

## **AGENDA**

### **BOARD OF GOVERNORS — OPEN SESSION**

**Wednesday, May 29, 2024 — 2:30 p.m. – 3:30 p.m.**  
via Zoom

<https://emilycarru.zoom.us/j/64091489101?pwd=YlAvTGFRUFVmaDFkYnFTWlhGS28xUT09>

Webinar ID: 640 9148 9101  
Passcode: 750566

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***Territorial Acknowledgement:*** *We respectfully acknowledge that Emily Carr University is situated on the unceded, traditional and ancestral territories of the Musqueam, Squamish and Tsleil-Waututh Nations.*

#### **I. ADMINISTRATIVE BUSINESS**

1. Call to Order Don Avison, Board Chair
2. APPROVAL: Adoption of the Agenda Chair  
**MOTION: That the agenda for the Board Open Session of May 29, 2024 be approved as presented.**
3. APPROVAL: Past Meeting Minutes Chair
  - ***Attachment:*** *Draft Minutes of the Board Open Session of March 28, 2024 (pp. 3-6)*
  - MOTION: That the Minutes of the Board Open Session of March 28, 2024 be approved as presented.**

#### **II. BUSINESS**

1. Chair's Remarks Chair
2. Interim President's Updates Trish Kelly
3. UPDATE: Budget Update M. Douglas
  - ***Attachments:***
  - *Briefing Note (pp. 7)*
  - *Actual Activity vs. Approved Budget (pp. 8-9)*

4. APPROVAL: 2023/2024 Financial Statements

Lorcan  
O'Melinn,  
Chair of AFC/  
M. Douglas

- **Attachments:** *Briefing Note (pp. 10)*
- *Consolidated Financial Statements for the year ended March 31, 2024 (pp. 11-39)*

**MOTION:** That the Board, on the recommendation of the Audit + Finance Committee, approve the audited Financial Statements for the Year Ended March 31, 2024, as presented.

5. APPROVAL: ECU Annual Report on Forced Labour and Child Labour

L. O'Melinn/  
M. Douglas

- **Attachments:** *Briefing Note (pp. 40-41)*
- *ECU Annual Report on Forced Labour and Child Labour (pp. 42-45)*

**MOTION:** That the Board, on the recommendation of the Audit + Finance Committee, approve ECU's Annual Report on Forced Labour and Child Labour for the year ended March 31, 2024, as presented.

III. NEXT MEETING: Thursday, June 27, 2024

IV. ADJOURNMENT



# MINUTES - **DRAFT**

## BOARD OF GOVERNORS — OPEN SESSION

Thursday, March 28, 2024 — 2:00 p.m. - 3:00 p.m.  
ECU Boardroom (D2315) and via Zoom webinar

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### ATTENDANCE:

#### Board Members:

Don Avison (Board Chair)  
Trish Kelly (Interim President + Vice Chancellor)  
Carleen Thomas (Chancellor)  
Lorcan O'Melinn (Vice-Chair)  
Mary Macaulay  
Ishika Tripathi

Esther Rausenberg  
Keith Reynolds  
Sung Van  
Parnian Anaa  
Brenda Crabtree  
Alex Philips

Regrets: Lindsay McIntyre (joined for closed session), Gaye Fowler, Natasha Tony

Resources and/or Guests: Diyan Achjadi (Interim Vice-President, Academic + Provost), Viktor Sokha (Vice-President, Finance + Administration), Adrian Tees (Associate Vice-President, HR), Mark Douglas (Executive Director, Financial Services), Natasha Himer (University Secretary), Nicole Shin (Associate University Secretary, Recording Secretary), Alexander Muir (IT Support)

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### I. **ADMINISTRATIVE BUSINESS**

1. Call to Order — Don Avison, Chair of the Board, called the meeting to order at 2:12 p.m.
2. Adoption of the Agenda

There was a request to add items under Other Business, including a discussion on executive member expenses and a proposed resolution brought forward by a Board member.

**MOTION: That the Agenda for the Board Open Session of March 28, 2024 be approved with the addition of the one item under Other Business.**

**Moved / Seconded**

**Carried.**

3. Approval of Past Meeting Minutes – Open Session

**MOTION: That the Minutes of the Board Open Session of February 8, 2024 be approved as presented.**

**Moved / Seconded**

**Carried.**

**II. BUSINESS**

1. Chair's Remarks

2. Interim President's Updates

T. Kelly provided the following highlights:

- The newly appointed Minister of Post-Secondary Education and Future Skills, Lisa Beare, recently visited ECU and met with the Board Chair, the Emily Carr Student's Union and the Faculty Association;
- There have been ongoing community conversations related to food security and belonging on campus, including the Food & Community student exhibition from March 22 – 27; and
- Recruitment is underway for Fall 2024 and offer letters for the foundation program have been sent out in line with the new rules regarding international student visa processes.

3. Interim Vice President Academic + Provost's Updates

In D. Achjadi's absence, T. Kelly reported that there are currently search and selection processes underway for 9 regular, full-time faculty positions.

4. 2024-25 Budget

L. O'Melinn acknowledged the work of the finance team in leading out and developing the draft 2024-25 Budget and the increased focus on community consultation.

V. Sokha noted that the Ministry has confirmed that Emily Carr will not receive one-time funding in advance of the 2024/25 fiscal year but may revisit the possibility of one-time funding closer to the end of the calendar year.

V. Sokha and M. Douglas walked the Board through the 2024/2025 Budget presentation and provided the following highlights:

- The preliminary operating budget deficit was \$3.7M but the University managed to reduce the deficit it to \$2.54M;
- There are 9 hires budgeted for new or replacement faculty positions and increases to salaries, in line with the Collective Agreement, that will be funded by the province, per the Shared Recovery Mandate;
- The University will cover the deficit using the unrestricted accumulated surplus; and
- The University has confirmed with the Ministry that advances to base grant and annual service payments will be provided in 2024/25 to assist with cashflow challenges.

**MOTION: That the Board, on the recommendation of the Audit + Finance Committee, approve the 2024/25 all funds budget, as presented by management, with a \$1,802,132 deficit.**

**Moved / Seconded**

**Carried.**  
*[2 abstentions]*

5. Transcript Fee

L. O'Melinn reported that in 2019 ECU suspended transcript fees to students when PayPal services were disrupted and continued to do so during the pandemic. The University is requesting to reintroduce transcript fees.

**MOTION: That the Board, on the recommendation of the Audit + Finance Committee, approve the reintroduction of transcript fees at the revised rates, effective April 1, 2024.**

**Moved / Seconded**

**Carried.**  
*[1 abstained]*

**III. OTHER BUSINESS**

V. Sokha reported that further to a request by a Board member, the Audit + Finance Committee was briefed on senior executive expenses. He reminded the Board that the senior executive expenses are publicly disclosed and brought to the Audit + Finance Committee in the fall as part of the annual review of the Statement of Financial Information (SOFI) report and then to the Board for approval. The expenses are also submitted to the Ministry and posted online. V. Sokha displayed a breakdown of senior executive expenses as reported in the 2023 SOFI report and responded to questions.

