



University of Prince Edward Island
Final Summary, 2024–2025 Priorities, Goals, and Activities
June 1, 2024 – May 30, 2025
Executive Summary

The 2024–2025 academic year marked a period of transition, renewal, and progress for UPEI. Guided by the University’s mission and values, significant milestones were achieved across leadership renewal, governance, financial stability, and academic growth.

The institution balanced a challenging budget environment, advanced enrolment and student success strategies; completed major steps toward the establishment of a Faculty of Medicine; and strengthened UPEI’s research profile. Governance and leadership renewal provided a solid foundation for continued accountability and transparency.

Collectively, these efforts reinforced UPEI’s position as a student-centred, forward-looking university, committed to community, research, and academic excellence.

President’s Priorities and Outcomes 2024-2025 – summary:

1. Sponsorship of Mission, Values, and Priorities (2018–2023 Strategic Plan)

- Continued to integrate relevant priorities from the previous plan into institutional decision-making.
- Provided a bridge to the development of the 2025–2030 Strategic Plan.

2. Launch of the 2025–2030 Strategic Planning Cycle

- Consulted with more than 700 stakeholders through 14 steering committee meetings, three town halls, and three workshops.
- Environmental scan completed by Dr. Jessica Riddell, including a keynote presentation.
- Three key pillars identified:
 - Thriving people and communities
 - Sustainability
 - Innovative and connected teaching, scholarship, and research
- Plan scheduled for approval in Fall 2025 governance cycle.

3. Strengthening Relationships with Leaders and Stakeholders

- Engagements with local, regional, and national partners averaged 10 per month.
- Key collaborations included AAU, AUS, Universities Canada, Confederation Centre for the Arts, PEI BioAlliance, Holland College, UCE, research ethics organizations, Council of Canadian Academies, Memorial University, and federal/provincial ministries.

4. Implementation of the UPEI Action Plan (the response to the 2023 Rubin Thomlinson Review)

- 240 Action Plan items completed or advanced.
- Independent Action Plan Audit initiated for completion November 2025.
- Reports and updates made publicly available on the UPEI website.

5. Leadership Team Renewal and Organizational Structure Review

- The Senior Leadership team is fully refreshed through more than five recruitment processes.
- Appointments included VPPC, VPAF, CIO, and University Secretary.
- Work continues aligning executive portfolios with institutional priorities.

6. Governance Review Implementation

- Governance Review completed (led by Cheryl Foy) and now in implementation phase.
- Improvements underway in consultation, documentation, and governance practices, under the leadership of the University Secretary.

7. Establishment of a Faculty of Medicine

- The first cohort of PEI learners in the MUN Regional Campus MD Program beginning in August 2025.
- Construction of Interprofessional Health building (provisional name of building; pending consultative process) remains on time and on budget.
- Faculty development underway under the leadership of Dean Dr. Preston Smith, in collaboration with Memorial University.

8. Indigenous Studies Program Development

- Early steps taken to develop an Indigenous Studies program.
- Next phase will emphasize stronger partnerships with PEI Indigenous communities and First Nations.

9. Operating Budget and Financial Planning

- Balanced the 2025–2026 budget despite significant challenges from federal changes to international student policy.
- Close collaboration between the new VPAF and finance team enabled short-term stabilization.

10. Enrolment Management and Retention Strategy

- VPAR portfolio reprioritized to emphasize international and domestic recruitment and student retention.
- Recruitment underway for a new AVP Students to strengthen leadership capacity.
- Adopted a data-driven approach to align enrolment and academic goals.

11. Student Well-Being

- Consultations highlighted the need for better communication of academic pathways and support services.
- Curriculum coherence review (VPAR-led) and process efficiency review (senior team-led) initiated – to support the student journey.

12. Technological Infrastructure

- Interim CIO led consultation and process improvements.
- UPEI's technology infrastructure remains stable but requires targeted upgrades.
- Work to be examined in conjunction with process improvement.

13. Research Capabilities

- Increased success in tri-council funding and related research support grants.
- Identified the need for more robust research infrastructure and processes to support continued growth.

14. Fundraising and Advancement

- Donor and alumni engagement maintained through targeted events and individual meetings.
- Structured advancement strategy in development to complement event- and project- based efforts.



ANNUAL REPORT TO THE BOARD OF GOVERNORS

CHAIR, BOARD OF GOVERNORS

October 7, 2025

Period Covered: June 1, 2024 – May 31, 2025

Board Chair: Ms. Shannon MacDonald

Meetings

The Board held five regularly scheduled meetings and achieved quorum at each. A special meeting was held in June and one e-vote in April to address time sensitive items.

Highlights

2024-2025 was a time of transition and renewal for the Board of Governors and the University. A new President and two new vice-presidents joined the University, and two new Governors began their terms with the Board.

During the year, the Board remained focused on three key priorities, including:

- Oversight of the UPEI Action Plan implementation.
- Advancing year one priorities for the Governance Review.
- Actively participating in the University's strategic planning process.

The University was challenged with Federal Government policy changes impacting the University's ability to recruit international students, resulting in significant budget pressure. Through determined effort and creative solutions, University leadership achieved a balanced budget for 2025-2026.

Governance Review

The 2024-2025 Board of Governors meeting cycle began with the receipt of an independent review of the University's governance, with a focus on the Board of Governors.

The primary goals of the Governance Review were to:

1. Rebuild and Restore Trust: Strengthen governance practices and accountability mechanisms to rebuild trust in UPEI's governing bodies.
2. Increase Transparency: Enhance the accessibility of the Board and the transparency of its processes.
3. Restore Balance: Reinforce the system of shared governance at UPEI.

The Board responded with determination, adopting a three-year implementation plan and making meaningful progress in year one.

Strengthening Governance Practices

New Board By-laws were approved, addressing fiduciary duties, term limits, conflict-of-interest policies, meeting formats, and transparency practices. The appointment of a University Secretary added dedicated governance expertise to support the effective operation of the shared governance system.

Enhancing Leadership Accountability

Clear goals and priorities were established for the new President and published on the University's website. A formal performance review process for the President was created and the terms of reference for all seven Board committees were revised to align with the Governance Review and new By-laws.

Increasing Transparency and Engagement

Meeting materials are now posted on the Board's website one week in advance. Board business is conducted through Open, Closed, and In-camera sessions, with an emphasis on openness. The University community is invited to attend Board meetings, supported by new observer guidelines available online. The Board Chair and President Rodgers co-hosted town hall sessions to discuss the Governance Review, the Action Plan, and the President's priorities.

Reinforcing Shared Governance

The Board expanded its engagement with Senate, beginning with a joint session on the University budget. Governors also participated in student engagement activities, and the Student Union was invited to present at the May Board meeting.

Further details on progress and upcoming initiatives related to the Governance Review are available at [\(link\)](#)

LOOKING FORWARD

Governance Review recommendations, oversight of the Action Plan and supporting the achievement of budget targets will continue to be key priorities for 2025-2026.

The Board is excited to participate in the launch of the new strategic plan and to continue our journey toward rebuilding and restoring trust, increasing accountability, and reinforcing our shared governance system.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my sincere gratitude to former **Governors Steve Bellamy, Kristy Kelly, and Mary Robinson** for their contributions to UPEI. I also recognize **Dana Sanderson, Susan Connolly, and Tara Judson** for their tremendous leadership within the University, their exceptional leadership and their steadfast support for the Board's work.

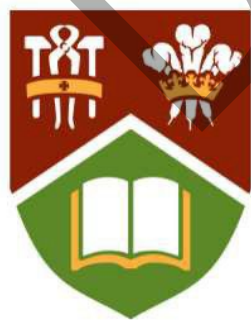
Special thanks are due to President Rodgers and her leadership team for their commitment to advancing the University's mission, and to the Secretariat Office for its dedication to strengthening governance practices.

Finally, I wish to acknowledge the time, expertise, and commitment of all Governors, whose service is essential to building a strong, resilient, and forward-looking University.

