

Annual Report

2019/20

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1. Accountability Statement

MacEwan University's Annual Report for the year ended June 30, 2020 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.

[Original signed by Carolyn Graham, FCPA,
FCA, ICD.D]
Board Chair

The Annual Report was approved by the Board
of Governors on December 10, 2020

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.

[Original signed by Annette Trimbee, PhD]
President and Vice-Chancellor

[Original signed by Rick Ellis, CPA, CA]
Associate Vice President, Finance and Chief Financial Officer



3. Message from the President & Vice-Chancellor

The 2019/20 Annual Report outlines activities and achievements in the period directly proceeding my joining MacEwan University on August 1, 2020 as MacEwan's sixth president and vice-chancellor. As I engage with faculty, staff, students, and our partners, my understanding of MacEwan's depth of expertise and commitment to students and community as an undergraduate university has deepened.

In the heart of downtown Edmonton, MacEwan plays a key role in the city's resiliency and in Alberta's economic recovery and future prosperity. The university has a direct economic impact valued at \$458 million with only 51% of its operations reliant on government grants. In 2018/19, the university contributed to \$669 million in labour income from human capital. MacEwan graduates continue to see successes with nearly 90% of them choosing to work and live in Alberta.

With close ties to business, industry, and community, MacEwan offers our students choice in education in an environment where they thrive and participate in experiential learning opportunities and in student-engaged

research. The university's research priorities are anchored in our reputation as a hub for community engagement. We nurture and sustain learning communities and our faculty's research drives innovation, informs curriculum and responds to local, regional, and global concerns.

2019/20 was a year of incredible change and transition for MacEwan and one of continued progress. In addition to searching for a new president, in August of 2019, the university welcomed Board Chair, Carolyn Graham, and several new public board members. The university also solidified its bicameral governance structure with the establishment of a General Faculties Council and a supporting operational framework.

The government's release of the MacKinnon Report early in 2019 signaled a change for the post-secondary sector. In late spring, the Minister of Advanced Education announced the launch of the *Alberta 2030 Initiative* that would set a new vision for the post-secondary sector and set a new course with a 10-year roadmap and action plan.

There is no denying that the COVID-19 pandemic has impacted organizations across the globe, regardless of industry. As with all post-secondary institutions, MacEwan found itself in a time of unprecedented uncertainty. The university pivoted quickly to an online learning environment to allow students to successfully complete the Winter 2019 term. Plans were also put in place for a hybrid of online and face-to-face delivery for Spring/Summer and Fall 2020 terms as we continued to grapple with COVID-19 impacts. The primary goal was to keep the university community safe while continuing to provide our students with quality learning experiences.

The post-secondary sector must also consider the longer-term impacts of COVID-19 to higher education. I was incredibly proud of the innovation brought about by the quick pivot to online learning delivery, and there is no doubt we will apply this to our future planning. Our students, faculty, and staff have clearly said that that our place matters; it brings a sense of

community and richness to their learning experiences. MacEwan's unique place as an urban downtown university distinguishes us from other universities. Our physical presence in downtown Edmonton is vital to our students, our surrounding community, and the role we play in economic recovery post-COVID-19.

Recent conversations and movements across Canada and internationally have opened up opportunities to consider how MacEwan will respond as a community on matters of equity, diversity and inclusion. The university is committed to this as part of future plans and in addressing the Calls to Action of the Truth and Reconciliation Commission of Canada's (TRC). Plans will continue to be implemented to support these important matters.

MacEwan remains financially stable and is an excellent steward of resources. Despite having one of the lowest costs per full load equivalent (FLE) in the province, the university faced a 10.1% permanent reduction to its operating grant, spanning a two-year period. While efforts were taken to balance the budget in-year, the university faced further losses of campus services revenue with the onset of COVID-19. This resulted in a \$7.5 million operating deficit recorded for 2019/20.

The university remains grateful for the receipt of annual purpose-specific grants for mental health and for supports for students with disabilities. These demands on the university continue to grow and investment in these areas are critical to the success of our students. We are also grateful to the Minister for the pause of Investment Management Agreements as we address COVID-19 impacts.

Over the course of the 2019/20 academic year, the university saw a slight decline in enrolment from projections for both domestic and international students. We are fine tuning enrolment plans to align them with the government's priority for addressing Alberta's low participation rates.

MacEwan is a place where traditionally under-served learners can be successful. MacEwan offers a personalized learning environment and often is the choice for first generation and Indigenous students. While the university saw a further dip in international enrolment as we addressed the impacts of COVID-19, domestic enrolment remained stable through spring and summer and into the fall of 2020.

As part of our growth plans, the university completed the early phases of planning for a new academic building to house the School of Business and will also accommodate growth in other high demand programs. Innovative partnerships, enrolment growth and fundraising plans will be built into plans for future capital expansions. The university also realized a major milestone with the completion of its long-time strategic priority of consolidating our campus downtown with the School of Continuing Education moving to Allard Hall.

Soon to celebrate our 50th anniversary, MacEwan has a long history as an institution that focuses on people. We look forward to the new vision that will be created through the *Alberta 2030 Initiative*, and to the university contributing positively to that vision. Over the next year, I will turn my attention to MacEwan's future and will engage with our university community to develop a longer term plan that will build on the strengths of MacEwan as Edmonton's downtown university.

[Original signed by Annette Trimbee, PhD]
President and Vice-Chancellor

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 and Safe Disclosure Reporting Procedure. 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, 2019– June 30, 2020:

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

5. Operational Overview

As per the annual report guidelines, this section details significant changes to the university environment during the reporting period and provides an overview of institutional accomplishments or highlights over the last reporting period.

COVID-19

In March of 2020, the university was faced with the challenges of a global health crisis, COVID-19. MacEwan faculty and staff did an exceptional job of quickly pivoting to an online learning environment that allowed students to complete the Winter 2020 term. At the same time planning occurred for delivery of the Spring/Summer 2020 term in a continued online platform. Planning commenced for the fall term with the principle of an active campus concept to deliver as much face-to-face learning as safely possible under the guidelines provided.

MacEwan was careful in responding to the pandemic to ensure that decisions were made in the best interests of our students and their success in the future. The university did not take a pass/fail approach for Winter 2020 term and provided grades to students in a timely manner. The pandemic also had financial impacts with the loss of campus services revenue and increased costs to implement online delivery and safety measures. This is discussed more fully in the financial sections of this report.

Leadership and Organizational Changes

MacEwan University saw significant change in its senior administrative team in the 2019/20 academic year. On March 3, 2020, MacEwan University was privileged to announce the appointment of Dr. Annette Trimbee as its sixth president and vice-chancellor. Dr. Trimbee's initial five-year term began on August 1, 2020. Dr. Trimbee replaced John McGrath who served as Acting President for the reporting year.

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

- Dr. Melike Schalomon, dean, Faculty of Arts and Science
- Dr. Fred McGinn, dean, Faculty of Nursing (Interim)
- Cassie Prochnau, associate vice-president, Students and Teaching (Interim)

University Governance

In August 2019, MacEwan welcomed a new Board Chair, Carolyn Graham. The university also saw significant changes in board members with transition of seven new public members and two student members as well as the addition of a member nominated by General Faculties Council. Two members were nominated by the Alumni Association and recommended to Minister and appointed in July 2020.

The General Faculties Council (GFC) at MacEwan contributed significantly to the growth of bicameral governance at the university while continuing to develop and refine its governance processes. The GFC confirmed its membership, revised its elections process and further refined its framework, including new by-laws, and a new committee structure in accordance with the recommendations of an external review as well as a survey of best practices across the province.

Strategic Planning

In 2018/19, the university began to work on the development of a new strategic plan. During the 2019/20 year, the university found itself in a planning environment that was not conducive to the continued development of a new strategic plan. The university sought direction from its Board of Governors in fall of 2019 to pause this work. Considering its presidential vacancy, and the shifting policy and funding landscape signaled by

government, MacEwan suspended development activities.

Expanding Research Capacity

The university continues to build its research capacity and has made great progress in this past year. Following the appointment of its first Tier 2 Canada Research Chair (CRC), Dr. Kris Wells, in May 2019, MacEwan began recruitment of a second CRC in Indigenous Business and Social Entrepreneurship which is anticipated to be awarded in 2021. Two further CRCs will be allocated by 2022.

Fiscal Planning

In fall of 2019, the university received an operating grant reduction of 7.9% for 2019/20 retroactive to April 1, 2019; followed in February 2020 with the release of budget 2020/21, an additional reduction of 2.2%, effective April 1, 2020. The Minister requested post-secondary institutions submit a budget reduction plan to show how they would balance budgets as a result of the reductions. The university's plan outlined administrative efficiencies through reviewing functions, including financial services, advising and non-instructional supports, and through reducing non-discretionary spending such as travel, hosting and on other supplies and services. The university plan highlighted the principle of reductions to administration that minimized the impact on services and programs for students. The university reduced our full-time staff complement by 176 positions, primarily through reductions in non-academic staff positions.

As outlined on page 23, the university had a \$26 million reduction in revenues during the year. The continued commitment to putting student first and quality instruction were the primary principles applied as the university implemented cost reduction strategies to reduce \$19 million of expenditures from the approved budget, resulting in an operating deficit of \$7.5 million.

In 2019/20, the Minister of Advanced Education introduced Investment Management

Agreements (IMA) including the framework for an outcomes-based funding model, the inclusion of updated mandate statements, and a description of university priorities over the next year. The Minister put IMAs on hold in June 2020 to allow institutions time to address the challenges faced by COVID-19.

Enrolment

Enrolment at MacEwan saw a decrease of 3.2% from the previous year. While the enrolment numbers show a near-term decline, the longer-term analysis of enrolment still shows a clear growth trend with new programming contributing significantly to this growth. Recent decreases are mostly attributable to a reduction in international enrolments that follow from decisions made several years earlier on what programs to promote in specific markets. The university has made adjustments to these decisions and expects renewed growth in international enrolments once current restrictions on international travel are resolved.

Responding to Student and Labour Market Trends

MacEwan continues to develop new programs in response to labour market demand and to create innovative choices for students. The university also continues to plan space expansions to accommodate future growth plans. Planning for a new academic building supports a business case to be approved by the Board of Governors which will be submitted to government at the appropriate time signalling this as the university's top capital priority.

The new Bachelor of Design and the new major in Recording and Production (Bachelor of Music) admitted students in September 2019. Planning continued for a new Bachelor of Early Childhood Curriculum Studies and a new Chemistry major within the Bachelor of Science to intake students in Fall 2020. A proposal for a new degree in Fine Arts awaits final approval by the Minister and will be a welcome addition to the university's suite of programs. The Bachelor of Fine Arts will leverage MacEwan's state-of-the-art facilities

and build on the university's existing model of stackable credentials.

Campus Development

The School of Continuing Education, previously housed on the Alberta College Campus, formally moved into Allard Hall following the completion of Allard Hall's fifth floor in the summer of 2020. This move completes MacEwan's campus consolidation plan within Edmonton, and a portion of the Alberta College Campus is now leased to Edmonton Public Schools for a period of three years. Students, faculty and staff from Alberta College Campus now have ready access to the various resources and supports available at City Centre Campus.

There were two other significant developments at MacEwan's City Centre Campus, in addition to the completion of MacEwan's campus consolidation plan: the completion of the new Students' Association of MacEwan University (SAMU) building in February 2020 and the new kihêw waciston Indigenous Centre located in the Robbins Health Learning Centre. Each of these are welcoming spaces that connect students with various supports and resources both within MacEwan and in the extended MacEwan community.

50th Anniversary

Planning for MacEwan's 50th anniversary year, commencing September 2021, continues. MacEwan is proud of its history and excited for its future. Discussions around a potential fundraising campaign to coincide with MacEwan's 50th anniversary are on-going. A new fundraising campaign will align with MacEwan's priorities to help students succeed and its goal to serve as a catalyst for the region's economic recovery.

Alumni and Development

In 2019/20, the university established its first alumni advisory council. With the association in place as a foundational piece, strategies to better engage MacEwan's 80,000 alumni are

underway as the university moves toward its 50th anniversary year.

MacEwan has taken steps to professionalize its fundraising program and to better align with academic priorities. A new five-year Memorandum of Understanding between MacEwan and the Ukrainian Foundation for College Education (UFCE) was signed extending this long-standing relationship between the two organizations. Funding provides opportunities for students such as nursing, sociology and community-service learning courses offered in collaboration with MacEwan's four partner universities in the Ukraine as well as mentoring and training for Ukrainian Model UN students; and student exchanges.

Strong ongoing partnerships continue with Edmonton Community Foundation, Métis Education Foundation, Muttart Foundation, Minerva Foundation, and other community-based funds and foundations.

Freedom of Expression Stand-Alone Policy

MacEwan University is a place of free and open enquiry. While the university's commitment to academic freedom was previously affirmed in the collective agreement negotiated with its Faculty Association, the university extended its commitment to freedom of expression through the formal adoption of a free expression on campus policy in the fall of 2019. MacEwan University recognizes that free expression is essential to the pursuit of knowledge and that universities play a key role in defending freedom of expression; in doing so, they create the conditions where new knowledge is produced. The freedom of expression policy applies to all members of the MacEwan community and to all visitors while they are on university premises.

Meeting the Truth and Reconciliation Commission of Canada Calls to Action

Meeting the Calls to Action continues to be a priority for the university. The university is creating reciprocal relationships with First Nations institutions and other Indigenous

partners to build and create opportunities for students, faculty and staff to serve Indigenous students who are underrepresented in post-secondary participation.

The opening of the kihêw waciston Indigenous Centre in November 2019 was an important milestone for the university. The university continues to build relationships with Indigenous organizations such as Rupertsland, Métis Nation of Alberta, and with First Nations communities. Many partnerships are formed to support particular needs in the community. For example, work is underway with the NiGiNan Housing Venture providing community engaged research that addresses particular housing needs and supports for Indigenous people living in Edmonton.

BOARD OF GOVERNORS

Chair

Carolyn Graham, FCPA, FCA, ICD.D

President and Vice-Chancellor

Annette Trimbee, PhD

Public members

Cameron Barr, MD, CCFP

Linda Banister, BCom, MPM, CMRP, FCMC, CE, ICD

Meghan DeRoo McConnan, CPA, CA

Adam Guiney, BA

Samantha Kernahan, LLB, BA

Julian Martin, PhD

Jasmine Nuthall, CPA, CFE

Janice Sarich, MEd

John Stelter BCom, FCPA, FCA

Students' Association of MacEwan University members

Myles Dykes

Sean Waddingham, BA

MacEwan Staff Association member

Nina Delling, MA

MacEwan University Faculty Association members

Aimee Skye, PhD

Lucio Gelmini, PhD

MacEwan University Alumni members

Scott Kashuba, BSc, MA, MBA

Tracy Sopkow

SENIOR MANAGEMENT

President and Vice-Chancellor

Annette Trimbee, PhD

Vice-Presidents

Craig Monk, DPhil

Provost and Vice-President, Academic

Myrna Khan, BSc, MBA

Vice-President, University Relations

Michelle Plouffe, BA, LL.B, ICD.D

Vice-President and General Counsel

Rick Ellis, CPA, CA

Vice-President, Resources and People (Interim)

Deans

Wanda Costen, PhD, Business

Allan Gilliland, PhD, Fine Arts and Communications

Karen Keiller, MLIS, Library

Fred McGinn, PhD, Health and Community Studies; Nursing (Interim)

Heather McRae, EdD, Continuing Education

Melike Schalomon, PhD, Arts and Science

Associate Vice-Presidents

Rick Ellis, CPA, CA, Finance and CFO

Kevin Fitzgerald, MBA, CFRE, Alumni and Development

Shelagh Hohm, BSc, Information Services & CIO

Barry Horan, CPA, 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

Cassie Prochnau, Students and Teaching (Interim)

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 endeavors.

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	2017/18	2018/19	2019/20
Baccalaureate degrees	9	10	10
Baccalaureate degrees majors*	29	32	33
Applied degrees	2	2	2
Degree transfer programs	2	2	2
Career diplomas	25	24	24
Career diplomas majors	32	31	31
Post-diploma certificates	7	7	7
Career certificates	10	10	10
Other credit programs/projects	4	4	4

*New major in the Bachelor of Music – Recording and Production

ENROLMENT, FACILITY, AND STAFFING INFORMATION

Enrolment and Applications	2017/18	2018/19	2019/20
Credit full-load equivalents (FLE)	12,917	12,751	12,338
Credit student headcount	19,351	18,925	18,483
International student full-load equivalents (FLE)	860	757	569
International student headcount	1,304	1,092	831
Program applications total	25,283	23,693	18,792
Unique applicants	20,721	19,283	17,604
Returning self-declared Indigenous students	697	756	734
Total self-declared Indigenous students	1,128	1,168	1,115

Staffing	2017/18	2018/19	2019/20
Academic / Instructional (FTE)*	760	753	738
Non-academic Support (FTE)*	667	680	646
Administrative / Managerial (FTE)*	220	216	183
Total Employee (FTE)*	1,646	1,649	1,566
Total Employees (Headcount)	2,123	2,239	1,998

*Staffing headcount values are as of April 1 in the reporting year and only a reflection of some in-year staffing reductions that occurred during the year. FTE values are aggregated over the course of the reporting year.

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, 2020. For each of the items that follow, the goals and the expected outcomes are from the 2019/20 to 2021/22 Comprehensive Institutional Plan.

