



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

MacEwan.ca

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ACCOUNTABILITY STATEMENT

MacEwan University's Annual Report for the year ended June 30, 2015 was prepared under the Board's direction in accordance with the *Fiscal Management Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

John Day, QC Board Chair

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

MacEwan University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the institution audit committee, as well as approved by the Board of Governors and is prepared in accordance with the *Fiscal Management 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 which are prepared in accordance with Canadian public sector accounting standards.

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David W. Atkinson, PhD

President

PRESIDENT'S MESSAGE

Over the 2014/15 year, MacEwan University underwent significant change while continuing to provide outstanding learning experiences based on small classes, face-to-face access to faculty and the very best of student support systems. The university is building on its mandate as an undergraduate university by adding new programs with the intention that all certificates and diplomas ladder into MacEwan degrees.

Progress was made on the downtown campus strategy, which aims to bring our students together to City Centre Campus. During the summer of 2014, we moved all programs, faculty and administration from our South Campus with an agreement to sell the building.

On November 4, 2014, ground was broken on the new Centre for Arts and Culture. Designed by world-renowned architect, Bing Thom, along with Edmonton design firm, Manasc Isaac, the new building will house all programs currently at our west-end campus, with additional space for student growth and new program development. Clark Builders is managing construction on the project with a scheduled opening of September 2017. We have worked hard to keep construction on time and on budget.

Progress was also made towards the eventual construction of a building for the Students' Association of MacEwan University (SAMU). The Board of Governors approved the business case presented by SAMU, as well as a proposed building site. The building will be located on 109 street, next to the Christensen Family Centre for Sport and Wellness. Its 46,000-55,000 square feet will house SAMU offices, club and retail space.

This past year changes were made to the budget process to ensure that budget decisions align with the university's Integrated Strategic Plan (ISP). A Budget Planning Committee was struck in August 2014 to carry out that mandate. The result was better integration between the ISP and the budget, maximizing the effectiveness of both.

The university faced some challenges in the spring of 2015 when the previous provincial government instituted a grant reduction for post-secondary institutions. This resulted in budget-balancing measures, including operational expense reductions and not filling vacant positions. We were pleased, however, when the grant



was reinstated by the new government. The government also mandated a two-year freeze on tuition and non-mandatory instructional fees while they review the post-secondary funding model. We look forward to working with the government to provide the best possible education and university experience for our students.

Reorganization of certain senior positions took place for academic and administrative reasons. Fund Development and Alumni Relations were merged into a single department, Alumni and Development. This allows for the streamlining of operations and is in keeping with best practices in Canadian universities.

Changes were also under consideration in the Faculty of Health and Community Studies with regard to the viability of reconfiguring the faculty into two distinct faculties: one for nursing programs, and one for the other programs within the current faculty. As this potential change is considered, two associate deans oversee the faculty.

The transformations undergone by MacEwan University in the 2014/15 year required a great deal of focus, energy and dedication from university leadership, staff, faculty and students. I appreciate the effort made by all to keep the university moving forward in such a positive and exciting direction, and I look forward to continued growth over the next year.

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David W. Atkinson, PhD

President

ABOUT MACEWAN UNIVERSITY

BOARD OF GOVERNORS

CHAIR

John Day, QC

PRESIDENT

Dr. David W. Atkinson

STUDENTS' ASSOCIATION OF MACEWAN UNIVERSITY MEMBER

Rahman Khan

MACEWAN STAFF ASSOCIATION MEMBER

Andy Rhoads

MACEWAN UNIVERSITY FACULTY ASSOCIATION MEMBER

Dr. Shannon Digweed

PUBLIC MEMBERS

Enzo J. Barichello, QC
Myrna Fyfe
James (Jim) Gillespie, FCA
Carolyn Graham, FCA
William (Willie) Grieve, QC
Darrell Halliwell, BES,
M.Arch Architect AAA NWTAA
Dr. Stewart Hamilton
Ross J. Harris, FCA, ICD.D
Elizabeth Hurley, CMC, ICD.D

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 degreegranting 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 eCampus Alberta, 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 Deputy Premier and Minister of Advanced Education and Technology, August 18, 2010.

MACEWAN UNIVERSITY PILLARS

STUDENTS FIRST

Focused on learner-centred teaching, student growth, opportunity and achievement.

QUALITY EDUCATION

Excellence is achieved here by combining a first-class education with an extraordinary student experience.

PERSONAL LEARNING EXPERIENCES

We are a welcoming, intimate and inspiring learning environment where the individual student—the whole person—thrives.

STUDENT-ENGAGED RESEARCH

We support and foster research and innovation that engages students, faculty and the community across all our programs.

AN ENGAGED UNIVERSITY

A "connected" culture where students, faculty, staff and the community are linked – and are collectively, collaboratively engaged in realizing their full potential.

SUSTAINABILITY

We are committed to creative approaches to sustainability in education and campus operations – activating solutions for positive environmental, social and economic impact.

AT THE HEART OF THE CITY

A vibrant and vital urban experience. We are a hub of creative, scholarly and cultural activity in the core of the city – building, sharing in, and contributing to its growth and prosperity.

THE MACEWAN UNIVERSITY SPIRIT

Our youthful energy comes from a pervasive excitement about the future – about how all of us can contribute to helping the university grow and succeed.

POSITIONING STATEMENT

MacEwan University inspires its students with a powerful combination of academic excellence and personal learning experiences. We provide a transformative education in a creative, collaborative and supportive learning environment.

We are an engaged university at the heart of the city where creativity and innovation thrive, and a unique student experience opens up diverse pathways for achievement and growth.





MacEwan UNIVERSITY

MAJOR ACCOMPLISHMENTS

UNDERGRADUATE DEGREE FRAMEWORK

The reporting period saw significant progress in implementing the university's Integrated Strategic Plan, specifically as it pertains to creating a solid foundation for adding more undergraduate degrees to the university's existing range of programs.

Of significant note was the Campus Alberta Quality Council's recommendation to the Minister of Innovation and Advanced Education to approve the Bachelor of Social Work. Substantial progress was also made in a number of other program areas that would see the transition of diploma programs to create new degree offerings and degree completion opportunities, including proposals for degrees in Health Promotion, Design, and Fine Arts.

SCHOOL OF CONTINUING EDUCATION

One of the key successes over the 2014/15 academic year was the major restructuring of the School of Continuing Education. The faculty, now operating in the heart of downtown Edmonton at the Alberta College Campus, implemented a renewed vision and

mission and reorganized its department to support a robust governance structure. The School of Continuing Education is leading edge in its renewed business model. MacEwan University developed and introduced a new suite of web-based tools. The tools were launched to support the school in marketing efforts, course selection and registration processes that will enhance services for potential and current students.

TECHNOLOGY ENHANCEMENTS

In keeping with the university's "Students First" commitment, the university launched the *MyStudentSystem* mobile application. As a first of its kind in Canada for PeopleSoft systems in higher education, the institution deployed this mobile application in the PeopleSoft environment, giving applicants and students a wide range of access to applicant and registration services. The university also moved to integrate social media and digital content into marketing and communication strategies so that students, faculty, staff and the public have readily available access to information of interest.



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ONGOING TRANSFORMATION OF THE UNIVERSITY

The transition of MacEwan from a college to a university has required a complete shift in how the institution operates and how decisions are made. In a very short time, the key components of a vigorous and effective governance system have been implemented.

A review of Academic Governance Council was conducted to ensure the university's bicameral structure remains strong. A number of recommendations were made and implemented. One of the key recommendations was to align the university's governance structure with the legislative structure provided for universities in Part 1 of the *Post-secondary Learning Act*. A business case was prepared and submitted to the Minister of Innovation and Advanced Education to request that the university be moved to Part 1 of the Act. The university is awaiting a final decision from government.

Through revisions to governance processes, the role and operations of Academic Governance Council were clearly defined and shared with the university community. This was achieved through enhancement of communication mechanisms, clarification of rules of operation, commitment to decision-making transparency,

by-law reviews, renewed terms of reference for Academic Governance Council committees and appropriate delegation of authority.

Further changes were evident in a significant overhaul of the faculty collective agreement. The completion of bargaining saw several significant additions to language related to Rank and Title and Promotion as well as the addition of an article on Academic Freedom providing a collective agreement that is more indicative of a mature collegial setting.

CENTRE FOR ARTS AND CULTURE

The university's downtown campus strategy saw the relocation of staff, faculty and students from the MacEwan South Campus to the City Centre Campus in time for the start of the 2014/15 academic year. The relocation of the Faculty of Fine Arts and Communications at our west-end campus is a key component of consolidation efforts. After much planning and preparation, the next step in our campus development kicked off with the official ground breaking ceremony for the Centre for Arts and Culture, which took place on November 4, 2014. Completion of the new building is planned for the start of the 2017/18 academic year. Alumni and Development launched the quiet phase of the Centre for Arts and Culture Campaign. The Campaign Cabinet was formed and is chaired by Greg Christenson of Christenson



MacEwan UNIVERSITY

Developments, an Edmonton based company with over 30 years of building experience. Mr. Christenson has a deep-rooted relationship with MacEwan University and is recognized as a long-time supporter.

LEADERSHIP APPOINTMENTS

A number of successful searches were completed throughout the reporting period with the appointment of the following personnel in key positions:

Marcie Chisholm

Associate Vice-President, Human Resources

Kimberley Howard

Executive Director, MacEwan International

Dr. Judy Iseke

Director, Aboriginal Education Services

Carrie Hunting

Director, Faculty Relations

ORGANIZATIONAL AND OPERATIONAL IMPROVEMENTS

Several critical activities were completed in this reporting period to promote a culture of integrity, accountability and transparency. The university's Legislative Compliance and Policy Document Framework was fully implemented which enhanced

roles, responsibilities and accountabilities of all individuals involved in the university's accountability processes. The creation of a Policy Advisory Group, with representation from both faculty and administration, was an important step in ensuring an inclusive and comprehensive policy development process.

An important step in communicating new operational requirements at the university was the launch of an information website of the Office of General Counsel. The site includes information on function, risk and compliance committees, and legislative compliance requirements. As an example, the website contains information of Canada's new anti-spam law that came into force on July 1, 2014.

Further examples of organizational improvements include the establishment of an Enterprise Risk Management Framework with supporting tools, and the initial work on providing a Business Continuity Management System to provide for continuity of operations during a major incident.

A number of organizational changes also took place over the reporting year. Changes occurred at the vice-president level, including a shift in the role and title for the university's Chief Information Officer. This position is now designated vice-president, Integrated Information and Communication Systems and Chief Information Officer. This change acknowledges a



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significantly expanded mandate of strategically vital initiatives and services. As part of this enlarged mandate, Student Recruitment is now reporting to the Office of Communications and Marketing. Changes also occurred for the provost and vice-president, Academic who assumed new responsibilities including Athletics and the Office of the University Registrar. The vice-president, Finance and Administration assumed responsibility for Residence Services, the Child Care Centre, the Medical Clinic and Sport and Wellness.

To recognize a common model in Canadian universities, Institutional Analysis and Planning now reports to the president. There was also a merger of Fund Development and Alumni Relations into a single department. This, too, is consistent with best practice in Canadian universities. The current position of executive director, Fund Development was renamed executive director, Alumni and Development.

With the departure of the vice-president of Student Services, a major restructure occurred within the Student Affairs portfolio. The portfolio now includes Wellness and Psychological Services; Career Development and Experiential Learning; Services to Students with Disabilities; Student Leadership Development and Community Engagement; Welcome Centre; Student Conduct; Community Standards

and Values-Academic Integrity Office. The School of Business reorganized and now consists of four departments: Accounting and Finance; Decision Sciences; International Business, Marketing, Strategy, and Law; and Organizational Behaviour, Human Resources Management and Management.

The Faculty of Fine Arts and Communications was also reorganized into departments of: Arts and Cultural Management; Communication; Music; Theatre; and Fine Art and Design. The department structure for Arts and Science was confirmed to include: Anthropology, Economics and Political Science; Biological Sciences; Computer Science; English; Humanities; Mathematics and Statistics: Physical Sciences: Psychology; and Sociology.

SEXUAL VIOLENCE PROGRAM

In response to growing concern nationally and internationally regarding sexual violence on campuses, the university launched a Sexual Violence Program campaign with a primary focus on students and on those areas that support students within the university. The program includes education and training activities and a dedicated web page of education related to sexual violence. The university, in partnership with other post-secondary institutions, began preparations in support of the Alberta Sexual Assault Services launch of their "I Believe You" campaign.

CORE PROGRAMS

Programs	2012/13	2013/14	2014/15
Baccalaureate degrees	31	31	32
Applied degrees	2	2	2
Degree transfer programs	4	4	4
Career diplomas	41	35	34
Post-diploma certificates	6	8	7
Career certificates	11	10	10
Other credit programs/projects	5	5	5
Non-credit courses offered	1,799	1,054	1,001

ENROLMENT, FACILITY AND STAFFING INFORMATION

Enrolments and Applications	2012/13	2013/14	2014/15
Credit full-load equivalents (FLE)	11,838	11,958	12,287
Credit student headcount	18,897	19,250	19,606
Non-credit student headcount	10,793	10,058	9,328
International student headcount	1,054	1,125	1,305
Program applications (total)	22,415	24,284	24,226
Unique applicants	20,017	20,832	21,612
Facilities			
Total supported space (m2)	158,579	158,579	158,579
Student capacity (FLE)	11,553	11,553	11,553
% of capacity utilized	95.2%	92.50%	95.80%
Staffing			
Credit instructional faculty (FTE)	657	637	646
Instructional support and non-credit (FTE)	74	66	70
Supervisory and support (FTE)	828	743	714
Administration (FTE)	144	135	145
Total employees (FTE)	1,703	1,581	1,574
Total employees (headcount)	2,747	3,061	2,864
Student/faculty ratio (FLE/FTE faculty)	18.0	18.8	19.0

CAPITAL PLAN

CENTRE FOR ARTS AND CULTURE

The university's top priority capital project is the construction of the Centre for Arts and Culture building on the west end of City Centre Campus. This building will provide 40,000 square metres of additional academic space to accommodate programs currently located at the west-end campus, as well as projected growth for the next five to ten years. Construction broke ground on November 4, 2014. By June 30, 2015, the east side of the building was complete to the 4th level; the west side structure was complete to the first level. Overall, the project was 16 per cent complete as of June 30, 2015.

SOUTH CAMPUS CONSOLIDATION

On January 31, 2015, the university completed the renovations required to relocate the programs and services from South Campus to City Centre Campus as part of its downtown campus strategy.

PARKING

Construction of the Centre for Arts and Culture and relocation of South Campus programs and services has significantly reduced the number of parking spaces available while increasing demand for parking at City Centre Campus. The plan to add approximately 490 surface parking spaces has advanced substantially with completion anticipated by November 30, 2015.

