

Annual Report

2018/19



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1. Accountability Statement

MacEwan University's Annual Report for the year ended June 30, 2019 was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

A handwritten signature in blue ink that reads "Carolyn Graham".

Carolyn Graham, FCPA, FCA, ICD.D
Board Chair

The Annual Report was approved by the Board of Governors on December 19, 2019

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 Board of Governors of Grant MacEwan University 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 & Risk Committee and Finance, Property & Investment Committee. The Audit & Risk 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 & Risk 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,



John McGrath, MA
Acting President



Rick Ellis, CPA, CA, BComm
*Associate Vice President, Finance and Chief
Financial Officer*



3. Message from the President

Located in Edmonton's downtown core, MacEwan University is a hub of creative, scholarly and cultural activity at the heart of the city – building, sharing in, and contributing to Edmonton's growth and economic prosperity. We have a strong connection to the community, including business, and we work collaboratively to meet local needs, contribute to solving local issues, and cultivate the graduates who will be Alberta's next generation of talented entrepreneurs, innovators, community leaders, and change makers. Nearly 90% of our graduates live and work in Alberta, contributing to the resilience and diversification of our economy. The vast majority (94%) are employed six to eight months after program completion and 73% are working in jobs related to their program of study. This demonstrates a strong return on investment for taxpayers and a good investment for our students.

The 2018/19 academic year has been another year of change, transition, and continued progress for MacEwan University. The institution's president, Dr. Deborah Saucier, announced in March 2019 her intent to leave the university on July 4, 2019. Dr. Saucier's leadership was instrumental in growing a greater connection between our academic programs and research with the business community and the diverse social community

of Alberta and Edmonton, with a particular focus on the necessary and meaningful inclusion of Indigenous learners and Indigenous knowledge at MacEwan University. A presidential search is underway with the expectation that a new president will be in place by summer of 2020. In March 2019, I was selected by the Board as Acting President, effective July 5, 2019 until a new president is appointed.

At the same time that Dr. Saucier left the university, a new planning context emerged for Alberta's post-secondary institutions with the election of a new government. The government signaled changes to both policy and funding for the sector, and a new board chair and public members were appointed later in the summer. Amendments to the *Post-secondary Learning Act* clarified the university's role as an Undergraduate University under Part 1, and we continue to work through these governance changes, which include the expansion of membership on the Board of Governors. These changes are an invigorating opportunity for our leadership to reimagine MacEwan University's priorities to contribute to the development of a reinvigorated and coordinated post-secondary system that best meets the needs of Alberta and our learners.

In considering this new context, the university reevaluated its work on the development of a new five-year strategic plan. Extensive work was undertaken over the 2018/19 academic year by the university community to articulate a new vision, mission and values for the university, along with work to identify four key strategic priority areas, with supporting initiatives. Given the significant changes underway, it was deemed prudent to have further discussion with the Board of Governors in the fall to determine next steps for the strategic plan. The strategic planning process will be paused to allow for reflection of anticipated changes in the post-secondary landscape, new expectations from government, and in anticipation of a new president.

MacEwan University's financial position remained stable in 2018/19 and the university continues to deliver its programs in the most

efficient and effective way. For example, MacEwan's continuing professors, on average, teach 6.5 courses per year, in comparison to more typical models of four courses per year. This commitment to instruction serves to enhance the quality of the learning experience for our students under a space-efficient and cost-effective model. With reductions in the Campus Alberta Grant anticipated for 2019/20 and with a continued commitment to quality education and putting students first, the university continues to examine how it delivers administrative services, including financial services, advising and non-instructional supports.

With over 12,700 full-time equivalent students, MacEwan University remains the third largest university in Alberta. A slight decline in enrolment this year, impacted our enrolment target by 273 full-load equivalents (FLE). After years of steady growth in our Bachelor of Commerce, Bachelor of Arts, and Bachelor of Science programs, enrolment in these areas flattened. International student participation also declined across all programs. Enrolment of Indigenous students at MacEwan University increased from 5.4% to 5.9% and Indigenous student retention rates were increased by 8.5%. With the redesign of our kihêw waciston Indigenous Centre, we are working to provide a supportive and inclusive environment that contributes to learner success and enrolment growth.

The university is paying close attention to these enrolment shifts and a renewed emphasis on strategic enrolment management will ensure that enrolment planning is aligned with student demand, labour market requirements, space, budget, and other planning considerations.

MacEwan University continues to develop new programs and evolve existing programs to respond to changing market needs and demand, as well as to develop unique pathways for students within the university and into the labour market. The university provides traditional pathways for students but also offers stackable credentials that allow learners to pause and exit formal education to enter the

workforce, by leaving a degree program after two years with a diploma, or by leaving a diploma program after one year with a certificate. This flexibility allows learners to receive the education and credential they need and to enter the labour market when opportunity arises without being penalized for changing their journey to respond to opportunities. This is another way MacEwan University supports students and graduates to be successful and contribute to Alberta.

In our annual surveys, employers tell us they value MacEwan graduates, indicating our graduates are prepared for success in the labour market. Student satisfaction remains high, scoring 94% satisfaction in national survey results. MacEwan graduates are job-ready in numerous fields from business to nursing, policing, design, and economics.

The university is implementing its new Campus Master Plan. Driven by academic priorities, capital planning initiatives are focused on building capacity for the university for future growth in high demand areas and in meeting labour market priorities that support the economic prosperity of the province. Planning commenced to look at the feasibility of a new academic building and we continue to work on the business case. Given our current space utilization rates, we know that without expanding space, the university will need to cap enrolment at 13,000 FLEs.

Alberta's Indigenous population continues to grow, and post-secondary participation and equal opportunities also need to grow. MacEwan University continues to place significant efforts on addressing the Truth and Reconciliation Commission of Canada's (TRC) calls to action. This is of upmost importance in building Alberta's highly skilled and educated workforce and citizenry. Over the last academic year, the university took an important step in beginning to formalize partnerships with Alberta's Indigenous post-secondary institutions. A Memorandum of Understanding with University nuhelot'ine thaiyots'į nistameyimâkanak Blue Quills that will provide reciprocal relationship building and create opportunities for students, faculty and staff at

both universities will be signed in the fall of 2019. Plans to reach out to other Indigenous organizations and post-secondary institutions to formalize relationships will be undertaken in the coming year. While other strategies were undertaken to increase enrolment and retentions rates for Indigenous students, priority was given to investing in the development of a new learning and community space dedicated to our Indigenous students through the redesign of our kihêw waciston Indigenous Centre.

MacEwan University remains focused on enhancing our own efficiencies and contributing to a coordinated and streamlined post-secondary system while delivering exceptional post-secondary education for our students. We continue to look for ways to support government in red tape reduction and growing alternative revenue generation streams in the interest of our students.

I know that with the continued support of the Government of Alberta, and the faculty, staff and students of MacEwan University, we will continue to achieve great things together.



John McGrath, MA
Acting 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, 2018– June 30, 2019:

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 at MacEwan.ca/GeneralCounsel.

5. Operational Overview

Leadership and Organizational Changes

MacEwan University saw significant change in its senior administrative team in the 2018/19 academic year. The university's president, Dr. Deborah Saucier, announced she was leaving the university to take on the role of president of Vancouver Island University, effective July 2019. The Board of Governors engaged Boyden Executive Search in June 2019 to undertake the presidential search which is expected to be completed by summer of 2020. An interim organizational structure was put in place with the Board of Governors appointing John McGrath as acting president during the transition period. The university also undertook a search for a new provost. Dr. Craig Monk was appointed in December 2018 for just over a five-year term, which will end on June 30, 2024.

Status Change to an Undergraduate University

Changes to the *Post-secondary Learning Act* occurred in February of 2019, clarifying the university's role as an Undergraduate University under Part 1, recognizing the university's focus on teaching. This move to Part 1 of the Act clarified the bi-cameral structure of the university. It also allowed MacEwan University to consider the appointment of a chancellor and to grant honorary degrees.

University Governance

Both the Board of Governors and academic governance saw structural changes to the way they operated with amendments made to the *Post-secondary Learning Act*. Work commenced in the spring 2019 through a working group to begin to implement the new governance structures outlined in Part 1 of the Act. Planning commenced to implement these changes including the establishment of a General Faculties Council and expansion of membership on the Board of Governors. These changes will be fully implemented in the next academic year.

The university completed a review of both its board governance and academic practices in 2018. The review considered best practices nationally. Changes were implemented to the Board of Governors practices and structures, and recommendations for General Faculties Council are being considered over the next year as the General Faculties Council becomes fully operational.

Strategic Planning

Over the last 18 months, the university undertook work on the development of a new integrated strategic plan. This included the development of a draft vision, mission and values, as well as four strategic directions. Due to the planning environment that MacEwan University found itself in, including a presidency vacancy and a new trajectory set by a change in government, direction from the Board of Governors will be sought in the fall 2019 to determine next steps for the strategic plan.

Alumni Association

The updated *Post-secondary Learning Act* also allowed alumnus to play a greater part in the university, with increased representation on the Board of Governors and involvement in new activities like appointing a chancellor and awarding honorary degrees. The university began the process of forming its Alumni Association, expected to be in place by fall 2019.

Campus Consolidation

Alberta College campus remained as an outstanding location in the university's quest for campus consolidation. The university determined that the completion of the fifth floor of Allard Hall would provide for an opportunity to complete that strategic goal and move the School of Continuing Education from Alberta College to City Centre Campus. A unique opportunity presented itself to the university with an interest in the lease of Alberta College Campus by Edmonton Public

Schools to reallocate their Centre High School. A three-year lease agreement was signed in spring 2019. The fifth floor of Allard Hall will be completed in the summer of 2020.

Campus Development

In addition to the construction on the fifth floor of Allard Hall, the university had a very busy year with campus development. Construction for the new Students' Association of MacEwan University (SAMU) Building commenced in the summer of 2018. The project remains on budget and is on target to open in early 2020. It was determined that the university's Indigenous Centre had outgrown its capacity and required an expansion. In 2018, the university undertook a repurpose of Paul Byrne Hall, located in the Robbins Health Learning Centre, into a new Indigenous space. The new kihêw waciston Indigenous Centre will welcome all students and will showcase Indigenous artists, including an art piece that will serve as a treaty marker located just outside the kihêw waciston Indigenous Centre.

Legislative Compliance

The university spent considerable effort to comply with new legislation including the *Conflicts of Interest Legislation*. The university worked closely with other universities and the Ethics Commissioner to develop a new employee code of conduct as well as a code of conduct for the Board of Governors. The new codes of conduct for both employees and the Board of Governors took effect on July 1, 2019. Substantial implementation activities to comply with the legislation were undertaken, including the creation of new information technology systems. The compliance requirements of the Designation of Senior Officials aspect of the legislation continues to be a concern, particularly as the university strives to attract a new president. The university continues to work on compliance with the *Occupational Health and Safety Act*. The efforts to be compliant with legislation continue to draw on the university's resources and present challenges with implementation.

Meeting the Truth and Reconciliation Commission of Canada Calls to Action

MacEwan University continued to move forward with key objectives in support of reconciliation and to build good relations with Indigenous communities, organizations and institutions. This has involved many Indigenous stakeholders who have become important partners in supporting the university with this objective. Collaboration occurred with Indigenous partners on Indigenous focused events, activities and educational opportunities. MacEwan University and Blue Quills University have created a Memorandum of Understanding that will be signed in the fall of 2019. This agreement will provide opportunities in reciprocal relationship building and create exceptional opportunities for all students, staff and faculty.

Management of Human Resources

In June of 2019, the university introduced a Voluntary Separation Incentive Program (VSIP). Under the program, continuing staff with four or more years of service were able to apply for a one-time separation payment if they chose to leave their position. The university will finalize the number of positions that will be abolished as a result of VSIP in the fall of 2019, but it is expected to be close to 40 full-time positions.

Health and Wellness Initiatives

The university continued to be challenged with the growing need for mental health and wellness supports for students. Through the mental health grant provided by Advanced Education, MacEwan University was able to meet more demand and enhance its mental health supports to students with professional practitioners. The MacEwan University Health Centre (the MUHC), a partnership with the Department of Family Medicine at the University of Alberta, completed its first year of operations. A wide spectrum of health services is available to students, faculty and staff. Over 6,180 students and 1,600 faculty and staff visited the MUHC from January 1, 2018 to September 30, 2019. The focus of the MUHC's first year was to ensure effective operations with plans to develop practicum and work

experience opportunities for MacEwan students in several disciplines, including the Bachelor of Science in Nursing.

MacEwan University's Place in Downtown Edmonton

The university's partnerships in the community are fundamental to realizing our full potential as Edmonton's downtown university. The university partnered with many not-for-profit organizations, making positive contributions in the community. Business and industry partnerships provide positive benefits for students.

Partners such as the Downtown Business Association and North Edge Business Association help bring to life our place in Edmonton's downtown through joint events such as block parties and pop up events with our residence. MacEwan's urban beekeeping is a unique initiative that facilitates community engagement through local harvests and hands-on experiences by community members. The university also partners with Goodwill Alberta to re-route goods to community partners such as the Bissell Centre.

Building Relationships for Student Success

Partnerships between the university's faculties and schools and external organizations are key to facilitating student success and employment in the community. Examples of these partnerships include:

- Edmonton Police Services (EPS) to offer 'Run with the Recruiters', generating opportunities for students to network with EPS members.
- The Bank of Canada, the RCMP, and EPS to offer education programs to students.
- CPA Alberta, Chartered Managers of Canada, TecEdmonton, and StartupEdmonton, all of which benefit students.
- Travel students are connected with major airlines, Canada Border Services and others.

- Through the university's Social Innovation Institute students are connected to industry partners and university undergraduate students to explore applied research questions related to social innovation.

