

# Annual Report

2016/17





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## 1. Accountability Statement

MacEwan University's Annual Report for the year ended June 30, 2017 was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

A handwritten signature in black ink that reads "Ione Chalborn".

**Ione Chalborn**  
*Board Chair*

Approved by the Board of Governors on  
December 14, 2017

## 2. Management's Responsibility for Reporting

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

The Annual Report has been developed under the oversight of the institution audit committee, as well as approved by the Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-secondary Learning Act*.

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

A handwritten signature in black ink that reads "Deborah Saucier".

**Deborah Saucier, PhD**  
*President*

December 14, 2017





### 3. Message from the President

This Annual Report outlines MacEwan's activities and achievements in the period directly preceding my installation as president. The institution has made real progress on many fronts as is clearly illustrated within this document. As I am one of the newest members of our institution I will use this opportunity only to highlight a few of the key changes that I know will shape our institution in fundamental ways and then add some personal thoughts on opportunities for the future.

Last year was a time of intensive change for the university, with President Atkinson retiring and Ione Challborn joining us as the board chair in the spring. With the addition of eight public members, the Board of Governors has experienced tremendous renewal. These changes in the board provide a new opportunity to examine our practices and ensure that we employ the standards of good governance practice. I would take this time to thank President Atkinson and our previous board members for their service, particularly given how well the university has fulfilled many of the goals of the five-year strategic plan and in the strength of its financial position. These achievements will ensure that the university is well situated for the future.

I am thankful for the recent government decision to continue its support of mental health services at post-secondary institutions. The university submitted its plan aligned with the governmental guidelines and MacEwan appreciates government's support for funding that will support students and address their mental health needs. I also look forward to results of recent policy and funding model reviews and trust that these reviews will

advance the principles and goals established for the postsecondary system in Alberta and ensure that they continue to meet the needs of Alberta's adult learners.

Two immensely important capital achievements occurred in the last reporting year. The completion of Allard Hall is something that the university is immensely proud of. It's a place where our community can interact in a unique building, and it ensures an amazing learning experience for all of our students. The vision of the Students' Association of MacEwan University for a new building was realized with government approval for the university to borrow funds for the building. The building will be located in the heart of campus and provide much needed study and program space for students. These spaces will cement MacEwan's place in the heart of the city.

Moving forward, I believe that education fundamentally transforms lives and that universities transform communities, acting as agents of social change. But for MacEwan to transform the lives of our students and our community, we will need to have frank discussions about who has access to our university and what it really means to be an urban downtown university. Universities need to be a safe place for people to discuss all topics in a safe and respectful manner. This can only occur when universities are safe places for all people, regardless of their gender, sexuality, language of first learning, colour of skin, or religion. In 2017, universities need to make meaningful progress in answering the calls to action from the Truth and Reconciliation Commission. In efforts to foster an inclusive environment the university established the Office of Human Rights, Diversity and Equity. This is a good first step, but we can and will do more.

On a more personal level, during the first few months of my presidency, I have spent time learning the culture, checking my assumptions and listening to students, faculty and staff tell me what they love about MacEwan University and what they would be sad to lose if suddenly it was no longer a priority. So far, the overwhelming response has been how important it is to focus on students. It is something everyone here truly values. The university's enrolment last year saw continued growth and current indicators show more substantial growth to come. This suggests that our hearts are in the right place. However, despite dedication to our students, I have also heard concern about our continuing capacity to serve students and our ability to maintain the quality programs and services, given growth. We will be challenged in the years to come to balance the hallmark of student focus for which MacEwan is rightfully admired with the responsibility to provide opportunities to a diverse array of potential learners.

Fundamental to the university experience is developing our learners into citizen leaders; that our learners go out to further contribute to the community and thrive in the

workplace is a credit to us all. However, when they leave us, their educational journey is not yet complete. There is a need in our community for a variety of different postsecondary offerings and opportunities. The university continues to make progress on the integration of diplomas and degree pathways. As such, I am shaping my thoughts on lifelong learning perspectives and adapting them to MacEwan, to reaffirm our commitment to offering certificates, diplomas and degrees.

A critical component of a university education is research, scholarly and creative work. Our engagement in scholarly research and how we engage students in research remains a priority. Clear understanding of what research, scholarly and creative work are in an undergraduate setting will allow us to take full advantage of our research opportunities and continue to grow

them. This has also been a theme that has emerged in my discussions with faculty.

On a closing note, concurrent with learning more about the university and our culture, I plan to launch a process to develop a new strategic plan. Through my early discussions with faculty, staff and students, larger questions have emerged about university autonomy in the Alberta and Canadian context. Further work will have to ensure that the university embraces and engages in effective governance practices. These perspectives will take greater shape in the coming months in consultation with our board, our students, and units and departments of the university to better understand MacEwan's education ecosystem.

I look forward with great anticipation to what lies ahead.

A handwritten signature in black ink, appearing to read 'Deborah Saucier', with a stylized flourish at the end.

Deborah Saucier, PhD  
President





## 4. DISCLOSURE ACT

MacEwan University is committed to the highest standards of legal, fiscal, ethical and accountable conduct. The university provides a positive, supportive environment where employees can seek advice and make a disclosure of wrongdoing without fear of reprisal. With its stated commitments and values in mind, the university has developed a Public Interest Disclosure Framework. The Framework has been developed in compliance with the *Public Interest Disclosure (Whistleblower Protection) Act* (Alberta), and includes the university's Safe Disclosure Policy. As per the requirements of the Act, the university is required to report annually on any disclosures that occurred during the reporting year.

The following is a report on the disclosures that were received under the *Public Interest Disclosure (Whistleblower Protection) Act* for the fiscal year July 1, 2016 – June 30, 2017:

Disclosures Received	Disclosures Acted On	Disclosures Not Acted On
0	NA	NA
Investigations Commenced	Findings of Wrongdoing	Disclosures Closed
NA	NA	NA

This information is also posted on the MacEwan University's website under the Office of General Counsel, Safe Disclosure:

<http://www.macewan.ca/wcm/ExecutiveandGovernance/OfficeofGeneralCounsel/index.htm>.

## 5. Operational Overview

### BOARD OF GOVERNORS

#### Chair

Ione Challborn, MED

#### President

Deborah Saucier, PhD

#### Public members

Cameron Barr, MD, CCFP  
 Sharon Budnarchuk, BA  
 Lisa Jane de Gara, BA, MPA  
 Meghan DeRoo McConnan, CPA, CA  
 Alexandra Fisher, BES, MSc  
 Beata Montgomery, MBA, CPA, CGA  
 Jasmine Nuthall, CPA, CFE  
 Judy Piercey, BA  
 Sarah Tokar, MBA, CPHR, RPR

#### Students' Association of MacEwan University member

Stephanie Nedoshytko, BA

#### MacEwan Staff Association member

Andy Rhoads

#### MacEwan University Faculty Association member

Aimee Skye, PhD

Over the last year, MacEwan University saw very positive results in achieving progress towards the outcomes identified in the 2016/17 – 2018/19 Comprehensive Institutional Plan (CIP) and priorities outlined in its integrated strategic plan. Moving into year four of five of the integrated strategic plan, the university is on target with completing the strategic objectives of the plan.

Last year's CIP noted several factors that would impact the university's success in meeting its priority goals and these factors are touched on in this section in conjunction with achievements in key strategic areas. This section will also reflect

### SENIOR MANAGEMENT

#### President

Deborah Saucier, PhD

#### Vice-Presidents

John Corlett, PhD  
 Provost and Vice-President Academic

Michelle Plouffe  
 General Counsel and Vice-President,  
 Governance, Diversity and Inclusion

John McGrath  
 Vice-President, Resources and People

#### Deans

Elsie Elford, LLB, MBA, Business  
 Allan Gilliland, PhD, Fine Arts and Communications  
 Fred McGinn, PhD, Health and Community Studies  
 Debbie McGugan, MLS, Library  
 Heather McRae, EdD, Continuing Education  
 Craig Monk, PhD, Arts and Science  
 Vince Salyers, EdD, Nursing

on the progress of additional strategic and operational priorities that are not covered elsewhere in this report.

### FINANCIAL STABILITY

The university remains in a relatively stable financial situation, in large part attributed to the Government of Alberta's commitment to predictable funding for post-secondary institutions. Contributing to this stability is the successful negotiation of two-year collective agreements with both the faculty association and the staff association, in alignment with the

bargaining mandate provided by Government of Alberta and the mandate provided by the Board of Governors.

The university submitted a response to the tuition and mandatory fee review in the fall of 2017 and awaits with interest the new tuition fee policy. The freeze on mandatory non-instructional fees remains a challenge for areas such as sports and wellness, athletics, and in considering new or expanding services to students, including a new medical clinic.

As Advanced Education moves to the next phase of the funding model review, it should be noted that the university is ranked 20<sup>th</sup> when compared to other publicly funded post-secondary institutions with respect to Campus Alberta Grant per full load equivalent. It is also further noted that of the six institutions ranked lower than MacEwan, five are private Independent Academic Institutions who historically received funding for degree programs through the enrolment planning envelope at a lower rate than the public institutions. Inequities also exist when comparing MacEwan to the other BASI sector university. Although this reflects the ability of the university to manage extremely efficiently within the resources provided, under the current model, there is limited opportunity for future growth without significantly impacting the quality of learning experience for our students.

In all, MacEwan's fiscal situation has been hampered by several concurrent realities.

- The tuition freeze and the accompanying freeze on mandatory fees has created significant difficulties in providing support for increased services.
- Grant support per FLE that is among the lowest in the province, and the lowest of all Alberta public universities.
- The lowest tuition among Alberta universities.

MacEwan's ability to provide quality programming and student access is severely compromised by these realities.

## PROGRAM CREATION AND ALIGNMENT

MacEwan University reemphasizes its support for the delivery of quality certificate and diploma

programs, and made progress, over the last year, on the implementation of the undergraduate degree framework as one of the most significant goals in the five-year integrated strategic plan. Advanced Education's support for the university's goal of providing flexible learner pathways, diploma laddering and exit options, and the pursuit of double majors is important. The university continues to look for support from Advanced Education in the implementation of these models to create the best opportunities for students and their future success. Strategic Goals 1 and 2 discuss results achieved in more depth with respect to the university's academic model.

## CAPACITY AND ENROLMENT GROWTH

The university's enrolment remains stable and applications remain high. The university's strong enrolment numbers are a key measure of its value and visibility and confirm that the university is truly an institution of choice and is well recognized in the province. A space-needs assessment was launched over the last academic year and will inform a renewed Campus Master Plan. Teaching and learning space at the university is at capacity and any future growth must be considered in this context. Space pressures, including the library, the need for consolidated space for the School of Business, and lab space in faculties such as Arts and Science, are major considerations.

As discussed in the results in the Strategic Goal section, MacEwan University has developed tools that will assist in providing direction for more strategic enrolment planning and management. Without additional resources, both operating and capital, the university cannot grow further and needs to manage enrolment more carefully.

In considering future growth the university also remains challenged with its ratio of full-time faculty to sessional instructors. The university is making some progress in increasing the number of full-time faculty with the approval of funding for an additional 14 new full-time faculty positions for 2017/18. The ratio, as well as the teaching loads for some sessional faculty needs further consideration.

## GOVERNANCE

While specific results achieved are noted in Strategic Goal 7 with respect to progress made in the implementation of the university's academic governance model, there were some key changes that impacted the university with respect to governance. The university experienced a significant turnover in public membership of the Board of Governors. In April of 2017, MacEwan welcomed a new Board Chair, Ione Challborn, Executive Director of the Canadian Mental Health Association, to the university. Eight additional new public members of the board were confirmed over the course of the academic year.

Through this reporting period, the Government of Alberta introduced new legislation in relation to labour relations and public agencies, boards and commissions. At the same time, the government launched phase three of a review of agencies, boards and commissions which includes public post-secondary institutions. The review is considering executive compensation, conflict of interest, governance excellence, a review of roles and mandates and the six-sector model. It is anticipated that the outcomes of these reviews will have both governance and operational impacts on the university. The university has provided input to the reviews and looks forward to the outcomes. In particular, there is the hope that government will begin to work with the BASI sector to implement a renewed governance model.

## CAPITAL PLANNING/CAMPUS CONSOLIDATION

With the completion of Allard Hall (formerly known as the Centre for Arts and Culture) in June 2017, the university has now successfully consolidated its programming downtown, further strengthening the vision of an urban downtown university and effectively bringing fine arts programming into the downtown core to complement the already well-established programs as well as the local arts community. First and foremost, the facility is a teaching and learning space and students will be able to access world-class facilities and experience the state of the art equipment. Faculty and students said farewell to the West Campus building in June, 2017 with mixed feelings of nostalgia and anticipation of a new home for the fine and performing arts programs.

The students' association, in partnership with the university, received approval to proceed with a new students' building. The building will be located in the heart of campus (109 Street and 104 Avenue) and provide much needed study and program space for students. Site preparation began in late May and June and it is anticipated the building will be completed by summer of 2019.

Through a partnership with the Edmonton Oilers organization, the university's hockey teams have taken up occupancy in the new Downtown Community Rink, further consolidating our activities in the downtown core.

## EMERGENCY RESPONSES

The university found itself dealing with two incidents which required a significant amount of effort and coordination of response. Both incidents were unique in nature and required an ability to triage and respond quickly. The incidents, the death of a MacEwan student Misha Bazelevskyy, who was killed in the Nice massacre during the summer, and a social media threat on campus later in the fall, required the deployment of components of the university's emergency procedures. In all cases, the university reviewed its responses to identify gaps in our ability to respond and to make improvements where needed.

## ORGANIZATIONAL DEVELOPMENTS

The following key appointments were made within the reporting period:

- Dr. Fred McGinn, Dean of Health and Community Studies, July 2016
- Dr. Vince Salyers, Dean of the Faculty of Nursing, August 2016
- Dr. Allan Gilliland, Dean of Faculty of Fine Arts and Communications, January 2017
- Terri Suntjens, Manager, kihêw waciston Indigenous Centre, May 2017
- Shelagh Hohm, Chief Information Officer, June 2017

In addition to these key appointments, a number of organizational changes occurred during this period.



- The creation of a new leadership position for student awards and financial aid, supported by a new management team to coordinate an integrated scholarships, awards and bursaries program. The university has made scholarships, awards, and bursaries a priority for its fundraising activities.
- The university renamed its Aboriginal Centre to kihêw waciston Indigenous Centre. This name means “eagle’s nest” and represents a place of safety and home. It reflects the strong mandate of the centre to support Indigenous students in their journeys.
- The MacEwan University Social Innovation Institute opened in May 2017 and will create community connections to promote partnerships in support of socially innovative projects. The institute will leverage our academic expertise and experience to support community-based activities, experiential and collaborative learning, and linkages between curriculum and societal needs. The institute will cultivate knowledge, skills and values that prepare faculty and students for civic participation and social innovation in ways that enhance healthy community development.
- In efforts to foster an inclusive environment, the university approved the formation of an Office of Human Rights, Diversity and Equity. The creation of a standalone office provides an explicit statement of MacEwan’s commitment to the promotion of human rights and equity and to the prevention of discrimination and harassment on its campus, while providing resources and support to all members of the university community as required. The university continues to engage with students, faculty, staff and other key stakeholders in building the vision and mandate for the Office of Human Rights, Diversity and Equity at MacEwan.
- The university continues to work with the Edmonton Oliver Primary Care Network and the University of Alberta’s Department of Family Medicine (DFM) to develop a new medical primary care clinic on campus. It is anticipated that the clinic will open in the next academic year and will offer expanded medical services for faculty and staff, including mental health supports and potentially provide some increased student learning experiences for the Faculty of Nursing and the Faculty of Health and Community Studies.
- A review of the university’s Capital Campaign was undertaken and an updated campaign plan was presented to the Board of Governors in February 2017. While the updated campaign continued to focus efforts on fundraising for the new fine arts building, efforts were also focused on scholarships, awards and bursaries and academic initiatives related to internationalization, Indigenous Education, and sustainability. Contributions to the campaign at the end of June 2017, including cash, pledges, and gifts in-kind, total over \$16.5 million towards an overall target of \$40 million.

## MACEWAN UNIVERSITY PILLARS

The MacEwan University pillars are at the core of what our institution is and how we will design our future. They were developed on the basis of extensive consultation and engagement of the entire university community, and represent both a commitment by all employees of MacEwan University and a guide for making critical decisions as we move forward.

