

**UNIVERSITY OF NORTHERN  
BRITISH COLUMBIA**

**FINANCIAL STATEMENTS**

**MARCH 31, 2007**

***UNBC***

**University of Northern British Columbia**  
**Financial Statements**  
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# UNIVERSITY OF NORTHERN BRITISH COLUMBIA

## STATEMENT OF MANAGEMENT RESPONSIBILITY

The University of Northern British Columbia is responsible for the preparation of the financial statements. They have been prepared in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the University as at March 31, 2007 and the results of its operations and changes in its net assets and cash flows for the year then ended.

Management is required to ensure that adequate internal controls, policies and procedures exist to achieve, in a cost effective manner, its responsibilities in the following areas:

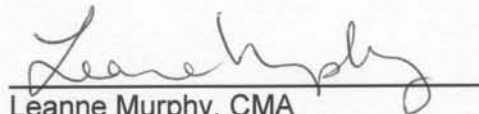
- Compliance with statutory requirements under the University Act and other provincial statutes;
- Efficient and effective use of University resources;
- Stewardship over University assets;
- Provision of accurate and reliable accounting information;
- Recognition and compliance with restrictions placed on resources by donors, funding agencies, or the Board of Governors; and
- Timely preparation of reliable financial information consistent with prior years.

The Audit Committee is responsible for reviewing the financial statements, and providing their recommendation for approval to the Board of Governors. The Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit Committee, with and without the presence of management.

The financial statements for the year ended March 31, 2007, have been reported on by KPMG LLP. The Auditor's Report outlines the scope of the examination and provides the firm's opinion on the fairness of presentation of the information in the financial statements.



Colleen Smith, CA  
Acting Chief Financial Officer



Leanne Murphy, CMA  
Manager, Financial Services & Systems

May 17, 2007



**KPMG LLP**  
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## **AUDITORS' REPORT TO THE GOVERNORS OF THE UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

We have audited the statement of financial position of the University of Northern British Columbia as at March 31, 2007 and the statements of changes in net assets, operations, and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University taken as a whole. The supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 long, horizontal, slightly curved line that underlines the text.

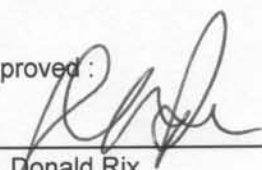
Chartered Accountants  
Prince George, Canada  
May 18, 2007

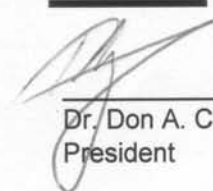
**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2007**

(thousands of dollars)

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 27,783	\$ 24,618
Accounts receivable	10,701	8,603
Donations receivable (Note 4)	21	342
Inventory	1,025	1,071
Prepaid and deferred charges	992	1,023
	40,522	35,657
 DONATIONS RECEIVABLE - Long term portion (Note 4)	 986	 2,187
INVESTMENTS AND RESTRICTED CASH (Note 5)	39,183	37,101
CAPITAL ASSETS (Note 6)	227,820	198,632
	\$ 308,511	\$ 273,577
 <b>LIABILITIES &amp; NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 10,339	\$ 9,999
Unearned revenue	976	258
Construction holdback payable	1,702	1,169
Current portion of long-term debt (Note 9)	338	338
	13,355	11,764
 DEFERRED CONTRIBUTIONS (Note 8)	 15,167	 11,128
LONG-TERM DEBT (Note 9)	8,199	8,880
UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	185,504	157,709
 <b>NET ASSETS</b>		
Endowments	36,361	35,455
Investment in capital assets (Note 11)	33,779	31,705
Appropriated for specific purposes (Note 12)	14,200	12,805
Unrestricted	1,946	4,131
	86,286	84,096
	\$ 308,511	\$ 273,577

Approved:

