



Board of Governors Meeting
Tuesday, October 8, 2024
4:00 – 7:00 p.m.
Alumni Hall, Room 102 and Via Zoom

OPEN AGENDA

- 1. Call to Order, Welcome and Land Acknowledgement** **4:00 pm**
- 2. Conflict of Interest** **4:03 pm**
- 3. Approval of Open Agenda** **4:05 pm**
Motion: Approval of Agenda
- 4. Consent Agenda** **4:07 pm**
 - a. August 15, 2024 – Approval of Dr. F. Allan Curran gift and naming of areas within the Robertson Library and the Faculty of Medicine building.
 - b. August 22, 2024 – Approval of new policy “Selection of Vice-Presidents and Senior Executives Policy; Repeal of Selection of Vice-President Administration and Finance Policy and Senior Administrative Appointments Policy
Motion: Approval of Consent Agenda
- 5. Approval of Minutes** **4:12 pm**
 - a. June 14, 2024
Motion: Approval of June 14, 2024 Minutes
- 6. Business Arising from the Minutes of June 14, 2024** **4:15 pm**
- 7. Chair’s Report – S. MacDonald** **4:20 pm**
- 8. President’s Report – W. Rodgers** **4:25 pm**
 - Strategic Planning Update
- 9. Student Perspective Update – G. Jiang** **4:40 pm**
- 10. Senate Report to Board – M. A. McMahon** **4:45 pm**
- 11. Board Committees Updates** **4:50 pm**
 - a. Property and Asset Committee – S. Bellamy

- b. Finance and Audit Committee – A. MacBeath
 - i. *Motion: Approval of the Audited Consolidated Financial Statements for the Fiscal Year Ending April 30, 2024*
 - ii. *Motion: Approval to Appoint External Auditor for UPEI*
 - c. Development, Fundraising & External Relations Committee – P. Montgomery
 - d. Governance and Appeals Committee – B. Thompson
 - e. Campus Culture Oversight Committee – C. Simpson
 - f. Human Resources Committee – D. MacKenzie
 - g. Executive Committee – S. MacDonald
 - i. *Motion: Board Reappointment*
 - ii. *Motion: Committee Appointments*
- 12. Break** **5:20 pm**
- 13. MOVE TO CLOSED AGENDA** **5:40 pm**
Motion: Move to Closed Agenda
- 14. RETURN TO OPEN AGENDA**
- 15. Adjournment**
Motion: Meeting Adjournment



**UPEI BOARD OF GOVERNORS
BOARD OF GOVERNORS MEETING**

Friday, June 14, 2024

Via Zoom

8:00 am

DRAFT MINUTES

Members Present: Ms. Shannon MacDonald, Chair; Dr. Wendy Rodgers, President; Mr. Steve Bellamy; Ms. Kateri Coad; Ms. Karen Creighan; Ms. Lynn Ellsworth; Dr. Gary Evans; Mr. George Jiang; Dr. Geraldine Johnston; Dr. Christian Lacroix; Mr. Alex MacBeath; Dr. Sandy MacDonald; Ms. Mary Anne McMahon; Dr. William Montelpare; Ms. Pam Montgomery; Ms. Perlene Morrison; Dr. Ajay Sahajpal; Ms. Carolyn Simpson; Mr. Brian Thompson; Ms. Sara Underwood; and Prof. William Waterman

Regrets: Hon. Diane Griffin; Ms. Kristi Kelly; Mr. Don MacKenzie; Ms. Camille Mady; and Hon. Mary Robinson

Staff Present: Ms. Susan Connolly, Vice-President, People and Culture (Interim); Ms. Tara Judson, Vice-President, Administration and Finance (Interim); Dr. Greg Naterer, Vice-President, Academics and Research; Mr. Dana Sanderson, Chief Information Officer; Ms. Pam Trainor, Advisor to the Board of Governors and Ms. Kim Porter, Administrative Assistant to the Board of Governors

1. Call to Order, Welcome and Land Acknowledgement

S. MacDonald, Chair, called the meeting to order at 8:01 am and gave a land acknowledgement.

2. Welcome to the New President

S. MacDonald welcomed W. Rodgers to her first meeting of the Board of Governors as President of the University.

3. Conflict of Interest

S. MacDonald asked Governors if anyone had a conflict of interest they would like to disclose. No conflicts were declared.

4. Approval of Agenda

MOVED by W. Montelpare, SECONDED by M. A McMahon that the agenda is approved as presented. CARRIED.

5. Approval of Minutes

a. May 21, 2024

The draft minutes of the UPEI Board of Governors' meeting of May 21, 2024 were circulated to Board members prior to the meeting. The following motion was proposed:

MOVED by W. Montelpare, SECONDED by B. Thompson that the minutes of the May 21, 2024 meeting of the UPEI Board of Governors are approved as presented. CARRIED.

6. Business Arising

There was no business arising from the minutes.

7. Update from the President

W. Rodgers provided an overview of the first nine days of employment at UPEI. One of the priorities has been to meet as many people as possible. It has also been identified that it is challenging to be connected to the entire campus from the Alumni Hall office and that arrangements are being made to have a satellite office on the central campus.

8. Board Committee Update

a. Finance and Audit Committee

A. MacBeath reported that the Committee held an e-vote on June 10, 2024 regarding the request for approval of the procurement Simulation IQ software and services for the Faculty of Medicine.

MOVED by A. MacBeath, SECONDED by K. Creighan: Whereas the UPEI Spending Authority Policy states any expenditure greater than \$1,000,000 requires approval by the UPEI Board of Governors before a commitment can be made; and

Whereas there is a need to purchase a Clinical Learning and Simulation Center (CLSC) to support the learning needs of medical students; and

Whereas the University engaged in a process to determine the best option to purchase a Clinical Learning and Simulation Center solution, which adheres to university procurement policies; and

Whereas information gathered from other institutions across Canada made it clear that there are limited solutions available for a CLSC supporting a medical program; and

Whereas the Faculty of Medicine Program accreditation process requires UPEI to offer a comparable environment for learners to Memorial University; and

Whereas Memorial University uses EMS SimulationiQ System software to support the learning needs of its medical students; and

Whereas although a Request for Proposals was not issued, UPEI procurement policy and procedures were adhered to in the selection of the solution and the UPEI Faculty of Medicine and ITSS did follow an evaluation process to ensure that requirements and standards could be met by SimulationiQ; and

Whereas on October 4, 2022, funding of \$91,475,279 was approved by the Board of Governors for the construction of the Faculty of Medicine building; and

Whereas the purchase of a Clinical Learning and Simulation Center solution was a component of the construction of the Faculty of Medicine; it is therefore recommended:

That the UPEI Board of Governors approve the purchase from Education Management Solutions LLC of EMS SimulationiQ System software, services, and ongoing maintenance in the amount of \$2,322,335 Canadian dollars plus applicable taxes, as recommended by the Finance and Audit Committee. CARRIED.

b. Development, Fundraising and External Relations Committee

The Committee held an e-vote on June 10, 2024 to approve the names of six new awards. This is being shared as information only.

c. Executive Committee

S. MacDonald reported that the Committee held an e-vote on June 10, 2024 to recommend several appointments to the UPEI Board of Governors.

MOVED by A. MacBeath, SECONDED by A. Sahajpal that the UPEI Board of Governors appoint Mr. Kevin Magee as a member of the UPEI Board of Governors for a three-year term, effective immediately, as recommended by the Executive Committee. CARRIED.

MOVED by M. A. McMahon, SECONDED by L. Ellsworth, that the UPEI Board of Governors appoint Sara Underwood as a member of the Development, Fundraising and External Relations Committee and the Human Resources Committee, effective immediately, as recommended by the Executive Committee. CARRIED.

MOVED by G. Johnston, SECONDED by W. Montelpare, that the UPEI Board of Governors appoint Mr. Kevin Magee as a member of the Finance and Audit Committee and remove Ms. Mary Robinson as a member of the Finance and Audit Committee, effective immediately, as recommended by the Executive Committee. CARRIED.

MOVED by B. Waterman, SECONDED by W. Rodgers to move the meeting to an in-camera session. CARRIED.

MEETING MOVED TO IN CAMERA

MOVED by W. Montelpare, SECONDED by S. MacDonald to return the meeting to an open session. CARRIED.

MEETING RETURNED TO OPEN SESSION

9. Adjournment

MOVED by B. Waterman, SECONDED by C. Simpson that the meeting be adjourned at 9:00 am. CARRIED.



Open Session Report

President & Vice-Chancellor
October 8, 2024, Board of Governors' Meeting

REPORT PERIOD – June 1 – October 8, 2024

It has been a busy 4 months in office. Most activities have related to meeting people, learning structures, policies, practices. The President's Office has moved from Alumni Hall to Kelley Memorial Building, with the full office moving in October. Being present in central campus has improved the ability to engage with campus life, and has improved the ability of the senior team to work together effectively.

Changes to the IRCC regulations for international students have required continuous attention due to impacts on students, programs, and budgets. The university is ok for the remainder of the 2024/2025 year due to savings and in year fund availability. Developing a new international strategy, an overall strategic enrolment plan, as well as new sustainable revenue generation pathways will be critical to the future. A visit to our UCE Cairo campus shed light on an international view of UPEI and Canada. There are opportunities to leverage this campus with pathway programs in both directions for students and instructors to strengthen our international presence.

Budget planning is taking into consideration the revenue impacts of the loss of international students, and working towards stability in budget planning. Our ministry of workforce, advanced learning, and population, changed its budget submission requirements and deadlines, hastening our work in this area. We are confidently moving toward meeting these new requirements and using them to advantage.

We hosted the Atlantic Association of Universities Presidents annual meeting, giving an opportunity to show UPEI and Charlottetown, and to position UPEI among its Atlantic peers.

