

# British Columbia Council for International Education

## 2015/16 ANNUAL SERVICE PLAN REPORT



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## Board Chair's Accountability Statement



I am pleased to submit the *2015/16 Annual Service Plan Report* for the British Columbia Council for International Education (BCCIE). BCCIE's *2015/16 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2015/16 - 2017/18 Service Plan*. I am accountable for those results as reported.

A handwritten signature in blue ink, appearing to read "J. Hamilton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

*Jim Hamilton*  
*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 2015/16 BCCIE Annual Service Plan Report, demonstrating performance against targets outlined in the 2015/16-2017/18 BCCIE Service Plan.

In 2015/16, BCCIE met two targets for key performance measures in the Service Plan and continued to support progress towards the provincial target to increase the number of international students studying in BC. Results for a fourth target on satisfaction with BCCIE's coordination of missions abroad were lower than anticipated, and work is underway to determine action required to improve future results.



As directed by the 2015/16 Mandate Letter, BCCIE continued to support *British Columbia's International Education Strategy (Strategy)* through priority initiatives such as coordination of education missions to Brazil, China, Japan, and Korea and hosting incoming delegations seeking to further education partnerships within British Columbia. Additionally, BCCIE played an essential role in sector consultations conducted for the Strategy refresh.

Consistent with 2015/16 Mandate Letter direction to ensure integration of the Taxpayer Accountability Principles, BCCIE focused on activities outlined in its Strategic Engagement Plan designed to enhance two-way communication between the Ministry of Advanced Education and BCCIE. BCCIE participated in strategic discussions on organization performance with the Minister and Deputy Minister of Advanced Education, engaging during the March/April 2015 education mission to China and during joint participation in key education sector events during the year. At the senior management level, BCCIE met monthly with Ministry staff to ensure the alignment of the work of BCCIE with Ministry priorities and discuss progress on Operational Plan deliverables. Collectively, these actions confirmed a collaborative working relationship with the Ministry and provided for enhanced strategic outlook of the organization.

BCCIE also focused on increasing professional development opportunities and undertaking more comprehensive orientation activities for the Board of Directors in 2015/16. Activities undertaken concentrated on both governance and sector business. In June 2015, members of the Board attended a professional development session focused on corporate governance facilitated by the Ministry of Finance. Board members separately took part in a second session at the Board retreat featuring a representative from the federal Department of Global Affairs Canada that highlighted opportunities for provincial/federal collaboration. Additional actions related to Board orientation and training included further refinement of the Board orientation package and incorporation of information and training on the Taxpayer Accountability Principles into the BCCIE Board meetings throughout the year. BCCIE will continue to imbed these principles into the organizational policies, procedures and protocols in the coming year.

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*Jim Hamilton*  
Board Chair

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*Randall Martin*  
Executive Director

## Purpose of the Organization

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

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

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

## Strategic Direction and Context

In the [2015/16 Mandate Letter](#), Government directed BCCIE to take the following specific strategic priority actions:

- Develop and undertake activities in support of Government priorities for international education and the Province's International Education Strategy, as jointly determined and agreed to by the Ministry and BCCIE, and as outlined in the 2015/16 BCCIE Operational Plan.
- Work collaboratively with the Ministry to complete the inventory of partnership agreements between British Columbia and international institutions, and the tracking of study and work abroad initiatives, as directed through Core Review outcomes in April 2014.

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

In the 2015/16-2017/18 Service Plan, BCCIE identified the challenge of continued expansion into new markets potentially stretching the ability to maintain consistent levels of service to stakeholders. BCCIE worked closely with Ministry partners to mitigate this challenge and successfully leveraged partnerships with federal colleagues in key markets to reduce costs of providing value added events for BC institutions. These measures enabled BCCIE to lead Team BC missions to the emerging markets of Brazil and Southeast Asia, while maintaining relationships in established markets through the execution of additional Team BC missions to China, Japan and Korea. BCCIE continues to work with partner Ministries on strategic planning for established and emerging markets.

BCCIE took on two new projects in 2015/16 in addition to activities outlined in the BCCIE Operational Plan. Both projects were consistent with direction provided in the Mandate Letter to support Government priorities and actions in the *Strategy*. Specifically, BCCIE led the development of the first phase of an initiative to support the growth of international student numbers and the enhancement of service at institutions in northern BC, and worked with the Ministry of Education on the development and implementation of student and teacher mobility awards for the K-12 sector. While both projects increased demand on the BCCIE operating infrastructure, they provided an opportunity to enhance and deepen capacity to support the International Education sector.

BCCIE also worked closely with partner Ministries during the year to inform a refreshed *Strategy*. Key work undertaken in 2015/16 included implementation of sector consultations.

## **Report on Performance**

As directed in the Mandate Letter, BCCIE worked closely with the Ministry to establish activities and set targets in the 2015/16 BCCIE Operational Plan. These activities and targets directly support the *Strategy*, and form the basis for corresponding goals, strategies, measures and targets outlined in the 2015/16-17/18 Service Plan.

BCCIE met two of the organization-specific targets outlined in the 2015/16-17/18 Service Plan, and continued to support progress toward the provincial target to increase the number of international students in BC by 50 percent by September 2016. Work is underway to investigate results achieved for a fourth target measuring performance on stakeholder satisfaction with BCCIE coordination of missions.

