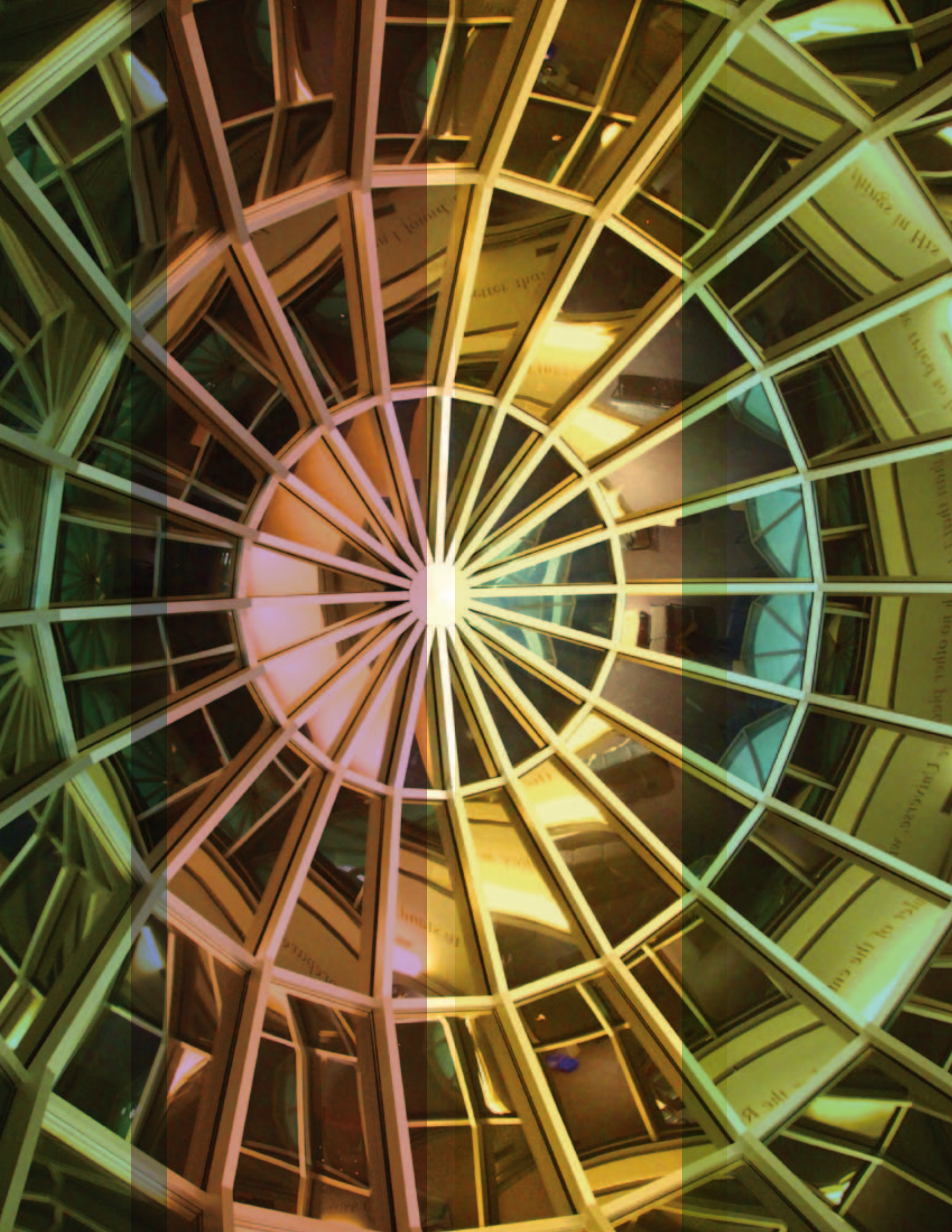


Grant MacEwan University
Annual Report 2010/11

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Management's Responsibility for Reporting



Accountability Statement

Grant MacEwan University's *Annual Report* for the year ended June 30, 2011, was prepared under the Board's direction in accordance with the *Government Accountability Act* and ministerial guidelines established pursuant to the *Government Accountability Act*. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

A handwritten signature in black ink, appearing to be 'JD' or similar initials.

John Day, QC
Board Chair

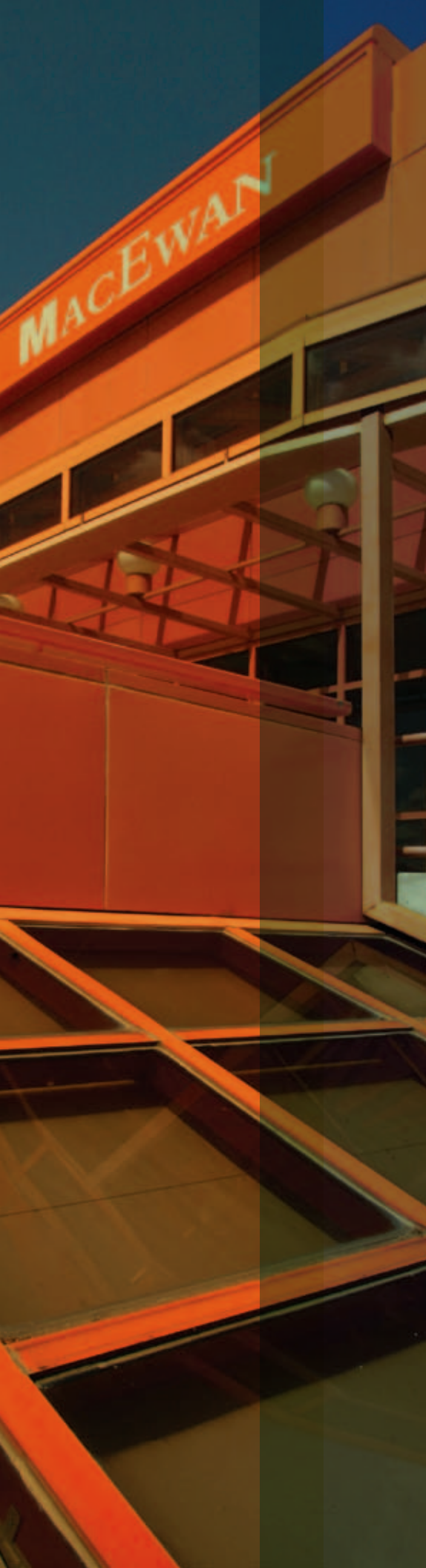
Grant MacEwan University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report, including the financial statements, performance results, and supporting management information. Systems of internal control are designed and 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 institution audit committee, as well as approved by the Board of Governors and is prepared in accordance with the *Government Accountability Act* and the *Post-secondary Learning Act*.

The Auditor General of the Province of Alberta, the institution's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of the consolidated financial statements in accordance with generally accepted accounting principles.

A handwritten signature in black ink, reading 'David W. Atkinson'.

David W. Atkinson, PhD
President



President's Message

MacEwan University is an exciting place. As it celebrates its 40th anniversary, the university is positioned as one of Canada's newest and most vibrant undergraduate institutions. I am extraordinarily privileged to have been given the opportunity to be MacEwan University's President as the institution continues with its transformation from a college to a university. Drawing on the values and principles of its namesake, Dr. J.W. Grant MacEwan, MacEwan University recognizes and celebrates the achievements of its past, even as it embraces an exciting future.

The university remains committed to being a dual-purpose institution that offers a broad range of certificates, diplomas and degrees which encourage bridging and which respond to the particular needs of its students. It is committed to developing new forms of program delivery, conscious as it is of dramatically changing demographics.

In fall 2010, MacEwan University started accepting applications into three exciting new programs offered through the Centre for the Arts and Communications: the Bachelor of Communication Studies, the Bachelor of Music in Jazz and Contemporary Music, and the Arts and Cultural Management diploma. The university also introduced a new accounting major in the Bachelor of Commerce for fall 2011, and a new professional certificate in cardiac care nursing.

The university continues to develop online delivery for its courses and programs, and remains one of the biggest contributors to eCampusAlberta. The institution has enjoyed substantial success in recruiting international students, and is reinvigorating its study abroad programs for domestic students. Examples this past year include new exchange agreements with Lille Catholic University (France) and Dan Kook University (Korea). As well, there has been substantial growth in study tours, a good example of which is a tour of Ireland taken by Bachelor of Child and Youth Care students in February.

At spring convocation in June, the university graduated its inaugural class of 107 Bachelor of Science in Nursing students. Plans for future curriculum growth include a new degree in psychiatric nursing, which will build on the current, very successful 28-month diploma program. The university remains committed to the principle of



collaboration with other Alberta post-secondary institutions, and in this regard it signed a new Memoranda of Understanding with Olds College to offer the first year of science, and another agreement with Grande Prairie Regional College to provide degree completion in sciences, arts and business at MacEwan University.

The university was delighted to welcome a new Board Chair in July 2010. A commercial real estate lawyer, John Day has a long and distinguished record as a community leader. He has served as a board member for the Royal Alexandra Hospital Foundation, the Edmonton Economic Development Authority and Edmonton Air Services, and is currently the Chair of the Board for Marmot Basin and Mountain Park Lodges.

Two major projects consumed considerable institutional energy and time over the last year. The university took a first step towards the implementation of its single sustainable campus model with the opening of the University Service Centre in April 2011. Comprised of 5,000 square meters, the centre provides space for 240 administrative staff and frees up much-needed space to accommodate expansion of student programming.

Equally important was the implementation of the PeopleSoft Enterprise Resource Planning (ERP) system, intended to provide state-of-the-art functionality to the university within the areas of finance, human resources and student services. This extraordinarily large project required effort and commitment from the entire university community, and its implementation was a sea change for the institution as it moved from a highly-customized and proprietary legacy application to a far more complex tier-1 integrated ERP. The university is currently addressing system implementation issues on a priority basis with the objective of stabilizing the technology and the application work flow.

The university created a new Enterprise Risk Management program to cover all key areas of planning and operations for the institution. The program is the responsibility of the Department of Corporate Services, a new administrative unit within the university. The university also drafted its first strategic risk register, and implemented a more comprehensive risk management approach in the institution.

The university experienced an intense level of activity over the last year. Without sacrificing their commitment to undergraduate teaching and learning, a number of faculty members and students were recognized for their research and scholarship. University faculty members are increasingly being sought after as experts in their fields, by media and colleagues alike, and the university's students continue to be recognized for their community involvement, academic success and athletic accomplishments. The women's cross-country team took bronze at nationals, while the two-year-old golf program took bronze and silver respectively in the men's and women's events at the ACAC level.

As part of its ongoing relationship with the Edmonton community, the university continues to offer continuing education courses that routinely attract thousands of participants each year, and opens its doors to many organizations and individuals as host for events and activities. MacEwan University was fortunate to be on the receiving end of that community relationship, as our corporate partners and private supporters continued to extend their generosity through significant contributions in support of our programs and students.

The institution flourishes, however, because of committed faculty and staff and engaged students. The positive energy of the institution assures that MacEwan University will continue to be a major contributor to the intellectual, cultural and recreational life of Edmonton. I truly do thank the university community for welcoming me into this extraordinary institution.

A handwritten signature in black ink that reads "David W. Atkinson". The signature is written in a cursive, flowing style.

David W. Atkinson, PhD
President

About Grant MacEwan University

BOARD OF GOVERNORS

Chair

John Day, QC

President

Dr. Paul J. Byrne (to June 30, 2011)

Dr. David W. Atkinson (effective July 1, 2011)

Students' Association member

Kassie Russell

MacEwan Staff Association member

Shawn McAuley

MacEwan Faculty Association member

Dr. Chaldeans Mensah

Public members

William (Willie) Grieve

John B. Mitchell

Dr. William (Bill) Johnson

Oryssia Lennie

Gerry Martins, CGA

Elizabeth Hurley, CMC

Carolyn Graham, FCA

Mission Statement

Grant MacEwan University is a vibrant, innovative educational institution focused on student learning. MacEwan fosters student success and student contributions within local, national and international communities. Teaching and learning are central to the academic endeavour, which is informed and enriched by research and scholarly pursuits of highly engaged faculty and staff. MacEwan strives to exemplify the values of respect, integrity, citizenship and environmental stewardship through teaching, learning, scholarship, research and service.

Approved by the Grant MacEwan College Board of Governors, June 12, 2008 (Motion 03-6-12-2007/08) Name Changed by Order-in-Council #481/1009, A. R. 254/2009 September 24, 2009 Approved by Board of Governors' Motion #01-10-8-2009/10

Mandate

Grant MacEwan University is a public, board-governed Baccalaureate and Applied Studies Institution within Alberta's post-secondary system, operating under the authority of the public colleges section of the Post-Secondary Learning Act. The university was officially renamed Grant MacEwan University by Order in Council on September 24, 2009.

Grant MacEwan University focuses on four primary types of programming:

- Baccalaureate degrees that prepare learners for employment and for graduate studies.
- Certificate, diploma and applied degree programs that prepare learners for entry to careers and employment, and for continued study in other credential areas.
- University transfer programs that prepare learners for degree completion at other degree-granting institutions.
- Preparatory programming that prepares learners for success in further post-secondary studies.