The Implementation Plan for the Action Plan stemming from the RT report has been unfolding well with good progress and no indication of worry about achieving all 224 desired activities this period. One of the actions from year 0 was the completion of the Governance Review, which is now being implemented, with some structural changes to process and meetings implemented in the first cycle of Board of Governors sub committee meetings this year. We are in process of implementing other strategies, particularly training, reviewing terms of reference of all committees, reviewing membership of all committees, and improving documentation and reporting.

It has been a very successful period in fund raising, with Advancement securing many significant awards for the Robertson Library and for the Faculty of Medicine. The largest gift was \$6M from alumni Allan Curran, supporting both these top initiatives. Additional gifts support the library and scholarships for incoming medical students. Researchers have been successful with major awards from the tri-councils with the announcement of a federal research program in climate change held in St. Peters at the Canadian Centre for Climate Change and Adaptation, with UPEI's Dr. Farooque a recipient of a \$6M award.

Overall, the university community is ready to take its next steps and move forward constructively. There is recognition of having 'been through a lot', but a strong will to move forward. There is a lot of exciting activities unfolding at the university with a new faculty of medicine, major fundraising, changes to the senior leadership team, changes in enrolment, the implementation of the action plan, and the beginning of the strategic planning process. UPEI is a vibrant, exciting, and innovative university and community, critical to the success of the province and the country, and on the cutting edge teaching, learning, and scholarship in key globally relevant areas.

Key activities:

Culture building:

- Hosting campus events – welcome to summer UPEI bbq, welcome to fall UPEI bbq.
- Communications events with community – each event had about 150 attendees and good engagement
 - Two town halls in June
 - Town hall with Board Chair on Implementation Plan and Governance Review in July
 - Town hall with Board Chair on President's Goals and Priorities for the term
- Leadership development
 - First Senior Leadership Day

Refresh Senior Leadership Team

- Launched searches for VPPC; VPAF; CIO
- Launched search for University Secretary (Governance Review)
- Examining key leadership roles
 - Identifying needs and gaps

Strategic Plan

- Reviewed key initiatives of 2018-2023 Strat plan
- Pre-Launch 2025-2030 Strat plan
 - RFP for consultant



- Two workshop format sessions for input on
 - University culture
 - University priorities

Reinforcing relationships

- Met with key government partners
- Met with key donors
- Attended several key community/advancement events
- Meetings with senior leadership team & student & union leadership

Implementation of Action Plan

- Implementation plan launched
- Great leadership from Kate Richard
- 224 actions underway & evidence being collected by 24 implementation leads

Compete Governance Review

- Supporting implementation of Governance Review
 - With President's Office Team
 - With Governance meetings
 - At Board subcommittee meetings
- Developing full implementation plan

Support further development of Medical School

- Trip to MUN to support collaboration & reinforce senior support
- Several tours of FoM building with key groups including municipal, provincial, and federal government representatives
- Supporting Dean and COO with presence, strategy, and messaging
- Supporting faculty development and integration with UPEI

Support continued development of Indigenous Studies

- Met with Chief Bernard

Develop annual operating budget

- Budget information sessions with senior leadership
- Developing institutional priorities process in conjunction with strategic plan development

Execute and refine enrolment and retention policy

- Strategic enrolment plan in development
- Hiring AVP students in progress



Commit resources to improve students' physical and mental wellbeing

- Reviewing needs in this area
- Data strategy in development

Upgrade university's technology strategy

- Technology needs, training needs, analytics needs under review

Increase university's research capabilities

- Review of research related needs

Assist advancement team with fundraising activities

- Meetings with donors
- Meetings with government representatives
- Meetings with funding agencies
- Attending fund raising functions



UPEI Student Union
Report to the Board of Governors
George Jiang
October 8, 2024

For the four months of summer, the Student Union (SU) has been preparing for the new school year. For the month of September, there has been welcoming new students and returning students, delivering activities and events according to our event calendars, helping students settling in the new school year.

Student campus culture - we have seen more branding of UPEI and Panther in the new student orientations. We have seen some good turn-outs in the SU events, for example the first day welcome back/society fair with more than 500 students, soup for the soul with more than 300 students, which is record-breaking, and back to school pub with 600 students. But there is yet room for more student campus engagement and participation in activities hosted by SU, as well as various UPEI departments. It is critical to think about incentives for students to engage, what they need from the university and what they want to see.

Affordability - Over the summer, the SU has been meeting with various MLAs and ministers. Our advocacy priorities are determined by a survey that students filled out, in which students ranked issues that were affecting them. Our priorities this year are around affordable housing, student financial aid, stabilizing tuition, which all ties to affordability. and expanding employment opportunities for international students. Through collecting student testimonials on these issues, we have witnessed first-hand that students have to make compromises while they are studying. The affordability is not only directly linked with students' financial situation and continuing education, but also linked with student wellbeing and academic performance.

In addition, five students were invited as citation readers for the Inspiring and Distinguished Alumni Award Ceremony. It was special and inspiring to see and hear from the outstanding Alumni. The Canadian Alliance of Student Associations had a campus visit, which received great turn-out and they engaged in many meaningful conversations with students. We have also seen an increase in communication between students and university administration, for example, SU executives meeting with VPAF and VPPC's direct reports, which is greatly helping with the connection between students and the rest of UPEI.



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Open Session Report

Property and Asset Management Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITY SINCE LAST REPORT

At the scheduled September meeting the Committee received an update on major capital projects, highlighting that construction on the Faculty of Medicine Building is on schedule. Recently completed projects included Parking Lot D, a refresh of Blanchard Hall, AVC Green Roof Replacement, and new holding pens installed for AVC Cattle/Equine holding. Several additional projects are in the planning and design phases.

UPEI, similar to other universities, does not have a capital budget, which presents challenges for capital planning and deferred maintenance. An annual joint meeting with the Finance and Audit Committee will be scheduled to review capital priorities. The Committee also reviewed the Governance Review recommendations and the Committee's workplan.

ITEMS FOR APPROVAL

No motions



Open Session Report
Finance and Audit Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITY SINCE LAST REPORT

The Committee's scheduled September meeting focused on the audited financial statements, with the University Comptroller taking the Committee through the statements. External auditors were present for the review of the audited financial statements. The audited financial statements are included with this report.

ITEMS FOR APPROVAL

Motion:

That the UPEI Board of Governors approve the audited consolidated financial statements for the fiscal year ending April 30, 2024, to the UPEI Board of Governors, as recommended by the Finance and Audit Committee. These financial statements have been audited by the independent auditor Grant Thornton LLP, and their opinion states that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Prince Edward Island as of April 30, 2024.

Supporting Details:

- The independent auditors, Grant Thornton LLP, have completed their audit in accordance with generally accepted auditing standards for not-for-profit organizations.
- The audited financial statements provide a fair and accurate reflection of the university's financial position as of April 30, 2024, and the results of its operations for the fiscal year.

Motion:

That the UPEI Board of Governors approve the reappointment of the auditing firm Grant Thornton LLP as the external auditor for the fiscal year ending April 30, 2025, as recommended by the Finance and Audit Committee. This appointment is based on a review of past experience with the firm and their qualifications.

Supporting Details:



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- The Finance and Audit Committee conducts a full review of the external audit firm every five years. The last comprehensive review was in 2021 which determined that Grant Thornton LLP possesses the expertise, experience, and qualifications necessary to perform the audit in accordance with generally accepted auditing standards.
- The Finance and Audit Committee does an annual assessment of the services provided and is recommending the reappointment Grant Thornton LLP for the fiscal year ended 2025.
- The firm has a strong track record of auditing institutions of higher education, including in Atlantic Canada and is committed to maintaining the highest standards of integrity and professionalism.

CONSOLIDATED FINANCIAL STATEMENTS 2023-24

BOARD OF GOVERNORS OCTOBER
8, 2024



AUDIT OPINION

Audit conducted in accordance with Canadian generally accepted auditing standards

“In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Prince Edward Island as at April 30, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. “

Materiality for 2023-24 = \$5.5M or 5% of estimated gross revenues for the fiscal year

SIGNIFICANT ACCOUNTING POLICIES

- UPEI is a Charity and follows Canadian standards for not-for-profit organizations in Part III of the CPA Canada Handbook
- UPEI uses fund accounting
- Deferral method of accounting for contributions
- Employee future benefit plans are actuarially valued and recorded in the financial statements as liabilities



STATEMENT OF OPERATIONS



University of Prince Edward Island Consolidated Statement of Operations

Year ended April 30, 2024

2024

2023

	<u>Operating</u>	<u>Research</u>	<u>Post- retirement benefits</u>	<u>Capital assets</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
Revenues							
Grants and contracts (Note 18)	\$ 84,427,139	\$ 12,813,125	\$ -	\$ 905,965	\$ -	\$ 98,146,229	\$ 83,580,305
Amortization of deferred revenue				3,962,102		3,962,102	3,875,793
Student fees	43,822,665					43,822,665	40,772,313
International fees	20,546,770					20,546,770	17,907,888
Ancillaries	11,465,918					11,465,918	7,930,242
Sales and other revenues	19,913,705					19,913,705	19,593,686
Investment income	4,540,991		2,103,664			6,644,655	4,943,566
Change in fair value of derivatives (Note 12)				2,699,664		2,699,664	807,984
Donations	3,018,051					3,018,051	2,436,182
	<u>187,735,239</u>	<u>12,813,125</u>	<u>2,103,664</u>	<u>7,567,731</u>	<u>-</u>	<u>210,219,759</u>	<u>181,847,959</u>
Expenditures							
Salaries and benefits	106,923,403	6,368,356				113,291,759	100,769,115
Supplies	13,926,144	1,796,926				15,723,070	13,865,297
Depreciation	11,131,665					11,131,665	10,067,524
Other	3,942,806					3,942,806	3,145,448
Utilities	7,997,154					7,997,154	7,575,321
Travel	1,741,837	963,555				2,705,392	2,319,860
Repairs and maintenance	3,525,173					3,525,173	3,553,551
Library subscriptions	1,802,549					1,802,549	1,636,376
Post-retirement benefits (Note 9)			7,946,714			7,946,714	7,879,840
Externally contracted services and memberships	8,489,164	1,536,990				10,026,154	8,834,298
Scholarships and bursaries (Note 18)	14,261,834	113,033				14,374,867	14,910,574
Interest				1,887,257		1,887,257	1,256,587
	<u>173,741,729</u>	<u>10,778,860</u>	<u>7,946,714</u>	<u>1,887,257</u>	<u>-</u>	<u>194,354,560</u>	<u>175,813,791</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$13,993,510</u>	<u>\$2,034,265</u>	<u>(\$5,843,050)</u>	<u>\$ 5,680,474</u>	<u>\$ -</u>	<u>\$ 15,865,199</u>	<u>\$ 6,034,168</u>



