UNIVERSITY OF NORTHERN BRITISH COLUMBIA

BOARD OF GOVERNORS

PUBLIC SESSION AGENDA

Thursday, May 24, 2018
Senate Chambers
(Room 1079 Charles J McCaffray Hall)
10:00 AM – 11:30 AM

Members - Hon. James Moore (Chancellor), Daniel Weeks (President and Vice-Chancellor), Karin Beeler (Faculty Member – CASHS), Kerry Reimer (Faculty Member – CSAM), Tim Carmack (Order in Council), Aaron Ekman (Order in Council), Katherine LaForge (Order in Council), C.E. Lee Ongman (Order in Council), Sean Simmons (Order in Council – VICE-CHAIR), Tracey Wolsey (Order in Council – Alumni – CHAIR), Julie Ziebart (Order in Council), Michael Maslen (Undergraduate Student), Christina Ingram (Graduate Student), Mark Barnes (Employee)

1. **Chair's Remarks**

2. **Approval of Agenda**

   That, the Agenda for the Public Session of the May 24, 2018 meeting of the Board of Governors be approved as presented.

3. **Audit Findings Report - KPMG Audit Representatives** – C. Naphtali and C. Calder - **page 2**

4. **Motions for Approval**

   a. **Presentation and Approval of Financial Statements** – R. Knight/C. Smith – **page 32**
   That, the Board of Governors approves the University of Northern British Columbia's Consolidated Financial Statements for the year ended March 31/18.

   b. **Memorandum of Understanding between the University of Northern British Columbia and the Wenzhou University** – G. Payne – **page 57**
   That, the Board of Governors approves the Memorandum of Understanding between the University of Northern British Columbia and the Wenzhou University as recommended by the Senate.

5. **Adjournment**

BOARD OF GOVERNORS – PUBLIC SESSION
Approved for Submission:

Heather Sanford

Heather Sanford
University Secretary

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

BOARD OF GOVERNORS

Agenda Item:	3.a. Audit Findings Report – KPMG Audit Representatives – C. Naphtali and C. Calder
Material:	University of Northern British Columbia Audit Finding Report for the year ended March 31, 2018

University of Northern British Columbia

Audit Findings Report

For the year ended March 31, 2018

Dated May 17, 2018
For presentation at the Board of Governors meeting on May 24, 2018

kpmg.ca/audit

The contacts at KPMG in connection with this report are:

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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.

Executive summary

Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the Board of Governors, in your review of the results of our audit of the consolidated financial statements of the University of Northern British Columbia (the "University" or "UNBC") as at and for the year ended March 31, 2018.

This Audit Findings Report builds on the Audit Planning Report we presented to the Finance and Audit Committee on March 21, 2018.

We appreciate the assistance of management and staff in conducting our audit. We hope that this audit findings report is of assistance to you for the purpose above, and we look forward to discussing our findings and answering your questions.

Finalizing the audit

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

- completing our discussions with the Board of Governors;
- receipt of all legal confirmations from the University's legal counsel;
- completion of subsequent event review procedures to the date of the approval of the consolidated financial statements;
- obtaining evidence of the Board of Governor's approval of the consolidated financial statements;
- obtaining the signed management representation letter as at the date of approval of the consolidated financial statements

We will update the Board of Governors on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

 *This Audit Findings Report should not be used for any other purpose or by anyone other than the Board of Governors. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings 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.

Executive summary (continued)

Areas of audit focus

We have highlighted significant areas of audit focus related to management's judgment, estimates and accounting treatments that we would like to bring to your attention. These include revenue and deferred contributions, deferred capital contributions and tangible capital assets, investments, employee future benefits, new PSAS standards, NMPT funds and OAG oversight. We are satisfied that our audit work has appropriately dealt with these audit areas.

See pages 5 - 10 for more details.

Audit adjustments and differences

We did not identify differences that remain uncorrected.

We did not identify any adjustments that were communicated to management and subsequently corrected in the consolidated financial statements.

See page 11 for more details.

Significant qualitative aspects of accounting policies and practices

Overall we are satisfied with the reasonability of the significant accounting policies, critical accounting estimates, and critical disclosures and financial statement presentation taken by management.

See pages 12 - 13 for more details.

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Executive summary (continued)

Control observations

In accordance with professional standards, we are required to communicate to the Board of Governors any control deficiencies that we have determined, individually or in the aggregate to be significant ("significant deficiencies").

We have not identified any significant deficiencies in internal control.

See pages 14 - 15 for more details.

Independence

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow the policies at the University for obtaining preapproval before undertaking or bidding on any work outside of the audit.

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Areas of audit focus

We identified areas of focus for our audit in our discussion with you in the Audit Planning Report.

Significant findings from the audit regarding our areas of focus are as follows:

Areas of focus	Why	Our significant findings from the audit
Revenue and deferred contributions	The University earns revenue from the following areas: government grants (federal and provincial), tuition fees, other fees, sale of goods and services, gifts, bequests, non-government grants and contracts, investment income, external cost recoveries and other income and revenue recognized from deferred capital contributions. The University receives a variety of contributions that are externally restricted for specific purposes. Such contributions must be deferred until such time as the restrictions have been met.	– The deferred contributions balance of $29.4 million (2017 - $28.6 million) represents contributions received from provincial, federal and other sources, which are restricted for capital acquisitions, research and other specific purposes. During the year, the University received a total of $22.2 million (2017 - $24.8 million) and recognized $21.2 million (2017 - $17.7 million) as revenue. – We obtained an understanding of the process over the recording of Ministry revenue and tuition fees, other contributions received, amounts spent as well as deferral of unspent contributions. We performed procedures over contributions received to ensure that revenues are appropriately recognized in line with the terms of the underlying agreement. We concur with management's accounting treatment. – We performed test of details on contributions received as well as amounts spent to assess that revenues are appropriately recognized and contributions are appropriately deferred.