Appointments & Reappointments

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

- Mr. John McGrath, acting president
- Ms. Myrna Khan, vice-president, University Relations
- Dr. Craig Monk, provost & vice-president, Academic
- Mr. Rick Ellis, chief financial officer
- Mr. Kevin Fitzgerald, associate vice-president, Alumni and Development
- Dr. Craig Kuziemy, associate vice-president, Research
- Dr. David McLaughlin, associate vice-president, Planning & Analysis, and Registrar
- Ms. Helen Ngan-Paré, associate vice-president, Human Resources
- Dr. Lynn Wells, associate vice-president, Student and Teaching
- Ms. Sharon Hobden, dean, Faculty of Nursing (Interim)
- Ms. Karen Keiller, dean, Library
- Dr. Heather McRae, dean, School of Continuing Education
- Dr. Melike Schalomon, dean, Faculty of Arts and Science (Interim)

BOARD OF GOVERNORS

Chair

Carolyn Graham, FCPA, FCA, ICD.D

Acting President

John McGrath, MA

Public members

Cameron Barr, MD, CCFP
 Lisa Jane de Gara, BA, MPA
 Meghan DeRoo McConnan, CPA, CA
 Alexandra Fisher, BES, MSc
 Adam Guiney, BA
 Samantha Kernahan, LLB, BA
 Jasmine Nuthall, CPA, CFE
 Janice Sarich, MEd
 Sarah Tokar, MBA, CPHR, RPR

Students' Association of MacEwan University members

Ryley Osadchuk
 Andrea Turner

MacEwan Staff Association member

Nina Delling, MA

MacEwan University Faculty Association member

Aimee Skye, PhD

SENIOR MANAGEMENT

Acting President

John McGrath, MA

Vice-Presidents

Myrna Khan, BSc, MBA
 Vice-President, University Relations

Craig Monk, DPhil
 Provost & Vice-President, Academic

Michelle Plouffe, BA, LL.B, ICD.D
 Vice-President and General Counsel

Deans

Wanda Costen, PhD, Business
 Allan Gilliland, PhD, Fine Arts and
 Communications
 Sharon Hobden, MEd, Faculty of Nursing
 (Interim)

Karen Keiller, MLIS, Library
 Fred McGinn, PhD, Health and Community
 Studies

Heather McRae, EdD, Continuing Education
 Melike Schalomon, PhD, Arts and Science
 (Interim)

Associate Vice-Presidents

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 Kevin Fitzgerald, MBA, CFRE, Alumni and
 Development
 Shelagh Hohm, BSc, Information Services &
 CIO
 Barry Horan, CA, CIA, CRMA, Internal Audit
 and Risk Management
 Craig Kuziemy, PhD, Research
 Stuart MacLean, Facilities
 David McLaughlin, PhD, Planning & Analysis
 and Registrar
 Helen Ngan-Paré, MS, Human Resources
 Lynn Wells, PhD, Students and Teaching

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*

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 based on 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

CORE PROGRAMS

Ministry Approved Programs	2016/17	2017/18	2018/19
Baccalaureate degrees	9	9	10
Baccalaureate degrees majors	29	29	31
Applied degrees	2	2	1
Degree transfer programs	2	2	2
Career diplomas	25	25	24
Career diplomas majors	32	32	31
Post-diploma certificates	7	7	7
Career certificates	9	9	9
Other credit programs/projects	4	4	4

ENROLMENT, FACILITY, AND STAFFING INFORMATION

Enrolment and Applications	2016/17	2017/18	2018/19
Credit full-load equivalents (FLE)	12,623	12,917	12,751
Credit student headcount	19,101	19,351	18,925
International student full-load equivalents (FLE)	843	860	757
International student headcount	1,273	1,304	1,092
Program applications total	25,661	25,283	23,693
Unique applicants	20,865	20,721	19,283
Returning self-declared Indigenous students	595	697	756
Total self-declared Indigenous students	997	1,128	1,168

Staffing	2016/17	2017/18	2018/19
Academic / Instructional (FTE)*	743	760	753
Non-academic Support (FTE)	645	667	680
Administrative / Managerial (FTE)	224	220	216
Total Employee (FTE)	1,611	1,646	1,649
Total Employees (Headcount)	2,103	2,123	2,239

* Historical numbers have been updated to reflect a change in reporting methodology aligned to the latest collective agreement with the Grant MacEwan University Faculty Association.

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

The expected completion dates for all goals and the expected outcomes for each of these goals were identified for the fiscal year ending June 30, 2019. For each of the items that follow, the goals and the expected outcomes are from the 2018/19 to 2020/21 Comprehensive Institutional Plan.

STRATEGIC GOALS

Goal 1	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 Initiative	To increase the allocation of funding for education abroad programs and implement new strategies to increase study abroad opportunities.
Expected Outcome	The university will send, at minimum, 300 students on short-term (5-60 days) education abroad programs, including study tours, field schools and summer programs.
Performance Measure	Number of students on short-term education abroad programs
Expected Completion Date (from CIP)	June 30, 2019
Status	Completed
Progress Made in the Last 12 Months	Funding for Education Abroad activities have expanded to include bursaries as well as non-credit opportunities based on feedback from deans. Uptake in short-term education abroad programs was about half of what was anticipated in 2018/19 for two reasons: overall participation in study tour and field schools was low, resulting in some opportunities being cancelled; less promotion of Education Abroad due to staffing shortages.
Revised Expected Completion Date	N/A

Goal 2	MacEwan University will develop and implement a strategic and integrated approach to enrolment planning and management to enhance student access, engagement and success.
Priority Initiative	To establish strategic enrolment objectives for the university and for individual programs.
Expected Outcome	The university will have clear enrolment goals and incentive budget plans for Indigenous and international students, students with disabilities, and students studying online, as well as providing guidance for the creation of support systems to ensure student success.
Performance Measure	Enrolment plan created

Expected Completion Date (from CIP)	June 30, 2019
Status	In progress
Progress Made in the Last 12 Months	MacEwan University has implemented a strategic enrolment management committee responsible for setting enrolment goals at the university. In the reporting year, the committee reviewed programming capacity and incorporated revised regulations for Open Studies into the planning process.
Revised Expected Completion Date	June 30, 2020

Goal 3A	MacEwan University will be a vibrant presence and contributor to the vitality of Edmonton and other communities it serves.
Priority Initiative	Engage with business, government, social agencies and others involved in downtown development to define the role to be played by MacEwan University over the next two decades in the intellectual, social and cultural life of the city centre and the Edmonton region as a whole.
Expected Outcome	The university will fill a new position, vice-president, University Relations, starting July 1, 2018. The new vice-president will create a plan of engagement with key stakeholders and begin its implementation.
Performance Measure	Community engagement plan created
Expected Completion Date (from CIP)	June 30, 2019
Status	In progress
Progress Made in the Last 12 Months	MacEwan University hired a vice-president, University Relations starting September 1, 2018. The vice-president has focused on defining department goals, introducing tools to staff to assist with stakeholder engagement, meeting with donors, hiring staff, (including director, Government Relations and associate vice-president, Alumni and Development), and meeting with community stakeholders. The vice-president has been engaging with various external stakeholders as part of an over-all ramping up of the University Relations unit and to further develop opportunities for student success.
Revised Expected Completion Date	June 30, 2020

Goal 3B	MacEwan University will be a vibrant presence and contributor to the vitality of Edmonton and other communities it serves.
Priority Initiative	Engage with business, government, social agencies and others involved in downtown development to define the role to be played by MacEwan University over the next two decades in the intellectual, social and cultural life of the city centre and the Edmonton region as a whole.
Expected Outcome	MacEwan University's Indigenous Centre, in partnership with the Indigenous Advisory Council, will identify recruitment strategies to increase self-declared indigenous enrolment, and will identify strategies to increase retention of self-declared Indigenous learners.
Performance Measure	Number of self-identified Indigenous students Number of returning Indigenous students
Expected Completion Date (from CIP)	June 30, 2019
Status	Completed
Progress Made in the Last 12 Months	MacEwan University has become a leader in building relationships with Indigenous communities, organizations and institutions. This process has involved many Indigenous stakeholders who have become important partners in supporting the university in the work with Indigenous initiatives. The kihêw waciston Indigenous Centre has current reciprocal relationships and collaborations with Enoch Cree Nation, Kehewin Cree Nation, Edmonton Public Schools, Edmonton Catholic Schools, Canadian Native Friendship Centre, City of Edmonton, University nuhelot'î ne thaiyots'î nistameyimâkanak Blue Quills, University of Alberta, Norquest College and NAIT. Their identified needs are collaboration on Indigenous focused events, activities and educational opportunities. kihêw waciston Indigenous Centre and the Indigenous Initiatives unit are housed together to provide effective practice and service to MacEwan community and its stakeholders. MacEwan University and Blue Quills University have drafted a MOU agreement that will be signed in fall 2019. Retention of self-declared Indigenous students was up 8.5 % and overall self-declared Indigenous student enrolment increased from 5.4% to 5.9 %.
Revised Expected Completion Date	N/A

PERFORMANCE MEASURES

MacEwan University identified the following performance measures in the 2018/19 to 2020/21 Comprehensive Institutional Plan. Achievements relative to the targets and a brief overview of context are provided for each measure.

1) UNIVERSITY ENROLMENT

2018/19 TARGET: 13,024 FLE

ACHIEVEMENT: 12,751 FLE

Source: Learner Enrolment Reporting System

Enrolment in the 2018/19 year missed the target by 273 FLE, or 2%. The primary driver of this missed target is weaker than expected international student numbers.

2) INTERNATIONAL STUDENT ENROLMENT

2018/19 TARGET: 7.0% OF TOTAL ENROLMENT

ACHIEVEMENT: 5.9% OF TOTAL ENROLMENT

Source: Learner Enrolment Reporting System

International student numbers were not as high as anticipated as MacEwan University has switched recruitment focus from a concentration on preparatory and diploma programs to degree programs. The university is still establishing its reputation as a comprehensive undergraduate institution abroad. MacEwan University also sought more diversity in source countries. The university entered several new markets recently to mitigate the risk of over-reliance on one market. Additionally, the School of Continuing Education restructured their preparatory programs and MacEwan University is socializing these new programs in international markets.

3) TOTAL \$ VALUE OF SCHOLARSHIPS

2018/19 TARGET: INCREASE FROM 2017/18 TOTAL BY 10%

ACHIEVEMENT: INCREASE OF 16.1%

Source: MacEwan University student awards data

The total dollar value of scholarships increased from \$3.9 to \$4.5 million.

4) STUDENT SATISFACTION WITH OVERALL QUALITY

2018/19 TARGET: OVERALL QUALITY 90% OR GREATER

ACHIEVEMENT: 92%

Source: Canadian University Survey Consortium (CUSC) 2019 First Year Students Survey

In the latest CUSC Survey, 92% of respondents either agreed or strongly agreed that they were generally satisfied with the quality of the teaching they received. As well, 94% of these students were satisfied with their decision to attend MacEwan University.

STUDENT MENTAL HEALTH

Student mental health continues to be an area of focus for MacEwan University. Some key goals and priority initiatives are as follows:

Administration of the National College Health Assessment (NCHA)

The NCHA survey collects data about students' habits, behaviors, and perceptions on prevalent health topics. The NCHA was administered between March 5 and 26, 2019. A total of 985 surveys were completed with a response rate of 26.3%. The survey data was shared with the university's Executive, deans and other leaders with responsibility for student engagement and satisfaction to determine where programs and services needed to be enhanced or adjusted.

Accessible, early intervention mental health service for students

Wellness and Psychological Services (WPS) provided 1,045 initial consultations to students during this reporting period. This represents the fourth consecutive year of service access growth. Initial consultations are the first point of contact for students new to WPS or for those who have not accessed services in the past six months. Initial consultations are a free and confidential 30-minute conversation where students meet with a clinician to explore their reasons for seeking help. Goals for counselling are explored. From there, the student and clinician discuss the best course of action going forward.

Short-term individual counselling and case management services for students

WPS provided 4,470 individual counselling and case management appointments to students following the initial consultation. Services provided to students represent a brief intervention model with 88% of students receiving 10 sessions or less from their service provider.

Leadership and participating in the Edmonton Regional Post-Secondary Mental Health Coordinating Committee (ERPSMHCC)

MacEwan University has been an active participant in the ERPSMHCC. Dr. Lynn Wells, associate vice-president, Students & Teaching was elected to role of vice-chair of the ERPSMHCC for 2019-20.

Draft completion of the Student Mental Health Strategy

Under the leadership of Dr. Lynn Wells, the MacEwan University Draft Student Mental Health Strategy was brought to draft completion. The draft strategy serves as a sign of MacEwan University's commitment to mental health. The strategy was informed by evidence-based research and best-practices which were used to draft guiding principles, goals, key strategies, and recommendations. The draft strategy will be presented for university and external consultation during 2019/20.

Launch of the Peer Health Education Team

The Peer Health Education Team (PHET) launched by WPS in September 2018. Through peer-to-peer interactions, the PHET aims to promote health and wellness initiatives through the provision of health promotion and educational programming for MacEwan University students. Program goals include normalizing help seeking behavior, decreasing stigma related to mental health, normalizing healthy behaviour, creating a supportive campus environment and increasing knowledge and wellness topics (e.g. coping strategies, self-management competencies resiliency, etc.). Throughout the academic year the five-member student team provided programming which included educational displays, wellness activities, social media engagement, presentations, workshops, in-class announcements, and collaborations with campus and community organizers.

Improve continuum of mental health care to support students in moving between campus-based providers

Referral processes were developed between MacEwan University Health Centre and WPS to facilitate seamless transitions between services for students.

Launch of mental health workshop for MacEwan staff, faculty and managers

The Working Mind workshop was launched in January 2019 at MacEwan University. The workshop, developed by the Mental Health Commission of Canada, was facilitated by twelve MacEwan University faculty and staff. Goals of the workshop include mental health stigma reduction in the workplace, increasing understanding of mental health and wellness, and developing strategies to improve resilience. Workshops are scheduled throughout 2019/20.

SEXUAL VIOLENCE PREVENTION, EDUCATION AND RESPONSE

MacEwan University is committed to preventing sexual violence, providing trauma-informed support to students, staff and faculty affected by sexual violence, and responding fairly and effectively to complaints of sexual violence. Supported by the Office of Sexual Violence Prevention, Education and Response (OSVPER) and strong cross-campus partnerships, the university provides opportunities for education and engagement for the entire campus community, while promoting the values and behaviours at the root of a safe and inclusive community: consent, respect, empathy, support, sex positivity, and courage.

Integrated Training Program

OSVPER provides targeted sexual violence prevention and response training to key groups on campus, including Residence Life staff, athletics coaching staff, student-athletes, Security Services, deans, and the Executive. Additionally, department and faculty specific training is provided to staff and faculty from

units across campus, and disciplinary specific education is provided to students across the university's schools and faculties.

Student Education and Leadership

The MacEwan Anti-Violence Education Network (MAVEN) Peer Education program launched in September 2018, providing a team of students with comprehensive training to deliver primary sexual violence prevention programming to students across campus. Over 600 students were reached with in-class MAVEN programming during 2018/19, and OSVPER aims to double this number in 2019/20. Additionally, University Students Offering Leadership on Violence Elimination (U-SOLVE) serves as an advisory resource on matters pertaining to gender-based violence and gender equity on campus, providing students with meaningful leadership and advocacy experience.

Employee Education and Engagement

In addition to integrated training for staff and faculty, MacEwan University offers a unique opportunity for employee education and engagement. The Sexual Violence Support Guide (SVSG) program provides employees a comprehensive two-day training on the realities of sexual violence and support skills for responding to disclosures. After completion of the training, participants are engaged as partners in sexual violence awareness and prevention initiatives on campus, and function as a network of information and support for individuals impacted by sexual violence. SVSG training is offered three times a year, and over 5% of MacEwan employees have completed the training since it launched in spring 2017.

Annual Cycle of Events and Activities

MacEwan University offers a rich annual cycle of events and activities, designed to promote learning and generate discussion about consent, healthy relationships, sexual violence, relationship violence, and related topics. Annual initiatives include Sexual Violence Awareness Week, the 'Ending Sexual Violence' Student Research Forum, 'At The Root'

Community Engagement Project, and the Red Flag Campaign, in addition to student-led programming developed by student leaders.