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REVENUES

OPERATING

- Grants and contracts – 45% of operating revenue
 - Unrestricted & restricted operating grants
- Student and international fees – 34% of operating revenue
 - Student fee revenue – \$43.8M
 - International fee revenue – \$20.5M

Revenues from international students represented approximately one fifth of total operating revenues in 2023-24

EXPENDITURES

SALARIES & BENEFITS

- Salaries and benefits comprise 73% of the operating budget, however only represent 62% of operating expenditures in the financial statements
 - Pension, retirement allowance and post-retirement medical expenses are not included within operating fund
 - Instead: interfund transfers (Note 17)
- Annual growth includes step increments, promotions, COLA, and net new hires



CHANGES IN FUND BALANCE



University of Prince Edward Island Consolidated Statement of Changes in Fund Balances

Year ended April 30, 2024

2024

2023

	<u>Operating</u>	<u>Research</u>	<u>Post-retirement benefits</u>	<u>Capital assets</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
Fund balances, beginning of year	\$ 7,053,623	\$ 3,505,811	\$ (11,025,779)	\$ 94,691,733	\$ 60,134,687	\$ 154,360,075	\$140,468,585
Excess revenue (expenditure) before inter-fund transfers	13,993,510	2,034,265	(5,843,050)	5,680,474	-	15,865,199	6,034,168
Re-measurement and other adjustments (Note 9)	-	-	2,346,442	-	-	2,346,442	1,855,751
Endowment additions	-	-	-	-	5,914,956	5,914,956	6,001,571
Inter-fund transfers (Note 17)	<u>(9,715,809)</u>	<u>(3,047,195)</u>	<u>10,231,804</u>	<u>2,531,200</u>	-	-	-
Fund balances, end of year	<u>\$ 11,331,324</u>	<u>\$2,492,881</u>	<u>\$(4,290,583)</u>	<u>\$ 102,903,407</u>	<u>\$ 66,049,643</u>	<u>\$178,486,672</u>	<u>\$154,360,075</u>

POST RETIREMENT BENEFITS

FUND BALANCE

Actuarially determined

Post retirement medical and retirement allowance full valuations

@ April 30, 2024

PRB Fund Deficit - \$4.29M





STATEMENT OF FINANCIAL POSITION



University of Prince Edward Island
Consolidated Statement of Financial Position

April 30, 2024

2024

2023

	Operating	Research	Post-retirement benefits	Capital assets	Endowment	Total	Total
Assets							
Current - Cash and cash equivalents	\$ 31,029,775	\$ -	\$ -	\$ -	\$ -	\$ 31,029,775	\$ 36,724,022
- Receivables (Note 3)	6,822,963	1,544,490	-	2,027,883	-	10,395,336	11,377,203
- Inventory and other	1,894,929	-	-	-	-	1,894,929	1,936,652
	39,747,667	1,544,490	-	2,027,883	-	43,320,040	50,037,877
Investments (Note 4)	49,439,036	-	38,793,985	12,987,936	66,049,643	167,270,600	155,596,169
Due from (to) other funds	(15,231,258)	11,510,776	-	3,720,482	-	-	-
Derivative instruments (Note 12)	-	-	-	10,884,757	-	10,884,757	8,465,316
Capital assets (Note 5)	-	-	-	318,439,547	-	318,439,547	284,853,772
Intangible assets (Note 6)	-	-	-	2,098,981	-	2,098,981	2,700,214
	<u>\$ 73,955,445</u>	<u>\$ 13,055,266</u>	<u>\$ 38,793,985</u>	<u>\$ 350,159,586</u>	<u>\$ 66,049,643</u>	<u>\$ 542,013,925</u>	<u>\$ 501,653,348</u>
Liabilities							
Current - Payables and accruals (Note 7)	\$ 15,132,636	\$ 68,508	\$ -	\$ 9,651,992	\$ -	\$ 24,853,136	\$ 21,600,304
- Current portion of long term debt	-	-	-	3,855,149	-	3,855,149	3,779,817
- Construction loan (Note 10)	-	-	-	13,350,000	-	13,350,000	-
- Deferred revenue (Note 8)	21,863,576	-	-	11,815,427	-	33,679,003	29,277,984
	36,996,212	68,508	-	38,672,568	-	75,737,288	54,658,105
Defined benefit liabilities (Note 9)	-	-	43,084,568	-	-	43,084,568	46,555,327
Derivative instruments (Note 12)	-	-	-	258,424	-	258,424	538,647
Long term obligations (Note 11)	-	-	-	62,161,250	-	62,161,250	66,016,400
	36,996,212	68,508	43,084,568	101,092,242	-	181,241,530	167,768,479
Deferred revenue							
Research contracts	-	10,493,877	-	-	-	10,493,877	11,810,927
Capital assets (Note 13)	-	-	-	146,163,937	-	146,163,937	141,391,897
Other (Note 14)	25,627,909	-	-	-	-	25,627,909	26,321,970
	62,624,121	10,562,385	43,084,568	247,256,179	-	363,527,253	347,293,273
Fund balances							
Invested in capital assets	-	-	-	89,915,471	-	89,355,471	84,641,780
Internally restricted – post-retirement benefit	-	-	(4,290,583)	-	-	(4,290,583)	(11,025,779)
Externally restricted – endowments	-	-	-	-	56,839,979	56,839,979	51,717,929
Internally restricted (Note 15)	-	2,492,881	-	12,987,936	9,209,664	24,690,481	21,972,522
Unrestricted	11,331,324	-	-	-	-	11,331,324	7,053,623
	11,331,324	2,492,881	(4,290,583)	102,903,407	66,049,643	178,486,672	154,360,075
	<u>\$ 73,955,445</u>	<u>\$ 13,055,266</u>	<u>\$ 38,793,985</u>	<u>\$ 350,159,586</u>	<u>\$ 66,049,643</u>	<u>\$ 542,013,925</u>	<u>\$ 501,653,348</u>



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LIABILITIES

LONG TERM OBLIGATIONS

UPEI Long Term Obligations
As at April 30, 2024

Asset	Financial Institution	Amortization Date	Funding Source	
			Province	UPEI Operations
Canada Games Residence Bldg	RBC	2040	\$ 20,321,000	
Engineering Bldg	RBC	2036	\$ 9,714,000	
SIF Projects / Turf Field	RBC	2038	\$ 2,905,000	
Blanchard / Bernadine Renos	BMO	2032		\$ 1,416,398
Canada Games Residence Bldg	RBC	2048		\$ 26,757,000
Andrew Hall Residence Bldg	BMO	2032		\$ 4,531,001
AVC Phase III Expansion	BMO	2025		\$ 372,000
Total Long Term Obligations			\$ 32,940,000	\$ 33,076,399

Long Term Obligations - April 30, 2024	\$	66,016,399
Less: Current Portion	\$	3,855,149
Total Long Term Obligations - Statement of Financial Position	\$	62,161,250



QUESTIONS



UNIVERSITY
of Prince Edward
ISLAND



UNIVERSITY
of Prince Edward
ISLAND



Consolidated Financial Statements

University of Prince Edward Island

April 30, 2024



UNIVERSITY
of Prince Edward
ISLAND

Contents

	Page
Independent Auditor's Report	1 - 2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Fund Balances	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 22
Consolidated Schedule of Atlantic Veterinary College Operations and Changes in Fund Balance	23
Consolidated Schedule of Faculty of Medicine Operations and Changes in Fund Balance	24
Consolidated Schedule of Research Operations and Changes in Fund Balances	25

Independent Auditor's Report

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To the Board of Governors of the
University of Prince Edward Island

Opinion

We have audited the consolidated financial statements of the University of Prince Edward Island ("the Organization"), which comprise the consolidated statement of financial position as at April 30, 2024, and the consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Prince Edward Island as at April 30, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the University of Prince Edward Island taken as a whole. The supplementary information included on the schedules on Page 23 and 24 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Charlottetown, Canada
September 23, 2024