A Board member brought forward a proposed resolution/motion on funding for the Wellness Kitchen as follows:

- **Whereas the University expects to realize an extra \$380,000 next year, and an extra \$6.3 million over ten years following February's tuition increases;\***
- **Whereas the University in 2020 received a \$50,000 three year grant to fund the Wellness Kitchen, and continued to fund it until recently out of operational revenues;\*\***
- **Whereas international students presenting to the Board on February 8<sup>th</sup> reported they had to choose between food and rent, with many going hungry;**
- **Whereas the Wellness Kitchen's annual cost of \$17,000 is a small investment in ensuring students meet their minimal daily nutrition requirements;**
- **Whereas \$17,000 represents 0.15% of last year's \$10,655,897 in international tuition;\*\*\***
- **Whereas the Ministry of Post-Secondary Education and Future Skills' Mandate Letter directed the University to develop and implement protections for international students that support their fair treatment;\*\*\*\***
- **Whereas the University can afford to continue funding the Wellness Kitchen;\*\*\*\*\***
- **Be it resolved that the Board directs the University to continue funding the Wellness Kitchen out of operational revenues to those amounts previously committed, adjusting for inflation.**

- \* Vice-President Finance and Administration's Information Briefing Note, February 1<sup>st</sup>, 2024
- \*\*Interim President's Report to the Board, December 7<sup>th</sup>, 2023
- \*\*\*2023/24 Budget Presentation to the Board of Governors March 30<sup>th</sup>, 2023
- \*\*\*\*Minister of Post-Secondary Education and Future Skills, June 22<sup>nd</sup>, 2023
- \*\*\*\*\*According to the 2023 Institutional Accountability Report ECU's top sixteen administrators received \$197,195.88 in expenses among them.

The Chair opened discussion and provided an opportunity for the administration to respond. T. Kelly explained that the provincial government provided a \$50,000 grant over 2-years for a series of programs provided through the counselling and wellness area, one of which was the Wellness Kitchen. The intention of the Wellness Kitchen was to create community through food-based services.

When the 2-year government grant ended, ECU has allocated \$60,000 in the proposed 2024/2025 operational budget:

- \$30,000 to continue with programming that is inline with the wellness area; and
- \$30,000 to the portfolio of the New Executive Director, Student Engagement, Retention + Success to engage student food security programming.

The Administration is taking the following additional steps:

- Partnering with the Student Union in various ways to create funding and/or opportunities for outreach to students who they know that are in need; and
- Examining any barriers that exist to accessing the Emily Cares program that is set up to provide emergency funds that are available for students for rent and food vouchers.

**MOTION: That the Board table the proposed motion with the understanding that Administration report back more fully on steps that are being taken to address food security needs of students.**

**Moved / Seconded**

**Carried.**

The Board requested that the information include a break down of funds and supports that are being provided to students around food security and wellbeing and provide a sense of timing of initiatives underway. It was noted that additional time and details are required so that the Board can make an informed decision in a holistic way.

- IV. **NEXT MEETING:** Next Regular Open Session of the Board has been moved from May 30<sup>th</sup> to Wednesday, May 29, 2024.
- V. **ADJOURNMENT:** The meeting adjourned at 3:21 p.m.



# BOARD OF GOVERNORS

## Information Briefing Note

|                               |   |
|-------------------------------|---|
| <b>TO:</b>                    | Board of Governors  |
| <b>FROM:</b>                  | Mark Douglas, Acting Vice President Finance + Administration  |
| <b>DATE:</b>                  | May 23, 2024  |
| <b>SUBJECT:</b>               | Budget Update   |
| <b>PURPOSE:</b>               | <input type="checkbox"/> For Action <input type="checkbox"/> For Discussion <input checked="" type="checkbox"/> For Information |
| <b>RESPONSIBLE PORTFOLIO:</b> | Vice President Finance + Administration   |

### EXECUTIVE SUMMARY/OVERVIEW

The 2023/24 audit was completed by KPMG on schedule with a clean audit opinion. The results reflect an improvement over budgeted projections, showing a deficit of \$411,325. This is a slight improvement over the budgeted deficit of \$470,558 (see Attachment: *Figure 1*).

### KEY POINTS/CONSIDERATIONS

- The largest variances are due to increased provincial funding and associated salary costs related to the Shared Recovery Mandate and recently ratified Collective Agreements.
- Other contributing factors for the improvement to the year's financial results are summarized in *Figure 2* of the Attachment.

### NEXT STEPS

The University requires Board approval of the audited 2023/24 Financial Statements.

### ATTACHED SUPPORTING MATERIALS

Figure 1: 2023/24 Actual Activity vs Approved Budget

Figure 2: Summary of Deficit Improvements

## OFFICE OF THE VICE-PRESIDENT, FINANCE + ADMINISTRATION

**Figure 1: Actual Activity vs Approved Budget**

|  | 2023/24<br>Approved<br>Budget | 2023/24<br>Actuals   | Difference            | %          |
|--|-------------------------------|----------------------|-----------------------|------------|
| <b>REVENUE</b>                             |                               |                      |                       |            |
| Grants                                     | \$ 25,334,782                 | \$ 27,543,934        | \$ 2,209,152          | 9%         |
| Tuition                                    | 24,368,016                    | 23,563,482           | (804,534)             | -3%        |
| Amortization of deferred contributions     | 4,030,242                     | 4,806,546            | 776,304               | 19%        |
| Income from equity accounted organizations | 290,193                       | 837,977              | 547,784               | 189%       |
| Interest                                   | 457,700                       | 1,213,008            | 755,308               | 165%       |
| Other                                      | 778,730                       | 1,292,171            | 513,441               | 66%        |
| <b>Total revenue</b>                       | <b>\$ 55,259,663</b>          | <b>\$ 59,257,118</b> | <b>\$ 3,997,455</b>   | <b>7%</b>  |
| <b>EXPENDITURES</b>                        |                               |                      |                       |            |
| Salaries + Benefits                        | \$ 37,429,350                 | \$ 40,595,501        | \$ (3,166,151)        | -8%        |
| Other                                      | 14,389,872                    | 14,967,177           | (577,305)             | -4%        |
| Amortization                               | 3,178,760                     | 3,204,405            | (25,645)              | -1%        |
| Scholarships                               | 764,239                       | 928,201              | (163,962)             | -18%       |
| <b>Total expenditures</b>                  | <b>\$ 55,762,221</b>          | <b>\$ 59,695,284</b> | <b>\$ (3,933,063)</b> | <b>-7%</b> |
| Annual operating surplus (deficit)         | (502,558)                     | (438,166)            | 64,392                |            |
| Endowment contributions                    | 32,000                        | 26,841               | (5,159)               | -16%       |
| <b>Annual surplus (deficit)</b>            | <b>\$ (470,558)</b>           | <b>\$ (411,325)</b>  | <b>\$ 59,233</b>      |            |





Figure 2: Summary of Improvements to Deficit

|  |                  |
|--|------------------|
| <b>Deficit, 2023/24 Budget</b>                                   | <b>(470,558)</b> |
| <i>Net Improvements to Revenue:</i>                              |                  |
| Provincial Grant:  |                  |
| shared recovery mandate + tech-relevant programming grant        | 3,809,152        |
| base grant deferral  | (1,600,000)      |
| GNWCT, improved financial results                                | 547,784          |
| Tuition and fees, undergraduate + graduate studies               | (530,123)        |
| Continuing Studies tuition + operations                          | (131,542)        |
| Interest revenue   | 755,308          |
| <i>Net Increases to Expenditures:</i>                            |                  |
| Contractual salary increases, shared recovery mandate (estimate) | (2,865,661)      |
| Hiring lags  | 778,905          |
| Vacation accrual adjustment                                      | (542,725)        |
| Scholarships   | (163,962)        |
| Endowment transfers to Vancouver Foundation                      | (181,543)        |
| <i>Miscellaneous</i>   | 183,640          |
| <b>Deficit, 2023/24 Actuals</b>                                  | <b>(411,325)</b> |



# BOARD OF GOVERNORS

## Information Briefing Note

|                               |  |
|-------------------------------|--|
| <b>TO:</b>                    | Board of Governors   |
| <b>FROM:</b>                  | Mark Douglas, Acting Vice President Finance + Administration   |
| <b>DATE:</b>                  | May 23, 2024   |
| <b>SUBJECT:</b>               | 2023/2024 Financial Statements   |
| <b>PURPOSE:</b>               | <input checked="" type="checkbox"/> For Action <input checked="" type="checkbox"/> For Discussion <input type="checkbox"/> For Information |
| <b>RESPONSIBLE PORTFOLIO:</b> | Vice President Finance + Administration  |

### MOTION

**That the Board, on the recommendation of the Board Audit + Finance Committee, approve the audited Financial Statements for the Year Ended March 31, 2024 as presented.**

### EXECUTIVE SUMMARY/OVERVIEW

The 2023/24 audit was completed by KPMG on schedule with a clean audit opinion.

