

# AGENDA

BOARD OF GOVERNORS – OPEN SESSION

Thursday, June 4, 2026 — 3:00 – 4:00 pm  
ECU Boardroom D2315 and via Teams

**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.

Time	Item	Speaker	Action	Page
3:00	<b>1. Call to Order and Territorial Acknowledgement</b> <b>2. Disclosure of Conflict of Interest</b>	L. O’Melinn, Acting Chair/ N. Tony		

<b>Consent Agenda</b>				
<b>3. Items for approval by consent</b>				
<b>IT IS HEREBY RESOLVED that the Board of Governors accepts and/or approves the items included under the Consent Agenda.</b>				
	3.1 Agenda		Approval	1 – 2
	3.2 Minutes of Board Open Session held on March 26, 2026		Approval	3 – 6
	3.3 Report on Forced Labour and Child Labour		Approval	7 – 12
<b>IT IS HEREBY RESOLVED that the Board of Governors, on the recommendation of the Audit + Finance Committee, approves ECU’s Annual Report on Forced Labour and Child Labour for the year ended March 31, 2026, as presented.</b>				
	3.4 President + Vice Chancellor’s Report		Information	13 – 14

<b>4. Business</b>				
3:02	4.1 Acting Chair’s Remarks	L. O’Melinn	Information	
3:05	4.2 President’s Remarks			
3:10	4.3 Budget Update: 2025/26 Actual Activity vs Approved Budget	M. Douglas	Information	15 – 19

Time	Item	Speaker	Action	Page #
3:20	4.4 Audited Financial Statements for FYE March 31, 2026	M. Douglas	Approval	20 – 50
	<b>IT IS HEREBY RESOLVED that the Board of Governors, on the recommendation of the Audit + Finance Committee, approves the audited Financial Statements for the Year Ended March 31, 2026.</b>			
3:30	4.5 Strategic Plan Progress Report	T. Kelly	Information/ Discussion	
3:50	4.6 President’s Closing Remarks	T. Kelly		
	<b>5. Next Meeting – September 24, 2026</b>			
4:00	<b>6. Conclusion of Meeting</b>			

Thursday, March 26, 2026  
3:15 p.m. – 4:15 p.m.  
ECU Boardroom D2315 and \*MS Teams

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**ATTENDANCE:**

<b>Board Members:</b>	Saanvi Bhat, Student-elected Board Member Ashley Chung, Student-elected Board Member Brenda Crabtree, Board Member Trish Kelly, President + Vice-Chancellor Steve Kinsey, Board Member Mary Macaulay, Board Member Lorcan O’Melinn, Acting Board Chair, Board Vice-Chair, and Audit + Finance Committee Chair Harv Phandal-Dhanda, Board Member Eduardo Rodriguez, Employee-elected Board Member Natasha Tony, Board Member Sung Van, Board Member
<b>Regrets:</b>	Alla Gadassik, Faculty-elected Board Member Mimi Gellman, Faculty-elected Board Member Carleen Thomas, Chancellor
<b>Employee Resources:</b>	Diyani Achjadi, Vice-President, Academic + Provost Mark Douglas, Interim Vice-President, Finance + Administration Natasha Himer, University Secretary + Executive Director, Governance Kayla Stuckart, Executive Director, Communications, Marketing + Public Affairs Adrian Tees, Associate Vice-President, Human Resources Alexander Muir, Technical Support
<b>Recorder:</b>	Bessie Chow, Recording Secretary*

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**1. CALL TO ORDER AND TERRITORIAL ACKNOWLEDGEMENT**

With quorum present, the Acting Board Chair, L. O’Melinn, called the meeting to order at 3:26 p.m.

The Acting Chair acknowledged that Emily Carr University of Art + Design (“ECU”) is situated on the unceded, traditional, and ancestral territories of the Musqueam, Squamish, and Tsleil-Waututh Nations.

**2. DISCLOSURE OF CONFLICT OF INTEREST**

Board members were invited to disclose any conflicts of interest related to the agenda items. No conflicts were disclosed.

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held Thursday, March 26, 2026

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### 3. CONSENT AGENDA

The following resolution was moved, seconded, and **CARRIED**:

**IT IS HEREBY RESOLVED that the Board approves the items included under the Consent Agenda, as circulated.**

#### 3.1. Agenda

#### 3.2. Minutes of the Board Open Session held on February 5, 2026

#### 3.3. Q3 Forecast

**IT IS HEREBY RESOLVED that the Board, on the recommendation of the Audit + Finance Committee, ratifies the Q3 Forecast for the fiscal year 2025/26 as submitted to the Ministry of Post-Secondary Education and Future Skills.**

### 4. BUSINESS AND PRESENTATION

#### 4.1. Chair's Remarks

The Acting Chair highlighted the focus of the meeting on the approval of the 2026/27 Budget.

#### 4.2. President's Remarks

The President + Vice-Chancellor, T. Kelly, noted the following matters for information:

- **Spring convocation reminder**
- **Public post-secondary sector review** – The report is expected to be released in April 2026.
- **QS top universities standings 2026** – ECU is ranked #30 globally and #11 in North America among art and design universities.
- **Current and upcoming events** – Upcoming alumni and current student events were highlighted, including the Macaulay + Co exhibition opening (March 26), E. J. Hughes documentary showing (March 26), MFA Thesis Exhibition (March 28—April 9), and BFA open studios (March 26—March 27).

#### 4.3. Suspension of Intake

The Vice-President, Academic + Provost, D. Achjadi, presented the proposed suspension of intake for new students of the BMA Major in New Media and Sound Arts (NMSA), BFA in Photography (PHOT), and BFA in Critical and Cultural Practices (CRCP), noting the matter has undergone many consultation steps, was presented to the Senate and has also been reviewed by the Audit + Finance Committee (“AFC”).

In response to a question, D. Achjadi confirmed that work is underway on integrating and preserving hyperspecialized practices through the main curriculum.

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The following resolution was moved, seconded, and **CARRIED**:

**IT IS HEREBY RESOLVED that the Board, on the recommendation of the Audit + Finance Committee, approves the suspension of intake of new students to the BMA Major in New Media and Sound Arts (NSMA), the BFA in Photography (PHOT), and the BFA in Critical and Cultural Practices (CRCP), effective March 27, 2026, until further notice.**

### 4.4. 2026-27 Budget Presentation

L. O'Melinn provided introductory comments, noting the extensive review of the budget by the AFC and the Board, and consideration of various internal and external factors including rising costs, evolving demographics, sector challenges, enrolment uncertainty, and deficit mitigation strategies.