Consolidated Financial Statements

University of Prince Edward Island

April 30, 2025



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 Main Operations and Changes in Fund Balance	24
Consolidated Schedule of Atlantic Veterinary College Operations and Changes in Fund Balance	25
Consolidated Schedule of Faculty of Medicine Operations and Changes in Fund Balance	26
Consolidated Schedule of Research Operations and Changes in Fund Balances	27

Independent Auditor's Report

Doane Grant Thornton LLP
Suite 410
98 Fitzroy Street, PO Box 187
Charlottetown, PE
C1A 7K4
T +1 902 892 6547
F +1 902 566 5358

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, 2025, 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, 2025, 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 Pages 24-27 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
October 7, 2025

Chartered Professional Accountants

University of Prince Edward Island

Consolidated Statement of Operations

Year ended April 30, 2025

						2025	2024
	Operating	Research	Post-retirement benefits	Capital assets	Endowment	Total	Total
Revenues							
Grants and contracts (Note 18)	\$ 92,827,865	\$ 16,362,911	\$ -	\$ 877,591	\$ -	\$ 110,068,367	\$ 98,146,229
Amortization of deferred revenue				3,959,592		3,959,592	3,962,102
Student fees	45,248,036					45,248,036	43,822,665
International fees	20,138,738					20,138,738	20,546,770
Ancillaries	11,597,127					11,597,127	11,465,918
Sales and other revenues	18,609,252					18,609,252	19,913,705
Investment income	5,937,248		3,894,998			9,832,246	6,644,655
Change in fair value of derivatives (Note 12)						-	2,699,664
Donations	3,163,821					3,163,821	3,018,051
	<u>197,522,087</u>	<u>16,362,911</u>	<u>3,894,998</u>	<u>4,837,183</u>	<u>-</u>	<u>222,617,179</u>	<u>210,219,759</u>
Expenditures							
Salaries and benefits	116,983,506	7,535,804				124,519,310	113,291,759
Supplies	14,674,809	1,905,632				16,580,441	15,723,070
Depreciation	11,313,479					11,313,479	11,131,665
Other	4,515,141					4,515,141	3,942,806
Utilities	8,129,273					8,129,273	7,997,154
Travel	2,600,800	1,082,581				3,683,381	2,705,392
Repairs and maintenance	3,500,192					3,500,192	3,525,173
Library subscriptions	2,123,711					2,123,711	1,802,549
Post-retirement benefits (Note 9)			8,138,516			8,138,516	7,946,714
Externally contracted services and memberships	7,663,965	3,081,756				10,745,721	10,026,154
Scholarships and bursaries (Note 18)	14,868,847	85,867				14,954,714	14,374,867
Change in fair value of derivatives (Note 12)				5,297,104		5,297,104	-
Interest				1,807,946		1,807,946	1,887,257
	<u>186,373,723</u>	<u>13,691,640</u>	<u>8,138,516</u>	<u>7,105,050</u>	<u>-</u>	<u>215,308,929</u>	<u>194,354,560</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$11,148,364</u>	<u>\$2,671,271</u>	<u>(\$4,243,518)</u>	<u>(\$2,267,867)</u>	<u>\$ -</u>	<u>\$ 7,308,250</u>	<u>\$ 15,865,199</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, 2025

2025

2024

	<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	\$ 11,331,324	\$ 2,492,881	\$ (4,290,583)	\$ 102,903,407	\$ 66,049,643	\$ 178,486,672	\$154,360,075
Excess revenue (expenditure) before inter-fund transfers	11,148,364	2,671,271	(4,243,518)	(2,267,867)	-	7,308,250	15,865,199
Re-measurement and other adjustments (Note 9)	-	-	(4,575,062)	-	-	(4,575,062)	2,346,442
Endowment additions	-	-	-	-	3,016,147	3,016,147	5,914,956
Inter-fund transfers (Note 17)	<u>(8,459,792)</u>	<u>(2,142,223)</u>	<u>9,970,352</u>	<u>631,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total change in fund balance for the year	<u>2,688,572</u>	<u>529,048</u>	<u>1,151,772</u>	<u>(1,636,204)</u>	<u>3,016,147</u>	<u>5,749,335</u>	<u>24,126,597</u>
Fund balances, end of year	<u>\$ 14,019,896</u>	<u>\$ 3,021,929</u>	<u>\$ (3,138,811)</u>	<u>\$101,267,203</u>	<u>\$ 69,065,790</u>	<u>\$184,236,007</u>	<u>\$178,486,672</u>

(Note 16)

See accompanying notes to the consolidated financial statements.

University of Prince Edward Island

Consolidated Statement of Financial Position

April 30, 2025

2025

2024

	Operating	Research	Post-retirement benefits	Capital assets	Endowment	Total	Total
Assets							
Current - Cash and cash equivalents	\$ 35,095,128	\$ -	\$ -	\$ -	\$ -	\$ 35,095,128	\$ 31,029,775
- Receivables (Note 3)	6,061,242	2,283,003		3,650,457		11,994,702	10,395,336
- Inventory and other	1,759,989					1,759,989	1,894,929
	42,916,359	2,283,003	-	3,650,457	-	48,849,819	43,320,040
Investments (Note 4)	52,178,529		43,175,405	15,272,877	69,065,790	179,692,601	167,270,600
Due from (to) other funds	(13,939,299)	10,873,819		3,065,480		-	-
Derivative instruments (Note 12)				5,864,387		5,864,387	10,884,757
Capital assets (Note 5)				360,797,380		360,797,380	318,439,547
Intangible assets (Note 6)				1,671,743		1,671,743	2,098,981
	<u>\$ 81,155,589</u>	<u>\$ 13,156,822</u>	<u>\$ 43,175,405</u>	<u>\$ 390,322,324</u>	<u>\$ 69,065,790</u>	<u>\$ 596,875,930</u>	<u>\$ 542,013,925</u>
Liabilities							
Current - Payables and accruals (Note 7)	\$ 15,381,911	\$ 148,646	\$ -	\$ 12,339,707	\$ -	\$ 27,870,264	\$ 24,853,136
- Current portion of long term debt (Note 11)				3,591,610		3,591,610	3,855,149
- Construction loan (Note 10)				33,920,000		33,920,000	13,350,000
- Deferred revenue (Note 8)	17,924,873			10,566,082		28,490,955	33,679,003
	33,306,784	148,646	-	60,417,399		93,872,829	75,737,288
Defined benefit liabilities (Note 9)			46,314,216			46,314,216	43,084,568
Derivative instruments (Note 12)				535,159		535,159	258,424
Long term obligations (Note 11)				58,569,640		58,569,640	62,161,250
	33,306,784	148,646	46,314,216	119,522,198	-	199,291,844	181,241,530
Deferred revenue							
Research contracts		9,986,247				9,986,247	10,493,877
Capital assets (Note 13)				169,532,923		169,532,923	146,163,937
Other (Note 14)	33,828,909					33,828,909	25,627,909
	67,135,693	10,134,893	46,314,216	289,055,121	-	412,639,923	363,527,253
Fund balances							
Invested in capital assets				85,994,327		85,994,327	89,915,471
Internally restricted – post-retirement benefit			(3,138,811)			(3,138,811)	(4,290,583)
Externally restricted – endowments					59,560,685	59,560,685	56,839,979
Internally restricted (Note 15)		3,021,929		15,272,876	9,505,105	27,799,910	24,690,482
Unrestricted	14,019,896					14,019,896	11,331,323
	14,019,896	3,021,929	(3,138,811)	101,267,203	69,065,790	184,236,007	178,486,672
	<u>\$ 81,155,589</u>	<u>\$ 13,156,822</u>	<u>\$ 43,175,405</u>	<u>\$ 390,322,324</u>	<u>\$ 69,065,790</u>	<u>\$ 596,875,930</u>	<u>\$ 542,013,925</u>

Commitments (Note 20)

(Note 16)