Grant MacEwan University serves a diversity of learners in the following major areas of study: liberal arts, business/commerce, communications, education, engineering, health and human services, performing and visual arts, physical education and science. The university's innovative approaches to program delivery are designed to maximize graduates' opportunities to advance their careers and further their education.

Grant MacEwan University emphasizes a learner-centred approach to the provision of its programs and services. The university fosters student success through a focus on teaching excellence, interaction among faculty and students, flexible learning delivery

and high quality student support. From prospective learners to alumni, students are provided with a wide range of services and support systems, residence and campus life activities, and intercollegiate and intramural sports programs. The university's inclusive governance structure provides many opportunities for leadership development that enable learners to develop skills to enhance their careers and future post-secondary endeavours.

Grant MacEwan University supports a culture of research, scholarship and creative activity to inform pedagogy, support economic and community development, enhance learning, create opportunities for innovation, and foster the application and creation of new knowledge. By incorporating a global focus in its research and teaching, serving a diverse range of Canadian and international faculty and students, and providing opportunities for knowledge dissemination and study abroad, the university aims to provide all researchers and learners with opportunities to develop the skills and attitudes to function successfully in an interconnected world economy and society.

Grant MacEwan University serves primarily the greater Edmonton region and northern Alberta by responding to the learning needs of business, industry, government and communities. Through distance delivery and eCampusAlberta, the university extends educational access across Canada and internationally. As a strong partner in Campus Alberta, Grant MacEwan University collaborates with stakeholders and partners to advance student mobility, conduct applied research, develop shared services and deliver continuing professional education and customized training.

*Approved by Grant MacEwan University Board of Governors
June 18, 2010 Board Motion: 02-06-18-2009/10
Approved by the Minister of Advanced Education & Technology,
August 19, 2010*



Operational Overview

Major Accomplishments

Presidential search completed

Upon the announcement of President Paul Byrne's retirement in February 2010, the university embarked on a presidential search in 2010/11. Through consultation with internal and external stakeholders, the Presidential Search Committee created a Position and Candidate Profile for candidate assessment. The interview process took place in December and January. In February 2011, the university announced the successful candidate for presidency was Dr. David W. Atkinson, who would become MacEwan University's fourth president in July 2011. Dr. Atkinson's career in Canada's post-secondary system has included presidencies with Brock University and Carleton University, and most recently Kwantlen Polytechnic University in B.C.

New Board chair

Recently retired from his position as senior lawyer and partner for law firm Fraser Milner Casgrain LLP, local commercial real estate lawyer John Day assumed the role of chair of MacEwan University's Board of Governors in July 2010.

Mr. Day has been actively involved in many community endeavours, including serving as board member (for the Royal Alexandra Hospital Foundation, the Edmonton Economic Development Authority and Edmonton Air Services), volunteer alumnus (for the University of Alberta) and chairman of the board (for Marmot Basin and Mountain Park Lodges).

New programs start accepting applications

In fall 2010, applications opened for three new programs within the Centre for the Arts and Communications. The Bachelor of Music in Jazz and Contemporary Popular Music, the Bachelor of Communication Studies, and the Arts and Cultural Management diploma established a strong profile for Canada's arts and cultural circles, and moves the institution forward in its plans for a new arts centre to be located on the downtown City Centre Campus as part of the university's Single Sustainable Campus Plan.

The university also introduced the accounting major in the Bachelor of Commerce, as well as

the Cardiac Care Nursing certificate within the Centre for Professional Nursing Education.

Degree achievements and enhancements

Spring 2011 marked the graduation of the first class of 107 students in the Bachelor of Science in Nursing degree program. The university developed a proposal for a psychiatric nursing degree using the current Psychiatric Nursing diploma as a foundation.

In 2010/11 MacEwan University signed new Memoranda of Understanding (MOU): with Olds College to offer the first year of the new Bachelor of Science degree, and with Grande Prairie Regional College for degree completion in science, arts and business.

The construction of five new science labs was completed. The labs include an aquatics facility, tissue culture lab, microscopy suite and nuclear magnetic resonance facility.

These initiatives are described in detail within the progress report portion of this publication, under "Academic Programming and Delivery".

New agreements open study abroad opportunities

In 2010/11, the university also signed exchange agreements with international institutions including Lille Catholic University (France) and Dan Kook University (Korea). During the year, more than 200 students participated in study abroad programs such as study tours and formal exchanges. Forty-two students studied at international partner institutions for periods ranging from five weeks to a full term. In addition, Bachelor of Child and Youth Care students travelled to Ireland for 10 days in February as part of a class exchange.

Implementation of PeopleSoft Enterprise Resource Planning (ERP) system

MacEwan University launched a new ERP system with an initial implementation in Finance and Human Resources. The third phase—the student system component (Campus Solutions)—was implemented in summer 2010. The web-based



PeopleSoft program has enhanced system access and functionality across the university community. These new processes, controls and technologies shift the institution from a transactional business approach towards a business intelligence model, allowing for more in-depth analysis and decision support.

The university began sustainment initiatives in fall 2011 to ensure ongoing development, training and support. During this time period, an IT control framework was established with new governance structures to guide the future development of the new computing architecture.

Website renewal project

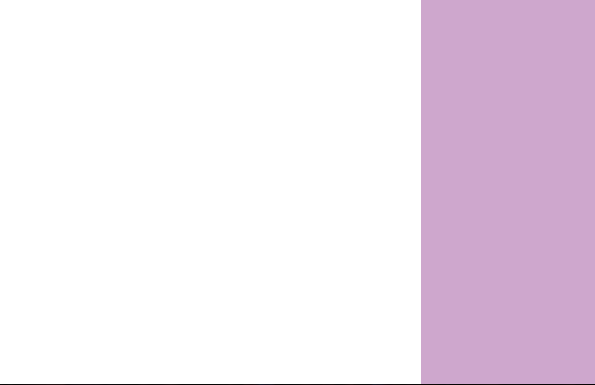
The university's website, MacEwan.ca, was the focus of a comprehensive renewal process that saw the introduction of new hardware (servers), new software (content management system) and a complete review and reconstruction of the site's navigation structure and page content. The main purpose of the website is to market MacEwan University and all it has to offer to prospective students: to "get the right student into the right program."

The resulting product is a simple, uncluttered website that offers consistent navigation and

a fresh, updated design—all of which combine to make it easy for potential students to find program and course information. Led by the Office of Communications and Marketing and the IT Web Services team, the process was a collaborative effort that heavily involved academic and administrative areas from across the university.

University Service Centre opens for business

MacEwan University launched its Single Sustainable Campus Plan with the construction of the University Service Centre (USC) on the top level of the City Centre Campus west parkade. This 5,000 square-meter, state-of-the-art space opened April 2011, and houses 240 administrative staff. By consolidating various administrative departments from across the university, space at City Centre Campus was freed up to accommodate expansion of student programming. Designed to LEED Silver Standard specifications, the new facility is an example of the institution's ongoing commitment to sustainability, using less energy and water in its operations.



Creation of Corporate Services department addresses risk management

An Enterprise Risk Management (ERM) program was created in response to a 2009 recommendation from the Office of the Auditor General (OAG) to implement a comprehensive risk management process covering all key areas of planning and operations for the institution. This program now forms part of a new department within University Services called Corporate Services, which has a mandate to help educate, support and assist all areas of the university in identifying, assessing and managing key risk exposures.

Work began with the Board and Executive Management to prepare MacEwan University's first strategic risk register and annual assessment. Risk management was included in a number of process improvement initiatives for Corporate Services. They have formed part of the tools included in the new Strategic Project Management Office, which is responsible for supporting and monitoring project risk management. Work is close to completion for introducing a more comprehensive risk management approach that is aligned with efforts to improve process and project management across the university.

Developments in university governance

The academic year 2010/11 marked the second full year of Academic Governance Council (AGC) as the university's senior academic decision-making body. Academic Governance Council received reviews from the MacEwan University Curriculum Committee recommending: new programs (including the Bachelor of Psychiatric Nursing and majors within the Bachelor of Commerce program, in human resources management and marketing); program changes; program suspensions; and program admission criteria. These recommendations were debated and approved by Academic Governance Council. Academic Governance Council also approved ten revised academic policies.

In addition, Academic Governance Council and its committees were involved in developing key areas of academic governance, including academic standards, faculty and school councils, a new vision for the university, and review of the university's Comprehensive Institutional Plan.

MacEwan University measures up

During 2010/11, MacEwan University received very positive results on three Canada-wide



surveys of baccalaureate students. In the Canadian University Survey Consortium (CUSC) survey of first-year students, MacEwan University students expressed very high levels of satisfaction with their educational experience, including class size, quality of teaching, and their choice of university. The university's results not only compared positively against the universities in its comparator group of 20 similar-sized institutions, but also with all 39 participating universities.

In the National Survey on Student Engagement (NSSE), ratings by first- and fourth-year students were fully comparable with 13 similar Canadian universities on measures relating to level of academic challenge, active and collaborative learning, student-faculty interaction, enriching educational experience and supportive campus environment. In the Globe & Mail's 2011 Canadian University Report, the university ranked first among its comparator group of 20 universities on 5 of 17 measures—including most satisfied students, student-faculty interaction, and quality of teaching—and among the top five on all measures.

Community relations and fund development

The university's "Front and Centre" campaign reached its \$40 million goal in September 2010,

a year ahead of plan. Campaign achievements included the creation of nearly 2,500 new student awards, establishment of a Student Success Bursary endowment and a Health and Nursing Technology endowment. Between 2006/07 and 2010/11, the university's pooled endowment fund nearly tripled, from \$13.5 million to \$40.2 million.

The Community Relations and Fund Development department continued to enhance community investment in the university with a particular focus on supporting student awards, facilities development, and academic initiatives. Over the next 10 years, the university will embark on a campaign to raise \$90 million in support of those three key areas.

More detailed information can be found within the progress report portion of this publication, under "Community Investment."

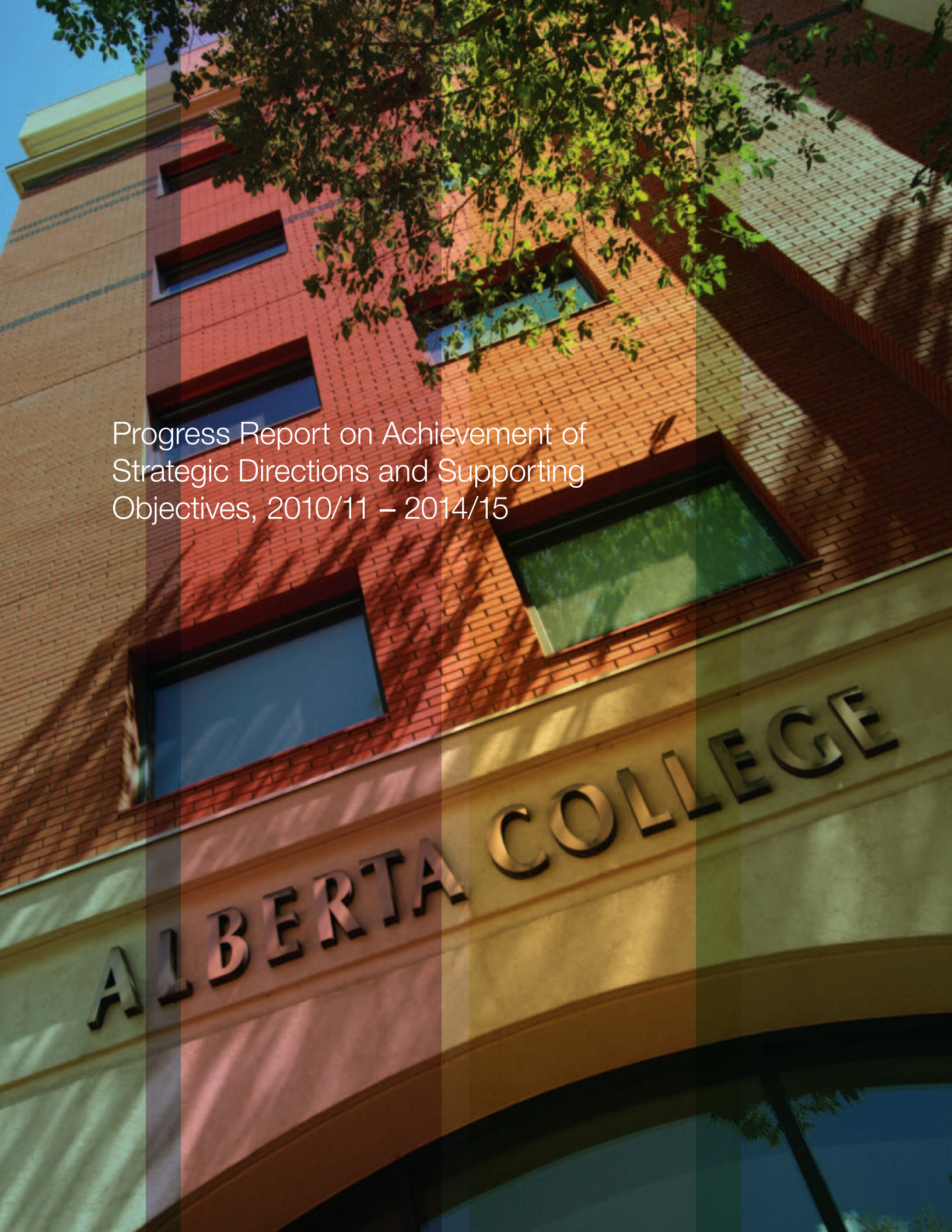
Core Programs

Programs	2008 / 2009	2009 / 2010	2010 / 2011
Baccalaureate degrees*	19	19	24
Applied degrees	4	3	3
Degree transfer programs	7	5	5
Career diplomas	37	37	36
Post-diploma certificates	3	4	4
Career certificates	10	10	11
Other credit programs / projects	4	4	4
Non-credit courses offered	1,703	1,395	1,468

