

BCNET
Financial Statements
For the year ended March 31, 2020

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For the year ended March 31, 2020

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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 statements.

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, reviews the audit approach 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, 2020, and the statements of operations, net debt, changes in accumulated surplus 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, 2020 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 1(b) 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.

Chartered Professional Accountants
Vancouver, British Columbia

Date

BCNET
Statement of Financial Position

	As at March 31 2020	As at March 31 2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 3,041,809	\$ 2,987,185
Accounts receivable	263,637	231,955
	<u>3,305,446</u>	<u>3,219,140</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,312,548	736,137
Deferred capital contributions (Note 3)	3,669,975	4,084,285
Deferred operating grants (Note 4)	967,575	1,020,424
Deferred revenues (Note 5)	1,269,294	1,580,447
	<u>7,219,392</u>	<u>7,421,293</u>
NET DEBT	(3,913,946)	(4,202,153)
NON-FINANCIAL ASSETS		
Prepaid expenses	657,535	958,858
Tangible capital assets (Note 2)	7,391,775	7,289,547
	<u>8,049,310</u>	<u>8,248,405</u>
Accumulated surplus (Note 6)	\$ 4,135,364	\$ 4,046,252

Approved by:



CEO & President



Finance & Audit Committee Chair

BCNET
Statement of Operations
For the year ended March 31

	Budget (Note 7)	2020	2019
Revenues			
Operating revenue	11,964,569	11,353,636	9,832,182
Operating grants	1,634,549	2,314,898	1,701,370
Capital grants	586,700	414,310	443,834
Pass through services	6,978,459	7,420,275	6,729,774
	<u>\$ 21,164,277</u>	<u>\$ 21,503,119</u>	<u>\$ 18,707,160</u>
Expenses (Note 8)			
Conference	371,663	303,221	299,365
Cyber Security & Identity Mgmt	278,289	654,553	123,693
ERP Services	6,151,771	6,564,207	5,846,878
General and Administration	2,363,864	2,487,342	2,140,890
Network	5,756,256	6,142,756	5,810,796
PD & Training Services	281,456	215,612	195,979
Procurement	731,067	731,238	598,645
Shared Services	5,088,230	4,315,078	3,482,932
	<u>\$ 21,022,596</u>	<u>\$ 21,414,007</u>	<u>\$ 18,499,178</u>
Annual Surplus	<u>\$ 141,681</u>	<u>\$ 89,112</u>	<u>\$ 207,982</u>

BCNET
Statement of Net Debt
For the year ended March 31

	Budget	2020	2019
Annual Surplus	\$ 141,681	\$ 89,112	\$ 207,982
Acquisition of tangible capital assets	(1,007,600)	(1,307,109)	(1,384,734)
Amortization of tangible capital assets	933,360	1,204,881	1,146,560
	<u>(74,240)</u>	<u>(102,228)</u>	<u>(238,174)</u>
Acquisition of prepaid expenses	-	(1,471,965)	(1,788,370)
Use of prepaid expenses	-	1,773,288	1,274,458
	<u>-</u>	<u>301,323</u>	<u>(513,912)</u>
Changes in net debt for the year	67,441	288,207	(544,104)
Net debt, beginning of year	(4,202,153)	(4,202,153)	(3,658,049)
Net debt, end of year	<u>\$ (4,134,712)</u>	<u>\$ (3,913,946)</u>	<u>\$ (4,202,153)</u>

BCNET

Statement of Changes in Accumulated Surplus
For the year ended March 31

	Capital Reserve (Note 6)	Operating Reserve (Note 6)	Unrestricted	Total
Balance, April 1, 2019	\$ 2,046,252	\$ 2,000,000	\$ -	\$ 4,046,252
Annual Surplus	-	-	89,112	89,112
Transfer to Capital Reserve	89,112		(89,112)	-
Balance March 31, 2020	<u>\$ 2,135,364</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 4,135,364</u>