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, 2025

2025

2024

Operating

Excess of revenue over expenditure before inter-fund transfer	\$ 7,308,250	\$15,865,199
Amortization of deferred contributions	(3,959,592)	(3,962,102)
Change in financial derivative instruments	5,297,104	(2,699,664)
Depreciation of capital and intangible assets	11,313,479	11,131,665
Change in employee future benefit obligation	(1,398,170)	(5,237,194)
Changes in non-cash operating working capital		
Receivables	(1,599,366)	981,867
Inventory and other	134,940	41,723
Payables and accruals	357,169	(4,606,246)
Contributions related to operating	(5,188,048)	4,401,019
Contributions related for research	(507,630)	(1,317,050)
Net cash generated through operating activities	<u>11,758,136</u>	<u>14,599,217</u>

Financing

Contributions related to special purpose funds and endowments, including capitalized investment returns	7,821,777	6,141,249
Contributions related to capital assets	27,328,578	8,734,142
Excess of investment returns over endowment and special purpose funds	(551,348)	(314,763)
Cash received from short term financing	20,570,000	13,350,000
Principal repayments on long term obligations	(3,855,149)	(3,779,817)
Net cash generated through financing activities	<u>51,313,858</u>	<u>24,130,811</u>

Investing

Purchase of capital and intangible assets	(50,584,115)	(37,345,308)
Net increase in investments	(8,422,526)	(7,078,967)
Net cash used in investing activities	<u>(59,006,641)</u>	<u>(44,424,275)</u>
Net increase (decrease) in cash and cash equivalents	4,065,353	(5,694,247)
Cash and cash equivalents, beginning of year	<u>31,029,775</u>	<u>36,724,022</u>
Cash and cash equivalents, end of year	<u>\$ 35,095,128</u>	<u>\$ 31,029,775</u>

See accompanying notes to the consolidated financial statements.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

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 University of Prince Edward Island Foundation, (U.S.) Inc. 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, 2025

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, 2025

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
-------------------	------------------------

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

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, 2025

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.

Interest capitalization

Interest related to the period of construction is capitalized as part of the cost of the capital assets. Capitalization of interest ceases when the asset is completed and ready for use. In 2025, the University capitalized \$1,091,645 related to the construction of the medical school.

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

3. Receivables

	<u>2025</u>	<u>2024</u>
Operating fund		
Operating grants and contracts	\$ 1,137,831	\$ 2,297,008
Sales and services	984,642	851,499
Student accounts	1,845,354	1,560,722
Other	<u>2,093,415</u>	<u>2,113,734</u>
	6,061,242	6,822,963
Capital asset fund	3,650,457	2,027,883
Research fund	<u>2,283,003</u>	<u>1,544,490</u>
	<u>\$ 11,994,702</u>	<u>\$ 10,395,336</u>

4. Investments

	<u>2025</u>	<u>2024</u>
Operating fund	<u>\$ 52,178,529</u>	<u>\$ 49,439,036</u>
Post-retirement benefits fund		
Health benefit plan	37,822,273	33,688,129
Retirement allowances	4,316,200	4,137,299
Supplementary retirement benefits	<u>1,036,932</u>	<u>968,557</u>
	<u>43,175,405</u>	<u>38,793,985</u>
Capital asset fund	<u>15,272,877</u>	<u>12,987,936</u>
Endowment fund	<u>69,065,790</u>	<u>66,049,643</u>
	<u>\$179,692,601</u>	<u>\$ 167,270,600</u>

Investments summary

	<u>2025</u>		<u>2024</u>
	<u>Cost</u>	<u>Market</u>	
Equities	\$121,155,993	\$145,192,601	\$114,337,220
Fixed – fair market value	<u>34,500,000</u>	<u>34,500,000</u>	<u>34,500,000</u>
Total	<u>\$155,655,993</u>	<u>\$179,692,601</u>	<u>\$148,837,220</u>
			<u>\$167,270,600</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

5. Capital assets

			<u>2025</u>	<u>2024</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	18,413,547	8,500,148	9,913,399	9,727,396
Buildings	413,738,550	106,856,369	306,882,181	269,330,307
Furniture, equipment and vehicles	76,947,216	35,952,806	40,994,410	36,330,265
Library materials	10,713,548	8,753,600	1,959,948	2,004,137
	<u>\$ 520,860,303</u>	<u>\$160,062,923</u>	<u>\$ 360,797,380</u>	<u>\$ 318,439,547</u>

Facilities under construction as of April 30, 2025 are \$81,450,725 (2024 - \$35,224,070) at cost. See further disclosure in Note 20 Commitments.

6. Intangible assets

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Computer software	<u>\$ 10,123,138</u>	<u>\$ 8,451,395</u>	<u>\$ 1,671,743</u>	<u>\$ 2,098,981</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

7. Payables and accruals

	<u>2025</u>	<u>2024</u>
Operating fund		
Trade	\$ 6,579,984	\$ 5,712,038
Accrued payroll	1,694,375	1,436,533
Accrued vacation and other leaves	4,634,691	4,164,914
Professional development travel reimbursement	977,076	1,017,645
Government remittances	1,495,785	2,801,506
	<u>15,381,911</u>	<u>15,132,636</u>
Capital asset fund		
Accrued interest	202,139	174,383
Construction holdbacks and payables	12,137,568	9,477,609
	<u>12,339,707</u>	<u>9,651,992</u>
Research fund		
Accrued payroll	148,646	68,508
	<u>\$ 27,870,264</u>	<u>\$ 24,853,136</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>2025</u>		<u>2024</u>	
	<u>Operating</u>	<u>Capital</u>	<u>Operating</u>	<u>Capital</u>
Beginning Balance	\$21,863,576	\$11,815,427	\$20,311,882	\$8,966,102
Resources Received	23,165,998	10,566,082	23,676,339	11,815,427
Recognized as Revenue	<u>(27,104,701)</u>	<u>(11,815,427)</u>	<u>(22,124,645)</u>	<u>(8,966,102)</u>
Ending Balance	<u>\$17,924,873</u>	<u>\$10,566,082</u>	<u>\$21,863,576</u>	<u>\$11,815,427</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, 2025. Funding of supplementary retirement obligations is determined in accordance with conditions of specific agreements.

	<u>2025</u>	<u>2024</u>
Net expense for the University's benefit plans is as follows:		
Pension	\$ 4,981,200	\$ 4,837,800
Other benefit plans		
Health benefits	2,489,191	2,445,404
Retirement allowances	668,125	663,510
	<u>3,157,316</u>	<u>3,108,914</u>
Expense per statement of operations	<u>\$ 8,138,516</u>	<u>\$ 7,946,714</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

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, 2025 and April 30, 2024 were as follows:

	<u>Pension plan</u>		<u>Post-retirement benefit plans</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Funded status and amounts recognized, end of year				
Fair value of plan net assets	\$ 411,183,144	\$382,242,293	\$ -	\$ -
Benefit obligation	(379,992,348)	(360,483,264)	(41,486,216)	(38,114,568)
Valuation allowance	(36,018,796)	(26,729,029)	-	-
Shared risk funding agreement	-	-	-	-
Funded status, end of year	<u>\$ (4,828,000)</u>	<u>\$ (4,970,000)</u>	<u>\$ (41,486,216)</u>	<u>\$ (38,114,568)</u>
			<u>2025</u>	<u>2024</u>
Accrued benefit liability				
Pension plan			\$ (4,828,000)	\$ (4,970,000)
Other benefit plans			(41,486,216)	(38,114,568)
Liability per statement of financial position			<u>\$ (46,314,216)</u>	<u>\$ (43,084,568)</u>
			<u>2025</u>	<u>2024</u>
Re-measurement and other adjustments				
Actuarial gain (loss) on assets			\$ 1,279,749	\$ (188,189)
Actuarial (loss) gain on liabilities			(5,854,811)	2,534,631
			<u>\$ (4,575,062)</u>	<u>\$ 2,346,442</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, 2025

