

**THE BRITISH COLUMBIA COUNCIL FOR  
INTERNATIONAL EDUCATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2017**

# STEELE & CO.\*

CHARTERED PROFESSIONAL ACCOUNTANTS

\*Representing incorporated professionals

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## 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

		MARCH 31,	
	NOTE	2017	2016
<b>FINANCIAL ASSETS</b>			
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>
<b>LIABILITIES</b>			
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>
<b>NET FINANCIAL ASSETS</b>		<u>529,288</u>	<u>659,415</u>
<b>NON-FINANCIAL ASSETS</b>			
TANGIBLE CAPITAL ASSETS	9	31,266	46,154
PREPAID EXPENSES		207,052	50,049
		<u>238,318</u>	<u>96,203</u>
<b>ACCUMULATED SURPLUS</b>		<u>\$ 767,606</u>	<u>\$ 755,618</u>
GOING CONCERN CONSIDERATIONS	2		
CONTRACTUAL OBLIGATIONS	6 & 7		

APPROVED ON BEHALF OF THE BOARD

  
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 Dr. Randall Martin

  
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 Jim Hamilton

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

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	<b>2017 BUDGET</b>	<b>YEAR ENDED MARCH 31,</b>	
	<b>(NOTE 12)</b>	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>			
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>
<b>EXPENSES</b>			
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>
<b>ANNUAL OPERATING SURPLUS</b>	<u>\$ -</u>	11,988	2,337
ACCUMULATED SURPLUS			
BEGINNING OF THE YEAR		<u>755,618</u>	<u>753,281</u>
<b>ACCUMULATED SURPLUS</b>			
<b>END OF THE YEAR</b>		<u>\$ 767,606</u>	<u>\$ 755,618</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

	<b>2017 BUDGET</b> (NOTE 12)	<b>YEAR ENDED MARCH 31,</b>	
		<b>2017</b>	<b>2016</b>
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	(16,000)	50,049	77,532
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>\$ -</b>	<b>(130,127)</b>	<b>56,114</b>
NET FINANCIAL ASSETS BEGINNING OF THE YEAR		659,415	603,301
<b>NET FINANCIAL ASSETS END OF THE YEAR</b>		<b>\$ 529,288</b>	<b>\$ 659,415</b>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF CASH FLOWS**

	<b>YEAR ENDED MARCH 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>OPERATING TRANSACTIONS</b>		
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>
<b>CAPITAL TRANSACTIONS</b>		
CASH USED TO ACQUIRE TANGIBLE CAPITAL ASSETS	<u>(1,097)</u>	<u>-</u>
CASH APPLIED TO CAPITAL TRANSACTIONS	<u>(1,097)</u>	<u>-</u>
<b>INVESTING TRANSACTIONS</b>		
GUARANTEED INVESTMENT CERTIFICATES	<u>(307)</u>	<u>(15,347)</u>
CASH APPLIED TO INVESTING TRANSACTIONS	<u>(307)</u>	<u>(15,348)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>104,417</u>	<u>221,798</u>
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	<u>276,990</u>	<u>55,192</u>
<b>CASH AND CASH EQUIVALENTS END OF THE YEAR</b>	<u>\$ 381,407</u>	<u>\$ 276,990</u>

# THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

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### 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

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### 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

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### 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.

**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

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**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

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### 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:

Year Ended March 31,	Office		Total
	Premises	Equipment	
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

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

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

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### 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

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### 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.



**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
<b>REVENUE</b>				
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>
<b>EXPENSES</b>				
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>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>\$ 20,156</u>	<u>\$ 235,485</u>	<u>\$ (8,168)</u>	<u>\$ (233,148)</u>