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We identified areas of focus for our audit in our discussion with you in the Audit Planning Report.

Significant findings from the audit regarding our areas of focus are as follows:

Areas of focus	Why	Our significant findings from the audit
Deferred capital contributions (“DCC’) and tangible capital assets (“TCA”)	The University receives contributions designated to support capital initiatives. Such contributions are required under provincial regulation to be deferred and subsequently amortized into revenue on the same basis as the amortization of the related tangible capital asset.	– During the year, the University received $5.4 million in additional contributions designated for capital projects, $1.4 million of this was received from the federal government and $4.0 million from the provincial government. The deferred capital contributions balance of $158.9 million (2017 - $161.4 million) represents contributions received from provincial, federal and other sources, which will be amortized over the remaining useful lives of the corresponding asset. During the year, $7.8 million (2017 - $6.8 million) was recognized as revenue. – We obtained an understanding of the process over capital contributions received, the acquisitions made or development of related tangible capital assets and amortization of the deferred capital contributions. – We performed procedures over the contributions received and ensured that revenues are appropriately recognized in line with the amortization of the corresponding assets and contributions are appropriately deferred. We concur with management’s accounting treatment.
Investments (Operating, Portfolio and Endowment)	The University holds a significant investment portfolio, comprised of operating, portfolio and endowment investments. The University’s investments include term deposits, MFA funds (bond and money market funds), fixed income, real estate investments, infrastructure investments, equities, private debt and private equities.	– The operating investments balance of $23.6 million (2017 - $25.6 million) is comprised of term deposits, money market and bond fund investments that will be used to fund future operations. – The portfolio investments balance of $14.0 million (2017 - $16.8 million) is comprised of the accumulated income earned by the University from the endowment investments and is restricted to fund future endowment transactions. – The endowment investments balance of $60.5 million (2017 - $58.7 million) is comprised of the original endowment contributions from donors to the University and capitalized interest. These endowment investments are held in perpetuity to fund future endowment transactions. – At year end, the University had an unrealized loss of approximately $0.5 million included in the total endowment investment portfolio (portfolio and endowment investment captions) value of $74.5 million (2017 - $3.0 million gain on a total endowment investment portfolio value of $75.5 million).

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Areas of focus	Why	Our significant findings from the audit
		– We obtained an understanding of the activities over recording and monitoring of investments by management. We also obtained third party confirmations directly from the various investment/fund managers used by the University to verify the cost and fair market value of investments held by the University at March 31, 2018, along with the amounts of investment income earned by the University during the 2018 fiscal year. – We ensured that the investments were appropriately recorded and presented in the consolidated financial statements. No misstatements were identified in this area.
Employee future benefits	The University provides specific benefits to its employees that can accumulate. The liabilities connected to employee future benefits are based on underlying assumptions. As such, they are an estimate subject to variability and measurement uncertainty including changes in historical trends.	– The University accrues certain employee future benefits within the accounts payable and accrued liabilities financial statement caption of the consolidated financial statements. – These accruals relate to administrative leaves, vacation payable and banked overtime amounts. – We held discussions with management regarding these and other potential employee benefits and reviewed the consolidated financial statement note disclosure to ensure that it was complete and accurate. No issues were noted in this area.
New PSAS standards	Effective April 1, 2017, the University is required to comply with the new related party and inter-entity transactions, assets, contingent assets and contractual rights standards.	– We discussed the new standards with management to ensure an appropriate assessment was completed to ensure compliance. No issues were identified.

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We identified areas of focus for our audit in our discussion with you in the Audit Planning Report.

Significant findings from the audit regarding our areas of focus are as follows:

Northern Medical Programs Trust (NMPT) funds	The University recast their consolidated financial statements to include the NMPT investment funds	– During the 2018 fiscal year, the University determined that investments relating to the NMPT were considered to be under the control of the University and not the NMPT upon clarification of an agreement between the two parties. – As a result of this clarification, the University has recast their prior period financial statements to record the NMPT investments in the consolidated financial statements. – We reviewed agreement(s) between the University and the NMPT to determine custody of funds. – We obtained third party confirmations of significant NMPT investment accounts from investment managers and custodians of investment portfolios. – We reviewed the presentation of the recast in note 19 of the University's consolidated financial statements to ensure accuracy of amounts and disclosure. – As disclosed in note 19, the effect of the recast increased operating, portfolio and endowment investments at March 31, 2017, while also increasing deferred contributions and restricted endowment contributions for the year ended March 31, 2017.
Oversight role by Office of the Auditor General (OAG) of British Columbia	The OAG increased their involvement to an oversight level beginning with the March 31, 2018 fiscal year-end.	– We have corresponded with OAG representatives and will provide access to our audit file as required upon completion of the audit. – OAG representative will receive a copy of the same materials as the Board to assist with their oversight.

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Other matters

We have highlighted below other significant matters that we would like to bring to your attention:

Northern Sports Centre
• The Northern Sports Centre Limited is the umbrella organization established to operate the Northern Sports Centre. The Northern Sports Centre itself is a physical asset of the University and is included in the University's tangible capital assets. • Accounting for operations at the Northern Sports Centre is on the basis that UNBC has been "contracted" by Northern Sports Centre Limited to manage and operate the Northern Sports Centre facility. • At year end, there is a cumulative excess of revenues over expenditures from operations of the Northern Sports Centre in the amount of $755,000 (2017 - $621,000). This amount has been included in deferred contributions on the basis that it is externally restricted by the Northern Sports Centre Limited (i.e. the Board of Northern Sports Centre Limited can direct the University as to how these excess funds are utilized). The excess of revenues over expenses does not form part of the University's accumulated surplus.
KPMG comments
• As described above, management has treated operations of the Northern Sports Centre as part of the University, except that any excess of revenues over expenses has been treated as a deferred contribution instead of as part of the University's accumulated surplus. • We reviewed the accounting for the Northern Sports Centre and agree with management's approach.

