

# Annual Report

## 2022/23



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## 1. Accountability Statement

MacEwan University's Annual Report for the twelve-month period ending March 31, 2023 was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by Carolyn Graham, FCPA, FCA, ICD.D]  
*Board Chair*

The Annual Report was approved by the Board of Governors on June 15, 2023.



## 2. Management's Responsibility for Reporting

MacEwan University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report, including the financial statements, performance results and supporting management information.

Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the university's Audit & Risk Committee; Finance, Property & Investment Committee; and Strategy & Stakeholder Relations Committee. It is as approved by the Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-secondary Learning Act*.

The Auditor General of Alberta, the university's external auditor appointed under the *Post-secondary Learning Act*, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian public sector accounting standards.

[Original signed by Annette Trimbee, PhD]  
*President and Vice-Chancellor*

[Original signed by Maureen Lomas, CMA, CPA]  
*Vice-President, Finance and Administration and Chief Financial Officer*



### 3. Message from the President & Vice-Chancellor

As we put a wrap on the 2022/23 academic year, it is worth taking some time to appreciate the position that we find ourselves in: MacEwan is growing. As we expand our university, sustainably and with intention, it is easy to forget the resiliency that MacEwan has shown in getting back to a place where growth – not recovery – is the word of the day.

Now in its second year of implementation, I am happy to report that our new strategic framework, *Teaching Greatness*, has helped us make great strides in connecting our university's goals and aspirations with the special place that it plays in Alberta post-secondary system, all while aligning with the province's vision of higher education outlined in the Alberta 2030: Building Skills for Jobs initiative.

MacEwan University was pleased to receive operating and program grant funding from the province for 2023/24 that remained level with that of 2022/23. We were also grateful for the provincial government's commitment to supporting our business building with a \$125 million investment as part of the provincial budget. This commitment will significantly help us achieve our strategic goals, maintaining and extending MacEwan University's place as a

premier undergraduate university in the heart of downtown Edmonton.

The new School of Business building will play an important part in MacEwan's path of focused and accelerated growth, as we continue to expand our enrollment and empower our students for success. By 2027, the new building will have opened its doors and MacEwan will have welcomed an additional 7,500 students to our campus. I feel confident that we will be looking back on March 2023 as the beginning of something truly special.

We are well positioned to continue our growth. Enrollment trends are good, with notable increases to international enrollment and continued stabilization in Indigenous enrollment numbers. As well, our Spring/Summer term enrollment increased, with some correlation to challenges brought on by the pandemic. I am also happy to report that progress has been made in other efforts to Smash the Calendar, as we are now able to offer students the opportunity to complete six of our four-year programs in just three years, further answering the need for flexibility and adaptiveness for our students.

There were many additional highlights throughout 2022/23, from our impressive field of honorary doctorates to hosting events in partnership with the 2023 Juno Awards held here in Edmonton. We also continued to expand our community engagement, developing new partnerships in place with Ukrainian Firefighters, Invest Alberta, and the Sarah McLachlan School of Music.

The Faculty of Nursing in particular is responding to challenges in our health care system by stepping up and expanding growth in areas of high need, including the 4-year BScN, psychiatric nursing, and helping internationally trained nurses be able to practice in Alberta. We also expanded our micro-credential course offerings. Building off the successful pilot program in 2021/22, new programs in Intelligent Supply Chain, Sustainable Business, and Digital Marketing for Small Businesses opened for registration for the first time. These micro-credentials are an important new step in meeting our students' needs and aligning with the *Alberta 2030: Building Skills for Jobs* initiative.

All in all, MacEwan has had a truly remarkable year. I feel strongly that our university has emerged from the pandemic in a better position than when it started, all the while learning important lessons that we will carry with us into this new phase of smart, accelerated growth. When it comes to striving for greatness, this past year shows that MacEwan truly does mean business.

## 4. Public Interest Disclosure Act

MacEwan University is committed to the highest standards of legal, fiscal, ethical and accountable conduct. The university provides a positive, supportive environment where employees can seek advice and make a disclosure of wrongdoing without fear of reprisal. With its stated commitments and values in mind, the university has developed a Public Interest Disclosure Framework.

The framework has been developed in compliance with Alberta's *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA) and includes the university's Safe Disclosure Policy and Safe Disclosure Reporting Procedure. As per the requirements of PIDA, the university is required to report annually on any disclosures that occurred during the reporting year.

The following is a report on the disclosures that were received under PIDA the *Public Interest Disclosure (Whistleblower Protection) Act* for the fiscal year April 1, 2022 – March 31, 2023:

Disclosures Received	Disclosures Acted On	Disclosures Not Acted On
0	N/A	N/A
Investigations Commenced	Findings of Wrongdoing	Disclosures Closed
N/A	N/A	N/A



## 5. Operational Overview

As per the Annual Report guidelines, this section details significant factors affecting the university's outcomes and performance. The university has successfully adopted a new fiscal year, reflecting a 12-month reporting period from April to March for this year's report.

### Leadership and Organizational Change

We were pleased to welcome Theresa Vladicka to our executive leadership team as acting vice-president, University Relations. Theresa has a wide range of experience within both the government and post-secondary sectors, where she has been serving as MacEwan's director of Government Relations for several years. Plans are in place to hire a permanent replacement for the position in the ensuing year.

Recruitment continues to be impacted by the restrictions of the Reform Agencies, Boards and Commissions (RABCCA) compensation regulations limiting our ability to be competitive in recruitment.

### Enrollment Plan, Program Changes and Developments

Enrollment fluctuated throughout 2022/23, eventually landing with relatively stable numbers across the board. Thanks to an increase in Winter term registrations, we were able to meet our Investment Management Agreement (IMA) requirement for domestic full-time learning equivalents in approved programs and saw an increase in total headcount.

These increases to Winter enrollment are, by and large, indicative of our efforts to increase flexibility for students, as we continue to review policies, procedures and the academic schedule to maximize our use of space and to provide students with more opportunities to complete their degrees in an accelerated timeframe. The addition of more Winter intake opportunities in the

School of Business provides greater flexibility for students. As we inventory our programs, we have identified several programs where sections can be scheduled for completion in just three years: Bachelor of Arts in Anthropology, Economics, English and History; and Bachelor of Science in Applied Statistics and Computer Science.

We have also seen positive trends in our international enrollment numbers, with an increase of over 12 per cent. As we continue to move past the pandemic and transition into a phase of perpetual growth, we fully expect this number to continue to increase.

In terms of program development, we have also taken strides to improve our micro-credential course offerings by publicly launching programs in intelligent supply chain, sustainable business and digital marketing for small businesses in May 2022. These programs were made publicly available following a successful pilot program funded by the Government of Alberta in 2021/22.

At the beginning of term in September, MacEwan welcomed its first intake of students to the newly offered Bachelor of Fine Arts. This meant that, for the first time, MacEwan had students taking courses as part of majors in Arts and Cultural Management, Music Theatre Performance, Studio Arts and Theatre Production.

In October 2022, we also announced the establishment of the Gene Zowzdesky Artist in Residence program in honour of the former provincial Member of the Legislative Assembly and speaker of the Alberta Legislative Assembly, which will see MacEwan host Ukrainian or Ukrainian-Canadian artists on campus as part of a one-to three-month residency program. The program is housed in the Faculty of Fine Arts and Communications and is supported by our Ukrainian Resource and Development Centre as well as the Ukrainian Foundation for College Education.

## **New School of Business Investment**

In March 2023 the Government of Alberta announced a \$125 million investment toward a new School of Business building. Construction on the new building is set to begin in 2025. This signals a commitment to growth of the student experience at MacEwan.

This investment will be instrumental in helping us achieve our long-term enrollment, with the new building as part of the plan to accommodate an additional 7,500 students. The current design features 30 classrooms, 20 collaboration spaces and 15 study spaces when the building opens in 2027. The expansion aligns MacEwan's capacity to that of our aspirations of enrolling 20,000 Full-Load Equivalent students by 2030 and will also serve as a hub of activity for our downtown campus.

## **Expanding Partnerships**

MacEwan continues to take an active role in the community, with several important partnerships established across a wide range of fields. These agreements not only provide opportunities for MacEwan students to give back to the community, but also provide incredible opportunities for hands-on learning as we strive to establish work-integrated learning (WIL) opportunities across our faculties and schools.

Over the last year, we have reached agreements with several community partners including ELIXIR, Invest Alberta, the Sarah McLachlan School of Music, Free Store for Ukrainian Newcomers and Firefighter Aid Ukraine. Students have also begun realizing new WIL opportunities with already established partners like the Edmonton Elks and Telus World of Science.

## 6. Goals and Performance Measures

We continue to make progress in the implementation of the university's strategic vision, *Teaching Greatness*. Throughout the year, we developed and analyzed data to determine measures of the progress of initiatives that fall under the purview of each direction of the strategic vision. For each of the items that follow, the goals and results are in line with those defined as growth areas by *Teaching Greatness* and the 2023 IMA. A plan is in progress to finalize metrics and establish targets as part of measuring the efficacy of *Teaching Greatness* in achieving institutional targets.

### TEACHING GREATNESS: Energizing MacEwan's commitment to exceptional undergraduate learning

Goal	Results Achieved
Markers for success to realize MacEwan's commitment to exceptional undergraduate learning.	<ul style="list-style-type: none"> <li>• A dashboard to measure success of the strategic vision is in development. It will be used to measure progress in areas indicated in the vision and to set targets for growth and accelerated growth areas.</li> <li>• Over 50 per cent of professors and associate professors have taught at least one first-year course over the last year.</li> </ul>

### SMASH THE CALENDAR: Maximizing flexibility to meet students where they are

Goal	Results Achieved
Expanding micro-credential course offerings to meet institutional and workforce demand.	<ul style="list-style-type: none"> <li>• The university developed a draft framework, a new credential called "Skills Achievement" and a micro-credential checklist to guide the decision-making and development process.</li> <li>• Four micro-credentials courses were offered in 2022, with more coming on stream in 2023.</li> <li>• Several micro-credential courses are in development: student feedback to help guide their implementation is being gathered.</li> </ul>
Expanding course offerings to promote degree flexibility.	<ul style="list-style-type: none"> <li>• Work continues to increase course offerings to make some four-year bachelor programs completable in three years or increase flexibility across degree programs.</li> <li>• Currently, six programs are eligible:             <ul style="list-style-type: none"> <li>○ Bachelor of Arts in Anthropology, Economics, English and History.</li> <li>○ Bachelor of Science in Applied Statistics and Computer Science.</li> </ul> </li> </ul>

## GRAND AS A GRIFFIN: Preparing MacEwan graduates who are versatile and future ready

Goal	Results Achieved
Expand student opportunities to participate in work-integrated learning (WIL).	<ul style="list-style-type: none"> <li>• The university continues to grow its WIL opportunities and has met the 78 per cent IMA target for proportion of programs that offer WIL opportunities to students. New targets will be established as part of IMA negotiations.</li> <li>• Over 5,100 MacEwan students participate in WIL opportunities across a variety of placements including co-op, practicum, internships and field placements.</li> <li>• The university continues to establish partnerships within the community as an opportunity to expand WIL placements,</li> <li>• New partnerships with ELIXIR, Telus World of Science, the Sarah McLachlan School of Music, Invest Alberta, Free Store for Ukrainian Newcomers and Firefighter Aid Ukraine were established throughout the year.</li> </ul>

## PERPETUAL GROWTH: Pursuing deliberate growth to help shape Alberta's future

Goal	Results Achieved
New academic building	<ul style="list-style-type: none"> <li>• With growth targeted for 20,000 FLEs by 2030 on a headcount basis, this growth will exceed campus capacity. Progress is being made on planning for a new academic building.</li> <li>• Investment from the Government of Alberta, totaling \$125 million, was announced in March.</li> <li>• The MacEwan Means Business Campaign Cabinet was publicly announced. Its membership comprises 12 diverse, high-profile business and community leaders led by co-chairs John Day and Rob Seidel.</li> </ul>
Program growth in business, nursing and health and community programs to meet system demand.	<ul style="list-style-type: none"> <li>• The university has submitted a total of six proposals through the <i>Alberta at Work Program</i>, an initiative announced in Budget 2022, to support <i>Alberta 2030</i> implementation. Four proposals were funded, expanding spaces by 164 seats.</li> </ul>

**TRENDSETTERS AND TRENDBREAKERS: Strengthening the value MacEwan adds to community through scholarship**

Goal	Results Achieved
Build centres of excellence around Canada Research Chairs	<ul style="list-style-type: none"><li>• The Centre for Sexual and Gender Diversity opened in a new space in the fall. Through the work of MacEwan's Canada Research Chair in Sexual and Gender Minority Youth Studies, the centre is making a significant impact on our research agenda as well as our efforts to build a more inclusive campus.</li><li>• Two new applications for CRC funding have been submitted: social entrepreneurship in disadvantaged or marginalized communities and urban wellbeing. Decisions on these applications are expected in April 2023.</li><li>• A successful search resulted in the hiring of a faculty member that is an expert in digital design and immersive learning.</li><li>• The foundation is now in place for three new CRC Chairs and the eventual establishment of additional centers of excellence in these three areas of focus.</li></ul>



## FULFILLMENT OF LEGISLATED ROLES AND MANDATES

In alignment with the mandate approved by the Minister of Advanced Education, the university is pleased to highlight the following activities.

## PROGRAMMING AND STUDENT SUPPORTS

### PROGRAMMING

MacEwan University continues to offer a comprehensive mix of programming that aligns with its mandate. While MacEwan has significantly expanded its degree offerings in the past 16 years, it continues to maintain a strong and diverse set of diplomas and certificates, as well as non-credential offerings in preparatory and transfer areas.

### STUDENT MENTAL HEALTH

Student demand for mental health and wellness supports continues to increase year over year. Throughout the reporting period, and following the COVID-19 pandemic, the university continued to see greater demand for services and supports. The university's Wellness and Psychological Services (WPS) maintained its multi-disciplinary approach of providing services to students in this period of pandemic recovery.

During the twelve-month reporting period, WPS provided 1,219 initial consultations: free, confidential, 30-minute conversations where students meet with a clinician to explore the student's reasons for seeking help. During a consultation, a student and clinician discuss goals for counselling as well as the best course of action to address those goals moving forward.

The initial consultations provided over the reporting period represent a 26 per cent increase over last year, demonstrating the consistent increase in demand for student mental health services year over year. The number of individual counselling and case management appointments to students

following initial consultations reached 4,960 during the reporting period. Further, a 75 per cent increase over the previous year in urgent/emergent student concerns was recorded during the reporting period.

The use of a short-term counselling model allows WPS to support as many students as possible with most students experiencing significant growth and progress toward achieving their goals. To both meet demand and support the development of new clinicians, WPS continued its master's level practicum program in 2022/23.

WPS continued to offer a hybrid service delivery model of in-person, telephone and online services to students in support of MacEwan University as a place-based learning space. This multimodal approach ensured student access to mental health services during this period of recovery following the COVID-19 pandemic. The return of in-person group counselling services was highlighted through the provision of groups such as Acceptance and Commitment Therapy for Anxiety, Practicing Positivity and Alberta Relationships in Motion. In the Fall 2022 term, WPS resumed in-person services for Indigenous students via the WPS satellite office in the kihêw waciston Indigenous Centre.

In Spring 2022, the university participated in the National College Health Assessment III (NCHA-III). This web-based survey runs on a three-year cycle and collects data on students' health habits, behaviours and perceptions. The survey data will assist in developing targeted health promotion initiatives for students and advancing the development of a campus-wide approach to student mental health and wellness in support of *Teaching Greatness*.

A Mental Health Mandatory Non-Instructional Fee (MNIF) was established in 2022. Funds from the MNIF were directed to the recruitment of a student support coordinator as well as securing access for all members of the campus community to Headversity SOLO, a mobile app designed to support personal wellness through a focus on developing and training resilience skills. Future funds have

been earmarked for SafeTALK, suicide prevention training for students, faculty and staff; campus mental health promotion initiatives; and the development of a quick reference guide known as the “Red Folder” to provide mental health resources for faculty and staff who interact with distressing or distressed students.

The Student Mental Health Working Group (SMHWG) began meeting in September 2022. This group operates under the auspice of General Faculties Council’s (GFC) Council on Student Affairs and includes 11 voting members from all faculties and schools, as well as student representation, and is chaired by the associate vice-president, Students. The working group builds upon previous work at MacEwan to advance the development of a campus-wide approach to student mental health and wellness in support of *Teaching Greatness*. The work of the SMHWG will be informed by evidence-based research, effective and promising practices, and national frameworks and initiatives, including the Okanagan Charter and the National Standard of Canada for Mental Health and Well-Being for Post-Secondary Students.