Support Services

The Sexual Violence Response Coordinator position was established in August 2018 with a mandate to serve as a first point of contact for university members impacted by sexual violence. The role is responsible for offering trauma-informed support and information, including access to modifications, counselling, and reporting options. From August 2018 until July 2019, the Response Coordinator provided 45 support sessions to 30 individuals affected by sexual violence. Additionally, they provide subject-matter guidance and consultation for any employee responding to disclosures or complaints of sexual violence.

Sexual Violence Policy and Procedures

OSVPER led a major review and revisions of the Sexual Violence Policy and Responding to Sexual Violence Procedures, including substantial community consultation. The revised policy and procedures were passed by the Board of Governors in December 2018.

Complaints and Investigations

The Sexual Violence Response Team is a group of university employees responsible for overseeing the university's response to Sexual Violence. They are committed to ensuring that the university has a consistent, coordinated, fair, and trauma-informed institutional framework for responding to complaints. In 2019, MacEwan University hired a manager of Investigations and a student conduct officer. Both positions improve MacEwan University's capacity to effectively investigate complaints of sexual violence.

7. Financial and Budget Information

This information should be reviewed in conjunction with the June 30, 2019 MacEwan University audited consolidated financial statements and accompanying notes.

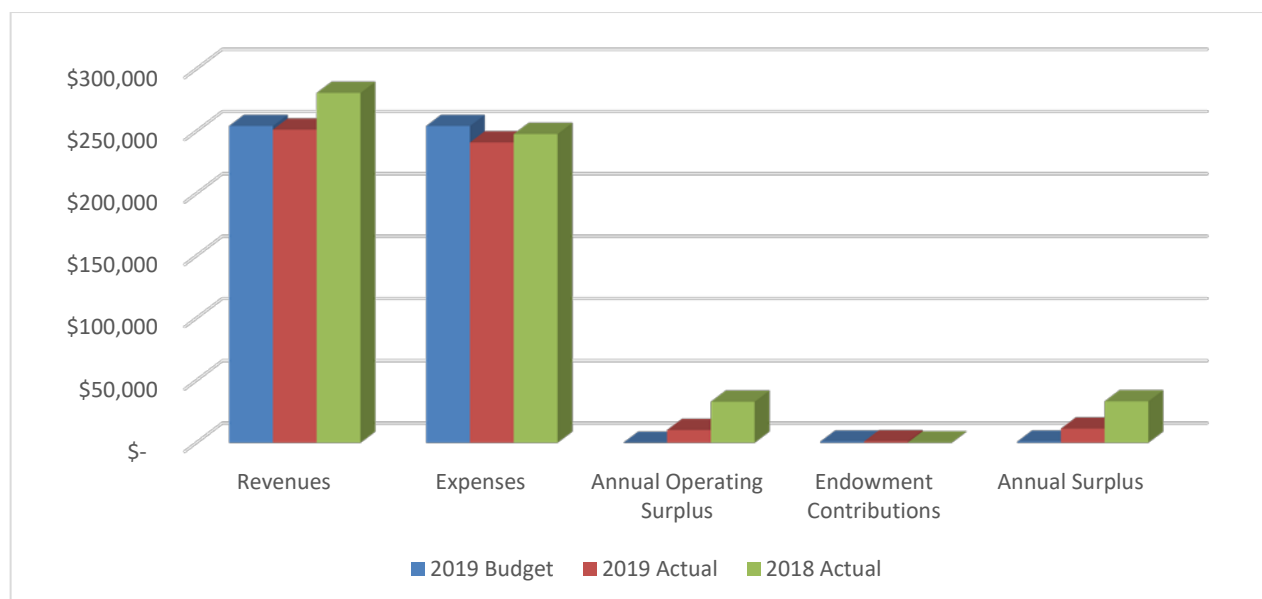
The audited consolidated financial statements are reviewed and approved by the Board of Governors of Grant MacEwan University on the recommendation of the Audit & Risk Committee of the Board of Governors. These consolidated financial statements are prepared in accordance with Canadian public sector accounting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

(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:

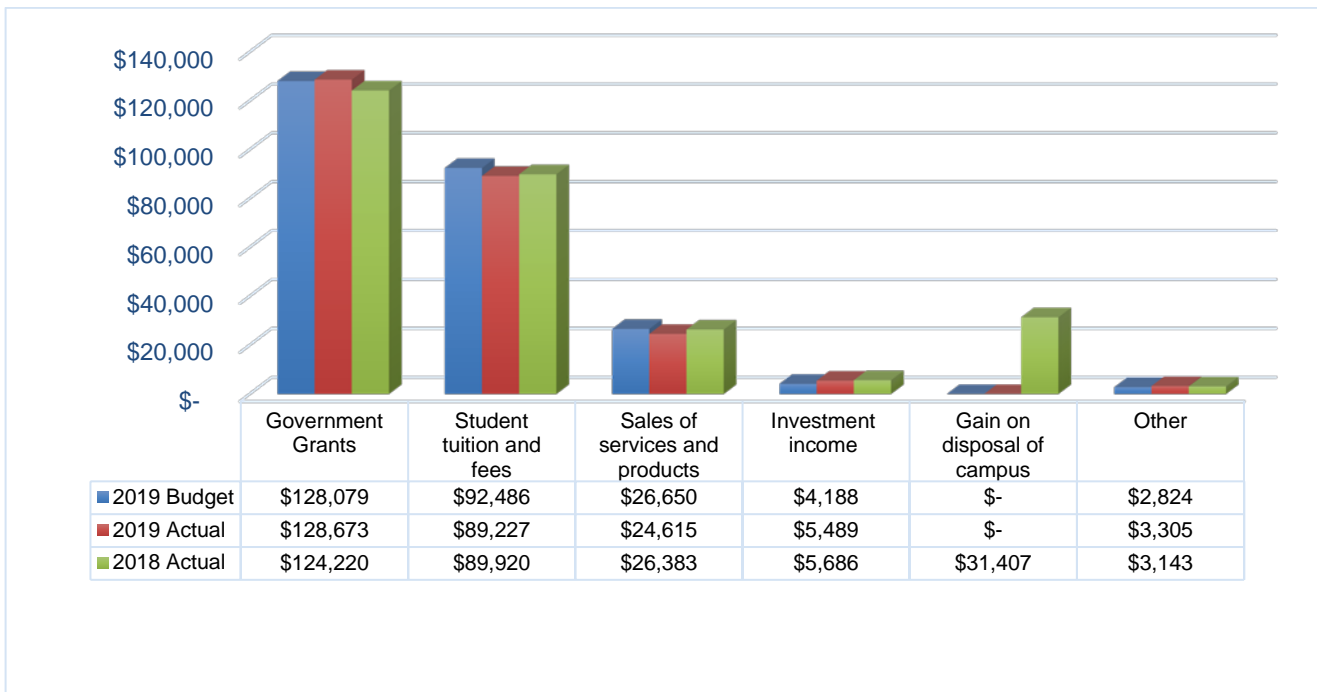
	2019 Budget	2019 Actual	2018 Actual
Revenue	\$ 254,227	\$ 251,309	\$ 280,758
Expenses	<u>254,227</u>	<u>241,039</u>	<u>247,781</u>
Annual Operating Surplus	-	10,270	32,977
Endowment Revenue	<u>950</u>	<u>1,157</u>	<u>310</u>
Annual Surplus	<u>\$ 950</u>	<u>\$ 11,427</u>	<u>\$ 33,287</u>



The 2019 annual operating surplus is the net result of \$2,918 decrease in revenue compared to budget offset by \$13,188 positive variances in operating expenses. These variances are explained below. The 2018 annual operating surplus includes \$31,407 gain on disposal of the west campus and \$1,570 surplus from operations.

a. Operating Revenues

Total operating revenues for the university was \$251,309 which is \$2,918 less than budget and \$29,449 less than in 2018. The following shows the comparison of 2019 approved budget, 2019 actual, and 2018 actual revenue:



The 2019 annual operating surplus is the net result of \$2,918 decrease in revenue compared to budget offset by \$13,188 positive variances in operating expenses. These variances are explained below.

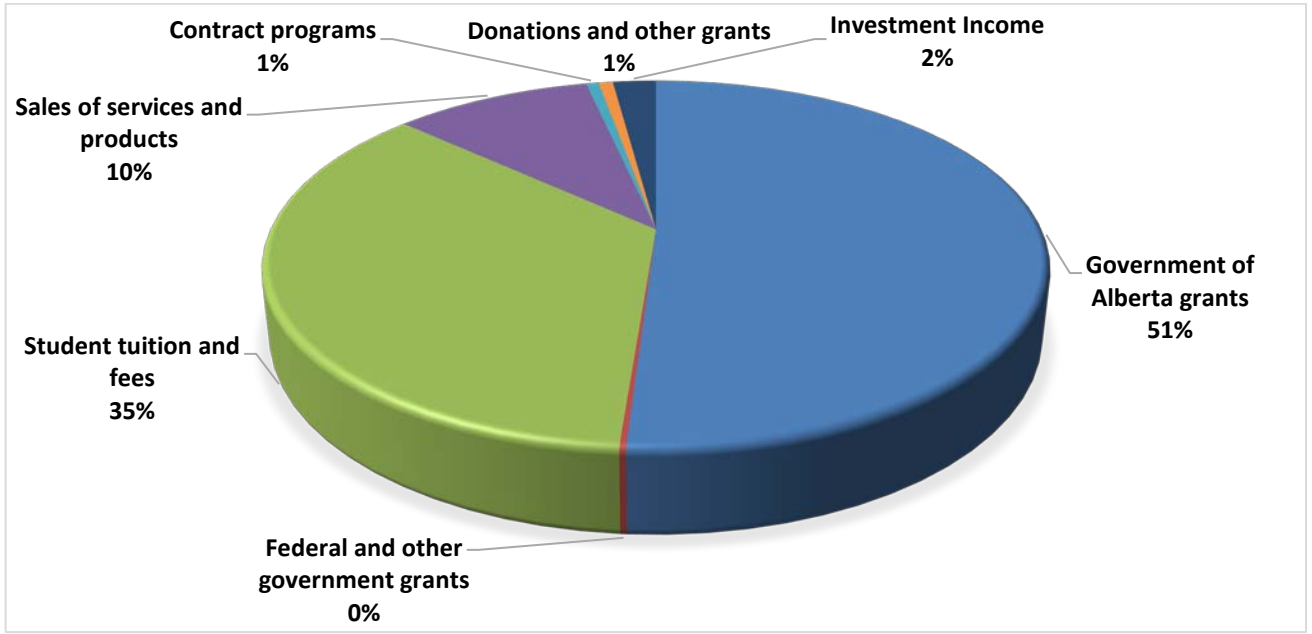
The 2018 annual operating surplus includes \$31,407 gain on disposal of the west campus and \$1,570 surplus from operations.

	2019 Budget	Variance from Budget	2019 Actual	Change from 2018	2018 Actual
Government of Alberta grants	\$ 127,371	\$ 716	\$ 128,087	\$ 4,601	\$ 123,486
Federal and other government grants	708	(122)	586	(148)	734
Student tuition and fees	92,486	(3,259)	89,227	(693)	89,920
Sales of services and products	26,650	(2,035)	24,615	(1,768)	26,383
Contract programs	1,317	226	1,543	(113)	1,656
Donations and other grants	1,521	241	1,762	211	1,551
Investment income	4,188	1,301	5,489	(197)	5,686
Gain on disposal of campus	-	-	-	(31,407)	31,407
Investment loss in government business enterprise	(14)	14	-	65	(65)
	<u>\$ 254,227</u>	<u>\$ (2,918)</u>	<u>\$ 251,309</u>	<u>\$ (29,449)</u>	<u>\$ 280,758</u>

The variance from budget is mainly due to reduction in student tuition and fees (\$3,259) as well as sales of services and products (\$2,035) offset by a small increase in Government of Alberta Grant (\$716) and investment income (\$1,301).

The variance from 2018 is mainly due to the sale of the west campus in 2018 which resulted in a gain of \$31,407. In addition, the Government of Alberta grants increased \$4,601 from 2018 which is offset by a decrease in a number of other revenue categories.

Grants from the Government of Alberta continues to be approximately 50% of the total revenue for the university, with student tuition being the next largest category at 35%.



i. Government grants

Government grants consists of the following:

	2019		2018
	Budget	Actual	Actual
Government of Alberta			
Campus Alberta Grant			
Prior years actual	\$ 110,437	\$ 110,589	\$ 108,396
Prior years tuition freeze funding	1,282	1,282	-
2% cost of living adjustment	2,237	2,237	2,194
Current year tuition freeze funding	1,366	1,366	1,282
Adjustment for April to June	-	-	559
Other one-time and conditional funding recognized as revenue			
Students with disabilities	873	878	876
Student mental health and wellness	-	339	266
Infrastructure maintenance program	2,533	2,391	1,482
Other	2,743	3,172	2,628
Spent deferred capital contributions recognized as revenue	5,900	5,833	5,803
Total Government of Alberta grants	127,371	128,087	123,486
Federal and other governments			
One-time and conditional funding recognized as revenue	650	519	676
Spent deferred capital contributions recognized as revenue	58	67	58
Total Federal and other governments	708	586	734
Total Government Grants	\$ 128,079	\$ 128,673	\$ 124,220

The 2019 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 2% from 2018 with additional funding to offset the freeze in tuition. There was also an increase in the revenue recognition for one-time and conditional grants which are offset by expenses relating to these one-time and conditional grants.

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 decreased from 2018 mainly due to lower enrolment in School of Business programs partially offset by higher enrolment in Open Studies.

International student tuition rate was increased 5% from prior years, but enrolment of international students in credit programs decreased by 124 full load equivalents (FLEs). MacEwan University switched recruitment focus from a concentration on preparatory and diploma programs to degree programs and is still establishing its reputation as a comprehensive undergraduate institution abroad.

MacEwan University also sought more diversity in source countries. The university entered new markets recently to mitigate the risk of over-reliance on one market. Additionally, the School of Continuing Education restructured their preparatory programs and MacEwan University is socializing these new programs in international markets.

International tuition revenue declines in credit programs was more than offset by higher revenue for international study tours offered by the School of Continuing Education, which resulted in \$2,288 increase in revenue from 2018. This additional revenue reduced the negative budget variance in International revenue to \$445 overall. International study tours are funded by government grants that may end after 2020/21.

iii. Sales of services and products

Sales of services and products includes revenues from parking, bookstore, Residence, Christenson Family Centre for Sport and Wellness membership and registration fees, and other revenue generated by the university.

Bookstore sales continue to trend downwards and declined another \$1,117 from 2018 and were \$1,337 less than the 2019 budget. Student resources continue to move more to online materials and commission-based revenue for rentals rather than sales of hard-cover textbooks.