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

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

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

**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.

**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.

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

**Student-Engaged Research.** We support and foster research and innovation that engages students, faculty and the community across all our programs.

**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

The following positioning statement summarizes the core commitments found in the university pillars and defines our distinctive brand profile, purpose and benefit as a university. This is essentially the brand “DNA” that determines how our brand looks, speaks and behaves.

*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.*

*Endorsed by Academic Governance Council, December 12, 2012  
Approved by the Board of Governors, February 28, 2013*

## 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 universities.
- Preparatory programming that prepares learners for success in further post-secondary studies.

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

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

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

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

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

*Approved by the Deputy Minister and Minister of Advanced Education and Technology,*

*August 18, 2010*

## CORE PROGRAMS

<b>Ministry Approved Programs</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Baccalaureate degrees	32	32	33
Applied degrees	2	2	2
Degree transfer programs	4	3	3
Career diplomas	34	32	32
Post-diploma certificates	7	7	7
Career certificates	10	9	9
Other credit programs/projects	5	5	5

## ENROLMENT, FACILITY AND STAFFING INFORMATION

<b>Enrolments and Applications</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Credit full-load equivalents (FLE)	12,287	12,581	12,623
Credit student headcount	19,606	19,292	19,101
International student full-load equivalents (FLE)	833	928	843
International student headcount	1,305	1,375	1,273
Program applications (total)	24,226	23,199	25,661
Unique applicants	21,612	20,861	20,865

<b>Facilities</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Total supported space (m <sup>2</sup> )	158,579	158,579	158,579
Student capacity (FLE)	11,553	11,553	11,553
% of capacity utilized	95.80%	98.31%	99.62%

<b>Staffing</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Academic/Instructional (FTE)	532	516	551
Non-Academic Support (FTE)	636	620	645
Administrative/Managerial (FTE)	223	221	224
Total Employees (FTE)	1,391	1,357	1,419
Total Employees (Headcount)	2,146	2,064	2,103
Student/Faculty ratio (FLE/FTE Fac.)	23.1	24.4	22.9







## 6. Goals, Priority Initiatives, Expected Outcomes and Performance Measures

The expected completion dates for all goals is June 30, 2019, in alignment with MacEwan University's *Integrated Strategic Plan*. Expected outcomes for each of these goals were identified for the fiscal year ending June 30, 2017. For each of the items that follow, the goals and the expected outcomes are from the 2016/17 CIP.

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**Goal #1:** *Undergraduate degrees will form the framework for the University's comprehensive range of credential and program offerings.*

**Expected Outcomes #1:** *New degree programs, all aligned to existing and continuing diploma programs, will be submitted for approval to government and subsequently to the Campus Alberta Quality Council. These include Bachelor of Design, Bachelor of Health Promotion, Bachelor of Justice Studies and Bachelor of Early Childhood Education proposals.*

*The program design stage will be completed for the Bachelor of Fine Arts.*

*New majors within existing degree programs will be submitted for approval including a Bachelor of Commerce - Legal Studies in Business major, a Bachelor of Science - Applied Statistics major and a Bachelor of Music - Recording and Production major.*

**Progress:** Significant progress was achieved for this goal as we continue to refine our thinking about how best to align student needs for integrated diploma/degree pathways. The three majors within existing degree programs were all submitted at year end were in varying stages of review. The Bachelor of Fine Arts has completed the design stage of the program and has a proposal nearing completion at the end of the current reporting period. In the case of the new degree proposals, the Bachelor of Design has been submitted and following system coordination was referred to Campus Alberta Quality Council for the next stage of review. After significant internal discussion in the Faculty of Health and Community Studies, development on the Bachelor of Health Promotion, Bachelor of Justice Studies and Bachelor of Early Childhood Education was put on hold to assess the logistics of offering these credentials in the way originally envisioned. In the reporting year 2016/17, the Faculty chose to engage in further analyses related to the Health Promotion and Justice Studies degrees, and completed the design stage for the Bachelor of Early Childhood Education.

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**Goal #2:** *The majority of diploma and certificate programs will be offered at the undergraduate university level to facilitate bridging to or from degree programs.*

**Expected Outcomes #2:** *Two years of study in a diploma program at MacEwan University will ladder to, or be integrated into, a four-year degree program.*

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**Goal #3:** *MacEwan University will provide a broad range of program offerings through its School of Continuing Education to ensure maximum program flexibility for students.*

**Expected Outcomes #3:** *Credentials offered by the School of Continuing Education will be available for pre-baccalaureate and post-baccalaureate audiences and provide highly specialized learning opportunities that are directly linked to business, industry, and career advancement.*

**Progress:** The School of Continuing Education now offers a Behavioral Interventions Certificate of Achievement in partnership with the department of Psychology in the Faculty of Arts and Science. This program is comprised of credit courses as well as skill development and experiential courses to meet the requirements outlined by the Behavior Analyst

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**Goal #4:** *MacEwan University will expand and enhance its international activities to bring the world to its campus and send its students and faculty to the world.*

**Expected Outcomes #4:** *Each undergraduate degree, diploma and certificate will participate in the university's internationalization efforts, both through international student recruitment to MacEwan University and Education Abroad activities to send students abroad. Also, research and service collaborations by faculty and students with international partners will continue to expand, modelled on current initiatives in Mexico, China, and India.*

**Progress:** International cohorts have been a successful model of recruitment for faculties and schools. Based on the success of the Post Basic Nursing cohort in the

**Progress:** Internal designation of course type at MacEwan determines whether courses are eligible to fulfill degree requirements. In 2016/17, the Faculty of Health and Community Studies courses were evaluated and re-designated to meet this eligibility requirement and these changes received approval by Academic Governance Council thus completing this goal for the Faculty. All courses in programs at MacEwan for which degree eligibility was being contemplated have now been reviewed and approved, thus also completing this goal at the institutional level.

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Certification Board for students interesting in becoming a Board Certified Assistant Behavioral Analyst. The program is supported by the Centre for Autism and school boards in Edmonton and St. Albert.

Three certificate programs have been developed for any international students presenting a bachelor's degree, a minimum requirement in English and relevant work experience. These programs provide an opportunity for talented international students to have a short-term post-secondary experience in Canada and gain knowledge of Canadian business practices.

The School of Continuing Education and Mount Royal University Continuing Education have jointly developed and implemented an online non-credit certificate in Social Innovation for early to mid-level professionals in partnership with the School of Business at MacEwan University and the Institute for Community Prosperity at Mount Royal University.

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Faculty of Nursing, the School of Business has a cohort of Insurance and Risk Management international students beginning in September 2017, and the Faculty of Health and Community Studies is exploring an international cohort for September 2018. MacEwan International continues to refine its recruitment model to ensure students have an academic background which will enable academic success.

MacEwan has experienced significant success in recruiting international cohorts for English as an Additional Language classes in the School of Continuing Education. This includes hosting five cohorts (approximately 150 learners) of Mexican students and teachers for one-month English programs through the Proyecto 10,000 program, the largest participation in this program among institutions in Canada. Additionally, MacEwan has signed a contract with a consortium of high schools in Jalisco State (Alberta's sister state in Mexico) and has hosted two cohorts of

high school students for a month of summer English learning.

Over the past two years, there has been an increase of 12.6% in inbound exchange students and an increase of 15.4% in outbound exchange students, as part of an increase in the number of opportunities for international exchanges and summer programs from 17 partners in 14 countries to 25 partners in 17 countries. MacEwan is participating in a national campaign Learning Beyond Borders spearheaded by the Canadian Bureau of International Education; the campaign's goals are to increase the number of Canadian students who participate in education abroad opportunities, and, to make education abroad an expected and integral part of education in Canada.

MacEwan International and the Centre for the Advancement of Faculty Excellence hosted MacEwan's

Year of Mexico. Programming during the academic year included educational and cultural activities, culminating in a faculty study tour to Mexico in May. Faculty had the opportunity to meet academic partners in several universities in Guadalajara and Guanajuato. Other notable faculty international activities include a successful application for a significant SSHRC award to conduct research in Peru, several internal research awards for a faculty member and students to travel to Ecuador, and a trip by members of MacEwan's new Social Innovation Hub to Mexico to establish links with MacEwan's university partner, Tec de Monterrey Ashoka Campus. Finally, MacEwan became members of Academics Without Borders and the United Nations Academic Impact in 2016/17. These memberships provide faculty with increased opportunities for international research and project.

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**Goal #5:** *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.*

**Expected Outcomes #5:** *The internal allocation of research funds will be maintained at current levels. MacEwan University will have a draft response to its first-ever NSERC audit that will reframe our support processes for faculty and student research.*

**Progress:** Students are central for our integrated knowledge model, and providing opportunities for them to engage in faculty-mentored research grew this year. More than 100 undergraduate students participated as research assistants facilitating experiences that

complement their programs of study and learning important and transferable skills.

Research opportunities continue to grow and the support for faculty and students is well funded internally. Our success rate for internal faculty and student research applications was close to 70% with over \$276,000 committed to dissemination and research projects. This is in the context of promoting

MacEwan's position as a teaching-focused institution, while ensuring excellence in research, scholarly and creative activity consistent with Canadian university standards and practice.

To help facilitate these research programs, new financial reporting processes have been initiated through the adoption of PeopleSoft Finance and Supply Change Management version 9.2 which will increase access and provide researchers with up to date status reports.

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**Goal #6:** MacEwan University will develop and implement a strategic and integrated approach to enrolment planning and management to enhance student access, engagement and success.

**Expected Outcomes #6:** New modeling strategies will be developed to allow for greater clarity with respect to first year admissions, transfer student admissions, laddering from diplomas to degrees, overall retention rates, and reframing indicators of student success.

**Progress:** The university completed the development of a strategic enrolment management tool to address the goal and to provide the means to meet the expected outcome. This tool is in testing and is expected to be implemented for full utilization for the upcoming academic year. The application of this new modelling strategy will provide the ability to more

accurately analyze the various factors that contribute to student success and retention. Concurrent with these developments, the university has been working through the academic governance structure to create an institutional perspective on student success, which will complement technical tools by providing clear direction for future decisions.

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**Goal #7:** MacEwan University will cultivate an academic governance model that strengthens collegial decision-making and provide clear lines of academic authority.

**Expected Outcomes #7:** The university will identify barriers to participation in academic governance and create a plan to minimize those barriers.

**Progress:** MacEwan has not only identified barriers, it has been able to implement several changes through academic governance model refinements to address these barriers to participation. The most recent refinements include the implementation of university-wide Academic Governance Council (AGC) committee elections, the addition of a supernumerary category to

committees' membership requirements, the establishment of standing linked schedules for select committees, and proportional representation of faculty on AGC. For example, the proportional membership of faculty on AGC will significantly shift faculty representation to the largest faculty, which has capacity and interest to meet this increased demand, thus easing the membership burden on smaller faculties and schools. These changes all contribute to the elimination of significant barriers to participation on AGC.

On a separate note, the provost and vice-president, academic and the secretary to AGC held a series of three meetings with faculty members across the university to discuss the cultivation of a culture of academic leadership. This helped identify some further barriers to be addressed in the coming years.

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**Goal #8:** MacEwan University will be a leader in sustainable operations and education for sustainability.

**Expected Outcomes #8:** The university will rewrite its sustainability master plan.

**Progress:** MacEwan completed this expected outcome. In February 2017, the Board of Governors approved the 2017-2021 Strategic Campus Sustainability Plan. In alignment with the Strategic Campus Sustainability Plan, MacEwan received the designation as a Fair Trade Certified Campus.

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**Goal #9:** *MacEwan University will be a vibrant presence and contributor to the vitality of Edmonton and other communities it serves.*

**Expected Outcomes #9:** *The university will establish a comprehensive program of Community Engagement that will inform how the institution interacts with the broader community. This program will include engagement 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.*

*Engagement with the Indigenous community will occur to begin the process of implementation of Truth and Reconciliation Recommendations.*

**Progress:** MacEwan has completed the development of a plan. Consultation on the framework with the External Relations Committee of the board has been completed, with next steps including consultation with Deans' Council and Academic Governance Council bodies.

It was determined that an advisory council with membership from the Indigenous community would be established to begin the process of implementation of the Truth and Reconciliation recommendations.

Due to multiple changes with internal leadership in this area, a call for membership for the advisory council was delayed as well as progress on strategies to support the calls for action. In particular, the university's selection of a new president who is Metis suggested a pause to allow for a review of related priorities and to ensure effective leadership was in place. With changes completed, significant progress is expected in the next academic year.

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**Goal #10:** *MacEwan University will be a preferred employer for both new and existing employees*

**Expected Outcomes #10:** *MacEwan will have completed internal consultations, including a survey of all employees, on benefits for faculty staff and administration and will have new benefit plan in place.*

**Progress:** The expected outcome was completed. A series of consultations and a survey of all employees were run between fall of 2015 and fall of 2016. The Joint Benefits Committee, which includes representation from both bargaining units as well as out-of-scope employees, arrived at a new benefit plan design in December 2016 which will be implemented throughout 2017 and become effective January of 2018.

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## Performance Measures

MacEwan identified the following performance measures in the 2016/17 to 2018/19 CIP. Achievements relative to the targets and a brief overview of context are provided for each measure.

### #1 UNIVERSITY ENROLMENT

**2016/17 TARGET: 12,300 FLE**

**ACHIEVEMENT: 12,623 FLE**

Source: Learner Enrolment Reporting System

Enrolment in the 2016/17 year exceeded the target by 323 FLE, or 2.6%, reflecting continued strong interest in programming at MacEwan. The strong enrolment numbers do place considerable strain on resources and MacEwan will need to make decisions on how much growth can be managed given the current space and support realities.

### #2 INTERNATIONAL STUDENT ENROLMENT

**2016/17 TARGET: 7.0% OF TOTAL ENROLMENT**

**ACHIEVEMENT: 6.7% OF TOTAL ENROLMENT**

Source: Learner Enrolment Reporting System

International enrolment did not meet the identified target. In part this is explained through recent changes in recruiting practices which have stressed closer attention to strength of preparation of prospective international students and more selectivity regarding agents abroad.

### #3 TOTAL \$ VALUE OF SCHOLARSHIPS

**2016/17 TARGET: INCREASE FROM 2015/2016 TOTAL**

**ACHIEVEMENT: \$3.55M**

Source: MacEwan University student awards data

The total \$ value of scholarships represents a 3% increase over the 2015/2016 total.

#### **#4 STUDENT SATISFACTION WITH OVERALL QUALITY**

**2016/17 TARGET: MAINTAIN CURRENT LEVEL OF STUDENT SATISFACTION**

**ACHIEVEMENT: 89.6% SATISFIED WITH OVERALL QUALITY**

Source: MacEwan University Baccalaureate and Satisfaction surveys

The current overall satisfaction achievement represents a significant drop from our traditional performance in this metric. Although MacEwan continues to have exceptional satisfaction levels and demonstrates that MacEwan is still perceived to be providing a quality learning experience that meets the expectations and needs of most students, the drop is of concern and currently under investigation.

#### **#5 PER CENT EXPENDITURE ON ADMINISTRATION**

**2016/17 TARGET: LESS THAN 11.0%**

**ACHIEVEMENT: 11.0%**

Source: Financial Information Reporting System

11% represents provincial best practice, and MacEwan essentially meets this target.

## **Access and Quality**

MacEwan initiated several changes in the reporting year to continue to balance our equal commitments to access and quality, including one new degree, three new majors, revisions to existing relationships between current degrees and diplomas, internal recognition of courses designated to count toward degree credit, and the introduction of options for all students in the Bachelor of Arts (BA) and the Bachelor of Science (BSc) to complete a double major within the current curriculum.

MacEwan submitted a new degree proposal for the Bachelor of Design and three new majors as noted in the discussion for Goal #1 above. These proposals, pending final Ministry and Campus Alberta Quality Council support, will provide a significant increase in options for current and future students at MacEwan, creating increased access to programming at MacEwan.

As noted in Goal #2, MacEwan has dramatically increased internal mobility within the Faculty of Health and Community Studies and will provide greater flexibility for current and future students to transfer diploma and certificate courses to MacEwan degrees. This decision is a recognition by the institution that all our credit offerings are delivered in a university setting and that there should be no artificial internal obstacles to the use of all applicable learning for our students and speaks to the institution's dedication to the quality of all of our credit programming.