T. Kelly added that the budget has evolved from an initial operating deficit of \$3.6 million to the current balanced budget with a modest operating surplus. T. Kelly emphasized that the Administration is committed to build on improvements in the consultation process going forward and commended the steps taken this year.

The Interim Vice-President, Finance + Administration, M. Douglas presented the 2026/27 All Funds Budget, highlighting:

- The budget development cycle and consultation process
- An overview of each fund, including targets and assumptions for the operating fund
- Context and challenges
- Key investments in 2026/27
- Deficit mitigation strategies
- Risks and emerging pressures
- Future sustainability measures

During discussion, the Board expressed appreciation for the accessibility of the information and the care taken to community consultations.

The following resolution was moved, seconded, and **CARRIED**:

**IT IS HEREBY RESOLVED that the Board, on the recommendation of the Audit + Finance Committee, approves the 2026/27 All Funds Budget as presented by Administration, with a \$1,105,339 surplus, including an operating fund surplus of \$27,474.**

## 5. REPORTS

### 5.1. President + Vice-Chancellor's Report

T. Kelly presented a written report regarding the following matters:

- **Centennial year midpoint** – An update on initiatives and upcoming activities.
- **President's speaking events**
- **Indigenous Alumni Exhibition** – Details on the exhibition curated by Leanne Inuarak-Dall and Vance Wright, with support from Daina Warren and the

## **Draft Minutes of ECU Board Meeting – Open Session**

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Aboriginal Gathering Place, featuring 55 artists from Indigenous alumni, current students, staff, and faculty.

The Board received the report for information with no questions or comments.

### **5.2. Vice-President, Academic + Provost's Report**

D. Achjadi presented a written report and provided verbal updates regarding the following matters:

- **Libby Leshgold Gallery Exhibition** – Details on the March 26 exhibition opening featuring the work of Taiwanese artist Hong-Kai Wang.
- **Admission processes** – A status report on the commencement of admission offers.
- **Curriculum review** – An update on review of ECU curriculum and academic programs.

The Board received the report for information with no questions or comments.

### **6. NEXT MEETING**

The next meeting of the Board of Governors was confirmed as scheduled on June 4, 2026.

### **7. CONCLUSION AND IN CAMERA SESSION**

With no further business, the Open Session of the March 26, 2026 Board of Governors meeting concluded at 4:05 p.m. and the Board proceeded to a brief in camera session.

## Briefing Note

<b>TO:</b>	Board of Governors
<b>FROM:</b>	Mark Douglas, Interim Vice President, Finance + Administration
<b>DATE:</b>	June 4, 2026
<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

### RECOMMENDED MOTION

**IT IS HEREBY RESOLVED** that the Board, on the recommendation of the Audit + Finance Committee, approves the ECU Annual Report on Forced Labour and Child Labour for the year ended March 31, 2026, as presented.

### EXECUTIVE SUMMARY/OVERVIEW

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, which came into force on January 1, 2024, requires certain entities to file an annual report describing the measures taken during the previous fiscal year to prevent and reduce the risk of forced labour or child labour in their operations and supply chains.

Emily Carr University (ECU) reports under the Act. The attached 2026 report is provided for approval by the Board of Governors.

## KEY POINTS/CONSIDERATIONS

- On the advice of legal counsel, the 2026 report remains substantially consistent with the 2025 submission, with updates limited primarily to current-year financial information and import activity.
- The University imported a small number of classroom supplies, books and equipment during the year. A total of 40 import transactions were processed through ECU's customs brokers, with a total value of approximately \$35,000, representing less than 0.2% of total non-salary expenses.
- Administration reviewed the countries of origin and export associated with the University's import activity. With the exception of one order of hand tools originating in Pakistan and exported from the United States, imported goods originated in or were exported from countries with a low Prevalence Rating on the [Walk Free Global Slavery Index](#). Based on this review and the limited volume of imports, Administration considers the risk that forced labour or child labour was used in the production of goods imported by the University to be low.
- A questionnaire required as part of the federal reporting process will be completed and submitted with the report.
- Following submission, the report will be posted on the University's website and made publicly available through the federal government's electronic registry.

## NEXT STEPS

- The Board of Governors is required to approve and attest to the report.
- The posted deadline for submission is May 31, which does not align with the Board schedule. As in previous years, the University will submit the report after Board approval (June 4).

## ATTACHED SUPPORTING MATERIALS

1. The Annual Report on Forced Labour and Child Labour, for the fiscal year ended March 31, 2026

# Annual Report on Forced Labour and Child Labour

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for Fiscal Year ended  
March 31, 2026



## **About Emily Carr University of Art + Design**

Located in Vancouver, British Columbia, and situated on the unceded, traditional and ancestral territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish) and sə̌ilwətaʔɬ (Tsleil-Waututh) Nations, 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.

### **Supply Chains**

To support its academic 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, 2026, using customs brokers, the university saw 40 import transactions valued at approximately \$35,000 CDN, less than 0.2% of the non-salary expenditures the University recorded during the year.

For the items imported, the countries of origin were: United States (22), Germany (4), Netherlands (4), China (3), Japan (2) and one from each of Australia, Finland, Pakistan, Singapore, United Kingdom and Vietnam. The country of export for all but eight transactions was the United States (along with Netherlands (3), Australia, China, Finland, Germany, and Singapore).

ECU is committed to implementing a process to proactively identify indirect suppliers (i.e. mapping our supply chains) to ensure that products that are imported by the University have a low risk of forced labour and child labour in their production. This work is ongoing, although for the reporting year ECU has verified that, with the exception of hand tools that originated in Pakistan, the goods imported by the university over the past 12 months originated in or were exported from countries with a low Prevalence Rating on the [Walk Free Global Slavery Index](#) (GSI). While we acknowledge the potential for forced labour and child labour in the production of goods from any country, we think the likelihood that forced labour and child labour occurred in the production of goods imported by ECU is low.

### **Policies and Due Diligence Processes**

ECU is committed to adhering to all provincial and federal regulations. At this time of reporting, the university is drafting an update to its procurement policy which will incorporate guidelines to reduce the risk of forced labour and child labour in our supply chains. ECU ensures the implementation of university policies and practices that reflect our dedication to ethical standards and social responsibility, which 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. Through the process of preparing this report, ECU has reviewed the items 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**

The university has not identified any instances of forced labour or child labour in its activities or supply chains.