BCNET
Statement of Cash Flows
For the year ended March 31

	2020	2019
Cash flows from operating activities		
Annual Surplus	\$ 89,112	\$ 207,982
Items not involving cash:		
Amortization of tangible capital assets	1,204,881	1,146,560
Amortization of deferred capital contributions	(414,310)	(443,834)
Change in non-cash operating working capital:		
Accounts receivable	(31,682)	294,664
Prepaid expense	301,323	(513,912)
Accounts payable and accrued liabilities	576,411	(48,519)
Deferred operating grants	(52,849)	(653,123)
Deferred revenue	(311,153)	478,672
	1,361,733	468,490
Cash flows from financing activities		
Capital contributions received	-	41,697
Debt repayments	-	(121,180)
	-	(79,483)
Cash flows for capital activities		
Purchase of tangible capital assets	(1,307,109)	(1,384,734)
	(1,307,109)	(1,384,734)
Increase (decrease) in cash and cash equivalents	54,624	(995,727)
Cash and cash equivalents, beginning of year	2,987,185	3,982,912
Cash and cash equivalents, end of year	\$ 3,041,809	\$ 2,987,185
Cash and cash equivalents consist of:		
Cash in Bank	484,039	1,735,158
Cash equivalents	2,557,770	1,252,027
	\$ 3,041,809	\$ 2,987,185

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, 2020 would have decreased by \$414,310 (March 31, 2019 - \$402,137).

BCNET
Notes to Financial Statements
March 31, 2020

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

Consequentially, as at March 31, 2020, deferred capital contributions used to purchase tangible capital assets would have decreased and the accumulated surplus would have increased by \$3,669,975 (March 31, 2019 – \$4,084,285). Under PSAS, the total cash flows from operating, financing, and capital transactions for the years ended March 31, 2020 and 2019 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, balances held in the Province's Central Deposit Program (CDP), guaranteed investment certificates with original terms to maturity of less than 90 days, and mutual funds that are readily convertible to cash.

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	3 – 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 write-down 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.

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

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.

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.

BCNET
Notes to Financial Statements
March 31, 2020

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

h) Financial Instruments (continued)

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	2019	Additions	Disposal	2020
Leasehold improvements	\$ 385,392	\$ 350,621	-	\$ 736,013
Office equipment	378,090	45,809	-	423,899
Computer hardware	7,748,646	910,679	-	8,659,325
Fibre	13,952,509	-	-	13,952,509
Fibre Option	177,370	-	-	177,370
Total	\$ 22,642,007	\$ 1,307,109	-	\$ 23,949,116
Accumulated Amortization	2019	Amortization Expense	Disposal	2020
Leasehold improvements	155,824	63,125	-	218,949
Office equipment	322,754	32,811	-	355,565
Computer hardware	5,546,369	648,860	-	6,195,229
Fibre	9,327,513	460,085	-	9,787,597
Fibre Option	-	-	-	-
Total	\$ 15,352,460	\$ 1,204,881	-	\$ 16,557,340
Net Book Value	2019			2020
Leasehold improvements	229,568			517,064
Office equipment	55,335			68,334
Computer hardware	2,202,277			2,464,096
Fibre	4,624,997			4,164,911
Fibre Option	177,370			177,370
Total	\$ 7,289,547			\$ 7,391,775

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Notes to Financial Statements
March 31, 2020

2. Tangible Capital Assets (continued)

"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

	2019	Received	Amortized to Revenue	2020
Federal	\$ 2,549,472	-	\$ (316,332)	\$ 2,233,141
Provincial	1,150,471	-	(64,180)	1,086,291
Other	384,342	-	(33,798)	350,543
Total	\$ 4,084,285	-	\$ (414,310)	\$ 3,669,975

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

4. Deferred Operating Grants

	2019	Received	Amortized to Revenue	2020
Federal	\$ 16,405	\$ 373,795	\$ (390,200)	-
Provincial	1,004,019	1,363,253	(1,399,698)	967,575
Other	-	525,000	(525,000)	-
Total	\$ 1,020,424	\$ 2,262,048	\$ (2,314,898)	\$ 967,575

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.

