

BCNET
Financial Statements
For the year ended March 31, 2019

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Management's Responsibility for Financial Reporting

The financial statements and the information contained in the annual report are the responsibility of the management of BCNET. The financial statements have been prepared in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

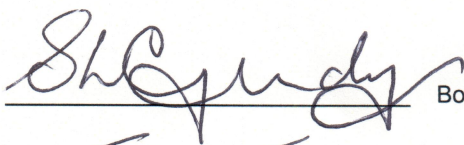
The financial statements include, where appropriate, estimates based on the best judgment of management. Financial and operating data elsewhere in the annual report is consistent with that contained in the accompanying financial statement.

As part of its responsibilities, BCNET maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that BCNET's assets are appropriately accounted for and adequately safeguarded.

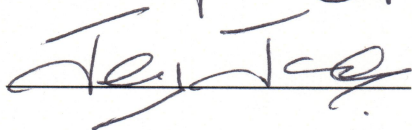
The Board of BCNET carries out its responsibilities with regard to the financial statements mainly through its Finance and Audit Committee (the "Committee"). The Committee reviews the annual financial statements and other information contained in the annual report and recommends them to the Board for approval. The Committee meets periodically with management and external auditors. Following these meetings, the Committee meets privately with the auditors to ensure free and open discussion of any subject the Committee or the auditors wish to pursue. The Committee also recommends the engagement or re-appointment of the external auditors, review of scope of audit and approves the fees of the external auditors for audit and non-audit services.

The financial statements, audited by BDO Canada LLP, have been approved by the Board, on the recommendation of the Finance and Audit Committee.

Signed by:



Board Chair



Chief Financial Officer



Independent Auditor's Report

To the Members of BCNET

Opinion

We have audited the financial statements of BCNET (the "Corporation") which comprise the statement of financial position as at March 31, 2019, and the statements of operations, net debt, changes in reserves and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Corporation as at and for the year ended March 31, 2019 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia (the "Act").

Basis for 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 BCNET 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 - Basis of Accounting

We draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared in order for BCNET to meet the reporting requirements of the Act referred to above. Note 7 to the Financial Statements discloses the impact of these differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the Act, 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 BCNET'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 BCNET, or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities 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 BCNET'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 BCNET'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 BCNET to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within BCNET to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 14, 2019

BCNET
Statement of Financial Position

		As at March 31 2019	As at March 31 2018
FINANCIAL ASSETS			
Cash and cash equivalents		\$ 2,987,185	\$ 3,982,912
Accounts receivable		<u>231,955</u>	<u>526,619</u>
		<u>3,219,140</u>	<u>4,509,531</u>
LIABILITIES			
Accounts payable and accrued liabilities		736,137	784,656
Deferred capital contributions	(Note 3)	4,084,285	4,486,422
Deferred operating grants	(Note 4)	1,020,424	1,673,547
Deferred revenues	(Note 5)	1,580,447	1,101,775
Debt	(Note 6)	<u>--</u>	<u>121,180</u>
		<u>7,421,293</u>	<u>8,167,580</u>
NET DEBT		(4,202,153)	(3,658,049)
NON-FINANCIAL ASSETS			
Prepaid expenses		958,858	444,946
Tangible capital assets	(Note 2)	<u>7,289,547</u>	<u>7,051,373</u>
		<u>8,248,405</u>	<u>7,496,319</u>
Accumulated surplus	(Note 7)	<u>\$ 4,046,252</u>	<u>\$ 3,838,270</u>

Approved by:

 CEO & President

 Finance & Audit Committee Chair

BCNET**Statement of Operations
For the year ended March 31**

	Budget (Note 8)	2019	2018
Revenues			
Operating revenue	9,060,187	9,832,182	7,830,103
Operating grants	1,491,415	1,701,370	1,517,257
Capital grants	316,903	443,834	397,077
Pass through services	<u>6,496,663</u>	<u>6,729,774</u>	<u>6,896,143</u>
	<u>\$ 17,365,168</u>	<u>\$ 18,707,160</u>	<u>\$ 16,640,580</u>
Expenses (Note 9)			
Conference	341,000	299,365	522,107
Cyber Security & Identity Management	43,000	123,693	-
ERP Services	5,738,201	5,846,878	5,812,814
General and Administration	2,271,598	2,140,890	1,975,930
Network	5,553,953	5,810,796	4,652,462
PD & Training Services	187,324	195,979	215,029
Procurement	501,073	598,645	652,074
Shared Services	<u>2,621,532</u>	<u>3,482,932</u>	<u>2,613,028</u>
	<u>\$ 17,257,781</u>	<u>\$ 18,499,178</u>	<u>\$ 16,443,443</u>
Annual Surplus	<u>\$ 107,387</u>	<u>\$ 207,982</u>	<u>\$ 197,137</u>

BCNET
Statement of Net Debt
For the year ended March 31

	Budget	2019	2018
Annual Surplus	\$ 107,387	\$ 207,982	\$ 197,137
Acquisition of tangible capital assets	(925,000)	(1,384,734)	(1,851,041)
Proceeds on sales of tangible capital assets	-	-	91,550
Amortization of tangible capital assets	933,360	1,146,560	1,233,820
Loss on disposal of tangible capital assets	-	-	33,613
	8,360	(238,174)	(492,058)
Acquisition of prepaid expenses	-	(1,788,370)	(707,349)
Use of prepaid expenses	-	1,274,458	1,062,435
Changes in net debt for the year	115,747	(544,104)	60,165
Net debt, beginning of year	(3,658,049)	(3,658,049)	(3,718,214)
Net debt, end of year	\$ (3,542,302)	\$ (4,202,153)	\$ (3,658,049)

BCNET**Statement of Changes in Accumulated Surplus**
For the year ended March 31, 2019

	Capital Reserve (Note 7)	Operating Reserve (Note 7)	Unrestricted	Total
Balance, April 1, 2018	\$ 2,443,771	\$ 1,151,464	\$ 243,035	\$ 3,838,270
Annual Surplus	-	-	207,982	207,982
Fund transfer to Operating Reserve	(397,519)	848,536	(451,017)	-
Balance March 31, 2019	\$ 2,046,252	\$ 2,000,000	-	\$ 4,046,252

BCNET**Statement of Cash Flows
For the year ended March 31**

	2019	2018
Cash flows from operating activities		
Annual Surplus	207,982	197,137
Items not involving cash:		
Amortization of tangible capital assets	1,146,560	1,233,820
Amortization of deferred capital contributions	(443,834)	(397,077)
Loss on disposal of tangible capital assets	-	33,613
Change in non-cash operating working capital:		
Accounts receivable	294,664	79,271
Prepaid expenses	(513,912)	355,086
Accounts payable and accrued liabilities	(48,519)	(11,244)
Deferred operating grants	(653,123)	904,372
Deferred revenue	478,672	118,724
	468,490	2,513,702
Cash flows from financing activities		
Capital contributions received	41,697	931,907
Debt repayments	(121,180)	(115,905)
	(79,483)	816,002
Cash flows for capital activities		
Purchase of tangible capital assets	(1,384,734)	(1,851,041)
Proceeds from sale of tangible capital assets	-	91,550
	(1,384,734)	(1,759,491)
Increase (decrease) in cash and cash equivalents	(995,727)	1,570,213
Cash and cash equivalents, beginning of year	3,982,912	2,412,699
Cash and cash equivalents, end of year	<u>\$ 2,987,185</u>	<u>\$ 3,982,912</u>
Cash and cash equivalents consist of:		
Cash in Bank	1,735,158	1,323,790
Cash equivalents	1,252,027	2,659,122
	<u>\$ 2,987,185</u>	<u>\$ 3,982,912</u>

1. Nature of Operations and Summary of Significant Accounting Policies

(a) Nature and Purpose of the Organization

BCNET's ("the Corporation") mission is to deliver exceptional value to our members by leveraging our advanced network, fostering collaboration, and building on our expertise.

