

Annual Report

2020/21



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1. Accountability Statement

MacEwan University's Annual Report for the year ended June 30, 2021, 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 9, 2021.

2. Management's Responsibility for Reporting

MacEwan University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report, including the financial statements, performance results and supporting management information.

Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The consolidated financial statements of the university have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements present fairly the financial position of the university as at June 30, 2021 and the results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended.

The Board of Governors is responsible for reviewing and approving the consolidated financial statements and overseeing management's performance of its financial reporting responsibilities.

The Annual Report has been developed under the oversight of the university's Audit & Risk Committee and Finance, Property & Investment Committee, as well as approved by the Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-Secondary Learning Act*.

The Auditor General of Alberta, the 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.

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

[Original signed by Cheryl Earle, CPA, CA]
*Associate Vice President, Financial Services
and Acting Chief Financial Officer*



3. Message from the President & Vice-Chancellor

The 2020/21 Annual Report outlines activities and achievements of MacEwan University in my first year as president and vice-chancellor. It was a year of incredible uncertainty, resiliency and progress. As I engaged with faculty, staff, and students, I experienced the amazing culture of MacEwan and the commitment to delivering exceptional undergraduate learning to our students.

Over the course of the year, we engaged our community in the development of a new strategic framework. In October 2021, *Teaching Greatness: Strategic Vision 2030* was approved by the Board of Governors. The plan is a bold and aspirational 10-year plan that defines our special place in the Alberta post-secondary ecosystem.

I offer my congratulations to Minister Nicolaidis on achieving a new path forward for Alberta's post-secondary system. MacEwan is excited to be a partner in implementing *Alberta 2030: Building Skills for Jobs*. MacEwan University's five strategic directions in Teaching Greatness are well aligned with the new province's vision for the post-secondary system.

MacEwan University was very appreciative to receive operating and program grant funding for 2020/21 that remained at 2019/20 levels and is projected to do so for the following two years. We also extend our appreciation for increased funding received in the Capital Maintenance Renewal Grant and in mental health supports. Demand for mental health far exceeds what we are able to provide, and we continue to develop strategies to meet this demand.

With stable and predictable funding in place, the university is well positioned to move forward on a plan for growth to close the gap on Alberta's post-secondary participation rate and accelerate skilling and reskilling to diversify Alberta's economy. As a priority, we are also expanding our efforts to create more work integrated learning opportunities through expanding partnerships and seeking external funding opportunities as we strive to produce job ready, practical and inquisitive graduates, providing the high quality education, skills and training needed.

MacEwan University commenced a search for its second of four tier-2 Canada Research Chairs in Indigenous Business and Social Entrepreneurship. Research chairs provide an excellent opportunity to recruit outstanding scholars who can help shape and deliver MacEwan's vision for scholarship. The university also saw very positive results in our fund-raising efforts, doubling in one-year what we received over the past two years. A number of modular campaigns were launched in 2020/21 that will support the success of our students. Planned for 2021/22 is the Students First Modular Campaign, with ambitions to double student aid over the next five years.

MacEwan enrolment remains on a positive trajectory with plans to deliver new micro-credentials in the fall of 2021, and first student in-takes will occur for the new Bachelor of Fine Arts in September of 2022. Planning continues for a new academic building, with the schematic design phases expected to be completed in January of 2022. A funding plan is being developed, with the project expected to be shovel ready early in the new year. The new

academic building will accommodate growth in the School of Business and in other high demand programs.

MacEwan continued to keep our community safe, pivoting online as required and increasingly improving our hybrid (intentionally flexible) pedagogy as the pandemic continued to be significant factor in our academic and operational plans. Plans for 2021/22 delivery recognized that students benefit from being on campus and that the university plays a critical role in the vibrancy and recovery of downtown Edmonton and in provincial recovery. The university strived toward and achieved a more active campus in the fall of 2021 with approximately 4,000 individuals on campus daily, a significant increase from the 700 in fall of 2020.

The post-secondary sector must also consider the longer-term impacts of COVID-19 to higher education. Innovative plans are underway for more hybrid courses to be introduced and to use space more efficiently, with more flexibility for students and faculty, and offerings that will be extended to a broader range of students with universal diversity in mind. Creative approaches to clinical and field practicum placements and to support students in meeting learning outcomes were implemented during the pandemic. These learnings will be leveraged to increase capacity for lab space and to expand placements needs and accommodate students in creative ways not previously used before.

MacEwan continues to respond as a community on matters of equity, diversity and inclusion and on matters of reconciliation. Since January 2021, MacEwan University's Equity, Diversity and Inclusion (EDI) Accelerator Team has been actively working to shape actions that will create and sustain equitable and inclusive practices and policies. Last spring, the university established a new Indigenous Advisory Council to continue to build good relations with the First Nations, Inuit, and Métis communities. The council gives space to Indigenous voices relating to matters of reconciliation and will facilitate engagement with Indigenous communities.

2020/21 was incredible year of milestones for MacEwan, one in which the university elected its first Chancellor, Dr. Tony Fields, and awarded its first honorary doctorates. As we celebrate our 50th anniversary, I am looking forward, with joy and optimism, to MacEwan's future as we begin to implement *Teaching Greatness: Strategic Vision 2030*. With our long history as an institution that focuses on people, MacEwan University is well positioned to contribute to the social, economic and environmental well-being of the province and our surrounding communities.

