

## **BOARD OF GOVERNORS**

### **SPECIAL PUBLIC SESSION AGENDA**

Thursday, May 30, 2024

Zoom Only

9:00 am – 10:00 am

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**Members** – Ibolya Agoston, Amanda Alexander, Allison Beswick, Eric Dampson, Joyce Henley, Iliyan Lakhani, Darlene McIntosh, Joel McKay - CHAIR, Trevor Morrison, Phil Mullins, Geoff Payne, Michael Reed – VICE-CHAIR, Gregory Stewart, Todd Whitcombe, Catherine Wishart

1. **Acknowledgement of Territory**
2. **Chair's Remarks**
  - Declarations of Conflict
  - Correspondence Received
3. **Report from the Closed Session of the Board**
  - a. **March 28, 2024**
    - i. Discussion Indigenous Identity Verification
    - ii. Cyber Security Presentation
    - iii. Investment Advisory Committee – Update Committee Composition  
Appointments/Reappointments
    - iv. Budget Discussion and Questions
    - v. President's Recommendation for Tenure & Promotion
    - vi. UNBC Naming Opportunities
    - vii. Governance Report – Action Items for 2024
4. **Approval of Agenda**

*That, the Agenda for the Public Session of May 30, 2024, of the Board of Governors be approved as presented.*
5. **Approval of Minutes**
  - a. **Public Session Minutes of March 28, 2024 – page 3**

*That, the Public Session Minutes of March 28, 2024, of the Board of Governors be approved as presented.*
6. **Business Arising from Previous Public Session Minutes**
7. **Reports of Committees and Related Motions**
  - (i) **Audit and Risk Committee** – G. Stewart, Chair
    - a. **Audit Findings Presentation – KPMG Audit Representatives** – C. Naphtali – **page 9**
    - b. **Presentation and Approval of Financial Statements** – R. Somani – **page 40**

*That, on the recommendation of the Audit and Risk Committee, the Board of Governors approves the University of Northern British Columbia's Consolidated Financial Statements for the year ended March 31, 2024.*

- c. **UNBC Enrollment Audit – Annualized FTE Audit Report** – B. Owen – **page 67**
- (ii) **Finance and Investment Committee** – A. Beswick, Chair
- (iii) **Governance and Human Resources Committee** – J. McKay, Chair
  - a. **MOU between UNBC and TRU** – B. Owen - **page 71**  
*That on the recommendations of the Governance and Human Resources Committee and the UNBC Senate, the Memorandum of Understanding between UNBC and Thompson Rivers University related to graduate education be approved as proposed.*
  - b. **Executive Compensation Disclosure – for information** – R. Somani – **page 75**

## 8. **Other Business**

- a. Annual Schedule of Board Meetings 2024 – for information – J. McKay – **page 83**
- b. Schedule of Upcoming UNBC Events
  - **Class of 2024 Convocation** - May 31, 2024  
Location: Northern Sport Centre, Prince George
  - **Class of 2024 Graduate Campus Celebrations**
    - Northwest campus (Terrace, B.C.) - June 3, 2024  
Location: R.E.M. Lee Theatre
    - Wilp Wilxo'oskwhl Nisga'a Institute (Gitwinksihlkw, B.C.) - June 4, 2024  
Location: Ts'oohl Ts'ap Memorial Centre
    - South-Central campus (Quesnel, B.C.) - June 6, 2024  
Location: UNBC South-Central Campus Atrium
    - Northeast campus (Fort St. John, B.C.) - June 7, 2024  
Location: Pomeroy Hotel & Conference Centre

For more UNBC events, please visit [www2.unbc.ca/events](http://www2.unbc.ca/events)

## 9. **Adjournment**

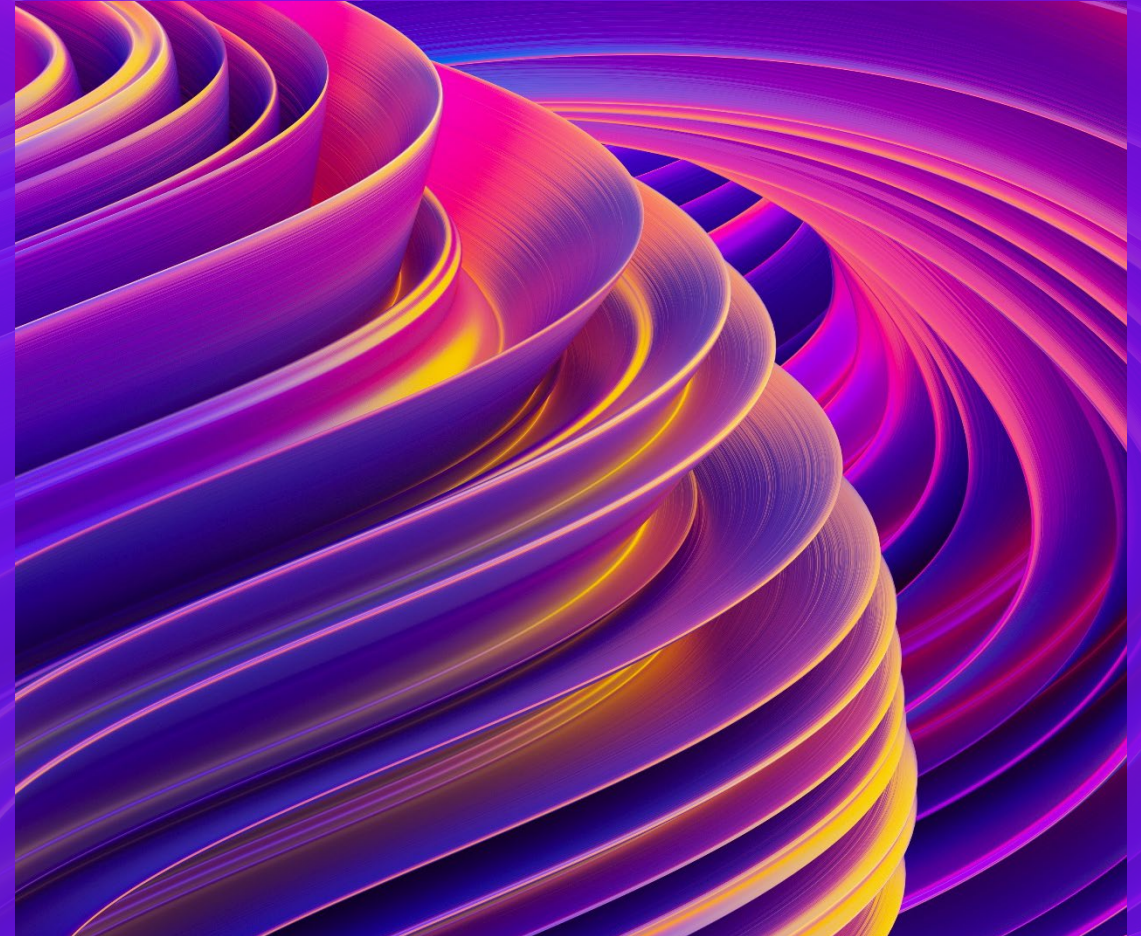


# University of Northern British Columbia

**Audit Findings Report for the  
year ended March 31, 2024**

Prepared for presentation to the Audit and Risk  
Committee on May 28, 2024.

[kpmg.ca/audit](https://kpmg.ca/audit)





# KPMG contact

## Key contact in connection with this engagement

### **Corey Naphtali**

Engagement Partner

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Audit Senior Manager

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## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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<b>11</b>	<b>Control Observations</b>	<b>12</b>	<b>Audit Quality</b>	<b>13</b>	<b>Appendices</b>

The purpose of this report is to assist you, as a member of the Audit and Risk Committee (“Committee”), in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Board of Governors, and Committee and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights



No matters to report



Matters to report – see link for details

## Purpose of this report

The purpose of this Audit Findings Report is to assist you, as a member of the Audit and Risk Committee (the “Committee”), in your review of the results of our audit of the financial statements (hereinafter referred to as the “financial statements”) of University of Northern British Columbia (“the University”) as at and for the year ended March 31, 2024. Our audit has been performed in accordance with Canadian generally accepted auditing standards (CAS).

## Status

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Completing our discussions with the Committee and the Board of Governors
- Obtaining the signed management representation letter.
- Obtaining evidence of the Board of Governors’ approval of the financial statements.
- Obtaining remaining legal and investment confirmations.
- Completing subsequent event review procedures up to the date of the Board of Governors’ acceptance of the financial statements.
- Completing file assembly and review.

We will update you and management on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditor’s report, a draft of which is enclosed with this report, will be dated upon the completion of any remaining procedures.

## Risks and results



Significant risks



Other risks of material misstatement



Going concern matters



# Audit highlights (continued)



No matters to report



Matters to report – see link for details

## Uncorrected misstatements



### Uncorrected misstatements

We identified two uncorrected audit misstatements as detailed in the management representation letter attached in appendix 2.

## Corrected misstatements



### Corrected misstatements

We identified three corrected audit misstatements as detailed in the management representation letter attached in appendix 2.

## Control deficiencies



### Significant deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.



### Other control deficiencies

We did not identify any new other control deficiencies in the current year.

## Policies and practices



### Significant unusual transactions



### Accounting policies and practices



## Quality control and Independence

We confirm that we are independent with respect to the University within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from April 1, 2023 up to the date of this report.



# Significant risks and results



## Presumption of the risk of fraud resulting from management override of controls

RISK OF



ERROR FRAUD

### Significant risk

### Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

### Our response

As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments.
- Performing a retrospective review of significant estimates and evaluating the business rationale of significant unusual transactions.
- Evaluating the completeness of the journal entry population through a roll-forward of accounts meeting our high risk criteria
- Reviewing the accounting estimates and assessing whether management's estimates are reasonable and not indicative of management bias.

### Significant findings

There were no issues noted in our audit testing described above.





# Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



## Revenue and deferred contributions

### Background

Revenue is recorded on an accrual basis and is recognized when it is earned and measurable. Revenue relating to future periods, including tuition is reported as deferred revenue and recognized when earned as per PS 3400 Revenue Recognition, a new accounting standard effective for the University's 2024 fiscal year.

### Estimate?

No

### Our response

- We updated our understanding of the process activities and controls over revenue and deferred contributions.
- Obtained revenue confirmation from the Ministry of Advanced Education, Skills & Training and reviewed significant reconciling items between grant confirmation and grants recorded.
- Performed test of details on contributions received as well as amounts spent to assess that revenues are appropriately recognized, and contributions are appropriately deferred.
- Performed substantive analytical procedures over Tuition revenue that take into account key drivers and set an audit expectation based on those drivers. Underlying data and assumptions used in setting the expectation are tested to supporting documentation. For significant variances between our initial audit expectation and actual amounts, if any, were further investigated including obtaining corroborative support.
- We performed vouching over deferred tuition revenue balances, including testing management's process and adjustments for determining deferred tuition revenue balances.
- We reviewed the financial statement note disclosures to ensure it is complete and accurate, reviewed additional reporting of financial information regarding deferred contributions as required by the Office of the Auditor General.