BCNET is incorporated under the Canada Not-for-profit Corporations Act.

BCNET is a tax-exempt body under Section 149 of the Income Tax Act.

(b) Basis of Accounting

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that are comprised of generally accepted accounting principles for senior governments in Canada, being Canadian Public Sector Accounting Standards ("PSAS"), or if the Treasury Board makes a regulation, the set of standards and guidelines that are comprised of generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital assets are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

The basis of accounting that the Corporation has adopted is different from PSAS with respect to the timing of revenue recognition for government transfers. If the Corporation had recorded government transfers under PSAS rather than the accounting policy described in note 1(f), capital contributions recognized as revenue and the annual surplus for the year ended March 31, 2019 would have decreased by \$402,137 (March 31, 2018 - increase \$534,830). Consequentially, as at March 31, 2019, deferred capital contributions used to purchase tangible capital assets would have decreased and the accumulated surplus would have increased by \$4,084,285 (March 31, 2018 - \$4,486,422). Under PSAS, the total cash flows from operating, financing, and capital transactions for the years ended March 31, 2019 and 2018 would have been the same as reported in these financial statements.

(c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of the amounts held in the Corporation's bank accounts, guaranteed investment certificates with original terms to maturity of less than 90 days, and mutual funds that are readily convertible to cash.

1. Nature of Operations and Summary of Significant Accounting Policies (continued):

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided annually on a straight-line basis. Tangible capital assets not yet in service are not amortized. Estimated useful lives are as follows:

Fibre	10 - 15 years
Leasehold Improvements	Over the term of the lease
Office equipment, and computer hardware	2 – 10 years

The Corporation reviews its tangible capital assets for impairment. An impairment loss is recognized for tangible capital assets whenever events or changes in circumstances indicate a tangible capital asset no longer contributes to the Corporation's ability to provide services. The impairment loss is calculated as the difference between the carrying amount and the residual value. The amount of the writedown is recognized as an impairment loss on the Statement of Operations.

(e) Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset. The asset is amortized in a manner consistent with tangible capital assets owned by the Corporation. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

(f) Revenue Recognition

Externally restricted contributions are recorded as deferred revenue and then recognized as revenue when the restrictions specified by the contributors are satisfied.

- Contributions for specific purposes other than for the acquisition of tangible capital assets are recorded as deferred revenue and recognized as revenue in the year in which the related expenses are incurred.
- Contributions restricted for capital purposes by external restrictions or the Restricted Contribution Regulation 198/2011 described in note 1(b) are recorded as deferred capital contributions and amortized on a straight-line basis over the useful life of the asset. Amortization commences once the asset is put into use

Revenue from the provision of services is recorded as the services are performed.

"Pass through services" are software services purchased by BCNET on behalf of members, and directly rebilled to the members.

(g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Operations and Summary of Significant Accounting Policies (continued):

(h) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are recorded at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value and capitalized to the financial instrument for those measured at amortized cost.

2. Tangible Capital Assets

Cost	2018	Additions	Disposal	2019
Leasehold improvements	338,904	46,488	-	385,392
Office equipment	345,443	32,647	-	378,090
Computer hardware	6,534,385	1,305,599	91,338	7,748,646
Fibre	13,952,509	-	-	13,952,509
Fibre Option	177,370	-	-	177,370
Total	21,348,611	1,384,734	91,338	22,642,007

Accumulated Amortization	2018	Amortization Expense	Disposal	2019
Leasehold improvements	132,026	23,798	-	155,824
Office equipment	303,020	19,734	-	322,754
Computer hardware	4,994,764	642,943	91,338	5,546,369
Fibre	8,867,428	460,085	-	9,327,513
Fibre Option	-	-	-	-
Total	14,297,238	1,146,560	91,338	15,352,460

Net Book Value	2018	2019
Leasehold improvements	206,878	229,568
Office equipment	42,423	55,335
Computer hardware	1,539,621	2,202,277
Fibre	5,085,081	4,624,997
Fibre Option	177,370	177,370
Total	7,051,373	7,289,547

"Fibre" refers to certain fibre circuits connecting member organizations that have been purchased or acquired through Indefeasible Right of Use (IRU) and capital lease agreements.