[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, 2020– June 30, 2021:

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 factors affecting the university's outcomes and performance.

COVID-19

COVID-19 continued to have impacts on the university with quick pivots to respond to changing pandemic conditions and health orders. The university made considerable effort to remain open, with an active campus. Despite this, enrolment trends, campus activity and expenditure and revenue patterns were affected. In continuing to mitigate the impacts, the university applied a principle-based approach to our pandemic planning, putting a priority on the health and safety of faculty, staff and students, and on the ability to continue to deliver on our core mandate of teaching and research. The university's goal was to operate, as much as possible, with an active campus. This was achieved through the design of hybrid programming and investments in on-campus safety measures

In late spring, the university began to prepare for fall of 2021 and anticipated continued disruptions because of the fourth wave of the pandemic. The fall plan was developed with a recognition that students benefit from being on campus and that MacEwan University plays a critical role in the vibrancy and recovery of downtown Edmonton. While international enrolment continued to be impacted by the pandemic, the university finished the year with strong domestic enrolment of 3.3% over 2020/21 enrolment targets.

New Strategic Framework

In December, the president launched a multi-phased process to develop a new strategic framework for the university. As MacEwan prepared to mark its 50th anniversary, it was time to chart a new path forward to ensure growth and success for the university over the next decade. The president led a series of dialogue sessions through the winter and spring that engaged the external and internal community to create a new future for

MacEwan, building on our strengths and on the aspirations of the province as they set a new direction for Alberta's post-secondary sector through Alberta 2030. With guidance and input from Deans' Council, General Faculties Council and the Board of Governors, the university is expected to have a new framework in place by the fall of 2021.

Alberta 2030 Initiative

The university participated extensively in the provincial consultation to create a new strategy for Alberta's post-secondary system. *Alberta 2030: Transforming Post-Secondary Education* resulted in a roadmap to focus the system on providing the high-quality education, skills and training needed to support Alberta's need for talent and innovation to drive economic recovery. The university is carefully considering the goals outlined in Alberta 2030 and have started to act on a number of flagship initiatives, including the implementation of four new micro-credentials and participation in a cybersecurity pilot under the new apprenticeship expansion model. The university will align its new strategic vision with the outcomes of Alberta 2030.

Leadership and Organizational Changes

Dr. Annette Trimbee was welcomed as the university's sixth president and vice-chancellor in August of 2020. The search for a number of senior administrative and academic leadership positions including a dean of Nursing and an associate vice-president of Students was initiated.

The change in leadership and the university's ability to retain and attract academic and administrative leaders is being impacted by the spring 2021 amendments to *The Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation (RABCCA)*. The regulation extended restrictions on compensation to two levels below the president and creates challenges to the post-secondary sector, such

as reducing autonomy and board oversight, hampering talent attraction and retention necessary for Alberta to achieve its vision and have robust institutions, and incentivizing larger administrative structures at lower levels.

Fiscal Planning

As is the case with universities in Alberta and across the country, MacEwan ended the 2021/22 academic year with a surplus. A conservative approach to managing the budget was taken over this period as the pandemic has created uncertainty in spending, revenue, and enrolment patterns. With a surplus realized of just over \$12 million, expenditures were significantly less than a normal year. Many course sections were moved on-line, allowing for larger on-line classes, and thus reducing the need for as many sessional instructors. Quality programming continued but academic activities were not typical, resulting in one-time savings.

In planning for 2021/22, the university found itself in a stable funding position with notification that operating and program grants for 2021/22 would remain at 2020/21 levels, having addressed a 10.1% reduction over the previous two years. The government gave a commitment to two additional years of stable funding with no further reductions, subject to annual allocations. The university also fully leveraged the room provided in the provincial Tuition and Fee Policy, in keeping with the government direction to change the revenue mix of institutions to be more on par with other jurisdictions

A stable financial position allowed the university to plan for the longer-term and develop a budget for 2021/22 focused on principles aligned to achievement of our approved mandate, including investment in students, in supporting faculty in delivering exceptional undergraduate education, and in considering the goals of the province outlined in the newly announced Alberta 2030 initiative. It also allowed the university to begin preparing for a new strategic framework intended to set MacEwan on a path of growth over the next decade. Targeted grants for

students with disabilities and mental health were maintained at existing levels.

Inclusive Excellence

A number of factors over the last year have led to accelerated efforts to address gaps essential in creating a more inclusive university community. This includes the pandemic, global movements such as Black Lives Matter, and on the national front, the need to renew efforts to support reconciliation highlighted by the tragedy uncovered by the discoveries of unmarked graves at former residential schools.

As much as possible, as a public institution, it is important that the faculty and staff at the university reflect the makeup of Alberta's population and the students we serve. The university established an Equity, Diversity and Inclusion (EDI) Accelerator Team, which brings together MacEwan leaders and experts to develop a short-term action plan to fast track our efforts. The goal of the team is to elevate EDI awareness at MacEwan. Specific actions as part of this strategy include: the collection and analysis of data; the creation of safe spaces for open and ongoing dialogues and learning; support of faculty and students; and advancing change to recruitment and hiring practices.

Progress was made on approving a project to collect student EDI data at the point of application, and to provide opportunities for current students to self-declare various diversity attributes. Such data will support other EDI activities. Further work included progress on establishing new guidelines for recruitment and hiring practices and the approval of an *Employment Equity Policy*. A faculty that is inclusive reflects our society, values diversity of perspective, inherent in freedom of expression, and inspires a diversity of students, which further supports expanding who participates in tertiary education.