ACCESSIBILITY

Goal 1	Expand program offerings
Priority Initiative (1)	New degrees in Early Childhood Curriculum Studies, Fine Arts and Design.
Expected Outcome	Degree proposals progress to the next stage of the program approval process.
Performance Measure	<ul style="list-style-type: none"> • Implementation of Bachelor of Design • Respond to system coordination review feedback for Early Childhood Curriculum Studies. • Submit Fine Arts to the Ministry for system coordination review.
Expected Completion Date (from CIP)	N/A
Status	Completed
Progress Made in the Last 12 Months	<p>The university launched the Bachelor of Design in Fall of 2019 and enrolment exceeded expectations. The Bachelor of Early Childhood Curriculum Studies was approved for implementation by the Ministry of Advanced Education and MacEwan has admitted students for Fall 2020.</p> <p>The Bachelor of Fine Arts proposal was submitted to system coordination. That review has finished, and the Ministry of Advanced Education has forwarded the degree proposal to Campus Alberta Quality Council for the next stage of review.</p>
Revised Expected Completion Date	N/A
Priority Initiative (2)	Implementation of the Indigenous foundation program.
Expected Outcome	Completion of the pilot and supporting transitions to post-secondary education for Indigenous students.
Performance Measure	Students in pilot successfully transitioning to Ministry-approved program
Expected Completion Date (from CIP)	N/A
Status	Completed

Progress Made in the Last 12 Months	The foundation program has had some initial success, with two of the five students enrolled in Winter 2019 term successfully moving into the Bachelor of Arts program in 2019/20.
Revised Expected Completion Date	N/A

Goal 2	Create new learning spaces to support increased student enrolment
Priority Initiative	Plans developed for new capital infrastructure for a School of Business.
Expected Outcome	Progress on the planning of a new building to facilitate future enrolment opportunities for Albertans.
Performance Measure	Business Case submitted to the Ministry of Advanced Education.
Expected Completion Date (from CIP)	N/A
Status	Planning and Pre-Design completed
Progress Made in the Last 12 Months	A business case and pre-design report for a new academic building have been prepared and are in the internal review process. The business case considers the validity of the active campus and delivery of programs in a physical environment. Pending outcome of the review and insertion of emerging data, the business case will be submitted to the Minister this year.
Revised Expected Completion Date	June 2021

Goal 3	Enhance Student Services
Priority Initiative	Completion of new space for kihêw waciston.
Expected Outcome	Indigenous students are provided the support they need to be successful.
Performance Measure	Student participation in kihêw waciston Indigenous Centre programming.
Expected Completion Date (from CIP)	N/A
Status	Completed
Progress Made in the Last 12 Months	The new kihêw waciston Indigenous Centre opened in November 2019. In the 2019/20 year, the kihêw waciston Indigenous Centre offered more than 25 events, with participation ranging from small gatherings to a conference with more than a thousand participants. Additionally, Indigenous speakers, elders, and academics offered monthly sessions on campus to share knowledge useful for students, staff, and faculty, attracting 50-75 attendees per month.

Revised Expected Completion Date	N/A
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AFFORDABILITY

Goal 1	Increase Student Awards
Priority Initiative	Provide increased funding for students through scholarships and bursaries.
Expected Outcome	Remove affordability barriers and increase access for all Albertans.
Performance Measure	<ul style="list-style-type: none"> • Increase the dollar value of awards by 5%. • Identify new donors and increase endowments.
Expected Completion Date (from CIP)	N/A
Status	First measure completed. Second measure not met due to COVID-19 pandemic.
Progress Made in the Last 12 Months	In 2019/20 MacEwan distributed \$5 M in scholarships, up 11% from the previous year. MacEwan received \$607K in new contributions to endowments. The number of donors declined from 1144 to 800, almost entirely due to the cancellation of the Pass it On campaign. This campaign, a major source of new donors, runs parallel to convocation activities and with the move to Curbside Convocation it was no longer viable.
Revised Expected Completion Date	N/A

QUALITY

Goal 1	Support Quality of Instruction
Priority Initiative	Increase full-time instructional complement.
Expected Outcome	Net new full-time instructional hiring to improve the quality of the learning experience and prepare students for further learning or their career path.
Performance Measure	Increase the percentage of instruction by full-time faculty.
Expected Completion Date (from CIP)	N/A
Status	Completed
Progress Made in the Last 12 Months	MacEwan is measuring full time proportion of instruction based on the number of lecture sections taught in the Fall and Winter terms of an academic year. MacEwan saw an increase in this metric from 52.4% in 2018/2019 to 53.1% in 2019/20.
Revised Expected Completion Date	N/A

ACCOUNTABILITY

Goal 1	Implement a Governance Review
Priority Initiative	Implement new structures and processes as required by new PSLA legislation.
Expected Outcome	Introduction of a full bicameral governance model, creating strong, transparent, and accountable governance policies and processes.
Performance Measure	Creation of new General Faculties Council (GFC) and subcommittee structure including a revision of all governance bylaws.
Expected Completion Date (from CIP)	N/A
Status	Completed
Progress Made in the Last 12 Months	MacEwan has completed its governance review and has a revised General Faculties Council and GFC committee structure in place for the 2020/21 Academic year. Bylaws have been reviewed and are expected to be approved early in the 2020/21 academic year.
Revised Expected Completion Date	N/A

COORDINATION

Goal 1	Coordinate with First Nations Post-secondary Institutions
Priority Initiative	Establish working dialogue with Yellowhead Tribal College and Blue Quills University.
Expected Outcome	Increased coordination with these institutions to leverage experience and avoid duplication of areas of expertise.
Performance Measure	Signed Memorandum of Understanding (MOU) with at least one institution.
Expected Completion Date (from CIP)	N/A
Status	Completed
Progress Made in the Last 12 Months	MacEwan signed an MOU with University nuhelot'ine thaiyots'į nistameyimàkanak Blue Quills in October 2019.
Revised Expected Completion Date	N/A

STUDENT MENTAL HEALTH

Demand for mental health and wellness support for students continues to be high. To meet the demand, the university secured \$360,000 in grant funding from the Ministry of Advanced Education for 2019/20 to support the promotion of mental health, provide non-clinical mental health care and facilitate access to clinical mental health services within and through the community. MacEwan University continues to be an active participant in the Edmonton Regional Post-secondary Mental Health Coordinating Committee (ERPMHC).

In 2019/20, the Wellness and Psychological Services (WPS) team provided almost 950 initial consultations and close to 5,000 individual counselling and case management appointments to students following their initial consultation. Group counselling sessions were also offered to MacEwan students on the topics of anxiety, depression, emotional regulation, and social anxiety. As the university pivoted to online delivery, so did the services provided to students, including mental health services.

To facilitate seamless transitions between services for students for clinical and non-clinical mental health care, Wellness and Psychological Services developed referral processes with ACCESS Open Minds and Insight Psychological.

Student Mental Health Strategy

Consultations occurred on The MacEwan University Student Mental Health Strategy. The 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. Delivery of the final version of the strategy is set for 2020/21.

Collaboration with kihêw waciston Indigenous Centre

A weekly WPS satellite office within the kihêw waciston Indigenous Centre was established to promote early intervention, reduce barriers to service access and support a community of

safety, respect, and celebration of culture for our Indigenous students.

Peer Health Education Team

In 2019 the Peer Health Education Team (PHET) was successfully transitioned into a volunteer-based model. Through peer-to-peer interactions, the PHET promotes health and wellness initiatives through the provision of health promotion and educational programming for MacEwan University Students. MacEwan's Peer Health Education program was selected for inclusion in the Government of Alberta's *Mental Health Promising Practices Toolkit*.

Coalition for Harm Reduction at MacEwan

The Coalition for Harm Reduction at MacEwan (CHARM) formed in 2019/20 in response to an identified gap in general harm reduction support on campus. In addition to university representatives, membership included the Students' Association of MacEwan University, and the MacEwan University Health Centre. The coalition provides consultations, programming, and initiatives that will lead to improved awareness and education supporting the reduction of negative outcomes associated with risky behaviours and environments to the MacEwan campus community.

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. The university works to create an educational environment that is free from sexual violence and where the University community feels safe and supported.

MacEwan University's stand-alone Sexual Violence Policy and Responding to Sexual Violence Procedure outlines the university's commitment and responsibilities to prevent sexual violence, apply a trauma-informed

approach to support, and ensure procedural fairness in responding to complaints.

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.

In Spring 2020, the University published the *MacEwan University Sexual Violence Climate Survey Report 2020* to share key survey findings with the university community. The survey findings will inform the ongoing development of the university's sexual violence prevention and response services.

Integrated Training Program

The university provides regular and customized sexual violence prevention and response training to key groups on campus, including deans, Student Services staff, Residence Life staff, Athletics coaching staff, and Security Services.

Student Education and Leadership

In 2019/20, student volunteers trained as Peer Educators delivered *Creating a Culture of Consent*, a 50-minute workshop on sexual violence, consent and support skills, to 25 different classes on campus, reaching over 900 students. Student volunteers also hosted awareness events and initiatives throughout the year.

Employee Education and Engagement

The Sexual Violence Support Guide 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 function as a network of information and support for individuals impacted by sexual violence. This training is offered three times a year.

Support Services

The sexual violence response coordinator serves as a first point of contact for university members impacted by sexual violence. They offer trauma-informed support and information, including access to modifications, counselling, and reporting options. Additionally, they provide subject-matter guidance and consultation for any employee responding to disclosures or complaints of sexual violence.

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 MacEwan has a consistent, coordinated, fair, and trauma-informed institutional framework for responding to complaints.

7. Financial and Budget Information

This information should be reviewed in conjunction with the June 30, 2020 MacEwan University audited consolidated financial statements and accompanying notes.

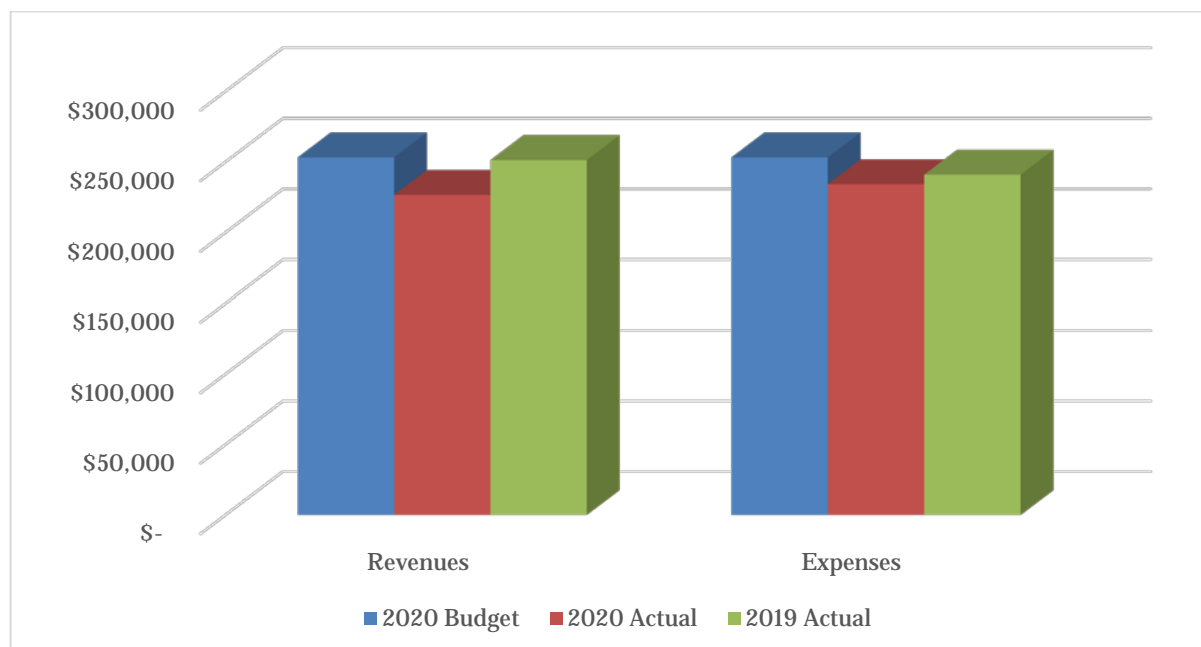
The audited consolidated financial statements are reviewed and approved by the Board of Governors of Grant MacEwan University on the recommendation of the Audit & Risk Committee of the Board of Governors. These consolidated financial statements are prepared in accordance with Canadian public sector accounting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

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

	2020			Change	2019
	Budget	Variance	Actual		Actual
Revenues	\$ 253,189	\$ (26,490)	\$ 226,699	\$ (24,610)	\$ 251,309
Expenses	253,189	(18,950)	234,239	(6,800)	241,039
Annual Operating Surplus (Deficit)	-	(7,540)	(7,540)	(17,810)	10,270
Endowment Revenues	1,000	(393)	607	(550)	1,157
Annual Surplus (Deficit)	\$ 1,000	\$ (7,933)	\$ (6,933)	\$ (18,360)	\$ 11,427



The 2019/20 operating budget was prepared in the spring of 2019 based on assumptions which were reasonable at the time. During the year, the following events resulted in a net reduction in operating revenues:

a. Campus Alberta Grant Reductions from Provincial Budget 2019 and 2020

The Campus Alberta Grant from the Government of Alberta represented 46% of the total revenue in the 2019/20 operating budget for MacEwan University. In the October 2019 provincial budget, this grant was reduced 7.9% retroactive to April 1, 2019, and no funding was received to cover the tuition freeze for 2019/20. This grant was reduced by an additional 2.24% on April 1, 2020 with the February 2020 provincial budget. These reductions resulted in the actual Campus Alberta Grant being \$13,030 less than budget for 2019/20.

b. Enrolment

The 2019/20 budget was based on enrolment of 13,000 full load equivalent (FLE). Enrolment for Fall 2019 term was less than expected, and this continued for the Winter 2020 term. Actual enrolment of 12,338 FLEs for 2019/20 resulted in student tuition and other fees being \$9,760 less than the approved budget.

c. COVID-19 Pandemic

To minimize the spread of COVID-19 and in compliance with orders from the Government of Alberta, the university significantly reduced activities on campus in March 2020. Sales of services and product revenue for the year was \$5,017 less than budgeted, mainly due to a significant reduction of on-campus activities and, in particular, ancillary services operations. See Note 24 to the consolidated financial statements for more information on the impact of the COVID-19 pandemic.

As a result of the reduction of revenues noted above, the university implemented a number of actions to reduce operating expenses. Discretionary spending was reduced, 176 positions were eliminated, and a number of staff were placed on temporary leave without pay.

The university's annual deficit for 2020 was \$6,933 (2019: surplus of \$11,427) as a result of an annual operating deficit of \$7,540 (2019: surplus of \$10,270) and endowment revenue of \$607 (2019: \$1,157). The 2020 annual operating deficit is the net result of \$26,489 decrease in revenue compared to budget offset by \$18,949 positive variances in operating expenses. These variances are explained in section C below.

B. Major Campus Development Projects Overview

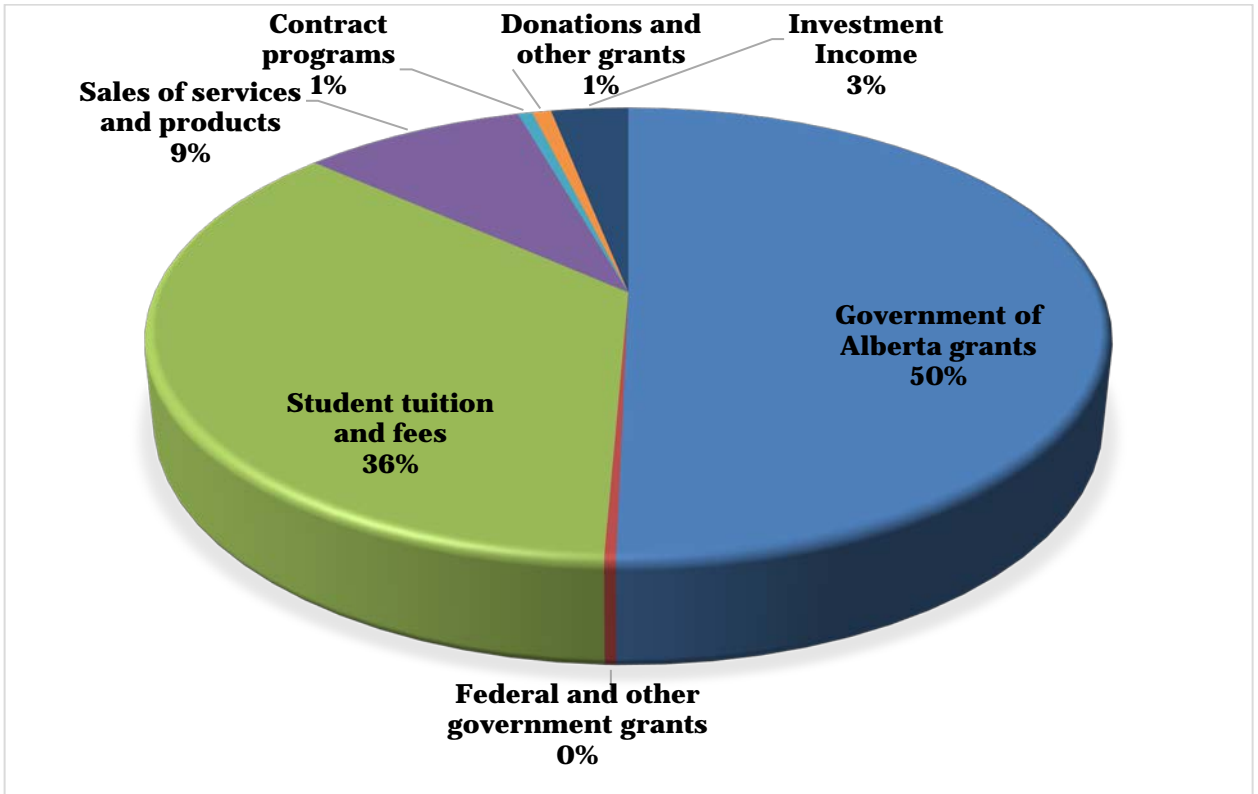
During the year, the university completed the construction of the Students' Association of MacEwan University (SAMU) building. As described in Note 6 to the consolidated financial statements, this building is now leased to SAMU with an initial lease term to December 2042 plus an additional renewal term option of 74 years. As a result, the cost of the building was removed from tangible capital assets, with a finance lease receivable being recognized on the consolidated statement of financial position.