Indirect tax recoveries
• The University's finance department worked with KPMG's indirect tax group during the 2018 fiscal year, with KPMG reviewing financial transaction data from the University to assess the potential for recoveries of GST for the University.
KPMG comments
• Upon review, GST recovery opportunities were identified and the University received a GST recovery of approximately $860,000 during fiscal 2018.

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Downtown sale/purchase
• During the year, the University and the City of Prince George (the "City") entered into transactions where the University sold the old BMO building downtown to the City and purchased the land on which to build the Wood Innovation Research Lab ("WIRL") from the City. • The disposal of the BMO building and the addition of the WIRL land was approved by the board and recorded by management in the tangible capital assets and deferred capital contributions financial statement captions. • The loss created on the disposal of the BMO building was offset by the recognition of revenue in the same amount for deferred capital contributions as the BMO building was purchased with deferred capital contribution related funds. There is no net effect on the University's consolidated financial statements.
KPMG comments
• We reviewed the accounting treatment of the disposal of the BMO building and the addition of the WIRL land and re-calculated the amounts involved to ensure that the transactions were recorded accurately by the University. No issues were noted in this area.

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Audit adjustments and differences

Adjustments and differences identified during the audit have been categorized as "Corrected adjustments" or "Uncorrected differences". These include presentation and disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified differences be corrected. We have already made this request of management.

Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the consolidated financial statements.

Uncorrected differences

We did not identify differences that remain uncorrected.

Corrected adjustments in presentation and disclosure

We provided minor suggestions concerning presentation and disclosure that management has incorporated in the consolidated financial statements.

Uncorrected changes in presentation and disclosure

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, 2018 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 as the amount of accumulated re-measurement loss as at March 31, 2018 is $237,565.

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Significant qualitative aspects of accounting policies and practices

Our professional standards require that we communicate our views regarding the matters below, which represent judgments about significant qualitative aspects of accounting policies and practices. Judgments about quality cannot be measured solely against standards or objective criteria. These judgments are inherently those of individuals making the assessment: the engagement partner. However, although judgments about quality are those of the engagement partner, the views discussed are not contrary to positions KPMG has taken.

The following are the matters we plan to discuss with you:

Significant accounting policies	Significant accounting policies or practices are disclosed in Note 2 to the consolidated financial statements. • Aside from the adoption of the new PSAS accounting standards during the year (see page 7), there were no significant changes in accounting policies during fiscal 2018.
Significant accounting estimates	**Overview:** • Management's identification of accounting estimates. • Management's process for making accounting estimates. • Indicators of possible management bias. • Disclosure of estimation uncertainty in the consolidated financial statements. • Factors affecting the University's asset and liability carrying values. **Commitments and Contingencies:** • Management makes estimates regarding the determination of the outcome of material outstanding lawsuits and material contingency provisions requiring adjustment and disclosure.

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Significant disclosures and financial statement presentation	**Overview:** • Issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures. • Overall neutrality, consistency, and clarity of the disclosure in the consolidated financial statements. • Potential effect on the consolidated financial statements of significant risks, exposures and uncertainties. **Financial risk management** • See note 11 to the consolidated financial statements for significant disclosures required for the University's financial instruments and financial risk management.

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Control observations

Background and professional standards

Internal control over financial reporting

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. 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.

Identification

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

Documents containing or referring to the audited financial statements

We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited consolidated financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

We are also required by our professional standards when the consolidated financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.

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Control observations (continued)

Consenting to the use of the auditors' report

When specifically engaged in the engagement letter, we will provide our consent, in writing, to the use of our auditors' report, once we have completed all of the procedures required under professional standards and no unresolved matters exist.

If there are any unresolved matters arising from the performance of the above procedures, we will inform the Board of Governors of such matters.

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Appendices

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Appendix 1: Required communications

In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:

- **Engagement letter** – the objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter and any subsequent amendment letters provided to management. The engagement letter was provided to management on January 29, 2015.
- **Audit findings report** – as attached.
- **Auditors' report** – the conclusion of our audit is set out in our draft auditors' report attached to the draft consolidated financial statements.
- **Management representation letter** – we will obtain from management at the completion of the annual audit. In accordance with professional standards, copies of the representation letter are provided to the Board of Governors. The management representation letter is attached in Appendix 2.

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Appendix 2: Management representation letter

18 *This Audit Findings Report should not be used for any other purpose or by anyone other than the Board of Governors. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings 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.

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3333 UNIVERSITY WAY
PRINCE GEORGE, BC V2N 4Z9

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

May 24, 2018

Ladies and Gentlemen:

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, 2018.

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 January 29, 2015, 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, such as all financial records and documentation and other matters, including (i) the names of all related parties and information regarding all relationships and transactions with related parties; and (ii) 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, and providing you with access to such relevant information. All significant board and committee actions are included in the summaries.

   c) providing you with additional information that you may request from us for the purpose of the engagement.

   d) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.

   e) 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.

   f) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

g) providing you with written representations that you are required to obtain under your professional standards and written representations that you determined are necessary.

h) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that management, 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 and that affects the financial statements and involves: management, employees who have significant roles in internal control over financial reporting, or others, where the 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, or others.

   d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, 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) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

GOING CONCERN:

9) We have provided you with all relevant information relevant to the use of the going concern assumption in the financial statements.

MISSTATEMENTS:

10) 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.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

11) 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). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

____
By: Dr. Daniel Weeks, President and Vice-Chancellor

____
By: Mr. Robert Knight, Vice President, Finance & Business Operations

____
By: Mrs. Colleen Smith, Associate Vice President, Financial Services

cc: Board of Governors

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, 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 the size or nature of a misstatement, or a combination of both.

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.