To support the promotion of mental health, provide non-clinical mental health care, and to facilitate access to clinical mental health services within and through the community, MacEwan secured \$1,290,000 from the Ministry of Advanced Education in 2021. The three-year period in which the university receives the 2021-24 Post-Secondary Mental Health Grant commenced in 2022, and funds received during the reporting period were used to maintain the WPS Professional Resource Faculty complement as well as to fund the NCHA-III. This grant will continue to aid the university’s approach to supporting and promoting mental health and wellness through 2024.

### **Peer Health Education Team**

Health promotion and education continue to be areas of focus for WPS to support student well-being. Utilizing a peer-to-peer model, the Peer Health Education Team engaged with

campus through hybrid delivery models with place-based activities and learning opportunities being prioritized.

### **Coalition for Harm Reduction at MacEwan**

Supporting campus through harm reduction continues to be the focus of the Coalition for Harm Reduction at MacEwan (CHARM). Working with both on- and off-campus community services, CHARM has worked to share harm-reduction information through passive and active learning opportunities, both in person and online, with a goal to assist in early intervention and reduce stigma on campus. During the reporting period, CHARM celebrated a successful \$15,000 grant application in partnership with Alberta Health Services that will support harm reduction events and initiatives on campus for the next three years.

### **SEXUAL VIOLENCE PREVENTION, EDUCATION AND RESPONSE**

MacEwan University is committed to preventing sexual violence and is a recognized leader in sexual violence prevention on university campuses. Supported by the Office of Sexual Violence Prevention, Education and Response (OSVPER), the university works to create an educational environment that is free from sexual violence and where members of the MacEwan community feel safe and supported.

The university’s standalone Sexual Violence policy and Responding to Sexual Violence procedure outline MacEwan’s commitment and responsibility to prevent sexual violence, apply a trauma-informed approach to support, and ensure procedural fairness in responding to complaints. In 2022/23, the university received funding from the Ministry of Advanced Education to review and update sexual and gender-based violence associated policy documents. As a result, the Sexual Violence policy and corresponding procedure underwent minor revisions in November 2022: both documents are scheduled for a comprehensive review in 2023/24. MacEwan

University will continue to work with Advanced Education to ensure the policy and procedure align with provincial and national best practices.

Due to MacEwan's recognized leadership in sexual violence prevention, the university acted as the lead institution on the development and implementation of a province-wide campus climate survey in partnership with the Ministry of Advanced Education and Alberta's 26 publicly funded post-secondary institutions. As the lead institution, MacEwan was responsible for facilitating the development of the province-wide sexual and gender-based violence survey, as well as hiring a third-party contractor to administer the survey and prepare a general survey report for the Minister of Advanced Education followed by individual reports for each participating post-secondary institution.

Annual initiatives in support of sexual violence prevention, education, and response include Sexual Violence Awareness Week, the Ending Sexual Violence Student Research Forum and Healthy Relationships Week, in addition to student-led programming developed by MacEwan student leaders.

### **Building Momentum**

Building Momentum (2020/21 – 2025/26) outlines the university's sexual violence program's mandate, vision and values. It describes specific actions and timelines for three identified goals: build an essential, sustainable program; develop prevention strategies and educational priorities; and integrate restorative practices into program services.

The university's Sexual Violence Prevention and Education Framework (2020/21 – 2025/26) is informed by evidence-based research and best practices and establishes guiding principles, strategic goals, and programming priorities for prevention and education. In 2022/23, the university achieved several of the goals outlined in this framework. These include partnering with the Students' Association of MacEwan University to

integrate sexual violence education into mandatory student groups training, establishing a sexual violence education program for student athletes, and the development of specialized training on alcohol, consent and harm reduction.

Additionally, the university began planning and training to support future implementation of *Science-based Treatment, Accountability, and Risk Reduction for Sexual Assault (STARRSA) Active Psychoeducation Program*, an evidence-based educational program for students who have caused harm through sexual violence. This program will be implemented in the upcoming academic year and is designed to be used as a voluntary option for students found responsible for violating the university's Sexual Violence policy. In 2022/23, key university employees completed training for the support of this program and work is ongoing in support of implementation in 2023/24.

### **Student Education and Leadership**

The MacEwan Anti-Violence Education Network (MAVEN) Peer Education program provides MacEwan student volunteers with comprehensive training to deliver primary sexual violence prevention programming to their peers across campus. In 2022/23, MAVEN peer educators created and led outreach and engagement initiatives focused on consent, recognition of the United Nations' *16 Days of Activism Against Gender-based Violence* campaign, Stalking Awareness Month, trauma awareness, and healthy relationships.

The university offers customized and discipline-specific sexual violence education to undergraduate classes, as well as regular opportunities to attend in-person and virtual workshops on creating consent culture, supporting survivors, healthy relationships and bystander intervention.

In 2022/23, the university piloted the MacEwan Men's Circle, a group program designed to provide male students with knowledge and tools to challenge harmful norms of masculinity and prevent sexual

violence within their communities, peer groups, and families. This pilot will be developed further in 2023/24 based on the evaluation of the initial program.

The university continued to offer the online course *It Takes All of Us: Creating a Campus Community Free of Sexual Violence* to all MacEwan students during the reporting period. This course provides a comprehensive introduction to consent, support skills and bystander intervention, and informs students of relevant campus supports and resources. As of March 2023, 450 students were enrolled in the course and 312 completed the course.

### **Employee Education and Engagement**

The university provides all employees with regular opportunities to self-enroll in training focused on responding to disclosures, trauma-informed practices, bystander intervention, and sexual violence prevention in a post-secondary context.

The Sexual Violence Support Guide program provides employees with an intensive and comprehensive two-day training on responding to disclosures of sexual violence. After completion of the training, participants function as a network of information and support for individuals impacted by sexual violence.

Development of an employee-facing version of the *It Takes All of Us: Creating a Campus Community Free of Sexual Violence* course, as well as an employee guidebook for responding to sexual violence, began during the reporting period with an anticipated launch in advance of the Fall 2023 semester.

### **Support Services**

The sexual violence response coordinator (the coordinator) serves as a first point of contact for members of the university community impacted by sexual violence. The coordinator offers trauma-informed support and information, including access to modifications, counselling and reporting options. Additionally, the coordinator provides subject-

matter guidance and consultation for any employee responding to disclosures or complaints of sexual violence. Flexible support is available in person, online, by telephone or any combination thereof.

The Sexual Violence Response Team is a group of employees responsible for overseeing the university's response to sexual violence. This team is committed to ensuring that MacEwan University has a consistent, coordinated, fair and trauma-informed institutional framework for responding to complaints.

### **SUPPORTS FOR FOUNDATIONAL LEARNERS**

MacEwan's School of Continuing Education has been working closely with Alberta Settlement Services and organizations such as the Mennonite Society and Catholic Social Services to engage refugees and new Canadians in language programs, upgrading and undergraduate courses through the Foundation Program International and the Alberta Foundation Program (AFP).

The School of Continuing Education also received a *Foundation Pathway for Newcomers: English Language Training and Administrative Skills Development* grant from the Ministry of Trade, Immigration and Multiculturalism to provide administrative and language training for refugees and new Canadians. This grant will support training opportunities from March 2023 to March 2025, and was administered through the Government of Alberta's Immigration, Policy and Programs branch.

### **SUPPORTS FOR INDIGENOUS LEARNERS**

The university continued to develop and refine academic-related initiatives directly related to supporting Indigenous student success in 2022/23. The kihêw waciston Indigenous Centre provided student advising and cultural supports through Indigenous knowledge keepers and community connections. Additional mental health support for Indigenous students was conducted through a multi-modal approach by WPS, as noted in the "Student Mental Health" section of this report.

kihêw waciston's student advisors provide support and assist students in meeting the challenges of university life. Student advisors provide support with admissions processes, scheduling, enrolling in classes and managing students' workloads. They also provide information about scholarships, awards, bursaries and funding applications. kihêw waciston's advisors are available to assist students with developing their writing and study skills. They also provide tutoring, time management and assistance in finding campus resources to support students' academic careers.

The advisors play a distinct role in community engagement with Indigenous communities and organizations. Building and nurturing these relationships has strengthened their abilities to support students in unique, culturally appropriate ways. The Indigenous knowledge keepers and facilitators support students as well as employees who require cultural guidance on a personal or professional level. In addition, they provide guidance on moving forward with the Truth and Reconciliation Commission's calls to action in a post-secondary context and participate in student sharing circles. The Indigenous knowledge keepers and facilitators also increase student, faculty and staff understanding of Indigenous ways of being, knowing and doing.

In 2022/23, kihêw waciston offered sessions that reflected the various needs of the MacEwan community. These sessions included learning circles, lunch and learns, traditional crafting, and Indigenous culture and ceremony. Additionally, Indigenous knowledge keepers, speakers, Elders and academics offered various sessions on campus to share knowledge with students, faculty and staff. Examples of these sessions include, but are not limited to: Indigenous Grad Celebrations, sweat ceremonies, Water and Medicine Gathering- kâniyâsihk Culture Camps, pipe ceremonies, student wellness days, a Nekem Men's healing circle, ribbon skirt sessions and the Papal visit and care package assembly event.

Through kihêw waciston's participation in MacEwan's Convocation committee, the Fall Convocation held in November 2022 included a Métis performance for the first time in the university's history. Brianna Lizotte, then a MacEwan student, was invited to perform with her fiddle alongside Justin Smith, a recent MacEwan graduate. In addition to the Métis performance, Daphne and Arnold Alexis and Little Boy Singers from Alexis First Nation opened the ceremony with the Indigenous invocation and drumming performance.

The pimâcihisowin Foundation Program at MacEwan is a unique preparatory program designed to address the gap between a student's current level of qualifications and knowledge and the level necessary for admission into and successful completion of a post-secondary diploma or degree. This program incorporates Indigenous ways of knowing within a supportive framework that prepares students for their undergraduate studies. The pimâcihisowin Foundation Program also supports the university's strategic directions and goal of honoring its place in O-day'min by providing accessibility to education. By creating a program that enables students to upgrade their high school classes, as well as providing experiences in first-year university classes within a cohort environment, the university supports students' positive transition into the university community.

The Métis Scholar Awards Endowment, made possible by the Rupertsland Institute, with which MacEwan has a longstanding partnership, continued to support the university's goal of supporting Métis scholars. At this point in the academic year, the Métis Scholar Award was disbursed to 16 students for a total of \$63,000.

### ***SUPPORTS FOR LEARNERS WITH DISABILITIES***

MacEwan's Access and Disability Resources (ADR) continued to work collaboratively with other units in the university to provide support to students throughout 2022/23. The following increases were observed between April 2022 and March 2023:



- Number of students with confirmed disabilities registering with ADR (six per cent); and,
- Number of students with confirmed multiple disabilities registering with ADR (seven per cent).

The ADR team provided advising services to current and prospective students regarding intake, documentation review, determination of disability-related services, technologies and supports, service coordination, and more. To ensure the health and safety of students and community members, ADR continued to respond to demand for resources and support, such as one-on-one appointments with students, through a variety of means including telephone and virtual options. Advising services were provided to over 1,869 MacEwan students during the reporting period.

In 2022/23, the return to campus for learning following the pandemic was welcomed by many. However, there have been students who have struggled with returning to campus due to barriers they experience. A general increase in anxiety following the pandemic has been observed. Exam Services has resumed proctoring accommodated exams at high numbers, figures similar to pre-pandemic numbers.

Given the continuing increase in students registering with ADR year over year and MacEwan's commitment to Equity, Diversity and Inclusion, ADR continues to promote Universal Design for Learning (UDL). The ADR team has provided presentations and resources to directly to several faculties, schools, and departments, as well as through the University's Centre for Teaching and Learning. The team will also participate on the Accessibility and UDL Working Group under GFC's Committee on Teaching and Learning.

ADR also consulted on the Barrier Free and Inclusivity Project, which works to improve physical spaces at MacEwan.

On December 1, 2022, ADR collaborated with NAIT and MacEwan's Office of Human Rights, Diversity and Equity to host a live event

featuring award-winning, disabled, queer, spoken-word author and artist Nisha Patel, as well as a virtual event for the International Day of Persons with Disabilities on December 3, 2022. The virtual Sway website shared resources and featured individuals with disabilities.

### **SUPPORTS FOR LEARNERS, INCLUDING LEARNERS FROM LOW-INCOME BACKGROUNDS**

#### **Scholarships, Awards, and Bursaries**

MacEwan University's robust scholarships, awards and bursaries program provides support to students who are struggling financially, and recognizes students for their academic merit, volunteerism, and leadership. To support access to learning for students who are struggling financially, the university allocated \$1.5 million toward the MacEwan Access Bursary to provide 963 students with financial assistance.

In 2022/23, MacEwan rebranded its entrance and continuing scholarship program to the Chancellor's Scholarship Series. During the reporting period, there was a 38.9 per cent increase in the Chancellor's Scholarship Series. MacEwan also contributed \$50,000 to support the inaugural launches of the following two initiatives: the MacEwan Adversity Bursary and the MacEwan Childcare Award.

Throughout the 2022/23 fiscal year, MacEwan distributed 5,090 scholarships, awards, and bursaries. During this time, there was an overall increase of 51.4 per cent over the previous year which totaled more than \$8.3 million; however, it must be noted that these values are not a direct comparison of those indicated in the *2021/22 Annual Report*, as the totals provided in that report were based on a truncated fiscal year of nine months. The distribution of scholarships, awards, and bursaries during the 2022/23 fiscal year are as follows:

- 680 awards were given to Indigenous students to a total value of \$1,157,178;
- 630 awards were given to students with disabilities to a total value of \$914,436;

- 600 awards were given to students who are parents to a total value of \$862,483; and,
- 1047 scholarships from the Chancellor's Scholarship Series were awarded to a total value of \$2,686,500.

During the reporting period, the total funds distributed, by category, are as follows:

- scholarships: over \$3.4 million;
- awards: over \$1.9 million; and,
- bursaries: almost \$3.0 million.

### **STRATEGIC RESEARCH PRIORITIES, APPLIED RESEARCH, AND SCHOLARLY ACTIVITIES**

Research and other forms of scholarly activity, including creative activity continued to demonstrate strong recovery following the COVID-19 pandemic. MacEwan University continued to see robust student-engaged research in 2022/23, as well as faculty success in obtaining more external research funding support. This enabled MacEwan to continue its core mandate of innovating through undergraduate training and partnership development with external partners throughout Alberta and beyond.

MacEwan faculty and students remained active in their pursuit of new knowledge and innovations during the reporting period. The university's dedicated Undergraduate Student Research Initiative program continued to support students' development into the highly qualified researchers and workers of the future.

Student-engaged research and scholarly activity at MacEwan provides students with invaluable experiences by integrating in-class curricula with real-world problem solving. The strong connection between MacEwan's researchers and the surrounding community ensures the university remains an important hub in enhancing the health and well-being of Albertans.

The following highlight just some of the external funding secured by MacEwan in

2022/23 to support research and scholarly activity:

- Two Mitacs Globalink Internships (students from China and Germany being hosted in Departments of Computer Science and Biological Science, with two faculty supervisors).
- Dr. Chris Striemer (associate professor, Department of Psychology, Faculty of Arts and Science) renewed an NSERC Discovery grant for the project "Exploring the cognitive and neural mechanisms underlying visuomotor adaptation and its relationship with attention." In addition to enabling better understanding of the basic mechanisms underlying motor learning, Dr. Striemer's research has many applications such as rehabilitation of patients with brain damage and sensory feedback of prosthetic or robotic limbs. Total award: \$140,000.
- Dr. Fernando Angulo-Ruiz (associate professor, Department of International Business, Marketing, Strategy and Law, School of Business) was successfully awarded a SSHRC Insight Grant entitled "Retaining hybrid identity and purpose: Strategic responses to pressures when firms internationalize" to study the mechanisms and consequences of mixing non-conventional business organizational elements. The research will have practical implications for organizations aiming to do well while doing good across national borders. Total award: \$234,363.
- Dr. Emily Milne (associate professor, Department of Sociology, Faculty of Arts and Science) successfully attracted funding from both SSHRC and the Alberta Research Network for her work with Indigenous youth within the school system. Her SSHRC Partnership Development grant "Fostering effective partnerships to support First Nations, Métis and Inuit pathways to post-secondary education opportunities" (total award \$24,975) together with her ARN grant "Examining First Nations, Métis and

Inuit pathways to post-secondary education opportunities in St. Paul Education Regional Division” (total award \$49,847) build on her previous funding success and show an ongoing and growing relationship with community partners. Total awards: \$74,822.

