

**THE BRITISH COLUMBIA COUNCIL FOR
INTERNATIONAL EDUCATION**

FINANCIAL STATEMENTS

MARCH 31, 2012

STEELE & Co.*

CHARTERED 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 statements of financial position of The British Columbia Council for International Education ("the Council") as at March 31, 2012 and the statements of operations, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards 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 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, 2012 and the results of its operations, net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Vancouver, Canada
May 15, 2012


CHARTERED ACCOUNTANTS

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF FINANCIAL POSITION

	NOTE	MARCH 31, 2012	MARCH 31, 2011	APRIL 1, 2010
FINANCIAL ASSETS				
CURRENT				
CASH AND CASH EQUIVALENTS	5	\$ 250,092	\$ 703,906	\$ 1,072,287
GUARANTEED INVESTMENT				
CERTIFICATES	6	367,634	60,455	45,000
ACCOUNTS RECEIVABLE		28,369	21,025	13,150
SALES TAX RECEIVABLE		3,251	34,277	25,626
		<u>649,346</u>	<u>819,663</u>	<u>1,156,063</u>
LIABILITIES				
ACCOUNTS PAYABLE				
AND ACCRUED LIABILITIES		44,894	110,464	33,960
SALARIES AND ASSESSMENTS				
PAYABLE		280,974	80,307	59,616
DEFERRED REVENUE	9	-	250,000	1,054,274
		<u>325,868</u>	<u>440,771</u>	<u>1,147,850</u>
NET FINANCIAL ASSETS		<u>323,478</u>	<u>378,892</u>	<u>8,213</u>
NON-FINANCIAL ASSETS				
TANGIBLE CAPITAL ASSETS	10	104,010	113,444	143,582
PREPAID EXPENSES		25,685	74,411	87,733
		<u>129,695</u>	<u>187,855</u>	<u>231,315</u>
ACCUMULATED SURPLUS	11	<u>\$ 453,173</u>	<u>\$ 566,747</u>	<u>\$ 239,528</u>
GOING CONCERN CONSIDERATIONS	2			
COMMITMENTS	7 & 8			

APPROVED ON BEHALF OF THE BOARD

"KARIN KIRPATRICK CAMPBELL"

"RANDALL W. MARTIN"

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

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF OPERATIONS

	2012 BUDGET UNAUDITED (Note 15)	YEAR ENDED MARCH 31, 2012 2011 (Notes 3 and 11)	
REVENUES			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	\$ 370,000	\$ 371,100	\$ 267,549
GOVERNMENT GRANTS (SCHEDULE)	2,815,000	1,250,000	1,895,000
ADMISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	225,000	186,690	116,775
OTHER (SCHEDULE)	-	1,764	1,469
	<u>3,410,000</u>	<u>1,809,554</u>	<u>2,280,793</u>
EXPENSES			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	115,000	341,886	525,508
ADMISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	3,295,000	1,581,242	1,428,066
	<u>3,410,000</u>	<u>1,923,128</u>	<u>1,953,574</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ -</u>	<u>(113,574)</u>	<u>327,219</u>
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR		<u>566,747</u>	<u>239,528</u>
ACCUMULATED SURPLUS AT END OF THE YEAR		<u>\$ 453,173</u>	<u>\$ 566,747</u>

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

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

	2012 BUDGET UNAUDITED (Note 15)	YEAR ENDED MARCH 31, 2012	2011 (Notes 3 and 11)
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (113,574)	\$ 327,219
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(39,309)	(35,971)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	42,492	48,743	66,109
USE OF PREPAID EXPENSES	-	48,726	13,322
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>\$ 42,492</u>	(55,414)	370,679
NET FINANCIAL ASSETS BEGINNING OF THE YEAR		<u>378,892</u>	<u>8,213</u>
NET FINANCIAL ASSETS END OF THE YEAR		<u>\$ 323,478</u>	<u>\$ 378,892</u>