### NEXT STEPS

The University requires Board approval of the audited 2023/24 Financial Statements.

### ATTACHED SUPPORTING MATERIALS

1. Consolidated Financial Statements for the year ended March 31, 2024



**CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2024**

And Independent Auditor's Report thereon

## MANAGEMENT'S STATEMENT OF RESPONSIBILITY

To the Board of Governors of Emily Carr University of Art + Design

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in compliance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Governors and Board Audit and Finance Committee are composed primarily of those who are neither management nor employees of the University. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial information included in the annual report. The Board Audit and Finance Committee has the responsibility of meeting with management and external auditors to discuss the financial reporting process, auditing matters, financial reporting issues, and recommends approval of the consolidated financial statements to the Board. The Committee is also responsible for recommending the appointment of the University's external auditor.

KPMG LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the consolidated financial statements and report directly to them through the Board Audit and Finance Committee; their report follows. The external auditor has full and free access to, and meets periodically and separately with, both the Committee and management to discuss their audit findings.

On behalf of Emily Carr University of Art + Design:

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Viktor Sokha, Vice President  
Finance + Administration

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Mark Douglas  
Executive Director, Financial Services

Date May 29 , 2024

Date May 29 , 2024



**KPMG LLP**

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Canada  
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Fax (604) 691-3031

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board of Governors of Emily Carr University of Art + Design, and to the Minister of Post-Secondary Education and Future Skills, Province of British Columbia

### ***Opinion***

We have audited the consolidated financial statements of Emily Carr University of Art + Design (the "University"), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2024 of the University are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### ***Basis for Opinion***

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

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



### ***Emphasis of Matter – Financial Reporting Framework***

We draw attention to Note 1 to the financial statements, which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

We also:

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Vancouver, Canada  
May 29, 2024

# Emily Carr University of Art + Design

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2024, with comparative information for 2023

|   | 2024          | 2023          |
|---|---------------|---------------|
| Financial assets:                                 |               |               |
| Cash and cash equivalents                         | \$ 16,076,760 | \$ 14,942,532 |
| Accounts receivable (note 4)                      | 16,058,731    | 1,501,429     |
| Investments (note 5)                              | 2,743,350     | 3,125,905     |
| Investment in GNW Campus Trust (note 7)           | (2,712,080)   | 11,692,867    |
| Inventories for resale                            | 221,300       | 204,792       |
|   | 32,388,061    | 31,467,525    |
| Liabilities:                                      |               |               |
| Accounts payable and accrued liabilities (note 9) | 6,292,750     | 6,274,968     |
| Deferred revenue                                  | 2,961,002     | 2,723,871     |
| Debt (note 10)                                    | 52,370,534    | 53,647,209    |
| Deferred contributions (note 12)                  | 5,729,393     | 4,206,388     |
| Deferred capital contributions (note 12)          | 56,598,526    | 56,305,422    |
| Capital lease obligation (note 14)                | 721,953       | 825,679       |
|   | 124,674,158   | 123,983,537   |
| Net debt  | (92,286,097)  | (92,516,012)  |
| Non-financial assets:                             |               |               |
| Tangible capital assets (note 8)                  | 124,169,643   | 124,849,446   |
| Endowment investments (note 6)                    | 6,099,106     | 6,183,785     |
| Prepaid expenses                                  | 207,765       | 84,523        |
|   | 130,476,514   | 131,117,754   |
| Accumulated surplus (note 18)                     | \$ 38,190,417 | \$ 38,601,742 |

Continuing operations (note 1)

Contractual obligations and contingencies (note 13)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

\_\_\_\_\_  
Don Avison, Chair  
Board of Governors

\_\_\_\_\_  
Viktor Sokha,  
Vice President, Finance + Administration



# Emily Carr University of Art + Design

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended March 31, 2024, with comparative information for 2023

|   | 2024<br>Budget<br>(Note 2(n)) | 2024          | 2023          |
|---|-------------------------------|---------------|---------------|
| Revenue:  |                               |               |               |
| Grants:   |                               |               |               |
| Province of British Columbia  | \$ 25,142,182                 | \$ 27,354,329 | \$ 26,988,994 |
| Federal government  | 192,600                       | 189,605       | 195,004       |
| Tuition fees  | 24,368,016                    | 23,563,482    | 21,185,050    |
| Amortization and recognition of deferred capital contributions and deferred contributions (note 12) | 4,030,242                     | 4,806,546     | 4,996,797     |
| Income (Loss) from equity accounted organizations (note 7)  | 290,193                       | 837,977       | (571,088)     |
| Gifts, grants and bequests  | 47,450                        | 53,074        | 41,699        |
| Interest  | 457,700                       | 1,213,008     | 795,082       |
| Other   | 731,280                       | 1,239,097     | 1,255,564     |
|   | 55,259,663                    | 59,257,118    | 54,887,102    |
| Expenses:   |                               |               |               |
| Instruction   | 22,261,994                    | 23,520,923    | 22,206,207    |
| Instruction support   | 30,735,214                    | 32,755,792    | 28,875,328    |
| Research  | 1,768,269                     | 2,262,062     | 2,086,260     |
| Externally sponsored activity and trust   | 996,744                       | 1,156,507     | 1,383,567     |
|   | 55,762,221                    | 59,695,284    | 54,551,362    |
| Annual operating surplus (deficit)  | (502,558)                     | (438,166)     | 335,740       |
| Endowment contributions   | 32,000                        | 26,841        | 37,510        |
| Annual surplus (deficit)  | (470,558)                     | (411,325)     | 373,250       |
| Accumulated surplus, beginning of year  | 38,601,742                    | 38,601,742    | 38,228,492    |
| Accumulated surplus, end of year  | \$ 38,131,184                 | \$ 38,190,417 | \$ 38,601,742 |

See accompanying notes to consolidated financial statements.

# Emily Carr University of Art + Design

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

Year ended March 31, 2024, with comparative information for 2023

|   | 2024<br>Budget<br>(Note 2(n)) | 2024            | 2023            |
|---|-------------------------------|-----------------|-----------------|
| Annual surplus (deficit)                | \$ (470,558)                  | \$ (411,325)    | \$ 373,250      |
| Acquisition of tangible capital assets  | (1,636,441)                   | (2,524,604)     | (1,135,796)     |
| Amortization of tangible capital assets | 3,109,969                     | 3,204,407       | 3,456,505       |
|   | 1,473,528                     | 679,803         | 2,320,709       |
| Acquisition of prepaid expense          | -                             | (160,622)       | (42,705)        |
| Use of prepaid expense                  | 37,380                        | 37,380          | 5,325           |
|   | 37,380                        | (123,242)       | (37,380)        |
| Increase in endowment investments       | (32,000)                      | 84,679          | (2,963)         |
|   | (32,000)                      | 84,679          | (2,963)         |
| Decrease in net debt                    | 1,008,350                     | 229,915         | 2,653,616       |
| Net debt, beginning of year             | (92,516,012)                  | (92,516,012)    | (95,169,628)    |
| Net debt, end of year                   | \$ (91,507,662)               | \$ (92,286,097) | \$ (92,516,012) |

See accompanying notes to consolidated financial statements.

