



MacEwan
UNIVERSITY

Annual Report

2017/18



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1. Accountability Statement

MacEwan University's Annual Report for the year ended June 30, 2018 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.

Ione Challborn
Board Chair

The Annual Report was approved by the Board of Governors on December 13, 2018

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 consolidated 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.

This Annual Report has been developed under the oversight of the university's Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-secondary Learning Act*. The Board of Governors carries out its fiduciary responsibility for financial management of the university through its Audit and Finance Committees. The Audit Committee meets with management, internal audit and the external auditor to discuss the results of audit examinations and financial reporting matters. The internal and external auditors have full access to the Audit Committee, with and without the presence of management. The Auditor General of Alberta, the university's external auditor appointed under the *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. 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 Chief Financial Officer



3. Message from the President

As a new president, I spent the first part of the 2017/18 year listening closely to faculty, staff and students. They told me how committed and engaged the people are at MacEwan University. They showed me how people at MacEwan work as a team – as a community – to make every single thing about this university better. They encouraged me with their willingness to discuss and address the hard topics facing Canadians today. And they inspired me by embracing our institution's role as Edmonton's downtown university, and the commitment and responsibility that comes with it – to address issues of diversity, equity, inclusion and in meeting the Truth and Reconciliation Commission of Canada's (TRC) calls to action.

In having these conversations, I hoped that a foundation for MacEwan's future would emerge. It did. We identified three core values: curiosity, the courage to ask and address difficult questions; a willingness to embrace change; and optimism. A simple, but meaningful, mission also presented itself through those conversations: to teach, to learn, to serve. And a vision for the future became clear: to be a nationally recognized, inclusive hub of creative, scholarly and cultural activity in downtown Edmonton. Four strategic directions also became apparent. Our university will implement the calls to action of the TRC, emphasize the student experience, highlight our focus on being an inclusive institution, and acknowledge the role we can play as city builders.

I was very pleased when the Board of Governors endorsed the strategic plan framework in the spring. In collaboration with the university community, I will

continue to work on the next phase, which includes developing foundational plans during the next 12 months. At the centre of this, and of critical importance, will be creating a new academic plan that will provide focus to other important components of our work, namely research, scholarly activity and creative practice. Our new vision will require us to embrace and seek out the opportunities that come with being an urban downtown university. To realize this vision and develop our capacity and reputation as an inclusive community university, a new university relations portfolio was established. This new area is led by vice-president Myrna Khan, who we welcomed to the university on September 1, 2018.

The university remains in a stable position with steady enrolment and a sound financial plan. I am very grateful to the government for its continued investment, increases to the annual base operations grant, tuition backfill funding, and its financial support of on-campus mental health initiatives. We know that we cannot take this funding for granted, so we have initiated a budget-model review in an effort to find efficiencies and align budgets with strategic priorities – both the government's and the university's. I would also like to express my gratitude to the Minister of Advanced Education on the progress being made to move the university into Part 1 of the *Post-secondary Learning Act*. These changes will bring the university's governance model in line with other Canadian universities.

Our campus changed during the 2017/18 year. In September 2017, we opened Allard Hall, an incredible facility for our students, which includes Roundhouse, a unique co-working space that is also home to our Social Innovation Institute. The new MacEwan University Health Centre officially opened in September 2018, bringing a whole range of services to our students, faculty, staff and the greater community. We have made significant progress on the new Students' Association of MacEwan University building. And last, but not least, our physical plans for the future – a new 25-year Campus Master Plan – received approval from the Board of Governors after almost a year of consultation with our internal and external community members.

Academically, the university continues to develop certificates, diplomas and degrees that provide our students with access to the tools, skills and knowledge that they need to thrive and remain resilient members of our community. Over the past year, we received ministerial approval for a new degree in design studies, and approval to suspend our offerings in general studies. A pathway program for First Nations, Métis and Inuit students who require additional high school courses to enter their desired course of study at MacEwan is under development. It's one example of how the university can work to break down barriers for Indigenous students and

other Canadians who may not otherwise be able to access post-secondary education.

Canadian universities continue to make meaningful progress in answering the TRC's calls to action. Over the past year, I began a journey of meeting with First Nations institutions across our province in an effort to form partnerships that benefit everyone. We will be finalizing a memorandum of understanding with Blue Quills University to strengthen our relationship and better coordinate program and course offerings. This type of partnership is a perfect example of how authentic and meaningful engagement with Indigenous peoples and communities demonstrates our commitment to reconciliation. The university also approved a Ceremonial Practices Policy, and on October 18, 2017, permanently raised the Treaty 6 and Métis flags at the City Centre Campus. We were honoured to have Grand Chief Willie Littlechild and a representative from Métis Nation of Alberta on hand. These are just a few of the many steps we believe are foundational in moving forward in reconciliation.

I would be remiss if I did not mention the major phishing attack on the university that resulted in the loss of \$11.8 million. By mobilizing quickly, the university was able to recover \$10.8 million. Following the

incident, a task force investigated the loss, and reviewed the university's financial controls. Recommendations from the task force were implemented, including mandatory training for all faculty and staff in efforts to mitigate future phishing attacks. The Board of Governors is assured that appropriate controls are now in place. The university learned a great deal from this incident, and we continue to share those lessons on the national stage, presenting to professional organizations and at national conferences. I am grateful to the MacEwan University team who worked tirelessly on recovering the funds and to everyone who continues to protect the university for the future.

The coming year is one I am looking forward to with great anticipation. I know that with the continued support of the Government of Alberta, and the faculty, staff and students of MacEwan University, we will achieve great things together.

Deborah Saucier, PhD
President





4. Public Interest Disclosure Act

MacEwan University is committed to the highest standards of legal, fiscal, ethical and accountable conduct. The university provides a positive, supportive environment where employees can seek advice and make a disclosure of wrongdoing without fear of reprisal. With its stated commitments and values in mind, the university has developed a Public Interest Disclosure Framework. The framework has been developed in compliance with 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, 2017 – June 30, 2018:

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

Over the last year, MacEwan University saw very positive results in achieving progress towards the outcomes identified in the 2017/18 – 2019/20 Comprehensive Institutional Plan.

MacEwan saw modest increases in student enrolment, with the largest growth in the Bachelor of Commerce. Increased demand for seats in Arts and Science resulted in fewer options for Open Studies students, and consequently lower enrolment in Open Studies programming. Academic Affairs is looking to redesign the Open Studies program with a goal of better meeting the future needs of these students. There is a national trend of decreased enrolment in arts programming, but MacEwan's Bachelor of Arts program continues to defy this trend, posting continued growth overall and in most majors.

Operational Highlights:

The following provides results achieved on priorities that are not covered elsewhere in this report.

University Governance

It is important that the mandate, roles and structure that provide the framework in which the Board of Governors operates remains effective. It was with that in mind that a task force was created to support a request by the Board of Governors to conduct a governance review. The review is expected to be complete by the fall of 2018, and the Board of Governors will consider recommendations, including a new committee structure.

Over the last year, the province enacted several pieces of legislation and policies in relation to public agencies and the post-secondary sector. This included issuing collective bargaining mandates, setting out a regulated framework directing executive compensation, and the requirement for a new code of conduct as approved by the ethics commissioner. This diminished the autonomy of the Board of Governors by shifting the institution's accountability in these areas to the government. Impacts on operations and governance at the university are still being determined, including how some of the key components can best be implemented

The university has been notified by the ministry that components of the governance changes requested by the Board of Governors to the Minister in 2015 would be realized through amendments to the *Post-secondary Learning Act* in the fall of 2018

Strategic Planning

The university's 2014/15 to 2018/19 Integrated Strategic Plan is drawing to a close. The university completed a considerable number of the strategic goals and initiatives outlined in the plan. As outlined in the president's report, the development of a new strategic plan is in progress. The framework for the strategic plan sets out a new vision, mission and values, and four strategic directions for the university. The next phase of development is underway, which is the creation of four supporting foundational plans: academic, resources, community, and people and culture.

Meeting the TRC Calls to Action

One of the key directions identified in the new strategic plan framework is that the university will be a leader in meeting the Truth and Reconciliation Commission's calls to action. To supplement this direction, the university developed a draft Indigenous action plan. The plan has steps that will facilitate student success and will move the university towards meeting the calls to action. The plan will be finalized in conjunction with the Integrated Strategic Plan.

Capital Planning/Campus Consolidation

The university continued to make progress towards the goal of campus consolidation at City Centre. A major step towards this goal was the completion of Allard Hall. With the opening of this state-of-the-art building in September 2017, the university bid farewell to the west end campus, and students, faculty and staff made a successful transition to the new building.

The university's Roundhouse opened in May 2018. Roundhouse is a flexible, coworking space that includes a marketplace, meeting rooms and event venue. It is a space where ideas and community can collide. Collaborations are occurring with the

university's Social Innovation Institute housed in the School of Business.

Construction for the new Students' Association of MacEwan University building is in progress. The project remains on budget and is on target to open in the fall of 2019.

Scholarships, Awards and Bursaries

The Student Financial Aid office, along with a corresponding director position, were created in August 2017. Through the creation of the Student Financial Aid unit, MacEwan University consolidated all areas which dealt with student financial supports (loans, grants, scholarships, awards and bursaries). Academic oversight now plays a role in setting philosophical direction and guidance with regard to policy, process and procedure. The entrance scholarship program will see its first recipients in Fall 2019 and the continuing bursary program continues to be a priority for our Alumni and Development group.

In March 2018, a three-phase PeopleSoft project came to a close. This project achieved a number of goals including the introduction of an online application process for scholarships, awards and bursaries. This work has enhanced the student experience immensely by tailoring the application to match the profile of the student based on information that is already at our disposal. This enhanced functionality has increased the number of applicants in all areas (scholarships, awards and bursaries) and has also increased the number of MacEwan students who access government awards, specifically the Jason Lang scholarship.

Health and Wellness Initiatives

Through the mental health grant provided by Advanced Education, the university was able to enhance its mental health supports to students by increasing the number of professional practitioners in Wellness and Psychological Services (WPS).

In 2017/18, 971 unique students accessed WPS via initial consultation, making it the fourth consecutive year of service access growth. Over 4500 counselling and case management appointments were attended by students following the initial consultations. In the last year, 36.1 per cent of students accessing service within WPS report a pre-existing mental health diagnosis. The presenting concerns of students were

anxiety, worry, feeling overwhelmed, depression and low mood. Furthermore, 24.6 per cent of students accessing services report suicidal ideation.

The grant was also used to launch several mental health and wellness initiatives. This included the launch of the Changing Minds: Creating a Healthy Campus campaign and the certification of trainers for the Inquiring Mind workshop. Over 100 students completed the three-hour education-based program, with MacEwan University serving as a pilot test site.

MacEwan University and the Department of Family Medicine at the University of Alberta collaborated to establish the MacEwan University Health Centre. A wide spectrum of health services are available to students, faculty, staff and the surrounding community. The centre will eventually provide practicum and work-experience opportunities for MacEwan students in several disciplines, including the Bachelor of Science in Nursing program.

Phishing Incident

In August of 2017, the university fell victim to a phishing attack that resulted in the loss of \$11.8 million. The university was able to recover \$10.8 million. A task force was established to investigate the loss. The task force made recommendations to address gaps identified in financial controls, and recommended mandatory training for all faculty and staff in efforts to mitigate future phishing attacks. The university implemented the recommendations, and the Board of Governors is assured that appropriate controls are now in place. Lessons learned continue to be shared at national conferences.

Sexual Violence Prevention and Response

MacEwan launched a comprehensive education and engagement program for staff and faculty in Spring 2017. The Sexual Violence Support Guide program trains employees on the realities of sexual violence and how to respond to disclosures from students and colleagues, and engages participants as partners in sexual violence awareness initiatives on campus. Targeted sexual violence prevention and response training and workshops were delivered to multiple groups on campus, including residence assistants, athletics coaching staff and student-athletes, staff, faculty, students in residence, SAMU leadership, as

well as approximately 25 classes from across MacEwan's faculties and schools.

MacEwan's inaugural Sexual Violence Awareness Week was held from October 16-20, 2017. This week featured multiple events aimed to generate discussion about consent, sexual violence and social justice, and provided opportunities for MacEwan students, staff and faculty to learn more about how they can contribute to a culture of consent. There were collaborations with the kihêw waciston Indigenous Centre, the Academic Women's Network, SAMU, Alberta Council of Women's Shelters and the Sexual Assault Centre of Edmonton.

The university undertook a comprehensive revision of the university's stand-alone Sexual Violence Policy and Procedures, including a thorough community consultation process. All changes are intended to maximize clarity of process and to ensure trauma-informed, transparent and fair processes for addressing sexual violence. The revisions are anticipated to come into effect in December 2018.

Organizational Developments

One of the mandates provided by the Board of Governors to the university's new president was an expanded role in establishing external relationships with the community and all levels of government. To support this strategic objective, a new University Relations Department was formed and a vice-president, University Relations was recruited.

In addition to establishing a community and government relations function, several other functions moved under the new department including the Office of Communications and Marketing, Alumni and Development, and the Office of Sustainability.

The span of responsibility for the vice-president, Academic and provost was expanded. This role is becoming increasingly complex as the university evolves. To ensure that the university remained focused on our students, a decision was made to recruit a new associate vice-president, Students.

Several other changes were made to recognize the alignment of risk, occupational health and safety, governance, security, human rights, diversity and inclusion functions under the vice-president and general counsel. There was also a need to establish a more coordinated model for governance and secretariat functions for Academic Governance Council and the Board of Governors. These functions were combined under the Office of University Governance. Changes were also made to reorganize Facilities, Finance, Human Resources, Campus Services, Procurement, and University Services Support under the responsibility of the vice-president, Resources and People.

The university also created an Office of Human Rights, Diversity and Equity. The office is a place for students, faculty and staff to go for information, advice and direction for concerns related to discrimination.

Appointments

A number of significant appointments were made over the reporting period:

- Deborah Saucier, President
- Craig Monk, Provost and Vice-President, Academic, *pro tempore*
- Wanda Costen, Dean, School of Business
- Terri Suntjens, kâ-nêkânêstahk iyiniw pamihtamowina - Director of Indigenous Initiatives
- Irfan Chaudhry, Director, Office of Human Rights, Diversity and Equity

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

Parvin Sedighi

MacEwan Staff Association member

Nina Delling, MA

MacEwan University Faculty Association member

Aimee Skye, PhD

SENIOR MANAGEMENT

(on Dec 13, 2018)

President

Deborah Saucier, PhD

Vice-Presidents

Craig Monk, DPhil
 Provost and Vice-President Academic, *pro tempore*

Michelle Plouffe
 Vice-President and General Counsel

John McGrath
 Vice-President, Resources and People

Myrna Khan
 Vice-President, University Relations

Deans

Wanda Costen, PhD, Business
 Allan Gilliland, PhD, Fine Arts and
 Communications
 Fred McGinn, PhD, Health and Community
 Studies
 Debbie McGugan, MLS, Library
 Heather McRae, EdD, Continuing Education
 Vince Salyers, EdD, Nursing
 Melike Schalomon, PhD, Arts and Science
 (Interim)

Associate Vice-Presidents

Rick Ellis, Finance and CFO
 Shelagh Hohm, Information Services and CIO
 Barry Horan, Internal Audit and Risk
 Management
 David McLaughlin, PhD, Planning & Analysis
 and Registrar
 Stuart MacLean, Facilities
 Lynn Wells, PhD, Students
 Cynthia Zutter, PhD, Research and Teaching
 Vacant, Human Resources

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 degree-granting institutions.
- Preparatory programming that prepares learners for success in further post-secondary studies.

