,990	55,192
CASH AND CASH EQUIVALENTS END OF THE YEAR	\$ 381,407	\$ 276,990

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

1. NATURE OF OPERATIONS

The British Columbia Council for International Education is an educational marketing institution incorporated in 1991 under the Societies Act (British Columbia). On January 23, 2009, the Council changed its name from The British Columbia Centre for International Education to The British Columbia Council for International Education, amended its constitution, and replaced its by-laws in their entirety. At the same time, its mandate was expanded to include overseas missions, new internal and external programs, marketing and communication portfolios, and to administer government sponsored initiatives, such as the Education Quality Assurance Program (“EQA”). The Council receives funding for its programs through the Ministry of Advanced Education for the Province of British Columbia (“the Ministry”) and other government funded agencies. Previously, the Council was funded by internal programs and membership dues. In 2012, the mandate and mission of the Council were further changed and scaled back to focus on the core areas of planning and logistics of international events, marketing British Columbia in the international markets, and administering the EQA program. In 2014, the Council was notified that it would no longer be the administrator of the EQA program.

The Council reports to the Legislative Assembly through the Ministry and is considered a Government Reporting Entity. The Council has no issued shares.

The Council is exempt from income taxes under the Income Tax Act.

2. GOING CONCERN CONSIDERATIONS

These financial statements have been prepared on the assumption that the Council is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Council is not expected to continue in operation for the foreseeable future. The Council is economically dependent on government support to fund its programs and activities. The Council's continuation as a going concern is dependent upon its ability to receive future government funding sufficient to meet current and future obligations.

As at March 31, 2017, the Council had net financial assets of \$529,288 (2016 - \$659,415).

The Council has the Ministry's grant commitment of \$1,500,000 to fund its fiscal 2018 operations, and received funding of \$1,500,000 to fund its fiscal 2017 operations.

The Government has requested the Council's assistance in administering the EQA program during the transition process. The Council has been granted the right to retain the EQA fees received for memberships from April 1, 2016 to March 31, 2017. In order to continue administering the program, the government has provided a grant of \$20,000 to fund the EQA program for fiscal 2018 and received funding of \$25,000 to fund its fiscal 2017 operations.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c. Guaranteed Investment Certificates

Guaranteed investment certificates ("GIC's") are interest bearing and generally have maturity dates of one year or less.

d. Employee Future Benefits

i. The employees of the Council belong to the Municipal 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 to the plan by the Council is recorded as an expense for the year.

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

e. Tangible Capital Assets Including Capital Leases

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

The Council does not have any capital leases.

The cost, less the estimated residual value, of the tangible capital assets, excluding land, is amortized on a declining balance basis over their estimated useful lives as follows:

Computer equipment and software	50%-100% declining balance method
Office furniture and equipment	20% declining balance method
Website	30% declining balance method
Leasehold improvements	3 years straight line

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Tangible Capital Assets Including Capital Leases (Continued)

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

Contributed capital assets are recorded as revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, and which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value. No contributed capital assets were received during the year.

f. Prepaid Expenses

Prepaid expenses, which include prepaid insurance, facility rentals, travel and mission expenses, are charged to operations over the periods that are expected to benefit from the expense.

g. Revenue Recognition

Revenues are recognized in the period in which 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 reasonably determined or collection is reasonably assured.

Government transfers are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria or stipulations have been met.

Contributions from other sources are deferred and recognized as revenue as the related stipulations in the agreement are met. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable and are presented as non-financial assets in the statement of financial position.

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

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

h. Foreign Currency Translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions unless hedged by forward contracts that specify the rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year end. Adjustments to revenue or expense transactions arising as a result of foreign currency translation are credited or charged to operations at the time the adjustments arise. The Council does not undertake any currency hedges.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Financial Instruments

Measurement

Financial assets originated or acquired, or financial liabilities issued or assumed, are initially measured at their fair values. In the case of a financial asset or financial liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs of financial instruments measured at fair value are expensed.