The university re-established its Indigenous Advisory Council with membership from First Nations, Métis and Inuit communities. The council will be representative of leaders from Indigenous communities and will provide

insight and advice to the university of Indigenous matters.

Enrolment Plan and Program Changes

MacEwan's enrolment for 2020/2021 exceeded the projection in the 2020/21 to 2022/23 Financial Plan by 459 FLEs. This enrolment growth was driven mostly by enrolment increases in degrees, most notably in the Bachelor of Arts, the Bachelor of Commerce, the Bachelor of Design, and the Bachelor of Science in Nursing.

The university continues to evolve its programming, and several program-level changes have occurred in the reporting year. MacEwan University launched the new Bachelor of Early Childhood Curriculum Studies, and the Bachelor of Science started its new major in Chemistry, both in September 2020. MacEwan received approval from the Ministry of Advanced Education in December 2020 for a new Bachelor of Fine Arts with majors in Arts and Cultural Management, Music Theatre Performance, Theatre Productions, and Studio Arts. Program implementation will be in Fall 2022.

Two years ago, the Ministry eliminated the category of Post-Basic programs from the eligible nomenclature and in response to this

change MacEwan reframed its Post-Basic programs as Post-Diploma Certificates. Post-Diploma Certificates in Cardiac Care Management, Wound Management, Gerontology and Hospice Palliative Care were offered for the first time in Fall 2020.

General Faculties Council (GFC) approved the suspension of the Bachelor of Science in Engineering University Transfer program in June of 2021, with a goal of eventual termination. The program had been seeing declining numbers over several years and the one-year transfer program did not align with future programming priorities and MacEwan's expertise. The General Studies Diploma and the Disability Management Certificate were terminated July 1, 2020.

In spring 2021 the School of Continuing Education was awarded funding from the Government of Alberta for the development and implementation of four micro-credentials to support economic development and growth in Alberta, including Data Analysis for Financial Growth, Intelligent Supply Chain, Sustainable Business Revival and Digital Marketing for Small Business. The micro-credentials will be piloted with our business and industry partners, as required under the granting agreement, before being offered to the public in early 2022.

6. Goals and Performance Measures

The progress made over the past year on MacEwan's goals and the expected outcomes are outlined for the fiscal year ending June 30, 2021. For each of the items that follow, the objectives and priorities are from the 2020/21 – 2022/23 Financial Plan.

1. COVID-19 RECOVERY

Objective A	Review institutional priorities and plans and make adjustments as required in relation to business continuity and institutional sustainability. These will occur in alignment with <i>Alberta's Relaunch Strategy</i> .
Status	Ongoing - strategies are adjusted to respond to changing conditions.
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • Rapid Response Plans and Re-Entry Guidelines were developed in alignment with the provincial relaunch strategy. • The university managed a relatively active campus. On average, 712 people were on campus per day during fall term. • Scenario planning positioned the university well to pivot to respond to any new restrictions or changes to COVID-19 and the variants.

Objective B	Support student success by ensuring they can continue with their programs and have access to required services and supports.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • Class schedules for each academic term was modified to provide a mix of in-person, online, and hybrid learning activities with most activities in a hybrid modality. • Student support services were moved to online delivery. • New funding was added to bursaries for student experiencing financial needs, including the COVID-19 Relief Bursary.

Objective C	Acknowledge our graduates' contributions to community and economic resilience through and after COVID-19.
Status	Ongoing
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • While the pandemic was a factor in the university's ability to engage with the community, the university had 5,624 placements and 1,127 students in Community Engaged Learning projects. • Connections were established and leveraged in the community to further benefit the university and our students. Examples include relationships with the Edmonton International Airport, Edmonton Global, Innovate Edmonton, United Way, Boyle Street, and Oilers Entertainment Group. • Conversations were held with Indigenous leaders to explore economic reconciliation with the aim to find benefit for communities and the university, and in particular to benefit our Indigenous students.

Objective D	Participate in sector strategies and task forces that collectively build recovery tactics for the sector and the economy
Status	Ongoing
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The university worked closely on the national front with Universities Canada and on the provincial front with the Council of Post-secondary Presidents of Alberta (COPPOA) to develop strategies for recovery for the sector and economy. Work occurred at the local level through a number of recovery task forces in support of Edmonton's downtown recovery, including the Edmonton Chamber of Commerce and the Downtown Business Association, as well as with Central MacDougall/Queen Mary Park Revitalization Committee.

2. EFFECTIVE GOVERNANCE

Objective A	Enhance governance practices and ensure that board members have the knowledge they need to effectively govern the university through a time of transformational change.
Status	Ongoing
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The Board of Governors annual development plan was adjusted to align with the multi-phased strategic visioning process and external environment, including the impacts of the pandemic. Sessions included: strategy in times of disruptions, compassionate leadership for racism-free communities, higher education key trends, importance of downtown universities, future economy, EDI in post-secondary and governance in post-secondary. New board members were provided with MacEwan Board orientation.