# Emily Carr University of Art + Design

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2024, with comparative information for 2023

|   | 2024          | 2023          |
|---|---------------|---------------|
| Cash provided by (used in):   |               |               |
| Cash flows from operating activities:   |               |               |
| Annual surplus (deficit)  | \$ (411,325)  | \$ 373,250    |
| Adjustments to reconcile net cash provided by operating activities:   |               |               |
| Loss (Income) from equity accounted organizations   | (837,977)     | 571,088       |
| Amortization of tangible capital assets   | 3,204,407     | 3,456,505     |
| Amortization of deferred capital contributions  | (1,419,620)   | (1,542,722)   |
| Changes in non-cash working capital:  |               |               |
| Accounts receivable   | 685,622       | (900,488)     |
| Inventories for resale  | (16,508)      | (3,121)       |
| Prepaid expenses  | (123,242)     | (37,380)      |
| Accounts payable and accrued liabilities  | 17,782        | 607,710       |
| Deferred revenue  | 237,131       | 378,407       |
| Deferred contributions  | 1,523,005     | (128,359)     |
|   | 2,859,275     | 2,774,890     |
| Cash flows from capital activities:   |               |               |
| Purchase of tangible capital assets   | (2,148,187)   | (538,329)     |
| Cash flows from financing activities:   |               |               |
| Payments on capital lease obligations   | (480,143)     | (499,091)     |
| Payments on debt  | (1,276,675)   | (1,220,682)   |
| Deferred capital contributions received   | 1,712,724     | 416,451       |
|   | (44,094)      | (1,303,322)   |
| Cash flows from investing activities:   |               |               |
| Disposal of investments   | 467,234       | 504,326       |
| Increase in cash and cash equivalents during the year   | 1,134,228     | 1,437,565     |
| Cash and cash equivalents, beginning of year  | 14,942,532    | 13,504,967    |
| Cash and cash equivalents, end of year  | \$ 16,076,760 | \$ 14,942,532 |
| Supplementary information:  |               |               |
| Non-cash transactions:  |               |               |
| Acquisition of tangible capital assets through capital lease  | \$ 376,417    | \$ 597,467    |
| Distribution declared by GNWCT settled through promissory notes included in accounts receivable (notes 4 and 7) | 15,242,924    | -             |

See accompanying notes to consolidated financial statements.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements

Year ended March 31, 2024

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### 1. Purpose of the organization and continuing operations:

Founded as the Vancouver School of Decorative and Applied Arts in 1925, Emily Carr University of Art + Design (the "University") is one of the oldest post-secondary institutions in British Columbia and the only institution in the province dedicated solely to professional education and learning in Visual Arts, Media Arts and Design. The University has been named one of the top universities in the world for art and design, ranked 25<sup>th</sup> in the world in 2023 and the only Canadian university to be included among the world's top 50. The University has more than 1,800 students enrolled in graduate and undergraduate programs, with thousands more taking workshops, certificate programs and individual courses. The faculty, staff and alumni are internationally recognized as award-winning creators and thought leaders whose work consistently advances the resilience and potential of both cultural sectors and the economy.

The University is a special purpose teaching University that operates under the authority of the University Act (Bill 34, enacted September 1, 2008) and receives significant funding from the Government of British Columbia. The University is exempt from income taxation under Section 149 of the Income Tax Act.

In fiscal 2023/2024, the University is reporting a deficit of \$411,325 (2023 – surplus of \$373,250) due to continuing cost pressures. For fiscal 2024/2025 the University is budgeting a significant deficit which will be funded using accumulated surplus and available cash on hand. In 2022/2023 management implemented a deficit mitigation plan that will enable the University to achieve a balanced budget by fiscal 2026. The plan focuses on strategic enrolment management, revenue generation initiatives and cost containment by freezing budget for non-essential expenditures.

The University will continue to monitor the on-going cost pressures and their impact on its cash and budget forecasts and will adjust its operations, including actively reviewing potential sources of revenue and working to reduce costs, to ensure it fulfills its obligations and continues its operations. To continue as a going concern in the normal course of operations will depend upon many factors including the University's ability to meet budgeted student registration levels, realize on the savings from the cost mitigating measures, and receive the continued financial support from the Ministry, as required, to fund any budget shortfalls and cashflow requirements.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies:

#### (a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410. As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

#### (b) Controlled entity:

The University controls the Emily Carr Foundation by virtue of its ability to appoint a majority of the Foundation's Board of Directors. The Foundation's net assets and operating activity as at and for the years ended March 31, 2024 and 2023 were insignificant.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies (continued):

#### (c) Investments in Government Business Enterprises:

##### *Great Northern Way Campus Trust ("GNW Campus Trust"):*

The University participates as an equal beneficiary in a Joint Venture with British Columbia Institute of Technology, University of British Columbia and Simon Fraser University. Joint Venture members participate equally in the control of the GNW Campus Trust. The GNW Campus Trust is a trust established for the four institutions (the "Owners"), each of whom is an equal shareholder in Great Northern Way Campus Ltd. and each of whom appoints one director to its Board of Directors.

The Trust holds the legal and beneficial interest in the lands and premises located at 555 and 577 Great Northern Way and 375 East 1st Avenue, Vancouver, British Columbia, which were acquired by way of donation from Finning International Inc.

The Trust is considered to be a government business enterprise ("GBE"), which is accounted for by the modified equity method. Under this method, the University's investment in the GNW Campus Trust business enterprise and its net income and other changes in equity are recorded using the modified equity method. No adjustment is made to conform the accounting policies of the government business enterprise to those of the University. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions between entities of assets that remain within the entities controlled by the University. Any dividends the University receives from GNW Campus Trust are reflected as a reduction in the investment asset account.

The Trust has a December 31st fiscal year-end, which is used to record the equity income. Any material transactions between December 31st and the fiscal year-end of the University, are recognized in these consolidated financial statements.

The University monitors the recoverability of revenue generating long-lived assets within the GNW Campus Trust, based on estimates using factors such as expected future asset utilization, economic outlook and future cash flows expected to result from the use of the related assets or be realized on sale. The University recognizes an impairment loss if the projected undiscounted aggregate cash flows are less than the carrying amount. The amount of impairment charge, if any, is defined as the excess of carrying value over its fair value.

On an annual basis, the University reviews the GNW Campus Trust's continuance as a going concern and classification as a GBE, which is dependent upon continued positive earnings. If the going concern basis is not appropriate, adjustments may be necessary in the carrying amounts of the GNW Campus Trust Fund assets, liabilities and expenses in these consolidated financial statements and the adjustments could be material.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(e) Revenue recognition:

Revenues from transactions with performance obligations such as tuition, student fees, and sale of goods and services, are recognized when (at a point in time) or as (over a period of time) the University satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the University has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

Unrestricted donations, grants and contributions are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured.

Restricted donations, grants and contributions are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded in accordance with Regulation 198/2011 which requires that they be recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.
- (iii) Endowment contributions are recognized as revenue when received. Any related investment income earned thereon is deferred when earned in accordance with the stipulations in the endowment agreements. The income is recognized as revenue when it is spent on the purpose specified.
- (iv) Donations of capital assets that would otherwise be purchased are accounted for at fair value when a fair value can be reasonably estimated.

The GNW Campus Trust retains control of ownership of its income-producing properties and, therefore, accounts for leases with its tenants as operating leases. Rental revenues from leases are recorded on a straight-line basis over the term of the lease. Realty tax and operating cost recoveries are recognized on an accrual basis.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies (continued):

(f) Supplies and services contributions:

Contributions of supplies and services received that would otherwise have been purchased are not recognized in these consolidated financial statements.

(g) Inventories for resale:

Inventories for resale are recorded at the lower of cost or net realizable value. Cost is comprised of the purchase price, freight and handling costs, net taxes and any other costs directly attributable to bringing inventories to their present location, and is determined on a specific items basis. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to declining selling prices.

(h) Financial instruments:

Financial instruments are classified upon initial recognition as a fair value or amortized cost instrument. Transaction costs are added to the amortized cost or expensed if they relate to instruments recorded on a fair value basis. The effective interest rate method is used to recognize interest. Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus and related balances reversed from the statement of remeasurement gains and losses. Restricted endowment interest is recognized as a direct increase to deferred contributions until distributed for the specified purpose. Interest and dividends attributable to financial instruments are reported in the statement of operations.