### **Remediation of Loss of Income**

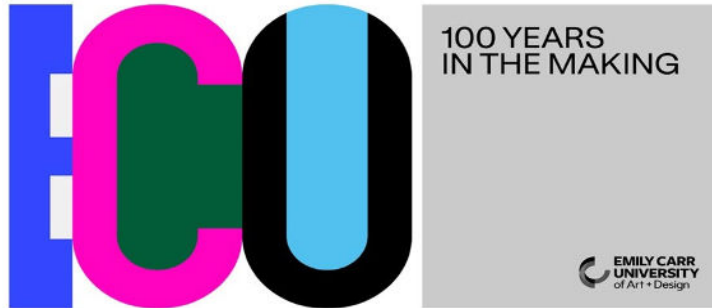
The university has not identified any instances of lost income from remediation efforts taken to reduce the risk of forced labour and child labour in its activities or supply chains.

### **Training**

ECU recognizes the critical role our employees play. Therefore, we are dedicated to building their knowledge around understanding and compliance. Procurement staff who interact with suppliers will receive 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.



## Report to the Board of Governors

President + Vice-Chancellor  
June 4, 2026

### Graduation 2026

ECU's 2026 Graduation was held at the Chan Centre on May 14, with 534 students convocating (including 51 graduate students). The Honorable Jesse Sunner, Minister of Post-Secondary Education + Future Skills, provided a pre-recorded address for students and families to mark the occasion and to congratulate graduands on their accomplishment.

As part of the festivities, Honorary Doctorates were awarded to Glenn Alteen (grunt gallery co-founder and curator), Neko Case (ECU alum, and indie icon and Grammy-nominated musician), and Faye HeavyShield (world-renowned sculptor and installation artist), for their exemplary contributions to our local and global arts communities. Glenn, Neko, and Faye, each in their own way, have made a significant impact in their fields through their commitments to creative practice and community engagement.

The Emily Award, which celebrates alumni whose achievements in art, media and design have elevated both their disciplines and the university, was awarded to Peter Morin, a Tahltan Nation artist, curator and professor, for his significant achievements as a performance and installation artist. More information about this exemplary group of award winners can be found [here](#).

### The Show

On the evening before graduation, students, parents, and the broader Vancouver community gathered for the opening of the first graduation exhibition of ECU's second century, showcasing graduates from visual art, media art, and design. With 420 works on view, from physical installations, to product and communication design, to digital media and screenings (both at ECU and at the VIFF Centre), The Show was an important first look at work of the next generation of artists and designers who are already shaping the future of culture, industry, and creative practice. Comprised of both an on-campus exhibition (open May 13-27), and an on-going online presence (link [here](#)), the in-person event was one of Vancouver's largest, free, and open to the public art exhibitions. The online exhibition, with 258 published projects, saw about 8200 visitors to the site who viewed almost 50,000 pages of student work.

## Indigenous Summer Market

The Aboriginal Gathering Place (AGP) hosted the 3<sup>rd</sup> annual Indigenous Summer Market in early June celebrating and supporting Indigenous vendors and artists from the Vancouver area and ECU community, including alumni and current students. This year's market included beadwork, prints, jewelry, hand crafted Indigenous tea, skincare, plant medicines, cedar bark creations, ceramics, Indigenous chef made hot sauces, clothing and more. The Summer Market (much like the annual Student Art Sale) provides an important opportunity for students and alumni to gain mentorship and professional development experience in a supportive environment, extending the work of the AGP and ECU's commitment to students as they transition to graduates.

## Universities Canada

[Universities Canada](#) (UC) held their spring president's meeting in Vancouver on April 22-23. As the national voice for Canada's universities, UC advances shared priorities with the federal government related to research investment, talent development, innovation, and the role of universities in society. Top advocacy priorities include: funding for research and innovation, equitable access to education, and enhancing global engagement.

On April 24, President + CEO, Gabriel Miller, and VP Member Services, Julia Scott, visited ECU to learn more about our technical capabilities and research impact and with a deeper understanding of ECU's impact and story:

- ECU trains the problem-solvers Canada needs, producing graduates who have the creative confidence, material intelligence and critical judgment that translate across all sectors and fields (e.g. cultural industries, healthcare, technology, not-for-profit, and infrastructure).
- Creative practice is innovation. This year, our researchers led and collaborated on over 6 million in innovative research grants (with ECU administering \$1.2M of that), supporting \$400,000 in student research positioning across health design, material innovation, environmental resilience, and creative technology.
- ECU anchors BC's creative economy and Canada's cultural standing by training the next generation of innovators for BC's film, digital production and creative technology sectors, strengthening Canada's cultural presence locally and internationally.

## New Student Endowment Established in ECU's Centennial Year

On May 21, E.J. Hughes' *Coastal Boats Near Sidney, B.C.*, an asset of the university generously donated by the Peter and Joanne Brown Foundation, sold at Heffel Fine Art Auction House for \$4.75 million (hammer price). Following this record-breaking sale, ECU is proud to announce the establishment of a student endowment in honour of E.J. Hughes. The fund will remove financial pressure, giving art and design students the freedom to pursue real-world experiences, develop solutions through experimentation, and focus on the transformative contributions only they can make. The fund will establish annual awards, supporting ECU students across multiple generations. The announcement represents a defining legacy of ECU's centennial year, reflecting the university's mission to invest in the next century of art and design education.

The connection between E.J. Hughes and ECU spans decades. Hughes studied at the Vancouver School of Decorative and Applied Art, ECU's predecessor institution, graduating in 1933 under teachers from the Group of Seven. He became the inaugural recipient of the Emily Carr Scholarship. Nearly 80 years after Hughes received his scholarship, the sale of *Coastal Boats Near Sidney, B.C.* closes that circle with this new endowment.

## Briefing Note

<b>TO:</b>	Board of Governors
<b>FROM:</b>	Mark Douglas, Interim Vice-President, Finance + Administration
<b>DATE:</b>	June 4, 2026
<b>SUBJECT:</b>	2025/26 Actual Activity vs Approved Budget
<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

For the fiscal year ended March 31, 2026, ECU reported a consolidated all-funds surplus of \$579,246, representing a favourable variance of \$1,709,425 relative to the approved budget. The surplus was driven primarily by ECU's share in GNW Campus Trust, which was \$1,453,027 and is not available for University operations.

The more meaningful measure for ECU's financial performance is in the Operating Fund, which ended the year with a deficit of \$1,342,458. Although this was an improvement of \$534,502 compared to budget, it remains a significant deficit and highlights the need for continued financial vigilance (see Attachment: *Figure 2*).