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>2025</u>	<u>2024</u>
Cash and cash equivalents	2%	2%
Government and corporate bonds	12%	12%
Mortgages	4%	4%
Real estate fund	14%	15%
Infrastructure fund	16%	15%
Equities and mutual funds	52%	52%

The significant actuarial assumptions adopted in measuring the University's defined benefit obligations for the pension plan is a discount rate of 5.50% (2024 - 5.50%) and for the future retirement allowances is a discount rate of 5.50% (2024 - 5.50%), expected long term rate of return on plan assets of 5.50% (2024 - 5.50%), and a rate of total compensation increase of 3.5% per annum. For the health benefits plan a 4.90% (2024 - 5.20%) discount rate and 3.5% (2024 - 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>2025</u>	<u>2024</u>
Employer contributions	\$ 7,831,413	\$ 7,123,793
Employee contributions and transfers in	8,015,665	7,238,898
Benefits paid and transfers out	18,428,091	17,190,186

The health benefit plan liability has been estimated to equal \$36,133,000 (2024 - \$32,972,000) based on the last actuarial accounting valuation as of April 30, 2024. In 2025, \$37,822,273 (2024 - \$33,688,129) 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 \$4,316,200 as of April 30, 2025, (2024 - \$4,137,299) based on a roll forward of the 2025 actuarial accounting valuation and the rates of funding required for future service as determined by the actuary at that time. In 2025 \$4,316,200 (2024 - \$4,137,299) of investments have been internally allocated to fund this liability.

Supplementary retirement obligations amount to \$1,036,932 (2024 - \$968,557) 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, 2025

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 \$53,235,000 which bears an interest of the CORRA rate plus 0.50% and is to be converted to a long-term credit facility in the 2025-26 fiscal year upon substantial completion of the construction project. Security of this loan is from a letter from the Province of Prince Edward Island. As of April 30, 2025, there was \$33,920,000 drawn and outstanding on this facility.

11. Long term obligations	<u>2025</u>	<u>2024</u>
Long term obligations funded by the Province of Prince Edward Island:		
CORRA plus 0.43%, 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.	\$ 19,222,000	\$ 20,321,000
CORRA 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.	9,098,000	9,714,000
CORRA 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.	2,703,000	2,905,000
Other long term obligations:		
CORRA 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.	1,283,170	1,416,398
CORRA 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.	25,896,000	26,757,000

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

11. Long term obligations (cont'd)

	<u>2025</u>	<u>2024</u>
CORRA 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 2031, funded by residence operations.	3,959,080	4,531,001
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 matured in 2025.	<u>-</u>	<u>372,000</u>
	62,161,250	66,016,399
Less: current portion	<u>3,591,610</u>	<u>3,855,149</u>
	<u>\$ 58,569,640</u>	<u>\$ 62,161,250</u>

Annual principal repayments in each of the next five years are due until maturity as follows: 2026 - \$3,591,610; 2027 - \$3,697,281; 2028 - \$42,788,285; 2029 - \$1,789,754; 2030 - \$1,870,824.

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, 2025 was \$62,161,250 (2024 - \$66,016,399). 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, 2025.

For April 30, 2025 there are three interest rate swap contracts in an asset position of \$5,864,381 and three interest rate swap contracts in a liability position of \$535,159 recorded in the consolidated statement of financial position, which result in an overall net asset position of \$5,329,228 (2024 - \$10,626,333).

The change in fair value of these interest rate swap agreements for the year ended April 30, 2025 resulted in a loss of \$5,297,104 and for the year ended April 30, 2024 resulted in a gain of \$2,699,664. 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, 2025

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>2025</u>	<u>2024</u>
General deferred revenue, capital assets		
Beginning balance	\$ 146,163,937	\$ 141,391,897
Capital grants and donations received	27,328,578	8,734,142
Capital grants and donations recognized, net	<u>(3,959,592)</u>	<u>(3,962,102)</u>
Ending balance	<u>\$ 169,532,923</u>	<u>\$ 146,163,937</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>2025</u>	<u>2024</u>
Beginning balance	\$ 25,627,909	\$ 26,321,970
Contributions received	4,805,630	226,293
Income earned	8,707,381	7,653,609
Expended or transferred	<u>(5,312,011)</u>	<u>(8,573,963)</u>
Ending balance	<u>\$ 33,828,909</u>	<u>\$ 25,627,909</u>
Representing:		
Unexpended investment income on endowment funds (Note 16)	\$ 19,415,120	\$ 16,767,904
Special purpose funds	<u>14,413,789</u>	<u>8,860,005</u>
	<u>\$ 33,828,909</u>	<u>\$ 25,627,909</u>

15. Internal restrictions on fund balances

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

	<u>2025</u>	<u>2024</u>
Capital		
Ventilation Improvements	\$ 2,410,131	\$ 1,588,062
Site and Parking Lots	687,348	1,148,054
Equipment Replacement Fund	1,848,158	1,653,307
Technology Infrastructure Fund	2,340,000	710,000
Other Capital Renovations	<u>6,018,810</u>	<u>4,020,769</u>
	<u>13,304,447</u>	<u>9,120,192</u>
AVC Capital		
AVC Energy Optimization	900,000	900,000
AVC Capital Renovations	355,801	2,249,650
AVC Ventilation Improvements	271,000	271,000
AVC Equipment Replacement Fund	<u>441,628</u>	<u>447,095</u>
	<u>1,968,429</u>	<u>3,867,745</u>
Total Capital	<u>15,272,876</u>	<u>12,987,937</u>
Endowment	<u>9,505,105</u>	<u>9,209,664</u>
Research	<u>3,021,929</u>	<u>2,492,881</u>
	<u>\$ 27,799,910</u>	<u>\$ 24,690,482</u>

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

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>2025</u>	<u>2024</u>
Endowment fund		
Externally restricted	\$ 59,560,685	\$ 56,839,979
Internally restricted	<u>9,505,104</u>	<u>9,209,663</u>
	69,065,789	66,049,642
Operating fund		
Deferred revenue, unexpended investment income (Note 14)	<u>19,415,120</u>	<u>16,767,904</u>
	<u>\$ 88,480,909</u>	<u>\$ 82,817,546</u>

17. Inter-fund transfers

	<u>Operating</u>			<u>Total</u>		<u>Post-</u>	
	<u>Main Campus</u>	<u>AVC</u>	<u>Medicine</u>	<u>Operating</u>	<u>Research</u>	<u>retirement</u>	<u>Capital assets</u>
Depreciation	\$ 8,812,406	\$ 2,501,073	\$ -	\$ 11,313,479	\$ -	\$ -	\$(11,313,479)
Equipment additions	(568,675)	(247,483)		(816,158)	(1,113,173)		1,929,331
Library materials	(34,865)	(10,280)		(45,145)			45,145
Principal debt repayment	(1,566,149)	(372,000)		(1,938,149)			1,938,149
Internal financing	(7,132,991)	45,235		(7,087,756)			7,087,756
Research	868,258	160,548		1,028,806	(1,028,806)		
Interest repayment	(938,655)	(6,106)		(944,761)			944,761
Post-retirement health benefits	(1,346,397)	(221,094)	(34,211)	(1,601,702)		1,601,702	
Retirement allowance	(390,363)	(152,000)	(10,200)	(552,563)		552,563	
Pension plan	(5,658,956)	(1,860,985)	(295,902)	(7,815,843)	(244)	7,816,087	
	<u>\$ (7,956,387)</u>	<u>\$ (163,092)</u>	<u>\$ (340,313)</u>	<u>\$ (8,459,792)</u>	<u>\$ (2,142,223)</u>	<u>\$ 9,970,352</u>	<u>\$ 631,663</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 \$7,899,915 (2024 - \$7,530,085).

University of Prince Edward Island

Notes to the Consolidated Financial Statements

April 30, 2025

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 \$810,990 (2024 - \$633,795) 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 \$354,147 (2024 - \$178,533).

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, 2025

20. Commitments

The University has committed to construct a Medical School at an estimated construction cost of \$103,000,000 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 (\$73,500,000). The University will fund the balance of this project with a commitment to fundraise \$10,000,000.