Endowment investments are held in perpetuity and presented as non-financial assets as they are not available for consumption or to discharge liabilities. The investments consisting of guaranteed investment certificates are recorded at amortized cost and there are no unrealized gains or losses as at March 31, 2024 (2023 - nil). As a result, the University does not have a statement of re-measurement gains and losses.

The University's financial instruments are comprised of and measured as follows:

- Accounts receivable, investments and accounts payable and accrual liabilities are measured at amortized cost using the effective interest method.

(i) Non-financial assets:

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



# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 2. Significant accounting policies (continued):

#### (i) Non-financial assets (continued):

##### (i) Tangible capital assets (continued):

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset and overhead directly attributable to construction and development. Interest is capitalized over the development period whenever external debt is issued to finance the construction and development of tangible capital assets.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

| Asset              | Period       |
|--------------------|--------------|
| Buildings          | 60 years     |
| Equipment          | 5 years      |
| Computer equipment | 4 to 5 years |
| Library collection | 10 years     |

Assets under development or construction are not amortized until the asset is available for productive use.

##### (ii) Leased tangible capital assets:

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

##### (iii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

##### (iv) Prepaid expenses:

Prepaid expenses are non-financial assets, which are expensed over the periods expected to benefit from them.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies (continued):

(j) Employee leave benefits:

(i) Multi-employer plans:

The University and its employees make contributions to the College Pension and Municipal Pension Plans (the “Plans”) which are multi-employer joint trustee plans. These plans are defined benefit plans, providing a pension on retirement based on the member’s age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as a defined contribution plan and any contributions of the University to the plans are expensed as incurred.

(ii) Employee leave benefits:

The University allows employees to accumulate unused vacation days and gratuity days for future use. Any unused vacation or gratuity days are recorded as a liability when earned. The University does not allow employees to carryforward and utilize any unused sick days.

(k) Foreign currency transactions:

The University’s functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities, which were designated in the fair value category under the financial instrument standard, are reflected in the consolidated financial statements in equivalent Canadian dollars at the exchange rate in effect on the statement of financial position date. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or the statement of financial position date would be recognized in a statement of remeasurement gains and losses. There are no gains or losses as at March 31, 2024 (2023 – nil). As a result, the University does not have a statement of remeasurement gains and losses.

(l) Capitalization of public private partnerships:

A public private partnership (“P3”) is a partnership between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The University signed a P3 Project Agreement (“the Agreement”) dated February 11, 2015 with AAP Partnership. The Agreement uses the financial liability model, an arrangement where AAP Partnership designs, builds, finances, operates and maintains the University’s Great Northern Way campus building in exchange for a contractual right to receive payments from the University.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies (continued):

#### (l) Capitalization of public private partnerships (continued):

The initial cost of the building was based on construction progress billings verified by an independent certifier, and also includes other costs incurred directly by the University. The asset cost includes development and financing fees estimated at fair value, which required the extraction of cost information from the financial model embedded in the Agreement. Interest during construction is also included in the asset cost and is calculated on the P3 asset value, less contributions received and amounts repaid, during the construction term. The interest rate used is the project internal rate of return. The related assets are amortized over their estimated useful lives.

Correspondingly, an obligation for the cost of capital and financing received, net of the contributions received and amounts repaid, is recorded as a liability and included as debt on the statement of financial position.

The facilities' management or operational phase of the Agreement commenced on August 4, 2017 and will terminate on August 4, 2047. During this period, AAP Partnership receives monthly payments from the University in accordance with the terms of the Agreement, net of applicable provisions for service deficiencies. As such, expenses are recognized when the services are performed by AAP Partnership, there is an appropriate basis of measurement, and a reasonable estimate can be made of the amount involved.

#### (m) Use of estimates:

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenue and expenses for the periods reported. Areas requiring the use of management's estimates relate to the useful lives of tangible capital assets for the purposes of amortization, valuation of revenue-producing properties and property under development held by the GNW Campus Trust, collectability of accounts receivable, provisions for employee benefit obligations, and provisions for contingent liabilities. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

#### (n) Budget information:

Budget information has been provided for comparative purposes and have been derived from the 2023/2024 Budget, approved by the Board of Governors of the University on March 30, 2023.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 2. Significant accounting policies (continued):

#### (o) Contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The University is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. The University has determined that there was no contaminated sites liability to be recognized at March 31, 2024.

#### (p) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets. As at March 31, 2024 the University determined there were no asset retirement obligations associated with its assets.

### 3. Adoption of new accounting standards:

#### (a) Adoption of PS 3160 Public Private Partnerships Standard

On April 1, 2023, the University adopted Canadian Public Sector Accounting Standard PS 3160, Public Private Partnerships ("PS 3160"). The new standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. Management has assessed the impact of adopting PS 3160 on the financial statements of the University and has found that its current recognition, measurement, presentation, and disclosure comply with PS 3160. Hence, the adoption of this standard did not result in any impact to the financial statements for the fiscal year ended March 31, 2024.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 3. Adoption of new accounting standards (continued):

#### (b) Adoption of PS 3400 Revenue Standard

On April 1, 2023, the University adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024, the University determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

#### (c) Adoption of PSG-8, Purchased Intangibles

On April 1, 2023, the University adopted Public Sector Guideline PSG-8, Purchased Intangibles, applied on a prospective basis ("PSG-8"). PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. Management has assessed the impact of adopting PSG-8 and found that at present no such items meet the criteria to be recognized as a purchased intangible.

### 4. Accounts receivable:

|                                       | 2024                 | 2023                |
|---------------------------------------|----------------------|---------------------|
| Tuition and trade receivables         | \$ 460,879           | \$ 383,626          |
| Sales tax rebates receivable          | 53,316               | 85,432              |
| Promissory note receivable (note 7)   | 15,325,666           | 82,742              |
| Due from Province of British Columbia | 112,084              | 881,704             |
| Other                                 | 106,786              | 67,925              |
|                                       | <u>\$ 16,058,731</u> | <u>\$ 1,501,429</u> |

### 5. Investments:

Investments and endowment investments recorded at amortized cost are comprised of fixed income securities which have maturities greater than three months at time of purchase.

All fixed income securities, held at March 31, 2024, mature at various dates to March 2029 (2023 - various dates to February 2028) and bear interest at rates ranging from 1.05% to 5.45% (2023 - 1.05% to 4.60%) per annum.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 6. Endowment investments:

Endowment investments represent the portion of endowment funds that are to be held in perpetuity by the University and are not available for use for operations or capital purchases. Only the income from the investments is available to the University, and in some cases only a part of the income. The balance must be reinvested to maintain the capital.

Capitalization on investments is 10% of the income earned on the endowment. The uncapped portion of income earned is available for disbursement to students in the form of scholarships, bursaries and awards.