### KEY POINTS/CONSIDERATIONS

- Tuition revenue was \$2,897,865 below budget, primarily due to lower international enrolment. Improvements to domestic tuition revenue (\$616,861) and fees (\$15,687) were offset by a shortfall in international tuition revenue (\$2,546,520) and Continuing Studies (\$983,893).
- Continuing Studies experienced a shortfall in tuition revenue, which was partially offset by reduced instruction and operating costs. Overall, Continuing Studies generated a surplus of almost \$100,000 but fell short of the target surplus of \$257,000, for a difference of \$157,000.

- Grant revenue was \$1,306,670 above budget, primarily due to provincial funding under the Balanced Measures Mandate. This increase was offset by the recognition of related salary costs. While these amounts have been recognized in 2025/26, most of the grants will be received and payments will be made at the completion of the Collective Bargaining process.
- Income from equity accounted organizations was \$1,078,679 above budget, reflecting GNW Campus Trust results. This variance was the primary driver of the consolidated all-funds surplus.
- Total expenditures were \$2,646,399 below budget, reflecting management's actions to contain costs in response to revenue pressures. While these favourable variances improved the year-end position relative to budget, they were not sufficient to eliminate the Operating Fund deficit.
- Other contributing factors for the improvement to the year's financial results are summarized in *Figure 4* of the Attachment.

## **NEXT STEPS**

The Board is requested to review this briefing note for information in conjunction with its review of the audited 2025/26 Financial Statements. The information will be presented in more detail during the Board meeting.

## **ATTACHED SUPPORTING MATERIALS**

Figure 1: 2025/26 Actual Activity vs Approved Budget

Figure 2: Variance by Fund

Figure 3: Accumulated Deficit

Figure 4: Summary of Improvements and Deficiencies to Budget

### Figure 1: Actual Activity vs Approved Budget

Figure 1 compares 2025/26 actual results with the approved budget on a consolidated all-funds basis. Overall, ECU recorded a surplus of \$579,246, which is an improvement of \$1,709,425 compared to budget. The variance reflects lower than budgeted tuition, offset by savings in salary and non-salary expenditures and stronger than budgeted results from GNW Campus Trust (income from equity accounted organizations).

Grant revenue was higher than budget by more than \$1.3 million, primarily due to provincial funding under the Balanced Measures Mandate, which supports salary increases across all employment groups. This increase was offset by the corresponding salary expense recognized during the year.

	2025/26 Approved Budget	2025/26 Actuals	Difference	%
<b>REVENUE</b>				
Grants	\$ 28,910,280	\$ 30,216,950	\$ 1,306,670	5%
Tuition	28,441,281	25,543,416	(2,897,865)	-10%
Amortization of deferred contributions	6,875,871	5,984,743	(891,128)	-13%
Income from equity accounted organizations	374,348	1,453,027	1,078,679	288%
Interest	425,800	504,750	78,950	19%
Other	1,077,718	1,402,845	325,127	30%
<b>Total revenue</b>	<b>\$ 66,105,298</b>	<b>\$ 65,105,731</b>	<b>\$ (999,567)</b>	<b>-2%</b>
<b>EXPENDITURES</b>				
Salaries + Benefits	\$ 47,040,426	\$ 45,443,292	\$ 1,597,134	4%
Other	15,404,988	13,905,147	1,499,841	11%
Amortization	3,724,467	3,815,776	(91,309)	-2%
Scholarships	1,097,596	1,456,863	(359,267)	-25%
<b>Total expenditures</b>	<b>\$ 67,267,477</b>	<b>\$ 64,621,078</b>	<b>\$ 2,646,399</b>	<b>4%</b>
Annual operating surplus (deficit)	(1,162,179)	484,653	1,646,832	
Endowment contributions	32,000	94,593	62,593	196%
<b>Annual surplus (deficit)</b>	<b>\$ (1,130,179)</b>	<b>\$ 579,246</b>	<b>\$ 1,709,425</b>	

**Figure 2: Variance by Fund**

Figure 2 presents the budget-to-actual variance by fund and shows how each fund contributed to the overall result. The operating fund improved by \$534,502 relative to budget, reflecting management actions to contain costs in response to lower than anticipated international enrolment. Savings from delayed hiring and other cost controls more than offset the shortfalls in tuition revenue.

The largest variance relates to GNW Campus Trust (GNWCT), where strong investment performance improved results. While ECU reports its 25% share in GNWCT results, these funds are not available for University operations.

	<b>Budgeted Annual Surplus (Deficit)</b>	<b>Actual Annual Surplus (Deficit)</b>	<b>Variance</b>
Operating	\$ (1,876,960)	\$ (1,342,458)	\$ 534,502
Special Purpose + Research	(7,710)	(76,768)	(69,058)
Capital	340,743	486,964	146,221
Trust	39,400	58,481	19,081
GNW Campus Trust	374,348	1,453,027	1,078,679
<b>Total</b>	<b>\$ (1,130,179)</b>	<b>\$ 579,246</b>	<b>\$ 1,709,425</b>

**Figure 3: Accumulated Deficit**

Figure 3 shows the impact of 2025/26 operating results on the University’s accumulated operating deficit. The year end accumulated deficit was \$2,023,366, an improvement from earlier projections that indicated the deficit could exceed \$3 million. This result shortens the timeline for the University to return to an accumulated surplus position.

	<b>2024/25 Actual</b>	<b>2025/26 Actual</b>
<b>Opening Accumulated Surplus (Deficit)</b>	<b>\$ 1,863,109</b>	<b>\$ (680,908)</b>
Total Revenue	52,244,114	53,444,488
Total Expenditures	54,788,131	54,786,946
<b>Annual Deficit</b>	<b>\$ (2,544,017)</b>	<b>\$ (1,342,458)</b>
<b>Ending Accumulated Deficit</b>	<b>\$ (680,908)</b>	<b>\$ (2,023,366)</b>

**Figure 4: Summary of Improvements and Deficiencies to Budget**

Figure 4 summarizes the significant improvements and deficiencies contributing to the difference between the 2025/26 budget and actual results. The most significant positive variances relate to net savings arising from delayed hiring, additional provincial grant funding under the Balanced Budget Mandate, strong results from GNW Campus Trust, and higher domestic tuition revenue. These were partially offset by lower than budgeted international tuition revenue, salary increases associated with the Balanced Measures Mandate, and lower overall results in Continuing Studies.