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

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

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

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

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

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

August 18, 2010

CORE PROGRAMS

Ministry Approved Programs	2015/16	2016/17	2017/18
Baccalaureate degrees	8	9	9
Baccalaureate degree majors	28	29	29
Applied degrees	2	2	2
Degree transfer programs	3	2	2
Career diplomas	25	25	25
Career diploma majors	33	32	32
Post-diploma certificates	6	7	7
Career certificates	10	9	9
Other credit programs/projects	4	4	4

ENROLMENT, FACILITY AND STAFFING INFORMATION

Enrolments and Applications	2015/16	2016/17	2017/18
Credit full-load equivalents (FLE)	12,581	12,623	12,917
Credit student headcount	19,292	19,101	19,351
International student full-load equivalents (FLE)	928	843	860
International student headcount	1,375	1,273	1,304
Program applications (total)	23,199	25,661	25,283
Unique applicants	20,861	20,865	20,721

Facilities	2015/16	2016/17	2017/18
Total supported space (m ²)	158,579	158,579	157,657
Student capacity (FLE)	11,553	11,553	10,445
% of capacity utilized	98.31%	99.62%	113.44%

Staffing	2015/16	2016/17	2017/18
Academic/Instructional (FTE)	516	551	567
Non-Academic Support (FTE)	620	645	667
Administrative/Managerial (FTE)	221	224	220
Total Employees (FTE)	1,357	1,419	1,454
Total Employees (Headcount)	2,064	2,103	2,123
Student/Faculty ratio (FLE/FTE Fac.)	24.4	22.9	22.8



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, 2018. For each of the items that follow, the goals and the expected outcomes are from the 2017/18 to 2019/20 Comprehensive Institutional Plan.

Strategic Goals

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

Priority 1: To continue to develop new degrees related to programming currently offered at the certificate and diploma levels.

Expected outcome 1: New degree programs, Bachelor of Fine Arts and Bachelor of Early Childhood Education, each aligned to existing and continuing diploma programs, will be submitted for approval to government and subsequently to the Campus Alberta Quality Council.

Status: In progress

Progress Made in the last 12 Months: Both the Bachelor of Fine Arts and the Bachelor of Early Childhood Curriculum Studies have had internal Faculty Council approvals and institutional approval is expected in 2018/19.

Goal 2: Diploma and certificate programs will be offered at the undergraduate university level to facilitate bridging to or from degree programs.

Priority 2: To ensure that course offerings in certificate and diploma credentials will have recognized credit applicable to at least one degree at MacEwan.

Expected outcome 2: All certificates and diploma programming in the Faculty of Fine Arts and Communications will bridge to existing or proposed degrees in the Faculty of Fine Arts and Communications. MacEwan will undertake an examination of all courses so that internal transferability is understood.

Status: In progress

Progress made in the last 12 months: The proposed Bachelor of Fine Arts degree will provide the required bridging for the remaining non-degree programming in the Faculty of Fine Arts and Communications.

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.

Priority 3: To revise and integrate the pathway structure in English as a Second Language and Preparation for University and College to serve better students wishing to study in diploma and degree programs but who lack the prerequisites for admission.

Expected outcome 3: The university will provide more seamless opportunities for students with diverse backgrounds to enter credential programs.

Status: Completed

Progress made in the last 12 months: The School of Continuing Education reviewed the admission requirements and processes for students in English as an Additional Language (EAL) and University Preparation (UP) to improve student success. The following changes were implemented: removal of Academic Pathways Program as an international admission category to reduce confusion; direct admission of international and domestic students to EAL and UP; increased access to university advising in the school; and approval and development of a foundation program for students that includes study skills, time management and mentoring along with preparatory courses and credit courses.

Revised expected completion date: June 2018

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.

Priority 4: To increase the allocation of funding for education abroad programs and implement new strategies to increase participation in study abroad opportunities.

Expected outcome 4: The university will increase education abroad participation rates by 10 per cent.

Status: In progress

Progress made in the last 12 months: In 2017/18, MacEwan sent 220 students abroad through exchange, summer programs, fields schools and study tours, compared to 141 students in 2016/17, a 56 per cent increase.

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.

Priority 5: To provide clarity on its research mandate and confirm the importance of research in an undergraduate setting.

Expected outcome 5: Through recommendation from Research Council, MacEwan will approve a new research strategic plan. The university will create an additional internal research chair and will submit an application for a Canada Research Chair, in alignment with the new plan.

Status: Completed

Progress made in the last 12 months: A new research strategic plan was approved by the Academic Governance Council September 2017. The institution approved new internal Board of Governors Research Chair program and the first successful applicants were announced May 2018. MacEwan has also been allocated three Tier 2 Canada Research Chairs (CRC), has begun the process to fill these positions, and will submit an application to the CRC Secretariat in October 2018.

Revised expected completion date: June 2018

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.

Priority 6: To utilize existing data sources to inform enrolment planning and to ensure strategies are in place to maximize student success.

Expected outcome 6: MacEwan will complete the creation of Business Intelligence dashboards for use in academic planning and have in place the tools to measure student retention and success. As well, MacEwan will review its current advisement processes and create an integrated advisement model centered on the utilization of academic audit features of PeopleSoft.¹¹

Status: In progress

Progress made in the last 12 months: Business Intelligence dashboards development was completed and now provides comprehensive information on applications and enrolments. The tools to measure student retention and success are now in place and the university is now undertaking the approval of definitions to enable to the ongoing reporting of these future measures. Resources have been committed to the implementation of the academic audit features of PeopleSoft.

Revised expected completion date: Completion of approval of definitions is anticipated in by June 2019 and Academic Advisement and Degree Audit implementation project is scheduled to begin February 2019.

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

Priority 7: To identify barriers to participation in academic governance and create and implement a plan to address or minimize these barriers.

Expected outcome 7: The university will monitor opportunities for participation in academic governance and determine awareness of eligible candidates. New university governance awareness plans, each aligned to existing orientation programs, will be submitted for review at faculty and school councils and subsequently implemented.

Status: Completed

Progress made in the last 12 months: A number of activities originating in faculties and schools have been implemented and constitute the completion of this goal. Specifically, all councils now have representatives from all other faculties and schools attending council meetings, leading to greater awareness within the academy on developments and activities across the university. As well, new faculty orientation programs highlight provisions in the collective bargaining agreement which outline expectations of faculty participation in academic governance.

Revised Expected Completion Date: June 2018

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

Priority 8: To develop new programming in sustainability.

Expected outcome 8: MacEwan will develop a second course in sustainability and have a plan for the creation of additional programming options within degrees related to sustainability.

Status: In progress

Progress made in the last 12 months: Academic Planning and Priorities Committee (APPC) received a request for an embedded certificate from the Office of Sustainability and this request has resulted in a review of interdisciplinary curriculum. APPC has created a working group to investigate inter-faculty curriculum and a report is anticipated late in 2018. Any new programming options will await the recommendations of the working group. However, the Office of Sustainability completed a Sustainability Course Inventory which will serve as a key input into any approved embedded certificate. The creation of Sustainability 301 was delayed, awaiting progress on the larger developments related to the APPC review.

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

Priority 9: To implement structures and processes for engagement with Indigenous leaders to determine the best approach for MacEwan to address learning opportunities for Indigenous students.

Expected outcome 9: MacEwan, in partnership with the Indigenous community, will establish an Indigenous Advisory Council advisory to the president. The primary membership of this council will comprise Indigenous staff and students from MacEwan as well as leaders from the surrounding community.

Status: In progress

Progress made in the last 12 months: MacEwan University established an Indigenous Advisory Council in November 2017, meeting quarterly to discuss matters requiring consultation and feedback. The group was created with diversity in mind – it's made up of both university and community members, and includes Elders, students, alumni and working professionals. The council is comprised of both Indigenous and non-Indigenous individuals, with members from different nations, backgrounds and experiences providing varied perspectives that demonstrate partnership, diverse dialogue and capacity building and reflects the invaluable knowledge that will be brought to Indigenous initiatives at MacEwan.

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

Priority 10: Establish a competitive Total Rewards Strategy for MacEwan University.

Expected outcome 10: MacEwan will implement the new flexible benefits plan, devise a compensation program for Out of Scope employees, develop a program for Learning and Development, and redesign the recognition program.

Status: In progress

Progress made in the last 12 months: The new flexible benefits plan was successfully implemented and came into effect on January 1, 2018; the new plan allows eligible employees to choose the best level of coverage to meet their needs. The compensation plan for Out of Scope employees has been delayed due to the implementation of salary restraint by the Government of Alberta. A new approach to employee development conversations was launched as a pilot in June 2018, fulfilling the requirement under the MacEwan Staff Association collective agreement, and the Workforce Engagement program is slated for rollout across the university in the fall of 2018.

Interest in the Awards of Excellence program has been waning for years and based on a survey of all employees completed in January 2017, the Awards of Excellence program was retired in 2018. Work has begun on a new approach to employee recognition. The Career Milestones event will continue to form a part of the program going forward in response to consistent positive feedback on and engagement in the event.

Performance Measures

MacEwan identified the following performance measures in the 2017/18 to 2019/20 CIP. Achievements relative to the targets and a brief overview of context are provided for each measure.

#1 UNIVERSITY ENROLMENT

2017/18 TARGET: 12,700 FLE

ACHIEVEMENT: 12,917 FLE

Source: Learner Enrolment Reporting System

Enrolment in the 2017/18 year exceeded the target by 217 FLE, or 1.7 per cent, 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

2017/18 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 prospective international students' level of preparation and more selectivity regarding agents abroad.

#3 TOTAL \$ VALUE OF SCHOLARSHIPS

2017/18 TARGET: INCREASE FROM 2016/17 TOTAL BY 10%

ACHIEVEMENT: \$3.884M

Source: MacEwan University student awards data

The total dollar value of scholarships represents a 5.5 per cent increase over the 2016/17 total.

#4 STUDENT SATISFACTION WITH OVERALL QUALITY

**2017/18 TARGET: MAINTAIN CURRENT LEVEL OF STUDENT SATISFACTION
ACHIEVEMENT: 94.6% SATISFIED WITH OVERALL QUALITY**

Source: MacEwan University Baccalaureate and Satisfaction surveys

MacEwan has met its target for the current year.

#5 PER CENT EXPENDITURE ON ADMINISTRATION

**2017/18 TARGET: LESS THAN 11.0%
ACHIEVEMENT: 10.98%**

Source: Financial Information Reporting System

MacEwan meets this target.

7. Financial and Budget Information

This information should be reviewed in conjunction with the June 30, 2018 MacEwan University audited consolidated financial statements and accompanying notes.

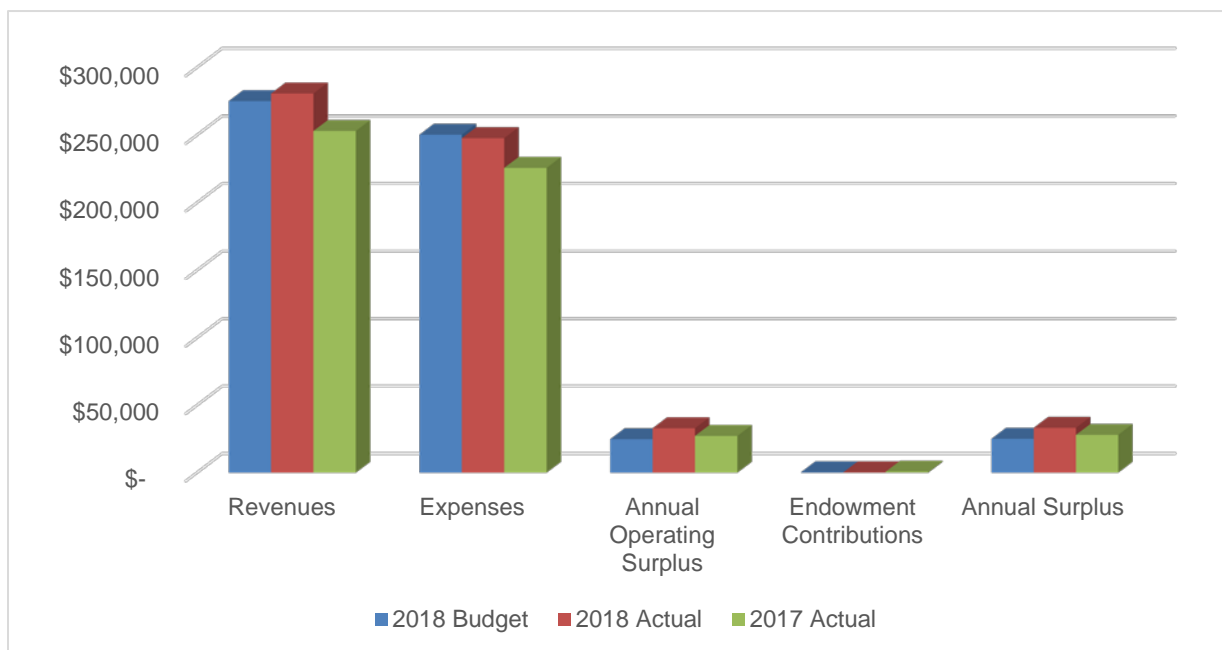
The audited consolidated financial statements are reviewed and approved by the Board of Governors of Grant MacEwan University on the recommendation of the Audit Committee of the Board of Governors. These consolidated financial statements are prepared in accordance with Canadian public sector accounting 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:

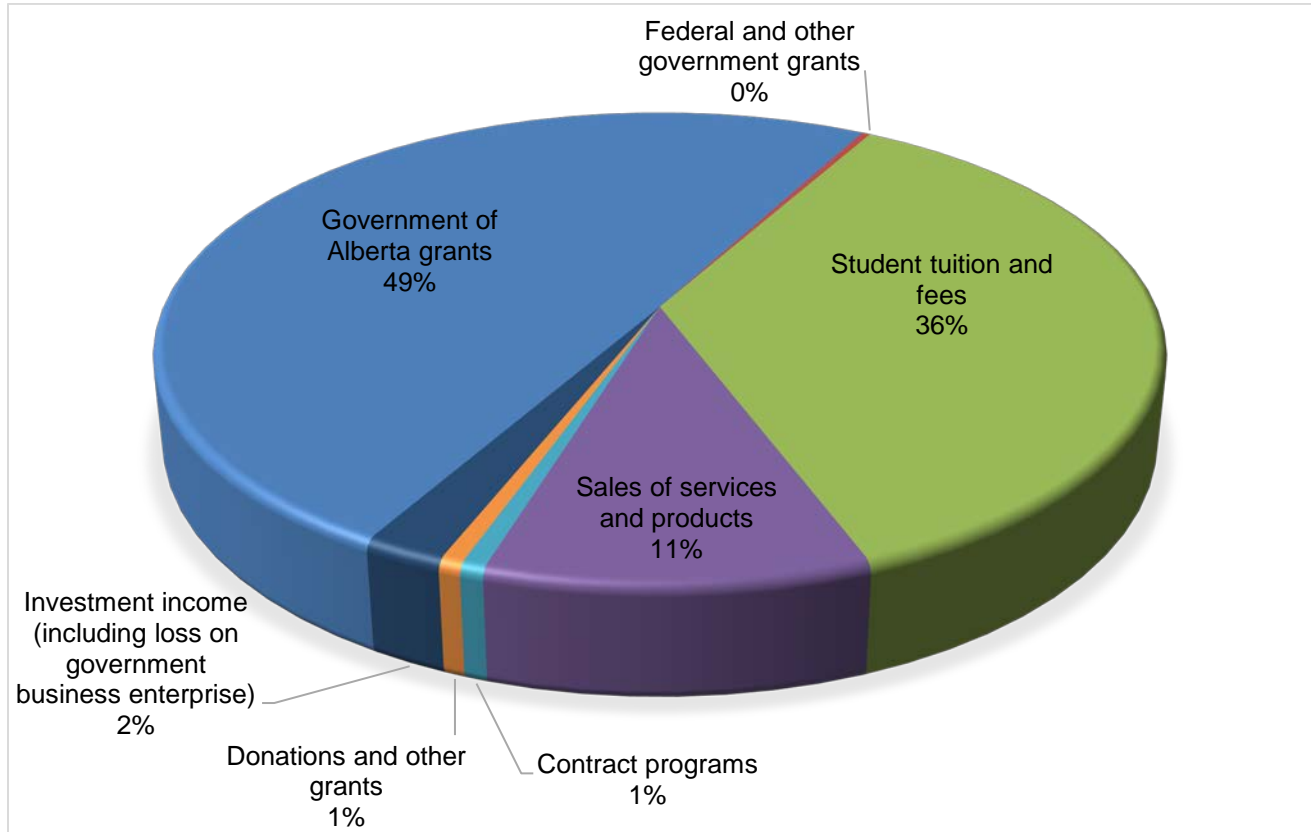
	2018 Budget	2018 Actual	2017 Actual
Revenues	\$ 275,121	\$ 280,758	\$ 253,076
Expenses	250,287	247,781	225,791
Annual Operating Surplus	24,834	32,977	27,285
Endowment Contributions	300	310	770
Annual Surplus	\$ 25,134	\$ 33,287	\$ 28,055



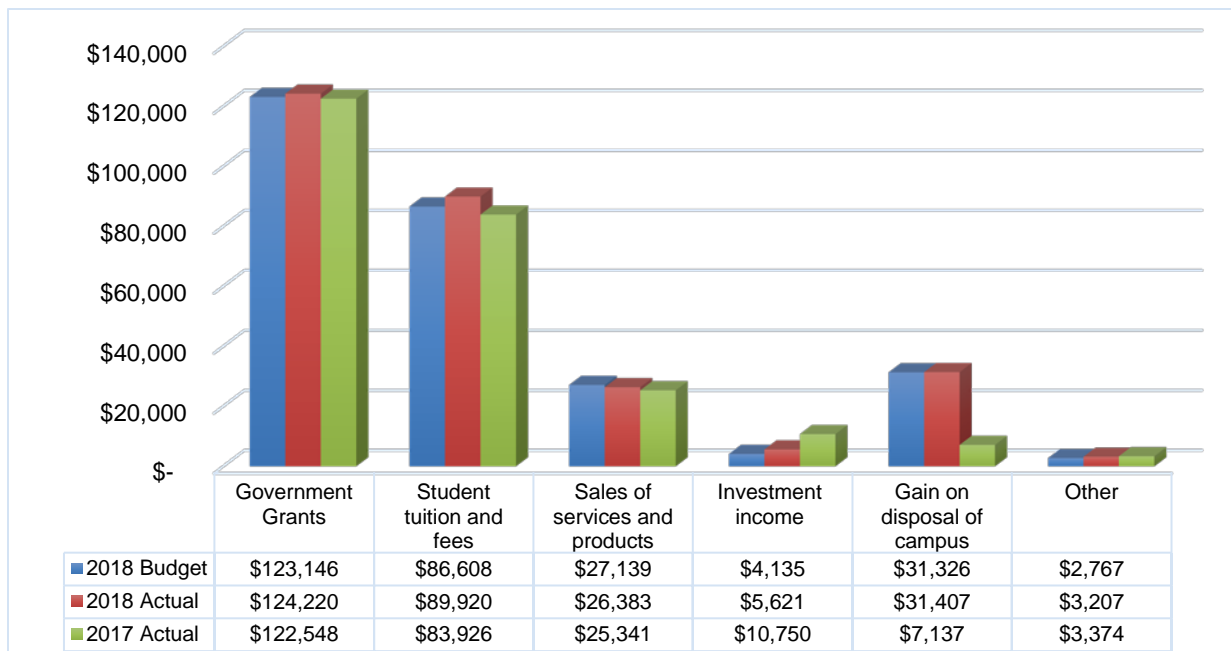
The university's annual surplus for the year was \$33,287 (2017: \$28,055) as a result of an annual operating surplus of \$32,977 (2017: \$27,285) and endowment revenue of \$310 (2017: \$770).

a. Operating Revenues

Total operating revenue for the university was \$280,758. Excluding the \$31,407 one-time gain on disposal of campus, the Government of Alberta grants and student tuition and other fees make up 86 per cent of the revenue for the university, with the 2017/18 breakdown by revenue source as follows:



The following shows the comparison of 2018 approved budget, 2018 actual, and 2017 actual revenue:



i. Government grants

Government grants consists of the following:

	<u>2018</u>		<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Government of Alberta			
Campus Alberta Grant			
Prior years actual	\$108,396	\$108,396	\$104,988
Prior years tuition freeze funding	1,282	1,282	1,282
2% cost of living adjustment	2,194	2,194	2,125
Current year tuition freeze funding	-	-	1,282
Adjustment for April to June	-	559	869
Other one-time and conditional funding recognized as revenue			
Students with disabilities	873	876	875
Student mental health and wellness	-	266	-
Infrastructure maintenance program	1,890	1,482	2,992
Other	1,492	2,628	1,723
Spent deferred capital contributions recognized as revenue	6,411	5,803	5,794
Total Government of Alberta grants	<u>122,538</u>	<u>123,486</u>	<u>121,930</u>
Federal and other governments			
One-time and conditional funding recognized as revenue	550	676	560
Spent deferred capital contributions recognized as revenue	58	58	58
Total Federal and other governments	<u>608</u>	<u>734</u>	<u>618</u>
Total Government Grants	<u>\$123,146</u>	<u>\$124,220</u>	<u>\$122,548</u>

The 2018 actual government grant is greater than the budget due to the funding adjustments and revenue recognition for one-time and conditional grants. The Government of Alberta Campus Alberta Grant increased two per cent from 2017 offset by a net decrease in the revenue recognition for one-time and conditional grants. Government grants represents approximately 50 per cent of the ongoing revenue for the university.

ii. Student tuition and fees

Tuition fees and other fees for Canadian students enrolled in credit programs remained at 2014/15 levels as directed by the Government of Alberta. Canadian student tuition from credit programs increased from 2017 due to increased enrolment mainly in the Bachelor of Commerce, Bachelor of Science and Bachelor of Social Work programs. This increase in enrolment was partly anticipated and included in the 2018 budget.

The international student tuition rate was increased 10 per cent from prior years, with the enrolment of international students increasing slightly. This resulted in total international student tuition revenue increasing \$4,473 from 2017 and exceeding the approved budget by \$2,703.

Study tours offered by the School of Continuing Education resulted in a \$2,380 increase in revenue from 2017 and a \$1,304 positive variance from the approved 2018 budget.

iii. Sales of services and products

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

Bookstore sales continue to trend downwards, declining another \$630 from 2017 and missing the 2018 budget target by \$695. Student resources continue to move more to online materials and commission-based revenue for rentals rather than sales of hard-cover textbooks.

The decrease in bookstore sales was offset by increases in residence and other revenue, resulting in a net increase from 2017.

iv. Investment income

Investment income consist of the realized interest, dividends and gains or loss 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 decrease from 2017 is mainly due to the 2017 sale of non-endowed investments which result in a \$5,294 gain being recognized in 2017.

Investment income for 2018 exceeded the 2018 budget due increase in funds invested based on positive operating results and delay in certain capital projects.

v. Gain on disposal of campus

During the year the university finalized the sale of the west campus, resulting in a one-time gain on the disposal of this campus. The Board of Governors approved allocating the net proceeds from the sale toward the funding plan for Allard Hall.

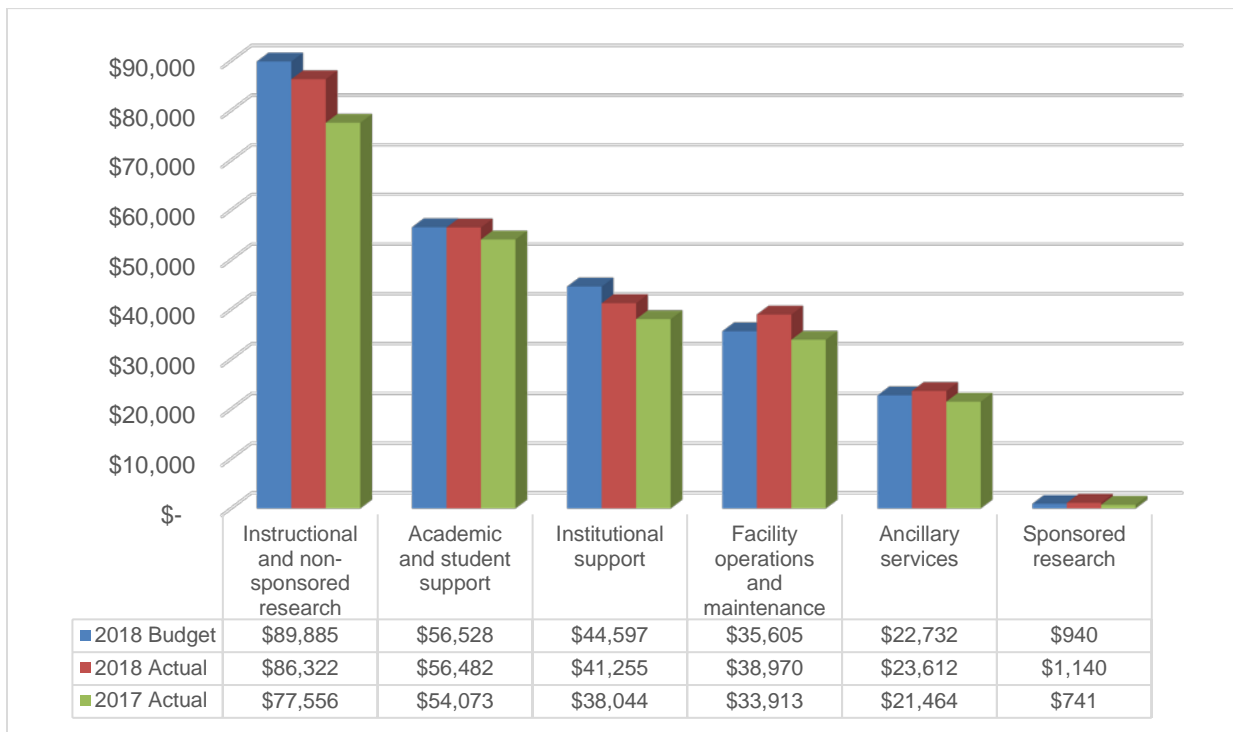
b. Operating Expenses

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. Note 18 to the consolidated financial statements discloses the operating expenses by objects. The following presents the 2018 operating expenses by function and object:

	Instruction and non-sponsored research	Academic and student support	Institutional support	Facilities operation and maintenance	Ancillary services	Sponsored research	Total
Salaries	\$ 66,743	\$ 32,282	\$ 22,590	\$ 7,289	\$ 5,739	\$ 604	\$ 135,247
Employee benefits	12,571	6,328	4,934	2,745	986	50	27,614
Total salaries and employee benefits	79,314	38,610	27,524	10,034	6,725	654	162,861
Materials, supplies and services	6,079	13,437	12,804	6,192	4,049	486	43,047
Amortization of capital assets	4	-	-	14,445	2,586	-	17,035
Cost of goods sold	684	377	-	-	5,545	-	6,606
Maintenance and repairs	177	121	618	4,078	1,559	-	6,553
Utilities	63	54	309	4,099	816	-	5,341
Scholarships and bursaries	1	3,883	-	-	-	-	3,884
Interest on long term debt	-	-	-	122	2,332	-	2,454
Total	\$ 86,322	\$ 56,482	\$ 41,255	\$ 38,970	\$ 23,612	\$ 1,140	\$ 247,781
Percentage of total	35%	23%	17%	16%	10%	0%	100%

i. Expense by function

The following shows the comparison of 2018 approved budget, 2018 actual and 2017 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 variance from budget is mainly due vacant positions.

The increase from 2017 is mainly due to the salary grid step increases included in the collective agreement which came into effect on July 1, 2017. In addition, the 2017 instructional and non-sponsored research expense included a one-time \$4,052 reduction for faculty vacation liability based on the agreement with the Grant MacEwan University Faculty Association.

2. Academic and Student Support

Academic and student support includes expenses directly supporting the academic functions of the university, such as 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 and 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.

The increase from 2017 is due to the following organizational changes and new positions:

- a. Establishing a Student Awards office to improve student access to scholarships, awards and bursaries.
- b. Establishing a Sexual Violence Prevention and Human Rights office to better serve the university community.

In addition, this function includes additional one-time operating expenses for the opening of Allard Hall, including low value furniture and equipment.

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.

Actual institutional support expense for 2018 is less than the budget due to a number of project expenditures originally included in institutional support budget and the actual expenses being recognized as facilities operations and maintenance.

The increase from 2017 is attributed to enhancements to information technology and infrastructure, academic administrative leave approved for certain academic leaders, and other one-time salary settlement costs.

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.

As noted above (Institutional Support) the actual expenses for a number of projects were recognized as facilities operations and maintenance expenses, while the budget was included in institutional support. The university also incurred operating expenses on numerous one-time projects approved during the year, some of which were originally approved as capital expenditures:

- \$571 for the MacEwan University Health Centre.
- \$169 for the library enhancement to better serve students.
- \$208 for an updated campus master plan.

The \$5,056 increase from 2017 is mainly due to amortization of the capital costs of Allard Hall which was opened in August 2017.

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 for 2018 is greater than budget due to residence renovations and furniture and equipment replacement recognized as operating expenses. These projects were approved after the 2018 budget was prepared, and cost \$1,502 during 2018.