- Dr. Natalia Rohatyn-Martin (assistant professor, Department of Human Services and Early Learning, Faculty of Health and Community Studies) was awarded a grant from Canadian Hearing Services through their Global Partnerships Program. The grant entitled “Validation of the Fatigue in Educational Contexts (FEC) Survey for Deaf Students” will provide an inclusive assessment tool, the newly created Fatigue in Educational Contexts, that will increase awareness of fatigue contributors and in turn help to mitigate negative life outcomes for deaf or hard of hearing students. Total award: \$98,182.
- MacEwan University successfully renewed its SSHRC Institutional Grant (SIG) for the next three years. This grant supports SIG internal grants for exploring and exchanging research knowledge in the social sciences and humanities. Total award: \$129,960.

In addition, the following applications were submitted by individual faculty members for a total of \$7,349,732:

- Forty-six Principal Investigator proposals for a total value of \$5,576,782, including:
  - four SSHRC Insight;
  - five SSHRC Insight Development;
  - two SSHRC Partnership Engage;
  - one SSHRC Partnership Development;
  - one SSHRC Gender-Based Violence Research Initiative;
  - five NSERC Discovery;
  - one NSERC Alliance Catalyst;
  - three CIHR Catalyst;
  - one CIHR Joint Canada-Israel Health Research Program;

- two Canada Research Chair nominations;
- two Canada Foundation for Innovation John R. Evans Leaders Fund Grants and,
- six Mitacs (including one Business Strategy Internship, two Accelerate, and one Globallink Research Award).

The following thirteen additional external grants (AI, ARNET, AFA, ARN, Canadian Hearing Services, City of Edmonton, ECCIR, SERG and the Government of Canada) were submitted during the reporting period:

- three Government of Alberta Major Innovation Fund;
- one Alberta Innovates Water Innovation Grant;
- seven co-applicant proposals (total value: \$1,772,950);
- one SSHRC Insight Grant;
- one Government of Canada Northern Contaminants Grant and,
- one CIHR Project Grant.

At an institutional level, MacEwan submitted the following applications during the reporting period:

- eight NSERC USRAs (total value: \$48,000) and,
- one SSHRC Institutional Connection Grant – Research Data Management Capacity Building Initiative (total value: \$45,811).

### **CONTRIBUTION TO THE ALBERTA RESEARCH AND INNOVATION FRAMEWORK**

Scholarship at MacEwan, which includes research, scholarly and creative activity, continues to play an important role in supporting the outcomes of the *Alberta Research and Innovation Framework* (ARIF) that will aid in achieving economic, environmental and social prosperity in Alberta. The scholarship conducted at MacEwan provides skills development and knowledge to help advance the four ARIF outcomes: Economic Diversification and Job Creation, Environmental Stewardship and Climate

Leadership, Effective Resource Management, and Engaged Individuals and Communities for a Healthy Alberta.

The university also contributes to achieving the objectives of Alberta's Recovery Plan by providing research opportunities that enable MacEwan students and faculty members to develop the skillsets and knowledge to help diversify Alberta's economy and ensure a prosperous society for everyone. A particular strength of scholarship at MacEwan is its interdisciplinary nature: faculty members and students work together across disciplines and expertise. For example, MacEwan's community-centred focus allows its faculty and students to study health system issues outside of existing delivery models to develop innovative solutions for future health services.

### **ECONOMIC DIVERSIFICATION AND JOB CREATION**

MacEwan has a diverse range of scholarship that helps foster students' development into the highly skilled and knowledge workforce of the future across disciplines. In addition to internal funding supports available through the University's Office of Research Services, MacEwan students are actively engaged in various Mitacs programs with community partners to combine the knowledge gained in the classroom with real-world working experiences. The organizations that have benefitted from this program include MarketDental Inc., Veras Technologies Inc., Arts Habitat Association of Edmonton and the Northern Alberta Business Incubator Society. As the majority of MacEwan students continue to reside in Edmonton after graduation, these experiences ensure that a MacEwan-trained workforce will continue to be active in building the diverse economic landscape of Alberta.

### **REGIONAL STEWARDSHIP, FOUNDATIONAL LEARNING, UNDERREPRESENTED LEARNERS**

As a place-based institution located in the heart of downtown Edmonton, MacEwan University regularly collaborates to create strong networks with community partners that

enhance access and pathways into learning. The university's support of students who are underrepresented and typically have lower post-secondary attainment rates is a key contributor to the success of those students. As a community-engaged institution, MacEwan's social innovation and community-based research assists with establishing relationships that can connect underrepresented learners and their families to the university.

### **BUILDING RELATIONSHIPS FOR STUDENT SUCCESS**

During the reporting period, MacEwan's Faculties and Schools, as well as individual faculty members, collaborated with an array of other learning providers. For example, the research collaboration between Dr. Emily Milne, associate professor in the Department of Sociology; Ben Calf Robe School; Alberta Education's First Nations, Métis, and Inuit Directorate; Northland School Division and St. Paul School Division. This community-based, participatory research project explores how family and community member engagement in education may contribute to improving student achievement and outcomes related to literacy, numeracy, Indigenous languages and cultural education.

This project also aims to support curriculum and pedagogy in a way that aligns with the Truth and Reconciliation Commission's Calls to Action, as well as Indigenous ways of knowing, doing, and being, with the goal of supporting equitable opportunities for Indigenous students in Alberta's provincial schools to enroll in post-secondary education.

The MacEwan CYU (Child-Youth University) project, under the leadership of Dr. Emily Milne and Dr. Kaitlyn Towle-Straub, assistant professor, Department of Physical Sciences, aims to break down barriers for children and youth from diverse backgrounds in pursuing a post-secondary education by offering meaningful learning opportunities as well as engage children and youth in the Edmonton community. In the 2022/23 academic year, MacEwanCYU was piloted on a small scale by engaging youth connected to Ben Calf Robe –

St. Clare Elementary School. External project collaborators include Ben Calf Robe – St. Clare Elementary and Junior High School, Jeffery Newton (Programs Director, Capital Region, Alberta Science Network), Hannah Storvold (C5 Director of Strategy and Advocacy) and Funke Smith (CEO of Skillcity Institute).

- The School of Continuing Education’s contract with the Tłı̨chǫ Government was extended during the reporting period to provide students from the Northwest Territories with credit and non-credit courses, as well as the opportunity to attend an in-person digital design skills camp at MacEwan in the summer of 2023. The school also continues to partner with Keyano College in Fort McMurray, Alberta on the delivery of international programs. Finally, the school began delivery of an interdisciplinary program in Gerontology and Palliative Care to healthcare practitioners in Alberta through an innovative pilot that engages students from rural areas of the province.
- The Faculty of Health and Community Studies’ partnership with Little Red River Cree Nation will see its first graduates of the Special Needs Educational Assistant program in Spring 2023. During the reporting period, the faculty offered a course in both Fall and Winter terms and will be following these courses with field placements and integration seminars in the Spring 2023 term. This program is offered to employees working as educational assistants within the school system.
- The Faculty of Health and Community Studies also partnered with Hexagon, an information technology company, and the Emergency Communications and Response program which provides the latest version of the company’s computer-aided dispatch software into the faculty’s simulated lab environment. This cloud-based, leading-edge technology was implemented during the reporting period to enable distance delivery in advance of Fall 2023.

- Notably, the Faculty of Health and Community Studies partnered with Boyle Street Community Services on the new Life Kits Initiative. These kits were created to provide necessities to people struggling during the winter months. Faculty, staff and students collected donations and then gathered to assemble the kits for distribution by Boyle Street Community Services which serves over 12,000 individuals a year at their nine Edmonton locations. Over fifty backpacks were filled and distributed to those in need.
- MacEwan’s School of Business continued its efforts to build and support the local entrepreneurial ecosystem during the reporting period with a new series of connections to community learning providers. The school’s capacity-building approach to these connections is in support of a more inclusive and impactful ecosystem alongside other community learning providers. The school hosted and facilitated a well-attended roundtable event to establish a shared vision and collective understanding of the barriers to entrepreneurship experienced by members of minority groups and Indigenous community members.

Other examples include:

- Supply Chain Canada – The School of Business partners with this professional body for accreditation of its Supply Chain major as well as to invite industry experts as guest speakers, to provide students with networking opportunities, and to organize brainstorming sessions on the latest trends in supply chain management.
- Insurance Institute of Northern Alberta and Insurance Institute of Canada – MacEwan’s School of Business has an ongoing relationship with these two insurance institutes regarding curriculum planning and stakeholder consultations.
- Edmonton Police Service (EPS) – the Department of Public Safety and Justice



Studies in the Faculty of Health and Community Studies, in partnership with EPS, facilitated “Run with the Recruiters” every Friday morning. This provided current students with the opportunity to network with EPS members while preparing themselves for the fitness testing standards required to become a police officer.

- Edmonton Catholic School Board – the 2022/23 academic year marked the fifth year of dual-credit offerings with the Edmonton Catholic School Board at St. Joseph’s High School in partnership with the Department of Public Safety and Justice Studies. This partnership provided interested high school students within Edmonton Catholic Schools the opportunity to explore careers within law enforcement. MacEwan generally has twenty-five to thirty students enrolled in each course offered: one in fall and one in winter term.
- Northland School Division – the 2022/23 academic year marked the second year for the Faculty of Health and Community Studies partnership with Northland School Division for dual-credit offerings in Police and Investigations and Special Needs Educational Assistant programs for high school students interested in exploring careers in these professions. This partnership was initiated in Fall 2021, and three distinct courses were offered as a result of this partnership.

MacEwan currently has over fifty agreements with institutions and organizations around the world for international collaboration in research, mobility, teaching and learning. These partnerships provide support for expanding the university’s academic profile, enriching perspectives and accessing funding opportunities.

The university’s international agreements support student learning abroad through exchanges, internships, and short-term programs, as well as international learning through online projects. These learning

opportunities provide MacEwan graduates with the intercultural competencies, knowledge, and skills to be successful in a global labour market and to meaningfully contribute to the growth of society.

In the reporting period, MacEwan expanded WIL placements abroad through a partnership with the Global Career Centre, providing students the opportunity to further develop their intercultural skillsets and prepare to enter the globalized workforce. Faculty members in the Faculty of Arts and Science and the School of Business engaged in collaborative scholarship with faculty at the university’s new partner institution, North South University in Bangladesh, spearheading expanded linkages for MacEwan in South Asia.

Despite disruptions due to the war in Ukraine, MacEwan’s Model UN projects with the Ukrainian Catholic University, the National University Kyiv-Mohyla Academic and Fulda University of Applied Sciences in Germany continued, including online projects and delegations at the National Model UN Conference in New York City.

## 7. Financial and Budget Information

This information should be reviewed in conjunction with the March 31, 2023, MacEwan University consolidated financial statements and accompanying notes.

The audited consolidated financial statements are reviewed and approved by the Board of Governors of Grant MacEwan University on the recommendation of the Audit & Risk Committee of the Board of Governors. These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards and represent the consolidated financial results of operations of MacEwan University, the Grant MacEwan University Foundation, and the MacEwan Downtown Corporation.

Note: A fiscal year change was made in 2022. Fiscal year 2021/22 ended March 31, 2022, and represented a stub period of nine months. It is compared to the current year ending March 31, 2023, which represents 12 months. For that reason, many of the graphs display per centages rather than actual dollars allowing for comparable differences between fiscal years regardless of the length of the fiscal year. Financial data for the 12 months ended March 31, 2022, is presented as information only (for comparative purposes). This period represents fiscal year 2021/22 (nine months) plus the third quarter of fiscal year 2021, and as such was not audited.

All amounts are in thousands of dollars unless otherwise noted.

### A. Operating Revenues and Expenses Overview

The following is a summary of the operating revenues and expenses as reported in the consolidated statement of operations:

	2022/23			2021/22	
	Actual	Budget	(Un) favourable variance	Nine months (Note 1)	Twelve Months (Note 2)
Revenues	\$ 246,624	\$ 240,186	\$ 6,438	\$ 182,803	\$ 232,922
Expenses	234,572	240,179	5,607	174,188	228,574
Annual operating surplus	12,052	7	12,045	8,615	4,348
Endowment revenues	1,836	2,025	(189)	276	1,161
<b>Annual surplus</b>	<b>\$ 13,888</b>	<b>\$ 2,032</b>	<b>\$ 11,856</b>	<b>\$ 8,891</b>	<b>\$ 5,509</b>

Note 1: effective April 1, 2022, the university adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified approach, with restatement of prior year audited results.

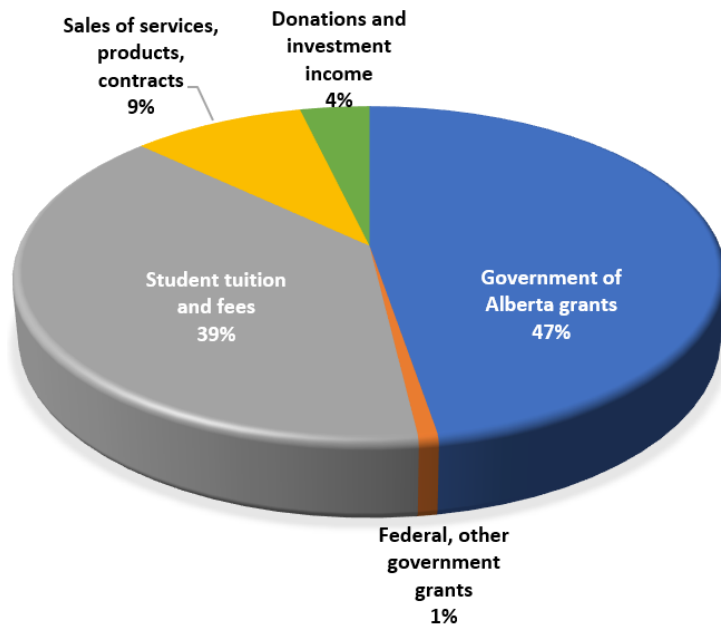
Note 2: throughout this report, financial data for the 12 months ended March 31, 2022, is presented as information only (for comparative purposes). This period represents fiscal year 2022 (9 months) plus the third quarter of fiscal year 2021, and as such was not audited.

The 2022/23 operating budget was prepared in the winter of 2022 based on assumptions which were reasonable at the time. During the year, the following items were the major contributing factors to the overall budget variances for revenue and expenses:

- **Government of Alberta grants** were favourable \$2,083 primarily due the university's successful attainment of the Targeted Enrolment Enhancement (TEE) grants that were approved by Advanced Education after the university's budget was finalized.
- **Student tuition and fees** were \$(3,474) unfavourable to budget. Enrolment for the spring / summer 2022 term dropped from the prior year's high, back to normalized pre-pandemic averages. Fall enrolment declined slightly, offset by winter enrolment increasing slightly over the prior year. The mix of students also changed with an increased international enrolment offset by lower domestic enrolment.
- **Sales of services and products** were favourable to budget by \$3,569 as ancillary activity returned to pre-pandemic levels sooner than expected.
- **Investment income** was favourable \$2,208 due to an increase in short-term interest rates.
- **Salaries & benefits** were \$3,914 favourable to budget. Position vacancies resulted in a favourable salary variance of \$2,675 in Faculty positions, and \$438 in sessional instructors, out of scope, and MSA positions. This was offset by an unfavourable variance of \$(1,316) in casual wages. A favourable benefits variance of \$1,993 was primarily aligned to the vacancies.
- **Materials and supplies** were favourable to budget by \$3,800 largely due to reduced costs for asset replacements, specifically for shorter-lived computers and equipment, and costs that did not materialize in projects due to timing. Supply chain delays resulted in a delay in the year end deployment of computers, and there were a variety of smaller positive variances in a several categories.