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Notes to Financial Statements
March 31, 2020

5. Deferred Revenues

	2019	Received	Amortized to Revenue	2020
Service contracts	\$ 676,426	\$ 8,792,411	\$ (8,858,849)	\$ 609,988
Conferences & member services	865,453	80,425	(330,637)	615,241
Software customization	38,568	184,695	(179,198)	44,065
Total	\$ 1,580,447	\$ 9,057,531	\$ (9,368,684)	\$ 1,269,294

6. Accumulated Surplus

- a) In December 2019, the BCNET Board approved the creation of an Operating Reserve and a Capital Reserve. 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. 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 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.

	2020	2019
Tangible capital assets	\$ 7,391,775	\$ 7,289,547
Amounts financed by:		
Unamortized deferred capital grants	(3,669,975)	(4,084,285)
Invested in Tangible Capital Assets	\$ 3,721,800	\$ 3,205,262

BCNET
Notes to Financial Statements
March 31, 2020

7. Budget

The budget for the fiscal year ended March 31, 2020 was approved by the BCNET Board of Directors at a meeting on December 12, 2018.

8. Expenses by Object

	Budget	2020	2019
Cost of services	\$ 7,984,625	\$ 7,607,053	\$ 6,139,550
Staffing	3,952,951	4,367,131	3,866,482
Operating	800,971	814,665	616,812
Amortization	1,305,592	1,204,881	1,146,560
Pass through services	6,978,457	7,420,277	6,729,774
Total	\$ 21,022,596	\$ 21,414,007	\$ 18,499,178

9. Related Party Transactions

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

	2020	2019
Revenue	\$ 17,355,016	\$ 15,994,262
Fees paid to members	1,595,815	2,229,758

As at March 31, 2020, the Corporation had balances due to and from members as follows:

	2020	2019
Receivable from members	\$ 68,577	\$ 90,251
Payable to members	326,302	223,860

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

10. 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:

2021	\$	2,669,262
2022		2,069,595
2023		1,521,174
2024		446,598
2025		341,618
Thereafter		1,356,352
Total	\$	<u>8,404,599</u>

11. Contractual Rights

The Corporation has entered into fibre contracts (Note 10) to connect certain member institutions to the BCNET network. In return, the Corporation has received commitments to receive the following revenues from those institutions:

2021	\$	2,396,916
2022		1,807,837
2023		1,287,676
2024		264,241
2025		159,261
Thereafter		416,701
Total	\$	<u>6,332,632</u>

12. Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (the “Plan”), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the 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, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local government.

12. Pension Plan (continued)

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 Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

BCNET paid \$204,205 (2019 - \$159,577) for employer contributions while employees contributed \$181,075 (2019 - \$140,156) to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in late 2022.

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).

13. 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.

13. Financial Instrument Risk (continued)

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.

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.

14. 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 but are not limited to support service for federated identity services and security vulnerability scanning.

Enterprise Resource Planning Services

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

14. Segmented Information (continued)

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 10,054 (2019 – 10,016) kilometers and directly connects 244 (2019 – 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 to support our members to train their staff. We investigate member requirements and negotiate competitive pricing with third party organizations. BCNET partners with prominent information Technology companies and Training Providers 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, Digital Signage, EduCloud Backup, EduCloud Server, Kaltura, Moodle, IBM SPSS, TeamDynamix and Video Conferencing.

15. Subsequent Events

Subsequent to the year end, the impact of the COVID-19 pandemic in Canada and on the global economy increased significantly. At this time, the full potential impact of COVID-19 on the Corporation is not known; however it is not expected to have an adverse effect on the Corporation's future viability, or on the ability to provide services to its members.

Prior to the year end and in reaction to the pandemic, the Corporation decided to cancel the BCNET Conference scheduled for April 2020. The net impact of the cancellation was \$17,697.