Objective B	Enhance the governance support structure to streamline activities to support the university's bicameral governance system.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> Office of University Governance continues to work to support bicameral governance activities. All Board of Governors and GFC subcommittees have full membership, with Faculty co-chairs established for GFC standing committees

Objective C	Continue to implement new structure and processes for a fully functioning GFC through the creation of a subcommittee structure.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> Office of University Governance continues to work to support bicameral governance structure and processes. All GFC subcommittees have been established: <ul style="list-style-type: none"> GFC Executive Academic Planning and Quality Assurance

	<ul style="list-style-type: none"> ○ Standards, Curriculum and the Calendar ○ Teaching and Learning ○ Scholarly Activity ○ Council on Student Affairs ○ Research Ethics Board
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Objective D	Appointment of MacEwan University's first Chancellor.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • The university established the Chancellor Joint Committee in the fall of 2020 and began its search to appoint its first chancellor. • The Joint Committee met through the winter to discuss the best approach in selecting a chancellor and reviewed a number of high-caliber nominations. • Following a recommendation from the Joint Committee, the Board of Governors appointed Dr. Anthony Fields as the university's chancellor, effective July 1, 2021.

3. SUCCESSION PLANNING AND LEADERSHIP

Objective A	Support the on-boarding of the University's sixth President and Vice-Chancellor.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • A transition plan was developed and adjusted to address the president's arrival amidst a pandemic. • Transition meetings with the interim president and board chair were planned. The senior leadership team provided comprehensive briefings and virtual introductory meetings were held. Regular meetings were established with the board chair. A campus orientation tour was also provided. • A strategic approach was taken to planning introductory meetings with internal and external constituents. The president's desire was to get to know the community and understand the culture of the university as a first step.
Expected Completion Date	October 2021

Objective B	Develop a comprehensive succession plan to ensure stability as key University leadership positions retire or move on to other opportunities.
Status	Ongoing
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • In succession planning, MacEwan successfully recruited a number of new leaders including a dean of Nursing, associate vice-president, Students, associate vice-president, Financial Services and associate vice-president, Infrastructure, Planning and Management.

	<ul style="list-style-type: none"> These new leaders have brought extensive expertise and experience to MacEwan and contribute to the diversity of the university's workforce.
Objective C	Implement sound change management plans as staffing transitions occur.
Status	Ongoing
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> Interim leaders were appointed to ensure knowledge transfer and business continuity during the transition period.

4. PLANNING AND ORGANIZATIONAL EFFECTIVENESS

Objective A	<p>Actively engage in the provincial review of the post-secondary system and contribute to considerations around a provincial investment framework.</p> <ol style="list-style-type: none"> Offer proactive solutions that support system transformation and continued success of MacEwan students. Develop a more comprehensive data and reporting framework, building capacity around data analysis functions, and ensuring effective strategic enrolment management planning.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The university took the following steps in response to the launch of the Alberta 2030 initiative: <ul style="list-style-type: none"> Participated in interview sessions and roundtable sessions hosted by McKinsey. Participated in all open house forums hosted by the Minister. Met individually with the Minister and senior officials to represent MacEwan in the development of the provincial strategy. Hosted specific board and GFC sessions and made submissions to the Minister on the value of bi-cameral governance, as well as a broad university submission. Reviewed the implications of Alberta 2030, upon its release, to consider how to best align with the objectives and with the university's emerging strategic vision. Actively participated in further development of the formation of the strategic council and on the development of a system digital learning strategy through COPPOA. Monitored and contributed to flagship initiatives, including changes to the program approval process. The university's first Investment Management Agreement (IMA) was negotiated with 5% at risk funding for one metric (Work Integrated Learning). The university is monitoring progress to meet target. The university has done an analysis of key performance indicators for the university. This work will be used to inform future metrics emerging from the IMA. The university's strategic enrolment management committee considered strategies to support future growth plans for the university and in support of future IMA metrics.

Expected Completion Date	Ongoing as Alberta 2030 Initiative is implemented
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Objective B	Implement more effective models of operating, including <ol style="list-style-type: none"> A new financial management model, A new student advising model, Information Technology will become an organizational focal point as automation and business process improvements with a view to efficiency are given a priority.
Status	Advising model completed. Financial services model implementation in progress.
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> A new financial services management model that will streamline financial supports was developed and will be implemented in the next academic year. The new model will optimize resources and provide a more effective and efficient delivery of financial services across the university. A new student advising model was implemented, effective July of 2020. The new model creates a more accessible and streamlined approach to advising that enhanced the student experience and provided a more supportive environment for the advisors. The university continues to incorporate technology into business processes to optimize efficiency, transparency and to achieve red tape reductions. Examples include automation of several registrarial and application services and integration with the ETS smart-fare system. The university has also been moving to a new digital learning environment (DLE). MacEwan has developed numerous online credentials, credit and continuing education courses, and tutorials that are being converted to a new platform. A set of pilot classes are being offered in the new DLE, with full adoption planned for the next academic year.
Expected Completion Date	January 2021

Objective C	Implement budget management strategies to align with operational and financial planning goals established by the Government of Alberta.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> In November of 2020, the university received approval from the Minister of Advanced Education to adjust its fiscal year. Work is underway to support the change that will take effect April 2021. Further work will be done on the university's budget management process upon the change to the fiscal year and in alignment with other changes the university may see as a result of the further implementation of performance funding contained in the next investment management agreement.
Expected Completion Date	2023/24 Academic Year

5. ACADEMIC PROGRAMS

Objective A	Launch a review of academic programs in alignment with the post-secondary system review.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> This item is ongoing as the University directed its primary attention to the Alberta 2030 Initiative and a new strategic visioning process. In the interim, MacEwan reviewed the Bachelor of Science in Engineering University Transfer program and made a decision to suspend the program.
Expected Completion Date	June 2022