BCCIE further incorporated the Taxpayer Accountability Principles into organizational practices, procedures and policies during 2015/16. To increase cost consciousness and accountability, BCCIE updated its Internal Control Procedures and improved mechanisms for monitoring and managing the budget. These additional financial controls resulted in a fundamentally balanced budget for 2015/16 and a significant year over year improvement, demonstrating success in implementing effective practices for these two principles. In addition, BCCIE continues to concentrate on the principle of service orientation. Through the collection and refinement of satisfaction surveys for priority programs and initiatives such as missions abroad and professional development activities for the education sector in BC, BCCIE gathers feedback used to inform improvements to client service.

### ***Goals, Strategies, Measures and Targets***

As a key partner in the implementation of the *Strategy*, BCCIE has three Strategic Goals<sup>1</sup> that directly underpin the goals of the *Strategy*:

1. Increase International Participation throughout our Education System;
2. Provide Market Support for the International Education sector in BC; and,
3. Provide Communication and Professional Development for the International Education sector.

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<sup>1</sup>The three strategic goals were adjusted in the 2016/17 Service Plan; the language found in this annual report is reflective of the most recent wording reported in the 2016/17 Service Plan.

## ***Goal 1: Increase International Participation throughout our Education System***

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

### **Strategies**

- Develop country/region action plans for new and emerging markets;
- Expand the number of pairings for the BCCIE International Education Mentorship Program through an annual call for applications; and,
- Increase institutional participation in the BC Study Abroad (BCSA) Consortium and student participation in study abroad opportunities through active outreach to BC institutions.

### **Performance Measure 1: Satisfaction with International Education Mentorship Program**

<b>Performance Measure<sup>1</sup></b>	<b>2012/13 Actual<sup>2</sup></b>	<b>2013/14 Actual<sup>2</sup></b>	<b>2014/15 Actual</b>	<b>2015/16 Target<sup>3</sup></b>	<b>2015/16 Actual</b>	<b>2016/17 Target<sup>3</sup></b>	<b>2017/18 Target</b>
Percentage of BCCIE International Education Mentorship Program participants who were either satisfied (4.0) or very satisfied (5.0) with the program	N/A	N/A	100%	90%	89%	90%	90%

Data Source: **BCCIE**

<sup>1</sup> 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).

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

<sup>3</sup> The target of 90% is higher than the 2015/16 Service Plan target of 80%, primarily due to the high results achieved in 2014/15, noted in the 2014/15 Annual Report. Targets for subsequent years were increased accordingly in the 2016/17 Service Plan. The table shown presents the adjusted targets.

### **Discussion**

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

This measure demonstrates success in building the capacity of International Education practitioners in BC to increase the international outlook of their institutions – an action within the *Strategy*. Due to the annual cycle of the program and final survey, the satisfaction scores for 2015/16 reflect the 2014/15 program year.

BCCIE considerably exceeded the target in 2014/15, therefore targets for 2015/16 and subsequent years were adjusted upwards. Satisfaction scores in the second year of the program remained high for 2015/16 and BCCIE will monitor progress against the new targets. As participant numbers are small



for this program, it is possible for one response to significantly affect overall satisfaction results for the year, which could explain the 11 percent drop from 2014/15. If satisfaction rates continue to remain high, BCCIE will consider the measure substantially implemented and introduce a new performance measure for this goal.

**Goal 2: Provide Market Support for the International Education Sector in BC**

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

**Strategies**

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

**Performance Measure 2: Satisfaction with Coordination of Missions**

Performance Measure <sup>1</sup>	2012/13 Actual <sup>2</sup>	2013/14 Actual <sup>2</sup>	2014/15 Actual	2015/16 Target <sup>3</sup>	2015/16 Actual	2016/17 Target <sup>3</sup>	2017/18 Target <sup>3</sup>
Percentage of BC participants who were either satisfied (4.0) or very satisfied (5.0) with the coordination and organization of the Team BC mission	N/A	N/A	100%	95%	82%	95%	95%

Data Source: **BCCIE**

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

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

<sup>3</sup> The target of 95% is higher than the 2015/16 Service Plan target of 80%, primarily due to the high results achieved in 2014/15, noted in the 2014/15 Annual Report. Targets for subsequent years were increased accordingly in the 2016/17 Service Plan. The table shown presents the adjusted targets.

**Discussion**

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 BC K-12 school districts and private high schools, public and private post-secondary institutions and language schools. They help to position BC as a leading destination for international students and support BC schools, school districts and institutions to develop partnerships and enhance their profiles. These missions also include a series of value added events hosted and organized by BCCIE and may involve some level of coordinated BC branding. They do not include feasibility missions to explore market opportunities. In 2015/16, BCCIE undertook Team BC missions in the new and emerging markets of Brazil and Southeast Asia, as well as missions to the established markets of China, Japan and Korea.

BCCIE surveyed participating schools and institutions following the Brazil, Southeast Asia (Vietnam/Indonesia), China, and Japan/Korea missions in fall 2015, as well as the Southeast Asia (Philippines)

mission in January 2016. Averaged results measure success in providing a key service for the sector. In the 2015/16 Service Plan, BCCIE set a target of 80 percent satisfaction for this measure. Following the actual results of 100 percent satisfaction in 2014/15, targets were adjusted upwards to 95 percent in the 2016/17 Service Plan.