Decisions were made on two submissions to the Ministry regarding load changes to existing degrees. The goal of these changes was to recognize the overlap of diploma and degree curricula offered in these areas in order to provide clear options for students. Effective July 1, 2017, changes to the music program were approved which align the diploma credential as the equivalent to the first two years of the degree. These changes eliminate issues

with internal transfer from one credential to another and are further evidence of MacEwan's commitment to effective, efficient, and seamless student pathways. The institution was disappointed with the lack of Ministry support for a similar proposal to align diploma and degree education in the Psychiatric Nursing program.

MacEwan has been able to provide additional opportunities to students via our honours programming in both the School of Business and the Faculty of Arts and Science. We have seen substantial increases in both the number of honour options available and the overall interest in these options by students at MacEwan.

The last programming change of note relates to the recognition in the Faculty of Arts and Science that within the existing requirements of both the BA and the BSc there was flexibility that would allow students, by carefully selecting electives, to complete all requirements of a second major. Students were advised of these options and there is significant interest expressed by the students to have their multidisciplinary educational needs and achievements formally recognized by the institution.

As a final note, we observe that students, in spite of the drop noted in performance measure #4, still perceive their experience at MacEwan as being extremely positive, and students clearly express their overall satisfaction with their education. This speaks highly of the perceived quality of the MacEwan educational experience as we continue to move in a forward-thinking way while maintaining the educational traditions upon which our university has evolved.



## A) ENROLMENT PLAN

The overall target for enrolment was exceeded by more than 300 FLE. The largest increases were in the BA, the BSc, and Open Studies; these increases were offset by a large decrease in the General Studies Diploma, but this decrease was anticipated as MacEwan has recognized issues with this credential and has encouraged students to enter directly into degree offerings. This partially explains the larger than expected drop in diploma FLEs, and the dramatic increase in the degree numbers. However, growth in the BSc is not due solely to this change, but is driven by increased demand from additional sources. The changes in growth within the BSc clearly demonstrate the strong reputation of this degree, but this

*\*The following tables show enrolments by Faculty and by program. In programs with majors, projected enrolment values have been rounded to the nearest*

growth is unsustainable given our current facilities.

One final note regarding enrolment variances. The reduction in Music diploma numbers was anticipated as new music students were all admitted into the degree, but the corresponding growth in the degree exceeded expectations showing significant overall growth in the music program. With state of the art new facilities opening in the coming academic year, and a potential new major slated for the degree, interest in the program is anticipated to increase and this growth is expected to continue.

*integer. Some of the totals in the first two columns, which are computed before rounding, may have rounding errors.*

	2015/16 Actual	2016/17 Projected	2016/17 Actual
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### UNIVERSITY/CREDENTIAL TYPE

Degree Total	7,269.30	6,922	7,824.070
Diploma Total	2,979.08	3,310	2,684.406
Certificate Total	334.27	318	353.906
Non-Credential Total	1,998.01	1,750	1,760.842
<b>Grand Total</b>	<b>12,580.67</b>	<b>12,300</b>	<b>12,623.224</b>

### FACULTY OF ARTS AND SCIENCE

#### *Degrees*

Bachelor of Arts	Anthropology	78.30	88	91.300
	Economics	48.07	44	57.600
	English	90.30	118	78.067
	History	42.03	54	58.000
	Philosophy	18.50	28	28.767
	Political Science	79.60	89	94.100
	Psychology (Arts)	240.74	249	213.600
	Sociology	235.50	223	285.767
	Undeclared	1,136.07	1,104	1,279.876
<b>Total</b>	<b>1,969.11</b>	<b>1,997</b>	<b>2,187.077</b>	

Bachelor of Science	Biological Sciences	400.20	316	354.467
	Computer Science	121.90	114	196.600
	Mathematical Sciences	11.80	13	22.600
	Mathematics	31.30	35	39.134
	Physical Sciences	77.30	81	109.933
	Psychology (Science)	123.10	91	118.500
	Undeclared	1,023.23	902	1,221.408
<b>Total</b>	<b>1,788.83</b>	<b>1,552</b>	<b>2,062.642</b>	

#### *Diplomas*

General Studies Diploma	222.81	412	80.203
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#### *Non-Credential*

Univ Transfer: BEng	193.15	178	178.267
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<b>Faculty Total</b>	<b>4,173.90</b>	<b>4,139</b>	<b>4,508.189</b>
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	2015/16 Actual	2016/17 Projected	2016/17 Actual
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## FACULTY OF FINE ARTS & COMMUNICATIONS

### ***Certificates***

Arts and Cultural Management	0.00	0	0.000
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### ***Degrees***

Bach of Applied Communications	1.10	0	0.000
Bachelor of Communication Studies			
Journalism	97.26	97	99.583
Professional Communication	255.24	248	232.189
<b>Total</b>	<b>352.50</b>	<b>345</b>	<b>331.772</b>

Bachelor of Music, Jazz & Contemporary Pop Music			
Composition	34.43	33	39.702
General	9.00	15	8.712
Performance	49.07	43	48.510
Undeclared	27.81	35	100.203
<b>Total</b>	<b>120.31</b>	<b>126</b>	<b>197.127</b>

### ***Diplomas***

Arts and Cultural Management	79.55	70	73.025
Design Studies	126.20	155	107.600
Fine Art	51.99	53	54.066
Music			
Composition	9.60	10	5.000
Comprehensive	48.34	59	5.971
Performance	22.80	19	13.550
Recording Arts	7.90	10	8.800
<b>Total</b>	<b>88.64</b>	<b>98</b>	<b>33.321</b>

Theatre Arts	42.49	50	47.351
Theatre Production	46.95	47	38.987

<b>Faculty Total</b>	<b>910.32</b>	<b>944</b>	<b>883.249</b>
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	2015/16 Actual	2016/17 Projected	2016/17 Actual
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## FACULTY OF HEALTH AND COMMUNITY STUDIES

### ***Certificates***

Emergency Communication & Response	28.80	23	29.600
Special Needs Educ Asst	74.04	82	80.065

### ***Degrees***

Bach Applied Human Service Admin	40.10	32	35.800
Bachelor of Child & Youth Care	186.94	171	189.409
Bachelor of Social Work		57	53.700

### ***Diplomas***

Acupuncture	84.70	81	83.315	
Correctional Services	110.12	108	103.307	
Disability St: Lead & Comm	17.23	10	0.715	
Early Learning & Child Care	112.84	121	111.945	
Hearing Aid Practitioner	100.80	114	114.503	
Massage Therapy	87.81	90	90.283	
Police & Investigations				
	Investigative Studies	109.60	112	106.112
	Police Studies	101.66	110	100.507
	<b>Total</b>	<b>211.26</b>	<b>222</b>	<b>206.619</b>

Social Work	172.94	170	165.224	
Therapist Assistant				
	Phys & Occup Therapist Asst	68.66	68	63.097
	Speech Language Pathologist Asst	48.42	58	57.928
	<b>Total</b>	<b>117.08</b>	<b>126</b>	<b>121.025</b>

### ***Non-Credential***

Univ Transfer: B. of Phy. Ed	55.56	51	59.100
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<b>Faculty Total</b>	<b>1,400.21</b>	<b>1,458</b>	<b>1,444.610</b>
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	2015/16 Actual	2016/17 Projected	2016/17 Actual
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## FACULTY OF NURSING

### *Certificates*

Disability Management	14.30	11	6.800
Occupational Health Nursing	27.50	27	22.503
Perioperative Nursing for RNs	46.64	37	43.403
Post-Basic Certificate			
Cardiac Nursing	3.13		
Wound Management	9.20		
<b>Total</b>	<b>12.33</b>	<b>11</b>	<b>10.296</b>

Post-Basic Nursing Practice			
Gerontology	2.43	0	40.407
Postgrad Nursing Practice	10.13	1	0.966
Hospice Palliative Care	1.33	7	
<b>Total</b>	<b>13.89</b>	<b>8</b>	<b>41.373</b>

### *Degrees*

Bachelor of Science in Nursing	911.82	881	916.386
Bachelor Psychiatric Nursing	9.63	8	15.424

### *Diplomas*

Psychiatric Nursing Diploma	182.87	183	181.254
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### *Non-Credential*

Nurse Credentialing	46.48	82	20.619
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<b>Faculty Total</b>	<b>1,265.45</b>	<b>1,248</b>	<b>1,258.058</b>
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## SCHOOL OF CONTINUING EDUCATION

### *Non-Credential*

Open Studies	1,134.88	736	906.986
English As A Second Language	173.38	207	166.351
Prep For University & College	394.56	496	429.519

<b>School Total</b>	<b>1,702.82</b>	<b>1,439</b>	<b>1,502.856</b>
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	2015/16 Actual	2016/17 Projected	2016/17 Actual
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## SCHOOL OF BUSINESS

### Certificates

Acct & Strategic Measurement	0.40	0	0.100
Business Management	0.00		
Office Assistant			
Legal	26.61	29	28.342
Administrative	28.75	30	29.083
Medical	61.02	58	62.341
<b>Total</b>	<b>116.38</b>	<b>117</b>	<b>119.766</b>

### Degrees

Bach of Applied Bus Admin - Acct	38.70	41	49.300
Bachelor of Commerce			
Accounting	550.50	482	566.800
Human Resources Mgmt	120.80	100	126.700
International Business Management	143.60	125	111.867
Marketing	196.70	201	187.300
Supply Chain Mgmt	177.83	155	164.800
Not Declared	132.00	117	133.200
Not Declared	528.83	532	495.100
<b>Total</b>	<b>1850.26</b>	<b>1712</b>	<b>1785.767</b>

### Diplomas

Acct & Strategic Measurement	265.30	280	265.333
Asia Pacific Management	33.31	48	44.374
Business Management			
Aviation Mgmt	0.10	0	
Business Mgmt	322.70	308	310.400
Insurance and Risk Mgmt	57.20	65	64.300
Professional Golf Mgmt	15.86	41	0.642
<b>Total</b>	<b>395.86</b>	<b>415</b>	<b>375.342</b>

Human Resources Management	166.40	179	151.600
Legal Assistant/Paralegal	94.17	97	76.900
Library & Info Technology	64.10	67	56.100
Public Relations	48.05	52	49.047
Travel	55.05	62	52.633
<b>School Total</b>	<b>3,127.96</b>	<b>3,070</b>	<b>3,026.262</b>

## B) RESEARCH, APPLIED RESEARCH AND SCHOLARLY ACTIVITIES

As outlined in the 2016/17-2018/19 CIP, MacEwan is currently developing research capacity, while maintaining its commitment to providing opportunity for students to participate in scholarly activity led by faculty. As noted in the CIP, we are still in a state of growing a research culture, one that is appropriate for a teaching-focused undergraduate university. Within this context, MacEwan has addressed its commitments to forming a grants adjudication committee responsible for allocating internal research grants and reframing the terms of reference and responsibilities of the Research Council. As part of this last initiative, the Research Council began a review of the strategic research directions of the university with a goal to create a new research plan for the institution.

Five goals frame the development of our research culture at MacEwan University comprised of: recognizing and promoting excellence in research and scholarship; providing guidance and opportunities for student research; promoting research-informed teaching; achieving excellence in community engaged scholarship;

## C) COMMUNITY

As noted in the outcomes of Goal 9 in relation to the strategic goals section, the university continues to focus on developing a program of community engagement to coordinate and focus more strategically on community partnerships. Of utmost importance to the university is the work with Indigenous community partners to implement calls to action. These efforts remain a priority.

As a downtown university, there are numerous community partnerships that contribute to the richness of our students' experiences in both academic and non-academic programming. Partnerships will continue with organizations such as the Edmonton Public Library, Hope Mission, Habitat for Humanity, Centre for Family Literacy, Edmonton Public and Catholic Schools, Boys and Girls Clubs.

A unique partnership with the Little Red River Cree Nation School Board was developed over the last year. The Faculty of Health and Community Studies delivered the first cohort of a Special Needs Educational Assistant program to teaching assistants for the Little Red River Cree Nation in High Level in northern Alberta. This distance delivery program was designed to engage working professionals who were participating in university education for the first time. A second cohort of 19 teaching assistants from the Little Red River Cree Nation School Board have registered for the upcoming Fall term.

Extensive partnerships exist with Edmonton cultural organizations to provide students with opportunities to work with non-profit organizations and at the same time building capacity in the sector. Benefits to students

and increasing opportunities for collaborative, multidisciplinary research.

In the reporting year there were over 150 distinct research and/or dissemination projects at MacEwan. As part of these activities, approximately 100 undergraduates are directly participating in faculty research, leading their own research projects, or disseminating their work at conferences.

It was a successful year with respect to new Tri-agency grant funds with two SSHRC Insight grants, one SSHRC Insight Development grant, one NSERC Engage grant, and two NSERC Discovery grant awarded to MacEwan faculty.

In addition to the external awards, our internally funded research grants for faculty were well subscribed with over 65 new projects supporting knowledge mobilization, research projects and Scholarship of Teaching and Learning initiatives. Several students were awarded grants to attend conferences and conduct their own independent research.

include 8-week internships, opportunities to work on projects with arts organizations, and opportunities to participate in completing audience surveys and marketing plans. Some examples of long-standing relationships in the community include volunteering with LitFest, an event that features non-fictional authors, and a collaborative partnership with CBC Edmonton that brings Canadian journalists to Edmonton to discuss critical topics such as fake news / post-truth or diversity and inclusion. There are several key relationships between the university's Indigenous Centre or MacEwan faculty with Indigenous groups. These groups include the Amiskwaciy Academy, Bigstone Nation, Saddle Lake Cree Nation, Rupertsland and the Bent Arrow Healing Society.

The university's roots in the community are further established through the School of Continuing Education's collaborations with organizations such as the Winspear Centre, the Alberta Legislature and Edmonton City hall by showcasing students through performances. Partnerships also exist with organizations such as the Edmonton Community Foundation and Edmonton the Kiwanis Musical Festival for promotion of student events and contributions to scholarships.

The university actively participated in supporting the City of Edmonton in their plans for building a sustainable and vibrant downtown, including supporting specific policy objectives such as a Healthy Community and Sense of Place, Educational and Institutional Activities, and developing the Arts and Culture in the downtown core. The university also continued to build on its relationship with the Edmonton Oilers

Entertainment Group. The university's men's and women's hockey teams started the 2016/17 season in their new home arena, the new Edmonton Downtown Community Rink which opened its doors in September of 2016. The university also signed a joint Memorandum of Understanding with the Edmonton Oilers and the Northern Alberta Institute of Technology to explore other opportunities of common interest.

Student Affairs continues to implement their five-year strategic plan with strategies to promote early interventions and support students' success in an undergraduate environment. Approximately 950 students registered with Services to Students with Disabilities (SSD) accessing resources including academic strategy instruction, print materials in alternate format (digital, Braille, enlargement), assistive technology (assessment, training, and technology set up), exam accommodations, signed language interpretation and individualized educational assistance. The primary medical conditions and disabilities, reported by students, included psychiatric diagnoses, ADHD and learning disabilities. The university also refined its processes to increase efficiency in facilitating almost 7,000 requests for exam accommodations.

## D) OTHER

MacEwan's progress on other strategic priorities has been substantial. These are outlined in the goals sections and we provide some additional notes.

1. The development of a Strategic Enrolment Management tool is anticipated to provide better decision making with regards to both overall planning and student success.
2. Building on the progress made on benefit revisions, the Joint Benefits Committee will ensure that benefits plans continue to evolve and respond to the changing needs of MacEwan employees. Decisions about benefits are made in support of the university's goal to be a preferred employer for both new and existing employees, recognizing that benefits are an investment in the health

Over 91% of students accessing walk-in service over the last year were full-time students. The most common concerns were feeling overwhelmed or "drowning", anxiety, depression, thinking of leaving school or self-harm. The university introduced an integrated case management approach that included social workers support. A three-year pilot for expanded professional services in mental health and wellness was successfully completed. This included the establishment of a multidisciplinary team – social workers, psychologists and nurses. Wait times were reduced from four to six weeks to one or two days to see a professional. Approximately 750 students were supported, with 650 new to counseling services and 242 with a formal mental health diagnosis. The university contributed to provincial metrics that would establish clear, consistent guidelines, fair and predictable mental health funding for post-secondary institutions.

In efforts to make MacEwan University a safer and healthier place, and to give students a greater ability to control the way they are identified, the university's web-based systems were changed to allow for use of a preferred name and to change gender markers on record to match that of their chosen identity.

and productivity of employees and play an important role in recruitment and retention.