### Our findings

There were no issues noted in our audit testing described above.



# Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



## Expenses, including salaries and benefits expense

### Background

### Estimate?

Expenses are closely monitored against approved budgets. Salaries and benefits expenses represent a significant portion of the University's expenses. There is a need to ensure that the expenses recognized are appropriate.

No

### Our response

- We updated our understanding of the process activities and controls over expenses, including salaries and benefits expense.
- We performed testing over the payroll accruals and assessed the completeness and reasonability of the accruals.
- We developed an expectation for the current year salaries and benefits expense based on the prior year expense adjusted for changes in head count, pay rates and other non-recurring items. We compared our expectation to the actual salaries and benefits expense recorded and corroborated any significant variances noted.
- We performed substantive procedures over expenses, including reviewing and vouching a sample of expenses to underlying supporting documentation, ensuring the expenses are appropriately recognized.
- We selected a sample of payments made, trade payables recorded, and invoices received subsequent to year-end and ensured they were recorded in the appropriate fiscal year.

### Our findings

There were no issues noted in the testing.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Tangible Capital Assets (“TCA”) and Deferred Capital Contributions (“DCC”)

### Background

### Estimate?

TCA represent a significant portion of assets of the University. For contributions received towards capital, the University is required under reporting provisions of the Budget Transparency and Accountability Act to defer these capital contributions and recognize to revenue over the same basis as the amortization of the related tangible capital assets.

No

### Our response

- We updated our understanding of the process activities and controls over TCA and DCC, including the year-end process around identifying assets for impairment.
- We obtained the TCA and DCC continuity schedules, verified mathematical accuracy, and performed substantive procedures over additions, disposals, and other adjustments.
- We performed recalculation over amortization of tangible capital assets and deferred capital contributions taking into consideration budgeted and planned capital projects.
- We reviewed the financial statement note disclosures to ensure it is complete and accurate, including additional information regarding DCC as required by the Office of the Auditor General.

### Our findings

There were no issues noted in our audit testing described above



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Investments

### Background

### Estimate?

Investments represent a significant portion of assets of the University. The purpose of the investments is to generate investment income for various functions including operating and endowment investments.

No

### Our response

- We updated our understanding of the process activities and controls over recording portfolio investments.
- We obtained confirmations of investment balances with respective financial institutions where possible and compared to the amounts recorded in the financial statements. We also performed alternative procedures including vouching to investment statements where required.
- We reviewed presentation of the portfolio investments and ensured all disclosures are included in the financial statements as required by the Public Sector Accounting Standards including reporting remeasurement gains and losses.

### Our findings

There were no issues noted in the testing.



# Accounting policies and practices



## Significant accounting policies

- There have been no initial selections of, or changes to, significant accounting policies and practices other than the adoption of PS 3400 Revenue Recognition adopted in the year. PS 3160 Public Private Partnerships and PSG 8 Purchased Intangibles were assessed and no significant impact was identified.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the University's transactions in relation to the period in which they were recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



## Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the University's asset and liability carrying values.



## Significant disclosures and financial statement presentation

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures, and uncertainties.





# Control observations

## Consideration of internal control over financial reporting (“ICFR”)



In planning and performing our audit, we considered ICFR relevant to the University’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting



A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting



A significant deficiency in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control that, in the auditor’s professional judgment, is of sufficient importance to merit the attention of those charged with governance.

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.

KPMG will issue a management letter with other observations for management to consider for the subsequent fiscal year.



# Audit quality - How do we deliver audit quality?

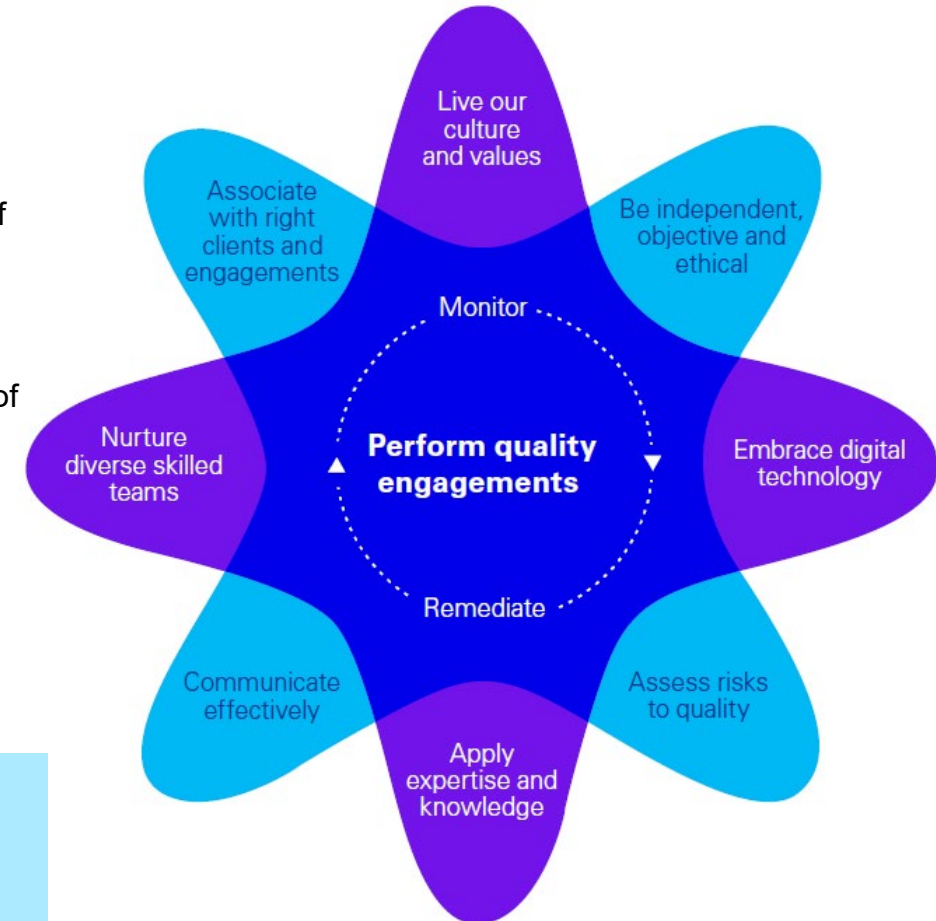
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendices

1

Required communications

2

Management representation letter

3

Current developments

4

Thought leadership and insights



# Appendix 1: Required communications

## Draft auditor's report

The conclusion of our audit is set out in our draft auditor's report attached to the draft financial statements.

## Audit findings report

Represented by this report.

## Management representation letter



In accordance with professional standards, a copy of the management representation letter for the University is included in Appendix 2.

## Internal control deficiencies



We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

KPMG will issue at the end of the audit a management letter with other observations for management to consider in the future.

## Independence



In accordance with professional standards, we have confirmed our independence on page 5.



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Canada  
Telephone (250) 563-7151  
Fax (250) 563-5693

## INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of the University of Northern British Columbia, and  
To the Minister of Advanced Education, Skills & Training, Province of British Columbia

### ***Opinion***

We have audited the consolidated financial statements of the University of Northern British Columbia (the "University"), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2024 of the University are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***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 auditor's report.

We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our 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 – Financial Reporting Framework***

We draw attention to Note 2(a) of the financial statements, which describes the applicable financial reporting framework and the significant differences between that financial reporting framework 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 financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the University'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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

***DRAFT***

Chartered Professional Accountants

Prince George, Canada

May 31, 2024



# Appendix 2: Management representation letter

KPMG LLP  
177 Victoria Street, Suite 400  
Prince George, BC V2L 5R8  
Canada

May 31, 2024

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as “financial statements”) of University of Northern British Columbia (“the Entity”) as at and for the period ended March 31, 2024.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated November 1, 2022, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or

error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

*Estimates:*

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.



*Going concern:*

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*Misstatements:*

- 11) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 12) We approve the corrected misstatements identified by you during the audit described in [Attachment II](#).

*Other information:*

- 13) We confirm that the final version of the annual report will be provided to you when available, and prior to issuance by the Entity, to enable you to complete your required procedures in accordance with professional standards.

*Non-SEC registrants or non-reporting issuers:*

- 14) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 15) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

*Other:*

- 16) Management has reviewed the accuracy and taken responsibility for all working papers produced by contractors during the audit.
- 17) We confirm that the Board of Governors approved the audited financial statements for March 31, 2024.

Yours very truly,

---

By: Dr. Geoffrey Payne, President and Vice-Chancellor

---

By: Mr. Rahim Somani, Vice President, Finance and Administration

## ***Attachment I – Definitions***

### ***Materiality***

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### ***Fraud & error***

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

**Attachment II – Summary of Corrected and Uncorrected Audit Misstatements**

	<b>Description of audit misstatement</b>	<b>Resolution</b>
1	The University is required under public sector accounting standards to prepare a statement of re-measurement gain and loss. Management has determined that the total accumulated re-measurement gain/loss as at March 31, 2024 is not a material amount and has represented to us that the omission of this statement is not material to the users of the consolidated financial statements.	Uncorrected
2	\$1.4 million of operating investments maturing within 3 months of year-end, but which had an initial term to maturity of greater than 3 months, were incorrectly classified as cash and cash equivalents.	Corrected
3	Management has corrected an unreconciled difference of \$187,659 in the operating bank reconciliation in the current period by recording the amount as miscellaneous revenue. We note the appropriate accounting treatment for this historical difference would be to record it against accumulated surplus, however we concur with management the amount is not material as such as been recorded as miscellaneous revenue.	Corrected
4	Included within the portfolio investments are \$11,866,000 of private debt and private equity funds which have been valued as of December 31, 2023. Due to the timelines set out by the Ministry of Advanced Education, the change in the fair market value to March 31, 2024 is not attainable as of the date of the release of the consolidated financial statements. Management has disclosed this timing difference to users of the financial statements. While the potential magnitude of the change may be material, we concur with Management this difference is not material to financial statement users when considered qualitatively.	Uncorrected
5	We noted a factual error in expenses due to a cutoff error with 2023 expenses being recorded in 2024 of \$4,518. This factual error is currently projecting over the total expense population an error of \$262,841.	Uncorrected - projection