Ancillary Services costs increased \$2,148 from 2017 due to the above renovation and replacement of furniture and equipment, the cost of operations for conference services, and increased spending of \$607 for the social innovation hub.

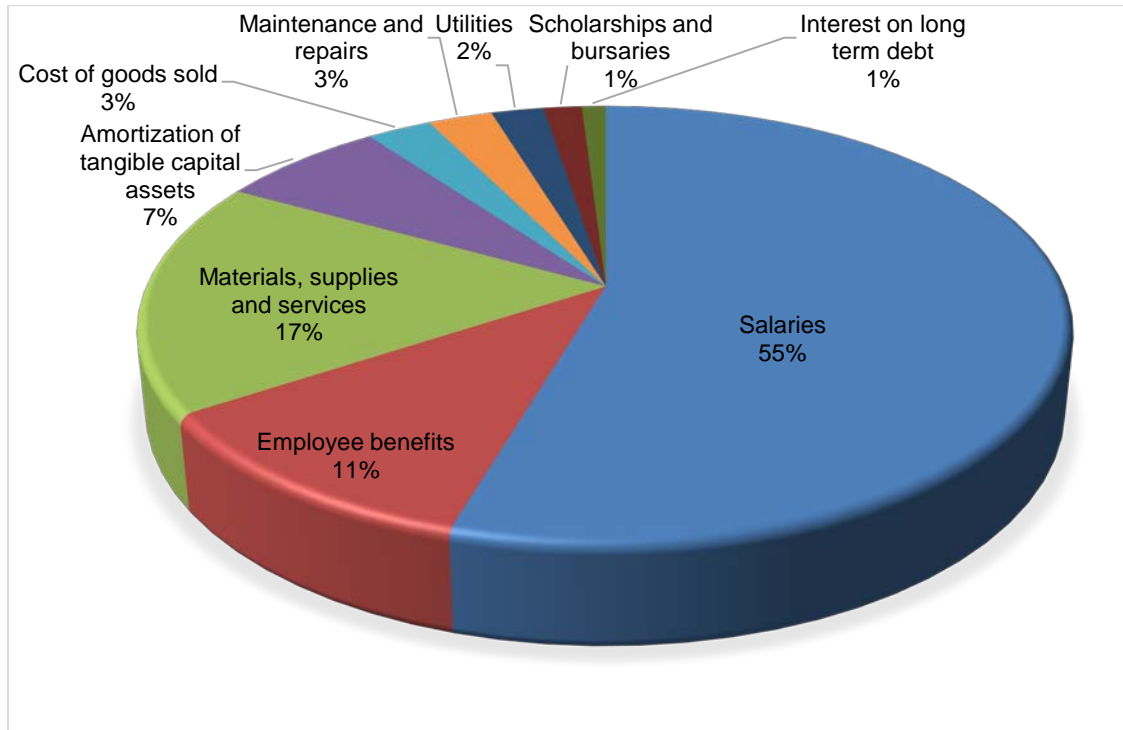
6. Sponsored Research

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.

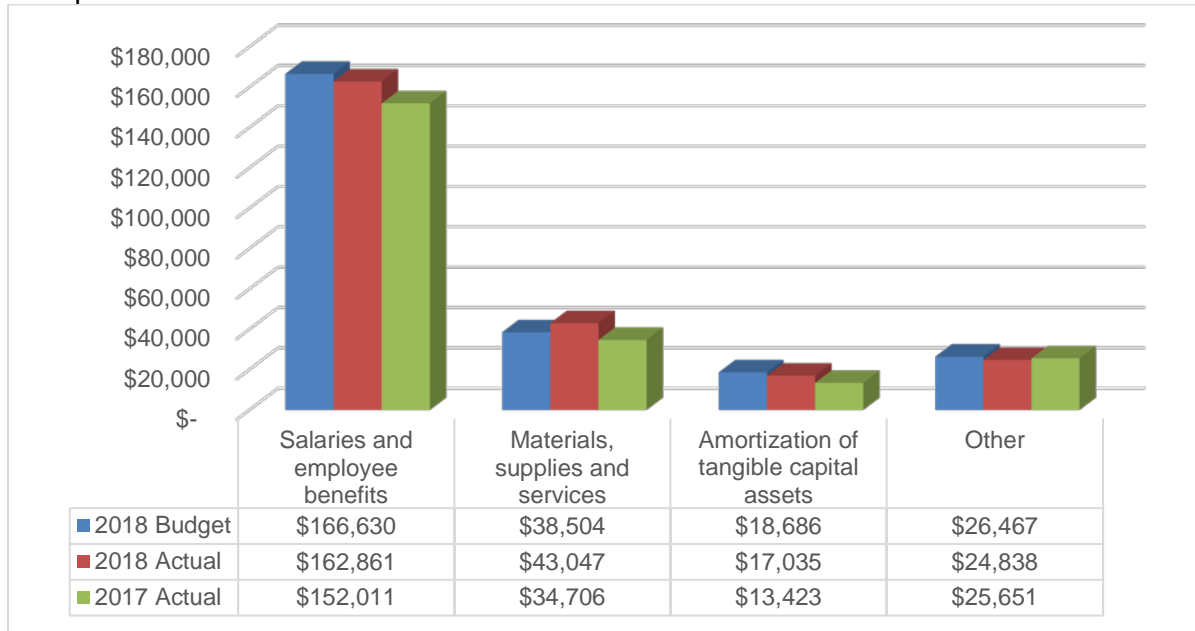
The university has an increase in sponsored research activities which resulted in positive variances when compared to the approved budget and 2017 actual results.

ii. **Expense by object**

Note 18 to the consolidated financial statements presents the expenses by objects, with the following major categories of the \$247,781 expenses for the university: salaries and employee benefits (66 per cent); materials, supplies and services (17 per cent), and amortization of tangible capital assets (seven per cent).



The following shows the comparison of 2018 approved budget, 2018 actual and 2017 actual expenses:



1. Salaries and employee benefits

Salaries and employee benefits expenses are less than the approved budget mainly due to position vacancies.

The increase from 2017 is due to the following:

- a. The 2017 total included a \$4,052 reduction of faculty vacation entitlement which was recorded in 2017 as a decrease in expenses. This reduction was one-time liability elimination as a result of the collective bargaining process with the Faculty Association of Grant MacEwan University and was specific to the 2017 year.
- b. Approximately \$2,750 increase in faculty and support staff salaries in accordance with the terms and conditions of the collective agreements which came into effect on July 1, 2017.
- c. As noted above for Academic and Student Support, new positions for the following:
 - i. Establishing a Student Awards office to improve student access to scholarships, awards and bursaries.
 - ii. Establishing a Sexual Violence Prevention and Human Rights office to better serve the university community.

As directed by the Government of Alberta, out-of-scope employees had no economic adjustment or progression on the pay scale during the year.

2. Materials, supplies and services

There are a number of factors which resulted in materials, supplies and services being more than budget by \$4,543.

Negative variance of \$3,670 small assets is in part due to furniture and equipment purchases for the residence and other areas of the university, and the purchase of new computers that are expensed when purchased. There was also software and license fees variance of \$1,077 due to the upgrade of PeopleSoft Finance and Supply Chain Management to version 9.2 and the move to licensed student lab computers from using purchased or leased computer assets. These were partially offset by a positive variance in the contingency, professional consulting, and equipment leases and rentals.

The increase from 2017 is due to the above items as well as planned one-time expenditures for Allard Hall and other approved projects.

3. Amortization of tangible capital assets

The increase from 2017 is due to the Allard Hall building and related assets coming into service. The positive variance from the budget is due to certain costs of the Allard Hall project being recognized as operating expenses rather than as tangible capital assets.

4. Other

Other expenses include cost of goods sold; maintenance and repairs; utilities; scholarships, bursaries and awards; and interest on long-term debt.

Cost of goods sold are under budget due to reduction in bookstore sales (see Sales of services and products above). Maintenance and repairs are also under budget mainly due to the nature of infrastructure maintenance program expenditures which are recognized as an operating expense.

B. Capital Plan - Acquisition of Tangible Capital Assets

The capital plan for the university included a number of one-time projects as well as annual replacement of furniture, fixtures and equipment. The major reason for the decrease from 2017 is the substantial completion of Allard Hall by June 30, 2017. The major reason for the actual capital expenditures in 2018 being less than budget was due to the delay in the building to be leased to the Students' Association of MacEwan University, progress on other projects, and \$3,000 budget for campus development which was not required. See below for the summary of the capital plan.

	2018		2017
	Budget	Actual	Actual
Complete Allard Hall	\$ 7,299	\$ 4,351	\$40,959
Building to be leased to Students' Association of MacEwan University	14,032	4,841	882
Allard Hall retail and innovation centre	2,400	2,415	-
Deferred Allard Hall projects	3,517	633	-
MacEwan University Health Centre	4,500	2,841	-
Campus development	3,000	-	274
Technology and software implementation and upgrade	3,429	3,120	2,391
Furniture, fixture and equipment	2,993	1,559	4,898
Infrastructure enhancement and maintenance	1,180	1,018	1,027
Library collections	338	883	848
	<u>\$ 42,688</u>	<u>\$ 21,661</u>	<u>\$51,279</u>

During the year the university completed the construction of Allard Hall at the City Centre Campus with \$4,351 being spent on this project. This is less than the budget of \$7,299 due to unspent project contingency funds as well as post-occupancy activities which will be completed in the 2019 fiscal year.

The building to be leased to the Students' Association of MacEwan University was delayed from the plan that was in place when the 2018 budget was prepared. This resulted in less being spent on the project during the year. This project is now scheduled to be completed in the late fall of 2019.

Other tangible capital assets include capitalized equipment, and technology implementation and upgrades. The overall capital amount is less than budget for information technology projects and the MacEwan University Health Centre due to higher than projected allocations to operating costs versus capital (see materials, supplies and services).

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 increased \$13,787 (2017: decreased \$22,441) during the year due to the following activities:

	<u>2018</u>	<u>2017</u>
Cash provided by operating transactions	\$ 25,918	\$ 24,006
Cash provided by (applied to) capital transactions	10,875	(49,886)
Cash provided by (applied to) investing transactions	32,039	(29,730)
Cash (applied to) provided by financing transactions	<u>(55,045)</u>	<u>33,169</u>
	<u>\$ 13,787</u>	<u>\$ (22,441)</u>

- a. Cash provided by operating transactions for the year ended June 30, 2018 is due to operating results.
- b. Cash provided by capital transactions is due to receiving the proceeds on the disposal of the south and west campuses, offset by purchases and release of the June 30, 2017 holdback payable.
- c. Cash provided by investing transactions is due to cashing in short term investments in order to repay the construction financing as noted below.
- d. Cash applied to financing transactions is due to the following:

	<u>2018</u>	<u>2017</u>
Donations and other contributions designated for capital projects	\$ 759	\$ 256
Debt financing received		
Allard Hall parkade	7,345	-
Allard Hall retail operations	3,200	-
Students' Association of MacEwan University building	11,497	-
Allard Hall construction financing	-	30,000
Surface parking lots	-	5,249
Debt repayment		
Allard Hall construction financing	(75,000)	-
Other debt	<u>(2,846)</u>	<u>(2,336)</u>
	<u>\$ (55,045)</u>	<u>\$ 33,169</u>

8. Enrolment Plan and Program Changes

The overall target for enrolment was exceeded by more than 200 FLE. The largest increases were in the Bachelor of Commerce, the Bachelor of Arts and the Bachelor of Science programs. The increase in these areas is a result of higher than anticipated applications in these areas and higher rates of full-time participation across the university. The only significant decrease was in Open Studies, which is reliant on available seats in courses primarily in arts, science and commerce. The increased participation rate from program students in these areas has created a significant reduction in anticipated available course seats which consequently had an adverse effect on Open Studies participation rates.

MacEwan has received approval for the Bachelor of Design Studies from the Ministry of Advanced Education and will welcome the first students in Fall of 2019. New majors in Applied Statistics (Science) and Legal Studies in Business (Commerce) will be available to students in Fall 2018 and a new major in Recording and Production (Music) will be available to students in Fall 2019. Finally, two new degree proposals, in Fine Arts and in Early Childhood Curriculum Studies, are in the final stages of internal MacEwan approval and are expected to move to external review in the 2018/19 academic year. For both of these proposals the university is looking at a potential Fall 2020 implementation.

The following tables show enrolments by faculty and by program. In programs with majors, projected enrolment values have been rounded to the nearest integer. Some of the totals in the second column, which are computed before rounding, may have rounding errors.

	2016/17 Actual	2017/18 Projected	2017/18 Actual	2017/18 % Int'l
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UNIVERSITY/CREDENTIAL TYPE

Degree Total	7,824.070	7,943	8,347.161	3.82%
Diploma Total	2,684.406	2,612	2,706.378	12.89%
Certificate Total	353.906	325	344.008	14.55%
Non-Credential Total	1,760.842	1820	1,518.975	9.32%
Grand Total	12,623.224	12,700	12,916.522	6.65%

FACULTY OF ARTS AND SCIENCE

Degrees		4.02%			
Bachelor of Arts	Anthropology	91.300	92	90.300	0%
	Economics	57.600	58	79.600	11.43%
	English	78.067	78	112.900	1.86%
	History	58.000	58	71.600	1.12%
	Philosophy	28.767	29	36.900	2.17%
	Political Science	94.100	95	111.700	1.79%
	Psychology (Arts)	213.600	213	205.767	0.92%
	Sociology	285.767	283	342.867	0.79%
	Undeclared	1,279.876	1,295	1,230.808	2.85%
	Total	2,187.077	2,200	2,282.442	2.39%
Bachelor of Science	Biological Sciences	354.467	361	271.134	2.14%
	Computer Science	196.600	199	276.834	12.25%
	Mathematical Sciences	22.600	22	34.600	10.12%
	Mathematics	39.134	39	62.000	8.71%
	Physical Sciences	109.933	109	146.367	3.76%
	Psychology (Science)	118.500	121	132.600	1.28%
	Undeclared	1,221.408	1,250	1,256.846	5.51%
	Total	2,062.642	2100	2,180.381	5.73%
Diplomas		4.13%			
General Studies Diploma		80.203	40	20.034	4.13%
Non-Credential		3.94%			
University Transfer: BEng		178.267	180	184.155	3.94%
Faculty Total		4,508.189	4,520	4,676.012	4.02%

	2016/17 Actual	2017/18 Projected	2017/18 Actual	2017/18 % Int'l
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FACULTY OF FINE ARTS & COMMUNICATIONS