3. We have seen progress as well on internationalization issues, including increased recruitment of cohorts for English as an Additional Language, increases in student exchanges and several developments designed to provide improved access and opportunities for faculty to engage in internationalization activities. Though we were short on our overall international student enrolment target, we expect changes in our recruitment model will result in better academic performance for those students that do come to MacEwan, resulting in increased retention and academic success for these students.



## 7. Financial and Budget Information

This information should be reviewed in conjunction with the June 30, 2017 MacEwan University audited consolidated financial statements and accompanying notes.

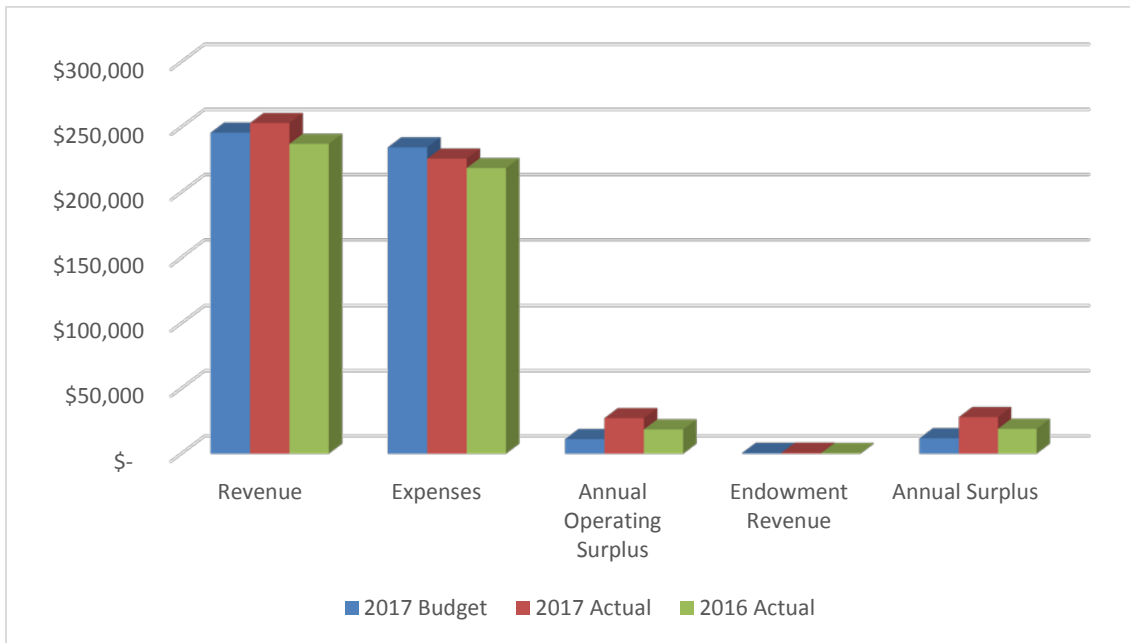
The audited consolidated financial statements are reviewed and approved by the Board of Governors of Grant MacEwan University on the recommendation of the Audit Committee of the Board of Governors. These consolidated financial statements are prepared in accordance with Canadian public sector accounting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

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

**A. OPERATIONAL HIGHLIGHTS**

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

	<b>2017 Budget</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
Revenue	\$ 245,725	\$ 253,076	\$ 237,128
Expenses	234,495	225,791	218,520
Annual Operating Surplus	11,230	27,285	18,608
Endowment Revenue	600	770	452
Annual Surplus	<u>\$ 11,830</u>	<u>\$ 28,055</u>	<u>\$ 19,060</u>

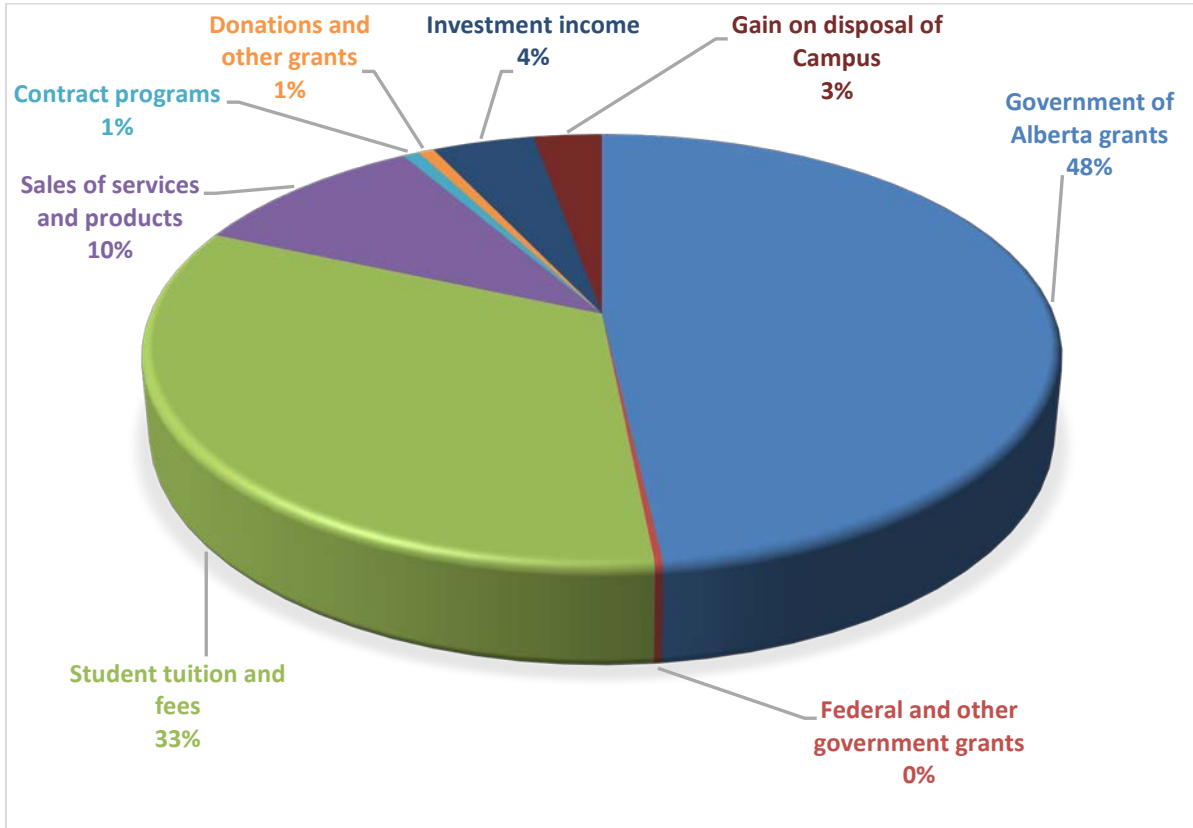


The university's annual surplus for the year was \$28,055 (2016: \$19,060) as a result of an annual operating surplus of \$27,285 (2016: \$18,608) and endowment revenue of \$770 (2016: \$452). The actual annual operating surplus of \$28,055 is a result of \$7,351 positive variance in operating revenues and a \$8,704 positive variance in operating expenses.

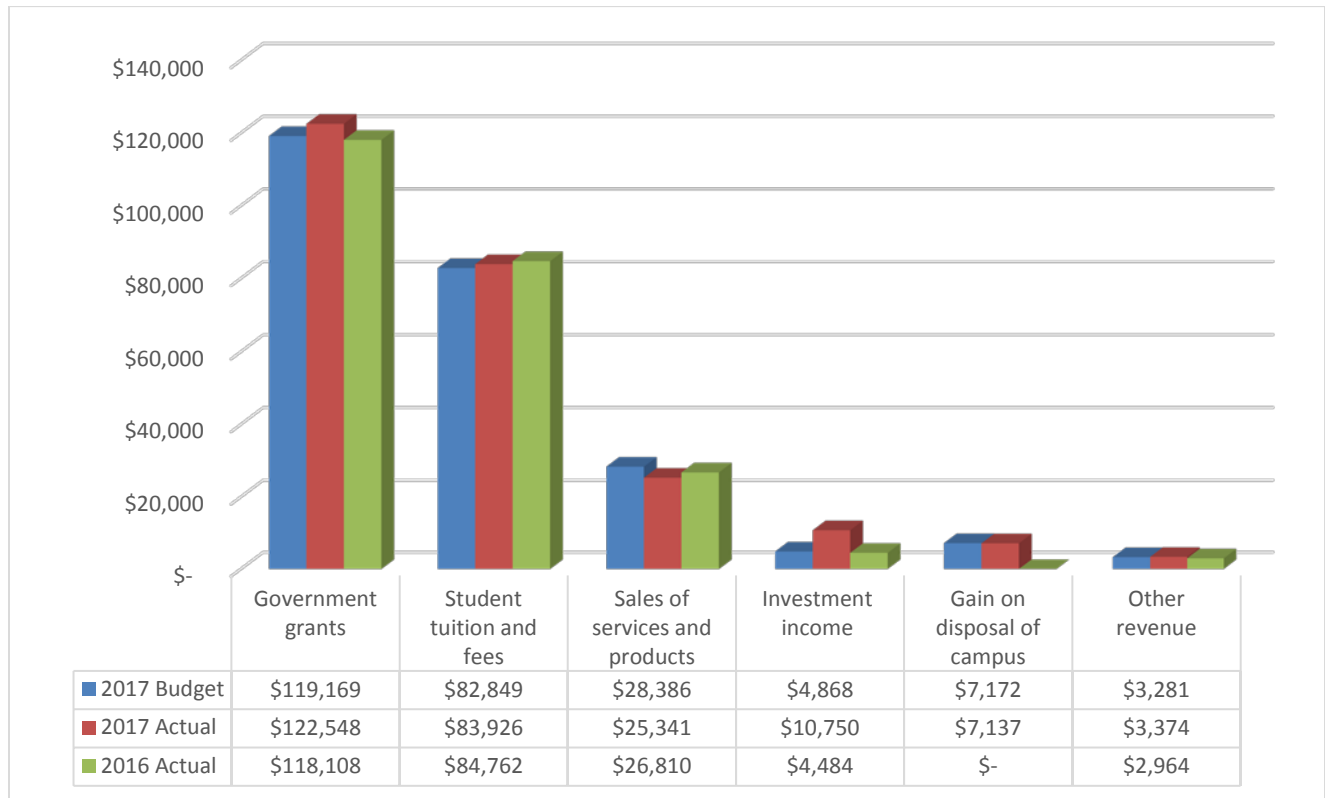


**a. Operating Revenues**

Total operating revenue for the university was \$253,076. Government of Alberta grants and student tuition and other fees make up 81% of the revenue for the university, with the 2016/17 breakdown by revenue source as follows:



The following shows the comparison of 2017 approved budget, 2017 actual, and 2016 actual revenue:



#### i. Government grants

Government grants includes Campus Alberta Grant (base operating grant) of \$111,421 (2016: \$108,510; 2017 Budget: \$110,551) received from the Government of Alberta. This grant increased 2% from 2016, with an additional increase of \$1,282 to offset the impact of the tuition freeze.

Government grants also includes Infrastructure Maintenance Program funding and other one-time and conditional grants which are recognized as revenue to offset expenditures which are funded from these grants. The amount recognized as revenue exceeded the budget and 2016 due an increase in the expenditures incurred.

#### ii. Student tuition and fees

Tuition fees remained at 2014/15 levels as directed by the Government of Alberta.

Enrolment for international students decreased from 928 Full Load Equivalent (FLE) in 2015/16 to 843 FLE in 2016/17, and overall enrolment increased from 12,581 full load equivalent (FLE) in 2015/16 to 12,623 FLE in 2016/17. This is greater than the 2016/17 plan of 12,300 FLE. The variance from prior year and from budget is mainly due to the change in enrolment and changes to the international English language testing program which resulted in these revenues being budgeted in 2016/17 as contract revenue rather than other student fees.

#### iii. Sales of services and products

Sales of services and products includes revenues from parking, bookstore, residence, sports and wellness centre membership and registration fees, and other revenue generated by the university.

Bookstore sales decreased from 2015/16, and was also less than the 2016/17 budget as student resources moves more to online materials and commission-based revenue for rentals rather than sales of hard-cover textbooks.

The parking revenue for 2016/17 was increased as a result of an increase in parking rates as well as additional revenue anticipated from the opening of Rogers Place in Edmonton. While this did result in an

increase in revenue from 2015/16, the university was unable to achieve the budget target due to other parking options available to Rogers Place customers.

The residence has experienced a decrease in occupancy levels as a result of other rental options available to students.

The university has been reviewing the trends in these sources of revenue, and taking the appropriate actions in the preparation of future budget or to increase the revenue.

**iv. Investment income**

Investment income consist of the realized interest, dividends and gains on the disposal of non-endowed investments as well as the amount of endowment investment income recognized as revenue based on scholarships and other awards which are funded from this source of income.

The increase in 2016/17 is due to the university's requirement to dispose of \$20,000 of the non-endowed investments to fund the university's additional commitment to the Centre for Arts and Culture project. As noted in the consolidated statement of remeasurement gains and losses the university, this resulted in \$5,294 of previously accumulated remeasurement gain being recognized as investment income during the year.

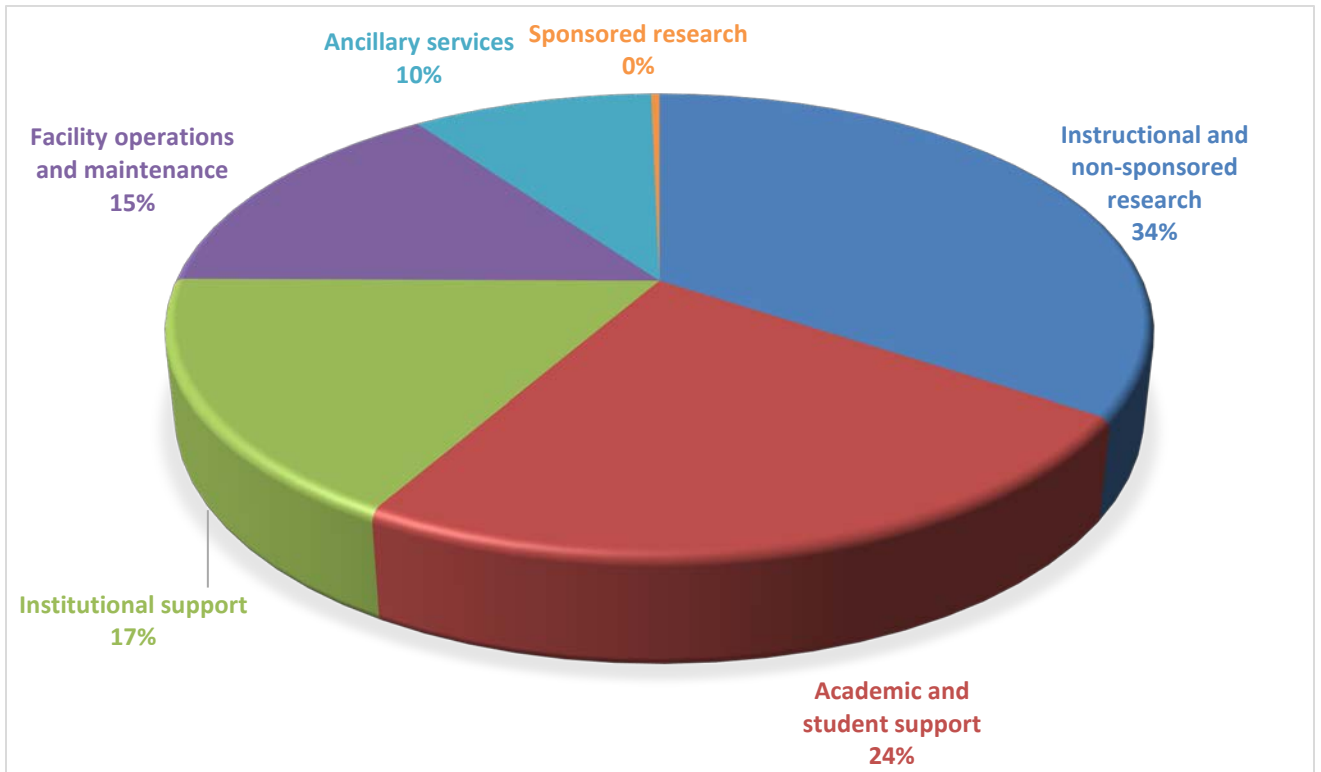
**v. Gain on disposal of campus**

During the year the university finalized the sale of the south campus, resulting in a one-time gain on the disposal of this campus. The Board of Governors had approved allocating the net proceeds from the sale of the south campus as part of the funding plan for the Centre for Arts and Culture project (Allard Hall).