<b>Deficit, 2025/26 Budget</b>	<b>\$ (1,130,179)</b>
<i>Summary of Improvements to Budget:</i>	
Net savings from delayed hiring	1,782,970
Provincial Grant: balanced measures mandate	1,208,669
GNWCT, improved financial results	1,078,679
Domestic Tuition: undergraduate + graduate studies	616,861
Professional services (e.g. consulting, legal, staff recruitment)	487,642
Software + supplies	160,408
Training + professional development	103,667
Interest Revenue	78,950
<i>Summary of Deficiencies to Budget:</i>	
International Tuition: undergraduate + graduate studies	(2,546,520)
Salary Increases - balanced measures mandate	(1,203,076)
Continuing Studies: net tuition, grants + operations	(157,088)
<i>Miscellaneous</i>	98,263
<b>Surplus, 2025/26 Actuals</b>	<b>\$ 579,246</b>

## Briefing Note

<b>TO:</b>	Board of Governors
<b>FROM:</b>	Mark Douglas, Interim Vice-President, Finance + Administration
<b>DATE:</b>	June 4, 2026
<b>SUBJECT:</b>	Audited Financial Statements for Fiscal Year Ended March 31, 2026
<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

### RECOMMENDED MOTION

**IT IS HEREBY RESOLVED that the Board, on the recommendation of the Audit + Finance Committee, approves the Audited Financial Statements for the Year Ended March 31, 2026.**

### EXECUTIVE SUMMARY/OVERVIEW

KPMG has completed the 2025/26 audit on schedule and expects to issue a clean audit opinion. No significant deficiencies in internal control over financial reporting and no corrected or uncorrected misstatements were identified. Key matters from the financial statements include updated information on ECU's ability to remain a going concern and the subsequent event note related to the anticipated sale of a University-owned painting.

The Financial Statements and notes are attached for review, and a variance analysis is provided in the Information Briefing Note: *2025/26 Actual Activity vs Approved Budget*.

### KEY POINTS/CONSIDERATIONS

- The Financial Statements include an updated presentation of ECU's going concern assessment. Based on guidance from KPMG's professional practice team, a separate going concern note was not required, as KPMG concurs with the Administration's assessment

that ECU is able to meet its financial obligations. Instead, the information has been incorporated into Note 16(a), *Liquidity Risk*. Similar to the previous year's going concern disclosure, Note 16(a) outlines ECU's current financial position, accumulated deficit, and planned mitigation strategies that resulted in a balanced budget for fiscal 2026/27 (see Note 16(a), page 23 of the Financial Statements).

- The Financial Statements include a subsequent event disclosure related to the sale of a University-owned painting (see Note 20, page 24 of the Financial Statements). The sale, which occurred on May 21, does not affect the 2025/26 results, as related revenue and costs will be recognized in fiscal 2026/27; however, the disclosure is required because the sale occurred prior to the issuance of the Financial Statements and the proceeds are material.

## **NEXT STEPS**

On the recommendation of the Audit + Finance Committee, the audited financial statements are being presented to the Board for approval.

## **ATTACHED SUPPORTING MATERIALS**

1. Draft Consolidated Financial Statements for the year ended March 31, 2026



**EMILY CARR UNIVERSITY OF ART AND DESIGN**

**CONSOLIDATED FINANCIAL STATEMENTS  
And Independent Auditor's Report thereon  
Year ended March 31, 2026**

## MANAGEMENT'S STATEMENT OF RESPONSIBILITY

To the Board of Governors of Emily Carr University of Art and 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.

Approved on behalf of Emily Carr University of Art and Design:

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Dr. Trish Kelly  
President + Vice-Chancellor

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Mark Douglas  
Interim Vice-President, Finance +  
Administration

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Date

---

Date



KPMG LLP  
777 Dunsmuir Street, 11th floor  
Vancouver, BC V7Y 1K3  
Canada  
Tel 604 691 3000  
Fax 604 691 3031

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Governors of Emily Carr University of Art and 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 and Design (the "University"), which comprise:

- the consolidated statement of financial position as at March 31, 2026
- 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, 2026 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.

**DRAFT – MAY 29, 2026**

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### ***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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group entity to express an opinion on the group 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  
June 4, 2026

# Emily Carr University of Art and Design

## Consolidated Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 9,303,737	\$ 12,250,562
Accounts receivable (note 3)	1,535,401	634,059
Promissory note receivable (note 6)	16,053,911	15,601,902
Investments (note 4)	2,638,234	2,594,553
Investment in GNW Campus Trust (note 6)	(930,436)	(1,931,454)
Inventories for resale	265,470	243,811
	<u>28,866,317</u>	<u>29,393,433</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities (note 8)	7,076,090	7,028,420
Deferred revenue	3,032,889	2,948,209
Debt (note 9)	49,638,823	51,035,301
Deferred contributions (note 11)	4,056,232	4,341,315
Deferred capital contributions (note 11)	57,322,081	57,848,966
Capital lease obligations (note 13)	1,010,444	921,333
	<u>122,136,559</u>	<u>124,123,544</u>
<b>Net debt</b>	<b>(93,270,242)</b>	<b>(94,730,111)</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	124,469,569	125,290,103
Endowment investments (note 5)	6,220,419	6,165,858
Prepaid expenses	280,974	395,624
	<u>130,970,962</u>	<u>131,851,585</u>
<b>Accumulated surplus (note 17)</b>	<b>\$ 37,700,720</b>	<b>\$ 37,121,474</b>

Liquidity risk (note 16(a))  
Contractual obligations and contingencies (note 12)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

\_\_\_\_\_  
Lorcan O'Melinn, Chair  
Acting Chair, Board of Governors

\_\_\_\_\_  
Dr. Trish Kelly  
President + Chancellor

# Emily Carr University of Art and Design

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2026, with comparative information for 2025

	2026 Budget (note 2(n))	2026	2025
<b>Revenue:</b>			
Grants from Province of British Columbia	\$ 28,746,710	\$ 30,066,624	\$ 28,958,338
Grants from Federal government	163,570	150,326	163,570
Tuition fees	28,441,281	25,543,416	25,011,814
Amortization and recognition of deferred capital contributions and deferred contributions (note 11)	6,875,871	5,984,743	6,083,742
Income from equity accounted organizations (note 6)	374,348	1,453,027	1,056,861
Gifts, grants and bequests	115,150	106,018	36,445
Interest	425,800	504,750	965,905
Other revenue	962,568	1,296,827	1,222,265
	66,105,298	65,105,731	63,498,940
<b>Expenses (note 14):</b>			
Instruction	25,859,382	27,723,320	27,698,624
Instruction support	37,020,538	33,372,402	33,099,270
Research	3,086,648	1,780,082	2,050,146
Externally sponsored activity and trust	1,300,909	1,745,274	1,786,595
	67,267,477	64,621,078	64,634,635
Annual operating surplus (deficit)	(1,162,179)	484,653	(1,135,695)
Endowment contributions	32,000	94,593	66,752
Annual surplus (deficit)	(1,130,179)	579,246	(1,068,943)
Accumulated surplus, beginning of year	37,121,474	37,121,474	38,190,417
Accumulated surplus, end of year	\$ 35,991,295	\$ 37,700,720	\$ 37,121,474

See accompanying notes to consolidated financial statements.