# Appendix 3: Current developments

## Changes in accounting standards

Standard	Summary and implications
<b>Concepts Underlying Financial Performance</b>	<ul style="list-style-type: none"> <li>The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 with early adoption permitted.</li> <li>The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.</li> </ul>
<b>Financial Statement Presentation</b>	<ul style="list-style-type: none"> <li>The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted.</li> <li>The proposed section includes the following: <ul style="list-style-type: none"> <li>Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.</li> <li>Separating liabilities into financial liabilities and non-financial liabilities.</li> <li>Restructuring the statement of financial position to present total assets followed by total liabilities.</li> <li>Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.</li> <li>A new provision whereby an entity can use an amended budget in certain circumstances.</li> <li>Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li> </ul> </li> </ul>



# Appendix 3: Current developments (continued)

## Changes in accounting standards (continued)

Standard	Summary and implications
<b>Employee Future Benefit Obligations</b>	<ul style="list-style-type: none"> <li>• The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>.</li> <li>• The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard.</li> <li>• Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.</li> <li>• The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively.</li> <li>• This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations.</li> <li>• The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.</li> </ul>

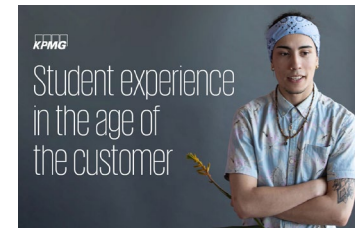


# Appendix 4: Thought leadership and insights



## AI in Higher Education

Artificial intelligence (AI) is changing how higher education institutions can deliver services, manage operations, and engage faculty to stay relevant in the market. Historically faced with barriers to quick adoption of emerging technologies, institutions must intentionally redesign their processes to keep pace and integrate with the fast-evolving capabilities that AI continues to present. While initial interest in AI in higher education has been focused on assessment, its potential applications extend to various use cases, such as streamlining administrative processes, powering student services, predicting and monitoring student success, and identifying student attrition risk. Dive into our first of a series of thought leadership articles as we explore the trends, challenges and opportunities shaping academia's digital transformation.



## Student Experience

The broader context in which students live and work has influenced how they learn and engage with higher education institutions. Research conducted by KPMG revealed 5 key trends in student demographics and behaviors that have become driving forces behind changes in student needs. Students are increasingly diverse, digital, discerning, demanding, and debt-averse.

KPMG's approach to working with higher education institutions combines sector knowledge and leading global practices to provide a blueprint for institutions to enhance student experiences during the "moments that matter" in their journey from being candidates to alumni.



## Higher education cybersecurity survey

As we navigate an era marked by rapid digital evolution, our daily lives, academic pursuits, and institutional operations are becoming increasingly interwoven with technology. While the transformative power of innovation brings unprecedented opportunities, it also exposes us to new challenges, particularly in the realm of cybersecurity. KPMG in Canada recently invited higher education institutions from both Canada and the United States to participate in a benchmarking survey to identify the areas where institutions are thriving, and where there is opportunity to improve.



## Decarbonization

Decarbonization and infrastructure resiliency is becoming central to ESG programs across Canada, and higher education institutions are no exception. Building decarbonization and climate resiliency strategies that account for evolving priorities from diverse stakeholders is key. When considering the need for standardized decarbonization initiatives and enhanced climate resiliency, institutions must consider the operational needs of their facilities and departments with decarbonization targets. A campus-level approach to developing solutions that can be applied across various assets and infrastructure is critical to accommodate competing requirements in a multi-stakeholder environment. Institutions should implement initiatives that move the needle toward emission targets early, while protecting against the impacts of extreme weather.



# Appendix 4: Thought leadership and insights (continued)

## Environmental, social and governance (“ESG”)

### What is ESG?

ESG is a framework to integrate environmental, social and governance risks and opportunities into an organization’s strategy to build long term financial sustainability and create value. ESG includes a wide range of non-financial scoring categories, used by investors and other stakeholders to assess the impact of a Association’s products and business practices on sustainability and social causes.

#### Environmental

##### Our IMPACT on our planet

- Climate change
- Greenhouse gas (GHG) emissions
- Natural resource depletion
- Waste and pollution
- Deforestation
- Hazardous materials
- Biodiversity

#### Social

##### Our IMPACT in our communities

- Working conditions, including slavery and child labour
- Impact on local communities
- Conflict regions
- Health and safety
- Employee diversity, equity, and inclusion
- Product mis-selling
- Data protection

#### Governance

##### Our conduct

- Executive pay
- Bribery and corruption
- Political lobbying and donations
- Board diversity and structure
- Tax strategy
- Data breaches

ESG strategies can help entities deliver long-term value through effective engagement with all stakeholders – generating trust and a competitive advantage.





# Appendix 4: Thought leadership and insights (continued)

## Environmental, social and governance (“ESG”) (continued)

### First IFRS Sustainability Disclosure Standards

The arrival of the first two IFRS Sustainability Disclosure Standards marks a key milestone in sustainability reporting and is a significant step towards creation of a global baseline for stakeholder-focused sustainability reporting that local jurisdictions can build on. **Although the standards are not required to be adopted by the University, the new IFRS sustainability standards provide key insights into what the future of sustainability reporting may look like for the University.**

### Summary of the recently released standards

The standards build on the four-pillar structure of the **Task Force on Climate-related Financial Disclosures**.

The **general requirements standard (IFRS S1)** defines the scope and objectives of reporting and provides core content, presentation and practical requirements.

It requires disclosure of material information on all sustainability-related risks and opportunities – not just on climate.

The **climate standard (IFRS S2)** replicates the core content requirements and supplements them with climate-specific reporting requirements.



Visit KPMG’s Sustainability Reporting website for more information, including a comprehensive summary of the new requirements and KPMG’s insights and illustrative examples for the new standards.

[Click here](#) to access KPMG’s portal



# Appendix 4: Thought leadership and insights (continued)

## Thought leadership – Environmental, social and governance (“ESG”)

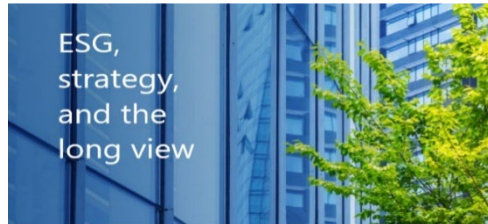
Note: Click on images to visit document link.



CoP26 made progress towards tackling climate change, but there is much more to do. At KPMG, we're committed to accelerating the changes required to fight climate change.



The Green City outlines the need of the cities and the buildings in them to reflect climate consciousness. The link provides guidance on what that looks like and the first steps to meeting those objectives.



This highlights a five-part framework to help organizations shape the total impact of strategy and operations on performance both externally, and internally.



This article outlines how ESG is impacting valuation and performance of the underlying companies institutional investors have a stake in.

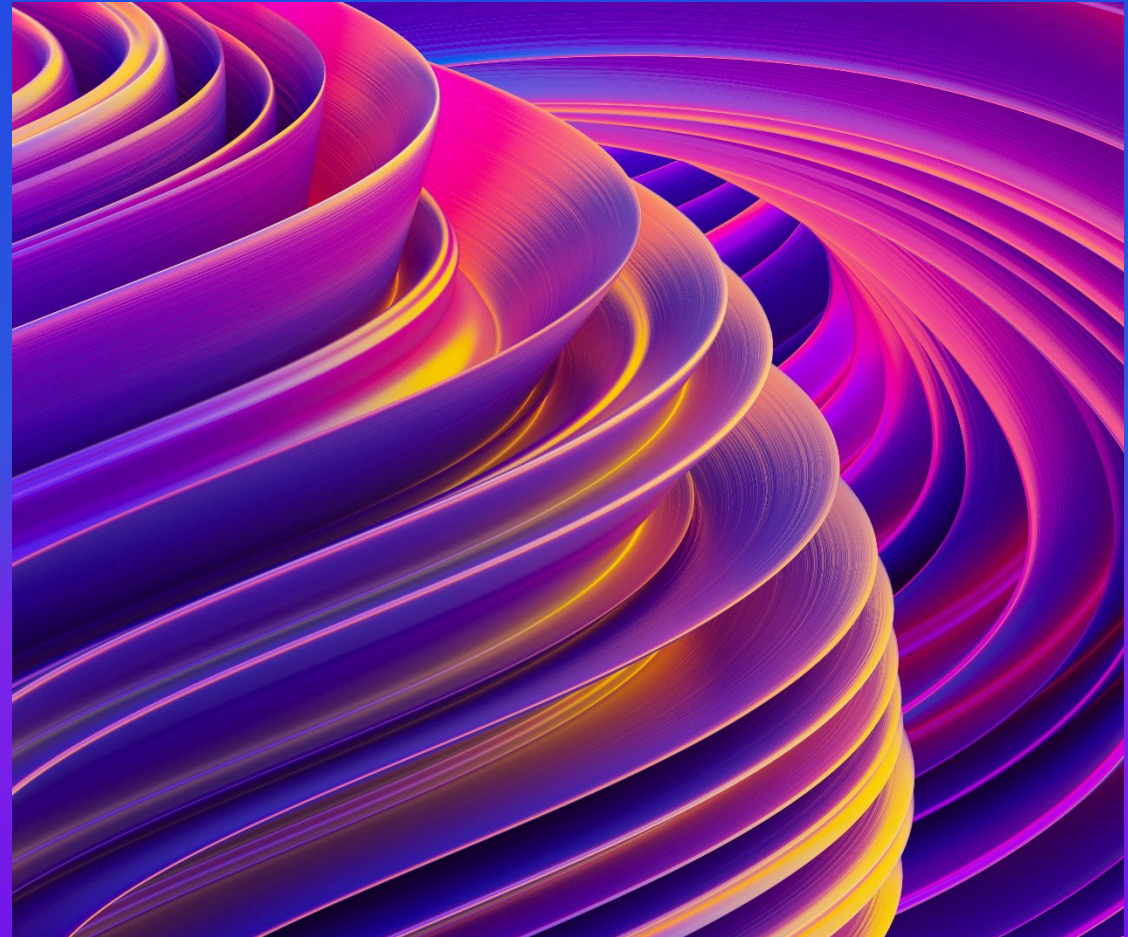
**KPMG's Climate Change Financial Reporting Resource Centre** provides FAQs to help you identify the potential financial statement impacts for your business.

[Click here](#) to access KPMG's portal.