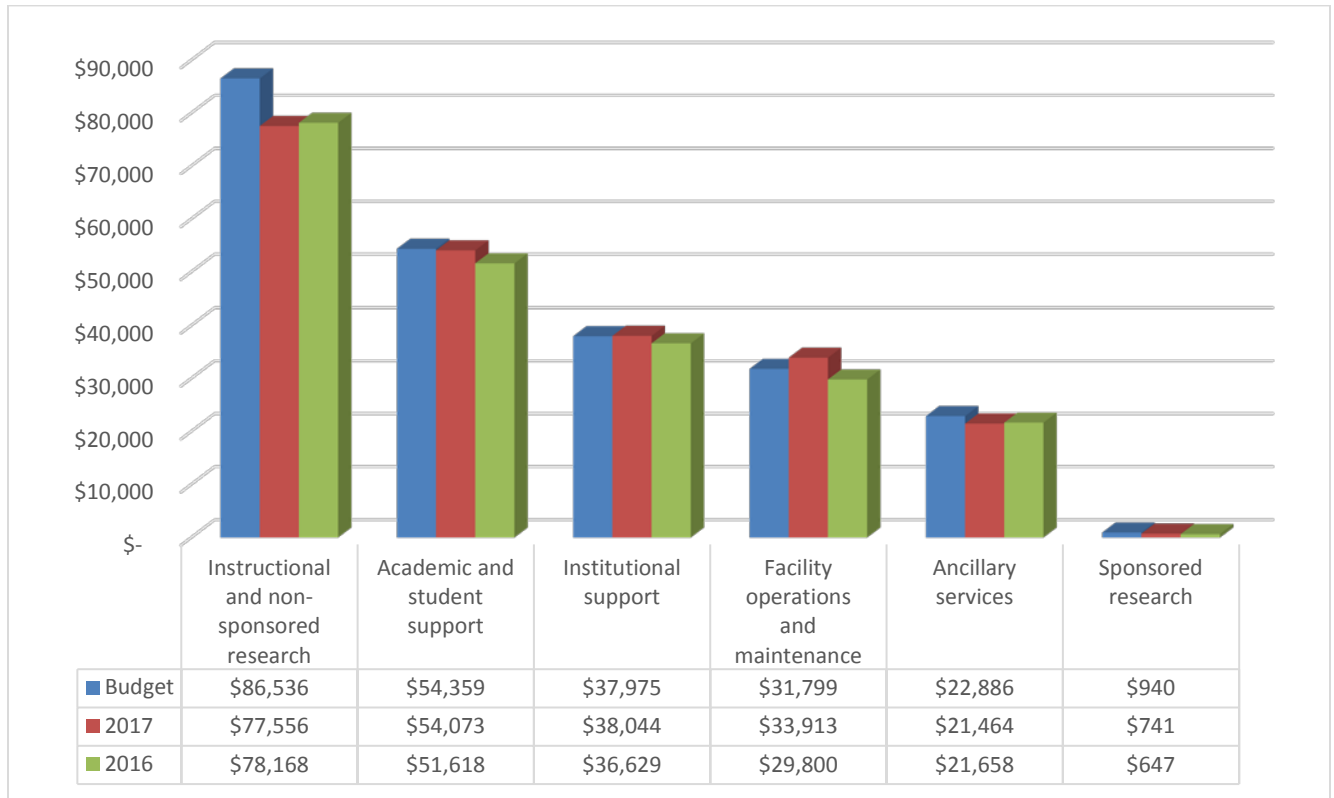
## b. Operating Expenses

### i. Expense by function

Under public sector accounting standards, the consolidated statement of operations presents expenses by the functions as defined in Note 2(l) to the consolidated financial statements, with the following breakdown of the 2016/17 expenses:



The following shows the comparison of 2017 approved budget, 2017 actual, and 2016 actual expenses by function.



### 1. Instructional and non-sponsored research

This function 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.

The \$8,980 variance from budget is mainly due to the change in vacation entitlement and liability for faculty, and vacant positions.

- During the year the university and the Grant MacEwan University Faculty Association agreed to faculty members being required to take their vacation in the year earned, with no carryover at year end or payout if the faculty member is no longer employed at the university. This resulted in a \$4,052 reduction in faculty vacation liability and a decrease in actual expenses for instructional services.
- The budget included a number of faculty positions which were vacant during the year. While the university hired additional sessional staff, there was a net savings of approximately \$3,150 in salaries and benefits.

Effective July 1, 2016 there was a 2.25% economic adjustment to the pay grids for the faculty association and the MacEwan Staff Association. While this increased the salary and benefit costs for a significant portion of the instructional and non-sponsored research function, this was offset by the decrease in vacation entitlement and liability for faculty members as mentioned above. The net result is a \$612 decrease in the actual costs compared to 2016.

### 2. Academic and Student Support

Academic and student services includes expenses directly supporting the academic functions of the university, including expenses of the library and academic deans' 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.

The variance from budget is not significant and the increase from 2016 is mainly due to the 2.25% economic adjustment to the pay grid and progression on the pay scale for faculty association and MacEwan Staff Association members. Salary for out-of-scope employees had no economic adjustment or progression on the pay scale during the year.

### **3. Institutional Support**

This functional expense category 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.

The variance from budget is not significant, and the increase from 2016 is mainly due to the 2.25% economic adjustment to the pay grid and progression on the pay scale for faculty association and MacEwan Staff Association members. Salary for out-of-scope employees had no economic adjustment or progression on the pay scale during the year.

### **4. Facility Operations and Maintenance**

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. It also includes amortization of building and equipment, except those expenses attributable to Ancillary Services.

The variance from budget and prior year is due to additional infrastructure maintenance expenditures funded from Government of Alberta grant, as well as other projects which were approved during the year.

### **5. Ancillary Services**

This functional expense category includes the bookstores, food services, residences and housing, parking services, and print services. Also includes amortization directly attributable to these Ancillary Services.

Ancillary Services actual is less than budget due to the changing nature of bookstore sales from printed books to online contents resulting in a reduction in cost of goods sold. In addition, as a result of the reduction in parking revenue the university did not proceed with parking maintenance projects, including the consulting services required for those projects.

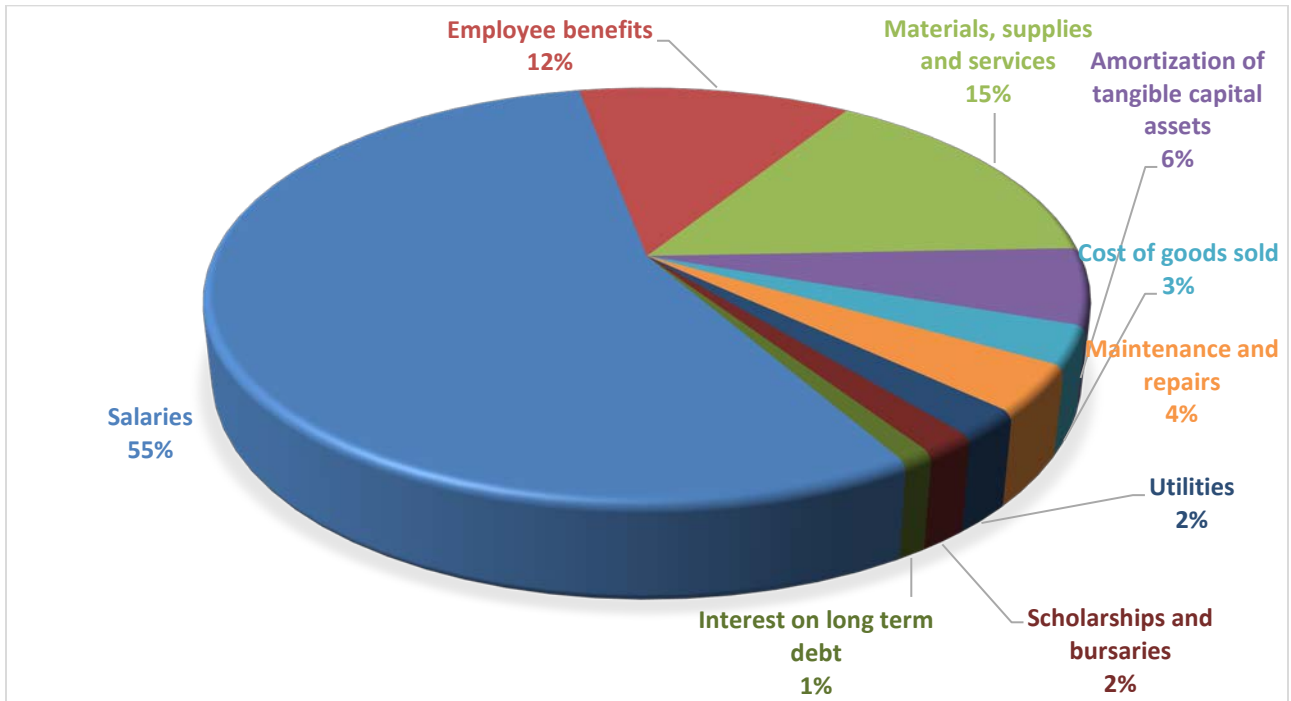
### **6. Sponsored Research**

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.

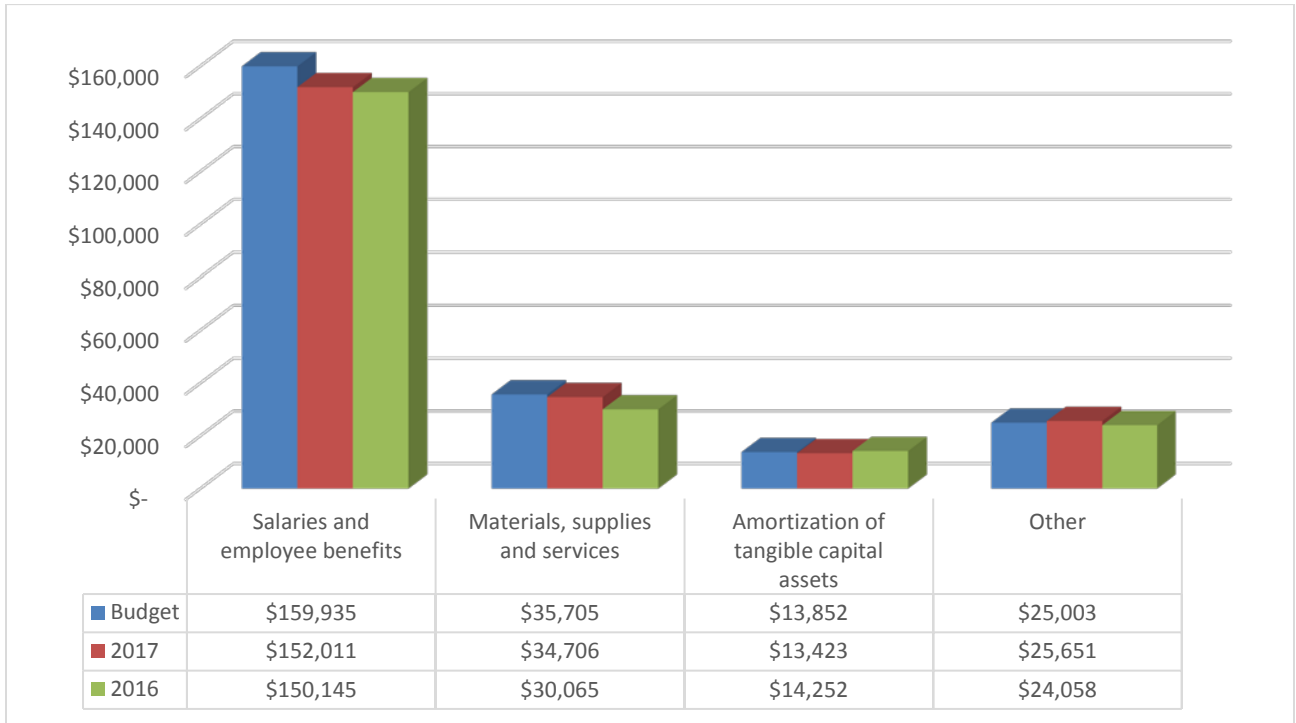
The variance from budget and 2016 are not significant.

**ii. Expense by object**

Note 16 to the consolidated financial statements presents the expenses by objects, with the following major categories of the \$225,791 expenses for the university: salaries and employee benefits (67%); materials, supplies and services (15%), and amortization of tangible capital assets (6%).



The following shows the comparison of 2017 approved budget, 2017 actual, and 2016 actual expenses:



**1. Salaries and employee benefits**

Salaries and employee benefits expense is less than the approved budget due to the reduction in faculty vacation entitlement and vacant faculty positions (see instructional and non-sponsored research above).

The increase from 2016 is mainly due to the 2.25% economic adjustment to the pay grid and progression on the pay scale for faculty association and MacEwan Staff Association members, offset by the reduction in faculty vacation entitlement and liability. Salary for out-of-scope employees had no economic adjustment or progression on the pay scale during the year.

**2. Materials, supplies and services**

The increase in materials, supplies and services costs from 2016 is mainly due to the additional one-time cost for furniture, fixtures and equipment required for the Centre for Arts and Culture project. This additional cost was included in the 2017 budget.

**3. Amortization of tangible capital assets**

The decrease from 2016 is due to certain software being fully amortized.

**4. Other**

Other expenses includes cost of goods sold; maintenance and repairs; utilities; scholarships, bursaries and awards; and interest on long-term debt. Actual cost for 2017 is higher than the budget due to expenditures funded from one-time revenue, such as infrastructure maintenance programs funding and the Indigenous Career Awards.

## B. Capital Plan - Acquisition of Tangible Capital Assets

	<u>2017</u>		<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Centre for Arts and Culture (Allard Hall)	\$ 59,271	\$ 40,959	\$ 85,057
Other tangible capital assets	6,641	8,137	3,072
Facilities and infrastructure maintenance projects	1,403	1,027	636
Students' Association of MacEwan University Building	4,427	882	-
Land acquisition	-	274	-
Surface parking lot completion	-	-	641
	<u>\$ 71,742</u>	<u>\$ 51,279</u>	<u>\$ 89,406</u>

During the year the university continued the construction of the Centre for Arts and Culture at the City Centre Campus with \$40,959 being spent on this project. This is less than the budget of \$59,271 due to 2016 actual cost being higher than the budget for that year. This project was completed on schedule and under budget.

Other tangible capital assets include capitalized equipment, and technology implementation and upgrades. The amount is greater than budget due to increased spending on library capital collections versus operating, higher than historical spending for information technology infrastructure including voice network, scholarship system and wireless upgrades, and capital spending on capitalized furniture and equipment for the Centre for Arts and Culture project (Allard Hall) which was not included in the construction budget.

The Students' Association of MacEwan University building project was delayed from the plan that was in place when the 2017 budget was prepared. This resulted in less being spent on the project during the year. This project is scheduled to be completed in the summer of 2019.

### C. Consolidated Statement of Cash Flows

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

Cash and cash equivalents decreased \$22,441 from the June 30, 2016 balance due to the following activities:

	<u>2017</u>	<u>2016</u>
Cash provided by operating transactions	\$ 24,006	\$ 22,585
Cash applied to capital transactions	(49,886)	(83,522)
Cash (applied to) provided by investing transactions	(29,730)	20,727
Cash provided by financing transactions	<u>33,169</u>	<u>53,773</u>
	<u>\$ (22,441)</u>	<u>\$ 13,563</u>

- a. Cash provided by operating transactions for the year ended June 30, 2017 is due to operating results.
- b. Cash applied to capital transactions is mainly due the construction of the Centre for Arts and Culture.
- c. Cash applied to investing transactions is due to the net purchase of short term investments.
- d. Cash provided by financing transactions is due to the following:

	<u>2017</u>	<u>2016</u>
Government of Alberta grant for the Centre for Arts and Culture	\$ -	\$ 10,000
Donations and other contributions designated for capital projects	256	697
Debt financing		
Centre for Arts and Culture construction financing	30,000	45,000
Surface parking lot	5,249	-
Debt repayment	<u>(2,336)</u>	<u>(1,924)</u>
	<u>\$ 33,169</u>	<u>\$ 53,773</u>

The cash and cash equivalents (maturity date less than 90 days) as at June 30, 2017 continues to be high due to operating working capital requirements, cash required to complete the construction of the Centre for Arts and Culture, furniture, fixtures and equipment which will be ordered and delivered within the next six months, and planning for the repayment of the \$75,000 construction financing in December 2017.