The actual results for 2015/16 following the missions indicated 82 percent of participants who responded to the survey reported satisfaction with the service delivered. BCCIE is investigating factors contributing to the lower satisfaction score in 2015/16. The response rates from the China and Southeast Asia (Vietnam/Indonesia) missions were low (less than 40%) and therefore may not be representative of the overall satisfaction of the service delivered. In addition, this was the first year that we undertook Team BC missions to Southeast Asia. Vietnam, the Philippines and Indonesia are diverse and complex International Education markets, and this diversity made it more challenging to organize appropriate value-added events for this region, possibly contributing to lower satisfaction rates. BCCIE is continuing to make improvements to the mission planning and delivery process and is following up with past participants to ensure future services meet the needs of stakeholders.

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

### Performance Measure 3: International students studying in British Columbia

Performance Measure <sup>1,2,3</sup>	Baseline	2014 Actual	2015 Target	2015 Actual	2016 Target	2017 Target
International students studying in British Columbia <sup>4,5</sup>	90,037	126,497 Target: 108,648	120,592	130,053	135,056	135,056

**Data Source: Immigration, Refugees and Citizenship Canada (IRCC), RDM as of March 2016.**

<sup>1</sup> Due to data availability, data for the 2015 reporting cycle is from the 2014 survey data. Data for the 2016 reporting cycle will be presented in the BCCIE service plan report to be published in June 2017.

<sup>2</sup> Baseline and targets established in the International Education Strategy, launched in May 2012, were restated to reflect new reporting methodology.

<sup>3</sup> Includes students enrolled in kindergarten to grade 12 schools, private language schools, public and private post-secondary institutions.

<sup>4</sup> Reports the number of permit holders with valid study permit(s) in the calendar year. This is a unique count of all persons who held one or more valid permits on one or more dates between January 1st and December 31st. Data as of March 2016 are subject to change and may differ from those reported in the annual IRCC Facts and Figures report.

<sup>5</sup> Defined by the intended destination as specified on the permit and, when the intended destination is not specified for permits signed on or after January 1st, 2012, the last known address of the permit holder as of December 31st of the given year is used.

### Discussion

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

Government launched the [International Education Strategy](#) in May 2012 and set an aspirational target to increase the number of international students studying in BC by 50 percent by 2016. The annual BC international student headcount report outlines progress toward the international student headcount target. Historically, the headcount was compiled through four data sources, including Immigration, Refugees and Citizenship Canada (IRCC).

IRCC recently completed significant changes to reporting methodologies to improve data accuracy. As a result, the current IRCC data is no longer comparable to the IRCC data included in the BC international student headcount reports between 2010 and 2014. The change is an opportunity to adopt a new international student headcount reporting methodology utilizing IRCC as a single source of data beginning with the 2015 report. The new methodology ensures the BC international student headcount reflects the total number of international students on study permits within a calendar year. The data is publically available and comparable across Canada, which improves the overall data integrity.

In order to ensure the international student data is comparable year over year and the measurement of progress toward the headcount target is accurate, the *Strategy* baseline, the previous years of data, previous international student headcount targets, and the final target were restated.

The four year *Strategy* concludes in 2016. The release of 2016 data in Spring 2017 will complete reporting of the *Strategy*.

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

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

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

#### **Strategies**

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

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

Performance Measure <sup>1</sup>	2012/13 Actual <sup>2</sup>	2013/14 Actual <sup>2</sup>	2014/15 Actual	2015/16 Target	2015/16 Actual	2016/17 Target	2017/18 Target
Percentage of participants who were either satisfied (4.0) or very satisfied (5.0) with BCCIE's professional development offerings including the annual Summer Seminar	N/A	N/A	95%	91%	95%	92%	93%

Data Source: **BCCIE**

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

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

## **Discussion**

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

In 2015/16, BCCIE hosted eight professional development events ranging in size from 15-90 participants per session. In addition, BCCIE hosted its largest ever Summer Seminar conference in 2015 with over 300 delegates. Survey response rates for both professional development events and Summer Seminar vary for each session but remain quite high with an average response rate of 69 percent for professional development events and 28 percent for Summer Seminar.

BCCIE aimed to achieve 91 percent of participants satisfied with their participation in these nine events. The averaged survey results indicated 95 percent of participants satisfied, demonstrating success in providing a valued service for the sector. BCCIE set the targets for this performance measure using an average of results from professional development events and Summer Seminar conference evaluations over the last three years and will continue to monitor progress against the targets, making adjustments as necessary.

## Financial Report

### *Discussion of Results*

BCCIE provided the services and activities outlined in the 2015/16-17/18 Service Plan within the operating budget, ending the year with a small surplus of \$2,338. The organization worked closely with the Board's Finance and Human Resources Committee members and the Ministry to ensure expenditure of operating funds and execution of activities were in alignment with the mandate, Operational Plan and *Strategy*.

BCCIE generated additional revenue from professional development activities including the Summer Seminar conference, and from the following government contracts: Ministry of Education - study abroad scholarships; Ministry of Advanced Education - development of an initiative to support the growth of international student numbers and the enhancement of service at institutions in northern BC; and, Ministry of International Trade - execution of education trade missions. This additional revenue enabled BCCIE to enhance existing plans and complete supplementary activities in support of the sector. By leveraging strategic partnerships and coordinating activities with provincial and federal colleagues, the revenue generated covered all expenditures, including activities over and above those identified in the Operational Plan.

The economic, cultural, and social significance of International Education to BC continues to necessitate building new relationships with key partner countries in addition to maintaining existing important global linkages. This results in an ongoing requirement for BCCIE to support additional government missions or other priorities and activities in support of the sector.