There were other smaller declines in Residence income and Sport and Wellness fees.

b. Operating Expenses

Under public sector accounting standards, the consolidated statement of operations presents expenses by the functions as defined in Note 2(k) to the consolidated financial statements. Note 18 to the consolidated financial statements discloses the operating expenses by objects. The following presents the 2019 operating expenses by function and object:

	Instruction and non- sponsored research	Academic and student support	Institutional support	Facilities operation & maintenance	Ancillary services	Sponsored research	Total
Salaries	\$ 67,604	\$ 31,454	\$ 22,050	\$ 7,413	\$ 5,785	\$ 548	\$ 134,854
Employee benefits	12,636	5,935	5,101	2,215	939	22	26,848
Total salaries and employee benefits	80,240	37,389	27,151	9,628	6,724	570	161,702
Materials, supplies and services	6,150	11,700	10,139	4,665	2,172	393	35,219
Amortization of capital assets	-	298	-	14,750	2,734	-	17,782
Maintenance and repairs	163	115	953	5,799	1,968	-	8,998
Cost of goods sold	604	261	-	(285)	4,885	1	5,466
Utilities	30	48	335	3,930	693	-	5,036
Scholarships and bursaries	5	4,479	-	-	25	-	4,509
Interest on long term debt	-	-	-	-	2,327	-	2,327
Total	\$ 87,192	\$ 54,290	\$ 38,578	\$ 38,487	\$ 21,528	\$ 964	\$ 241,039
Percentage of total	36%	23%	16%	16%	9%	0%	100%

i. Expense by function

	2019 Budget	Variance from Budget	2019 Actual	Change from 2018	2018 Actual
Instructional and non-sponsored research	\$ 92,945	\$ 5,753	\$ 87,192	\$ 870	\$ 86,322
Academic and student support	57,940	3,650	54,290	(2,192)	56,482
Institutional support	39,551	973	38,578	(2,677)	41,255
Facility operations and maintenance	40,036	1,549	38,487	(483)	38,970
Ancillary services	22,745	1,217	21,528	(2,084)	23,612
Sponsored research	1,010	46	964	(176)	1,140
	<u>\$ 254,227</u>	<u>\$ 13,188</u>	<u>\$ 241,039</u>	<u>\$ (6,742)</u>	<u>\$ 247,781</u>

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 to vacant positions.

The increase from 2018 is in part due to additional continuing faculty in the Faculties of Arts and Science, and Health and Community Studies, offset by continuing faculty vacancies in the Faculty of Fine Arts and Communications. In addition, the School of Continuing Education incurred higher expenses for the International Study Tours.

2. Academic and Student Support

Academic and student support includes two components:

- Academic support which includes expenses directly supporting the academic functions of the university, including expenses of the library, and academic deans' departments.
- Student support which includes centralized functions that support individual or groups of students such as student service administration, student recruitment, records and admissions (registrar), counseling or career services, social development and recreation, financial aid administration, intercollegiate athletics, centralized scholarship awards, and any other centralized student support group.

The variance from budget in academic and student support was \$3,650 with 70% of the variance in academic support due to lower administration costs in the School of Business, lower spending on library materials (offset by higher capital collection costs), and from lower costs in institutional planning due to departmental reorganization.

In student support the variance was mainly due to variances in the University Registrar.

The decrease from 2018 is due to the following:

- Significant reductions in the School of Business support costs;
- Reductions in administration costs in the Faculty of Health and Community Studies due to administrative leave costs being incurred in 2018 but not in 2019;
- In 2018, there were project costs incurred in the start-up of Allard Hall.

3. Institutional Support

This functional expense category includes the following:

- Expenses for executive management, corporate marketing and communications, university relations, corporate insurance premiums, corporate finance, human resources, and any other centralized institution-wide administrative services; and
- Centralized core computing, network, and data communication.

Actual institutional support expense for 2019 was less than budget by \$973 due to vacant positions partially offset by additional expenditures for technology projects.

The institutional support in 2018 included costs associated with enhancing information technology and infrastructure, academic administrative leave and one-time salary settlement costs which did not occur in 2019.

4. Facility Operations and Maintenance

Facility operations and maintenance includes utilities costs and the centralized management and expenses for the maintenance and renovations of grounds, facilities, operations, and of physical plant for all university activities. It also includes amortization of building and equipment, except those expenses attributable to ancillary services.

The budget variance of \$1,549 is due to lower than anticipated spending on grant funded infrastructure projects, including the cooling coil replacement, and Building 8 roof replacement. These two projects are expected to be completed in 2019/20.

The \$483 decrease from 2018 is mainly due to lower project costs relating to Allard Hall partially offset by higher Infrastructure Maintenance Program spending and amortization costs.

5. Ancillary Services

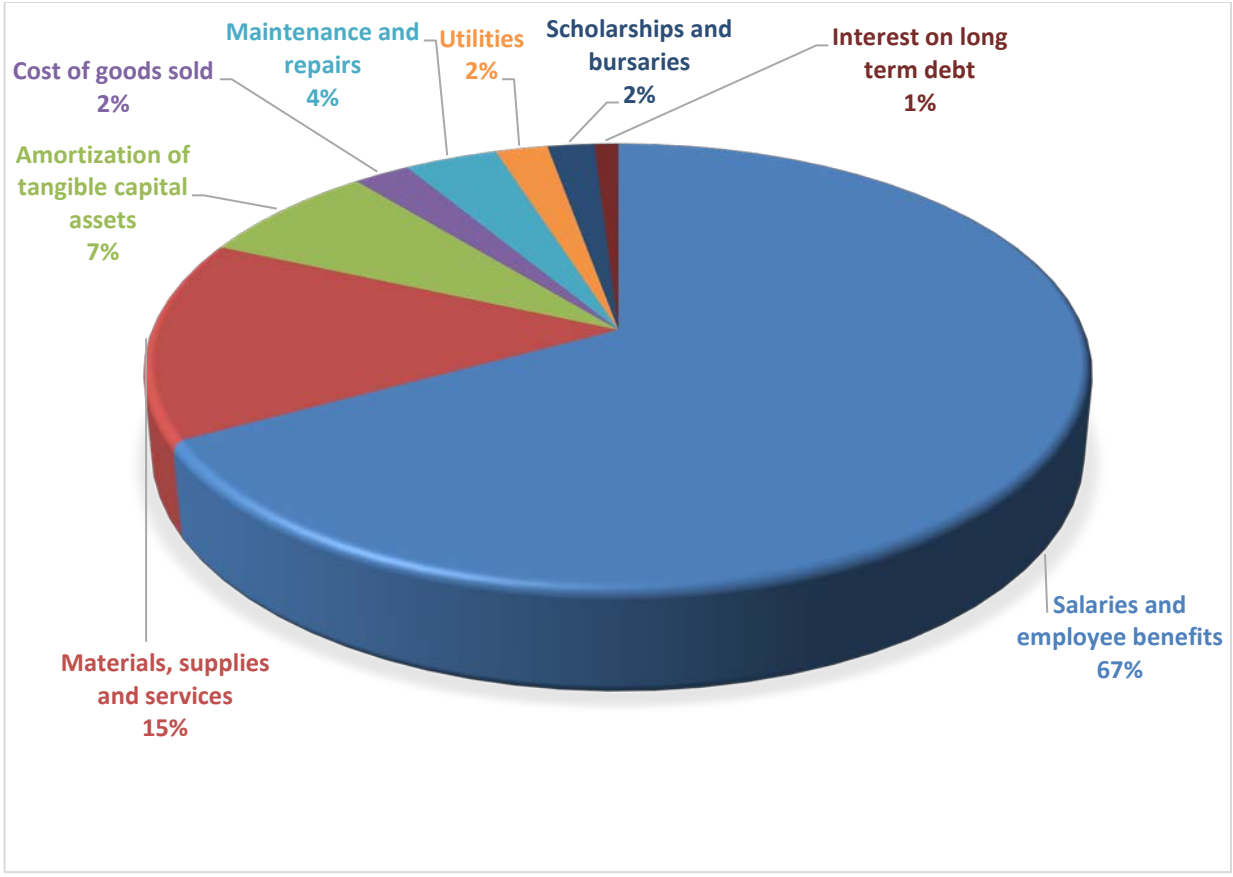
This functional expense category includes the bookstores, food services, residences and housing, parking services, and print services. Also includes amortization directly attributable to these ancillary services.

Ancillary services actual for 2019 is less than budget due to lower cost of goods sold impacted by lower book sales.

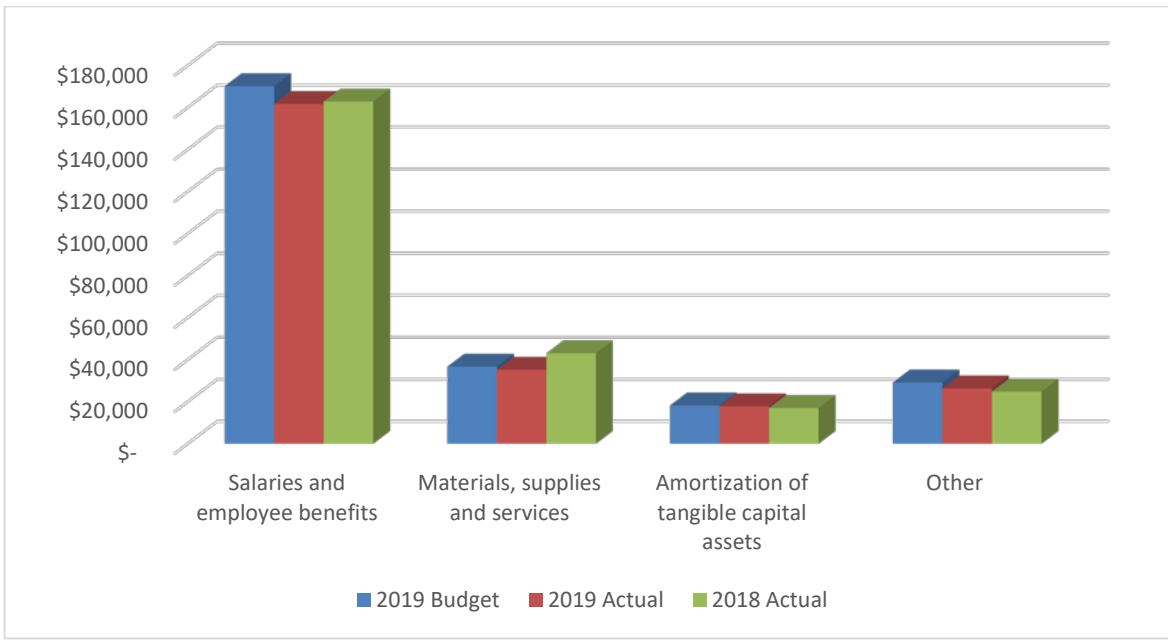
Ancillary Services costs decreased \$2,084 from 2018 due to lower renovation and minor equipment expenses in the residence. The costs of goods sold also declined by \$551 due to lower text book sales.

ii. Expense by object

Note 18 to the consolidated financial statements presents the expenses by objects, with the following major categories of the \$241,039 expenses for the university: salaries and employee benefits (67%); materials, supplies and services (15%), and amortization of tangible capital assets (7%).



The following shows the comparison of 2019 approved budget, 2019 actual and 2018 actuals.



	2019 Budget	Variance from Budget	2019 Actual	Change from 2018	2018 Actual
Operating expenses by object					
Salaries	\$ 141,145	\$ 6,291	\$ 134,854	\$ (393)	\$ 135,247
Employee benefits	29,035	2,187	26,848	(766)	27,614
Total salaries and employee benefits	170,180	8,478	161,702	(1,159)	162,861
Materials, supplies and services	36,690	1,471	35,219	(7,828)	43,047
Amortization of capital assets	18,207	425	17,782	747	17,035
Maintenance and repairs	10,027	1,029	8,998	2,445	6,553
Cost of goods sold	6,660	1,194	5,466	(1,140)	6,606
Utilities	5,490	454	5,036	(305)	5,341
Scholarships and bursaries	4,465	(44)	4,509	625	3,884
Interest on long term debt	2,508	181	2,327	(127)	2,454
	<u>\$ 254,227</u>	<u>\$ 13,188</u>	<u>\$ 241,039</u>	<u>\$ (6,742)</u>	<u>\$ 247,781</u>

6. Salaries and employee benefits

Salaries and employee benefits expenses are less than the approved budget mainly due to position vacancies. Most of the vacant positions were in Academic Affairs, which represents \$4,960 of the salary variance. The balance was for vacant positions across multiple support areas.

Employee benefits costs were under budget partly due to salaries being under budget, and rate reductions for the Local Authority Pension Plan. Total employee benefit costs in 2019 was 20% of actual salaries, which is less than the budget rate of 20.6% and 2018 rate of 20.4%.

Salary costs decreased from 2018 by \$393 and is due to the following:

- A 4.73% increase in continuing faculty that resulted in a \$1,100 increase in continuing faculty salary costs.
- This was more than offset by lower administrative and out-of-scope (OOS) salary costs of \$1,539 due to position abolishment, jurisdictional changes for OOS employees, and salary settlements for departing employees in 2018.

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

7. Materials, supplies and services

The 2019 actual expenses of \$35,219 for material, supplies and services was 4% less than the budget of \$36,690. This is due in part to budget monitoring and reduction in discretionary spending.

The decrease from 2018 is due to no major project or expenditures in 2019. During 2019 the university had a number of planned projects such as enhancements to the residence and information systems as well as one-time expenditures for Allard Hall.

8. Maintenance and repairs

Maintenance and repairs are less than budgeted due to delay in completing certain projects which are funded from one-time or conditional grants.

The increase in expenses from 2018 is mainly due to a shift of focus from a major capital building project (Allard Hall) in 2018 to infrastructure maintenance projects in 2019 that normally result in higher operating expenses.

9. Cost of Goods Sold

Cost of goods sold expense was \$1,194 less than budget due students obtaining course materials either from other sources, renting textbooks, or online access.

B. Capital Plan - Acquisition of Tangible Capital Assets

The capital plan for the university included a few one-time projects as well as annual replacement of furniture, fixtures and equipment. The major reason for the increase from 2018 is construction of the SAMU building. The major reason for the actual capital expenditures in 2019 being less than budget was due to the delay in the building to be leased to SAMU, delays in getting the kihêw waciston Indigenous center started, and the budget for emerging priorities not required in 2019. These were offset by the variance in library collections. See below for the summary of the capital plan.