BARREL VAULT ROOF REPLACEMENT

The existing barrel vault metal roofs on City Centre Campus were failing and resulting in heat loss, leakage and ice damming. Ice damming has formed massive icicles, some estimated to weigh more than 150 kilograms and collapsing icicles have fallen and pierced adjacent roofs, resulting in leakage and flooding. Funding to replace the roof was allocated from the annual Infrastructure Maintenance Program (IMP). The replacement project has been broken into two phases and by June 30, 2015, phase 1 of the Barrel Vault Roof Project was 25 per cent complete with expected completion by September 30, 2015.

SITE REMEDIATION

The City Centre Campus's west parcel of land required remediation of rail yard contaminants for two small areas (4,047 and 800 square metres respectively). The larger contaminated area contained hydrocarbons, metals and polycyclic aromatic hydrocarbons while the smaller area contained metals. The larger parcel was located north of the Centre for Arts and Culture building and west of the Student Residence while the smaller parcel was east of the Centre for Arts and Culture building and west of the Robbins Health Learning Centre. The original scope of the West Parcel remediation was completed in August 2014. Additional contamination along 104th Avenue was encountered and remediation of this additional contamination was completed in March 2015.

OUTDOOR RAMP HEATING SYSTEM REPLACEMENT

The ramp heating system to the shipping and receiving area of City Centre Campus was installed in 1992 and requires replacement to ensure continued safety of the area during winter months. This project was not advanced because funding was not confirmed.

ENROLMENT DISCUSSION

A number of key shifts in the enrolment pattern happened in the reporting year. Overall, the university slightly exceeded the planned target for the 2014/15 reporting period (by 1 per cent) but the real shift comes from an analysis of that growth. The most notable increases were observed in the degree category (7.3 per cent), Open Studies (25 per cent), and international enrolment (14 per cent). The enrolment numbers show that this large increase was offset by a similar decrease in diploma enrolments, a shift that is consistent with a goal of the university's Integrated Strategic Plan (ISP) to make undergraduate degrees the framework of our comprehensive range of credential and program offerings.

The other significant change that relates directly to a strategic direction from the ISP is the unexpected size of the growth in international enrolment numbers. With over 1300 international students, there is a clear indication that the recruitment strategies of the past several years have met with success and the intention of "bringing the world to MacEwan" is well ahead of target.

ENROLMENT PLAN

By Credential Type (FLE)

Credential Type	2012/13 LERS*	2013/14 LERS*	2014/15 Planned	2014/15 LERS*
Degree – Bachelor	6,139	6,380	6,430	6,900
Degree – Applied	188	137	80	82
Diploma	3,438	3,383	3,460	3,027
Certificate	304	247	215	228
Certificate – Post Basic	85	88	96	89
Preparatory/No Credential**	1,051	1,030	1,049	933
Open Studies	633	693	825	1,028
University Total	11,838	11,958	12,155	12,287

^{*} Learning and Enrolment Reporting System

INTERNATIONAL ENROLMENT

FLE International	729	833
% International	6.0%	6.8%
	2014/15 Planned	2014/15 LERS

^{**} Includes University Transfer, Nursing Credentialing and ESL



The Centre for Arts and Culture

"Arts and culture is where the fundamental values of societies reside. You have values that reside in your head, but the arts and culture reside in your heart; and when you bring your heart and your head together you achieve great things."

-Bing Thom, CM, Architect AIBC, AAA, FRAIC, AIA Bing Thom Architects



A UNIQUE ACADEMIC ENVIRONMENT (ACCESS AND QUALITY)

A. ACADEMIC PROGRAMS AND LEARNING ENVIRONMENT

Strategic Directions

Undergraduate degrees will form the framework for the university's comprehensive range of credential and program offerings.

Diploma and certificate programs will be offered at the undergraduate university level to facilitate bridging to or from degree programs.

MacEwan University will provide a broad range of program offerings, including credit programs, through its School of Continuing Education to ensure maximum program flexibility for students.

Priority Initiatives

A1. Align the academic requirements of diploma programs with the requirements of the first two or three years of existing or proposed MacEwan University degree programs. There will be no distinction between college and university courses, with all courses being understood to be university-level courses and reasonably transferable among all our programs.

Significant progress was made on several fronts related to this initiative. With the approval of a new program of study for the Music program, the Music diploma is now identical to the first two years of the Bachelor of Music. Furthermore, revisions to the Fine Arts diploma are under consideration and if implemented may form the first two years of a proposed degree in Fine Arts. Finally, individual courses in Business programs are being redesigned or replaced with University level courses to facilitate internal recognition for these programs as block transfers to degrees.

A2. Develop and submit for government approval proposals for new programs to provide specific degree completion pathways for those with diploma credentials.

In the 2014/15 year, the Board of Governors approved Letters of Intent for a Bachelor of Design, a Bachelor of Fine Arts and a Bachelor of Commerce - Legal Studies in Business, initiating work on formal proposals. In addition, several other Letters of Intent are in development and are anticipated to proceed for Board consideration and eventual proposal development in 2015/16. In May 2015 the Campus Alberta Quality Council (CAQC) review of the Bachelor of Social Work was completed with a positive recommendation, and the proposal was sent to the Minister of Innovation and Advanced Education for final approval. Implementation and intake is planned for September 2016. The groundwork for significant developmental work has been laid positioning the university to develop several new degree proposals in the coming years.

A3. Reframe current University Transfer programs as new degrees or as integrated streams within existing MacEwan University degrees.

The Engineering Transfer Program changes were completed and this program was reframed as a part of the MacEwan Bachelor of Science program while still allowing the option of transferring to Engineering at other institutions. Consideration of the Physical Education transfer program began as part of a new Bachelor of Health Promotion degree initiative under development and will form a significant role in that degree's development.

A4. Develop the School of Continuing Education as the home of innovative educational experiences and credentials that complement and enhance the university's mainstream programming and pedagogy.

A major restructuring of the School of Continuing Education was the focus of the School this last year. Both the business plan and the administrative structure were revised with new plans and structure in place by the end of the academic year. In tandem with these structural

changes, a thorough overhaul of the School's website was undertaken and made ready for the 2015/16 year. This project has been a major accomplishment for the School. It places the university as a leading example for Canadian Continuing Education business practices.

A5. Develop and deploy a mobility strategy, across device types, that enhances access to university information sources, library resources, learning systems and services, and that facilitates communication and collaboration to enrich the overall user experience.

In 2014/15, the university developed and deployed a mobile application for the MyStudentSystem. MacEwan is one of the first institutions in Canada to deploy this application in the PeopleSoft environment for Android and iOS devices. Through the MyStudentSystem mobile application, students can fully interact and transact with the university's admission and registration system on the device of their choice, in a secure and stable computing environment. Applicants can check their status, and current students can register, add and drop courses, and update their schedules from mobile devices. The implementation included a notification framework that enables applicants and students to receive email and text notifications for important reminders and critical dates related to the academic calendar and their personal application or registration needs. Progress was also made on other projects that will be responsive to mobile devices. These projects will advance in 2015/16.

A6. Implement strategies that guide the adoption of social media and similar collaboration tools to enhance the student experience and external relations practices.

The Office of Communications and Marketing made substantial progress during 2014/15 in establishing social media as a key part of the university's marketing and communications strategy. Social media, in all forms, is now a fully integrated part of any significant communications plan, and advertising programs now include a profile on major social media sites, and through the purchase of ad-word and other services. The

annual marketing/advertising campaign included an extensive social media component. Benchmarks were established for social media performance and a social media policy is in development to guide the university in the socialization of these tools.

B. INTERNATIONAL EDUCATION

Strategic Directions

MacEwan University will expand and enhance its international education activities to bring the world to its campus and send its students and faculty to the world.

Priority Initiatives

B1. Implement a new leadership structure headed by the provost to give a higher profile to international activities.

The appointment of an executive director of MacEwan International reporting directly to the provost replaced the previous model that had a director reporting to the vice-president of Student Services. This change provided MacEwan International with a greater profile. A fully reorganized staffing complement has been implemented providing the executive director with a revitalized team and the capacity to operate at the leadership level required rather than just at a managerial level.

B2. Expand and enhance opportunities for MacEwan University students to study abroad for some part of their academic program.

Students participated in study abroad exchanges in several key areas of the world (China, Germany, Eastern Europe, South America). However, the reformulation of our strategy in this area was compromised by the effects of budget containment that restricted the ability to support students to engage in Study Abroad experiences.

B3. Expand the scholarly network within which every faculty and school works internationally with colleagues in universities in other countries.

There is considerable international collaborative work occurring at MacEwan University. However, robust internal reporting mechanisms, such as

a repository, need to be implemented in order to better record activity. More coordination is required in 2015/16 to provide a foundation from which activities pertaining to this goal can be initiated. Discussions among Edmonton provosts about a northern Canadian focus to mirror our international aspirations are underway and we will continue to advance this agenda item.

C. AN INTEGRATED KNOWLEDGE MODEL

Strategic Direction

MacEwan University will develop and foster an integrated knowledge model in which research and creative activity support and reflect the primacy of the university's undergraduate teaching and learning role.

Priority Initiatives

C1. Support faculty development in all its facets through the work of the Centre for the Advancement of Faculty Excellence, with a focus on the learning needs of our students.

The strategic focus of the Centre is now well established. This has been a result of teaching, research/creative activity, service responsibilities and rights of faculty members. New programming continued throughout the reporting period and attendance in workshops, seminars, and events continued to grow. Success in this area was supported by expressions of interest from other institutions, both locally and internationally, to participate in our faculty development initiatives.

C2. Structure and integrate the annual review of faculty performance, determination of rank and title, and evaluation of continuing faculty status to align with MacEwan University's student-centred teaching and learning mission.

Successful collective bargaining negotiations have now established procedures for the determination of rank and title and the awarding of continuing appointment, thus clarifying the basis on which faculty are to be evaluated, in a way that makes clear the focus of faculty on student learning.

C3. Identify opportunities to engage faculty, staff and students in a diverse range of research, scholarly and creative activities, thereby creating a unique identity and reputation for MacEwan University as a place where important new ideas are not only taught but also discovered and transformed into actions that make a difference.

The current focus of the university's strategic development was on academic program development so to some extent the discussion of scholarly work as an element of MacEwan University's reputation took a subsidiary role. There are, however, aspects of our scholarly work that are well recognized, including new successes with tricouncil funding in Mathematics and Psychology.

C4. Align internal financial and administrative support for scholarship as a key strategy to advance the learning needs of our students.

Development in the reporting period included the formation of a working group in 2014/15 that identified key challenges in our approach to student financial aid. In response to the working group's report, a restructured framework of how financial advice and support is provided has been implemented so that students receive better information and assistance. The concept of a student financial assistance portal that will create a simpler and more direct way for students to access financial aid. is in development.

C5. Create an integrated academic information system, led by and centred in the university library, which provides faculty and students at their desktops and on their hand-held devices with a world of digital information related to their scholarship and their studies.

The Library continued to provide outstanding service to scholars and to lead in the development of technology related to scholarly work, including the continued expansion of Research Online @ MacEwan or RO@M, a digital collection of research, scholarship and creative works by faculty, staff and students. Improvements to the interlibrary loan service were made through collaboration with external partners. New online technology (e.g., the MacEwan Library App) brings

a wealth of information to mobile devices and, our subscription to InCites now allows faculty members to identify high impact publications in their areas of study.

D. STRATEGIC ENROLMENT MANAGEMENT

Strategic Direction

MacEwan University will develop and implement a strategic and integrated approach to enrolment planning and management to enhance student access, engagement and success.

Priority Initiatives

D1. Establish strategic enrolment objectives for the university as a whole and for individual programs. These objectives will include clear enrolment goals and incentive budget plans for Aboriginal and international students, students with disabilities, and students studying online, as well as providing guidance for the creation of support systems to ensure student success.

Enrolment at MacEwan University, as expressed through applicant interest and registrations, remains very strong. Significant gains in international student interest occurred in 2014/15 and the university remains a place of strong interest for students with disabilities and Aboriginal students. Faculty of Arts and Science enrolment, unlike the national trend in the Social Sciences and Humanities, remain healthy. A major change for the university was the adoption of a new application deadline process in Fall 2014. This change resulted in similar overall application numbers, but with clearer guidelines for students and an earlier processing of applications.

D2. Use the university's business intelligence software capacity to provide detailed, timely and accurate information to academic and administrative leaders to guide recruitment and retention decisions.

More timely and valuable enrolment reporting was generated as a result of reframed reporting structures that clarified the roles of the Office of the University Registrar and Institutional Analysis and Planning. As well, the university's design and application of Business Intelligence (BI) tools continued to evolve during the reporting period. A major technical upgrade for the Enterprise Management System (ERM) was completed that provides the technical foundation for the development and delivery of DataMarts, dashboards, analysis tools, reports, and other BI components. Planning also advanced with the development of an institutional strategy for the use of BI and for the use of ERP data as a "single source of truth." Significant progress on a reconfigured government reporting system was made during the year and this project will be completed in 2015/16.

D3. Research, develop and implement structures and activities focusing on strategic enrolment management. Successful enrolment management practices will improve student recruitment and success (retention) by managing enrolment, in detail, from first inquiry to graduation.

Changes were made to staffing and to the strategic approach for international student recruitment. Domestic student recruitment activity was aligned with the Office of Communications and Marketing to strengthen the recruitment process. Student Affairs developed a new support structure for students with more integrated counseling and advising services and enhanced the Writing Centre to assist students in developing their skills.

D4. Implement domestic and international student recruitment activities aligned with academic priorities and student demand.

As part of the internationalization priority of the university, increased targets for international enrolment at MacEwan University were set and subsequently exceeded. The combination of strong domestic enrolment with the distinctive benefits of having a vibrant international student body is one of the goals of the university's strategic enrolment plan and attainment of this goal is ahead of target.

E. ACADEMIC GOVERNANCE

Strategic Direction

MacEwan University will cultivate an academic governance model that strengthens collegial decision-making and provides clear lines of academic authority.

Priority Initiatives

E1. Create and clarify faculty leadership roles and opportunities at all appropriate and legislatively-supported levels of academic governance, and support these roles with education, communication and administrative processes which ensure continued and sustained faculty involvement in academic governance.

On the recommendation of the Academic Governance Council Review Report (2014) most Academic Governance Council (AGC) committee Terms of Reference have been revised to include 60 percent of faculty membership and require at least one faculty member from each faculty and school. As part of the move to faculty governance, eight of ten AGC committees are now chaired by faculty members. In addition, an AGC bylaws review includes parameters which draw on the themes of faculty as academic governance leaders, as outlined in the AGC review.

E2. Create a communications plan for university governance bodies to ensure that timely and easy access to governance information is available to the university community.

The AGC website has been developed to act as an authoritative source of information for all levels of academic governance at the university. Over the past year, the AGC Secretariat has worked with faculty and school councils to ensure that their information is current. Improved capacity to share information through SharePoint sites and regular communication to the university community has been implemented to ensure transparency and informed planning. Presentations and meetings with various interested groups are conducted by the University Secretary and Secretary to the AGC on a regular basis.