The other major campus development projects completed during the year includes the completion of shelled-in space in Allard Hall for the School of Continuing Education, the kihêw waciston Indigenous Centre, and the Bachelor of Communications Studies studio.

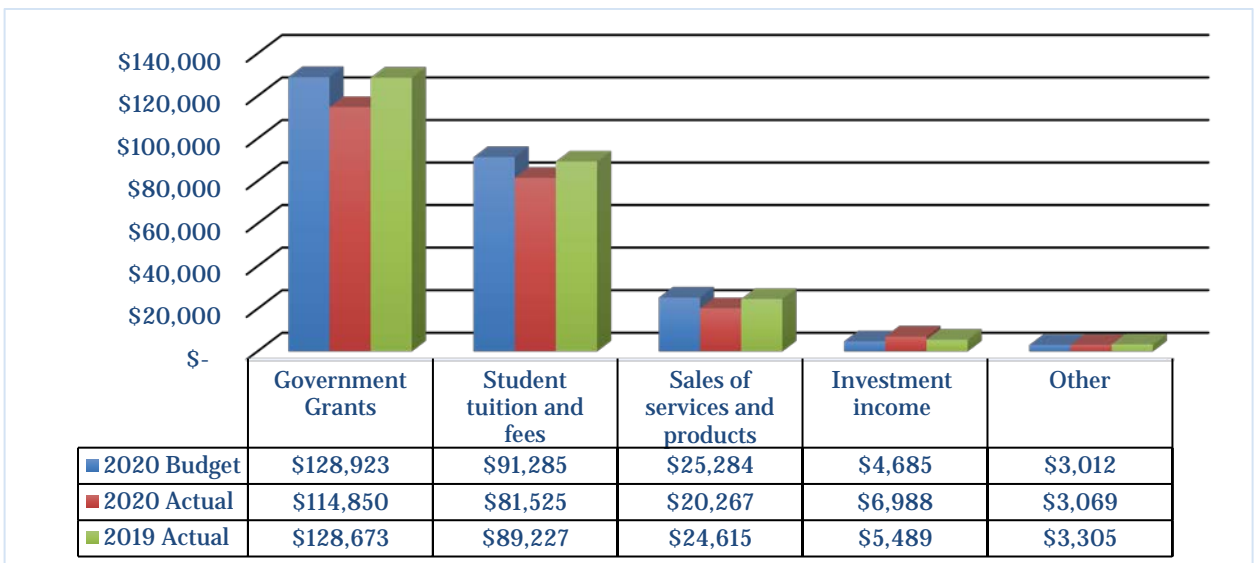
C. Operational Highlights

a. Operating Revenues

Grants from the Government of Alberta continue to be approximately 50% of the total revenue for the university, with student tuition being the next largest category at 36%.



Total operating revenues for the university was \$226,699 which is \$26,490 less than budget and \$24,610 less than in 2019. The following shows the comparison of 2020 approved budget, 2020 actual, and 2019 actual revenue:



	2020			Change	2019
	Budget	Variance	Actual		Actual
Government of Alberta grants	\$ 128,116	\$ (14,020)	\$ 114,096	\$ (13,991)	\$ 128,087
Federal and other government grants	807	(53)	754	168	586
Student tuition and fees	91,285	(9,760)	81,525	(7,702)	89,227
Sales of services and products	25,284	(5,017)	20,267	(4,348)	24,615
Contract programs	1,506	(166)	1,340	(203)	1,543
Donations and other grants	1,506	223	1,729	(33)	1,762
Investment income	4,878	2,110	6,988	1,499	5,489
Investment loss in government business enterprise	(193)	193	-	-	-
	<u>\$ 253,189</u>	<u>\$ (26,490)</u>	<u>\$ 226,699</u>	<u>\$ (24,610)</u>	<u>\$ 251,309</u>

i. Government grants

Government grants consist of the following:

	2020			Change	2019
	Budget	Variance	Actual		Actual
Government of Alberta					
Campus Alberta Grant	\$ 116,840	\$ (13,030)	\$ 103,810	\$ (11,664)	\$ 115,474
Other one-time and conditional funding recognized as revenue					
Students with disabilities	873	-	873	(5)	878
Student mental health and wellness	-	479	479	140	339
Infrastructure maintenance program	2,533	(2,210)	323	(2,068)	2,391
Other	2,148	569	2,717	(455)	3,172
Spent deferred capital contributions recognized as revenue	5,722	172	5,894	61	5,833
Total Government of Alberta grants	<u>128,116</u>	<u>(14,020)</u>	<u>114,096</u>	<u>(13,991)</u>	<u>128,087</u>
Federal and other governments					
One-time and conditional funding recognized as revenue	749	(56)	693	174	519
Spent deferred capital contributions recognized as revenue	58	3	61	(6)	67
Total Federal and other governments	<u>807</u>	<u>(53)</u>	<u>754</u>	<u>168</u>	<u>586</u>
Total Government Grants	<u>\$ 128,923</u>	<u>\$ (14,073)</u>	<u>\$ 114,850</u>	<u>\$ (13,823)</u>	<u>\$ 128,673</u>

The 2020 budget was prepared in the spring of 2019 before the provincial election, with the Campus Alberta Grant being based on 2019 funding of \$115,474 plus \$1,366 to offset the tuition freeze for 2019/20. The actual Campus Alberta Grant for 2020 is less than budget and 2019 due to a 7.9% reduction retroactive to April 1, 2019 in the October 2019 provincial budget, no funding to cover the tuition freeze, and a further 2.24% reduction effective April 1, 2020 in the February 2020 provincial budget.

At the time the 2020 budget was prepared, there was uncertainty on funding for student mental health and wellness. This funding was later confirmed in the October 2019 provincial budget.

The provincial budget in October 2019 suspended the Infrastructure Maintenance Program funding for 2020. In response, the university reduced expenditures by deferring a number of infrastructure maintenance projects. This funding was reinstated effective April 1, 2020 in the February 2020 provincial budget.

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.

Student tuition and fee revenue is less than the budget by \$9,760 mainly due to:

1. Lower credit enrolment across the university, for both domestic and international students, however, the greatest impact by far is international tuition revenue where each full load equivalent (FLE) represents over four times the tuition earned by domestic FLE. International enrolment is now less than 4% of overall enrolment compared to the target of 6%.
2. In the School of Continuing Education, there was an unfavorable variance of \$2,858 in tuition due to lower enrolment in University Preparation, English as an Additional Language, and the non-credit programs. Due to COVID-19 and the border closure, several international classes and study tours were cancelled.
3. Some Spring non-credit classes were cancelled as they were not able to be delivered online.

iii. Sales of services and products

The variance was mainly due to the impact of the COVID-19 pandemic which greatly impacted parking, residence, conference and food sales for the fourth quarter, plus lower bookstore sales that continue to decline significantly year over year. Within the school and faculties, sales revenue was also significantly lower than planned as a result of the pandemic.

iv. Investment income

Investment income is higher than budget due higher returns on short-term funds as well increased earnings realized on unrestricted long-term investments. This is partially offset by a reduction in investment earnings on the loan to The MacEwan University Land Trust as a result of the change in the accounting treatment from a government business enterprise to a consolidated entity.

b. Operating Expenses

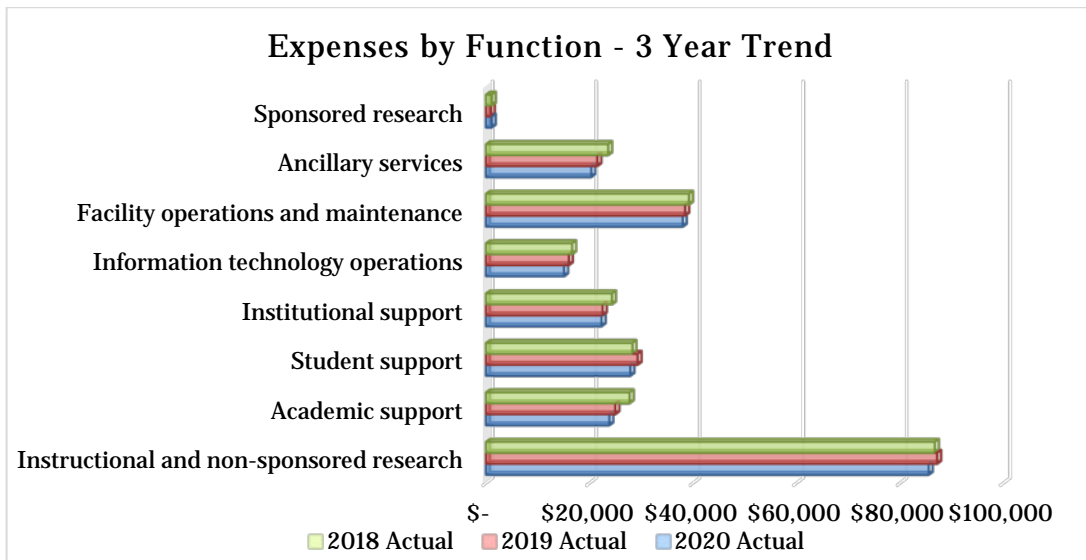
Under public sector accounting standards, the consolidated statement of operations presents expenses by the functions as defined in Note 2(I) to the consolidated financial statements. Note 18 to the consolidated financial statements discloses the operating expenses by objects. The following presents the 2020 operating expenses by function and object:

	Instruction and non-sponsored research	Academic support	Student support	Institutional support	Information technology operations	Facilities operation & maintenance	Ancillary services	Sponsored research	Total
Salaries	\$ 67,501	\$ 15,838	\$ 15,176	\$ 13,999	\$ 8,629	\$ 7,363	\$ 5,642	\$ 729	\$ 134,877
Employee benefits	13,342	3,031	3,047	3,062	1,633	766	1,006	58	25,945
Total salaries and employee benefits	80,843	18,869	18,223	17,061	10,262	8,129	6,648	787	160,822
Materials, supplies and services	4,250	4,763	4,358	5,231	3,830	5,238	1,719	340	29,729
Amortization of capital assets	-	-	302	-	-	15,169	2,789	-	18,260
Maintenance and repairs	141	40	46	15	859	6,017	1,276	-	8,394
Cost of goods sold	306	152	9	-	-	(70)	4,243	-	4,640
Utilities	30	5	22	15	152	3,535	733	-	4,492
Scholarships and bursaries	4	11	4,944	-	-	-	30	-	4,989
Interest on long term debt	-	-	-	-	-	-	2,913	-	2,913
Total	\$ 85,574	\$ 23,840	\$ 27,904	\$ 22,322	\$ 15,103	\$ 38,018	\$ 20,351	\$ 1,127	\$ 234,239
Percentage of total	37%	10%	12%	10%	6%	16%	9%	0%	100%

i. Expense by function

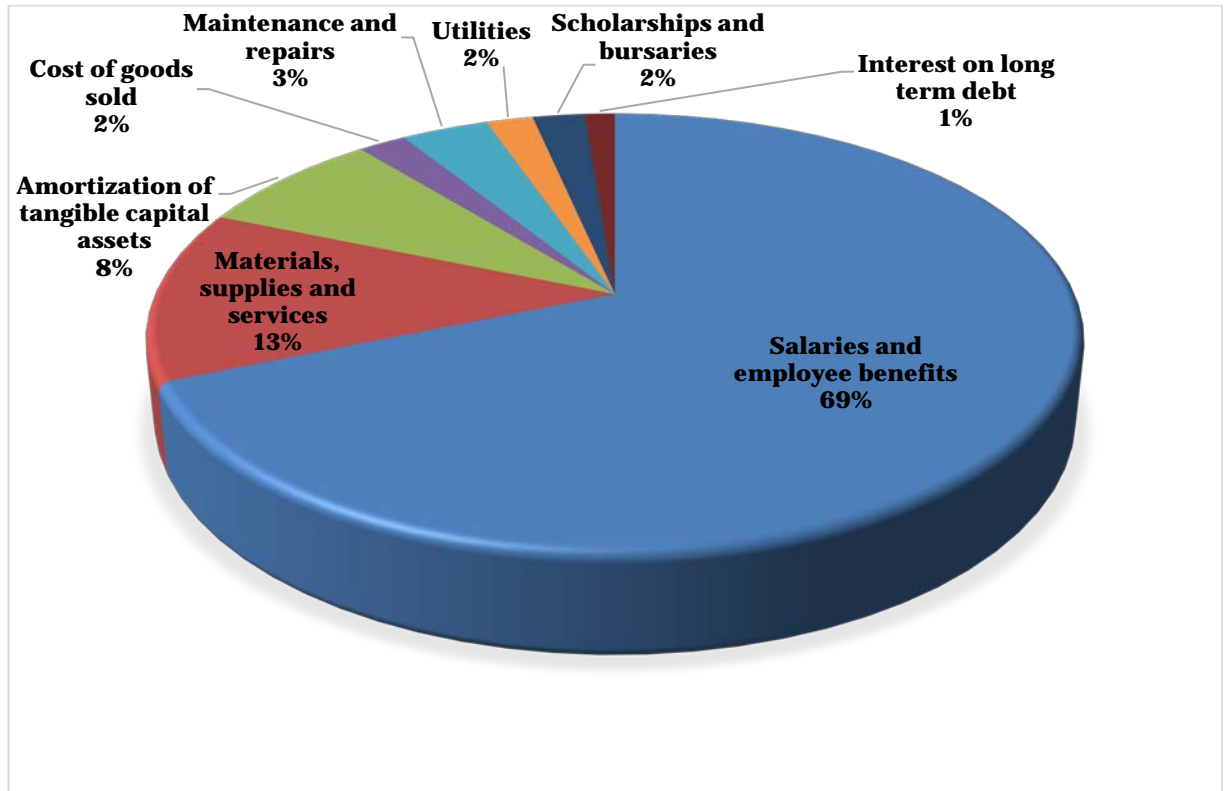
	2020			Change	2019 Actual
	Budget	Variance	Actual		
Instructional and non-sponsored research	\$ 90,427	\$ (4,853)	\$ 85,574	\$ (1,618)	\$ 87,192
Academic support	29,771	(5,931)	23,840	(1,986)	25,826
Student support	29,018	(1,114)	27,904	(560)	28,464
Institutional support	26,718	(4,396)	22,322	(679)	23,001
Information technology operations	14,560	543	15,103	(474)	15,577
Facility operations and maintenance	39,809	(1,791)	38,018	(469)	38,487
Ancillary services	21,876	(1,525)	20,351	(1,177)	21,528
Sponsored research	1,010	117	1,127	163	964
Total	\$ 253,189	\$ (18,950)	\$ 234,239	\$ (6,800)	\$ 241,039

2020 actual expenses for most functions are less than budget and less than 2019 due to the university actions to reduce expenditures in response to the reduction in revenue as explained above.

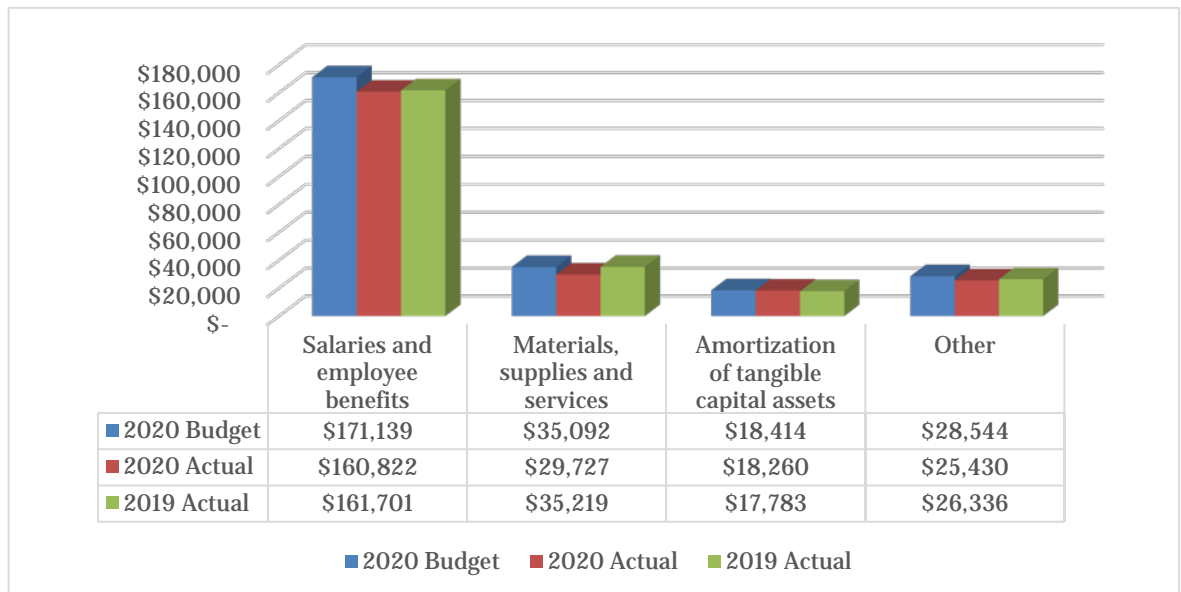


ii. Expense by object

Note 18 to the consolidated financial statements presents the expenses by objects, with the following major categories of the \$234,239 expenses for the university: salaries and employee benefits (69%); materials, supplies and services (13%), and amortization of tangible capital assets (8%).