Objective B	Find program efficiencies through reviewing class sizes and modes of delivery, as well as frequency of offerings.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The response to the pandemic necessitated a comprehensive overhaul of modes of delivery and some class sizes were modified in response to a shift to online. The lessons learned from the massive shift to alternate modalities will inform future instructional decision post-pandemic.
Expected Completion Date	June 2022

Objective C	Successfully implement the second iteration of the Indigenous Foundation Program and the International Foundation Program.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The initial offering of the foundation program had 4 students comprising 2.2 FLEs, all in pimâcihisowin. In the second iteration, the foundation program served 6 students in the international category for 3.2 FLEs and 37 students in the pimâcihisowin category for 25.5 FLEs.

Objective D	Implement the Bachelor of Early Childhood Curriculum Studies Program.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The degree was successfully launched in Fall 2020.

6. CAMPUS DEVELOPMENT PLAN

Objective A	Complete the fifth floor of Allard Hall to accommodate a new location for the School of Continuing Education. This project will advance the long-standing strategic objective for MacEwan University to consolidate operations at the City Centre Campus location.
Status	Completed
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The School of Continuing Education opened its new facility in October of 2020, completing the university's long-term goal to fully consolidate its operations at the City Centre Campus location. The new facility is home to 25 classrooms, computer and science labs and dedicated classrooms for professional development and corporate training.

Objective B	Improve teaching and learning spaces through expansion and enhancement of the University library, and the construction of science labs to support additional enrollment.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> The renovations to the John L. Haar Library are near completion. The renovations will add and modernize functional space, increase student study space and campus circulation and enhance access to the Writing Centre and the Library Makerspace. New science laboratory space to support Physical Sciences and Biological Sciences to meet new standards and to expand capacity for Biological Sciences programs. A new chemistry lab will provide capacity for at least 100 additional students.
Expected Completion Date	September 2021

Objective C	Continue planning towards the development of a new academic building at the City Centre Campus.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> Planning continues for the new academic building to support the university's growth plan. GEC Architecture has been selected as Prime Architect for the schematic design phase and will commence in September 2021. A project steering committee has been convened to guide the planning process. A business case has been developed and approved by the Board of Governors for submission to the Minister in the next academic year.
Expected Completion Date	December 2026

7. PLANNING FOR THE 50TH ANNIVERSARY IN 2021

Objective A	Leverage this important milestone to strengthen the University's position as Edmonton's downtown University, engage alumni and leaders to support student success, and provide opportunities for donors to invest in the institution.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • Planning for MacEwan's 50th anniversary is underway, focused on the past, present and future. • Signature events and initiatives that focus on audiences that have the most interest and stake in our 50th including alumni, employees, retirees, board members (past and current) can assist in amplifying our unique value proposition.
Expected Completion Date	June 2022

Objective B	Engage the community in supporting 50 more years of student and graduate success.
Status	In progress
Progress Made in the Last 12 Months	<ul style="list-style-type: none"> • The university community will be engaged and empowered to celebrate the 50th in their own way. • A 50th champions team to act as ambassadors and connectors that includes constituents from across the university, alumni and retirees. • Alumni and Development will consider how to leverage fund raising activities in alignment with the 50th anniversary to support the success of MacEwan students.
Expected Completion Date	June 2022

FULFILLMENT OF LEGISLATED ROLES AND MANDATES

In alignment with the mandate approved by the Minister, the university is pleased to highlight the following activities.

PROGRAMMING AND STUDENT SUPPORTS

PROGRAMMING

MacEwan University continues to offer a comprehensive mix of programming that aligns with its mandate. While MacEwan has significantly expanded its degree offerings in the last 15 years, it continues to maintain a strong and diverse set of diploma and certificates, as well as non-credential offerings in preparatory and transfer areas.

OKANAGAN CHARTER

MacEwan's formal adoption of the Okanagan Charter in 2020/21 reinforced the university's ongoing commitment to supporting the health and well-being of its students, faculty, and staff. The Charter provides post-secondary institutions with a common language, principles, and framework. Signing the Charter is a continuation of MacEwan's ongoing work to embed health into the campus culture and will create new opportunities for conversations and collaborations that support health and wellness for the university community, but also for the larger community MacEwan serves as Edmonton's downtown university.

STUDENT MENTAL HEALTH

In 2020/21, the Wellness and Psychological Services (WPS) team provided almost 900 initial consultations to students and close to 5,000 individual counselling and case management appointments to students following their initial consultation. Initial consultations are free and confidential 30-minute conversations where students meet with a clinician to explore a student's reasons for seeking help. Providing students with the support they need on campus, if possible, assists them in completing and progressing in their programs.

Goals for counselling are explored at these consultations and, together, the student and clinician discuss the best course of action going forward. Services to students represent a brief intervention model with 83% of students receiving 10 sessions or fewer from their service provider. WPS also expanded its master's-level practicum program to four students for 2020/21.

To ensure the health and safety of the campus community during the COVID-19 pandemic, all counselling and case management services were provided via virtual meeting or telephone.

Collaboration with kihêw waciston Indigenous Centre

To ensure the health and safety of our students during the pandemic, services offered in-person through the weekly WPS satellite office within the kihêw waciston Indigenous Centre were diverted to the WPS virtual and telephone services.

