

British Columbia Council for International Education

2017/18

ANNUAL SERVICE PLAN REPORT

July 2018



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Board Chair's Accountability Statement



The *British Columbia Council for International Education 2017/18 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2017/18 - 2019/20 Service Plan* created in September 2017. I am accountable for those results as reported.

A handwritten signature in black ink that reads "Sherri Bell". The script is fluid and cursive.

Sherri Bell
Board Chair

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Chair/Executive Director Report Letter

On behalf of the Board of Directors, management and staff of the British Columbia Council for International Education (BCCIE), we are pleased to submit the 2017/18 BCCIE Annual Service Plan Report, demonstrating performance against targets outlined in the [2017/18 - 2019/20 Service Plan](#) created in September 2017. In 2017/18, BCCIE met all organization-specific targets for key performance measures in the Service Plan.

In its [2017/18 Mandate Letter](#) (Fall 2017), BCCIE was directed to take into consideration the overall strategic direction of Government when developing its service plan to help deliver on priorities and provide effective programs and services to all British Columbians. To implement this mandate, BCCIE worked closely with partner Ministries, including Advanced Education, Skills and Training; Education; Jobs, Trade and Technology, and key educational organizations to plan and undertake initiatives that support sector and provincial international education priorities.

While a key focus of 2017/18 was to refocus and align our goals, performance measures and targets with government priorities, BCCIE concurrently advanced work on a number of important initiatives to strengthen the provincial education ecosystem's depth and capacity in international education. Throughout the year BCCIE continued to lead a number of international education activities in rural and urban communities around B.C., including support for the successful launch of the studynorthbc.ca initiative. The organization also hosted a successful 8th annual conference in June 2017, bringing together practitioners and stakeholders to build knowledge, expertise and capacity within the sector and to discuss new ideas and future collaboration. Additional key activities in 2017/18 included the coordination of education sector missions to Mexico, Southeast Asia and China and hosting six incoming international delegations seeking to develop partnerships within the province.

Strong two-way communication with the Ministry of Advanced Education, Skills and Training and partner ministries remained a priority over 2017/18. At the senior management level, BCCIE met monthly with staff of both of the Ministries of Advanced Education, Skills and Training and Education to ensure the strategic alignment of the work of BCCIE with ministry priorities and to discuss progress on BCCIE's deliverables.

During 2017/18 BCCIE continued its work on increasing professional development opportunities for the Board of Directors. Activities remained focused on both governance and sector specific business. In September 2017, members of the Board attended a professional development session focused on Australia's international education, and performance and governance models. The session was led by Bev Hudson, President and CEO of University Partnerships for North America and Principal at Navitas, a leading Australian global education provider. Additional actions related to Board governance included review of a Board orientation manual, discussions with the Board regarding professional development needs, and ongoing planning for Board member succession by the Governance committee. BCCIE will continue to carry out activities that support its Board in the coming year, including those that reflect good governance and best practices in organizational policies, procedures and protocols.



Sherri Bell
Board Chair



Randall Martin
Executive Director

Purpose of the Organization

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 strategic priorities of government with respect to international education. In doing so, BCCIE works closely with the Ministry of Advanced Education, Skills and Training, Ministry of Education and Ministry of Jobs, Trade and Technology.

Through activities and initiatives designed to create a more globally aware education ecosystem, BCCIE serves the needs of a broad spectrum of education partners in British Columbia: public and independent K-12, public and private post-secondary and language schools. BCCIE builds and increases the knowledge, expertise and capacity in the sector by providing opportunities for schools, institutions and communities in all areas of the province to engage in international education activities. Key services include facilitating international partnership development and capacity building within the education sector.

BCCIE is a provincial Crown corporation reporting to the Ministry of Advanced Education, Skills and Training ("the Ministry") 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 Operating Environment

In its 2017/18 Mandate Letter, Government directed BCCIE to consider the overall strategic direction of Government when developing its service plan to help deliver on priorities and provide effective programs and services to all British Columbians. This included the following three key commitments:

- make life more affordable;
- deliver the services that people count on; and,
- build a strong, sustainable, innovative economy that works for everyone.