<https://kpmg.com/ca/en/home.html>

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**BRIEFING NOTE FOR:**

**UNBC BOARD OF GOVERNORS AND BOARD COMMITTEES**

<b>Subject:</b>	<b>Consolidated Financial Statements for the year ended March 31, 2024</b>	
<b>Audit and Risk Committee</b>	<b>Meeting Date: May 28, 2024</b>	<b><u>For making recommendation to BOG for Approval</u></b>
<b>Board of Governors</b>	<b>Meeting Date: May 30, 2024</b>	<b><u>For Approval</u></b>
<b>Submitted By:</b>	Rahim Somani, Vice President, Finance and Administration	
<b>Please note other guests to be in attendance:</b>	Kiran Kullar, Director of Finance	
<b>Appendices:</b>	Consolidated Financial Statements for the year ended March 31, 2024	
<b>Motion Number:</b>	<b><i>To be completed by Office of University Governance</i></b>	

**MOTION**

**Audit and Risk Committee:**

That, the Audit and Risk Committee recommends to the Board of Governors, the approval of the University of Northern British Columbia's Consolidated Financial Statements for the year ended March 31, 2024.

**Board of Governors:**

That, on the recommendation of the Audit and Risk Committee, the Board of Governors approves the University of Northern British Columbia's Consolidated Financial Statements for the year ended March 31, 2024.

## SUMMARY ANALYSIS

### CONSOLIDATED STATEMENT OF OPERATIONS

1. **Annual Operating Deficit:** The deficit before restricted contributions is \$1.6M, within the ministry-approved budget deficit of \$2M.
2. **Total Revenue:** Increased by \$7.3M compared to the prior year, attributed to:
  - a. Increased Investment Income (\$3.5M) due to higher investment returns, and
  - b. Increased provincial funding (\$8M) for approved mandate increases out of which \$4M has been deferred to be used over the next two years.
3. **Tuition:** Domestic tuition decreased by \$0.8M, while international tuition increased by \$1.9M corresponding to the enrollment.
4. **Other Revenue Changes:** Federal funding decreased by \$0.6M, and gifts, bequests, and non-government grants and contracts decreased by \$0.9M.
5. **Total Expenses:** Increased by \$14.4M compared to the prior year due to:
  - a. **Salaries and Benefits:** Increased by \$8.6M due to mandated salary increases, new positions, and filling vacant positions.
  - b. **Operational Supplies and Expenses:** Increased by \$2.9M due to higher software and licensing costs as well as incremental costs of new programs.
  - c. **Other Increases:** Increased scholarships, fellowships, and bursaries (\$0.5M), increased renovations and maintenance (\$0.9M), and increased equipment, furnishings, and rent (\$0.4M).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

1. **Cash and Cash Equivalents:** Increased by \$2.5M from the prior year due to higher operating and capital contributions.
2. **Accounts Receivable:** Increased by \$4.9M, with \$1.9M attributed to the Northern Medical Program receivable, pending Q4 funding from UBC. The remaining increase is due to additional provincial funding for various programs, primarily the nursing expansion, with actual funds received shortly after year-end.
3. **Investments:** Portfolio investments increased by \$4M, and endowment investments increased by \$1.3M due to higher investment returns.

### Liabilities

1. **Accounts Payable and Accrued Liabilities:** Decreased by \$3.5M, as the prior year included amounts for a faculty grievance settlement and retroactive payments related to subsequently approved mandate increases.
2. **Deferred Revenue:** Increased by \$4.9M due to additional provincial funding for various programs, mainly the nursing expansion. This funding will be recognized as revenue as expenditures are incurred.
3. **Deferred Contributions:** Increased by \$10.2M, with \$4M attributed to the approved deferral of the general operating grant and the remaining due to increased funding for which expenditures have not yet been incurred.



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# Consolidated Financial Statements

## Year Ended March 31, 2024

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# Consolidated Financial Statements

Year Ended March 31, 2024



[www.unbc.ca/finance/statements](http://www.unbc.ca/finance/statements)



# University of Northern British Columbia

## Consolidated Financial Statements

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## UNIVERSITY OF NORTHERN BRITISH COLUMBIA

### STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the University of Northern British Columbia (the University) have been prepared by management in conformity with Section 23.1 of *the Budget Transparency and Accountability Act* of the Province of British Columbia and the Restricted Contribution Regulation 198/2011 issued pursuant to it. The regulations require financial statements to be prepared in accordance with the standards of the Canadian Public Sector Accounting Board except that the contributions received or receivable by the University for the purpose of acquisition of tangible capital assets are accounted for as deferred capital contributions as described in note 2(a) of the consolidated financial statements. The consolidated financial statements present the consolidated financial position of the University as at March 31, 2024 and the consolidated results of its operations and its consolidated cash flows for the year ended March 31, 2024.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal controls designed to provide reasonable assurance that University's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of consolidated financial statements.

The Board of Governors carries out its responsibility for review of the consolidated financial statements and oversight of management's performance of its financial reporting responsibilities principally through its Audit and Risk Committee.

With the exception of employee group representatives, members of the Audit and Risk Committee are neither officers nor employees of the University.

The Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit and Risk Committee, with and without the presence of management.

The consolidated financial statements for the year ended March 31, 2024 have been reported on by KPMG LLP. The Independent Auditor's Report outlines the scope of the examination and provides the firm's opinion on the consolidated financial statements.

Rahim Somani, CPA, CA  
Vice President, Finance & Administration

Kiran Kullar, CPA, CA  
Director of Finance

May 30, 2024



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Canada  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors of the University of Northern British Columbia, and  
To the Minister of Advanced Education, Skills & Training, Province of British Columbia

### *Opinion*

We have audited the consolidated financial statements of the University of Northern British Columbia (the "University"), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2024 of the University are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### *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 auditors' report.

We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our 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 – Financial Reporting Framework***

We draw attention to Note 2(a) of the financial statements, which describes the applicable financial reporting framework and the significant differences between that financial reporting framework 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 financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the University'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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants  
Prince George, Canada  
May 30, 2024

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

## Consolidated Statement of Financial Position

March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

		<b>2024</b>	<b>2023</b>
<b>Financial assets</b>			
Cash and cash equivalents		\$ 55,567	\$ 54,471
Operating investments	(Note 3)	22,808	22,512
Accounts receivable		11,562	6,664
Inventories for resale		526	621
Portfolio investments	(Note 4)	36,395	32,378
		<b>126,858</b>	<b>116,646</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	(Note 5)	18,991	22,427
Deferred revenue		7,108	2,258
Deferred contributions	(Note 7)	68,662	58,457
Deferred capital contribution	(Note 8)	150,645	150,508
		<b>245,406</b>	<b>233,650</b>
<b>Net debt</b>		<b>(118,548)</b>	<b>(117,004)</b>
<b>Non-financial assets</b>			
Tangible capital assets	(Note 9)	201,030	201,028
Inventories held for use		127	93
Endowment investments	(Note 4 and 13)	73,199	71,817
Prepaid expenses		3,550	3,689
		<b>277,906</b>	<b>276,627</b>
<b>Accumulated surplus</b>	(Note 12)	<b>\$ 159,358</b>	<b>\$ 159,623</b>

Contractual obligations and commitments (Note 11)

See accompanying notes to consolidated financial statements

On behalf of the Board of Governors:

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Joel McKay  
Chair, Board of Governors

---

Geoffrey Payne  
President & Vice Chancellor

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

	<b>Budget</b> (Note 2(n))	<b>2024</b>	<b>2023</b>
<b>Revenues</b>			
Government grants			
Provincial government	\$ 70,554	\$ 69,686	\$ 65,693
Federal government	8,845	10,584	11,194
Tuition - Domestic	19,632	15,178	15,905
Tuition - International	8,266	9,530	7,659
Other fees	1,833	2,027	1,981
Sales of goods and services	9,220	9,004	8,663
Gifts, bequests, non-government grants and contracts	14,697	14,482	15,317
Investment income	2,135	6,820	3,342
External cost recovery and other income	250	7	509
Revenue recognized from deferred capital contributions	7,400	7,662	7,368
	<b>142,832</b>	<b>144,980</b>	<b>137,631</b>
<b>Expenses</b>			
Ancillary operations	6,718	7,648	7,102
Facilities operations and maintenance	18,139	18,177	16,609
Instruction	59,877	57,406	52,406
Institutional support	41,596	43,250	37,394
Sponsored research	12,500	14,072	12,953
Special purpose	6,000	6,070	5,823
	<b>144,830</b>	<b>146,623</b>	<b>132,287</b>
<b>Annual operating (deficit) surplus before restricted contributions</b>	<b>(1,998)</b>	<b>(1,643)</b>	<b>5,344</b>
<b>Restricted endowment contribution</b>	<b>1,500</b>	<b>1,378</b>	<b>2,353</b>
<b>Annual (deficit) surplus</b>	<b>(498)</b>	<b>(265)</b>	<b>7,697</b>
<b>Accumulated surplus, beginning of year</b>	<b>159,623</b>	<b>159,623</b>	<b>151,926</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 159,125</b>	<b>\$ 159,358</b>	<b>\$ 159,623</b>

See accompanying notes to consolidated financial statements.



**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Consolidated Statement of Changes in Net Debt

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

	Budget (Note 2(n))	2024	2023
Annual (deficit) surplus	\$ (498)	\$ (265)	\$ 7,697
Exclude items not affecting net debt:			
Restricted endowment contributions	(1,500) (1,998)	(1,378) (1,643)	(2,353) 5,344
Acquisition of tangible capital asset	-	(10,450)	(6,762)
Loss on disposal of tangible capital assets	-	-	8
Amortization of tangible capital assets	-	10,448	10,243
	-	(2)	3,489
Consumption of inventories held for use	-	93	91
Acquisition of inventories held for use	-	(131)	(93)
Consumption of prepaid expenses	-	3,689	3,678
Acquisition of prepaid expenses	-	(3,550)	(3,689)
	-	101	(13)
<b>Decrease (increase) in net debt</b>	<b>(1,998)</b>	<b>(1,544)</b>	<b>8,820</b>
<b>Net debt, beginning of year</b>	<b>(126,964)</b>	<b>(117,004)</b>	<b>(125,824)</b>
<b>Net debt, end of year</b>	<b>\$ (128,962)</b>	<b>\$ (118,548)</b>	<b>\$ (117,004)</b>

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

## Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Annual (deficit) surplus	\$ (265)	\$ 7,697
Items not involving cash:		
Amortization of tangible capital assets	10,448	10,243
Loss on disposal of tangible capital assets	-	8
Amortization of deferred capital contributions	(7,662)	(7,368)
Change in non-cash operating working capital		
Increase in accounts receivable	(4,898)	(2,240)
Decrease (increase) in prepaid expenses	139	(11)
Increase in inventories held for use	(36)	(2)
Decrease (increase) in inventories held for sale	95	(53)
(Decrease) increase in accounts payable and accrued liabilities	(3,436)	5,275
Increase in deferred revenue	4,850	862
<b>Net change in cash from operating activities</b>	<b>(765)</b>	<b>14,411</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(10,450)	(6,762)
<b>Net change in cash from capital activities</b>	<b>(10,450)</b>	<b>(6,762)</b>
<b>Investing activities</b>		
Capital contributions	7,801	3,586
Increase in operating investments	(296)	(2,134)
Increase in deferred contributions	10,205	6,110
Increase in endowment investments	(1,382)	(2,353)
Increase in portfolio investments	(4,017)	(5,701)
<b>Net change in cash from investing activities</b>	<b>12,311</b>	<b>(492)</b>
<b>Net change in cash</b>	<b>1,096</b>	<b>7,157</b>
Cash, beginning of year	54,471	47,314
Cash, end of year	\$ 55,567	\$ 54,471

Cash is comprised of cash and cash equivalents.