  
\_\_\_\_\_  
Dr. Donald Rix  
Chair, Board of Governors

  
\_\_\_\_\_  
Dr. Don A. Cozzetto  
President

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

	Endowments	Investment in Capital Assets	Appropriated for Specific Purposes (Note 12)	Unrestricted Net Assets	Totals	
					2007	2006
<b>BALANCE, beginning of year</b>	\$ 35,455	\$ 31,705	\$ 12,805	\$ 4,131	\$ 84,096	\$ 77,578
Excess (deficiency) of revenues over expenses (Note 11)		(2,573)		3,857	1,284	3,376
Net change in investment in capital assets (Note 11)		4,647		(4,647)	-	-
Net change in endowments (Note 13)	906			-	906	3,142
Contribution to (from) appropriated for specific purposes			1,395	(1,395)	-	-
<b>BALANCE, end of year</b>	\$ <u>36,361</u>	\$ <u>33,779</u>	\$ <u>14,200</u>	\$ <u>1,946</u>	\$ <u>86,286</u>	\$ <u>84,096</u>

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

	<u>2007</u>	<u>2006</u>
<b>REVENUE</b>		
Government grants		
Provincial government	\$ 41,408	\$ 45,631
Federal government	6,702	3,479
Gifts, bequests and non-government grants	5,829	4,026
Investment income	2,798	4,109
Student fees	15,802	14,791
Sales and service	7,590	6,684
External cost recovery	95	55
Miscellaneous revenue	-	24
Amortization of deferred capital contributions	6,889	6,577
	<u>87,113</u>	<u>85,376</u>
<b>EXPENSE</b>		
Salaries and honoraria	42,305	40,224
Benefits	7,782	7,086
Travel and personnel costs	3,182	3,108
Operational supplies and expenses	6,776	7,557
Equipment and furnishings	910	821
Equipment and facilities rentals	412	346
Contract services	4,177	3,178
Professional services	405	579
Scholarships, fellowships and bursaries	1,899	1,712
Renovations, alterations and maintenance	1,913	1,873
Utilities	2,793	2,561
Cost of goods sold	2,476	2,509
Debt servicing - interest	1,337	1,370
Amortization	9,462	9,076
	<u>85,829</u>	<u>82,000</u>
Excess of revenue over expense	1,284	3,376
Decrease (increase) in internally restricted funds	1,178	(290)
Net change in investment in capital assets	<u>(4,647)</u>	<u>(3,086)</u>
Change in unrestricted net assets	(2,185)	-
Balance of unrestricted net assets, beginning of year	<u>4,131</u>	<u>4,131</u>
Balance of unrestricted net assets, end of year	<u>\$ 1,946</u>	<u>\$ 4,131</u>

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

	<u>2007</u>	<u>2006</u>
<b>CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenue over expense	\$ 1,284	\$ 3,376
Items not affecting cash :		
Amortization of capital assets	9,462	9,076
Amortization of deferred capital contributions	(6,889)	(6,577)
Increase (decrease) in non-cash working capital	<u>(1,824)</u>	<u>(4,677)</u>
	<u>2,033</u>	<u>1,198</u>
<b>CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of capital assets, net	(36,936)	(21,654)
Increase in investments and restricted cash	(2,082)	(5,266)
Deferred contributions, net	4,039	3,853
Capital contributions	<u>34,684</u>	<u>22,008</u>
	<u>(295)</u>	<u>(1,059)</u>
<b>CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>		
Endowment contributions	906	3,142
Donation receivable - long term portion	1,201	421
Cash restricted for repayment of long term debt	(342)	(292)
Sinking fund contributions	<u>(338)</u>	<u>(338)</u>
	<u>1,427</u>	<u>2,933</u>
<b>NET INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	3,165	3,072
<b>CASH AND TEMPORARY INVESTMENTS, beginning of year</b>	<u>24,618</u>	<u>21,546</u>
<b>CASH AND TEMPORARY INVESTMENTS, end of year</b>	<u>\$ 27,783</u>	<u>\$ 24,618</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Interest paid during the year	<u>\$ 1,337</u>	<u>\$ 1,370</u>



**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

**Note 1 Authority and Purpose**

The University of Northern British Columbia operates under the authority of the *University Act* of British Columbia. The University is 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.

Under section 149(1)(h.1) of the *Income Tax Act*, the University is exempt from income taxes.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

(a) General

The University of Northern British Columbia has prepared these financial statements in accordance with Canadian generally accepted accounting principles.

(b) Revenue recognition

The University follows the deferral method of accounting for contributions.