*Updated degree numbers reflect the number of individual degree majors as approved by Campus Alberta Quality Council

Enrolment, Facility and Staffing Information

Enrolments and Applications	2008 / 2009	2009 / 2010	2010 / 2011
Credit full-load equivalents (FLE)	10,212	11,221	11,721
Credit student headcount	18,235	18,739	19,501
Non-credit student headcount	16,733	16,279	16,010
International student headcount	759	855	1,020
Program applications (total)	16,539	18,441	18,503
Program applications (per quota place)	2.5	3.5	2.8
Facilities	2008 / 2009	2009 / 2010	2010 / 2011
Total supported space (m2)	151,540	151,540	158,579
Student capacity (FLE)	11,903	11,832	11,553
% of capacity utilized	80.5%	90.0%	93.1%
Staffing	2008 / 2009	2009 / 2010	2010 / 2011
Credit faculty / instructional (FTE)	670	714	738
Non-credit instructional (FTE)	66	64	73
Non-academic staff (FTE)	755	772	774
Administration (FTE)	121	131	142
Total staff (FTE)	1,612	1,681	1,727
Total staff (Headcount)	3,812	3,166	3,250
Student / faculty ratio (FLE / FTE fac.)	15.2	15.7	15.9



Progress Report on Achievement of
Strategic Directions and Supporting
Objectives, 2010/11 – 2014/15

ALBERTA COLLEGE

Academic Programming and Delivery

Strategic Direction: Develop and adapt academic programs and delivery mechanisms as appropriate to a comprehensive undergraduate university.

Objectives:

Develop an implementation plan for academic programs to ensure university development and investments are effectively utilized to optimize learner access.

- **Implement the Bachelor of Music in Jazz and Contemporary Popular Music and the Bachelor of Communication Studies degrees.**

Considerable effort was applied to finalizing the curriculum and syllabi in preparation for the first intake into the Bachelor of Communication Studies and the Bachelor of Music degrees in fall 2011. In order to provide space for students as they progress through the music degree, programming for the Bachelor of Communication Studies will move from the Centre for the Arts and Communications to the City Centre Campus in 2012.

- **Complete the implementation of approved programs.**

The Bachelor of Commerce degree expanded its number of majors. The accounting major was implemented in September 2011, and human resources management and marketing majors have been developed and proposed for September 2012. These majors are intended to increase choice for business students, as student demand for transfer into the Bachelor of Commerce program now outpaces available spaces.

The Bachelor of Arts began developing minors in Spanish and French for 2013 and in honours humanities for 2014.

- **Review and recommend new academic programming for the future.**

A proposal was developed for a psychiatric nursing degree that builds on the success of the Psychiatric Nursing diploma program offered in both Ponoka and Edmonton. The proposed degree offers graduates the advantage of an expanded knowledge base, increased scope of practice, and a greater range of career opportunities. Program delivery is based on a variety of distance and online learning strategies to allow for greater levels of student access. Within the context of the current freeze on new program funding, the proposal is based on a cost-recovery model.

The new Arts and Cultural Management diploma was developed for a fall 2011 launch. This diploma represents a comprehensive learning pathway offering a certificate exit and a delivery modality that offers on-campus and eCampusAlberta access.

In supporting academic programming, the university approved an investment of more than \$1 million over the next several years to enhance digital and print collections for students. In addition, significant investments were made to upgrade wireless network services for students, and funding was approved to upgrade and enhance the functionality and access to asynchronous and synchronous learning systems. The university has strengthened the role of workplace integrated learning and leveraging new endowments and partnerships to support an expanded program of visiting and scholarly chairs.

Develop mechanisms and strategies to assess and address Albertans' changing domestic and international learning.

- **Implement a horizontal curriculum model that facilitates access through block transfer, bridging and laddering strategies.**

The university has developed a range of diploma-to-degree completion opportunities, particularly in the School of Business. This work is now extending to internal partnerships with other schools and faculties. The Management Studies and Arts and Cultural Management diplomas developed an articulation agreement whereby students from each program have a facilitated transfer path to the other program. A certificate-to-diploma pathway curriculum was also developed during 2010/11 to designate the Special Needs Educational Assistant certificate as an admission requirement into the Disability Studies: Leadership and Community diploma.

An agreement was reached with Olds College to offer the first year of the Bachelor of Science degree at the college, beginning in fall 2011. This partnership is the university's first extension of science degree access to rural Alberta.

The university continues to pursue degree completion opportunities for its diploma students with Thompson Rivers University (TRU). In 2010/11, a transfer agreement was reached for MacEwan University Travel diploma graduates to transfer to TRU's Bachelor of Tourism Management.

- **Increase online and full credential offerings through eCampusAlberta.**

In 2010/2011 the university experienced a 55 per cent enrollment increase in courses offered through eCampusAlberta. This was a result of increasing the number of available online courses, and increased registration in existing courses. The development of online credentials continues, with plans to offer a variety of completion opportunities for programs such as the Bachelor of Commerce degree and Arts and Cultural Management diploma. An expanded selection of online undergraduate courses in the arts and sciences also contributed to this growth in enrolment.

- **Implement a university model for distributed education.**

A Distance and Distributed Education Committee was mandated to provide oversight to online education activities across the university. Policy, operational issues, development priorities, and quality assurance are all considerations for the committee, which provides an annual work plan and report to the Academic Governance Council. An annual planning and approval process is being established to coordinate and prioritize both the development of new courses and credentials, and the maintenance of the existing inventory. The university has fully adopted the eCampusAlberta Essential Quality Standards (EQS) as part of the standard development methodology. External peer review is part of EQS process.

Scholarship, Research and Artistic Creation

Strategic Direction: Expand the capacity for and profile of research and scholarly activity at the university.

Objectives:

Raise the profile of research, scholarly and creative activity at the university (2010–15).

- **Increase faculty engagement in externally peer-reviewed research.**

In support of this objective, the university's Research Office, in collaboration with Faculty Development and Faculty Commons:

- o hosted sessions on external funding opportunities
- o provided information on the Faculty Commons website about external funding agencies and opportunities, including links to commonly applied-to granting agencies and award

- o programs, as well as funding program descriptions and application deadlines
- o developed a peer-review program for external grant applications, as well as helpful resources on grantsmanship and federal agency adjudication processes
- o networked with external granting agencies and community and industry partners, and communicated information/opportunities to faculty.

- **Expand annual research showcases and publish annual research reports.**

The 2009/10 showcase brochure was published in September 2011, and is available online at <https://facultycommons.macewan.ca/services/research-office-2/annual-reports>. The 2009/10 annual report on research and scholarly activity was published in March 2011, and is available online at <https://facultycommons.macewan.ca/services/research-office-2/annual-reports>.

- **Prepare an institutional research plan to align with Alberta Research Capacity Planning Framework (ARCPF).**

In keeping with Ministry requirements and guidelines, MacEwan University prepared and submitted an Institutional Research Plan in December 2010, which summarized the university's current research capacity and activities, identified strengths and areas for improvement, and outlined initiatives and goals for the future.

Increase university research capacity (2010–15).

- **Expand the undergraduate student research strategy.**

In support of this objective, the university's Research Office undertook a pilot initiative to promote and support student research, and established a sub-committee of the Research

Council to manage this Student Research Initiative. As part of this initiative, a session on grantsmanship and applying to the Student Research Fund was held, along with two competitive grant calls for funding student research projects. The 65 applications that were received requested nearly \$180,000; 30 projects totaling just under \$48,000 were funded. Of these, 22 were dissemination projects for students to present at national and international conferences.

A variety of student research projects were supported across the university, including:

- o The School of Business sponsored students to attend national and international conferences to participate in presenting research. In 2011, five School of Business students attended the 3rd Annual Conference on Principles for Responsible Management Education organized by the William G. Rohrer College of Business at Rowan University, Glassboro, NJ. Four School of Business students were among the 700 students from 129 countries who attended the 2011 Education Without Borders conference in Dubai, UAE.
- o The Centre for the Arts and Communications supported two students to co-present with a faculty member at a communications conference in Greece.
- o Four students in the Bachelor of Science in Nursing program delivered poster presentations at the 32nd International Association for Human Caring conference in San Antonio, Texas in June 2011.

- **Provide research-related professional development opportunities for faculty, members of research committees/councils and professional resource staff as appropriate.**

The university's Research Ethics Board (REB) participated in professional conferences and external training opportunities; hosted internal training sessions and invited speakers (e.g. annual Canadian Association of Research Ethics Boards conference); and promoted internal and

external webinars and workshops on Tri-Council Policy Statement (TCPS2): Ethical Conduct for Research Involving Humans.

The Animal Research Ethics Board (AREB) provided and supported faculty and administrator training opportunities, redesigned Animal User Training Part I, and delivered the information to all animal users, AREB members and relevant administrators.

Eight research-related workshops were held throughout the academic year, in collaboration with Faculty Development and the Faculty Commons, on a variety of topics including funding opportunities, interdisciplinary research/collaborations, research ethics, and grantsmanship.

- **Develop Standards of Practice to support work of the Research Ethics Board and the Animal Care and Ethics committee.**

University policy on Ethical Review of Research with Human Participants was revised to align with the national Tri-Council Policy Statement 2 (TCPS2). Policy and terms of reference on Animal Care and Ethics were revised to better align with the Canadian Council on Animal Care (CCAC) guidelines and regulations.

- **Build library services and collections to foster information literacy skills in support of faculty and student research.**

The Library acquired and hosted open access publishing software as part of a pilot project with the School of Business and the Centre for the Arts and Communications, both of which are undertaking the publication of e-journals. The software enables the university to host, manage and publish open access web-based e-journal publications.

Twenty faculty members participated in two focus groups to provide feedback on how the library can support and facilitate research at the university. Feedback will inform a broader needs assessment which the Library has undertaken on this topic.

The Library has provided a link to its e-resources within Google Scholar, which provides direct access to university e-resources for individuals from the university who are conducting research using this search engine.

Supportive Services and Processes

Strategic Direction: Develop and enhance student and institutional services that contribute to students' overall experience at MacEwan University and ensure effective and sustainable operation of the university.

Objectives:

Implement a comprehensive Enterprise Resource Planning (ERP) solution that will enable improved functionality and reporting in support of student, financial and human resources systems (2010–2014).

- **Complete a comprehensive PeopleSoft ERP implementation, including an integrated customer relationship management (CRM) solution and a comprehensive training program for staff and faculty.**

In 2010/2011 the university made important progress toward its comprehensive ERP implementation. Successfully completed projects include a new financial system (July 2010), a new human resources system (January 2011), and two stages of a new student system implementation (October 2010, April 2011).

Examples of specific business sub-systems in these implementations include asset management, procurement, performance

management, reporting, portal functionality, payroll, time and labour management, academic advisement, and course registration. This initiative also included the development of data exchange interfaces between ERP and ancillary applications, and the upgrade or reconfiguration of related ancillary applications.

- **Design and implement a learning technology road map to ensure the effective integration of the university's applications for delivery of distributed learning and resources.**

A project scope was established with three elements: the selection and deployment of a solution for synchronous instructional delivery; a strategy for the migration or upgrade to a new primary LMS; and a solution to support examination delivery.

In 2010/2011, the university acquired and deployed a synchronous web-conferencing application to support the delivery of online education and to supplement synchronous delivery. A project to develop a migration or upgrade strategy was initiated with approved funding, a draft charter, and confirmed staff resources in place. A similar project was initiated to establish requirements and examine options for a new system to support online exam invigilation and test bank functionality.

- **Implement a continuing review of business process improvement (BPI) opportunities through the establishment of a BPI business centre.**

The centre was established under the new Corporate Services department. Future initiatives include the roll-out of BPI functionality for ongoing review/improvement of processes and integration of BPI for the implementation of operational plans.

- **Implement a digital/image records system for all student files and records (2012–2014).**

A business case was developed to implement a digital image system to address space and access considerations. However, as this is

a major project that requires considerable human and financial resources, it has been deferred until resources become available.

