

BOARD OF GOVERNORS

PUBLIC SESSION AGENDA

Thursday, May 26, 2022

ZOOM Videoconference Only

11:20 AM – 11:50 AM

Members – Vacant (Chancellor), Amanda Alexander, Kostas Bach, Allison Beswick, Darwyn Coxson, Joyce Henley, Joel McKay, Geoff Payne, Michael Reed – VICE-CHAIR, Andrew Robinson, Paul Sanborn, Gregory Stewart, Stephanie Wilford, Catherine Wishart – CHAIR

1. **Acknowledgement of Territory**

2. **Chair's Remarks**

- Declarations of Conflict
- Correspondence Received

3. **Approval of Agenda**

That, the Agenda for the Public Session of the May 26, 2022 meeting of the Board of Governors be approved as presented.

4. **Approval of Minutes**

a. **Public Session Minutes of March 19, 2022 – page 3**

That, the Public Session Minutes of the March 19, 2022 meeting of the Board of Governors be approved as presented.

5. **Business Arising from Previous Public Session Minutes**

None

6. **Presentation** – No presentation

7. **Reports of Committees and Related Motions**

(i) **Audit and Risk Committee** – G. Stewart, Chair

a. **Presentation and Approval of Financial Statements** – R. Somani – **page 9**

That, on the recommendation of the Audit and Risk Committee, the Board of Governors approves the University of Northern British Columbia's Consolidated Financial Statements for the year ended March 31, 2022.

(ii) **Executive Committee** – C. Wishart, Chair

a. **Memorandum of Understanding – Northern Health Authority** – M. Dale – **page 34**

That, on the recommendation of the Executive Committee, the Board of Governors approves the Memorandum of Understanding between the University of Northern British Columbia and the Northern Health Authority, as recommended and approved by the UNBC Senate, as presented.

- b. **2022/23 Minister Letter** – C. Wishart – **page 49**
That, the Board of Governors authorizes the Board Chair to sign the 2022 / 2023 Minister Letter on behalf of the Board.

- (iii) **Finance and Investment Committee** – A. Beswick, Chair
There were no meetings held since the last report/Board meeting.

8. Board Motions

None

9. Other Business

a. Schedule of Upcoming UNBC Events

- First Nation Centre Ceremony - May 26, 2022 – 12:00 p.m. to 3:00 p.m. – Canfor theatre with Appetizer/socializing to follow, in the Gathering Place
- Convocation for the Class of 2022 – Friday, May 27, 2022 – Prince George Campus:
 - Ceremony 1 start time: 9:30 a.m.
 - Ceremony 2 start time: 2:30 p.m.
- Regional Campus Celebrations:
 - Northwest (Terrace) campus: Monday, May 30, 2022 – 11:00 a.m. to 1:30 p.m.
 - Wilp Wilxo'oskwhl Nisga'a Institute: Tuesday, May 31, 2022 at 2:00 p.m.
 - South-Central (Quesnel) campus: Friday, June 3, 2022 – 1:00 p.m. to 3:00 p.m.

10. Adjournment

BOARD OF GOVERNORS – PUBLIC SESSION

Approved for Submission:



Catherine Wishart
UNBC Board Chair

BOARD OF GOVERNORS – PUBLIC SESSION

Meeting Date:	May 26, 2022
Agenda Item:	7.i.a. Presentation and Approval of Financial Statements – R. Somani
Material:	University of Northern British Columbia’s Consolidated Financial Statements – year ended March 31, 2022
Motion:	<i>That, on the recommendation of the Audit and Risk Committee, the Board of Governors approves the University of Northern British Columbia’s Consolidated Financial Statements for the year ended March 31, 2022.</i>

Consolidated Financial Statements

Year Ended March 31, 2022



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, 2022 and the consolidated results of its operations and its consolidated cash flows for the year ended March 31, 2022.

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

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

The consolidated financial statements for the year ended March 31, 2022 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.

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

Colleen Smith, CPA, CA
Associate Vice President, Financial Services

May 19, 2022



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INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2022 of the University are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our ethical responsibilities in accordance with these requirements.

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



Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) of the financial statements, which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Prince George, Canada

May 26, 2022

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Financial Position

March 31, 2022, with comparative figures for 2021 (in thousands of dollars)

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 47,314	\$ 40,827
Operating investments (Note 3)	20,378	19,195
Accounts receivable	4,424	4,628
Inventories for resale	568	652
Portfolio investments (Note 4)	26,677	21,898
	<u>99,361</u>	<u>87,200</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	17,152	16,807
Deferred revenue	1,396	2,404
Deferred contributions (Note 7)	52,347	42,121
Deferred capital contributions (Note 8)	154,290	154,633
	<u>225,185</u>	<u>215,965</u>
Net debt	(125,824)	(128,765)
Non-financial assets		
Tangible capital assets (Note 9)	204,517	206,142
Inventories held for use	91	86
Endowment investments (Notes 4 and 13)	69,464	67,655
Prepaid expenses	3,678	3,347
	<u>277,750</u>	<u>277,230</u>
Accumulated surplus (Note 12)	\$ 151,926	\$ 148,465

Contractual obligations and commitments (Note 11)

See accompanying notes to consolidated financial statements.

On behalf of the Board of Governors:

Catherine Wishart
Chair, Board of Governors

Geoffrey Payne
President & Vice Chancellor

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative figures for 2021 (in thousands of dollars)

	Budget (Note 2(n))	2022	2021
Revenue:			
Government grants			
Provincial government	\$ 61,120	\$ 62,071	\$ 59,387
Federal government	8,210	9,342	8,280
Tuition fees - Domestic	16,100	15,840	15,468
Tuition fees - International	4,720	5,961	5,446
Other fees	1,410	1,745	1,094
Sales of goods and services	5,070	6,555	3,934
Gifts, bequests, non-government grants and contracts	13,410	13,269	12,511
Investment income	3,290	3,244	3,975
External cost recovery and other income	610	591	543
Revenue recognized from deferred capital contributions	6,900	7,005	6,793
	<u>120,840</u>	<u>125,623</u>	<u>117,431</u>
Expenses:			
Ancillary operations	6,807	6,596	5,954
Facility operations and maintenance	14,756	15,600	15,329
Instruction	46,876	51,020	44,644
Institutional support	38,401	35,392	33,871
Sponsored research	10,600	9,786	8,077
Specific purpose	5,550	5,577	6,280
	<u>122,990</u>	<u>123,971</u>	<u>114,155</u>
Annual operating surplus/(deficit) before restricted contributions	(2,150)	1,652	3,276
Restricted endowment contributions	1,500	1,809	3,520
Annual surplus	(650)	3,461	6,796
Accumulated surplus, beginning of year	148,465	148,465	141,669
Accumulated surplus, end of year	<u>\$ 147,815</u>	<u>\$ 151,926</u>	<u>\$ 148,465</u>

See accompanying notes to consolidated financial statements.