Consistent with the direction under Taxpayer Accountability Principles, BCCIE will continue to closely monitor resources and expenditures to ensure services are delivered in an efficient and cost-effective manner. The decreasing value of the Canadian dollar is an operational challenge as costs of BCCIE international activities increase. BCCIE will work collaboratively with the Ministry of Advanced Education, Ministry of Education and Ministry of International Trade to develop strategies to manage expenditures, utilize partnerships and ensure alignment with the mandate to support key government priorities and the *Strategy*.

## Financial Resource Summary Table

	2013/14 (Actual) <sup>12</sup>	2014/15 (Actual)	2015/16 (Budget)	2015/16 (Actual)	2015/16 (Variance)	2014/15 - 15/16 (Variance)
<b>REVENUE</b>						
Provincial Grant - General Operations	1,300,000	1,360,000	1,500,000	1,500,000	-	140,000
Provincial Grant - EQA <sup>1</sup>	200,000	140,000	-	-	-	-140,000
EQA (Renewal and New App Fees) <sup>2</sup>	152,950	193,100	234,000	267,625	33,625	74,525
Summer Seminar	160,060	192,540	205,120	201,043	-4,077	8,503
Professional Development <sup>3</sup>	15,651	4,410	10,395	22,214	11,819	17,804
Familiarization Tours (Institutional Support)	22,000	9,750	-	-	-	-9,750
Other Government Contracts <sup>4</sup>	45,000	90,000	-	314,877	314,877	224,877
Bank Interest <sup>5</sup>	13,433	16,114	8,000	10,334	2,334	-5,780
<b>TOTAL REVENUE</b>	<b>1,909,094</b>	<b>2,005,914</b>	<b>1,957,515</b>	<b>2,316,093</b>	<b>358,578</b>	<b>310,179</b>
<b>EXPENSES</b>						
General Operations (IT, Board Meetings, Supplies, etc.) <sup>6</sup>	1,037,748	1,140,686	1,311,804	1,324,074	12,270	183,388
<i>Operations</i>	169,619	152,266	165,975	151,704	-14,271	-562
<i>Salaries</i> <sup>7</sup>	783,837	895,639	1,043,916	1,069,308	25,392	173,669
<i>Lease</i> <sup>8</sup>	84,292	92,781	101,913	103,062	1,149	10,281
EQA <sup>9</sup>	222,511	117,590	17,275	32,140	14,865	-85,450
Goal 1 - Internationalization <sup>10</sup>	93,579	92,526	90,150	334,689	244,539	242,163
Goal 2 - Market Support <sup>11</sup>	304,615	349,149	284,796	356,353	71,557	7,204
Goal 3 - Communications & Professional Development	212,531	291,760	253,490	266,499	13,009	-25,261
<b>TOTAL EXPENSES</b>	<b>1,870,984</b>	<b>1,991,711</b>	<b>1,957,515</b>	<b>2,313,755</b>	<b>356,240</b>	<b>322,044</b>
<b>NET INCOME (LOSS)</b>	<b>38,110</b>	<b>14,203</b>	<b>-</b>	<b>2,338</b>	<b>2,338</b>	<b>-11,865</b>
<b>TOTAL DEBT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR</b>	<b>700,969</b>	<b>739,079</b>	<b>753,282</b>	<b>753,282</b>		
<b>ACCUMULATED SURPLUS AT END OF THE YEAR</b>	<b>739,079</b>	<b>753,282</b>	<b>753,282</b>	<b>755,620</b>		

Notes:

1. EQA administration has transitioned to the Ministry of Advanced Education and BCCIE no longer receives the EQA Grant. In 2015/16, BCCIE continued to be responsible for the collection and processing of payments for EQA, vendor contract management and database hosting. BCCIE retained the EQA revenues for 2015/16.
2. Revenue from EQA reapplications for 2015/16 was higher than expected due to the requirement for institutions to achieve the designation to remain on the International Student Program (ISP) list. More institutions applied for the EQA designation; therefore revenue was greater.
3. BCCIE hosted a two-day workshop in 2015/16, which generated additional revenue beyond what was expected.
4. In 2015/16, BCCIE received one government contract from the Ministry of Education for \$205,000, additional contracts to support missions from the Ministry of International Trade, and an additional contract from the Ministry of Advanced Education for development of an initiative to support the growth of international student numbers and the enhancement of service at institutions in northern BC.
5. Bank interest is from term deposits.
6. The increase in General Operation costs is due to a change in the reporting expenses resulting from the transition of EQA to the Ministry and does not represent an actual material increase. In previous years, EQA included a percentage of the BCCIE operating cost so the General Operations budget line did not represent the full value of the organization's total operating cost.
7. The increase in salaries in 2015/16 is due to a change in reporting expenses resulting from the transition of EQA to the Ministry, and does not represent an actual increase beyond the annual 3% increase. In previous years, EQA included a percentage of the salaries for some BCCIE staff positions so the salary budget line did not represent the full value of all BCCIE salaries.
8. The increase in lease costs in 2015/16 is due to a change in reporting expenses resulting from the transition of EQA to the Ministry and does not represent an actual increase beyond the annual inflation increase. In previous years, EQA included a percentage of the lease cost so the lease budget line did not represent the full value of the BCCIE lease cost.
9. EQA administration transitioned to the Ministry with minimal remaining responsibilities for BCCIE, resulting in nominal expenses for EQA in 2015/16.
10. For 2015/16, Goal 1 includes expenses related to the Ministry of Education and Ministry of Advanced Education government contracts that were unknown at the time of budgeting.
11. For 2015/16, Goal 2 includes expenses related to the Ministry of International Trade contracts for the execution of Team BC missions that were unknown at the time of budgeting.
12. BCCIE's first service plan was completed in 2013/14 therefore historical financial information for 2009/10 - 2012/13 is not available.