International education offers social and cultural opportunities that benefit British Columbians, fosters research and innovation, and contributes to the growth of communities and development of a strong and sustainable provincial economy. In British Columbia, international education requires a strategic and balanced approach to maximize opportunities in both rural and urban communities and address challenges brought by significant growth in recent years. As a key partner in facilitating engagement in international education activities, BCCIE plays an important role in supporting government priorities and development of a thoughtful and intentional new approach. Going forward, BCCIE's development of a three-year strategic plan supports and will be aligned with this work.

As part of efforts to leverage strategic partnership development opportunities for the B.C. education sector and support a strong and sustainable economy, BCCIE partnered with Simon Fraser University in a successful bid to host the Asia Pacific Association of International Education (APAIE) 2020 conference in Vancouver. BCCIE will be the local secretariat for the conference, the largest of its kind in the Asia Pacific, and expected to attract up to 3,000 participants from institutions and organizations around the world.

BCCIE continued to deliver services counted on by the education sector through support from the Ministry of Education to administer projects in the areas of student and teacher mobility, a rural B.C. exchange pilot program, and allocation of scholarships. Over 325 students and teachers received inbound and outbound mobility awards, 45 participants benefitted from a rural exchange program opportunity, and 170 students received scholarships. Additionally, a contribution received from the Ministry of Jobs, Trade and Technology supported capacity building and partnership development within Vietnam and East/Southeast Asia.

Report on Performance

As directed in its Mandate Letter (Fall 2017), BCCIE worked closely with the Ministry to confirm activities and set targets that directly support government's international education priorities and form the basis for corresponding goals, strategies, measures and targets outlined in the Service Plan. BCCIE met all of the organization-specific targets outlined in the *2017/18 - 2019/20 Service Plan* created in September 2017.

The organization remains focused on improving cost consciousness and accountability across its activities. BCCIE strives to provide a high level of service to partners, and monitors client satisfaction as a form of accountability.

Goals, Strategies, Measures and Targets

Goal 1: Increase International Participation throughout our Education System

Objective

The purpose of this goal is to create a globally oriented education system in British Columbia – a system that embraces diversity and positions all students for success. This goal reflects the BCCIE Mandate Letter direction to support Government's commitment to build a strong, sustainable and innovative economy.

Strategies

- Expand the number of pairings (from seven to eight pairs) for the BCCIE International Education Mentorship Program through an annual call for applications;
- Increase institutional participation (from 24 to 25 institutions) in the BC Study Abroad (BCSA) Consortium and increase student participation in study abroad opportunities through active outreach to B.C. post-secondary institutions, K-12 school districts and independent schools;
- Work collaboratively with the Ministry of Education to support student and teacher mobility to/from established international education markets through the administration of the international education scholarship program; and
- Work with schools and institutions in all regions of the province to increase their internationalization efforts.

Performance Measure 1: Satisfaction with the International Education Mentorship Program

Performance Measure		2015/16 Actuals	2016/17 Actuals	2017/18 Target	2017/18 Actuals	2018/19 Target	2019/20 Target
1.	Percentage of BCCIE International Education Mentorship Program participants who were either satisfied (4.0) or very satisfied (5.0) with the program ¹	89%	100%	90%	93% (est.)	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). In 2016/17, BCCIE surveyed 11 of the 12 participants in the program.

Discussion

The BCCIE International Education Mentorship Program is a key initiative that supports the growth and development of the international education sector in the Province. The program facilitates the transfer of knowledge and expertise from experienced international education professionals to new practitioners, enabling a stronger sector and more robust student supports, and helps enhance B.C.'s competitive advantage. The program supports and encourages succession planning and maintains the recognized professionalism of practitioners in this sector.

This measure demonstrates success in building the capacity and expertise of international education practitioners in B.C., helping to increase the international outlook and profile of their institutions.

BCCIE aimed to achieve a 90 per cent satisfaction among participants. Preliminary results indicate BCCIE will meet or exceed the target with 93 per cent satisfaction (final number available in summer 2018). As participant numbers are small for this program, it is possible for one response to significantly affect overall satisfaction results for the year.

Given consistently high results year over year, this performance measure will be retired and replaced in the future.

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

Objective

The purpose of this goal is to assist in positioning British Columbia as the preferred destination in Canada for learners from around the world. This goal reflects the BCCIE Mandate Letter direction to support Government's commitment to build a strong, sustainable and innovative economy.