The Council subsequently measures its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Unrealized gains and losses from changes in fair value are recognized in the statement of re-measurement gains and losses until the respective investment is ultimately disposed of, at which time the cumulative gain or loss is recognized in the statement of operations.

Financial assets measured at amortized cost include cash, GIC's, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

The Council has not presented a statement of re-measurement gains or losses as it has no reportable transactions for its fiscal years ending March 31, 2017 and 2016.

Impairment

At the end of each reporting period, the Council assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. When there is an indication of impairment, the Council determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset and, in which case, the carrying amount of the asset is reduced to the highest expected value that is actually recoverable from the asset either by holding that asset, by its sale, or by exercising the right to any collateral (net of cost). The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in net income. A write down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Derecognition

A financial liability or a part of a financial liability is removed from the statement of financial position when it is extinguished (i.e.: when the obligation is discharged or cancelled, or expires). The difference between the carrying amount of that financial liability extinguished or transferred to another party and the fair value of the consideration paid, including any non-cash assets transferred, liabilities assumed or equity instruments issued, is recognized in net income for the period.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Measurement Uncertainty

The preparation of financial statements requires 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 related amortization and estimated employee benefits.

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

4. CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
Cash and demand deposits	<u>\$ 381,407</u>	<u>\$ 276,990</u>

Cash includes \$226,204 (2016 - \$158,790), the use of which is restricted and may be used only for specified purposes.

5. GUARANTEED INVESTMENT CERTIFICATES

	<u>2017</u>	<u>2016</u>
GIC's bear interest at rates ranging from 1.05% to 1.10% (weighted average 1.09%), are non-redeemable for twelve months and have maturity dates to March 8, 2018. Of the total, \$72,170 has been pledged as security for the Council's outstanding Visa commitments from time to time.	<u>\$ 857,337</u>	<u>\$ 857,030</u>

6. EMPLOYEES' PENSION PLAN AND BENEFITS PLAN

The Council contracts out its employee and payroll services under a fee arrangement currently with Capilano University ("CU"). Under this arrangement, the Council's employees are considered employees of CU. Employee compensation costs invoiced to the Council include employee salaries and related pension and employment benefits as determined by CU. Any funding adjustments are reflected ongoing in the CU's invoices to the Council.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

6. EMPLOYEES' PENSION PLAN AND BENEFITS PLAN (CONTINUED)

a. Retirement Benefits - Pension Plan

The Council and its employees contribute to the Municipal Pension Plan which is a multi-employer plan in accordance with the Public Sector Pension Plan Act. The plan provides defined pension benefits to employees based on their length of service and employee's salary. The contribution rate for eligible employees is 8.5% of the employee's salaries until the yearly insurable earnings are reached, increasing to 10.0% thereafter. The Council matches contributions to the plan at the rate of 9.57% of the eligible employee's salary.

The Council records its 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan. The Council paid \$79,687 (2016 - \$64,887) for employer contributions to the plan for fiscal 2017. The contribution rates are subject to change as determined by the plan administrators.

The actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$1,224,074 funding surplus for basic pension benefits.

b. Other Employee Benefits

In fiscal 2011, and as renegotiated in 2016, the Council entered into an employment contract with its Executive Director ("ED") which provides for administrative leave of one full month of paid compensation for each year of completed service from October 2007 and at the discretion of the Council twelve months' notice or pay in lieu of notice, should the Council terminate the ED's employment without just cause.

Payroll liabilities include a provision for accrued administrative leave of \$145,667 (2016 - \$112,413) as at March 31, 2017.

The Council provides for its employees life insurance and disability and health care benefits which are funded by monthly premium payments to independent benefit providers. The benefits cease upon termination of employment with the Council. The Council currently has no long-term commitments with these benefit provisions.