## B. Operational Highlights

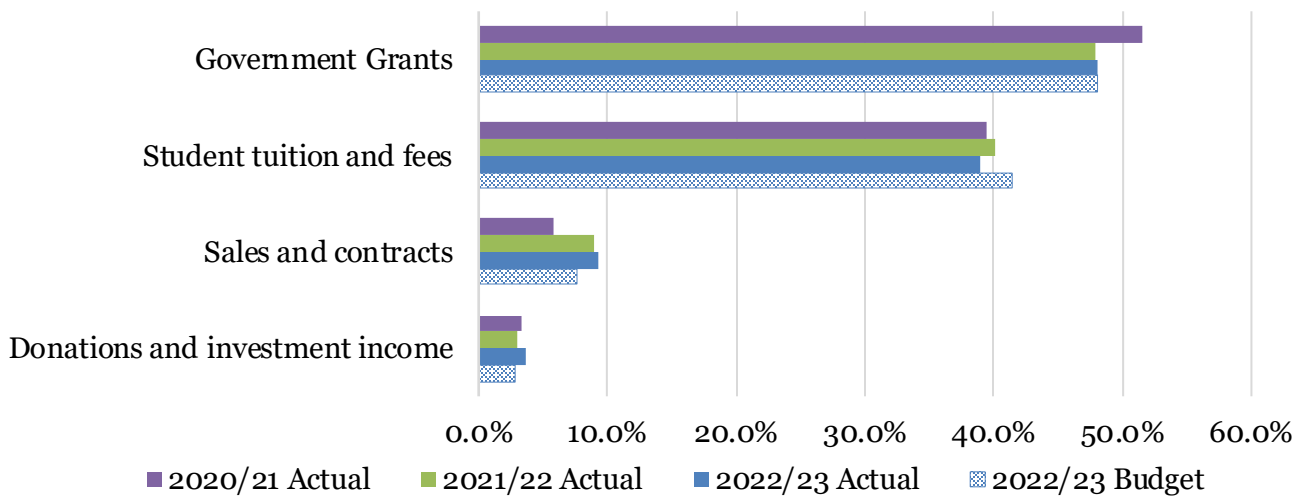
### a. Revenues



As a per centage of total revenue, grants from the Government of Alberta remained consistent from fiscal 2021/22 to fiscal 2022/23 at 47%. Student tuition and fees declined slightly from 40% in fiscal 2021/22 to 39% in fiscal 2022/23, offset by small increases in other revenue categories.

Total operating revenue of \$246,624 was \$6,438 favourable to budget and \$63,821 greater than the nine periods in fiscal 2021/22. The following table displays a comparison of revenue types as a per centage of overall revenue since fiscal 2020.

### Annual Trend: Revenue Objects as a % of Total Revenue



Government grants have decreased from 51.5% in 2020/21 as a per centage of total revenue to 48.1% in fiscal 2022/23, which holds steady to prior year and meets budget expectations. Although tuitions and fees experienced a decrease of 1.2% versus last year, they have grown 2.6% since 2019/20 (pre-pandemic) and experienced a slight drop of 0.6% since 2020/21. Sales have exceeded budget expectations and returned to pre-pandemic levels of 9.3%, and while donations have remained steady, investment income has been erratic due to the economic climate.

Overall, favourable revenue was driven primarily by four factors:

1. Targeted Enrolment Enhancement (TEE) grants that were approved after the budget for 2022/23 was finalized and thus unbudgeted,
2. increased research activity funded by federal agencies and offset by research spending,
3. ancillary activity returning to pre-pandemic levels sooner than expected, and
4. stronger than anticipated investment returns.

## b. Expenses

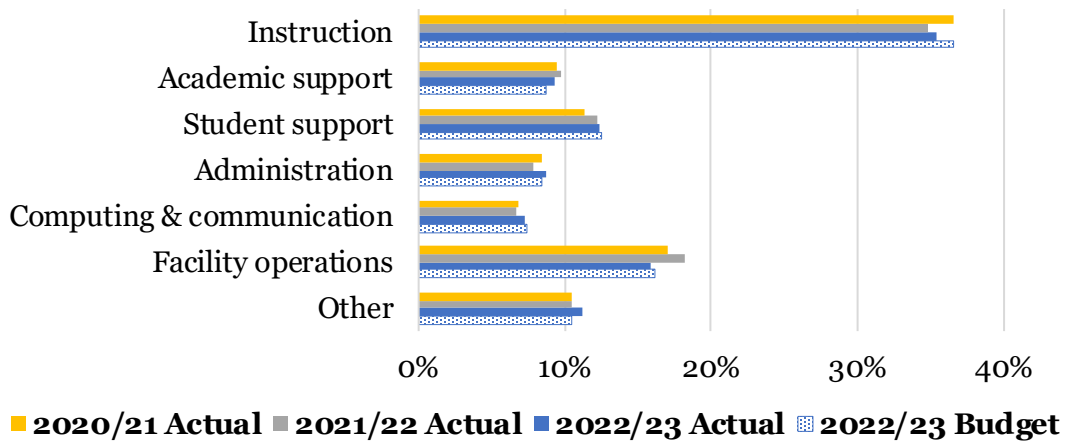
### i. Operating expenses by function

Under public sector accounting standards, the consolidated statement of operations presents expenses by function as defined in note 2(m) of the consolidated financial statements:

	2022/23			2021/22	
	Actual	Budget	(Un) favourable variance	Nine months	Twelve months
Instruction	\$ 82,837	\$ 87,771	\$ 4,934	\$ 60,833	\$ 80,410
Academic support	21,739	22,057	318	16,986	23,184
Student support	28,971	28,732	(239)	21,384	26,044
Administration	20,277	20,101	(176)	13,617	18,128
Computing and communications	16,894	17,601	707	11,614	15,814
Facility operations and maintenance	37,225	38,880	1,655	31,409	41,059
Other	26,629	25,037	(1,592)	18,345	23,935
	<u>\$ 234,572</u>	<u>\$ 240,179</u>	<u>\$ 5,607</u>	<u>\$ 174,188</u>	<u>\$ 228,574</u>



### Annual Trend: Expenses by Function as a % of Total Expenses



The following items were the major contributing factors to the variances between 2022/23 actuals and prior year:

- **Instruction** expenses as a per cent of total expenses increased in 2022/23 versus the prior year as the university continued to focus on its *Teaching Greatness* commitment to exceptional undergraduate learning, through its investment in tenured and tenure-track professors.
- **Academic support** is relatively stable with some higher costs in prior years due to special projects undertaken in the Provost Office. The past two years have shown growth in library, faculty support, and career counselling with additional hires. Faculty administration costs have remained relatively flat.
- **Student support** expenses have continued to climb since 2020/21, reflecting an increased allocation of funds for scholarships and bursaries as well as an investment in mental health support, which align to the Grand as a Griffin commitment preparing graduates that are versatile and future ready.
- **Administration** expenses reflected the filling of key leadership roles that were vacant in 2021/22 and remained only marginally higher than 2020/21 levels.
- **Computing and Communications** is a functional area that is project driven. More project work was undertaken this year compared to prior years. The lowest point was in 2021 and into 2022 when qualified personnel were difficult to recruit for a variety of reasons. Vacancy challenges remain in this area and are a priority of the new CIO who was hired in the fourth quarter of 2022/23. Project work continues to ramp up, although a significant portion of the costs of future projects will be capitalized.
- **Facility operations** expenses declined in 2022/23 versus prior year due to higher non-capital (expense) projects undertaken in 2021/22 that included the library expansion, exam centre renovation, flood repairs, and parkade ramp repairs. Projects in 2022/23 were primarily capital in nature (non-expense) and therefore do not appear in the operating results.

- **Other** expenses increased as activities returned to pre-pandemic levels. Higher ancillary expenses and increased sponsored research expenses were both offset by their related revenues. Higher fund development expenses were also incurred as the university prepared for increased fund development activities.

## ii. Operating expenses by object

Note 21 of the consolidated financial statements discloses the operating expenses by object:

	2022/23			2021/22	
	Actual	Budget	(Un) favourable variance	Nine months	Twelve months
Salaries	\$ 132,020	\$ 133,942	\$ 1,922	\$ 95,596	\$ 127,333
Employee benefits	25,975	27,967	1,992	19,498	25,093
Materials and supplies	13,841	17,641	3,800	10,359	13,001
Services and professional fees	14,981	14,764	(217)	9,916	13,319
Facility maintenance and utilities	16,460	14,453	(2,007)	14,924	19,882
Amortization	17,403	18,548	1,145	13,312	17,759
Cost of goods sold	2,953	3,105	152	2,959	3,195
Scholarships and bursaries	8,562	7,382	(1,180)	5,714	6,423
Interest on long term debt	2,377	2,377	-	1,910	2,569
	<u>\$ 234,572</u>	<u>\$ 240,179</u>	<u>\$ 5,607</u>	<u>\$ 174,188</u>	<u>\$ 228,574</u>

## C. Major Projects Overview – operating expenses and capital plan

	Actual			Budget			(Un) favourable variance
	Operating	Capital	Total	Operating	Capital	Total	Total
Technology and software	\$ 1,965	\$ 1,325	\$ 3,290	\$ 1,478	\$ 1,850	\$ 3,328	\$ 38
Infrastructure projects	713	3,260	3,973	1,350	2,872	4,222	249
Campus services projects	144	1,430	1,574	244	-	244	(1,330)
School of Business building	1,145	1,248	2,393	1,100	2,777	3,877	1,484
Campus Development	823	1,672	2,495	295	4,225	4,520	2,025
Research	366	-	366	600	-	600	234
Furniture, fixture and equipment	-	2,330	2,330	-	2,500	2,500	170
Library collections	-	678	678	-	400	400	(278)
Other projects	119	-	119	-	-	-	(119)
Total	<u>\$ 5,275</u>	<u>\$ 11,943</u>	<u>\$ 17,218</u>	<u>\$ 5,067</u>	<u>\$ 14,624</u>	<u>\$ 19,691</u>	<u>\$ 2,473</u>

The total project budget was created using best estimates for the capital and operating expense mix. Total project spending was favourable to budget by \$2,473, made up of \$(208) negative expense variance and \$2,681 favourable capital spend variance.

- **Technology and software** projects were virtually on budget, with major projects including the implementation of a new digital learning tool paskwâwi-mostos mêskanâs \$464, ERP 6.0 upgrade \$314, and the completion of the classroom technology upgrades \$573.

- **Infrastructure projects** were favourable \$249 due to a focus on the Capital Maintenance and Repair (“CMR”) funded building 7 exit project, and the focus on the School of Business building.
- **Campus Services** projects were unfavourable by \$(1,330) due to an earlier start on the residence air handling unit. The budget assumed a start after March 31, 2023, but as a risk mitigation strategy, the work commenced in fiscal 2022/23 in anticipation of possible supply chain delays.
- **The School of Business Building** includes a favourable variance of \$1,484 mainly due to timing of the initial design and construction work. The overall budget is \$190,000 and will take place over five years.
- **Campus Development** is favourable to budget by \$2,025. The variance includes \$1,000 budgeted for other emerging priorities that was not utilized. The balance of the variance is primarily due to timing. Significant projects including faculty office construction, USC changes, and the 105<sup>th</sup> Avenue work by the City of Edmonton were budgeted to start in fiscal 2022/23 but were delayed to after March 31, 2023.
- **Library collections** had an unfavourable budget variance of \$(278) as collection requirements for various programs of study continued to grow. The budgets for 2023/24 and 2024/25 have been increased to reflect higher library investment.

## D. Consolidated Statement of Cash Flows

The consolidated statement of cash flows provides an overview of the changes in the cash and cash equivalents for the university.

	<u>2022/23</u>	<u>2021/22*</u>
Cash provided by operating transactions	\$ 29,720	\$ 28,820
Cash applied to capital transactions	(11,919)	(8,945)
Cash applied to investing transactions	(1,571)	(1,774)
Cash applied to financing transactions	<u>(7,775)</u>	<u>(3,306)</u>
Increase in cash	<u>\$ 8,455</u>	<u>\$ 14,795</u>

\* A fiscal year change was made in 2022; values here represent nine months of data.

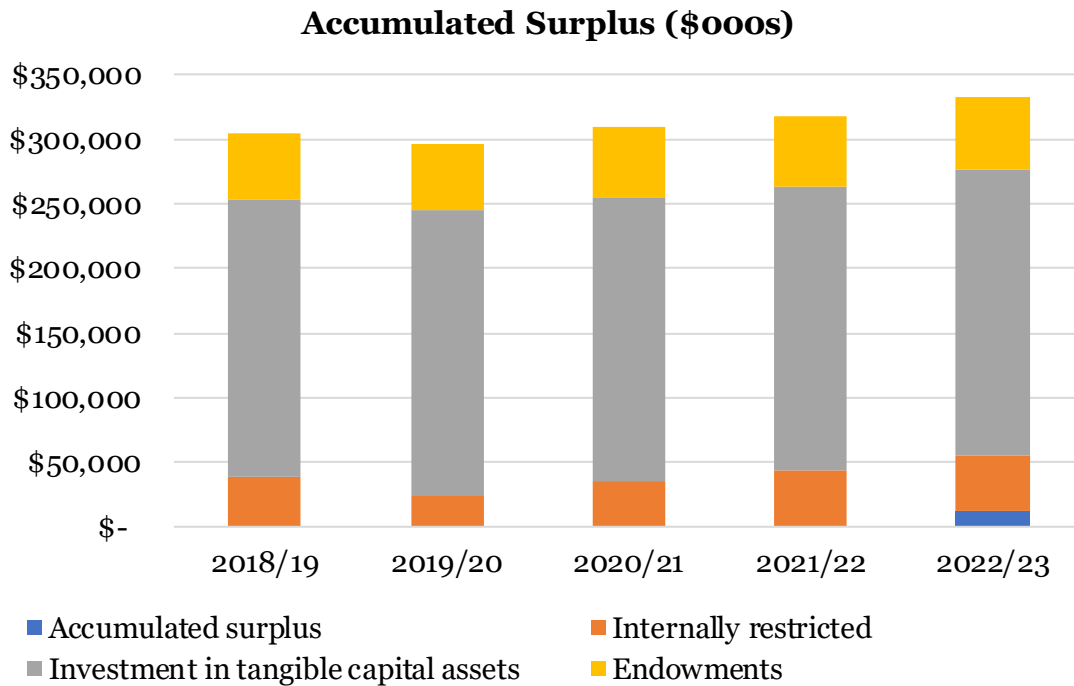
- i. Cash provided by operating transactions represents the operating results net of internally funded tangible capital assets transactions and changes in non-cash financial assets and liabilities.
- ii. Cash applied to capital transactions represents acquisition of capital assets during the year. See Section 8 – Capital Plan for additional information on these acquisitions.
- iii. Cash applied to investing transactions represents the transfer of short-term investments to and from the operating bank account during the year, to ensure the university holds adequate funds in its operating bank account to meet its business requirements.
- iv. Cash applied to financing transactions represents the repayment of debt.

## E. Accumulated Surplus

MacEwan University's accumulated surplus on March 31, 2023, was \$332,059 compared to \$318,171 as at March 31, 2022. Note 16 to the consolidated financial statements presents detailed information regarding the movement of the accumulated surplus categories during the year.

The university continues to invest in tangible capital assets to provide students, faculty, and staff with the facilities and equipment required to meet the Teaching Greatness strategic plan. The internally restricted accumulated surplus of \$42,676 includes \$18,000 for the School of Business building. New for 2023, \$3,000 is held for future central plant replacement as buildings and assets are aging. The balance of the restricted surplus provides the funds necessary for the university to enhance campus buildings and technology.

Also new for 2023, an accumulated surplus of \$11,766 will remain unrestricted. Historically, any surplus would have been appropriated to internally restricted accumulated surplus. As new priorities arise in the future, funds can be transferred from unrestricted to internally restricted accumulated surplus.



## F. Financial Risk Oversight and Analysis

### a. Risk Principles

1. Risk is a source of value. Its evaluation helps us make better and more informed decisions and improve our processes. Better decisions lead to better performance and a greater likelihood of achieving or surpassing strategic objectives.
2. While we should be concerned about risks, we should be focused on achieving strategic objectives in a cost-effective way.
3. There will be more than one source of risk that might affect the achievement of an objective. The aggregate effect of these risks on an objective, needs to be considered. Risk management must be proportionate to the internal and external contexts in which the university seeks to achieve its objectives.
4. The management of risk is a shared responsibility at all levels of the university. Uncertainty must be understood within the limits of accountability and managed within an articulated risk attitude.
5. Risk management must continuously evolve through innovation to remain effective.

## b. Risk Roles and Responsibilities

<b>Key Player</b>	<b>Roles and Responsibilities</b>
Board of Governors	Overall Governance responsibility for risk management. Promotes a culture which evaluates, communicates, and manages risk in a systematic manner, with an emphasis on strategic risks.
Audit and Risk Committee	Approval and support of ERM framework. Delegated responsibility to oversee and ensure there are enterprise risk management processes, and frameworks are in place and are effective. Review the Strategic Risk Dashboard, which includes highlights of the Strategic Risk Register, and report to the Board of Governors regarding the register including major risks on at least an annual basis with periodic reviews as needed.
President	Management responsibility of risk management. In conjunction with the Board of Governors, create and promote a risk culture which integrates risk management in the strategic planning process.
Vice President Finance and Administration and CFO	Delegated responsibility for overall risk management processes including risk policy, ERM framework and reporting to the Audit and Risk Committee on the ERM framework and program.
Executive Council	Approve the Strategic Risk Register details of which are provided to the Audit and Risk Committee on a regular basis and the Board of Governors on at least an annual basis. Endorse and support of ERM framework. Risk owners of strategic risks of the university. Identify, evaluate, and manage strategic risks of the university and key risks within their areas of responsibility.