The Corporation has entered into fibre agreements for periods of between ten and twenty years for the use of IRU Fibres to service its members. The Corporation is amortizing these costs over the term of the agreements.

In 2014, the Corporation transferred fibre valued at \$2.5 million to a third party in exchange for an IRU to access a portion of the fibre transferred; and a fibre option to access an additional 350 strand kilometres of fibre and the commitment to connect specified members to the additional fibre. The transaction was measured at the fair value of the fibre transferred which approximates the fair value of the assets received. The remaining option cost will be transferred to the fibre account and amortized once the fibre circuits are identified and in use.

3. Deferred Capital Contributions

	2018	Received	Amortized to Revenue	2019
Federal	\$ 2,895,327	-	\$ (345,855)	\$ 2,549,472
Provincial	1,214,652	-	(64,181)	1,150,471
Other	376,443	41,697	(33,798)	384,342
	\$ 4,486,422	\$ 41,697	\$ (443,834)	\$ 4,084,285

The deferred capital contributions are restricted for the development and support of the Optical Regional Advanced Network.

4. Deferred Operating Grants

	2018	Received	Amortized to Revenue	2019
Federal	\$ 60,811	20,000	(64,406)	16,405
Provincial	1,531,686	503,247	(1,030,914)	1,004,019
Other	81,050	525,000	(606,050)	-
Total	\$ 1,673,547	1,048,247	(1,701,370)	1,020,424

The deferred provincial operating grants are restricted for the implementation of Administrative Service Delivery Transformation (ASDT) initiatives and for the expansion of the BCNET network.

5. Deferred Revenue

	2018	Received	Spent	2019
Service contracts	\$ 310,355	7,769,436	(7,403,365)	676,426
Conferences and member services	757,964	394,590	(287,101)	865,453
Software customization	33,456	181,000	(175,888)	38,568
Total	\$ 1,101,775	8,345,026	(7,866,354)	1,580,447

6. Debt

	2019	2018
Loan advanced from University of Victoria repaid during fiscal 2018/19	\$ -	\$ 121,180

7. Accumulated Surplus

- a) In December 2018, the BCNET Board approved the creation of an Operating Reserve (previously the internally restricted fund) and a Capital Reserve (previously the invested in tangible capital asset fund). The target minimum Operating Reserve is to equal two months of operating costs; and has been calculated at \$2,000,000 based on the budget approved by the BCNET Board of Directors at a meeting on December 12, 2018 for the fiscal year ended March 31, 2020. The balance of any annual surpluses in excess of the \$2,000,000 will be allocated to the Capital Reserve.
- b) The Corporation's Capital Reserve includes amounts invested in tangible capital assets plus any additional funds available for future investments. The Corporation's tangible capital assets are funded either through grants received from CANARIE, the Ministry of Advanced Education, Skills and Training, debt or internally from surpluses generated by the Corporation. The unamortized balance of those assets that are funded internally reflects the funds committed and their future amortization expense

	2019	2018
Tangible capital assets	\$ 7,289,547	\$ 7,051,373
Amounts financed by:		
Unamortized deferred capital grants	(4,084,285)	(4,486,422)
Debt	-	(121,180)
Invested in Tangible Capital Assets	\$ 3,205,262	\$ 2,443,771

8. Budget

The budget for the fiscal year ended March 31, 2019 was approved by the BCNET Board of Directors at a meeting on April 25, 2018.