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 Program

Performance Measure		2015/16 Actuals	2016/17 Actuals	2017/18 Target	2017/18 Actuals	2018/19 Target	2019/20 Target
2.	Percentage of B.C. participants who were either satisfied (4.0) or very satisfied (5.0) with the coordination and organization of the Team BC ¹	82%	100%	95%	99%	95%	95%

Data Source: BCCIE

¹BCCIE 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). The 2017/18 breakdown is as follows: 100% for Mexico Mission, Fall 2017; 95% for Southeast Asia Mission, Fall 2017; 100% for China Mission, Fall 2017; and 100% for Southeast Asia Mission, Spring 2018. All respondents were satisfied or very satisfied.

Discussion

In 2017/18 BCCIE organized Team BC missions to Mexico, Southeast Asia, and China to help to support B.C. institutions, schools and school districts to develop partnerships and enhance their profiles. Team BC 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 independent schools, public and private post-secondary institutions and language schools. These missions also include a series of value added events hosted and organized by BCCIE, such as networking receptions and in-market institutional visits designed to facilitate broader, coordinated market engagement for B.C. institutions. They do not include feasibility missions to explore market opportunities.

This measure is an indicator of success in promoting the world class education system in B.C. internationally, thereby maximizing the benefits of international education for all campuses and communities throughout the province. BCCIE strives for continued high performance under this measure, a key service to the sector.

The mission to Mexico in October of 2017 visited Mexico City, Monterey, and Guadalajara. In spite of the recent earthquakes in the country, the events BCCIE organized there were well-attended and received 100 per cent satisfaction from attendees. BCCIE was present in Southeast Asia twice in 2017/18, once in the Fall of 2017 and again in the Spring of 2018. In countries where BCCIE organized or supported engagement activities (including Vietnam and the Philippines), attendee satisfaction scored highly.

Going forward, this performance measure will be retired in favour of a metric that is a more robust measure of efforts to support partnership development and strategic engagement abroad.

Performance Measure 3: Number of International Students studying in BC

Performance Measure ^{1,2}		2015/16 Actuals	2016/17 Actuals	2017/18 Target ⁴	2017/18 Actuals
3.	International students studying in British Columbia ³	130,053	136,905	TBD	152,390

Data Source: Immigration, Refugees and Citizenship Canada (IRCC), Research DataMart as of March 2016 (2015 actual), January 2017 (2016 actual), and February 2018 (2017 actual).

¹ 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 is subject to change and may differ from those reported in the annual IRCC Facts and Figures report.

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

³ Defined by the intended destination as specified on the permit.

⁴ The release of 2016 data completed reporting on the International Education Strategy. Future targets were not established after that time. Further, this measure will be discontinued going forward.

Discussion

BCCIE is one of many partners working collaboratively to engage in international education activities to increase the global orientation of British Columbia's education system, and enhance diversity, innovation and intercultural awareness throughout British Columbia.

Although BCCIE is not directly responsible for recruiting students, an expected outcome of the government-led and BCCIE-coordinated sector Team B.C. missions, and hosting international

delegations, is an increase in the two-way flow of students and ideas between countries. This includes an increase in opportunities for B.C. students to study and work abroad and an increase in the number of international students who choose B.C. as a study destination. International students provide opportunities for B.C. students to have more global education experiences and bring social and cultural benefits to communities, schools and institutions throughout the province. The contributions of BCCIE to support the international education sector are important and are recognized here.

This performance measure will be discontinued in the future in favour of a measure more reflective of a strategic and balanced approach to international education in B.C.

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

Objective

The purpose of this goal is to provide effective capacity building offerings, research, services and strategic communications to all international education partners in British Columbia. This goal reflects the BCCIE Mandate Letter direction to support Government's commitment to deliver the services that people count on.

Strategies

- Plan, organize and host an annual Summer 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 Conference

Performance Measure		2015/16 Actuals	2016/17 Actuals	2017/18 Target	2017/18 Actuals	2018/19 Target	2019/20 Target
4.	Percentage of participants who were either satisfied (4.0) or very satisfied (5.0) with the professional development offerings organized by BCCIE including the annual Summer Conference ¹	95%	95%	93%	95%	94%	95%

Data Source: BCCIE

¹BCCIE 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). There were 272 participants in the Professional Development events and 333 attendees at the Summer Conference, primarily comprised of school/institution staff. The response rate for Professional Development events was 56 per cent and for the Summer Conference, 34 per cent.