E3. Create a process for faculty service planning through which faculty are made aware of academic governance opportunities and view academic governance leadership as part of career planning.

With an interest in developing in-service learning opportunities delivered by experienced AGC members, the AGC Secretariat and the executive director of the Centre for the Advancement of Faculty Excellence have had preliminary discussions to identify topics and facilitators.

E4. Create and clarify roles for students, staff and senior administrators in academic governance through education, documentation, communication and administrative processes.

Progress on this item has been significant. Student, faculty and staff participation in university governance is consistently strong and effective. Rules, responsibilities and lines of authority are now clearly articulated in governance documentation available on the AGC website. Members of the university community demonstrate a good understanding of how to bring ideas, concerns and solutions forward within the university's governance structure. AGC committee Terms of Reference have been revised to include a role for students and senior administrators. During the reporting period the Students' Association of MacEwan University was very active in ensuring that there is a full complement of informed and engaged student members on AGC, its committees and councils.

E5. Identify barriers to participation in academic governance, and create and implement a plan to address or minimize these barriers.

The university has engaged in numerous institution-wide initiatives that have helped clarify the university's academic governance. Initiatives include the implementation of the AGC Review Report (2014), the Board bylaws review, the development of the *Post-secondary Learning Act* business case, the Policy Document Framework implementation, the formal delegation

of the academic schedule to AGC from the Board and the departmentalization of faculties and schools. Work was undertaken to ensure that student participation was strengthened.

STRONG COMMUNITY ENGAGEMENT

F. A PARTNER IN COMMUNITY DEVELOPMENT

Strategic Direction

MacEwan University will be a vibrant presence and contributor to the vitality of Edmonton and other communities it serves.

Priority Initiatives

F1. Engage Aboriginal leaders in Alberta and, with them, decide upon the contribution that MacEwan University should make to serve the educational needs of Aboriginal people in Alberta and Western Canada more broadly.

A new director was appointed in 2014/15 to head the Aboriginal Education Centre and more broadly to advise the university with respect to its relationships with Aboriginal peoples in Alberta and beyond. A new staffing plan and physical structure for the Centre was in development during the reporting period with completion expected in Fall 2015. Preliminary meetings were held with leaders from Treaty Six. the Metis Nation of Alberta. Amiskwaciy Academy, and Yellowhead Tribal College. A further meeting with leaders from Treaty Eight was scheduled but had to be postponed. The university will continue to forge relationships with Aboriginal leaders and groups to better understand the role we can play to facilitate greater Aboriginal educational achievement as defined by Aboriginal people themselves. However, in light of the Truth and Reconciliation Commission Report, the university will study the report and will put a plan in place that may consequently refine its goals in this area.

F2. Engage with charitable, non-profit and forprofit organizations best positioned to help the university understand how it can best contribute to the educational needs of other traditionally under-represented groups in Canada's post-secondary institutions, and with these groups, move forward to make an educational difference in more lives.

This issue remains important but has had to be delayed pending the installment of a new government in Alberta and other issues, particularly those identified in F1.

F3. Engage with business, government, social agencies and others involved in downtown development to define the role to be played by MacEwan University over the next two decades in the intellectual, social and cultural life of the city centre and the Edmonton region as a whole.

A major aspect of this goal is the development of the new Centre for Arts and Culture building on our campus, a project that has engaged the city, community partners, and the university community. Progress in establishing MacEwan University as a major urban partner has been significant in large part because of the expected impact of the new facility on downtown development.

F4. Partner formally with other post-secondary institutions in Edmonton to create a framework for collaborative promotion of the City of Edmonton as a provincial, national, and international destination for advanced education of all kinds.

Over the reporting period, meetings occurred with provosts from the six Edmonton post-secondary institutions which resulted in great strides made in establishing collaborative opportunities to advance Edmonton as an educational hub. The university also met with the Mayor and City Counsellors to determine how the university and City can work together to create an academic plan that enhances greater student mobility and integration of educational opportunities.

An additional relationship has been formed though the auspices of the Conference Board of Canada's Post-Secondary Education and Skills initiative in which several Edmonton institutions including MacEwan University are active.

F5. Consolidate the programs and operations of the Centre for the Arts and Communications and South Campus onto existing and new purpose-built space on City Centre Campus.

Key activities supporting this objective include the transfer of all programs, student, faculty and staff from MacEwan South Campus to the downtown campus for the start of the Fall 2014 term and several activities relating to the future Centre for Arts and Culture. In addition to the start of construction of the building in November 2014, strategies related to the procurement of soft cost items were developed, and identification and negotiations with future tenants has been ongoing. The move from South Campus was very successful and the construction and related activities of the new building were on target at the end of the reporting period.

F6. Develop a Mid-Range Space Accommodation Plan for City Centre Campus and Alberta College Campus, to address university growth and needs for the next three to five years.

As an initial step in the development of a Mid-Range Plan, needs assessments were completed for all units in Alberta College, as well as for the Faculty of Arts and Science, the School of Business, and MacEwan Sports and Wellness. In addition, a transportation master plan was developed to address the parking, transit, and transportation needs of staff and students. The plan covers demographics, development of required parking lots, including the discussion of transportation initiatives. Aspects of this plan led to a new surface parking lot and a new rate structure for parking.

F7. Promote 104 Avenue and 105 Avenue Corridor Concept Plans that position the university as a vital and strategic partner with the city and neighbouring communities.

Progress on this objective includes an update of the Campus Master Plan to reflect academic goals and conceptualize the development of the 105 Avenue land. The Campus Master Plan will respond to the university's requirement for specialized and dedicated facilities for targeted growth and

academic, research and athletic excellence, as well as support for those activities through retail and parking. Aspects of this plan have led to a rezoning of 105 Avenue properties to U1 category, to work on the development of a City Centre Campus bicycle path, and to the development of a MOU with Edmonton City Police.

G. SUSTAINABILITY

Strategic Direction

MacEwan University will be a leader in sustainable operations and education for sustainability.

Priority Initiatives

G1. Position MacEwan University as a leader in sustainability by implementing educational programs and operational practices that reflect the university's definition of sustainability as "the practice of managing human and ecological systems in accordance with our global responsibility to conserve and restore the environment while advancing social equity."

The university had several initiatives that support the goal of leadership in sustainability. These activities include: 1) the implementation of the Green Impact Program in 2014/15, promoting ideas and actions aimed at creating a more sustainable workplace; 2) the creation of Sustainability 201, a course for the 2015/16 academic year with plans to promote the course to students as a senior elective course; 3) work by the Education or Sustainability Steering Committee on developing a certificate or minor in sustainability and 4) development of an oncampus hydroponic garden to supply fresh grown products into the university's food supply chain.

G2. Align academic courses, programs, and disciplinary and interdisciplinary research wherever possible to reflect and advance the university's commitment to sustainability.

A course in sustainability was created and received approval from all four faculties and schools simultaneously. Sustainability 201 will be taught for the first time in Winter Term

2015/16. Also, preliminary discussions related to the creation of either a minor or an embedded certificate in Sustainability Studies have been underway with an intended interdisciplinary curriculum which would be available to students in all areas of the university.

INSTITUTIONAL EXCELLENCE

H. EMPLOYEE ENGAGEMENT

Strategic Direction

MacEwan University will be a preferred employer for both new and existing employees.

Priority Initiatives

H1. Develop an effective workplace health, safety, and wellness strategy and tools that contribute to a health and safety culture and ensure a safe work environment.

The university has taken several steps to address this objective. Under the leadership of the Human Resources Department, a new ergonomic program was launched, the roles and responsibilities of the Health, Safety and Environment team were reviewed and approved, and the university completed the configuration to expand the use of current security software to capture health, safety and environment incidents and corrective actions.

H2. Improve recruitment and hiring practices to promote alignment with the university's core values, and enhance onboarding processes so that new hires feel welcomed, connected and part of the university.

Initial steps in meeting this goal led to the completion of recruitment training for all human resource representatives, the completion of the PeopleSoft Human Resource Bundles project where modules were updated in preparation for implementation of the Talent Acquisition project, and the creation of Human Resources intranet content, which includes onboarding guides for managers and employees.

H3. Develop a performance excellence strategy recognized as leading practice that creates and nurtures a performance-based culture that aligns with the University Pillars.

The university completed drafts of titling guidelines and a compensation strategy, and completed an onthe-job evaluation system and processes and training for human resource advisors.

H4. Provide education and training to enhance competencies and skills in our faculty, staff and administrators and prepares our workforce for opportunities and uncertainties.

The groundwork for achieving this goal has been laid with an initial planning and draft of leadership competencies related to identifying behavioral indicators for three levels of performance and three levels of work. Additionally, a training program has been established to provide security officers information on the dynamics of sexual assault, including information on responding appropriately to reports.

H5. Develop an engagement and communications strategy that articulates the benefits of working at MacEwan University and positions the university as a preferred choice for employment.

In the reporting period, the university took steps to improve benefits for all employees through the establishment of a Joint Benefits Committee, with representation from faculty, staff, and management. The main goal of this committee is to determine employee preferences for the whole range of benefits and maximize return about those preferences. Another major step towards an engagement strategy was the prioritization of a human resource policy review and the identification of stakeholders from across the institution to provide input into the upcoming reviews.

H6. Develop and implement business and resource models that increase employee and institutional capacity, capability, accountability and expertise to respond to the changing needs of the university and the community.

The university has taken many steps to achieve this goal. Specific examples include: 1) created the Budget Advisory Committee, which evaluated budget unit submissions to ensure any new budget allocations were consistent with the priorities identified in the university's Integrated Strategic Plan and looked at ways to increase revenue to mitigate budget reductions; 2) implemented processes for Retail and Campus Services to complete an annual report by creating key performance metrics for each of the service areas and compiling information relevant to stakeholders; 3) completed program and change management plans for University Services with 56 employees trained in Prosci Change Management methodology; and 4) completed project and change management plans for digital forms rollout across University Services, with 130 forms transferred from manual paper submission to online submission.

I. ACCOUNTABILITY AND RISK

Strategic Direction

MacEwan University will promote a culture of integrity, accountability and transparency that supports its academic mission, encourages opportunity and manages risk.

Priority Initiatives

II. Develop and strengthen programs, plans and system of controls aimed at the management of risk and compliance, in order to support the academic mission and university operations and provide a required level of assurance to the executive team and the Board of Governors.

An Enterprise Risk Management Framework and associated tools were developed in order to track risks, and conduct risk workshops and detailed risk assessments. Executive Council maintains an active risk register for the university. The risk register is provided to the Audit Committee of the Board of Governors on a quarterly basis and to the Board of Governors annually. An Enterprise Risk and Compliance Committee has been formed, Terms of Reference finalized, and a work plan for 2015/16 is being developed. In addition, the university's Legislative Compliance Program has now been fully implemented, which includes

formal monitoring and reporting on legislative non-compliance to university executive and to the Audit Committee by the Compliance Officer.

I2. Develop and implement an integrated emergency incident response, recovery and business continuity plan for the university. Through a focus on health, safety, wellbeing and continuing business operations, provide support to student, staff and faculty recruitment, retention and success initiatives as well as sustainable university operations.

The Office of Emergency Management maintains an integrated Emergency Response Plan and conducts regular education and training relating to emergency events and disaster preparedness. Work has begun work on a Business Continuity Management System to provide for continuity of operations during an incident. The office also conducts Emergency Operations Center training and table-top exercises annually, offers Incident Command System (ICS) 100 training each year to staff interested in participating on the Crisis Management Team and also facilitates several education sessions throughout the year. These sessions focus on effective communication, command and section training, and incident response process testing using scenario and lowimpact actual events.

In partnership with Security and Emergency Management, the MacEwan University alert system was implemented, including the design and implementation of the system. The system sends email and text notification to all students in a case of emergency.

The university's Sexual Violence Program campaign was launched with a primary focus on students and student-support roles within the university and a secondary target audience of employees and other stakeholders. The program includes education and training activities aimed at these groups, a web page dedicated to sexual violence education and prevention, and a visual campaign that includes messaging, banners, posters, and a video featuring a number of key champions from within the university community.

13. Promote a culture of accountability in which all employees are fully engaged and openly participate in risk and legal compliance activities, and where such activities are embedded in day-to-day decision-making and operations throughout the university, in order to assist the university in achieving its goals and objectives and enable all areas to focus on core business.

The development of a comprehensive website for the General Counsel and Compliance Officer began in the 2014/15 reporting year and will include information on each department and its function, various risk and compliance committees, the legislative compliance program, and specific information regarding high-risk legislation such as Anti-Spam Legislation and Safe Disclosure. Specifically, both the university's Legislative Compliance Program and Policy Document Framework has been fully implemented and each set out the roles, responsibilities and accountabilities of all individuals involved in the institution's accountability processes. All of this is done with a view towards ensuring the university community is fully aware of their obligations and responsibilities with respect to compliance and to ensure areas approach the General Counsel and Compliance Officer for guidance and information as appropriate and when needed.

J. INFORMATION AND TECHNOLOGY MANAGEMENT

Priority Initiatives

J1. Implement a five-year plan for Enterprise Resource Planning (ERP) and ancillary system development, integration and sustainment that aligns with business and academic requirements, and ensures currency of technology.

During 2014/15, substantial progress was made on the university's ERP 3.0 program. ERP 3.0 is a program comprised of twenty-three projects that reflect the priorities for ERP development and enhancement as set out by the administrative and academic units of the university. Projects completed in the 2014/15 period included a new

system to support the School of Continuing Education, new Apply to Multiple Program functionality, the introduction of a mobile app for student system functions, the completion of an administrative workflow enhancement project, and the implementation of a new interface with the Student Finance Board. Four remaining projects from the ERP 3.0 program will be completed in 2015/16. During the reporting period, preliminary planning commenced for an ERP 4.0 program of activities to be executed in 2016. An ERP and ancillary system road-map is also in the early stages of development and will be presented to the university in the fall of 2015. This road-map analysis will help inform planning for future system implementation and upgrades.

J2. Implement a Constituent Relationship
Management (CRM) solution to support
student recruitment, strategic enrolment
management, external relations management
and fund development.

During 2014/15, a preliminary evaluation of the technical and functional requirements for a Constituent Relationship Management solution was commenced. Due to competing budget demands, funding for an implementation project in 2015/16 was not available; however, work continues on technical and licensing options and the request for funding support will be revisited during the next budget planning cycle.

J3. Build a reliable, accessible and available information system which will serve as a "single source of truth" for university data.

Plan and implement an enterprise information management program across the university.

Demands from other priorities in 2014/15 have resulted in delays to this initiative. The office of Integrated Information and Communication Systems and CIO and Institutional Analysis and Planning will be advancing this objective in 2015/16.

J4. Complete the development and implementation of a comprehensive program of information technology controls as part of an overall university compliance framework.