The following shows the comparison of 2020 approved budget, 2020 actual and 2019 actuals.



	2020			Change	2019
	Budget	Variance	Actual		Actual
Salaries	\$ 143,185	\$ (8,308)	\$ 134,877	\$ 23	\$ 134,854
Employee benefits	27,954	(2,009)	25,945	(903)	26,848
Total salaries and employee benefits	171,139	(10,317)	160,822	(880)	161,702
Materials, supplies and services	35,092	(5,363)	29,729	(5,490)	35,219
Amortization of capital assets	18,414	(154)	18,260	478	17,782
Maintenance and repairs	10,698	(2,304)	8,394	(604)	8,998
Cost of goods sold	5,312	(672)	4,640	(826)	5,466
Utilities	5,413	(921)	4,492	(544)	5,036
Scholarships and bursaries	4,221	768	4,989	480	4,509
Interest on long term debt	2,900	13	2,913	586	2,327
	<u>\$ 253,189</u>	<u>\$ (18,950)</u>	<u>\$ 234,239</u>	<u>\$ (6,800)</u>	<u>\$ 241,039</u>

1. Salaries and employee benefits

Salaries and employee benefit expenses are less than the approved budget due to vacant positions not being filled, voluntary separation incentive program, and position reductions in response to the reduction in funding and preparation for the 2020/21 budget.

2. Materials, supplies, and services

The reduction from budget and 2019 is due to the university responding to the reduction in revenue as well as the impact of the COVID-19 pandemic which resulted in lower staff development, travel, hosting, instructional supply, and printing costs.

3. Maintenance and repairs

Maintenance and repairs expense is less than budget due to lower expenses in the Infrastructure Maintenance Program with the current year grant suspended.

4. Cost of Goods Sold

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

D. Capital Plan – Acquisition of Tangible Capital Assets

The capital plan for the university included a number of approved priority projects as well as annual replacement of furniture, fixtures, and equipment. The increase from 2019 is due to approved campus development projects including the renovations to Allard Hall for the School of Continuing Education and the Bachelor of Communications Studies program, and the construction of the kihêw waciston Indigenous Centre. See below for the summary of the capital plan.

	2020			Change	2019
	Budget	Variance	Actual		Actual
Building to be leased to Students' Association of MacEwan University	\$ 7,829	\$ 85	\$ 7,914	\$ (5,914)	\$ 13,828
Campus development	23,625	(6,364)	17,261	12,532	4,729
Campus Services infrastructure	525	(244)	281	281	-
Furniture, fixture and equipment	2,100	582	2,682	162	2,520
Technology and software implementation and upgrade	1,960	(575)	1,385	(255)	1,640
Library collections	338	163	501	(439)	940
Infrastructure enhancement	997	582	1,579	619	960
	<u>\$ 37,374</u>	<u>\$ (5,771)</u>	<u>\$ 31,603</u>	<u>\$ 6,986</u>	<u>\$ 24,617</u>

E. Consolidated Statement of Cash Flows

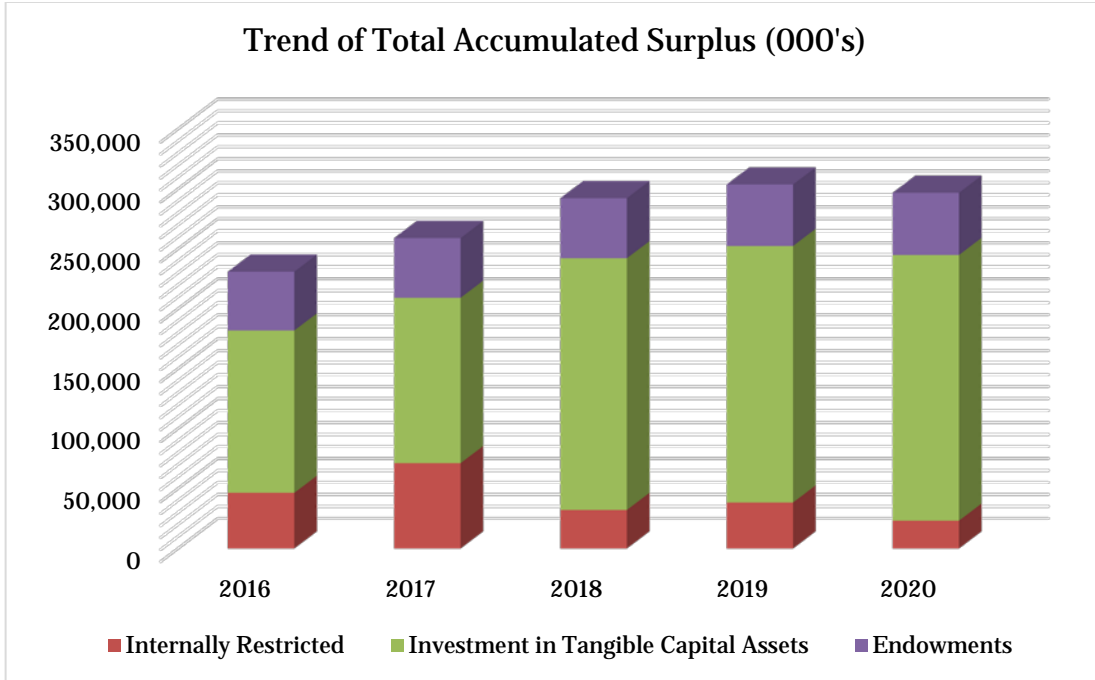
The consolidated statement of cash flows provides an overview of the changes in the cash and cash equivalents for the university.

	2020	2019
Cash (applied to) provided by operating transactions	\$ (3,576)	\$ 23,806
Cash applied to capital transactions	(30,996)	(23,316)
Cash provided by (applied to) investing transactions	29,208	(31,710)
Cash applied to (provided by) financing transactions	(3,713)	9,048
	<u>\$ (9,077)</u>	<u>\$ (22,172)</u>

- Cash provided by operating transactions for the year ended June 30, 2020 is due to operating results net of internally funded tangible capital assets transactions and changes in non-cash financial assets and liabilities.
- Cash applied to capital transactions are acquisitions during the year. See above for additional information on these acquisitions.
- Cash provided by investing transactions is due to transferring short-term investments to the operating bank account during the year to ensure the university has the funds in the bank for its business requirements.
- Cash provided by financing transactions is due to repayment of debt less of donations received for Allard Hall.

F. Accumulated Surplus

MacEwan University's accumulated surplus at June 30, 2020 was \$296,846 (2019: \$303,779). Note 13 to the consolidated financial statements presents additional information on the movement of the accumulated surplus categories during the year. The following graph presents the trend of the accumulated surplus components since 2016. The university continues to invest in tangible capital assets to provide students, staff and faculty with the facilities and equipment required. The internally restricted accumulated surplus of \$23,247 will provide the funds necessary for the university to enhance the campus and technology.



G. Risk Analysis

The 2019/20 to 2021/22 Comprehensive Institutional Plan identified the following risks which could have a negative impact on operating revenues or expenses for the university, with the outcome and impact for the reporting period:

Risks	Outcomes	Impact
Reduction in Campus Alberta Grant.	Campus Alberta Grant was reduced 7.9% retroactive to April 1, 2019 and a further 2.24% effective April 1, 2020. Funding to offset the lost revenue from the tuition freeze was not received.	In response to the reduction in revenue the university took actions to reduce expenditures.
Government of Alberta does not fund the lost revenue due to tuition fees being maintained at the 2014/15 level for an additional year.		
Significant decrease in student enrolment.	International student enrolment less than planned.	
Inflationary increase to operating expenses.	Inflationary increases low.	No impact.
Significant reduction in the value of investment holdings resulting in a need to write-down investment value.	Investment valued dropped significantly in March 2020 and recovered somewhat by June 30, 2020.	The market value of investment portfolios are lower than June 30, 2019, however they continue to be higher than deemed cost. At this time there is no need for any loss to be recognized in the accounts.

Risks	Outcomes	Impact
Students' Association of MacEwan University (SAMU) does not have the funds necessary to pay the lease and operating costs of the new building. This could be due to changes in the fees assessed or students not paying the fees which are assessed.	No concerns for 2020.	No impact.

The 2019/20 to 2021/22 Comprehensive Institutional Plan also identified a number of risks which could have a negative impact on the university's ability to complete the campus development plan as outline in the capital plan:

Risks	Outcomes	Impact
Operating deficits resulting in less funds being available for the campus development plan.	The university did have an operating deficit in 2020.	The operating deficit did not impact the campus development plans due to the amount of funds restricted for campus development.
Request from the Government of Alberta to transfer to them a significant portion of the restricted and unrestricted net assets.	No requests received.	
Significant increase in estimated cost of campus development projects.	Cost of projects remain controlled.	

In addition to the above potential negative risks to the university's financial operations and campus development plans, the 2019/20 to 2021/22 Comprehensive Institutional Plan identified a number of items which could have a positive impact on financial plan for the university:

Opportunities	Outcomes	Impact
Inability to promptly hire continuing faculty or other staff, which will result in unspent salary budget.	The university had unspent salaries budget due to vacant positions.	Savings were used to offset revenue reductions to minimize the operating deficit.

Opportunities	Outcomes	Impact
Requirement to cash in long-term investments resulting in significant gain on disposal of these investments providing there is no significant reduction in investment value.	The university considered disposing investments as a strategy to balance the budget due to revenue reductions. This plan was cancelled in March 2020 when the market value of the investment portfolio temporarily decreased.	No long-term investments were cashed in for cash flow requirements.
Increase in Campus Alberta Grant which was not anticipated.	No increase received.	

H. Impact of the COVID-19 Pandemic

On March 11, 2020 the World Health Organization declared the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. On March 17, 2020, the Government of Alberta declared a 90-day state of public health emergency over the COVID-19 pandemic. This state of emergency lapsed on June 15, 2020.

It is not possible to reliably estimate the impact these developments will have on the financial results and operations of the university in future periods.

The university has been impacted in the following areas.

a. Campus

As part of the university's continuing efforts to minimize the spread of COVID-19, most buildings on campus were temporarily closed.

In March 2020, the university moved to an online delivery model for classes, on-site research activities were suspended, all planned in-person events on campus were cancelled, and all university parking lots were temporarily made complimentary and all parking permits were suspended.

Future ancillary revenues are likely to be negatively impacted.

b. Staff

Most university employees have successfully transitioned to working remotely during the COVID-19 pandemic. Some employees were placed on temporary leave without pay or had a reduction in hours of work in response to the reduction of activities on campus.

c. Enrolment, Student Tuition and Fees

On March 16, 2020, the Government of Canada announced closure of Canada's borders to non-essential international travel which took effect on March 18, 2020. Although courses continue to be delivered electronically, restrictions on international travel may impact future international student enrolment and related tuition and fees revenues.

d. Investments

As at June 30, 2020, the university's portfolio investments reflected a decline in value as a result of financial market declines due to COVID-19. As the decline is assessed as being temporary in nature and the market value of the portfolio investments is greater than the deemed cost of the investments the university has not recorded any realized losses in the consolidated statement of operations. Subsequent to June 30, 2020, it is anticipated there will continue to be volatility in the market.

e. Provincial Government Funding

The university has prepared its operating budget for the next three years based on stable provincial government funding. The emergence of the COVID-19 pandemic along with the historic decline in oil prices has resulted in uncertainty in future provincial funding for the university.

f. Research

It is unclear what the longer-term impact will be on future research funding as the provincial and federal government assess the economic damage caused by the COVID-19 pandemic.

g. Fundraising

The overall economic climate caused by the COVID-19 pandemic may negatively impact the university's ability to meet future fundraising targets.

8. Self-Generating Revenue

A. Annual Revenue and Net Contribution

All amounts are in thousands of dollars unless otherwise noted.

	Budget		Actual	
	Revenue	Net contribution	Revenue	Net contribution
Ancillary				
Residence Services	\$ 6,728	\$ 247	\$ 5,260	\$ (926)
Bookstore	6,715	391	5,892	(94)
Transportation Services	5,532	1,835	3,978	446
Conference & Event Services	907	(177)	523	(257)
Hospitality Services	620	182	465	134
	<u>20,502</u>	<u>2,478</u>	<u>16,118</u>	<u>(697)</u>
Academic Enterprise				
School of Continuing Education - International	4,383	1,453	2,870	519
Professional and Continuing Studies	1,734	399	1,106	(77)
Centre for Professional Nursing Education	1,489	810	1,312	660
Social Innovation Hub	404	(143)	132	(307)
	<u>8,010</u>	<u>2,519</u>	<u>5,420</u>	<u>795</u>
Commercial Enterprise				
Rental property	336	76	388	105
	<u>336</u>	<u>76</u>	<u>388</u>	<u>105</u>
Total	<u>\$ 28,848</u>	<u>\$ 5,073</u>	<u>\$ 21,926</u>	<u>\$ 203</u>

B. Ancillary Services

a. Residence Services

Residence Services is comprised of three areas that contribute to the success of the MacEwan University Residence building: Housing, Residence Life and Resident and Guest Services. Our revenue source is a combination of student and guest/hotel accommodation rentals. The staffing and operation of the building is 24/7.

- **Housing** is responsible for all student accommodations including student move-in and move-out, fee collections, suite assignments/inventory as well as maintaining the maintenance and cleanliness in the building.
- **Residence Life** is the team who deliver the distinctive, MacEwan University centric, student residence experience, and responsible for creating an inclusive community that promotes academic success and personal well-being. Residence Life manages student conduct, responds to incidents, runs valuable programming, and maintains connections with other campus services to ensure students have awareness, access to resources they require and create an exceptional student experience.
- **Resident and Guest Services** is the team responsible for the guest accommodation and front desk operations in Residence. The focus is on customer service to all residents, guests, and staff in the building and generates revenue in vacant student suites in the form of nightly guest accommodation business, group bookings, and non-student long term stays.

b. Bookstore

The mission of the university bookstore, mstore, is to enrich the on-campus experience of students, faculty, staff, alumni and friends of MacEwan University by providing the MacEwan community with convenient access to learning material, merchandise, and giftware.

c. Transportation Services

Transportation Services are responsible for the sale, distribution and enforcement of daily and monthly parking. Additionally, transportation services administer ETS@Work passes, MacEwan's Car Share program, Ride Share program, taxi and shuttle services, and bicycle parking.

d. Conference and Event Services

Conference and Event Services' team of experienced event and audio-visual professionals plan and coordinate internal and external events, serving as the gateway to our campus for many visitors and guests attending community, cultural, corporate or academic events on campus. Our events also showcase and generate revenue for many additional campus units including Food Services, Parking, Residence Services, Box Office Services, and Facilities.

e. Hospitality Services

Hospitality Services provides food and catering services for students, faculty and staff that focus on quality, value and variety specific to the needs of consumers at all campus locations. The department consists of food services and vending services.

- **Food Services** is responsible for all food vendors on campus and is constantly focused on providing quality food options that are value specific to students, faculty and staff. Food Services is committed to serving more variety on campus and also manages two separate food service leases.
- **Vending Services** encompasses cash machines (ATMs), cold beverages and snacks which provide a service to students, faculty, staff, and guests while generating revenue for the university and sponsorship dollars for student financial awards and events.

C. Academic Enterprise

a. School of Continuing Education - International

The School of Continuing Education International works closely with MacEwan International to prepare students for living and visiting in Canada. Three executive professional development programs are available to international students: Business Analysis, Global Logistics Management, and Project Management. Short term educational tours are also available and focus on English language training that can be combined with business, art, music or local cultural activities.

b. Professional and Continuing Studies

MacEwan University's School of Continuing Education offers lifelong learning opportunities to enhance students' careers and lives.

- Courses and workshops are designed with work-life balance in mind (e.g. weekdays, evenings and weekends, online, blended, in-class).
- Small and interactive classes with breakout style activities, access to art and music studios, fully equipped Mac and PC labs.
- Instructors are industry professionals, consultants, business owners and experienced adult educators.

Programming includes business and management; art, design, digital media; personal enrichment; and corporate training.

c. Centre for Professional Nursing Education

The Centre for Professional Nursing Education provides the following training for health care professionals to enhance their skills and knowledge:

- Wound Management to develop the specialty knowledge required to assist patients with complex wounds.
- Workplace Health Screening to provide the qualifications required to conduct screening tests required in the workplace.
- Cardiac Nursing to gain the expertise required to work with patients with, or at risk of developing, cardiac disease.

d. Social Innovation Hub (Roundhouse)

The Social Innovation Hub is a team who supports changemakers, social innovators and social entrepreneurs throughout the region. Co-working spaces with hot desks, dedicated desks, and private offices as well as meeting spaces and event facilities are also available. Program offerings give members much needed resources and support for their initiatives to change the world with good ideas.

D. Commercial Enterprise

a. Rental Property

MacEwan University purchased property strategically located near City Centre Campus as part of its long-term campus development plan. As these properties are not required for immediate use, the university has a number of tenants with short-term leases.