These flexible options supported MacEwan's ongoing commitment to reducing barriers to service for students. This allowed WPS to continue to support a community of safety, respect, and celebration of culture for our Indigenous students.

Additional opportunities for the student body at MacEwan, such as the *Changeways*, *Practicing Positivity*, and *Living Mindfully* group counselling sessions, were made available through virtual means.

Peer Health Education Team

To ensure the health and safety of MacEwan's campus community during the COVID-19 pandemic, the Peer Health Education Team (PHET) fully transitioned their services and programming online. PHET is a volunteer program at MacEwan rooted in peer-to-peer education, advocacy, and collaboration with the campus and community members that views health holistically. In 2020/21, PHET's nine student volunteers launched a Google site where they hosted webinars and online events,

and shared resources with their peers both on social media and in the virtual classroom.

Coalition for Harm Reduction at MacEwan

The Coalition for Harm Reduction at MacEwan (CHARM) also transitioned to online services and launched a Google site to promote evidence-based harm reduction information for students. CHARM was 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, the MacEwan University Health Centre, community pharmacists, and others. The resource bank made available to students and community members, as well as CHARM's focus on harm-reduction programming, was timely given the rise of addiction and addiction-related crises reported throughout the province during the COVID-19 pandemic.

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, and Healthy Relationships Week, in addition to student-led programming developed by student leaders.

Sexual Violence Prevention and Education Framework

In 2020/21, MacEwan University's Sexual Violence Prevention and Education Committee developed a five-year sexual violence prevention and education framework. The framework was informed by evidence-based research and best practices, and used to develop guiding principles, strategic goals, and programming priorities for 2021/22 – 2025/26

Student Education and Leadership

The MacEwan Anti-Violence Education Network (MAVEN) Peer Education program provides MacEwan student volunteers with comprehensive training to deliver primary sexual violence prevention programming to their peers across campus. In 2020/21, MAVEN peer educators supported the University's sexual violence education efforts by creating digital content and resources. In 2020, MAVEN received an Inspiration Award from the Government of Alberta for leadership in sexual violence prevention.

The university provides customized and disciplinary-specific sexual violence education to students in programs across MacEwan, as well as specialized training for students in leadership positions. Students are provided regular opportunities to attend in-person and virtual workshops on creating consent culture, supporting survivors, and bystander intervention.

In Spring 2021, the university launched 'It Takes All of Us: Creating a Campus Community Free of Sexual Violence', an online course for all University students. The course provides a comprehensive introduction to consent, support skills, and bystander intervention, and informs students about relevant campus supports and resources.

Employee Education and Engagement

MacEwan University regularly provides customized sexual violence prevention and response training to key employee groups on campus, including senior leadership, Student

Services staff, academic advisors, Residence Life staff, and faculty members. In 2020/21, approximately 250 employees from 12 areas across the university participated in specialized education programming.

The university also provides employees regular opportunities to self-enroll in training on responding to disclosures, trauma-informed practice, sexual violence prevention in post-secondary contexts, and bystander intervention.

The Sexual Violence Support Guide program provides employees an intensive and comprehensive two-day training on responding to disclosures of sexual violence. After completing the training, participants function as a network of information and support for individuals impacted by sexual violence. This training was offered virtually during 2020/21, with attendees from 10 areas across the university.

Support Services

The sexual violence response coordinator serves as a first point of contact for members of the university 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. This support was expanded to include delivery via online communication platforms, which will continue as part of ensuring student access to services as part of COVID-19 recovery.

The Sexual Violence Response Team is a group of university employees responsible for overseeing the university's response to sexual violence. They are committed to ensuring that the MacEwan has a consistent, coordinated, fair, and trauma-informed institutional framework for responding to complaints.

STRATEGIC RESEARCH PRIORITIES, APPLIED RESEARCH, AND SCHOLARLY ACTIVITIES

Research, scholarly and creative activity (RSCA) at MacEwan remained strong during the COVID-19 pandemic. Throughout 2020-21, the university saw an increase in student-engaged research as well as success by faculty in obtaining external research funding support. This enabled MacEwan to continue its core mandate of innovating through undergraduate training and partnership development with external partners both locally and beyond Alberta.

MacEwan faculty and students remained active in their pursuit of new knowledge and innovations. During the reporting period, 24 new internal RSCA grants were awarded internally to faculty researchers, totaling over \$128,000. An additional 28 student research projects were awarded under MacEwan's dedicated Undergraduate Student Research Initiative (USRI) program to support student development as the highly qualified researchers and workers of tomorrow. Each student is supervised by an experienced faculty researcher, and this year funding support increased by over \$12,000 from the previous year, totaling over \$162,000 in student-centred funding.

Additionally, many internal and external grants held by faculty provided funding support and opportunities for RSCA experiences to MacEwan students. Student-engaged research and scholarly activity provides MacEwan students with invaluable experience by integrating in-class curriculum with real-world problem solving, with MacEwan students often excelling among their peers. For example, 22 MacEwan students participated in the 2021 Undergraduate Research in Science Conference of Alberta (URSCA), with seven award winners including three first place awardees in the Biology and Environmental Sciences.

At the federal Tri-Agency level, 15 MacEwan researchers received new or continued funding in science, technology, engineering, and

mathematics (STEM), and in the social sciences and humanities. The value of these awards was almost \$600,000. In addition, MacEwan researcher co-authored or collaborated on Tri-Agency grants valued at over \$850,000.