Discussion

Professional development events and the BCCIE Summer Conference bring education partners together to share best practices, discuss new ideas and collaborate on a variety of topics such as study abroad, intercultural competencies and student services. The 2017/18 Summer Conference, held in Kelowna in June 2017, hosted 333 attendees. Ninety-five percent of conference attendees

who responded were either satisfied or very satisfied with the event, learning sessions, and opportunities to collaborate.

BCCIE typically plans and hosts a minimum of nine capacity building events for education professionals per year in addition to the Summer Conference; topics are determined in collaboration with partner ministries. Satisfaction with these events is an indicator of success in building a robust and integrated globally oriented education system. In 2017/18, BCCIE organized 13 events, including one in collaboration with College of the Rockies on best practices in intercultural learning, which attracted over 90 participants.

This performance measure will be adjusted in the future to better reflect the scope and impact of key capacity building activities BCCIE undertakes to support the development of a strong and sustainable education ecosystem and help all students achieve their educational goals in B.C.

Financial Resource Summary Table (\$)

	2014/15 (Actual)	2015/16 (Actual)	2016/17 (Actual)	2017/18 (Budget)	2017/18 (Actual)	2017/18 (Variance)
REVENUE						
Provincial Grant - General Operations	1,360,000	1,500,000	1,500,000	1,500,000	1,500,000	-
Provincial Grant – Education Quality Assurance (EQA) ¹	140,000	-	25,000	20,000	20,000	-
EQA (Renewal and New App Fees) ²	193,100	267,625	17,325	18,000	19,500	1,500
Summer Conference	192,540	201,043	300,407	267,585	293,460	25,875
Professional Development ³	4,410	22,214	1,440	28,470	39,966	11,496
Familiarization Tours (Institutional Support) ⁴	9,750	-	11,700	-	8,792	8,792
Mission	-	-	59,200	-	-	-
Other Government Contracts ⁵	90,000	314,877	710,512	456,305	1,245,866	789,561
Other Contract Fee ⁶	-	-	-	-	11,621	11,621
Bank Interest ⁷	16,114	10,333	10,288	17,000	8,867	-8,133
TOTAL REVENUE	2,005,914	2,316,092	2,635,872	2,307,360	3,148,072	840,712
EXPENSES						
General Operations (Information Technology, Board Meetings, Supplies, etc.)	1,140,686	1,324,074	1,344,324	1,433,562	1,415,433	-18,129
<i>Operations</i>	152,266	151,704	129,340	135,984	117,813	-18,171
<i>Salaries</i>	895,639	1,069,308	1,109,922	1,191,073	1,191,040	-33
<i>Lease</i>	92,781	103,062	105,062	106,505	106,580	75
EQA	117,590	32,140	22,169	13,450	13,709	259
Goal 1 - Internationalization ⁸	92,526	334,689	645,936	438,666	1,226,813	788,147
Goal 2 - Market Support ⁹	349,150	356,353	354,868	191,985	233,727	41,742
Goal 3 - Communications & Professional Development	291,760	266,499	256,587	229,697	255,658	25,961
TOTAL EXPENSES	1,991,712	2,313,755	2,623,884	2,307,360	3,145,340	837,980
NET INCOME (LOSS)	14,202	2,337	11,988	-	2,732	2,732
TOTAL DEBT	-	-	-	-	-	-
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR	739,079	753,281	755,618	767,606	767,606	
ACCUMULATED SURPLUS AT END OF THE YEAR	753,281	755,618	767,606	767,606	770,338	

Notes:

1. EQA administration has transitioned to the Ministry of Advanced Education, Skills and Training. However, in 2017/18, 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 2017/18 to provide these services.
2. There were no EQA reapplication or new application fees collected in 2017/18 with the exception of 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 2017/18.
3. BCCIE hosted a two-day workshop in 2017/18 which generated additional revenue beyond what was expected.
4. In 2017/18, BCCIE partnered with other institutions to host a Vancouver Higher Education Fam Tour. BCCIE received revenue from these institutions to cover some of the expenses of the tour.
5. In 2017/18, BCCIE received Transfer Under Agreement funding from the Ministry of Education for various projects; additional funding from the Ministry of Jobs, Trade and Technology to support missions; and additional funding from the Ministry of Advanced Education, Skills and Training to support initiatives that enhance international education activities at northern institutions. These additional funds were not known at the time of budgeting.
6. Rental Income received from co-located staff from ICG, an international research and academic strategy company.
7. Bank interest is from term deposits and redemption of corporate credit card cash back points. In 2017/18, BCCIE did not redeem any credit card points and therefore revenue was less than expected.
8. In 2017/18, Goal 1 included expenses related to the Ministry of Education and Ministry of Advanced Education, Skills and Training government contracts. This was not known at the time of budgeting.
9. In 2017/18, Goal 2 included expenses related to the Ministry of Jobs, Trade and Technology contracts for the execution of Team BC missions. This activity was not known at the time of budgeting.