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Changes in Net Debt

Year ended March 31, 2022, with comparative figures for 2021 (in thousands of dollars)

	Budget (Note 2(n))	2022	2021
Annual surplus	\$ (650)	\$ 3,461	\$ 6,796
Exclude items not affecting net debt:			
Restricted endowment contributions	(1,500)	(1,809)	(3,520)
	(2,150)	1,652	3,276
Acquisition of tangible capital assets	-	(8,308)	(9,804)
Loss on disposal of tangible capital assets	-	7	7
Amortization of tangible capital assets	-	9,926	9,542
	-	1,625	(255)
Consumption of inventories held for use	-	86	75
Acquisition of inventories held for use	-	(91)	(86)
Consumption of prepaid expenses	-	3,347	2,609
Acquisition of prepaid expenses	-	(3,678)	(3,347)
	-	(336)	(749)
	(2,150)	2,941	2,272
(Increase) decrease in net debt	(2,150)	2,941	2,272
Net debt, beginning of year	(128,765)	(128,765)	(131,037)
Net debt, end of year	\$ (130,915)	\$ (125,824)	\$ (128,765)

See accompanying notes to consolidated financial statements.

UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative figures for 2021 (in thousands of dollars)

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,461	\$ 6,796
Items not involving cash:		
Amortization of tangible capital assets	9,926	9,542
Loss on disposal of tangible assets	7	7
Revenue recognized from deferred capital contributions	(7,005)	(6,793)
Change in non-cash operating working capital:		
(Increase) decrease in accounts receivable	204	(883)
Increase in prepaid expenses	(331)	(738)
Increase in inventories held for use	(5)	(11)
Decrease in inventories held for sale	84	32
Increase in accounts payable and accrued liabilities	345	469
Decrease in deferred revenue	(1,008)	(395)
Net change in cash from operating activities	5,678	8,026
Capital activities:		
Acquisitions of tangible capital assets	(8,308)	(9,804)
Net change in cash from capital activities	(8,308)	(9,804)
Investing activities:		
Capital contributions	6,662	8,567
Decrease (increase) in operating investments	(1,183)	1,050
Deferred contributions	10,226	7,683
Increase in endowment investments	(1,809)	(3,520)
Increase in portfolio investments	(4,779)	(4,037)
Net change in cash from investing activities	9,117	9,743
Net change in cash	6,487	7,965
Cash, beginning of year	40,827	32,862
Cash, end of year	\$ 47,314	\$ 40,827

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) Operating investments

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

2. Summary of significant accounting policies (continued)

(e) Financial instruments

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

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

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

(f) Inventories for resale

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

(g) Non-financial assets

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

(i) Tangible capital assets

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

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

(iii) Inventories held for use

Inventories held for use such as office, stationery and lab supplies distributed to various departments are recorded at 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 other 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 and other income are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured. Pledges from donors are recorded as revenue when payment is received or the transfer of property is completed.

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 stipulations or restrictions on the contribution have been met.
- (iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as endowment contributions on the Statement of Operations and Accumulated Surplus for the portion to be held in perpetuity and as deferred contributions for any restricted investment income earned thereon.

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 consolidated financial statements in equivalent Canadian dollars at the exchange rate in effect on the date of the statement of financial position. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or date

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 2021/22 Financial Planning Overview approved by the Board of Governors of UNBC on March 19, 2021 and the 2021/22 Consolidated Budget, approved March 19, 2022. 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	2022	2021
Term Deposits and Guaranteed Investment Certificates	Level 1	\$ 11,400	\$ 9,950
Municipal Financing Authority - bond fund	Level 1	8,978	9,245
		<u>\$ 20,378</u>	<u>\$ 19,195</u>

4. Financial instruments

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

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

	Fair Value Hierarchy	2022	2021
Financial assets:			
Portfolio investments quoted at fair value - restricted:			
Fixed income	Level 1	4,082	3,596
Equity	Level 1	9,152	6,418
Real Estate	Level 3	2,425	2,808
Infrastructure	Level 3	5,056	4,049
Private debt	Level 3	4,197	3,607
Private equity	Level 3	1,765	1,420
		26,677	21,898
Non-financial assets:			
Restricted endowment investments quoted at fair value:			
Fixed income	Level 1	10,628	11,112
Equity	Level 1	23,831	19,827
Real Estate	Level 3	6,316	8,674
Infrastructure	Level 3	13,164	12,510
Private debt	Level 3	10,929	11,143
Private equity	Level 3	4,596	4,389
		69,464	67,655
Total financial instruments		\$ 96,141	\$ 89,553

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

	2022	2021
Balance, beginning of year	\$ 48,600	\$ 48,788
Unrealized (losses) gains	1,165	(1,378)
Purchases	3,588	1,190
Dispositions	(4,905)	-
Balance, end of year	\$ 48,448	\$ 48,600

5. Accounts payable and accrued liabilities

	2022	2021
Accounts payable and accrued liabilities	\$ 9,624	9,776
Salaries and benefits payable	6,097	5,573
Accrued vacation pay	1,431	1,458
	<u>\$ 17,152</u>	<u>\$ 16,807</u>

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 \$4,548 (2021 - \$4,438) 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	2022 Total	2021 Total
Balance, beginning of year	\$ 583	\$ 8,568	\$ 32,970	\$ 42,121	\$ 34,438
Contributions received during the year	6,755	14,693	20,417	41,865	41,371
Revenue recognized from deferred contributions	(492)	(10,954)	(13,531)	(24,977)	(25,121)
Transfers to deferred capital contributions	(6,317)	(296)	(49)	(6,662)	(8,567)
Balance, end of year	<u>\$ 529</u>	<u>\$ 12,011</u>	<u>\$ 39,807</u>	<u>\$ 52,347</u>	<u>\$ 42,121</u>

8. Deferred capital contributions

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

	2022	2021
Balance, beginning of year	\$ 154,633	\$ 152,859
Contributions received during the year	6,662	8,567
Revenue recognized from deferred capital contributions	(7,005)	(6,793)
Balance, end of year	<u>\$ 154,290</u>	<u>\$ 154,633</u>

9. Tangible capital assets

2021 Cost	Balance at March 31, 2021	Additions	Disposals/ Transfers	Balance at March 31, 2022
Land	\$ 7,145	\$ -	\$ -	\$ 7,145
Buildings and site improvements	295,561	-	11,602	307,163
Furniture and equipment	58,598	2,638	(145)	61,091
Computers	41,597	833	(23)	42,407
Library holdings	28,267	38		28,305
Assets under construction	6,943	4,799	(11,602)	140
Total	\$ 438,111	\$ 8,308	\$ (168)	\$ 446,251