Certificates					0%
Arts and Cultural Management		0.000	0	0.000	0%
Degrees					1.50%
Bachelor of Communication Studies	Journalism	99.583	97	107.572	2.61%
	Professional Communication	232.189	223	206.246	0.48%
Total		331.772	320	313.818	1.21%
Bachelor of Music, Jazz & Contemporary Pop Music	Composition	39.702	46	51.677	0%
	General	8.712	9	20.875	0%
	Performance	48.510	56	83.220	1.18%
	Undeclared	100.203	121	73.830	4.52%
Total		197.127	233	229.602	1.88%
Diplomas					3.59%
Arts and Cultural Management		73.025	70	68.725	8.58%
Design Studies		107.600	110	108.700	1.84%
Fine Art		54.066	50	55.600	2.52%
Music	Composition	5.000	0	0.273	0
	Comprehensive	5.971	0	1.367	12.22%
	Performance	13.550	0	3.439	21.58%
	Recording Arts	8.800	0	0.000	0
Total		33.321	0	5.079	17.90%
Theatre Arts		47.351	42	44.942	2.02%
Theatre Production		38.987	40	44.987	1.45%
Faculty Total		883.249	865	871.453	2.28%

	2016/17 Actual	2017/18 Projected	2017/18 Actual	2017/18 % Int'l
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FACULTY OF HEALTH AND COMMUNITY STUDIES

Certificates		11.30%			
Emergency Communication & Response	29.600	30	26.400	0%	
Special Needs Education Assistant	80.065	80	78.338	15.11%	
Degrees		2.69%			
Bach Applied Human Service Admin	35.800	35	40.700	0%	
Bachelor of Child & Youth Care	189.409	190	185.936	4.34%	
Bachelor of Social Work	53.700	100	110.867	0.90%	
Diplomas		5.58%			
Acupuncture	83.315	85	85.363	4.62%	
Correctional Services	103.307	100	108.926	0.89%	
Disability St: Lead & Comm	0.715	0	0.000	0%	
Early Learning & Child Care	111.945	110	130.239	26.31%	
Hearing Aid Practitioner	114.503	110	112.113	0%	
Massage Therapy	90.283	90	83.861	8.34%	
Police & Investigations					
	Investigative Studies	106.112	108	116.617	2.10%
	Police Studies	100.507	102	106.802	0%
	Total	206.619	210	223.419	1.10%
Social Work	165.224	165	175.674	1.92%	
Therapist Assistant					
	Phys & Occup Therapist Asst	63.097	67	61.029	8.90%
	Speech Language Pathologist Asst	57.928	63	64.702	1.35%
	Total	121.025	130	125.731	5.02%
Non-Credential		0%			
Univ Transfer: B. of Phy. Ed	59.100	60	63.400	0%	
Faculty Total	1,444.610	1,495	1,550.967	5.11%	

	2016/17 Actual	2017/18 Projected	2017/18 Actual	2017/18 % Int'l
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FACULTY OF NURSING

Certificates					50.02%
Disability Management		6.800	0	2.400	0%
Occupational Health Nursing		22.503	25	23.036	0%
Perioperative Nursing for RNs		43.403	35	45.014	0%
Post-Basic Certificate	Cardiac Nursing		4	3.863	0%
	Wound Management		6	6.400	1.56%
	Total	10.296	10	10.263	0.97%
Post-Basic Nursing Practice	Gerontology	40.407	24	36.256	99.27%
	Postgrad Nursing Practice	0.966	0	0.000	0%
	Hospice Palliative Care		1	0.200	0%
	Total	41.373	25	36.456	98.72%
Degrees					2.32%
Bachelor of Science in Nursing		916.386	900	911.957	2.37%
Bachelor Psychiatric Nursing		15.424	25	22.023	0%
Diplomas					2.57%
Psychiatric Nursing Diploma		181.254	180	182.064	2.57%
Non-Credential					0.58%
Nurse Credentialing		20.619	30	29.042	0.58%
Faculty Total		1,258.058	1,230	1,262.255	5.14%

SCHOOL OF CONTINUING EDUCATION

Non-Credential					10.80%
Open Studies		906.986	980	659.113	19.88%
English As A Second Language		166.351	170	158.687	0.74%
Prep For University & College		429.519	400	424.578	0.47%
School Total		1,502.856	1,550	1,242.378	10.80%

	2016/17 Actual	2017/18 Projected	2017/18 Actual	2017/18 % Int'l
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SCHOOL OF BUSINESS

Certificates

1.73%

Acct & Strategic Measurement	0.100	0	0.000	0%
Business Management	0.000	0	0.000	0%
Office Assistant				
Legal	28.342	29	30.072	0.63%
Administrative	29.083	28	28.048	3.33%
Medical	62.341	63	63.981	1.47%
Total	119.766	120	122.101	1.73%

Degrees

4.86%

Bach of Applied Bus Admin - Acct	49.300	40	27.700	10.83%
Bachelor of Commerce				
Accounting	566.800	558	600.600	5.18%
Human Resources Mgmt	126.700	125	122.634	1.41%
International Business	111.867	111	100.000	10.30%
Management	187.300	187	201.400	3.43%
Marketing	164.800	160	195.500	2.35%
Supply Chain Mgmt	133.200	135	140.500	60.5%
Not Declared	495.100	524	681.101	5.05%
Total	1,785.767	1,800	2,041.735	4.78%

Diplomas

24.33%

Acct & Strategic Measurement	265.333	250	249.800	27.54%
Asia Pacific Management	44.374	40	49.519	38.79%
Business Management				
Aviation Mgmt		0	0.200	0%
Business Mgmt	310.400	311	308.166	36.83%
Insurance and Risk Mgmt	64.300	64	83.600	23.44%
Professional Golf Mgmt	0.642	0	0.000	0%
Total	375.342	375	391.966	33.96%

Human Resources Management	151.600	150	192.467	22.69%
Legal Assistant/Paralegal	76.900	100	86.300	5.33%
Library & Info Technology	56.100	65	58.000	2.07%
Public Relations	49.047	50	40.981	0%
Travel	52.633	50	52.888	4.51%
School Total	3,026.262	3,025	3,313.457	11.33%

9. Research, Applied Research and Scholarly Activities

MacEwan University is a place where important new ideas are not only taught but also discovered and transformed into actions that make a difference. Our faculty are recognized as scholarly teachers, who are the keystone of a quality undergraduate education and are committed not only to excellence in research but also to excellence as educators and mentors. With this focus, student-engaged research is a transformational learning experience, whether the students are part of a classroom-based inquiry, working as research assistants, leading independent scholarly projects, or pursuing honours programs. In all cases, students thrive where knowledge creation and knowledge transmission intersect, acquiring skills that will form the foundation of a robust workforce reinforcing a strong economy here in Alberta.

As highlighted in the president's report, over the last year the university began to develop a new strategic plan. A new academic plan is under development and research priorities will be integrated into the new academic plan. The following is an update on research and scholarly activities that have emerged over the reporting period.

As a relatively new university, MacEwan has a large variety of faculty with a broad set of research programs, most of which are in early stages of emerging and growing and we continue to support all forms of scholarship across the institution.

The university has strengths within the SSHRC arena with research programs that link to the Edmonton community. These include an Insight Development Grant for the study of *Examining Indigenous Family/school relationships and schooling initiatives in Edmonton*, working with the local welcome centres to examine Asian immigrant civic engagement participation, and a partnership with the Edmonton Police Service on optimizing risk assessment practices in cases of sexual violence.

In many instances our faculty are co-applicants and collaborate with other universities and institutes. This includes work on Indigenous language revitalization with Cildi from the University of Alberta; investigating the effects of unsupportive workplace cultures on women from STEM fields; and working with the Edmonton Public School Board on the retention of Indigenous students. These latter exemplify our commitment to community engagement as the university in the revitalized urban core of Edmonton.

The university is seeing increasing success in attaining external research grants. The Faculty of Nursing collaborated with nursing schools across the country to receive a SSHRC Insight Development Grant to explore *The Conundrum of Learning to Work with Older People: A Descriptive Case Study of Social Learning in Nursing Education*. Faculty in the School of Business collaborated with the Canadian Centre for Women in Science, Engineering, Trades and Technology (WinSETT Centre) and received a SSHRC grant for a three-year project to address gender bias and stereotypes affecting women in the science, engineering, trades and technology sectors. To help facilitate grant development, the university has created a Research Development Officer position, which provides grant application development, budget development and research proposal development supports to faculty researchers.

The Board of Governors established a new Research Chair Program to recognize faculty members each year who have demonstrated exceptional scholarly distinction. These appointments are intended to contribute to building the MacEwan's research culture and will assist faculty members in further developing their capacity to produce internationally recognized scholarly or creative activity. Dr. Sandy Jung in Psychology, and Dr. Samuel Mugo in Physical Sciences, are MacEwan's first faculty to receive this recognition.

10. Community Outreach and Underrepresented Learners

Community Outreach

It has long been recognized that there is value for the university and its partners to collaborate for the mutual benefit of the students, faculty, staff and the local community.

The university partnered with many not-for-profit organizations, making positive contributions in the community. Some examples include:

- *Support for community-based services* through partnering with the Mustard Seed, Habitat for Humanity, Santa's Anonymous, Boys and Girls Clubs, Hope Mission, the Food Bank, Canadian Blood Services, Ronald McDonald House and many others. The university's Student Community Engagement Grant provided funding for over 20 community-based projects and worked with a variety of organizations. The School of Business provides opportunities to students to develop projects for community organizations and the school continues to build those community relationships for the benefits of our students.
- *Enhancing cultural opportunities* via a unique partnership formed between the university's Conservatory of Music and the Norwood Centre to offer early childhood music courses.
- *Support for adult literacy initiatives* in partnership with The Centre for Family Literacy and Project Adult Literacy Society.

Business and industry partnerships provide positive benefits for students. These partnerships include:

- *Oilers Entertainment Group* and the university continue to explore ways to collaborate on practicums and internships for students.
- *Ballet Edmonton* resides in the university's Allard Hall and is creating several new academic and research opportunities for faculty and students.
- *Canadian Public Relations Society, International Association of Business Communicators, and the Advertising Club of Edmonton* hosted information sessions for students and provided student volunteer and faculty professional development opportunities.
- *Insurance Institute of Canada/Insurance Institute of Northern Alberta* curriculum collaborations meeting industry needs. Sponsorship of events, assistance with certification exams, and sponsorship of a scholarship facilitate student success.
- *Playa Resorts and Travelport* provided workshops to students, including Wedding Workshop and Travelport Focused Learning Events and train-the-trainer workshops for Travel program faculty.

- *PCL Construction, OEM Remanufacturing and ATCO* provided information sessions, in addition to hiring Supply Chain Management graduates in co-ops and full-time placements.
- The university's *Police & Investigations* program delivered investigative training across Canada and to the United States to police officers.
- *Edmonton International Airport* collaborated with post-secondary institutions and the City of Edmonton to provide an international student welcome booth at the airport over several weeks prior to the beginning of the fall term.

Several collaborations with other post-secondary institutions, the Government of Alberta and the City of Edmonton are noted here:

- With funding from *Human Services*, and in conjunction with MacEwan's Early Learning Curriculum Framework, the university was able to offer \$25/day daycare. Students' children were the first priority for the subsidized spaces.
- In collaboration with *Advanced Education*, and several post-secondary schools of continuing education, opportunities for *Technology Talent* are being explored to find short and long-term solutions to building the technology skills sector.
- In collaboration with *Alberta Health Services*,
 - The Interprofessional Health Education Partnership (IHEP) continues with the Centre for Clinical Simulation/MacEwan, the University of Alberta, NAIT and Norquest, and
 - Dispatch training was delivered across the province in both Calgary and Edmonton.
- A partnership was formed with the *City of Edmonton's* External Relations to look at ways to facilitate initiatives of common strategic interest, including facilitating LRT development on 104 Avenue and implementing initiatives of common interest in relation to the university's new Campus Master plan.

The university continues to evolve its relationships with Indigenous organizations recognizing the importance of these relationships in advancing the TRC calls to action and in supporting the success of Indigenous students. Some examples include:

- The kihêw waciston Indigenous Centre formed reciprocal relationships and collaborations with the *Edmonton Public and Edmonton Catholic School Districts, Alberta Education, the Canadian Native Friendship Centre, the City of Edmonton*, and other post-secondary institutions.
- A Memorandum of Understanding is in the development stage with Blue Quills University that

will provide opportunities in reciprocal relationship building and create opportunities for students, staff and faculty.

- A successful partnership with Little Red River Cree Nation to deliver the Special Needs Educational Assistant program. This has led to interest by other First Nations for a similar partnership.
- A transfer agreement with Yellowhead Tribal College allows student transfer from the Indigenous Environmental Stewardship and Reclamation Technologies Diploma into the Bachelor of Science. Students receive advance credit towards a major in biological sciences.
- High school transitions are supported in partnership with Amiskwaciy Academy in downtown Edmonton.
- The School of Business partnered with the Aboriginal Financial Officers Association of Alberta (AFOA) to develop an evaluation framework for the No-Limits joint initiative with AFOA and CPA Alberta. This initiative seeks to create more CPA-related opportunities for Indigenous Albertans.

The 2017/18 – 2019/20 Comprehensive Institutional Plan discussed the university's intention to develop a community engagement program with the intention of coordinating efforts around community engagement. The development of the plan was put on hold, pending the establishment of the new University Relations Department. The need for a plan will be re-examined as the University Relations Department begins to identify the needs of the university in this area.

The university recognizes that alumni are its greatest legacy and finest ambassadors, and as such is committed to supporting their continued growth, celebrating their achievements and strengthening their connection to the university. Policy revisions were approved by the Board of Governors that clarified and broadened the definition of alumni. Other work continues to build the university's capacity to more effectively engage with our alumni.

Supports for Underrepresented Learners

Student Affairs completed year three of its five-year strategic plan that embraces strategies to promote early intervention, anticipate and remove barriers for students and support students' success. A new peer writing tutor service model was launched that saw an increase of 18 per cent in the number of students that received support for services. Wait times for sessions dropped significantly during peak drop-in times (as opposed to wait times of three to six weeks under the previous service model). Student satisfaction with the service remained high. A new Academic Integrity Policy was implemented with an emphasis on restorative justice. It

is felt that academic integrity is best fostered through education and prevention.

The university continues to work on implementation of a new model for the Scholarships, Awards and Bursaries program. The program's aim is to facilitate access for all learners, including Indigenous, rural students, students with disabilities and learners from low income backgrounds.

Students with Disabilities:

The number of students seeking support through Services to Students with Disabilities (SSD) continues to trend upwards. Services provided included academic strategy instruction, print materials in alternate format, assistive technology, exam accommodations, signed language interpretation and individualized educational assistance.

In 2017/18, the number of students registered with SSD rose by 5.1 per cent over the previous year. Increased volume of accommodated exams stretched human resources and as well as physical space capacity. The evolving diversity of disability composition created challenges for staff to respond to the changing needs of students.

Over the last academic year, the Office of Services to Students with Disabilities developed a more streamlined process to assess new students and to provide accessibility and accommodation plans. The process involves the full team, including Learning Specialists, who identify barriers and review documentation. Assistive Technology assessors evaluate technical options and provide technology training. Even so, a higher volume of student appointments resulted in increased wait times during peak periods.