Enhance financial management and administrative processes and structures to improve decision support and enhance operational efficiency and effectiveness (2010–2014).

- **Review service delivery options and models to ensure innovative and best practice service delivery.**

The requirements for a Business Process Improvement program have been integrated into a comprehensive approach with risk and project management which will be presented to senior administration for review before full implementation. Ongoing service reviews have produced recommendations for many service and support areas. Retail and Campus Services is currently developing a campus-wide model of service delivery to enhance the student.

An ERP sustainment team has been created to provide ongoing training and support for the new ERP system. The focus of this initiative is to ensure that user requirements drive system delivery and enhance the value of the system.

- **Develop and deploy business intelligence and reporting solutions for effective decision support.**

The 2010/2011 PeopleSoft ERP implementation included the introduction of a significant inventory of delivered reports and queries, significantly improving access to business information across the university. In 2010/2011, the university acquired data-mart solutions for Campus Solutions (enrolment management data) and for Human Resources and Finance.

A priority project to design and deploy the Campus Solutions Warehouse system was approved and initiated in 2010/2011 and is now active.

- **Complete the implementation of the university's Information Technology Management (ITM) control framework.**

In 2010/2011 the focus of ITM projects was on governance. A new model of ITM governance was implemented based on a concept of collective system and data ownership where IT-enabled business processes are coordinated and aligned to meet the business and academic objectives of the university.

The new governance model will enable a set of end-to-end processes that define roles and responsibilities, and will create a practical and actionable mechanism for institutional decision-making. The model includes the best-practice of Joint Application Support (JAS), which will support the university's strategic direction and priorities by providing co-ordination between the IT and business environments.

- **Enhance internal controls and risk management systems.**

The assessment of risk and mitigating controls is integrated throughout a proposed initiative which will assist all areas of the university to identify, document and assess the risks and controls for university programs and operations.

The Internal Audit function was implemented and an annual audit plan approved. This function will conduct audits and reviews of operations and other matters to ensure effective controls are in place, which is part of a risk management framework.

Develop frameworks and mechanisms for reflective self-study, peer review, and benchmarking of services.

- **Research service best practices and benchmarks in preparation for self-study, peer review, and evaluation of service areas.**

A standard template for evaluation of service and support departments was developed, incorporating both self-study components and external benchmarking. These components of

the evaluation process were completed as part of evaluations of the Human Resources and Facilities departments.

Self-studies in support of evaluations of Retail and Campus Services, the Library and Institutional Research and Planning were undertaken. These evaluations are scheduled for completion in 2011/12.

A process for the development, approval and monitoring of action plans stemming from service evaluations was developed and approved by university administration, and was implemented for the evaluation projects completed during the reporting year.

- **Develop a knowledge base of administrative, operational and service functions in the context of a university environment.**

A review of services and needs related to human resources within a university environment was performed and initial recommendations were made related to key human resources requirements and functionality. Initial steps toward a business process management framework were also taken. As part of this work, review of service functionality and requirements was initiated.

- **Develop frameworks and processes to connect services to the overall student experience.**

Student survey data was reviewed and is being incorporated into service planning. In addition, University Services completed its third "customer" survey. Results from this research will provide trend data to inform planning for university services.

As previously noted, development of a business process management framework was initiated to examine service area functionality and contributions. This framework will also inform planning for enhancement of student-related services.

Develop and implement program-specific and institution-wide initiatives to support student learning and academic success (2010–2012).

- Identify best practices in student success and evaluate university practices against these benchmarks.
- Develop an implementation strategy and work plan to align activities with best practices.

The university's Student Success Committee completed a survey of student success activities and compared these activities with higher education benchmarks. Gaps were identified that will provide the basis for future service development aimed at improving the student experience and increasing retention. Workshops focused on actions that contribute to student success/retention were designed and offered to faculty members.

The Student Resource Centre (SRC) developed two online workshops in support of student success initiatives, allowing students to readily and easily access needed information.

In addition, the SRC developed and implemented a new test anxiety program delivered to groups of students rather than one-on-one, which reached a larger number of students.

Develop and implement systems, operations, processes and procedures in support of sustainability and environmental principles (2010–2015).

- Develop and assess institutional sustainability programs.
 - o A draft Campus Sustainability Plan was developed and four staff, student and faculty forums were held to seek input into the plan, to be presented to senior administration in fall 2011.
 - o Presentations and support were provided for student learning projects.

- o The university's Office of Sustainability was involved in the University Service Centre project to ensure compliance with LEED requirements.
- o Several key initiatives were launched to promote sustainability. These included website updates, communication campaigns and presentations.
- o The sustainability officer represented the university on various external boards and committees related to sustainability and the environment.

A Single Sustainable Campus

Strategic Direction: To develop a single, sustainable campus on the City Centre site by 2020 to create a more unified university community and provide a uniformly high level of facilities to support student learning.

Objectives:

Obtain necessary approvals and funding from key provincial ministries to implement the single sustainable campus model in a phased approach (2010–2020).

- Implement Phase I of the Single Sustainable Campus Plan—Centre for the Arts and Communications (CFAC) move to City Centre Campus.

The university worked with the City of Edmonton to incorporate the Single Sustainable Campus Plan (SSCP) as one of four concurrent catalyst projects in the Edmonton Downtown Plan. In addition, the university contributed to the City's transportation planning process with

recommendations on locations for the 112 Street and 107 Street LRT stations.

Numerous preparatory activities in support for the SSCP were undertaken during 2010/11, including:

- o consolidation of City Centre Campus land titles
- o initiation of a process for the amendment of the DC2 Zoning to enable development of the whole campus and maximize the building potential of remaining land
- o identification of, and negotiations with, interested parties on the disposition of the CFAC and South campuses.

- **Develop the Student Services neighborhood at City Centre Campus—development of Services for Students (S4S) space.**

Identification of functional requirements for the S4S departments was completed, and the design process commenced. Construction is planned to begin in spring 2012.

- **Review, develop and apply sustainable space standards.**

The university began a Space Standards Review and Update Project in 2010/11 to assess current space utilization and allocations and to provide recommendations for cross-university standards. The project is in the final benchmarking phase with completion planned for fall 2011.

- **Implement mid-range facilities plans in support of the university's strategic plan.**

A two-year phased project was undertaken to complete academic neighbourhoods on the City Centre Campus and provide expanded accommodation for Student Services.

Develop a learning space plan, with strong faculty input and participation, to inform mid-range facilities planning (2010–2012).

- **Develop a comprehensive learning space plan based on broad stakeholder input and industry best practices.**

A Learning Space Management Planning Committee comprised of teaching faculty from each faculty/school and representatives of Scheduling, Facilities, Information Technology and Institutional Research and Planning developed and submitted an interim report which included a literature review, documentation of instructional needs, and identified the technology needs for student support and student satisfaction. Work was also undertaken on principles and guidelines for future space planning.

- **Develop a phased plan for long-term campus development.**

Alternative strategies were developed that could enable the university to accelerate the Single Sustainable Campus Plan. The University Service Centre represents an initial step towards campus consolidation. A self-reliant approach to commencing Phase I will be assessed.

Community Investment

Strategic Direction: To enhance community investment in MacEwan University, with a particular focus on supporting student awards, facilities development and academic initiatives.

Objectives:

Complete the Front and Centre Campaign by 2011 (2006–2011).

The purpose of the campaign was to support student access to university programs through the provision of scholarships, bursaries and awards. The campaign goal of \$40 million was reached in September 2010, a year ahead of plan. The campaign was officially closed on June 30, 2011.

- **Student Scholarships, bursaries and awards (\$20 million)**

- o Created 2,452 new student awards aligned with strategic directions and priorities as identified by Academic Affairs and Student Services.
- o Distributed \$2.6 million in new scholarships, bursaries and awards to MacEwan University students between July 1, 2006 and June 30, 2011.
- o Increased the net proceeds of MacEwan University's Mad Hatter's Gala and Pro-Am events, enabling the creation of endowments valued at \$5.5 million and \$864,567 respectively (as of June 30, 2011).
- o Launched the Student Success Bursary endowment to build an \$8 million endowment that, when mature, will provide approximately \$240,000 annually to high school students entering the university. The majority of these bursaries will support degree students in the Faculty of Health and Community Studies and School of Business. As of June 30, 2011, the university had achieved 53 per cent of this goal.

- **Academic projects (\$5 million)**

- o Secured nearly \$1 million in corporate philanthropic gifts to support the Bachelor of Commerce Curriculum Enhancement Project and a Distinguished Lecture Series in the School of Communications.
- o Secured support towards the Chair in International Health initiative.
- o Created the Health and Nursing Technology endowment and secured nearly \$700,000 in private donor funding towards the acquisition and renewal of high-fidelity simulation equipment and software.

- **Leveraging Access to the Future Fund (\$15 million)**

- o Successfully leveraged \$15 million in Access to the Future Fund grants (July 1, 2006 to June 30, 2011).

- o Tripled the principal value of MacEwan University's pooled endowment fund in five years, from \$13.5 million (July 1, 2006) to \$40.2 million (June 30, 2011).

Plan and initiate the Building to 50 Campaign (2011–2021, Target: \$90 million).

- **Single Sustainable Campus Plan (\$50 million goal)**

- o Identified potential donors and put tailored cultivation plans in place pending capital funding approval by the Government of Alberta.
- o Conducted initial valuation of property naming rights for existing and planned buildings at City Centre Campus. Completed RFQ and RFP process to engage consultants to support the "sale" of these rights (philanthropic and sponsorship revenue); contract to be awarded in early 2011/12.

- **Comprehensive Student Awards program (\$25 million goal)**

- o Transitioned fundraising efforts for student scholarships, bursaries and awards seamlessly from the success of the Front and Centre campaign to the implementation of the Building to 50 campaign.
- o Analyzed portfolios of student awards available by faculty and program.
- o Identified funding gaps and clarified funding priorities and opportunities for increased support.

- **Academic Projects (\$15 million projects goal)**

Identified initiatives through interviews with faculty and program leadership.

Performance Measures

MacEwan University's Strategic Plan and Budget Strategies for 2010/11–2014/15 identified a number of performance measures. The table below provides three years of performance data on each measure up to the 2010/11 reporting year. It must be noted that most university surveys, such as the Student Satisfaction and Graduate Surveys, are conducted bi-annually, and that the three data years are not necessarily the last three calendar years.

Measure	Performance History				Comments
	Year 1	Year 2	Year 3	Target	
STUDENT FOCUS					
Student Satisfaction with Overall Quality of Educational Experience	97% (2008/09 Satisfaction Surveys)	99% (2009/10 Baccalaureate Survey)	96% (2010/11 Satisfaction Surveys)	95% fully/somewhat satisfied	Student surveys show that MacEwan University continues to exceed its goal of 95% overall student satisfaction.
Graduate Employment Rate (total employment)	93% (2004/05 Graduate Survey)	97% (2006/07 Graduate Survey)	95% (2008/09 Graduate Survey)	95%	Graduate Surveys shows that MacEwan University has met or exceeded its graduate employment target since 2004/05.
Tuition fees relative to comparable Alberta institutions (degree-granting)	2008/09 \$4,332 (2nd lowest of 7)	2009/10 \$4,498 (2nd lowest of 7)	2010/11 \$4,522 (2nd lowest of 7)		MacEwan University's tuition fees are affordable compared with other public degree-granting institutions in Alberta
\$ value of scholarships/bursaries awarded/FLE	2008/09 \$1.822 M \$178/FLE	2009/10 \$1.929 M \$173/FLE	2010/11 \$2.356 M \$201/FLE	Annual Increase	Total awards increased by 22%, while \$ value of awards per FLE grew by 16%.
PROGRAM & SERVICE QUALITY					
Access/Enrolment	2008/09 10,212 FLE (100% of plan)	2009/10 11,157 FLE (105% of plan)	2010/11 11,721 FLE (104% of plan)	100% of planned FLE	MacEwan University's 2010/11 enrolment exceeded its target of 11,279 FLE by 3.9% (442 FLE).
Student Satisfaction with Quality of Instruction	96% (2008/09 Satisfaction Surveys)	99% (2009/10 Baccalaureate Survey)	95% (2010/11 Satisfaction Surveys)	95% fully/somewhat satisfied	Recent satisfaction surveys show that MacEwan University continues to meet or exceed its goal of 95% satisfaction with the quality of instruction.
RESOURCE ACQUISITION & UTILIZATION					
Achievement of fundraising targets	\$25.9 M (Yr. 3)	\$35.7 M (Yr. 4)	\$40.5 M (Yr. 5)	\$40 M target within 5 yrs.	Upon completion of the 5-year campaign, 101% of target has been reached.
% expenditure on administration*	2008/09 10.6%	2009/10 10.2%	2010/11 9.3%	<11.0%	MacEwan University continues to maintain administrative expenditures below its targeted level of 11%, and to pursue efficiencies to optimize its administrative expenditures.