**THE BRITISH COLUMBIA COUNCIL FOR  
INTERNATIONAL EDUCATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2016**

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**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, 2016 and the statements of operations, change in net financial assets, and cash flows for the year ended March 31, 2016, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

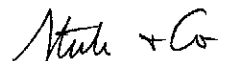
#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2016 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 Society 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 10, 2016



CHARTERED PROFESSIONAL ACCOUNTANTS



**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF FINANCIAL POSITION**

	<b>NOTE</b>	<b>MARCH 31,</b>	
		<b>2016</b>	<b>2015</b>
<b>FINANCIAL ASSETS</b>			
CASH AND CASH EQUIVALENTS	4	\$ 276,990	\$ 55,192
GUARANTEED INVESTMENT CERTIFICATES	5	857,030	841,682
ACCOUNTS RECEIVABLE		35	8,418
SALES TAX RECEIVABLE		376	2,835
		<u>1,134,431</u>	<u>908,127</u>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		60,200	33,474
SALARIES AND ASSESSMENTS PAYABLE		143,613	95,664
EMPLOYEE FUTURE BENEFITS	6	112,413	99,188
DEFERRED REVENUE	8	158,790	76,500
		<u>475,016</u>	<u>304,826</u>
<b>NET FINANCIAL ASSETS</b>		<u>659,415</u>	<u>603,301</u>
<b>NON-FINANCIAL ASSETS</b>			
TANGIBLE CAPITAL ASSETS	9	46,154	72,448
PREPAID EXPENSES		50,049	77,532
		<u>96,203</u>	<u>149,980</u>
<b>ACCUMULATED SURPLUS</b>		<u>\$ 755,618</u>	<u>\$ 753,281</u>
GOING CONCERN CONSIDERATIONS	2		
CONTRACTUAL OBLIGATIONS	6 & 7		

APPROVED ON BEHALF OF THE BOARD

  
 \_\_\_\_\_  
 Dr. Randall Martin

  
 \_\_\_\_\_  
 Jim Hamilton

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF OPERATIONS**

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	<u>2016 BUDGET</u> (NOTE 12)	<u>YEAR ENDED MARCH 31,</u>	
		<u>2016</u>	<u>2015</u>
<b>REVENUES</b>			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	\$ 234,000	\$ 267,625	\$ 333,314
GOVERNMENT GRANTS (SCHEDULE)	1,500,000	1,814,877	1,450,000
ADMINISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	215,515	223,257	206,700
OTHER (SCHEDULE)	8,000	10,333	15,900
	<u>1,957,515</u>	<u>2,316,092</u>	<u>2,005,914</u>
<b>EXPENSES</b>			
EDUCATION QUALITY			
ASSURANCE (EQA) (SCHEDULE)	17,275	32,140	117,590
ADMINISTRATION AND OPERATING			
CONTRACTS (SCHEDULE)	<u>1,940,240</u>	<u>2,281,615</u>	<u>1,874,122</u>
	<u>1,957,515</u>	<u>2,313,755</u>	<u>1,991,712</u>
<b>ANNUAL OPERATING SURPLUS</b>	<u>\$ -</u>	2,337	14,202
ACCUMULATED SURPLUS			
BEGINNING OF THE YEAR		<u>753,281</u>	<u>739,079</u>
<b>ACCUMULATED SURPLUS</b>			
<b>END OF THE YEAR</b>		<u>\$ 755,618</u>	<u>\$ 753,281</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

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	<u>2016 BUDGET</u> (NOTE 12)	<u>YEAR ENDED MARCH 31,</u>	
		<u>2016</u>	<u>2015</u>
ANNUAL OPERATING SURPLUS	\$ -	\$ 2,337	\$ 14,202
ACQUISITION OF TANGIBLE CAPITAL ASSETS	-	-	(34,296)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	25,000	26,294	31,849
ACQUISITION OF PREPAID EXPENSES	-	(50,049)	(77,532)
USE OF PREPAID EXPENSES	<u>(25,000)</u>	<u>77,532</u>	<u>100,114</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<u>\$ -</u>	56,114	34,337
NET FINANCIAL ASSETS BEGINNING OF THE YEAR		<u>603,301</u>	<u>568,964</u>
<b>NET FINANCIAL ASSETS END OF THE YEAR</b>		<u>\$ 659,415</u>	<u>\$ 603,301</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

