

SUBJECT	AMERICAN FOUNDATION FOR UBC - ANNUAL GENERAL MEETING
MEETING DATE	DECEMBER 5, 2019

Forwarded on the Recommendation of the President

**APPROVED FOR
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

DECISION REQUESTED	<p>IT IS HEREBY REQUESTED that <i>approval be granted for:</i></p> <ul style="list-style-type: none"> <i>i. Minutes of the Annual General Meeting of the American Foundation for UBC held on December 4, 2018; and,</i> <i>ii. American Foundation for UBC Financial Statements for the fiscal year ending March 31, 2019</i>
Report Date	November 8, 2019

Presented By Heather McCaw, Vice-President Development & Alumni Engagement
 Peter Smalles, Vice-President Finance & Operations
 Karamjeet Heer, Comptroller

EXECUTIVE SUMMARY

The Directors of the American Foundation for The University of British Columbia have approved the audited financial statements for the year ending March 31, 2019. The financial statements were prepared by the University of British Columbia (the 'University') and have been audited by KPMG LLP. The financial statements are included in the University's consolidated financial statements.

The American Foundation for UBC was established as a corporation in 1987 in the District of Columbia under the Non-Profit Corporation Act. Its purpose is to develop public awareness of the University in the United States, and to encourage financial support for the University and its programs. The American Foundation for UBC has a single class of members which is made up of members of the Board of Governors of UBC. The members conduct the Annual General Meeting of the American Foundation for UBC.

Attachments

1. Agenda of the December 5, 2019 American Foundation for UBC Annual General Meeting
2. Minutes of the December 4, 2018 American Foundation for UBC Annual General Meeting
3. American Foundation for UBC Financial Statements as at March 31, 2019

STRATEGIC CORE AREAS SUPPORTED

People and Places Research Excellence Transformative Learning Local / Global Engagement

DESCRIPTION & RATIONALE UBC is required to prepare audited consolidated financial statements on an annual basis, in accordance with the financial reporting provisions of Section 23.1 of the *Budget Transparency & Accountability Act* of the Province of British Columbia. The financial statements of the American Foundation are included in the audited consolidated financial statements of UBC.

BENEFITS Learning, Research, Financial, Sustainability & Reputational	UBC is ranked amongst the best worldwide and is regarded as a globally influential university with a reputation for excellence in advanced research and learning. Ensuring that the operating activities of related organizations are aligned with the University's objectives, and that the financial statements of related organizations are included in the consolidated financial statements in accordance with the required accounting framework, would continue to support the University in maintaining its reputation and credibility.
--	--

RISKS Financial, Operational & Reputational	In light of funding constraints and continuing changes to the relevant accounting standards, it is imperative to ensure that the financial statements of related organizations are included in the consolidated financial statements in accordance with the required accounting framework. Otherwise it may result in further financial pressures, restrictions on the University's ability to maintain required service levels, negative impacts to the University's reputation, in addition to other risks.
---	---

Attachment 1: Agenda of the December 5, 2019 American Foundation for UBC Annual General Meeting

**THE AMERICAN FOUNDATION FOR
THE UNIVERSITY OF BRITISH COLUMBIA**

ANNUAL GENERAL MEETING

Tuesday, December 5, 2019

AGENDA

1. Acknowledgement that a quorum is present.
2. Approval of Minutes of last Annual General Meeting held on December 4, 2018.
3. Approval of the American Foundation financial statements for the fiscal year ending March 31, 2019.
4. Other Business.