Discussion of Results

BCCIE provided the services and activities outlined in the 2017/18-2019/20 Service Plan within the operating budget, ending the year with a small surplus of \$2,732. The organization worked closely with the Board's Finance and Human Resources Committee and the Ministry of Advanced Education, Skills and Training to ensure expenditure of operating funds and execution of activities were in alignment with the mandate and BCCIE Operational Plan.

BCCIE generated additional revenue from capacity building activities including the 2017 Summer Conference. In addition, BCCIE received Transfer Under Agreement funding from the Ministry of Education to support initiatives including awards and scholarship administration; additional funding to support missions from the Ministry of Jobs, Trade and Technology; and funding from the Ministry of Advanced Education, Skills and Training to support international education mentoring and other activities at two northern B.C. post-secondary institutions. This additional revenue enabled BCCIE to enhance existing plans and complete supplementary activities in support of the sector. Further, 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.

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, Skills and Training, the Ministry of Education and the Ministry of Jobs, Trade and Technology to develop strategies to manage expenditures, utilize partnerships and ensure alignment with the mandate to support key government priorities.

Variance and Trend Analysis

Primary responsibility for Education Quality Assurance (EQA) designation administration has fully transitioned to the Ministry of Advanced Education, Skills and Training. However, in 2017/18, 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 2017/18 to provide these services, and was also able to retain the revenue generated by these fees, to help cover the cost of the EQA functions provided by BCCIE during the fiscal year; collectively this accounted for a \$1,500 positive variance shown in the budget table.

Positive variance also resulted from an increased number of capacity building sessions provided in the reporting period (13 instead of 9 planned), and a successful BCCIE Summer Conference in Kelowna in June 2017 that generated additional revenue beyond what was expected.

Finally, there was also a positive variance of \$789,551 in 2017/18 with respect to revenue from government funding for initiatives identified above that were not expected at time of budgeting. None of the additional funds allocated for these new initiatives were known when the budget was prepared.

Risks and Uncertainties

The development of a strategic and balanced approach to address the future of international education in British Columbia is underway. BCCIE will work closely with partner ministries to assess the potential impact on the capacity and operations of BCCIE to assess and undertake resulting new opportunities that may be in addition to those identified in the Operational Plan.

BCCIE is actively working to manage a number of operating budget pressures that expose the budget to risk, including supplies, rent, staffing and travel. As the cost of these inputs continue their

upward trend, significant risk is placed on the budget. BCCIE will work closely with the Ministry of Advanced Education, Skills and Training, Ministry of Education and Ministry of Jobs, Trade and Technology to develop strategies to address increasing expenditures, leverage partnerships and ensure alignment with government priorities.

**THE BRITISH COLUMBIA COUNCIL FOR
INTERNATIONAL EDUCATION**

FINANCIAL STATEMENTS

MARCH 31, 2018

STEELE & Co.
CHARTERED PROFESSIONAL ACCOUNTANTS

STEELE & CO.

CHARTERED PROFESSIONAL ACCOUNTANTS

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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, 2018, and the statements of operations, change in net financial assets, and cash flows for the year ended March 31, 2018, 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 audit 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.

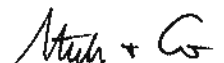
Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2018, 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 16, 2018