## 8. Internationalization

MacEwan does not have any new or ongoing international engagement activities that included international off-shore/cross-border initiatives that involved the delivery of Alberta credentials, activities involving development of collaborative, joint or dual credentials with non-Alberta based institutions.

## 9. Information Technology

2016/17 saw substantial development of MacEwan's information technology architecture which is comprised of applications, infrastructure, policy, controls and business processes. Like most universities, MacEwan IT must support a wide variety of business and academic requirements which results in a complex computing and network environment. The priorities for the year were focused on the continued development of online services for students, staff and faculty, the ongoing development of MacEwan's IT infrastructure to build computing and network capacity, and on enhancing the IT controls environment at the university.

Investment in Enterprise Resource Planning (ERP) applications continued with the completion of a development program made up of several distinct projects. To support academic services, several key projects were completed including a major upgrade to the student system, the implementation of an affiliations framework to enhance student system functionality and expand reporting capabilities, and new functions to support academic standing rules and enrolment verification.

A major upgrade to MacEwan's PeopleSoft finance and budgeting applications was completed in 2016/17. The upgrade ensured that the system's established capabilities and functionality were maintained, and introduced new functionality to reduce workarounds, manual work and paperwork. The upgrade also addressed compliance issues, and introduced automated workflow approval processes and self-service capabilities. New features introduced as part of the project included in-house cheque printing, the ability to bill MacEwan customers electronically, and significant improvements to the travel and expense processes. This project was delivered on time and on budget.

One of the most important development projects in 2016/17 was a new electronic CV (eCV) application for faculty. The eCV system was developed within the university ERP system to support faculty career initiatives. The system provides faculty with a repository for the storage and updating of academic career achievements, initiatives and information involving teaching, research and creative scholarly activities, and service. Faculty can now store all academic career information in one location, and generate an Annual Report or Curriculum Vitae from within the system. The eCV is linked to other applications, such as PeopleSoft ERP and the faculty evaluation system, to enable the seamless transfer of data between systems, and to reduce data entry.

In support of students, phase 1 of a project to improve the administration of scholarships, awards and bursaries (SABs) at the university was completed. New applications have been introduced that improve the way students access, identify, and apply for SABs, increase the overall numbers of awards given to students, and achieve related operational process efficiencies. A key objective of the project was to improve the way students can apply for SABs and streamline the processes behind disbursing funds, which will support the university in meeting its overall scholarships, awards and bursaries program objectives.

VDI is the practice of hosting a desktop operating system and application software, such as Windows, within a virtual machine running on a centralized server; this technology removes the requirement for individual computers to run copies of software. VDI technology was introduced to more classrooms, labs, and open computing environments in 2016/17, replacing approximately 400 traditional desktop computers in labs and open computing areas. Through the Identity

Management system, VDI access allows students to use selected course software remotely. In the past, this would have only been possible in a dedicated lab. Over the next year, this anywhere, anytime service will significantly expand access to technology for students.

Other IT initiatives for the year included the full migration of the university administrative email system to the Microsoft Cloud, the strengthening of redundancy in the MacEwan networks to support the opening of the new Allard Hall facility, the introduction of new tools for research, and numerous other smaller projects and implementations to support the development office, introduce new Constituent Relationship Management (CRM) functionality for student recruitment, and support new business requirements.

The development and enhancement of the IT control environment was a priority in 2016/17. The ongoing management of risk in this area is a priority for the university. Over the year, new controls were developed and introduced, and several audits and tests conducted by third-parties were completed which led to further control enhancements.

An information security awareness program was developed and delivered to educate and engage students, staff and faculty about the importance of digital security and privacy. The program was designed to help stakeholders recognize, report and protect themselves from online security threats both here at the university and in their personal lives. The greatest vulnerability to the security of networks and information is people—whether that's someone who doesn't know the importance of creating a strong password or who doesn't recognize the signs of a malicious email. The university will continue to develop training and support material in this area.

New IT controls were implemented over the year to manage risks around cloud computing. To manage the inherent risk of adopting a cloud-based IT service, the university's 'Manage Third Party Services' standard now requires that IT security review all relevant controls implemented by the organizations that are responsible for hosting and delivering the IT service to the university. MacEwan now requests audit reports, produced by an independent entity, of the IT controls implemented by these third-party organizations.

A comprehensive audit of IT controls was completed by a contracted third-party in 2016/17. The actions resulting from the audit focused on underlying architecture changes and on the high-risk recommendations. In response to the audit MacEwan:

- conducted a comprehensive IT security awareness campaign;
- reviewed and patched systems as required;
- increased vulnerability assessment scanning;
- retired many older, and therefore unpatched and potentially vulnerable systems;
- piloted a two-factor authentication;
- and conducted an external penetration test of the computing infrastructure at the university.

Finally, work continued in 2016/17 on the development of the ITM Control Framework, a group of policies and standards that form the control environment at MacEwan. Policies and standards were updated or revised to ensure that the university continues to give focused attention to all aspects of IT security.



## 10. Capital Plan

Type	Description	Status	Completion Date (from CIP)	Progress Made in Past 12 Months
<b>Priority</b>				
<b>New</b>	Allard Hall Project	In progress	Allard Hall met the requirements for Substantial Performance on June 27, 2017.	The building was completed and related FFE (furniture, fixtures and equipment) were installed. Building opening planned for fall classes on September 5, 2017.
<b>New</b>	Students' Association of MacEwan University (SAMU) Project	In progress	The SAMU Project is scheduled for completion in the summer of 2019.	Early, seasonal site preparation for remediation and excavation was completed.  The Board approved Design Development and authorized commencement of Construction Documents.
<b>New</b>	University Health Clinic	In progress	The University Health Clinic is tentatively scheduled for 1 <sup>st</sup> quarter 2018.	Over the 12 months, a Design Team has been assembled and a Construction Manager has been engaged. Design has been completed and site demolition is in progress.  Construction and Furniture Documents are complete and are at the tender stage.
<b>Expansion</b>	Allard Hall Shell Space Projects	In progress	The target completion date for the Shell Space Projects is August 17, 2018.	Received Executive and Board approval to proceed. Design team has been assembled and planning has commenced.
<b>Expansion</b>	Library Expansion	In progress	Contingent on available funding and space.	The Library space needs assessment has been completed.
<b>Preservation</b>	Replace Sport & Wellness Barrel Roof	In progress	Completion date is August 17, 2018.	Over the past 12 months, a condition assessment was completed along with a project plan and schedule.
<b>Other</b>				
<b>Preservation</b>	Site Remediation	In progress	Contingent on available funding and on legislative regulatory requirements.	Prepared an update to the Environmental Site Master Plan to identify land areas of non-compliance, areas requiring risk management and the related remediation cost estimates.

The following projects were not in the CIP, but have emerged as institutional priorities during the year. Completion dates for these will be determined by available funding.

Type	Description	Status	Completion Date (from CIP)	Progress Made in Past 12 Months
<b>Priority</b>				
<b>Expansion</b>	Animal Care Facility Expansion	In progress	This is an urgent priority project that is waiting for confirmed funding to proceed. The target completion is June 2019.	Space assessment and floor plan schematics, along with preliminary cost estimates, have been developed.
<b>Expansion</b>	Science Lab Space Expansion	In progress	(Also contingent on available space.)	A Science Lab space needs assessment has been completed.
<b>Preservation</b>	Sport & Wellness Pool Tile and Membrane	In progress	Completion date is August 17, 2018.	Over the past 12 months, a condition assessment was completed along with a project plan and schedule.
<b>Other</b>				
<b>Preservation</b>	Cooling Coil Replacement	In progress		A preliminary condition assessment has been completed.
<b>Preservation</b>	Outdoor Ramp Heating Replacement	In progress		A preliminary condition assessment has been completed.

**Appendix**

**Consolidated Financial Statements  
For the year ended June 30, 2017**

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**MacEwan University**  
**Consolidated Financial Statements**  
**For the year ended June 30, 2017**

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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.

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

On behalf of management,



**Deborah Saucier, PhD**

President



**Rick Ellis, CPA, CA, BComm**

Associate Vice President, Finance and  
Acting Chief Financial Officer

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, 2017, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian 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, 2017, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

October 26, 2017

Edmonton, Alberta

**MacEwan University**  
**Consolidated Statement of Financial Position**  
**As at June 30, 2017**  
**(thousands of dollars)**

	2017	2016
<b>FINANCIAL ASSETS, excluding portfolio investments restricted for endowments</b>		
Cash and cash equivalents (Note 3)	\$ 46,992	\$ 69,433
Portfolio investments - non-endowment (Note 4)	76,088	55,175
Accounts receivable	4,933	6,054
Loan receivable (Notes 5 and 20(a))	14,000	-
Inventories for resale	1,921	2,106
Assets held for sale (Note 7)	4,674	12,448
	<b>148,608</b>	<b>145,216</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	44,616	43,538
Investment liabilities (Note 4)	-	11,200
Employee future benefit liabilities (Note 8)	7,553	6,457
Debt (Note 9)	116,796	83,883
Deferred revenue (Note 10)	43,286	44,274
	<b>212,251</b>	<b>189,352</b>
<b>Net debt excluding portfolio investments restricted for endowments</b>	<b>(63,643)</b>	<b>(44,136)</b>
<b>Portfolio investments restricted for endowments (Note 4)</b>	<b>67,808</b>	<b>59,893</b>
<b>Net financial assets</b>	<b>4,165</b>	<b>15,757</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 11)	400,619	368,034
Prepaid expenses	9,247	5,479
	<b>409,866</b>	<b>373,513</b>
<b>Net assets before spent deferred capital contributions</b>	<b>414,031</b>	<b>389,270</b>
Spent deferred capital contributions (Note 12)	145,879	148,705
<b>Net assets</b>	<b>\$ 268,152</b>	<b>\$ 240,565</b>
Net assets is comprised of:		
Accumulated surplus (Note 13)	\$ 259,065	\$ 231,010
Accumulated remeasurement gains	9,087	9,555
	<b>\$ 268,152</b>	<b>\$ 240,565</b>

Financial Risk Management (Note 6), Contingent Liabilities (Note 14), Contractual Obligations (Note 15)

**Approved by the Board of Governors (Note 21):**

  
 \_\_\_\_\_  
**Chair, Board of Governors**

  
 \_\_\_\_\_  
**Chair, Audit Committee**

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



**MacEwan University**  
**Consolidated Statement of Operations**  
**Year ended June 30, 2017**  
**(thousands of dollars)**

	<u>Budget</u> (Note 19)	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>			
Government of Alberta grants (Note 18)	\$ 118,561	\$ <b>121,930</b>	\$ 117,598
Federal and other government grants	608	<b>618</b>	510
Student tuition and fees	82,849	<b>83,926</b>	84,762
Sales of services and products	28,386	<b>25,341</b>	26,810
Contract programs	2,025	<b>1,721</b>	1,479
Donations and other grants	1,256	<b>1,653</b>	1,485
Investment income	4,868	<b>10,750</b>	4,484
Gain on disposal of south campus	7,172	<b>7,137</b>	-
	<u>245,725</u>	<u><b>253,076</b></u>	<u>237,128</u>
<b>EXPENSES (Note 16)</b>			
Instructional and non-sponsored research	86,536	<b>77,556</b>	78,168
Academic and student support	54,359	<b>54,073</b>	51,618
Institutional support	37,975	<b>38,044</b>	36,629
Facility operations and maintenance	31,799	<b>33,913</b>	29,800
Ancillary services	22,886	<b>21,464</b>	21,658
Sponsored research	940	<b>741</b>	647
	<u>234,495</u>	<u><b>225,791</b></u>	<u>218,520</u>
<b>Annual operating surplus</b>	<b>11,230</b>	<b>27,285</b>	18,608
Endowment contributions	600	<b>770</b>	452
Annual surplus	11,830	28,055	19,060
Accumulated surplus, beginning of year	231,010	<b>231,010</b>	211,950
<b>Accumulated surplus, end of year (Note 13)</b>	<u>\$ 242,840</u>	<u><b>\$ 259,065</b></u>	<u>\$ 231,010</u>

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

**MacEwan University**  
**Consolidated Statement of Change in Net Financial Assets**  
**Year ended June 30, 2017**  
**(thousands of dollars)**

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	<b>Budget</b>	<b>2017</b>	<b>2016</b>
	<b>(Note 19)</b>		
Annual surplus	\$ 11,830	\$ <b>28,055</b>	\$ 19,060
Acquisition of tangible capital assets (Note 11)	(71,741)	<b>(51,279)</b>	(89,406)
Proceeds from sale of tangible capital assets	400	<b>78</b>	34
Amortization of tangible capital assets (Note 11)	13,852	<b>13,423</b>	14,252
Loss on disposal of tangible capital assets	(100)	<b>519</b>	106
Transfer to assets held for sale (Note 7)		<b>4,674</b>	-
Change in prepaid expenses		<b>(3,768)</b>	(10)
Change in spent deferred capital contributions		<b>(2,826)</b>	4,266
Change in remeasurement gains and losses		<b>(468)</b>	423
		<hr/>	<hr/>
Decrease in net financial assets		<b>(11,592)</b>	(51,275)
<b>Net financial assets, beginning of year</b>		<hr/> <b>15,757</b>	<hr/> 67,032
<b>Net financial assets, end of year</b>		<hr/> <b>\$ 4,165</b>	<hr/> <b>\$ 15,757</b>

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

**MacEwan University**  
**Consolidated Statement of Remeasurement Gains and Losses**  
**Year ended June 30, 2017**  
**(thousands of dollars)**

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	<u>2017</u>	<u>2016</u> (Note 22)
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 9,555</b>	<b>\$ 9,132</b>
Amounts reclassified to the consolidated statement of operations due to portfolio investments - non-endowments	<b>(5,294)</b>	<b>(3)</b>
Unrealized gains attributable to portfolio investments - non-endowments	<u><b>4,826</b></u>	<u>426</u>
<b>Accumulated remeasurement gains, end of year</b>	<u><b>\$ 9,087</b></u>	<u><b>\$ 9,555</b></u>

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

**MacEwan University**  
**Consolidated Statement of Cash Flows**  
**Year ended June 30, 2017**  
**(thousands of dollars)**

	<u>2017</u>	<u>2016</u> (Note 22)
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 28,055	\$ 19,060
Add (deduct) non-cash items:		
Amortization of tangible capital assets	13,423	14,252
Spent deferred capital contributions recognized as revenue	(6,172)	(6,296)
Loss on disposal of tangible capital assets	519	105
Gain on disposal of south campus	(7,137)	-
Change in employee future benefit liabilities	1,096	1,236
(Gain) loss on disposal of unrestricted portfolio investment	(5,176)	28
Decrease (increase) in:		
Accounts receivable	1,121	(1,876)
Inventories for resale	185	(188)
Prepaid expenses	(3,768)	(10)
Increase (decrease) in:		
Accounts payable and accrued liabilities relating to operating transactions	1,098	(3,767)
Deferred revenue	762	41
<b>Cash provided by operating transactions</b>	<u>24,006</u>	<u>22,585</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(51,279)	(89,406)
(Decrease) Increase in accounts payable and accrued liabilities relating to capital transactions	(20)	5,850
Proceeds on disposal of tangible capital assets	78	34
Proceeds received on disposal south campus	1,335	-
<b>Cash applied to capital transactions</b>	<u>(49,886)</u>	<u>(83,522)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments, net of change in investment liabilities	(62,445)	(19,082)
Proceeds on sale of portfolio investments	32,715	39,809
<b>Cash (applied to) provided by investing transactions</b>	<u>(29,730)</u>	<u>20,727</u>
<b>FINANCING TRANSACTIONS</b>		
Capital contributions	256	10,697
Debt repayment	(2,336)	(1,924)
Debt - new financing	35,249	45,000
<b>Cash provided by financing transactions</b>	<u>33,169</u>	<u>53,773</u>
<b>Change in cash and cash equivalents</b>	<u>(22,441)</u>	<u>13,563</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>69,433</u>	<u>55,870</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 46,992</u>	<u>\$ 69,433</u>
<b>Cash and cash equivalents comprise of:</b>		
Non-endowment	\$ 46,155	\$ 63,690
Endowment	837	5,743
	<u>\$ 46,992</u>	<u>\$ 69,433</u>

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

**MacEwan University**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2017**  
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**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 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. This exemption does not extend to the wholly-owned subsidiary, MacEwan Downtown Corporation.