See accompanying notes to consolidated financial statements.

## UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

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### 1. Authority and Purpose

The University of Northern British Columbia ("UNBC" or "the University") operates under the authority of the *University Act* of British Columbia. UNBC is a comprehensive research university dedicated to improving the quality of life in its region, and beyond, by attaining the highest standards of undergraduate and graduate teaching, learning, and research. The University is governed by a 15 member Board of Governors, eight of whom are appointed by the Government of British Columbia, including two on the recommendation of the UNBC Alumni Association. The academic governance of the University is vested in the Senate. UNBC is a registered charity and is therefore exempt from income taxes under Section 149 of the *Income Tax Act*. The University receives a significant portion of its revenues from the Province of British Columbia.

### 2. Summary of significant accounting policies

The consolidated financial statements of the University are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the University are as follows:

#### (a) Basis of accounting

The consolidated 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 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The *Budget Transparency and Accountability Act* requires that the consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise 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 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital assets are recorded and, referred to as deferred capital contributions and recognized revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than those for acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

**2. Summary of significant accounting policies (continued)**

**(a) Basis of accounting - (continued)**

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3100; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

**(b) Basis of consolidation**

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of organizations that are controlled by UNBC. UNBC Investment Trust is a for-profit entity controlled by the University, whose primary purpose is to manage certain investment assets of the endowment fund; it is included in the financial statements on a fully consolidated basis.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash, money-market securities and investments with terms to maturity of three months or less at date of purchase and are cashable on demand.

**(d) Operating investments**

Operating investments consist of highly liquid money-market and bond securities and other investments with terms to maturity of greater than three months to one year at date of purchase.

2. Summary of significant accounting policies (continued)

(e) Financial instruments

Financial instruments are classified into two categories: fair value or cost.

**Fair value category:** Portfolio instruments that are quoted in an active market and derivative instruments are reflected at fair value as at the reporting date. Other financial instruments which the University has designated to be recorded at fair value include cash, cash equivalents and short term investments. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Significant unrealized gains and losses on financial instruments are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. Unrealized gains and losses on endowment investments where earnings are restricted as to use are recorded as deferred contributions and recognized in revenue when disposed and when the related expenses are incurred.

**Cost category:** Realized gains, losses and interest expense are recognized in the Statement of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Accounts receivable, accounts payable and accrued liabilities are measured at cost. Any gains, losses or expense is recorded in the annual surplus (deficit) depending on the nature of the financial asset or liability that gave rise to the gain, loss or expense. Valuation allowances are made when collection is in doubt. Interest is accrued on accounts receivable to the extent it is deemed collectible.

(f) Inventories for resale

Inventories held for resale, including books, clothing, office and paper supplies, food and other items for retail sale are recorded at the lower of cost and net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

(g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Interest is not capitalized whenever external debt is issued to finance the construction of tangible capital assets. Donated assets are recorded at fair value at the date of transfer. In unusual circumstances where fair value cannot be reasonably determined, the tangible capital asset would be recognized at nominal value.

Tangible capital assets are amortized on a straight-line basis over their estimated useful life as shown below. Land is not amortized as it is deemed to have a permanent value.

**2. Summary of significant accounting policies (continued)**

**(g) Non-financial assets - (continued)**

(i) Tangible capital assets - (continued)

Asset	Rate
Buildings and site improvements	50 years
Capital renovations	20 years
Library books	10 years
Furniture and equipment	8 years
Computers	3 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Works of art and historic treasures

Works of art and historic treasures are not recorded as assets in these consolidated financial statements.

(iii) Inventories Held for Use

Inventories held for use such as office, stationery and lab supplies distributed to various departments are recorded at the lower of cost and replacement cost.

Cost includes the original purchase cost, plus shipping and applicable duties.

**(h) Employee future benefits**

The University and eligible employees contribute to a defined contribution pension plan providing benefits on a money purchase basis. The cost of pension benefits includes the current service cost based on 8% to 10% of salary, less a fixed offsetting amount relating to Canada Pension Plan contributory earnings. The assets and liabilities of this plan are not included in the University's consolidated financial statements. The University expenses its contributions to the plan in the year to which the contributions relate.

The University's sick leave benefits do not vest or accumulate and related costs are expensed as incurred.

Vacation benefits for the University's employees are accrued as earned. The obligations under these benefits are based on the applicable collective agreements for unionized employees and employment contracts for employees not covered by collective agreements.

**2. Summary of significant accounting policies (continued)**

**(i) Revenue recognition**

Revenue, including tuition, from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the University satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payer. Revenue from transactions without performance obligations is recognized at realizable value when the University has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

Unrestricted donations and grants and other income are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured. Pledges from donors are recorded as revenue when payment is received or the transfer of property is completed.

The University follows the deferral method of accounting for contributions. Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulations or restrictions on the contribution have been met.
- (iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as endowment contributions on the Consolidated Statement of Operations and Accumulated Surplus for the portion to be held in perpetuity and as deferred contributions for any restricted investment income earned thereon.
- (iv) Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments, and write-downs on investments where the loss in value is determined to be other-than-temporary.

**New Accounting Standard**

**PS 3400 Revenue**

Effective April 1, 2023, the University adopted PS 3400 Revenue. This standard provides guidance on how to account for and report revenue. Under this standard, transactions are differentiated between revenue arising from performance obligation and those that do not. Revenue from transactions with performance obligations is recognized when the University satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payer.

This standard may be applied retroactively or prospectively and early adoption is permitted. The University adopted this standard prospectively.



**2. Summary of significant accounting policies (continued)**

**(j) Use of estimates**

The preparation of the consolidated financial statements in accordance with the *Budget Transparency and Accountability Act* requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Key areas where management has made estimates and assumptions include those related to the determination of fair value of financial instruments, the useful life of tangible capital assets for amortization, the related amortization of deferred capital contributions and accrued payables. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

**(k) Foreign currency translation**

The University's functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which were designated in the fair value category under the financial instrument standard are reflected in the consolidated financial statements in equivalent Canadian dollars at the exchange rate in effect on the date of the statement of financial position. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or date of the statement of financial position is recognized in the statement of remeasurement gains and losses. In the period of settlement, the related cumulative remeasurement gain/loss is reversed in the statement of remeasurement gains and losses and the exchange gain or loss in relation to the exchange rate at the date of the item's initial recognition is recognized in the Consolidated Statement of Operations and Accumulated Surplus.

**(l) Contaminated sites**

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the organization is directly responsible or accepts the responsibility for the liability;
- (iv) future economic benefits will be given up; and
- (v) a reasonable estimate of the liability can be made.

**(m) Asset retirement obligation**

The University recognizes asset retirement obligations in the period in which the following criteria are met:

- (i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) the past transaction or event giving rise to the liability has occurred;
- (iii) it is expected that future economic benefits will be given up; and
- (iv) a reasonable estimate of the amount can be made.

Tangible long-lived assets include leased premises and the legal obligation to incur retirement costs is a result from the acquisition, construction, development, and/or normal use of the asset.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

**2. Summary of significant accounting policies (continued)**

**(m) Asset retirement obligation - (continued)**

The fair value of the asset retirement cost is capitalized as part of the carrying value of the related long-lived asset and is depreciated over the life of the asset. The liability may be changed to reflect the passage of time and changes in the fair value assessment of the retirement obligation.

**(n) Budget figures**

Budget figures are provided for comparative purposes and have been derived from the Budget 2023-25 and Projection for 2025-28 submission which included 2023-24 consolidated budget presentation for the financial statements, approved by the Board of Governors of UNBC on March 28, 2023. The budget is reflected in the Consolidated Statements of Operations and Accumulated Surplus and Statements of Changes in Net Debt.

**3. Operating investments**

	<b>Fair Value Hierarchy</b>		<b>2024</b>	<b>2023</b>	
Term Deposits and Guaranteed Investment Certificates	Level 1	\$	12,000	\$	13,406
Municipal financing Authority - bond fund	Level 1		9,408		9,106
		\$	<u>21,408</u>	\$	<u>22,512</u>

**4. Financial instruments**

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Fair Value Hierarchy</b>		<b>2024</b>	<b>2023</b>	
Financial assets:					
Portfolio investments quoted at fair value - restricted endowment:					
Fixed income	Level 1	\$	6,339	\$	4,454
Equity	Level 1		9,627		9,230
Real Estate	Level 3		4,695		3,833
Infrastructure	Level 3		7,174		6,516
Private debt	Level 3		6,692		6,194

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

**4. Financial instruments - (continued)**

			1,868	2,151
		\$	36,395	\$ 32,378
	<b>Fair Value Hierarchy</b>		<b>2024</b>	<b>2023</b>
Private equity	Level 3			
Non-financial assets:				
Restricted endowment investments quoted at fair value:				
Fixed income	Level 1	\$	12,750	\$ 9,879
Equity	Level 1		19,364	20,474
Real Estate	Level 3		9,442	8,502
Infrastructure	Level 3		14,428	14,453
Private debt	Level 3		13,459	13,739
Private equity	Level 3		3,756	4,770
		\$	73,199	\$ 71,817
Total financial instruments		\$	109,594	\$ 104,195

The following table reconciles the changes in fair value of financial instruments classified as level 3 during the year.

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 60,158	\$ 48,448
Unrealized gain (loss)	(2,766)	4,301
Purchases	5,211	9,579
Dispositions	(1,090)	(2,170)
	\$ 61,513	\$ 60,158

**5. Accounts payable and accrued liabilities**

	<b>2024</b>	<b>2023</b>
Accounts payable and accrued liabilities	\$ 12,383	\$ 11,705
Salaries and benefits	4,803	9,345
Accrued vacation entitlement	1,805	1,377
	\$ 18,991	\$ 22,427

**6. Pension plan**

The University has a defined contribution pension plan covering all eligible, permanent employees of the University. The pension plan is a separate legal entity with its own Board of Trustees. Sun Life of Canada was appointed to provide custodial services for plan members. Investment management services are provided by several fund managers and plan members individually select their investment vehicles from those available which include bond, balanced, money market, equity and global funds, and guaranteed term deposits (1, 3, and 5 year).