# Emily Carr University of Art and Design

## Consolidated Statement of Changes in Net Debt

Year ended March 31, 2026, with comparative information for 2025

	2026 Budget (note 2(n))	2026	2025
Annual surplus (deficit)	\$ (1,130,179)	\$ 579,246	\$ (1,068,943)
Acquisition of tangible capital assets	(1,468,816)	(3,006,484)	(4,613,952)
Proceeds on disposal of tangible capital assets	-	11,239	-
Amortization of tangible capital assets	3,716,928	3,815,779	3,493,492
	1,117,933	1,399,780	(2,189,403)
Acquisition of prepaid expense	-	(213,024)	(390,024)
Use of prepaid expense	327,674	327,674	202,165
Increase in endowment investments	(32,000)	(54,561)	(66,752)
	295,674	60,089	(254,611)
Decrease (increase) in net debt	1,413,607	1,459,869	(2,444,014)
Net debt, beginning of year	(93,270,242)	(94,730,111)	(92,286,097)
Net debt, end of year	\$ (91,856,635)	\$ (93,270,242)	\$ (94,730,111)

See accompanying notes to consolidated financial statements.

# Emily Carr University of Art and Design

## Consolidated Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Cash flows from operating activities:		
Annual surplus (deficit)	\$ 579,246	\$ (1,068,943)
Adjustments to reconcile net cash provided by operating activities:		
Income from equity accounted organizations	(1,453,027)	(1,056,861)
Amortization of tangible capital assets	3,815,779	3,493,492
Amortization of deferred capital contributions	(2,731,171)	(2,365,783)
Changes in non-cash working capital:		
Accounts receivable	(449,333)	375,240
Promissory note receivable	(452,009)	(276,235)
Inventories for resale	(21,659)	(22,511)
Prepaid expenses	114,650	(187,859)
Accounts payable and accrued liabilities	47,670	735,670
Deferred revenue	84,680	(12,793)
Deferred contributions	(285,083)	211,922
	(750,257)	(174,661)
Cash flows from capital activities:		
Proceeds on disposal of tangible capital assets	11,239	-
Acquisition of tangible capital assets	(2,498,033)	(3,909,749)
	(2,486,794)	(3,909,749)
Cash flows from financing activities:		
Payments on capital lease obligations	(419,340)	(504,823)
Payments on debt	(1,396,478)	(1,335,233)
Deferred capital contributions received	2,204,286	2,016,223
	388,468	176,167
Cash flows from investing activities:		
Disposal (purchase) of investments	(98,242)	82,045
Decrease in cash and cash equivalents during the year	(2,946,825)	(3,826,198)
Cash and cash equivalents, beginning of year	12,250,562	16,076,760
Cash and cash equivalents, end of year	\$ 9,303,737	\$ 12,250,562
Supplementary information:		
Non-cash transactions:		
Acquisition of tangible capital assets through capital lease	\$ 508,451	\$ 704,203
Distributions declared by GNWCT settled through promissory notes included in accounts receivable (note 6)	452,009	276,235

See accompanying notes to consolidated financial statements.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements

Year ended March 31, 2026

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## 1. Purpose of the organization:

Founded as the Vancouver School of Decorative and Applied Arts in 1925, Emily Carr University of Art and 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 by the QS World University Rankings, ranked 30<sup>th</sup> in the world in 2026 and is the only Canadian university to be included among the world's top 50. The University has more than 2,000 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*.

## 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 these consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles ("GAAP") 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 ("GAAP") 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 taxpayer 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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

### (a) Basis of presentation (continued):

For British Columbia taxpayer 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 these Consolidated 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, 2026 and 2025 were insignificant.

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

#### (i) 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 685 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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

### (b) Investments in Government Business Enterprises (continued):

#### (i) Great Northern Way Campus Trust ("GNW Campus Trust") (continued):

The Trust has a December 31 fiscal year-end, which is used to record the equity income. Any material transactions between December 31 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.

### (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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

### (e) Revenue recognition (continued):

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.

### (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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

### (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 Consolidated 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, 2026 (2025 - 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, promissory note receivable, investments and accounts payable, accrual liabilities and capital lease obligation 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.

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset 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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(i) Tangible capital assets (continued):

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
Leasehold Improvements	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 and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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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 5-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, 2026 (2025 - 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 and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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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 Consolidated 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 the basis of accounting described in note 2(a) 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 2025/2026 Budget, approved by the Board of Governors of the University on March 27, 2025.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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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 as at March 31, 2026.

### (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, 2026, the University determined there were no asset retirement obligations associated with its assets.

### (q) Purchased intangibles:

Purchased intangibles are identifiable non-monetary economic resources without physical substance acquired through an arm's length 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. As at March 31, 2026, the University determined it has no purchased intangibles to recognize.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

### 3. Accounts receivable:

	2026	2025
Due from Province of British Columbia	\$ 882,340	\$ 22,196
Tuition and trade	369,529	379,536
Sales tax rebates	67,448	86,635
Research funding	189,785	130,875
Other	26,299	14,817
	<b>\$ 1,535,401</b>	<b>\$ 634,059</b>

### 4. 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, 2026, mature at various dates to March 2031 (2025 - various dates to December 2029) and bear interest at rates ranging from 2.02% to 5.45% (2025 - 1.10% to 5.45%) per annum.