**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) Valuation of Financial Assets and Liabilities**

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost or amortized cost
Portfolio investments	Fair value
Accounts receivable	Amortized cost
Loan receivable	Amortized cost less valuation allowance
Inventories for resale	Lower of cost or expected net realizable value
Assets held for sale	Lower of cost or expected net realizable value
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

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

**MacEwan University**  
**Notes to the Consolidated Financial Statements**  
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All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized 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 assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of 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.

**c) 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 recognized as deferred revenue.

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

Government transfers are referred to as government grants.

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

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

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

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

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

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

**iii. Endowment Donations**

Endowment donations are recognized as revenue in the consolidated statement of operations in the year in which they are received. Donors have placed restrictions on their donations. See also Note 2(m).

**iv. Investment Income**

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

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

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

**d) Loan Receivable**

Loan receivable is recognized at amortized cost less any amount for valuation allowance. Valuation allowances are made to reflect loan receivable at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowance are recognized in the consolidated statement of operations. Interest is accrued on the loan receivable to the extent it is deemed collectable.

**e) Inventories**

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

**f) Tangible Capital Assets**

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



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**Notes to the Consolidated Financial Statements**  
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Capital lease liabilities are recognized 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 9 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:

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

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

Tangible capital assets permanently removed from service and held for resale cease to be amortized and are recognized 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) Asset Retirement Obligations**

Asset retirement obligations are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

**h) Foreign Currency Translation**

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date.

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Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

**i) 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 provide pensions for the university's participating employees based on years of service and earnings.

The university does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the LAPP 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. Supplemental Retirement Plans**

The university maintains a supplemental pension plan for its senior executives based on the plan rules. The pension expense for this defined benefit supplemental retirement plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life. Actuarial valuations are obtained at least every three years, and the value of the supplemental 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.

**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.

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**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 recognized 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.

**j) Basis of Consolidation**

These consolidated financial statements includes the financial results of the Grant MacEwan University Foundation (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.

A government business enterprise owned by the university but not dependent on the university for continuing operations is included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are

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not adjusted to conform to those of the university. The university's investment in this entity is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. MacEwan Downtown Corporation, a wholly owned subsidiary of the university and trustee of The MacEwan University Land Trust, is accounted for by the modified equity method.

MacEwan Downtown Corporation and The MacEwan University Land Trust had less than \$1 in assets, liabilities or net assets at June 30, 2017, and no operations during the year. Accordingly, separate condensed financial information is not presented in these consolidated financial statements.

**k) Liability for Contaminated Sites**

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from an operation(s) that is no longer in productive use and is recognized when all of the following criteria are met:

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

The university has no liability for contaminated sites.

**l) 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.

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**iii. 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.

**iv. 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.

**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.

**m) Endowments**

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

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**Notes to the Consolidated Financial Statements**  
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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.

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

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

**o) Future Accounting Changes**

In March 2015, the Public Sector Accounting Board issued PS 2200 Related party disclosures and PS 3420 Inter-entity transactions. In June 2015, the Public Sector Accounting Board issued PS 3210 Assets, PS 3320 Contingent assets, PS 3380 Contractual rights, and PS 3430 Restructuring transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017, with the exception of PS 3430, which is effective for fiscal years starting on or after April 1, 2018.

- 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.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, Financial statement concepts, and establishes general disclosure standards for assets.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets.
- PS 3380 - Contractual rights defines and establishes disclosure standards on contractual rights.
- PS 3430 - Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

Management is currently assessing the impact of these new standards on the consolidated financial statements. The university discloses transactions and balances related to the Government of Alberta in Note 18.

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**Notes to the Consolidated Financial Statements**  
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**3) Cash and Cash Equivalents**

	<u>2017</u>	<u>2016</u>
Cash	\$ 46,992	\$ 69,433
Money market funds, short-term notes and treasury bills	-	-
	<u>\$ 46,992</u>	<u>\$ 69,433</u>

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

The university has \$837 (2016: \$5,743) cash and cash equivalents restricted for endowments.

**4) Portfolio Investments**

	<u>2017</u>	<u>2016</u>
Portfolio investments - non-endowment	\$ 76,088	\$ 55,175
Portfolio investments - restricted for endowments	<u>67,808</u>	<u>59,893</u>
	<u>\$ 143,896</u>	<u>\$ 115,068</u>

The 2016 amounts above and investment liabilities include \$9,000 (non-endowment) and \$2,200 (restricted for endowments) with a trade-date of June 29, 2016 and a settlement-date of July 5, 2016. There were no investment liabilities in 2017.

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



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	Level 1	Level 2	Level 3	Total
<b>2017</b>				
Portfolio investments at fair value				
Short-term GIC	\$ 35,000	\$ -	\$ -	\$ 35,000
Pooled Funds				
Canadian equities	-	24,109	-	24,109
Foreign equities	-	60,823	-	60,823
Canadian bonds	451	1,495	-	1,946
Foreign bonds	-	21,042	-	21,042
Cash surrender value of planned gifts (life insurance policies)	-	-	976	976
	<u>\$ 35,451</u>	<u>\$ 107,469</u>	<u>\$ 976</u>	<u>\$ 143,896</u>
<b>2016</b>				
Portfolio investments at fair value				
Pooled Funds				
Canadian equities	\$ -	\$ 26,653	\$ -	26,653
Foreign equities	-	65,520	-	65,520
Canadian bonds	1,480	12,730	-	14,210
Foreign bonds	-	7,650	-	7,650
Cash surrender value of planned gifts (life insurance policies)	-	-	936	936
Natural gas commodity investment	99	-	-	99
	<u>\$ 1,579</u>	<u>\$ 112,553</u>	<u>\$ 936</u>	<u>\$ 115,068</u>

The fair value measurements are those derived from:

- Level 1 – Quoted prices in active markets for identical assets;
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

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

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 936	\$ 907
Unrealized gains	<u>40</u>	<u>29</u>
Balance, end of year	<u>\$ 976</u>	<u>\$ 936</u>

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

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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.

**5) Loan Receivable**

In 2017 the university sold the south campus for \$20,000. The purchaser paid the university \$6,000 (\$4,250 prior to June 30, 2016, \$1,000 in August 2016, and \$750 in December 2016). The loan receivable is the balance owing to the university on this sale, and is due August 31, 2017. Interest of 5% is due monthly in arrears.

See Note 20 for more information on the purchaser default on the loan by not making the required \$14,000 payment on the due date.

**6) Financial Risk Management**

The university is exposed to the following risks:

**a) Market Price Risk**

The university is exposed to market price risk – the risk that the value of a financial instrument will fluctuate 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 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, 2017, the impact of a change in the rate of return on the investment portfolio is as follows:

- 1.00% change in short-term GIC's would have a \$350 increase or decrease (2016: 1.00% change would have a \$0 increase or decrease);
- 1.66% change in fixed income securities would have a \$382 increase or decrease (2016: 2.01% change would have a \$214 increase or decrease);
- 11.48% change in common stocks and equivalents would have a \$9,750 increase or decrease (2016: 11.89% change would have an \$10,959 increase or decrease).

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**b) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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**

Liquidity risk is the risk that the university will encounter difficulty in meeting obligations associated with its financial liabilities. 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. The university did not use this line of credit during the year.

**d) Credit Risk**

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honor its financial obligations with the university.

The university is exposed to credit risk on fixed income investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. For 2017 the fixed income investments consist of one investment with a AA credit rating, and pooled investment funds with a low credit risk. Credit rating breakdown is not available for the pooled investment funds. The 2016 credit rating on fixed income investments was as follows.

<b>Credit rating</b>	<b>2016</b>
AAA	14.52%
AA	59.45%
A	23.19%
BBB	2.84%
	<u>100.00%</u>

The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

The credit risk from loan receivable is low as the university has a mortgage registered against the property.

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**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 9).

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

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
<b>2017</b>				
Cash and cash equivalent	100%	0%	0%	0.78%
Portfolio investments, short term	100%	0%	0%	0.83%
Portfolio investments, fixed income	2%	98%	0%	1.66%
<b>2016</b>				
Cash and cash equivalent	100%	0%	0%	0.76%
Portfolio investments, short term	100%	0%	0%	0.00%
Portfolio investments, fixed income	5%	44%	51%	2.01%

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**7) Assets Held for Sale**

At June 30, 2017 the university has property which will be sold for \$36,000 in 2017/18, and has been recorded as assets held for sale on the consolidated statement of financial position. The purchaser has paid a \$5,000 (2016: \$5,000) deposit which is recognized as deferred revenue. Net proceeds on disposal has been designated to support the Centre for Arts and Culture project, Allard Hall. The following is recorded on the consolidated statement of financial position as at June 30, 2017:

Financial Assets	
Assets held for sale	\$ 4,674
Liabilities	
Deferred revenue	
Unspent deferred capital contributions	\$ 2,852
Net Assets	
Accumulated surplus	
Internally restricted accumulated surplus	
Campus development - Centre for Arts and Culture	\$ 1,822

At June 30, 2016 the assets held for sale represents another property which was sold for \$20,000 in 2016/17 (see Note 5). As at June 30, 2016 the purchaser paid a \$4,250 deposit which was recorded as deferred revenue, with an additional deposit of \$1,000 received on August 31, 2016. 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, 2016:

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

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**8) Employee Future Benefit Liabilities**

Employee future benefit liabilities are comprised of the following:

	2017	2016
Benefit liability for employees on short and long term disability	\$ 3,958	\$ 3,081
Supplemental Retirement Plan (SRP)	1,851	1,574
Accumulating non-vesting sick leave liability	1,078	1,163
Administrative leave	666	639
	\$ 7,553	\$ 6,457

**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, 2017. As at June 30, 2017 the university had 38 (2016: 38) employees on short or long term leave.

**ii) Supplemental Retirement Plans (SRP)**

The university provides non-contributory defined benefit supplemental retirement benefits to executives. An actuarial valuation of these benefits was carried out as at June 30, 2016 and extrapolated to June 30, 2017 by crediting interest, adding employer current service costs, subtracting benefit payments for the period and adjusting for changes in assumptions. The extrapolation does not reflect any experience gains or losses.

**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 April 30, 2016 and extrapolated to June 30, 2017. 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 recognized 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.

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**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:

	<b>Benefit liability for employees on short and long term disability</b>	<b>Supplemental Retirement Plan</b>	<b>Accumulated non-vesting sick leave benefit</b>	<b>Administrative leave</b>	<b>Other</b>
	<b>2017</b>				
<b>Expenses</b>					
Current service cost	\$ 1,171	\$ 189	\$ 33	\$ 202	\$ -
Interest cost	113	58	8	-	-
Amortization of actuarial losses (gains)	140	89	(82)	-	-
Plan amendments	-	-	(3)	-	-
<b>Total Expense</b>	<b>\$ 1,424</b>	<b>\$ 336</b>	<b>\$ (44)</b>	<b>\$ 202</b>	<b>\$ -</b>
<b>Financial Position</b>					
Accrued benefit obligation:					
Balance, beginning of year	\$ 3,921	\$ 2,304	\$ 341	\$ 639	\$ -
Current service cost	1,171	189	33	237	-
Benefit payment	(547)	(59)	(41)	(177)	-
Interest cost	113	58	8	-	-
Actuarial (gain) loss	(677)	(39)	(3)	-	-
Plan amendments	-	-	(3)	(33)	-
Balance, end of year	3,981	2,453	335	666	-
Unamortized net actuarial gain (loss)	(23)	(602)	743	-	-
<b>Accrued benefit liability</b>	<b>\$ 3,958</b>	<b>\$ 1,851</b>	<b>\$ 1,078</b>	<b>\$ 666</b>	<b>\$ -</b>
	<b>2016</b>				
<b>Expenses</b>					
Current service cost	\$ 1,127	\$ 200	\$ 298	\$ 505	\$ -
Interest cost	95	56	25	-	-
Amortization of actuarial losses (gains)	81	90	(34)	-	-
<b>Total Expense</b>	<b>\$ 1,303</b>	<b>\$ 346</b>	<b>\$ 289</b>	<b>\$ 505</b>	<b>\$ -</b>
<b>Financial Position</b>					
Accrued benefit obligation:					
Balance, beginning of year	\$ 2,820	\$ 1,985	\$ 782	\$ 356	\$ 231
Current service cost	1,127	200	298	505	-
Benefit payment	(472)	(48)	(234)	(222)	(231)
Interest cost	95	56	25	-	-
Actuarial (gain) loss	351	111	(530)	-	-
Balance, end of year	3,921	2,304	341	639	-
Unamortized net actuarial gain (loss)	(840)	(730)	822	-	-
<b>Accrued benefit liability</b>	<b>\$ 3,081</b>	<b>\$ 1,574</b>	<b>\$ 1,163</b>	<b>\$ 639</b>	<b>\$ -</b>

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

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

	2017			2016		
	Benefit liability for employees on short and long term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit	Benefit liability for employees on short and long term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit
Accrued benefit obligation						
Discount rate	2.45%	2.45%	2.45%	2.35%	2.35%	2.35%
Long term average compensation increase	3.00%	2.00%	3.00%	2.00%	2.00%	2.00%
Benefit cost						
Discount rate	2.45%	2.35%	2.45%	2.35%	2.35%	2.35%
Long term average compensation increase	3.00%	2.00%	3.00%	2.00%	2.00%	2.00%
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated average remaining service life	6.4	8.2	10.9	6	8.2	10.9

As there are no assets set aside to fund these liabilities, the 2017 discount rate used for the accrued benefit obligation and benefit cost is the 15 year borrowing rate calculated by Alberta Capital Finance Authority as of June 15, 2017 (2016: June 15, 2016).

**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, 2016, the LAPP reported an actuarial deficit of \$637,357 (2015: \$923,416 deficit). An actuarial valuation of the LAPP was carried out as at December 31, 2015 and was then extrapolated to December 31, 2016. The pension expense recognized in these financial statements is \$13,610 (2016: \$13,210). Other than the requirement to make additional contributions, the university does not bear any risk related to the LAPP deficit.



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**9) Debt**

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

	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Amount Outstanding</u>	
			<b>2017</b>	<b>2016</b>
<b>Debentures payable to Alberta Capital Finance Authority:</b>				
1. Parkade	April 2025	6.250%	\$ 3,152	\$ 3,449
2. Student residence	June 2030	5.850%	28,324	29,747
3. West parkade	September 2030	4.390%	4,019	4,233
4. Robbins Health Learning Centre parkade	September 2032	4.890%	1,353	1,410
5. Centre for Arts and Culture construction financing	December 2017	0.650%	75,000	45,000
6. Surface parking lots	September 2024	1.568%	4,940	-
			<b>116,788</b>	83,839
<b>Obligations under capital leases</b>			<b>8</b>	44
			<b>\$ 116,796</b>	<b>\$ 83,883</b>

Collateral:

- 1, 3 and 4 above – cash flows from parking;
- 2 – cash flows from the residence facilities;
- 5 – mortgage on property with a recorded net book value of \$360,245 at June 30, 2017 as follows:
  - Land \$ 46,168
  - Buildings (including work-in-progress) \$314,077
- 6 – general security agreement

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 77,739	\$ 2,390	\$ 80,129
2019	2,863	2,014	4,877
2020	3,003	1,875	4,878
2021	3,149	1,728	4,877
2022	3,304	1,573	4,877
Thereafter	26,738	6,374	33,112
	<u>\$ 116,796</u>	<u>\$ 15,954</u>	<u>\$ 132,750</u>

Interest on debt is \$2,646 (2016: \$2,298), of which \$2,239 (2016: \$2,285) is included in the consolidated statement of operations and \$407 (2016: \$13) is included in tangible capital assets on the consolidated statement of financial position.