9. Enrolment Plan and Program Changes

MacEwan's enrolment for 2019/2020 was lower than projected in the 2019/20 to 2021/22 Comprehensive Institutional Plan. This drop in enrolment was due to factors both internal and external. From the internal perspective, there was a decision to better align MacEwan's Open Studies programming to standards at other universities and to address ongoing concerns with students underperforming in the Open Studies program. A reduction in enrolment was planned but forecasting did not anticipate the full scale of the impact of these curricular decisions on Open Studies enrolment.

The primary external factor was the drop in international enrolment, a drop that had its greatest impacts on the School of Business, the Bachelor of Science, University Preparation and some nursing programs. While MacEwan did not present international enrolment targets in the CIP by specialization, the areas identified are among the primary program destinations for international students and reduced enrolments in these areas are due, in large part, to lower than anticipated international student recruitment. The School of Business diploma and certificate programs, which typically see strong international interest, were particularly affected by this change. MacEwan has identified strategies for addressing this shortfall in future years, but implications of the pandemic related to international recruitment and travel will delay implementation of the strategies as the institution addresses the long-term challenges created by the pandemic.

The university did see growth in several programs, most notably in the Bachelor of Arts and Design programs. The implementation of the new Bachelor of Design has generated even greater interest than anticipated.

The university continues to evolve its programming, and several program-level changes have occurred in the reporting year. The Bachelor of Music added a new major in Recording and Production and admitted students into the program in September 2019. MacEwan received approval from the Ministry of Advanced Education for a new Bachelor of Early Childhood Curriculum Studies with program implementation in Fall 2020 and for a new Chemistry major within the Bachelor of Science, also for implementation in Fall 2020. Both programs are excited to be welcoming new students in the Fall 2020 term.

The Ministry eliminated the category of Post-Basic programs from the eligible nomenclature and consequently the university terminated Post-Basic Certificate (Cardiac Nursing; Wound Management) and Post-Basic Nursing Practice (Gerontology, Hospice Palliative Care, Postgraduate Nursing Practice). These were correspondingly replaced with Post-Diploma Certificates in Cardiac Care Management, Wound Management, Gerontology and Hospice Palliative Care.

With the introduction of the Bachelor of Design program, the university moved to suspend the Design Studies three-year diploma and a new two-year Graphic Design diploma was created as an exit option for students in the Bachelor of Design. The Disability Management certificate and the General Studies program received Ministry approval for termination effective July 1, 2020.

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	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % Int'l
Degree	8,321.28	8,773	8,640.90	2.18%
Certificate	288.73	360	229.98	0.30%
Diploma	2,529.62	2,455	2,213.65	1.60%
Non-Credential	1,611.30	1,412	1,253.19	0.53%
Grand Totals	12,750.92	13,000	12,337.73	4.61%

Faculty of Arts and Science					
LERS Program	LERS Specialization	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % Int'l
Degree					
Bachelor of Arts	Anthropology	102.50	101.00	128.13	0.31%
	Economics	75.07	74.00	84.10	15.70%
	English	139.47	143.00	147.03	2.18%
	History	81.10	83.00	88.80	0.79%
	Philosophy	43.60	43.00	42.57	0.00%
	Political Science	133.30	136.00	146.20	0.00%
	Psychology (Arts)	210.67	216.00	244.40	1.39%
	Sociology	413.94	420.00	512.47	1.44%
	Not Declared	1,137.08	1,269.00	1,230.04	2.18%
	Total	2,336.73	2,485.00	2,623.74	2.10%
Bachelor of Science	Chemistry	0.00	0.00	0.00	0.00%
	Applied Statistics	17.10	22.00	33.97	3.14%
	Biological Sciences	246.43	240.00	246.03	1.06%
	Computer Science	344.44	337.00	286.37	11.17%
	Mathematical Sciences	39.37	31.00	45.87	12.14%
	Mathematics	70.73	67.00	113.10	9.81%
	Physical Sciences	160.60	156.00	155.07	1.87%
	Psychology (Science)	170.97	169.00	186.20	1.93%
	Not Declared	1,086.31	1,186.00	1,074.87	2.39%
	Total	2,135.95	2,208.00	2,141.48	3.95%
Degree Total		4,472.68	4,693.00	4,765.22	2.93%
Diploma					
General Studies Diploma		11.50	0.00	1.70	0.00%
Non-Credential					
UT: Bachelor of Science in Engineering		194.46	190.00	175.08	5.85%
Faculty Total		4,678.64	4,883.00	4,942.00	3.03%

Faculty of Fine Arts & Communications					
LERS Program	LERS Specialization	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % Int'l
Certificate					
Arts and Cultural Management Certificate		0.00	0.00	0.00	0.00%
Degree					
Bachelor of Communication Studies	Journalism	104.94	110.00	103.66	3.10%
	Professional Communications	205.06	205.00	186.36	0.36%
	Total	310.00	315.00	290.02	1.34%
Bachelor of Design		0.00	75.00	102.90	3.21%
Bachelor of Fine Arts		0.00	0.00	0.00	0.00%
Bachelor of Music in Jazz & Contemporary Popular Music	Composition	43.12	46.00	33.82	7.13%
	General	31.17	27.00	37.06	1.77%
	Performance	75.44	75.00	79.91	1.21%
	Recording and Production	0.00	12.00	22.20	0.00%
	Undeclared	76.64	76.00	73.67	1.13%
Total		226.37	236.00	246.66	1.97%
Degree Total		536.36	626.00	639.58	1.88%
Diploma					
Arts and Cultural Management Diploma		57.45	51.00	47.17	11.22%
Design Studies		108.70	59.00	66.80	2.54%
Fine Art		57.60	57.00	57.17	3.32%
Music	Composition	0.00	0.00	0.00	0.00%
	Comprehensive	0.00	0.00	0.00	0.00%
	Performance	0.00	0.00	0.00	0.00%
	Recording Arts	0.00	0.00	0.00	0.00%
Total		0.00	0.00	0.00	0.00%
Theatre Arts		42.97	44.00	44.53	0.00%
Theatre Production		42.26	44.00	47.87	2.17%
Diploma Total		310.07	255.00	263.54	3.77%
Faculty Total		846.44	881.00	903.12	2.43%

Faculty of Health & Community Studies					
LERS Program	LERS Specialization	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % Int'l
Certificate					
Emergency Communications & Response		26.17	27.00	24.90	3.61%
Special Needs Educational Assistant		70.17	80.00	72.14	2.77%
Certificate Total		96.34	107.00	97.04	2.99%
Degree					
Bachelor of Applied Human Service Admin.		46.60	36.00	47.27	0.00%
Bachelor of Child and Youth Care		189.37	188.00	185.87	4.47%
Bachelor of Social Work		115.57	115.00	113.87	0.00%
Degree Total		351.54	339.00	347.01	2.39%
Diploma					
Acupuncture		78.54	85.00	75.59	3.27%
Child and Youth Care		0.00	0.00	0.00	0.00%
Correctional Services		108.02	110.00	95.15	0.00%
Early Learning and Child Care		103.09	111.00	110.60	14.76%
Hearing Aid Practitioner		115.66	102.00	118.49	0.00%
Massage Therapy		88.42	82.00	79.28	10.15%
Police & Investigations	Investigative Studies	109.69	114.00	100.28	1.09%
	Police Studies	104.05	107.00	98.65	0.78%
	Total	213.74	221.00	198.93	0.94%
Social Work		178.75	172.00	167.96	1.21%
Therapist Assistant	Physical & Occupational Therapist	56.89	62.00	63.59	17.19%
	Speech Language Pathologist	68.49	67.00	67.79	1.75%
	Total	125.38	129.00	131.38	9.22%
Diploma Total		1,011.60	1,012.00	977.38	4.39%
Non-Credential					
UT: Bachelor of Physical Education		66.50	66.00	77.30	0.78%
Faculty Total		1,525.98	1,524.00	1,498.73	3.64%

Faculty of Nursing					
LERS Program	LERS Specialization	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % Int'l
Certificate					
Disability Management		0.00	0.00	0.00	0.00%
Occupational Health Nursing		25.54	25.00	23.54	0.00%
Perioperative Nursing for Registered Nurses		43.21	36.00	35.42	0.00%
Post-Basic Certificate	Cardiac Nursing	3.16	5.00	2.10	0.00%
	Wound Management	7.90	7.00	9.00	0.00%
	Total	11.06	12.00	11.10	0.00%
Post-Basic Nursing Practice	Gerontology	38.92	57.00	33.25	100.00%
	Hospice Palliative Care	0.00	0.00	0.00	0.00%
	Total	38.92	57	33.25	100.00%
Certificate Total		118.73	130.00	103.31	32.18%
Degree					
Bachelor of Psychiatric Nursing		20.89	25.00	19.73	0.00%
Bachelor of Science in Nursing		897.14	910.00	855.78	2.62%
Degree Total		918.03	935	875.51	2.56%
Diploma					
Psychiatric Nursing		180.45	179.00	171.34	0.36%
Diploma Total		180.45	179	171.34	0.36%
Non-Credential					
Workplace Health Screening PD		0.00	5.00	0.00	0.00%
Faculty Total		1,217.21	1,249.00	1,150.16	6.40%

School of Continuing Education					
LERS Program	LERS Specialization	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % Int'l
Non-Credential					
English as an Additional Language		209.00	201.00	172.66	4.83%
Open Studies		668.11	528.00	416.44	9.36%
Nurse Credentialing		31.08	26.00	26.03	0.00%
University Preparation		442.15	441.00	350.26	2.23%
School Total		1,350.34	1,196.00	965.39	5.71%

School of Business					
LERS Program	LERS Specialization	2018/19 Actual	2019/20 Projected	2019/20 Actual	2019/20 % 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	4.66	0.00	12.09	0.00%
	Legal	6.17	0.00	11.62	0.00%
	Medical	62.84	61.00	41.36	1.28%
	Total	73.67	61.00	65.07	0.81%
Certificate Total		73.67	61.00	65.07	0.81%
Degree					
Bachelor of Applied Business Admin Accounting		27.70	10.00	10.30	9.71%
Bachelor of Commerce	Accounting	627.30	612.00	604.37	6.99%
	Human Resources Mgmt.	103.10	122.00	116.70	1.63%
	International Business	77.00	90.00	61.20	11.76%
	Legal Studies in Business	37.90	76.00	63.90	1.56%
	Management	213.10	210.00	206.40	1.74%
	Marketing	214.40	200.00	214.30	1.49%
	Not Declared	636.90	687.00	627.04	3.58%
	Supply Chain Management	122.70	140.00	116.30	3.87%
Total		2,032.40	2,137.00	2,010.21	4.28%
Degree Total		2,042.70	2,152.00	2,013.61	4.27%
Diploma					
Accounting and Strategic Measurement		182.90	201.00	129.50	15.44%
Asia Pacific Management		30.74	41.00	20.72	23.55%
Business Management	Aviation Management	0.00	0.00	0.30	0.00%
	Business Management	311.00	311.00	250.63	22.08%
	Insurance & Risk Mgmt.	100.11	71.00	58.30	40.65%
	Total	411.11	382.00	309.23	25.56%
Human Resources Management Diploma		165.00	181.00	133.00	14.44%
Paralegal Studies		84.30	86.00	78.67	6.10%
Library and Information Technology		62.10	81.00	57.90	10.88%
Public Relations		22.51	21.00	25.51	4.58%
Travel		57.36	61.00	45.17	19.84%
Diploma Total		1,016.02	1,054.00	799.70	18.05%
School Total		3,132.39	3,267.00	2,878.38	8.03%

10. Research, Applied Research, and Scholarly Activities

MacEwan University's research, scholarly, and creative activity (RSCA) priorities remain anchored in our undergraduate mandate and long-term reputation as a hub for community engagement. 2019/20 was a significant year in building the research foundation at MacEwan. In September 2019, Dr. Craig Kuziemyk joined MacEwan as the new Associate Vice-President, Research with a mandate to strategize and develop the scholarly activity landscape at MacEwan. RSCA priorities draw on MacEwan's organizational pillars including Student-Engaged Research and an Engaged University.

While MacEwan is an Undergraduate University, RSCA is a key part of the university's mandate as the integration of teaching and RSCA provides a better-quality education for our students. Overall, RSCA engages students, faculty, and the community to generate outcomes that benefit society. This strategy provides two distinct societal advantages. At the student level, community-engaged projects provide experiential learning opportunities for MacEwan students to better enable them to graduate with the knowledge and practical skills to address complex societal problems at all parts of the scholarship spectrum from problem identification to solution and prototype development to knowledge dissemination. This will ensure MacEwan graduates are well suited to contribute to the current and future economies of Alberta. The second advantage is at the community level. Engaging the community in our research helps them to develop business and delivery models that can deliver economic and societal benefits for all Albertans.

MacEwan researchers had another successful year in securing internal and external funding over the 2019/20 academic year. Over 40 faculty members held internal faculty awards totalling \$283,000 and 16 faculty members held external awards totalling over \$406,000.

MacEwan faculty have also had success at securing external funding outside the federal Tri-Agencies. In October 2019, Dr. Andrea

Wagner, Assistant Professor of Political Science, was awarded a Jean Monnet Chair through the European Union's Erasmus+ program. The designation comes with a grant of up to €50,000 to advance coursework and research on the European Union over the next three years. The grant will allow Dr. Wagner to update and expand two courses – one on European Union politics and one on European Union economics. It has also allowed Dr. Wagner to study Brexit and what it means for Albertans and Canadians.

In March 2020, Dr. Tricia Lirette, Associate Professor and Chair, Department of Human Services and Early Learning, and Lee Makovichuk, Assistant Professor, Human Services and Early Learning were awarded a grant from the Government of Alberta Ministry of Children's Services to deepen the understanding of how a curriculum framework supports children's play and learning and strengthens the capacity of early childhood educators across Alberta.

Student engaged research remains a core component of RSCA. Over the reporting period, MacEwan's Undergraduate Student Research Initiative (USRI) has funded over \$150,000 of undergraduate research projects through 40 student awards.

Student-engaged research provides MacEwan students with invaluable experience by integrating in-class curriculum with real world problem solving. MacEwan students often excel in undergraduate research competitions. At the 2020 Undergraduate Research in Science Conference of Alberta, Mykaela Holt, an honours psychology student, won the grand prize for oral presentations.

Following the appointment of its first Tier 2 Canada Research Chair (CRC) in May 2019, MacEwan University has begun recruitment of a second CRC in Indigenous Business and Social Entrepreneurship which is anticipated to be awarded in 2021. Two further CRCs will be allocated by 2022.

The strong connections that MacEwan faculty members have with community partners allows them to adapt quickly to societal issues in order to create impactful change in the community. For example, Dr. Hongmei Tong in the School of Social Work quickly began research in May 2020 with community partners to examine the impact of COVID-19 on mental health of older adults in Canada, USA and China. Dr. Cynthia Puddu in the Faculty of Health and Community Studies, who works closely with homeless serving agencies in Edmonton, responded to a call for chapters on social issues and wrote a chapter entitled “Experiencing Homelessness in the Time of COVID-19” which was recently published in *Social Problems in the Age of COVID-19: Volume 1 - US Perspectives*. Finally, an interdisciplinary group of researchers are working with community stakeholders to identify opportunities for meaningful research and understand how to continue conducting community-based research in times of crisis such as COVID-19.

CONTRIBUTION TO THE ALBERTA RESEARCH AND INNOVATION FRAMEWORK

The Alberta Research and Innovation Framework identifies four interrelated outcomes (economic diversification and job creation, environmental stewardship and climate leadership, effective resource management, and engaged individuals and communities for a healthy Alberta) that serve as common ground to integrate post-secondary institutions, industry, government and other stakeholders in a quest for economic and societal prosperity for Albertans. While MacEwan University’s RSCA enterprise continues to grow, it has made contributions to the four provincial outcomes.

Economic Diversification and Job Creation

The RSCA experience at MacEwan University is designed to develop MacEwan students into highly qualified members of the workforce. For those students not engaged in profession-specific programs such as nursing, massage

therapy or journalism, the path to employment often includes advanced degrees or variety of experiences leading to a final career. The Office of Research Services funds applied student experiences in all forms of RSCA. In this way, MacEwan graduates continue to contribute to both established and emerging sectors of the Alberta economy and abroad. Dr. William Wei (School of Business) received a grant from Alberta Innovates to develop student entrepreneurship and social innovation awareness through hands-on training and mentorship. The goal of this project will be to provide essential business skills required to effectively begin and maintain a start-up. Expertise from across the faculty and from local business leaders including the MacEwan Allard Chair in Business and the MacEwan Social Entrepreneur in Residence will provide a depth of knowledge and wisdom gained from years of experience in the Alberta business landscape.

Environmental Stewardship and climate leadership

One of the great challenges to securing long-term prosperity of Alberta is the management of potential environmental impacts of activities taking place within and outside of the province. The first step in responsible stewardship is to identify areas of concern and the extent of the problem. To that end, Dr. Matt Ross (Chemistry) and Dr. David Locky (Biological Sciences) are leading Alberta’s first study on the amount and source of microplastics in Edmonton’s waterways. This project represents a significant cross-departmental collaboration and includes of team of ten undergraduate research trainees. Originally focused on the North Saskatchewan River, the study has grown to include over 50 sites including natural wetlands and the city’s stormwater ponds. Some preliminary data suggests that plastics and contaminants from the oceans of the world are finding their way into the Alberta watershed and represents the characterization of this problem.