Chartered Professional Accountants

University of Prince Edward Island Consolidated Statement of Operations

Year ended April 30, 2024

2024

2023

	<u>Operating</u>	<u>Research</u>	<u>Post-retirement benefits</u>	<u>Capital assets</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
Revenues							
Grants and contracts (Note 18)	\$ 84,427,139	\$ 12,813,125	\$ -	\$ 905,965	\$ -	\$ 98,146,229	\$ 83,580,305
Amortization of deferred revenue				3,962,102		3,962,102	3,875,793
Student fees	43,822,665					43,822,665	40,772,313
International fees	20,546,770					20,546,770	17,907,888
Ancillaries	11,465,918					11,465,918	7,930,242
Sales and other revenues	19,913,705					19,913,705	19,593,686
Investment income	4,540,991		2,103,664			6,644,655	4,943,566
Change in fair value of derivatives (Note 12)				2,699,664		2,699,664	807,984
Donations	3,018,051					3,018,051	2,436,182
	<u>187,735,239</u>	<u>12,813,125</u>	<u>2,103,664</u>	<u>7,567,731</u>	<u>-</u>	<u>210,219,759</u>	<u>181,847,959</u>
Expenditures							
Salaries and benefits	106,923,403	6,368,356				113,291,759	100,769,115
Supplies	13,926,144	1,796,926				15,723,070	13,865,297
Depreciation	11,131,665					11,131,665	10,067,524
Other	3,942,806					3,942,806	3,145,448
Utilities	7,997,154					7,997,154	7,575,321
Travel	1,741,837	963,555				2,705,392	2,319,860
Repairs and maintenance	3,525,173					3,525,173	3,553,551
Library subscriptions	1,802,549					1,802,549	1,636,376
Post-retirement benefits (Note 9)			7,946,714			7,946,714	7,879,840
Externally contracted services and memberships	8,489,164	1,536,990				10,026,154	8,834,298
Scholarships and bursaries (Note 18)	14,261,834	113,033				14,374,867	14,910,574
Interest				1,887,257		1,887,257	1,256,587
	<u>173,741,729</u>	<u>10,778,860</u>	<u>7,946,714</u>	<u>1,887,257</u>	<u>-</u>	<u>194,354,560</u>	<u>175,813,791</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$13,993,510</u>	<u>\$2,034,265</u>	<u>(\$5,843,050)</u>	<u>\$ 5,680,474</u>	<u>\$ -</u>	<u>\$ 15,865,199</u>	<u>\$ 6,034,168</u>

See accompanying notes to the consolidated financial statements.

University of Prince Edward Island

Consolidated Statement of Changes in Fund Balances

Year ended April 30, 2024

2024

2023

	<u>Operating</u>	<u>Research</u>	<u>Post-retirement benefits</u>	<u>Capital assets</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
Fund balances, beginning of year	\$ 7,053,623	\$ 3,505,811	\$ (11,025,779)	\$ 94,691,733	\$ 60,134,687	\$ 154,360,075	\$140,468,585
Excess revenue (expenditure) before inter-fund transfers	13,993,510	2,034,265	(5,843,050)	5,680,474	-	15,865,199	6,034,168
Re-measurement and other adjustments (Note 9)	-	-	2,346,442	-	-	2,346,442	1,855,751
Endowment additions	-	-	-	-	5,914,956	5,914,956	6,001,571
Inter-fund transfers (Note 17)	<u>(9,715,809)</u>	<u>(3,047,195)</u>	<u>10,231,804</u>	<u>2,531,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,331,324</u>	<u>\$2,492,881</u>	<u>\$(4,290,583)</u>	<u>\$ 102,903,407</u>	<u>\$ 66,049,643</u>	<u>\$178,486,672</u>	<u>\$154,360,075</u>

(Note 16)

See accompanying notes to the consolidated financial statements.

University of Prince Edward Island

Consolidated Statement of Financial Position

April 30, 2024

2024

2023

	Operating	Research	Post-retirement benefits	Capital assets	Endowment	Total	Total
Assets							
Current - Cash and cash equivalents	\$ 31,029,775	\$ -	\$ -	\$ -	\$ -	\$ 31,029,775	\$ 36,724,022
- Receivables (Note 3)	6,822,963	1,544,490		2,027,883		10,395,336	11,377,203
- Inventory and other	1,894,929	-		-		1,894,929	1,936,652
	39,747,667	1,544,490		2,027,883		43,320,040	50,037,877
Investments (Note 4)	49,439,036		38,793,985	12,987,936	66,049,643	167,270,600	155,596,169
Due from (to) other funds	(15,231,258)	11,510,776		3,720,482		-	-
Derivative instruments (Note 12)				10,884,757		10,884,757	8,465,316
Capital assets (Note 5)				318,439,547		318,439,547	284,853,772
Intangible assets (Note 6)				2,098,981		2,098,981	2,700,214
	<u>\$ 73,955,445</u>	<u>\$ 13,055,266</u>	<u>\$ 38,793,985</u>	<u>\$ 350,159,586</u>	<u>\$ 66,049,643</u>	<u>\$ 542,013,925</u>	<u>\$ 501,653,348</u>
Liabilities							
Current - Payables and accruals (Note 7)	\$ 15,132,636	\$ 68,508	\$ -	\$ 9,651,992	\$ -	\$ 24,853,136	\$ 21,600,304
- Current portion of long term debt				3,855,149		3,855,149	3,779,817
- Construction loan (Note 10)				13,350,000		13,350,000	-
- Deferred revenue (Note 8)	21,863,576			11,815,427		33,679,003	29,277,984
	36,996,212	68,508		38,672,568		75,737,288	54,658,105
Defined benefit liabilities (Note 9)			43,084,568			43,084,568	46,555,327
Derivative instruments (Note 12)				258,424		258,424	538,647
Long term obligations (Note 11)				62,161,250		62,161,250	66,016,400
	36,996,212	68,508	43,084,568	101,092,242	-	181,241,530	167,768,479
Deferred revenue							
Research contracts		10,493,877				10,493,877	11,810,927
Capital assets (Note 13)				146,163,937		146,163,937	141,391,897
Other (Note 14)	25,627,909					25,627,909	26,321,970
	62,624,121	10,562,385	43,084,568	247,256,179	-	363,527,253	347,293,273
Fund balances							
Invested in capital assets				89,915,471		89,355,471	84,641,780
Internally restricted – post-retirement benefit			(4,290,583)			(4,290,583)	(11,025,779)
Externally restricted – endowments					56,839,979	56,839,979	51,717,929
Internally restricted (Note 15)		2,492,881		12,987,936	9,209,664	24,690,481	21,972,522
Unrestricted	11,331,324					11,331,324	7,053,623
	11,331,324	2,492,881	(4,290,583)	102,903,407	66,049,643	178,486,672	154,360,075
	<u>\$ 73,955,445</u>	<u>\$ 13,055,266</u>	<u>\$ 38,793,985</u>	<u>\$ 350,159,586</u>	<u>\$ 66,049,643</u>	<u>\$ 542,013,925</u>	<u>\$ 501,653,348</u>

(Note 16)

Commitments (Note 20)

On behalf of the Board of Governors

Chairman

Finance and Audit Chair

See accompanying notes to the consolidated financial statements.

University of Prince Edward Island

Consolidated Statement of Cash Flows

Year Ended April 30, 2024

2024

2023

Operating

Excess of revenue over expenditure before inter-fund transfer	\$ 15,865,199	\$ 6,034,168
Amortization of deferred contributions	(3,962,102)	(3,875,793)
Change in financial derivative instruments	(2,699,664)	(807,984)
Depreciation of capital and intangible assets	11,131,665	10,067,524
Change in employee future benefit obligation	(5,237,194)	(9,630,374)
Changes in non-cash operating working capital		
Receivables	981,867	(4,257,192)
Inventory and other	41,723	(239,252)
Payables and accruals	(4,606,246)	5,505,768
Contributions related to operating	4,401,019	5,485,387
Contributions related for research	(1,317,050)	3,140,591
Net cash generated through operating activities	<u>14,599,217</u>	<u>11,422,843</u>

Financing

Contributions related to special purpose funds and endowments, including capitalized investment returns	6,141,249	6,607,162
Contributions related to capital assets	8,734,142	11,496,811
Excess of investment returns over endowment and special purpose funds	(314,763)	(155,821)
Proceeds from long term obligations	-	49,000,000
Cash received from short term financing	13,350,000	-
Principal repayments on long term obligations	(3,779,817)	(2,346,803)
Net cash generated through financing activities	<u>24,130,811</u>	<u>64,601,349</u>

Investing

Purchase of capital and intangible assets	(37,345,308)	(41,935,048)
Net increase in investments	(7,078,967)	(22,256,340)
Net cash used in financing activities	<u>(44,424,275)</u>	<u>(64,497,388)</u>
Net increase in cash and cash equivalents	(5,694,247)	11,526,804
Cash and cash equivalents, beginning of year	<u>36,724,022</u>	<u>25,197,218</u>
Cash and cash equivalents, end of year	<u>\$ 31,029,775</u>	<u>\$ 36,724,022</u>

See accompanying notes to the consolidated financial statements.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

1. Purpose of the organization

The University of Prince Edward Island is incorporated as an income tax exempt not-for-profit organization with the following mission statement:

The University, founded on the tradition of liberal education, exists to encourage and assist people to acquire the skills, knowledge and understanding necessary for critical and creative thinking, and thus prepare them to contribute to their own betterment and that of society through the development of their full potential.

To accomplish these ends, the University is a community of scholars whose primary tasks are to teach and to learn, to engage in scholarship and research, and to offer service for the benefit of our Island and beyond.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Principles of consolidation

The consolidated financial statements of the University include the accounts of the Synapse Applied Research and Industry Services Inc., a member corporation, and the University of Prince Edward Island Foundation, (U.S.) Inc. Synapse Applied Research and Industry Services Inc. operates a research support division. The University of Prince Edward Island Foundation, (U.S.) Inc. is an income tax exempt foundation for charitable, scientific, literary or educational purposes.

Fund accounting

The University follows the deferral method of accounting for contributions.

Revenue and expenditure related to program delivery and administrative activities are reported in the operating fund.

Revenue and expenditure related to research activities are reported in the research fund.

Revenue and expenditure related to employee future benefits are reported in the post-retirement benefits fund.

Assets, liabilities, revenue and expenditure, except for depreciation, related to the University's capital assets are reported in capital assets fund.