2021 Accumulated amortization	Balance at March 31, 2021	Disposals	Amortization expense	Balance at March 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Buildings and site improvements	(114,061)	-	(6,647)	(120,708)
Furniture and equipment	(51,406)	144	(2,045)	(53,307)
Computers	(39,996)	17	(1,041)	(41,020)
Library holdings	(26,506)		(193)	(26,699)
Assets under construction	-	-	-	-
Total	\$ (231,969)	\$ 161	\$ (9,926)	\$ (241,734)

	Net book value March 31, 2021	Net book value March 31, 2022
Land	\$ 7,145	\$ 7,145
Buildings and site improvements	181,500	186,455
Furniture and equipment	7,192	7,784
Computers	1,601	1,387
Library holdings	1,761	1,606
Assets under construction	6,943	140
Total	\$ 206,142	\$ 204,517

2020 Cost	Balance at March 31, 2020	Additions	Disposals/ Transfers	Balance at March 31, 2021
Land	\$ 7,145	\$ -	\$ -	\$ 7,145
Buildings and site improvements	294,245	-	1,316	295,561
Furniture and equipment	56,502	2,096		58,598
Computers	40,668	946	(17)	41,597
Library holdings	28,200	67		28,267
Assets under construction	1,564	6,695	(1,316)	6,943
Total	\$ 428,324	\$ 9,804	\$ (17)	\$ 438,111

9. Tangible capital assets (continued)

2020 Accumulated amortization	Balance at March 31, 2020	Disposals	Amortization expense	Balance at March 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Buildings and site improvements	(107,690)		(6,371)	(114,061)
Furniture and equipment	(49,505)		(1,901)	(51,406)
Computers	(38,990)	10	(1,016)	(39,996)
Library holdings	(26,252)		(254)	(26,506)
Assets under construction	-	-	-	-
Total	\$ (222,437)	\$ 10	\$ (9,542)	\$ (231,969)

	Net book value March 31, 2020	Net book value March 31, 2021
Land	\$ 7,145	\$ 7,145
Buildings and site improvements	186,555	181,500
Furniture and equipment	6,997	7,192
Computers	1,678	1,601
Library holdings	1,948	1,761
Assets under construction	1,564	6,943
Total	\$ 205,887	\$ 206,142

(a) Assets under construction

Assets under construction having a value of \$140 (2021 - \$6,943) are not amortized. Amortization of these assets commences when the asset is put into service; if it is determined that the costs no longer represent the cost of an ongoing project, they are expensed in the Consolidated Statement of Operations and Accumulated Surplus.

(b) Works of art and historical treasures

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

10. Financial risk management

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

(a) Credit risk

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

10. 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 capital, investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

(d) Foreign exchange risk

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

11. Contractual obligations and commitments

Contractual obligations and commitments are as follows:

Funding commitments

Under its endowment investment strategy, the University has outstanding commitments to fund private debt, private equity and infrastructure investments totalling approximately \$10.6 million (2021 - \$4.6 million); \$0.8 million (2021 – \$0.9 million); and \$1.0 million (2021 – \$1.3 million), respectively.

12. Accumulated surplus

Accumulated surplus is comprised of the following:

	2022	2021
Accumulated operating surplus	\$ 82,462	\$ 80,810
Endowments (Note 4)	69,464	67,655
	<u>\$ 151,926</u>	<u>\$ 148,465</u>

12. Accumulated surplus (continued)

Accumulated operating surplus consists of the following individual fund surpluses:

	2022	2021
Invested in tangible capital assets		
Capital assets	\$ 204,517	\$ 206,142
Amounts financed by deferred capital contributions	(154,290)	(154,633)
	<u>50,227</u>	<u>51,509</u>
Appropriated for specific purposes		
General Operating		
Departmental carryforwards	3,100	3,122
Minor capital projects, equipment purchases and special projects	18,803	16,468
Professional development and internal research funds	5,173	4,382
	<u>27,076</u>	<u>23,972</u>
Ancillary Services	(13,091)	(13,257)
Capital	9,135	8,939
Specific Purpose	5,598	6,130
	<u>28,718</u>	<u>25,784</u>
Unrestricted surplus	<u>3,517</u>	<u>3,517</u>
Total accumulated operating surplus	<u>\$ 82,462</u>	<u>\$ 80,810</u>

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

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

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

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

13. Endowments

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

	2022	2021
Balance, beginning of year	\$ 67,655	\$ 64,135
Contributions received during the year	794	2,558
Capitalized interest	1,015	962
Balance, end of year	\$ 69,464	\$ 67,655

The balance shown does not include endowment principal with fair value of \$2,335 (2021 - \$2,303) and book value of \$1,681 (2021 - \$1,681) held by the Vancouver Foundation. The excluded principal is not owned or controlled by the University, but income from it is paid to the University to be used for specific purposes.

14. Expenses by object

The following is a summary of expenses by object:

	2022	2021
Salaries and wages	\$ 69,814	\$ 63,322
Benefits	12,929	12,406
Travel and personnel costs	1,613	683
Operational supplies and expenses	9,435	8,728
Equipment, furnishings and rent	1,341	1,669
Professional and contracted services	9,071	8,318
Scholarships, fellowships and bursaries	3,894	3,860
Renovations, alterations and maintenance	2,236	2,268
Cost of goods sold	1,318	1,056
Utilities	2,394	2,303
Amortization of tangible capital assets	9,926	9,542
	\$ 123,971	\$ 114,155

15. Related parties

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

16. Contractual rights

The University receives research grants from various federal and provincial agencies, foundations, and institutions, and also enters into research agreements with some of these parties. The University currently expects to receive \$15,516 in research funding from fiscal 2023 to 2027.

16. Contractual rights (continued)

The University also expects to receive additional research funding from federal, provincial and other sources from 2023 to 2027; however, this additional research funding is not specifically guaranteed to be received in future periods as at March 31, 2022. As a result, this additional research funding is not included in the total noted above.

17. COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

The University implemented an exposure control plan and diligently followed guidelines and directives from relevant ministries and Public Health officials. The paramount goal has been to protect the health and wellbeing of the University community, while continuing to ensure effective operations and services, and delivery of programs to the best degree possible.

Student enrolment continues to pose a financial risk due to online mode of delivery and international travel restrictions. However, the University is managing this risk through ongoing tracking of enrolment statistics, adapting its services and managing expenditures through identifying efficiencies and effectiveness.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

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 surplus.