21. Comparative figures

Certain of the 2024 comparative figures have been restated to agree with the financial presentation for the current year.

DRAFT

DRAFT

SUPPLEMENTAL INFORMATION

University of Prince Edward Island

Consolidated Schedule of Main Campus Operations and Changes in Fund Balance

Year ended April 30, 2025

2025

2024

Revenue		
Grants and contracts	\$ 59,856,183	\$ 57,279,042
Student fees	40,635,301	39,524,918
International fees	13,607,942	14,241,098
Ancillaries	11,597,127	11,465,918
Sales and other revenues	3,851,128	3,918,040
Investment income	5,260,161	3,775,471
Donations	<u>2,706,582</u>	<u>2,566,162</u>
	<u>137,514,424</u>	<u>132,770,649</u>
Expenditure		
Salaries and benefits	77,443,607	72,619,874
Supplies	8,721,924	7,906,790
Depreciation	8,812,406	8,653,099
Other	2,752,599	2,381,159
Utilities	4,691,689	4,666,124
Travel	1,994,181	1,406,719
Repairs and maintenance	2,535,243	2,434,592
Library subscriptions	1,354,384	1,158,292
Externally contracted services and memberships	4,636,446	5,036,368
Scholarships and bursaries	<u>14,248,953</u>	<u>13,717,872</u>
	<u>127,191,432</u>	<u>119,980,889</u>
Excess of revenues over expenditures (expenditures over revenues) before inter-fund transfers	<u>\$ 10,322,992</u>	<u>\$ 12,789,760</u>
Fund balance, beginning of year	\$ 9,094,764	\$ 4,575,014
Excess of revenues over expenditures (expenditures over revenues) before inter-fund transfers	10,322,992	12,789,760
Inter-fund transfers (Note 17)	<u>(7,956,387)</u>	<u>(8,270,010)</u>
Total change in fund balance for the year	<u>2,366,605</u>	<u>4,519,750</u>
Fund balance, end of year	<u>\$ 11,461,369</u>	<u>\$ 9,094,764</u>

University of Prince Edward Island

Consolidated Schedule of Atlantic Veterinary College Operations and Changes in Fund Balance

Year ended April 30, 2025

2025

2024

Revenue		
Grants and contracts	\$ 25,917,765	\$ 23,857,925
Student fees	4,612,735	4,297,747
International fees	6,530,796	6,305,672
Sales and other revenues	14,758,124	15,995,665
Investment income	677,087	765,520
Donations	<u>457,239</u>	<u>451,889</u>
	<u>52,953,746</u>	<u>51,674,418</u>
Expenditure		
Salaries and benefits	34,533,619	32,285,494
Supplies	5,787,401	5,868,303
Depreciation	2,501,073	2,478,566
Other	1,272,661	1,416,989
Utilities	3,431,095	3,328,886
Travel	307,773	244,349
Repairs and maintenance	961,065	1,090,581
Library subscriptions	547,927	513,559
Externally contracted services and memberships	2,506,179	2,857,430
Scholarships and bursaries	<u>619,894</u>	<u>543,962</u>
	<u>52,468,687</u>	<u>50,628,119</u>
Excess of revenues over expenditures (expenditures over revenues) before inter-fund transfers	<u>\$ 485,059</u>	<u>\$ 1,046,299</u>
Fund balance, beginning of year	\$ 2,236,560	\$ 2,478,609
Excess of revenues over expenditures (expenditures over revenues) before inter-fund transfers	485,059	1,046,299
Inter-fund transfers (Note 17)	<u>(163,092)</u>	<u>(1,288,348)</u>
Total change in fund balance for the year	<u>321,967</u>	<u>(242,049)</u>
Fund balance, end of year	<u>\$ 2,558,527</u>	<u>\$ 2,236,560</u>

University of Prince Edward Island

Consolidated Schedule of Faculty of Medicine Operations and Changes in Fund Balance

Year ended April 30, 2025

2025

2024

Revenue		
Grants and contracts	\$ 7,053,917	\$ 3,290,172
Expenditure		
Salaries and benefits	5,006,280	2,018,035
Supplies	165,484	151,051
Other	489,881	144,658
Utilities	6,489	2,144
Travel	298,846	90,769
Repairs and maintenance	3,884	-
Library subscriptions	221,400	130,698
Externally contracted services and memberships	521,340	595,365
	<u>6,713,604</u>	<u>3,132,720</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$ 340,313</u>	<u>\$ 157,452</u>
Fund balance, beginning of year	\$ -	\$ -
Excess of revenues over expenditures before inter-fund transfers	340,313	157,452
Inter-fund transfers (Note 17)	<u>(340,313)</u>	<u>(157,452)</u>
Total change in fund balance for the year	<u>-</u>	<u>-</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, 2025

2025

2024

	Main Campus	AVC	Total	Total
Revenues				
Deferred revenue, beginning of year	\$ 8,766,596	\$ 1,727,282	\$ 10,493,878	\$ 11,810,927
Research funds received	10,910,597	4,944,683	15,855,280	11,496,075
Deferred revenue, end of year	(8,364,651)	(1,621,596)	(9,986,247)	(10,493,877)
	<u>11,312,542</u>	<u>5,050,369</u>	<u>16,362,911</u>	<u>12,813,125</u>
Expenditures				
Salaries and benefits	5,560,780	1,975,024	7,535,804	6,368,356
Supplies	961,992	943,640	1,905,632	1,796,926
Travel	729,070	353,511	1,082,581	963,555
Externally contracted services and memberships	1,853,485	1,228,271	3,081,756	1,536,990
Scholarships and bursaries	<u>45,750</u>	<u>40,117</u>	<u>85,867</u>	<u>113,033</u>
	<u>9,151,077</u>	<u>4,540,563</u>	<u>13,691,640</u>	<u>10,778,860</u>
Excess of revenues over expenditures before inter-fund transfers	<u>\$ 2,161,465</u>	<u>\$ 509,806</u>	<u>\$ 2,671,271</u>	<u>\$ 2,034,265</u>
Fund balances, beginning of year	\$ 1,316,616	\$ 1,176,265	\$ 2,492,881	\$ 3,505,812
Excess of revenues over expenditures before inter-fund transfers	2,161,465	509,806	2,671,271	2,034,265
Inter-fund transfers (Note 17)	<u>(1,617,426)</u>	<u>(524,797)</u>	<u>(2,142,223)</u>	<u>(3,047,196)</u>
Fund balances, end of year	<u>\$ 1,860,655</u>	<u>\$ 1,161,274</u>	<u>\$ 3,021,929</u>	<u>\$ 2,492,881</u>
Unspent funds at year end				
Fund balances	\$ 1,860,655	\$ 1,161,274	\$ 3,021,929	\$ 2,492,881
Deferred revenue	<u>8,364,651</u>	<u>1,621,596</u>	<u>9,986,247</u>	<u>10,493,877</u>
	<u>\$ 10,225,306</u>	<u>\$ 2,782,870</u>	<u>\$ 13,008,176</u>	<u>\$ 12,986,758</u>



Agenda of the Annual General Meeting of the Board of Governors
Tuesday, October 7, 2025, from 3:30 pm to 4:30 pm
at Alumni Hall, Room 102 and Via Teams