CHARTERED PROFESSIONAL ACCOUNTANTS

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF FINANCIAL POSITION

	NOTE	MARCH 31,	
		2018	2017
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS	4	\$ 368,811	\$ 381,407
GUARANTEED INVESTMENT CERTIFICATES	5	857,715	857,337
ACCOUNTS RECEIVABLE		20,486	-
SALES TAX RECEIVABLE		-	208
		<u>1,247,012</u>	<u>1,238,952</u>
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		160,037	48,427
SALARIES AND ASSESSMENTS PAYABLE		156,541	130,891
EMPLOYEE FUTURE BENEFITS	6	166,031	145,667
DEFERRED REVENUE	8	<u>237,615</u>	<u>384,679</u>
		<u>720,224</u>	<u>709,664</u>
NET FINANCIAL ASSETS		<u>526,788</u>	<u>529,288</u>
NON-FINANCIAL ASSETS			
TANGIBLE CAPITAL ASSETS	9	31,066	31,266
PREPAID EXPENSES		<u>212,484</u>	<u>207,052</u>
		<u>243,550</u>	<u>238,318</u>
ACCUMULATED SURPLUS		<u>\$ 770,338</u>	<u>\$ 767,606</u>
GOING CONCERN CONSIDERATIONS	2		
CONTRACTUAL OBLIGATIONS	6 & 7		

APPROVED ON BEHALF OF THE BOARD



Dr. Randall Martin



Ms. Sherri Bell

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF OPERATIONS

	2018 BUDGET	YEAR ENDED MARCH 31,	
	(NOTE 12)	2018	2017
REVENUES			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	\$ 38,000	\$ 39,500	\$ 42,325
GOVERNMENT GRANTS - CORE	1,500,000	1,500,000	1,500,000
GOVERNMENT CONTRIBUTIONS - CONTRACTS	456,305	1,245,866	710,512
SUMMER SEMINAR	267,585	293,460	300,407
ADMINISTRATION AND OPERATING	28,470	60,379	72,340
OTHER	17,000	8,867	10,288
	<u>2,307,360</u>	<u>3,148,072</u>	<u>2,635,872</u>
EXPENSES			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	13,450	13,709	22,169
ADMINISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	<u>2,293,910</u>	<u>3,131,631</u>	<u>2,601,715</u>
	<u>2,307,360</u>	<u>3,145,340</u>	<u>2,623,884</u>
ANNUAL OPERATING SURPLUS	<u>\$ -</u>	2,732	11,988
ACCUMULATED SURPLUS			
BEGINNING OF THE YEAR		<u>767,606</u>	<u>755,618</u>
ACCUMULATED SURPLUS			
END OF THE YEAR		<u>\$ 770,338</u>	<u>\$ 767,606</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

	2018 BUDGET	YEAR ENDED MARCH 31,	
	(NOTE 12)	2018	2017
ANNUAL OPERATING SURPLUS	\$ -	\$ 2,732	\$ 11,988
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(11,656)	(1,097)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	12,000	11,856	15,985
ACQUISITION OF PREPAID EXPENSES	-	(212,484)	(207,052)
USE OF PREPAID EXPENSES	(12,000)	207,052	50,049
DECREASE IN NET FINANCIAL ASSETS	\$ -	(2,500)	(130,127)
NET FINANCIAL ASSETS BEGINNING OF THE YEAR		529,288	659,415
NET FINANCIAL ASSETS END OF THE YEAR		\$ 526,788	\$ 529,288

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

	YEAR ENDED MARCH 31,	
	2018	2017
OPERATING TRANSACTIONS		
CASH RECEIVED FROM		
EQA	\$ 39,500	\$ 42,325
GOVERNMENT GRANTS - CORE	1,500,000	1,500,000
GOVERNMENT CONTRIBUTIONS - CONTRACTS	1,245,866	710,512
ADMINISTRATIVE AND OPERATING	52,836	72,509
OTHER	8,867	10,288
SUMMER SEMINAR	146,396	526,295
	<u>2,993,465</u>	<u>2,861,929</u>
CASH PAID FOR		
EQA	16,162	24,699
EQUIPMENT RENTAL	21,664	22,831
EVENT FEES	121,740	192,158
HOSPITALITY	142,332	156,566
INFORMATION TECHNOLOGY AND WEBSITES	57,697	102,134
INSURANCE	4,795	4,724
LEADERSHIP AND ORGANIZATION	4,500	9,223
MARKETING	569,747	408,561
OFFICE COMMUNICATIONS	31,906	63,730
OFFICE SUPPLIES AND MISCELLANEOUS	21,305	24,335
PROFESSIONAL AND CONSULTING FEES	577,921	218,117
RENT AND FACILITIES	148,622	152,286
SALARIES AND BENEFITS	1,168,038	1,081,389
SALES TAXES	352	185
TELECOMMUNICATIONS	16,082	15,851
TRAVEL	91,164	279,320
	<u>2,994,027</u>	<u>2,756,108</u>
CASH (APPLIED TO) PROVIDED BY OPERATING TRANSACTIONS	<u>(562)</u>	<u>105,821</u>
CAPITAL TRANSACTIONS		
CASH USED TO ACQUIRE TANGIBLE CAPITAL ASSETS	<u>(11,656)</u>	<u>(1,097)</u>
CASH APPLIED TO CAPITAL TRANSACTIONS	<u>(11,656)</u>	<u>(1,097)</u>
INVESTING TRANSACTIONS		
GUARANTEED INVESTMENT CERTIFICATES	<u>(378)</u>	<u>(307)</u>
CASH APPLIED TO INVESTING TRANSACTIONS	<u>(378)</u>	<u>(307)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(12,596)</u>	<u>104,417</u>
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	<u>381,407</u>	<u>276,990</u>
CASH AND CASH EQUIVALENTS END OF THE YEAR	<u>\$ 368,811</u>	<u>\$ 381,407</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