In accordance with University policy, endowment funds are invested in highly liquid securities that are not rated lower than A by Canadian Bond Rating Service at the time of investment. Permitted securities include government bonds, commercial paper, term deposits, guaranteed investment certificates, banker's acceptances and corporate bonds.

|                          | 2023         | Contributed /<br>earned | Transfer     | Amounts<br>received /<br>spent | 2024         |
|--------------------------|--------------|-------------------------|--------------|--------------------------------|--------------|
| Trust fund endowment:    |              |                         |              |                                |              |
| Principal contribution   | \$ 6,183,785 | \$ 26,841               | \$ (111,520) | \$ -                           | \$ 6,099,106 |
| Investment income earned | 106,695      | 154,546                 | -            | (134,635)                      | 126,606      |
| Total                    | \$ 6,290,480 | \$ 181,387              | \$ (111,520) | \$ (134,635)                   | \$ 6,225,712 |

### 7. Investment in GNW Campus Trust:

The University has a 25% share of the GNW Campus Trust.

|                                  | 2024           | 2023          |
|----------------------------------|----------------|---------------|
| Investment, at beginning of year | \$ 11,692,867  | \$ 12,263,955 |
| Distributions declared           | (15,242,924)   | -             |
| Net earnings (loss)              | 837,977        | (571,088)     |
| Investment, at end of year       | \$ (2,712,080) | \$ 11,692,867 |

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 7. Investment in GNW Campus Trust (continued):

The University's 25% share of the GNW Campus Trust is of the following:

|                               | 2024           | 2023          |
|-------------------------------|----------------|---------------|
| Financial assets              | \$ 10,669,945  | \$ 9,771,717  |
| Liabilities                   | 18,700,017     | 3,584,139     |
| Net assets                    | (8,030,072)    | 6,187,578     |
| Non-financial assets          | 5,317,992      | 5,505,289     |
| Accumulated surplus (deficit) | \$ (2,712,080) | \$ 11,692,867 |
|                               | 2024           | 2023          |
| Revenue                       | \$ 2,522,119   | \$ 1,798,740  |
| Expenses                      | (1,684,142)    | (2,369,828)   |
| Surplus, at end of year       | \$ 837,977     | \$ (571,088)  |

Under the provision of the Trust Deed, Great Northern Way Campus Ltd. in its capacity as trustee of the GNW Campus Trust, and at its sole discretion, is required to distribute all net income of the GNW Campus Trust to the beneficiaries. A distribution of \$60,971,698 was declared in fiscal 2024 (2023 - no distribution) based on the Trust's taxable income which included a deemed disposition capital gain tax event occurring during the year. The University has recorded its 25% share of the distribution of \$15,242,924 against its investment in GNW account and a corresponding promissory note receivable which the Trust issued until such time as the Trust has sufficient capital to settle the note. The promissory note bears interest at the CRA prescribed rate being 5% as at December 31, 2023.

### 8. Tangible capital assets:

| Cost                       | 2023           | Additions    | Disposals      | 2024           |
|----------------------------|----------------|--------------|----------------|----------------|
| Land (a)                   | \$ 14,400,000  | \$ -         | \$ -           | \$ 14,400,000  |
| Buildings                  | 119,244,637    | 408,234      | -              | 119,652,871    |
| Equipment - general        | 1,498,753      | 566,117      | (409,648)      | 1,655,222      |
| Equipment - computer       | 1,093,242      | 1,124,906    | (526,200)      | 1,691,948      |
| Library collection         | 495,300        | 48,930       | (54,481)       | 489,749        |
| Leases - digital equipment | 2,021,735      | 376,417      | (363,565)      | 2,034,587      |
| Total                      | \$ 138,753,667 | \$ 2,524,604 | \$ (1,353,894) | \$ 139,924,377 |

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 8. Tangible capital assets (continued):

| Accumulated amortization   | 2023                 | Disposals             | Amortization expense | 2024                 |
|----------------------------|----------------------|-----------------------|----------------------|----------------------|
| Land                       | \$ -                 | \$ -                  | \$ -                 | \$ -                 |
| Building                   | 11,216,926           | -                     | 1,991,936            | 13,208,862           |
| Equipment - general        | 812,167              | (409,648)             | 326,781              | 729,300              |
| Equipment - computer       | 689,553              | (526,200)             | 348,150              | 511,503              |
| Library collection         | 247,195              | (54,481)              | 49,253               | 241,967              |
| Leases - digital equipment | 938,380              | (363,565)             | 488,287              | 1,063,102            |
| <b>Total</b>               | <b>\$ 13,904,221</b> | <b>\$ (1,353,894)</b> | <b>\$ 3,204,407</b>  | <b>\$ 15,754,734</b> |

  

|                            | 2024                  | 2023                  |
|----------------------------|-----------------------|-----------------------|
|                            | Net book value        | Net book value        |
| Land                       | \$ 14,400,000         | \$ 14,400,000         |
| Buildings                  | 106,444,009           | 108,027,711           |
| Equipment - general        | 925,922               | 686,586               |
| Equipment - computer       | 1,180,445             | 403,689               |
| Library collection         | 247,782               | 248,105               |
| Leases - digital equipment | 971,485               | 1,083,355             |
| <b>Total</b>               | <b>\$ 124,169,643</b> | <b>\$ 124,849,446</b> |

#### (a) Land acquisition:

In 2017, the University purchased from Great Northern Way Campus Ltd. the lands described as Lot Q situated on the Great Northern Way Campus site, Vancouver, British Columbia for \$14.4 million. On May 12, 2017, Great Northern Way Campus Ltd. declared a capital dividend of \$14.4 million to each of its shareholders and correspondingly, issued promissory notes payable to each shareholder. The promissory note payable to the University was fully settled by transfer of the lands pursuant to the terms of the land purchase agreement.

#### (b) Works of art and historical treasures:

The University manages and controls various works of art including paintings, drawings, prints, lithographs and etchings located on site in public display areas. These assets have an appraised value at the time of acquisition of \$3,179,236 (2023 - \$3,163,236), but are not recorded as tangible capital assets on these consolidated financial statements.



# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 9. Accounts payable and accrued liabilities:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Trade accounts payable and accrued liabilities | \$ 3,269,771 | \$ 3,777,824 |
| Accrued payroll benefits:                      |              |              |
| Vacation pay                                   | 2,620,289    | 2,080,578    |
| Banked overtime                                | 16,417       | 17,384       |
| Gratuity days                                  | 386,273      | 332,293      |
| Retirement incentives                          | -            | 66,889       |
|  | \$ 6,292,750 | \$ 6,274,968 |

### 10. Debt:

|  | 2024          | 2023          |
|--|---------------|---------------|
| Concessionaire payable -<br>Great Northern Way Campus Project with AAP Partnership,<br>payable in monthly payments commencing August 4, 2017<br>including annual interest of 4.59%, in accordance with the<br>project agreement terms. Required principal repayments<br>on P3 debt for the years ending March 31, 2047 | \$ 52,370,534 | \$ 53,647,209 |

Principal and interest payments for the next five years and thereafter are as follows:

|            | Principal     | Interest      | Total<br>payments |
|------------|---------------|---------------|-------------------|
| 2025       | \$ 1,335,233  | \$ 2,401,795  | \$ 3,737,028      |
| 2026       | 1,396,478     | 2,340,550     | 3,737,028         |
| 2027       | 1,460,533     | 2,276,495     | 3,737,028         |
| 2028       | 1,527,529     | 2,209,499     | 3,737,028         |
| 2029       | 1,597,594     | 2,139,434     | 3,737,028         |
| Thereafter | 45,053,167    | 22,047,008    | 67,100,175        |
|            | \$ 52,370,534 | \$ 33,414,781 | \$ 85,785,315     |

The debt related payments as well as the facility maintenance and lifecycle costs under the P3 contracts (note 13(c)) are funded by the Ministry.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 11. Employee future benefits:

The University and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2023, the College Pension Plan has about 17,200 active members, and approximately 10,700 retired members. As at December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 7,000 from colleges.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2021, indicated a \$202 million surplus for basic pension benefits on a going concern basis.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The University paid \$2,981,738 (2023 - \$2,565,061) for employer contributions to the plans in fiscal 2024.

The next valuation for the College Pension Plan will be as at August 31, 2024. The next valuation for the Municipal Pension Plan will be December 31, 2024.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 12. Deferred contributions and deferred capital contributions:

|                                   | 2023          | Amounts<br>received | Amortized<br>as revenue | 2024          |
|-----------------------------------|---------------|---------------------|-------------------------|---------------|
| Provincial operating              | \$ 717,122    | \$ 2,142,644        | \$ (404,104)            | \$ 2,455,662  |
| Federal operating                 | 1,317,977     | 1,304,688           | (805,416)               | 1,817,249     |
| Other operating                   | 2,171,289     | 1,462,599           | (2,177,406)             | 1,456,482     |
| Deferred contributions            | 4,206,388     | 4,909,931           | (3,386,926)             | 5,729,393     |
| Provincial capital                | 39,709,432    | 1,712,724           | (1,089,267)             | 40,332,889    |
| Other capital                     | 16,595,990    | -                   | (330,353)               | 16,265,637    |
| Deferred capital<br>contributions | 56,305,422    | 1,712,724           | (1,419,620)             | 56,598,526    |
| Total                             | \$ 60,511,810 | \$ 6,622,655        | \$ (4,806,546)          | \$ 62,327,919 |

Included in deferred capital contributions are unspent funds of \$2,098,530 (2023 - \$2,276,112).