Endowment donations are reported in the Endowment fund as an increase to the fund balance. The Endowment fund reflects the total resources which have been endowed, either by terms imposed by the benefactors or by the University. Investment income earned on resources of the Endowment fund are reported in the operating fund as deferred revenue and recognized as income in the year in which expenditures are incurred. Principal donations are held in perpetuity and the investment income is used for the purpose specified by the donors.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and other institutions, net of bank overdrafts. Temporary short term borrowings are considered to be financing activities.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

2. Summary of significant accounting policies (cont'd)

Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

Revenue recognition

Restricted donations are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred or related capital asset depreciated. Unrestricted contributions are recognized as revenue of the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred.

Profits from contracts are recognized on the percentage of completion basis. The percentage of completion is determined by relating the actual cost of work performed to date to the current estimated total cost of each contract. Any projected loss is recognized immediately for accounting purposes.

Revenues received without restrictions include tuition fees and sales of services and goods. These amounts are reported as revenue at the same time the services are provided, or the goods are sold. Operating grants from governments are also considered unrestricted and are recorded in the period to which the operating funds relate.

Employee benefit plans

The University maintains a defined benefit plan providing pension and other retirement benefits to a number of its employees and faculty. The University's benefit obligation and current service costs are determined based on the employee benefit plans going concern obligation and current service costs as determined based on the last funding valuations and extrapolated to the fiscal year end date. The measurement date of the defined benefit obligations coincides with the University's fiscal year end date and is determined by independent actuaries. Employee benefit plan assets are recorded at their fair values.

The components of the total cost of the University's employee benefit plans include the current service cost (or actuarial present value of benefits attributed to employee services rendered during the period, less employee contributions), finance cost (or net interest on the defined benefit liability), and re-measurements and other items. Re-measurements and other items are recognized directly into net assets in the consolidated statement of changes in fund balances, and included the following: actuarial gains and losses, valuation allowances, past service costs, gains and losses on settlements and curtailments, and the difference between the actual returns on plan assets and the return calculated using the discount rate used to determine the defined benefit obligation.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

2. Summary of significant accounting policies (cont'd)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Rates and bases of depreciation applied to write-off the cost of the capital assets over their estimated lives are as follows:

Site improvements	4%, declining balance
Buildings	2.5%, declining balance
Furniture and equipment	10%, declining balance
Computer equipment and motor vehicles	30%, declining balance
Library materials	10%, declining balance

Facilities under construction are not depreciated until they are available for use.

Capital asset deferred revenue is amortized at the same rate of depreciation as the assets it was used to purchase.

An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value; it is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Intangible assets

Computer software development expenditure is capitalized only if the directly related costs (both internal and external) can be measured reliably, the product or process is technically feasible, future economic benefits are probable and the University has the intention and sufficient resources to complete development and to use the asset. Computer software assets are derecognized when these factors no longer exist. The capitalized expenditures include the direct cost of materials and labour, but not administrative costs, including training. Other development expenditures are expensed as incurred if they do not meet the prescribed capitalization criteria. Similarly, costs associated with maintaining computer software programs in a functional condition, as originally intended, are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent periods.

Rates and bases of depreciation applied to write-off the cost of the intangible assets over their estimated lives are as follows:

Computer software	25%, declining balance
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University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

2. Summary of significant accounting policies (cont'd)

Financial instruments

The University considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The University accounts for the following as financial instruments:

- Cash and cash equivalents
- Receivables
- Investments – actively traded
- Investments – not actively traded
- Payables and accruals
- Derivative instruments
- Long term debt

A financial asset or liability is recognized when the University becomes a party to contractual provisions of the instrument.

The University initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs directly attributable to its origination, issuance, or assumption.

Financial assets and financial liabilities are subsequently measured according to the following methods:

Financial instrument	Subsequent measurement
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Investments – actively traded	Fair value
Investments – not actively traded	Fair value; amortized cost
Payables and accruals	Amortized cost
Derivative instruments	Fair value
Long term debt	Amortized cost

Derivative financial instruments

The University has entered into several interest rate swap agreements with two chartered banks to reduce interest rate exposure associated with certain long-term debt obligations. The agreements have the effect of converting the floating rate of interest on certain debt to a fixed rate. It is the University's policy not to use derivative financial instruments for trading or speculative purposes.

As a result, these derivative financial instruments are adjusted to their fair value at the end of each year to be recorded on the consolidated statement of financial position and the change in value recorded in the consolidated statement of operations. See Note 12 for further disclosure.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

2. Summary of significant accounting policies (cont'd)

Donations and pledges

Unrestricted donations are recorded as revenue in the fiscal period in which they are received. Restricted donations are recorded as revenue in the fiscal period in which they are spent. Gifts in kind, including works of art, equipment, investments and library holdings are recorded at fair market value on the date of their donation.

Pledges of donations to be received in future years are not recorded in the consolidated financial statements.

Foreign currency translation

Foreign currency transactions are recorded at the exchange rate in effect at the time of the transaction. Monetary assets and liabilities denominated in foreign currency reported on the consolidated statement of financial position are recorded at the exchange rate in effect on the consolidated financial statement date. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate in effect on the transaction date. The market value of long-term investments denominated in foreign currency is disclosed in the notes to the consolidated financial statements at the exchange rate in effect on the consolidated financial statement date.

Use of estimates and measurement uncertainty

In preparing the University's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditure during the period. Significant estimates and assumptions are involved with the calculation of the allowance for doubtful accounts, useful life of capital assets, and accrued liabilities for employee future benefits. Actual results could differ from these estimates. Estimates are regularly reviewed by management and adjusted as required.

Measurement uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Some accounting measurements require management's best estimate, based on assumptions as at the consolidated financial statement date that reflect the most probable set of economic conditions and planned course of action.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

3. Receivables	<u>2024</u>	<u>2023</u>
Operating fund		
Operating grants and contracts	\$ 2,297,008	\$ 1,405,252
Sales and services	851,499	712,272
Student accounts	1,560,722	1,191,827
Student union	-	45,672
Other	<u>2,113,734</u>	<u>2,541,910</u>
	6,822,963	5,896,933
Capital asset fund	2,027,883	4,340,888
Research fund	<u>1,544,490</u>	<u>1,139,382</u>
	<u>\$ 10,395,336</u>	<u>\$ 11,377,203</u>

4. Investments	<u>2024</u>	<u>2023</u>
Operating fund	<u>\$ 49,439,036</u>	<u>\$ 49,881,981</u>
Post-retirement benefits fund		
Health benefit plan	33,688,129	30,005,705
Retirement allowances	4,137,299	4,629,317
Supplementary retirement benefits	<u>968,557</u>	<u>894,526</u>
	<u>38,793,985</u>	<u>35,529,548</u>
Capital asset fund	<u>12,987,936</u>	<u>10,049,953</u>
Endowment fund	<u>66,049,643</u>	<u>60,134,687</u>
	<u>\$167,270,600</u>	<u>\$ 155,596,169</u>

Investments summary	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equities	\$114,337,220	\$132,770,600	\$108,258,253	\$122,096,169
Fixed – fair market value	<u>34,500,000</u>	<u>34,500,000</u>	<u>33,500,000</u>	<u>33,500,000</u>
Total	<u>\$148,837,220</u>	<u>\$167,270,600</u>	<u>\$141,758,253</u>	<u>\$155,596,169</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 1,047,442	\$ -	\$ 1,047,442	\$ 1,047,442
Site improvements	17,826,711	8,099,315	9,727,396	9,495,966
Buildings	370,327,900	100,997,593	269,330,307	236,350,245
Furniture, equipment and vehicles	70,754,952	34,424,687	36,330,265	35,771,708
Library materials	<u>10,815,799</u>	<u>8,811,662</u>	<u>2,004,137</u>	<u>2,188,411</u>
	<u>\$ 470,772,804</u>	<u>\$152,333,257</u>	<u>\$ 318,439,547</u>	<u>\$ 284,853,772</u>

Facilities under construction as of April 30, 2024 are \$35,224,070 (2023 - \$3,999,145) at cost. See further disclosure in Note 20 Commitments.

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Computer software	<u>\$ 10,026,459</u>	<u>\$ 7,927,478</u>	<u>\$ 2,098,981</u>	<u>\$ 2,700,214</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

7. Payables and accruals	<u>2024</u>	<u>2023</u>
Operating fund		
Trade	\$ 5,712,038	\$ 6,315,797
Accrued payroll	1,436,533	5,199,993
Accrued vacation and other leaves	4,164,914	4,654,583
Faculty development allowance	1,017,645	1,096,531
Government remittances	<u>2,801,506</u>	<u>1,354,769</u>
	<u>15,132,636</u>	<u>18,621,673</u>
Capital asset fund		
Accrued interest	174,383	137,383
Construction holdbacks and payables	<u>9,477,609</u>	<u>2,706,800</u>
	<u>9,651,992</u>	<u>2,844,183</u>
Research fund		
Accrued payroll	<u>68,508</u>	<u>134,448</u>
	<u>\$ 24,853,136</u>	<u>\$ 21,600,304</u>

8. Deferred revenue, current

Deferred revenue represents resources for operating and capital purposes received in the current period which relate to a subsequent period. Changes in the deferred revenue balance are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Operating</u>	<u>Capital</u>	<u>Operating</u>	<u>Capital</u>
Beginning Balance	\$20,311,882	\$8,966,102	\$20,275,277	\$3,683,676
Resources Received	23,676,339	11,815,427	19,222,614	8,562,000
Recognized as Revenue	<u>(22,124,645)</u>	<u>(8,966,102)</u>	<u>(19,186,009)</u>	<u>(3,369,574)</u>
Ending Balance	<u>\$21,863,576</u>	<u>\$11,815,427</u>	<u>\$20,311,882</u>	<u>\$8,966,102</u>

9. Pension plan and other employee post-retirement benefits

The University maintains a contributory defined benefit best average pension plan and provides post employment benefits which cover substantially all of its employees.