* using Ministry KPI/FIRS definition+

Management's Discussion and Analysis:
Achievement of Strategic Directions and
Supporting Objectives, 2010/11 – 2014/15



Academic Programming and Delivery

Degree programming

Continued progress in the implementation of degree programming was achieved during 2010/11, with the addition of an accounting major in the Bachelor of Commerce program, and the completion of plans for two new degree programs—the Bachelor of Music and the Bachelor of Communication Studies—both of which began accepting students in fall 2011. Two additional majors in the commerce degree (human resources management and marketing) are being planned for fall 2012 implementation. Two new minors in arts (French and Spanish) are being planned for the fall of 2013.

The university achieved 105 per cent of its enrolment target for baccalaureate programs in 2010/11, which reinforces the success of degree programming at the university. As previously discussed, the next phase of program development includes commencement of classes in the Arts and Cultural Management diploma in fall 2011, and implementation of the new degree in psychiatric nursing.

MacEwan University remains concerned with the impact of provincial budget decisions for 2011/12 and beyond. While some additional funding has been received to support the Bachelor of Science program, this degree is still not fully funded, and the university continues to utilize reserves to support this program. The Bachelor of Music program is currently operating with no provincial operating funding, and university reserves are also being drawn upon to implement this unique signature program. In addition, enrolment in the nursing degree continues to be reduced in order to operate within funding constraints.

In all three cases, adequate levels of provincial funding will be required to ensure the viability and sustainability of these programs.

Transfer arrangements

As part of a Campus Alberta objective, additional steps were taken to expand transfer arrangements for students from across Alberta to access MacEwan University programs, and for MacEwan University students to pursue further studies at other institutions. As discussed in preceding sections, an agreement was reached with Olds College to offer the first year of the university's Bachelor of Science degree at the college beginning in fall 2011, and the university continues to develop transfer arrangements for its diploma graduates to pursue degree completion opportunities at Thompson Rivers University. The university would also like to accommodate a request to expand its science degree to a northern college, but the fact this program remains only partially funded limits the university's capacity to undertake such collaborative initiatives.

Distributed technologies

The university continued to expand its online course offerings through eCampusAlberta, achieving a 55 per cent increase in enrolment in this area in 2010/11. Plans are being developed to offer the Bachelor of Commerce degree and the Arts and Cultural Management diploma online. To ensure the quality of its online offerings, the university adopted the eCampusAlberta Essential Quality Standards (EQS), which includes external peer review as part of its development methodology.

MacEwan University is a founder and active partner of the eCampusAlberta Consortium. Development of new credentials and the re-development of legacy curriculum are essential to the continued success of eCampus courses. Reduction and withdrawal of curriculum development support for the eCampus consortium presents a challenge for all members in sustaining this effort on behalf of Campus Alberta.

Scholarship, Research and Artistic Creation

Development of institutional capacity for research, scholarly activity and artistic creation is a long-term process. The university's Research Office undertook a variety of initiatives during 2010/11 to foster faculty research activity, including sessions on external funding opportunities, online resources for funding agencies and application requirements, and provision of peer-review services for grant applications. Continued growth in the number of research publications and presentations by university faculty is contributing to greater academic rigor within the university and to enhanced external credibility. It must be noted that as more students enter senior years of degree programs, greater levels of internal and external research funding will be required.

Promotion of student research is an important curricular component of MacEwan University's baccalaureate programs. During 2010/11 the university's Research Office undertook a pilot initiative to support student research, and established a sub-committee of the Research Council to manage the MacEwan Student Research Initiative, which included a session on grantsmanship and applying to the Student Research Fund, and two competitive grant calls for funding student research projects. Thirty student research projects were funded for a total of nearly \$48,000.

Research-related professional development for faculty continued to be another high priority strategy to build research and capacity. The university's research community participated in research-related conferences and workshops related to ethics, animal care and grants.

Supportive Services and Processes

Enterprise Resource Planning (ERP)

Progress was made towards the complete implementation of the new PeopleSoft ERP system during 2010/11. The new financial system was implemented in July 2010, the human resources system in January 2011, and the first two phases on the student system (Campus Solutions) by April 2011. The implementation process presented significant challenges, and considerable work remains in order to realize the full benefits and potential of the new system.

Enhanced financial processes and structures

Implementation of the new financial system was a critical step in the process of enhancing the university's financial processes and structures. The university implemented a new model for information technology management, established an internal audit function and approved an annual audit plan.

Self-study, peer review and benchmarking

As with many of the university's objectives during this transitional period, the implementation of an institutional culture of self-review and benchmarking is a long-term process. This process continued during 2010/11 with the development of a standard process for evaluation of service and academic support departments, and a mechanism for action planning and follow-up from these evaluations. Two service evaluation projects were completed during 2010/11, and three others were initiated.

Student success initiatives

A wide range of initiatives to promote student retention and student success were undertaken during 2010/11, many under the auspices, or the involvement of, the university's Student Success Committee. Activities encompassed a wide range of projects—from program-specific initiatives to university-wide projects; ranging from improvements to orientation and student advising to the realignment of student spaces

to enhance services. Implementation of the PeopleSoft Campus Solutions module in 2010/11 will significantly improve the university's capacity to generate and analyze student retention data, which will in turn enable more detailed assessment and evaluation of the impact of student success initiatives.

Sustainability

The university demonstrated its commitment to enhancing its environmental sustainability by establishing a Sustainability Office. Future priorities for the office were established and a number of initiatives are under development. Education and enhancing awareness of sustainability issues will be a priority to ensure that this direction can be maintained during difficult economic times.

Single Sustainable Campus

Phase I of the university's Single Sustainable Campus Plan (SSCP) was completed with the April 2011 opening of the University Service Centre—a 5,000 square metre facility designed to accommodate 240 administrative staff. USC staff moves freed up considerable space on City Centre Campus for educational purposes. In addition, the university worked with the City of Edmonton to ensure that its plan for a single campus is reflected in the City's Downtown Plan. Shorter-term facilities planning also proceeded, including planning for the completion of academic neighbourhood development on the City Centre Campus and expansion of space for "Services for Students" (S4S) departments.

Long-term planning for the university's future instructional space requirements was undertaken by a Learning Space Management Planning Committee, which included strong representation of faculty from across the university. This committee developed a "White Paper" on future instructional space requirements, and initiated the development of principles and guidelines for planning and design of future instructional space.

Community Investment

As discussed in detail within the progress report, the university's "Front and Centre" campaign reached its \$40 million goal in September 2010, a year ahead of plan. Notable campaign achievements included the creation of nearly 2,500 new student awards, establishment of a Student Success Bursary endowment and a Health and Nursing Technology endowment. Between 2006/07 and 2010/11, the university's pooled endowment fund nearly tripled, from \$13.5 million to \$40.2 million.

Planning began for the next major fund development campaign, "Building to 50 Years," with a target of \$90 million over the coming decade. This campaign will focus on three priority areas: supporting development of a single campus for the university; a comprehensive student awards program; and support for key academic projects.

Performance Measures

MacEwan University met or exceeded its targets on all of the institution-wide performance measures identified in its Strategic Plan and Budget Strategies for 2010/11.

Summary

From a variety of perspectives, including program development, enrolment growth, expansion of research activity, capital planning and enhancement of service and support operations, the 2010/11 academic year was highly successful for Grant MacEwan University. At the same time, limits on program and overall operational funding continued to pose significant longer-term challenges. Addressing these challenges will be a major focus of university planning over the next few years, until sufficient funding is obtained to support currently unfunded and partially-funded programs.



Management's Discussion and
Analysis: Consolidated Financial
Statements, 2010/11

Discussion and Analysis

The following discussion and analysis of the consolidated financial statements for the year ended June 30, 2011 should be reviewed in conjunction with the audited consolidated financial statements and accompanying notes. The financial statements represent the consolidated financial position and results of operations of Grant MacEwan University and the MacEwan Foundation.

Consolidated Statement of Financial Position

The university's assets totaled \$443.9 million for the year ended June 30, 2011 compared to \$416.9 million for the prior year.

Assets Highlights

Total cash and cash equivalents of \$59.1 million at June 30, 2011 are reduced from the prior year's \$78 million, primarily due to investing in the Enterprise Resource Planning (ERP) system and the University Service Centre.

The long-term investments held by the university had a market value of \$62.5 million at June 30, 2011 compared to \$49.2 million at June 30, 2010. This was partly due to the increase of \$9.1 million in endowed funds.

The university's capital assets and collections were \$286.1 million at June 30, 2011 compared to \$255.2 million at June 30, 2010. This net increase of \$30.9 million includes renovation and the balance of construction of Bachelor of Science labs, the University Service Centre and the PeopleSoft ERP implementation. Land was also purchased as part of the single sustainable campus project.

Liabilities Highlights

There is no significant change to total liabilities at June 30, 2011, which were \$246.2 million compared to \$245.6 million the year before.

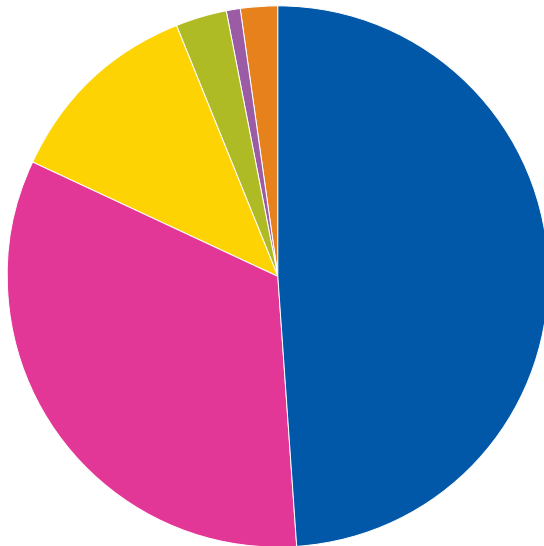
Net Assets Highlights

Total net assets have increased by \$26.4 million as a result of the following:

- Increase in endowments, including \$9.1 million in external contributions and investments income.
- Increase in investment in capital assets and collections of \$33.2 million includes the university's costs for the University Service Centre, the PeopleSoft ERP implementation and land purchases in connection with the single sustainable campus project.
- Net decrease in internally restricted net assets of \$16.9 million resulted from spending \$40.2 million on the University Service Centre, PeopleSoft ERP, and land for the single sustainable campus project. This spending was offset by an additional \$23.3 million that has been restricted primarily for the music degree renovation costs and the single sustainable campus project.

REVENUE

2011: \$222.6 MILLION (2010: \$216.4 MILLION)



	2011	2010
Government of Alberta grants	49%	52%
Federal and other government grants	0%	0%
Student Tuition and fees	33%	30%
Sales of services and products	12%	13%
Amortization of deferred capital contributions	3%	3%
Contract programs	1%	1%
Donations and other grants	0%	1%
Investment income	2%	1%

Consolidated Statement of Operations

Revenue highlights

- Government grants decreased by \$3.3 million and there is a continuing freeze in operating funding.
- The freeze was offset by increases in tuition and fees of \$8 million due to enrolment growth from Canadian and international students, including increased enrolment for the new degree programs in science and nursing. The university also implemented an approved annual tuition increase.
- Investment income increased by \$1.9 million as a result of the improved financial markets during the year.

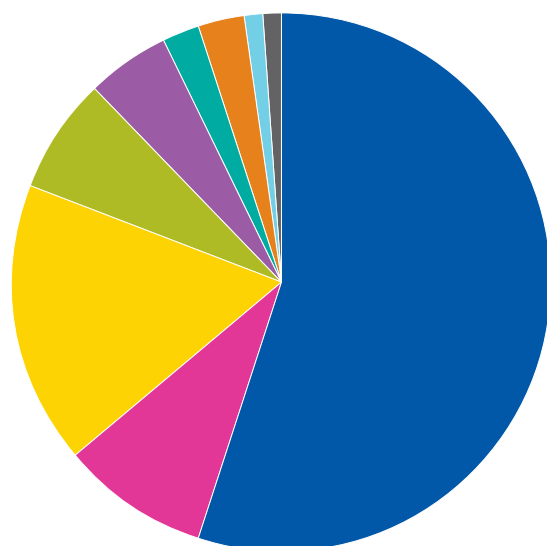
Expense highlights

- Salaries and employee benefits expenses increased by \$9 million as a result of increased staffing levels to support new initiatives and new degree programs. Timing differences between the plan and budget for new faculty positions and actual hiring of new faculty has resulted in a significant positive salary variance. Also, the complement management process that was in place during the year resulted in hiring challenges which, combined with other vacancy issues, added to the overall positive variance. These positive variances were partially offset by higher non-faculty costs related to additional term staff and overtime required to manage numerous concurrent projects such as the ERP implementation.
- Materials, supplies and services increased by \$1.6 million due to contracted services for university capital projects.
- Amortization of capital assets increased by \$1.9 million due to capital renovations and the ERP project.