BOARD OF GOVERNORS – PUBLIC SESSION

Meeting Date:	May 26, 2022
Agenda Item:	7.ii.a. Memorandum of Understanding – Northern Health Authority – M. Dale
Material:	<ol style="list-style-type: none"> 1. Senate Motion No. S-202203.19 2. Memorandum of Understanding between the University of Northern British Columbia and Northern Health Authority
Motion:	<i>That, on the recommendation of the Executive Committee, the Board of Governors approves the Memorandum of Understanding between the University of Northern British Columbia and the Northern Health Authority, as recommended and approved by the UNBC Senate, as presented.</i>

Motion Number (assigned by
Steering Committee of Senate): S-202203.19

SENATE COMMITTEE ON ACADEMIC AFFAIRS

PROPOSED MOTION

Motion: That, the memorandum of understanding between the University of Northern British Columbia and the Northern Health Authority be approved as proposed.

Effective Date: Upon the completion of signing by both parties

Rationale:

UNBC and NH signed a facilitating MOU on June 22, 2010. The MOU was subsequently renewed on December 5, 2016, and again on Nov. 1, 2018. This MOU renews and builds upon these earlier commitments in recognition of past achievements and new contexts, opportunities and challenges. All these MOUs reflect a shared commitment to furthering knowledge about, and developing the capacity for, the advancement of the health of northern British Columbians through the integration of practice, education and research.

Motion proposed by: Kathy Lewis, VP Research and Innovation

Academic Program: not applicable

Implications for Other Programs / Faculties? None

Faculty: not applicable

Faculty Council / Committee Motion Number: not applicable

Faculty Council / Committee Approval Date: not applicable

Attachment Pages (if applicable): 12 pages

INFORMATION TO BE COMPLETED AFTER SENATE COMMITTEE ON ACADEMIC AFFAIRS MEETING

Brief Summary of Committee Debate:

Motion No.: SCAAF202203.26

Moved by: R. Camp II

Seconded by: L. Troc

Committee Decision: CARRIED

Approved by SCAAF: March 9, 2022
Date

MRTD
Chair's Signature

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

Memorandum of Understanding - DRAFT

This agreement dated for reference the ____ day of ____, 2022
(effective date), between:

University of Northern British Columbia (UNBC)

-and-

Northern Health Authority (NH)

Preamble:

UNBC and NH signed a facilitating MOU on June 22, 2010. The MOU was subsequently renewed on December 5, 2016, and again on Nov. 1, 2018. This MOU renews and builds upon these earlier commitments in recognition of past achievements and new contexts, opportunities and challenges. All these MOUs reflect a shared commitment to furthering knowledge about, and developing the capacity for, the advancement of the health of northern British Columbians through the integration of practice, education and research.

Whereas:

1. NH and UNBC have developed strategic plans that outline their respective visions, missions, values and strategic directions;
2. UNBC is committed to improving the quality of life in its region, the province and beyond, by attaining the highest standards of teaching, learning and research;
3. UNBC is committed to building and enhancing partnerships in order to better respond to student and community needs through innovation and collaboration;
4. NH is committed to improving the health of people in the North;
5. NH is committed to fostering research (including clinical research) in the North;
6. NH is committed to working in partnership with organizations that will help further their mission;
7. UNBC and NH have co-terminus service areas, with the exception of Williams Lake and area;

8. UNBC and NH are committed to establishing and refining established structures and processes that enable accomplishment of shared goals through creativity and innovation;
9. Both organizations recognize evidence, trends and strengthening provincial/national infrastructure that reflects the benefits of deeper/richer involvement of people/patients, families and communities in prioritization and decision-making related to health and health service;
10. UNBC and NH believe that cross-institutional integration of practice, education and research will enhance the ability of both institutions to achieve their mission.

Therefore, the parties, UNBC and NH, agree to execute this Memorandum of Understanding to:

1. Renew the unique commitment between our organizations to collaboratively seek and develop opportunities to further education, research and innovation for the purpose of improving the quality of life for people who live in the North;
2. Establish a basis upon which stakeholders from both organizations can further explore and realize opportunities to stimulate innovation and transformation in both organizations that will foster closer integration of health services and policy, health provider and professional education, and health research;
3. Enable integration of practice, education and research with stakeholders beyond UNBC and NH. The MOU contemplates the potential that for some initiatives/instances:
 - a. UNBC and NH may need to engage partners beyond our two organization but within the governance purview of this bipartite agreement
 - b. UNBC and NH may act to facilitate, establish and support relationships/activities that extend beyond the reasonable governance purview of this bipartite agreement
4. Establish and continuously improve mechanisms that support system-wide involvement of northern people/patients, families and communities in health and health-service decision-making;
5. Build on achievements of the partnership to-date to further define its spirit, foci and mechanisms for prioritization and operationalization of activities that fulfill its purpose.

SECTION 1.0 – STATEMENT OF COMMON INTEREST

1. UNBC and NH have a shared interest in and commitment to further knowledge and develop capacity for the advancement of healthy outcomes for northern British Columbians through integration of practice, education and research;
2. UNBC and NH have a shared interest in creating an intellectually and professionally stimulating environment that supports recruitment and retention of skilled personnel;
3. UNBC and NH have an interest in promoting our unique relationship to:
 - a. Share knowledge with other Northern and rural academic and service organizations focused on improving the health and well-being of northern and rural populations;
 - b. Engage other partners and stakeholders;
 - c. Proactively seek resources and support to enhance the capacity for innovation and partnered education, research and practice from traditional and non-traditional funding organizations;
 - d. Implement education and research activities that improve experiences of cultural safety and reduce anti-indigenous racism in learning and practice environments across the North

SECTION 2.0 – PARTNERSHIP PRINCIPLES

The principles of the partnership between UNBC and NH include:

1. A collaborative relationship between researchers, educators and knowledge users for the purposes of improving the quality of health services and improving health;
2. A “systems” view toward the involvement of people/patients, families and communities in health and health-service decision-making;
3. Mutual respect and acknowledgement of the skills and expertise each party brings to the partnership including a commitment to respectfully resolving conflicts as they arise;
4. Open and transparent communication between the parties,
5. Attention to the needs and realities of northern British Columbia in the overall Provincial context;
6. Commitment to respectful engagement with Indigenous partners and to incorporating Indigenous perspectives in Northern health services, research and education/training;

7. Focus on building each organization's capacity to be a competent partner in new knowledge development and in knowledge translation endeavours;
8. Commitment from each party's leadership to support strong foundations of research, education/training and health service capacity in the North;
9. Mutual understanding and respect for the sustainability of each party's contribution to the partnership, including consideration of cost-sharing, research overhead and research support;
10. Commitment to creating an inclusive environment, where work is done "with" and not "for" or "to" peoples in the North;
11. Recognition of and respect for the intellectual property rights of individual researchers and each partner; and
12. Commitment to regular communication and information sharing with stakeholders and the public.