Annual funding requirements for the pension plan, future retirement allowance, and a health benefit plan are determined by Eckler Ltd. The last actuarial valuations completed for the future retirement allowance and the health benefit plan was April 30, 2024 and for the pension plan was April 30, 2022. Funding of supplementary retirement obligations is determined in accordance with conditions of specific agreements.

	<u>2024</u>	<u>2023</u>
Net expense for the University's benefit plans is as follows:		
Pension	<u>\$ 4,837,800</u>	<u>\$ 4,919,786</u>
Other benefit plans		
Health benefits	2,445,404	2,622,519
Retirement allowances	<u>663,510</u>	<u>337,535</u>
	<u>3,108,914</u>	<u>2,960,054</u>
Expense per statement of operations	<u>\$ 7,946,714</u>	<u>\$ 7,879,840</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

9. Pension plan and other employee post-retirement benefits (cont'd)

The actuarial present value of benefit obligations and fair value of plan assets recognized in the accompanying statements of financial position as at April 30, 2024 and April 30, 2023 were as follows:

	Pension plan		Post-retirement benefit plans	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Funded status and amounts recognized, end of year				
Fair value of plan net assets	\$ 382,242,293	\$355,798,546	\$ -	\$ -
Benefit obligation	(360,483,264)	(344,134,985)	(38,114,568)	(41,455,327)
Valuation allowance	(26,729,029)	(16,763,561)	-	-
Shared risk funding agreement	-	-	-	-
Funded status, end of year	<u>\$ (4,970,000)</u>	<u>\$ (5,100,000)</u>	<u>\$ (38,114,568)</u>	<u>\$ (41,455,327)</u>
Accrued benefit liability			<u>2024</u>	<u>2023</u>
Pension plan			\$ (4,970,000)	\$ (5,100,000)
Other benefit plans			<u>(38,114,568)</u>	<u>(41,455,327)</u>
Liability per statement of financial position			<u>\$ (43,084,568)</u>	<u>\$ (46,555,327)</u>
Re-measurement and other adjustments			<u>2024</u>	<u>2023</u>
Actuarial (loss) gain on assets			\$ (188,189)	\$ 1,956,342
Actuarial (loss) gain on liabilities			<u>2,534,631</u>	<u>(100,591)</u>
			<u>\$ 2,346,442</u>	<u>\$ 1,855,751</u>

Shared risk funding agreement pension plan

Effective October 1, 2016, the University entered into an agreement with the faculty association and unions of the University to adopt a shared risk model relating to the pension plan obligation. At September 30, 2016, the deficit in the pension plan was actuarially determined to be \$10,039,000 which would be funded by both the University and the faculty association and unions. The University's portion of this deficit at September 30, 2016, was determined to be \$6,475,000 and would be funded over 15 years through employer contributions to the plan.

The Sponsor Board will determine the funding of pension plan deficits or the use of fund surpluses. The Sponsor Board is made up of representatives from the University, faculty association and the unions. The employees and the University will have one vote each with no provision for a tie breaker, with all decisions required to be unanimous.

If in the future, the pension plan reports a surplus, the Sponsor Board can decide to reinstate benefits, reduce special deficit contributions, increase benefits or reduce plan risk. In the situations of future deficits, the sponsor board can reduce benefits or fund the deficits on a 50/50 basis between employees and the University.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

9. Pension plan and other employee post-retirement benefits (cont'd)

Post-retirement obligations

The pension plan assets are held in trust and are not available for operating purposes of the University. Separate audited financial statements are prepared for the pension plan. The percentage of the fair value of the pension plan's total assets is held in investments as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	2%	2%
Government and corporate bonds	12%	13%
Mortgages	4%	4%
Real estate fund	15%	11%
Infrastructure fund	15%	15%
Equities and mutual funds	52%	55%

The significant actuarial assumptions adopted in measuring the University's defined benefit obligations for the pension plan is a discount rate of 5.50% (2023 – 5.50%) and for the future retirement allowances is a discount rate of 5.50% (2023 – 4.40%), expected long term rate of return on plan assets of 5.50% (2023 – 5.50%), and a rate of total compensation increase of 3.5% per annum. For the health benefits plan a 5.20% (2023 – 4.70%) discount rate and 3.5% (2023 – 3.5%) rate of total compensation increase was assumed. Extended health and drug claims were assumed to increase 6.0% per annum in 2018 grading down to 4.0% per annum over 10 years and dental claims were assumed to increase at 4.0% per annum.

Other information about the University's pension plan is as follows:

	<u>2024</u>	<u>2023</u>
Employer contributions	\$ 7,123,793	\$ 6,568,486
Employee contributions and transfers in	7,238,898	6,177,352
Benefits paid and transfers out	17,190,186	15,831,529

For 2022-23, the employer contributions include a payment of \$422,432 that was made on behalf of the faculty unions, as agreed in the return to work protocol resulting after the winter semester labour disruption.

The health benefit plan liability has been estimated to equal \$32,972,000 (2023 - \$35,562,000) based on the last actuarial accounting valuation as of April 30, 2024. In 2024, \$33,688,129 (2023 - \$30,005,706) of investments have been internally allocated to fund this liability.

The University has an obligation to pay a lump sum retirement allowance to non-faculty employees who retire after reaching the age of 55 years. Retirement allowances are not payable to members of the Managerial and Professional Employees group hired on or after May 29, 2023, or employees from the Managerial and Professional Employees group, IBEW, or CUPE 1870 who have elected to opt out their retirement allowance benefit. The allowances are to a maximum of six month's salary. The total liability has been estimated to equal \$4,137,299 as of April 30, 2024, (2023 - \$4,629,000) based on a roll forward of the 2024 actuarial accounting valuation and the rates of funding required for future service as determined by the actuary at that time. In 2024 \$4,137,299 (2023 - \$4,629,317) of investments have been internally allocated to fund this liability.

Supplementary retirement obligations amount to \$968,557 (2023 - \$894,526) and relate to the retirement obligations payable to senior administrators for their terms at the University. Upon termination of the retirement obligations, per the conditions of the agreements, any surplus funds become assets of the University. Investment assets equal to the full amount of the liability have been internally allocated to fund this liability.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

10. Construction Loan

The University has secured a short-term credit facility with the Royal Bank to be used to finance hard and soft costs directly associated with the construction of the medical school. The facility has a borrowing limit of \$40,000,000 which bears an interest of the CORRA rate plus 0.50% and is to be repaid by April of 2025 unless extended. Security of this loan is from a letter from the Province of Prince Edward Island. As of April 30, 2024, there was \$13,350,000 drawn and outstanding on this facility.

11. Long term obligations	<u>2024</u>	<u>2023</u>
Long term obligations funded by the Province of Prince Edward Island:		
7.625% CMHC loan payable \$95,597 annually including interest, paid out In fiscal 2024.	\$ -	\$ 46,036
CDOR plus 0.83%, hedged 1.46%, Royal Bank long term loan on the Canada Games Residence, payable in \$314,705 average quarterly principal payments, amortized to 2040 and maturing in 2028.	20,321,000	21,400,000
CDOR plus 0.83%, hedged at 3.06%, Royal Bank long term loan on the Faculty of Sustainable Design Engineering Building, payable in quarterly installments of approximately \$246,000 including principal and interest, amortized and maturing in 2036.	9,714,000	10,307,000
CDOR plus 0.85%, hedged at 2.68% Royal Bank long term loan on the Artificial Turf Field and Strategic Initiative Fund Projects, payable in \$48,538 average quarterly principal payments plus interest over the life of the loan, amortized and maturing in 2038.	2,905,000	3,104,000
Other long term obligations:		
CDOR plus 0.25%, hedged at 4.69%, Bank of Montreal long term loan on Blanchard Hall and Bernadine Hall renovations, payable in \$54,517 quarterly payments including principal and interest, amortized to 2032 and maturing in 2032, funded by residence operations.	1,416,398	1,542,234
CDOR plus 0.43%, hedged at 1.85%, Royal Bank long term loan on the Canada Games Residence, payable in \$276,000 average quarterly principal payments, amortized to 2048 and maturing in 2028, funded by residence operations.	26,757,000	27,600,000

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

11. Long term obligations (cont'd)

	<u>2024</u>	<u>2023</u>
CDOR plus 0.25%, hedged at 5.42%, Bank of Montreal long term loan on Bill and Denise Andrew Hall, payable in \$208,000 quarterly payments including principal and interest, amortized to 2031 and maturing in 2026, funded by residence operations.	4,531,001	5,072,947
Bank of Montreal long term loan on the AVC Phase III Expansion, hedged at 3.03%, payable in \$88,000 quarterly payments including principal plus interest, amortized and maturing in 2025.	<u>372,000</u>	<u>724,000</u>
	66,016,399	69,796,217
Less: current portion	<u>3,855,149</u>	<u>3,779,817</u>
	<u>\$ 62,161,250</u>	<u>\$ 66,016,400</u>

Annual principal repayments in each of the next five years are due as follows: 2025 - \$3,885,149; 2026 - \$3,591,610; 2027 - \$3,697,281; 2028 - \$3,793,285; 2029 - \$3,913,754.

12. Interest rate swap agreements

The University has entered into interest rate swap agreements with two chartered banks to manage interest rate exposure associated with certain long term debt obligations. The agreements have the effect of converting the floating rate of interest on certain debt to a fixed rate.

The notional underlying principal value of the interest rate swaps related to debt outstanding at April 30, 2024 was \$66,016,400 (2023 - \$69,750,180). The University has no plans to sell or terminate the interest rate swap agreements prior to maturity. The fair value of these interest rate swap contracts is determined by RBC and BMO Capital Markets using the mark to market reports as of April 30th, 2024.