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**10) Deferred Revenue**

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

	<b>2017</b>			
	<b>Restricted</b>			<b>Total</b>
	<b>Unspent deferred revenue</b>	<b>Unspent deferred capital contributions</b>	<b>Student tuition and fees, sales of services and products, and contract programs</b>	
Balance, beginning of year	\$ 21,256	\$ 7,391	\$ 15,627	\$ 44,274
Grants, donations and other revenue received	8,322	256	108,791	117,369
Restricted investment income - realized	2,849	-	-	2,849
Restricted investment income - unrealized gains	4,564	-	-	4,564
Transfers to spent deferred capital contributions	(648)	(5,550)	-	(6,198)
Recognized as revenue	(11,404)	-	(110,988)	(122,392)
Balance of spent deferred capital contributions on assets held for sale (Notes 7 and 12)	-	2,852	-	2,852
Returned to grantor	(32)	-	-	(32)
Balance, end of year	<u>\$ 24,907</u>	<u>\$ 4,949</u>	<u>\$ 13,430</u>	<u>\$ 43,286</u>
	<b>2016</b>			
	<b>Restricted</b>			
	<b>Unspent deferred revenue</b>	<b>Unspent deferred capital contributions</b>	<b>Student tuition and fees, sales of services and products, and contract programs</b>	<b>Total</b>
Balance, beginning of year	\$ 22,763	\$ 6,997	\$ 14,161	\$ 43,921
Grants, donations and other revenue received	5,400	10,697	114,516	130,613
Restricted investment income - realized	1,394	6	-	1,400
Restricted investment income - unrealized gains	136	-	-	136
Transfers to spent deferred capital contributions	(253)	(10,309)	-	(10,562)
Recognized as revenue	(8,184)	-	(113,050)	(121,234)
Balance, end of year	<u>\$ 21,256</u>	<u>\$ 7,391</u>	<u>\$ 15,627</u>	<u>\$ 44,274</u>

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**11) Tangible Capital Assets**

Tangible capital assets changes during the year:

	2017						
	Land	Buildings	Land improvements	Equipment <sup>(2)</sup>	Computer hardware and software	Other <sup>(3)</sup>	Total
<b>Cost<sup>(1)</sup></b>							
Beginning of year	\$ 51,917	\$ 405,230	\$ 6,542	\$ 26,191	\$ 37,323	\$ 17,715	\$ 544,918
Acquisitions	268	41,330	(36)	2,814	6,055	848	51,279
Less transfer to-assets held for sale	(782)	(21,409)	-	-	-	-	(22,191)
Disposals, including write-downs	-	(752)	-	(639)	(787)	(448)	(2,626)
	51,403	424,399	6,506	28,366	42,591	18,115	571,380
<b>Accumulated Amortization</b>							
Beginning of year	-	(116,081)	(1,157)	(16,154)	(31,385)	(12,107)	(176,884)
Amortization expense	-	(7,446)	(576)	(1,708)	(2,491)	(1,202)	(13,423)
Less transfer to assets held for sale	-	17,517	-	-	-	-	17,517
Effects on disposals, including write-downs	-	288	-	506	787	448	2,029
	-	(105,722)	(1,733)	(17,356)	(33,089)	(12,861)	(170,761)
<b>Net book value at June 30, 2017</b>	<b>\$ 51,403</b>	<b>\$ 318,677</b>	<b>\$ 4,773</b>	<b>\$ 11,010</b>	<b>\$ 9,502</b>	<b>\$ 5,254</b>	<b>\$ 400,619</b>
	2016						
	Land	Buildings	Land improvements	Equipment <sup>(2)</sup>	Computer hardware and software	Other <sup>(3)</sup>	Total
<b>Cost<sup>(1)</sup></b>							
Beginning of year	\$ 51,813	\$ 319,887	\$ 5,782	\$ 25,988	\$ 36,233	\$ 17,253	\$ 456,956
Acquisitions	104	85,343	760	720	1,534	945	89,406
Disposals, including write-downs	-	-	-	(517)	(444)	(483)	(1,444)
	51,917	405,230	6,542	26,191	37,323	17,715	544,918
<b>Accumulated Amortization</b>							
Beginning of year	-	(108,624)	(537)	(14,793)	(28,666)	(11,316)	(163,936)
Amortization expense	-	(7,457)	(620)	(1,738)	(3,163)	(1,274)	(14,252)
Effects on disposals, including write-downs	-	-	-	377	444	483	1,304
	-	(116,081)	(1,157)	(16,154)	(31,385)	(12,107)	(176,884)
<b>Net book value at June 30, 2016</b>	<b>\$ 51,917</b>	<b>\$ 289,149</b>	<b>\$ 5,385</b>	<b>\$ 10,037</b>	<b>\$ 5,938</b>	<b>\$ 5,608</b>	<b>\$ 368,034</b>

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- (1) Cost includes work-in-progress at June 30, 2017 totaling \$159,463 (2016: \$117,367) comprised of buildings \$157,489 (2016: \$116,930), equipment \$752 (2016: \$98), and computer hardware and software \$1,222 (2016: \$339).
- (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.

Additions to tangible capital assets includes capitalized interest of \$407 (2016: \$13).

**12) Spent Deferred Capital Contributions**

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

	<b>2017</b>	<b>2016</b>
Balance, beginning of year	<b>\$ 148,705</b>	\$ 144,439
Transfers from unspent deferred capital contributions	<b>5,550</b>	10,309
Transfers from unspent deferred revenue	<b>648</b>	253
Spent deferred capital contribution recognized as revenue	<b>(6,172)</b>	(6,296)
Balance of spent deferred capital contributions on assets held for sale (Notes 7 and 10)	<b>(2,852)</b>	-
	<b>\$ 145,879</b>	<b>\$ 148,705</b>

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**13) Accumulated Surplus**

	<b>Accumulated surplus (deficit) from operations</b>	<b>Investment in tangible capital assets</b>	<b>Internally restricted</b>	<b>Endowments</b>	<b>Total</b>
Accumulated surplus, June 30, 2016	\$ -	\$ 135,447	\$ 46,476	\$ 49,087	\$ 231,010
Annual operating surplus	27,285	-	-	-	27,285
Endowment contributions	-	-	-	770	770
Amortization of internally funded tangible capital assets	7,251	(7,251)	-	-	-
Net book value of assets disposals	597	(597)	-	-	-
Investment in tangible capital assets transferred to assets held for sale	1,822	(1,822)	-	-	-
Debt - new financing	35,249	(35,249)	-	-	-
Debt repayment	(2,336)	2,336	-	-	-
Internally funded acquisition of tangible capital assets	(41,203)	45,081	(3,878)	-	-
Operating expenses funded from internally restricted surplus	3,413	-	(3,413)	-	-
Net Board appropriation to internally restricted surplus	(32,078)	-	32,078	-	-
<b>Accumulated surplus, June 30, 2017</b>	<b>\$ -</b>	<b>\$ 137,945</b>	<b>\$ 71,263</b>	<b>\$ 49,857</b>	<b>\$ 259,065</b>
Accumulated surplus, June 30, 2015	\$ 10,974	\$ 107,774	\$ 44,567	\$ 48,635	\$ 211,950
Annual operating surplus	18,608	-	-	-	18,608
Endowment contributions	-	-	-	452	452
Amortization of internally funded tangible capital assets	7,956	(7,956)	-	-	-
Net book value of assets disposals	140	(140)	-	-	-
Debt - new financing	45,000	(45,000)	-	-	-
Debt repayment	(1,924)	1,924	-	-	-
Internally funded acquisition of tangible capital assets	(45,285)	78,845	(33,560)	-	-
Operating expenses funded from internally restricted surplus	2,129	-	(2,129)	-	-
Net Board appropriation to internally restricted surplus	(37,598)	-	37,598	-	-
<b>Accumulated surplus, June 30, 2016</b>	<b>\$ -</b>	<b>\$ 135,447</b>	<b>\$ 46,476</b>	<b>\$ 49,087</b>	<b>\$ 231,010</b>

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

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

	<b>Balance, beginning of year</b>	<b>Disbursements</b>		<b>Appropriations from accumulated surplus from operations</b>	<b>Balance, end of year</b>
		<b>Operating expense</b>	<b>Capitalized</b>		
Campus development - Centre for Arts and Culture	\$ 25,701	\$ (1,842)	\$ (2,536)	\$ 19,388	\$ 40,711
Campus development	17,908	(243)	-	10,893	28,558
School of Continuing Education	735	(39)	-	-	696
Student technology reserve	734	(973)	(1,137)	1,797	421
ERP renewal and technology enhancement	552	(43)	(205)	-	304
Sustainability	339	(96)	-	-	243
Music degree - renovations	262	-	-	-	262
Student activity support	230	(166)	-	-	64
Scholarships and bursaries	15	(11)	-	-	4
	<b>\$ 46,476</b>	<b>\$ (3,413)</b>	<b>\$ (3,878)</b>	<b>\$ 32,078</b>	<b>\$ 71,263</b>

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Endowment net assets are represented by the following financial assets and liabilities:

	<b>2017</b>	<b>2016</b>
Financial assets		
Cash and cash equivalents	\$ 837	\$ 5,743
Portfolio investments - endowment	67,808	59,893
Accounts receivable (accrued investment earnings)	11	18
Total financial assets	<b>68,656</b>	65,654
Less:		
Accounts payable and accrued liabilities	(15)	-
Investment liabilities	-	(2,200)
Deferred revenue - investment earnings available for distribution	(18,784)	(14,367)
	<b>\$ 49,857</b>	<b>\$ 49,087</b>

#### **14) Contingent Liabilities**

As at June 30, 2017 the university was a defendant in two legal proceedings (2016: one). While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the university believes that any settlement will not have a material adverse effect on the consolidated financial position or results of operations of the university. Management has concluded that one of the claims does meet the criteria for being recognized as a liability under Canadian public sector accounting standards, and the other claim does not meet the criteria for being recognized 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 recognized 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.

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**15) 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:

	<u>Service contracts</u>	<u>Information systems and technology</u>	<u>Capital projects</u>	<u>Long-term operating leases</u>	<u>Total</u>
2018	\$ 7,126	\$ 6,007	\$ 8,923	\$ 964	\$ 23,020
2019	4,649	4,890	1,462	393	11,394
2020	4,177	3,327	300	92	7,896
2021	2,328	1,595	-	-	3,923
2022	374	1,249	-	-	1,623
Thereafter	-	-	-	-	-
	<u>\$ 18,654</u>	<u>\$ 17,068</u>	<u>\$ 10,685</u>	<u>\$ 1,449</u>	<u>\$ 47,856</u>

**16) Expense by Object**

The following is a summary of expense by object:

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
Salaries	\$ 133,659	\$ 125,012	\$ 124,343
Materials, supplies and services	35,705	34,706	30,065
Employee benefits	26,276	26,999	25,802
Amortization of capital assets	13,852	13,423	14,252
Cost of goods sold	7,364	6,742	7,159
Maintenance and repairs	6,843	8,239	6,196
Utilities	5,218	4,750	4,967
Scholarships and bursaries	3,268	3,681	3,451
Interest on long term debt	2,310	2,239	2,285
	<u>\$ 234,495</u>	<u>\$ 225,791</u>	<u>\$ 218,520</u>

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**17) Salary and Employee Benefits**

	<b>2017</b>			<b>Total</b>
	<b>Base salary <sup>(1)</sup></b>	<b>Other cash benefits <sup>(2)</sup></b>	<b>Other non-cash benefits <sup>(3)</sup></b>	
<b>Governance <sup>(4)</sup></b>				
Chair	\$ -	\$ -	\$ -	\$ -
Board Members	-	6	-	6
<b>Executive</b>				
President <sup>(5)</sup>	321	10	71	402
Provost and Vice President, Academic	270	10	77	357
Vice President, Finance and Administration	254	10	81	345
Vice President, General Counsel & Compliance Officer	254	10	67	331
Vice President Integrated Information and Communication Systems <sup>(6)</sup>	215	-	54	269
<b>2016</b>				
	<b>Base salary <sup>(1)</sup></b>	<b>Other cash benefits <sup>(2)</sup></b>	<b>Other non-cash benefits <sup>(3)</sup></b>	<b>Total</b>
<b>Governance</b>				
Chair	\$ -	\$ -	\$ -	\$ -
Board Members <sup>(4)</sup>	-	10	-	10
<b>Executive</b>				
President <sup>(5)</sup>	321	13	380	714
Provost and Vice President, Academic	269	11	70	350
Vice President, Finance and Administration	254	33	77	364
Vice President, General Counsel & Compliance Officer	254	11	74	339
Vice President Integrated Information and Communication Systems & Chief Information Officer	215	23	48	286

(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. No bonuses were paid in 2017 or 2016.

(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, supplemental retirement plans, approved administrative 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. Public members appointed to the Board of Governors, including the Chair, do not receive an honoraria.

(5) The President's term concluded on June 30, 2017. During 2016, to assist with the President's transition to a full-time MacEwan University faculty member effective July 1, 2018, the Board approved a one-year administrative leave. The university recognized the estimated cost of this administrative leave, expected to be paid in 2018, as an other non-cash benefits expense during 2016 when the leave was approved. The estimated cost of this administrative leave was updated in 2017, resulting in a reduction of the liability.



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	Balance, June 30, 2016	Adjustment in 2017	Payments in 2017	Balance, June 30, 2017
Employee future benefit liabilities - Administrative leave				
President	\$ 285	\$ (33)	\$ -	\$ 252

- (6) Effective June 26, 2017 the position of Vice President Integrated Information and Communications Systems & Chief Information Officer was changed to Vice President Integrated Information and Communications Systems.

Under the terms of the Supplemental Retirement Plan (SRP), executive officers may receive supplemental retirement payments. Retirement arrangement costs as detailed below are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post-employment period. The SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method 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 SRP 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, 2016	Service Cost	Interest Cost	Actuarial Loss (Gain)	Accrued Benefit Obligation, June 30, 2017
President	\$ 338	\$ 62	\$ 10	\$ (5)	\$ 405
Provost and Vice President, Academic	151	42	5	(3)	195
Vice President, Finance and Administration	366	37	9	(10)	402
Vice President, General Counsel & Compliance Officer	100	28	3	(4)	127
Vice President Integrated Information and Communication Systems	31	21	1	(1)	52

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 8.

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**18) 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.

	<u>2017</u>	<u>2016</u>
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 114,281	\$ 111,307
Capital	-	10,000
Indigenous Careers Awards	<u>318</u>	<u>252</u>
Total Advanced Education	<u>114,599</u>	121,559
Other Government of Alberta departments and agencies	<u>397</u>	<u>53</u>
Total grants received	<u>114,996</u>	121,612
Restricted expended capital recognized as revenue	<u>5,795</u>	5,933
Change in deferred revenue	<u>1,139</u>	<u>(9,947)</u>
	<u><u>\$ 121,930</u></u>	<u><u>\$ 117,598</u></u>
Accounts receivable		
Advanced Education:		
Alberta post-secondary institutions	\$ 869	\$ 869
Other Government of Alberta departments and agencies	<u>44</u>	<u>9</u>
	<u>56</u>	<u>552</u>
	<u><u>\$ 969</u></u>	<u><u>\$ 1,430</u></u>
Accounts payable		
Advanced Education:		
Alberta post-secondary institutions	\$ -	\$ 40
Other Government of Alberta departments and agencies	<u>6</u>	<u>5</u>
	<u>1,220</u>	<u>1,130</u>
	<u><u>\$ 1,226</u></u>	<u><u>\$ 1,175</u></u>

The university has liabilities with Alberta Capital Finance Authority as described in Note 9.

**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 recognized at fair market value.

**MacEwan University**  
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**19) Budget Figures**

Budget figures have been provided for comparison purposes and have been derived from the university's 2016/17 to 2018/19 Comprehensive Institutional Plan as approved by the university's Board of Governors.

A budget was not prepared or approved for the consolidated statement of change in net financial assets. Amounts noted were derived from the approved 2016/17 to 2018/19 Comprehensive Institutional Plan.

**20) Subsequent events**

**a) Loan Receivable**

Subsequent to the year-end the purchaser defaulted on the loan by not making the required \$14,000 payment on the due date, August 31, 2017. As the security for this loan included a vendor take-back mortgage which is registered on the property, the university has not made any valuation allowance to the loan receivable and is considering the actions to be taken as a result of the default.

**b) Loan to MacEwan Downtown Corporation**

Subsequent to the year-end the university provided a loan of \$3,000 to the MacEwan Downtown Corporation, in its capacity as trustee for The MacEwan University Land Trust, for the purpose of carrying out the operations of The MacEwan University Land Trust. This loan will be recognized as an investment in a government business enterprise.

**c) Funds Transferred to Fraudulent Bank Account**

Subsequent to the year-end the university was a victim of a phishing attack resulting in \$11,882 funds being transferred to a fraudulent bank account. The university continues to work with the appropriate authorities to recover funds, and the amount that may be recovered is not yet determinable. This subsequent event has no impact on these consolidated financial statements.

**21) Approval of Financial Statements**

The consolidated financial statements were approved by the university's Board of Governors.

**22) Comparative Figures**

Certain comparative figures have been reclassified to conform to current year presentation.





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