Operating government grants that are not restricted as to their use are recognized as revenue when receivable. Such grants, if received for a future period, are deferred and reported as unearned revenue until that future period. Other unrestricted revenue, including tuition fees and sales of products and services, are reported as revenue at the time the services are provided or the products delivered.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts must be used for the purposes designated by the external parties. Endowment contributions are recorded as direct increases in net assets.

Grants externally restricted for the acquisition of capital assets are recorded as deferred contributions until the amount is invested in capital assets. Once the amount is invested in a capital asset, it is transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recorded as earned revenue over the useful life of the related assets.

Donations of materials and services that would have otherwise been purchased are recorded at their fair market value. Where fair market value cannot be determined, donations of materials and services are recorded at a nominal value.

(c) Capital Assets

Capital asset acquisitions are recorded at cost. Donations are recorded at their fair value. Amortization is recorded on a straight-line basis over the estimated useful life of the asset. Estimated useful lives are as follows:

Computers	3 years
Equipment and furnishings	8 years
Buildings and site services	50 years
Apartments	50 years
Library materials	10 years

Only capital purchases greater than one thousand dollars are capitalized.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (cont'd.)**

(d) Temporary Investments

Temporary investments are recorded at cost plus interest earned or income attributed in the period.

(e) Inventories

Inventories of merchandise held for resale are recorded at the lower of cost and net realizable value.

(f) Appropriations

The University has adopted a budget carry forward policy which allows budget centers to carry forward unexpended operating funds into the subsequent fiscal year. In addition, the University makes appropriations at the fiscal year end for other specific requirements. All such amounts are accounted for as appropriations of net assets for specific purposes.

(g) Capital Maintenance

Earnings, to a maximum of two percent, on endowment funds may be recorded directly as an increase in endowment net assets.

(h) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 3 Cash and Temporary Investments**

Investment Type	2007	2006
Cash	\$ 11,176	\$ 7,548
Term Deposits, GIC, T-bills	1,000	1,000
Bankers Acceptances	3,832	3,029
Commercial Paper	993	795
Municipal Financing Authority - bond fund	5,909	7,655
Municipal Financing Authority - money market fund	4,873	4,591
	<b>\$ 27,783</b>	<b>\$ 24,618</b>

**Note 4 Donations Receivable**

The University has received a commitment from Dr. Donald Rix, Duke Energy and Scotiabank to contribute \$3,650 in aggregate towards the equipment and construction costs of the Dr. Donald Rix Northern Health Sciences Centre and the funding of a chair pertaining to health research. Of this amount, \$1,522 was received during the current year and \$1,121 was received in prior years. Of the remaining balance, \$21 is expected to be received in the 2007/2008 fiscal year and \$986 is receivable after March 31, 2008.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

**Note 5 Investments and Restricted Cash**

	2007	2006
Money Market	\$ 3,030	\$ 2,428
Bond	11,888	9,714
Equity	23,931	24,653
Restricted Cash	334	306
	<b>\$ 39,183</b>	<b>\$ 37,101</b>

Investments are recorded at acquisition cost. Gains or losses are recognized in the year of disposal and are included in income from investments. Included in investments and restricted cash is \$36,683 (2006 - \$34,359) restricted for endowment purposes. The market value of investments is \$44,537 (2006 - \$39,499). Investments are managed by Letko Brosseau & Associates Inc, and Gryphon Investment Counsel Inc.

**Note 6 Capital Assets**

	Cost	2007 Accumulated Amortization	Net Book Value	2006 Net Book Value
Equipment and furnishings	\$ 83,645	\$ 62,481	\$ 21,164	\$ 23,499
Building and site improvements	165,670	31,569	134,101	136,880
Apartments	15,120	3,478	11,642	11,945
Land	6,656	-	6,656	6,656
Construction in progress	54,257	-	54,257	19,652
	<b>\$ 325,348</b>	<b>\$ 97,528</b>	<b>\$ 227,820</b>	<b>\$ 198,632</b>

**Note 7 Operating Line of Credit**

The University has an available operating line of credit of \$4,300 of which it has drawn \$Nil (2006 - \$Nil) at March 31, 2007. The operating line bears interest at Bank of Montreal prime rate and is repayable on demand.