SECTION 3.0 – PARTNERSHIP MILESTONES/DELIVERABLES

Stakeholders of UNBC and NH are granted broad scope to undertake activities that fall within the spirit of the agreement provided appropriate paths are established for approval/oversight including but not limited to those set out in Section 4 of this agreement. This MOU sets out the following minimum set of milestones and deliverables to be developed with the oversight and guidance of the structures described below:

1. Steering Committee structure and Terms of Reference to be reviewed and approved by the Executive Oversight Committee and appended to this MOU (Appendix 1).
2. Development of a **guiding framework** for integrated research, education and practice that inspires and guides future work, and promotes and substantiates the partnership. The guiding framework will articulate the shared objectives of the parties. It will to be reviewed and approved by the Executive Oversight Committee and reviewed/endorsed by the Governors or Directors of each organization and appended to this MOU (Appendix 2)
3. Development of a **strategic plan** specifying key objectives for partnered activity from an overarching perspective and specifically with respect to education, research capacity building, and practice improvement/knowledge mobilization. It will to be reviewed and approved by the Executive Oversight Committee and appended to this MOU (Appendix 3).
4. Development and oversight for implementation of **annual action plans** with milestone/interim targets which together will guide implementation of the strategic

plan. These action plans will address the shared objectives and set out principal collaborative activities in each of the priority areas. The action plans will be reviewed and updated annually, and should include the following:

- a. A resource plan for the identified activities that includes applicable funding needs and human and capital resources;
- b. A plan to enhance the involvement of people/patients, families, students, educators and communities in partnered decision-making and research activities; and
- c. A partnership promotion and funding plan aligning activities to potential institutional or philanthropic funding entities.

SECTION 4.0 – STRUCTURE FOR THE PARTNERSHIP

1. An *Executive Oversight Committee* will conduct a semi-annual review of progress on the agreed strategic directions and the partnered initiatives underway to further the UNBC/NH partnership and will ensure regional, provincial, and national relationships are fostered with policy and funding partners.
 - a. Agreement Review: This agreement will be reviewed annually by the Executive Oversight Committee. Revisions will be mutually agreed to by both organizations and approved by the Board of Directors of NH and the Board of Governors of UNBC.
2. A *Steering Committee* will develop and oversee the implementation of the three-year strategic plan that addresses the shared guiding framework and shared objectives articulated in this agreement, along with annual work plans to that will guide implementation of the strategic plan.
3. The Steering Committee will develop an annual report of actions undertaken and the outcomes that have occurred by implementing the previous year's action plan, including recommendations for any changes to the subsequent year(s) action plan(s).
 - a. Reporting: The annual report will be submitted to the Executive Oversight Committee by June 30 each year. This report will include the revenue and expenditures that have occurred through execution of this MOU. Updates on implementation including progress with action plans (4 below) will be provided to stakeholders regularly.
 - b. Structure of the Steering Committee: The Steering Committee must reflect the breadth of involvement required to meet the objectives and principles described in this agreement. Membership, Chairmanship and support of the Steering Committee are outlined in the Steering Committee Terms of Reference, Appendix 1.

4. From time to time sub-committees or working groups may be struck by the Steering Committee to take on specific projects. Short term task forces could also be formed for specific initiatives, including those involving other organizations.
 - a. Membership, Chairmanship, mandate and term of service for such sub-groups will be specified by the Steering Committee in Terms of Reference for each sub-group.

SECTION 5.0 – TERM OF THE MEMORANDUM OF UNDERSTANDING

1. This MOU will commence on the Effective Date and will continue until superseded or cancelled by one or more party.

SECTION 6.0 – CHANGES TO THE MEMORANDUM OF UNDERSTANDING

1. Any changes to this MOU must be agreed to in writing by all parties. Any-and-all changes in writing to this MOU agreed to and signed by all parties will be deemed to form part of and to be incorporated into this MOU.

SECTION 7.0 – EXECUTION OF THE MEMORANDUM OF UNDERSTANDING

In Witness Whereof the parties have executed this agreement as of the date set out below:

<p>Date: _____</p> <p>University of Northern British Columbia</p> <p>_____</p> <p>Chair, Board of Governors</p> <p>_____</p> <p>President and Vice Chancellor</p>	<p>Date: _____</p> <p>Northern Health Authority</p> <p>_____</p> <p>Chair, Board of Directors</p> <p>_____</p> <p>President and Chief Executive Officer</p>
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Appendix 1: Terms of Reference, Steering Committee

1. Purpose

The purpose of the UNBC NH Memorandum of Understanding (MOU) Steering Committee (MOU SC) is to provide informed advice to the MOU Executive Oversight Committee (MOU EOC) on all matters supporting the successful advancement of the UNBC NH MOU and the shared priorities articulated therein.

2. Membership and Leadership

- 2.1. Members of the MOU SC will be appointed by the MOU EOC and will comprise no more than fifteen (15) members, including:
 - 2.1.1. The senior leader from each of UNBC and NH responsible for advancing research and teaching, who will serve as the co-chairs of the MOU SC;
 - 2.1.2. Up to thirteen (13) additional members from the Senior Leadership Teams representing each of the UNBC and NH workforce. In the selection of these additional members, consideration will be given to ensuring representation from equity-seeking groups; and representation from the occupational groups within the workplace and various geographic locations and sectors; and
 - 2.1.3. Such other members as the MOU EOC shall see fit to appoint from time to time at their sole discretion.
- 2.2. All members shall be appointed for a term of up to four (4) years, or until such time as their work is deemed by the MOU EOC to be completed.

3. Mandate and Duties

- 3.1. The MOU SC reports to and is accountable jointly to the MOU EOC.
- 3.2. The MOU SC has the authority to:
 - 3.2.1 Prepare a work plan outlining the tasks it will undertake to meet its duties and responsibilities, and schedule meetings ahead based on the work plan;
 - 3.2.2 Review its own activities, and abide by and uphold all relevant organizational policies and procedures (including but not limited to confidentiality and conflict of interest);
 - 3.2.3 Establish and oversee the activities of working groups that report to the MOU SC and to which it can delegate all or some of the responsibilities as defined in 3.3 below;
 - 3.2.4 Consider and make recommendations on any issues referred to it by the MOU EOC; and

- 3.2.5 Undertake an evaluation of its activities and of the extent to which the MOU has been successfully implemented.
- 3.3. The MOU SC has the responsibility to provide advice and recommendations to the MOU EOC on actions and decisions relating to:
 - 3.3.1. Content of the 2021 revision to the 2018 MOU between UNBC and NH;
 - 3.3.2. Development of documents relating to the successful advancement of the priorities articulated in the MOU, including but not limited to a Strategic Plan and including:
 - 3.3.2.1. Articulating a draft vision for integrated research, education and practice;
 - 3.3.2.2. Establishing draft key objectives for partnered activities (research capacity building, practice improvement/knowledge mobilization and education);
 - 3.3.2.3. A draft three-year Action Plan to achieve key objectives;
 - 3.3.2.4. A draft three-year resource plan (funding, human and capital); and
 - 3.3.3. Any other issues referred to it from time to time by the MOU EOC.