7. CONTRACTUAL OBLIGATIONS

The Council has entered into operating leases for premises and office equipment pursuant to agreements extending to September 2018. Annual payments over the remaining terms are as follows:

<u>Year Ended March 31,</u>	<u>Premises</u>	<u>Office Equipment</u>	<u>Total</u>
2018	94,504	10,106	104,610
2019	23,626	5,053	28,679
	<u>\$ 118,130</u>	<u>\$ 15,159</u>	<u>\$ 133,289</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

8. DEFERRED REVENUE

Deferred revenues represent externally restricted contributions received by the Council for the EQA program or for future general operating expenses. The following is a summary of externally restricted funds received.

	March 31, 2017		
	EQA	BCCIE	Total
Deferred revenue beginning of the year	\$ -	\$ 158,790	\$ 158,790
Net increase in deferred revenue	1,500	224,389	225,889
Deferred revenue end of the year	<u>\$ 1,500</u>	<u>\$ 383,179</u>	<u>\$ 384,679</u>

	March 31, 2016		
	EQA	BCCIE	Total
Deferred revenue beginning of the year	\$ 76,500	\$ -	\$ 76,500
Net increase (decrease) in deferred revenue	(76,500)	158,790	82,290
Deferred revenue end of the year	<u>\$ -</u>	<u>\$ 158,790</u>	<u>\$ 158,790</u>

The EQA is a program that has been implemented in conjunction with the British Columbia Provincial Government ("the Government") and is British Columbia's brand for quality post-secondary education. The EQA is a voluntary mechanism available to all eligible public and private post-secondary institutions in British Columbia. The EQA designation provides for a standard logo that can be recognized as an assurance of quality. Designation is based on an institution having met or exceeded existing quality assurance standards and being in good standing with both the Ministry and the applicable body. Further to the ongoing transition of the EQA program, the Council received a grant of \$25,000 to assist with providing specific EQA functions.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

9. TANGIBLE CAPITAL ASSETS

	Website	Office Furniture and Equipment	Computer Equipment and Software	Leasehold Improvements	Total
<u>March 31, 2017</u>					
Cost					
Opening balance	\$ 91,511	\$ 78,131	\$ 97,054	\$ 62,518	\$ 329,214
Additions	-	1,097	-	-	1,097
Closing balance	91,511	79,228	97,054	62,518	330,311
Accumulated amortization					
Opening balance	78,178	58,008	86,282	60,592	283,060
Amortization	4,000	4,134	5,924	1,926	15,985
Closing balance	82,178	62,142	92,206	62,518	299,045
Net book value	<u>\$ 9,333</u>	<u>\$ 17,086</u>	<u>\$ 4,848</u>	<u>\$ -</u>	<u>\$ 31,266</u>
<u>March 31, 2016</u>					
Cost					
Opening balance	\$ 91,511	\$ 78,131	\$ 97,054	\$ 62,518	\$ 329,214
Additions	-	-	-	-	-
Closing balance	91,511	78,131	97,054	62,518	329,214
Accumulated amortization					
Opening balance	72,464	52,977	73,117	58,208	256,766
Amortization	5,714	5,031	13,165	2,384	26,294
Closing balance	78,178	58,008	86,282	60,592	283,060
Net book value	<u>\$ 13,333</u>	<u>\$ 20,123</u>	<u>\$ 10,772</u>	<u>\$ 1,926</u>	<u>\$ 46,154</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

10. RELATED PARTY TRANSACTIONS

The Council had the following transactions with the Ministry and other government controlled organizations:

	Year Ended March 31,	
	2017	2016
Government Grants		
BCCIE	\$ 2,210,512	\$ 1,814,877
EQA	25,000	-
	<u>\$ 2,235,512</u>	<u>\$ 1,814,877</u>

These transactions are considered to be in the normal course of business and are measured at their exchange amounts, being the amounts agreed to by the parties.

The Society's current payroll of \$1,109,922 includes four employees with salaries totalling \$458,173.

11. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	Year Ended March 31,	
	2017	2016
Amortization	\$ 15,985	\$ 26,294
Bank charges and foreign exchange	2,326	8,939
Equipment rental	22,029	17,898
Event fees	116,707	148,895
Hospitality	153,982	145,063
Information technology and websites	113,477	126,612
Insurance	4,724	4,276
Leadership and organization	9,223	7,778
Marketing	408,561	186,947
Office communications	63,407	42,215
Office supplies and miscellaneous	22,556	19,574
Professional and consulting fees	216,508	145,758
Rent and facilities	151,486	162,581
Salaries and benefits	1,109,922	1,069,308
Subsidies	-	500
Telecommunications	16,865	23,547
Translation services	-	60
Travel	196,126	177,510
	<u>\$ 2,623,884</u>	<u>\$ 2,313,755</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

12. BUDGETED FIGURES

The budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors. The budgeted figures have not been audited.

13. FINANCIAL RISK MANAGEMENT

Risks and Concentrations

The Council is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Council's risk exposure at March 31, 2017.

a. Liquidity Risk

Liquidity risk arises if the Council is unable to meet its obligations associated with financial liabilities. The Council is exposed to this risk mainly in respect to its accounts payable. The Council mitigates this risk by preparing and monitoring operating budgets that are used to assist with the planning of cash flows to meet its obligations as they come due.

b. Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation.

Cash and cash equivalents, GIC's, and accounts receivable are exposed to credit risk due to the potential for counterparties to default on their contractual obligations. The maximum potential loss on these financial instruments equals their carrying value.

The Council mitigates its credit risk exposure by maintaining its cash, cash equivalents, and GIC's in major Canadian chartered banks. Accounts receivable are owed from various entities and there is no concentration of risk associated with any particular customer. As at March 31, 2017, there were no overdue account receivable balances.

c. Market Risk

Market risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Council is mainly exposed to interest rate risk.

i. *Currency risk*

Currency risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Council is not exposed to any currency risk and does not maintain any foreign denominated financial currencies.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risks and Concentrations (Continued)

c. Market Risk (Continued)

ii. *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

The Council is exposed to interest rate risk on its GIC's, which bear interest at fixed rates which could expose the Council to interest rate price risk. Fluctuations in market interest rates could affect the fair value of these financial instruments.

iii. *Other price risk*

Other price risk is the risk that the fair market value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument traded in the market.

The Council is not exposed to other price risk.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

	EDUCATION QUALITY ASSURANCE		ADMINISTRATION AND OPERATING CONTRACTS	
	YEAR ENDED MARCH 31, 2017	2016	YEAR ENDED MARCH 31, 2017	2016
REVENUE				
FEES - PRIVATE INSTITUTIONS	\$ 17,325	\$ 267,625	\$ -	\$ -
GRANTS	25,000	-	2,210,512	1,814,877
OPERATING	-	-	72,340	22,215
OTHER	-	-	10,288	10,333
SUMMER SEMINAR	-	-	300,407	201,042
	<u>42,325</u>	<u>267,625</u>	<u>2,593,547</u>	<u>2,048,467</u>
EXPENSES				
AMORTIZATION	-	-	15,985	26,294
BANK CHARGES AND FOREIGN EXCHANGE	1,355	8,069	971	870
EQUIPMENT RENTAL	-	-	22,029	17,898
EVENT FEES	-	-	116,707	148,895
HOSPITALITY	-	-	153,983	145,063
INFORMATION TECHNOLOGY AND WEBSITES	20,814	24,071	92,663	102,541
INSURANCE	-	-	4,724	4,276
LEADERSHIP AND ORGANIZATION	-	-	9,223	7,778
MARKETING	-	-	408,561	186,947
OFFICE COMMUNICATIONS	-	-	63,408	42,215
OFFICE SUPPLIES AND MISCELLANEOUS	-	-	22,554	19,574
PROFESSIONAL AND CONSULTING FEES	-	-	216,508	145,758
RENT AND FACILITIES	-	-	151,486	162,581
SALARIES AND BENEFITS	-	-	1,109,922	1,069,308
SUBSIDIES	-	-	-	500
TELECOMMUNICATIONS	-	-	16,865	23,547
TRANSLATION SERVICES	-	-	-	60
TRAVEL	-	-	196,126	177,510
	<u>22,169</u>	<u>32,140</u>	<u>2,601,715</u>	<u>2,281,615</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 20,156</u>	<u>\$ 235,485</u>	<u>\$ (8,168)</u>	<u>\$ (233,148)</u>