9. Expenses by Object

	Budget	2019	2018
Cost of services	\$ 5,127,689	\$ 6,139,550	\$ 4,402,446
Staffing	3,961,506	3,866,482	3,285,595
Operating	738,563	616,812	652,439
Amortization	933,360	1,146,560	1,233,820
Pass through services	6,496,663	6,729,774	6,896,143
	\$ 17,257,781	\$ 18,499,178	\$ 16,443,443

10. Related Party Transactions

During the year, the Corporation entered into the following transactions with its members:

	2019	2018
Revenue	\$ 15,994,262	15,861,656
Fees paid to members	\$ 2,229,758	2,157,918

On April 1, 2009 the Corporation received a term loan from a member. In the current year term loan principal and interest payments totaling \$125,159 (2018 - \$125,284) were made to the member (Note 6).

As at March 31, 2019, the Corporation had balances due to and from members as follows:

	2019	2018
Receivable from members	\$ 90,251	466,243
Payable to members	\$ 223,860	238,362

These transactions are in the normal course of operations and are measured at the exchange value established and agreed to by the related parties.

11. Commitments

The Corporation has commitments for fibre contracts, software licensing and rent that extend to January 2038.

The annual payments due for the next five years and thereafter are as follows:

2020	2,628,595
2021	2,013,180
2022	1,667,446
2023	1,477,149
2024	378,735
Thereafter	1,616,055
	<u>\$ 9,781,160</u>

12. Contractual Rights

The Corporation has entered into fibre contracts (Note 11) to connect certain member institutions to the BCNET network. In return, the Corporation has received commitments to receive the following revenues from those institutions:

2020	2,293,452
2021	1,697,575
2022	1,437,370
2023	1,294,041
2024	196,377
Thereafter	556,685
	<u>\$ 7,475,500</u>

13. Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

BCNET paid \$159,577 (2018 - \$120,210) for employer contributions while employees contributed \$140,156 (2018 - \$102,281) to the plan in fiscal 2019.

The next valuation will be as at December 31, 2018, with results available in late 2019.

Employers participating in the plan record their 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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

14. Financial Instrument Risk

Credit risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Corporation limits its exposure to credit risk by placing its cash and cash equivalents with high quality investments. The Corporation's exposure to credit risk with respect to its accounts receivable is low as most receivables are from government sources and member organizations.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign exchange risk through its transactions with U.S. entities. The Corporation limits its exposure to foreign exchange risk by entering into forward derivative contracts on all significant purchases made in U.S. dollars and arranging to rebill most costs to members at equivalent exchange rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates and terms debt are as disclosed in Note 3.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation budgets for adequate levels of working capital to ensure all its obligations can be met when they fall due, and a sufficient operating reserve to manage any unexpected fluctuations.

15. Segmented Information

BCNET provides a variety of services to its members. Distinguishable functional segments have been separately disclosed on the Statement of Operations. The segments and services provided are as follows:

Conference

The BCNET Conference is a large higher education IT conference in Canada with over 700 delegates.

Cyber Security & Identity Management

We support our members to continuously improve the protection of information. Services include a support service for federated identity services and security vulnerability scanning.

ERP Services

The ERP Office provides strategic consulting, expert services, and vendor management services in support of institutional ERP systems.

Network

The BCNET Advanced Network provides BCNET members with private, dedicated, ultra-high-speed, fibre optic infrastructure and third party managed leased circuit at speeds of up to 100 gigabits per second. The Advanced Network extends over 10,016 kilometers and directly connects 227 colleges, institutes, research universities, federal and provincial labs and research institution sites in British Columbia. Our Transit Exchange service offers network peering to help reduce network costs and improve internet performance. A cloud-based virtual router service helps reduce equipment, operating, and facility costs.

Professional Development & Training

Our professional development and training service portfolio helps support our members to train their staff. We investigate member requirements and negotiate competitive pricing with third party training organizations. BCNET partners with prominent Information Technology companies in the delivery of training.

Procurement

BCNET procurement contracts offer the best overall price, help minimize duplication and follow a process compliant with legislative and regulatory requirements.

Shared Services and Technology

BCNET facilitates the development of collaborative and innovative technology solutions to support the delivery of education and research. The solutions we offer to our members include: Data-Safe, EduCloud, Kaltura, Moodle, Digital Signage, Desire2Learn, IBM SPSS, and Video Conferencing.

16. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation in the current year.