	2019			Variance from 2018	2018 Actual
	Budget	Variance	Actual		
Building to be leased to Students' Association of MacEwan University	\$ 20,976	\$ (7,148)	\$ 13,828	\$ 8,987	\$ 4,841
Deferred Allard Hall projects	1,095	1,634	2,729	2,096	633
Furniture, fixture and equipment	2,604	(84)	2,520	(446)	2,966
Technology and software implementation and upgrade	3,220	(1,580)	1,640	(70)	1,710
Bachelor of Communications move/program space	2,317	(988)	1,329	1,329	-
Library collections	338	602	940	54	886
Infrastructure enhancement and maintenance	1,112	(152)	960	(58)	1,018
KW Indigenous Centre	1,250	(840)	410	410	
MacEwan University Health Centre	-	212	212	(2,629)	2,841
Allard Hall Post Occupancy - Includes Roundhouse	-	49	49	(6,717)	6,766
Emerging Priorities	1,500	(1,500)	-	-	-
	<u>\$ 34,412</u>	<u>\$ (9,795)</u>	<u>\$ 24,617</u>	<u>\$ 2,956</u>	<u>\$ 21,661</u>

C. Consolidated Statement of Cash Flows

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

Cash and cash equivalents decreased \$22,172 from the June 30, 2018 balance due to the following activities:

	Year ended 30-Jun-19	Year ended 30-Jun-18
Cash provided by operating transactions	\$ 23,806	\$ 25,918
Cash (applied to) provided by capital transactions	(23,316)	10,875
Cash (applied to) provided by investing transactions	(31,710)	32,039
Cash provided by (applied to) financing transactions	<u>9,048</u>	<u>(55,045)</u>
	<u>\$ (22,172)</u>	<u>\$ 13,787</u>

- a. Cash provided by operating transactions for the year ended June 30, 2019 is due to operating results adding back amortization on internally funded tangible capital assets.
- b. Cash applied to capital transactions is mainly due to tangible capital asset acquisitions during the year. The construction of the Students' Association building is more than half the capital acquisitions or \$13,828, with another \$4,729 in capital acquisitions related to campus development projects.
- c. Cash applied to investing transactions is due to the purchase of short-term investments.
- d. Cash applied to financing transactions is due to the following:

	2019	2018
Donations and other contributions designated for capital projects	\$ 291	\$ 759
Debt financing received		
Allard Hall parkade	-	7,345
Allard Hall retail operations	-	3,200
Students' Association of MacEwan University building	11,839	11,497
Debt repayment		
Allard Hall construction financing	-	(75,000)
Other debt	<u>(3,082)</u>	<u>(2,846)</u>
	<u>\$ 9,048</u>	<u>\$ (55,045)</u>

8. Enrolment Plan and Program Changes

The overall target for enrolment was missed by 273 FLEs. Anticipated increases, which had reflected the steady growth of enrolment over many years in the Bachelor of Commerce, the Bachelor of Arts, and the Bachelor of Science programs, did not materialize. In part, this decline in enrolment can be attributed to lower than expected international participation across programs. In each of the Bachelor of Commerce, the Bachelor of Science, and the Bachelor of Arts programs, the main drop in FLE calculations was in the undeclared majors and points to significantly decreased enrolment at the first-year level.

New programming for the reporting year includes majors in Applied Statistics (Science) and Legal Studies in Business (Commerce).

MacEwan University has received approval from the Ministry of Advanced Education for a new two-year Graphic Design Diploma, complementing the Bachelor of Design which started its program in fall of 2019.

Finally, the university completed internal approvals for two new degree proposals, the Bachelor of Fine Arts and the Bachelor of Early Childhood Curriculum Studies and for a new Chemistry major in the Bachelor of Science. Each of these proposals moved to external review in the 2018/19 academic year.

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.

University / Credential Type	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Degree	8,347.16	8,646.00	8,321.28	3.48%
Certificate	344.01	317.00	288.73	15.42%
Diploma	2,706.38	2,599.00	2,529.62	13.27%
Non-Credential	1,518.98	1,462.00	1,611.30	5.42%
Grand Totals	12,916.52	13,024.00	12,750.92	5.94%

Faculty of Arts and Science					
LERS Program	LERS Specialization	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Degree					
Bachelor of Arts	Anthropology	90.30	91.00	102.50	0.39%
	Economics	79.60	79.00	75.07	14.39%
	English	112.90	119.00	139.47	1.15%
	History	71.60	74.00	81.10	0.25%
	Philosophy	36.90	40.00	43.60	0.00%
	Political Science	111.70	119.00	133.30	0.30%
	Psychology (Arts)	205.77	216.00	210.67	1.42%
	Sociology	342.87	363.00	413.94	0.96%
	Not Declared	1,230.81	1,309.00	1,137.08	2.82%
	Total	2,282.44	2,410.00	2,336.71	2.24%
Bachelor of Science	Applied Statistics	0.00	0.00	17.10	0.00%
	Biological Sciences	271.13	276.00	246.43	1.62%
	Computer Science	276.83	291.00	344.44	9.77%
	Mathematical Sciences	34.60	36.00	39.37	14.65%
	Mathematics	62.00	65.00	70.73	7.63%
	Physical Sciences	146.37	152.00	160.60	3.55%
	Psychology (Science)	132.60	142.00	170.97	1.40%
	Not Declared	1,256.85	1,320.00	1,086.31	4.21%
	Total	2,180.38	2,282.00	2,135.95	4.81%
Degree Total		4,462.82	4,692.00	4,472.66	3.47%
Diploma					
General Studies Diploma		29.03	0.00	11.50	6.96%
Non-Credential					
UT: Bachelor of Science in Engineering		184.16	189.00	194.46	2.04%
Faculty Total		4,676.01	4,881.00	4,678.62	3.42%

Faculty of Fine Arts & Communications					
LERS Program	LERS Specialization	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Certificate					
Arts and Cultural Management Certificate		0.00	0.00	0.00	0.00%
Degree					
Bachelor of Communication Studies	Journalism	107.57	109.00	104.94	3.64%
	Professional Communication	206.25	204.00	205.06	0.61%
	Total	313.82	313.00	310.00	1.64%
Bachelor of Music in Jazz & Contemporary Popular Music	Composition	51.68	51.00	43.12	2.14%
	General	20.88	22.00	31.17	0.00%
	Performance	83.22	83.00	75.44	1.18%
	Undeclared	73.83	76.00	76.64	0.00%
	Total	229.60	232.00	226.36	0.80%
Degree Total		543.42	545.00	536.36	1.28%
Diploma					
Arts and Cultural Management Diploma		68.73	64.00	57.45	9.53%
Design Studies		108.70	109.00	108.70	2.67%
Fine Art		55.60	56.00	57.60	1.91%
Music	Composition	0.27	0.00	0.09	0.00%
	Comprehensive	1.37	0.00	1.00	80.00%
	Performance	3.44	0.00	0.00	0.00%
	Recording Arts	0.00	0.00	0.00	0.00%
	Total	5.08	0.00	1.09	73.33%
Theatre Arts		44.94	43.00	42.97	2.54%
Theatre Production		44.99	43.00	42.26	2.46%
Diploma Total		328.03	315.00	310.06	4.00%
Faculty Total		871.45	860.00	846.42	2.28%

Faculty of Health & Community Studies					
LERS Program	LERS Specialization	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Certificate					
Emergency Communications & Response		26.40	26.00	26.17	0.00%
Special Needs Educational Assistant		78.34	79.00	70.17	3.42%
Certificate Total		104.74	105.00	96.34	2.49%
Degree					
Bachelor of Applied Human Service Admin.		40.70	35.00	46.60	0.00%
Bachelor of Child and Youth Care		185.94	187.00	189.37	2.25%
Bachelor of Social Work		110.87	114.00	115.57	0.87%
Degree Total		337.50	336.00	351.54	1.50%
Diploma					
Acupuncture		85.36	84.00	78.54	4.33%
Child and Youth Care		0.00	0.00	0.00	0.00%
Correctional Services		108.93	109.00	108.02	0.83%
Early Learning and Child Care		130.24	127.00	103.09	22.62%
Hearing Aid Practitioner		112.11	101.00	115.66	0.00%
Massage Therapy		83.86	81.00	88.42	12.32%
Police & Investigations	Investigative Studies	116.62	113.00	109.69	4.36%
	Police Studies	106.80	106.00	104.05	0.28%
	Total	223.42	219.00	213.74	2.37%
Social Work		175.67	172.00	178.75	2.30%
Therapist Assistant	Physical & Occupational Therapist	61.03	61.00	56.89	19.56%
	Speech Language Pathologist	64.70	66.00	68.49	1.58%
	Total	125.73	127.00	125.38	9.74%
Diploma Total		1,045.33	1,020.00	1,011.59	5.92%
Non-Credential					
UT: Bachelor of Physical Education		63.40	65.00	66.50	0.00%
Faculty Total		1,550.97	1,526.00	1,525.96	4.43%

Faculty of Nursing					
LERS Program	LERS Specialization	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Certificate					
Disability Management		2.40	0.00	0.00	0.00%
Occupational Health Nursing		23.04	24.00	25.54	0.00%
Perioperative Nursing for Registered Nurses		45.01	35.00	43.21	0.77%
Post-Basic Certificate	Cardiac Nursing	3.86	4.00	3.16	0.00%
	Wound Management	6.40	6.00	7.90	0.00%
	Total	10.26	10.00	11.06	0.00%
Post-Basic Nursing Practice	Gerontology	36.26	31.00	38.92	100.00%
	Hospice Palliative Care	0.20	0.00	0.00	0.00%
	Total	36.46	31.00	38.92	100.00%
Certificate Total		72.16	100.00	75.52	51.98%
Degree					
Bachelor of Psychiatric Nursing		22.02	24.00	20.89	0.00%
Bachelor of Science in Nursing		911.96	909.00	897.14	2.73%
Degree Total		933.98	933.00	918.03	2.67%
Diploma					
Psychiatric Nursing		182.06	178.00	180.45	1.64%
Non-Credential					
Workplace Health Screening PD		0.00	4.00	0.00	0.00%
Faculty Total		1,217.24	1,215.00	1,205.08	5.68%

School of Continuing Education					
LERS Program	LERS Specialization	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Non-Credential					
English as an Additional Language		158.69	165.00	209.00	1.99%
Open Studies		659.11	537.00	668.11	10.68%
Nurse Credentialing		29.04	0.00	31.08	0.64%
University Preparation		424.58	502.00	442.15	1.74%
School Total		1,271.42	1,204.00	1,350.33	6.18%

School of Business					
LERS Program	LERS Specialization	2017/18 Actual	2018/19 Projected	2018/19 Actual	2018/19 % Int'l
Certificate					
Accounting Technology		0.00	0.00	0.00	0.00%
Business Management		0.00	0.00	0.00	0.00%
Human Resources Management		0.00	0.00	0.00	0.00%
Office Assistant	Administrative	30.07	25.00	4.66	3.77%
	Legal	28.05	25.00	6.17	0.00%
	Medical	63.98	62.00	62.84	4.31%
	Total	122.10	112.00	73.67	3.91%
Certificate Total		122.10	112.00	73.67	3.91%
Degree					
Bachelor of Applied Business Admin Accounting		27.70	10.00	10.30	9.71%
Bachelor of Commerce	Accounting	600.60	612.00	627.30	7.65%
	Human Resources Mgmt.	122.63	122.00	103.10	2.81%
	International Business	100.00	96.00	77.00	10.39%
	Legal Studies in Business	0.00	40.00	37.90	0.00%
	Management	201.40	208.00	213.10	2.30%
	Marketing	195.50	197.00	214.40	2.38%
	Not Declared	681.10	715.00	636.90	3.43%
	Supply Chain Management	140.50	140.00	122.70	4.97%
	Total	2,041.74	2,130.00	2,032.40	4.76%
Degree Total		2,069.44	2,140.00	2,042.70	4.79%
Diploma					
Accounting and Strategic Measurement		249.80	200.00	182.90	22.85%
Asia Pacific Management		49.52	40.00	30.74	35.03%
Business Management	Aviation Management	0.20	0.00	0.00	0.00%
	Business Management	308.17	300.00	311.00	29.49%
	Insurance & Risk Mgmt.	83.60	89.00	100.11	44.86%
	Total	391.97	389.00	411.11	33.23%
Human Resources Management Diploma		192.47	196.00	165.00	24.24%
Paralegal Studies		86.30	108.00	84.30	5.46%
Library and Information Technology		58.00	59.00	62.10	5.64%
Public Relations		40.98	34.00	22.51	4.44%
Travel		52.89	60.00	57.36	37.10%
Diploma Total		1,121.92	1,086.00	1,016.02	25.55%
School Total		3,313.46	3,338.00	3,132.39	11.50%

9. Research, Applied Research, and Scholarly Activities

The research culture at MacEwan University continues to grow, with more faculty and students engaged in both course-related and independent research in the past year than ever before.

Internally funded research supported faculty members relating to new research and knowledge translation activities, such as an international, interdisciplinary project to develop a video game for first-year biology students involving faculty and students from five departments at MacEwan University and two university partners in France.

Student research has increased to an all-time high with over 50 students receiving funding to conduct independent research beyond their course and degree work. In the past year, MacEwan students have been active in multi-disciplinary research projects and presented their results via participation in internationally recognized academic conferences. These opportunities are generally experienced by graduate-level students; active contribution by undergraduate researchers in these activities furthers the MacEwan University brand and reputation nationally and around the world. In the past year, students have come from India, Brazil, and China to learn from MacEwan researchers.

MacEwan researchers continue to be successful in securing external funding through provincial and federal agencies. Over 60 faculty members were supported through internally funded research, totalling \$288,000, related to new research and knowledge translation activities. Faculty members were awarded grants by the Alberta Foundation for the Arts to support scholarly and creative inquiry.

The Writer in Residence program and Canadian Author Series from the Department of English supports and encourages the development of literature and writing in Edmonton and the surrounding region, while the Mitchell Art Gallery exhibition,

Mothering Spaces, explored ideas of motherhood and Indigenous sovereignty through an examination of the artists' experiences and examinations.

The past year also marked the appointment of MacEwan University's first Canada Research Chair, Dr. Kris Wells. Recognition of the research excellence at the university was further exemplified through the awarding of the Board of Governors Research Chair to faculty members who have demonstrated exceptional scholarly distinction and who will be leaders in developing the growing research culture at MacEwan University. This year's recipients are Dr. Erin Walton from the Department of Physical Sciences and Dr. Shelley Boulianne from the Department of Sociology. Public lectures from the Research Chairs will take place during the 2019/20 academic year.

In celebration of a long-term, sustained commitment to research, Dr. Tricia Lirette from the Department of Human Services and Early Learning, was awarded the Dr. Sherrill Brown Distinguished Research Award. Dr. Lirette and her team have informed numerous early learning educators through their work in developing curriculum decision making, including adoption by the Alberta government in 2018 and for use as the cornerstone of their subsidized child care program.

Internationally, Dr. Andrea Wagner from the Department of Anthropology, Economics and Political Science was awarded the prestigious European Union Jean Monnet Chair to analyze democratic institutions in the European Union post-Brexit. Dr. Wagner will also integrate her research into the development of new courses to mobilize student interest in European Union studies.

Community engagement and celebration of research at MacEwan University continues to grow through the annual Student Research Day

in which over 200 student research projects were presented, the TEDx event, and the annual celebration of scholarship honouring the published works of MacEwan researchers and scholars.

In this past year, the “@MacEwan Research Talks” event was created to engage the public as well as students in the research expertise on campus. This event provides an opportunity for faculty members to speak on the same topic from the perspective of their area of expertise in a format accessible to the public.

10. Regional Stewardship, Foundational Learning, Underrepresented Learners

MacEwan University's focus on teaching and learning is a key contributor to student success, particularly for those students who are underrepresented and typically have lower post-secondary attainment rates. Given the integrated nature of the university in the community, social innovation and community-based research, the university establishes relationships that can connect underrepresented students and their families to the university. This community-based feel is also attractive to first-generation students who are the first in their families to seek post-secondary education.

The university has also been involved in a dual-credit partnership through the Faculty of Health and Community Studies and the Edmonton Catholic School Board. The dual credit approach facilitates high school transitions and has provided the first year dual-credit offering in Policing in Canada. The high school offerings will be expanded in 2020.