4. Operations and Documentation

- 4.1. The MOU SC will meet no fewer than six times per year, at the call of the Co-Chairs.
 - 4.1.1. Additional/special meetings may be called on an as-required basis by the Co-Chairs at their discretion.
 - 4.1.2. The Co-Chairs will alternate duties as meeting chair or otherwise share these duties as agreed.
- 4.2. All members shall serve voluntarily, without remuneration.
- 4.3. Delegates to the MOU SC may attend on behalf of any member, with prior notification to the Chair of the meeting at which the delegate will attend.
 - 4.3.1. All Delegates are bound and directed by these Terms of Reference and the operating principles specified herein, and will conduct themselves accordingly.
 - 4.3.2. The MOU SC member for whom the delegate will attend is responsible for ensuring that the Delegate is fully briefed on matters to be discussed at the meeting(s) which they will attend.

- 4.4. Guests may be invited to attend all or parts of meetings of the MOU SC with prior notice and the agreement of the Co-Chairs.
- 4.5. Agendas for meetings of the MOU SC will be established and circulated to all members no less than five (5) business days prior to each meeting by the Co-Chairs.
- 4.5.1. Members of the UNBC NH MOU Steering Committee wishing to have topics identified for discussion will aim to notify the convener two weeks prior to the meeting.
- 4.5.2. Upon request from any member, agenda time will be scheduled for the group to discuss or share topics or concerns relating to the MOU SC's adherence to these terms of reference and/or any other matters relating to the group's effective functioning.
- 4.6. A majority of members (50% plus one) will constitute quorum for group meetings.
- 4.7. Administrative support for the group will be provided by the offices of Co-Chairs, including recording of minutes.
- 4.8. Brief meeting minutes will record decisions made and actions agreed to, and:
- 4.8.1. Will be circulated electronically within five (5) days of the meeting to MOU SC and MOU EC members.
- 4.8.2. Approved minutes will serve as the official record of the MOU SC's deliberations.
- 4.8.3. No MOU SC member will share or distribute meeting minutes in whole or in part including their attachments, except as detailed herein or explicitly authorized in advance by the members of the MOU SC.

5. Monitoring and Evaluation

A full review of the Terms of Reference, deliberations and effectiveness of the group will be conducted at least once by the group or its designated representatives, with the results of that review to be presented to the group for discussion and development of recommendations to the MOU EC.

6. Document Control

<i>This draft</i>	Patricia Evans & Associates for NH/UNBC	February 14, 2022
<i>Original approved</i>	UNBC NH Executive Oversight Committee	<date>
<i>This draft</i>	Used when a revision is brought forward for approval	<date>
<i>Revision approved</i>	Added when it happens	<date>

Appendix 2: Guiding Framework

The Strategic Plan (Appendix 3) and its subsidiary annual Implementation Action Plans to operationalize this MOU will address the following priority areas:

Priority Areas

UNBC and NH have identified the following priority areas where health needs and service, research and education capacity align in northern British Columbia:

1. Recruitment and retention of people involved in delivery of health care in the north;
2. Integration of quality and improvement of practice with research and education programs;
3. Enhanced opportunities for research involving clinical trials and access to trials by northern patients as applicable;
4. Connecting people to services (e.g., telehealth, transportation, etc.);
5. Industry/resource economy and its impact on the health of northern peoples;
6. Training, education and capacity development to promote and support cultural safety and humility;
7. Rural health and rural networks of clinical services;
8. Generalism and inter-professionalism.

For the priority areas specified above, UNBC and NH have the following shared objectives:

Shared Objectives for Research and Knowledge Mobilization

1. Expanding the capacity and skill of both organizations to ask and answer questions
2. Developing a culture of research and capacity to translate knowledge into policy and practice in Northern Health, in which research becomes an integral part of care
3. Fostering a culture of research at UNBC that is inclusive of integrating knowledge into practice
4. Creating opportunities and dedicated time for academics and clinicians alike to engage and partner in clinical and research activities
5. Fostering a culture in which all people are valued as part of a research team (patients, students, families, staff, faculty)
6. Incorporating new knowledge and evidence into the way researchers, students and staff are educated in both organizations, inclusive of professional development and formal education
7. Providing opportunities for partnerships with other organizations and for linkages with the broader community for the purposes of expanding the development and integration of knowledge into practice.