Indigenous Student Supports

The university invested additional resources in the kihêw waciston Indigenous Centre to expand its capacity. The centre offers personal, academic and cultural support and has advisors that support students with admission processes, scheduling, enrolment in classes and time management. While many of the centre's services are directed at Indigenous students, kihêw waciston's doors are open to everyone in the MacEwan community.

Two full-time Indigenous knowledge keepers were hired to facilitate collaboration and relationship building resulting in more supportive services for students, staff and faculty. The knowledge keepers provide cultural guidance on a personal and professional level and provided guidance on moving forward with the Truth and Reconciliation Commission's calls to action in the classroom. Facilitated student, staff and faculty learning circles were offered across all faculties and schools at the university.

An important step taken was the inclusion of Indigenous content as part of convocation. This included the adoption of an Indigenous invocation, the presence of Indigenous drummers/dancers and the creation of an Indigenous stole. The Indigenous stole recognizes student achievement while honoring culture and community. Volunteers and staff were oriented on Indigenous regalia that graduating students may wear on stage at convocation. An annual “Honoring Our Graduates” Indigenous pipe ceremony will be held for students and families to celebrate graduation.

The university developed several academic-related initiatives directly related to supporting Indigenous student success. These include:

- A pathway program for Indigenous students who do not have all of the required high school courses to enter into their desired course(s) of study. This pathway program is also being developed for international students, and there is recognition that a similar pathway may be needed for other under-represented groups.
- The Department of Humanities is developing Introduction to Cree courses. A Cree Language expert was contracted to develop and complete the Master Course Syllabifor early 2018.
- In partnership with Blue Quills University (BQU):
 - The Faculty of Arts and Science and kihêw waciston Indigenous Centre offered a Community Service Learning Course in Spring 2018. Faculty, staff and students participated in a four-day cultural camp delivered on site at BQU.
 - The Faculty of Nursing formed a collaborative partnership with BQU and will offer a MacEwan course at BQU in Spring 2019.
- A Faculty of Nursing Indigenous and TRC Working Group was formed. Indigenous culture exercises have been incorporated into the Post Basic Nursing Practice Program as well as in various courses in the Bachelor of Science in Nursing program.
- A secondary Indigenous office space and classroom opened at the Alberta College Campus to provide opportunities for students in the School of Continuing Education.
- Tutor supports have been made available for the Indigenous spaces at both campuses.

11. 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.

12. Capital Plan

The 2017/18 reporting period saw significant planning around campus development for the university. A main thrust of activity centred on the university's goal of campus consolidation at City Centre. Allard Hall opened in September 2017 and the west end Campus was sold to City of Edmonton and the building repurposed. In conjunction with this, the other important projects focused on enhancing the student experience included the work underway with the Students' Association of MacEwan University (SAMU) for their new building, and the completion of the MacEwan University Health Centre in conjunction with Alberta Health and the Department of Family Medicine at the University of Alberta. The Roundhouse, an integral part of the Allard Hall project, opened in May 2018 and is providing a platform for social innovation and drawing closer ties with the community.

In June of 2018, the Board of Governors approved a new Campus Master Plan. This is a 25-year plan that will be implemented in multiple phases. The plan prioritizes full campus consolidation in Edmonton's downtown, opportunities for future growth, and improvements to the university's space-per-student ratio. Under the new plan, the Board of Governors approved moving forward on several capital projects in the short term. Board approval in June of 2018 includes planning to relocate and expand the kihêw waciston Indigenous centre and planning for additional library and science lab space to address congestion and to accommodate future student growth. As well, the planning for the completion of the shell space on the fifth floor of Allard Hall was approved and commenced last spring. Completion of the space is a critical self-funded capital priority for the university and will be a final step in campus consolidation. The School of Continuing Education will move to the fifth floor space once it is completed, and the sale of the Alberta College building is being contemplated. One of the highlights of the new Campus Master Plan is a stand-alone School of Business building to accommodate

enrolment growth and ease current space pressures for students. This has been a university priority for a number of years. The university began to action this project as one of our next significant capital priorities. Other infrastructure projects have continued to the design phase, including barrel vault roof expansion and cooling coil replacement.

The 2017/18 to 2019/20 Comprehensive Institutional Plan also included a non-budgeted capital priority to relocate the School of Business to the fifth floor of Allard Hall. In response to the priorities outlined in the Campus Master Plan, it was determined that the fifth floor of Allard Hall would be a better fit for the School of Continuing Education, and therefore other alternatives are being considered for the School of Business.

The university commenced work in 2018 toward a transformed model of planning and building budgets. Analysis has begun on a variety of financial management processes including staff and faculty complement management, enhancing revenues from ancillary services, and improving the alignment of budget and strategy. With better planning and more active variance analysis, MacEwan will be eliminating the historical tendency for the institution to realize a material annual operating surplus. Through this process a number of changes have been implemented to enhance financial planning and management, and more improvements will be made over the next two years.

Over several years the Board has approved the restriction of funds to support the execution of the Campus Master Plan, approved in June 2018. These funds will now be used to support a variety of campus development plans over the next several years to enhance or expand space for students, including improvements in the university library, a new facility for the indigenous centre, and new science labs.

2017/18 SUMMARY OF CAPITAL PROJECTS

Type	Description	Funding Sources	Progress of Funding Collection	Expected Completion Date (from CIP)	Status	Progress Made in Past 12 Months	Revised Expected Completion date
Priority							
New	Complete Centre for Arts and Culture (CFAC) Project	75% Internal 17% GOA Grant 15% debt financing from Alberta Capital Finance Authority (ACFA)	100% received	July, 2017	Completed	Building opened for fall classes on September 5, 2017.	
New	Students' Association of MacEwan University (SAMU) Project	24% SAMU 1.6% Internal 74.4% debt financing from Alberta Capital Finance Authority (ACFA)	SAMU 100% Internal 100% 50% ACFA received.	Aug 31, 2019	In Process	Completed design, construction documents and awarded sub-trade contracts.	Nov 30, 2019
New	Innovation Centre (Roundhouse)	100% Internal	100% received	Sept 1, 2017	Completed	Project has progressed from design to award to construction to completion.	
Expansion	Deferred Allard Hall Projects	100% Internal	100% received	Aug 17, 2018	In Process	Project has progressed from design to award to construction.	Dec 31, 2018
New	MacEwan University Health Centre	100% Internal	100% received	May 31, 2018	Completed	Project has progressed from design to award to construction to completion.	
Expansion	Campus Development Emerging Priorities - kihêw waciston Indigenous Centre Project	50% Internal 50% Pending approval of federal/provincial funding	100% internal funding included in capital plan approved by the Board of Governors.	Aug 31, 2019	Early planning	Project has progressed from concept to planning.	
Expansion	Library Enhancement	Non-budgeted		June 30, 2021	In Process	In May 2018, the Board of Governors approved a capital plan with \$8 million to be allocated for the Library Enhancement.	

Type	Description	Funding Sources	Progress of Funding Collection	Expected Completion Date (from CIP)	Status	Progress Made in Past 12 Months	Revised Expected Completion date
Priority							
Expansion	Lab Space Expansion - Animal Care Facility Expansion	Non-budgeted		June 30, 2021	In Process	In May 2018, the Board of Governors approved \$5 million in 2020/21 to partially fund the estimated \$6.9 million Lab Expansion Project.	
Preservation	Barrel Vault Roof Expansion	100% Government of Alberta one-time funding	100% received	Sept 30, 2018	In Process	Project has progressed from design to award to construction to completion. Currently in the Close-Out stage.	
Preservation	Cooling Coil Replacement	60% Government of Alberta one-time funding 40% Infrastructure Maintenance Program funding	100% received	June 30, 2020	Received Government of Alberta one-time funding.	In the design stage.	
Preservation	Development of property north of Christenson Family Centre for Sports and Wellness	100% Internal	100% received	August, 2017	Complete	Project has progressed from design to award to construction to completion.	
Other							
Preservation	Outdoor Ramp Heating System Replacement	Non-budgeted		June 30, 2021	In Process	In risk management stage.	
Preservation	Site Remediation	Non-budgeted		Completion date will be determined by available funding and legislative regulatory requirements.		The Environmental Site Master Plan was updated, inclusive of regulatory changes and remediation cost estimates.	

13. Information Technology

MacEwan University continues to invest in the evolution of a robust enterprise architecture that includes applications; IT infrastructure; integrations; governance; and IT controls which include policy, standards and procedures, data governance, cloud computing, integrations, identity management and IT security. Technology has become critical to support academic and administrative requirements and to support the strategic goals of the university. The environment has become increasingly complex and in addition to this complexity, cyber security threats are increasing in both sophistication and frequency. The reliance for “always-on” technology services, secure and reliable systems, and continual demands for enhancements and modernization mean that IT must continually advance while ensuring core services are supported.

The university continues to invest regularly in the development and sustainment of the primary enterprise resource planning (ERP) (PeopleSoft) application. After the successful delivery of upgrades to the Campus Solutions and Finance suite of applications, and the upgrade to move our budgeting application to the cloud, an upgrade of our HR systems is well underway with implementation planned for November 2018. This investment is fundamental to ensuring that the university can always take advantage of best practices that are part of enterprise software while ensuring that the applications are running on secure IT infrastructure.

A multi-year ERP development program, based on university priorities, was completed and delivered on time and on budget. This program delivered many individual projects that introduced operational efficiencies and improved core services for students. Some notable projects included a complete solution for scholarships, awards and bursaries from application to adjudication and disbursement of funds and self-service waitlist features that allow students to put themselves on waitlists for classes. Another multi-year ERP program was launched after a period of consultation, analysis and decision making. The new program includes several projects that will again bring operational efficiencies and improvements for students, faculty and staff.

A modernization initiative is underway for our website. A new portal for students, faculty and staff

was delivered. Now we are investing in a complete redesign of the university website with a goal of making the website fully responsive, so that the website will be automatically resized depending on device screen size.

Outside of the core ERP environment, additional applications were introduced to meet specific business or academic requirements. For example, a new application for Sport and Wellness was implemented, an online calendar and curriculum management system is well underway and we moved to a new flexible benefits provider for our employees. Funding was received to upgrade MacEwan’s integration to the modernized Apply Alberta online application and transcript transfer system (APAS) and, along with all other post secondaries in the province, we completed the upgrade in the spring.

Within a higher-education setting, the requirement for openness and free exchange of information along with the increasing reliance on web-based services has made us more exposed to a wider variety of threats and vulnerabilities. Access to and the use of information systems and networks must be balanced with maintaining information and data security. The risk profile that faces MacEwan is constantly evolving as the sophistication and tools of cyber criminals increase along with risks inherent with the behaviors of our user base. Users of the university’s information systems and networks are transient, with student turnover at roughly 25 per cent.

Several important initiatives were funded and completed in 2017/18 that collectively reduced our risk of security compromises. A new, redundant network segment was added to City Centre Campus enabling redundancy and failover capability for important services for our students. All windows devices were upgraded to Windows 10 and encrypted. Servers and disk were added to our IT infrastructure to increase our capability for logging analysis. MacEwan participated in two national joint security projects. All faculty and staff were required to complete mandatory IT security training. A full self-assessment against an international security control framework was completed: this assessment is guiding the continual evolution of our security program.

IT provided network and shared IT services to the Roundhouse social innovation hub, which opened in spring of 2018. The new SAMU building in the Fall of 2019 will mark another milestone in the development of important relationships between the university and its partners. Network services and shared support are critical to these operations and to the university community.

MacEwan has continued to investment in classrooms to bring them all to a common standard. The virtual desktop environment for students was upgraded to incorporate fault tolerance and failover capabilities complete with options to provide virtual desktops to students from anywhere; network and phone upgrades are almost complete; and firewalls and network infrastructure are being upgraded.

Investment will continue in virtual desktop, centrally managed desktop upgrades and automations to find

operational efficiencies. Cloud computing options are providing lower-cost solutions for some applications and now offer security and controls to meet the needs of the university. Consequently, MacEwan will continue to move applications to the cloud wherever that makes sense. MacEwan has managed IT infrastructure through a capital assets replacement program that provides predictable funding for critical IT assets based on an asset life-cycle model. This program will continue as it provides the basis for sustaining a high degree of IT infrastructure currency across the university.

Finally, new opportunities are emerging for MacEwan to partner in IT shared services between post-secondary institutions. These initiatives, which the institution will pursue, provide the potential to reduce costs, improve technical redundancy and share expertise.

Appendix A.

Consolidated Financial Statements

For the year ended June 30, 2018

MacEwan University
Consolidated Financial Statements
For the year ended June 30, 2018

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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, 2018, 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, 2018, 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 W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

September 27, 2018

Edmonton, Alberta

MacEwan University
Consolidated Statement of Financial Position
As at June 30, 2018
(thousands of dollars)

	2018	2017
FINANCIAL ASSETS, excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 4)	\$ 60,779	\$ 46,992
Portfolio investments - non-endowment (Note 5)	44,445	76,088
Accounts receivable	5,801	4,933
Investment in government business enterprise (Note 7)	3,057	-
Inventories held for sale	1,716	1,921
Advances	1,140	-
Loan receivable	-	14,000
Assets held for sale (Note 8)	-	4,674
	116,938	148,608
LIABILITIES		
Accounts payable and accrued liabilities	36,741	44,616
Employee future benefit liabilities (Note 9)	7,935	7,553
Debt (Note 10)	60,992	116,796
Deferred revenue (Note 11)	45,425	43,286
	151,093	212,251
Net debt excluding portfolio investments restricted for endowments	(34,155)	(63,643)
Portfolio investments restricted for endowments (Note 5)	70,786	67,808
Net financial assets	36,631	4,165
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	405,302	400,619
Prepaid expenses	7,494	9,247
	412,796	409,866
Net assets before spent deferred capital contributions	449,427	414,031
Spent deferred capital contributions (Note 13)	145,807	145,879
Net assets	\$ 303,620	\$ 268,152
Net assets is comprised of:		
Accumulated surplus (Note 14)	\$ 292,352	\$ 259,065
Accumulated remeasurement gains	11,268	9,087
	\$ 303,620	\$ 268,152

Financial Risk Management (Note 6), Contingent Liabilities (Note 15), Contractual Rights (Note 16)
Contractual Obligations (Note 17)

Approved by the Board of Governors (Note 23):



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, 2018
(thousands of dollars)

	<u>Budget</u> (Note 22)	<u>2018</u>	<u>2017</u>
REVENUES			
Government of Alberta grants (Note 21)	\$ 122,538	\$ 123,486	\$ 121,930
Federal and other government grants (Note 21)	608	734	618
Student tuition and fees	86,608	89,920	83,926
Sales of services and products	27,139	26,383	25,341
Contract programs	1,338	1,656	1,721
Donations and other grants	1,429	1,551	1,653
Investment income	4,135	5,686	10,750
Gain on disposal of campus	31,326	31,407	7,137
Investment loss in government business enterprise (Note 7)	-	(65)	-
	<u>275,121</u>	<u>280,758</u>	<u>253,076</u>
EXPENSES (Note 18)			
Instructional and non-sponsored research	89,885	86,322	77,556
Academic and student support	56,528	56,482	54,073
Institutional support	44,597	41,255	38,044
Facility operations and maintenance	35,605	38,970	33,913
Ancillary services	22,732	23,612	21,464
Sponsored research	940	1,140	741
	<u>250,287</u>	<u>247,781</u>	<u>225,791</u>
Annual operating surplus	24,834	32,977	27,285
Endowment contributions	300	310	770
Annual surplus	25,134	33,287	28,055
Accumulated surplus, beginning of year	<u>259,065</u>	<u>259,065</u>	<u>231,010</u>
Accumulated surplus, end of year (Note 14)	<u>\$ 284,199</u>	<u>\$ 292,352</u>	<u>\$ 259,065</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, 2018
(thousands of dollars)