- Expenditures funded through the infrastructure maintenance program grants are typically budgeted for as operating expenses. In this year a large number of these expenditures were capitalized which, along with other smaller variances, resulted in the positive variance for repairs and maintenance of \$3.1 million.
- The university changed its accounting policy for capital assets to align with other universities. The change was to increase the dollar limit at which assets are capitalized from \$1,000 to \$5,000. As a result of this change the asset base for calculating amortization was reduced, which resulted in lower annual amortization.

EXPENSES

2011: \$208.0 MILLION (2010: \$198.0 MILLION)



	2011	2010
Salaries	55%	54%
Employee benefits	9%	9%
Materials, supplies and services	17%	17%
Amortization of capital assets	7%	6%
Cost of goods sold	5%	5%
Utilities	2%	2%
Maintenance and repairs	3%	5%
Scholarships and bursaries	1%	1%
Interest on long term debt	1%	1%

Excess of revenue over expense

- The university had an excess of \$14.6 million for the year ended June 30, 2011 compared to \$18.4 million for 2010.

Planning for the Future

Implementation of the university's new degree programming involves significant activity related to new faculty recruitment, policy development, and curriculum revisions and reporting. Over the next few years the university plans to develop and implement additional degree programs in music, commerce and social work.

Limitation in the resources available to the Ministry of Advanced Education and Technology, due to the renewed global economic crisis, has resulted in fiscal challenges to the university. The institution continues to work on strategies to maintain the high quality of education provided to students while faced with this financial constraint.

The Single Sustainable Campus Plan is the university's long-term strategy to consolidate onto the City Centre Campus—which will provide high-quality facilities for the above programs and services. The University Service Centre was the first phase of the plan. Infrastructure will continue to be a critical component aimed at ensuring that the university has the physical capacity to accommodate the planned student enrolments. There is heightened interest from the community in buying two of the university's campuses and this will challenge the timelines as the institution moves forward on this project.

Ongoing investment in business intelligence, operational processes and technology is increasingly a high priority. The university has now implemented the new Enterprise Resource Planning (ERP) system, and now needs to capitalize on its investment to ensure infrastructure and staffing are at optimal levels to maintain the current environment at a reliable and sustainable level.



Consolidated Financial Statements
for the Year Ended June 30, 2011

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Management's Responsibility for the Consolidated Financial Statements

The accompanying financial statements of Grant MacEwan University are the responsibility of management and have been approved by the Board of Governors. The consolidated financial statements have been prepared by management in conformity with generally accepted accounting principles described in Note 2.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, guidelines and procedures, and a formal authorization structure. This system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

The Board of Governors carries out its fiduciary responsibility for financial management of the University through its Audit and Finance Committee. The Audit and Finance Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit and Finance Committee, with and without the presence of management.

The Auditor General of the Province of Alberta, the University's external auditor, appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements.

On behalf of management,

Original signed by David W. Atkinson

David W. Atkinson, PhD
President

Original signed by Brent Quinton

Brent Quinton, CA, MBA
Vice President, University Services



Independent Auditor's Report

To the Board of Governors of Grant MacEwan University

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Grant MacEwan University, which comprise the consolidated statement of financial position as at June 30, 2011, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Grant MacEwan University as at June 30, 2011, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Merwan N. Saher

Auditor General

November 22, 2011

Edmonton, Alberta

Consolidated Statement of Financial Position

As at June 30, 2011 (thousands of dollars)

	2011	2010 Restated (Note 3)
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 4)	\$ 59,123	\$ 78,006
Short-term investments (Note 5)	25,471	25,063
Accounts receivable	5,595	4,348
Inventories and prepaid expenses	<u>5,103</u>	<u>4,980</u>
	95,292	112,397
Long-term investments (Note 5)	62,510	49,243
Capital assets and collections (Note 6)	<u>286,174</u>	<u>255,293</u>
	<u>\$ 443,976</u>	<u>\$ 416,933</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 23,715	\$ 20,376
Deferred revenue	5,354	5,298
Deferred contributions (Note 7)	21,938	21,368
Current portion of long term liabilities (Note 10)	<u>1,581</u>	<u>1,518</u>
	52,588	48,560
Employee future benefit liabilities (Note 9)	514	387
Deferred contributions, capital (Note 7)	213	1,357
Unamortized deferred capital contributions (Note 8)	146,953	147,721
Long term liabilities (Note 10)	<u>45,983</u>	<u>47,565</u>
	<u>246,251</u>	<u>245,590</u>
Net Assets:		
Endowments (Note 11)	39,887	30,791
Investment in capital assets and collections (Note 13)	91,656	58,490
Internally restricted (Note 14)	63,679	80,588
Unrestricted	<u>2,503</u>	<u>1,474</u>
	197,725	171,343
	<u>\$ 443,976</u>	<u>\$ 416,933</u>

Contractual obligations and contingent liabilities (Note 18 and Note 19)

Approved by the Board of Governors:

Original signed by John Day

Original signed by David W. Atkinson

Chair, Board of Governors

President

The accompanying notes are part of these consolidated financial statements.

Consolidated Statement of Operations

For the Year Ended June 30, 2011 (thousands of dollars)

	Budget 2011 (Note 17)	2011	2010 Restated (Note 3)
REVENUE			
Government of Alberta grants	\$ 110,670	\$ 109,004	\$ 112,276
Federal and other government grants	110	107	43
Student tuition and fees	68,249	72,800	64,830
Sales of services and products	24,875	26,445	26,728
Amortization of deferred capital contributions (Note 8)	6,200	6,321	6,103
Contract programs	3,193	2,547	3,047
Donations and other grants	1,830	1,483	1,347
Investment income (Note 12)	3,303	3,904	2,020
	<u>218,430</u>	<u>222,611</u>	<u>216,394</u>
Expense			
Salaries	119,327	113,581	106,738
Employee benefits	18,236	19,217	17,011
Materials, supplies and services	36,667	35,841	34,279
Amortization of capital assets	15,868	13,591	11,672
Cost of goods sold	9,412	9,582	9,130
Utilities	4,802	5,125	4,384
Maintenance and repairs	9,052	5,958	9,989
Scholarships and bursaries	2,210	2,319	1,929
Interest on long term debt	2,856	2,748	2,826
	<u>218,430</u>	<u>207,962</u>	<u>197,958</u>
Excess of revenue over expense	<u>\$ -</u>	<u>\$ 14,649</u>	<u>\$ 18,436</u>

The accompanying notes are part of these consolidated financial statements.

Consolidated Statement of Changes in Net Assets

For the Year Ended June 30, 2011 (thousands of dollars)

	Endowments (Note 11)	Investment in Capital Assets and Collections (Note 13)	Internally Restricted Net Assets (Note 14)	Unrestricted Net Assets (deficit) Restated (Note 3)
NET ASSETS, JUNE 30, 2009	\$ 25,446	\$ 48,045	\$ 72,054	\$ 1,238
Excess of revenue over expense	-	-	-	18,436
Investment income (Note 12)	1,113	-	-	-
Endowment contributions	4,132	-	-	-
Net transfers	100	-	-	(100)
Net change in investment in capital assets (Note 13)	-	9,566	-	(9,566)
Contributions of assets not subject to amortization (Note 13)	-	879	-	-
Net expenditures of internally restricted net assets	-	-	8,534	(8,534)
NET ASSETS, June 30, 2010	\$ 30,791	\$ 58,490	\$ 80,588	\$ 1,474
Excess of revenue over expense	-	-	-	14,649
Investment income (Note 12)	392	-	-	-
Endowment contributions	8,693	-	-	-
Net transfers	11	-	-	(11)
Net change in investment in capital assets (Note 13)	-	30,518	-	(30,518)
Contributions of assets not subject to amortization (Note 13)	-	2,648	-	-
Net expenditures of internally restricted net assets	-	-	(16,909)	16,909
NET ASSETS, June 30, 2011	\$ 39,887	\$ 91,656	\$ 63,679	\$ 2,503

The accompanying notes are part of these consolidated financial statements.

Consolidated Statement of Cash Flow

For the Year Ended June 30, 2011 (thousands of dollars)

	2011	2010 Restated (Note 3)
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES:		
Excess of revenue over expense	\$ 14,649	\$ 18,436
Add (deduct) non-cash items:		
Allowance for doubtful accounts	(84)	(38)
Amortization of capital assets	13,591	11,672
(Gain)/Loss on disposal of capital assets	79	66
Amortization of deferred capital contributions	(6,321)	(6,103)
Gift in Kind	(247)	(209)
Change in employee future benefit liabilities	127	112
Change in unrealized (gain) loss on investments	(4,493)	(2,396)
	<u>17,301</u>	<u>21,540</u>
Net change in non-cash working capital (*)	2,371	(29,257)
	<u>19,672</u>	<u>(7,717)</u>
CASH USED IN INVESTING ACTIVITIES:		
Purchases of capital assets and collections, net of proceeds from disposals	(44,470)	(26,437)
Purchase of long term investments, net of sales	(8,316)	(3,707)
	<u>(52,786)</u>	<u>(30,144)</u>
CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES:		
Endowment contributions	8,693	4,132
Capital contributions	7,057	10,247
Long-term liabilities - repayments	(1,519)	(1,506)
	<u>14,231</u>	<u>12,873</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,883)	(24,988)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	78,006	102,994
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 59,123</u>	<u>\$ 78,006</u>
(*)NET CHANGE IN NON-CASH WORKING CAPITAL:		
(Increase) decrease in accounts receivable	\$ (1,163)	\$ (28)
(Increase) decrease in short-term investments	(408)	(25,063)
(Increase) decrease in inventories and prepaid expenses	(22)	(803)
Increase (decrease) in accounts payable and accrued liabilities	3,338	563
Increase (decrease) in deferred revenue	56	896
Increase (decrease) in deferred contributions	570	(4,822)
	<u>\$ 2,371</u>	<u>\$ (29,257)</u>

The accompanying notes are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Note 1 **AUTHORITY AND PURPOSE**

The Board of Governors of Grant MacEwan University is a corporation which manages and operates Grant 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 and Technology, with the exception of the President, who is an ex officio member. Under the *Post-Secondary Learning Act*, Campus Alberta Sector Regulation, the University is a Baccalaureate and Applied Studies Institution offering baccalaureate degrees, certificates, diplomas, and applied degrees as well as a full range of continuing education programs and activities. The University is a registered charity, and under Section 149 of the *Income Tax Act* (Canada), is exempt from payment of income tax.

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

(a) **General - Generally accepted accounting principles (GAAP) and use of estimates**

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. University management uses judgment to determine such estimates. Employee future benefit liabilities and amortization of capital assets 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 financial statements and, together with the following notes, should be considered an integral part of the financial statements.

(b) **Consolidated Financial Statements**

These consolidated financial statements include the accounts of the Grant MacEwan University Foundation, which operates under part 9 of the *Companies Act* of Alberta for the support and advancement of the University. The Foundation is a registered charity and is exempt from payment of income tax.

(c) **Capital Assets and Collections**

Capital asset acquisitions are recorded at cost. Donated assets are recorded at fair value, when a fair value can be reasonably determined. Collections are not amortized and include the portion of library assets with permanent value and works of art held for education and public exhibition purposes.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Capital assets, once placed into service are amortized on a straight-line basis over the following estimated useful lives:

Buildings and site improvements	10 to 40 years
Furniture, equipment and vehicles	3 to 25 years
Library materials	10 years
Computers and telecommunications equipment	3 to 5 years
Equipment under capital lease	period of the lease

(d) Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period incurred, if a reasonable estimate of fair value based on the present value of estimated future cash flows can be made. The associated asset retirement costs are capitalized as part of the net book value of the asset and amortized over its estimated useful life.

(e) Revenue Recognition

The financial statements record the following items as revenue at the following times:

- Tuition fees when the instruction is delivered.
- Revenues received for services and products when the services or products are substantially provided and collection is reasonably assured.
- Unrestricted contributions when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Unrestricted investment income when earned; this includes interest, dividends, realized and unrealized gains and losses.
- Donations of materials - are recorded at fair value when a fair value can be reasonably determined and when materials would otherwise have been purchased.
- Pledges, when collected.
- Restricted contributions - based on the deferral method.

Deferral method

Contributions, including investment income on the contributions, which are restricted for purposes other than endowment or capital asset acquisitions, are deferred and recognized as revenue when the conditions of the contribution are met.

Contributions to acquire capital assets with limited lives are first recorded as deferred contributions, capital when received and when expended they are transferred to unamortized deferred capital contributions and amortized to revenue over the useful lives of the related assets.

Endowment contributions are recognized as direct increases in endowment net assets. Investment earnings, under agreements with benefactors or the *Post-Secondary Learning Act* allocated to endowment principal, are also recognized as direct increases in endowment net assets. Endowment investment earnings that are allocated for spending are deferred and recognized as revenue when the conditions of the endowment are met.

Restricted contributions for the purchase of capital assets that will be amortized should be deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Restricted contributions for the purchase of capital assets that will not be amortized should be recognized as direct increases in net assets.

(f) **Inventories**

Inventories held for resale are valued at the lower of cost or net realizable value, with cost determined on a moving average basis. Inventories held for consumption are valued at cost.

(g) **Foreign Currency Translation**

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at daily exchange rates. Gains or losses from these transactions are included in investment income.

(h) **Employee Future Benefits**

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 recorded for the LAPP is comprised of employer contributions to the plan that are 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.

Supplementary Retirement plans

The University maintains a supplementary pension plan for its current senior executives. The pension expense for the defined benefit supplementary 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.

(i) **Financial Instruments**

The University's financial assets and liabilities are generally classified and measured as follows:

<u>Financial Statement Components</u>	<u>Classification</u>	<u>Measurement</u>
Cash and cash equivalents	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Investments	Held-for-trading	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Accrued vacation pay	Other liabilities	Amortized cost
Long-term liabilities	Other liabilities	Amortized cost

Financial instruments classified as held-for-trading are measured at fair value with changes in fair value recognized in the Statement of Operations. Financial instruments classified as loans and receivables and classified as other financial liabilities are measured at amortized cost with gains and losses recognized in the Statement of Operations when the asset or liability is derecognized.

The value of the University's financial instruments are recognized on their settlement date. Transaction costs related to all financial instruments are expensed as incurred.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Financial instruments of the University are exposed to market risk, liquidity risk, credit risk, interest rate risk, and commodity price risk.

Market Risk

The University is subject to market risk, foreign currency and interest rate risk with respect to its investment portfolio. To manage these risks, the University has established a target mix of investment types designed to achieve the optimal returns within reasonable risk tolerance.

Liquidity Risk

The University maintains a comprehensive cash management process to ensure funds are available to meet current and forecasted financial requirements as cost effectively as possible.

Credit Risk

The credit risk from accounts receivable is relatively low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed by restricting enrolment activities for students with delinquent balances and maintaining standard collection procedures.

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. The risk is managed by maintaining an appropriate mix of maturity dates for the University's fixed income securities.

Commodity Price Risk

The University is exposed to commodity price risk as a result of substantial electricity and natural gas usage required to operate the institution's facilities. To mitigate these risks, the University has entered into contracts to fix the price for electricity and gas.

All derivative financial instruments of the University are classified as held for trading. The University does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. Forward contracts are marked to market at the end of each reporting period with any changes in the market value recorded in the statement of operations when the changes occur. As permitted for not-for-profit organizations, the University has elected to not apply the standards on derivatives embedded in non-financial contracts, and the University has elected to continue to follow Canadian Institute of Chartered Accountants (CICA) 3861: Disclosure and Presentation.

(j) Capital Disclosures

The University defines its capital as the amounts included in deferred contributions (Note 7), endowment net assets (Note 11) and unrestricted net assets. A significant portion of the University's capital is externally restricted and the University's unrestricted capital is funded primarily by Alberta Advanced Education and Technology, other government funding agencies, donations and the University's entrepreneurial activities. The University has investment policies (Note 5), spending policies and cash management procedures to ensure the University can meet its capital obligations.

Under the *Post-Secondary Learning Act*, the University must receive ministerial or Lieutenant Governor in Council approval for a deficit budget, mortgage and debenture borrowing and the sale of any land, other than donated land, that is held by and being used for the purposes of the University.

(k) **Contributed Services**

Volunteers as well as members of the staff of the University contribute an indeterminable number of hours per year to assist the institution in carrying out its mission. Such contributed services are not recognized in these financial statements.

(l) **Future Accounting Changes**

The Public Sector Accounting Board (PSAB) has issued a framework for financial reporting by government not-for-profit organizations. The framework includes the PS4200 series of standards for government not-for-profit organizations. This framework will be effective for fiscal years beginning January 1, 2012. *Government Not-For-Profit Organizations* have been presented the option to apply either PS4200 series of standards plus the PSA Handbook; or PSA handbook without the PS4200 series of standards. The Government of Alberta has decided that Alberta Public Post-Secondary Institutions, as government not-for-profit entities will adopt the PSA handbook without the PS4200 series of standards. The University has started to identify the differences in the standards that will impact the financial statements and will quantify the differences. The University will also determine whether any specific exemptions and exceptions applicable to the first time adoption of PSA standards by government not-for-profit organizations will be applicable to the University.

Note 3

PRIOR PERIOD ADJUSTMENT

The University made an Accounting Policy change in order to align its capital asset threshold with other universities. The threshold for capitalized items increased from \$1 to \$5. These changes have been applied retrospectively with restatement of comparative numbers.

The University identified the following errors in the June 30, 2010 Consolidated Financial Statements:

- Received \$878 grant funding for land remediation which should have been recognized as a direct increase in net assets instead of an increase in UDCC.
- A grant funded capital lease in the amount of \$45 was being amortized over 4 years instead of 8 years.
- The University determined that Faculty Development funding of \$1,272 should be recorded as a liability instead of as Funds Held on Behalf of Others.
- An accumulated surplus of \$1,065 with Alberta Blue Cross and Manulife was not recorded.
- Reversal of a prior year accrual for \$174 was not recorded.
- An accrual of the Health Spending Account liability for \$197 was not recorded.
- Sales of services and products for \$409 was reclassified to Student tuition and fees.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

The impact on the prior year's financial statements as a result of these changes is as follows:

	2010		
	As Previously Recorded	Adjustment recorded	As restated
Increase (decrease) in:			
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Cash and cash equivalents (Note 4)	\$ 76,734	\$ 1,272	\$ 78,006
Accounts receivable	5,245	(897)	4,348
Inventories and prepaid expenses	3,915	1,065	4,980
Capital assets and collections (Note 6)	268,671	(13,378)	255,293
Accounts payable and accrued liabilities	19,083	1,293	20,376
Current portion of long term liabilities (Note 10)	2,385	(867)	1,518
Unamortized deferred capital contributions (Note 8)	153,164	(5,443)	147,721
Long term liabilities (Note 10)	48,762	(1,197)	47,565
Investment in capital assets and collections (Note 13)	64,360	(5,870)	58,490
Unrestricted net assets	1,330	144	1,474
CONSOLIDATED STATEMENT OF OPERATIONS			
Government of Alberta grants	111,953	323	112,276
Student tuition and fees	64,421	409	64,830
Sales of services and products	26,829	(101)	26,728
Amortization of deferred capital contributions (Note 8)	6,882	(779)	6,103
Employee benefits	17,249	(238)	17,011
Materials, supplies and services	31,956	2,323	34,279
Amortization of capital Assets	15,203	(3,531)	11,672

Note 4 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents with a maximum maturity of 90 days at date of purchase are as follows:

	2011	2010
Cash	<u>\$ 59,123</u>	<u>\$ 78,006</u>

Note 5 INVESTMENTS

The composition, fair value, and annual market yields on investments are as follows:

	2011	2010
	Market Value	Market Value
Short-term GIC	\$ 25,471	\$ 25,063
Pooled funds		
Common stocks and equivalents	31,133	23,558
Fixed income securities	26,136	19,954
Cash and equivalents	2,328	2,712
Cash holdings	2,129	2,260
Cash surrender value of planned gifts (life insurance policies)	766	741
Other	18	18
	<u>\$ 87,981</u>	<u>\$ 74,306</u>
Short-term investments	25,471	25,063
Long-term and other investments	<u>62,510</u>	<u>49,243</u>
	<u>\$ 87,981</u>	<u>\$ 74,306</u>

As at June 30, 2011, the average annualized effective yields and the terms to maturity are as follows:

- Pooled Funds - Cash and equivalents: 1.01% (2010 - 1.08%); term to maturity: less than one year.
- Pooled Funds - Fixed income securities: 3.82% (2010 - 3.99%); term to maturity: range from more than one year to less than 20 years.

The University has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The University's Investment Committee, a sub-committee of the Audit and Finance Committee of the Board of Governors, has been delegated authority for oversight of the University's investments. The Investment Committee meets regularly to monitor investments, to review investment manager performance, ensure compliance with the University's investment policies and to evaluate the continued appropriateness of the University's investment policies.

The University's long-term and other investment holdings are managed by RBC Dominion Securities using a specified range of asset mix in pooled funds to achieve an acceptable return and risk appropriate for a publicly funded post-secondary educational institution. The investment holdings managed by RBC Dominion Securities are currently separated into two funds, Unrestricted Operating and Restricted Endowments. As at June 30, 2011, the market value of the two funds were: Unrestricted Operating with investment holdings of \$20,597 (2010 - \$18,515); and Restricted Endowment with investment holdings of \$39,000 (2010 - \$27,709). The balance of the investment portfolio \$2,913 (2010 - \$3,019) is held in cash as identified above.

Note 6

CAPITAL ASSETS AND COLLECTIONS

	2011			2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$ 38,999	\$ -	\$ 38,999	\$ 23,617	\$ -	\$ 23,617
Buildings and site improvements	292,145	(83,849)	208,296	267,942	(76,731)	191,211
Furniture, equipment and vehicles	22,819	(9,948)	12,871	17,428	(8,560)	8,868
Library materials	15,160	(8,501)	6,659	14,290	(7,779)	6,511
Computers and telecommunications equipment	26,023	(12,201)	13,822	16,025	(8,518)	7,507
Equipment under capital lease	594	(338)	256	1,014	(662)	352
Art collection	122	-	122	122	-	122
Work in process	5,149	-	5,149	17,105	-	17,105
	<u>\$ 401,011</u>	<u>\$ (114,837)</u>	<u>\$ 286,174</u>	<u>\$ 357,543</u>	<u>\$ (102,250)</u>	<u>\$ 255,293</u>

Work in process is not amortized as the assets are not yet available for use.

Acquisitions during the year include in-kind contributions (such as furniture, equipment and library materials) in the amount of \$10 (2010 - \$12).

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Note 7 DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations. Changes in the deferred contributions balances are as follows:

	2011		2010	
	Capital	Program Delivery and Other	Capital	Program Delivery and Other
Balance, beginning of the year	\$ 1,357	\$ 21,368	\$ 3,865	\$ 26,190
Grants and donations received	608	12,504	2,579	31,392
Recognized as revenue	(69)	(6,424)	-	(27,391)
Transferred from/(to):				
• investment income (Note 12)	25	3,571	13	29
• endowment	-	(5,226)	-	(2,076)
• unamortized deferred capital contributions (Note 8)	(1,708)	(3,845)	(4,925)	(6,951)
• Capital and program delivery	-	-	(175)	175
Funds returned to grantor	-	(10)	-	-
Balance, end of the year	<u>\$ 213</u>	<u>\$ 21,938</u>	<u>\$ 1,357</u>	<u>\$ 21,368</u>

Note 8 UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS

Unamortized Deferred Capital Contributions (UDCC) represent the unamortized grants and donations received to fund capital acquisitions. The amortization of UDCC is recorded as revenue in the statement of operations. The changes in the UDCC balance are as follows:

	2011	2010
Balance at beginning of year	\$ 147,721	\$ 141,948
Additions from deferred contributions (Note 7)	5,553	11,876
Less amount amortized to revenue	(6,321)	(6,103)
Balance at end of year	<u>\$ 146,953</u>	<u>\$ 147,721</u>

Note 9 EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities are comprised of the following:

	2011	2010
Supplemental Executive Retirement Plan (SERP)	\$ 514	\$ 387
Less current portion	-	-
	<u>\$ 514</u>	<u>\$ 387</u>

(a) Defined benefit plan accounted for on a defined benefit basis

Supplemental Executive Retirement Plan (SERP)

The University provides non-contributory defined benefit supplemental retirement benefits to executives. An actuarial valuation of these benefits was carried out at June 30, 2011.

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2011 (thousands of dollars)

The expense and financial position of the supplemental executive retirement plan is as follows:

	2011	2010
Expenses		
Current service cost	\$ 93	\$ 91
Interest cost	29	21
Amortization of net actuarial (gains) losses	4	-
Total Expense	\$ 126	\$ 112
Financial Position		
Accrued benefit obligation:		
Balance, beginning of year	\$ 425	\$ 278
Current service cost	93	92
Interest cost	29	21
Actuarial (gain) loss	(4)	34
Balance, end of year	543	425
Unamortized net actuarial loss	(29)	(38)
Accrued benefit liability	\$ 514	\$ 387

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

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

	2011	2010
Discount rate	5.60 %	5.60 %
Rate of compensation increase	4.00 %	4.00 %
Inflation rate	2.50 %	2.50 %
Estimated average remaining service life	8	9

(b) Defined benefit plan accounted for on a defined contribution basis

Local Authorities Pension Plan (LAPP)

The LAPP is a multi-employer contributory defined benefit pension plan for participating staff members and is accounted for on a defined contribution basis. At December 31, 2010, the LAPP reported an actuarial deficiency of \$4,635,250 (2009 - \$3,998,614). An actuarial valuation of the LAPP was carried out on December 31, 2010. The pension expense recorded in these financial statements is \$8,811 (2010: \$7,715).