The University expenses the contributions made to the plan in the year to which they relate. During the year, the University contributed \$5,832 (2023 - \$4,807) to the plan.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

**7. Deferred contributions**

Deferred contributions are comprised of funds restricted for research, capital acquisitions and other specific purposes. Changes in deferred contributions balances are as follows:

	Capital	Research	Specific Purpose	2024	2023
Balance, beginning of year:	\$ -	\$ 13,785	\$ 44,672	\$ 58,457	\$ 52,347
Contributions received during the year	7,199	16,828	23,502	47,529	37,382
Revenue recognized from deferred contributions	(570)	(14,779)	(14,173)	(29,522)	(27,686)
Transfers to deferred capital contributions	(6,594)	(1,051)	(157)	(7,802)	(3,586)
Balance, end of year	\$ 35	\$ 14,783	\$ 53,844	\$ 68,662	\$ 58,457

**8. Deferred capital contributions**

Contributions that are restricted for capital are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset. Treasury Board provided direction on accounting treatment as disclosed in note 2(a). Changes in the deferred capital contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 150,508	\$ 154,290
Contributions received during the year	7,799	3,586
Revenue recognized from deferred capital contributions	(7,662)	(7,368)
Balance, end of year	\$ 150,645	\$ 150,508

**9. Tangible capital assets**

2024 Cost	Balance at March 31, 2023	Additions	Disposals/ Transfers	Balance at March 31, 2024
Land	\$ 7,145	\$ -	\$ -	\$ 7,145
Buildings and site improvements	309,550	300	3,467	313,317
Furniture and equipment	63,657	3,087	-	66,744
Computers	43,972	1,206	-	45,178
Library holdings	28,437	35	-	28,472
Assets under construction	176	5,822	(3,467)	2,531
Total	\$ 452,937	\$ 10,450	\$ -	\$ 463,387

2024 Accumulated amortization	Balance at March 31, 2023	Disposals	Amortization expense	Balance at March 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Buildings and site improvements	(127,692)	-	(7,136)	(134,828)
Furniture and equipment	(55,293)	-	(2,032)	(57,325)
Computers	(42,081)	-	(1,162)	(43,243)
Library holdings	(26,843)	-	(118)	(26,961)
Total	\$ (251,909)	\$ -	\$ (10,448)	\$ (262,357)

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

**9. Tangible capital assets - (continued)**

	<b>Net book value March 31, 2023</b>	<b>Net book value March 31, 2024</b>
Land	\$ 7,145	\$ 7,145
Buildings and site improvements	181,858	178,489
Furniture and equipment	8,364	9,419
Computers	1,891	1,935
Library holdings	1,594	1,511
Assets under construction	176	2,531
<b>Total</b>	<b>\$ 201,028</b>	<b>\$ 201,030</b>

<b>2023 Cost</b>	<b>Balance at March 31, 2022</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>Balance at March 31, 2023</b>
Land	\$ 7,145	\$ -	\$ -	\$ 7,145
Buildings and site improvements	307,163	-	2,387	309,550
Furniture and equipment	61,091	2,625	(59)	63,657
Computers	42,407	1,582	(17)	43,972
Library holdings	28,305	132	-	28,437
Assets under construction	140	2,423	(2,387)	176
<b>Total</b>	<b>\$ 446,251</b>	<b>\$ 6,762</b>	<b>\$ (76)</b>	<b>\$ 452,937</b>

<b>2023 Accumulated amortization</b>	<b>Balance at March 31, 2022</b>	<b>Disposals</b>	<b>Amortization expense</b>	<b>Balance at March 31, 2023</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings and site improvements	(120,708)	-	(6,984)	(127,692)
Furniture and equipment	(53,307)	58	(2,044)	(55,293)
Computers	(41,020)	10	(1,071)	(42,081)
Library holdings	(26,699)	-	(144)	(26,843)
<b>Total</b>	<b>\$ (241,734)</b>	<b>\$ 68</b>	<b>\$ (10,243)</b>	<b>\$ (251,909)</b>

	<b>Net book value March 31, 2022</b>	<b>Net book value March 31, 2023</b>
Land	\$ 7,145	\$ 7,145
Buildings and site improvements	186,455	181,858
Furniture and equipment	7,784	8,364
Computers	1,387	1,891
Library holdings	1,606	1,594
Assets under construction	140	176
<b>Total</b>	<b>\$ 204,517</b>	<b>\$ 201,028</b>

(a) Assets under construction

Assets under construction having a value of \$2,531 (2023 - \$176) are not amortized. Amortization of these assets commences when the asset is put into service; if it is determined that the costs no longer represent the cost of an ongoing project, they are expensed in the Consolidated Statement of Operations and Accumulated Surplus.

**9. Tangible capital assets - (continued)**

(b) Works of art and historical treasures

The University manages and controls various works of art and non-operational historical cultural treasures including artifacts, paintings and sculptures located at University sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

**10. Financial risk management**

UNBC has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk, liquidity risk and foreign exchange risk. The Board of Governors, through management, ensures that the University has processes in place to identify and monitor major risks.

(a) Credit risk

Credit risk is the risk of financial loss to the University if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the University consisting of cash, operating investments, accounts receivable and portfolio investments.

Unless otherwise disclosed in these consolidated financial statements, the University is not subject to significant credit risk associated with its financial instruments. The maximum credit risk for the University's financial assets is the carrying value of the asset.

(b) 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 the market interest rates.

It is management's opinion that the University is not exposed to significant interest rate risk arising from its financial instruments.

(c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due.

The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated capital, investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

(d) Foreign exchange risk

The University is exposed to foreign exchange risk on investments held in foreign currencies and may use foreign currency swaps to mitigate this risk.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

**11. Contractual obligations and commitments**

Contractual obligations and commitments are as follows:

## Funding commitments

Under its endowment investment strategy, the University has outstanding commitments to fund private debt \$3,831 (2023- \$5,900); real estate \$nil (2023- \$3,400); private equity \$646 (2023- \$800) and infrastructure investments \$703 (2023 - \$3,400).

**12. Accumulated surplus**

Accumulated surplus is comprised of the following:

	<b>2024</b>	<b>2023</b>
Accumulated operating surplus	\$ 86,159	\$ 87,806
Endowments (Note 4 and 13)	73,199	71,817
	<b>\$ 159,358</b>	<b>\$ 159,623</b>

Accumulated operating surplus consists of the following individual fund surpluses:

	<b>2024</b>	<b>2023</b>
Invested in tangible capital assets		
Capital assets	\$ 201,030	\$ 201,028
Amounts financed by deferred capital contributions	(150,645)	(150,508)
	50,385	50,520
Appropriated for specific purposes		
General Operating		
Department carryforwards	2,351	2,944
Minor capital projects, equipment purchases and special projects	20,581	20,669
Professional development and internal research funds	4,721	4,920
	27,653	28,533
Ancillary Services	(12,368)	(13,091)
Capital	11,512	11,635
Specific Purpose	5,460	6,692
	32,257	33,769
Unrestricted surplus	3,517	3,517
Total accumulated operating surplus	<b>\$ 86,159</b>	<b>\$ 87,806</b>

General operating appropriations are comprised of departments amounts calculated under a policy that allows them to carry forward unspent amounts to future periods, as well as an allocation of unspent salary amounts under the authority of the Provost and the Vice President, Finance and Administration. It also includes allocations for one time projects, minor capital projects and new equipment purchases and funds set aside for individuals covered under various employment handbooks for professional development and research.

Ancillary Services represents accumulated funds held for the ongoing operations of ancillaries such as the Bookstore, Conference Services, Continuing Education and Food Services, as well as the outstanding balance of an internal loan for a housing renovation project.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

Notes to Consolidated Financial Statements

Year ended March 31, 2024, with comparative figures for 2023 (in thousands of dollars)

**12. Accumulated surplus - (continued)**

Capital represents funds held for specific capital projects and the Capital Equipment Replacement Reserve.

Specific Purpose are funds that are restricted internally for specific activities and use, such as conference fees, library fines and reserves.

**13. Endowments**

Endowment contributions form part of accumulated surplus. Changes to the endowment balances are as follows:

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 71,817	\$ 69,464
Contributions received during the year	305	1,310
Capitalized interest	1,077	1,043
Balance, end of year	<u>\$ 73,199</u>	<u>\$ 71,817</u>

The balance shown does not include endowment principal with fair value of \$2,367 (2023 - \$2,237) and book value of \$1,681 (2023 - \$1,681) held by the Vancouver Foundation. The excluded principal is not owned or controlled by the University, but income from it is paid to the University to be used for specific purposes.

**14. Expense by object**

The following is a summary of expenses by object:

	<b>2024</b>	<b>2023</b>
Salaries and wages	\$ 80,216	\$ 75,123
Benefits	17,370	13,809
Operational supplies and expenses	14,415	11,578
Professional and contracted services	9,503	9,352
Scholarships, fellowships and bursaries	4,448	3,982
Renovations, alterations and maintenance	4,350	3,430
Utilities	2,279	2,048
Cost of goods sold	1,409	1,247
Equipment, furnishings and rent	1,374	980
Travel and personnel costs	811	495
Amortization of tangible capital assets	10,448	10,243
Balance, end of year	<u>\$ 146,623</u>	<u>\$ 132,287</u>

**15. Related parties**

The University is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amounts, which is the amount of consideration established and agreed to by the related parties.

**16. Contractual rights**

The University receives research grants from various federal and provincial agencies, foundations, and institutions, and also enters into research agreements with some of these parties. The University currently expects to receive \$42,778 in research funding from fiscal 2025 to 2029.



**16. Contractual rights - (continued)**

The University also expects to receive additional research funding from federal, provincial and other sources from 2025 to 2029; however, this additional research funding is not specifically guaranteed to be received in future periods as at March 31, 2024. As a result, this additional research funding is not included in the total noted above.