	<u>Budget</u> <u>(Note 22)</u>	<u>2018</u>	<u>2017</u>
Annual surplus	\$ 25,134	\$ 33,287	\$ 28,055
Acquisition of tangible capital assets (Note 12)	(42,688)	(21,661)	(51,279)
Amortization of tangible capital assets (Note 12)	18,686	17,035	13,423
Proceeds from sale of tangible capital assets		42	78
(Gain) loss on disposal of tangible capital assets	(100)	(13)	519
Transfer to assets held for sale		(86)	4,674
Change in accumulated remeasurement gains and losses		2,181	(468)
Change in prepaid expenses		1,753	(3,768)
Change in spent deferred capital contributions		<u>(72)</u>	<u>(2,826)</u>
Increase (decrease) in net financial assets		32,466	(11,592)
Net financial assets, beginning of year		4,165	15,757
Net financial assets, end of year		<u>\$ 36,631</u>	<u>\$ 4,165</u>

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, 2018
(thousands of dollars)

	<u>2018</u>	<u>2017</u>
Accumulated remeasurement gains, beginning of year	\$ 9,087	\$ 9,555
Amounts reclassified to the consolidated statement of operations due to portfolio investments - non-endowments	(66)	(5,294)
Unrealized gains attributable to portfolio investments - non-endowments	<u>2,247</u>	<u>4,826</u>
Accumulated remeasurement gains, end of year	<u>\$ 11,268</u>	<u>\$ 9,087</u>

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

MacEwan University
Consolidated Statement of Cash Flows
Year ended June 30, 2018
(thousands of dollars)

	2018	2017
OPERATING TRANSACTIONS		
Annual surplus	\$ 33,287	\$ 28,055
Add (deduct) non-cash items:		
Amortization of tangible capital assets	17,035	13,423
Spent deferred capital contributions recognized as revenue	(6,241)	(6,172)
(Gain) Loss on disposal of tangible capital assets	(13)	519
Gain on disposal of campus	(31,407)	(7,137)
Increase in employee future benefit liabilities	382	1,096
Gain on disposal of portfolio investment - non endowments	(20)	(5,176)
Investment loss in government business enterprise	65	-
Decrease (increase) in:		
Accounts receivable	(868)	1,121
Inventories held for sale	205	185
Advances	(1,140)	-
Prepaid expenses	1,753	(3,768)
Increase (decrease) in:		
Accounts payable and accrued liabilities relating to operating transactions	4,627	1,098
Deferred revenue	8,253	762
Cash provided by operating transactions	25,918	24,006
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(21,661)	(51,279)
(Decrease) Increase in accounts payable and accrued liabilities relating to capital transactions	(12,502)	(20)
Decrease in loan receivable - proceeds from sale of campus in prior year	14,000	-
Proceeds on disposal of tangible capital assets	42	78
Proceeds received on disposal of campus	30,996	1,335
Cash provided by (applied to) capital transactions	10,875	(49,886)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(26,049)	(62,445)
Proceeds on sale of portfolio investments	61,210	32,715
Investment in government business enterprise	(3,122)	-
Cash provided by (applied to) investing transactions	32,039	(29,730)
FINANCING TRANSACTIONS		
Capital contributions	759	256
Debt repayment	(77,846)	(2,336)
Debt - new financing	22,042	35,249
Cash (applied to) provided by financing transactions	(55,045)	33,169
Change in cash and cash equivalents	13,787	(22,441)
Cash and cash equivalents, beginning of year	46,992	69,433
Cash and cash equivalents, end of year	\$ 60,779	\$ 46,992
Cash and cash equivalents comprise of:		
Non-endowment	\$ 59,283	\$ 46,155
Endowment	1,496	837
	\$ 60,779	\$ 46,992

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

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2018
(thousands of dollars)

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 its 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
Advances	Cost
Loan receivable	Amortized cost less valuation allowance
Inventories held for sale	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

MacEwan University
Notes to the Consolidated Financial Statements
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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.

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.

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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.

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 rereasurement 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 Held for Sale

Inventories held for sale 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

MacEwan University
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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.

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. The university has no existing capital leases as at June 30, 2018.

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 sale 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.

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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. 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 Benefit Liabilities

i. Pension

The university participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that 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 is expensed as the benefits are earned. Actuarial valuations are obtained at least every three years, and the value of the sick leave benefit

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and the associated changes during the year are extrapolated when the most recent actuarial valuation was prepared one or two fiscal years earlier.

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

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

v. Administrative Leave

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

On approval to receive an administrative leave, a liability is 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 is expensed in the year the benefit is approved. The university has no liability for other employee future benefits.

j) Basis of Consolidation

These consolidated financial statements include 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 enterprise's accounting principles are not adjusted to conform to those of the university. The university's investment in this

MacEwan University
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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 (MDC), a wholly owned subsidiary of the university and trustee of The MacEwan University Land Trust (the trust), is accounted for by the modified equity method.

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.

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.

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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 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.

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.

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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 June 2015, the Public Sector Accounting Board issued PS 3430 Restructuring transactions. This accounting standard is effective for fiscal years starting on or after April 1, 2018. PS 3430 Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

In March 2018, the Public Sector Accounting Board approved PS 3280 Asset Retirement Obligations. This accounting standard is effective for fiscal years starting on or after April 1, 2021. PS 3280 Asset Retirement Obligations provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of this new standard on the consolidated financial statements.

3) Adoption of new accounting standards

The university has prospectively adopted standards from July 1, 2017:

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. This new disclosure has been included in Notes 7 and 20.
- 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. There was no impact to the consolidated financial statements.
- 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. There was no impact to the consolidated financial statements.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets. There was no impact to the consolidated financial statements.
- PS 3380 – Contractual rights defines and establishes disclosure standards on contractual rights. This new disclosure has been included in Note 16.

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Notes to the Consolidated Financial Statements
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4) Cash and Cash Equivalents

	2018	2017
Cash	\$ 60,779	\$ 46,992
Money market funds, short-term notes and treasury bills	-	-
	\$ 60,779	\$ 46,992

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

The university has \$1,496 (2017: \$837) cash and cash equivalents restricted for endowments.

5) Portfolio Investments

	2018	2017
Portfolio investments - non-endowment	\$ 44,445	\$ 76,088
Portfolio investments - restricted for endowments	70,786	67,808
	\$ 115,231	\$ 143,896

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

	Level 1	Level 2	Level 3	Total
	2018			
Portfolio investments at fair value				
Pooled Funds				
Canadian equities	-	\$ 26,560	\$ -	\$ 26,560
Foreign equities	-	63,411	-	63,411
Canadian bonds	-	1,566	-	1,566
Foreign bonds	-	22,696	-	22,696
Cash surrender value of planned gifts (life insurance policies)	-	-	998	998
	\$ -	\$ 114,233	\$ 998	\$ 115,231
	2017			
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
	\$ 35,451	\$ 107,469	\$ 976	\$ 143,896

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);

MacEwan University
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- 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>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 976	\$ 936
Disposals	(15)	-
Unrealized gains	<u>37</u>	<u>40</u>
Balance, end of year	<u>\$ 998</u>	<u>\$ 976</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 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.

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, 2018, the impact of a change in the rate of return on the investment portfolio is as follows:

- 0.16% change in fixed income securities would have a \$39 increase or decrease (2017: 1.66% change would have a \$382 increase or decrease);

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- 10.33% change in common stocks and equivalents would have a \$9,294 increase or decrease (2017: 11.48% change would have a \$9,750 increase or decrease).

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate 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 guaranteed investment certificates (GICs), the university only enter into transactions with major financial institutions that have high credit ratings and we closely monitor the creditworthiness of our counterparties. Fixed income investments in pooled funds, have low credit risk. Credit rating breakdown is not available for fixed income investments in pooled funds.

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

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 10).

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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
2018				
Cash and cash equivalent	100%	0%	0%	1.31%
Portfolio investments, short term	100%	0%	0%	0.00%
Portfolio investments, fixed income	0%	100%	0%	0.16%
2017				
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%

7) Investment in government business enterprise

The MacEwan Downtown Corporation (MDC) is a wholly owned subsidiary of the university. The MDC carry out operations of the trust, to acquire properties within proximity to the university city centre campus and develop them for ancillary or business activities prior to these being required by the university for campus development. The university is the beneficiary of the trust and will receive distributions from the trust once net proceeds are available.

	<u>2018</u>	<u>2017</u>
Equity in MacEwan Downtown Corporation		
Investment in MacEwan Downtown Corporation	<u>\$ 3,057</u>	<u>\$ -</u>
Change in equity in MacEwan Downtown Corporation		
Equity, beginning of year	-	-
Additional investment	3,122	-
Post acquisition loss	<u>(65)</u>	<u>-</u>
Equity, end of year	<u>\$ 3,057</u>	<u>\$ -</u>

Additional investment in the business enterprise is a loan provided to the MDC of \$3,000. Interest on loan is at a rate of 5% per annum or such lesser amount agreed upon by the university and the MDC from time to time.

Refer to schedule 1 for condensed supplementary financial information of The MacEwan University Land Trust that are included in these consolidated financial statements.

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8) Assets Held for Sale

At June 30, 2017 the university had assets held for sale on the consolidated statement of financial position which were sold for \$36,000 in 2017/18. 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

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9) Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	<u>2018</u>	<u>2017</u>
Benefit liability for employees on short and long term disability	\$ 4,137	\$ 3,958
Supplemental Retirement Plan (SRP)	1,722	1,851
Accumulating non-vesting sick leave liability	1,003	1,078
Administrative leave	<u>1,073</u>	<u>666</u>
	<u>\$ 7,935</u>	<u>\$ 7,553</u>

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, 2018. As at June 30, 2018 the university had 41 (2017: 38) employees on short-term 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, 2018.

iii. Accumulating Non-vested Sick Leave Liability

The university provides accumulating non-vested sick leave to employees. An actuarial valuation of these benefits was carried out as at June 30, 2018. 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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The expense and financial position of these defined benefit plans are as follows:

	Benefit liability for employees on short and long term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit	Administrative leave
2018				
Expenses				
Current service cost	\$ 625	\$ 225	\$ 34	\$ 1,025
Interest cost	106	57	9	-
Amortization of actuarial losses (gains)	33	73	(83)	-
Total Expense	\$ 764	\$ 355	\$ (40)	\$ 1,025
Financial Position				
Accrued benefit obligation:				
Balance, beginning of year	\$ 3,981	\$ 2,453	\$ 335	\$ 666
Current service cost	625	225	34	1,025
Benefit payment	(585)	(484)	(35)	(618)
Interest cost	106	57	9	-
Actuarial (gain) loss	(564)	(160)	(13)	-
Balance, end of year	3,563	2,091	330	1,073
Unamortized net actuarial gain (loss)	574	(369)	673	-
Accrued benefit liability	\$ 4,137	\$ 1,722	\$ 1,003	\$ 1,073
2017				
Expenses				
Current service cost	\$ 1,171	\$ 189	\$ 33	\$ 202
Interest cost	113	58	8	-
Amortization of actuarial losses (gains)	140	89	(82)	-
Plan amendments	-	-	(3)	-
Total Expense	\$ 1,424	\$ 336	\$ (44)	\$ 202
Financial Position				
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	-
Accrued benefit liability	\$ 3,958	\$ 1,851	\$ 1,078	\$ 666

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:

	2018			2017		
	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	2.96%	2.96%	2.96%	2.45%	2.45%	2.45%
Long-term average compensation increase	3.00%	2.00%	3.00%	3.00%	2.00%	3.00%
Benefit cost						
Discount rate	2.45%	2.45%	2.45%	2.45%	2.35%	2.45%
Year's maximum pensionable earnings and maximum pension increase	3.00%	3.00%	3.00%	3.00%	2.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated average remaining service life	5.8	7.8	10.9	6.4	8.2	10.9

As there are no assets set aside to fund these liabilities, the discount rate used is based on expected future cash flows of the benefit plans with duration matched to the Alberta Capital Finance Authority borrowing rate as of June 15, 2018 (2017: June 15, 2017).

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, 2017, the LAPP reported an actuarial surplus of \$4,835,515 (2016: \$637,357 deficit). An actuarial valuation of the LAPP was carried out as at December 31, 2016 and were then extrapolated to December 31, 2017. The pension expense recognized in these financial statements is \$13,601 (2017: \$13,610). Other than the requirement to make additional contributions, the university does not bear any risk related to the LAPP deficit.

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10) 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>	
			2018	2017
Debentures payable to Alberta Capital Finance Authority:				
1. Parkade	April 2025	6.250%	\$ 2,836	\$ 3,152
2. Student residence	June 2030	5.849%	26,818	28,324
3. West parkade	September 2030	4.392%	3,795	4,019
4. Robbins Health Learning Centre parkade	September 2032	4.890%	1,293	1,353
5. Centre for Arts and Culture construction financing	December 2017	0.650%	-	75,000
6. Surface parking lots	September 2024	1.568%	4,314	4,940
7. Allard Hall parkade	December 2047	3.164%	7,271	-
8. Allard Hall retail	December 2047	3.164%	3,168	-
9. Students' Association of MacEwan University building	December 2042	3.040%	11,497	-
			60,992	116,788
Obligations under capital leases			-	8
			\$ 60,992	\$ 116,796

Collateral:

- 1, 3 and 4 - cash flows from parking;
- 2 - cash flows from the residence facilities;
- 6, 7, 8, 9 - 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>
2019	\$ 3,082	\$ 2,833	\$ 5,915
2020	3,569	2,545	6,114
2021	3,734	2,379	6,113
2022	3,907	2,206	6,113
2023	4,089	2,025	6,114
Thereafter	42,611	12,443	55,054
	\$ 60,992	\$ 24,431	\$ 85,423

Interest on debt is \$2,651 (2017: \$2,646), of which \$2,454 (2017: \$2,239) is included in the consolidated statement of operations and \$197 (2017: \$407) is included in tangible capital assets on the consolidated statement of financial position.