Effective Resource Management

Like environmental stewardship, the long-term prosperity of Alberta is dependent upon employing sensible, research-based strategies to reduce the costs of getting commodities to market. Alberta's agricultural products are coveted around the world as consistent, safe and of high quality. Maintaining and growing the return to the province's producers represents a significant economic driver that includes not just the value of goods sold but also the large number of jobs associated with agriculture. Dr. Sam Mugo (Chemistry) has been working in the field of scalable sensors for over 10 years. One of his current areas of interest is developing small, inexpensive 'wearable' sensor clips for real-time, on-field plant wellness monitoring that can be paired to smartphones. A current project funded through the Alberta Agricultural Funding Consortium, measures water and oxidative stresses in Alberta pulse crops and can be adapted to other key crops in the province such as barley, wheat and canola. This technology can be upgraded as new indicators of crop health are identified, with the potential in becoming an important tool of precision agriculture.

Engaged Individuals and Communities for a Healthy Alberta

MacEwan University's highly regarded Bachelor of Science in Nursing prepares graduates who, in addition to being Registered Nurse-eligible, are committed to excellence in professional practice, nursing leadership, education and research. Nursing innovation evolves with the needs of both patients and caregivers. In one such project, Professor Lisa McKendrick-Calder (Nursing) and her team of faculty and student researchers are developing a theoretical model of anxiety and the learning environment. With more than 90% of post-secondary students reporting some form of anxiety, the need to support student mental health needs is essential. For students in primary healthcare fields such as undergraduate nursing, the problem is critical. The current study characterizes indicators of anxiety with a focus on nursing students, educators and the program and learning

environment itself. Developing a grounded theoretical perspective of anxiety in a practical setting will create greater awareness of the issue and serve as a basis for intervention-based research in the future.

As important as the quality of health of the body is the health of the mind that cannot be overlooked. Some determinants of health can be difficult to quantify but easy to recognize, such as the sense of building community well-being through storytelling and shared experiences. Supported by a Social Sciences and Humanities Research Council of Canada Insight Development Grant, ethnomusicologist researcher Dr. Michael MacDonald (Music) explores the use of film in sharing knowledge and ideas from the perspective of individual cultures and groups with his academic expertise providing analysis in social context. A recent film exploring Edmonton hip-hop culture has screened at six festivals and won two awards at the Hip Hop Film Fest in New York City, bringing the lived experiences of Albertans to the global community.

11. Regional Stewardship, Foundational Learning, Underrepresented Learners

As an urban downtown university, MacEwan collaborates to create strong networks with community partners that enhance access and pathways into learning. The university's support of students who are underrepresented and typically have lower post-secondary attainment rates is a key contributor to the success of those students. As a community-engaged university, MacEwan's social innovation and community-based research assists with the establishment of relationships that can connect underrepresented learners and their families to the university.

MacEwan welcomes a higher percentage of Indigenous students to its campus. This equates to 6% of our learners. Approximately 55% of MacEwan's learners are the first in their families to attend post-secondary education. For both Indigenous learners and first-generation learners, MacEwan serves more than the national average in comparison to other universities. These students are drawn to MacEwan's community-based campus.

Building Relationships for Student Success

Partnerships between the university, as well as its faculties and schools, and external organizations are key to facilitating student success and employment in the community. The university's partnerships in the community are fundamental to realizing our full potential as Edmonton's downtown university. Business, industry and not-for profit partnerships provide positive benefits for students and the community we serve.

Our students are integrated into the community through a variety of avenues including volunteer opportunities, work integrated learning, experiential learning and community-based research. This work helps create a vibrant, resilient and engaged downtown with students playing a pivotal role.

Close relationship with our surrounding neighbourhoods continues through multiple touch points including Queen Mary and Central McDougall Community advisory committees and through ongoing discussions with the City of Edmonton, Edmonton Oilers, Stantec and others as we seek to collectively address community safety and social disorder in the urban core. In connection with our fine arts programming, the university participated in Leading the Together Project, with Edmonton Arts Council and REACH Edmonton, to work with the surrounding communities on reimagining how public art is created and executed.

MacEwan continues to value and nurture key partnerships including the Downtown Business Association and the North Edge Business Association that help bring to life our place as Edmonton's downtown university. The Social Innovation Institute at MacEwan University connects students with industry partners to explore applied research questions related to social innovation.

Other examples include:

- Edmonton Police Services (EPS) offer "Run with the Recruiters," generating opportunities for students to network with EPS members.
- The Bank of Canada, the RCMP and EPS offer education programs to students.
- CPA Alberta, Chartered Managers of Canada, TecEdmonton and StartupEdmonton, all of which benefit students.
- The Recover project, a partnership with the City of Edmonton, where students piloted the application of the City's Wellbeing Framework.
- The Affordable Housing Solutions Lab is a collaboration with University of Alberta, City of Edmonton and an anonymous donor, employ community-engaged

learning and research tactics to further affordable housing work in Edmonton.

- Student learning, volunteer and work-integrated learning placements in various community organizations including Bissell Centre, Edmonton's Food Bank, Goodwill, The Mustard Seed Community Support Centre, and Boyle Street Community Centre

Supports for Foundational Learners

MacEwan's School of Continuing Education offers upgrading programming that supports adult transitions to the university's career and degree programs, as well as to other post-secondary education opportunities. A total of 909 students participated in English Language Learning and University Preparation.

Supports for Indigenous Learners

Academic-related initiatives and events directly related to supporting Indigenous student success were developed and refined throughout the reporting period.

The pimâcihisowin Foundation Program (PFP), an Indigenous-focused study program, is designed to address the gap between a student's current level of qualifications and knowledge and the level required to gain admittance into, and achieve success in, post-secondary diploma or degree programs. The PFP is designed to help students transition from secondary school to university. The first year of the PFP was completed in 2019/20, with each semester's intake at full capacity enrolment for both September 2019 and January 2020.

The kihêw waciston Indigenous Centre opened in a new space. The investment in this new and expanded space demonstrates a commitment to moving forward with the Truth and Reconciliation calls to action. 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.

Indigenous knowledge keepers facilitated collaboration and relationship building at MacEwan, which results in more supportive services for students, staff and faculty. Knowledge keepers provide cultural guidance on both personal and professional levels. They also provide 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.

Other activities to highlight include:

- The signing of a memorandum of understanding to promote good relations and friendship, with the University nuhelot'ine thaiyots'ï nistameyimâkanak Blue Quills in October 2019.
- The creation of digital resources such as the "2 Crees in a Pod" podcast developed in May 2020. It shares the voices of the Indigenous community, Indigenous trailblazers and grassroots folks, to ensure all voices are represented in this podcast. Season 1 reached over 18,400 listeners primarily located in Canada.
- The creation and development of an Indigenous trauma-informed training that provides effective strategies for the classroom and workplace.
- The development and approval of two Cree language credit courses.

Supports for Learners with Disabilities

MacEwan's Accessibility and Disability Resources (ADR), formerly known as Services to Students with Disabilities, saw the continued upward trend of students seeking resources during the 2019/20 academic year. The number of students registered with ADR increased by 5.7% over the reporting period.

To respond to the challenges associated with increased student demand for resources and support, ADR's team collaborated with

university colleagues, fully stretched its resources and implemented strategies to address students' needs. These activities include the collaboration with colleagues in the Office of Teaching and Learning Services to improve accessibility of online course materials as well as ongoing consultation with that office to develop course content with a focus on improving accessibility.

The ADR team also collaborated with SAMU to improve ADR student advocacy and engagement, host a disability-themed story slam to celebrate the United Nations' International Day of Persons with Disabilities, and increased student-led participation in the annual welcome event.

Strategies implemented to address prolonged wait times for student appointments with learning specialists include the implementation of initial consultations to improve intake efficiency and identify resources that may still be required to complete an individual student's accommodation plan. In addition, the team increased the proactive use of e-appointments to facilitate returning student access to accommodation letters. The daily hours of the Exam Centre were extended to support exam accommodation requests during the reporting period. Flexible appointment options for students were created when pivoting to remote services, and students now have the option to meet with learning specialists via telephone or video conferencing.

A full range of service options were available to students with disabilities, including: educational assistant support both in and out of the classroom, exam accommodations, assistive technology services, academic/learning strategies, alternate format, Communication and Access Real-time Translation (CART) and Sign Language interpretation.

There continues to be a rising need for assistive technology services, academic learning strategies, Educational Assistant support and accommodated exams. Demand also continues to increase for CART.

Supports for Learners from Low-Income Backgrounds

MacEwan University provides support to students who are struggling financially through its robust bursary program. The main criterion to be eligible for a bursary is that the student shows that they have financial need. As in previous years, the support currently in place for students who may qualify for a bursary is heavily concentrated on students who are entering university.

Throughout the reporting period, MacEwan distributed \$5 million in scholarships, an increase of 11% over the previous year.

- There were 14 awards aimed at Indigenous students, one of which is the Indigenous Careers Award from Alberta Student Aid. In the 2019 aid year, 209 recipients were selected to receive a total of \$453,450 in awards.
- There are four awards aimed at students with disabilities. In the 2019 aid year, we selected seven recipients were selected to receive a total of \$10,450 in awards.
- There are three awards aimed at rural students. In the 2019 aid year, nine recipients were selected to receive a total of \$9,400 in awards.
- Low-income students benefit from bursaries. The university currently has 153 bursaries. In the 2019/20 academic year, 1305 recipients were selected to receive a total of \$1,710,329.
- MacEwan University established a COVID-19 student relief fund in April 2020 with a value of \$410,000. All funds were granted within one month.

12. Internationalization

MacEwan University's internationalization goals are to provide the university community with more international experiences by expanding partnership opportunities and to attract academically qualified students from around the world.

Opportunities for student mobility increased during the 2019/20 academic year, with a particular focus on work-integrated learning abroad. Until the COVID-19 pandemic disrupted mobility, there was promising student uptake in these opportunities. In addition to mobility, MacEwan International also seeks on-campus opportunities to inspire students to be connected and engaged global citizens. During International Education Week in 2019, students were offered training on the United Nations' Sustainable Development Goals.

During the Winter 2020 term, MacEwan University partnered with the OWL Consortium to secure funding from the German Academic Exchange (DAAD) for collaborative projects in virtual teaching and learning.

MacEwan University continues to establish its reputation internationally as an undergraduate university. The university has sought more diversity in source countries and programs of interest in recruiting international students. With more standardized admission criteria for diplomas and degrees, the academic caliber of international students has improved, and better retention rates are anticipated. While a diversification focus, more competitive admission criteria, and increased competition have contributed to a decline in international student enrolment, plans are in place for a measurable increase in future years. MacEwan University does not anticipate any negative impacts to accessibility for Albertan students from its international activities.

The COVID-19 pandemic negatively impacted both international student enrolment as well as international mobility opportunities. However, MacEwan International pivoted its recruitment

strategy quickly in early 2020 to focus on virtual events and to leverage our networks abroad for in-person recruitment support. After recalling students from abroad in March 2020, the majority of exchange students opted to finish their studies online with our partner universities.

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.

13. Capital Plan

For the 2019/20 reporting period, MacEwan University's capital plan continued with a project program to implement the recently released 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 City Centre Campus. Within the near-term range of the Plan, the university had committed to relocate the School of Continuing Education, including 1,000 students, from Alberta College Campus to City Centre Campus. Despite tight schedules and supply chain uncertainties, impacted by the global pandemic, construction work to prepare Allard Hall shell space for the School of Continuing Education was completed on time. The School of Continuing Education is now the newest resident of Allard Hall, occupying the top floor of City Centre Campus's most westerly located building. Importantly, the area vacated by Continuing Education in Alberta College Campus, approximately 6,500 m², will be the new home for Edmonton Public Schools' Centre High in September 2020.

Other near-term range master plan projects that made significant progress from construction to occupancy and move-in, 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 editing suites for over 300 students in the program. The kihêw waciston Indigenous Centre reinforces a MacEwan welcome to Indigenous peoples from across the world whether they are students, faculty, staff, or guests. At the kihêw waciston Indigenous Centre, 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 BSC Relocation and the kihêw waciston Indigenous Centre opened in the fall of 2019.

During the reporting period, other Plan projects were identified and organized in the mid-range term of 3-5 years, progressed from the planning stage to design and construction. The key mid-range projects of library renovation and Bachelor of Science lab expansion advanced from concept plans and functional requirements to design and the first phases of construction. The library renovation phase 1 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 aquatic animal care lab, a research lab and an instructional chemistry lab. The complexity and restricted access of the science lab project will necessitate construction during the summer months of 2020 and 2021.

The School of Business represents the university's next major capital project, with upwards of 21,000 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 to 2,500 students and transition the university into its long-range mission. This major capital project, in the fullness of time, enables overall enrolment growth and significantly, enables a campus "re-stacking" plan to repurpose Building 5 for additional science lab and instructional area. Significant planning was completed in 2019/20, including a comprehensive functional program and conceptual blocking and stacking plan.

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 were completed in the 2019/20 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, after six years of planning, design and construction, the 5,000 m² SAMU building was completed and turned over to the Students' Association of MacEwan University. Located in the geographical midpoint of City Centre Campus, the new SAMU building officially open in February 2020. The SAMU building provides a centre for student governance and operations and a consolidated centre for student led initiatives, clubs, events and business.

2019/20 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	Campus Consolidation Allard L5	\$18,000,000	100% University	\$18 M	No change
Expansion	Science Lab Expansion	\$8,500,000	28% GoA 72% University	\$2.4 M GoA \$6.1 M University	
Other					
Expansion	kihêw waciston Indigenous Centre Project	\$2,800,000	100% University	\$2.8M University	GoC Grant request not received, result in 100% University funding
Expansion	Library Renovation	\$4,500,000	100% University	\$2M	No change
New	School of Business Project Planning	\$300,000	100% University		
Expansion	BCS Relocation	\$2,600,000	100% University	\$2.6M University	No change
Preservation	Barrel Vault Roof	\$1,630,000	100% GoA	\$1.63M GoA	No change
Preservation	Cooling Coil	\$1,450,000	83% GoA 17% University	\$1.2M GoA \$250K University	No change
Expansion	Allard Post Occupancy Project	\$2,000,000	100% University		
Expansion	Exam Centre	\$2,200,000	100% University		
Expansion	Increase Washroom Capacity in Building 5	\$1,000,000	100% University		
Expansion	Faculty and Administration Offices and	\$4,350,000	100% University		

Type of Project and Funding Sources					
Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
	Workspaces Enhancements				
New	Campus Master Plan Repurpose of Open Space	\$1,500,000	100% University		
Preservation	Ving Lock Hardware Replacement	\$3,050,000	Government funding requested	No	
Preservation	East Campus Infrastructure Project	\$914,850	Government funding requested	No	
Preservation	Clock Tower Main Entrance Vestibule Functional Improvement	\$3,630,000	Government funding requested	No	
Preservation	Campus Remediation	\$6,630,000	Government funding requested	No	
Preservation	Outdoor Ramp Heating System Replacement	\$1,800,000	Government funding requested	No	
Preservation	High Voltage Switch Gear Replacement	\$6,050,000	Government funding requested	No	

Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
Student Association of MacEwan University (SAMU) Project	May 2015 – Aug 2021	May 2015	Aug 31, 2020	Substantially complete; Final deficiencies and documentation to complete.	Envelope, Interiors, HVAC and Landscaping 100% complete
Campus Consolidation Allard L5	Jul 1, 2019 – Dec 2020	Jul 1, 2019	Dec 2020	Substantially complete; Move in completed. Final documentation to complete.	Completed design, tender, construction, FFE and Move in.
Science Lab Expansion	Jul 1, 2019 – Dec 2022	Jul 1, 2019	Dec 2022	Tendered and awarded Phase 1. Design for Phase 2 Fish	Complete functional program, Phase 1 design and

Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
				Lab in progress.	commenced construction.
kihêw waciston Indigenous Centre Project	Aug 2018 – Oct 2019	Aug 2018	Oct 2019	Substantially complete and Moved in.	Final trade finishing, FFE, and Move in.
Library Renovation	Jul 1, 2019 – Dec 2021	Jul 1, 2019	Dec 2021	Completed Phase 1 with Occupancy Permit and Move in.	Design, tender, award and completed Phase 1 Construction.
School of Business Project Planning	Jul 2019 – Jun 2023	Jul 2019	Jun 2023	Pre-design stage, ready to procure architect team.	Planning, Pre-Design completed.
BCS Relocation	Jul 1, 2018 – Oct 2019	Jul 1, 2018	Oct 2019	Substantially complete & Handed Over.	Completed
Barrel Vault Roof	Jan 2018 – Jun 2020	Jan 2018	Jun 2020	Substantially complete.	Completed
Cooling Coil	Apr 2018 – Jun 2020	Apr 2018	Jun 2020	Substantially complete.	Fabrication of coils, installation, testing and activation complete.
Allard Post Occupancy Project	Jul 1, 2018 – Dec 2021	Jul 1, 2018	Dec 2021	Design for Air Handler in progress.	Completed AS5 Mechanical System.
Exam Centre	Jul 1, 2019 – Dec 2021	Jul 1, 2019	Dec 2021	Preliminary planning complete; Design about to commence.	Planning complete.
Increase Washroom Capacity in Building 5	Jul 1, 2019 – Dec 2021	Jul 1, 2019	Dec 2021	Planning complete; Design in progress.	Planning completed.
Faculty and Administration Offices and Workspaces Enhancements	Jul 1, 2019 – Dec 2021	Jul 1, 2019	Dec 2021	Planning Complete; Design in Progress.	Planning completed.
Campus Master Plan Repurpose of Open Space	Jul 1, 2019 – Dec 2023	Jul 1, 2019	Dec 2023	Planning complete; Design in progress.	Planning completed.

Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
Ving Lock Hardware Replacement	TBD			Pending funding	Pending funding
East Campus Infrastructure Project	TBD			Pending funding	Pending funding
Clock Tower Main Entrance Vestibule Functional Improvement	TBD			Pending funding	Pending funding
Campus Remediation	TBD			Pending funding	Pending funding
Outdoor Ramp Heating System Replacement	TBD			Pending funding	Pending funding
High Voltage Switch Gear Replacement	TBD			Pending funding	Pending funding

14. Information Technology

MacEwan University continues its investments in Information Technology (IT) to support the evolution of a robust enterprise architecture. The enterprise architecture is required to support the university's strategic goals, its framework of applications, hardware and network infrastructure, IT controls, policy and standards, data governance, and governance models. A highly integrated model is required to ensure effective and secure IT services to students, faculty, and staff and to meet a diversity of academic and administrative requirements.

The university has invested regularly in developing and sustaining the primary enterprise resource planning (ERP) PeopleSoft application. ERP development programs, based on university priorities, were planned and executed on time and budget. In addition to bringing direct benefit attainment in terms of business process improvement, these programs have improved the control environment. They have ensured that our ERP remains on supported and security-patched versions of the software. MacEwan has a long-established strategy to use the ERP environment as a "single source of truth" for university data. This strategy will continue to inform data integrations to business intelligence solutions, identity management, and third-party applications.

A major PeopleTools upgrade was implemented. This is consistent with the strategy to keep PeopleSoft on a supported environment that ensures security patching currency. These tool upgrades also allowed the delivery of a responsive self-service window into PeopleSoft for our students and applicants.

A significant focus of Information Technology continues to be the improvement of digital services for students. The digitization of student records was completed. All student files are now part of an online digital student record. The student service through PeopleSoft was further enhanced through the build of a self-

service academic advisement report. Students can now see their progress toward a credential at their convenience.

The new data warehouse has data marts enabling views into admissions and recruitment. The data warehouse architecture enables the addition of data marts with the goal of an integrated warehouse with the ability to analyze student, financial, and human resources data.

The university continues to invest in the campus backbone and wireless networks. Completing all redundant components ensures network resiliency. Adding network sensors and upgrading to a modern firewall architecture further enhances the goal of a modern, resilient network. Increasingly, the network has become fundamental to the academic mission of the university.

Information technology security and controls will continue to be a priority for the university in the foreseeable future. The Information Security Framework at MacEwan comprises a series of standards that must be established, implemented, monitored, and continuously improved to ensure MacEwan's IT resources' security. MacEwan completes an annual self-assessment of its security controls against the ISO standards and code of practice. Based on the assessments and the relative risk associated with each control, MacEwan has embarked on a multi-year project to update its IT control framework. MacEwan extended multi-factor authentication to ensure that faculty and staff who access systems from outside of the campus network have full authentication controls. New cloud systems are subject to robust and thorough privacy and security reviews before implementation. Regularized system patching reduced overall risk scores dramatically with consistent month to month patching maintaining the lower risk scores.

Information Technology at MacEwan was able to respond to mid-year budget

challenges completing technology transformation projects already underway, including the delivery of a responsive website, cloud file storage, and reduction of application duplication.

The cloud-first strategy with student application delivery, virtualization, remote workstation patching, multi-factor authentication, and virtual meeting software solutions being actively reviewed meant that the university could quickly adjust to needs arising from the COVID-19 pandemic. These applications and services moved online virtually overnight.

The allure of cloud-based applications is that upgrades are not required. The university does not need server hardware, and infrastructure and software upgrades are the cloud vendor's responsibility. The allure of cloud-based infrastructure is that demands can be elastic and can scale quickly up or down. MacEwan has had a conservative approach to the cloud. Now with the demands for continued rapid deployments of new services, implementation of automated business processes, and the need to study and work from anywhere, the adoption of cloud must become more aggressive. The university must start moving infrastructure to the cloud. Infrastructure will operate in a hybrid environment with both cloud and on-premise components; however, over time, the balance of services will migrate to the cloud.

Investments must also be made in automation to achieve operational efficiencies. Cloud applications will be implemented where it makes sense. Inefficient or duplicate applications will be retired. MacEwan has managed IT infrastructure through a capital assets replacement program that provides predictable funding for critical IT assets based on an asset life cycle model. This program will continue as it allows for the basis for sustaining a high degree of IT infrastructure currency across the university, but the model must adapt to cloud. The sheer complexity and breadth of services also require collaboration with

other universities at the provincial and national levels.

Appendix A. Consolidated Financial Statements

Consolidated Financial Statements

For the year ended June 30, 2020

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Independent Auditor's Report

To the Board of Governors of 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, 2020, 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, 2020, 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 8, 2020
Edmonton, Alberta

MacEwan University
Consolidated Statement of Financial Position
Year ended June 30, 2020
(thousands of dollars)

	2020	2019
FINANCIAL ASSETS, excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 3)	\$ 29,530	\$ 38,607
Portfolio investments - non-endowment (Note 4)	44,650	76,152
Finance lease receivable (Note 6)	22,643	-
Accounts receivable	3,936	5,734
Inventories held for sale	1,672	1,678
Advances	1,140	1,140
	<u>103,571</u>	<u>123,311</u>
LIABILITIES		
Accounts payable and accrued liabilities	29,089	38,817
Employee future benefit liabilities (Note 7)	7,911	7,877
Debt (Note 8)	65,829	69,749
Deferred revenue (Note 9)	36,298	44,062
Environmental liability for contaminated sites (Note 10)	6,014	5,636
	<u>145,141</u>	<u>166,141</u>
Net debt excluding portfolio investments restricted for endowments	(41,570)	(42,830)
Portfolio investments restricted for endowments (Note 4)	67,848	70,532
	<u>26,278</u>	<u>27,702</u>
Net financial assets		
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	406,569	420,503
Prepaid expenses	7,816	7,414
	<u>414,385</u>	<u>427,917</u>
Net assets before spent deferred capital contributions	440,663	455,619
Spent deferred capital contributions (Note 12)	135,701	140,665
	<u>304,962</u>	<u>314,954</u>
Net assets	\$ 304,962	\$ 314,954
Net assets is comprised of:		
Accumulated surplus (Note 13)	\$ 296,846	\$ 303,779
Accumulated remeasurement gains	8,116	11,175
	<u>\$ 304,962</u>	<u>\$ 314,954</u>

Financial Risk Management (Note 5), Contingent Assets (Note 14), Contingent Liabilities (Note 15), Contractual Rights (Note 16), Contractual Obligations (Note 17)

Approved by the Board of Governors

[Original signed by Carolyn Graham]

Chair, Board of Governors

[Original signed by Jasmine Nuthall]

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, 2020
(thousands of dollars)

	<u>Budget</u> (Note 22)	<u>2020</u>	<u>2019</u>
REVENUES			
Government of Alberta grants (Note 21)	\$ 128,116	\$ 114,096	\$ 128,087
Federal and other government grants (Note 21)	807	754	586
Student tuition and fees	91,285	81,525	89,227
Sales of services and products	25,284	20,267	24,615
Contract programs	1,506	1,340	1,543
Donations and other grants	1,506	1,729	1,762
Investment income	4,878	6,988	5,489
Investment in government business enterprise	(193)	-	-
	<u>253,189</u>	<u>226,699</u>	<u>251,309</u>
EXPENSES (Note 18)			
Instructional and non-sponsored research	90,427	85,574	87,192
Academic support	29,771	23,840	25,826
Student support	29,018	27,904	28,464
Institutional support	26,718	22,322	23,001
Information technology operations	14,560	15,103	15,577
Facility operations and maintenance	39,809	38,018	38,487
Ancillary services	21,876	20,351	21,528
Sponsored research	1,010	1,127	964
	<u>253,189</u>	<u>234,239</u>	<u>241,039</u>
Annual operating (deficit) surplus	-	(7,540)	10,270
Endowment contributions	1,000	607	1,157
Annual (deficit) surplus	1,000	(6,933)	11,427
Accumulated surplus, beginning of year	303,779	303,779	292,352
Accumulated surplus, end of year (Note 13)	<u>\$ 304,779</u>	<u>\$ 296,846</u>	<u>\$ 303,779</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, 2020
(thousands of dollars)

	<u>Budget</u> <u>(Note 22)</u>	<u>2020</u>	<u>2019</u>
Annual (deficit) surplus	\$ 1,000	\$ (6,933)	\$ 11,427
Acquisition of tangible capital assets (Note 11)	(37,374)	(31,603)	(24,617)
Environmental liability capitalized		(378)	(5,636)
SAMU building financing lease receivable		27,479	-
Net book value of The MacEwan University Land Trust property		-	(2,786)
Amortization of tangible capital assets (Note 11)	18,414	18,260	17,782
Proceeds from sale of tangible capital assets		236	48
Loss (gain) on disposal of tangible capital assets		(60)	8
Change in accumulated remeasurement gains and losses		(3,059)	(93)
Change in prepaid expenses		(402)	80
Change in spent deferred capital contributions		(4,964)	(5,142)
Change in net financial assets		(1,424)	(8,929)
Net financial assets, beginning of year		<u>27,702</u>	<u>36,631</u>
Net financial assets, end of year		<u><u>\$26,278</u></u>	<u><u>\$ 27,702</u></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, 2020
(thousands of dollars)

	2020	2019
Accumulated remeasurement gains, beginning of year	\$ 11,175	\$ 11,268
Amounts reclassified to the consolidated statement of operations:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	(1,247)	(25)
Unrealized gains (losses) attributable to:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	(1,812)	(68)
Accumulated remeasurement gains, end of year	<u>\$ 8,116</u>	<u>\$ 11,175</u>

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

MacEwan University
Consolidated Statement of Cash Flows
Year ended June 30, 2020
(thousands of dollars)

	2020	2019
OPERATING TRANSACTIONS		
Annual operating (deficit) surplus	\$ (6,933)	\$ 11,427
Add (deduct) non-cash items:		
Amortization of tangible capital assets	18,260	17,782
Spent deferred capital contributions recognized as revenue	(6,344)	(6,277)
Loss (gain) on disposal of tangible capital assets	(60)	8
Increase (decrease) in employee future benefit liabilities	34	(58)
Gain on disposal of portfolio investment - non endowments	(1,254)	(12)
Decrease (increase) in:		
Finance lease receivable (payment from SAMU)	693	-
Accounts receivable	1,798	67
Inventories held for sale	6	38
Prepaid expenses	(402)	80
Increase (decrease) in:		
Accounts payable and accrued liabilities relating to operating transactions	(10,099)	832
Deferred revenue	725	(81)
Cash (applied to) provided by operating transactions	(3,576)	23,806
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets less in-kind donations	(31,603)	(24,608)
Increase in accounts payable and accrued liabilities relating to capital transactions	371	1,244
Proceeds on disposal of tangible capital assets	236	48
Cash applied to capital transactions	(30,996)	(23,316)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(6,787)	(53,633)
Proceeds on sale of portfolio investments	35,995	21,652
Loss in value of investment in government business enterprise	-	271
Cash provided by (applied to) investing transactions	29,208	(31,710)
FINANCING TRANSACTIONS		
Capital contributions	207	291
Debt repayment	(3,920)	(3,082)
Debt - new financing	-	11,839
Cash (applied to) provided by financing transactions	(3,713)	9,048
Change in cash and cash equivalents	(9,077)	(22,172)
Cash and cash equivalents, beginning of year	38,607	60,779
Cash and cash equivalents, end of year	\$ 29,530	\$ 38,607
Cash and cash equivalents comprise of:		
Non-endowment	\$ 29,490	\$ 37,594
Endowment	40	1,013
	\$ 29,530	\$ 38,607

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

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2020
(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.

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.

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, 2020
(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
Portfolio investments	Fair value
Finance lease receivable	Lower of cost or net recoverable value
Accounts receivable	Lower of cost or net recoverable value
Advances	Cost
Inventories held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	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, 2020
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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(m).

iv. Investment Income

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

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

MacEwan University
Notes to the Consolidated Financial Statements
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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) Finance Lease Receivable

Net investment in finance leases are recognized at the present value of future expected lease payments inflows and recorded as a finance lease receivable. The discount rate used to determine the present value of the lease payments receivable is the lower of the university's rate for incremental borrowing or the interest rate implicit in the lease. The tangible capital asset is derecognized at the carrying value. Any difference between the net investment in the lease, and the carrying value of the underlying tangible capital asset, will be recognized as a gain or loss on the consolidated statement of operations.

e) Inventories Held for Sale

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

f) Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of 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, 2020. 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.

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

g) Asset Retirement Obligations

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

h) Foreign Currency Translation

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

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

i) Employee Future Benefit Liabilities

i. Pension

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

The university does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the LAPP is comprised of employer contributions to the plan that are required for its employees during the year which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

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ii. Supplemental Retirement Plans

The university maintains a supplemental pension plan for its senior executives based on the plan rules. The pension expense for this defined benefit supplemental retirement plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life. Actuarial valuations are obtained at least every three years, and the value of the supplemental retirement plan and the associated changes during the year are extrapolated when the most recent actuarial valuation was prepared one or two fiscal years earlier.

iii. Accumulating Non-vesting Sick Leave Liability

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

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- 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.

j) 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.

Since 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.

k) 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:

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2020
(thousands of dollars)

- 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.

I) Expense by Function

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

i. Instruction and Non-Sponsored Research

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

ii. Academic Support

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

iii. Student Support

This category 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.

iv. Institutional Support

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

v. Information Technology Operations

Includes centralized core computing, network and information technology.

MacEwan University
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(thousands of dollars)

vi. 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.

vii. 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.

viii. Sponsored Research

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

m) Endowments

Endowments consist of externally restricted donations received by the university and internal allocations by the university's Board of Governors, the principal of which is required to be maintained intact for a period of not less than 10 years.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors, as well as university policy, stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

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

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

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the university has the option to defer the spending allocation, fund the spending allocation from the university's operating funds, or fund the spending allocation through encroachment of endowment capital.

MacEwan University
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(thousands of dollars)

n) Funds and Reserves (Internally Restricted Accumulated Surplus)

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

o) Future Accounting Changes

In 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, 2022. 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, 2023. 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.

3) Cash and Cash Equivalents

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

The university has \$40 (2019: \$1,013) cash and cash equivalents restricted for endowments.

4) Portfolio Investments

	2020	2019
Designated fair value financial instruments		
Portfolio investments - non-endowment	\$ 44,650	\$ 76,152
Portfolio investments - restricted for endowments	67,848	70,532
	\$ 112,498	\$ 146,684

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

MacEwan University
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(thousands of dollars)

	Level 1	Level 2	Level 3	Total
2020				
Portfolio investments at fair value				
Pooled Funds				
Canadian equities	\$ 1,650	\$ 23,995	\$ -	\$ 25,645
Foreign equities	5,217	55,370	-	60,587
Canadian bonds	1,685	-	-	1,685
Foreign bonds	-	23,553	-	23,553
Cash surrender value of planned gifts (life insurance policies)	-	-	1,028	1,028
	<u>\$ 8,552</u>	<u>\$ 102,918</u>	<u>\$ 1,028</u>	<u>\$ 112,498</u>
	<u>7.60%</u>	<u>91.48%</u>	<u>0.91%</u>	<u>100.00%</u>
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
	<u>\$ 39,565</u>	<u>\$ 106,115</u>	<u>\$ 1,004</u>	<u>\$ 146,684</u>
	<u>26.97%</u>	<u>72.34%</u>	<u>0.69%</u>	<u>100.00%</u>

The fair value measurements are those derived from:

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

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

	2020	2019
Balance, beginning of year	\$ 1,004	\$ 998
Disposals	(14)	(32)
Unrealized gains	38	38
Balance, end of year	<u>\$ 1,028</u>	<u>\$ 1,004</u>

MacEwan University
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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.

5) 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, 2020, the impact of a change in the rate of return on the investment portfolio is as follows:

- The university had no short-term GICs at June 30, 2020 (2019: 2.24% change in short-term GIC's would have a \$568 increase or decrease).
- 1.61% change in fixed income securities would have a \$406 increase or decrease (2019: 0.15% change would have a \$39 increase or decrease);
- 17.06% change in common stocks and equivalents would have a \$14,711 increase or decrease (2019: 11.82% change would have a \$10,596 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.

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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 the Alberta Capital Financing Authority (Note 8).

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
2020				
Cash and cash equivalent	100%	0%	0%	0.58%
Portfolio investments, short term	0%	0%	0%	0.00%
Portfolio investments, fixed income	0%	100%	0%	1.61%
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%

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6) Finance Lease Receivable

During the year the university leased a building to the Students' Association of MacEwan University (SAMU), with the initial lease term to December 2042 and an additional renewal term option of 74 years, with prior notice to the university of at least 12 months. This lease renewal will be with the same terms and conditions as the initial lease, with the exception of no base rent, with no further renewal option after the addition term. As the risks and benefits of this building are transferred to SAMU under this 99-year lease arrangement, the cost of the building was removed from tangible capital assets and a finance lease receivable was recognized.

In consideration of the lease, SAMU has agreed to pay the university semi-annual base rent payments of \$698 on the first day of December and the first day of June during the initial term. The implied interest rate and semi-annual base rent payment is the same as the interest rate and semi-annual payment required on the debt financing received from Alberta Capital Finance Authority for the SAMU building as disclosed in Note 8.