Supports for Foundational Learners

- Academic upgrading programming is offered through the university's School of Continuing Education. The programs support adult transitions to the university's career and degree programs as well as to other post-secondary education opportunities.
- The Faculty of Arts and Science in partnership with amiskwacy Academy provides a dual-credit course (Indigenous 100). This course was created in consultation with the school and community and fulfills the social studies requirement for high school as well as credit in the 'options' category for degree programs at MacEwan University.
- A pathway program for First Nations, Métis and Inuit students who did not have all of the required high school courses to enter into their desired course(s) of study was piloted in 2018/19. 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 program has moved from pilot status and will intake students again in September 2019.

Supports for Indigenous Learners

The university invested additional resources in the kihêw waciston Indigenous Centre to expand its capacity. The centre offers personal, academic and cultural support and its advisors 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 learning circles for student, staff, and faculty were offered across all faculties and schools at the university.

An important step taken was the inclusion of Indigenous content as part of convocation ceremonies. 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 "Honouring 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:

- The Department of Humanities is developing Introduction to Cree courses. A Cree Language expert was contracted to develop and complete the Master Course Syllabi for early 2019.
- In partnership with B University nuhelot'ine thaiyots'ï nistameyimâkanak Blue Quills (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 University 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.

Supports for Learners with Disabilities

The number of students seeking resources through Services to Students with Disabilities (SSD) continues to trend upwards. During 2018/19, the number of students registered with SSD rose to 1050, a 5.3% increase over the previous year, and the number of students living with multiple disabilities increased by 4.3%. Increased student numbers concomitant with evolving complexity of student's

functional experiences challenged the SSD team to be more resourceful and collaborative with university colleagues to implement reasonable accommodations effectively.

In response to increased student demand, SSD implemented various strategies to simplify student access to the service in a timely manner including initial consultations and expanded on-line access to resources. Other services include academic strategy instruction, print materials in alternate format, assistive technology access and training, exam accommodations, signed language interpretation, communication access real-time translation and individualized educational assistance. Exam accommodations continue to be the most common accommodation and increased by 11% during 2018/19 over previous year stretching space, administration and human resources required to deliver an effective service.

To facilitate broader campus accessibility for people with disabilities, SSD increased collaborative activities with faculty and service units including education about universal design principles in the classroom, participation in research projects on scholarship in teaching and learning, and advocacy on opportunities to enhance accessibility of service units.

Supports for Learners from Low-Income Backgrounds

MacEwan University has a robust bursary program which supports students who are struggling financially. The main criterion to be eligible for a bursary is that the student shows that they have financial need. The support currently in place for students who may qualify for a bursary is heavily concentrated on students who are entering university. The university has endeavoured to disburse this support more evenly across their years of study which is why retention bursaries were the focus of the campus fund raising campaign for 2017 and 2018.

Student Financial Aid continues to research other initiatives that would make it easier for students to identify that they are from low income backgrounds and require assistance. Overall, the landscape of the total amount of money awarded is broken down as follows: 28% for bursaries, 38% for scholarships and 34% for awards.

11. Internationalization

Refinement of the internationalization plan at MacEwan University is ongoing, with a particular focus on short-term, outbound programming to provide faculty and students with opportunities for intercultural experiences. Funding for Education Abroad activities has expanded over the course of the reporting period to include bursaries as well as non-credit opportunities for students following feedback received by deans.

International student enrolment was not as high as anticipated, as MacEwan University switched its recruitment focus from preparatory and diploma programs to four-year degree programs. The university continues to establish its reputation internationally as an Undergraduate University. The university continues to monitor enrolments as well as the mix of domestic and international students.

MacEwan University has sought more diversity in source countries, entering several new markets to mitigate the risk of over-reliance on any one market. Furthermore, the School of Continuing Education restructured their preparatory programs, and the university is socializing these new programs in international markets.

MacEwan International developed an inaugural Staff Intercultural Awareness Training and Study tour, which took place over ten days in South Korea at MacEwan University's partner institution, Dankook University, during the reporting period. This study tour actualized MacEwan University's internationalization plan to provide professional development to increase intercultural competencies, cultural humility, and international experiences. Participants gained a new approach to effectively support and communicate with international students.

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

12. Capital Plan

For the 2018/19 reporting period, MacEwan University's capital plan benefitted from the release of the Campus Master Plan (the Plan). Approved by the Board of Governors in June 2018, the Plan reset the near, mid and long-range direction for the university. In support of the Plan, the Board of Governors also approved the allocation of funds for the execution and implementation of numerous master plan projects.

Foundational to the plan is the concept of campus consolidation and the unification of all programming onto the City Centre Campus. Within the near-term range of the plan, the university will relocate the School of Continuing Education, including 1,000 students, from the Alberta College Campus to City Centre Campus. Design work for the development of vacant fifth floor shell space in Allard Hall commenced to prepare the area for planned construction and move in by mid-2020. Upon completion of the School of Continuing Education, all Allard Hall vacant shell space will be absorbed and developed for academic programs. Importantly, the area vacated by Continuing Education in Alberta College Campus will be the new home for Edmonton Public High School programming.

Other near-term range master plan projects, that made significant progress from design and into construction, included the relocation of the Bachelor of Communication Studies (BCS) and the new kihêw waciston Indigenous Centre. The BCS project, located in Allard Hall, provides simulation newsroom labs, a TV studio and video edit suites for over 300 students in the program. The kihêw waciston Indigenous Centre reinforces a MacEwan welcome to Indigenous peoples from across the world as students, faculty, staff, and guests. At kihêw waciston, students can gather, work and grow in a community that honours the distinctive knowledge of Indigenous peoples and provides support on the post-secondary journey. Both the BCS Relocation and the kihêw waciston Indigenous Centre will open in the fall of 2019.

During the reporting period, the Plan projects, organized in the mid-range term of 3-5 years, were active in the planning stage. The key mid-range projects of Library renovation, Bachelor of Science lab expansion, and the School of Business made advances from objectives and priorities setting to concept plans and functional requirements. The Library renovation plan resolves to reduce congestion, improve circulation and construct a new reading room. Implementation of the Library plan is scheduled as summer projects in 2020 and 2021. The plan for the Science lab expansion includes a new animal care facility, two research labs and a chemistry lab. Implementation of the Science Expansion project is scheduled as summer projects in 2020, 2021 and 2022, as required. The School of Business represents the university's next major capital project, with upwards of 20,000 m² of academic space, over five levels and conceptualized on the university's north, 105 Avenue gateway. The School of Business building is a vital Campus Master Plan project that will enable MacEwan University to increase enrolment by 2,000 students and transition the university into its long-range mission.

Two infrastructure capital projects to replace 64 air handling unit cooling coils and replace the metal, barrel truss roof, on the Christenson Family Centre for Sport and Wellness made substantial progress during the 2018/19 reporting period. Both these infrastructure projects will ensure that the campus building condition is healthy and can continue to support the activities of university teaching and learning.

Lastly, nearing completion, after five years of planning, design and construction, is the 5,000 m² SAMU building. Located in the geographical mid-point of the City Centre Campus, the new SAMU building will officially open in 2020. The SAMU building will provide a centre for student governance and operations and a consolidated centre for student led initiatives, clubs, events and business.

2018/19 SUMMARY OF CAPITAL PROJECTS

Type of Project and Funding Sources					
Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
Priority Projects (top 3 capital priorities)					
New	SAMU Project	\$31,336,000	23.9% SAMU 1.6% Tech Fund 74.5% ACFA Financing	\$7.5 M SAMU \$0.5 M Tech \$23.3 M ACFA	No change
Expansion	kihêw waciston Indigenous Centre Project	\$2,800,000	36% GoC 64% University	\$2.8M University	Grant request from GoC not received, result in 100% University funding
Expansion	Allard Hall Post Occupancy	\$3,517,000	100% University	\$3,517,000	No change
Other					
Expansion	Allard Faculty Offices	\$900,000	100% University	\$900K University	No change
Expansion	BCS Relocation	\$2,600,000	100% University	\$2.6M University	No change
Expansion	Campus Consolidation Allard L5	\$18,000,000	100% University	\$18,000,000	
Expansion	Science Lab Expansion	\$8,500,000	100% University	\$8.5M University	No change
Expansion	Library Renovation	\$2,000,000	100% University	\$2,000,000	No change
Preservation	Infrastructure Maintenance	\$2,998,662	100% GoA	\$2.999M GoA	No change
Preservation	Barrel Vault Roof	\$1,630,000	100% GoA	\$1.63M GoA	No change
Preservation	Cooling Coil	\$1,450,000	83% GoA	\$1.2M GoA	No change

Type of Project and Funding Sources					
Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
			17% University	\$250K University	
New	School of Business Project	TBD	TBD		
Preservation	Outdoor Ramp Heating System Replacement	TBD	TBD		
Preservation	Site Remediation	TBD	TBD		

Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
SAMU Project	May/15 – Dec/20	May/15	Dec/19	Finishing stages	Complete structure, framing M& E rough-in, roof and 75% envelope
kihêw waciston Indigenous Centre Project	Aug/18 – Oct/19	Aug/18	Oct/19	Substantially Complete	Completed design & construction
Allard Hall Post Occupancy	Jul/18 – Dec/20	Jul/18	Dec/20	In progress	Mechanical system installed
Allard Faculty Offices	Jul/18 – Dec/18	Jul/18	Dec/18	Complete and Handed Over	Completed
BCS Relocation	Jul/18 – Oct/19	Jul/18	Oct/19	Substantially Complete & Handed Over	Completed
Campus Consolidation Allard L5	Jul/19 – Dec/20	Jul/19	Aug/20	Design in progress	Plan completed and approved
Science Lab Expansion	Jul/19 – Jun/22	Jul/19	Jun/22	Finalizing Plan and Pre-Design	Planning

Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
Library Renovation	Jul/19 – Jun/22	Jul/19	Jun/22	Commenced Schematic Design	Planning
Infrastructure Maintenance	Jul/18 – Jun/19	Jul/18	Jun/19	Completed	Implemented and completed
Barrel Vault Roof	Jan/18 – Dec/19	Jan/18	Dec/19	Substantially Complete	Completed
Cooling Coil	Apr/18 – Jun/20	Apr/18	Jun/20	In progress	Design complete, Components ordered & received, Installation in progress
School of Business Project	Jul/19 – Jun/24	Jul19	Jun/24	Pre-design stage	Planning
Outdoor Ramp Heating System Replacement	TBD			Pending funding	Pending funding
Site Remediation	TBD			Pending funding	Pending funding

13. Information Technology

MacEwan University continues to invest in the evolution of a robust enterprise architecture that includes applications, IT infrastructure, integrations, governance, IT controls including policy, standards and procedures, data governance, cloud computing, integrations, identity management and IT security controls. Technology is critical to support academic and administrative requirements and to support the strategic goals of the university. Along with the complexity of the environment, cybersecurity 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 in the development and sustainment of PeopleSoft, the primary enterprise resource planning (ERP) application. PeopleSoft is always maintained to remain on current and supported versions of the software. The upgrade for Human Resources to the latest version was the final planned upgrade. 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.

Another multi-year ERP development program, based on university priorities, is underway. This program will deliver many individual projects that introduce operational efficiencies and improved core services for students. Some notable projects included grants administration, interest charges on outstanding student fees, a new transfer credit system, an electronic student record, and a complete overhaul of student academic advisement.

In a higher education setting, a culture of openness and the free exchange of information along with the increasing

reliance on web-based services has made the university 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 University is continuously evolving as the sophistication and tools of cyber criminals increase along with risks inherent with the behaviours of our user base. Users of the university's information systems and networks are transient, with student turnover at roughly 25%.

Several important initiatives were funded and completed in 2018/19 that collectively reduced the university's risk of security compromises:

- the use of an external vendor to continually monitor the network
- improvements to server and vulnerability management
- decommissioning of legacy systems
- enhancements to security log collection
- identification of recovery objectives and critical systems based on business impact assessment
- implementation of multi-factor authentication on new cloud systems
- reduction in the use of insecure authentication protocols
- enhancements to the security framework along with modern standards.

MacEwan University participated in two national joint security projects. All faculty and staff completed mandatory IT security training. Annual security self-assessments using an internationally recognized security control framework was done. This assessment is guiding the continual evolution of our security program.

MacEwan University has, over the past three years, been on a modernization program for our network architecture, including wireless, wired, firewalls and

high-availability campus and data centre network services. During this period, some network performance problems and outages were experienced. MacEwan University engaged a third-party vendor to complete an external assessment of our network strategies and plans. Following the evaluation, the network team developed an architectural strategy capable of meeting needs for reliability, adequate signal coverage and data handling capacity. A comprehensive network upgrade including firewalls, switches, wireless and architecture, has been started.

MacEwan University has continued investments in the classrooms, bringing them all to a common standard.

The current data warehouse is running on deprecated software, and a project is underway to replace the warehouse with modern business intelligence reporting tools, along with an integrated data model.

A multi-year website refresh project is underway. The goal is to move to a responsive website while ensuring content is meaningful and current. Tools to manage content have been implemented, new servers and technologies installed, and new prototypes are being developed.

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 University will continue to move applications to the cloud where that makes sense. MacEwan University 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 allows for the basis for sustaining a high degree of IT infrastructure currency across the University.

Finally, new opportunities are emerging for MacEwan University 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

Consolidated Financial Statements

For the year ended June 30, 2019

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Independent Auditor's Report

To the Board of Governors of Grant MacEwan University

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of MacEwan University (the Group), which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2019, 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.