Number	Title	Lead/Support	Action	Time
1	Call to Order, Welcome and Land Acknowledgement	S. MacDonald	Procedure	3:30 pm
2	Conflict of Interest Declaration	S. MacDonald	Procedure	3:32 pm
3	President's Annual Report	W. Rodgers	Information	3:45 pm
4	Chair's Annual Report	S. MacDonald	Information	3:50 pm
5	Audited Consolidated Financial Statements MOTION: That the Audited Consolidated Financial Statements for the Fiscal Year ending April 30, 2025, be approved.	A. MacBeath	Approval	3:55 pm
6	Appointment of Committee Chair MOTION: That x be appointed interim Chair of the Campus Culture Oversight Committee.	B. Thompson	Approval	4:20 pm
7	Consent Agenda a) Approval of Agenda Committee Annual Reports b) Campus Culture Oversight Committee c) Development, Fundraising & External Relations Committee d) Executive Committee e) Finance, Audit & Risk Committee f) Governance, Nominating and Appeals Committee g) Human Resources Committee h) Property & Environmental Sustainability Committee	a) S. MacDonald b) S. MacDonald c) P. Montgomery d) S. MacDonald e) A. MacBeath f) B. Thompson g) D. MacKenzie h) G. Johnston	a) Consent b) Consent c) Consent d) Consent e) Consent f) Consent g) Consent h) Consent	
8	Adjournment	S. MacDonald	Procedure	4:30 pm

Transmitted on September 30, 2025

Pascal Robichaud,
University Secretary



ANNUAL REPORT TO THE BOARD OF GOVERNORS

CAMPUS CULTURE OVERSIGHT COMMITTEE

October 7, 2025

Period Covered: June 1, 2024 – May 31, 2025

Committee Chair: Ms. Carolyn Simpson

Committee Members:

Camille Mady;

Mary Robinson

Ajay Sahajpal

Christian Lacroix

William Montelpare

Nabeel Zafar (until January 2024)/ Adewale Alaba (as of February 2025)

Mandate

The Campus Culture Oversight Committee assists the Board in overseeing the implementation of the UPEI Action Plan (the Action Plan) and monitoring organizational culture, including student experience and wellbeing, workplace health, and the Equity, Diversity, and Inclusion Strategy.

Meetings

The Committee held four regularly scheduled meetings, achieving quorum at each. One meeting was cancelled due to poor weather. A special meeting was held in August to review the Action Plan Year 0 and Year1 implementation plans. One e-vote was conducted to address time sensitive items.

Highlights

The primary focus for the year was on the implementation of the University Action Plan and ongoing assessment of organizational culture. Members reviewed detailed Action Plan

progress reports, with particular attention to how initiatives were contributing to improving culture and how progress was being communicated across the campus community. The results of the employee engagement survey, the progress report on implementation of the Equity, Diversity and Inclusion Strategy and conversations with union leaders provided valuable insights into the progress being made and areas requiring continued attention.

A detailed list of Committee activities is included below.

Committee Activities

1. Oversight of the Action Plan

- Reviewed draft Year 0 and Year 1 Implementation Plans for the UPEI Action Plan
- Received regular updates on the progress of the UPEI Action Plan, including any challenges
- Reviewed draft Action Plan Communications Plan
- Reviewed Action Plan Year 0 and Year 1 Progress
- Reviewed Year 2 of the Action Plan

2. Organizational Culture and Employee Engagement

- Received updates on the status of the Employee Engagement Survey and reviewed results of the survey
- Invited Union leaders to attend a Committee meeting to discuss University culture, with a focus on the employee engagement surveys. Two unions accepted the invitation.

3. Equity, Diversity and Inclusion

- Reviewed the work of the Equity, Diversity, and Inclusion in the Post-Secondary Research System Expert Panel on EDI Practices for Impactful Change
- Reviewed the Draft Equity, Diversity, and Inclusion Strategy Progress Report

4. Student Experience and Wellbeing

- Received an update on Initiatives to Measure/Improve Student Experience and Wellbeing
- Received an education session on Supports Available to Students

5. Governance

- Approved the updated Committee Workplan
- Reviewed the updated Committee Terms of Reference

- Reviewed Governance Review recommendations relating to the Committee's mandate.
- Identified professional development needs

Reporting to the Board

The Committee provided written updates at each Board meeting and recommended the revised Committee Terms of Reference for Board approval.



ANNUAL REPORT TO THE BOARD OF GOVERNORS

Development, Fundraising, and External Relations Committee

October 7, 2025

Committee Chair

Pam Montgomery

Committee Members George Jiang, President, UPEI Student Union

William Montelpare

Kateri Coade

Shannon MacDonald (Ex-Officio)

Wendy Rodgers (Ex-Officio)

Mandate

The Development, Fundraising, and External Relations Committee assists the Board in overseeing the University's fundraising operations and growth, and in ensuring that arrangements are in place for meaningful engagement with external stakeholders and proper management of risks and opportunities that protect and strengthen the University's institutional reputation and image.

Meetings

The Committee held four regularly scheduled meetings, achieving quorum at each. One e-vote was conducted to address time-sensitive items. Six e-votes were held to address time-sensitive items, including approving naming of awards.

Highlights

The Committee's role was expanded, with Board-delegated authority, to approve gifts and the naming of new or amended donor-funded awards and scholarships, clarifying past practice. The Committee approved the naming of several awards and acceptance of two major gifts. The Committee placed increased emphasis on monitoring the University's reputation, communications strategies, and external relations plans, enhancing capacity in this area through an education session led by external experts.

A detailed list of Committee activities is included below.

Committee Activities

1. Fundraising and Donor Relations

- Received updates on Fundraising and Alumni Engagement, including progress on major fundraising campaigns and alumni activities
- Approved the naming of twenty-two new awards (see appended list) and two major gifts
- Reviewed the *Senate Committee on Scholarships and Awards Report*, which outlines distribution of all types of academic awards for the 2023–2024 academic year

2. Communications, Reputation, and External Relations

- Received updates on marketing and recruitment campaigns, including website performance and work to ensure brand continuity
- Received updates on communications and university relations, including University events, internal and external communication activities, media monitoring, and institutional reputation
- Received an education session on “Institutional Reputation and the Role of Communications Strategies and External Relations Plans”

3. Governance, Mandate, and Committee Effectiveness

- Reviewed *Governance Review* recommendations related to the Committee’s mandate
- Reviewed the Committee’s “Terms of Reference”
- Approved the updated “Committee Workplan”
- Identified the Committee’s professional development needs
- Met with the Property and Environmental Sustainability and the Finance, Audit and Risk committees to discuss capital infrastructure priorities and capacity.

Reporting to the Board

- The Committee provided written reports at each Board meeting and recommended the revised “Terms of Reference” for Board approval.

Appendix A – Approved Naming of Awards

Awards	Area of Support	Value of Award
Saint Dunstan's University Nurse Practitioners Renewable Awards	Nurse Practitioner	3 awards at \$5000 each
The Marie Adams Memorial Award	General – Entrance	\$1000
The Alan and Gail (RN) Brady Memorial Nursing Award	Nursing	\$1000
The Terrence David Gleason Award	English Major or Honours – Annual	\$1,200
The Faye and David Huestis Family Foundation Renewable Awards	General – Annual – Entrance	2 awards at \$5000 each
The Rathlyn Foundation Entrance Scholarships for UPEI Faculty of Medicine Students	Faculty of Medicine – Entrance	20 scholarships of \$2000
Credit Unions Promise Scholars Award	Business	\$25,000
Debbie Flood Memorial Master of Nursing Award	Nursing	\$1,500
The Dr. Richard Kurial Award for International Students	International Students	\$1,000
The Tracey Ellsworth Memorial Women's Basketball Scholarship	Athletics	\$25,000 (\$1,000 annually)
The Faye and David Huestis Leadership Award	Women's Basketball Team	\$2,500
The Honourable James M. Lee Memorial Scholarship at AVC	AVC	\$25,000 (award is \$1000)
Edward and Phyllis McDuffee Memorial Scholarship	AVC	\$1,250
Annie Spears Scholarship	Faculty of Medicine	\$50,000 (award is \$2000)
Connie Ding International Student Scholarship	International Student	\$1,000
The Velma and George Wright Scholarship	Faculty of Medicine	\$125,000
Linda Dyer Award at AVC	AVC	\$29,694
Fondation Jefe AVC Scholarship	AVC	\$1,500
The M.E. (Micky) Cannon Memorial Scholarship	Entering Female, BSc Student	\$40,000
Dr. Sheri Ross Memorial Scholarship at AVC	AVC	\$1,000
Alicia Bremner Award for Future Physicians	Faculty of Medicine	\$1,200
The Ibrahim and Julie Elaraoud Scholarship in Medicine	Faculty of Medicine	\$100,000 – minimum of \$4,000 annually



ANNUAL REPORT TO THE BOARD OF GOVERNORS

EXECUTIVE COMMITTEE

October 7, 2025

Period Covered: June 1, 2024 – May 31, 2025

Committee Chair: Ms. Shannon MacDonald

Committee Members:

Mr. Steve Bellamy (until December 2024)/Dr. Geraldine Johnson (as of January 2025)
Mr. Alex MacBeath
Ms. Pam Montgomery
Ms. Carolyn Simpson
Mr. Don MacKenzie
Mr. Brian Thompson
Dr. Wendy Rodgers (Ex-Officio)

Mandate

The Executive Committee assists the Board in its oversight of matters related to the appointment, performance and remuneration of the President; the relationship with Senate; the functioning of the Board; and to act on behalf of the full Board under exceptional circumstances, as provided for in these Terms of Reference.