Appendix A – Additional Information

Additional information including an organizational overview and further details about the corporate governance structure at BCCIE can be found at www.bccie.bc.ca.

Organizational Overview:

Mandate, Vision, Business Areas: <http://www.bccie.bc.ca/about>

Partner Organizations: <http://www.bccie.bc.ca/about/partners>

Location: <http://www.bccie.bc.ca/contact>

Corporate Governance:

Board of Directors: <http://www.bccie.bc.ca/about/board>

Corporate Governance and Reports: <http://bccie.bc.ca/about/corporate-reports>

Senior Management: <http://www.bccie.bc.ca/about/team>

Appendix B – Crown Corporations Mandate and Actions Summary

In the 2016/17 Mandate Letter from the minister responsible, BCCIE received direction on strategic priorities for the 2016/17 fiscal year. These priorities and the Crown corporation’s resulting actions are summarized below:

Mandate Letter Direction	Crown Corporation’s Action
<p>1. Consult with the Ministry of Advanced Education to develop and implement an Operational Plan for 2016/17 based on activities that:</p> <ul style="list-style-type: none"> • Support and align with sector and Provincial priorities for international education and the International Education Strategy; and, • Focus on the following three areas: <ul style="list-style-type: none"> ◦ Increase international participation throughout the British Columbia education system; ◦ Provide market support for the international education sector in British Columbia, including government and sector missions abroad; and, ◦ Provide communication and professional development for the international education sector in British Columbia, including Summer Seminar 2016. 	<ul style="list-style-type: none"> • BCCIE reported quarterly to the Ministry of Advanced Education on progress achieved to implement initiatives supporting Government priorities for international education and the International Education Strategy, as outlined in the BCCIE Operational Plan. • Specific deliverables achieved in 2016/17 include: <p><i>BCCIE coordinated missions and events for the education sector</i></p> <p><u>Education sector missions and international education event outcomes (B.C. institution participation)</u></p> <ul style="list-style-type: none"> • National Association of Foreign Student Advisors (NAFSA) in May/June 2016. 17 institutions participated; • Brazil in September 2016. 20 institutions participated; • Southeast Asia in October 2016. 35 institutions participated; • China Education Expo in October 2016. 17 institutions participated; • Japan in November 2016. 12 institutions participated; and • Vietnam/Thailand K-12 mission in January 2017. 18 school districts participated. <p><i>BCCIE Professional Development events for the education sector:</i></p> <ul style="list-style-type: none"> • Hosted largest ever BCCIE Annual Summer Seminar Conference in June 2016, with more than 400 delegates attending; and, • Provided nine professional development events between April 2016 and March 2017, with approximately 226 participants attending across the nine events. <p><i>Facilitated study abroad opportunities:</i></p> <ul style="list-style-type: none"> • 18 students from B.C. studied in China, July 2016; and • 20 students from China studied in B.C., July/August 2016.
<p>2. Work with the Ministry of Advanced Education and partner ministries to inform a refresh of the International Education Strategy.</p>	<ul style="list-style-type: none"> • Worked with ministry partners to: <ul style="list-style-type: none"> ◦ complete sector consultations to gather feedback on the International Education Strategy refresh (May 2016); and ◦ develop a framework for a draft refreshed Strategy.