Gross lease payment, lease payment receivable and interest repayments in each of the next five years and thereafter are as follows:

	Finance lease receivable	Interest	Annual payment
2021	\$ 714	\$ 683	\$ 1,397
2022	736	661	1,397
2023	758	639	1,397
2024	781	615	1,396
2025	805	591	1,396
Thereafter	18,849	5,596	24,445
Total at June 30, 2020	\$ 22,643	\$ 8,785	\$ 31,428
Total at June 30, 2019	\$ -	\$ -	\$ -

7) Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2020	2019
Benefit liability for employees on short-term and long-term disability	\$ 4,437	\$ 4,150
Supplemental Retirement Plan (SRP)	1,637	1,922
Accumulating non-vesting sick leave liability	838	927
Administrative leave	999	878
	\$ 7,911	\$ 7,877

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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, 2020. As at June 30, 2020 the university had 36 (2019: 37) 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, 2020.

iii. Accumulating Non-vested Sick Leave Liability

The university provides accumulating non-vested sick leave to employees. An actuarial valuation of these benefits was carried out as at April 30, 2019 and results were then extrapolated to June 30, 2020. 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.

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

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	Benefit liability for employees on short-term and long-term disability	Supplemental Retirement Plan	Accumulated non-vesting sick leave benefit	Administrative leave
2020				
Expenses				
Current service cost	\$ 767	\$ 182	\$ 34	\$ 198
Interest cost	92	51	10	-
Amortization of actuarial losses (gains)	(128)	65	(79)	-
Total Expense	\$ 731	\$ 298	\$ (35)	\$ 198
Financial Position				
Accrued benefit obligation:				
Balance, beginning of year	\$ 3,235	\$ 2,420	\$ 387	\$ 878
Current service cost	767	182	34	198
Benefit payment	(445)	(582)	(53)	(77)
Interest cost	92	51	10	-
Actuarial (gain) loss	310	181	16	-
Balance, end of year	3,959	2,252	394	999
Unamortized net actuarial gain (loss)	478	(615)	444	-
Accrued benefit liability	\$ 4,437	\$ 1,637	\$ 838	\$ 999
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

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:

	2020			2019		
	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	1.88%	1.88%	1.88%	2.43%	2.43%	2.43%
Long-term average compensation increase	2.50%	2.00%	2.50%	2.50%	2.00%	2.50%
Benefit cost						
Discount rate	2.43%	2.43%	2.43%	2.96%	2.96%	2.96%
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	6.9	10.0	10.8	6.3	7.7	10.8

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, 2020 (2019: June 15, 2019).

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. An actuarial valuation of the LAPP was carried out as at December 31, 2018 and results were then extrapolated to December 31, 2019. At December 31, 2019, the LAPP reported an actuarial surplus of \$7,913,261 (2018: \$3,469,347).

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various cities and countries around the world, responding in different ways to address the outbreak. As a result of the COVID-19 outbreak, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the ultimate impact or duration of the volatility on the investments of the LAPP. To the extent that investments of the LAPP incur market-related losses, the funded status of the LAPP would experience a correlated decline.

The pension expense recognized in these financial statements is \$11,773 (2019: \$12,560). 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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8) Debt

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

	Maturity Date	Interest rate	Amount Outstanding	
			2020	2019
Debentures payable to Alberta Capital Financing Authority:				
1. Parkade	April 2025	6.250%	\$ 2,145	\$ 2,501
2. Student residence	June 2030	5.849%	23,532	25,222
3. West parkade	September 2030	4.392%	3,317	3,562
4. Robbins Health Learning Centre parkade	September 2032	4.890%	1,164	1,230
5. Surface parking lots	September 2024	1.568%	3,033	3,678
6. Allard Hall parkade	December 2047	3.164%	6,962	7,119
7. Allard Hall retail	December 2047	3.164%	3,033	3,101
8. Students' Association of MacEwan University building	December 2042	3.040%	22,643	23,336
			\$ 65,829	\$ 69,749

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
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
2025	4,542	1,929	6,471
Thereafter	43,759	11,826	55,585
	\$ 65,829	\$ 23,515	\$ 89,344

Interest on debt is \$2,913 (2019: \$2,829), of which \$2,913 (2019: \$2,327) is included in the consolidated statement of operations and nil (2019: \$502) is included in tangible capital assets on the consolidated statement of financial position.

The finance lease receivable outlined in Note 6 is equal to the Students' Association of MacEwan University building debt. The implied interest rate and semi-annual base rent payment on the finance lease receivable is the same as the interest rate and semi-annual payment on this debt.

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9) Deferred Revenue

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

	2020			
	Restricted		Student tuition and fees, contract programs and other revenue	Total
	Unspent deferred revenue	Unspent deferred capital contributions		
Balance, beginning of year	\$ 28,393	\$ 150	\$ 15,519	\$ 44,062
Grants, donations and other revenue received	9,048	208	89,987	99,243
Restricted investment income - realized	2,383	-	-	2,383
Restricted investment income - unrealized gains (loss)	(3,685)	-	-	(3,685)
Transfers to spent deferred capital contributions	(1,172)	(208)	-	(1,380)
Deposit applied to finance lease receivable	-	-	(4,143)	(4,143)
Recognized as revenue	(9,162)	-	(90,827)	(99,989)
Returned to grantor	(193)	-	-	(193)
Balance, end of year	<u>\$ 25,612</u>	<u>\$ 150</u>	<u>\$ 10,536</u>	<u>\$ 36,298</u>

	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	(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>

10) Environmental Liability for Contaminated Sites

The composition of liabilities is as follows:

	2020	2019
Balance, beginning of year	<u>\$ 5,636</u>	\$ -
Change in estimate related to existing sites	<u>378</u>	5,636
Balance, end of year	<u>\$ 6,014</u>	<u>\$ 5,636</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 is in place and will be updated annually. Remediation of contaminated areas will take place in advance of future campus development

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11) Tangible Capital Assets

Tangible capital assets changes during the year:

	2020						
	Land	Buildings	Land improvements	Equipment ⁽²⁾	Computer hardware and software	Other ⁽³⁾	Total
Cost⁽¹⁾							
Beginning of year	\$ 59,460	\$ 457,600	\$ 6,868	\$ 31,852	\$ 45,421	\$ 19,783	\$ 620,984
Acquisitions	58	26,099	15	1,122	3,809	500	31,603
Change in environmental liability for contaminated sites	378	-	-	-	-	-	378
Transferred to finance lease receivable	-	(27,479)	-	-	-	-	(27,479)
Disposals, including write-downs	-	-	-	(1,983)	(3,448)	(2,478)	(7,909)
	<u>59,896</u>	<u>456,220</u>	<u>6,883</u>	<u>30,991</u>	<u>45,782</u>	<u>17,805</u>	<u>617,577</u>
Accumulated Amortization							
Beginning of year	-	(127,510)	(2,913)	(20,051)	(35,240)	(14,767)	(200,481)
Amortization expense	-	(11,517)	(591)	(1,841)	(3,323)	(988)	(18,260)
Effects on disposals, including write-downs	-	-	-	1,919	3,343	2,471	7,733
	<u>-</u>	<u>(139,027)</u>	<u>(3,504)</u>	<u>(19,973)</u>	<u>(35,220)</u>	<u>(13,284)</u>	<u>(211,008)</u>
Net book value at June 30, 2020	<u>\$ 59,896</u>	<u>\$ 317,193</u>	<u>\$ 3,379</u>	<u>\$ 11,018</u>	<u>\$ 10,562</u>	<u>\$ 4,521</u>	<u>\$ 406,569</u>
	2019						
	Land	Buildings	Land improvements	Equipment ⁽²⁾	Computer hardware and software	Other ⁽³⁾	Total
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 liabilities 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>

(1) Cost includes work-in-progress at June 30, 2020 totaling \$16,263 (2019: \$27,151) comprised of land \$19 (2019: nil), buildings \$15,199 (2019: \$25,612), equipment \$1 (2019:

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\$521), computer hardware and software \$999 (2019: \$989) and land improvements \$45 (2019: \$29).

- (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 no capitalized interest in 2020 (2019: \$502).

12) Spent Deferred Capital Contributions

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

	2020	2019
Balance, beginning of year	\$ 140,665	\$ 145,807
Transfers from unspent deferred capital contributions	208	300
Transfers from unspent deferred revenue	1,172	835
Spent deferred capital contribution recognized as revenue	(6,344)	(6,277)
	\$ 135,701	\$ 140,665

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13) Accumulated Surplus

	Accumulated surplus (deficit) from operations	Investment in tangible capital assets	Internally restricted	Endowments	Total
Accumulated surplus, June 30, 2019	\$ -	\$ 214,039	\$ 38,416	\$ 51,324	\$ 303,779
Annual operating surplus (deficit)	(7,540)	-	-	-	(7,540)
Endowment contributions	-	-	-	607	607
Amortization of internally funded tangible capital assets	11,916	(11,916)	-	-	-
Net book value of assets disposals	176	(176)	-	-	-
Debt repayment impacting investment in tangible capital assets	(3,227)	3,227	-	-	-
SAMU Building	5,815	(5,815)	-	-	-
Internally funded acquisition of tangible capital assets	(4,646)	22,517	(17,871)	-	-
Allard Hall Donations	208	(208)	-	-	-
Operating expenses funded from internally restricted surplus	3,224	-	(3,224)	-	-
Net Board appropriation to internally restricted surplus	(5,926)	-	5,926	-	-
Accumulated surplus, June 30, 2020	\$ -	\$ 221,668	\$ 23,247	\$ 51,931	\$ 296,846
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	(18,608)	23,781	(5,173)	-	-
Allard Hall Donations	300	(300)	-	-	-
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

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:

	Balance, beginning of year	Disbursements		Appropriations from accumulated surplus from operations	Balance, end of year
		Operating expense	Capitalized		
Campus development	\$ 36,560	\$ (2,020)	\$ (17,261)	\$ 4,695	\$ 21,974
Student technology reserve	1,264	(1,162)	(610)	1,275	767
School of Continuing Education	352	(26)	-	-	326
Music degree renovations	175	-	-	-	175
Scholarships and bursaries	5	-	-	-	5
Sustainability	60	(16)	-	(44)	-
	\$ 38,416	\$ (3,224)	\$ (17,871)	\$ 5,926	\$ 23,247

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

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 40	\$ 1,013
Portfolio investments - endowment	67,848	70,532
Accounts Receivable	17	-
Total financial assets	67,905	71,545
Less:		
Accounts payable and accrued liabilities	(53)	(59)
Deferred revenue - investment earnings available for distribution	(15,921)	(20,162)
	\$ 51,931	\$ 51,324

14) Contingent Assets

The university has initiated an insurance claims in which the outcomes may result in assets in the future. The university estimates the potential settlement to be about \$532 which will not have a material effect on the financial position or the results of operations of the university. The claim has not been assessed by the insurance company. Contingent assets are not recognized in the consolidated financial statements.

15) Contingent Liabilities

As at June 30, 2020 the university was a defendant in four legal proceedings (2019: two). While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the university believes that any settlement will not have a material adverse effect on the consolidated financial position or results of operations of the university.

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

16) Contractual Rights

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

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

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	Operating Leases	Capital Leases	Other Contracts	Total
2021	\$ 854	\$ -	\$ 4,411	\$ 5,265
2022	1,147	-	1,997	3,144
2023	1,087	-	1,722	2,809
2024	164	-	1,057	1,221
2025	-	-	824	824
Thereafter	-	-	19,408	19,408
Total at June 30, 2020	<u>\$ 3,252</u>	<u>\$ -</u>	<u>\$ 29,419</u>	<u>\$ 32,671</u>
Total at June 30, 2019	<u>\$ 3,400</u>	<u>\$33,414</u>	<u>\$ 29,270</u>	<u>\$ 66,084</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
2021	\$ 2,781	\$ 740	\$ 2,988	\$ 203	\$ 6,712
2022	1,441	1,537	-	65	3,043
2023	1,441	1,537	-	69	3,047
2024	1,441	1,537	-	12	2,990
2025	1,441	1,537	-	-	2,978
Thereafter	721	-	-	-	721
Total at June 30, 2020	<u>\$ 9,266</u>	<u>\$ 6,888</u>	<u>\$ 2,988</u>	<u>\$ 349</u>	<u>\$ 19,491</u>
Total at June 30, 2019	<u>\$ 5,641</u>	<u>\$ 6,943</u>	<u>\$ 9,837</u>	<u>\$ 686</u>	<u>\$ 23,107</u>

The university is one of 64 members (2018: 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, 2019, CURIE had an accumulated surplus of \$90,185 (2018: \$79,338) of which the university's pro rata share is approximately 1.18% (2018: 1.19%). 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>2020</u>	<u>2019</u>
Salaries	\$ 143,185	\$ 134,877	\$ 134,854
Employee benefits	27,954	25,945	26,848
Total salaries and employee benefits	171,139	160,822	161,702
Materials, supplies and services	35,092	29,729	35,219
Amortization of capital assets	18,414	18,260	17,782
Maintenance and repairs	10,698	8,394	8,998
Cost of goods sold	5,312	4,640	5,466
Utilities	5,413	4,492	5,036
Scholarships and bursaries	4,221	4,989	4,509
Interest on long term debt	2,900	2,913	2,327
	<u>\$ 253,189</u>	<u>\$ 234,239</u>	<u>\$ 241,039</u>

19) Salaries and Employee Benefits

	<u>2020</u>			
	<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	3	15
Executive				
President				
Past President ⁽⁵⁾	4	65	-	69
Acting President and Vice President Resources and People ⁽⁶⁾	250	84	43	377
Provost and Vice President, Academic	270	6	81	357
Vice President and General Counsel	254	6	75	335
Vice President, University Relations	245	6	73	324
Vice Provost ⁽⁷⁾	185	12	31	228
Associate Vice President, Finance and Chief Financial Officer ⁽⁷⁾	212	-	31	243
	<u>2019</u>			
	<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	270	14	33	317
Vice President and General Counsel	254	12	69	335
Vice President, Resources and People	250	22	57	329
Vice President, University Relations	203	6	37	246

(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 2020.

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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 until May 1, 2020 at which time the honorarium is nil, and a parking pass for daily use if required, 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) The Past President's last day of employment was July 3, 2019. Other cash benefits in 2020 includes vacation payout of \$65.
- (6) The Vice-President, Resources and People was appointed Acting President effective July 4, 2019 and continued to be the Vice-President, Resources and People. Other cash benefits in 2020 includes \$29 additional pay as Acting President and vacation payout of \$48.
- (7) The positions of Vice-Provost and the Associate Vice-President, Finance and Chief Financial Officer were added to the executive decision-making team in 2020. The Vice-Provost is appointed from the Deans, and receives additional pay of \$15 per year, prorated based on appointment date, which is included in other cash benefits.

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, 2019	Service Cost	Interest Cost	Benefit Payment	Actuarial Loss (Gain)	Accrued Benefit Obligation, June 30, 2020
Past President	\$ 146	\$ -	\$ -	\$ (123)	\$ (23)	\$ -
Acting President and Vice President, Resources and People	\$ 110	\$ 23	\$ 3	\$ -	\$ 148	\$ 284
Provost and Vice President, Academic	\$ -	\$ 47	\$ 1	\$ -	\$ 8	\$ 56
Vice-President and General Counsel	\$ 215	\$ 31	\$ 6	\$ -	\$ 16	\$ 268
Vice President, University Relations	\$ -	\$ 39	\$ 1	\$ -	\$ 7	\$ 47
Vice Provost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Associate Vice President, Finance and Chief Financial Officer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Service Cost for the Provost & Vice-President, Academic and the Vice-President, University Relations includes accrued benefits earned from February 1, 2019 and September 4, 2018 respectively when the individuals in these positions became eligible to participate in the Supplemental Retirement Plan. The Vice-Provost and the Associate Vice-President, Finance and Chief Financial Officer are not eligible to participate in the Supplemental Retirement Plan.

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 the Alberta Capital Finance Authority as described in Note 8.

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21) Government Transfers

	2020	2019
Grants from Government of Alberta		
Department of Advanced Education:		
Operating	\$ 108,215	\$ 119,987
Scholarships and Awards	768	320
Total department of Advanced Education	108,983	120,307
Other post-secondary institutions	10	27
Other Government of Alberta ministries, departments and agencies		
Children's Services	1,338	921
Labour and Immigration	58	132
Education	-	38
Culture, Multiculturalism and Status of Women	35	25
Justice and Solicitor General	-	5
Alberta Innovates	78	3
Total other Government of Alberta ministries, departments and agencies	1,509	1,124
Total grants received	110,502	121,458
Restricted expended capital recognized as revenue	5,894	5,833
Change in deferred revenue	(2,300)	796
	\$ 114,096	\$ 128,087
Federal and other government grants		
Total grants received	\$ 771	\$ 835
Restricted expended capital recognized as revenue	61	66
Change in deferred revenue	(78)	(315)
	\$ 754	\$ 586

22) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the university's 2019/20 to 2021/22 Comprehensive Institutional Plan as approved by the university's Board of Governors.

23) Comparative Figures

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

24) Impact of the COVID-19 Pandemic

On March 11, 2020 the World Health Organization (WHO) characterized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. On March 17, 2020 the Government of Alberta declared a 90-day state of public health emergency over the COVID-19. This state of emergency lapsed on June 15, 2020.

It is not possible to reliably estimate the impact these developments will have on the financial results and operations of the university in future periods.

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