**STATEMENT OF CASH FLOWS**

	<b>YEAR ENDED MARCH 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>OPERATING TRANSACTIONS</b>		
CASH RECEIVED FROM		
EQA	\$ 267,626	\$ 270,014
GOVERNMENT GRANTS	1,814,877	1,450,000
ADMINISTRATIVE AND OPERATING CONTRACTS	15,472	12,425
OTHER	10,333	15,900
SUMMER SEMINAR	295,033	192,540
	<u>2,403,341</u>	<u>1,940,879</u>
CASH PAID FOR		
EQA	25,134	121,923
EQUIPMENT RENTAL	17,096	21,833
EVENT FEES	119,744	117,421
HOSPITALITY	142,068	143,389
INFORMATION TECHNOLOGY AND WEBSITES	92,699	131,809
INSURANCE	4,276	3,932
LEADERSHIP AND ORGANIZATION	7,778	15,302
MARKETING	186,947	17,196
OFFICE COMMUNICATIONS	42,443	39,090
OFFICE SUPPLIES AND MISCELLANEOUS	17,527	21,755
PROFESSIONAL AND CONSULTING FEES	144,149	91,623
RENT AND FACILITIES	161,781	145,660
SALARIES AND BENEFITS	1,008,135	880,549
SALES TAXES (RECOVERABLE)	(235)	(433)
SUBSIDIES (RECOVERABLE)	500	(3,200)
TELECOMMUNICATIONS	23,526	16,858
TRAVEL	172,627	174,302
	<u>2,166,195</u>	<u>1,939,009</u>
CASH PROVIDED BY OPERATING TRANSACTIONS	<u>237,146</u>	<u>1,870</u>
<b>CAPITAL TRANSACTIONS</b>		
CASH USED TO ACQUIRE TANGIBLE CAPITAL ASSETS	-	(34,296)
CASH APPLIED TO CAPITAL TRANSACTIONS	-	(34,296)
<b>INVESTING TRANSACTIONS</b>		
GUARANTEED INVESTMENT CERTIFICATES	(15,348)	(25,142)
CASH APPLIED TO INVESTING TRANSACTIONS	(15,348)	(25,142)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>221,798</u>	<u>(57,568)</u>
CASH AND CASH EQUIVALENTS BEGINNING OF THE YEAR	<u>55,192</u>	<u>112,760</u>
<b>CASH AND CASH EQUIVALENTS END OF THE YEAR</b>	<u>\$ 276,990</u>	<u>\$ 55,192</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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**1. NATURE OF OPERATIONS**

The British Columbia Council for International Education is an educational marketing institution incorporated in 1991 under the Society 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, 2016, the Council had net financial assets of \$659,415 (2015 - \$603,301).

The Council has the Ministry's grant commitment of \$1,500,000 and \$20,000 to fund its fiscal 2017 operations and EQA respectively, and received funding of \$1,500,000 to fund its fiscal 2016 operations.

The Government has requested the Council's assistance in administering the EQA program during the transition process. The Council has been granted the right to retain the EQA fees received for memberships from April 1, 2015 to March 31, 2016. Subsequent to the year end, the Council was informed that membership fees would no longer be charged to qualifying institutions. In order to continue running the program, the government provided a one-time grant of \$20,000 to fund the EQA program for fiscal 2017.

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

---

**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, 2016

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

e. Tangible Capital Assets Including Capital Leases (Continued)

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

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

f. Prepaid Expenses

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

g. Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be reasonably determined or collection is reasonably assured.

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

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

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

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

h. Foreign Currency Translation

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

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**STEELE & CO.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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

i. Financial Instruments

*Measurement*

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

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

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

Financial liabilities measured at amortized cost include accounts payable.

The Council has not presented a statement of re-measurement gains or losses as it has no reportable transactions for its fiscal years ending March 31, 2016 and 2015.

*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, 2016

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

j. Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets and related amortization and estimated employee benefits.

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

**4. CASH AND CASH EQUIVALENTS**

	<u>2016</u>	<u>2015</u>
Cash and demand deposits	<u>\$ 276,990</u>	<u>\$ 55,192</u>

Cash includes \$158,790 (2015 - \$Nil), the use of which is restricted and may be used only for specified purposes.

**5. GUARANTEED INVESTMENT CERTIFICATES**

	<u>2016</u>	<u>2015</u>
GIC's bear interest at rates ranging from 1.05% to 1.10% (weighted average 1.09%), are non-redeemable for twelve months and have maturity dates to January 2, 2017. Of the total, \$71,192 has been pledged as security for the Council's outstanding Visa commitments from time to time.	<u>\$ 857,030</u>	<u>\$ 841,682</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, 2016

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

a. Retirement Benefits - Pension Plan

The Council and its employees contribute to the Municipal Pension Plan which is a multi-employer plan in accordance with the Public Sector Pension Plan Act. The plan provides defined pension benefits to employees based on their length of service and employee's salary. The contribution rate for eligible employees is 8.5% of the employee's salaries until the yearly insurable earnings are reached, increasing to 10.0% thereafter. The Council matches contributions to the plan at the rate of 9.57% of the eligible employee's salary. As the plan is not under the Council's control, no pension liability, other than amounts invoiced, is included in the financial statements. The Council paid \$64,887 (2015 - \$64,070) for employer contributions to the plan for fiscal 2016. The contribution rates are subject to change as determined by the plan administrators.

b. Other Employee Benefits

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

Payroll liabilities include a provision for accrued administrative leave of \$112,413 (2015 - \$99,188) as at March 31, 2016.