Student Full Time Equivalent (FTE) Enrollment Report of

**UNIVERSITY OF NORTHERN  
BRITISH COLUMBIA**

And independent Auditor's Report thereon

Year ended March 31, 2024



KPMG LLP  
177 Victoria Street, Suite 400  
Prince George BC V2L 5R8  
Canada  
Telephone (250) 563-7151  
Fax (250) 563-5693

## INDEPENDENT PRACTITIONER’S REASONABLE ASSURANCE REPORT

To the Board of Governors of the University of Northern British Columbia and the Minister of the Ministry of Advanced Education, Skills and Training, Province of British Columbia

We have undertaken a reasonable assurance engagement of the accompanying Student Full-Time Equivalent (FTE) Enrollment Report (“subject matter information”) of the University of Northern British Columbia (“the Entity”) for the year ended March 31, 2024.

### Management’s Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the requirements of the Ministry of Advanced Education, Skills and Training as set out in its *Student FTE Enrolment Reporting Manual for Institutions in the BC Post-Secondary Central Data Warehouse* effective April 1, 2005 and as last modified in April 2023 (“applicable criteria”).

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

### Practitioner’s Responsibilities

Our responsibility is to express a reasonable assurance opinion on the subject matter information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the subject matter information is free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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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 decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

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

### **Practitioner's Independence and Quality Control**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Opinion**

In our opinion, the subject matter information of the University of Northern British Columbia for the year ended March 31, 2024 is prepared, in all material respects, in accordance with the applicable criteria.

### **Specific Purpose of Subject Matter Information**

The subject matter information has been prepared in accordance with the applicable criteria referred to above.

As a result, the subject matter information may not be suitable for another purpose.

### **Restriction on Use and Distribution**

Our report is intended solely for the Board of Governors of the University of Northern British Columbia and the Minister of the Ministry of Advanced Education, Skills and Training, and should not be used by, or distributed to, other parties.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Prince George, Canada  
May 22, 2024

**Section 1 Program Level Details**

PROGRAM	Ministry Code	CIP Code	FTE Target	FTE Actuals	Utilization	Comments
Bachelor of Science in Nursing (Northern Baccalaureate Nursing Program - Terrace & Quesnel)	NURS	51.3801	278	248	89%	
Bachelor of Science in Nursing (Northern Baccalaureate Nursing Program - Prince George)	NURS	51.3801	21	13	60%	
Bachelor of Science in Nursing (Northern Baccalaureate Nursing Program)	NURS	51.3801	38	20	52%	
Nurse Practitioner	NURS	51.3805	40	52	130%	
Masters in Nursing	NURS	51.3801	10	10	101%	
Rural Nursing with Remote Certification	NURS	51.3811	24	14	58%	
Other Graduate Level Health Sciences	HLTH	Multiple	21	37	177%	
Civil and Environmental Engineering (Degrees)	AVED	14.08	280	99	35%	
AVED graduate level (Masters or Doctoral) balance	AVED	Multiple	414	346	84%	
AVED all other programs	AVED	Multiple	2,647	1582	60%	includes 33.5 FTE continuing studies for credit and 28.0 FTE existing delivery engineering (unbc/ubc joint EVEN)
<b>Total Ministry</b>			<b>3,773</b>	<b>2,420</b>	<b>64.1%</b>	

**Section 2 SkilledTradesBC Trades Training**

PROGRAM	Ministry Code	CIP Code	FTE Actuals	Comments
Foundation	ITEL/ITHS/ITOT	Multiple		
Apprenticeship Technical Training	ITAP	Multiple		
<b>Total STBC</b>			<b>0</b>	

**Section 3 International Not Reported in Section 1 Above**

PROGRAM	FTE Actuals	Comments
International graduate level (Masters or Doctoral)	136	
International all other (e.g. Baccalaureate, certificate)	325	
<b>Total International</b>	<b>461</b>	

**Section 4 Total Enrolment**

PROGRAM	Ministry Code	CIP Code	FTE Target	FTE Actuals	Utilization	Comments
Total Ministry			3,773	2,420	64%	
Total STBC				0		
<b>Total Domestic</b>			<b>3,773</b>	<b>2,420</b>		
<b>Total International</b>				<b>461</b>		
<b>Total Domestic and International</b>				<b>2,881</b>		

**Section 5 Supplementary Information**

SUPPLEMENTARY INFORMATION	Ministry Code	CIP Code	FTE Target	FTE Actuals	Utilization	Comments
Total graduate level (Masters or Doctoral) included in section 1	Multiple	Multiple	485	446	92%	
Health Externally Funded Domestic sources	Multiple	51.0000				
Health Externally Funded International sources	Multiple	51.0000		11		funding support from sources other than the Ministry (international tuition FTEs)
International Reported in Section 1 Above (Domestic Tuition) graduate level (Masters or Doctoral)	Multiple	Multiple		85		GR/PH international citizenship but domestic tuition
International Reported in Section 1 Above (Domestic Tuition) all other (e.g. baccalaureate, certificate)	Multiple	Multiple		56		UG international citizenship but domestic tuition
Online Delivery Domestic All programs	Multiple	Multiple		538		
Online Delivery International All programs	Multiple	Multiple		73		
Official Languages Education French Language Programs (1) French language/literature courses or (2) courses offered in French by the Faculty of Education or French language/literature courses offered through the Faculty of Arts in collaboration with the Faculty of Education for students planning to be teachers of Core French, French Immersion or Francophone Programs.	AVED	05.0124 13.1325 13.1402 55				

**Section 6 <To combine components of Sections 1,3 and 5 for RRU, SFU, UBC, UNBC and UVIC>**

Combined	FTE Target	FTE Actuals	Utilization	Comments
International Reported in Section 5 Above		141		
International Reported in Section 3 Above		461		
Total International		602		
<b>AVED graduate level (Masters or Doctoral)</b>	<b>485</b>	<b>446</b>	<b>92%</b>	
<b>AVED all other programs</b>	<b>3,288</b>	<b>1,974</b>	<b>60%</b>	

**Section 7 Summary by Program Grouping**

Program Grouping	FTE Target	FTE Actuals	Utilization
Total Health	432	393	91.0%
Tech Expansion	280	99	35.2%
Total AVED All Other Programs	3,061	1,928	63.0%
<b>Total Ministry</b>	<b>3,773</b>	<b>2,420</b>	<b>64.1%</b>

Motion Number (assigned by  
Steering Committee of Senate): SCAAF202403.10

**SENATE COMMITTEE ON ACADEMIC AFFAIRS**

**PROPOSED MOTION**

**Motion:** That the Memorandum of Understanding between UNBC and Thompson Rivers University related to graduate education be approved as proposed.

**Effective Date:** Upon signature of all parties

**Rationale:** The purpose of this MOU is to establish a formal relationship whereby the Parties can work collectively to establish joint frameworks related to graduate education.

**Motion proposed by:** Dr. Katerina Standish – Vice Provost, Graduate and Postdoctoral Studies

**Academic Program:** Not applicable

**Implications for Other Programs / Faculties?** The scope of the MOU is not program specific. Opportunities arising will seek appropriate consultation.

**College:** Not applicable

**College Council / Committee Motion Number:** Not applicable

**College Council / Committee Approval Date:** Not applicable

**Attachment Pages (if applicable):**  3  pages

**INFORMATION TO BE COMPLETED AFTER SENATE COMMITTEE ON ACADEMIC AFFAIRS MEETING**

**Brief Summary of Committee Debate:**

**Motion No.:** SCAAF202403.10

**Moved by:** Trina Fyfe

**Seconded by:** Stacey Linton

**Committee Decision:** CARRIED

**Approved by SCAAF:**  March 13, 2024   
**Date**

  
**Chair's Signature**

**For recommendation to**  **, or information of**  **Senate.**

## **Memorandum of Understanding between the University of Northern British Columbia and Thompson Rivers University**

This Memorandum of Understanding (the “MOU”) entered in duplicate as of this \_\_\_ day of \_\_\_\_\_, 2023 (the “Effective Date”).

**BETWEEN:**                    **University of Northern British Columbia**  
3333 University Way  
Prince George, British Columbia  
V2N 4Z9

(“UNBC”)

**AND:**                         **Thompson Rivers University**  
805 TRU Way  
Kamloops, British Columbia  
V2C 0C8

(“TRU”)

(UNBC and TRU individually referred to as a “**Party**”, and collectively referred to as the “**Parties**”)

### **RECITALS**

WHEREAS UNBC is a public university established under the Universities Act with campuses in Prince George, Terrace, Fort St. John and Quesnel, and has in its own right and name the power to grant degrees established in accordance with the Act; and

WHEREAS TRU is a public university established under the Thompson Rivers University Act, SBC 2005, c 17 with campuses in Kamloops and Williams Lake;

WHEREAS the Parties have a long history of collaboration and see the potential for future joint activities that support their respective goals and strengthen areas of common interest, including, but not limited to, the availability of graduate programming; and

WHEREAS the Parties wish to outline formally in a MOU their desire to build on their existing relationships and work together in the future on activities where collaboration on their shared goals may benefit the Parties, and the broader Province of BC.

## **PREAMBLE**

The purpose of this MOU is to establish a formal relationship whereby the Parties can work collectively to establish joint frameworks related to graduate education.

**NOW THEREFORE the Parties have reached the following understanding:**

### **1.0 Objectives**

The following objectives will guide the Parties in the implementation of this MOU:

1.1 Collaborate to create new pathways for graduate students to increase participation in graduate-level education in interior and northern BC;

1.2 Collaborate on enhanced research opportunities for students and faculty; and,

1.3 Co-design administrative structures that facilitate greater opportunities for faculty co-supervision and membership on graduate-level supervisory teams.

### **2.0 Costs and Expenses**

2.1 Each Party will be expected to bear its own costs and expenses arising from this MOU unless otherwise mutually arranged and agreed to in writing by the Parties in a legally binding agreement.

### **3.0 General Provisions**

3.1 The Parties agree the MOU does not limit or affect any Party's mandate and does not and is not intended to be legally binding or to create legally enforceable rights or obligations between the Parties.

### **4.0 Confidentiality**

4.1 The Parties may wish to disclose confidential information that is non-public, confidential or proprietary in nature to each other to facilitate work under this MOU. In such case, the Parties will enter into a legally binding agreement respecting such disclosure.

### **5.0 Term and Review**

5.1 This MOU shall take effect from the date that it is signed by the Parties and continue until it is terminated in writing by any Party with 60 days' written notice, or by mutual agreement of all the Parties. The Parties agree that, should the agreement be terminated by either Party, they will work collectively to ensure no student will be adversely impacted.

5.2 This MOU and the initiatives and activities associated with this MOU will be reviewed annually by the Parties to determine whether the purpose of the MOU is being advanced.