### 13. Contractual obligations and contingencies:

#### (a) Operating and building leases:

At March 31, 2024, the University is obligated to make the following minimum lease payments with respect to leased studio space in each of the next two fiscal years ending March 31:

|      |            |
|------|------------|
| 2025 | \$ 148,077 |
| 2026 | 153,629    |
|      | \$ 301,706 |

#### (b) GNW Campus Trust commitments:

- (i) The GNW site is currently zoned pursuant to CD-1 (402) Comprehensive Development Zone. A condition of the CD-1 zoning is related to servicing and engineering commitments both on and off the site. When the site was partially gifted, these commitments were assumed by GNW when it and the partner institutions entered into an Assignment and Assumptions Agreement with the City of Vancouver in 2002. This agreement pertains to the entire land area under the CD-1 (402) zoning, including land not owned by GNW. This agreement obligates GNW to reimburse the City of Vancouver for certain costs in addition to carrying out certain on-site and off-site servicing works. The timing of payments is largely contingent on activities that may be performed by GNW in the coming years as part of its site development plan.

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 13. Contractual obligations and contingencies (continued):

(b) GNW Campus Trust commitments (continued):

(ii) Effective January 1, 2021, GNW entered into a Management Services Agreement with SFU whereby SFU will provide certain budget and financial, student, academic and administrative services related to the Master of Digital Media ("MDM") Program. This includes an allocation of space in buildings 685 and 577 for the MDM Program, and the appointment of a principal contact by SFU to oversee the terms of the agreement. GNW agreed to pay SFU eight percent (8%) of the gross tuition and mandatory fees in return for these services.

(c) Public-private partnership commitments:

The University entered into multiple-year P3 contracts to design, build, finance, and maintain the Great Northern Way Campus. The term of the Agreement is February 11, 2015 to August 4, 2047. The Agreement specifies cases where early termination may occur. Except as referred to in the Agreement, neither party will have the right to terminate the Agreement.

The information presented below shows the anticipated cash outflow for future obligations under these contracts for the facility maintenance and the lifecycle costs. Facilities maintenance and life cycle payments to the private partner are contingent on specified performance criteria and include an estimation of inflation. Specified services are subject to a tendering process ("market testing") at dates specified in the Project Agreement, which could impact the amount of anticipated cash outflows. Market testing occurs every six years, with the next testing to occur in advance of August 4, 2026. Amounts are payable to March 31, 2047.

|            |    |                |
|------------|----|----------------|
| 2025       | \$ | 3,457,315      |
| 2026       |    | 3,370,759      |
| 2027       |    | 3,541,709      |
| 2028       |    | 4,643,652      |
| 2029       |    | 3,528,395      |
| Thereafter |    | 86,337,921     |
|            |    | <hr/>          |
|            |    | \$ 104,879,751 |

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 14. Capital lease obligation:

The University has entered into capital leases with respect to computer equipment. The principal and interest payments are as follows:

|  | 2024       | 2023       |
|--|------------|------------|
| 2024   | \$ -       | \$ 434,528 |
| 2025   | 375,282    | 266,831    |
| 2026   | 257,592    | 149,141    |
| 2027   | 192,767    | 84,315     |
| 2028   | 4,920      | -          |
| Total minimum lease payments   | 830,561    | 934,815    |
| Amount representing interest at rates ranging from<br>3.00% to 9.60% (2023 - 3.00% to 8.50%) | (108,608)  | (109,136)  |
| Capital lease obligations  | \$ 721,953 | \$ 825,679 |

### 15. Expenses by object:

The following is a summary of expenses by object:

|  | 2024          | 2023          |
|--|---------------|---------------|
| Salaries and benefits                    | \$ 40,595,501 | \$ 37,010,775 |
| Facility services                        | 3,448,743     | 3,660,102     |
| Amortization                             | 3,204,405     | 3,456,505     |
| Interest                                 | 2,518,384     | 2,559,816     |
| Information technology                   | 1,850,027     | 1,332,925     |
| HR programs and professional development | 1,227,049     | 891,755       |
| Professional services                    | 1,973,861     | 879,115       |
| Scholarships, bursaries and awards       | 928,201       | 825,408       |
| Advertising and promotions               | 580,777       | 582,100       |
| Other                                    | 679,796       | 572,549       |
| Utilities                                | 538,194       | 524,118       |
| Supplies                                 | 497,613       | 494,659       |
| Student recruitment and development      | 223,820       | 337,902       |
| Guest artists and speakers               | 361,634       | 320,350       |
| Communications                           | 398,031       | 267,899       |
| Leases and rentals                       | 102,145       | 230,293       |
| Library services                         | 215,674       | 205,856       |
| Counselling and interpreting             | 104,615       | 128,180       |
| University memberships                   | 128,608       | 109,950       |
| Repairs and maintenance                  | 77,161        | 93,032        |
| Cost of goods sold                       | 41,045        | 68,073        |
|  | \$ 59,695,284 | \$ 54,551,362 |

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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### 16. Funds held by Vancouver Foundation:

The University has endowment funds of \$1,365,946 (2023 - \$1,088,333) with the Vancouver Foundation. These are permanent funds with the Foundation and provide income for scholarships, bursaries and other student aid at the University. The funds are not under University ownership or control. The University has recorded its contributions to the funds as donation expenses. The University received amounts totaling \$41,128 (2023 - \$35,987) as income from the funds during the year.

### 17. Financial risk management:

The University is exposed to risks of varying degrees of significance from its use of financial instruments, which could affect its ability to achieve its strategic objectives. The Board of Governors ensures that the University has identified its major risks and ensures that management monitors and controls them.

#### (a) Fair values:

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The carrying values of cash and cash equivalents, investments, accounts receivable and accounts payable approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

#### (b) Liquidity risk:

Liquidity risk is the risk that the University is not able to meet its financial obligations as they become due, or can only do so at excessive costs. The University establishes budgets and cash flow projections to ensure it has the necessary funds.

#### (c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the University's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Fixed interest rate instruments are subject to fair value risk. The University is exposed to this risk with respect to the promissory note (notes 4 and 7), P3 debt (note 10) as well as the fixed income investments (note 5).

# Emily Carr University of Art + Design

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

### 17. Financial risk management (continued):

#### (d) Credit risk:

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

The risk related to tuition and trade receivables is mitigated by ensuring the majority of receivables are collected prior to delivery of programs. The University's exposure to credit risk is influenced mainly by the individual characteristics of each student and hence is not subject to concentration of credit risk. The University is exposed to credit risk in the event of non-payment of billings. This risk is mitigated by the University's prompt collection process and ability to withhold transcripts. Cash and cash equivalents and investments are held with reputable, high quality institutions and therefore credit risk is considered to be low. The University accounts for a specific bad debt provision when management considers that the expected recovery is less than the account receivable.

The collection on the promissory note receivable with GNW Campus Trust will be based on when the Trust has the sufficient capital to settle the note. Management will assess for impairment of the note receivable each fiscal year and adjust the carrying value of the receivable based on the expected recovery.