The implementation of the Information and Technology Management Controls Framework advanced significantly in 2014/15. The university's Board of Governors approved policy and standards in the areas of Information Technology Management Governance, Information Security and Identify Management, and Information and Technology Management. The development and approval of these policies and standards will now lead to the full implementation of a comprehensive IT controls environment for the university. Work will continue on the implementation of the approved controls in 2015/16, and concurrently the two remaining policy areas of enterprise architecture and information management will be addressed.

J5. Build a foundation for future innovative services. Enhance the connected and engaged university through an enterprise architecture management model that provides a foundation for the holistic management and continuous improvement of data, applications, infrastructure, controls, policy and business processes.

The focus during the reporting period was the continued enhancement of the university's computing infrastructure and network capacity to support future applications at the university, and to increase capacity to meet student expectations for access and performance. While still in progress, several important infrastructure projects advanced. Funding was secured for a major upgrade to the university's wireless network environment. This upgrade will be completed in 2015/16 and will enhance the student experience across campus through improved access to university and internetbased resources, and will enable the university to manage the significant number of personal devices that connect to campus networks. In late 2014, the university came to an agreement with Cybera and the City of Edmonton to introduce, over shared infrastructure, an unmetered ten-gigabyte network connection to Cyberanet. Significant technical work was completed during the year, and the new services are expected to come online Fall 2015. Other projects that advanced in 2014/15 included the implementation of virtual desktop technology for student applications, and planning for more shared services with other post-secondary institutions in the province.

K. EXTERNAL RELATIONS

Priority Initiatives

K1. Organize external relations functions and structures at the university to ensure that units can best represent and market the institution to the external community.

Over the reporting period, Fund Development and Alumni Relations were merged into a single department. As a result of a reorganization of the university's marketing and communications operations, the External Relations department was created within the Office of the President and included Corporate Communications, Community Relations, and Government Relations.

The External Relations Council was also established over the reporting period and is comprised of units from across the university who represent and market the institution to external stakeholders. The Council provides a forum for members to share information, provide updates on activities, utilize resources more efficiently, address challenges, and build relationships between work units.

A comprehensive Office of Communications and Marketing continued to take shape with the addition of the student recruitment function to the Office's function. Business processes were established that would ensure a high degree of coordination around external communications, internal communications and issues management with the Office of the President and Corporate Communications.

K2. Reinforce the university brand to the internal and external community.

The Office of Communication and Marketing (OCM) is now responsible for the management and consistent application of the university brand. OCM has established quality control processes to ensure that the application of the brand is consistent and meets requirements across print and digital content, and when used in internal and external communications and key messaging. The integration of brand, including the use of

the University Pillars, was evident during the reporting period in the design and execution of the spring 2014 marketing campaign "Connected. Engaged. Inspired" which explicitly emphasized the MacEwan University brand to prospective students and the broader community. OCM also facilitated a brand awareness survey which provided insight into the level of brand awareness in Alberta and Canadian markets, and which will now be used to inform future marketing and communication plans.

K3. Complete the campaign to secure funding for the Centre for Arts and Culture and other institutional priorities.

As part of the ongoing efforts in this area, the university recruited a campaign leadership team, or cabinet, in order to engage a community of influential supporters to act on behalf of the university, as part of the major gifts effort. During this quiet phase of the campaign, activities included identifying and building relationships with primary major prospects, recruiting a campaign leadership team, and planning the launch of an internal campaign in the fall. Work continued with internal departments to identify and engage potential prospects and create fundraising opportunities. Progress to date has focused toward positioning the campus campaign to begin in Fall 2015.

K4. Increase opportunities for alumni to engage in university affairs.

A number of initiatives have been started with the aim of addressing this strategic priority including the awarding of MacEwan University e-mail for life for all alumni on a go forward basis and the creation of an alumni verification mechanism or unique identifier (i.e. Alumni Card) by which alumni can be easily confirmed for on-campus and community partner transactions. Further developments include redefining roles and responsibilities and governance structure of the existing Alumni Council as well as establishing database improvements and integrating former students, in particular former transfer students, into the alumni contact management system and communications strategies.

K5. Optimize marketing and communication strategies and protocols in support of the university's priorities.

The centralization of marketing and communications, completed in 2013, informed the increased optimization of resources during the reporting period. A new marketing strategy was developed, with a focus on the MacEwan University brand and University Pillars providing a more specific approach to program and course marketing when required. The analysis of application and enrolment data has become an important part of planning marketing programs and publication design and deliverables, and digital content. A strategy to reduce print-based publications, and increase the creation of digital assets that can be used and re-purposed across platforms, is proving effective in terms of cost and audience reach. The recent reorganization of functional units has resulted in a much more integrated approach to marketing, communications, student recruitment, and external relations across all delivery platforms. Finally, a project to support the introduction of a new School $of \, Continuing \, Education \, introduced \, new \, web-based$ solutions for marketing and services for potential and current students that will be applied to future university marketing efforts in other areas.

K6. Create student recruitment tools that reflect the university's brand, speak with a single institutional voice, and tell its collective story through our many and diverse examples of excellence in MacEwan University education.

The student recruitment function of the university was integrated into the Office of Communications and Marketing in early 2015. Some preliminary work has started toward the development of a renewed approach to student recruitment with more coordinated planning, more integration with university and program marketing, and more emphasis on applying data and market analysis to inform recruitment planning and activities.

PERFORMANCE MEASURES

MacEwan University's Comprehensive Institutional Plan for 2014/15 - 2016/17 identified a number of performance measures. The table below provides three years of performance data on each measure up to the 2014/15 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.

	Pe	erformance Histo	ory		
Measure	Year 1	Year 2	Year 3	Target	Comments
STUDENT FOCUS					
Student satisfaction with overall quality (% satisfied)	96% (2012/13 Satisfaction Surveys)	93% (2013/14 Baccalaureate Survey)	96.9% (2014/15 Satisfaction Surveys)	>95%	Satisfaction rates continue to be very high
Graduate Employment Rate (overall)	95% (2008/09 Graduate Survey)	95% (2010/11 Graduate Survey)	94% (2012/13 Graduate Survey)	>95%	Surveys show that MacEwan graduates continue to have high rates of employment
Tuition fees relative to comparable Alberta institutions (degree- granting)	2012/13 \$4,560 (Lowest of 7)	2013/14 \$4,560 (Lowest of 7)	2014/15 \$4,620 (Lowest of 7)	Maintain relative position	MacEwan's tuition fees are affordable compared with other public degree-granting institutions in Alberta
International Student Enrolment	2012/13 652 FLE (5.5% of total)	2013/14 712 FLE (5.95% of total)	2014/15 833 FLE (6.8% of total)	6.0% of total course enrolments	MacEwan's growth of international students significantly exceeded expectations
Total \$ value of scholarships awarded/ FLE	2012/13 \$2.45 Million \$207/FLE	2013/14 \$2.63 Million \$220/FLE	2014/15 \$2.85 Million \$232/FLE	Increase	Total \$ value of awards up 8.4% while \$/FLE is up 5.5%.
PROGRAM AND SERV	ICE QUALITY				
Enrolment (achievement of enrolment target)	2012/13 11,838 FLE (101% of plan)	2013/14 11,958 FLE (99.6% of plan)	2014/15 12,287 FLE (101% of plan)	12,155 FLE	MacEwan's 2013/14 exceeded its enrolment target, by 132 FLE.
Student satisfaction with quality of teaching	95% (2012/13 Satisfaction Survey)	94% (2013/14 Baccalaureate Survey)	94.5% (2014/15 Satisfaction Surveys)	>95%	Satisfaction rates continue to be very high
RESOURCE ACQUISIT	TION AND UTIL	IZATION			
Achievement of external fundraising targets	2012/13 \$1.834 Million**	2013/14 \$2.095 Million**	2014/15 \$3.847 Million**	\$3.0 million	Contributions to fundraising are ahead of target for the current year
% expenditure on administration*	2012/13 9.5%	2013/14 11.3%	2014/2015 10.9%	<11.0%	The target for the reporting year was met.

^{*} using Ministry KPI/FIRS definition

^{**} Values revised from previous reporting to indicate net fundraising



DISCUSSION AND ANALYSIS

This discussion and analysis of the consolidated financial statements for the year ended June 30, 2015 should be reviewed in conjunction with the MacEwan University audited consolidated financial statements and accompanying notes.

 $The \ discussion\ and\ analysis\ and\ the\ audited\ consolidated\ financial\ statements\ are\ reviewed\ and\ approved\ by\ the\ Board\ of\ Governors\ of\ Grant\ MacEwan\ University\ on\ the\ recommendation\ of\ the\ Audit\ Committee\ of\ the\ Board\ of\ Governors\ .$

The consolidated financial statements represent the consolidated financial results of operations of MacEwan University and the Grant MacEwan University Foundation and are prepared in accordance with Canadian public sector accounting standards.

(All amounts are in thousands of dollars unless otherwise noted.)

A. OPERATIONAL HIGHLIGHTS

During the year the University had an operating surplus of \$9,057 (2014 - \$5,696) compared to an approved balanced budget (2014 - operating budget deficit of \$5,900).

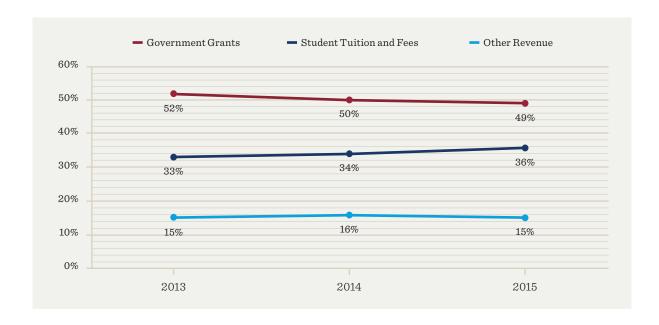
The actual operating surplus of \$9,057 is a result of \$4,059 positive variance in operating revenues and a \$4,998 positive variance in operating expenses.

 $Total operating \ revenues \ exceeded \ the \ approved \ budget \ due \ to \ international \ student \ enrolment \ being \ higher \ than \ planned \ and \ an \ increase \ in \ revenue \ from \ ancillary \ operations \ and \ fee \ for \ service. See Section E \ for \ additional \ information \ on \ revenue.$

During the year the University was informed the Government of Alberta Campus Alberta operating grant for 2015/16 may be reduced by up to 5%. As this is significant to the operation of the University, the decision was made to defer a number of strategic initiatives, implement a hiring freeze for vacant positions, and review discretionary spending. This resulted in positive variances in operating expenses.

REVENUE BY SOURCE

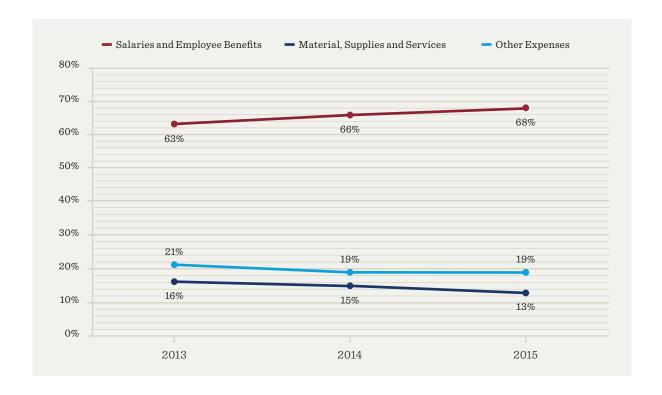
	20)13	2014		2015	
	\$	% of Total	\$	% of Total	\$	% of Total
Government grants	\$ 119,658	52%	\$ 114,366	50%	\$ 112,325	49%
Student tuition and fees	74,910	33%	78,096	34%	83,828	36%
Other revenue	34,408	15%	35,459	16%	34,207	15%
	\$ 228,976		\$ 227,921	•	\$230,360	•



The University's revenue from government grants as a percentage of total revenue has decreased 3% from 52% in 2013 to 49% in 2015. This decrease is substantially due to a reduction in Campus Alberta Grant and Infrastructure Maintenance Program grant funding recognized as revenue. Student tuition and fees revenue increased 3% from 33% of total revenue in 2013 to 36% in 2015. The increase is due to the permitted increase in tuition revenue as well as enrolment growth. This trend may be reversing in future years as the Government of Alberta has frozen tuition and other fees at the 2014/15 levels and provided a commitment to increase the Campus Alberta Grant by 2% per year. In addition, the Government of Alberta will be reviewing the tuition fee regulations and the funding model which may further change the revenue by source.

EXPENSES BY TYPE

	2013		2014		2015	
	\$	% of Total	\$	% of Total	\$	% of Total
Salaries and employee benefits	\$ 147,920	63%	\$ 147,689	66%	\$ 151,745	68%
Materials, supplies and services	37,740	16%	32,203	15%	28,386	13%
Other expenses	49,225	21%	42,333	19%	41,172	19%
	\$ 234,885		\$ 222,225	•	\$ 221,303	



Salaries and employee benefits continue to be the largest expense category for the University. These expenses increased from 63% of total expense in 2013 to 68% in 2015 due to the 2% general increase in salary grid effective July 1, 2013, lump sum settlement for 2014/15, and the cost of step increases.

Material, supplies and services expense has been decreasing since 2013 as a result of the completion of a number of one time expenditures for rebranding, enterprise resource planning process review, non-capitalized design work on the Centre for Arts and Culture, and other initiatives.

 $Other \ expenses \ in \ 2013 \ included \ one-time \ costs \ incurred \ for \ the \ pool \ retro \ fit \ project \ and \ additional \ expenses \ for \ infrastructure \ maintenance \ projects.$

B. ASSETS HIGHLIGHTS

Total assets increased \$46,832 (10.4%) from \$450,093 at June 30, 2014 to \$496,925 at June 30, 2015.

1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased \$41,459. As presented in the consolidated statement of cash flows, the change in cash and cash equivalent is due to the following activities:

	2015		
Cash provided by operating transactions	\$ 22,083	\$	15,620
Cash applied to capital transactions	(31,780)		(10,446)
Cash provided by (applied to) investing transactions	25,802		(46,388)
Cash provided by (applied to) financing transactions	25,354		(684)
	\$ 41,459	\$	(41,898)

- **a.** Cash provided by operating transactions adjusts the operating surplus (deficit) for the accounting impacts of non-cash items included in operating surplus (deficit) and for any accruals of past or future operating cash receipts or payments.
- **b.** Cash applied to capital transactions includes the acquisition of tangible capital assets required for the current operation of the University as well as land and building acquisitions to support the long terms capital plans. See tangible capital assets below for additional information.
- c. Cash provided by (applied to) investing transactions represents the net change between cash and portfolio investments. Due to the anticipated cash flows requirement for the construction of the Centre for Arts and Culture some of the University's operating investment portfolio has been invested in short term investment with a maturity less than three months from the date of acquisition and are classified as cash and cash equivalents, resulting in an increase in the cash provided by investing transactions. See portfolio investment below for additional information.
- **d.** Cash provided by (applied to) financing activities includes two major contributions to endowment net assets, \$24,645 grant funding from the Government of Alberta for the construction of the new Centre for Arts and Culture, repayment of existing debt and any new debt financing received during the year.