RELATED PARTIES

In accordance with Canadian accounting standards for public sector *related party* is defined as:

- one party that has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Two not-for-profit organizations are related parties if one has an economic interest in the other. Related parties also include management and immediate family members.

In accordance with Canadian accounting standards for public sector a *related party transaction* is defined as:

- a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Attachment II

Summary of uncorrected misstatements in presentation and disclosures

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, 2018 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 as the accumulated amount of re-measurement loss at at March 31, 2018 is $237,565.	Uncorrected	Factual

Appendix 3: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems.

Visit http://www.kpmg.com/Ca/en/services/Audit/Pages/Audit-Quality-Resources.aspx for more information.

- Other controls include:
  - Before the firm issues its audit report, Engagement Quality Control Reviewer reviews the appropriateness of key elements.
  - Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.
- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
  - Assignment based on skills and experience;
  - Rotation of partners;
  - Performance evaluation;
  - Development and training; and
  - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

 *This Audit Findings Report should not be used for any other purpose or by anyone other than the Board of Governors. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings 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.

Appendix 4: Current developments

The following is a summary of the current developments that are relevant to the University:

Standard	Summary and implications
Financial Instruments and Foreign Currency Translation	• New Accounting Standards, Financial Instruments PS3450 and Foreign Currency Translation PS2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2019. Early adoption is permitted. • Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds can be carried at cost or fair value depending on the government's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. Instruments denominated in foreign currencies must be adjusted to reflect the exchange rate in effect at the reporting date. • Hedge accounting is not permitted. • A new statement, the Statement of Re-measurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted and foreign currency denominated financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.
Employee Future Benefit Obligations	• PSAB has initiated a review of sections PS3250 Retirement Benefits and PS3255 Post-Employment Benefits Given the complexity of issues involved and potential implications of any changes that may arise from this review, the project will be undertaken in phases. Phase I will address specific issues related to measurement of employment benefits. Phase II will address accounting for plans with risk sharing features, multi-employer defined benefit plans and sick leave benefits. • An Invitation to Comment was issued in November 2016 and closed March 2017, seeking guidance on whether the deferral provisions in existing public sector standards remain appropriate and justified and the appropriateness of accounting for various components of changes in the value of the accrued benefit obligation and plan assets. Responses are currently under deliberation. • An Invitation to Comment was issued in November 2017, with a deadline for comments on March 9, 2018, seeking guidance on the present value measurement of accrued benefit obligations. Webinars with an overview of the Invitation to Comment are scheduled for January 2018. The ultimate objective of this project is to issue a new employment benefits section to replace existing guidance.

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Asset Retirement Obligations	• A new standard is under development addressing the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs would be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.
	• PSAB recently released an Exposure Draft following the consideration of comments received in response to the previously released Statement of Principles. Responses are currently under deliberation.
	• The proposed ARO standard would require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability would be added to the historical cost of the asset and amortized over its useful life.
	• As a result of the proposed standard, the public sector entity would have to:
	  • consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;
	  • carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;
	  • begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.
	The Exposure Draft has a proposed effective date of April 1, 2021 for the standard.to the public sector entity when the terms of those contracts are met.

Public Private Partnerships	• A taskforce was established in 2016 as a result of increasing use of public private partnerships for the delivery of services and provision of assets. • A Statement of Principles (SOP) was issued in August 2017 which proposes new requirements for recognizing, measuring and classifying infrastructure procured through a public private partnership. Responses are currently under deliberation. • The SOP proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. • The SOP proposes the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. The infrastructure would be valued at cost, with a liability of the same amount if one exists. Cost would be measured by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.
Revenue	• PSAB is proposing a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.

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- An Exposure Draft (ED) was issued in May 2017 seeking feedback from stakeholders. Responses are currently under deliberation.
- The ED proposes that in the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.
- The ED proposes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

The new section would be applied retroactively with restatement for fiscal years beginning on or after April 1, 2021.

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UNBC UNIVERSITY OF NORTHERN BRITISH COLUMBIA

BOARD OF GOVERNORS

Agenda Item:	4.a. Presentation and Approval of Financial Statements – R. Knight/C. Smith
Material:	University of Northern British Columbia's Consolidated Financial Statements – year ended March 31, 2018
Motion:	That, the Board of Governors approves the University of Northern British Columbia's Consolidated Financial Statements for the year ended March 31/18.

UNBC UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Financial Statements

Year Ended March 31, 2018

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 University of Northern British Columbia is responsible for the preparation of the consolidated financial statements and has prepared them in accordance 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 2a of the consolidated financial statements. The consolidated financial statements present the consolidated financial position of the University as at March 31, 2018 and the consolidated results of its operations and its consolidated cash flows for the year ended March 31, 2018.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal controls designed to provide reasonable assurance that University 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 Finance and Audit Committee. With the exception of employee group representatives, members of the Finance and Audit 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 Finance and Audit Committee, with and without the presence of Management.

The consolidated financial statements for the year ended March 31, 2018 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 statements.

Robert A. Knight, MBA	Colleen Smith, CPA, CA
Vice President, Finance & Business Operations	Associate Vice President, Financial Services

May 16, 2018

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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, Province of British Columbia

We have audited the accompanying consolidated financial statements of the University of Northern British Columbia (the "University") which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows, for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the University of Northern British Columbia as at March 31, 2018 and for the year then ended 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 (a) to the consolidated financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Chartered Professional Accountants

May 24, 2018

Prince George, Canada

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Financial Position

March 31, 2018, with comparative figures for 2017 (in thousands of dollars)

		2018	2017 (Recast - Note 19)
Financial assets			
Cash and cash equivalents		$ 25,175	$ 22,261
Operating investments	(Note 3)	23,578	25,637
Accounts receivable		3,664	2,929
Inventories for resale		672	624
Portfolio investments	(Note 4)	13,998	16,828
Sinking fund, net of long-term debt	(Note 9)	65	58
		67,152	68,337
Liabilities			
Accounts payable and accrued liabilities	(Note 5)	9,850	8,058
Deferred revenue		2,010	923
Deferred contributions	(Note 7)	29,440	28,601
Deferred capital contributions	(Note 8)	158,947	161,360
		200,247	198,942
Net debt		(133,095)	(130,605)
Non-financial assets			
Tangible capital assets	(Note 10)	214,161	211,623
Inventories held for use		80	77
Endowment investments	(Notes 4 and 14)	60,503	58,698
Prepaid expenses		2,344	1,496
		277,088	271,894
Accumulated surplus	(Note 13)	$ 143,993	$ 141,289

Contractual obligations and commitments (Note 12)
See accompanying notes to consolidated financial statements.