**Note 8 Deferred Contributions**

Deferred contributions represent unexpended contributions received for research purposes, capital acquisitions and other specific purposes. Changes in the deferred contributions balances are as follows:

	Sponsored Research	Specific Purpose	Capital	2007 Total	2006 Total
<b>Balance, beginning of year</b>	<b>\$ 6,632</b>	<b>\$ 4,345</b>	<b>\$ 151</b>	<b>\$ 11,128</b>	<b>\$ 7,275</b>
Add: contributions received during the Year	12,816	6,312	1,202	20,330	22,778
Less: amounts spent during the year	(10,257)	(4,032)	(8)	(14,297)	(14,553)
Transfers to unamortized deferred capital contributions	(699)	-	(1,295)	(1,994)	(4,372)
<b>Balance, end of year</b>	<b>\$ 8,492</b>	<b>\$ 6,625</b>	<b>\$ 50</b>	<b>\$ 15,167</b>	<b>\$ 11,128</b>

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

**Note 9 Long-Term Debt**

	<b>2007</b>	<b>2006</b>
Province of British Columbia (Section 58 of the University Act) 6.0% to 9.63% due 2005 to 2020 inclusive	\$ 15,016	\$ 15,016
Less current portion of long-term debt	(338)	(338)
Total long term-debt	14,678	14,678
Less sinking fund	(6,479)	(5,798)
	<b>\$ 8,199</b>	<b>\$ 8,880</b>

Annual sinking fund payments on long-term debt in the amount of \$338 are due in 2008 and 2009 and \$323 is due in each of 2010, 2011 and 2012.

The issuance of discounted debentures has resulted in a debt premium of \$29 (2006 - \$34 premium) which will be amortized over the terms of the debentures. For the current year, \$5 of the premium (2006 - \$5 of the premium) has been amortized.

**Note 10 Unamortized Deferred Capital Contributions**

Unamortized deferred capital contributions represent the unamortized amounts of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	<b>2007</b>	<b>2006</b>
<b>Balance, beginning of year</b>	<b>\$ 157,709</b>	<b>\$ 142,278</b>
Add capital funding receipts:		
Provincial government	33,909	18,015
Federal government	610	3,241
Donations, grants and gifts in kind	165	752
	34,684	22,008
Less: amortization for the year	(6,889)	(6,577)
<b>Balance, end of year</b>	<b>\$ 185,504</b>	<b>\$ 157,709</b>

**Note 11 Investment in Capital Assets**

(a) Investment in capital assets is calculated as follows:

	<b>2007</b>	<b>2006</b>
Capital assets	\$ 227,820	\$ 198,632
Amounts financed by:		
Deferred capital contributions	(185,504)	(157,709)
Long-term debt	(8,537)	(9,218)
	(194,041)	(166,927)
<b>Investment in capital assets</b>	<b>\$ 33,779</b>	<b>\$ 31,705</b>

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

**Note 11 Investment in Capital Assets (cont'd.)**

(b) Change in net assets invested in capital assets is calculated as follows:

	<b>2007</b>	<b>2006</b>
Deficiency of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 6,889	\$ 6,577
Amortization of capital assets	(9,462)	(9,076)
	<u>\$ (2,573)</u>	<u>\$ (2,499)</u>
Acquisition and funding of capital assets:		
Purchase of capital assets, net	\$ 38,651	\$ 24,464
Amounts funded by deferred contributions	(34,685)	(22,008)
Cash restricted for repayment of long term debt	343	292
Repayment of long-term debt	338	338
	<u>\$ 4,647</u>	<u>\$ 3,086</u>
Net change in investment in capital assets	<u><b>\$ 2,074</b></u>	<u><b>\$ 587</b></u>

**Note 12 Appropriated for Specific Purposes**

Net assets appropriated for specific purposes represent funds approved by the Board of Governors for the following:

	<b>2007</b>	<b>2006</b>
General Operating:		
Departmental carryforwards	\$ 1,324	\$ 1,638
Minor capital projects, equipment purchases and special projects	2,343	1,563
Professional development and internal research funds	2,424	1,945
Total General Operating	<u>\$ 6,091</u>	<u>\$ 5,146</u>
Ancillary Services	625	477
Capital	950	2,634
Specific Purpose	6,534	4,548
	<u><b>\$ 14,200</b></u>	<u><b>\$ 12,805</b></u>

General Operating appropriations are comprised of departmental amounts calculated under a policy which allows them to carry forward unspent amounts to future periods. 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 and Vending.