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

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF CASH FLOWS

	YEAR ENDED MARCH 31,	
	2012	2011
		(Restated - Notes 3 and 11)
OPERATING TRANSACTIONS		
CASH RECEIVED FROM		
EQA	\$ 363,033	\$ 211,699
GOVERNMENT GRANTS	1,033,717	2,070,827
OPERATING/CONTRACTS	112,155	-
OTHER INVESTMENT INCOME	1,764	1,289
SUMMER EVENTS	33,231	85,417
	<u>1,543,900</u>	<u>2,369,232</u>
CASH PAID FOR		
ADVERTISING	-	633
DATABASE AND EQUIPMENT MAINTENANCE	53,305	37,493
EQA	340,825	498,749
EVENT FEES	6,558	1,086
SALES TAX (RECOVERABLE)	(33,599)	49,582
INSURANCE	2,313	4,559
MARKETING	144,841	81,194
OFFICE COMMUNICATIONS	51,500	114,887
OFFICE SUPPLIES AND MISCELLANEOUS	28,562	46,534
PROFESSIONAL AND CONSULTING FEES	193,801	180,056
RENT AND FACILITIES	85,600	57,789
SALARIES AND BENEFITS	666,386	546,109
TRAVEL AND HOSPITALITY	111,134	167,511
	<u>1,651,226</u>	<u>1,786,182</u>
CASH PROVIDED BY (APPLIED TO)		
OPERATING TRANSACTIONS	<u>(107,326)</u>	<u>583,050</u>
CAPITAL TRANSACTIONS		
CASH USED TO ACQUIRE TANGIBLE CAPITAL ASSETS	<u>(39,309)</u>	<u>(35,971)</u>
CASH APPLIED TO CAPITAL TRANSACTIONS	<u>(39,309)</u>	<u>(35,971)</u>
INVESTING TRANSACTIONS		
GURANTEED INVESTMENT CERTIFICATES	<u>(307,179)</u>	<u>(15,455)</u>
CASH APPLIED TO INVESTING TRANSACTIONS	<u>(307,179)</u>	<u>(15,455)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(453,814)</u>	<u>531,624</u>
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	<u>703,906</u>	<u>172,282</u>
CASH AND CASH EQUIVALENTS END OF THE YEAR	<u><u>\$ 250,092</u></u>	<u><u>\$ 703,906</u></u>

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

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

1. NATURE OF OPERATIONS

The British Columbia Council for International Education ("the Council") is an educational marketing institution incorporated in 1991 under the Society's Act of British Columbia. The Council has gone through substantial changes since its incorporation. 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 Education or other government funded agencies. Previously, the council was funded by internal programs and membership dues. In 2012, the mandate and mission of the Council was 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.

The Council reports to the Legislative Assembly through the Ministry of Education and is considered a Government Reporting Entity ("GRE"). 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, 2012, the Council had net financial assets of \$323,478 (2011 - \$378,892).

The Council had requested a Provincial government grant of \$3,400,000 to fund its fiscal 2012 operations and received funding of \$1,250,000 and \$250,000 for the EQA program. The funding was contingent upon the Council changing its mandate, adopting Canadian Public Sector Accounting Standards ("PSAS") without not-for-profit provisions as a GRE and limiting and narrowing its core focus.

3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2011/12 fiscal year, the Council was mandated to adopt PSAS without not-for-profit provisions. These financial statements are the first financial statements for which the Council has applied PSAS.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (CONTINUED)

The impact of the conversion to PSAS on the accumulated surplus at the date on transition and the comparative annual surplus is presented in Note 11. These accounting changes have been applied retroactively with restatement of prior periods. The following change has been implemented to comply with PSAS.

	PREVIOUSLY STATED 2011	ADJUSTMENT 2011	RESTATED 2011
Deferred Revenue			
Change in membership fee recognition	\$ 316,600	\$ (66,600)	\$ 250,000

The Council previously amortized to revenue EQA membership fees over the period to which they related. Commencing with the adoption of PSAS, annual memberships are recognized as revenue when received. Government transfers are accounted for in accordance with PS Section 3410.

The Council has elected to use the following exemptions:

“Retirement Benefits” - Section PS 3250, for defined benefit plans, and under “Post-Employment Benefits, Compensated Absences and Termination Benefits” - Section PS 3255, accrued benefit obligations, post-employment benefits and compensated absences are determined by a government organization by applying a discount rate with reference to its plan asset earnings or with reference to its cost of borrowing. Retroactive application of these Sections requires a government organization to recalculate accrued benefit obligations, post-employment benefits and compensated absences at the time of transition to PSAS. However, a first-time adopter may elect to delay application of these Sections relative to the discount rate used until the date of their next actuarial valuation or within three years of the transition date to PSAS, whichever is sooner. If a first-time adopter uses this election, it shall apply it to all plans.

Under Section PS 3255, a government organization amortizes actuarial gains and losses to the liability or asset, and the related expense in a systematic and rational manner over the expected average remaining service life of the related employee group. Retroactive application of this approach requires a government organization to split the cumulative actuarial gains and losses from the inception of the plan until the date of transition to PSAS into a recognized portion and an unrecognized portion. However, a first-time adopter may elect to recognize all cumulative actuarial gains and losses as the date of transition to PSAS directly in accumulated surplus/deficit. Actuarial gains and losses after the date of transition to PSAS are to be accounted for in accordance with Sections PS 3250 and PS 3255. If a first-time adopter uses this election, it shall apply it to all plans.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

These financial statements are prepared by management in accordance with (PSAS) for provincial reporting entities established by the Canadian Public Sector Accounting Board.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are interest bearing and generally have a maturity date 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 of the Council to the plan 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. Deferred Revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

f. 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 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	50%-100% declining balance method
Computer software	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, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Tangible Capital Assets Including Capital Leases

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 are 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 into revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, 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.

h. Prepaid Expenses

Prepaid expenses include prepaid insurance, rental facilities, and travel and mission expenses and are charged to expense over the periods that are expected to benefit from the expense.

i. Funds and Reserves

Certain amounts, as approved by the Board of Directors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

j. Revenues

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 determined with a reasonable degree of certainty or when their estimation is impracticable.