On behalf of the Board of Governors:

Chair, Board of Governors

President

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2018, with comparative figures for 2017 (in thousands of dollars)

	Budget (Note 2(n))	2018	2017 (Recast - Note 19)
Revenue:			
Government grants			
Provincial government	$ 52,226	$ 51,312	$ 51,477
Federal government	4,895	5,099	4,793
Tuition fees	19,645	19,228	17,353
Other fees	1,597	1,510	1,378
Sales of goods and services	8,222	10,875	9,020
Gifts, bequests, non-government grants and contracts	11,829	9,711	10,139
Investment income	2,115	3,308	3,143
External cost recovery and other income	457	425	543
Revenue recognized from deferred capital contributions	6,900	7,838	6,802
	107,886	109,306	104,648
Expenses:			
Ancillary operations	7,548	7,073	7,063
Facility operations and maintenance	17,615	16,129	14,940
Instruction	42,701	42,200	40,878
Institutional support	27,126	30,025	29,555
Sponsored research	8,400	5,983	6,735
Specific purpose	6,490	6,997	7,151
	109,880	108,407	106,322
Annual operating surplus/(deficit) before restricted contributions	(1,994)	899	(1,674)
Restricted endowment contributions	1,510	1,805	1,518
Annual surplus/(deficit)	(484)	2,704	(156)
Accumulated surplus, beginning of year			
As previously reported	-	133,178	133,605
Recast (Note 19)		8,111	7,840
As recasted	141,289	141,289	141,445
Accumulated surplus, end of year	$ 140,805	$ 143,993	$ 141,289

See accompanying notes to consolidated financial statements.

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Changes in Net Debt

Year ended March 31, 2018, with comparative figures for 2017 (in thousands of dollars)

	Budget (Note 2(n))	2018 Total	2017 Total (Recast - Note 19)
Annual surplus (deficit)	$ (484)	$ 2,704	$ (156)
Exclude items not affecting net debt:			
Restricted endowment contributions	(1,510)	(1,805)	(1,518)
	(1,994)	899	(1,674)
Acquisition of tangible capital assets	-	(12,583)	(8,974)
Loss on disposal of tangible capital assets		1,035	
Amortization of tangible capital assets	-	9,010	8,975
	-	(2,538)	1
Consumption of inventories held for use	-	77	90
Acquisition of inventories held for use		(80)	(77)
Consumption of prepaid expenses	-	1,496	1,465
Acquisition of prepaid expenses	-	(2,344)	(1,496)
	-	(851)	(18)
	(1,994)	(2,490)	(1,691)
(Increase)/decrease in net debt	(1,994)	(2,490)	(1,691)
Net debt, beginning of year	(130,605)	(130,605)	(128,914)
Net debt, end of year	$ (132,599)	$ (133,095)	$ (130,605)

See accompanying notes to consolidated financial statements.

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Cash Flows

Year ended March 31, 2018, with comparative figures for 2017 (in thousands of dollars)

	2018	2017 (Recast - Note 19)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	$ 2,704	$ (156)
Items not involving cash:		
Amortization of tangible capital assets	9,010	8,975
Loss on disposal of tangible assets	1,035	-
Revenue recognized from deferred capital contributions	(7,838)	(6,802)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(735)	(326)
Decrease (increase) in prepaid expenses	(848)	(31)
Decrease in inventories held for use	(3)	13
Decrease in inventories held for sale	(48)	100
Increase (decrease) in accounts payable and accrued liabilities	1,792	(1,645)
Increase (decrease) in deferred revenue	1,087	326
Net change in cash from operating activities	6,156	454
Capital activities:		
Acquisitions of tangible capital assets	(12,583)	(8,974)
Net change in cash from capital activities	(12,583)	(8,974)
Financing activities:		
Cash restricted for repayment of long-term debt	(7)	(36)
Net change in cash from financing activities	(7)	(36)
Investing activities:		
Capital contributions	5,425	2,936
Decrease (increase) in operating investments	2,059	(80)
Deferred contributions	839	2,611
Increase in endowment investments	(1,805)	(1,518)
Sale (purchase) of portfolio investments	2,830	(152)
Net change in cash from investing activities	9,348	3,797
Net change in cash	2,914	(4,759)
Cash, beginning of year	22,261	27,020
Cash, end of year	$ 25,175	$ 22,261

Cash is comprised of cash and cash equivalents

See accompanying notes to consolidated financial statements.

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 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:

2. Summary of significant accounting policies (continued)

(i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and, referred to as deferred capital contributions and recognized in 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 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 stipulation or restriction on the contributions have been met.

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 PS3410; 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 recognized in the 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 which 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) Short-term investments

Short-term 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. Unrealized gains and losses on financial assets 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. The cost of the tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives shown below. Land is not amortized as it is deemed to have a permanent value:

2. Summary of significant accounting policies (continued)

Asset	Rate
Buildings and site services	50 years
Capital renovations	20 years
Library materials	10 years
Equipment and furnishings	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 assets

Works of art and historic assets 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 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.

(i) Revenue recognition

Tuition and student fees and sales of goods and services are reported as revenue in the period to which they apply and when the liability to refund has expired.