### c. Key Risks

Financial funding uncertainty is the most significant risk in relation to MacEwan achieving its financial targets and strategic vision. While significant growth is expected through 2030, without a funding formula on operating grants, there is a challenge in keeping the institution sustainable, while maintaining student affordability. Below are financial risks which could have a negative impact on operating revenues or expenses for the university:

Risk	Impact	Probability	Treatment Plan
Base operating grant changes	Each 1% change in the base operating grant represents approximately \$1 million in funding for the University. Conversely, the base grant staying constant in a period of enrolment growth also creates pressure with lower grant funder per student.	Low	Continue to review operations to ensure the university is as efficient as possible. Plan for possible cash flow reductions by having additional investments held in short-term instruments.
Student enrolment	Each 1% change in student enrolment will result in approximately \$0.8 million tuition and other fee revenue for the University. A decrease or lack of projected growth can have a significant impact. International tuition for each full load equivalent student (30 credits) is \$21,660. A reduction in enrolment and on-campus activities will result in a decrease in ancillary services revenue and net contribution to the University.	Low	The University will continue to monitor the financial forecasts based on enrolment and on-campus activities and take the necessary actions to minimize the financial impact.
Inflationary increase to operating expenses	Each 1% inflationary increase represents approximately \$400 increase in operating expenses for the University.	High	The University leadership will adjust spending where necessary to offset increases in expenses due to inflation.
Significant increase in estimated cost of campus development projects including the School of Business.	Increase in cost will result in less campus development activities being completed.	Medium	MacEwan University will continue to review the scope and cost estimates for any project which may have a potential for an increase in costs.
Delays in hiring continuing faculty or other staff, which will result in unspent salary budget and limited instructional cap.	The financial impact will depend on the number of vacant positions, the length of time the position is vacant, and the compensation level for the positions.	Medium	The University will continue to review vacant positions and consider alternative ways to recruit quality faculty and staff. The University is committed to hiring continuing faculty.



## 8. Capital Plan

For the 2022/23 reporting period, MacEwan University's capital plan continued to align and support the university's strategic framework – *Teaching Greatness*. The capital plan included designing and constructing student learning spaces, building spaces that engage the community, optimising preventive maintenance of aging buildings and implementing sustainability and energy resiliency initiatives.

The new School of Business Building continues to be the highest priority capital project. This project recently received a \$125 million grant approval from the Government of Alberta. This project will provide additional capacity for MacEwan University to reach its targeted growth of approximately 30,000 learners by 2030. With this new space, MacEwan will increase its opportunities to grow, innovate and compete as a maturing university. It will maintain MacEwan's high standard of delivering quality student programs targeted to meet labour market demands and support innovation and commercialisation. In the community, the construction will support Alberta's economy by directly providing jobs in the construction sector, supporting neighbouring communities in Edmonton's downtown core and providing improved access to knowledge, skills and competencies in entrepreneurship and diversification to grow the Alberta market locally and globally.

The university engaged GEC Architecture to design and facilitate the construction of the project. The new building will house approximately 35,000m<sup>2</sup> of academic space on the university's north 105 Avenue gateway. With the decanting of the School of Business from Buildings 5, 6 and 7, the vacated spaces provide an opportunity to support future growth. It will also enable the repurposing of Building 5 for additional science laboratory and instructional space.

The MacEwan community was welcomed back to campus during the 2022/23 reporting period, with the completion of several projects, including the Centre for Sexual and Gender

Diversity and the improved accessibility and functionality of the Building 6 cafeteria. These projects focused on enhancing student learning experiences and solidifying the university's commitment to inclusivity, diversity and equity.

In addition to interior renovation projects, the university addressed infrastructure maintenance. Capital maintenance projects completed during the 2022/23 reporting period included Building 6-8 shingle roof replacements, energy efficient lighting upgrades across campus, and emergency generator replacement.

The Village Square (Exiting/Egress) Project is well underway. The project itself will be phased based on funding availability. The first phase will see egress points added to the pedway between Buildings 7 and 8. The pedway will be brought down to grade, allowing pedestrian circulation on the first and second floors.

As the original City Centre Campus approaches 30 years of age, many building systems are at the end of their useful life and have reached maximum capacity. The east campus central plant and high voltage switchgear are two such systems that will require attention over the next few years.

Another area of focus is the development of the functional program for decanted space post-construction of the School of Business. The university is committed to space efficiencies as it plans for enrollment growth, increased full-time faculty positions, growth in research and more community partnerships. This, in turn, will drive the demand for more classroom and active learning spaces and a need for more student support service areas.

The campus Landscape Master Plan is in progress and will ensure continued alignment with the university's strategic vision and the City of Edmonton's development plans for downtown. Several key development initiatives directly impact MacEwan University. The university works closely with city officials to accommodate and minimize the impact of the

LRT expansion and Columbia Avenue streetscape work on the campus.

Inflationary pressures, global supply chain issues, and ongoing trade labour shortages will challenge MacEwan's robust strategic planning processes and proven ability in project execution. It will be imperative for the university to work collaboratively with different levels of government, trade partners and the larger community to ensure our continued success.

## 2023/24 SUMMARY OF CAPITAL PROJECTS

Type of Project and Funding Sources					
Type	Project Description	Total Project Cost (in thousands)	Funding Sources	Funding Received to Date and Source (in thousands)	Revised Funding Sources
<b>Priority Projects (top three capital priorities)</b>					
New	School of Business Building project – design and construction	\$190,000	66%: GoA 21%: University 13%: Donor	\$125,000 GoA, \$25,000 from campaign and balance PSI funds including proceeds from sale of ACC.	GoA approved funding
Maintenance	Occupancy loading exiting and egress to meet capacity	\$11,500	100% GoA	\$5,750 GoA CMR funding	No change
Preservation	East campus plant replacement and expansion	\$26,000	To be determined	No funds received to-date. Initial estimate only.	No change
<b>Other</b>					
Expansion	Faculty and administration offices and workspace enhancements	\$9,960	100% University	MacEwan self-funded – Internally Restricted	No change
Preservation	VING lock hardware replacement	\$4,100	100% GoA	\$2,315 GoA CMR funding	No change
Preservation	Residence - air handler replacement	\$3,475	100% University	MacEwan self-funded	No change
Expansion	Classroom relocation and expansion	\$1,115	100% University	MacEwan self-funded – Internally Restricted	No change
Expansion	Science restack (previously known as biology lab expansion)	\$3,625	100% University	MacEwan self-funded – Internally Restricted	No change
Expansion	Campus Master Plan update and repurpose of open space	\$1,500	100% University	MacEwan self-funded	University-approved funding for planning
Preservation	High voltage switchgear	\$9,000	100% GoA	No funds received to date. Initial estimate only.	No change
Maintenance	Clock tower main entrance vestibule functional improvement (Building 7)	\$5,600	100% GoA	No funds received to date. Initial estimate only.	No change
Expansion	Functional programming for decanted spaces post	\$5,000	To be determined.	No funds received to date.	No change

<b>Type of Project and Funding Sources</b>					
<b>Type</b>	<b>Project Description</b>	<b>Total Project Cost (in thousands)</b>	<b>Funding Sources</b>	<b>Funding Received to Date and Source (in thousands)</b>	<b>Revised Funding Sources</b>
	new School of Business Building				
Preservation	Campus remediation	\$6,630	Government funding requested.	No funds received to date.	No change
Proposed	Repurpose Building 5 for science expansion	To be determined	To be determined.	No funds received to date.	No change
Proposed	Building 7 Library expansion	To be determined	To be determined.	No funds received to date.	No change

<b>2021/22 Project Timelines and Status</b>					
<b>Project Description</b>	<b>Project Timeline</b>	<b>Expected Project Start</b>	<b>Expected Project Completion</b>	<b>Project Status</b>	<b>Progress Made in the Last 12 months</b>
School of Business project	July 2019 – Dec. 2026	July 2019	Dec. 31, 2026	Construction documentation is in progress.	Design Development competed.
Occupancy loading exiting and egress to meet capacity	Jan. 2021 – Dec. 2024	Jan. 1, 2021	Dec. 31, 2024	Phase 1 construction is in progress.	Construction continues per plan.
East campus infrastructure project (planning)	Jan. 2024 – Dec. 2030	Jan. 1, 2021	Dec. 31, 2030	Pre-planning.	Completed several infrastructure studies to assist in planning and feasibility.
Faculty and administration offices and workspace enhancements	July 2019 – Dec. 2024	July 1, 2019	Dec. 31, 2024	Three-year, multi-phased project to develop faculty offices and enhance open workspaces.	Phased design and construction.
VING lock hardware replacement	Sept. 2021 – Dec. 2026	Sept. 1, 2021	Dec. 31, 2026	In progress – phased installation plan.	Building 8 lock installation complete. Additional locks are on backorder.
Residence - air handler replacement	Sept. 2021 – Dec. 2024	Sept. 2021	Dec. 2024	Two-year phased construction plan. Construction in progress.	AHU equipment was ordered. Design completed and tendered.
Classroom relocation and expansion	Nov. 2022 – Oct. 2023	Nov. 2022	Oct. 2023	Tender and building permit application in progress.	Design completed.
Science restack (previously known	Nov. 2022 – Dec. 2024	Nov. 2022	Dec. 2024	Design in progress.	Feasibility study completed.

<b>2021/22 Project Timelines and Status</b>					
<b>Project Description</b>	<b>Project Timeline</b>	<b>Expected Project Start</b>	<b>Expected Project Completion</b>	<b>Project Status</b>	<b>Progress Made in the Last 12 months</b>
as biology lab expansion)					
Campus Master Plan update and repurpose of open space	July 2019 – Dec. 2023	July 1, 2019	Dec. 31, 2023	Landscape design in progress.	No change.
High voltage switch gear replacement	Sept. 2023 – Mar. 2026	Sept. 2023	Mar. 2026	Pending funding. Pre-planning is in progress.	No change.
Clock tower main entrance vestibule functional improvement	Sept. 2023 – Mar. 2025	Sept. 2023	Mar. 2025	Pending funding. Pre-planning is in progress.	No change.
Functional programming for decanted spaces post new School of Business Building	Sept. 2023 – Mar. 2026	Sept. 2023	Mar. 2026	Pending funding. Pre-planning is in progress.	No change.
Campus remediation	TBD	TBD	TBD	Pending funding.	No change.
Repurpose Building 5 for science expansion	TBD	TBD	TBD	Pending funding.	Pending funding.
Building 7 Library expansion	TBD	TBD	TBD	Pending funding.	Pending funding.

## **Appendix A. Consolidated Financial Statements**

# **Consolidated Financial Statements**

**For the year ended March 31, 2023**

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**MacEwan University**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2023**

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**MacEwan University**  
**Statement of Management Responsibility**  
**For the year ended March 31, 2023**

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The consolidated financial statements of MacEwan University (the “university”) have been prepared by management in accordance with Canadian public sector accounting standards as described in Note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the university as at March 31, 2023, and the results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended.

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

The Board of Governors is responsible for reviewing and approving the consolidated financial statements and overseeing management’s performance of its financial reporting responsibilities.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit and Risk Committee. With the exception of the President, all members of the Audit and Risk Committee are not employees of the university. The Audit Committee meets with management and the external auditors and internal auditors to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Audit Committee, with and without the presence of management.

These consolidated financial statements have been reported on by the Auditor General of Alberta, the external auditor appointed under the *Post-secondary Learning Act*. The Independent Auditor’s Report outlines the scope of the audit and provides the audit opinion on the fairness of presentation of the information in the consolidated financial statements.

[Original signed by Annette Trimbee, PhD]  
*President and Vice-Chancellor*

[Original signed by Maureen Lomas, CMA, CPA]  
*Vice-President, Finance & Administration and  
Chief Financial Officer*

Independent Auditor's Report

To the Board of Governors of Grant MacEwan University

**Report on the Consolidated Financial Statements**

**Opinion**

I have audited the consolidated financial statements of MacEwan University (the Group), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, remeasurement gains and losses, changes in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Emphasis of matter – corresponding information**

I draw attention to Note 4 of the consolidated financial statements, which describes the change in fiscal year end. My opinion is not modified in respect to this matter.

**Basis for opinion**

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Other information**

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the consolidated financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]  
Auditor General

May 25, 2023  
Edmonton, Alberta

**MacEwan University**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2023**  
**(thousands of dollars)**

	<b>March 31, 2023</b>	March 31, 2022 (Restated Note 3)
<b>FINANCIAL ASSETS, excluding portfolio investments - restricted for endowments</b>		
Cash (Note 5)	\$ 69,671	\$ 61,216
Portfolio investments - non-endowment (Note 6)	56,479	57,528
Finance lease receivable (Note 8)	20,818	21,564
Accounts receivable	3,923	3,105
Inventories held for sale	1,230	1,533
Advances	1,911	1,572
	<b>154,032</b>	146,518
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	36,070	35,839
Employee future benefit liabilities (Note 9)	6,138	6,222
Debt (Note 10)	54,933	59,309
Deferred revenue (Note 11)	51,717	57,369
Environmental liability for contaminated sites (Note 14)	6,999	6,665
Asset retirement obligations (Note 15)	568	540
	<b>156,425</b>	165,944
<b>Net debt excluding portfolio investments - restricted for endowments</b>	<b>(2,393)</b>	<b>(19,426)</b>
Portfolio investments - restricted for endowments (Note 6)	<b>81,515</b>	84,255
<b>Net financial assets</b>	<b>79,122</b>	64,829
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	388,789	394,283
Prepaid expenses	6,543	6,464
	<b>395,332</b>	400,747
<b>Net assets before spent deferred capital contributions</b>	<b>474,454</b>	465,576
Spent deferred capital contributions (Note 13)	<b>126,004</b>	128,671
<b>Net assets</b>	<b>\$ 348,450</b>	\$ 336,905
Net assets is comprised of:		
Accumulated surplus (Note 16)	\$ 332,059	\$ 318,171
Accumulated remeasurement gains	16,391	18,734
	<b>\$ 348,450</b>	\$ 336,905

Contingent assets and contractual rights (Notes 17 and 19)  
Contingent liabilities and contractual obligations (Notes 18 and 20)

The accompanying notes are an integral part of these consolidated financial statements.

**MacEwan University**  
**Consolidated Statement of Operations**  
**Year ended March 31, 2023**  
**(thousands of dollars)**

	<b>Budget</b>	<b>March 31, 2023</b>	March 31, 2022
	(Note 25)	(12 months) (Note 4)	(9 months) (Restated - Note 3)
<b>REVENUES</b>			
Government of Alberta grants (Note 23)	\$ 114,660	\$ 116,744	\$ 86,186
Federal and other government grants (Note 23)	861	1,922	1,427
Student tuition and fees	99,372	95,898	73,282
Sales of services and products	17,396	20,965	15,291
Contract programs	1,110	1,937	1,136
Donations and other grants	1,818	1,981	1,209
Investment income	4,969	7,177	4,272
	<u>240,186</u>	<u>246,624</u>	<u>182,803</u>
<b>EXPENSES (Note 21)</b>			
Instruction	87,771	82,837	60,833
Academic support	22,057	21,739	16,986
Student support	28,732	28,971	21,384
Administration	20,101	20,277	13,617
Computing and communications	17,601	16,894	11,614
Facility operations and maintenance	38,880	37,225	31,409
Other	25,037	26,629	18,345
	<u>240,179</u>	<u>234,572</u>	<u>174,188</u>
<b>Annual operating surplus</b>	7	12,052	8,615
Endowment contributions	2,025	1,836	276
<b>Annual surplus</b>	2,032	13,888	8,891
<b>Accumulated surplus, beginning of period</b>	<u>318,171</u>	<u>318,171</u>	<u>309,280</u>
<b>Accumulated surplus, end of period (Note 16)</b>	<u>\$ 320,203</u>	<u>\$ 332,059</u>	<u>\$ 318,171</u>

The accompanying notes are an integral part of these consolidated financial statements.