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.

k. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums, foreign exchange gains and losses, and issuance costs.

l. 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, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m: Measurement Uncertainty

The preparation of financial statements in conformity with Canadian PSAS 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.

5. CASH AND CASH EQUIVALENTS

	2012	2011
Unrestricted cash and demand deposits	\$ 250,092	\$ 703,906

6. GUARANTEED INVESTMENT CERTIFICATES

	2012	2011
Guaranteed investment certificates bear interest at rates ranging from 1% to 1.35% (weighted average 1.29%) are non-redemable for twelve months and have maturity dates to March 8, 2013. Of the total, \$35,545 has been pledged as security for the Council's outstanding Visa commitments from time to time.	\$ 367,634	\$ 60,455

7. 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, 2012

7. 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 7.8% of the employee's salary until the yearly insurable earnings is reached, increasing to 9.3% thereafter. The Council matches contributions to the plan at the rate of 8.74% and 9.78% respectively of the eligible employee's salary. As the plan is not under the Council's control, no pension liability, other than amounts invoiced, is included in the financial statements. The Council paid \$52,760 (2011 - \$48,324) for employer contributions to the plan for fiscal 2012.

b. Other Employee Benefits

The Council has 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 February 1, 2011, and a severance package of one full year's salary plus benefits should the ED terminate his employment for specified reasons. The contract also provides that the severance package will be fully payable on the termination of employment for any reason after the completion of five full years of service.

Payroll liabilities include a provision for accrued administrative leave of \$13,000 as at March 31, 2012. The estimated payout of the severance entitlement is \$174,000 as at March 31, 2012.

The Council provides for its employees life insurance, 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.

8. COMMITMENTS

The Council has entered operating leases for premises and office equipment pursuant to agreements extending to February 2015. Repayments over the remaining terms are due as follows:

<u>YEAR ENDED MARCH 31,</u>	<u>PREMISES</u>	<u>OFFICE EQUIPMENT</u>	<u>TOTAL</u>
2013	\$ 92,050	\$ 4,029	\$ 96,079
2014	3,012	4,029	7,041
2015	-	3,694	3,694
	<u>\$ 95,062</u>	<u>\$ 11,752</u>	<u>\$ 106,814</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

9. DEFERRED REVENUE

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement as at March 31, 2012:

Education Quality Assurance (EQA)

The Council is the administrator of the EQA program. This 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. The agreement with the Government stipulates that the program is to be self-sustaining by 2013.

During fiscal 2011, the Council received a grant of \$250,000, which was deferred for offset against future program expenses in fiscal 2012.

The following is a summary of externally restricted funds received. The operating results of the EQA program are included in the statement of operations.

	MARCH 31, 2012		
	EQA	BCCIE	TOTAL
Deferred revenue			
beginning of the year	\$ 250,000	\$ -	\$ 250,000
Recognized in the year	(250,000)	-	(250,000)
Deferred revenue			
end of the year	\$ -	\$ -	\$ -
	MARCH 31, 2011		
	EQA	BCCIE	TOTAL
Deferred revenue			
beginning of the year	\$ 154,274	\$ 900,000	\$ 1,054,274
Grants received	250,000	-	250,000
Recognized in the year	(154,274)	(900,000)	(1,054,274)
Deferred revenue			
end of the year	\$ 250,000	\$ -	\$ 250,000

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

10. TANGIBLE CAPITAL ASSETS

MARCH 31, 2012

Cost

Opening balance
Additions

Closing balance

Accumulated amortization

Opening balance
Amortization

Closing balance

Net book value

	WEBSITE	FURNITURE AND EQUIPMENT	COMPUTER HARDWARE AND SOFTWARE	LEASEHOLD IMPROVEMENTS	TOTAL
\$	55,037	\$ 75,625	\$ 57,838	\$ 44,683	\$ 233,183
	36,474	-	2,834	-	39,308
	91,511	75,625	60,672	44,683	272,491
	19,997	18,240	51,713	29,788	119,738
	15,983	11,477	6,388	14,895	48,743
	35,980	29,717	58,101	44,683	168,481
\$	55,531	\$ 45,908	\$ 2,571	\$ -	\$ 104,010