Unrestricted donations and grants 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.

2. Summary of significant accounting policies (continued)

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 stipulation or restriction 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 statement of operations for the portion to be held in perpetuity and as deferred contributions for any restricted investment income earned thereon.

Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments, and writedowns on investments where the loss in value is determined to be other-than-temporary.

(j) Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards 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 and the related amortization of deferred capital contributions. 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 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

Year ended March 31, 2018 (in thousands of dollars)

2. Summary of significant accounting policies (continued)

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 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 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 it incurs a legal obligation associated with the retirement of a tangible long-lived asset including leased premises resulting from the acquisition, construction, development, and/or normal use of the asset. 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 2017/18 Financial Planning Overview approved by the Board of Governors of UNBC on March 31, 2017 and the 2017/18 Consolidated Budget, approved March 23, 2018. The budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Debt.

3. Operating investments

	Fair Value Hierarchy	2018	2017
Term Deposits, GIC, T-bills	Level 1	$ 10,520	$ 11,620
Municipal Financing Authority - bond fund	Level 1	8,351	8,368
Municipal Financing Authority - money market fund	Level 1	4,707	5,649
		$ 23,578	$ 25,637

Year ended March 31, 2018 (in thousands of dollars)

4. Financial instruments

Fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties. UNBC uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Consolidated Statement of Financial Position under the following captions:

Financial assets and liabilities recorded at fair value are comprised of the following:

- Cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities - the carrying amounts approximate fair value because of the short maturity of these instruments.
- Operating investments
- Endowment investments

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)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair Value Hierarchy	2018	2017
Financial assets:			
Portfolio investments quoted at fair value - restricted:			
Money market	Level 1	-	-
Fixed income	Level 1	3,836	5,048
Equity	Level 1	6,701	8,263
Real Estate	Level 3	581	690
Infrastructure	Level 3	466	269
Private debt	Level 3	2,136	2,356
Private equity	Level 3	278	202
		13,998	16,828
Non-financial assets:			
Restricted endowment investments quoted at fair value:			
Money market	Level 1		-
Fixed income	Level 1	16,581	17,610
Equity	Level 1	28,963	28,820
Real Estate	Level 3	2,511	2,407
Infrastructure	Level 3	2,015	939
Private debt	Level 3	9,234	8,218
Private equity	Level 3	1,199	704
		60,503	58,698
Total financial instruments		$ 74,501	$ 75,526

Year ended March 31, 2018 (in thousands of dollars)

4. Financial instruments (continued)

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

	2018	2017
Balance, beginning of year	$ 15,785	$ 10,556
Unrealized losses	(93)	(144)
Purchases	5,578	5,373
Dispositions	(2,850)	-
Balance, end of year	$ 18,420	$ 15,785

5. Accounts payable and accrued liabilities

	2018	2017
Accounts payable and accrued liabilities	$ 6,437	$ 4,830
Salaries and benefits payable	2,600	2,417
Accrued vacation pay	813	811
	$ 9,850	$ 8,058

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 $3,950 (2017 - $3,803) to the plan.

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	2018 Total	2017 Total
Balance, beginning of year	$ 621	$ 5,319	$ 22,661	$ 28,601	$ 23,873
Contributions received during the year	75	7,939	14,156	22,170	24,780
Revenue recognized from deferred contributions	(133)	(7,311)	(13,769)	(21,213)	(17,669)
Transfers to deferred capital contributions	(40)	(58)	(20)	(118)	(2,383)
Balance, end of year	$ 523	$ 5,889	$ 23,028	$ 29,440	$ 28,601

Year ended March 31, 2018 (in thousands of dollars)

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. Changes in the deferred capital contributions balance are as follows:

		2018		2017
Balance, beginning of year	$	161,360	$	165,226
Contributions received during the year		5,425		2,936
Revenue recognized from deferred capital contributions		(7,838)		(6,802)
Balance, end of year	$	158,947	$	161,360

9. Sinking fund, net of long term debt

Sinking fund, net of long-term debt, reported on the statement of financial position is measured at amortized cost and is as follows:

		2018		2017
Sinking fund asset	$	3,065	$	3,058
Province of British Columbia (Section 58 of the *University Act*), bearing interest at 9%, maturing June 2019		(3,000)		(3,000)
Balance, end of year	$	65	$	58

		2018		2017
Interest expense for the year on outstanding debt	$	270	$	270

Sinking fund instalments

The debt is a 25 year debenture with a 20 year sinking fund; obligations for sinking fund instalments have been completely fulfilled.

Year ended March 31, 2018 (in thousands of dollars)

10. Tangible capital assets

2018 Cost		Balance at March 31, 2017		Additions		Disposals/ Transfers		Balance at March 31, 2018
Land	$	6,812	$	333	$	-	$	7,145
Buildings and site improvements		280,388				5,855		286,243
Furniture and equipment		53,519		610		-		54,129
Computers		37,782		691		(18)		38,455
Library holdings		27,007		93				27,100
Assets under construction		1,340		10,856		(7,121)		5,075
Total	$	406,848	$	12,583	$	(1,284)	$	418,147

2018 Accumulated amortization		Balance at March 31, 2017		Disposals		Amortization expense		Balance at March 31, 2018
Land	$	-	$	-	$	-	$	-
Buildings and site improvements		(89,489)		233		(5,941)		(95,197)
Furniture and equipment		(43,940)		-		(1,863)		(45,803)
Computers		(36,686)		16		(751)		(37,421)
Library holdings		(25,110)		-		(455)		(25,565)
Assets under construction		-		-				-
Total	$	(195,225)	$	249	$	(9,010)	$	(203,986)

		Net book value March 31, 2017		Net book value March 31, 2018
Land	$	6,812	$	7,145
Buildings and site improvements		190,899		191,046
Furniture and equipment		9,579		8,326
Computers		1,096		1,034
Library holdings		1,897		1,535
Assets under construction		1,340		5,075
Total	$	211,623	$	214,161