**MacEwan University**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year ended March 31, 2023**  
**(thousands of dollars)**

	<u>Budget</u> (Note 25)	<u>March 31, 2023</u> (12 months) (Note 4)	<u>March 31, 2022</u> (9 months) (Restated - Note 3)
Annual surplus	\$ 2,032	\$ 13,888	\$ 8,891
Acquisition of tangible capital assets (Note 12)	(14,624)	(11,943)	(8,977)
Asset retirement obligation capitalized		(28)	-
Costs transferred to finance lease receivable		-	486
Amortization of tangible capital assets (Note 12)	18,458	17,403	13,312
Proceeds from sale of tangible capital assets		24	33
Loss (gain) on disposal of tangible capital assets		38	(18)
(Increase) decrease in prepaid expenses		(79)	886
Decrease in spent deferred capital contributions		(2,667)	(3,667)
(Decrease) increase in accumulated remeasurement gains		(2,343)	1,080
<b>Increase in net financial assets</b>		<b>14,293</b>	<b>12,026</b>
<b>Net financial assets, beginning of period</b>		<b>64,829</b>	<b>52,803</b>
<b>Net financial assets, end of period</b>		<b>\$ 79,122</b>	<b>\$ 64,829</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MacEwan University**  
**Consolidated Statement of Remeasurement Gains and Losses**  
**Year ended March 31, 2023**  
**(thousands of dollars)**

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	<b>March 31, 2023</b> <b>(12 months)</b>	March 31, 2022
	<u>(Note 4)</u>	<u>(9 months)</u>
		(Restated – Note 3)
<b>Accumulated remeasurement gains, beginning of period</b>	<b>\$ 18,734</b>	\$ 17,654
Unrealized gains attributable to:		
Designated fair value financial instruments:		
Portfolio investments - non-endowed	(2,273)	1,149
Amounts reclassified to the consolidated statement of operations:		
Designated fair value financial instruments:		
Portfolio investments - non-endowed	<u>(70)</u>	<u>(69)</u>
<b>Accumulated remeasurement gains, end of period</b>	<b><u>\$ 16,391</u></b>	<b><u>\$ 18,734</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**MacEwan University**  
**Consolidated Statement of Cash Flows**  
**Year ended March 31, 2023**  
**(thousands of dollars)**

	<b>March 31, 2023</b> <b>(12 months)</b> <b>(Note 4)</b>	<b>March 31, 2022</b> <b>(9 months)</b> <b>(Restated - Note 3)</b>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 13,888	\$ 8,891
Add (deduct) non-cash items:		
Amortization of tangible capital assets	17,403	13,312
Gain on disposal of portfolio investment - non-endowed	(39)	(84)
Gain on disposal of portfolio investment - endowed	(955)	(2,114)
Loss (gain) on disposal of tangible capital assets	38	(18)
Expended capital contributions recognized as revenue	(6,066)	(4,549)
Change in employee future benefit liabilities	(84)	(860)
Change in non-cash items		
Decrease in finance lease receivable	746	366
(Increase) decrease in accounts receivable	(818)	540
Decrease (increase) in inventories held for sale	303	(158)
(Increase) decrease in advances	(339)	43
Increase in accounts payable and accrued liabilities	231	7,877
Decrease in deferred revenue	5,157	4,688
Increase in liability for contaminated sites	334	-
(Increase) decrease in prepaid expenses	(79)	886
<b>Cash provided by operating transactions</b>	<b>29,720</b>	<b>28,820</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(11,943)	(8,978)
Proceeds on sale of tangible capital assets	24	33
<b>Cash applied to capital transactions</b>	<b>(11,919)</b>	<b>(8,945)</b>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments	(3,943)	(6,702)
Proceeds on sale of portfolio investments	2,372	4,928
<b>Cash applied to investing transactions</b>	<b>(1,571)</b>	<b>(1,774)</b>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(4,376)	(2,424)
Decrease in spent deferred capital contributions, less expended capital contributions recognized as revenue, less in-kind donations	(3,399)	(882)
<b>Cash applied to financing transactions</b>	<b>(7,775)</b>	<b>(3,306)</b>
<b>Increase in cash</b>	<b>8,455</b>	<b>14,795</b>
<b>Cash, beginning of the period</b>	<b>61,216</b>	<b>46,421</b>
<b>Cash, end of the period</b>	<b>\$ 69,671</b>	<b>\$ 61,216</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MacEwan University**  
**Notes to the Consolidated Financial Statements**  
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**1) Authority and Purpose**

The Board of Governors of Grant MacEwan University is a corporation that manages and operates MacEwan University (“the university”) under the *Post-secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the Chancellor and President and Vice-Chancellor, who are *ex officio* members. Under the *Post-secondary Learning Act*, the university is an undergraduate university offering undergraduate degree programs, approved foundational learning, diploma or certificate programs, undertaking research and scholarly activities that enrich undergraduate education, and collaborating with other post-secondary institutions to support regional access to undergraduate degree programs. The university is a registered charity, and under Section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax. This tax exemption does not extend to its wholly-owned subsidiary, MacEwan Downtown Corporation.

**2) Summary of Significant Accounting Policies and Reporting Practices**

**a) General – Canadian Public Sector Accounting Standards (PSAS) and Use of Estimates**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The measurement of certain assets and liabilities, revenues and expenses is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The university’s management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets, asset retirement obligations, liabilities for contaminated sites, and the revenue recognition for expended capital are the most significant items based on estimates. In management’s opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

**b) Valuation of Financial Assets and Liabilities**

The university’s financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Portfolio investments	Fair value
Finance lease receivable	Lower of amortized cost or net recoverable value
Accounts receivable	Lower of cost or net recoverable value
Advances	Cost
Inventories held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	Cost
Liability for contaminated sites	Cost
Asset retirement obligations	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value creates a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. Other than portfolio investments that are recorded at fair value, a write-down of a financial asset to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of portfolio investments are accounted for using trade-date accounting. The university does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the university’s normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. The university does not have any embedded derivatives in contractual obligations.

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**c) Revenue Recognition**

All revenues are reported on an accrual basis. Amounts received for goods or services not provided by year-end are recognized as deferred revenue.

**i. Government Grants, Non-government Grants, and Donations**

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for the use, or the terms along with the university's actions and communications as to the use, create a liability. These grants and donations are recognized as revenue as the terms are met. If the grants and donations are used to acquire or construct tangible capital assets, revenue will be recognized over the useful life of the tangible capital assets.

Government grants without terms for the use of the grant are recognized as revenue when the university is eligible to receive the funds. Unrestricted non-government grants and donations are recognized as revenue in the year received or in the year the funds are committed to the university if the amount can be reasonably estimated, and collection is reasonably assured.

In-kind donations of services, materials, and tangible capital assets are recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recognized at the carrying value of the transferring party.

**ii. Grants and Donations Related to Land**

Grants and donations for the purchase of land are recognized as deferred revenue when received and recognized as revenue when the land is purchased.

The university recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the university cannot determine the fair value, it recognizes such in-kind contributions at nominal value.

**iii. Endowment Contributions**

Endowment contributions are recognized in the consolidated statement of operations in the year they are received.

**iv. Investment Income**

Investment income includes dividends, interest income, and realized gains or losses on the sale of unrestricted (non-endowed) portfolio investments.

Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability and is recognized as investment income when the terms of the grant or donation are met.

Unrealized gains and losses on unrestricted (non-endowed) portfolio investments are recognized in the consolidated statement of accumulated remeasurement gains and losses until the related investments are sold. Once realized, these gains or losses are recognized as investment income in the consolidated statement of operations.

**d) Endowments**

Endowments consist of externally restricted donations received by the university and internal allocations by the university's Board of Governors.

Investment income earned from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors and university policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income. Under the *Post-secondary Learning Act*, the university has the authority to alter the terms and conditions of endowments to enable:

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- investment income earned by the endowments to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowments.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of investment income earned by the endowments if, in the opinion of the Board of Governors, the encroachment benefits the university and does not impair the long-term value of the fund.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the university has the option to defer the spending allocation, fund the spending allocation from the university's operating funds, or fund the spending allocation through encroachment of endowment capital.

**e) Finance Lease Receivable**

The finance lease receivable is recognized at the present value of future expected lease payment. The discount rate used to determine the present value of the lease payments receivable is the lower of the university's rate for incremental borrowing or the interest rate implicit in the lease. The tangible capital asset is derecognized at the carrying value. Any difference between the net investment in the lease and the related tangible capital asset's carrying value will be recognized as a gain or loss on the consolidated statement of operations.

**f) Inventories Held for Sale**

Inventories held for sale are measured at the lower of cost or expected net realizable value that is determined using the moving average basis.

**g) Tangible Capital Assets**

Tangible capital assets are recognized at cost, which includes amounts directly related to the acquisition, design, construction, development, improvement, or betterment of the assets and costs associated with asset retirement obligations. Cost also includes overhead directly attributable to construction and development, and interest costs that are directly attributable to the acquisition or construction of the asset.

Work-in-progress, including facilities' improvement projects, furniture and equipment construction, and development of information systems, is not amortized until the project is complete and the asset is in service. Assets or disposal groups that are classified as held-for-sale are measured at the lower of the carrying amount and fair value less costs to sell.

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

Buildings	10 to 40 years
Land improvements	10 to 25 years
Equipment	3 to 25 years
Computer hardware and software	3 to 7 years
Other	10 to 20 years

Tangible capital asset write-downs are recognized when conditions indicate they no longer contribute to the university's ability to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are recognized as an expense in the consolidated statement of operations.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

**h) Foreign Currency Translation**

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at the prevailing exchange rate on the transaction date. The carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses. In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.



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**i) Employee Future Benefit Liabilities**

**i. Pension**

The university participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the university's participating employees based on years of service and earnings.

The university does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the LAPP comprises employer contributions to the plan required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

**ii. Supplemental Retirement Plans**

The university maintains a supplemental pension plan for its executives based on the plan rules. The pension expense for this defined benefit supplemental retirement plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life. Actuarial valuations are obtained at least every three years. The value of the supplemental retirement plan and the associated changes during the year are extrapolated from the most recent actuarial valuation that was prepared one or two fiscal periods earlier.

**iii. Accumulating Non-vesting Sick Leave Liability**

Sick leave benefits accumulate with employee service and are provided by the university to all employee groups as defined by employment agreements to cover illness related to absences outside of short-term and long-term disability coverage. The maximum accumulated sick leave is 210 to 315 hours, depending on the employee group. The liability for the accumulating non-vesting sick pay benefit is actuarially determined using two models: Excess Utilization Model and Disability Model. The cost of the accumulating non-vesting sick leave benefits is expensed as the benefits are earned. Actuarial valuations are obtained at least every three years and the value of the sick leave benefit and the associated changes during the year are extrapolated from the most recent actuarial valuation that was prepared one or two fiscal periods earlier.

**iv. Benefit Liability for Employees on Long-term Disability**

The university is responsible for paying the employee and employer Local Authority Pension Plan (LAPP) contributions and other benefit premiums while an employee is on long-term disability. The liability is actuarially calculated at the present value of the forecasted combined premiums for each claimant. The cost of this benefit is expensed in the year the employee becomes disabled. Actuarial valuations are obtained at least every three years. The value of the benefit liability for employees on long-term disability and the associated changes during the year are extrapolated from the most recent actuarial valuation that was prepared one or two fiscal periods earlier. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid.

**v. Administrative Leave**

The university supports employees transitioning from academic administrator positions to faculty positions by offering administrative leave between appointments. The administrative leave is up to 12 months for five years of continuous service. The employee must return to regular faculty responsibility for a minimum period equal to the administrative leave period. This administrative leave does not vest or accumulate to the employee. On approval to receive administrative leave, a liability is recognized for the salary and benefits equal to the employee's base salary at the end of their term as an academic administrator. The cost of the administrative leave is expensed in the year the employee is approved to receive the administrative leave.

**j) Basis of Consolidation**

These consolidated financial statements use the line-by-line method to record entities controlled by the university. The line-by-line method is used to record entities that are not Government business enterprises (GBEs).

- The Grant MacEwan University Foundation is a registered charitable organization which operates under Part 9 of the *Companies Act* (Alberta) for the support and advancement of the university.
- MacEwan Downtown Corporation is a wholly-owned subsidiary that is an inactive corporation.

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**k) Liability for Contaminated sites**

Contaminated sites are a result of contamination of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard and is being introduced into the soil, water, or sediment. It does not include airborne contaminants. Contaminated sites occur when an environmental standard exists, and contamination exceeds the environmental standard. The university recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists;
- there is evidence that contamination exceeds an environmental standard;
- the university is directly responsible or accepts responsibility for the contamination;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

A liability for a contaminated site may arise when environmental standards are exceeded from operations that are considered either in productive use or no longer in productive use. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard.

Where an environmental standard does not exist or contamination does not exceed an environmental standard, a liability for remediation of a site is recognized by the university when the following criteria have been met:

- the university has a duty or responsibility to others, leaving little or no discretion to avoid the obligation;
- the duty or responsibility to others entails settlement by future transfer or use of assets, or a provision of services at a specified or determinable date, or on demand; and
- the transaction or events obligating the institution have already occurred.

**l) Asset Retirement Obligations**

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

- decommissioning or dismantling of a tangible capital asset that was acquired, constructed, or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- post-retirement activities such as monitoring; or
- constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

When a liability for an asset retirement obligation is recognized, asset retirement costs related to a recognized tangible capital asset in productive use are capitalized by increasing the carrying amount of the related tangible capital asset. The asset retirement costs are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

Where a present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the Consolidated Statement of Operations. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

**m) Expense by Function**

The university uses the following categories of expense functions on its consolidated statement of operations:

- i. **Instruction:** includes expenses related to all programming and training within the university, whether for credit or non-credit.
- ii. **Academic Support:** includes expenses relating to activities directly supporting the university's academic functions, including expenses of the library and academic Dean's departments.

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- iii. **Student Support:** includes centralized functions that support individual students or groups of students such as student service administration, student recruitment, records and admissions (registrar), counselling or career services, social development and recreation, financial aid administration, intercollegiate athletics, centralized scholarship awards, and any other centralized student support group.
- iv. **Administration:** includes expenses for executive management, corporate marketing and communications, corporate insurance premiums, corporate finance, human resources, and any other centralized institution-wide administrative services.
- v. **Computing and Communications:** includes expenses related to central institution-wide Information Technology (IT) services. These costs can be related to in-house staff or to services provided by a third party.
- vi. **Facility Operations and Maintenance:** includes centralized management and expenses to maintain and renovate grounds, facilities, operations, and physical plant for all university activities. It also includes utilities and amortization of building and equipment, and excludes expenses attributable to ancillary services.
- vii. **Other:** includes the following costs:

Ancillary services: includes expenses for operations outside of the normal functions of instruction and research. Examples include bookstores, food services, residences and housing, parking services, and print services. It also includes amortization directly attributable to ancillary services.

Research: includes expenses for strategic innovation, research and education projects that are outside, but complimentary to, the university's core program areas.

Restricted and endowment activities: includes expenses associated with restricted grants, including fundraising costs, salaries and benefits of staff who are designated for special purpose areas, specialized equipment for special purpose areas or self-generated business, foreign exchange losses, public relations and alumni relations, business development and advancement departments, and strategic initiatives outside of core operational funding that contribute to the achievement of the plan and goals of the university.

Extraordinary expenses: includes expenses associated with valuation changes, contaminated site costs, and changes in amortization calculations.

**n) Funds and Reserves (Internally Restricted Accumulated Surplus)**

Certain amounts, as approved by the Board of Governors, are set aside in accumulated operating surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

**o) Future Changes in Accounting Standards**

In November 2018, PSAB approved PS 3400 Revenue. This accounting standard has been deferred by PSAB and is now effective for fiscal years starting on or after April 1, 2023. PSAB provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions.

In November 2020, PSAB issued PSG-8 Purchased Intangibles. This accounting guideline is effective for fiscal years starting on or after April 1, 2023. Purchased intangibles provides guidance on how to recognize intangibles as non-financial assets.

In April 2021, PSAB issued PS 3160 Public Private Partnerships. This accounting standard is effective for fiscal years starting on or after April 1, 2023. The public private partnerships standard provides guidance on how to account for infrastructure when procured under these types of arrangements.

Management has not yet adopted these standards and is currently assessing the impact of these standards on the consolidated financial statements.

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**3) Changes in accounting policies**

Effective April 1, 2022, the university adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified approach with restatement of prior year comparative information.

On the effective date of the PS 3280 standard, the university recognized the following to conform to the new standard:

- i) asset retirement obligations;
- ii) asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- iii) accumulated amortization on the capitalized cost; and
- iv) adjustment to the opening balance of the accumulated surplus.