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

**7. CONTRACTUAL OBLIGATIONS**

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

<u>Year Ended March 31,</u>	<u>Premises</u>	<u>Office Equipment</u>	<u>Total</u>
2017	\$ 94,504	\$ 10,106	\$ 104,610
2018	94,504	10,106	104,610
2019	23,626	5,053	28,679
	<u>\$ 212,634</u>	<u>\$ 25,265</u>	<u>\$ 237,899</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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**8. DEFERRED REVENUE**

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

	March 31, 2016		
	EQA	BCCIE	Total
Deferred revenue beginning of the year	\$ 76,500	\$ -	\$ 76,500
Net increase (decrease) in deferred revenue	<u>(76,500)</u>	<u>158,790</u>	<u>82,290</u>
Deferred revenue end of the year	<u>\$ -</u>	<u>\$ 158,790</u>	<u>\$ 158,790</u>
	March 31, 2015		
	EQA	BCCIE	Total
Deferred revenue beginning of the year	\$ 159,000	\$ 2,200	\$ 161,200
Net increase (decrease) in deferred revenue	<u>(82,500)</u>	<u>(2,200)</u>	<u>(84,700)</u>
Deferred revenue end of the year	<u>\$ 76,500</u>	<u>\$ -</u>	<u>\$ 76,500</u>

The Council is the administrator of the EQA program. This is a program that has been implemented in conjunction with the British Columbia Provincial Government ("the Government") and is British Columbia's brand for quality post-secondary education. The EQA is a voluntary mechanism available to all eligible public and private post-secondary institutions in British Columbia. The EQA designation provides for a standard logo that can be recognized as an assurance of quality. Designation is based on an institution having met or exceeded existing quality assurance standards and being in good standing with both the Ministry and the applicable body. The agreement with the Government stipulated that the program was to be self-sustaining by 2014. The Council was notified that effective October 1, 2014, it will no longer be the administrator of the program, and was requested by the Government to continue administering the program until it has been transferred to the Government's control. Subsequent to the year end, the Council was informed that the institutions would no longer be charged a membership fee and therefore there would be no revenue for fiscal 2017. To offset the costs of running the program the Council was given a one-time grant of \$20,000.

# British Columbia Council for International Education

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## THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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#### 9. TANGIBLE CAPITAL ASSETS

<u>March 31, 2016</u>	<u>Website</u>	<u>Office Furniture and Equipment</u>	<u>Computer Equipment and Software</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Cost					
Opening balance	\$ 91,511	\$ 78,131	\$ 97,054	\$ 62,518	\$ 329,214
Additions	-	-	-	-	-
Closing balance	<u>91,511</u>	<u>78,131</u>	<u>97,054</u>	<u>62,518</u>	<u>329,214</u>
Accumulated amortization					
Opening balance	72,464	52,977	73,117	58,208	256,766
Amortization	5,714	5,031	13,165	2,384	26,294
Closing balance	<u>78,178</u>	<u>58,008</u>	<u>86,282</u>	<u>60,592</u>	<u>283,060</u>
Net book value	<u>\$ 13,333</u>	<u>\$ 20,123</u>	<u>\$ 10,772</u>	<u>\$ 1,926</u>	<u>\$ 46,154</u>
<u>March 31, 2015</u>					
Cost					
Opening balance	\$ 91,511	\$ 78,131	\$ 67,379	\$ 57,897	\$ 294,918
Additions	-	-	29,675	4,621	34,296
Closing balance	<u>91,511</u>	<u>78,131</u>	<u>97,054</u>	<u>62,518</u>	<u>329,214</u>
Accumulated amortization					
Opening balance	64,301	46,689	61,996	51,931	224,917
Amortization	8,163	6,288	11,121	6,277	31,849
Closing balance	<u>72,464</u>	<u>52,977</u>	<u>73,117</u>	<u>58,208</u>	<u>256,766</u>
Net book value	<u>\$ 19,047</u>	<u>\$ 25,154</u>	<u>\$ 23,937</u>	<u>\$ 4,310</u>	<u>\$ 72,448</u>

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**STEELE & CO.**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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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,	
	2016	2015
Government Grants		
BCCIE	\$ 1,814,877	\$ 1,450,000
EQA	-	140,000
	<u>\$ 1,814,877</u>	<u>\$ 1,590,000</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.

**11. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	Year Ended March 31,	
	2016	2015
Amortization	\$ 26,294	\$ 31,849
Bank charges and foreign exchange	8,939	3,462
Equipment rental	17,898	22,054
Event fees	148,895	115,646
Hospitality	145,063	143,322
Information technology and websites	126,612	177,698
Insurance	4,276	4,231
Leadership and organization	7,778	14,802
Marketing	186,947	17,196
Office communications	42,215	39,705
Office supplies and miscellaneous	19,574	17,835
Professional and consulting fees	145,758	92,773
Rent and facilities	162,581	153,154
Salaries and benefits	1,069,308	945,723
Subsidies	500	7,000
Telecommunications	23,547	17,142
Translation services	60	3,674
Travel	177,510	184,446
	<u>\$ 2,313,755</u>	<u>\$ 1,991,712</u>

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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**12. BUDGETED FIGURES**

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

**13. FINANCIAL RISK MANAGEMENT**

Risks and Concentrations

The Council is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Council's risk exposure at March 31, 2016.

a. Liquidity Risk

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

b. Credit Risk

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

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

The Council mitigates its credit risk exposure by maintaining its cash, cash equivalents, and GIC's in major Canadian chartered banks. Accounts receivable are owed from various entities and there is no concentration of risk associated with any particular customer. As at March 31, 2016, there were no overdue account receivable balances.

c. Market Risk

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

i. *Currency risk*

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

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

**THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

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**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.