2. PORTFOLIO INVESTMENTS

Portfolio investments decreased \$19,511 from \$143,533 at June 30, 2014 to \$124,022 at June 30, 2015 as follows:

	 2015	2014
Net transfer from (to) cash and cash equivalents	\$ (23,194)	\$ 47,070
Unrealized gain on unrestricted investments	2,238	4,934
Unrealized gain on restricted investments (endowments)	1,445	8,534
Change in portfolio investments	(19,511)	60,538
Portfolio investment, beginning of year	143,533	82,995
Portfolio investment, end of year	\$ 124,022	\$ 143,533

The net transfer to cash and cash equivalents is a result of ensuring the University has the cash flows required for the construction of the Centre for Arts and Culture.

The unrealized gain on unrestricted and restricted investments represents the increase in market value of the investment portfolios during the year. See Notes 4 and 5 of the consolidated financial statements for additional information on the investment holdings and financial risk management.

3. ASSETS HELD FOR SALE

Assets held for sale is the net book value of the South Campus which will be sold in 2015/16 based on an agreement with the purchaser. See Note 6(b)(i) to the consolidated financial statements for additional information.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets increased from \$281,736 at June 30, 2014 to \$293,020 at June 30, 2015, a net increase of \$11,284. See Note 6 to the consolidated financial statements for information on the changes during the year which is summarized below:

	201	15	201	l 4
Acquisitions of tangible capital assets		\$ 40,397		\$ 12,369
Net book value of tangible capital assets held for sale		(12,448)		-
Net book value of assets disposed during the year				
Cost	\$ (3,682)		\$ (2,058)	
Accumulated amortization	2,450	(1,232)	2,001	(57)
Amortization expense		(15,433)		(16,019)
Change in tangible capital assets		11,284		(3,707)
Tangible capital assets, beginning of year		281,736		285,443
Tangible capital assets, end of year		\$ 293,020		\$ 281,736
Centre for Arts and Culture				\$ 27,012
Centre for Arts and Culture				\$ 27,012
Surface parking lot				4,543
$Furniture\ and\ equipment\ purchases\ and\ replacement$				4,089
Infrastructure maintenance and facilities projects, inc	eluding land reme	ediation		1,893
South Campus consolidation				1,423
Library collections				979
LaserQuest building demolition				428
Residence retail development				249
GST recovery due to change in property use to commen	cial purposes			(219)
				\$ 40,397

C. LIABILITIES HIGHLIGHTS

Total liabilities increased \$33,377 from \$242,466 at June 30, 2014 to \$275,843 at June 30, 2015.

1. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities increased \$9,122 (28.2%) from \$32,333 at June 30, 2014 to \$41,455 at June 30, 2015 as a result of increased liability for major projects in progress at June 30, 2015. These projects include construction of the new Centre for Arts and Culture building, the surface parking lot, and maintenance projects.

2. EMPLOYEE FUTURE BENEFIT LIABILITIES

Note 7 to the consolidated financial statements provides information on the employee future benefit liabilities. The liability for the employees on short and long term disability, supplemental executive retirement plan and the accumulating non-vesting sick leave liability are based on independent actuarial valuations using past information and future assumptions. During 2015 a leave with pay was approved for the Vice President, Student Services (see Note 16 to the consolidated financial statements).

3. DEBT

During the year the University repaid \$1,779 of the debentures payable to Alberta Capital Finance Authority for parkades and the student residence. The University also repaid \$40 of the obligations for capital lease of equipment.

4. DEFERRED REVENUE

Deferred revenue consists of the following components:

	2015	2014	Change
Unspent deferred revenue	\$ 22,763	\$ 21,045	\$ 1,718
Unspent capital contributions	6,997	-	6,997
Expended deferred capital funding	144,439	131,878	12,561
Studenttuitionandfees, salesofservicesandcontractprograms	14,161	10,154	4,007
	\$ 188,360	\$ 163,077	\$ 25,283

a. Unspent deferred revenue includes a one-time and conditional funding to support program development, research, scholarships and other operating requirements. This category also includes unrealized investment income on restricted investments (endowments).

 $The \ net \ increase \ is \ mainly \ due \ to \ the \ unrealized \ investment \ earnings \ on \ restricted \ investments.$

b. Unspent capital contributions represents grants and contributions received which are restricted for capital purposes, including the construction of the Centre for Arts and Culture. During the year, the University received and spent the \$24,645 grant from the Government of Alberta to support the construction of the Centre for Arts and Culture.

In accordance with Canadian public sector accounting standards, the \$6,747 balance of the expended deferred capital funding on the South Campus becomes unspent capital contributions based on the approved financial plan for the net proceeds from the sale of the South Campus being used for the Centre for Arts and Culture project.

c. Expended deferred capital funding represents the balance of grants and donations used to acquire or construct tangible capital assets. During the year the University purchased \$25,832 of tangible capital assets funded from grants and donations, of which \$24,645 was received from the Government of Alberta for the Centre for Arts and Culture project.

As noted above, the \$6,747 balance of expended deferred capital funding is recognized as unspent capital contributions for the Centre for Arts and Culture project.

As these grants and donations are recognized as revenue over the useful life of the tangible capital assets, expended deferred capital funding was reduced by \$6,524.

d. Student tuition and fees, sales of services and contract programs component of deferred revenue represents the operating revenues received in the current year which relates to services being provided in the next fiscal year as well as the deposit received from the purchasers of two campuses which are expected to be transferred in December 2015 and the fall of 2017.

Effective July 1, 2015 the University no longer accepted credit cards for the payment of tuition, with some student's accounts being paid prior to June 30, 2015 with credit card in advance of the University implementing these new procedures. This increase in deferred student tuition revenue and \$2,000 deposit on the sale of the South Campus resulted in the increase in this category of deferred revenue.

D. NET ASSETS HIGHLIGHTS

The net assets for the University increased \$13,455 or 6.5% from \$207,627 at June 30, 2014 to \$221,082 at June 30, 2015.

	2015	2014	Change
Net Assets	_	_	
Endowments	\$ 48,635	\$ 46,388	\$ 2,247
Accumulated Surplus		_	
Accumulated operating surplus			
Accumulated surplus from operations	10,974	12,902	(1,928)
Investment in tangible capital assets	107,774	107,234	540
Internally restricted surplus	44,567	34,122	10,445
	163,315	154,258	9,057
Accumulated remeasurement gains and losses	9,132	6,981	2,151
	\$ 221,082	\$ 207,627	\$ 13,455

1. ENDOWMENTS

Endowment net assets increased by \$2,247 (4.8%), including endowment contributions received to support student scholarships. See Note 10 of the consolidated financial statements for more information.

2. ACCUMULATED SURPLUS

 $Accumulated surplus consists of accumulated operating surplus and accumulated remeasurement \ gains and \ losses.$

- Accumulated operating surplus increased \$9,057 which is the operating surplus for the year. Changes to each component of accumulated operating surplus is disclosed in Note 11 to the consolidated financial statements.
 - i. **Accumulated surplus from operations** decreased \$1,928 during the year, from \$12,902 at June 30, 2014 to \$10,974 at June 30, 2015 as follows:

	 2015	2014
Operating activities		
Operating surplus	\$ 9,057	\$ 5,696
Add (deduct):		
Amortization of internally funded tangible capital assets	8,937	9,524
Net book value of assets disposed	1,206	52
Operating expenses funded from internally restricted surplus	1,489	1,946
Board appropriation to internally restricted surplus for operating activities	 (1,271)	(865)
	19,418	16,353
Capital activities		
Debt repayment	(1,819)	(1,714)
$Investment in tangible \ capital \ assets \ transferred \ to \ assets \ held \ for \ sale$	5,701	-
Internally funded acquisition of tangible capital assets	(9,527)	(3,545)
Boardappropriationtointernallyrestrictedsurplusforcapitalactivities	(15,701)	-
	(21,346)	(5,259)
Change in accumulated surplus from operations	(1,928)	11,094
Accumulated surplus from operations, beginning of year	12,902	1,808
Accumulated surplus from operations, end of year	\$ 10,974	\$ 12,902

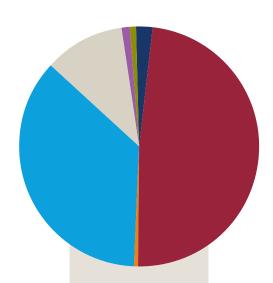
ii. **Investment in tangible capital assets** is represented by the following:

	2015	2014	Change
Tangible capital assets	\$ 293,020	\$ 281,736	\$ 11,284
Debt	(40,807)	(42,626)	1,819
Deferred revenue - expended deferred capital funding	(144,439)	(131,878)	(12,561)
Rounding	-	2	(2)
	\$ 107,774	\$ 107,234	\$ 540

iii. Internally restricted surplus

- Decreased \$1,489 for operating expense incurred during the year and \$5,038 for the purchase of tangible capital assets.
- Increased for the following appropriations:
 - \$10,000 additional funds approved by the Board of Governors for the Campus development –
 Centre for Arts and Culture.
 - \$5,701 investment in tangible capital assets balance on the South Campus designated as additional funds for the Campus development Centre for Arts and Culture.
 - \$1,271 for student technology reserve as required based on prior year's agreement with the Students' Association of MacEwan University for student technology fee.
- **b. Accumulated remeasurement gains and losses** represents the unrealized gain (or loss) on unrestricted financial instruments as at June 30, 2015.

E. REVENUE HIGHLIGHTS



2015 2014 Cha		2014		Change fro	m 2014
\$	%	\$	%	\$	%
\$ 111,891	48.6%	\$ 114,140	50.1%	\$ (2,249)	-2.0%
434	0.2%	226	0.1%	208	92.0%
83,828	36.4%	78,096	34.3%	5,732	7.3%
26,369	11.4%	28,119	12.3%	(1,750)	-6.2%
1,268	0.5%	1,459	0.6%	(191)	-13.1%
1,755	0.8%	1,559	0.7%	196	12.6%
4,815	2.1%	4,322	1.9%	493	11.4%
\$ 230,360	100.0%	\$ 227,921	100.0%	\$ 2,439	1.1%
	\$ \$ 111,891 434 83,828 26,369 1,268 1,755 4,815	\$ % \$ 111,891 48.6% 434 0.2% 83,828 36.4% 26,369 11.4% 1,268 0.5% 1,755 0.8% 4,815 2.1%	\$ % \$ 111,891 48.6% \$ 114,140 434 0.2% 226 83,828 36.4% 78,096 26,369 11.4% 28,119 1,268 0.5% 1,459 1,755 0.8% 1,559 4,815 2.1% 4,322	\$ % % \$ 111,891 48.6% \$ 114,140 50.1% 434 0.2% 226 0.1% 83,828 36.4% 78,096 34.3% 26,369 11.4% 28,119 12.3% 1,268 0.5% 1,459 0.6% 1,755 0.8% 1,559 0.7% 4,815 2.1% 4,322 1.9%	\$ % \$ % \$ \$ 111,891 48.6% \$ 114,140 50.1% \$ (2,249) 434 0.2% 226 0.1% 208 83,828 36.4% 78,096 34.3% 5,732 26,369 11.4% 28,119 12.3% (1,750) 1,268 0.5% 1,459 0.6% (191) 1,755 0.8% 1,559 0.7% 196 4,815 2.1% 4,322 1.9% 493

1. GOVERNMENT OF ALBERTA GRANTS

Government of Alberta grants represent approximately 50% of the University's revenues, the majority of which comes from the Province of Alberta as Campus Alberta Grant which remained at the same amount as the prior year. Government of Alberta grant decrease is due to less revenue recognized during the year to offset expenditures funded by one-time and conditional grant funding.

2. STUDENT TUITION AND FEES

Tuition fees charged by the University are set in accordance with provincial tuition fee regulations which limits increases in tuition and mandatory instruction fees based on the Alberta consumer price index. The permitted tuition fee increase for 2014/15 was 1.00%. Other optional fees or fees for materials and supplies are established at a level to recover the costs of services, materials and supplies.

Tuition revenue increased from 2014 due to the following:

- a. The University's Integrated Strategic Plan has a goal of achieving an 8% international student presence on our campus. In the past two years our international recruitment strategy has become more focused and strategic, our reputation as a degree granting institution better known internationally, and our processing of applications and rendering of admissions decisions more effective and efficient. As has been the case with our domestic applications, application growth has been steady and significant in the international setting, we make faster and better decisions about admissions, and this is all being reflected in registration growth and tuition revenue growth.
- **b.** The trend of higher enrolment in degree programs while enrolment declines in the Preparation for University and English as a Second Language (ESL) program results in higher revenue as the programs with increasing enrolment have higher tuition rates than those programs whose enrolment is declining.
- **c.** Mandatory and other fee revenue increased due to the change in how the Student Technology fee is assessed and higher ESL Testing fee revenue as well as general increases for all fee types due to a 2.7% increase in enrolment.

3. SALES OF SERVICES AND PRODUCTS

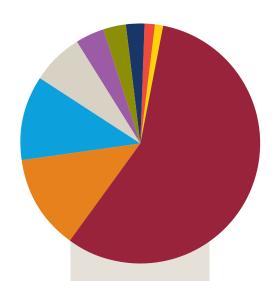
This category includes revenues from ancillary services (bookstore, parking, residence, rental property, commissions) as well as gain or loss on disposal of tangible capital assets.

The University has experienced a decrease in retail sales in the bookstore over the past few years due to other options for students to receive their materials and technology.

4. INVESTMENT INCOME

See Note 14 to the consolidated financial statements for details on restricted and unrestricted investment income. Restricted funds recognized as investment income increased \$339 from \$2,184 in 2014 to \$2,523 in 2015 as a result of the increase in expenses funded from endowment earnings. Unrestricted funds recognized as investment income increased \$154 from \$2,138 in 2014 to \$2,292 in 2015 as a result of increased funds in the long term investment portfolio.