2017 Cost		Balance at March 31, 2016		Additions		Disposals/ Transfers		Balance at March 31, 2017
Land	$	6,781	$	31	$	-	$	6,812
Buildings and site improvements		275,168				5,220		280,388
Furniture and equipment		51,178		2,341		-		53,519
Computers		37,201		589		(8)		37,782
Library holdings		26,740		267				27,007
Assets under construction		814		5,746		(5,220)		1,340
Total	$	397,882	$	8,974	$	(8)	$	406,848

Year ended March 31, 2018 (in thousands of dollars)

10. Tangible capital assets (continued)

2017 Accumulated amortization	Balance at March 31, 2016	Disposals	Amortization expense	Balance at March 31, 2017
Land	$ -	$ -	$ -	$ -
Buildings and site improvements	(83,814)	-	(5,675)	(89,489)
Furniture and equipment	(42,106)	-	(1,834)	(43,940)
Computers	(35,802)	8	(892)	(36,686)
Library holdings	(24,536)	-	(574)	(25,110)
Assets under construction	-	-		-
Total	$ (186,258)	$ 8	$ (8,975)	$ (195,225)

	Net book value March 31, 2016	Net book value March 31, 2017
Land	$ 6,781	$ 6,812
Buildings and site improvements	191,354	190,899
Furniture and equipment	9,072	9,579
Computers	1,399	1,096
Library holdings	2,204	1,897
Assets under construction	814	1,340
Total	$ 211,624	$ 211,623

(a) Assets under construction

Assets under construction having a value of $5,075 (2017 - $1,340) 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 statement of operations.

(b) Works of art and historical treasures

The University manages and controls various works of art and non-operational historical cultural assets 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.

11. 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.

Year ended March 31, 2018 (in thousands of dollars)

11. Financial risk management (continued)

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 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.

12. 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, private equity and infrastructure investments totalling approximately $6.8 million (2017- $6.4 million); $3.1 million (2017 – $4.0 million); and $14.0 million (2017 – $5.1 million), respectively.

13. Accumulated surplus

Accumulated surplus is comprised of the following:

	2018	2017
Accumulated operating surplus	$ 83,490	$ 82,591
Endowments	60,503	58,698
	$ 143,993	$ 141,289

Year ended March 31, 2018 (in thousands of dollars)

13. Accumulated surplus (continued)

Accumulated operating surplus consists of the following individual fund surpluses:

	2018	2017
Invested in tangible capital assets		
Capital assets	$ 214,161	$ 211,623
Amounts financed by deferred capital contributions	(158,947)	(161,360)
	55,214	50,263
Appropriated for specific purposes		
General Operating		
Departmental carryforwards	4,020	3,405
Minor capital projects, equipment purchases and special projects	13,878	12,179
Professional development and internal research funds	3,811	3,866
	21,709	19,450
Ancillary Services	(12,122)	(6,807)
Capital	7,044	6,785
Specific Purpose	8,128	9,383
	24,759	28,811
Unrestricted surplus	3,517	3,517
Total accumulated operating surplus	$ 83,490	$ 82,591

General Operating appropriations are comprised of departmental amounts calculated under a policy which 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 Business Operations. 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 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.

Year ended March 31, 2018 (in thousands of dollars)

14. Endowments

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

	2018	2017
Balance, beginning of year	$ 58,698	$ 57,180
Contributions received during the year	631	374
Capitalized interest	1,174	1,144
Balance, end of year	$ 60,503	$ 58,698

The balance shown does not include endowment principal with fair value of $2,094 (2017 - $2,099) and book value of $1,681 (2017 - $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.

15. Expenses by object

The following is a summary of expenses by object:

	2018	2017
Salaries and wages	$ 55,835	$ 54,974
Benefits	10,384	10,544
Travel and personnel costs	3,479	3,412
Operational supplies and expenses	8,666	9,401
Equipment, furnishings and rent	1,025	1,006
Professional and contracted services	7,972	7,626
Scholarships, fellowships and bursaries	3,230	3,259
Renovations, alterations and maintenance	3,030	2,621
Cost of goods sold	1,898	1,788
Interest	296	283
Utilities	2,547	2,433
Loss on disposal of tangible capital assets	1,035	-
Amortization of tangible capital assets	9,010	8,975
	$ 108,407	$ 106,322

16. 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 amount, which is the amount of consideration established and agreed to by the related parties.

Year ended March 31, 2018 (in thousands of dollars)

17. 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 is expected to receive $12,943 in research funding from fiscal 2019 to 2023.

The University is also expected to receive additional research funding from federal, provincial and other sources from 2019 to 2023; however, this additional research funding is not specifically guaranteed to be received in future periods as at March 31, 2018. As a result, this additional research funding is not included in the total noted above.

18. Comparative figures

Certain of the prior year comparative figures have been reclassified to conform to the current year's presentation; the changes have no effect on the prior year's deficit.

19. Recast

During the year, management determined that the following adjustments needed to be made to correct immaterial errors reported in prior periods:

Endowment investments relating to the Northern Medical Programs Trust (NMPT) not previously included in the University's endowment investments on the consolidated financial statements, were found to be under the control of the University following the clarification of an agreement between the University and the NMPT.