### 5. 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.

	2025	Contributed / earned	Transfer	Amounts transferred / spent	2026
Trust fund endowment:					
Principal contribution	\$ 6,165,858	\$ 94,593	\$ -	\$ (40,032)	\$ 6,220,419
Investment income earned	132,151	196,136	-	(159,732)	168,555
<b>Total</b>	<b>\$ 6,298,009</b>	<b>\$ 290,729</b>	<b>\$ -</b>	<b>\$ (199,764)</b>	<b>\$ 6,388,974</b>

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 6. Investment in GNW Campus Trust:

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

	2026	2025
Investment, at beginning of year	\$ (1,931,454)	\$ (2,712,080)
Distributions declared	(452,009)	(276,235)
Net earnings	1,453,027	1,056,861
Investment, at end of year	\$ (930,436)	\$ (1,931,454)

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

	2026	2025
Financial assets	\$ 12,994,811	\$ 11,888,360
Liabilities	19,083,667	19,006,726
Net assets	(6,088,856)	(7,118,366)
Non-financial assets	5,158,420	5,186,912
Accumulated deficit	\$ (930,436)	\$ (1,931,454)

	2026	2025
Revenue	\$ 3,154,498	\$ 2,681,814
Expenses	(1,701,471)	(1,624,953)
Surplus, at end of year	\$ 1,453,027	\$ 1,056,861

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 \$1,808,036 was declared in fiscal 2026 (2025 - \$1,104,940) based on the Trust's taxable income. The University has recorded its 25% share of the distribution of \$452,009 (2025 - \$276,235) against its investment in GNW account and a corresponding promissory note receivable of \$16,053,911 (2025 - \$15,601,902), which the Trust issued until such time as the Trust has sufficient capital to settle the note. The promissory note is non-interest bearing.

On October 15, 2024, the University and Great Northern Way Campus Ltd entered a lease agreement that expires on October 14, 2031, with an option to extend until September 30, 2036. The lease provides the University with approximately 10,194 square feet that will accommodate additional study and studio spaces. The University started paying rent on January 15, 2025. Under the modified equity method these transactions are not eliminated from the University's reporting and the related contractual obligations are disclosed in note 12(a).

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 7. Tangible capital assets:

Cost	2025	Additions	Disposals / adjustments	2026
Land (a)	\$ 14,400,000	\$ -	\$ -	\$ 14,400,000
Buildings	120,442,971	1,212,873	-	121,655,844
Equipment - general	1,646,038	352,430	(196,708)	1,801,760
Equipment - computer	2,566,075	891,789	(163,316)	3,294,548
Library collection	481,708	40,941	(58,338)	464,311
Leases - digital equipment	2,111,067	508,451	(439,939)	2,179,579
Leasehold improvements	1,623,552	-	-	1,623,552
<b>Total</b>	<b>\$ 143,271,411</b>	<b>\$ 3,006,484</b>	<b>\$ (858,301)</b>	<b>\$ 145,419,594</b>

Accumulated amortization	2025	Disposals / adjustments	Amortization expense	2026
Land	\$ -	\$ -	\$ -	\$ -
Buildings	15,212,031	-	2,022,286	17,234,317
Equipment - general	701,210	(196,708)	344,779	849,281
Equipment - computer	808,916	(163,316)	732,578	1,378,178
Library collection	244,401	(58,338)	47,301	233,364
Leases - digital equipment	933,572	(428,700)	506,480	1,011,352
Leasehold improvements	81,178	-	162,355	243,533
<b>Total</b>	<b>\$ 17,981,308</b>	<b>\$ (847,062)</b>	<b>\$ 3,815,779</b>	<b>\$ 20,950,025</b>

	2026	2025
	Net book value	Net book value
Land	\$ 14,400,000	\$ 14,400,000
Buildings	104,421,527	105,230,940
Equipment - general	952,479	944,828
Equipment - computer	1,916,370	1,757,159
Library collection	230,947	237,307
Leases - digital equipment	1,168,227	1,177,495
Leasehold Improvements	1,380,019	1,542,374
<b>Total</b>	<b>\$ 124,469,569</b>	<b>\$ 125,290,103</b>

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 7. Tangible capital assets (continued):

### (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 \$14,400,000. On May 12, 2017, Great Northern Way Campus Ltd. declared a capital dividend of \$14,400,000 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 (2025 - \$3,179,236) but are not recorded as tangible capital assets on these consolidated financial statements.

## 8. Accounts payable and accrued liabilities:

	2026	2025
Trade accounts payable and accrued liabilities	\$ 3,890,557	\$ 3,615,005
Accrued payroll benefits:		
Vacation pay	2,700,518	2,799,309
Banked overtime	23,294	24,734
Gratuity days	424,097	391,846
Early retirement incentives	37,624	197,526
	\$ 7,076,090	\$ 7,028,420

## 9. Debt:

	2026	2025
Concessionaire payable - Great Northern Way Campus Project with AAP Partnership, payable in monthly payments including annual interest of 4.59%, in accordance with the project agreement terms. Due March 31, 2047.	\$ 49,638,823	\$ 51,035,301

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 9. Debt (continued):

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

	Principal	Interest	Total payments
2027	\$ 1,460,534	\$ 2,276,494	\$ 3,737,028
2028	1,527,528	2,209,500	3,737,028
2029	1,597,594	2,139,434	3,737,028
2030	1,670,874	2,066,154	3,737,028
2031	1,747,514	1,989,514	3,737,028
Thereafter	41,634,779	17,991,343	59,626,122
	<u>\$ 49,638,823</u>	<u>\$ 28,672,439</u>	<u>\$ 78,311,262</u>

The debt related payments, as well as the facility maintenance and lifecycle costs under the P3 contracts (note 12(c)) are funded by the Ministry of Post-Secondary Education and Future Skills.

## 10. 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 plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2025, the College Pension Plan has about 17,500 active members, and approximately 11,800 retired members. As at December 31, 2024, the Municipal Pension Plan has about 273,000 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, 2024, indicated a \$3.8 million unfunded liability for basic pension benefits. This was covered by a transfer from the rate stabilization account leaving the basic pension account balanced at the valuation date on a going concern basis.

The most recent valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 10. Employee future benefits (continued):

The next valuation for the College Pension Plan will be as at August 31, 2027. The next valuation for the Municipal Pension Plan will be December 31, 2027.

The University paid \$3,251,245 (2025 - \$3,262,733) for employer contributions to the plans in fiscal 2026.

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.

## 11. Deferred contributions and deferred capital contributions:

	2025	Amounts received	Transfers	Amortized as revenue	2026
Provincial operating	\$ 679,634	\$ 583,233	\$ -	\$ (843,450)	\$ 419,417
Federal operating	2,272,536	901,162	-	(1,233,312)	1,940,386
Other operating	1,389,145	1,484,094	-	(1,176,810)	1,696,429
Deferred contributions	4,341,315	2,968,489	-	(3,253,572)	4,056,232
Provincial capital	42,518,103	2,204,286	-	(1,764,734)	42,957,655
Other capital	15,330,863	-	-	(966,437)	14,364,426
Deferred capital contributions	57,848,966	2,204,286	-	(2,731,171)	57,322,081
Total	\$ 62,190,281	\$ 5,172,775	\$ -	\$ (5,984,743)	\$ 61,378,313

Included in deferred capital contributions are unspent funds of \$521,872 (2025 - \$1,328,853).