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.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2007**

(thousands of dollars)

**Note 13 Net Change in Endowments**

Net change in endowments is calculated as follows:

	<b>2007</b>	<b>2006</b>
Contributions	\$ 225	\$ 2,469
Capital maintenance	681	673
	<b>\$ 906</b>	<b>\$ 3,142</b>

**Note 14 Pension Plan**

The University has a defined contribution pension plan covering all 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 including Phillips, Hager & North Investment Management Ltd., Sun Life Assurance, Beutal Goodman, Barclays Global Investors, McLean Budden and CI Funds. 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 contribution amounts made to the plan in each year.

**Note 15 Endowments Held at the Vancouver Foundation**

The Vancouver Foundation holds endowment funds for the benefit of the University. These funds total \$1,555 (2006 - \$1,528). During the year income from these funds of \$34 (2006 - \$32) was paid to the University for specific purposes. The funds managed by the Vancouver Foundation are not under the University's control or ownership.

**Note 16 Gifts in kind**

Gifts in kind in the amount of \$160 were received and recorded during the year.

**Note 17 Financial Instruments**

The University's financial instruments consist of cash and temporary investments, accounts receivable, investments and restricted cash, accounts payable and accrued liabilities, unearned revenue and long-term debt. Unless otherwise noted, it is management's opinion that there are no significant currency, credit or interest rate risks arising from these financial instruments.

The fair value of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and unearned revenue approximates their carrying values because of the short-term nature of these instruments. The fair value of investments and restricted cash is disclosed in note 4. Borrowings are denominated in Canadian dollars only and are at fixed rates of interest.

**Note 18 Trust funds**

At March 31, 2007 the University held funds in trust on behalf of the Northern Medical Program Trust amounting to approximately \$2,480 (2006 - \$1,754) which are not included in these financial statements. These investments have a market value of \$2,881 (2006 - \$1,931).

**Note 19 Comparative figures**

Certain of the prior year comparative figures have been reclassified to conform to the current year's presentation.

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**  
**DETAILED SCHEDULE OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2007**  
(Unaudited)

(thousands of dollars)