# British Columbia Council for International Education

## THE BRITISH COLUMBIA COUNCIL FOR INTERNATIONAL EDUCATION

### SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

	EDUCATION QUALITY ASSURANCE		ADMINISTRATION AND OPERATING CONTRACTS	
	YEAR ENDED MARCH 31,		YEAR ENDED MARCH 31,	
	2016	2015	2016	2015
<b>REVENUE</b>				
FEES - PRIVATE INSTITUTIONS	\$ 267,625	\$ 193,100	\$ -	\$ -
GRANTS	-	140,000	1,814,877	1,450,000
OPERATING	-	-	22,215	14,160
OTHER	-	214	10,333	15,900
SUMMER SEMINAR	-	-	201,042	192,540
	<u>267,625</u>	<u>333,314</u>	<u>2,048,467</u>	<u>1,672,600</u>
<b>EXPENSES</b>				
AMORTIZATION	-	-	26,294	31,849
BANK CHARGES AND FOREIGN EXCHANGE	8,069	2,797	870	666
EQUIPMENT RENTAL	-	321	17,898	21,733
EVENT FEES	-	-	148,895	115,646
HOSPITALITY	-	770	145,063	142,552
INFORMATION TECHNOLOGY AND WEBSITES	24,071	51,432	102,541	126,265
INSURANCE	-	299	4,276	3,932
LEADERSHIP AND ORGANIZATION	-	-	7,778	14,802
MARKETING	-	-	186,947	17,196
OFFICE COMMUNICATIONS (RECOVERY)	-	(79)	42,215	39,784
OFFICE SUPPLIES AND MISCELLANEOUS	-	1,130	19,574	16,705
PROFESSIONAL AND CONSULTING FEES	-	1,439	145,758	91,334
RENT AND FACILITIES	-	7,510	162,581	145,644
SALARIES AND BENEFITS	-	50,083	1,069,308	895,640
SUBSIDIES	-	-	500	7,000
TELECOMMUNICATIONS	-	959	23,547	16,184
TRANSLATION SERVICES	-	-	60	3,674
TRAVEL	-	929	177,510	183,516
	<u>32,140</u>	<u>117,590</u>	<u>2,281,615</u>	<u>1,874,122</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>\$ 235,485</u>	<u>\$ 215,724</u>	<u>\$ (233,148)</u>	<u>\$ (201,522)</u>

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**STEELE & CO.**  
CHARTERED PROFESSIONAL ACCOUNTANTS



## Appendices

### Appendix A: Additional Information

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

#### Organizational Overview:

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

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

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

#### Corporate Governance:

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

Corporate Governance and Reports: [http://www.bccie.bc.ca/about/corporate\\_governance](http://www.bccie.bc.ca/about/corporate_governance)

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

## Appendix B – Crown Corporations Mandate and Actions Summary

In the 2015/16 Mandate Letter from the Minister of Advanced Education, BCCIE received direction on strategic priorities for the 2015/16 fiscal year. These priorities and the Crown corporation’s resulting actions are summarized below:

Mandate Letter Direction	Crown corporation’s Action
<p>1. Develop and undertake activities in support of Government priorities for international education and the provincial International Education Strategy, as jointly determined and agreed to by the Ministry of Advanced Education (the Ministry) and BCCIE, and as outlined in the 2015/16 BCCIE Operational Plan.</p>	<ul style="list-style-type: none"> <li>• BCCIE reported quarterly to the Ministry on progress achieved to implement initiatives supporting Government priorities for International Education and the International Education Strategy, as outlined in the BCCIE Operational Plan.</li> <li>• Specific deliverables achieved in 2015/16 include:                             <p><i>BCCIE Coordinated missions and events for the education sector</i></p> <p><u>Government education mission outcomes</u></p> <ul style="list-style-type: none"> <li>• China in March/April 2015 (Advanced Education). Announced almost \$1.4 million for more than 300 scholarships for students in BC and China. Resulted in signing of two government Memoranda of Understanding and nine public post-secondary institutional partnership agreements; and,</li> <li>• China/Japan in May/June 2015 (Education). Announced a total of \$175,000 for two separate scholarship programs for 120 students from China, Japan and Korea to study in BC, and 50 students from BC for excellence in study of Chinese. Resulted in signing of five Memoranda of Understanding.</li> </ul> <p><u>Education sector mission and international education event outcomes (BC institution participation)</u></p> <ul style="list-style-type: none"> <li>• NAFSA in May 2015. 22 institutions participated;</li> <li>• Brazil in September 2015. 19 institutions participated;</li> <li>• Southeast Asia in October 2015. 25 institutions participated;</li> <li>• China Education Expo in October 2015. 22 institutions participated;</li> <li>• Japan/Korea in November 2015. 43 institutions participated; and,</li> <li>• Philippines in January 2016. 8 institutions participated.</li> </ul> <p><i>BCCIE Professional Development events for the education sector:</i></p> <ul style="list-style-type: none"> <li>• Hosted largest ever BCCIE Annual Summer Seminar Conference in June 2015, with more than 300 delegates attending; and,</li> <li>• Provided eight professional development events between April 2015 and March 2016.</li> </ul> <p><i>Facilitated study abroad opportunities:</i></p> <ul style="list-style-type: none"> <li>• 40 students from BC studied in China July 2015; and,</li> <li>• 19 students from China studied in BC July/August 2015.</li> </ul> </li> </ul>
<p>2. Work collaboratively with the Ministry to complete the inventory of partnership agreements between British Columbia and international institutions, and the tracking of study and work abroad initiatives, as directed through Core Review outcomes in April 2014.</p>	<ul style="list-style-type: none"> <li>• Inventory of almost 2,400 public post-secondary partnership agreements completed and submitted to the Ministry in March 2015. Information used to support strategic market opportunities.</li> <li>• Baseline information on tracking of study and work abroad completed in Fall 2015 as outlined in the 2015/16 Operational Plan.</li> </ul>