Outside of the federal Tri-Agency funding programs, MacEwan researchers remained active and successful in their research pursuits. Dr. Shelley Boulianne (Department of Sociology) received a grant from Canadian Heritage of nearly \$70,000 to study misinformation across social media platforms and across countries. This project will help the Canadian government develop tools and knowledge to support policy development, programming, and engagement activities to better equip Canadians to mitigate the potential impacts of disinformation and preserve a strong democracy in Canada.

Lee Makovichuk and Dr Tricia Lirette (Department of Human Services and Early Learning) received a grant valued at almost \$1.5 million from the Government of Alberta Ministry of Children's Services to continue to study Alberta's early learning and childcare framework. Now in its eighth iteration, this long-term study will continue to investigate the professional learning processes necessary for early childhood educators to sustain their use of this framework in practice.

CONTRIBUTION TO THE ALBERTA RESEARCH AND INNOVATION FRAMEWORK

MacEwan's developments in RSCA continue to play an important role in supporting the outcomes of the Alberta Research and Innovation Framework that will aid in achieving economic, environmental, and social prosperity in Alberta. This is achieved through making advances in 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.

Economic Diversification and Job Creation

The RSCA supports at MacEwan are open to students in every discipline to help foster their development into the highly skilled workforce of the future. In addition to the internal funding supports available through the Office of Research Services, MacEwan students are actively engaged in various Mitacs programs with community partners, combining the knowledge gained in the classroom with real-world working experiences. Through the Mitacs Business Strategy Internship program and supervised by researchers from the School of Business, the Faculty of Fine Arts and Communications, and the Faculty of Arts and Science, six MacEwan students were awarded \$10,000 each to put their skill into practical use in helping local businesses innovate and adapt their practices under pandemic and future conditions. The organizations that benefitted from this program included the Fort Saskatchewan Chamber of Commerce, the City of Edmonton, and the Centre for Race and Culture. As the majority of MacEwan students continue to reside in Edmonton after graduation, these experiences will ensure that a MacEwan-trained workforce will be active in building the diverse economic landscape of Alberta.

Environmental Stewardship and Climate Leadership

A key consideration in the growth of Alberta's economy will be in maintaining a firm grasp of the environmental impacts of progress. Dr. Robin Woywitka's (Department of Physical Sciences) research looks at how ecosystem changes in Alberta's past due to rapid climate change can better inform how current climate stresses can be managed. By integrating varied sources of data, including geospatial modelling, sediment analysis, field surveys, and archeological site data, this research will help other researchers and land use regulators in identifying important areas of interest (biological, geological) and improve the conservation of significant geological landscapes in the province.

Effective Resource Management

Closely tied to environmental stewardship is the idea of responsible economic development, especially in one of Alberta's key drivers, agriculture. With the growth of sustainable agriculture, an understanding of the interconnectedness of economic activities is critical. Dr. Janice Kenney (Earth and Planetary Sciences) has received a grant through NSERC, valued at \$137,500 to study the mobility of consumer pharmaceuticals, chemicals, and other compounds as they are released into the environment through waste. This research will allow a better understanding of contaminants that escape water treatment processes, ending up in agricultural lands with the potential to re-enter drinking water sources. With even very low concentrations of pharmaceuticals having been shown to be detrimental to sensitive ecosystems, the knowledge gained from this research will help inform policies and management of water resources in sustainable agriculture development.

Engaged Individuals and Communities for a Healthy Alberta

The strong connection between MacEwan researchers and the surrounding community ensures that MacEwan University remains an important hub in enhancing the health and well-being of Albertans. In one such project, Dr. Cynthia Puddu (Department of Allied Health and Human Performance) received grant valued at over \$285,000 to study the environment of Indigenous youth transitioning out of foster care. With a high risk of this population becoming homeless, this research will assess current housing models, chronicle the experiences of Indigenous youth, and create a decolonized approach to developing youth housing programs. This work will also create a network of stakeholders in preventing urban Indigenous youth homelessness.

The partnerships between MacEwan researchers and the surrounding community have allowed our external partners to react quickly to the global health crisis and sustain their services to the communities that they

support. For example, Dr. Rita Dhungel (School of Social Work) received a SSHRC Partnership Engage Grant to examine the experiences of HIV/AIDS service providers in Alberta during the COVID-19 pandemic. This study will look to understand the challenges experienced by workers in this area, to assess their mental and psychological wellbeing and develop a transformative practice model that can be utilized in the future.

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. For approximately 55% of MacEwan's first year degree students neither parent has a degree. This is significant as parental education is a main predictor of post-secondary participants. 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. MacEwan University's connections with community partners create far-reaching networks of collaboration and enhanced access

to learning. As Edmonton's downtown university, MacEwan's partnerships and collaborations with business, industry, and other post-secondary institutions are fundamental to providing benefits for students as well as the community we serve.

During the reporting period, MacEwan and NAIT collaborated with Service Alberta and Alberta Advanced Education to develop and pilot a new educational model for students interested in careers in cybersecurity. This partnership was created to meet the increasing labour shortage of entry- to mid-level cybersecurity professionals through an innovative work-integrated learning experience that combines post-secondary coursework with work experience. The pilot project was designed to provide students and graduates the opportunity to bridge the education-to-workforce gap by employing students in the field while developing new knowledge and skills in the areas they are lacking through coursework at MacEwan. To date, one of the MacEwan students who took advantage of this new opportunity is now employed in the field.