Amounts are measured using information and assumptions current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

	2022		
	As previously reported	Asset retirement obligations adjustment recognized	As restated
<b>Consolidated Statement of Operations</b>			
Expenses - Amortization	174,178	10	174,188
Annual surplus	8,901	(10)	8,891
Accumulated surplus, beginning of period	309,658	(378)	309,280
Accumulated surplus, end of period	318,559	(388)	318,171
<b>Consolidated Statement of Financial Position</b>			
Liabilities - Asset Retirement Obligations	165,404	540	165,944
Net financial assets	65,369	(540)	64,829
Non-financial assets - Tangible capital assets	400,595	152	400,747
Net assets	337,293	(388)	336,905
<b>Consolidated Statement of Changes in Net Financial Assets</b>			
Annual surplus	8,901	(10)	8,891
Amortization of tangible capital assets	13,302	10	13,312
Net financial assets, beginning of period	53,343	(540)	52,803
Net financial assets, end of period	65,369	(540)	64,829
<b>Consolidated Statement of Cash Flows</b>			
Annual surplus	8,901	(10)	8,891
Amortization of tangible capital assets	13,302	10	13,312
<b>Note 22 - Expense by Object</b>			
Expenses - Amortization	174,178	10	174,188

**4) Change in fiscal year end**

In 2022, the university changed its fiscal year end from June 30 to March 31, to coincide with that of the Government of Alberta. This change was approved by the Minister of Advanced Education in November 2020. The information included in the consolidated financial statements reflects the fiscal period consisting of the twelve months ending March 31, 2023, as compared to the nine-month period ending March 31, 2022. As a result, the two periods are not entirely comparable.

**5) Cash**

The university has \$1,269 (March 31, 2022: \$712) cash restricted for endowments, held in an interest-bearing account earning 4.29% at March 31, 2023.

**MacEwan University**  
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**6) Portfolio Investments**

	<b>March 31, 2023</b>	March 31, 2022
Portfolio investments – non-endowment	\$ 56,479	\$ 57,528
Portfolio investments – restricted for endowments	81,515	84,255
	<b>\$ 137,994</b>	<b>\$ 141,783</b>

The composition of portfolio investments measured at fair value is as follows:

	Level 1	Level 2	Level 3	Total
<b>March 31, 2023</b>				
Portfolio investments at fair value				
Pooled funds				
Canadian equities	\$ 641	\$ 33,766	\$ -	\$ 34,407
Foreign equities	6,075	67,806	-	73,881
Canadian bonds	-	1,992	-	1,992
Foreign bonds	-	26,761	-	26,761
Cash surrender value of planned gifts (life insurance policies)	-	-	953	953
	<b>\$ 6,716</b>	<b>\$ 130,325</b>	<b>\$ 953</b>	<b>\$ 137,994</b>
	<b>4.87%</b>	<b>94.44%</b>	<b>0.69%</b>	<b>100.00%</b>
March 31, 2022				
Portfolio investments at fair value				
Pooled funds				
Canadian equities	\$ 777	\$ 36,323	\$ -	\$ 37,100
Foreign equities	6,261	68,323	-	74,584
Canadian bonds	-	2,071	-	2,071
Foreign bonds	-	27,072	-	27,072
Cash surrender value of planned gifts (life insurance policies)	-	-	956	956
	<b>\$ 7,038</b>	<b>\$ 133,789</b>	<b>\$ 956</b>	<b>\$ 141,783</b>
	<b>4.96%</b>	<b>94.36%</b>	<b>0.67%</b>	<b>100.00%</b>

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 – Valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The following table reconciles the changes in fair value of level 3 investments:

	<b>March 31, 2023</b>	March 31, 2022
Balance, beginning of period	\$ 956	\$ 1,001
Disposals	(3)	(45)
Balance, end of period	<b>\$ 953</b>	<b>\$ 956</b>

The university has policies and procedures governing asset mix, diversification, exposure limits, credit quality, and performance measurement. The university's Finance, Property and Investment Committee has been delegated authority to oversee the university's investments on behalf of the Board of Governors.

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**7) Financial Risk Management**

The university is exposed to the following risks:

**a) Market Price Risk**

The university is exposed to market price risk, the risk that the value of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer, or general market factors affecting all securities. To manage this risk, the university has established an investment policy with a target asset mix diversified by asset class with individual issuer limits. The objective of the university's unrestricted long-term operating fund is to achieve long-term capital growth equal to the indices' growth rates for the various components of the portfolio. For restricted investments for endowments, the investment policy is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

On March 31, 2023, the impact of a change in the rate of return on the investment portfolio is as follows:

- 2.03% change in fixed income securities would have a \$584 increase or decrease (March 31, 2022: 1.29% change would have a \$377 increase or decrease);
- 16.40% change in common stocks and equivalents would have a \$17,759 increase or decrease (March 31, 2022: 17.73% change would have a \$19,802 increase or decrease).

**b) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The university is exposed to foreign exchange risk on portfolio investments that are denominated in foreign currencies. The university does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The university's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

**c) Credit Risk**

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honor its financial obligations to the university. The university is exposed to credit risk on fixed income investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. Although credit rating breakdown is not available for fixed income investments in pooled funds, the investments maintain a low credit risk. The credit risk from accounts receivable is low as most balances are due from government agencies and corporate sponsors.

**d) Liquidity Risk**

Liquidity risk is the risk that the university will encounter difficulty meeting obligations associated with its financial liabilities. The university maintains a short-term line of credit that is designed to ensure funds are available to meet current and forecasted financial requirements in the most cost-effective manner. The university did not use this line of credit during the year. As at March 31, 2023, the university has committed borrowing facilities of \$10,000 (March 31, 2022: \$10,000), none of which has been drawn.

**e) Interest Rate Risk**

Interest rate risk is the risk to the university's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed-income securities that the university holds. Interest risk on the university's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (Note 10).

The maturity and effective market yield of interest-bearing investments are as follows:

Asset Class	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Cash	100%	0%	0%	4.96%
Portfolio investments, fixed income	0%	98%	2%	2.03%

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**8) Finance Lease Receivable**

The university leases a building to the Students' Association of MacEwan University (SAMU). The initial lease term expires December 2042, with an additional renewal term option of 74 years. The debt financing received from the Department of Treasury Board and Finance for the SAMU building is disclosed in Note 10.

Lease payment receivable, interest repayments, and gross lease payments in each of the next five years and thereafter are as follows:

	<u>Finance lease receivable</u>	<u>Interest</u>	<u>Annual payment</u>
2024	\$ 770	\$ 627	\$ 1,397
2025	793	604	1,397
2026	818	579	1,397
2027	843	554	1,397
2028	869	528	1,397
Thereafter	<u>16,725</u>	<u>4,227</u>	<u>20,952</u>
<b>Total at March 31, 2023</b>	<b><u>\$ 20,818</u></b>	<b><u>\$ 7,119</u></b>	<b><u>\$ 27,937</u></b>
Total at March 31, 2022	<u>\$ 21,564</u>	<u>\$ 7,768</u>	<u>\$ 29,332</u>

**9) Employee Future Benefit Liabilities**

Employee future benefit liabilities are comprised of the following:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Benefit liability for employees on long-term disability	\$ 3,847	\$ 3,941
Supplemental retirement plan (SRP)	1,161	1,167
Accumulating non-vesting sick leave liability	600	688
Administrative leave	<u>530</u>	<u>426</u>
Balance, end of period	<b><u>\$ 6,138</u></b>	<b><u>\$ 6,222</u></b>

**a) Defined Benefit Accounted for on a Defined Benefit Basis**

**Benefit Liability for Employees on Long-term Disability**

Following university policy and collective agreements, employees eligible for participation in the Local Authority Pension Plan (LAPP) who receive benefits under the long-term disability plan must continue to participate in LAPP. The university is responsible for remitting both employee and employer contributions in accordance with LAPP regulations. An actuarial valuation was carried out as of March 31, 2023.

**Supplemental Retirement Plans (SRP)**

The university provides non-contributory defined benefit supplemental retirement benefits to executives. An actuarial valuation was carried out as of March 31, 2023.

**Accumulating Non-vesting Sick Leave Liability**

The university provides accumulating non-vesting sick leave to employees. An actuarial valuation of these benefits was carried out as of January 31, 2022, and results were then extrapolated to March 31, 2023. Any resulting net actuarial gain (loss) is deferred and amortized on a straight-line basis over the related employee groups' expected average remaining service life.



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**Administrative Leave**

The university supports employees transitioning from academic administrator positions to faculty positions by offering administrative leave between appointments. On approval to receive administrative leave, a liability is recognized for the salary and benefits equal to the employee's base annual salary at the end of their term as an academic administrator. The cost of the administrative leave is expensed in the year the employee is approved to receive the administrative leave. The expense and financial position of these defined benefit plans are as follows:

	Benefit liability for employees on long- term disability	Supplemental retirement plan	Accumulated non- vesting sick leave benefit	Administrative leave
<b>March 31, 2023</b>				
<b>Expenses</b>				
Current service cost	\$ 461	\$ 82	\$ 30	\$ 587
Interest cost	91	40	12	-
Amortization of actuarial gain	(332)	(111)	(82)	-
Benefit payments	-	(140)	-	(482)
Total expense (recovery)	<u>\$ 220</u>	<u>\$ (129)</u>	<u>\$ (40)</u>	<u>\$ 105</u>
<b>Financial position</b>				
Accrued benefit obligation:				
Balance, beginning of period	\$ 2,511	\$ 1,271	\$ 353	\$ 426
Current service cost	461	82	30	587
Benefit payment	(314)	(140)	(49)	(482)
Interest cost	91	40	12	-
Actuarial gain	(413)	(111)	(16)	-
Balance, end of period	<u>2,336</u>	<u>1,142</u>	<u>330</u>	<u>531</u>
Unamortized net actuarial gain (loss)	<u>1,511</u>	<u>19</u>	<u>270</u>	<u>-</u>
Accrued benefit liability	<u>\$ 3,847</u>	<u>\$ 1,161</u>	<u>\$ 600</u>	<u>\$ 531</u>
<b>March 31, 2022</b>				
<b>Expenses</b>				
Current service cost	\$ 243	\$ 91	\$ 28	\$ 86
Interest cost	52	29	6	-
Amortization of actuarial (gain) loss	(174)	(187)	(78)	-
Benefit payments	-	(664)	-	(189)
Total expense (recovery)	<u>\$ 121</u>	<u>\$ (731)</u>	<u>\$ (44)</u>	<u>\$ (103)</u>
<b>Financial position</b>				
Accrued benefit obligation:				
Balance, beginning of period	\$ 3,328	\$ 2,002	\$ 393	\$ 529
Current service cost	243	91	28	86
Benefit payment	(299)	(664)	(31)	(189)
Interest cost	52	29	6	-
Actuarial gain	(813)	(187)	(43)	-
Balance, end of period	<u>2,511</u>	<u>1,271</u>	<u>353</u>	<u>426</u>
Unamortized net actuarial gain (loss)	<u>1,430</u>	<u>(104)</u>	<u>335</u>	<u>-</u>
Accrued benefit liability	<u>\$ 3,941</u>	<u>\$ 1,167</u>	<u>\$ 688</u>	<u>\$ 426</u>

The university plans to use its working capital to finance these future obligations.

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The significant actuarial assumptions used to measure the accrued benefit obligations are as follows:

	March 31, 2023			March 31, 2022		
	Benefit liability for employees on long-term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit	Benefit liability for employees on long-term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit
Accrued benefit obligation						
Discount rate	4.50%	4.34%	4.50%	3.23%	3.07%	3.23%
Long-term average compensation increase	3.00%	2.00%	3.00%	2.50%	2.00%	2.50%
Benefit cost						
Discount rate	3.23%	3.07%	3.23%	2.01%	2.27%	2.01%
Year's maximum pensionable earnings and maximum pension increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated average remaining service life	7	7.8	10.9	8.2	8.7	10.9

**b) Defined Benefit Plan Accounted for on a Defined Contribution Basis**

**Multi-Employer Pension Plans**

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for all university employees and is accounted for on a defined contribution basis. At December 31, 2022, the LAPP reported an actuarial surplus of \$12,671 (2021 - \$11,992). An actuarial valuation of the LAPP was carried out as of December 31, 2021, and results were extrapolated to December 31, 2022. The pension expense recognized in the consolidated financial statements is \$10,568 (nine-months ending March 31, 2022: \$8,353). Other than the requirement to make additional contributions, the university does not bear any risk related to a potential LAPP deficit.

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**10) Debt**

Debt is measured at amortized cost and is comprised of the following:

	Collateral	Maturity date	Interest rate	March 31, 2023	March 31, 2022
<b>Debentures payable to Alberta Treasury Board and Finance:</b>					
Parkade	1	April 2025	6.250%	\$ 1,364	\$ 1,766
West parkade	1	September 2030	4.392%	2,519	2,797
Student residence	2	June 2030	5.849%	18,853	20,806
Robbins Health Learning Centre parkade	1	September 2032	4.890%	945	1,021
Surface parking lots	3	September 2024	1.568%	1,035	1,711
Allard Hall parkade	3	December 2047	3.164%	6,547	6,717
Allard Hall ancillary	3	December 2047	3.164%	2,852	2,926
SAMU building	3	December 2042	3.040%	20,818	21,565
				<b>\$ 54,933</b>	<b>\$ 59,309</b>

Collateral consists of (1) cash flows from parking, (2) cash flows from residence, and (3) general security agreements.

Principal and interest repayments in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2024	\$ 4,575	\$ 2,247	\$ 6,822
2025	4,433	2,038	6,471
2026	4,294	1,827	6,121
2027	4,002	1,606	5,608
2028	4,201	1,407	5,608
Thereafter	33,428	7,875	41,303
	<b>\$ 54,933</b>	<b>\$ 17,000</b>	<b>\$ 71,933</b>

Interest on debt is \$2,377 (nine-months ending March 31, 2022: \$1,910) and is included in the consolidated statement of operations. The finance lease receivable outlined in Note 8 is equal to the SAMU building debt.

**11) Deferred Revenue**

Deferred revenue is set aside for specific purposes as required either by legislation, regulation, or agreement:

	March 31, 2023			March 31, 2022		
	Unspent externally restricted					
	Deferred revenue	Deferred capital contributions	Tuition, fees and other revenue	Total	Total	
Balance, beginning of period	\$ 44,437	\$ 150	\$ 12,782	\$ 57,369	\$	55,726
Grants, tuition, fees, donations and other revenue	10,398	231	106,031	116,660		101,093
Restricted investment income - realized	3,462	-	-	3,462		3,501
Restricted investment income - unrealized losses	(4,012)	-	-	(4,012)		(793)
Transfers to spent deferred capital contributions	(3,178)	(221)	-	(3,399)		(883)
Deposit applied to finance lease receivable	-	-	-	-		(486)
Recognized as revenue	(13,514)	-	(104,777)	(118,291)		(100,652)
Transfer to endowment	(32)	-	-	(32)		(53)
Returned to grantor	(40)	-	-	(40)		(84)
Balance, end of period	<b>\$ 37,521</b>	<b>\$ 160</b>	<b>\$ 14,036</b>	<b>\$ 51,717</b>	<b>\$</b>	<b>57,369</b>

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**12) Tangible Capital Assets**

Tangible capital assets changes during the period:

	March 31, 2023						March 31, 2022	
	(Note 4)						(Restated Note 3)	
	Land	Buildings	Land improvements	Equipment <sup>(2)</sup>	Computer hardware and software	Other <sup>(3)</sup>	Total	Total
<b>Cost<sup>(1)</sup></b>								
Beginning of period	\$ 61,339	\$ 467,922	\$ 6,898	\$ 34,264	\$ 39,346	\$ 19,395	<b>629,164</b>	\$ 624,062
Acquisitions	(1)	7,477	-	2,007	1,782	678	<b>11,943</b>	8,977
Change in asset retirement obligations (Note 16)	-	28	-	-	-	-	<b>28</b>	540
Transferred to finance lease receivable	-	-	-	-	-	-	-	(486)
Disposals, including write-downs	-	-	-	(782)	(2,229)	(80)	<b>(3,091)</b>	(3,929)
	<u>61,338</u>	<u>475,427</u>	<u>6,898</u>	<u>35,489</u>	<u>38,899</u>	<u>19,993</u>	<b>638,044</b>	<u>629,164</u>
<b>Accumulated amortization</b>								
Beginning of period	-	(159,603)	(4,053)	(22,701)	(33,756)	(14,769)	<b>(234,882)</b>	(225,484)
Amortization expense	-	(11,776)	(283)	(2,046)	(2,376)	(922)	<b>(17,403)</b>	(13,312)
Effects on disposals, including write-downs	-	-	-	766	2,183	80	<b>3,029</b>	3,914
	<u>-</u>	<u>(171,379)</u>	<u>(4,336)</u>	<u>(23,981)</u>	<u>(33,949)</u>	<u>(15,611)</u>	<b>(249,256)</b>	<u>(234,882)</u>
<b>Net book value at March 31, 2023</b>	<b>\$ 61,338</b>	<b>\$ 304,048</b>	<b>\$ 2,562</b>	<b>\$ 11,508</b>	<b>\$ 4,950</b>	<b>\$ 4,382</b>	<b>\$ 388,788</b>	
<b>Net book value at March 31, 2022</b>	<b>\$ 61,339</b>	<b>\$ 308,319</b>	<b>\$ 2,845</b>	<b>\$ 11,563</b>	<b>\$ 5,590</b>	<b>\$ 4,626</b>	<b>\$ 394,282</b>	<b>\$ 394,282</b>

- 1) Cost includes work-in-progress at March 31, 2023 totaling \$6,351 (March 31, 2022: \$594) comprised of buildings \$6,351 (March 31, 2022: \$568). It does not include computer hardware and software (March 31, 2022: \$26).
- 2) Equipment includes vehicles, heavy equipment, office equipment and furniture, and other equipment.
- 3) Other tangible capital assets include library materials, leasehold improvements, and works of art used to support the educational purposes of certain academic programs.
- 4) Amortization expense includes amortization of asset retirement obligations for \$14 (March 31, 2022: \$10)
- 5) A Ministerial Order was issued to allow the sale of the Alberta College Campus property with a net book value in tangible capital assets of \$4,666. Historical government grants transferred to spent deferred capital contributions of \$1,537 will be derecognized at the closing of the sale. The proceeds on disposal will be designated to support the new School of Business building.