1. NATURE OF OPERATIONS

The British Columbia Council for International Education ("The Council") 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, 2018, the Council had net financial assets of \$526,788 (2017 - \$529,288).

The Council has the Ministry's grant commitment of \$1,500,000 to fund its fiscal 2019 operations, and received funding of \$1,500,000 to fund its fiscal 2018 operations.

The Government requested the Council's assistance in administering the EQA program during the transition process. The Council was granted the right to retain the EQA fees received for memberships from April 1, 2017 to March 31, 2018. Subsequent to the year end, the Council was informed that its assistance in administering the EQA program would no longer be required and no further funding would be received.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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, 2018

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 tangible 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 which are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value. No contributed tangible 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.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Foreign Currency Translation (Continued)

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.

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 and cash equivalents, GIC's, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, and salaries and assessments 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, 2018 and 2017.

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, 2018****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

	2018	2017
Cash and demand deposits	<u>\$ 368,811</u>	<u>\$ 381,407</u>

Cash includes \$41,261 (2017 - \$226,204) which is restricted and may be used only for specified purposes.

5. GUARANTEED INVESTMENT CERTIFICATES

	2018	2017
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, 2019. The Council has pledged \$72,771 of the total as security for its outstanding Visa commitments from time to time.	<u>\$ 857,715</u>	<u>\$ 857,337</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, 2018

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 retired employees based on their age at retirement, length of service and highest earnings averaged over five years. 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 9.71% 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 \$75,547 (2017 - \$79,687) for employer contributions to the plan for fiscal 2018. 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 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 employment contract without just cause.

Payroll liabilities include a provision for accrued administrative leave of \$166,031 (2017 - \$145,667) as at March 31, 2018.

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.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

7. CONTRACTUAL OBLIGATIONS

The Council has entered into operating leases for premises and office equipment pursuant to agreements extending to June 2023. 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>
2019	\$ 98,631	\$ 3,513	\$ 102,144
2020	98,631	3,513	102,144
2021	98,631	3,513	102,144
2022	98,631	3,513	102,144
2023	98,631	1,756	100,387
2024	24,658	-	24,658
	<u>\$ 517,813</u>	<u>\$ 15,808</u>	<u>\$ 533,621</u>

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 the externally restricted funds received.

	<u>March 31, 2018</u>		
	<u>EQA</u>	<u>BCCIE</u>	<u>Total</u>
Deferred revenue beginning of the year	\$ 1,500	\$ 383,179	\$ 384,679
Net increase (decrease) in deferred revenue	(1,500)	(145,564)	(147,064)
Deferred revenue end of the year	<u>\$ -</u>	<u>\$ 237,615</u>	<u>\$ 237,615</u>
	<u>March 31, 2017</u>		
	<u>EQA</u>	<u>BCCIE</u>	<u>Total</u>
Deferred revenue beginning of the year	\$ -	\$ 158,790	\$ 158,790
Net increase (decrease) 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>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

8. DEFERRED REVENUE (CONTINUED)

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.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