Meetings

The Committee held five regularly scheduled meetings, achieving quorum at each.

Highlights

The Committee's role was streamlined based on Governance Review recommendations with many former responsibilities reassigned to the Governance, Nominating and Appeals Committee. There were no situations where the Committee was required to act on behalf of the Board. A major accomplishment was the development of a performance review process for the President, fulfilling a key role for the Committee.

A detailed list of Committee activities is included below.

Committee Activities

- Reviewed Governance Review recommendations relating to the Committee's mandate.
- Reviewed the revised Terms of Reference and approved the Committee's workplan.
- Approved a proposal for the development of a performance review process for the University President and received updates as the process was developed.
- Approved Board meeting agendas
- Identified Committee professional development needs
- Identified opportunities to increase Board and Senate engagement
- Received updates on Board engagement in the strategic planning process
- Received updates on the development of a new harassment policy
- Review of a proposed process for the Board Chair and Vice-Chair Selection Process
- Approved realignment of meetings to include Open, Closed, In-camera and Special meetings.

Reporting to the Board

- Recommended Board approval of the appointment of a new Board member, reappointment of a current member and appointments to Board standing committees. (Note responsibility for reviewing appointments is now within the Governance, Nominating and Appeals Committee mandate).
- Recommended approval of the President's Performance Assessment Framework. - check



FINANCE, AUDIT AND RISK COMMITTEE

ANNUAL REPORT TO THE BOARD OF GOVERNORS

October 7, 2025

Period Covered: June 1, 2024-May 31, 2025

Committee Chair: Alex MacBeath

Committee Members:

Karen Creighan

George Jiang

Kevin Magee

Mary Anne McMahon

Kristi Kelly (until January 2025)

Shannon MacDonald (Ex-Officio)

Wendy Rodgers (Ex-Officio)

Mandate

The *Finance, Audit and Risk Committee* assists the Board in providing oversight of the University's budgeting and financial reporting process, its internal control systems, its Information Technology (IT) systems and its audit, risk and compliance processes.

Meetings

The Committee held five regularly scheduled meetings, with an additional meeting added in October to address the high volume of work in the Fall. Quorum was achieved at all meetings.

Highlights

The Committee navigated a particularly demanding agenda this year spanning financial, information technology, auditing and risk management oversight. A key focus was the

development of a balanced operating budget in the face of significant fiscal pressures, including federal policy changes limiting international student enrollment. The Committee oversaw a comprehensive review of audit services, resulting in an external audit RFP and supported the audit process for the UPEI Action plan. The Committee's Terms of Reference were amended to align with the Governance Review and new Board By-laws, clarifying the Committee's risk management role, resulting in changing the Committee's name from *Finance and Audit* to *Finance, Audit and Risk*.

A detailed list of Committee activities is included below.

Committee Activities

1. Financial Oversight

- Reviewed and recommended to the Board the 2023-2024 audited financial statements
- Reviewed financial reports including prior year annual budget-to-actual report, first and second trimester budget reports, and the Medical School capital budget
- Received the Endowment and Special Purposes Funds Annual Report and President's Expenditure Reports
- Reviewed and recommended to the Board the draft 2025-2026 Operating Budget and the Capital Projects Budget
- Received an update on Request for Proposals for Debt Servicing for the Medical Capital Project

2. Audit and Compliance

- Considered and recommended to the Board the appointment of external auditors
- Approved the Internal Audit Plan for 2025-2027 and received an update on progress
- Approved the Internal Audit Charter
- Oversaw an auditor comprehensive review process
- Held in-camera meetings with the external auditors, internal auditor and with the Vice President Finance and Administration and the Comptroller
- Reviewed budget proposals for consideration by Provincial Government
- Received updates on internal audits, including the Internal Audit Annual Report
- Received an annual Insurance Review
- Approved the External Audit Plan
- Received the Letter of Engagement for the Endowment and Special Purposes Funds Internal Audit

3. Governance

- Recommended updates to the Committee's Terms of Reference and approved the Committee's annual workplan
- Oversaw the implementation of recommendations stemming from the *Governance Review* that fall within Committee's mandate
- Reviewed and recommended to the Board policies with financial implications, namely the Signing Authority Policy and the Spending Authority Policy.
- Identified committee members' professional development needs
- Met with the *Property and Environmental Sustainability* and the *Development, Fundraising and External Relations Committees* to discuss capital infrastructure priorities and capacity.

4. Risk Management and Information Technology

- Received an update on IT Strategy, IT Projects and IT Risk Management
- Received an education session on Risk Monitoring
- Received an update on the Enterprise Risk Management Framework

5. Pension Plan Oversight

- Approved appointments and reappointments to the Board of Trustees of the University Pension Plan
- Approved reappointments to the Sponsor Board for the Pension Plan of the Employees of the University of Prince Edward Island
- Received the UPEI Pension Plan Annual Report
- Received the UPEI Pension Plan Sponsor Board Annual Report

Reporting to the Board

The Committee provided written updates at each Board meeting and made the following recommendations for Board approval:

- Audited consolidated financial statements for the fiscal year ending April 2024.
- Reappointment of the external auditing firm for fiscal year ending April 2025
- Contracts and project costs above \$1 million, including a revised capital budget for the medical building project.
- Updated Committee Terms of Reference
- Change to international student tuition deposits
- Appointment of the auditor for the UPEI Action Plan
- Appointment of the external auditor for fiscal year ending April 30, 2026

- 2025-2026 operating budget
- Forced Labour in Canadian Supply Chains Annual Report



ANNUAL REPORT TO THE BOARD OF GOVERNORS

GOVERNANCE, NOMINATING AND APPEALS COMMITTEE

October 7, 2025

Period Covered: June 1, 2024 – May 31, 2025

Committee Chair: Brian Thompson

Committee Members:

Karen Creighan

Gary Evans

Kristi Kelly (until January 2025)

Christian Lacroix

Mary Anne McMahon

Shannon MacDonald (Ex-Officio)

Wendy Rodgers (Ex-Officio)

Mandate

The Governance, Nominating and Appeals Committee assists the Board in fulfilling its governance responsibilities and in hearing and disposing of appeals that fall under Section 14(1) (I) of the Act.

Meetings

The Committee held five regularly scheduled meetings and added one special meeting in August to review the Governance Review Report. Quorum was achieved at each meeting. The Committee conducted one e-vote in April to address time sensitive issues in advance of the May Board of Governors meeting.

Highlights

The Committee work in 2024-2025 was both extensive and significant, reflecting a period of substantial governance renewal. Key achievements include development of a three-year implementation plan for the Governance Review; review and recommendation of new

Board bylaws and several key policies; approval of an updated policy framework to guide the creation, revision, and repeal of policies; development and approval of updated Board member skills and representation surveys to identify gaps and inform recruitment; and approval of the Board of Governors 2024-2025 Training Plan.