Note 10

LONG-TERM LIABILITIES

	Collateral	Maturity Date	Interest Rate %	Amount 2011	Outstanding 2010
Debentures payable to Alberta Capital Finance Authority:					
Parkade	(1)	April 2025	6.25	\$ 4,692	\$ 4,898
Student residence	(1)	June 2030	5.85	35,747	36,754
West parkade	(1)	Sept. 2030	4.39	5,175	5,340
Robbins Health Learning Centre parkade	(1)	Sept. 2032	4.89	1,659	1,702
				47,273	48,694
Obligations under capital leases				291	389
				47,564	49,083
Less current portion				1,581	1,518
				\$ 45,983	\$ 47,565

Collateral: (1) cash flows from facility

The principal portion of long-term debt repayments required over the next five years is as follows:
2012 - \$1,581; 2013 - \$1,673; 2014 - \$1,770; 2015 - \$1,815; 2016 - \$1,886 and thereafter - \$38,839.
Interest expense on long term liabilities is \$2,748 (2010 - \$2,826).

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Note 11 **ENDOWMENTS**

Endowments consist of externally restricted donations received by the University and internal allocations by the University and the endowments are to be held for a period of not less than 10 years.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as University practice 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:

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment 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 then 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.

	2011	2010
Balance beginning of year	\$ 30,791	\$ 25,446
Endowment contribution	8,693	4,132
Internal transfer and University support	11	100
Investment gain / (loss)	392	1,113
	<u>\$ 39,887</u>	<u>\$ 30,791</u>
Cumulative contributions	\$ 40,243	\$ 31,491
Cumulative encroachment	(356)	(700)
	<u>\$ 39,887</u>	<u>\$ 30,791</u>

During the 2011 year, endowment investment income of \$3,886 net of fees of \$96 (2010 – income \$1,104) was used to bring the beginning balance of encroachment \$700 (2010 - \$1,805) down to \$356 and the remaining portion of the investment earnings are deferred and reinvested. The interest earned on Access to the Future Fund contributions of \$27 was transferred to endowments.

At June 30, 2011, \$356 was cumulatively encroached upon the principal value of some endowments. To preserve the principal value of the encroached endowments, the University decided not to disburse any expenses on these endowments in 2011/2012.

The total endowments market value is \$43,428 as of June 30, 2011. Accumulated contributions and encroachments in the amount of \$39,887 are presented in the Endowments and \$3,541 unused earnings is included in Deferred Contributions. Endowment bank holds \$1,800, investments holds \$39,000 in long term portfolio and \$2,129 in cash, the balance of endowments \$499 is held in University's operating bank.

Note 12 **INVESTMENT INCOME**

	2011	2010
Income on investments held for endowments	\$ 4,004	\$ 1,161
Income on other investments	3,888	2,014
	<u>7,892</u>	<u>3,175</u>
Transfer from/(to):		
• deferred contributions	(3,571)	(29)
• deferred capital contributions	(25)	(13)
• endowments	<u>(392)</u>	<u>(1,113)</u>
Total investment income	<u>\$ 3,904</u>	<u>\$ 2,020</u>

Note 13 **INVESTMENT IN CAPITAL ASSETS AND COLLECTIONS**

Net assets invested in capital assets and collections represent the net book value of capital assets and collections less unamortized deferred capital contributions and any related debt.

	2011	2010
Capital assets and collections at net book value (Note 6)	\$ 286,174	\$ 255,294
Less amounts financed by:		
Unamortized deferred capital contributions (Note 8)	(146,953)	(147,721)
Long-term liabilities related to capital expenditures	<u>(47,565)</u>	<u>(49,083)</u>
Investment in capital assets and collections, end of year	<u>\$ 91,656</u>	<u>\$ 58,490</u>
	2011	2010
The changes during the year are as follows:		
Investment in capital assets and collections, beginning of year	\$ 58,490	\$ 48,045
Acquisition of capital assets and collections	37,204	13,713
Contributions for assets previously funded internally	(897)	-
Long-term liabilities - repayment	1,518	1,505
Net book value of asset disposals	(76)	(70)
Amortization of investment in capital assets	<u>(7,231)</u>	<u>(5,582)</u>
Net change in investment in capital assets	30,518	9,566
Contribution of assets not subject to amortization	<u>2,648</u>	<u>879</u>
Increase for the year	<u>33,166</u>	<u>10,445</u>
Investment in capital assets and collections, end of year	<u>\$ 91,656</u>	<u>\$ 58,490</u>

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Note 14 INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represents the amount of unrestricted net assets that have been set aside for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. Internally restricted net assets are summarized as follows:

	Balance at beginning of year	Disbursements during the year	Appropriations from (returned to) unrestricted net assets	Balance at end of year
Appropriations for capital activities:				
University Service Centre	\$ 17,919	\$ (12,493)	\$ (4,926)	\$ 500
ERP renewal/tech. enhancement	11,083	(10,114)	2,031	3,000
Capital renewal & replacement	7,952	(4,290)	2,500	6,162
Music degree - renovations	-	-	2,500	2,500
Infrastructure maintenance	5,000	-	-	5,000
Campus and Program Development	16,000	(11,875)	20,500	24,625
	<u>57,954</u>	<u>(38,772)</u>	<u>22,605</u>	<u>41,787</u>
Appropriations for operating activities:				
Program & operating contingency	17,172	-	-	17,172
Student tuition reinvestment	1,000	-	-	1,000
Scholarships & bursaries	1,907	(174)	-	1,733
Sustainability	500	-	-	500
Special projects	465	(20)	-	445
Student technology reserve	1,590	(1,246)	698	1,042
	<u>22,634</u>	<u>(1,440)</u>	<u>698</u>	<u>21,892</u>
	<u>\$ 80,588</u>	<u>\$ (40,212)</u>	<u>\$ 23,303</u>	<u>\$ 63,679</u>

Note 15 SALARY & EMPLOYEE BENEFITS

Treasury Board directive 12-98 under the *Financial Administration Act* of the Province of Alberta requires the disclosure of certain salary and employee benefits information.

	2011			2010	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Governance					
Chairman of the Board	\$ -	\$ 6	\$ -	\$ 6	\$ 7
Board Members	-	30	-	30	30
Executive					
President (4)	291	1	344	636	433
Provost and Executive Vice President, Academic (5)	238	11	47	296	290
Vice President, University Services (5)	224	11	45	280	283
Vice President, Fund Development and Community Relations (5)	201	11	37	249	240
Vice President, Student Services (5)	190	11	32	233	226
Executive Director, Human Resources	155	1	25	181	179
Executive Director, Strategic Planning	154	1	24	179	180

Notes to the Consolidated Financial Statements
For the Year Ended June 30, 2011 (thousands of dollars)

- (1) Base salary includes pensionable base pay.
- (2) Other cash benefits includes overtime, lump sum payments, honoraria, vacation payouts, and car allowances.
- (3) Other non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out-of-country medical benefits, group life insurance, long and short-term disability plan, professional memberships and tuition. Other non-cash benefits also includes the employer's share of the cost of additional benefits including Supplemental Executive Retirement Plan, sabbaticals or other special leave with pay, financial planning services, retirement planning services, concessionary loans, and club memberships.
- (4) The University provides an automobile, the value of which is not included in other non-cash benefit figures. Other non-cash benefits includes \$279 (2010 - \$87) representing the service cost for an approved sabbatical leave to be taken in the 2011-12 year. The accrued obligation for the sabbatical leave as at June 30, 2011 is \$366. For 2010, other non-cash benefits figure includes the taxable benefit for the purchase of the University's leased vehicle.
- (5) Vice Presidents receive a car allowance, the value of which is included in other cash benefits.

Under the terms of the Supplemental Executive Retirement Plan (SERP), executive officers may receive supplemental retirement payments. Retirement arrangement costs as detailed below are not cash payments in the period but are period expense for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post employment period. The SERP 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 pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. Current service cost is the actuarial present value of the benefits earned in the current year. Other costs include amortization of actuarial gains and losses and interest accruing on the actuarial liability.

The current service cost and accrued obligation for each executive under the SERP is outlined in the following table:

	Accrued Obligation June 30, 2010	Service Cost	Interest Cost	Actuarial Loss (Gain)	Accrued Obligation June 30, 2011
President	\$ 201	\$ 34	\$ 13	\$ 3	\$ 251
Provost and Executive Vice President, Academic	86	21	6	1	114
Vice Presidents:					
University Services	61	15	4	-	80
Student Services	37	9	2	(2)	46
Fund Development and Community Relations	24	12	2	-	38
Executive Directors					
Human Resources	7	1	1	(2)	7
Strategic Planning	9	1	1	(4)	7
	<u>\$ 425</u>	<u>\$ 93</u>	<u>\$ 29</u>	<u>\$ (4)</u>	<u>\$ 543</u>

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

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Note 16 RELATED PARTY TRANSACTIONS

The University operates under the authority and statutes of the Province of Alberta. Transactions and balances between the University and Government of Alberta (GOA) are measured at the exchange amount and summarized below.

	2011	2010
Grants from GOA		
Advanced Education and Technology:		
Operating	\$ 111,534	\$ 113,135
Capital	2,336	4,318
Access to the Future Fund	3,002	1,161
Total Advanced Education and Technology	<u>116,872</u>	<u>118,614</u>
Other GOA departments and agencies:		
Ministry of Education grants	-	50
Ministry of Culture and Community Spirit grant	50	52
Alberta Foundation for the Arts	24	-
Total other GOA departments and agencies	<u>74</u>	<u>102</u>
Total contributions received	116,946	118,716
Less: deferred contributions	<u>(8,203)</u>	<u>(18)</u>
	<u>\$ 108,743</u>	<u>\$ 118,698</u>
Accounts receivable		
Other GOA departments and agencies	<u>358</u>	<u>222</u>
	<u>\$ 358</u>	<u>\$ 222</u>
Accounts payable		
Other GOA departments and agencies	<u>440</u>	<u>287</u>
	<u>\$ 440</u>	<u>\$ 287</u>

The GOA has provided \$4,694 (2010 - \$1,840) in matching grants for externally restricted endowment contributions during the year, which is included in endowment net assets.

The University has long-term obligations with Alberta Capital Finance Authority as described in Note 10 Long Term Debt.

Note 17 BUDGET

The University's 2010-2011 budget was approved by the Board of Governors and was presented to the Minister of Advanced Education and Technology as part of the University's submission of its 2010-2011 Business Plan.

Note 18 **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.

	2011	2010
Service contracts	\$ 13,497	\$ 12,047
Capital projects	183	800
Information systems and technology	302	11,500
Long-Term leases	2,734	3,229
	<u>\$ 16,716</u>	<u>\$ 27,576</u>

The estimated aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2011				
	Service Contracts	Information Systems and Technology	Long-Term Leases	Capital	Total
2012	\$ 4,325	\$ 279	\$ 1,303	\$ 121	\$ 6,028
2013	3,234	23	821	17	4,095
2014	2,375	-	414	17	2,806
2015	2,375	-	156	14	2,545
2016	1,188	-	40	14	1,242
Thereafter	-	-	-	-	-
	<u>13,497</u>	<u>302</u>	<u>2,734</u>	<u>183</u>	<u>16,716</u>

Note 19 **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 estimated at this time, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Management has concluded that none of the claims meet the criteria for being recorded under GAAP.

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2011 (thousands of dollars)

Note 20 **CANADA - ALBERTA KNOWLEDGE INFRASTRUCTURE PROGRAM**

The Canada - Alberta Knowledge Infrastructure Program (KIP) was established to provide funding in support of capital projects at post secondary institutions in order to offset the impact of the global economic recession by providing employment opportunities. Eligible KIP projects can receive up to 50% of its funding from Government of Canada contributions through direct payments made by the Province. The remaining portion of funding for KIP projects is made up of internal resources, provincial contributions and research grants. The KIP program supports eligible costs incurred from February 24, 2009 to March 31, 2011. Amounts received from the Province of Alberta representing Government of Canada contributions and total eligible costs incurred on KIP projects are as follows:

	April 1, 2010 to March 31, 2011	April 1, 2009 to March 31, 2010	February 24, 2009 to March 31, 2009	Total
Contributions	\$ 2,862	\$ 1,151	\$ -	\$ 4,013
Total Eligible Costs	\$ 5,094	\$ 1,494	\$ -	\$ 6,588

Note 21 **COMPARATIVE AMOUNTS**

Certain 2010 figures have been reclassified to conform to the presentation adopted in 2011 consolidated financial statements.

Note 22 **APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Governors on November 22, 2011.

Contact

Phone: 780-497-5000

Fax: 780-497-5001

Toll free: 1-888-497-4622

Campuses

Alberta College Campus

10050 MacDonald Drive

Centre for the Arts and Communications

10045 - 156 Street

City Centre Campus

10700 - 104 Avenue

South Campus

7319 - 29 Avenue

MACEWAN

Grant MacEwan University
P.O. Box 1796
Edmonton, Alberta, CANADA
T5J 2P2

www.MacEwan.ca