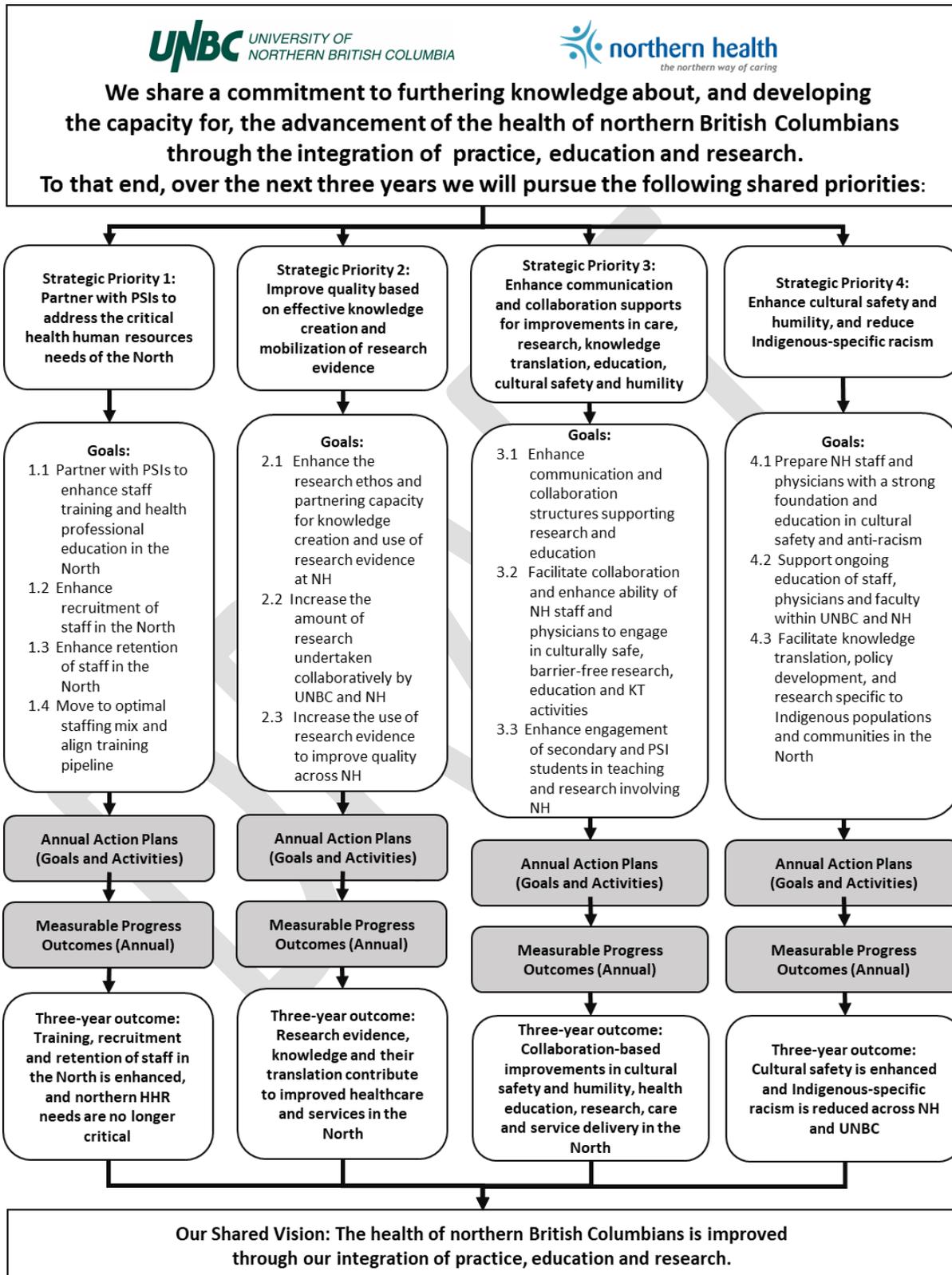
Shared Objectives for Education

1. Ensure that rural learners and practitioners receive the training and ongoing health professional education necessary to confidently practice in remote and rural settings;
2. Increase knowledge base within rural health care and health promotion practice by encouraging and supporting rural research;
3. Streamline pathway for Northern community members to access health care educational opportunities;
4. Build business case for increased health care professional education - more seats and more programs
5. Increase the number of seats that UNBC has for health professional programs. Jointly advocating to Ministry to highlight the need for the increased seats and programs.

Measurable outcomes in the Strategic Plan and the annual Implementation Action Plans will be aligned with and guided by these priority areas and shared objectives.

DRAFT

Appendix 3: Strategic Plan



BOARD OF GOVERNORS – PUBLIC SESSION

Meeting Date:	May 26, 2022
Agenda Item:	7.ii.b. 2022 / 23 Minister Letter
Material:	<ol style="list-style-type: none"> 1. Minister Letter from the Ministry of Advanced Education and Skills Training dated April 19, 2022 2. 2021/22 Mandate letter dated June 1, 2021
Motion:	<i>That, the Board of Governors authorizes the Board Chair to sign the 2022 / 2023 Minister Letter on behalf of the Board.</i>



April 19, 2022
Our Ref. 124921

Cathe Wishart, Board Chair
University of Northern British Columbia
3333 University Way
Prince George, BC V2N 4Z9

Email Address: wishartc@unbc.ca

Dear Cathe Wishart:

I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

As the Minister responsible for the Ministry of Advanced Education and Skills Training, I'm providing this letter of direction which builds upon Executive Council's expectations, outlined in the [2021/22 Mandate Letter](#) sent June 1, 2021. I expect that these two letters provide public post-secondary institutions with specific direction on the priorities and expectations for the coming fiscal year and will be incorporated into goals, objectives and performance measures in your upcoming Institutional Accountability Plan and Report for the 2021/22 reporting cycle, and until the end of the Government's current term.

I expect the five foundational principles included in your 2021/22 Mandate Letter (putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and a strong sustainable economy that works for everyone) will continue to inform your institution's policies and programs. I also expect your institution will continue to make substantive progress on the following priorities:

- Continue to work with the Ministry to resume full on-campus learning and services for students, faculty and staff, following the direction and guidance of the Provincial Health Officer and the COVID-19 Go-Forward Guidelines for B.C.'s Post-Secondary Sector, and support your academic communities as you respond to COVID-19 impacts and recovery.
- Work with the Ministry and your communities, employers and industry to implement post-secondary education and skills training for British Columbians, particularly those impacted by COVID-19 and vulnerable and underrepresented groups, to participate fully in economic recovery and growing career opportunities.

... /2

**Ministry of
Advanced Education
and Skills Training**

Office of the
Minister

Mailing Address:
PO Box 9080 Stn Prov Govt
Victoria BC V8W 9E2

Location:
Parliament Buildings
Victoria

- Fully engage with government in implementing mandate commitments to support a future-ready workforce and post-secondary system, increasing access to post-secondary education and skills training and high opportunity jobs for British Columbians. This includes cross-government, community, sector and stakeholder collaboration to support mandate commitments where education, innovation and equity play a role, and that builds upon government's CleanBC strategy and supports a clean economic future.

Government's recently released [Labour Market Outlook](#) highlights that B.C. will need to fill over 1 million job openings over the next ten years, almost 80 percent of which will require some form of post-secondary credential. Additionally, [Stronger B.C.](#), Government's new Economic Plan, identifies that the skills of our people will be the key driver of our economy, for which our post-secondary system is critical for supporting British Columbians and the overall economic vitality of our province.

As a result, I am providing further detail on the areas where we will be seeking your engagement and prioritization in your planning over the coming year. Please reflect the following additional actions in your upcoming Institutional Accountability Plan and Report:

- Demonstrate your commitment to collaborating within your sector on new and priority initiatives, including:
 - Working to align education and skills training to goals of the B.C. Economic Plan; and
 - Supporting the implementation of Skilled Trades Certification
- Contribute to Ministry engagement on upcoming initiatives, including:
 - The *Future Ready: Skills for the Jobs of Tomorrow* plan;
 - The Ministry's sexualized violence policy review;
 - Further tech-relevant seat expansions; and
 - The funding formula review of provincial operating grants

I look forward to holding regular meetings between our executive teams to discuss your institution's progress in implementing the direction and priorities set out in your Mandate Letter. These meetings will be an opportunity to clarify Government expectations and enhance engagement as we collaborate to achieve priority initiatives.