### 18. Accumulated surplus:

Accumulated surplus is comprised of the following:

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| Equity in GNW Campus Trust                 | \$ 12,613,586        | \$ 11,775,609        |
| Capital fund                               | 16,709,395           | 16,409,441           |
| Internally restricted for special projects | 541,863              | 557,714              |
| Internally restricted for student awards   | 363,358              | 346,147              |
| Endowments                                 | 6,099,106            | 6,183,785            |
| Unappropriated surplus                     | 1,863,109            | 3,329,046            |
|  | <b>\$ 38,190,417</b> | <b>\$ 38,601,742</b> |



# BOARD OF GOVERNORS

## Information Briefing Note

|                               |  |
|-------------------------------|--|
| <b>TO:</b>                    | Board of Governors   |
| <b>FROM:</b>                  | Mark Douglas, Acting Vice President Finance + Administration   |
| <b>DATE:</b>                  | May 23, 2024   |
| <b>SUBJECT:</b>               | Annual Report on Forced Labour and Child Labour  |
| <b>PURPOSE:</b>               | <input checked="" type="checkbox"/> For Action <input checked="" type="checkbox"/> For Discussion <input type="checkbox"/> For Information |
| <b>RESPONSIBLE PORTFOLIO:</b> | Vice President Finance + Administration  |

### MOTION

**That the Board, on the recommendation of the Board Audit + Finance Committee, approve ECU's Annual Report on Forced Labour and Child Labour for the year ended March 31, 2024, as presented.**

### EXECUTIVE SUMMARY/OVERVIEW

On January 1, 2024 the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* was enacted by the Federal Government. This Act imposes an obligation on certain entities to report on the measures taken in the previous fiscal year to prevent and reduce the risk that forced labour or child labour is used by them or in their supply chains. These entities must submit an annual report to the Minister of Public Safety by May 31 of each year.

Entities required to report are any that

- produce, sell or distribute goods in Canada or elsewhere,
- import goods into Canada, or
- control an entity engaged in any of these activities,



and who meet two of the following three criteria for at least one of its two most recent fiscal years:

1. \$20 million or more in assets
2. \$40 million or more in revenue
3. An average of 250 or more employees.

ECU meets all three criteria and imports goods into Canada, requiring the university to submit a report.

#### **KEY POINTS/CONSIDERATIONS**

- The report must be approved and attested by the organization's governing body.
- The report must be posted in a prominent place on ECU's website and will be made publicly accessible in an electronic government registry.
- A questionnaire must be completed along with the submitted report.
- A guideline has been prepared to assist with the preparation of the report, which was used to prepare ECU's submission.
- The requirement is to report on whether specific measures related to forced labour and child labour are taken and, if so, to provide detail on the measures taken. In cases where measures are not taken, stating this in the report is sufficient to meet this requirement.
- Failure to file a report could lead to criminal liability for the organization and its directors and officers, including fines up to \$250,000.

#### **NEXT STEPS**

- The university's report must be approved and attested by the Board.
- The report must be submitted by May 31, along with the attestation letter.

#### **ATTACHED SUPPORTING MATERIALS**

The Annual Report on Forced Labour and Child Labour

# Emily Carr University of Art + Design

## Annual Report on Forced Labour and Child Labour

For the fiscal year ended March 31, 2024

### About us

Located in Vancouver, British Columbia, Emily Carr University of Art + Design (ECU) is a world-renowned learning community and centre for excellence and innovation in art, design and media education. As one of the oldest post-secondary institutions in British Columbia, ECU is unique in the province's post-secondary landscape as the only accredited public university in B.C. dedicated solely to education in these creative fields.

The university merges research, critical theory and studio practice within an inclusive teaching and learning space. ECU offers an interdisciplinary and experiential learning environment that fosters creative exploration and connection to broader communities and professional opportunities. Its strategy, partnerships, resources and facilities are intentionally student-centred to enable dialogue, expression and open connections in support of the next generation of creative and cultural leaders.

The university has over 400 dedicated faculty and staff members and has a mandate to serve the province of B.C. as a whole and we successfully deliver our unique mix of practice-based creative programming to our students. The university's programming includes leading art, design and media degree programs, certificates, continuing education courses, graduate studies and research opportunities, as well as youth programs and pre-university programs.

### Organization Structure

As a public university in British Columbia, ECU operates within a legal framework established through the University Act (the Act), and regulatory and policy frameworks set by the Provincial government.

The university is governed by both a Board of Governors and a Senate. Under this bicameral model each body is tasked with different areas of oversight and together provide direction to the university to support implementation of its vision, mission, values and mandate. The university receives direction on mandate and the priorities of government through an annual Mandate Letter addressed to the Board of Governors. The Board is responsible for the stewardship of the university and is accountable for ensuring that the university operates in accordance with its mandate.

As per the Act, the Board of Governors is composed of the Chancellor, the President + Vice-Chancellor, eight appointed members, two elected faculty members, one elected staff member, and two elected student members. Appointed members are established by Order of the Lieutenant Governor in Council. Faculty, employee, and student board members are elected by their peers. The effective governance of the university relies on all board members fulfilling their roles and responsibilities with the highest standards of conduct.

The Senate is the academic governing body of the university and is responsible for academic matters, including development of academic policy, approval of curriculum and academic conduct concerns. The

Senate must also advise the Board and the Board must seek advice from the Senate on various policy areas of joint concern as outlined in the Act.

### Activities

ECU does not manufacture goods, or sell or distribute goods except curriculum-related materials to its students; however, it does import goods into Canada.

To support its programs, ECU imports a small number of products from around the world. This includes specialized supplies and equipment, not available for purchase in Canada, which are required to provide industry-ready programming to its students. In its last fiscal year, ended March 31, 2024, using customs brokers, the university saw less than 50 import transactions valued at approximately \$55,000 CDN, less than 0.3% of the non-salary expenditures recorded during the year.

For the items imported, the countries of origin were: United States (21), China (12), Japan (4), Italy (2), and one from each of United Kingdom, Sweden, Mexico, Germany, Belgium, Netherlands, Pakistan and Czechia. The country of export for all but four items was the United States (along with United Kingdom, Belgium, Italy and Netherlands).

### Supply Chains

ECU has not investigated the indirect suppliers (e.g. sources of raw materials) needed to produce the products that it has imported. However, each country of export from which the university has imported goods has a free trade agreement with Canada currently in force.

### Policies and Due Diligence Processes

ECU is committed to adhering to all provincial and federal regulations. At this time of reporting, no current policies exist in relation to forced labour or child labour. In the coming year, ECU will proactively undertake comprehensive research within the post-secondary sector to inform our operational practices and ensure the implementation of university policy that reflects our dedication to ethical standards and social responsibility. Areas of research to support the creation of robust due diligence processes may include, but are not limited to:

- Procurement Practices
- Supplier Code of Conduct
- Sustainability Priorities
- Ethical Behaviour Standards

### Forced Labour and Child Labour Risks

ECU has a risk management framework in place and no risks related to forced labour or child labour have been identified. However, questions asked during the risk assessment process have not been specific to these activities, and the university will aim to close these gaps when performing future assessments.

Through the process of preparing this report, ECU has reviewed the items it imported during the year, including the countries of origin, and feels that the risk of forced labour or child labour in the production of these goods is low.

### Remediation Measures

As the university has not identified risks related to forced labour or child labour, remediation measures are not applicable.

### Remediation of Loss of Income

As the university has not identified risks related to forced labour or child labour, remediation measures for potential loss of income are not applicable.

### Training

ECU recognizes the critical role our employees play. Therefore, we are dedicated to building their knowledge around understanding and compliance. In the current fiscal year, procurement staff who interact with suppliers will receive mandatory training to ensure they know how to reduce the risk of forced labour and child labour in our supply chains. Additionally, all employees will have access to resources to support their independent understanding of ECU's procurement procedures.

### Assessing Effectiveness

ECU accepts the responsibility to develop and enact policies that mitigate risks. We commit to ongoing monitoring of our supply chain for signs of forced labour and child labour, including thorough due diligence on new and existing vendors if significant changes arise. Staff training will be provided to ensure awareness of the risks associated with forced labour and child labour. University policy and processes will be examined and updated to address critical risks, as conducting our operations with integrity is vital for earning and retaining the trust of our stakeholders.