For April 30, 2024 there are four interest rate swap contracts in an asset position of \$10,884,757 and the three interest rate swap contracts in a liability position of \$258,424 recorded in the consolidated statement of financial position, which result in an overall net asset position of \$10,626,333 (2023 - \$7,926,669).

The change in fair value of these interest rate swap agreements for the year ended April 30, 2024 resulted in a gain of \$2,699,664 and for the year ended April 30, 2023 resulted in a gain of \$807,984. These changes in their fair values have been recorded in the consolidated statement of operations.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

13. Deferred revenue, capital assets long-term

Capital assets deferred revenue represents restricted contributions used to purchase buildings, equipment, and site improvements. Changes in the deferred revenue balance are as follows:

	<u>2024</u>	<u>2023</u>
General deferred revenue, capital assets		
Beginning balance	\$ 141,391,897	\$ 133,770,879
Capital grants and donations received	8,734,142	11,496,811
Capital grants and donations recognized, net	<u>(3,962,102)</u>	<u>(3,875,793)</u>
Ending balance	<u>\$ 146,163,937</u>	<u>\$ 141,391,897</u>

14. Deferred revenue, other

Other deferred revenue represents unexpended investment income on endowment funds and contributions for other specified purposes. The funds are recognized as revenue in the periods the related expenditures are incurred. Changes in the deferred revenue balance are as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 26,321,970	\$ 26,595,582
Contributions received	226,293	605,591
Income earned	10,648,226	8,817,829
Expended or transferred	<u>(11,568,580)</u>	<u>(9,697,032)</u>
Ending balance	<u>\$ 25,627,909</u>	<u>\$ 26,321,970</u>
Representing:		
Unexpended investment income on endowment funds (Note 16)	\$ 16,767,904	\$ 17,352,996
Special purpose funds	<u>8,860,005</u>	<u>8,968,974</u>
	<u>\$ 25,627,909</u>	<u>\$ 26,321,970</u>

15. Internal restrictions on fund balances

The following amounts have been restricted by the Board of Governors for specific purposes:

	<u>2024</u>	<u>2023</u>
Capital		
Ventilation Improvements	\$ 1,588,062	\$ 1,611,000
Site and Parking Lots	1,148,054	1,507,000
Equipment Replacement Fund	1,653,307	1,858,660
Technology Infrastructure Fund	710,000	-
Other Capital Renovations	<u>4,020,768</u>	<u>1,645,688</u>
	<u>9,120,191</u>	<u>6,622,348</u>
AVC Capital		
AVC Energy Optimization	900,000	873,026
AVC Capital Renovations	2,249,650	1,155,905
AVC Ventilation Improvements	271,000	271,000
AVC Equipment Replacement Fund	<u>447,095</u>	<u>1,127,673</u>
	<u>3,867,745</u>	<u>3,427,604</u>
Total Capital	<u>12,987,936</u>	<u>10,049,952</u>
Endowment	<u>9,209,664</u>	<u>8,416,758</u>
Research	<u>2,492,881</u>	<u>3,505,812</u>
	<u>\$ 24,690,481</u>	<u>\$ 21,972,522</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

16. Restricted funds for scholarships, bursaries, and academic programs

Restricted funds available for scholarship and bursary purposes and for academic programs include both internally and externally restricted endowment fund balances and unexpended endowment investment income recorded as deferred revenue.

	<u>2024</u>	<u>2023</u>
Endowment fund		
Externally restricted	\$ 56,839,979	\$ 51,717,928
Internally restricted	9,209,663	8,416,758
	66,049,642	60,134,686
Operating fund		
Deferred revenue, unexpended investment income (Note 14)	16,767,904	17,352,996
	\$ 82,817,546	\$ 77,487,682

17. Inter-fund transfers

	Unrestricted	Operating Unrestricted	Unrestricted	Post- retirement	Capital assets
	Main Campus	AVC	Medical School	benefits	Research
Depreciation	\$ 8,653,099	\$ 2,478,566	\$ -	\$ -	\$ (11,131,665)
Equipment additions	(1,181,809)	(497,678)			(789,432)
Library materials	(26,896)	(9,490)			
Principal debt repayment	(1,556,818)	(352,000)			
Internal financing	(7,375,336)	(829,157)	(46,456)		
Research	1,889,257	368,506			(2,257,763)
Interest repayment	(981,216)	(16,577)			
Post-retirement health benefits	(2,149,938)	(611,893)	(26,173)	2,788,004	
Retirement allowance	(300,488)	(82,716)	(5,469)	388,673	
Pension plan	(5,239,864)	(1,735,909)	(79,354)	7,055,127	
	<u>\$ (8,270,009)</u>	<u>\$ (1,288,348)</u>	<u>\$ (157,452)</u>	<u>\$ 10,231,804</u>	<u>\$ 2,531,200</u>

Inter-fund transfers outline the movement of transactions from the fund balance in which they were paid or originally recognized to the fund balance where they are held for accounting purposes. The inter-fund transfers are consistent with the treatment adopted in prior years.

18. Scholarships

The University recognized restricted grants to fund scholarships and bursaries from the Province of Prince Edward Island including the George Coles Bursary and Island Student Awards. The total for the year was \$7,530,085 (2023 - \$6,156,521).

Scholarships and bursaries includes \$2,874,025 in Student Impact Payments, a one-time payment incurred due to the labour disruption in the year ended April 30, 2023.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

19. Financial assets and liabilities

The following sections describe the University's financial risk exposure and related mitigation strategies:

Credit risk

The University is exposed to credit risk through payment default on its accounts receivable. Exposure to credit risk on accounts receivable is managed through active monitoring and collection practices. A provision for uncollectible accounts has been determined in the amount of \$633,795 (2023 - \$456,843) based on respective aging of accounts, risk profile of certain accounts and collections subsequent to year end. Receivables written off during the year and adjustments to the allowance for doubtful receivables amount to \$178,533 (2023 - \$237,409).

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with financial liabilities. The University is exposed to liquidity risk arising primarily from trade payables. The University ensures that it has sufficient capital to meet its short and long term financial obligations after taking into account its operations and cash on hand. The University actively maintains a committed credit facility to ensure that it has sufficient available funds to meet current and foreseeable future financial requirements at a reasonable cost.

Market risk

The University invests in publicly traded equities listed on domestic and foreign exchanges, and bonds traded over the counter through broker dealers. These securities are affected by fluctuations in market prices. Such market changes are subject to economic factors and other fluctuations in domestic and global capital markets, as well as risks to issuers, which may affect the market value of the individual securities. Policy guidelines have been established to ensure that the University's investments are diversified by issuer, industry and geographic location.

The University has certain investments denominated in foreign currencies. Currency risk is the risk that the value of these investments will fluctuate due to changes in foreign exchange rates. The University has diversified its foreign portfolio by investing in various foreign currencies.

Real estate is valued based on estimated fair values determined by using appropriate valuation techniques and best estimates by management, appraisers or both. Where external appraisers are engaged to perform the valuation, management ensures the appraisers are independent and compares the assumptions used by the appraisers with management's expectations based on current market conditions and industry practice to ensure the valuation captures the business and economic conditions specific to the investment.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. The University is exposed to interest rate risk on long term debt, which it manages through the use of fixed interest rates and use of interest rate swap agreements.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2024

20. Commitments

The University has committed to construct a Medical School at an estimated construction cost of \$91,000,000 with a planned completion date of summer 2025. Financing for this project will be funded by the Government of Canada (\$19,500,000) and the Province of Prince Edward Island (\$61,500,000). The University will fund the balance of this project with a commitment to fundraise \$10,000,000.

21. Comparative figures

Certain of the 2023 comparative figures have been restated to agree with the financial presentation for the current year.

DRAFT

University of Prince Edward Island Consolidated Schedule of Atlantic Veterinary College Operations and Changes in Fund Balance

Year ended April 30, 2024

2024

2023

Revenue		
Grants and contracts	\$ 23,857,925	\$ 22,949,290
Student fees	4,297,747	4,066,794
International fees	6,305,672	5,842,072
Sales and other revenues	15,995,665	15,258,502
Investment income	765,520	707,748
Donations	451,889	462,235
	<u>51,674,418</u>	<u>49,286,641</u>
Expenditure		
Salaries and benefits	32,285,494	31,620,012
Supplies	5,868,303	5,432,715
Depreciation	2,478,566	2,356,977
Other	1,416,989	1,564,727
Utilities	3,328,886	3,244,030
Travel	244,349	214,586
Repairs and maintenance	1,090,581	1,124,153
Library subscriptions	513,559	490,410
Externally contracted services and memberships	2,857,430	2,531,363
Scholarships and bursaries	543,962	1,155,902
	<u>50,628,119</u>	<u>49,734,875</u>
Excess of revenues over expenditures (expenditures over revenues) before inter-fund transfers	<u>\$ 1,046,299</u>	<u>\$ (448,234)</u>
Fund balance, beginning of year	\$ 2,478,609	\$ 2,816,931
Excess of revenues over expenditures (expenditures over revenues) before inter-fund transfers	1,046,299	(448,234)
Inter-fund transfers (Note 17)	<u>(1,288,348)</u>	<u>109,912</u>
Fund balance, end of year	<u>\$ 2,236,560</u>	<u>\$ 2,478,609</u>

University of Prince Edward Island
Consolidated Schedule of
Faculty of Medicine Operations
and Changes in Fund Balance

Year ended April 30, 2024

2024

2023

Revenue		
Grants and contracts	<u>\$ 3,290,172</u>	<u>\$ 1,710,175</u>
	<u>3,290,172</u>	<u>1,710,175</u>
Expenditure		
Salaries and benefits	2,018,035	1,609,694
Supplies	151,051	32,138
Other	144,658	-
Utilities	2,144	-
Travel	90,769	11,751
Library subscriptions	130,698	-
Externally contracted services and memberships	<u>595,365</u>	<u>6,882</u>
	<u>3,132,721</u>	<u>1,660,465</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$ 157,452</u>	<u>\$ 49,710</u>
Fund balance, beginning of year	\$ -	\$ -
Excess of revenues over expenditures before inter-fund transfers	157,452	49,710
Inter-fund transfers (Note 17)	<u>(157,452)</u>	<u>(49,710)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