**13) Spent Deferred Capital Contributions**

Spent deferred capital contributions are comprised of externally restricted grants and donations spent on tangible capital assets that are not yet recognized as revenue.

	March 31, 2023	March 31, 2022
Balance, beginning of period	\$ 128,671	\$ 132,338
Transfers from unspent deferred capital contributions	221	342
Transfers from unspent deferred revenue	3,178	540
Expended capital contributions from government recognized as revenue	(5,680)	(4,252)
Other expended capital contributions recognized as revenue	(386)	(297)
Balance, end of period	<b>\$ 126,004</b>	<b>\$ 128,671</b>

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**14) Liability for Contaminated Sites**

The composition of liability is as follows:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Balance, beginning of period	\$ 6,665	\$ 6,665
Change in estimate related to existing sites	<u>334</u>	<u>-</u>
Balance, end of period	<u>\$ 6,999</u>	<u>\$ 6,665</u>

As of March 31, 2023, the liability for contaminated sites at the university includes sites such as parking lots, vacant lots, alleys, and boulevards that do not meet Alberta Environmental and Parks (AEP) tier 2 guidelines for hydrocarbons and metals. The nature of the contamination includes petroleum hydrocarbons, F1-F4 fractions, metals and various polycyclic aromatic hydrocarbons, boron, nickel, and some salinity parameters. Liability estimates are based on a third-party assessment.

**15) Asset Retirement Obligations**

	<u>March 31, 2023</u>	<u>March 31, 2022</u> (Restated-Note 3)
Liability incurred	\$ -	\$ 540
Revision in estimates	<u>28</u>	<u>-</u>
Increase in asset retirement obligations	\$ 28	\$ -
Asset retirement obligations, beginning of period	<u>540</u>	<u>-</u>
Asset retirement obligations, end of period	<u>\$ 568</u>	<u>\$ 540</u>

Tangible capital assets with associated retirement obligations include buildings. The university has retirement obligations to remove lead paint and hazardous asbestos fibre containing materials from various buildings under its control. Regulations require the university to handle and dispose of the lead paint and asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the lead paint and asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the university to remove the lead paint and asbestos when asset retirement activities occur.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred based on management's best estimate of the amount required to retire tangible capital assets. The obligations are subsequently re-measured taking into account any new information and the appropriateness of assumptions used. Liability estimates are based on a third-party assessment.

The extent of the liability is limited to costs directly attributable to the removal of lead paint and hazardous asbestos fibre containing materials from various buildings under the university's control in accordance with the legislation establishing the liability. The entity estimated the nature and extent of hazardous materials in its buildings based on the potential square meters affected and the average costs per square meter to remove and dispose of the hazardous materials.

Included in the asset retirement obligations estimate is \$568 measured at its current estimated cost to settle or otherwise extinguish the liability. The university has measured asset retirement obligations related to lead paint and hazardous asbestos fibre containing materials at its current value due to the uncertainty about when the hazardous materials would be removed.

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**16) Accumulated Surplus**

	Accumulated surplus (deficit) from operations	Investment in tangible capital assets	Internally restricted surplus	Endowments	Total
	(Restated - Note 3)	(Restated - Note 3)			(Restated - Note 3)
<b>Accumulated surplus, June 30, 2021</b>	\$ -	\$ 219,772	\$ 35,440	\$ 54,068	\$ 309,280
Annual operating surplus	8,615	-	-	-	8,615
Endowment contributions	-	-	-	276	276
Amortization of internally funded tangible capital assets	8,753	(8,753)	-	-	-
Asset retirement obligations amortization	10	(10)	-	-	-
Net book value of assets disposals	15	(15)	-	-	-
Debt repayment	(2,059)	2,059	-	-	-
SAMU Building	486	(486)	-	-	-
Internally funded acquisition of tangible capital assets	(3,364)	8,292	(4,928)	-	-
Allard Hall donations	196	(196)	-	-	-
Operating expenses funded from internally restricted surplus	4,863	-	(4,863)	-	-
Net Board appropriation to internally restricted surplus	(17,515)	-	17,515	-	-
<b>Balance as at March 31, 2022</b>	<b>\$ -</b>	<b>\$ 220,664</b>	<b>\$ 43,164</b>	<b>\$ 54,344</b>	<b>\$ 318,171</b>
Annual operating surplus	12,052	-	-	-	12,052
Endowment contributions	-	-	-	1,836	1,836
Amortization of internally funded tangible capital assets	11,323	(11,323)	-	-	-
Asset retirement obligations amortization	14	(14)	-	-	-
Net book value of assets disposals	62	(62)	-	-	-
Debt repayment	(3,629)	3,629	-	-	-
Internally funded acquisition of tangible capital assets	(5,670)	8,789	(3,119)	-	-
Increase in asset retirement obligations (Note 15)	28	(28)	-	-	-
Allard Hall donations	217	(217)	-	-	-
Operating expenses funded from internally restricted surplus	3,319	-	(3,319)	-	-
Net Board appropriation to internally restricted surplus	(5,950)	-	5,950	-	-
<b>Balance as at March 31, 2023</b>	<b>\$ 11,766</b>	<b>\$ 221,438</b>	<b>\$ 42,676</b>	<b>\$ 56,180</b>	<b>\$ 332,059</b>

The university's opening accumulated surplus in investment in tangible capital assets has been reduced by the university's asset retirement obligations of \$378. A funding source for this obligation has not yet been determined.

Internally restricted accumulated surplus represents amounts set aside by the university's Board of Governors for specific purposes. These amounts are not available for other purposes without approval from the Board of Governors and do not have interest allocated to them. Internally restricted accumulated surplus includes:

	Disbursements			Appropriation from accumulated	
	March 31, 2022	Operating expense	Capital	operating surplus	March 31, 2023
Campus development	\$ 22,902	\$ (823)	\$ (1,672)	-	\$ 20,407
New School of Business building	18,824	(1,145)	(1,248)	1,569	18,000
Lifecycle replacement	-	-	-	3,000	3,000
School of Continuing Education	229	(20)	-	-	209
Student technology reserve	1,090	(1,326)	(186)	1,381	959
Faculty of Fine Arts and Communications	114	-	(13)	-	101
Scholarships and bursaries	5	(5)	-	-	-
	<b>\$ 43,164</b>	<b>\$ (3,319)</b>	<b>\$ (3,119)</b>	<b>\$ 5,950</b>	<b>\$ 42,676</b>

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**17) Contingent Assets**

The university has initiated legal matters and insurance claims where assets are being sought but the outcome cannot be reasonably predicted at this time. These matters give rise to contingent assets. The outcomes from these matters may result in recognition of assets, however, the university believes that any settlement will not have a material effect on the university's financial position or the results of operations. These contingent assets are not recognized in the consolidated financial statements.

**18) Contingent Liabilities**

The university is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably predicted at this time, the university believes that any settlement will not have a material effect on the university's financial position or the results of operations.

The university continues to review environmental objectives and liabilities for its activities and properties as well as any potential remediation obligations. There may be contaminated sites that the university has identified that have the potential to result in remediation obligations. A liability has not been recorded for these sites because the likelihood of the university becoming responsible for the site is not determinable, the amount of the liability cannot be estimated, or both. The university's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the environmental liabilities will be accrued in the year in which they are assessed as likely and measurable.

**19) Contractual Rights**

Contractual rights are the rights of the university to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	<u>Operating leases</u>	<u>Other contracts</u>	<u>Total</u>
2024	\$ 585	\$ 5,009	\$ 5,594
2025	126	3,255	3,381
2026	96	1,553	1,649
2027	-	856	856
2028	-	578	578
Thereafter	-	11,799	11,799
<b>Total at March 31, 2023</b>	<b><u>\$ 807</u></b>	<b><u>\$ 23,050</u></b>	<b><u>\$ 23,857</u></b>
Total at March 31, 2022	<u>\$ 2,240</u>	<u>\$ 20,814</u>	<u>\$ 23,054</u>

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**20) Contractual Obligations**

The university has contractual obligations, which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	Service contracts	Information systems and technology	Capital projects	Long-term operating leases	Total
2024	\$ 4,959	\$ 2,523	\$ 4,613	\$ 44	\$ 12,139
2025	4,444	1,654	3,055	-	9,153
2026	2,678	777	426	-	3,881
2027	-	763	91	-	854
2028	-	565	-	-	565
Thereafter	-	496	-	-	496
<b>Total at March 31, 2023</b>	<b>\$ 12,081</b>	<b>\$ 6,778</b>	<b>\$ 8,185</b>	<b>\$ 44</b>	<b>\$ 27,088</b>
Total at March 31, 2022	\$ 12,780	\$ 7,622	\$ 5,165	\$ 112	\$ 25,679

The university is one of 78 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. As of December 31, 2022, CURIE had an accumulated surplus of \$97,444 (2021: \$105,790), of which the university's pro-rata share is approximately 0.45% (2021: 0.43%). This surplus is not recorded in the consolidated financial statements.

**21) Expenses by Object**

The following table summarizes expenses by object:

	<b>Budget</b> <b>(Note 25)</b>	<b>March 31, 2023</b> <b>(12 months)</b> <b>(Note 4)</b>	<b>March 31, 2022</b> <b>(9 months)</b> <b>(Restated-Note 3)</b>
Salaries	\$ 133,942	\$ 132,020	\$ 95,596
Employee benefits	27,967	25,975	19,498
Materials and supplies	17,641	13,841	10,359
Services and professional fees	14,764	14,981	9,916
Facility, maintenance, and utilities	14,453	16,460	14,924
Amortization of capital assets	18,548	17,403	13,312
Costs of goods sold	3,105	2,953	2,959
Scholarships and bursaries	7,382	8,562	5,714
Interest on long-term debt	2,377	2,377	1,910
	<b>\$ 240,179</b>	<b>\$ 234,572</b>	<b>\$ 174,188</b>



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**22) Related Party Transactions**

The university is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the university and their close family members are also considered related parties. The university may enter into arm's length transactions with these entities and individuals.

During the year, the university provided or received the following services at nominal or reduced amounts:

- a) The university provided the MacEwan University Health Centre space, at no cost, to an entity under common control. Due to the unique physical and operating arrangements in place, the specialized nature of the space and the integrated nature of operations, the fair value of this lease arrangement cannot be reasonably determined. The operating costs of the centre are funded from medical clinic fees.
- b) The university has debt with the Alberta Treasury Board and Finance as outlined in Note 10.

**23) Government Transfers**

	<b>March 31, 2023</b> <b>(12 months)</b>	March 31, 2022 (9 months)
	<b>(Note 4)</b>	
<b>Grants from Government of Alberta</b>		
Advanced Education:		
Operating	\$ 110,191	\$ 79,598
Scholarships and awards	920	894
Total Advanced Education	111,111	80,492
Other post-secondary institutions	10	15
Other Government of Alberta departments and agencies:		
Alberta Health	218	5
Other	95	-
Total other Government of Alberta departments and agencies	313	5
Total contributions received	111,434	80,512
Expended capital contributions recognized as revenue	5,622	4,208
Deferred revenue	(312)	1,466
	\$ 116,744	\$ 86,186
Federal and other government grants:		
Contributions received	\$ 2,202	\$ 1,722
Expended capital contributions recognized as revenue	58	44
Deferred revenue	(338)	(339)
	\$ 1,922	\$ 1,427

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**(thousands of dollars)**

**24) Salaries and Employee Benefits**

	March 31, 2023			March 31, 2022	
	(12 months)			(9 months)	
	(Note 4)				
	Base salary <sup>(11)</sup>	Other cash benefits <sup>(12)</sup>	Other non-cash benefits <sup>(13)(14)</sup>	Total	Total
<b>Governance (1)</b>					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -
Members of the Board of Governors	-	-	2	2	-
<b>Executive</b>					
President and Vice-Chancellor	306	7	148	461	350
Provost and Vice-President, Academic	278	7	58	343	321
Vice-President, Finance and Administration & CFO (2)	237	5	40	282	37
Past Vice-President Finance and Administration & CFO (3)	-	-	-	-	63
Acting Vice-President Finance and Administration (4)	-	-	-	-	113
Acting Chief Financial Officer (5)	-	-	-	-	113
Acting Vice-President, University Relations (6)	48	1	11	60	-
Past Vice-President, University Relations (7)	194	35	39	268	233
Vice-Provost (8)	147	16	27	190	-
Past Vice-President, General Counsel (9)	-	-	-	-	145
Acting Vice-President, Safety, Risk and Internal Audit (10)	-	-	-	-	96

- (1) The Chair and other members of the Board of Governors receive no remuneration for their services as members of the Board of Governors.
- (2) The incumbent position of Vice President, Finance and Administration & CFO was filled in February 2022.
- (3) The past incumbent Vice President, Finance and Administration & CFO left this position in August 2021. Other cash benefits include a vacation payout of \$12 and a car allowance of \$1.
- (4) The interim appointment of Acting Vice President, Finance and Administration was filled in September 2021 and concluded in February 2022.
- (5) The interim appointment of Acting Chief Financial Officer was filled by the Associate Vice-President Finance in September 2021 and concluded in February 2022 when the Associate Vice-President Finance left this position. Other cash benefits include a vacation payout of \$7.
- (6) The interim appointment of Acting Vice President, University Relations was filled in December 2022.
- (7) The past incumbent Vice-President, University Relations left this position in December 2022. Other cash benefits include a vacation payout of \$31.
- (8) The incumbent position of Vice-Provost was filled in July 2022.
- (9) The past incumbent Vice President, General Counsel left this position in September 2021. Other cash benefits include a vacation payout of \$86 and a car allowance of \$1. The position of Vice-President, General Counsel, was changed to General Counsel in February 2022 and is no longer on the executive decision-making team.
- (10) The interim appointment of Acting Vice President, Safety, Risk and Internal Audit commenced in September 2021 and concluded in February 2022.
- (11) Base salary includes pensionable base pay.
- (12) Other cash benefits include earnings such as vacation payouts, honoraria, car allowances and other lump-sum payments, including severance. No bonuses were paid in 2023. (2022: nil)
- (13) Other non-cash benefits include the university's share of all employee benefits and contributions or payments made on behalf of employees, including pension, supplemental retirement plans, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships, tuition fees, approved administrative leaves and the fair market value of parking.

**MacEwan University**  
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(14) Under the terms of the supplemental retirement plan (SRP), executive officers may receive supplemental retirement payments. Retirement arrangement costs, as detailed below, are not cash payments in the period but are the period expense for rights to future compensation. The costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post-employment period. The SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method prorated on services, a market interest rate, and management's best estimate of expected costs and the period of benefits coverage. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. The current service cost is the actuarial present value of the benefits earned in the current year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability.

The SRP current service costs and accrued obligations for each of the executives in the above table are outlined in the following table:

	<b>Accrued obligation March 31, 2022</b>	<b>Service cost</b>	<b>Interest cost</b>	<b>Benefit payment</b>	<b>Actuarial loss (gain)</b>	<b>Accrued obligation March 31, 2023</b>
President and Vice-Chancellor	\$ 80	\$ 47	\$ 4	\$ -	\$ (27)	\$ 104
Provost and Vice-President, Academic	72	23	3	-	(14)	84
Vice-President, University Relations	44	10	1	(76)	21	-
Vice-President, Finance and Administration & CFO	-	2	-	-	2	4

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 9.

**25) Budget Figures**

The university's 2022-23 budget was approved by the Board of Governors of MacEwan University and submitted to the Minister of Advanced Education.

**26) Approval of financial statements**

The consolidated financial statements were approved by the Board of Governors of MacEwan University.