Attachment 2: Minutes of the December 4, 2018 American Foundation for UBC Annual General Meeting

American Foundation for UBC Annual General Meeting MINUTES	Tuesday, December 4, 2018 10:45 a.m. to 11:00 a.m. Vancouver Campus Robert H. Lee Family Boardroom The Robert H. Lee Alumni Centre 6163 University Boulevard
---	---

In Attendance Board Chair Michael Korenberg
Chancellor Lindsay Gordon
President Santa Ono
Ms. Alison Brewin
Ms. Sandra Cawley
Ms. Shola Fashanu (*by telephone*)
Mr. Darran Fernandez
Mr. Jakob Gattinger
Dr. Nassif Ghossoub
Ms. Chaslynn Gillanders
Mr. Raghwa Gopal
Ms. Celeste Haldane (*by telephone*)
Dr. John Klironomos (*by telephone*)
Ms. Fiona Macfarlane
Ms. Jeanie Malone
Ms. Nancy McKenzie
Dr. Charles Menzies
Mr. Joel Solomon
Mr. William Sundhu
Ms. Nicole Udzenija

Administration
Ms. Heather McCaw
Mr. Stuart Mackenzie
Mr. Peter Smailes

Interim Board Secretary
Ms. Shelley Milne

Regrets Mr. Kevin Smith

Remarks

The Board Chair called the December 4, 2018 Annual General Meeting of the American Foundation for UBC to order.

The following resolution was moved and seconded:

IT IS HEREBY RESOLVED that *the Board of Governors approves:*

- *Minutes of the Annual Meeting of the American Foundation for UBC held on December 5, 2017; and,*
- *American Foundation for UBC Financial Statements for the fiscal year ending March 31, 2018.*

CARRIED

TERMINATION

The following resolution was moved:

IT IS HEREBY RESOLVED that *the December 4, 2018 Annual General Meeting of the American Foundation for UBC is terminated.*

CARRIED

**THE AMERICAN FOUNDATION
FOR THE UNIVERSITY OF BRITISH COLUMBIA**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

(in US dollars)

	Page
	<hr/>
Statement of Management Responsibility	1
Independent Auditors' Report	2 – 4
Statement of Financial Position	5
Statement of Operations and Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 10

**THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR THE YEAR ENDED MARCH 31, 2019**

The financial statements of the American Foundation for the University of British Columbia (the Foundation) have been prepared by management in conformity with Canadian public sector accounting standards, including the 4200 standards for government not-for-profit organizations. The financial statements present fairly the financial position of the Foundation as at March 31, 2019, and the results of its operations, changes in net assets, remeasurement gains and losses, and the changes in its cash flow for the year ended March 31, 2019.

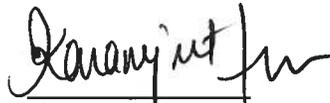
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that Foundation assets are safeguarded from loss and that the accounting records are a reliable basis for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

The Foundation Board is responsible for reviewing and approving the financial statements, and overseeing management's performance of its financial reporting responsibilities.

The Foundation Board carries out its responsibility for review of the financial statements principally through the officers of the Foundation. The officers of the Foundation meet 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 officers of the Foundation, with and without the presence of management.

The financial statements for the year ended March 31, 2019 have been reported on by KPMG LLP. The Independent Auditors' Report outlines the scope of the audit and provides the audit opinion on the financial statements for the year ended March 31, 2019.


Christina English Willems,
President


Karamjeet Heer,
Treasurer

October 21, 2019



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors of the American Foundation for the University of British Columbia

Report on the Financial Statements

Opinion

We have audited the financial statements of the American Foundation for the University of British Columbia (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the American Foundation for the University of British Columbia as at March 31, 2019, its results of operations and changes in net assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

October 21, 2019

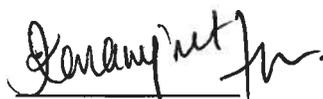
THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
In US Dollars

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>			
Cash		\$ 64,538	\$ 19,096
Due from the University of British Columbia	3	4,000	4,000
Total Assets		\$ <u>68,538</u>	\$ <u>23,096</u>
<u>LIABILITIES AND NET ASSETS</u>			
Accounts payable		\$ 4,000	\$ 4,000
Due to the University of British Columbia	3	61,605	16,040
		<u>65,605</u>	<u>20,040</u>
Net assets			
Unrestricted		<u>2,933</u>	<u>3,056</u>
		<u>2,933</u>	<u>3,056</u>
Total Liabilities and Net Assets		\$ <u>68,538</u>	\$ <u>23,096</u>