F. EXPENSE HIGHLIGHTS



2018	2015 2014 Change from			m 2014	
\$	%	\$	%	\$	%
\$ 126,275	57.0%	\$ 123,423	55.5%	\$ 2,852	2.3%
28,386	12.8%	32,203	14.5%	(3,817)	-11.9%
25,470	11.5%	24,266	10.9%	1,204	5.0%
15,433	7.0%	16,019	7.2%	(586)	-3.7%
8,160	3.7%	8,435	3.8%	(275)	-3.3%
7,117	3.2%	7,210	3.2%	(93)	-1.3%
5,223	2.4%	5,557	2.5%	(334)	-6.0%
2,846	1.3%	2,631	1.2%	215	8.2%
2,393	1.1%	2,481	1.2%	(88)	-3.5%
\$221,303	100.0%	\$222,225	100.0%	\$ (922)	-0.4%
	\$ \$ 126,275 28,386 25,470 15,433 8,160 7,117 5,223 2,846 2,393	\$ % \$ 126,275 57.0% 28,386 12.8% 25,470 11.5% 15,433 7.0% 8,160 3.7% 7,117 3.2% 5,223 2.4% 2,846 1.3% 2,393 1.1%	\$ % \$ 126,275 57.0% \$ 123,423 28,386 12.8% 32,203 25,470 11.5% 24,266 15,433 7.0% 16,019 8,160 3.7% 8,435 7,117 3.2% 7,210 5,223 2.4% 5,557 2,846 1.3% 2,631 2,393 1.1% 2,481	\$ % \$ \$ 126,275 57.0% \$ 123,423 55.5% 28,386 12.8% 32,203 14.5% 25,470 11.5% 24,266 10.9% 15,433 7.0% 16,019 7.2% 8,160 3.7% 8,435 3.8% 7,117 3.2% 7,210 3.2% 5,223 2.4% 5,557 2.5% 2,846 1.3% 2,631 1.2% 2,393 1.1% 2,481 1.2%	\$ % \$ \$ 126,275 57.0% \$ 123,423 55.5% \$ 2,852 28,386 12.8% 32,203 14.5% (3,817) 25,470 11.5% 24,266 10.9% 1,204 15,433 7.0% 16,019 7.2% (586) 8,160 3.7% 8,435 3.8% (275) 7,117 3.2% 7,210 3.2% (93) 5,223 2.4% 5,557 2.5% (334) 2,846 1.3% 2,631 1.2% 215 2,393 1.1% 2,481 1.2% (88)

Salaries and employee benefits represents 68.5% (2014: 66.4%) of the total operating expenses for the University. During the year the University settled the collective agreements for all employee groups, resulting in a one-time lump-sum payment for most employees which contributed to the increase in salaries. The increase in employee benefits expense is due to the increase in the rates for some employee benefits, increase in salaries during the year, and the cost of employee future benefits as outlined in Note 7 to the consolidated financial statements.

Materials, supplies and services decreased during the year due to the completion of a number of one-time projects in 2014, timing of expenses for low value equipment replacement, and closure of the South Campus facility.



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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of 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 Canadian public sector accounting standards.

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 Committees. The Audit Committee meets with management, internal audit and the external auditor to discuss the results of audit examinations and financial reporting matters. The internal and external auditors have full access to the Audit Committee, with and without the presence of management.

The Auditor General 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,

David W. Atkinson, PhD

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President

Brent Quinton, CPA, CA, MBA

Vice President, Finance and Administration

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 MacEwan University, which comprise the consolidated statement of financial position as at June 30, 2015, and the consolidated statements of operations, remeasurement gains and losses, 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 public sector accounting standards, 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 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 MacEwan University as at June 30, 2015, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCPA, FCA]

Auditor General October 22, 2015 Edmonton, Alberta

Consolidated Statement of Financial Position

As at June 30, 2015 (thousands of dollars)

	2015	2014
ASSETS	 	
Cash and cash equivalents (Note 3)	\$ 55,870	\$ 14,411
Portfolio investments (Note 4)	124,022	143,533
Accounts receivable	4,178	3,534
Inventories and prepaid expenses	7,387	6,879
Assets held for sale (Note 6(b)(i))	12,448	-
Tangible capital assets (Note 6)	293,020	281,736
	\$ 496,925	\$ 450,093
LIABILITIES		
Accounts payable and accrued liabilities	\$ 41,455	\$ 32,333
Employee future benefit liabilities (Note 7)	5,221	4,430
Debt (Note 8)	40,807	42,626
Deferred revenue (Note 9)	 188,360	 163,077
	 275,843	242,466
NET ASSETS		
Endowments (Note 10)	48,635	46,388
Accumulated surplus		
Accumulated operating surplus (Note 11)	163,315	154,258
Accumulated remeasurement gains and losses	9,132	6,981
	221,082	207,627
	 496,925	\$ 450,093

Financial Risk Management (Note 5)

Contingent Liabilities (Note 12)

Contractual Obligations (Note 13)

Approved by the Board of Governors (Note 19):

Chair, Board of Governors

Chair, Audit Committee

Consolidated Statement of Operations

Year ended June 30, 2015 (thousands of dollars)

	Budget		
	 (Note 18)	 2015	 2014
REVENUE			
Government of Alberta grants (Note 17)	\$ 112,664	\$ 111,891	\$ 114,140
Federal and other government grants	161	434	226
Student tuition and fees	80,319	83,828	78,096
Sales of services and products	25,413	26,369	28,119
Contract programs	1,112	1,268	1,459
Donations and other grants	1,674	1,755	1,559
Investment income (Note 14)	4,958	4,815	4,322
	 226,301	230,360	227,921
EXPENSES (Note 15)	 		
Instructional and non-sponsored research	82,921	80,784	79,800
Academic and student support	49,389	47,918	46,738
Institutional support	37,718	37,235	37,792
Facility operations and maintenance	34,520	32,169	36,006
Ancillary services	21,210	22,853	21,823
Sponsoredresearch	543	344	66
	 226,301	221,303	222,225
Operating surplus	 -	9,057	5,696
Accumulated operating surplus, beginning of year	154,258	154,258	148,562
Accumulated operating surplus, end of year (Note 11)	 154,258	\$ 163,315	\$ 154,258

Consolidated Statement of Remeasurement Gains (Losses)

Year ended June 30, 2015 (thousands of dollars)

	2015	2014
Accumulated remeasurement gains, beginning of year	\$ 6,981	\$ 2,523
Unrealized gains recognized as revenue during year (Note 14)	(87)	(476)
$Unrealized\ gains\ attributable\ to\ portfolio\ investments\ during\ year\ (Note\ 14)$	2,238	4,934
Accumulated remeasurement gains, end of year	\$ 9,132	\$ 6,981

Consolidated Statement of Cash Flows

Year ended June 30, 2015 (thousands of dollars)

	2015	2014
OPERATING TRANSACTIONS		
Operating surplus	\$ 9,057	\$ 5,696
Add (deduct) non-cash items:		
Amortization of tangible capital assets	15,433	16,019
Expended capital recognized as revenue	(6,496)	(6,494)
Loss on disposal of tangible capital assets	733	43
Change in employee future benefit liabilities	791	1,104
Loss on disposal of unrestricted portfolio investment	6	-
Write-down of portfolio investment for other than temporary decline in value	99	
(Increase) decrease in accounts receivable	(644)	578
Increase in inventories and prepaid expenses	(508)	(1,586)
$Increase\ in\ accounts\ payable\ and\ accrued\ liabilities\ relating\ to\ operating\ transactions$	977	1,211
Increase (decrease) in deferred revenue	2,635	(951)
Cash provided by operating transactions	22,083	 15,620
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(40,397)	(12,369)
Proceeds on disposal of tangible capital assets	472	10
Increase in accounts payable and accrued liabilities relating to capital transactions	8,145	1,913
Cash applied to capital transactions	(31,780)	(10,446)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(18,529)	(67,806)
Disposal of portfolio investments	42,877	20,260
Endowment investment earnings	1,454	1,158
Cash provided by (applied to) investing transactions	25,802	(46,388)
FINANCING TRANSACTIONS		
Endowment contributions	2,212	879
Capital contributions	24,961	31
Debt repayment	(1,819)	(1,714)
Debt - new financing	-	120
Cash provided by (applied to) financing transactions	25,354	(684)
Change in cash and cash equivalents	41,459	(41,898)
Cash and cash equivalents, beginning of year	14,411	56,309
Cash and cash equivalents, end of year	\$ 55,870	 \$14,411

June 30, 2015 (thousands of dollars)

NOTE 1 AUTHORITY AND PURPOSE

The Board of Governors of Grant MacEwan University is a corporation which manages and operates MacEwan University (the University) under the *Post-secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Innovation and Advanced Education, 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 the payment of income tax.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

a) General - Public Sector Accounting Standards (PSAS) and Use of Estimates

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated 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, amortization of tangible capital assets and the revenue recognition for expended capital are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

b) Net Debt Model Presentation

Canadian public sector accounting standards require a net debt presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as net debt or net financial assets as an indicator of future revenues required to pay for past transactions and events. The University operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

c) Valuation of Financial Assets and Liabilities

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

Financial Statement Component	<u>Measurement</u>
Cash and cash equivalents	Amortized cost
Portfolio investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

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Unrealized gains and losses from changes in the fair value of unrestricted financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations.

Unrealized gains and losses from changes in the fair value of restricted financial instruments are recognized as a liability under deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash and cash equivalents and portfolio investments are accounted for using trade-date accounting.

The University does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

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

d) Revenue Recognition

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

i. Government Grants, Non-government Grants and Donations

Government transfers are referred to as government grants.

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

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

June 30, 2015 (thousands of dollars)

In kind donations of services, materials and tangible capital assets are recorded at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recorded at the carrying value. While volunteers as well as University staff contribute a significant amount of time each year to assist the University in carrying out its mission the value of their services are not recognized in the consolidated financial statements because fair value cannot be reasonably determined.

ii. Grants and Donations Related to Land

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

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

iii. Endowments

Donations that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Investment income and unrealized gains and losses attributable to restricted portfolio investments are recognized as deferred revenue. Investment earnings that also must be maintained in perpetuity are recognized as endowment net assets when received or receivable.

iv. Investment Income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are from unrestricted grants and donations are recognized in the consolidated statement of accumulated remeasurement gains and losses until the related investments are sold. Once realized, these gains or losses are recognized as investment income in the consolidated statement of operations.

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

e) Inventories

Inventories held for resale are valued at the lower of cost and expected net realizable value and are determined using the moving average basis. Inventories held for consumption are valued at cost.

f) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Work in progress, which includes facilities improvement projects, furniture and equipment construction, and development of information systems, is not amortized until after the project is complete and the asset is in service.

June 30, 2015 (thousands of dollars)

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the University's rate for incremental borrowing or the interest rate implicit in the lease. Note 8 provides a schedule of repayments and amount of interest on the leases.

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

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Tangible capital assets permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Carrying value includes amounts for improvements to prepare the tangible capital asset for sale or servicing. Tangible capital assets which meet the criteria for financial assets are reclassified as assets held for sale on the consolidated statement of financial position.

g) Employee Future Benefits

i. Pension

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

The University does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense 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.

ii. Supplementary Retirement Plans

The University maintains a supplementary pension plan for its senior executives based on the plan rules. The pension expense for this 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. Actuarial valuations are obtained at least every three years, and the value of the supplementary retirement plan and the associated changes during the year are extrapolated when the most recent actuarial valuation was prepared one or two fiscal years earlier.

June 30, 2015 (thousands of dollars)

iii. Accumulating Non-vesting Sick Leave Liability

Sick leave benefits accumulate with employee service and are provided by the University to all employee groups as defined by employment agreements to cover illness related to absences that are outside of short-term and long-term disability coverage. The maximum accumulated sick leave is 168 to 315 hours depending on the employee group. The liability for the accumulated non-vested sick pay benefit is actuarially determined using two models: Excess Utilization Model and Disability Model. The cost of the accumulating non-vesting sick leave benefits are expensed as the benefits are earned. Actuarial valuations are obtained at least every three years, and the value of the sick leave benefit and the associated changes during the year are extrapolated when the most recent actuarial valuation was prepared one or two fiscal years earlier.

iv. Benefit Liability for Employees on Short-term and Long-term Disability

The University is responsible for paying the employee and employer Local Authority Pension Plan (LAPP) contributions and other benefit premiums while an employee is on short and long term disability. The liability is actuarially calculated at the present value of the forecasted combined premiums for each claimant. The cost of this benefit is expensed in the year the employee becomes disabled. Actuarial valuations are obtained at least every three years, and the value of the benefit liability for employees on short-term and long-term disability and the associated changes during the year are extrapolated when the most recent actuarial valuation was prepared one or two fiscal years earlier.

v. Administrative Leave

The University provides support to employees transitioning from academic administrator positions to faculty positions by offering an administrative leave between appointments. Employees must serve a minimum of three years of continuous service as an academic administrator to be considered for administrative leave. The administrative leave is up to 12 months for five years of continuous service, and up to six months for three years of continuous service, and the employee must return to regular faculty responsibility for a minimum period of time equal to the administrative leave period. This administrative leave does not vest or accumulate to the employee.

On approval to receive an administrative leave, a liability is recorded for the following:

- · Salary and benefits during the administrative leave; and
- The difference between the salary and benefits earned during the faculty appointment and the salary and benefits for the faculty position.

The cost of this benefit is expensed in the year the employee is approved to receive the administrative leave.

vi. Other

The cost of other employee future benefits are expensed in the year the benefit is approved.

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h) Basis of Consolidation

These consolidated financial statements use the line-by-line method to record the accounts of the Grant MacEwan University Foundation, which operates under Part 9 of the *Companies Act* (Alberta) for the support and advancement of the University. The Foundation is a registered charity and is exempt from payment of income tax.

i) Expense by Function

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

i. Instruction and Non-Sponsored Research

Includes expenses related to all programming and training within the University, whether for credit or non-credit. This category also includes any non-sponsored research and scholarly activity undertaken by faculty and within departments.

ii. Academic and Student Support

Includes expenses relating to activities directly supporting the academic functions of the University, including expenses of the library and academic Dean's departments.

This category also includes centralized functions that support individual students or groups of students such as student service administration, student recruitment, records and admissions (registrar), counseling or career services, social development and recreation, financial aid administration, intercollegiate athletics, centralized scholarship awards, and any other centralized student support group.

iii. Facility Operations and Maintenance

Includes utilities costs and the centralized management and expenses for the maintenance and renovations of grounds, facilities, operations, and of physical plant for all University activities. Also includes amortization of building and equipment, except those expenses attributable to Ancillary Services.

iv. Institutional Support

Includes expenses for executive management, corporate marketing and communications, alumni relations and development, corporate insurance premiums, centralized core computing, network, and data communication, corporate finance, human resources, and any other centralized institution-wide administrative services.

v. Ancillary Services

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

vi. Sponsored Research

Includes expenses for all research activities specifically funded by contracts with and grants from external organizations and undertaken within the University to produce research outcomes.

June 30, 2015 (thousands of dollars)

j) Funds and Reserves (Internally Restricted Surplus)

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

k) Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued PS 3260 - Liability for Contaminated Sites effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The University adopted this accounting standard retroactively as of July 1, 2014 but without restatement of prior period results. The University has no liability for contaminated sites.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short term investments with a maturity less than three months from the date of acquisition.