	General Operating		Ancillary		Capital		Specific Purpose & Expendable Funds		Sponsored Research		Totals	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>REVENUE</b>												
Government grants												
Provincial government	\$ 39,402	\$ 40,639	\$ -	\$ -	\$ -	\$ 99	\$ 167	\$ 205	\$ 1,839	\$ 4,688	\$ 41,408	\$ 45,631
Federal government	887	690	-	-	-	-	32	14	5,783	2,775	6,702	3,479
Gifts, bequests and non - gov't grants	2,483	1,878	22	15	-	-	590	356	2,734	1,777	5,829	4,026
Investment income	915	509	5	9	462	343	1,416	3,248	-	-	2,798	4,109
Student fees	14,267	13,640	1,523	1,143	-	-	12	8	-	-	15,802	14,791
Sales and service	527	331	6,531	6,128	8	-	205	90	319	135	7,590	6,684
External cost recovery	12	4	-	-	-	-	38	-	45	51	95	55
Miscellaneous revenue	-	24	-	-	-	-	-	-	-	-	-	24
Amortization of deferred capital contributions	-	-	-	-	6,889	6,577	-	-	-	-	6,889	6,577
	<u>58,493</u>	<u>57,715</u>	<u>8,081</u>	<u>7,295</u>	<u>7,359</u>	<u>7,019</u>	<u>2,460</u>	<u>3,921</u>	<u>10,720</u>	<u>9,426</u>	<u>87,113</u>	<u>85,376</u>
<b>EXPENSES</b>												
Salaries and honoraria	35,877	35,095	1,372	1,259	27	-	340	201	4,689	3,669	42,305	40,224
Benefits	6,834	6,374	349	325	12	-	75	36	512	351	7,782	7,086
Travel and personnel costs	2,011	2,206	100	99	5	16	78	53	988	734	3,182	3,108
Operational supplies and expenses	3,858	3,411	591	715	51	236	641	362	1,635	2,833	6,776	7,557
Equipment and furnishings	297	349	19	29	327	128	7	3	260	312	910	821
Equipment and facilities rentals	181	190	126	61	-	-	1	-	104	95	412	346
Contract services	1,956	1,729	605	504	13	2	172	122	1,431	821	4,177	3,178
Professional services	246	567	4	-	-	1	105	-	50	11	405	579
Scholarships, fellowships and bursaries	526	456	-	-	-	-	1,361	1,247	12	9	1,899	1,712
Renovations, alterations and campus maintenance	1,653	1,556	216	218	16	16	9	-	19	83	1,913	1,873
Utilities	2,334	2,119	276	368	144	20	-	-	39	54	2,793	2,561
Cost of goods sold	-	-	2,467	2,508	-	-	9	1	-	-	2,476	2,509
Debt servicing - interest	1	4	1,334	1,366	2	-	-	-	-	-	1,337	1,370
Internal cost recoveries	(146)	220	(160)	(415)	(21)	-	(113)	(61)	440	256	-	-
Amortization					9,462	9,076					9,462	9,076
	<u>55,628</u>	<u>54,276</u>	<u>7,299</u>	<u>7,037</u>	<u>10,038</u>	<u>9,495</u>	<u>2,685</u>	<u>1,964</u>	<u>10,179</u>	<u>9,228</u>	<u>85,829</u>	<u>82,000</u>
Excess (deficiency) of revenue over expenses	2,865	3,439	782	258	(2,679)	(2,476)	(225)	1,957	541	198	1,284	3,376
Decrease (increase) in internally restricted funds	(208)	1,039	(315)	(31)	3,804	612	(1,709)	(1,752)	(394)	(158)	1,178	(290)
Interfund transfers	(4,360)	(3,864)	(71)	230	2,469	3,700	1,988	(101)	(26)	35	-	-
Investment in capital assets	(482)	(614)	(396)	(457)	(3,594)	(1,836)	(54)	(104)	(121)	(75)	(4,647)	(3,086)
Change in unrestricted net assets	(2,185)	-	-	-	-	-	-	-	-	-	(2,185)	-
Balance of unrestricted net assets, beginning of year	4,131	4,131	-	-	-	-	-	-	-	-	4,131	4,131
Balance of unrestricted net assets, end of year	\$ 1,946	\$ 4,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,946	\$ 4,131

**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**  
**SCHEDULE OF GENERAL OPERATING EXPENSE BY FUNCTION**  
**FOR THE YEAR ENDED MARCH 31, 2007**  
(Unaudited)

(thousands of dollars)

	<u>Academic Faculties</u>	<u>Academic Services</u>	<u>Administration</u>	<u>Governance</u>	<u>Executive Offices</u>	<u>Total 2007</u>	<u>Total 2006</u>
<b>EXPENDITURES</b>							
Salaries and Benefits	\$ 25,345	\$ 8,824	\$ 7,088	\$ 267	\$ 1,187	\$ 42,711	\$ 41,469
Travel and personnel costs	835	751	339	25	61	2,011	2,206
Operational supplies and expenses	1,046	1,273	1,197	76	266	3,858	3,411
Equipment and furnishings	170	91	33	-	3	297	349
Equipment and facilities rental	19	1	161	-	-	181	190
Contract services	957	464	493	5	37	1,956	1,729
Professional services	3	10	233	-	-	246	567
Scholarships, fellowship and bursaries	13	2	511	-	-	526	456
Renovations, alterations, and campus mainten.	35	4	1,613	-	1	1,653	1,556
Utilities	157	161	1,998	3	15	2,334	2,119
Cost of goods sold	-	-	-	-	-	-	-
Internal cost recoveries	(40)	(48)	(45)	(3)	(10)	(146)	220
Interest	-	-	1	-	-	1	4
<b>Total Expenses</b>	<b>\$ 28,540</b>	<b>\$ 11,533</b>	<b>\$ 13,622</b>	<b>\$ 373</b>	<b>\$ 1,560</b>	<b>\$ 55,628</b>	<b>\$ 54,276</b>