(See accompanying notes to the financial statements)

On behalf of the Board


 Christina English Willems,
 President


 Karamjeet Heer,
 Treasurer

THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019
In US Dollars

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Revenue			
Donations		\$ 1,585,268	\$ 897,040
Transfers from the University of British Columbia	4	3,874	4,157
		<u>1,589,142</u>	<u>901,197</u>
Expenses			
Transfers to the University of British Columbia	4	1,585,268	897,040
Professional fees	4	3,874	4,157
Office expenses and bank charges		123	86
		<u>1,589,265</u>	<u>901,283</u>
Deficiency of revenue over expenses		(123)	(86)
Net assets, beginning of year		3,056	3,142
Net assets, end of year		\$ <u>2,933</u>	\$ <u>3,056</u>

(See accompanying notes to the financial statements)

THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
In US Dollars

	<u>2019</u>	<u>2018</u>
Cash provided from (used for)		
Operating activities		
Deficiency of revenue over expenses	\$ <u>(123)</u>	\$ <u>(86)</u>
	<u>(123)</u>	<u>(86)</u>
Changes in		
Due to the University of British Columbia	<u>45,565</u>	<u>(2,078)</u>
	<u>45,565</u>	<u>(2,078)</u>
Increase (decrease) in cash	45,442	(2,164)
Cash, beginning of year	19,096	21,260
Cash, end of year	\$ <u>64,538</u>	\$ <u>19,096</u>

(See accompanying notes to the financial statement)

**THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

1. Operations

The American Foundation for the University of British Columbia (the Foundation) was established as a corporation in 1987 in the District of Columbia under the Non-Profit Corporation Act. Its purpose is to develop public awareness of the University of British Columbia (the University) in the United States, and to encourage financial support for the University and its programs.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

a) Revenue Recognition

Restricted contributions including donations are accounted for using the deferral method where the revenue is recognized when the external restrictions are satisfied.

Unrestricted contributions including donations are recognized when received or when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured

Donations arising from bequests are recognized at the time the assets are distributed to the Foundation by the Executor.

b) Gifts-in-kind

Gifts-in-kind include donations that are not cash or marketable securities. Gifts-in-kind are not recorded in the financial statements.

c) Financial Instruments

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

The carrying amount of financial instruments such as amounts due from or to the University approximate their fair value due to their short-term maturities.

The Foundation does not have any financial instruments required or elected to be subsequently recorded at fair value, as a result the Statement of Remeasurement Gains and Losses has not been prepared.

**THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

2. Significant Accounting Policies (continued)

d) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant areas requiring use of management estimates relate to valuation of amounts due from and to the University. Actual results could differ from these estimates.

3. Due from / Due to the University of British Columbia

The amount receivable from the University is comprised of amounts arising from transactions throughout the year. The amount payable to the University represents donations received that have yet to be transferred to the University at year end. The amounts receivable and payable are unsecured, non-interest bearing and have no fixed terms of payment.

4. Related Party

The Foundation is controlled by the University and its activities are intended for the benefit of the University. The University is a related party to the Foundation. Related party transactions for the 2019 fiscal year include contributions of \$1,585,268 (2018 - \$897,040) provided to the University and a transfer of \$3,874 (2018 - \$4,157) from the University for professional fees.

5. Financial Risks and Concentration of Credit Risk

a) Credit risk

Credit risk is the risk that the counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is not exposed to significant credit risk. There has been no change to its risk exposure from 2018.

b) Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis. The Foundation receives donations from external donors. On a regular basis, the Foundation transfers these donations to the University. Accordingly, the Foundation is not exposed to significant liquidity risks. There has been no change to its risk exposure from 2018.

**THE AMERICAN FOUNDATION FOR THE UNIVERSITY OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

5. Financial Risks and Concentration of Credit Risk (continued)

c) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices.

The Foundation receives donations of marketable securities. The Foundation sells these securities as they are received. Accordingly, the Foundation has no significant exposure to market risk. There have been no significant changes to market risk exposure from 2018.