University of Prince Edward Island

Consolidated Schedule of Research Operations and Changes in Fund Balances

Year ended April 30, 2024

2024

2023

	Main Campus	AVC	Total	Total
Revenues				
Deferred revenue, beginning of year	\$ 10,141,686	\$ 1,669,241	\$ 11,810,927	\$ 8,670,336
Research funds received	8,714,727	2,781,348	11,496,075	14,137,947
Deferred revenue, end of year	<u>(8,766,595)</u>	<u>(1,727,282)</u>	<u>(10,493,877)</u>	<u>(11,810,927)</u>
	<u>10,089,818</u>	<u>2,723,307</u>	<u>12,813,125</u>	<u>10,997,356</u>
Expenditures				
Salaries and benefits	5,143,518	1,224,838	6,368,356	6,363,995
Supplies	1,052,283	744,643	1,796,926	1,586,882
Travel	704,563	258,992	963,555	679,475
Externally contracted services and memberships	1,303,105	233,885	1,536,990	1,456,342
Scholarships and bursaries	<u>105,386</u>	<u>7,647</u>	<u>113,033</u>	<u>53,277</u>
	<u>8,308,855</u>	<u>2,470,005</u>	<u>10,778,860</u>	<u>10,139,971</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$ 1,780,963</u>	<u>\$ 253,302</u>	<u>\$ 2,034,265</u>	<u>\$ 857,385</u>
Fund balances, beginning of year	\$ 2,010,993	\$ 1,494,819	\$ 3,505,812	\$ 5,079,353
Excess of revenues over expenditures before inter-fund transfers	1,780,963	253,302	2,034,265	857,385
Inter-fund transfers (Note 17)	<u>(2,475,340)</u>	<u>(571,856)</u>	<u>(3,047,196)</u>	<u>(2,430,926)</u>
Fund balances, end of year	<u>\$ 1,316,616</u>	<u>\$ 1,176,265</u>	<u>\$ 2,492,881</u>	<u>\$ 3,505,812</u>
Unspent funds at year end				
Fund balances	\$ 1,316,616	\$ 1,176,265	\$ 2,492,881	\$ 3,505,812
Deferred revenue	<u>8,766,595</u>	<u>1,727,282</u>	<u>10,493,877</u>	<u>11,810,927</u>
	<u>\$ 10,083,211</u>	<u>\$ 2,903,547</u>	<u>\$ 12,986,758</u>	<u>\$ 15,316,739</u>



UNIVERSITY
of Prince Edward
ISLAND

Open Session Report

Development, Fundraising and External Relations Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITY SINCE LAST REPORT

At the scheduled September meeting the committee approved the Faye and David Heustis Leadership Award and received updates on Development and Fundraising, Marketing and Production and Communications and External Relations. It was noted that marketing to international students continues to be challenging across the country as a result the Federal Government's decision to cap international student numbers.

The University is making significant progress on major fundraising campaigns with more than \$3.3 million raised toward the \$10 million goal for the Faculty of Medicine and more than \$5.8 million raised toward the Library's \$15 million goal. Several significant announcements were made over the summer including the announcement of a new president and the release of the UPEI Action Plan Implementation Plan and the Governance Review.

The committee reviewed the Governance Review recommendations as well as the Committees' annual workplan.

ITEMS FOR APPROVAL

No Motions



Open Session Report

Governance and Appeals Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITIES SINCE LAST REPORT

The Committee met August 14, 2024, to review the recommendations of the recently completed Governance Review. The Committee identified draft timelines and Board committee assignments for each recommendation. Following the meeting this information was sent to Board committees for their review and feedback. The Committee will consider the feedback from Board Committees at its November meeting and report to the Board on progress on implementation of recommendations in December.

The Committee also reviewed a new policy on the recruitment of senior administrators and repeal of two outdated policies -Selection of VP Finance and Administration Policy and Senior Administrative Appointments Policy. The new policy was required to support the recruitment to three senior administrative positions. Note: The Board of Governors approved the new policy and the repeal of the two outdated policies through an e-vote.

The scheduled September meeting included a review of the Governance Review recommendations assigned to the committee as well as a review of the Committee's workplan and terms of reference. The latter two documents will be revised to reflect recommendations in the Governance Review. The Committee also reviewed the outstanding UPEI Action Plan Year 0 and Year1 activities related to governance.

ITEMS FOR APPROVAL

No Motions



Open Session Report

Campus Culture Oversight Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITY SINCE LAST REPORT

The Committee met July 17, 2024, to receive an overview of the draft UPEI Action Plan Year 0 and Year 1 Implementation Plans, including a description of the process to develop these plans. The Committee noted that the Year 0 and Year 1 implementation plans will be audited together. The committee was informed that over twenty lead staff have been assigned to lead the work of the implementation plans. Senior executives are also assigned responsibilities for each of the actions. Implementation Plan Program Lead, Kate Richard, will attend committee meetings to provide regular updates, communicate challenges and seek direction. The Committee is confident that the Year 0 and Year 1 Implementation Plans will effectively address the early priorities of the UPEI Action Plan.

At the scheduled September 2024 meeting the Committee received an update from the Action Plan Implementation Lead on progress of the Year 0 and Year 1 Implementation Plans. Effort is currently underway to gather the implementation evidence for the planned audit. The Committee highlighted the importance of ongoing communication on the work of the implementation plans. The committee requested that future updates highlight the success and or challenges for the specific items of the time period being reported on.

The Committee also reviewed the Governance Review recommendations, Committee terms of reference and annual workplan. The Committee received an update on a planned Employee Engagement Survey, which is a commitment in the Action Plan.

ITEMS FOR APPROVAL

No motions



UNIVERSITY
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Open Session Report

Human Resources Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITY SINCE LAST REPORT

At the scheduled September 2024 meeting the Committee reviewed the Governance Review recommendations assigned to this committee, Committee terms of reference and annual workplan. The Committee also received an update on a planned Employee Engagement Survey.

ITEMS FOR APPROVAL

No motions for approval.



Open Session Report

Executive Committee

October 8, 2024, Board of Governors' Meeting

COMMITTEE ACTIVITY SINCE LAST REPORT

The September meeting included consideration of a Board reappointment, Board member appointments to committees, review of Governance Review recommendations assigned to this committee, the Committee's annual workplan and approval of the October Board of Governors' meeting agenda.

ITEMS FOR APPROVAL

Motion: *That the Executive Committee recommends that the UPEI Board of Governors reappoint Mr. Alex MacBeth for a three-year term, effective October 8, 2024.*

This will be Mr. MacBeath's third three-year term on the Board of Governors.

Motion: *That the Executive Committee recommends that the UPEI Board of Governors approve the following appointments to the UPEI Board of Governors Committees:*

<p style="text-align: center;"><u>Campus Culture Oversight Committee</u></p> <p>Ms. Carolyn Simpson, Chair Dr. Christian Lacroix Ms. Shannon MacDonald (Ex-Officio) Ms. Camille Mady Dr. William Montelpare Hon. Mary Robinson <i>Dr. Wendy Rodgers (Ex-Officio)</i> Dr. Ajay Sahajpal <i>Mr. Nabeel Zafar (Ex-Officio, Non-Voting)</i></p>	<p style="text-align: center;"><u>Development, Fundraising and External Relations Committee</u></p> <p>Ms. Pam Montgomery, Chair Ms. Kateri Coade Mr. George Jiang Ms. Shannon MacDonald (Ex-Officio) Dr. William Montelpare Dr. Wendy Rodgers (Ex-Officio) Ms. Sara Underwood</p>
<p style="text-align: center;"><u>Executive Committee</u></p> <p>Ms. Shannon MacDonald, Chair Mr. Steve Bellamy Mr. Alex MacBeath Mr. Don MacKenzie Ms. Pam Montgomery</p>	<p style="text-align: center;"><u>Finance and Audit Committee</u></p> <p>Mr. Alex MacBeath, Chair Ms. Karen Creighan Mr. George Jiang Ms. Kristi Kelly Ms. Shannon MacDonald (Ex-Officio)</p>



Dr. Wendy Rodgers (Ex-Officio) Ms. Carolyn Simpson Mr. Brian Thompson	Mr. Kevin Magee Ms. Mary Anne McMahon <i>Dr. Wendy Rodgers (Ex-Officio, Non-Voting)</i>
<u>Governance and Appeals Committee</u> Mr. Brian Thompson, Chair Ms. Karen Creighan Dr. Gary Evans Ms. Kristi Kelly Dr. Christian Lacroix Ms. Shannon MacDonald (Ex-Officio) Ms. Mary Anne McMahon Dr. Wendy Rodgers (Ex-Officio)	<u>Human Resources Committee</u> Mr. Don MacKenzie, Chair Ms. Lynn Ellsworth Ms. Shannon MacDonald (Ex-Officio) Ms. Pam Montgomery Dr. Wendy Rodgers (Ex-Officio) Ms. Carolyn Simpson Ms. Sara Underwood
<u>Property and Asset Management Committee</u> Mr. Steve Bellamy, Chair Ms. Lynn Ellsworth Dr. Geraldine Johnston Ms. Shannon MacDonald (Ex-Officio) Dr. Wendy Rodgers (Ex-Officio) Mr. William Waterman	<u>Board-Senate Liaison Committee</u> Ms. Shannon MacDonald Dr. Sandy MacDonald Mr. Steve Bellamy