Basis for opinion

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

Other information

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

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

October 3, 2019
Edmonton, Alberta

MacEwan University
Consolidated Statement of Financial Position
As at June 30, 2019
(thousands of dollars)

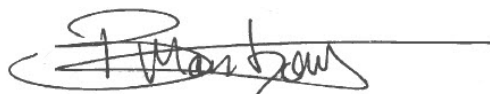
	2019	2018
FINANCIAL ASSETS, excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 4)	\$ 38,607	\$ 60,779
Portfolio investments - non-endowment (Note 5)	76,152	44,445
Accounts receivable	5,734	5,801
Investment in government business enterprise (Note 7)	-	3,057
Inventories held for sale	1,678	1,716
Advances	1,140	1,140
	<u>123,311</u>	<u>116,938</u>
LIABILITIES		
Accounts payable and accrued liabilities	38,817	36,741
Employee future benefit liabilities (Note 8)	7,877	7,935
Debt (Note 9)	69,749	60,992
Deferred revenue (Note 10)	44,062	45,425
Environmental liability for contaminated sites (Note 11)	5,636	-
	<u>166,141</u>	<u>151,093</u>
Net debt excluding portfolio investments restricted for endowments	(42,830)	(34,155)
Portfolio investments restricted for endowments (Note 5)	<u>70,532</u>	<u>70,786</u>
Net financial assets	<u>27,702</u>	<u>36,631</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	420,503	405,302
Prepaid expenses	7,414	7,494
	<u>427,917</u>	<u>412,796</u>
Net assets before spent deferred capital contributions	455,619	449,427
Spent deferred capital contributions (Note 13)	<u>140,665</u>	<u>145,807</u>
Net assets	<u>\$ 314,954</u>	<u>\$ 303,620</u>
Net assets is comprised of:		
Accumulated surplus (Note 14)	\$ 303,779	\$ 292,352
Accumulated remeasurement gains	11,175	11,268
	<u>\$ 314,954</u>	<u>\$ 303,620</u>

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

Approved by the Board of Governors



Chair, Board of Governors



Chair, Audit and Risk Committee

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

MacEwan University
Consolidated Statement of Operations
Year ended June 30, 2019
(thousands of dollars)

	Budget (Note 22)	2019	2018
REVENUES			
Government of Alberta grants (Note 21)	\$ 127,371	\$ 128,087	\$ 123,486
Federal and other government grants (Note 21)	708	586	734
Student tuition and fees	92,486	89,227	89,920
Sales of services and products	26,650	24,615	26,383
Contract programs	1,317	1,543	1,656
Donations and other grants	1,521	1,762	1,551
Investment income	4,188	5,489	5,686
Gain on disposal of campus	-	-	31,407
Investment loss in government business enterprise (Note 7)	(14)	-	(65)
	<u>254,227</u>	<u>251,309</u>	<u>280,758</u>
EXPENSES (Note 18)			
Instructional and non-sponsored research	92,945	87,192	86,322
Academic and student support	57,940	54,290	56,482
Institutional support	39,551	38,578	41,255
Facility operations and maintenance	40,036	38,487	38,970
Ancillary services	22,745	21,528	23,612
Sponsored research	1,010	964	1,140
	<u>254,227</u>	<u>241,039</u>	<u>247,781</u>
Annual operating surplus	-	10,270	32,977
Endowment contributions	950	1,157	310
Annual surplus	950	11,427	33,287
Accumulated surplus, beginning of year	292,352	292,352	259,065
Accumulated surplus, end of year (Note 14)	<u>\$ 293,302</u>	<u>\$ 303,779</u>	<u>\$ 292,352</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, 2019
(thousands of dollars)

	<u>Budget</u> <u>(Note 22)</u>	<u>2019</u>	<u>2018</u>
Annual surplus	\$ 950	\$ 11,427	\$ 33,287
Acquisition of tangible capital assets (Note 12)	(34,412)	(24,617)	(21,661)
Environmental liability capitalized		(5,636)	-
Net book value of The MacEwan University Land Trust property		(2,786)	-
Amortization of tangible capital assets (Note 12)	18,207	17,782	17,035
Proceeds from sale of tangible capital assets		48	42
Loss (gain) on disposal of tangible capital assets	(100)	8	(13)
Transfer to assets held for sale		-	(86)
Change in accumulated remeasurement gains and losses		(93)	2,181
Change in prepaid expenses		80	1,753
Change in spent deferred capital contributions		<u>(5,142)</u>	<u>(72)</u>
(Decrease) increase in net financial assets		(8,929)	32,466
Net financial assets, beginning of year		<u>36,631</u>	<u>4,165</u>
Net financial assets, end of year		<u>\$ 27,702</u>	<u>\$ 36,631</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, 2019
(thousands of dollars)

	2019	2018
Accumulated remeasurement gains, beginning of year	\$ 11,268	\$ 9,087
Amounts reclassified to the consolidated statement of operations:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	(25)	(66)
Unrealized (losses) gains attributable to:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	(68)	2,247
Accumulated remeasurement gains, end of year	<u>\$ 11,175</u>	<u>\$ 11,268</u>

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

MacEwan University
Consolidated Statement of Cash Flows
Year ended June 30, 2019
(thousands of dollars)

	2019	2018
OPERATING TRANSACTIONS		
Annual surplus	\$ 11,427	\$ 33,287
Add (deduct) non-cash items:		
Amortization of tangible capital assets	17,782	17,035
Spent deferred capital contributions recognized as revenue	(6,277)	(6,241)
Loss (gain) on disposal of tangible capital assets	8	(13)
Gain on disposal of campus	-	(31,407)
(Decrease) increase in employee future benefit liabilities	(58)	382
Gain on disposal of portfolio investment - non endowments	(12)	(20)
Investment loss in government business enterprise	-	65
Decrease (increase) in:		
Accounts receivable	67	(868)
Inventories held for sale	38	205
Advances	-	(1,140)
Prepaid expenses	80	1,753
Increase (decrease) in:		
Accounts payable and accrued liabilities relating to operating transactions	832	4,627
Deferred revenue	(81)	8,253
Cash provided by operating transactions	23,806	25,918
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets less in-kind donations	(24,608)	(21,661)
Increase (decrease) in accounts payable and accrued liabilities relating to capital transactions	1,244	(12,502)
Decrease in loan receivable - proceeds from sale of campus in prior year	-	14,000
Proceeds on disposal of tangible capital assets	48	42
Proceeds received on disposal of campus	-	30,996
Cash (applied to) provided by capital transactions	(23,316)	10,875
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(53,633)	(26,049)
Proceeds on sale of portfolio investments	21,652	61,210
Investment in government business enterprise	-	(3,122)
Loss in value of investment in government business enterprise	271	-
Cash (applied to) provided by investing transactions	(31,710)	32,039
FINANCING TRANSACTIONS		
Capital contributions	291	759
Debt repayment	(3,082)	(77,846)
Debt - new financing	11,839	22,042
Cash provided by (applied to) financing transactions	9,048	(55,045)
Change in cash and cash equivalents	(22,172)	13,787
Cash and cash equivalents, beginning of year	60,779	46,992
Cash and cash equivalents, end of year	\$ 38,607	\$ 60,779
Cash and cash equivalents comprise of:		
Non-endowment	\$ 37,594	\$ 59,283
Endowment	1,013	1,496
	\$ 38,607	\$ 60,779

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

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(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, also known as Grant MacEwan 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.

Effective February 1, 2019 the university is an undergraduate university under the *Post-secondary Learning Act*. The roles of an undergraduate university are as follows:

- a) provide undergraduate degree programs;
- b) collaborate with other post-secondary institutions to support regional access to undergraduate degree programs;
- c) provide approved foundational learning, diploma or certificate programs; and
- d) undertake research and scholarly activities that enrich undergraduate education.

Prior to February 1, 2019 the university was a Baccalaureate and Applied Studies Institution under the *Post-secondary Learning Act*, Campus Alberta Sector Regulation, 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.

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(thousands of dollars)

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

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.

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(thousands of dollars)

c) Revenue Recognition

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

i. Government Grants, Non-government Grants and Donations

Government transfers are referred to as government grants.

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

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

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

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(I).

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.

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(thousands of dollars)

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

d) 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.

e) Tangible Capital Assets

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

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

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, 2019.

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

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

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

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(thousands of dollars)

f) 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.

g) 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.

h) 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

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(thousands of dollars)

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 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.

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2019
(thousands of dollars)

i) Basis of Consolidation

i. Grant MacEwan University Foundation

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.

ii. MacEwan Downtown Corporation and The MacEwan University Land Trust

The university controls MacEwan Downtown Corporation, trustee for The MacEwan University Land Trust, and is beneficiary of The MacEwan University Land Trust. The financial statements of MacEwan Downtown Corporation and The MacEwan University Land Trust are included in these consolidated financial statements as a government business enterprise using the modified equity method if it meets all of the following characteristics:

- A. It is a separate entity with the power to contract in its own name and that can sue and be sued;
- B. It has been delegated the financial and operational authority to carry on a business;
- C. It sells goods and services to individuals and organizations outside of the university as its principal activity; and
- D. It can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the university.

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 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.

Alternatively, if MacEwan Downtown Corporation and The MacEwan University Land Trust do not meet all of the characteristics noted above, their financial statements are included in these consolidated financial statements on a line-by-line basis rather than on the modified equity method.

j) Environmental Liability for Contaminated Sites

Sites are contaminated when chemical, organic or radioactive material or live organism that exceeds an environmental standard are introduced into soil, water or sediment. A liability for remediation of contaminated sites 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 liability is recognized net of any expected recoveries.

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k) 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.

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.

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l) 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.

m) 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.

n) Future Accounting Changes

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

In November 2018, the Public Sector Accounting Board approved PS 3400 Revenue. This accounting standard is effective for fiscal years starting on or after April 1, 2022. Revenue provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these new standards on the consolidated financial statements.

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3) Change in Accounting Standard and Adoption of New Accounting Standard

a) Environmental Liabilities for Contaminated Sites

During the year the liabilities for contaminated sites accounting standards (PS 3260) changed. Under the previous accounting standard, 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 criteria reported in Note 2(j) are present. With the removal of this requirement as well as changes to environmental legislation, the university has recognized an environmental liability for contaminated site as at June 30, 2019 on a retroactive basis without restatement of prior years' financial statements. The university has recognized a liability of \$5,636 and a corresponding increase in tangible capital assets based on the estimated costs of remediation independently prepared.

Had this change in accounting policy been applied retroactively with restatement of prior years, the liability at June 30, 2018 would have been \$5,521, offset by an increase in the land component of tangible capital assets. The increase during the year (\$115) would have been recognized as an increase in the land component of tangible capital assets.

This change in accounting policy had no impact on the operating results and accumulated surplus for the university.

b) Restructuring Transactions

The university has prospectively adopted PS 3430 Restructuring transactions. This accounting standard is effective for fiscal years starting on or after April 1, 2018. Restructuring transactions defines and establishes disclosure standards for restructuring transactions. The adoption of this standard did not affect the consolidated financial statements.

4) Cash and Cash Equivalents

	2019	2018
Cash	\$ 38,607	\$ 60,779
Money market funds, short-term notes and treasury bills	-	-
	\$ 38,607	\$ 60,779

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

The university has \$1,013 (2018: \$1,496) cash and cash equivalents restricted for endowments.

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5) Portfolio Investments

	2019	2018
Designated fair value financial instruments:		
Portfolio investments - non-endowment	\$ 76,152	\$ 44,445
Portfolio investments - restricted for endowments	70,532	70,786
	\$ 146,684	\$ 115,231

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

	Level 1	Level 2	Level 3	Total
	2019			
Portfolio investments at fair value				
Short-term GICs	\$ 30,700	\$ -	\$ -	\$ 30,700
Pooled Funds				
Canadian equities	1,897	24,010	-	25,907
Foreign equities	5,374	58,359	-	63,733
Canadian bonds	1,594	-	-	1,594
Foreign bonds	-	23,746	-	23,746
Cash surrender value of planned gifts (life insurance policies)	-	-	1,004	1,004
	\$ 39,565	\$ 106,115	\$ 1,004	\$ 146,684
	26.97%	72.34%	0.69%	100.00%
	2018			
Pooled Funds				
Canadian equities	\$ 1,751	\$ 24,809	\$ -	\$ 26,560
Foreign equities	5,186	58,225	-	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
	\$ 8,503	\$ 105,730	\$ 998	\$ 115,231
	7.38%	91.75%	0.87%	100.00%

The fair value measurements are those derived from:

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

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

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 998	\$ 976
Disposals	(32)	(15)
Unrealized gains	<u>38</u>	<u>37</u>
Balance, end of year	<u>\$ 1,004</u>	<u>\$ 998</u>

The university has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality, and performance measurement. The university's Finance, Property and Investment Committee, a committee of the Board of Governors, has been delegated authority for oversight of the university's investments. The Finance, Property and 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, 2019, the impact of a change in the rate of return on the investment portfolio is as follows:

- 2.24% change in short-term GICs would have a \$568 increase or decrease. The university had no short-term GICs at June 30, 2018.
- 0.15% change in fixed income securities would have a \$39 increase or decrease (2018: 0.16% change would have a \$39 increase or decrease);

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- 11.82% change in common stocks and equivalents would have a \$10,596 increase or decrease (2018: 10.33% change would have a \$9,294 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 9).

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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
2019				
Cash and cash equivalent	100%	0%	0%	2.04%
Portfolio investments, short term	100%	0%	0%	2.24%
Portfolio investments, fixed income	0%	100%	0%	0.15%
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%

7) Investment in government business enterprise

The MacEwan Downtown Corporation (MDC) is a wholly owned subsidiary of the university and is trustee of The MacEwan University Land Trust (trust). The MDC acquires properties within proximity to the university's city centre campus and develops 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>2019</u>	<u>2018</u>
Equity in MacEwan Downtown Corporation		
Investment in MacEwan Downtown Corporation	<u>\$ -</u>	<u>\$ 3,057</u>
Change in equity in MacEwan Downtown Corporation		
Equity, beginning of year	\$ 3,057	\$ -
Derecognition of investment in government business enterprise	(3,057)	-
Additional investment	-	3,122
Post acquisition loss	-	(65)
Equity, end of year	<u>\$ -</u>	<u>\$ 3,057</u>

In 2019 the MacEwan Downtown Corporation and The MacEwan University Land Trust were determined to no longer meet the definition of a government business enterprise. As a result, the investment in the government business enterprise was derecognized and not accounted for in the consolidated financial statements under the modified equity method, rather the assets, liabilities, revenues and expenses of the MacEwan Downtown Corporation and The MacEwan University Land Trust were consolidated on a line-by-line basis. As a result, cash and cash equivalents increased \$234, investment in government business enterprise decreased \$3,057, tangible capital assets increased \$2,730 with the remaining \$93 affecting a number of categories in the consolidated financial statements.

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8) Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	<u>2019</u>	<u>2018</u>
Benefit liability for employees on short-term and long-term disability	\$ 4,150	\$ 4,137
Supplemental Retirement Plan (SRP)	1,922	1,722
Accumulating non-vesting sick leave liability	927	1,003
Administrative leave	<u>878</u>	<u>1,073</u>
	<u>\$ 7,877</u>	<u>\$ 7,935</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 and results were then extrapolated to June 30, 2019. As at June 30, 2019 the university had 37 (2018: 41) 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 and results were then extrapolated to June 30, 2019.

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 and results were then extrapolated to June 30, 2019. 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-term and long-term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit	Administrative leave
2019				
Expenses				
Current service cost	\$ 512	\$ 148	\$ 33	\$ 262
Interest cost	112	65	10	-
Amortization of actuarial losses (gains)	(63)	47	(83)	-
Plan amendment	7	-	-	-
Total Expense	\$ 568	\$ 260	\$ (40)	\$ 262
Financial Position				
Accrued benefit obligation:				
Balance, beginning of year	\$ 3,563	\$ 2,091	\$ 330	\$ 1,073
Current service cost	512	148	33	262
Benefit payment	(555)	(60)	(36)	(457)
Interest cost	112	65	10	-
Actuarial (gain) loss	(404)	176	50	-
Plan amendment	7	-	-	-
Balance, end of year	3,235	2,420	387	878
Unamortized net actuarial gain (loss)	915	(498)	540	-
Accrued benefit liability	\$ 4,150	\$ 1,922	\$ 927	\$ 878
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

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:

	2019			2018		
	Benefit liability for employees on short-term and long-term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit	Benefit liability for employees on short-term and long-term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit
Accrued benefit obligation						
Discount rate	2.43%	2.43%	2.43%	2.96%	2.96%	2.96%
Long-term average compensation increase	2.50%	2.00%	2.50%	3.00%	2.00%	3.00%
Benefit cost						
Discount rate	2.96%	2.96%	2.96%	2.45%	2.45%	2.45%
Year's maximum pensionable earnings and maximum pension increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Estimated average remaining service life	6.3	7.7	10.8	5.8	7.8	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, 2019 (2018: June 15, 2018).