5.3 The Parties may agree in writing to amend this MOU.





In witness whereof the Parties have caused the MOU to be executed on the dates indicated below:

Dr. Geoff Payne  
President and Vice-Chancellor  
University of Northern British Columbia

---

Signature

---

Date

Dr. Brett Fairbairn  
President and Vice-Chancellor  
Thompson Rivers University

---

Signature

---

Date

**REPORT TO:**

**UNBC BOARD OF GOVERNORS AND BOARD COMMITTEES**

<b>Subject:</b>	Executive Compensation Disclosure – for information
<b>Governance &amp; Human Resources Committee</b>	<b>Meeting Date: May 16, 2024</b>
<b>UNBC Board of Governors</b>	<b>Meeting Date: May 30, 2024</b>
<b>Submitted By:</b>	<i>Enter Executive Portfolio (all items submitted to the Board and/or Board Committees must come from an executive portfolio)</i>
<b>Please note other guests to be in attendance:</b>	
<b>Appendices:</b>	<ol style="list-style-type: none"> <li>1. UNBC Compensation Philosophy</li> <li>2. Executive Compensation Summary</li> <li>3. Attestation Letter to John Davison, President &amp; CEO, PSEC Secretariat</li> </ol>

***DELETE THIS SECTION AND RED TEXT BEFORE SUBMITTING***

*Instructions for completing this template:*

*The Board and Committee chairs have requested that submissions be as succinct and direct as possible and that every effort be made to reduce the volume of material going to Board of Governors.*

- Keep reports brief (under 4 pages where possible)*
- Please include an Indigenization component where possible*
- As much as possible, use bullet points or numbered subsections “5.1, 5.2.” etc.*
- Each item for approval should use the ‘Briefing Note’ template.*

**REPORT:**



## University of Northern British Columbia

### Compensation Philosophy

The Board's compensation decisions reflect the challenges associated with attracting and retaining exemplary administrative leaders to the north in a competitive national and international environment. Responsibility for determining compensation for the President and Senior Executives rests with the UNBC Board of Governors. For positions other than the President's, the Board will consider recommendations made by the President.

With Board of Governor and Executive oversight and approval, the Compensation Philosophy of the University of Northern British Columbia (UNBC) ensures alignment in a manner consistent with the province's Taxpayer Accountability Principles (TAP) in promoting accountability and cost control. UNBC's excluded compensation is controlled and mandated by the province, through the Public Sector Employers' Act.

The following, and attached *Terms and Conditions of Employment* outline the broad approach with respect to compensation policy at UNBC.

#### **Core Principles:**

For all management employees, the following Core Principles embodies UNBC's approach for compensation. These principles guide the design, implementation and administration of UNBC's Compensation Philosophy:

- **Differentiation:** Differentiation of salary is supported where there are differences in the scope of the position within an organization, and/or due to superior individual or team contributions.
- **Performance:** Compensation programs support and promote a performance based (merit) organizational culture.
- **Transparency:** Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.
- **Accountability:** Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

**Benchmarking Methodology:**

In determining the relevant labour markets for obtaining compensation data for executive and management employees, UNBC considers the following questions:

- From where do universities similar in scope and scale to UNBC recruit employees?
- What is the destination sector or employers for employees that leave UNBC?

Primary benchmarking comparators for management employees include the following:

- Other comparable academic institutions of similar size and scope to UNBC;
- Other BC and Canadian Public sector organizations with key comparability elements to UNBC;
- The BC Public Service for corporate service roles within the organization;
- Private sector comparators in cases of high demand positions only.

When benchmarking for positions, appropriate weighting is established based on current human resource practise guidelines.

**President and Executive Compensation Factors:**

When setting salary levels for Senior Executives, the Board of Governors considers the following factors; 1) compensation of current and/or recent senior staff, 2) recommended ranges provided by PSEC, 3) the designates' current compensation, 4) market survey information from other comparable universities and, 5) other factors that the Board deems to be relevant to the specific position.

Salary increases for the President and Senior Academic Executives were applied to the professional component of their salaries and in a manner consistent with the negotiated Faculty Association agreement. Salary increases for non-Academic Senior Executives shall only be applied where approved by PSEC and will generally be consistent with any economic increase provided to the Senior Management Group.

Benefit and pension plans are consistent with the employee group to which the Executive is most closely affiliated (i.e. Faculty Association or Senior Management Group). A non-registered supplemental pension arrangement is offered to the Senior Executives where total pension contributions exceed the contribution limit. The supplemental contribution amount is that which the employer would be required to contribute to the UNBC Pension Plan if there wasn't a maximum limit imposed by the Income Tax Act.

**New Policies, Actions or Decisions:**

The Executive Compensation Policy was last updated in June 2009. The purpose was to formalize a policy framework and process for the annual performance review of the Senior Executive Officers and for reporting changes in executive compensation consistent with the requirements of PSEC. The updates to this document seek to bring UNBC's policy in line with current PSEC and government direction.

**Leaves:**

Vacation leaves are set in each Executive's appointment letter, the starting point is five weeks, with the President's ability to recommend increases periodically. This partially acknowledges the time commitment beyond a normal work week of the President and Senior Executives, supports a balanced lifestyle, and is competitive in comparison to other academic organizations.

The President is provided a one year research leave following five years of service. The President's salary during the leave would be equal to the highest salary being paid to a full professor with tenure at the University at the time. For Senior Academic Executives, academic leaves are provided following five years of service. This leave is an acknowledgement that for the period they are in these roles, these academic leaders have forfeited their accrual toward sabbatical leaves that would have occurred as members of the Faculty Association. Senior Academic Executives leaves are at their professional salary level only.

[UNBC Exempt Employee's Handbook](#)

# EXECUTIVE COMPENSATION DISCLOSURE

University of Northern BC

Summary Compensation Table at 2024

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2023/2024 Total Compensation	Previous Two Years Totals Total Compensation	
							2022/2023	2021/2022
Geoff Payne, President and Vice-Chancellor	\$ 333,060	-	\$ 9,940	\$ 32,562	\$ 6,000	\$ 381,562	\$ 344,833	\$ 361,478
Kathy Lewis, Interim Vice President, Research and Innovation	\$ 211,345	-	\$ 8,471	\$ 20,110	\$ 3,167	\$ 243,093	\$ 247,285	\$ 232,978
Arleta Lucarelli, Executive Director, Strategy and Staff, Office of the President	\$ 154,558	-	\$ 9,669	\$ 14,114	\$ 664	\$ 179,005		
Wendy Rodgers, Vice President, Academic and Provost	\$ 255,346	-	\$ 10,029	\$ 24,403	\$ 6,000	\$ 295,778	\$ 160,216	
Rahim Somani, Vice President, Finance and Administration	\$ 227,771	-	\$ 9,939	\$ 21,478	\$ 6,424	\$ 265,612	\$ 244,200	\$ 232,054
Paula Wood-Adams, Vice President, Research and Innovation	\$ 142,288	-	\$ 12,602	\$ 13,425	\$ 51,158	\$ 219,473		

# EXECUTIVE COMPENSATION DISCLOSURE

**Summary Other Compensation Table at 2024**

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
Geoff Payne, President and Vice-Chancellor	\$ 6,000	-	-	-	\$ 6,000	-	-
Kathy Lewis, Interim Vice President, Research and Innovation	\$ 3,167	-	\$ 3,167	-	-	-	-
Arleta Lucarelli, Executive Director, Strategy and Staff, Office of the President	\$ 664	-	-	-	-	\$ 664	-
Wendy Rodgers, Vice President, Academic and Provost	\$ 6,000	-	-	-	\$ 6,000	-	-
Rahim Somani, Vice President, Finance and Administration	\$ 6,424	-	\$ 424	-	\$ 6,000	-	-
Paula Wood-Adams, Vice President, Research and Innovation	\$ 51,158	-	-	-	\$ 3,485	\$ 47,673	-

## EXECUTIVE COMPENSATION DISCLOSURE

### Notes

Geoff Payne, President and Vice-Chancellor	<b>General Note:</b> 6.75% salary increase April 1, 2023 as per PSEC Guidelines
Kathy Lewis, Interim Vice President, Research and Innovation	<b>General Note:</b> Interim Vice President, Research and Innovation position ended August 31, 2023.
Arleta Lucarelli, Executive Director, Strategy and Staff, Office of the President	<b>Perquisite/Other Allowance Note:</b> Northern Sport Centre membership reimbursement and taxable benefit as per Exempt Handbook
Wendy Rodgers, Vice President, Academic and Provost	<b>General Note:</b> Actual Base Salary is VP Academic & Provost position + Professorial position.
Rahim Somani, Vice President, Finance and Administration	<b>General Note:</b> 6.75% salary increase April 1, 2023 as per PSEC Guidelines
Paula Wood-Adams, Vice President, Research and Innovation	<b>General Note:</b> Started September 1, 2023. Amount reflects partial year. <b>Perquisite/Other Allowance Note:</b> Provided \$50,000 Interest Free Home Purchase Loan Prerequisite Other Allowance reflects Loan minus payments to-date



University of Northern British Columbia  
3333 University Way  
Prince George, BC  
V2N 4Z9

April 24, 2024

John Davison, President & CEO  
PSEC Secretariat  
Suite 210 - 880 Douglas Street  
Victoria, BC V8W 2B7

**Re: Executive Compensation Disclosure**

This letter will attest that the Board of Governors is aware of all information disclosed in the University of Northern British Columbia's Executive Compensation Disclosure and that the information is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer. The disclosed information includes the values of any pre-or-post-employment payments made during the 12 month period before and after employment and that the compensation was paid within approved compensation plans.

Thank you,

Joel McKay

Chair, UNBC Board of Governors

## UNBC Board of Governors – 2024 Meeting Dates

Type of Board Meeting	Event	Board Meetings
<p><u>Special Meeting:</u> Approval of Financial Statements</p> <p>Audit and Risk Committee meeting to receive Audit Findings Report from Audit Representatives</p>	<p>Convocation: Friday, May 31, 2024</p>	<p>Thursday, May 30 2024 9:00 a.m. – 11:00 a.m.</p>
<p><u>Regular Quarterly Board Meeting</u></p>		<p>Thursday, June 27, 2024 3:00 – 7:30 p.m.</p>
<p><u>Informal Senate and Board Get together</u></p>	<p>Venue: TBD Wednesday, September 25, 2024 5:30 – 7:30 p.m.</p>	
<p><u>Regular Quarterly Board Meeting</u> (Regional – Fort. St. John)</p>	<p>Board Dinner Reception: Thursday, October 3, 2024 5:00 – 7:00 p.m.</p>	<p>Friday, October 4, 2024 8:30 – 3:00 p.m.</p>
<p><u>Regular Quarterly Board Meeting</u></p>		<p>Thursday, November 28, 2024 3:00 – 7:30 p.m.</p>