Continuing our best practice to publicly post Crown Agency mandate letters and letters of direction, you are asked to sign this letter upon approval of your board, to acknowledge Government's direction to your institution. The signed letter is to be posted publicly on your institution website.

On behalf of the Province, I would like to recognize the significant efforts post-secondary institutions have made to sustain in-person learning and services, while keeping students, faculty, staff and the broader community safe. I also want to thank you, your board, senior administration, faculty and staff for your continued leadership as we navigate through this challenging time. I look forward to continuing to work with you and your board colleagues as we continue to serve the people of British Columbia.

... /3

Sincerely,



Honourable Anne Kang
Minister

For Board Chair signature:

X _____

Cathe Wishart
Board Chair

Date Signed: _____

pc: Shannon Baskerville, Deputy Minister
Ministry of Advanced Education and Skills Training

Shannon.Baskerville@gov.bc.ca

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

geoff.payne@unbc.ca

Shari Hoff, Governance Officer
University of Northern British Columbia

Shari.Hoff@unbc.ca



Our Ref. 121833

June 1, 2021

Mr. Andrew Robinson, A/Board Chair
University of Northern British Columbia
3333 University Way
Prince George, B.C. V2N 4Z9

Dear Mr. Robinson:

On behalf of Premier Horgan and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and government. It will require all public post-secondary institutions to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for Advanced Education and Skills Training, on behalf of the Executive Council, communicates expectations for your institution. It sets out overarching principles relevant to the entire public sector and provides specific direction to institutions about priorities and expectations for the coming fiscal year.

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I expect that the following five foundational principles will inform your institution's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect that you will consider how your board's decisions maintain, protect and enhance the public services people rely on and make life more affordable for everyone.
- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration on the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all public post-secondary institutions are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, public post-secondary institutions must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. All public post-secondary institutions are encouraged to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your institution aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. I ask that your institution work with government to report out on these plans and activities as required by legislation.

... /3

- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. This will include online training and information about provincial government initiatives to foster engaged and informed boards.

This Mandate Letter confirms your institution's mandate under the *University Act*.

The role of higher education is more than a pathway to opportunity for some; it is a prerequisite for anyone who wishes to access and succeed in most career-building jobs in our province. Now, with the added pressures COVID-19 has created, some populations have been disproportionately impacted, and we must take care to build a just recovery and prosperous society that benefits everyone.

Post-secondary education and training must be available to all who want and need it. It allows British Columbians to upgrade their skills, acquire new ones, and access new employment opportunities. B.C.'s economic recovery depends on an accessible and future-ready post-secondary system where all British Columbians gain the knowledge and skills to secure a good standard of living.

Government has identified its five foundational principles, listed above, and these are to be reflected in all aspects of your institution's operations (e.g. strategic plans, programming, services, and staffing practices). As the Minister Responsible for Advanced Education and Skills Training, I ask that you make substantive progress on the following priorities and incorporate them in the goals, objectives, and performance measures in your 2020/21 Institutional Accountability Plan and Report:

- Work with the Ministry to resume full on-campus learning and services for students, faculty and staff by fall 2021, following the direction and guidance of the Provincial Health Officer and the [COVID-19 Go-Forward Guidelines for B.C.'s Post-Secondary Sector](#), and support your academic communities throughout 2021/22 as you respond to COVID-19 impacts and recovery.

- Work with the Ministry and your communities, employers and industry to implement post-secondary education and skills training for British Columbians, particularly those impacted by COVID-19 and vulnerable and underrepresented groups, to participate fully in economic recovery and growing career opportunities.
- Fully engage with government in implementing mandate commitments to support a future-ready workforce and post-secondary system, increasing access to post-secondary education and skills training and high opportunity jobs for British Columbians. This includes cross-government, community, sector and stakeholder collaboration to support mandate commitments where education, innovation and equity play a role, and that builds upon government's CleanBC strategy and supports a clean economic future.

Public post-secondary institutions are expected to meet or exceed the financial targets identified in the Ministry's Service Plan tabled under Budget 2021. In addition, institutions are expected to comply with the Tuition Limit Policy, which sets a two percent cap on tuition and mandatory fee increases for domestic students to ensure programs are affordable. I also encourage you to continue to work collaboratively across the system, to collectively focus on learner success and address common challenges that impact your sector, region, or access to education.

In addition, it is expected that your institution will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the B.C. public sector, including consistent and appropriate compensation decisions that demonstrate a cost-conscious culture, achieved through coordinated, well-informed and transparent decision making by employers that adheres to the requirements outlined in the *Public Sector Employers Act*.

British Columbia's public sector employers are expected to adhere to government's policies, guidelines, and direction regarding executive compensation, including the best practice of annual performance reviews for all senior executives. This approach ensures that compensation decisions are based primarily on employee performance and merit rather than an entitlement to a salary increase. The executive compensation guidelines are found in the [Guide to B.C. Public Sector Compensation and Expense Policies](#).

In August 2020, the Minister of Finance implemented a freeze on executive compensation increases for the 2020/21 performance year, requiring all institutions to submit their amended compensation plans to the Minister of Finance.

The Ministry posts the annual reporting requirements for public post-secondary institutions on its website at <https://www2.gov.bc.ca/gov/content/education-training/post-secondary-education/institution-resources-administration/mandate-letters>. This document outlines the statistical, financial and performance reports for the fiscal year. Your institution is expected to meet

these requirements by providing the data and reports necessary for Government to carry out its responsibilities.

As Board Chair, you are required, upon resolution of your board, to sign the Mandate Letter to acknowledge government's direction to your institution. The signed Mandate Letter is to be posted publicly on your institution's website in spring 2021.

On behalf of the Province of British Columbia, I would like to acknowledge the extraordinary efforts the entire post-secondary system has made to minimize the spread of COVID-19 and keep students, faculty, staff and the broader community safe. I also want to thank you, your board, senior administration, faculty and staff for your leadership in ensuring learning continuity for your students as we have navigated through this unprecedented time. I look forward to continuing to work with you and your board colleagues to build a better B.C.

Sincerely,



Honourable Anne Kang
Minister

June 1, 2021

For Board Chair signature:

X



Catherine Wishart
Board Chair

Date Signed: June 23, 2021

pc: Honourable John Horgan
Premier

Lori Wanamaker
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood, Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Douglas S. Scott, Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Shannon Baskerville, Deputy Minister
Ministry of Advanced Education and Skills Training

Geoff Payne, Interim President and Vice-Chancellor
University of Northern British Columbia