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, 2018, the LAPP reported an actuarial surplus of \$3,469,347 (2017: \$4,835,515). An actuarial valuation of the LAPP was carried out as at December 31, 2017 and results were then extrapolated to December 31, 2018. The pension expense recognized in these financial statements is \$12,560 (2018: \$13,601). Other than the requirement to make additional contributions, the university does not bear any risk related any deficit LAPP may have on an annual or cumulative basis.

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9) Debt

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

	Maturity Date	Interest rate	Amount Outstanding	
			2019	2018
Debentures payable to Alberta Capital Finance Authority:				
1. Parkade	April 2025	6.250%	\$ 2,501	\$ 2,836
2. Student residence	June 2030	5.849%	25,222	26,818
3. West parkade	September 2030	4.392%	3,562	3,795
4. Robbins Health Learning Centre parkade	September 2032	4.890%	1,230	1,293
5. Surface parking lots	September 2024	1.568%	3,678	4,314
6. Allard Hall parkade	December 2047	3.164%	7,119	7,271
7. Allard Hall retail	December 2047	3.164%	3,101	3,168
8. Students' Association of MacEwan University building	December 2042	3.040%	23,336	11,497
			<u>\$ 69,749</u>	<u>\$ 60,992</u>

Collateral:

- 1, 3 and 4 - cash flows from parking;
- 2 - cash flows from the residence facilities;
- 5, 6, 7, 8 - general security agreement

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

	Principal	Interest	Total
2020	3,920	2,902	6,822
2021	4,096	2,726	6,822
2022	4,280	2,542	6,822
2023	4,474	2,348	6,822
2024	4,678	2,144	6,822
Thereafter	48,301	13,755	62,056
	<u>\$ 69,749</u>	<u>\$ 26,417</u>	<u>\$ 96,166</u>

Interest on debt is \$2,829 (2018: \$2,651), of which \$2,327 (2018: \$2,454) is included in the consolidated statement of operations and \$502 (2018: \$197) is included in tangible capital assets on the consolidated statement of financial position.

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10) Deferred Revenue

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

	2019			
	Restricted		Student tuition and fees, contract programs and other revenue	Total
	Unspent deferred revenue	Unspent deferred capital contributions		
Balance, beginning of year	\$ 31,540	\$ 150	\$ 13,735	\$ 45,425
Grants, donations and other revenue received	9,333	300	101,722	111,355
Restricted investment income - realized	2,593	-	-	2,593
Restricted investment income - unrealized gains (loss)	(1,173)	-	-	(1,173)
Transfers to spent deferred capital contributions	(835)	(300)	-	(1,135)
Recognized as revenue	(13,027)	-	(99,938)	(112,965)
Returned to grantor	(38)	-	-	(38)
Balance, end of year	<u>\$ 28,393</u>	<u>\$ 150</u>	<u>\$ 15,519</u>	<u>\$ 44,062</u>

	2018			
	Restricted		Student tuition and fees, contract programs and other revenue	Total
	Unspent deferred revenue	Unspent deferred capital contributions		
Balance, beginning of year	\$ 24,907	\$ 4,949	\$ 13,430	\$ 43,286
Grants, donations and other revenue received	10,882	760	101,483	113,125
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)	-	(101,178)	(111,045)
Returned to grantor	(60)	-	-	(60)
Balance, end of year	<u>\$ 31,540</u>	<u>\$ 150</u>	<u>\$ 13,735</u>	<u>\$ 45,425</u>

11) Environmental Liability for Contaminated Sites

	2019	2018
Balance, beginning of year	\$ -	\$ -
Addition to liabilities during the year	<u>5,636</u>	-
Balance, end of year	<u>\$ 5,636</u>	<u>\$ -</u>

The university has accepted responsibility to perform remediation work at the university's city centre campus. Portions of the land on the city centre campus does not meet Alberta Environment and Parks (AEP) tier 2 guidelines for hydrocarbons and metals. The university's risk management plan

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is in place and will be updated annually. Remediation of contaminated areas will take place in advance of future campus development.

12) Tangible Capital Assets

Tangible capital assets changes during the year:

	2019						Total
	Land	Buildings	Land improvements	Equipment⁽²⁾	Computer hardware and software	Other⁽³⁾	
Cost⁽¹⁾							
Beginning of year	\$ 51,547	\$ 437,902	\$ 6,838	\$ 31,203	\$ 42,832	\$ 18,961	\$ 589,283
Acquisitions	37	19,138	30	1,385	3,085	942	24,617
Environmental liability for contaminated sites	5,636	-	-	-	-	-	5,636
The MacEwan University Land Trust property	2,240	560	-	-	-	-	2,800
Disposals, including write-downs	-	-	-	(736)	(496)	(120)	(1,352)
	<u>59,460</u>	<u>457,600</u>	<u>6,868</u>	<u>31,852</u>	<u>45,421</u>	<u>19,783</u>	<u>620,984</u>
Accumulated Amortization							
Beginning of year	-	(116,236)	(2,322)	(18,848)	(32,684)	(13,891)	(183,981)
The MacEwan University Land Trust property	-	(14)	-	-	-	-	(14)
Amortization expense	-	(11,260)	(591)	(1,883)	(3,052)	(996)	(17,782)
Effects on disposals, including write-downs	-	-	-	680	496	120	1,296
	<u>-</u>	<u>(127,510)</u>	<u>(2,913)</u>	<u>(20,051)</u>	<u>(35,240)</u>	<u>(14,767)</u>	<u>(200,481)</u>
Net book value at June 30, 2019	<u>\$ 59,460</u>	<u>\$ 330,090</u>	<u>\$ 3,955</u>	<u>\$ 11,801</u>	<u>\$ 10,181</u>	<u>\$ 5,016</u>	<u>\$ 420,503</u>
	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>

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- (1) Cost includes work-in-progress at June 30, 2019 totaling \$27,151 (2018: \$7,522) comprised of land improvements \$29 (2018: Nil), buildings \$25,612 (2018: \$6,745), equipment \$521 (2018: \$79), and computer hardware and software \$989 (2018: \$698).
- (2) Equipment includes vehicles, heavy equipment, office equipment and furniture, and other equipment.
- (3) Other tangible capital assets include library materials, leasehold improvements and works of art used to support the educational purposes of certain academic programs.

Additions to tangible capital assets includes capitalized interest of \$502 (2018: \$197).

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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 145,807	\$ 145,879
Transfers from unspent deferred capital contributions	300	5,559
Transfers from unspent deferred revenue	835	610
Spent deferred capital contribution recognized as revenue	<u>(6,277)</u>	<u>(6,241)</u>
	<u>\$ 140,665</u>	<u>\$ 145,807</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, 2018	\$ -	\$ 210,001	\$ 32,184	\$ 50,167	\$ 292,352
Annual operating surplus	10,270	-	-	-	10,270
Endowment contributions	-	-	-	1,157	1,157
Amortization of internally funded tangible capital assets	11,505	(11,505)	-	-	-
Net book value of assets disposals	56	(56)	-	-	-
Debt - new financing	11,839	(11,839)	-	-	-
Decrease in Students' Association of MacEwan University building debt not spent	1,911	(1,911)	-	-	-
Debt repayment	(3,082)	3,082	-	-	-
Internally funded acquisition of tangible capital assets	(18,308)	23,481	(5,173)	-	-
The MacEwan University land trust property	(2,786)	2,786	-	-	-
Operating expenses funded from internally restricted surplus	1,588	-	(1,588)	-	-
Net Board appropriation to internally restricted surplus	(12,993)	-	12,993	-	-
Accumulated surplus, June 30, 2019	\$ -	\$ 214,039	\$ 38,416	\$ 51,324	\$ 303,779
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

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		Appropriations from accumulated surplus from operations	Balance, end of year
		Operating expense	Capitalized		
Campus development	\$ 30,530	\$ (931)	\$ (4,729)	\$ 11,690	\$ 36,560
School of Continuing Education	409	(47)	(10)	-	352
Student technology reserve	600	(266)	(373)	1,303	1,264
ERP renewal and technology enhancement	229	(229)	-	-	-
Sustainability	149	(89)	-	-	60
Music degree renovations	262	(26)	(61)	-	175
Scholarships and bursaries	5	-	-	-	5
	<u>\$ 32,184</u>	<u>\$ (1,588)</u>	<u>\$ (5,173)</u>	<u>\$ 12,993</u>	<u>\$ 38,416</u>

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

	<u>2019</u>	<u>2018</u>
Financial assets		
Cash and cash equivalents	\$ 1,013	\$ 1,496
Portfolio investments - endowment	<u>70,532</u>	<u>70,786</u>
Total financial assets	<u>71,545</u>	72,282
Less:		
Accounts payable and accrued liabilities	(59)	(64)
Deferred revenue - investment earnings available for distribution	<u>(20,162)</u>	<u>(22,051)</u>
	<u>\$ 51,324</u>	<u>\$ 50,167</u>

15) Contingent Liabilities

As at June 30, 2019 the university was a defendant in two legal proceedings (2018: three). 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.

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.

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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
2020	\$ 246	\$ 1,397	\$ 2,466	\$ 4,109
2021	821	1,397	2,514	4,732
2022	1,108	1,397	2,161	4,666
2023	1,061	1,397	1,784	4,242
2024	164	1,397	937	2,498
Thereafter	-	26,429	19,408	45,837
Total at June 30, 2019	<u>\$ 3,400</u>	<u>\$ 33,414</u>	<u>\$ 29,270</u>	<u>\$ 66,084</u>
Total at June 30, 2018	<u>\$ 723</u>	<u>\$ 33,414</u>	<u>\$ 26,338</u>	<u>\$ 60,475</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
2020	\$ 3,809	\$ 991	\$ 9,837	\$ 297	\$ 14,934
2021	1,832	1,488	-	243	3,563
2022	-	1,488	-	65	1,553
2023	-	1,488	-	69	1,557
2024	-	1,488	-	12	1,500
Thereafter	-	-	-	-	-
Total at June 30, 2019	<u>\$ 5,641</u>	<u>\$ 6,943</u>	<u>\$ 9,837</u>	<u>\$ 686</u>	<u>\$ 23,107</u>
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>

The university is one of 64 members (2017 – 64 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, 2018, CURIE had an accumulated surplus of \$79,338 (2017 - \$81,232) of which the university's pro rata share is approximately 1.19% (2017 - 1.01%). This surplus is not recorded in the consolidated financial statements.

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18) Expense by Object

The following is a summary of expense by object:

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
Salaries	\$ 141,145	\$ 134,854	\$ 135,247
Employee benefits	29,035	26,848	27,614
Total salaries and employee benefits	170,180	161,702	162,861
Materials, supplies and services	36,690	35,219	43,047
Amortization of capital assets	18,207	17,782	17,035
Maintenance and repairs	10,027	8,998	6,553
Cost of goods sold	6,660	5,466	6,606
Utilities	5,490	5,036	5,341
Scholarships and bursaries	4,465	4,509	3,884
Interest on long term debt	2,508	2,327	2,454
	<u>\$ 254,227</u>	<u>\$ 241,039</u>	<u>\$ 247,781</u>

19) Salaries and Employee Benefits

	2019			
	<u>Base salary ⁽¹⁾</u>	<u>Other cash benefits ⁽²⁾</u>	<u>Other non-cash benefits ⁽³⁾</u>	<u>Total</u>
Governance ⁽⁴⁾				
Chair	\$ -	\$ -	\$ -	\$ -
Board Members	-	9	3	12
Executive				
President	335	12	98	445
Provost and Vice President, Academic ⁽⁵⁾	270	14	33	317
Vice President and General Counsel	254	12	69	335
Vice President, Resources and People ⁽⁵⁾	250	22	57	329
Vice President, University Relations	203	6	37	246
	2018			
	<u>Base salary ⁽¹⁾</u>	<u>Other cash benefits ⁽²⁾</u>	<u>Other non-cash benefits ⁽³⁾</u>	<u>Total</u>
Governance ⁽⁴⁾				
Chair	\$ -	\$ -	\$ -	\$ -
Board Members	-	12	10	22
Executive				
President	335	10	106	451
Provost and Vice President, Academic	270	10	77	357
Vice President, Finance and Administration ⁽⁶⁾	57	680	20	757
General Counsel and Vice-President Governance, Diversity and Inclusion	254	10	74	338
Vice President, Resources and People	215	9	53	277

(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 2019.

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- (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.
- (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 2019 the Provost and Vice President, Academic received vacation payout of \$6, and the Vice President, Resources and People received a vacation payout of \$14.
- (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.

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, 2018	Service Cost	Interest Cost	Benefit Payment	Actuarial Loss (Gain)	Accrued Benefit Obligation, June 30, 2019
President	\$ 62	\$ 62	\$ 4	\$ -	\$ 18	\$ 146
Provost and Vice President, Academic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vice-President and General Counsel	\$ 152	\$ 27	\$ 5	\$ -	\$ 31	\$ 215
Vice President, Resources and People	\$ 75	\$ 21	\$ 3	\$ -	\$ 11	\$ 110
Vice President, University Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

The Provost and Vice President, Academic and the Vice President, University Relations were eligible to participate in the supplementary retirement plan effective February 1, 2019 and September 4, 2018 respectively. As noted in Note 8(a)(ii), the actuarial valuation was extrapolated for 2019, resulting in no calculation of the service cost, interest and actuarial loss (gain) for 2019. These amounts will be determine in 2020 when a the plan has a full actuarial valuation.

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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 provided the MacEwan University Health Centre 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.

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. The operating costs of the centre (utilities, custodial, maintenance, renovation, etc.) are funded from the medical clinic fee charged to students.

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

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21) Government Transfers

	2019	2018
Grants from Government of Alberta		
Department of Advanced Education:		
Operating	\$ 119,987	\$ 119,763
Indigenous Careers Awards	320	320
Total department of Advanced Education	120,307	120,083
Other post-secondary institutions	27	154
Other Government of Alberta ministries, departments and agencies		
Children's Services	921	845
Labour and Immigration	132	11
Education	38	-
Culture, Multiculturalism and Status of Women	25	18
Justice and Solicitor General	5	-
Alberta Innovates	3	-
Total other Government of Alberta ministries, departments and agencies	1,124	874
Total grants received	121,458	121,111
Restricted expended capital recognized as revenue	5,833	5,803
Change in deferred revenue	796	(3,428)
	\$ 128,087	\$ 123,486
Federal and other government grants		
Total grants received	\$ 835	\$ 609
Restricted expended capital recognized as revenue	66	58
Change in deferred revenue	(315)	67
	\$ 586	\$ 734

22) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the university's 2018/19 to 2020/21 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 2018/19 to 2020/21 Comprehensive Institutional Plan.

23) Comparative Figures

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

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