NOTE 4 PORTFOLIO INVESTMENTS

The composition and fair value on portfolio investments are as follows:

	Level 1	Level 2	Level 3	Total
		20:	15	
Investments at fair value				
Short-term GIC	\$ 12,736	\$ -	\$ -	\$ 12,736
Pooled Funds				
Common stocks and equivalents	-	90,181	-	90,181
Fixed income securities	16,241	3,850	-	20,091
Cash surrender value of planned gifts (life insurance policies)	-	-	907	907
Natural gas commodity investment	107	-	-	107
	\$ 29,084	\$ 94,031	\$ 907	\$124,022
		20	14	
Investments at fair value				
Short-term GIC	\$ 37,776	\$ -	\$ -	\$ 37,776
Pooled Funds				
Common stocks and equivalents	-	85,553	-	85,553
Fixed income securities	13,804	5,532	-	19,336
Cash surrender value of planned gifts (life insurance policies)	-	-	865	865
Natural gas commodity investment	3	-	-	3
	\$ 51,583	\$ 91,085	\$ 865	\$143,533

June 30, 2015 (thousands of dollars)

The fair value measurements are those derived from:

- Level 1 Quoted prices in active markets for identical assets or liabilities;
- Level 2 Market based inputs other than quoted prices that are observable for the asset or liability, either directly as prices or indirectly derived from prices;
- Level 3 Inputs for the asset or liability that are not based on observable market data;
 assumptions are based on the best internal and external information available and are
 most suitable and appropriate based on the type of financial instrument being valued in
 order to establish what the transaction price would have been on the measurement date
 in an arm's length transaction.

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

	 2015	2014
Balance, beginning of year	\$ 865	\$ 831
Unrealized gains	 42	 34
Balance, end of year	\$ 907	865

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 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, to ensure compliance with the University's investment policies, and to evaluate the continued appropriateness of the University's investment policies.

The University engages an external investment manager. The investment holdings are currently separated into three funds: unrestricted short-term operating fund, unrestricted long-term operating fund, and restricted endowments fund.

NOTE 5 FINANCIAL RISK MANAGEMENT

The University is exposed to a variety of financial risks, including market risks (price risk, currency risk, and interest rate risk), credit risk, and liquidity risk. To manage these risks, the University invests in a diversified portfolio of investments that is guided by established investment policies that outline risk and return objectives. The long term objective of the University's investment policies is to achieve a long term real rate of return in excess of fees and expenses, and maintain the real value of the fund.

The University is exposed to the following risks:

a) Market Price Risk

The University is exposed to market price risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer, or general market factors affecting all securities. To manage this risk, the University has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits. The objective

June 30, 2015 (thousands of dollars)

of the University's unrestricted long-term operating fund is to achieve a long-term capital growth equal to the indices' growth rates for the various components of the portfolio. For restricted investments for endowments, the investment policy is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

At June 30, 2015, the impact of a change in the rate of return on the investment portfolio is as follows:

- 1.47% change in short-term GIC's would have a \$187 increase or decrease (2014 1.59% change would have a \$601 increase or decrease);
- 2.24% change in fixed income securities would have a \$450 increase or decrease (2014 - 2.50% change would have a \$483 increase or decrease);
- 9.76% change in common stocks and equivalents would have an \$8,802 increase or decrease (2014 - 13.20% change would have an \$11,293 increase or decrease).

b) Foreign Currency Risk

The University is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The University does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The University's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

c) Liquidity Risk

The University maintains a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements. In addition, the University maintains a short-term line of credit that is designed to ensure funds are available to meet current and forecasted financial requirements in the most cost effective manner.

d) Credit Risk

The University is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honor its contractual obligations. To manage this risk the University has established an investment policy with required minimum credit quality standards and issuer limits. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

	2015	2014
Credit rating		
AAA	18.76%	24.60%
AA	24.39%	17.16%
A	56.22%	57.59%
BBB	0.63%	0.65%
	100.00%	100.00%

June 30, 2015 (thousands of dollars)

e) Interest Rate Risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the University holds. Interest risk on the University's debt is managed through fixed rate agreements with Alberta Capital Finance Authority (Note 8).

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

2015	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Cash and cash equivalent	100%	0%	0%	0.96%
Portfolio investments, short term	100%	0%	0%	1.47%
Portfolio investments, fixed income	75%	25%	0%	2.36%

2014	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Cash and cash equivalent	100%	0%	0%	1.22%
Portfolio investments, short term	100%	0%	0%	1.59%
Portfolio investments, fixed income	17%	83%	0%	2.26%

June 30, 2015 (thousands of dollars)

NOTE 6 TANGIBLE CAPITAL ASSETS

a) Tangible capital assets changes during the year:

							2015					
	Land Buildin		Buildings	Land Improvements Equipment ² a]	Computer hardware I software	$Other^3$		Total	
Cost ¹												
Beginning of year	\$ 51,581	\$	307,444	\$	1,757	\$	25,818	\$	35,331	\$	16,523	\$ 438,454
Adjustment	-		(11)		11		-		-		-	-
Acquisitions	645		29,683		5,049		1,101		2,940		979	40,397
Less transfer to assets held for sale	(413)		(17,229)		-		(525)		(46)		-	(18,213)
Disposals, including write-downs	-		-		(1,035)		(406)		(1,992)		(249)	(3,682)
	51,813		319,887		5,782		25,988		36,233		17,253	456,956
Accumulated Amortization												
Beginning of year	-		(106,482)		(435)		(13,555)		(25,964)		(10,282)	(156,718)
Amortization expense	-		(7,541)		(361)		(1,909)		(4,339)		(1,283)	(15,433)
Accumulated amortization on tangible capital assets transferred to assets held for sale	-		5,399		-		321		45		-	5,765
Effects on disposals, including write-downs	-		-		259		350		1,592		249	2,450
	-		(108,624)		(537)		(14,793)		(28,666)		(11,316)	(163,936)
Net book value at June 30, 2015	\$ 51,813	\$	211,263	\$	5,245	\$	11,195	\$	7,567	\$	5,937	\$ 293,020

							2014				
	Land	1	Buildings	Impi	Land rovements	Eq	${ m uipment}^2$	1	Computer nardware software	Other ³	Total
Cost ¹											
Beginning of year	\$ 51,098	\$	299,606	\$	1,676	\$	24,894	\$	33,649	\$ 17,220	\$ 428,143
Acquisitions	483		7,838		81		1,182		1,862	923	12,369
Disposals, including write-downs	 -		-		-		(258)		(180)	(1,620)	(2,058)
	 51,581		307,444		1,757		25,818		35,331	16,523	438,454
Accumulated Amortization											
Beginning of year	-		(98,721)		(367)		(12,314)		(21,059)	(10,239)	(142,700)
Amortization expense	-		(7,761)		(68)		(1,873)		(5,085)	(1,232)	(16,019)
Adjustment	-		-		-		424		-	(424)	-
Effects on disposals, including write-downs	-		-		-		208		180	1,613	2,001
	 -		(106,482)		(435)		(13,555)		(25,964)	(10,282)	(156,718)
Net book value at June 30, 2014	\$ 51,581	\$	200,962	\$	1,322	\$	12,263	\$	9,367	\$ 6,241	\$ 281,736

June 30, 2015 (thousands of dollars)

¹Cost includes work-in-progress at June 30, 2015 totaling \$32,852 (2014: \$7,564) comprised of buildings \$31,925 (2014: \$7,466), land improvements \$174 (2014:\$81), equipment \$13 (2014: \$3), and computer hardware and software \$740 (2014: \$14).

No interest was capitalized by the University in 2015 or 2014.

b) The University has two properties for sale:

i. Assets held for sale

One property will be sold for \$20,000 in 2015/16, and has been recorded as assets held for sale on the consolidated statement of financial position. The purchaser has paid a \$2,000 deposit which is recorded as deferred revenue, with the balance of the purchase price due upon closing of the sale in December 2015. Net proceeds on disposal has been designated to support the Centre for Arts and Culture project. The following is recorded on the consolidated statement of financial position as at June 30, 2015:

Assets	
Assets held for sale	\$ 12,448
Liabilities	
Deferred revenue	
Unspent capital contributions	\$ 6,747
Net Assets	
Accumulated operation surplus	
Internally restricted surplus	
Campus development - Centre for Arts and Culture	\$ 5,701

ii. Tangible capital assets to be sold in September 2017

Under the terms of the conditional agreement for the sale of the second property, the purchaser has paid a \$5,000 deposit which is recorded as deferred revenue, with the balance of the purchase price owing due upon the transfer of title which is scheduled for September 2017. Net proceeds on disposal has been designated to support the Centre for Arts and Culture project. The following is recorded on the consolidated statement of financial position as at June 30, 2015:

² Equipment includes vehicles, heavy equipment, office equipment and furniture, and other equipment.

³ Other tangible capital assets include library materials, leasehold improvements and works of art used to support the educational purposes of certain academic programs.

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Assets	
Tangible capital assets	
Cost	\$ 22,191
Accumulated amortization	\$ (16,467)
Net book value	\$ 5,724
Liabilities	
Deferred revenue	
Expended deferred capital funding	\$ 3,824
Net Assets	
Accumulated operation surplus	
Investment in tangible capital assets	\$ 1,900

NOTE 7 EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities are comprised of the following:

	 2015	2014
$Benefit \ liability \ for \ employees \ on \ short \ and \ long \ term \ disability$	\$ 2,250	\$ 1,717
Supplemental Executive Retirement Plan (SERP)	1,276	1,067
Accumulating non-vesting sick leave liability	1,108	978
Administrative leave	356	668
Other	231	
	\$ 5,221	\$ 4,430

a) Defined Benefit Accounted for on a Defined Benefit Basis

i) Benefit Liability for Employees on Short-term and Long-term Disability

In accordance with the University policy and collective agreements, employees eligible for participation in the Local Authority Pension Plan (LAPP) who are receiving benefits under the short term or long term disability plan must continue to participate in LAPP. The University is responsible for remitting both the employee and employer contributions in accordance with LAPP regulations.

An actuarial valuation was carried out as at June 30, 2015. As at June 30, 2015 the University had 46 (2014: 38) employees on short or long term leave.

ii) Supplementary Executive Retirement Plans (SERP)

The University provides non-contributory defined benefit supplementary retirement benefits to executives. An actuarial valuation of these benefits was carried out as at June 30, 2015.

June 30, 2015 (thousands of dollars)

iii) Accumulating Non-vested Sick Leave Liability

The University provides accumulating non-vested sick leave to employees. An actuarial valuation of these benefits was carried out as at June 30, 2015. Any resulting net actuarial gain (loss) is deferred and amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

iv) Administrative Leave

The University provides support to employees transitioning from academic administrator positions to faculty positions by offering an administrative leave between appointments. On approval to receive an administrative leave, a liability is recorded for the salary and benefits during the administrative leave and the difference between the salary and benefits earned during the faculty appointment and the salary and benefits for the faculty position. The cost of this benefit is expensed in the year the employee is approved to receive the administrative leave.

v) Other

The University may approve other leave with pay to employees. On approval to receive a leave with pay, a liability is recorded for the salary and benefits during the leave. The cost of this benefit is expensed in the year the employee is approved to receive the leave with pay.

The expense and financial position of these defined benefit plans are as follows:

	for e	t liability mployees t and long disability	Supplemental Executive Retirement Plan		Accumulated non-vesting sick leave benefit		Administrative leave		Other
					20	015			
Expenses									
Current service cost	\$	862	\$	169	\$	337	\$	-	\$ 280
Interest cost		85		48		33		-	-
Amortization of actuarial losses (gains)		49		38		(10)		-	-
Total Expense	\$	996	\$	255	\$	360	\$	-	\$ 280
Financial Position									
Accrued benefit obligation:									
Balance, beginning of year	\$	2,174	\$	1,451	\$	886	\$	668	\$ -
Current service cost		862		169		337		90	280
Benefit payment		(463)		(46)		(230)		(402)	(49)
Interest cost		85		48		33		-	-
Actuarial (gain) loss		162		363		(244)		-	-
Balance, end of year		2,820		1,985		782		356	231
Unamortized net actuarial gain (loss)		(570)		(709)		326		-	-
Accrued benefit liability	\$	2,250	\$	1,276	\$	1,108	\$	356	\$ 231

June 30, 2015 (thousands of dollars)

	for e	t liability mployees t and long disability	I	olemental Executive nent Plan	non-ves	mulated sting sick re benefit	Admin	istrative leave	Other
					20)14			
Expenses									
Current service cost	\$	713	\$	158	\$	342	\$	668	\$ -
Interest cost		62		41		24		-	-
Amortization of actuarial losses (gains)		49		43		(10)		-	-
Total Expense	\$	824	\$	242	\$	356	\$	668	\$ -
Financial Position									
Accrued benefit obligation:									
Balance, beginning of year	\$	2,089	\$	1,292	\$	771	\$	-	\$ -
Current service cost		713		158		342		668	-
Benefit payment		(690)		(44)		(251)		-	-
Interest cost		62		41		24		-	-
Actuarialloss		-		4		-		-	-
Balance, end of year		2,174		1,451		886		668	-
Unamortized net actuarial gain (loss)		(457)		(384)		92		-	-
Accrued benefit liability	\$	1,717	\$	1,067	\$	978	\$	668	\$ -

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

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

		2015			2014	
	Benefit liability for employees on short and long term disability	Supplemental Executive Retirement Plan	Accumulated non-vesting sick leave benefit	Benefit liability for employees on short and long term disability	Supplemental Executive Retirement Plan	Accumulated non-vesting sick leave benefit
Accrued benefit obligation						
Discount rate	2.57%	2.57%	2.57%	2.96%	2.96%	2.96%
Long term average compensation increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Benefit cost						
Discount rate	2.57%	2.57%	2.57%	2.96%	2.96%	2.96%
Long term average compensation increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Alberta Inflation rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Estimated average remaining service life	5	7.8	10.4	11	9	11

June 30, 2015 (thousands of dollars)

As there are no assets set aside to fund these liabilities, the 2015 discount rate used for the accrued benefit obligation and benefit cost is the borrowing rate calculated by Alberta Capital Finance Authority as of June 15, 2015 (2014: June 15, 2013).

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

Multi-Employer Pension Plans

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for all employees of the University and is accounted for on a defined contribution basis. At December 31, 2014, the LAPP reported an actuarial deficit of \$2,454,636 (2013 - \$4,861,516 deficit). An actuarial valuation of the LAPP was carried out as at December 31, 2013 and the results were then extrapolated to December 31, 2014. The pension expense recorded in these financial statements is \$12,802 (2014 - \$12,336). Other than the requirement to make additional contributions, the University does not bear any risk related to the LAPP deficit.

NOTE 8 DEBT

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

			Α	amount ou	standing		
	Maturity Date	Interest rate	2015			2014	
Debentures payable to Alberta Capital Finance Authority:							
Parkade	April 2025	6.25%	\$	3,729	\$	3,992	
Student residence	June 2030	5.85%		31,089		32,356	
West parkade	September 2030	4.39%		4,437		4,634	
Robbins Health Learning Centre parkade	September 2032	4.89%		1,465		1,517	
				40,720		42,499	
Obligations under capital leases				87		127	
			\$	40,807	\$	42,626	

Collateral provided is cash flows from parking and residence facilities.