The Committee's Terms of Reference were significantly revised to align with Governance Review recommendations and new Board By-laws. Additional responsibilities including oversight of Board and standing committee membership, committee terms of reference, role descriptions, code of conduct and Board education were incorporated, resulting in a change in Committee name from Governance and Appeals to Governance, Nominating and Appeals.

A detailed list of Committee activities is included below.

Committee Activities

1. Governance Review and Strategic Oversight

- Oversaw the development of the Governance Review implementation plan and monitored progress through the year.
- Reviewed progress on the implementation of governance related Action Plan activities
- Approved the Committee's annual workplan
- Identified Committee professional development needs
- Reviewed updates to terms of reference for all Board committees
- Reviewed new Board of Governors By-laws
- Reviewed and approved the meeting schedule for the Board for 2025 – 2026
- Reviewed a report on the attendance of members at Board and Committee meetings in 2024 – 2025.
- Reviewed response to the Governance Review which was published on the University [website](#)

2. Policy Oversight

- Reviewed the following new and revised policies:
 - Selection of Vice-Presidents and Senior Executives Policy
 - Sponsored Research and Research Contracts Policy
 - Health, Safety and Environment Policy
 - Non-Disclosure Agreements in Harassment and Discrimination Policy
 - Appointment and Review of Academic Administrators Policy

- Appointment of Acting and Interim Senior Administrators Policies
- Selection of Vice-Presidents and Senior Executives Policy
- Appointment of Acting and Interim President Policy
- Appointment of the Chair and Vice-Chairs of the Board of Governors Policy
- Spending Authority, Signing Authority
- Policy on International Tuition Fees
- Reviewed policies to be repealed
- Reviewed a new policy framework
- Reviewed progress on policy development, including policies to replace the Fair Treatment Policy

3. Board Development and Composition

- Reviewed the results of the annual Board evaluation
- Approved the Board of Governors 2024-2026 Training Plan
- Approved updated Board Member Skills Matrix and Representation surveys; reviewed results to identify gaps
- Reviewed an updated Board Orientation Program

4. Appeals

- Received a report on appeals heard at UPEI in 2024-2025

Reporting to the Board

The Committee provided written updates each Board meeting and made the following recommendations for Board approval:

- New and revised policies (as noted above) and repeal of dated or otherwise ineffective policies.
- New Board By-laws
- Updated Committee Terms of Reference
- Committee appointments for Board members appointed by the Student Union



ANNUAL REPORT TO THE BOARD OF GOVERNORS

HUMAN RESOURCES COMMITTEE

October 7, 2025

Period Covered: June 1, 2024 – May 31, 2025

Committee Chair: Mr. Don MacKenzie

Committee Members:

Ms. Lynn Ellsworth

Ms. Carolyn Simpson

Ms. Sara Underwood

Ms. Pam Montgomery

Ms. Shannon MacDonald (Ex-Officio)

Dr. Wendy Rodgers (Ex-Officio)

Mandate

The Human Resources Committee assists the Board in its oversight of university human resources matters including recruitment, retention, compensation, succession planning, employee communications, human resource compliance matters, and labour relations philosophy and approach, and to make recommendations to the Board in respect to these matters.

Meetings

The Committee held five regularly scheduled meetings, achieving quorum at each. Seven e-votes were conducted to address time-sensitive matters, primarily faculty and senior administrative appointments.

Highlights

2024-2025 marked a year of significant change for the Human Resources Committee. In alignment with the Governance Review recommendations and the new Board By-laws, the

Committee's Terms of Reference were revised to delegate authority to approve faculty and senior administrative appointments, promotions and tenure applications. This change has significantly improved hiring timelines, moving from five decisions per year at Board meetings to monthly approvals, enabling faster response to academic and operational needs.

Reports to the Committee on labour relations matters and employee separations were enhanced, supporting early identification of trends. The Committee also reviewed and provided advice on key human resources policies, many influenced by the UPEI Action Plan.

A detailed list of Committee activities is included below.

Committee Activities

1. Governance and Oversight

- Reviewed the Committee's revised Terms of Reference
- Approved the Committee's 2024-2025 workplan
- Identified Committee professional development needs
- Reviewed process changes resulting from the Governance Review recommendations
- Reviewed Human Resources related new or amended policies

2. Recruitment, Appointments and Succession Planning

- Received requests to approve the appointment of faculty and senior administrators
- Received an information session on Policies and Processes for Hiring, Tenure and Promotion
- Reviewed the proposed Vice-President Performance Review process
- Received updates on recruitment of senior executives
- Received updates on planned organizational structure changes
- Approved faculty appointments (as of February 6, 2025)

3. Labour Relations and Workforce Engagement

- Received updates on labour relations matters
- Reviewed employee separations reports
- Received updates on the staff engagement survey and reviewed results of the survey
- Received an education session on Labour Relations in Higher Education

4. Compliance and Process

- Received a report on Workplace Health and Safety Compliance
- Received an update on changes to the payroll system

Reporting to the Board

The Committee provided written updates at each Board meeting and made the following recommendations for Board approval:

- CUPE 1970 extension for 2025-2026
- Human Resources Committee Terms of Reference, including delegating authority to approve faculty and senior administrative appointments, promotions and tenure applications to the Committee and approval of sabbaticals to the VPAR
- Premium rates for Supplemental Health and Dental Insurance, Travel Insurance, Group Life Insurance, Group Accidental Death and Dismemberment, Long-Term Disability and Employee Assistance Program



ANNUAL REPORT TO THE BOARD OF GOVERNORS

PROPERTY AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE

October 7, 2025

Committee Chair: Mr. Steve Bellamy (until December 2025)/Dr. Geraldine Johnston

Committee Members:

Lynn Ellsworth

Bill Waterman

Betty Anne Younker (as of January 2026)

Shannon MacDonald (Ex-Officio)

Wendy Rodgers (Ex-Officio)

Mandate

The Property and Environmental Sustainability Committee assists the Board in providing oversight of the Campus Master Plan, property and physical infrastructure, environmental sustainability, maintenance and renewal of university property, long term assets, and capital projects.

Meetings

The Committee held five regularly scheduled meetings, achieving quorum at each.

Highlights

The Committee's Terms of Reference were amended in response to the Governance Review to reflect expanded responsibilities, including oversight of the Campus Master Plan and recommending updates to the Board. Revisions also introduced a stronger emphasis on environmental sustainability, leading to the Committee's name change from Property and Assets to Property and Environmental Sustainability.

The Committee monitored progress on transformative projects, reviewed and provided input into the Campus Master Plan to ensure alignment with future infrastructure needs,

reviewed and supported capital funding requests to government and examined the Property and Asset Management Plan.

A detailed list of Committee activities is included below.

Committee Activities

1. Governance and Committee Development

- Reviewed the Committee's terms of reference and approved the Committee's workplan
- Reviewed Governance Review recommendations relating to the Committee's mandate.
- Identified Committee professional development needs

2. Planning

- Received an update on the Campus Master Plan, which was updated in 2020 to include the Faculty of Medicine building
- Received an update on Physical Space Requirements and Land Planning and Development
- Met with the Finance and Audit and the Development, Fundraising and External Relations Committees to discuss capital infrastructure priorities and capacity.

3. Capital Projects Oversight

- Received updates on the status of capital projects, including progress on the Faculty of Medicine building, Atlantic Veterinary College project, roofing repairs, ventilation upgrades, etc.
- Reviewed proposal for the Steel Building Ventilation Project
- Reviewed the capital requests to the Provincial Government focused on critical infrastructure projects, including deferred maintenance priorities

4. Infrastructure, IT and Asset Management

- Received an education session on Medical School Information Technology and Audio-Visual Complexity
- Received an update on Information Technology Capital Projects, including projects in progress and areas of technical debt
- Received an update on Property and Asset Maintenance Plan including projected lifecycle and status of various systems that support the university's mission and noting deferred maintenance requiring attention in the coming year

Reporting to the Board

The committee provided written updates at each Board meeting and recommended the Steel Building Ventilation Project and the Committee's updated terms of reference for Board approval.