	As Previously Reported	Increase (Decrease)	As recast
Consolidated Statement of Financial Position as at March 31, 2017			
Operating investments	25,214	423	25,637
Portfolio investments	15,134	1,694	16,828
Endowment investments	50,587	8,111	58,698
Deferred contributions	26,484	2,117	28,601
Consolidated Statement of Operations and Accumulated Surplus for the year ended March 31, 2017			
Restricted endowment contributions	1,247	271	1,518
Accumulated surplus for the year ended March 31, 2017			
Annual deficit	(427)	271	(156)
Accumulated surplus, beginning	133,605	7,840	141,445
Accumulated surplus, ending	133,178	8,111	141,289

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

BOARD OF GOVERNORS

Agenda Item:	4.b. Memorandum of Understanding Between the University of Northern British Columbia and the Wenzhou University – G. Payne
Material:	1. Senate Motion #S-201804.14 2. Memorandum of Understanding between the University of Northern British Columbia and the Wenzhou University
Motion:	*That, the Board of Governors, approves the Memorandum of Understanding between the University of Northern British Columbia and the Wenzhou University as recommended by the Senate.*

UNBC UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Motion Number (assigned by Steering Committee of Senate): S-201804.14

SENATE COMMITTEE ON ACADEMIC AFFAIRS

PROPOSED MOTION

Motion: That the Memorandum of Understanding between the University of Northern British Columbia and the Wenzhou University be approved as proposed.

Effective Date: Upon approval of the Senate & Board of Governors

Rationale: To build upon the existing MOU that currently supports the Master of Science 1+1 in the Natural Resources and Environmental Sciences Program. This new MOU will allow eligible students from Wenzhou University to enroll in the UNBC NRES Doctoral Program. It will also continue to foster research partnerships between UNBC and Wenzhou University.

Motion proposed by: Geoff Payne, Vice President, Research and Graduate Programs

Academic Program: Natural Resources and Environmental Sciences.

Implications for Other Programs / Faculties? None at this stage

College: CSAM

College Council / Committee Motion Number:

College Council / Committee Approval Date: March 8th, 2018

Attachment Pages (if applicable): # pages

INFORMATION TO BE COMPLETED AFTER SENATE COMMITTEE ON ACADEMIC AFFAIRS MEETING

Brief Summary of Committee Debate:

Motion No.: SCAAF201804.14

Moved by: E. Korkmaz **Seconded by:** R. Foo

Committee Decision: CARRIED

Approved by SCAAF: April 4, 2018 Geoffrey Payne

Date **Chair's Signature**

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

Memorandum of Understanding between the

University of Northern British Columbia, Canada
and the
Wenzhou University, China

This agreement is between Wenzhou University (hereinafter referred to as WZU) and University of Northern British Columbia (hereinafter referred to as UNBC) and builds upon the previously-signed agreement for the 1+1 UNBC MSc. in Environmental Science.

I. Objectives

The objective of this MOU is to build upon the existing UNBC Master of Science in Environmental Science to provide PhD graduate study opportunities at UNBC for either the current 1+1 M.Sc students who are all eligible to transfer into a doctoral program or newly-admitted students from WZU into the Natural Resources and Environmental Science (NRES) Program .

II. Description of the Program

Students admitted must fulfill all eligibility requirements outlined in the UNBC Graduate Calender for both admission to the University, as well as requirements of the NRES doctoral program. Students study at UNBC for one school year (e.g., three semesters) to complete all of the UNBC PhD candidacy requirements and then will spend time at either UNBC or WZU conducting their research (data collection and analysis, experiments, etc.) and return to UNBC to complete the doctoral degree program. Students need to satisfy all PhD graduation requirements as specified by UNBC Graduate Calender and shall abide by university rules and stipulations, and Canadian laws and regulations when studying in Canada.

III. Support of Students

In this program, students are recommended to take advanced English language training that will not be part of the NRES PhD graduate program. This intensive language and culture program would begin in the Spring semester (i.e., May) preceding the doctoral program. This support will be through the UNBC International Education Office in collaboration with the

Office of Graduate Programs. In addition to the academic support, UNBC and WZU will create a scientific advisory/steering committee in the Offices of the Vice President of Research & Graduate Programs to support graduate training.

IV. Majors or Academic Fields Involved

This agreement is specific to the Natural Resources and Environmental Studies (NRES) PhD program, but other programs may be developed in the future.

V. Responsibilities for WZU and UNBC

1. Responsibilities of WZU

A. Identification of students

WZU is responsible for identifying interested students for the NRES Ph.D program and for helping ensure the students will achieve the admission standards for both UNBC and the NRES Program. WZU will also help the student to seek a co-supervisor in collaboration with UNBC faculty in the NRES Program to establish the successfully-admitted students' supervisory committees.

B. Provision of student services

While students are conducting their research at WZU, students will be provided with support and services on the campus of WZU.

2. Responsibilities of UNBC

A. Assistance in admissions and visa application

UNBC will offer assistance to students from WZU in their applications for admission to the UNBC PhD program and issue admission letters to the qualified students in a timely manner. UNBC will also help the students to seek co-supervisors at UNBC.

B. Issuance of academic certification

UNBC will grant the students the doctoral degree upon their successful completion all the academic requirements outlined by the University and NRES Ph.D. Program.

C. Student services

UNBC will provide services that are outlined in UNBC policies and regulations, that are provided to all UNBC students.

VII. Resolution of Conflicts

Both WZU and UNBC agree that disputes or conflicts that arise in the process of implementation are to be resolved through friendly talks and negotiations.

VIII. Additional Documents and Agreements

This agreement may be supplemented by additional documents providing specific details regarding this agreement to support the sustainability of the partnership.

IX. Term of Agreement

This agreement takes effect upon signature by representatives of both parties and will be reviewed every five (5) years.

X. Termination of Agreement

If one party intends to terminate this agreement, the party should inform the other party, in a written form, of this decision six months in advance. Meanwhile, both parties should fulfill the responsibilities to current students within the program. Such students will be provided with support either to complete the program as a student solely of UNBC or to return to China.

XI. Others

This agreement is in quadruplicate, and both parties will hold two original copies with one in English and one in Chinese.

________________________	________________________
Dr. Xue Wei Vice President Research & Graduate Programs	Dr. Geoffrey Payne Interim Vice President Research & Graduate Programs

Wenzhou University	University of Northern British Columbia
Date:	Date: