

**British Columbia Council for International  
Education**

**2019/20  
Annual Service Plan Report**



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## Board Chair's Accountability Statement



The *British Columbia Council for International Education's 2019/20 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2019/20 – 2021/22 Service Plan* created in February 2019. I am accountable for those results as reported.

A handwritten signature in black ink that reads "Sherri Bell". The signature is written in a cursive, flowing style.

Sherri Bell  
Board Chair  
June 30, 2020

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## Letter from the Board Chair & Executive Director

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 2019/20 BCCIE Annual Service Plan Report, demonstrating performance against targets outlined in the 2019/20 - 2021/22 Service Plan created in February 2019. Despite significant challenges associated with the novel coronavirus (COVID-19) pandemic that impacted BCCIE operations in the final quarter of 2019/20, BCCIE met or exceeded all its targets for all performance measures associated with the three goals of its Service Plan.

In the 2019/20 Mandate Letter from the Minister of Advanced Education, Skills and Training, BCCIE was directed to make substantive progress on a number of priorities, such as support for Indigenization in the international education sector; support for development of a provincial framework for international education; and help toward building the sector's capacity to offer study abroad, partnerships, and support for international students. To implement this mandate, BCCIE staff worked collaboratively with the Ministry of Advanced Education, Skills and Training, partner ministries (the Ministry of Education and the Ministry of Jobs, Economic Development and Competitiveness), as well as the BCCIE Board of Directors to fulfill its new [Strategic Plan](#) that supports the sector and these emerging provincial international education priorities.

In 2019/20, BCCIE built significant diversification opportunities for the sector and the Province through Team BC missions to Latin America and Southeast Asia, and by representing the sector at signature education events nationally and internationally. Through these activities, BCCIE reinforced B.C.'s strong international education reputation for quality education and helped increase the number and quality of partnerships cultivated in strategic markets. BCCIE also grew opportunities here in the province by facilitating access to international experiences for B.C. students, and by delivering targeted workshops on intercultural training and Indigenization of the international education sector. BCCIE continued to enhance B.C.'s professional expertise in the sector through key events such as the BCCIE Summer Conference, which brought together close to 500 practitioners and partners to build knowledge, expertise and capacity; and the 2019 World Education Services (WES) International Credential Evaluation Workshop to build pathways into B.C.'s education system.

Strong two-way communication with the Ministry of Advanced Education, Skills and Training and partner ministries remained a priority throughout 2019/20. The Minister of Advanced Education, Skills and Training met with the Board Chair to review both financial and mandate delivery. At the senior management level, BCCIE met regularly with staff at ministries to ensure strategic alignment with government priorities and to discuss progress on BCCIE's deliverables.

During 2019/20, BCCIE continued discussions with the Board regarding professional development needs and ongoing planning for Board member succession by the Governance Committee. The Governance Committee advanced several new and updated policies, including

the Respectful Workplace Policy, a new Code of Ethics and Internal Controls Policy, and began a review of the BCCIE Bylaws. The Board and BCCIE staff remain committed to ensuring a highly professional, competent and transparent organization with requisite accountabilities.

In early 2020, the international community faced the COVID-19 pandemic, which significantly impacted the global international education sector in several ways, including through travel restrictions and worldwide health and safety measures. This led to the postponement of the highly anticipated Asia-Pacific Association for International Education conference (APAIE 2020), a BCCIE-led global conference originally scheduled to be held in Vancouver in March 2020. Despite these challenges, BCCIE continued to show leadership and innovation by hosting webinars to share best practices and by disseminating essential information on COVID-19 to the international education sector in B.C.

Sherri Bell



Board Chair, BCCIE  
June 30, 2020

Randall Martin



Executive Director, BCCIE  
June 30, 2020

## Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown Corporation’s Board is required to report on the actual results of the Crown’s performance related to the forecasted targets documented in the previous years’ Service Plan.

## Purpose of the Organization

The purpose of BCCIE is to raise awareness of and enhance British Columbia’s international reputation for quality education, and to support the strategic priorities of government with respect to international education. BCCIE builds and increases the knowledge, expertise and capacity with a broad spectrum of education partners in the sector by providing opportunities for schools, institutions and communities in all areas of the province to engage in international education activities.

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

The strategic direction set by Government in 2019/20 and expanded upon in the Board Chair’s [Mandate Letter](#) from the Minister Responsible in 2019 shaped the 2019/20 BC Council for International Education’s [Service Plan](#) and results reported in this annual report.

BCCIE is aligned with the Government’s key priorities:

Government Priorities	BCCIE aligns with these priorities by:
Delivering the services people count on	<ul style="list-style-type: none"><li>• Provide and develop leadership and expertise in international education (Goal 2)</li><li>• Promote the benefits and opportunities of international education (Goal 3)</li></ul>
A strong, sustainable economy	<ul style="list-style-type: none"><li>• Support the two-way flow of students, instructors, and ideas between British Columbia and international partners (Goal 1)</li></ul>

## Operating Environment

The global international higher education sector has grown and evolved rapidly over recent years, driven by demographic, economic, technological, and more recently, global health and safety considerations. Students' key motivations for undertaking international study experiences also continue to evolve as they seek destinations that not only provide quality education opportunities, but also for many, pathways to work and immigration. While competition internationally and from other provinces/territories has grown, international students continue to exhibit strong demand for education in Canada and B.C. The expanding middle-class population around the world provides B.C. with the opportunity to attract a greater diversity of students beyond the predominant markets of China and India.

The diversification of international education source markets remains a strategic priority at both the federal and provincial level. In 2019, the new federal International Education Strategy (IES) was announced, which emphasized diversifying Canada's source markets for international students and increasing outbound mobility opportunities for Canadian students to ensure students develop an international perspective. This focus on diversification and outbound student mobility aligns with the strategic priorities of the B.C. government.

Supporting reconciliation with Indigenous peoples is a key commitment of the Province of British Columbia, including moving forward on the Truth and Reconciliation Commission (TRC) Calls to Action and the *Declaration on the Rights of Indigenous Peoples Act*. As part of its work to promote diversity and strengthen intercultural awareness and inclusiveness, BCCIE delivered several workshops and events in the Lower Mainland and in Prince George to discuss leading-edge topics and build greater awareness of the Indigenization of schools and institutions. BCCIE also targeted scholarships for K-12 Indigenous students to study abroad and facilitated partnerships with like-minded international institutions to connect Indigenous post-secondary students with international opportunities.

The emergence of the novel coronavirus in early 2020 provided a significant challenge for BCCIE and the global international education sector. In the interests of maintaining the health and safety of participants and British Columbians, and due to expanding global travel restrictions, the Asia-Pacific Association for International Education (APAIE) 2020 conference that had been scheduled for March 2020 in Vancouver was rescheduled to March 2021, subject to health and safety considerations.

## Report on Performance: Goals, Objectives, Measures and Targets

As directed in its 2019/20 Mandate Letter, BCCIE worked closely with the Ministry, partner ministries, schools and institutions to support activities to deliver on the international education priorities of government. Despite challenges for both BCCIE and the sector stemming from the global COVID-19 pandemic, BCCIE met or exceeded all its targets for all performance measures associated with the three goals of its Service Plan.

### Goal 1: Support the two-way flow of students, instructors, and ideas between British Columbia and international partners.

BCCIE plays a critical role in facilitating partnerships, increasing opportunities for B.C. students to study and work abroad and positioning B.C., including regions outside the Lower Mainland, as a destination of choice for international learners.

#### Objective 1.1: Facilitate international partnership development in education.

International partnerships are an essential part of a globally aware education system. They provide for the two-way flow of students, instructors and ideas between British Columbia and international partners, support learners to attain valuable global skills and are a foundation for future relationships.

#### Key Highlights

- Identified ten key partnership development opportunities for the B.C. education sector.
- Coordinated and implemented two Team B.C. missions and two Familiarization Tours.
- Administered 279 scholarships in total; 112 K-12 Ambassador scholarships
- Signed 2 strategic agreements: EDUCAFIN (Mexico) and SEAMEO, which is with 11 member countries in Southeast Asia.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.1a Number of strategic agreements BCCIE signs annually in targeted countries to support further diversification of international education markets <sup>1</sup>	4	2	2	2	2
1.1b Number of opportunities for international partnership development between B.C. schools, districts and institutions and international counterparts <sup>2</sup>	New Measure	10	10	11	12

Data source: BCCIE

<sup>1</sup>Refers to agreements signed by BCCIE on behalf of the sector with external partners

<sup>2</sup>Refers to opportunities for partnership building facilitated by BCCIE for individual schools or institutions

## **Discussion of Results**

These two measures assess BCCIE's important role in facilitating partnerships, increasing opportunities for B.C. students to study and work abroad, and positioning British Columbia, including regions outside of the Lower Mainland, as a destination of choice for international learners. These agreements solidify relationships with a wide range of international partners, including schools and institutions, education organizations and governments, and facilitate global engagement in the education sector that might not have otherwise occurred. BCCIE exceeded its target for measure 1.1a for 2018/19 and met its target for 2019/20. For example, in 2019, BCCIE-led Team BC missions to Latin America and Southeast Asia provided several opportunities to solidify partnerships in these strategic markets.

Measure 1.1b was added to the 2019/20 service plan to capture how BCCIE's work can support partnership development at the institutional and school level. Targets are based on historical data and include the number of partnership development opportunities, both internationally and locally, facilitated from BCCIE networks and relationships. These opportunities for partnership development may lead to school and institution level agreements which further support international market diversification.

### **Goal 2: Provide and develop leadership and expertise in international education.**

BCCIE is committed to providing effective and relevant capacity building expertise and services to all international education stakeholders in the province, with a focus this year on ensuring sessions are more accessible to those outside the Lower Mainland. BCCIE organizes and delivers activities and sessions throughout B.C. and undertakes focused capacity-building projects with schools and institutions to support international education engagement. This work provides information, knowledge and best practices to international education practitioners and increases capability, agility and engagement within the sector.

#### **Objective 2.1: Identify, create, and support opportunities for capacity building in the international education sector.**

Capacity building efforts, including BCCIE's Summer Conference, focus on fostering diversity in the classroom, ensuring a positive experience for international students and learning from and appreciating the intercultural dynamics developed within classrooms and campuses. This includes supporting the awareness of the history of Indigenous peoples in B.C. among international students.

#### **Key Highlights:**

- Hosted BCCIE's annual Summer Conference in Whistler with 492 attendees; the entire conference focused on Indigenization and the intersection with international education.
- Hosted two Intercultural Symposiums, including one in Vancouver and another in Prince George, attracting 150 attendees across the two events.
- Supported over 800 international education practitioners to build capacity in areas such as study abroad, intercultural competencies, immigration and marketing and recruitment.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.1a # of capacity building sessions <sup>1</sup>	13	12	12	12	12
2.1b # of participants at capacity building sessions <sup>2</sup>	1012	750	834	450	775
2.1c Satisfaction with capacity building sessions and annual Summer Conference <sup>3</sup>	94%	95%	95%	95%	95%

<sup>1</sup>Data Source: BCCIE.

<sup>2</sup>Data Source: BCCIE.

<sup>3</sup>Data Source: BCCIE surveys participants, using a standard five-point Likert scale to measure their satisfaction with the coordination and organization of the session.

## Discussion of Results

Sector capacity building sessions and the BCCIE Summer Conference bring partners together to share best practices, discuss new ideas, and collaborate on a variety of matters such as regional or topical challenges, marketing and recruitment, study abroad, intercultural competencies and student services, including mental health supports. In 2019/20, BCCIE met its targets for measures 2.1a and 2.1c and exceeded its target for measure 2.1b. These three performance measures provide a complete picture and solid basis for determining the effectiveness of BCCIE’s work to build capacity, leadership and expertise in the international education sector.

Several capacity-building sessions were held outside the Lower Mainland to accommodate schools and institutions that would have otherwise been unable to travel to Vancouver. This included a session held at the College of New Caledonia focused on building intercultural competencies and policy development.

BCCIE has increased its offering of capacity building events over the last few years and now typically averages one event per month for a total of 12 capacity building sessions per year, in addition to the annual Summer Conference. Performance measure 2.1b includes attendees at the annual Summer Conference, which makes up the bulk of the participants for this measure. The location of the event has an impact on the number of attendees and as a result, expected attendance variances are reflected in the revised targets for 2020/21 and 2021/22.

## Goal 3: Promote the benefits and opportunities of international education.

BCCIE plays a leadership role in communicating and engaging with stakeholders in the sector, including B.C. students, schools and institutions, international institutions and government partners, to share information about opportunities, best practices and foster positive relationships.

**Objective 3.1: Develop effective communication and engagement strategies for outreach to domestic and international stakeholders.**

Strategic communications with internal and external partners build and strengthen the provincial education sector profile. Through a variety of in person and digital communication methods, BCCIE shares information about opportunities and best practices and fosters positive relationships and collaborations for the benefit of the entire education sector.

**Key Highlights:**

- Increased subscriptions to BCCIE communications from 2018/19 numbers by 5.2%.
- Drafted and disseminated 19 relevant sector-focused articles on international education topics.
- Promoted 87 international education events and opportunities to international education practitioners in B.C.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
3.1a Total number of annual pageviews for BCCIE website <sup>1</sup>	135,702	149,272	168,468	164,199	180,619

<sup>1</sup>Data Source: BCCIE Google Analytics

**Discussion of Results**

The previous measure for this goal -- growth of followers on social media channels -- has been retired. Changes to the StudyinBC social media strategy were made in 2018/19, including closing some social media platforms that were no longer reaching the intended audience, greatly affecting the overall number of followers and intended outcomes on social media in 2019/20. In addition, BCCIE managed several scholarships from the BC Study Abroad website, which drew significant traffic towards all BCCIE’s platforms.

The total number of annual pageviews for the BCCIE website was added as a new measure in 2019/20 to better illustrate the effectiveness of BCCIE’s communication activities to promote and support provincial international education priorities. BCCIE works hard to ensure all communications, whether through social media channels, the newsletter, feature articles or reports generated, drive traffic back to one central place: the BCCIE website. While there are limitations with this measure as it is not a complete representation of all BCCIE’s communication and engagement strategies, it provides a more comprehensive assessment than the previous performance measure. Annual pageviews have increased from over 110,000 in 2017/18 to over 168,000 in 2019/20; well exceeding the target of 149,000. This year-over-year increase demonstrates the effectiveness of BCCIE’s communication activities in this area.

## **Financial Report**

### **Discussion of Results**

BCCIE provided the services and activities outlined in the 2019/20-2021/22 Service Plan within the operating budget, ending the year with a nominal surplus of \$246. 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 aligned with the BCCIE mandate, Strategic Plan and Operational Plan.

BCCIE generated revenue beyond core funding from capacity building activities, including the 2019 Summer Conference, World Education Services (WES) workshop and Intercultural Symposium. This additional revenue enabled BCCIE to enhance existing plans and complete supplementary activities in support of the sector. In addition, BCCIE received contract funding from the Ministry of Education to support awards and scholarship administration and from the Ministry of Jobs, Economic Development and Competitiveness (JEDC) to support a familiarization tour of the Education Marketing Managers from various B.C. Trade and Investment Offices overseas.

The postponement of APAIE 2020 due to the COVID-19 pandemic meant BCCIE was not able to generate expected revenue from the event in fiscal 2019/20. However, careful management of expenses associated with the event, including working with partners on contract management and deferral of key obligations and reservations to 2021, has allowed BCCIE to mitigate this risk.

## Financial Summary

### BCCIE Financial Summary Outlook

For Annual Report 2019-2020

	2018/19 (Actual)	2019/20 (Budget)	2019/20 (Actual)	2019/20 (Variance)
<b>REVENUE</b>				
Provincial Grant - General Operations	1,500,000	1,500,000	1,500,000	-
BCCIE Summer Conference <sup>1</sup>	474,176	327,500	419,619	92,119
APAIE 2020 <sup>2</sup>	-	102,718	-	- 102,718
Professional Development	69,725	41,000	41,291	291
Familiarization Tours (Institutional Support) <sup>3</sup>	19,474	23,000	17,347	- 5,653
Other Government Contracts <sup>4</sup>	791,490	-	764,250	764,250
Other Contract Fees <sup>5</sup>	5,559	-	-	-
Bank Interest <sup>6</sup>	8,741	16,950	9,075	- 7,875
<b>TOTAL REVENUE</b>	<b>2,869,165</b>	<b>2,011,168</b>	<b>2,751,582</b>	<b>740,414</b>
<b>EXPENSES</b>				
General Operations (IT, Board Meetings, Supplies, etc.)	1,394,223	1,422,910	1,513,962	91,052
<i>Operations</i>	<i>122,069</i>	<i>118,213</i>	<i>156,286</i>	<i>38,073</i>
<i>Salaries</i>	<i>1,163,008</i>	<i>1,194,827</i>	<i>1,247,409</i>	<i>52,582</i>
<i>Lease</i>	<i>109,146</i>	<i>109,870</i>	<i>110,267</i>	<i>397</i>
Program Areas <sup>7</sup>	1,472,633	588,258	1,237,374	649,116
<b>TOTAL EXPENSES</b>	<b>2,866,856</b>	<b>2,011,168</b>	<b>2,751,336</b>	<b>740,168</b>
<b>NET INCOME (LOSS)</b>	<b>2,309</b>	<b>-</b>	<b>246</b>	<b>246</b>
<b>TOTAL DEBT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR</b>	<b>770,338</b>	<b>772,647</b>	<b>772,647</b>	
<b>ACCUMULATED SURPLUS AT END OF THE YEAR</b>	<b>772,647</b>	<b>772,647</b>	<b>772,893</b>	<b>246</b>

Notes:

1. The BCCIE Summer Conference held in June 2019 with almost 500 participants generated revenue beyond what was expected.
2. APAIE 2020 was postponed due to the global pandemic and travel restrictions. Anticipated revenue was not realized in 2019/20.
3. Familiarization tours anticipated during APAIE 2020 did not materialize due to postponement of the event.
4. In 2019/20, BCCIE received government contracts from the Ministry of Education to administer student and teacher mobility scholarships which were not known at the time of budgeting. In addition, the Ministry of Jobs, Economic Development and Competitiveness provided a grant of \$5,000 for a familiarization tour for Education Marketing Managers.
5. None in 2019/20.
6. Bank interest is from term deposits. In 2019/20, BCCIE did not redeem any credit card points and therefore revenue was less than expected.
7. In 2019/20, there were expenses related to government contracts that were not known at the time of budgeting. Program area expenses also included additional expenses for the Summer Conference due to the larger number of participants at the event.

## **Variance and Trend Analysis**

Positive variances resulted from activities in two key areas. After the budgeting cycle had closed, BCCIE received an unanticipated grant for the administration of student and teacher mobility scholarships from the Ministry of Education, as well as smaller grants from the Ministry of Jobs, Economic Development and Competitiveness (familiarization tour) and Ministry of Advanced Education, Skills and Training (APAIE 2020 support), creating a variance of \$764,250. BCCIE also generated significantly more revenue than anticipated from the successful Summer Conference in June 2019, leading to a variance of \$92,119. The additional revenue from the government contracts and from the Summer Conference resulted in expanded program area spending, as money received went directly to deliver initiatives in support of the sector. The variance of \$649,116 in program area expenses reflects this additional activity.

In 2019/20 BCCIE managed a few areas of negative variance. The largest impact was the loss of \$102,718 in anticipated revenue from APAIE 2020. As a result of the global coronavirus pandemic and travel restrictions, BCCIE and partners Simon Fraser University and the APAIE organization made the challenging decision to postpone the event to March 2021. Budgeted inbound familiarization tours anticipated to occur during APAIE 2020 in Vancouver were also postponed, resulting in a further negative variance of \$5,653.

## **Risks and Uncertainties**

The global impact of COVID-19 on students and the demand for international education with the restrictions on international travel creates uncertainties in the international education sector within B.C. To continue support for students and to assist institutions in recovery and rebuilding phases of B.C.'s economic recovery, BCCIE will work closely with the Ministry and partner ministries to assess how BCCIE can continue to build sector capacity and identify strategic opportunities to benefit students and B.C.'s international education sector. For example, BCCIE continues to disseminate essential information to the sector regarding government responses to the COVID-19 pandemic through its user-friendly and up-to-date website.

BCCIE is actively working to manage operating budget pressures that expose the budget to risk, including supplies, rent, staffing and travel. As the cost of these inputs continue to increase, significant risk is placed on the budget. BCCIE will work closely with ministries on strategies to address higher costs, leverage partnerships, and ensure alignment with government priorities.

**THE BRITISH COLUMBIA COUNCIL FOR  
INTERNATIONAL EDUCATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020**

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**STEELE & CO.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**STEELE & CO.\***

CHARTERED PROFESSIONAL ACCOUNTANTS

\*Representing incorporated professionals

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**INDEPENDENT AUDITOR'S REPORT**

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

*Opinion*

We have audited the statement of financial position of The British Columbia Council for International Education ("the Council") as at March 31, 2020 and the statements of operations, change in net financial assets, and cash flows for the year ended March 31, 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2020 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.

*Basis of Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of Matter*

Without modifying our opinion, we hereby retract the independent audit reported dated May 15, 2020 and reissue the report dated May 27, 2020 on the Council's amended March 31, 2020 financial statements.

The financial statements have been amended to report the government's transfer from the Ministry of Advanced Education Skills and Training of \$500,000 on March 31, 2020 as described in Note 8. The government transfer resulted in an increase to contributions receivable of \$500,000 and a corresponding increase to deferred revenue.

*Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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**STEELE & CO.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

Those charged with governance are responsible for overseeing the Council's financial reporting process.

*Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

*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 27, 2020



CHARTERED PROFESSIONAL ACCOUNTANTS

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

STATEMENT OF FINANCIAL POSITION

	NOTE	MARCH 31,	
		2020	2019
<b>FINANCIAL ASSETS</b>			
CASH AND CASH EQUIVALENTS	4	\$ 183,657	\$ 285,938
GUARANTEED INVESTMENT CERTIFICATES	5	860,064	858,801
ACCOUNTS RECEIVABLE		1,695	49,596
CONTRIBUTIONS RECEIVABLE	8	500,000	-
SALES TAX RECEIVABLE		1,289	-
		<u>1,546,705</u>	<u>1,194,335</u>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		15,883	31,437
SALARIES AND ASSESSMENTS PAYABLE		175,781	231,810
EMPLOYEE FUTURE BENEFITS	6	209,635	187,354
DEFERRED REVENUE	8	523,975	212,150
		<u>925,274</u>	<u>662,751</u>
<b>NET FINANCIAL ASSETS</b>		<u>621,431</u>	<u>531,584</u>
<b>NON-FINANCIAL ASSETS</b>			
TANGIBLE CAPITAL ASSETS	9	26,636	43,067
PREPAID EXPENSES		124,826	197,996
		<u>151,462</u>	<u>241,063</u>
<b>ACCUMULATED SURPLUS</b>		<u>\$ 772,893</u>	<u>\$ 772,647</u>
GOING CONCERN CONSIDERATIONS CONTRACTUAL OBLIGATIONS	2 6 & 7		

APPROVED ON BEHALF OF THE BOARD



Dr. Randall Martin



Ms. Sherri Bell

British Columbia Council for International Education

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**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF OPERATIONS**

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	<b>2020 BUDGET</b>	<b>YEAR ENDED MARCH 31,</b>	
	(NOTE 12)	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>			
GOVERNMENT GRANTS - CORE	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
GOVERNMENT CONTRIBUTIONS			
CONTRACTS	310,250	764,250	791,490
SUMMER CONFERENCE	327,500	419,619	474,176
ASIA-PACIFIC ASSOCIATION FOR			
INTERNATIONAL EDUCATION 2020	102,718	-	-
ADMINISTRATION AND OPERATING	64,000	58,638	94,758
OTHER	16,950	9,075	8,741
	2,321,418	2,751,582	2,869,165
<b>EXPENSES</b>			
ADMINISTRATION AND OPERATING			
CONTRACTS (NOTE 11)	2,321,418	2,751,336	2,866,856
<b>ANNUAL OPERATING SURPLUS</b>	<b>\$ -</b>	<b>246</b>	<b>2,309</b>
ACCUMULATED SURPLUS			
BEGINNING OF THE YEAR		772,647	770,338
<b>ACCUMULATED SURPLUS</b>			
<b>END OF THE YEAR</b>		<b>\$ 772,893</b>	<b>\$ 772,647</b>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

	<u>2020 BUDGET</u> (NOTE 12)	<u>YEAR ENDED MARCH 31,</u>	
		<u>2020</u>	<u>2019</u>
ANNUAL OPERATING SURPLUS	\$ -	\$ 246	\$ 2,309
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	(2,690)	(30,691)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	17,000	19,121	18,690
ACQUISITION OF PREPAID EXPENSES	-	(124,826)	(197,996)
USE OF PREPAID EXPENSES	<u>(17,000)</u>	<u>197,996</u>	<u>212,484</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<u>\$ -</u>	89,847	4,796
NET FINANCIAL ASSETS BEGINNING OF THE YEAR		<u>531,584</u>	<u>526,788</u>
<b>NET FINANCIAL ASSETS END OF THE YEAR</b>		<u>\$ 621,431</u>	<u>\$ 531,584</u>

British Columbia Council for International Education

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**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF CASH FLOWS**