9. TANGIBLE CAPITAL ASSETS

	<u>March 31, 2018</u>					
Cost	Website	Office Furniture and Equipment	Computer Equipment and Software	Leasehold Improvements	Total	
Opening balance	\$ 91,511	\$ 79,228	\$ 97,054	\$ 62,518	\$ 330,311	
Additions	-	1,331	10,325	-	11,656	
Closing balance	91,511	80,559	107,379	62,518	341,967	
Accumulated amortization						
Opening balance	82,178	62,142	92,206	62,518	299,045	
Amortization	2,800	3,551	5,505	-	11,856	
Closing balance	84,978	65,693	97,711	62,518	310,901	
Net book value	\$ 6,533	\$ 14,866	\$ 9,668	\$ -	\$ 31,066	
<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	\$ 9,333	\$ 17,086	\$ 4,848	\$ -	\$ 31,266	

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STEELE & CO.
 CHARTERED PROFESSIONAL ACCOUNTANTS

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****10. RELATED PARTY TRANSACTIONS**

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

	Year Ended March 31,	
	2018	2017
Government Grants - Core	\$ 1,500,000	\$ 1,500,000
Government Contributions - Contracts	1,245,866	710,512
EQA	20,000	25,000
	<u>\$ 2,765,866</u>	<u>\$ 2,235,512</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 \$1,191,040 includes four employees with salaries totalling \$433,348.

11. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	Year Ended March 31,	
	2018	2017
Amortization	\$ 11,856	\$ 15,985
Bank charges and foreign exchange	2,234	2,326
Equipment rental	21,690	22,029
Event fees	151,258	116,707
Hospitality	145,122	153,982
Information technology and websites	70,933	113,477
Insurance	4,795	4,724
Leadership and organization	4,500	9,223
Marketing	569,747	408,561
Office communications	31,622	63,407
Office supplies and miscellaneous	19,164	22,556
Professional and consulting fees	588,937	216,508
Rent and facilities	149,172	151,486
Salaries and benefits	1,191,040	1,109,922
Telecommunications	16,529	16,865
Travel	166,741	196,126
	<u>\$ 3,145,340</u>	<u>\$ 2,623,884</u>

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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, 2018.

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 and 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, 2018, there was \$20,486 in 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, 2018

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	
	2018	2017	2018	2017
REVENUE				
FEES - PRIVATE INSTITUTIONS	\$ 19,500	\$ 17,325	\$ -	\$ -
GRANTS - ADVANCED EDUCATION - CORE	20,000	26,000	1,500,000	1,500,000
CONTRIBUTIONS - ADVANCED EDUCATION - CONTRACTS	-	-	1,245,866	710,512
OPERATING	-	-	60,379	72,340
OTHER	-	-	8,857	10,288
SUMMER SEMINAR	-	-	293,460	300,407
	<u>39,500</u>	<u>42,325</u>	<u>3,108,572</u>	<u>2,593,547</u>
EXPENSES				
AMORTIZATION	-	-	11,856	15,985
BANK CHARGES AND FOREIGN EXCHANGE	-	-	955	971
EQUIPMENT RENTAL	1,279	1,355	21,690	22,029
EVENT FEES	-	-	151,258	116,707
HOSPITALITY	-	-	145,122	153,983
INFORMATION TECHNOLOGY AND WEBSITES	12,430	20,814	58,503	92,663
INSURANCE	-	-	4,795	4,724
LEADERSHIP AND ORGANIZATION	-	-	4,500	9,223
MARKETING	-	-	569,747	408,561
OFFICE COMMUNICATIONS	-	-	31,622	63,408
OFFICE SUPPLIES AND MISCELLANEOUS	-	-	19,164	22,554
PROFESSIONAL AND CONSULTING FEES	-	-	588,937	216,508
RENT AND FACILITIES	-	-	149,172	151,486
SALARIES AND BENEFITS	-	-	1,191,040	1,109,922
TELECOMMUNICATIONS	-	-	16,529	16,865
TRAVEL	-	-	166,741	196,126
	<u>13,709</u>	<u>22,169</u>	<u>3,131,631</u>	<u>2,601,715</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 25,791</u>	<u>\$ 20,156</u>	<u>\$ (23,059)</u>	<u>\$ (8,168)</u>

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STEELE & CO.
 CHARTERED PROFESSIONAL ACCOUNTANTS

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.

Corporate Governance

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

Corporate Governance and Reports: www.bccie.bc.ca/about/corporate-reports

Senior Management: www.bccie.bc.ca/about/our-team

Organizational Overview

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

Partner Organizations: www.bccie.bc.ca/about/partner-organizations

Contact Information

Location: www.bccie.bc.ca/contact