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11) Deferred Revenue

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

	2018			
	Restricted			Total
	Unspent deferred revenue	Unspent deferred capital contributions	Student tuition and fees, sales of services and products, and contract programs	
Balance, beginning of year	\$ 24,907	\$ 4,949	\$ 13,430	\$ 43,286
Grants, donations and other revenue received	10,882	760	118,265	129,907
Restricted investment income - realized	4,064	-	-	4,064
Restricted investment income - unrealized gains	2,224	-	-	2,224
Transfers to spent deferred capital contributions	(610)	(5,559)	-	(6,169)
Recognized as revenue	(9,867)	-	(117,960)	(127,827)
Returned to grantor	(60)	-	-	(60)
Balance, end of year	<u>\$ 31,540</u>	<u>\$ 150</u>	<u>\$ 13,735</u>	<u>\$ 45,425</u>
	2017			
	Restricted			
	Unspent deferred revenue	Unspent deferred capital contributions	Student tuition and fees, sales of services and products, and contract programs	Total
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 8 and 13)	-	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>

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12) Tangible Capital Assets

Tangible capital assets changes during the year:

	2018						
	Land	Buildings	Land improvements	Equipment ⁽²⁾	Computer hardware and software	Other ⁽³⁾	Total
Cost⁽¹⁾							
Beginning of year	\$ 51,403	\$ 424,399	\$ 6,506	\$ 28,366	\$ 42,591	\$ 18,115	\$ 571,380
Classification adjustment	1	(14)	97	(95)	11	-	-
Acquisitions	143	13,517	235	3,469	3,411	886	21,661
Disposals, including write-downs	-	-	-	(537)	(3,181)	(40)	(3,758)
	<u>51,547</u>	<u>437,902</u>	<u>6,838</u>	<u>31,203</u>	<u>42,832</u>	<u>18,961</u>	<u>589,283</u>
Accumulated Amortization							
Beginning of year	-	(105,722)	(1,733)	(17,356)	(33,089)	(12,861)	(170,761)
Amortization expense	-	(10,600)	(589)	(2,000)	(2,776)	(1,070)	(17,035)
Effects on disposals, including write-downs	-	86	-	508	3,181	40	3,815
	<u>-</u>	<u>(116,236)</u>	<u>(2,322)</u>	<u>(18,848)</u>	<u>(32,684)</u>	<u>(13,891)</u>	<u>(183,981)</u>
Net book value at June 30, 2018	<u>\$ 51,547</u>	<u>\$ 321,666</u>	<u>\$ 4,516</u>	<u>\$ 12,355</u>	<u>\$ 10,148</u>	<u>\$ 5,070</u>	<u>\$ 405,302</u>
	2017						
	Land	Buildings	Land improvements	Equipment ⁽²⁾	Computer hardware and software	Other ⁽³⁾	Total
Cost⁽¹⁾							
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)
	<u>51,403</u>	<u>424,399</u>	<u>6,506</u>	<u>28,366</u>	<u>42,591</u>	<u>18,115</u>	<u>571,380</u>
Accumulated Amortization							
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
	<u>-</u>	<u>(105,722)</u>	<u>(1,733)</u>	<u>(17,356)</u>	<u>(33,089)</u>	<u>(12,861)</u>	<u>(170,761)</u>
Net book value at June 30, 2017	<u>\$ 51,403</u>	<u>\$ 318,677</u>	<u>\$ 4,773</u>	<u>\$ 11,010</u>	<u>\$ 9,502</u>	<u>\$ 5,254</u>	<u>\$ 400,619</u>

(1) Cost includes work-in-progress at June 30, 2018 totaling \$7,522 (2017: \$159,463) comprised of buildings \$6,745 (2017: \$157,489), equipment \$79 (2017: \$752), and computer hardware and software \$698 (2017: \$1,222).

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

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(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 \$197 (2017: \$407).

13) 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.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 145,879	\$ 148,705
Transfers from unspent deferred capital contributions	5,559	5,550
Transfers from unspent deferred revenue	610	648
Spent deferred capital contribution recognized as revenue	(6,241)	(6,172)
Balance of spent deferred capital contributions on assets held for sale (Notes 8)	-	(2,852)
	<u>\$ 145,807</u>	<u>\$ 145,879</u>

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14) Accumulated Surplus

	Accumulated surplus (deficit) from operations	Investment in tangible capital assets	Internally restricted	Endowments	Total
Accumulated surplus, June 30, 2017	\$ -	\$ 137,945	\$ 71,263	\$ 49,857	\$ 259,065
Annual operating surplus	32,977	-	-	-	32,977
Endowment contributions	-	-	-	310	310
Amortization of internally funded tangible capital assets	10,794	(10,794)	-	-	-
Net book value of assets disposals	29	(29)	-	-	-
Investment in tangible capital assets transferred to assets held for sale	(86)	86	-	-	-
Debt - new financing	22,042	(22,042)	-	-	-
Students' Association of MacEwan University building debt not spent	(11,497)	11,497	-	-	-
Debt repayment	(13,470)	77,846	(64,376)	-	-
Internally funded acquisition of tangible capital assets	(10,177)	15,492	(5,315)	-	-
Operating expenses funded from internally restricted surplus	4,542	-	(4,542)	-	-
Net Board appropriation to internally restricted surplus	(35,154)	-	35,154	-	-
Accumulated surplus, June 30, 2018	\$ -	\$ 210,001	\$ 32,184	\$ 50,167	\$ 292,352
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	-	-
Accumulated surplus, June 30, 2017	\$ -	\$ 137,945	\$ 71,263	\$ 49,857	\$ 259,065

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:

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	Balance, beginning of year	Disbursements			Debt Repayment	Appropriations from accumulated surplus from operations	Balance, end of year
		Operating expense	Capitalized				
Campus development - Allard Hall	\$ 40,711	\$ (2,570)	\$ 1,016	\$ (64,376)	\$ 25,219	\$ -	
Campus development	28,558	(752)	(5,890)	-	8,614	30,530	
School of Continuing Education	696	(253)	(34)	-	-	409	
Student technology reserve	421	(800)	(350)	-	1,329	600	
ERP renewal and technology enhancement	304	(18)	(57)	-	-	229	
Sustainability	243	(94)	-	-	-	149	
Music degree renovations	262	-	-	-	-	262	
Student activity support	64	(55)	-	-	(9)	-	
Scholarships and bursaries	4	-	-	-	1	5	
	<u>\$ 71,263</u>	<u>\$ (4,542)</u>	<u>\$ (5,315)</u>	<u>\$ (64,376)</u>	<u>\$ 35,154</u>	<u>\$ 32,184</u>	

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

	<u>2018</u>	<u>2017</u>
Financial assets		
Cash and cash equivalents	\$ 1,496	\$ 837
Portfolio investments - endowment	70,786	67,808
Accounts receivable (accrued investment earnings)	-	11
	<u>72,282</u>	68,656
Less:		
Accounts payable and accrued liabilities	(64)	(15)
Deferred revenue - investment earnings available for distribution	(22,051)	(18,784)
	<u>\$ 50,167</u>	<u>\$ 49,857</u>

15) Contingent Liabilities

As at June 30, 2018 the university was a defendant in three legal proceedings (2017: two). 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.

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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16) Contractual Rights

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

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

	Operating Leases	Capital Leases	Other Contracts	Total
2019	\$ 213	\$ -	\$ 2,273	\$ 2,486
2020	199	693	1,835	2,727
2021	137	714	1,705	2,556
2022	127	736	1,541	2,404
2023	47	758	1,479	2,284
Thereafter	-	20,436	27,582	48,018
Total at June 30, 2018	<u>\$ 723</u>	<u>\$ 23,337</u>	<u>\$ 36,415</u>	<u>\$ 60,475</u>
Total at June 30, 2017	<u>\$ 240</u>	<u>\$ 23,337</u>	<u>\$ 35,672</u>	<u>\$ 59,249</u>

17) Contractual Obligations

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

	Service contracts	Information systems and technology	Capital projects	Long term operating leases	Total
2019	\$ 4,099	\$ 1,169	\$ 14,637	\$ 569	\$ 20,474
2020	3,446	1,422	5,687	272	10,827
2021	1,723	1,422	-	184	3,329
2022	-	1,422	-	-	1,422
2023	-	1,422	-	-	1,422
Thereafter	-	-	-	-	-
Total at June 30, 2018	<u>\$ 9,268</u>	<u>\$ 6,857</u>	<u>\$ 20,324</u>	<u>\$ 1,025</u>	<u>\$ 37,474</u>
Total at June 30, 2017	<u>\$ 18,654</u>	<u>\$ 17,068</u>	<u>\$ 10,685</u>	<u>\$ 1,449</u>	<u>\$ 47,856</u>

The university is one of 64 members (2016 – 61 members) of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. As at December 31, 2017, CURIE had an accumulated surplus of \$81,232 (2016 - \$84,907). The university became a member of CURIE in 2013 and is part of the CURIE VI underwriting group. At December 31, 2017, this group's share of the accumulated surplus is

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\$24,755 (2016 -\$14,012), of which the university's pro rata share is approximately 1.009% (2016 - 0.985%). The university, as a members of the CURIE VI underwriting group, was not eligible for surplus distribution as at December 31, 2017. Future eligible pro rata share of accumulated surplus will not be recognized in the consolidated financial statements.

18) Expense by Object

The following is a summary of expense by object:

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
Salaries	\$ 138,516	\$ 135,247	\$ 125,012
Materials, supplies and services	38,504	43,047	34,706
Employee benefits	28,114	27,614	26,999
Amortization of capital assets	18,686	17,035	13,423
Cost of goods sold	7,078	6,606	6,742
Maintenance and repairs	7,296	6,553	8,239
Utilities	5,292	5,341	4,750
Scholarships and bursaries	4,117	3,884	3,681
Interest on long term debt	2,684	2,454	2,239
	<u>\$ 250,287</u>	<u>\$ 247,781</u>	<u>\$ 225,791</u>

MacEwan University
Notes to the Consolidated Financial Statements
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19) Salary and Employee Benefits

	2018			
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ⁽³⁾	Total
Governance ⁽⁴⁾				
Chair	\$ -	\$ -	\$ -	\$ -
Board Members	-	12	10	22
Executive				
President	335	10	106	451
Provost and Vice President, Academic ⁽⁵⁾	270	10	77	357
Vice President, Finance and Administration ⁽⁶⁾	57	680	20	757
General Counsel and Vice-President Governance, Diversity and Inclusion ⁽⁷⁾	254	10	74	338
Vice President, Resources and People ⁽⁸⁾	215	9	53	277
	2017			
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ⁽³⁾	Total
Governance ⁽⁴⁾				
Chair	\$ -	\$ -	\$ -	\$ -
Board Members	-	6	-	6
Executive				
President	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	215	-	54	269

(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 including severance. No bonuses were paid in 2018.

(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, tuition, and parking passes for Board members (see (4) below) and the Provost and Vice President Academic effective May 14, 2018.

(4) Academic staff, student and non-academic staff members appointed to the Board of Governors receive an honorarium of \$3 per year and a parking pass for daily use, 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 honorarium.

(5) During the year the position of Provost and Vice President, Academic was held by two individuals, with the second individual acting in this position effective May 14, 2018.

(6) During 2018 the position of Vice President, Finance and Administration was abolished with duties of this position being distributed to other members of the Executive. Included in Other cash benefits is \$540 in severance benefits paid as a result of this position abolishment and \$138 vacation payout.

(7) During 2018 the position of Vice President, General Counsel & Compliance Officer was changed to General Counsel and Vice-President Governance, Diversity and Inclusion.

MacEwan University
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(8) During 2018 the position of Vice President Integrated Information and Communication Systems was changed to Vice President, Resources and People.

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, 2017	Service Cost	Interest Cost	Benefit Payment	Actuarial Loss (Gain)	Accrued Benefit Obligation, June 30, 2018
President	-	68	2	-	(8)	62
Provost and Vice President, Academic	195	41	6	-	(20)	222
Vice President, Finance and Administration	402	8	2	(425)	13	-
General Counsel and Vice-President Governance, Diversity and Inclusion	127	26	4	-	(5)	152
Vice President, Resources and People	52	20	2	-	1	75

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

20) Related Party Transactions

The university is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the university and their close family members are also considered related parties. The university may enter into transactions with these entities and individuals in the normal course of operations and on normal terms.

The following related party transactions occurred during the year:

- a) During the year the university developed vacant space for the MacEwan University Health Centre. Effective July 1, 2018 the university will lease this space at no cost to a not-for-profit corporation established by, inter alia, physicians and members of the Department of Family Medicine within the Faculty of Medicine & Dentistry of the University of Alberta, a related party within the Government of Alberta reporting entities.

MacEwan University
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(thousands of dollars)

In consideration of the university's contribution to the establishment, development and operation of the MacEwan University Health Centre, the not-for-profit corporation has agreed to provide certain health services to the university's students, faculty and staff. In addition, the not-for-profit corporation and its members have agreed to the university appointing one of the three to five directors of the not-for-profit corporation.

b) The university has liabilities with Alberta Capital Finance Authority as described in Note 10.

21) Government Grants

	2018	2017
Grants from Government of Alberta		
Department of Advanced Education:		
Operating	\$ 119,763	\$ 114,257
Indigenous Careers Awards	320	318
Total department of Advanced Education	120,083	114,575
Other post-secondary institutions	154	24
Other Government of Alberta ministries, departments and agencies		
Ministry of Children's Services	845	350
Department of Culture and Tourism	18	21
Ministry of Labour	11	-
Alberta Innovates	-	26
Total other Government of Alberta ministries, departments and	874	397
Total grants received	121,111	114,996
Restricted expended capital recognized as revenue	5,803	5,795
Change in deferred revenue	(3,428)	1,139
	\$ 123,486	\$ 121,930
Federal and other government grants		
Total grants received	\$ 609	\$ 642
Restricted expended capital recognized as revenue	58	58
Change in deferred revenue	67	(82)
	\$ 734	\$ 618

22) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the university's 2017/18 to 2019/20 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 2017/18 to 2019/20 Comprehensive Institutional Plan.

MacEwan University
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(thousands of dollars)

23) Approval of Financial Statements

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

24) Comparative Figures

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

MacEwan University
Schedule 1 to the Consolidated Financial Statements
June 30, 2018
(thousands of dollars)

The MacEwan University Land Trust condensed supplementary financial information.

Statement of Financial Position
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Cash	\$ 246	\$ -
Prepaid expenses	3	-
Due from related party	6	-
Property, plant and equipment	<u>2,786</u>	<u>-</u>
	<u>\$ 3,041</u>	<u>\$ -</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 3	\$ -
Goods and services tax payable	3	-
Deferred revenue	53	-
Interest payable	47	-
Long-term debt	<u>3,000</u>	<u>-</u>
	<u>3,106</u>	<u>-</u>
Trust Capital		
Trust capital	-	-
Deficit	<u>(65)</u>	<u>-</u>
	<u>(65)</u>	<u>-</u>
	<u>\$ 3,041</u>	<u>\$ -</u>

Statement of Operations
Year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Rent revenue - lease of parking to MacEwan University	\$ 17	\$ -
Expenses		
Interest expense on loan from MacEwan University	46	-
Supplies and services	18	-
Amortization of property, plant and equipment	14	-
Utilities	<u>4</u>	<u>-</u>
	<u>82</u>	<u>-</u>
Net loss	<u>\$ (65)</u>	<u>\$ -</u>

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