	<b>YEAR ENDED MARCH 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>OPERATING TRANSACTIONS</b>		
CASH RECEIVED FROM		
GOVERNMENT GRANTS - CORE	\$ 1,500,000	\$ 1,500,000
GOVERNMENT CONTRIBUTIONS - CONTRACTS	764,250	791,490
SUMMER CONFERENCE	231,444	448,711
ADMINISTRATIVE AND OPERATING	72,943	86,915
OTHER	9,075	8,741
	<u>2,577,712</u>	<u>2,835,857</u>
CASH PAID FOR		
EQUIPMENT RENTAL	22,909	29,330
EVENT FEES	53,005	251,751
HOSPITALITY	210,007	283,234
INFORMATION TECHNOLOGY AND WEBSITES	83,195	91,063
INSURANCE	4,768	4,531
LEADERSHIP AND ORGANIZATION	7,391	5,042
MARKETING	604,136	652,413
OFFICE COMMUNICATIONS	16,393	32,905
OFFICE SUPPLIES AND MISCELLANEOUS	15,455	17,859
PROFESSIONAL AND CONSULTING FEES	75,750	28,023
RENT AND FACILITIES	158,512	192,096
SALARIES AND BENEFITS	1,278,867	1,053,692
SALES TAXES	-	(2,641)
TELECOMMUNICATIONS	15,058	24,223
TRAVEL	130,595	223,432
	<u>2,676,041</u>	<u>2,886,953</u>
CASH APPLIED TO OPERATING TRANSACTIONS	<u>(98,329)</u>	<u>(51,096)</u>
<b>CAPITAL TRANSACTIONS</b>		
CASH USED TO ACQUIRE TANGIBLE CAPITAL ASSETS	<u>(2,689)</u>	<u>(30,691)</u>
CASH APPLIED TO CAPITAL TRANSACTIONS	<u>(2,689)</u>	<u>(30,691)</u>
<b>INVESTING TRANSACTIONS</b>		
GUARANTEED INVESTMENT CERTIFICATES	<u>(1,263)</u>	<u>(1,086)</u>
CASH APPLIED TO INVESTING TRANSACTIONS	<u>(1,263)</u>	<u>(1,086)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(102,281)</u>	<u>(82,873)</u>
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	<u>285,938</u>	<u>368,811</u>
<b>CASH AND CASH EQUIVALENTS END OF THE YEAR</b>	<u>\$ 183,657</u>	<u>\$ 285,938</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**1. PURPOSE AND OPERATIONS OF THE COUNCIL**

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. 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 and marketing British Columbia in the international markets.

The Council reports to the Legislative Assembly through the Ministry and is considered a Government Reporting Council. 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, 2020, the Council had net financial assets of \$621,431 (2019 - \$531,584).

The Council has the Ministry's grant commitment of \$1,500,000 to fund its fiscal 2021 operations, and received funding of \$1,500,000 to fund its fiscal 2020 operations.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Basis for Presentation

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:

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

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

e. Tangible Capital Assets Including Capital Leases (Continued)

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

Contributed 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 then 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.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

h. Foreign Currency Translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions unless hedged by forward contracts that specify the rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year end.

Adjustments to revenue or expense transactions arising as a result of foreign currency translation are credited or charged to operations at the time the adjustments arise. The Council does not undertake any currency hedges.

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, 2020 and 2019.

*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. 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 selling that asset, 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.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

i. Financial Instruments (Continued)

*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.

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.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**4. CASH AND CASH EQUIVALENTS**

	Year Ended March 31,	
	2020	2019
Cash and demand deposits	<u>\$ 183,657</u>	<u>\$ 285,938</u>

Cash includes \$12,500 (2019 - \$50,000) which is restricted and may be used only for specified purposes.

**5. GUARANTEED INVESTMENT CERTIFICATES**

	Year Ended March 31,	
	2020	2019
GIC's bear interest at rates ranging from 0.90% to 1.65% (weighted average 0.97%), are non-redeemable for twelve months and have maturity dates to March 8, 2021. The Council has pledged \$74,955 of the total as security for its outstanding Visa commitments from time to time.	<u>\$ 860,064</u>	<u>\$ 858,801</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.

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 9.74% of the eligible employee's salary. Starting on January 1, 2020 the employer rate increased to 9.75%.

The Council records its pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan. The Council paid \$79,101 (2019 - \$79,482) for employer contributions to the plan for fiscal 2020. 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, 2018, indicated a \$2,866,444 funding surplus for basic pension benefits.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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

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 \$209,635 (2019 - \$187,354) as at March 31, 2020.

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

**7. CONTRACTUAL OBLIGATIONS**

The Council has entered into operating leases for premises and office equipment pursuant to agreements extending to 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>
2021	\$ 110,962	\$ 3,513	\$ 114,475
2022	110,962	3,513	114,475
2023	110,962	1,756	112,718
2024	27,740	-	27,740
	<u>\$ 360,626</u>	<u>\$ 8,782</u>	<u>\$ 369,408</u>

**8. DEFERRED REVENUE**

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

	<u>Year Ended March 31, 2020</u>	<u>2019</u>
Deferred revenue beginning of the year	\$ 212,150	\$ 237,615
Net increase in deferred revenue	<u>311,825</u>	<u>(25,465)</u>
Deferred revenue end of the year	<u>\$ 523,975</u>	<u>\$ 212,150</u>

Pursuant to the Province of British Columbia, Ministry of Advance Education Skills and Training funding letter dated March 30, 2020 deferred revenue for the year includes funds of \$500,000, which are to be used to fund the Council's 2021 operations.

THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

9. TANGIBLE CAPITAL ASSETS

March 31, 2020	Website	Office Furniture and Equipment	Computer Equipment and Software	Leasehold Improvements	Total
<b>Cost</b>					
Opening balance	\$ 91,511	\$ 80,559	\$ 138,070	\$ 62,518	\$ 372,658
Additions	-	-	2,690	-	2,690
Closing balance	91,511	80,559	140,760	62,518	375,348
<b>Accumulated amortization</b>					
Opening balance	86,938	68,666	111,469	62,518	329,591
Amortization	1,372	2,379	15,370	-	19,121
Closing balance	88,310	71,045	126,839	62,518	348,712
Net book value	\$ 3,201	\$ 9,514	\$ 13,921	\$ -	\$ 26,636
<b>March 31, 2019</b>					
<b>Cost</b>					
Opening balance	\$ 91,511	\$ 80,559	\$ 107,379	\$ 62,518	\$ 341,967
Additions	-	-	30,691	-	30,691
Closing balance	91,511	80,559	138,070	62,518	372,658
<b>Accumulated amortization</b>					
Opening balance	84,978	65,693	97,712	62,518	310,901
Amortization	1,960	2,973	13,757	-	18,690
Closing balance	86,938	68,666	111,469	62,518	329,591
Net book value	\$ 4,573	\$ 11,893	\$ 26,601	\$ -	\$ 43,067

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# British Columbia Council for International Education

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## THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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#### 10. RELATED PARTY TRANSACTIONS

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

	Year Ended March 31,	
	2020	2019
Government Grants - Core	\$ 1,500,000	\$ 1,500,000
Government Contributions - Contracts	764,250	791,490
	<u>\$ 2,264,250</u>	<u>\$ 2,291,490</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 Council's current payroll of \$1,251,889 includes six employees with salaries totalling \$599,763.

#### 11. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	Year Ended March 31,	
	2020	2019
Amortization	\$ 19,121	\$ 18,690
Bank charges and foreign exchange	791	891
Equipment rental	22,909	29,303
Event fees	115,536	164,870
Events and conferences	207,618	282,343
Information technology and websites	78,834	87,135
Insurance	4,768	4,531
Leadership and organization	7,391	5,042
Marketing	616,636	639,913
Office communications	16,378	32,725
Office supplies and miscellaneous	14,244	15,719
Professional and consulting fees	71,270	17,008
Rent and facilities	177,742	170,622
Salaries and benefits	1,251,889	1,163,008
Telecommunications	14,805	22,876
Travel	131,404	212,180
	<u>\$ 2,751,336</u>	<u>\$ 2,866,856</u>

#### 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.

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**STEELE & CO.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**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, 2020.

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, 2020, there was \$1,695 in overdue accounts 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.

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.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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**13. FINANCIAL RISK MANAGEMENT (CONTINUED)**

Risks and Concentrations (Continued)

c. Market Risk (Continued)

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.

## **Appendix A: Additional Information**

### **Organizational Overview**

Mandate, Vision, Business Areas: [www.bccie.bc.ca/about/about-bccie](http://www.bccie.bc.ca/about/about-bccie)

Partner Organizations: [www.bccie.bc.ca/about/partner-organizations](http://www.bccie.bc.ca/about/partner-organizations)

Location: [www.bccie.bc.ca/contact](http://www.bccie.bc.ca/contact)

Additional information including an organizational overview and further details about the corporate governance structure at BCCIE can be found at [www.bccie.bc.ca](http://www.bccie.bc.ca).

### **Corporate Governance**

Board of Directors: [www.bccie.bc.ca/about/board-of-directors](http://www.bccie.bc.ca/about/board-of-directors)

Corporate Governance and Reports: [www.bccie.bc.ca/about/corporate-reports](http://www.bccie.bc.ca/about/corporate-reports)

Senior Management: [www.bccie.bc.ca/about/our-team](http://www.bccie.bc.ca/about/our-team)

### **Contact Information**

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

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