## 12. Contractual obligations and contingencies:

### (a) Operating and building leases:

At March 31, 2026, the University is obligated to make the following minimum lease payments with respect to leased premises in each of the next five fiscal years ending March 31:

2027	\$ 215,069
2028	212,339
2029	222,956
2030	280,941
2031	350,346
Thereafter	194,799
	<u>\$ 1,476,450</u>

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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

(b) GNW Campus Trust commitments:

Effective January 1, 2021, GNW Campus Trust 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 Campus Trust agreed to pay SFU eight percent (8%) of the gross tuition and mandatory fees in return for these services.

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 life cycle 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 market testing at dates specified in the Project Agreement, which could impact the amount of anticipated cash outflows. Market testing occurs every 6-years and will be completed in advance for the period effective August 4, 2026, with amounts included below. The next testing is scheduled to occur in advance of August 4, 2032. Amounts are payable to March 31, 2047.

(c) Public-private partnership commitments:

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2027	\$	3,616,899
2028		4,766,449
2029		3,649,460
2030		4,187,962
2031		3,558,837
Thereafter		81,560,858
	\$	101,340,465

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# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 13. Capital lease obligations:

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

	2026	2025
2026	\$ -	\$ 461,707
2027	523,392	396,882
2028	335,544	209,036
2029	132,157	5,681
2030	97,380	-
2031	23,909	-
Total minimum lease payments	1,112,382	1,073,306
Amount representing interest at rates ranging from 1.44% to 9.60% (2025 - 6.00% to 9.60%)	(101,938)	(151,973)
Capital lease obligations	\$ 1,010,444	\$ 921,333

## 14. Expenses by object:

The following is a summary of expenses by object:

	2026	2025
Salaries and benefits	\$ 45,443,292	\$ 45,603,823
Facility services	3,946,148	4,045,990
Amortization	3,815,779	3,493,492
Interest	2,411,680	2,479,969
Information technology	1,716,426	1,642,915
Scholarships, bursaries and awards	1,456,863	1,253,239
Professional services	1,001,309	1,231,019
HR programs and professional development	835,339	945,495
Advertising and promotions	725,103	532,190
Utilities	567,598	556,760
Leases and rentals	439,682	196,511
Other	423,177	571,696
Supplies	405,315	420,090
Guest artists and speakers	330,593	423,583
Library services	239,241	230,699
Communications	229,832	291,532
Student recruitment and development	220,314	285,266
Counselling and interpreting	174,569	166,243
University memberships	116,338	136,541
Repairs and maintenance	81,693	90,378
Cost of goods sold	40,787	37,204
	\$ 64,621,078	\$ 64,634,635

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 15. Funds held by Vancouver Foundation:

The University has endowment funds of \$1,615,850 (2025 - \$1,493,355) with the Vancouver Foundation. These are permanent funds with the Vancouver 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 \$78,292 (2025 - \$51,862) as income from the funds during the year.

## 16. 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) 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 manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. The University establishes budgets and cash flow projections to ensure it has the necessary funds and is economically dependent on the Ministry of Post-Secondary Education and Future Skills for the majority of its operating and capital grant funding.

For the year ended March 31, 2026, the University's liquidity risk was impacted by an increase in its unappropriated deficit to \$2,023,366 (note 17) (2025 - deficit of \$680,908) and negative operating cash flows of \$750,257 (2025 - \$174,661).

The University's budget and cash flow projections for the 2027 fiscal year incorporate tuition and fee adjustments and reflects conservative enrolment assumptions, given ongoing uncertainty in international enrolment yield rates. Revenue pressures are being addressed through targeted cost containment measures, primarily in personnel, including deferred hiring into vacant positions and the recognition of savings from labour adjustments implemented in fiscal 2025/26. These actions are complemented by reductions in non-essential discretionary spending and academic measures to better align program delivery with demand. As a result of these measures, the University has adopted a balanced and sustainable financial plan, with a projected operating surplus of \$27,474 for fiscal 2026/27.

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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 16. Financial risk management (continued):

### (a) Liquidity risk (continued):

The University's ability to continue its operations and manage its liquidity in the normal course of operations will depend upon many factors including the University's ability to meet budgeted student registration levels, realize on savings from cost mitigation measures, and is dependent on its ability to receive continued operating and capital financial support from the Ministry to fund any budget shortfalls and cashflow requirements.

### (b) Market and interest rate risk:

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

Interest rate risk is the risk that the fair value of future cash flows of floating rate instruments will fluctuate due to changes in market interest rates.

Fixed interest rate instruments are subject to fair value risk. The University is exposed to this risk with respect to the promissory note (note 6), P3 debt (note 9) as well as the fixed income investments (note 4).

The University manages its market risk and interest rate risk on investments with established investment guidelines. The University does not invest in any derivatives.

### (c) 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.

# Emily Carr University of Art and Design

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 17. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2026	2025
Equity in GNW Campus Trust	\$ 15,123,475	\$ 13,670,447
Capital fund	17,471,950	16,984,986
Internally restricted for special projects	532,154	608,922
Internally restricted for student awards	376,088	372,169
Endowments	6,220,419	6,165,858
Unappropriated deficit	(2,023,366)	(680,908)
	\$ 37,700,720	\$ 37,121,474

## 18. Related party transactions:

The University is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. Transactions with these related parties, unless disclosed otherwise, are in the normal course of operations and are recorded at their exchange amounts, which is the amount of consideration established and agreed to between the University and the related parties.

During the year, key management personnel, comprised of the Board and the University's Executives, have nil (2025 - nil) related party transactions with the University.

## 19. Comparative information:

Certain comparative information has been reclassified to confirm to the current year's consolidated financial statement presentation. These changes do not affect the prior year's annual deficit.

## 20. Subsequent events:

Subsequent to year end, the University, through an agent, sold a University-owned painting at a live auction. The painting, disclosed in note 7(b) as a work of art and historical treasure, had an appraised value of \$1,800,000 and was sold for gross proceeds of \$4,750,000. The resulting revenue and associated costs will be recognized in the fiscal year ending March 31, 2027.