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

	Principal		Interest		Total
2016	\$	1,923	\$	2,298	\$ 4,221
2017		2,028		2,188	4,216
2018		2,114		2,071	4,185
2019		2,228		1,949	4,177
2020		2,357		1,820	4,177
Thereafter		30,157		9,564	39,721
	\$	40,807	\$	19,890	\$ 60,697

June 30, 2015 (thousands of dollars)

Interest expense on debt is \$2,393 (2014 - \$2,481) and is included in the consolidated statement of operations.

NOTE 9 DEFERRED REVENUE

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

				2015			
			Restricted		_		
	Unspent deferred revenue		Unspent capital contributions	Expended deferred capital funding	and and and	ent tuition fees, sales of services products, d contract programs	Total
Balance, beginning of year	\$	21,045	\$ -	\$ 131,878	\$	10,154	\$ 163,077
Adjustments		(190)	60	-		-	(130)
Grants, donations and other revenue received		4,857	24,961	-		115,472	145,290
Restricted investment income (Note 14)		4,883	67	-		-	4,950
Unearned capital acquisition transfers		(994)	(24,838)	25,832		-	-
Recognized as revenue		(6,787)	-	(6,524)	((111,465)	(124,776)
Balance of expended deferred capital funding on assets held for sale (Note 6(b)(i))		-	6,747	(6,747)		-	-
Returned to granting agency		(16)	-	-		-	(16)
Transfer to endowment (Note 10)		(35)		-			(35)
Balance, end of year	\$	22,763	\$ 6,997	\$ 144,439	\$	14,161	\$188,360

	2014									
	Restricted									
		Unspent deferred revenue		Inspent capital butions		Expended deferred ll funding	and f of and j and	Student tuition and fees, sales of services and products, and contract programs		Total
Balance, beginning of year	\$	18,356	\$	-	\$	136,496	\$	6,254	\$	161,106
Grants, donations and other revenue received		7,276		-		-		111,569		118,845
Restricted investment income (Note 14)		10,245		-		-		-		10,245
Unearned capital acquisition transfers		(1,880)		-		1,880		-		-
Recognized as revenue		(12,650)		-		(6,498)	(2	107,669)		(126,817)
Transfer to endowment (Note 10)		(302)		-		-				(302)
Balance, end of year	\$	21,045	\$	-	\$	131,878	\$	10,154	\$	163,077

June 30, 2015 (thousands of dollars)

NOTE 10 ENDOWMENTS

	2015	2014
Balance, beginning of year	\$ 46,388	\$ 45,207
Endowment contributions	2,212	879
Transfer from Deferred revenue (Note 9)	35	302
	\$ 48,635	\$ 46,388

Endowments consist of externally restricted donations received by the University and internal allocations by the University's Board of Governors, the principal of which is required to be maintained intact 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 policy, stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

Under the *Post-secondary Learning Act*, the University has the authority to alter the terms and conditions of endowments to enable:

- 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, 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.

June 30, 2015 (thousands of dollars)

NOTE 11 ACCUMULATED OPERATING SURPLUS

The composition of accumulated operating surplus is as follows:

	surplus	nulated (deficit) from erations	Investment in tangible capital assets		Internally restricted surplus		Total accumulated operating surplus	
Accumulated operating surplus, June 30, 2013	\$	1,808	\$	104,727	\$	42,027	\$	148,562
Operating surplus		5,696		-		-		5,696
Amortization of internally funded tangible capital assets		9,524		(9,524)		-		-
Net book value of assets disposals		52		(52)		-		-
Debt repayment		(1,714)		1,714		-		-
Internally funded acquisition of tangible capital assets		(3,545)		10,369		(6,824)		-
Operating expenses funded from internally restricted surplus		1,946		-		(1,946)		-
NetBoardappropriationtointernallyrestrictedsurplus		(865)		-		865		-
Accumulated operating surplus, June 30, 2014		12,902		107,234		34,122		154,258
Operating surplus		9,057		-		-		9,057
Amortization of internally funded tangible capital assets		8,937		(8,937)		-		-
Net book value of assets disposals		1,206		(1,206)		-		-
Investment in tangible capital asset transferred to assets held for sale (Note 6(b)(i))		5,701		(5,701)		-		-
Debt repayment		(1,819)		1,819		-		-
Internally funded acquisition of tangible capital assets		(9,527)		14,565		(5,038)		-
Operating expenses funded from internally restricted surplus		1,489		-		(1,489)		-
NetBoardappropriationtointernallyrestrictedsurplus		(16,972)		-		16,972		-
Accumulated operating surplus, June 30, 2015	\$	10,974	\$	107,774	\$	44,567	\$	163,315

Investment in tangible capital assets represents the amount of the University's accumulated operating surplus that has been invested in the University's tangible capital assets.

Internally restricted surplus represents amounts set aside by the University's Board of Governors for specific purposes. These amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. Internally restricted surplus with significant balances include:

June 30, 2015 (thousands of dollars)

				Disburse	ement	s				
	Balance, beginning of year		0	perating expense			Appropriations from accumulated surplus from operations		Balance, end of year	
Campus development - Centre for Arts and Culture	\$	25,213	\$	(20)	\$	(2,182)	\$	15,701	\$	38,712
Capital renewal and replacement		2,130		-		(2,130)		-		-
ERP renewal and technology enhancement		1,254		(205)		(6)		-		1,043
Campus development		1,782		(192)		219		-		1,809
School of Continuing Education		1,500		(120)		(77)		-		1,303
Student activity support		670		(271)		-		-		399
Student technology reserve		853		(602)		(862)		1,271		660
Sustainability		440		(77)		-		-		363
Scholarships and bursaries		18		(2)		-		-		16
Music degree - renovations		262		-		-		-		262
	\$	34,122	\$	(1,489)	\$	(5,038)	\$	16,972	\$	44,567

NOTE 12 CONTINGENT LIABILITIES

As at June 30, 2015 the University was a defendant in two legal proceedings. Subsequent to June 30, 2015 one of the legal proceedings was discontinued. While the ultimate outcome and liability of the second proceeding 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 the claim does not meet the criteria for being recorded as a liability under Canadian public sector accounting standards.

The University has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the University may be required to take appropriate remediation procedures to remove the asbestos. As the University has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

June 30, 2015 (thousands of dollars)

NOTE 13 CONTRACTUAL OBLIGATIONS

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

	o	Service	syst	rmation ems and chnology	Capita	l projects	ong-term ng leases	Total
2016	\$	3,379	\$	1,418	\$	52,411	\$ 1,323	\$ 58,531
2017		1,561		1,388		50,453	876	54,278
2018		1,489		1,328		27,162	317	30,296
2019		1,082		1,328		-	45	2,455
2020		-		1,328		-	-	1,328
Thereafter				-		-		-
	\$	7,511	\$	6,790	\$	130,026	\$ 2,561	\$ 146,888

In 2013 the University started to negotiate an agreement with the City of Edmonton for the use of the Edmonton community rink which is part of the downtown arena project. The University is being asked to commit \$3,500 to the project. This expenditure will be recorded when there is sufficient information on the nature of the contractual relationship and timing of the payment.

NOTE 14 INVESTMENT INCOME

		2015	
	Realized	Unrealized	Total
Restricted funds - Endowments			
Investment earnings on cash, cash equivalents and portfolio investments held for endowments	\$ 3,408	\$ 1,445	\$ 4,853
Transferred to deferred revenue (Note 9)	(3,408)	(1,445)	(4,853)
Add deferred revenue recognized as investment income	2,523		2,523
$Restricted \ funds-Endowments, recognized \ as \ investmentin come$	2,523	-	2,523
Restricted funds - Other			
Investment earnings on cash, cash equivalents and portfolio investments held for other restricted purposes	97	-	97
Transferred to deferred revenue (Note 9)	(97)		(97)
$Restricted funds \hbox{-} Other, recognized as investment income$	-	-	-
Unrestricted funds			
Investment earnings on unrestricted cash, cash equivalents and portfolio investments	2,205	2,238	4,443
Transferred from (to) accumulated remeasurement gain and losses	87	(2,238)	(2,151)
Unrestricted funds recognized as investment income	2,292	-	2,292
Totalinvestmentincome	\$4,815	\$ -	\$ 4,815

June 30, 2015 (thousands of dollars)

		2014	
	Realized	Unrealized	Total
Restricted funds - Endowments			
Investment earnings on cash, cash equivalents and portfolio investments held for endowments	\$ 1,664	\$ 8,534	\$ 10,198
Transferred to deferred revenue (Note 9)	(1,664)	(8,534)	(10,198)
Add deferred revenue recognized as investment income	2,184	-	2,184
$Restricted funds \hbox{-} Endowments, recognized as investment income$	2,184	-	2,184
Restricted funds - Other			
Investment earnings on cash, cash equivalents and portfolio investments held for other restricted purposes	47	-	47
Transferred to deferred revenue (Note 9)	(47)	<u>-</u>	(47)
$Restricted funds \hbox{-} Other, recognized as investment income$	-	-	-
Unrestricted funds			
Investment earnings on unrestricted cash, cash equivalents and portfolio investments	1,662	4,934	6,596
Transferredfrom(to)accumulatedremeasurementgainandlosses	476	(4,934)	(4,458)
Unrestricted funds recognized as investment income	2,138	-	2,138
Totalinvestmentincome	\$ 4,322	\$ -	\$ 4,322

NOTE 15 EXPENSE BY OBJECT

The following is a summary of expense by object:

	Budget	2015	2014
Salaries (Note 16)	\$ 128,219	\$ 126,275	\$ 123,423
Materials, supplies and services	34,075	28,386	32,203
Employee benefits	23,863	25,470	24,266
Amortization of capital assets	14,950	15,433	16,019
Cost of goods sold	7,880	8,160	8,435
Maintenance and repairs	7,775	7,117	7,210
Utilities	5,291	5,223	5,557
Scholarships and bursaries	1,904	2,846	2,631
Interest on long term debt	2,344	2,393	2,481
	\$ 226,301	\$ 221,303	\$ 222,225

June 30, 2015 (thousands of dollars)

NOTE 16 SALARY AND EMPLOYEE BENEFITS

Under the authority of the *Fiscal Management Act*, the President of Treasury Board and Minister of Finance requires the disclosure of certain salary and employee benefits information.

	2015							
-	Base salary¹		Other cash benefits ²		Other non-cash benefits ³			Total
Governance ⁴								
Chair	\$	-	\$	-	\$	-	\$	-
Board Members		-		9		-		9
Executive								
President		314		11		85		410
Provost and Vice-President, Academic		256		13		64		333
Vice-President, Finance and Administration		248		13		68		329
Vice-President, Student Services ⁵		193		11		332		536
Vice-President, General Counsel and Compliance Officer		248		13		61		322
Vice-President Integrated Information and Communication Systems and Chief Information Officer ⁶		102		2		34		138

	2014						
	Base salary ¹			r cash nefits ²	Other non-cash benefits ³		Total
Governance ⁴							
Chair	\$	-	\$	-	\$	-	\$ -
Board Members		-		9		-	9
Executive							
President		314		11		72	397
Provost and Vice-President, Academic		248		11		62	321
Vice-President, Finance and Administration		248		11		59	318
Vice-President, Student Services		221		11		47	279
Vice-President General Counsel and Compliance Officer		242		11		53	306

¹ Base salary includes pensionable base pay.

² Other cash benefits include earnings such as vacation payouts, honoraria, car allowances and other lump sum payments.

June 30, 2015 (thousands of dollars)

- 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, supplementary retirement plans, approved leaves, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships, club memberships and tuition.
- ⁴ Academic staff, student and non-academic staff members appointed to the Board of Governors receive an honoraria of \$3 per year, prorated for their term on the Board during the year.
- ⁵ The position of Vice President Student Services was eliminated effective April 30, 2015. The incumbent was approved to receive a one year leave with pay which has been included in other non-cash benefits.
- ⁶ Effective December 28, 2014 the Board of Governors of Grant MacEwan University approved the change in the role and title for the University Chief Information Officer. This position is now designated Vice President Integrated Information and Communication Systems and Chief Information Officer.

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 the 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. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses and interest accruing on the actuarial liability.

The SERP current service cost and accrued obligation for each of the executives in the above table are outlined in the following table:

	Accrued Benefit Obligation, June 30, 2014		Service Cost Interest Cost			Actuarial Loss (Gain)		Accrued Benefit Obligation, June 30, 2015		
President	\$	147	\$	49	\$	6	\$	66	\$	268
Provost and Vice President, Academic		43		32		2		24		101
Vice President, Finance and Administration		227		27		8		76		338
Vice President, Student Services		151		21		5		83		260
Vice President, General Counsel and Compliance Officer		37		25		2		27		91
Vice President Integrated Information and Communication Systems and Chief Information Officer		-		16		-		(5)		11

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 7.

June 30, 2015 (thousands of dollars)

NOTE 17 RELATED PARTY TRANSACTIONS

a) Government of Alberta Transactions and Balances

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

	2015	2014
Grants from Government of Alberta	 	
Innovation and Advanced Education:		
Operating	\$ 105,419	\$ 104,266
Capital	20,000	-
Access to the Future Fund	4,645	-
Total Innovation and Advanced Education	 130,064	104,266
Other Government of Alberta departments and agencies	519	192
Total grants received	 130,583	104,458
Restricted expended capital recognized as revenue	6,165	6,151
Change in deferred revenue	(24,857)	3,531
	\$ 111,891	\$ 114,140
Accounts receivable		
Innovation and Advanced Education:	\$ 21	\$ 109
Other Government of Alberta departments and agencies	49	74
	\$ 70	\$ 183
Accounts payable		
Innovation and Advanced Education:	\$ 59	\$ 170
Other Government of Alberta departments and agencies	1,122	213
	 1,181	\$ 383

The University has liabilities with Alberta Capital Finance Authority as described in Note 8.

b) Other Business Transactions

In addition to the above, the University may conduct business transactions with related parties, including Ministries of the Province of Alberta, other Alberta post-secondary institutions, and parties related to certain members of the University's Board of Governors or Executives. The revenues and expenses incurred for these have been included in the consolidated statement of operations. These transactions were entered into on the same business terms as with non-related parties and are recorded at fair market value.

June 30, 2015 (thousands of dollars)

c) Future Accounting Changes

In March 2015 the Public Sector Accounting Board issued PS 2200 – Related party disclosures and PS 3420 – Inter-entity transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017. PS 2200 – Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. PS 3420 – Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the consolidated financial statements.

NOTE 18 BUDGET FIGURES

Budgeted figures have been provided for comparison purposes and have been included in the University's 2014/15 to 2016/17 Comprehensive Institutional Plan as approved by the Board of Governors.

The 2014/15 approved operating budget presented in the 2014/15 to 2016/17 Comprehensive Institutional Plan also included \$14,980 gain on disposal of the South Campus. As described in Note 6 to the consolidated financial statements, this property is expected to be sold in 2015/16, and accordingly the gain on disposal of the South Campus is not included in the budget figures.

NOTE 19 APPROVAL OF FINANCIAL STATEMENTS

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





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