MARCH 31, 2011

Cost

Opening balance
Additions

Closing balance

Accumulated amortization

Opening balance
Amortization

Closing balance

Net book value

	WEBSITE	FURNITURE AND EQUIPMENT	COMPUTER HARDWARE AND SOFTWARE	LEASEHOLD IMPROVEMENTS	TOTAL
\$	46,045	\$ 58,602	\$ 47,882	\$ 44,683	\$ 197,212
	8,992	17,023	9,955	-	35,970
	55,037	75,625	57,837	44,683	233,182
	6,907	6,022	25,807	14,894	53,630
	13,090	12,218	25,906	14,894	66,108
	19,997	18,240	51,713	29,788	119,738
\$	35,040	\$ 57,385	\$ 6,124	\$ 14,895	\$ 113,444

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

11. ACCUMULATED SURPLUS

	MARCH 31,	
	2012	2011
Accumulated surplus beginning of year as originally reported	\$ 500,147	\$ 212,128
Adjustments to accumulated surplus	66,600	27,400
Accumulated surplus beginning of year as restated	566,747	239,528
Annual surplus (deficit) for the year as originally reported	(113,574)	288,019
Adjustments to annual surplus (deficit) for the year	-	39,200
Annual surplus (deficit) for the year as restated	(113,574)	327,219
Accumulated surplus end of year	<u>\$ 453,173</u>	<u>\$ 566,747</u>

As at March 31, 2012 and 2011 there were no restrictions against the Council's accumulated surplus.

12. EXPENSES BY OBJECT

The following is a summary of expenses by object:

<u>EXPENSES</u>	YEAR ENDED MARCH 31,	
	2012	2011
Advertising	\$ -	\$ 747
Amortization	48,743	66,109
Database and equipment maintenance	25,032	199,183
Event fees	51,309	71,152
Insurance	2,949	5,318
Marketing	179,809	83,489
Office communications	57,027	126,845
Office supplies and miscellaneous	43,865	51,838
Professional and consulting fees	192,023	216,064
Rent and facilities	101,444	93,764
Salaries and benefits	1,094,830	811,300
Travel and hospitality	126,097	227,765
	<u>\$ 1,923,128</u>	<u>\$ 1,953,574</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

13. RELATED PARTY TRANSACTIONS

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

	YEAR END MARCH 31,	
	2012	2011
Grants from the Province		
BCCIE	\$ 1,250,000	\$ 1,895,000
EQA	250,000	250,000
	<u>\$ 1,500,000</u>	<u>\$ 2,145,000</u>

The Council had entered into a management contract with a company controlled by its former chief executive officer. The contract provided for a guaranteed remuneration of \$200,000 per calendar year and the reimbursement of expenses at the Group 3 rate. Fees paid during fiscal 2012 aggregated \$31,920 (2011 - \$62,500). The chief executive officer waived his entitlement to the balance of fees for 2012 and 2011. The chief executive officer retired December 31, 2011 at which time the contract was terminated. 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.

14. COMPARATIVE FIGURES

Certain comparative figures as at March 31, 2011 have been restated to conform to the current year's presentation.

15. BUDGETED FIGURES

The unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors. The Council had requested a Provincial government grant of \$3,400,000 to fund its fiscal 2012 operations and received funding of \$1,250,000 and \$250,000 for the EQA program (Note 2). No adjustment has been made to the originally budgeted amounts for the reduction in the requested funding.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

PROGRAMS

	EDUCATION QUALITY ASSURANCE		ADMINISTRATION AND OPERATING CONTRACTS	
	YEAR END MARCH 31, 2012	2011	YEAR ENDED MARCH 31, 2012	2011
REVENUE				
FEES - PRIVATE INSTITUTIONS	\$ 121,100	\$ 39,200	\$ -	\$ -
GRANTS	250,000	228,349	1,250,000	1,895,000
OPERATING			186,690	116,775
OTHER	-	-	1,764	1,469
	371,100	267,549	1,438,454	2,013,244
EXPENSES				
ADVERTISING	-	114	-	10
AMORTIZATION	-	-	48,743	66,109
DATABASE AND				
EQUIPMENT MAINTENANCE	25,684	142,184	(652)	56,999
EVENT FEES	-	7,104	51,309	64,047
INSURANCE	639	759	2,313	4,559
MARKETING	21,798	16,179	158,012	67,309
OFFICE COMMUNICATIONS	10,388	5,278	46,639	121,567
OFFICE SUPPLIES AND MISCELLANEOUS	2,750	11,162	41,111	41,302
PROFESSIONAL AND CONSULTING FEES	16,111	11,588	175,912	201,390
RENT AND FACILITIES	15,070	13,652	86,374	80,112
SALARIES AND BENEFITS	229,518	251,290	865,312	563,094
TRAVEL AND HOSPITALITY	19,928	66,198	106,169	161,568
	341,886	525,508	1,581,242	1,428,066
NET INCOME	\$ 29,214	\$ (257,959)	\$ (142,788)	\$ 585,178