MacEwan International and the Government of Alberta hosted an Internationalization@Home (I@Home) symposium in September 2020. This provided faculty with best practices in Collaborative Online International Learning and information on funding available through the provincial I@Home grant.

The university has partnered with several institutions and learning providers to provide dual credit courses and opportunities to students throughout the province and beyond. For example, MacEwan's School of Business has a dual credit agreement with Edmonton Catholic Schools for its BUSN 201 course.

The Faculty of Health and Community Studies also has a dual credit agreement with Edmonton Catholic Schools at St. Joseph's High School in partnership with the Department of Public Safety and Justice Studies. This was the third year of the dual credit offering aimed at providing high school students in Edmonton Catholic Schools an

opportunity to explore careers within law enforcement.

MacEwan signed a five-year agreement with Northland School Division during the reporting period that will provide northern Alberta high school students with access to the university's dual credit course, INDG 100: Introduction to Indigenous Studies. The cost of teacher time was covered by the school board and faculty time funded by MacEwan, so the dual credit course is offered to students at no cost.

Other examples include:

- The School of Continuing Education and kihêw waciston Indigenous Centre work closely with Indigenous organizations including the Oteenow Training & Employment Society and University nuhelot'ine thaiyots'î nistameyimâkanak Blue Quills to support students in the pimâcihisowan Foundation Program. In Cree, pimâcihisowin, means "to create a life of independence" and the program is designed to address the gap between high school credential and the requirements needed to be admitted into a post-secondary diploma or degree program. Geared primarily towards Indigenous students, the pimâcihisowin Foundation Program includes cultural support, mentorship and ceremonial events that helps student achieve their post-secondary goals. The program is very successful with enrolments in INDG 100 increasing each year.
- The Faculty of Health and Community Studies' collaboration with Little Red River Cree Nation continued online offering of the Special Needs Educational Assistance program to employees working as educational assistants within the school system.
- The School of Education is working with Keyano College to offer professional development courses to students in the Peace River region. An agreement to offer domestic courses has been signed, and contract negotiations for the international program are in progress.

- As the only institution to offer a graduate and professional school fair in 2020, MacEwan opened the event to all institutions that participate in the Edmonton Post-Secondary Career Services Network. This network includes the University of Alberta, Concordia University of Edmonton, NAIT, the King's University, and NorQuest College.
- The MacEwan-led Rural Roots Project was funded through Business + Higher Education Roundtable (BHER) and the Government of Canada. This project is a partnership between MacEwan, Mount Royal University, and Medicine Hat College with the Rural Development Network and Riipen.

MacEwan currently has over 50 agreements with institutions and organizations around the world for international collaboration in research, scholarship, teaching, and learning. These partnerships provide support for expanding the university's academic profile, enriching perspectives, and accessing funding opportunities.

The university's international agreements support student learning abroad through exchanges, internships, and short-term programs, as well as international learning through online projects. These learning opportunities provide MacEwan graduates with the intercultural competencies, knowledge, and skills to be successful in a global labour market and to meaningfully contribute to the growth of our society. For example, a partnership with Fulda University of Applied Sciences in Germany provided an opportunity for MacEwan's Model United Nations student group to lead virtual training, mentorship, and collaboration projects with students at Fulda. The collaboration projects were funded by the German Academic Exchange Service (DAAD) and support from Dr. Chaldeans Mensah, associate professor, Department of Political Science.

Supports for Foundational Learners

MacEwan's School of Continuing Education has been working closely with Alberta Settlement Services and organizations such as the Mennonite Society and Catholic Social Services to engage refugees and new Canadians in upgrading, language courses, and undergraduate courses through the Foundation Program International and the new Alberta Foundation Program.

Supports for Indigenous Learners

The university continued to develop and refine academic-related initiatives directly related to supporting Indigenous student success in 2020/21. To ensure the health and safety of students, faculty, and staff, kihêw waciston Indigenous Centre provided student advising and Elder support via email and phone. As noted in the Student Mental Health – Services for Students section, above, mental health support for Indigenous students was conducted through Wellness and Psychological Services' (WPS) main office.

In addition to providing mental health services and programming available through WPS, two Counsellors participated in a panel for ahcâhk maskwa osihcikêwina, a Spirit Bear Dialogues event. Panel members for this virtual event included an Indigenous Knowledge Keeper as well as an advisor from kihêw waciston Indigenous Centre and focused on the topic of mental health and the Indigenous student. The panel explored campus and community resources and discussed western versus traditional approaches to mental health.

In March, kihêw waciston Indigenous Centre hosted the inaugural oskaya êkiskwayihtamowin osihcikêwin Indigenous Youth Rising Conference. This conference was an all-day event aimed at providing Indigenous youth the opportunity to celebrate culture, attend sessions on several relevant topics, hear from Indigenous role models, and explore both educational and career opportunities. This new conference replaced the Dreamcatcher Conference, which had been hosted by MacEwan's Faculty of Health and Community

Studies for 28 years. The event was held virtually due to the COVID-19 pandemic and reached a wide audience with registered participants joining from locations across Canada, including Manitoba, Ontario, and the Yukon and Northwest Territories.

MacEwan's Indigenous Advisory Council (IAC), established in 2017, was reinvigorated during the reporting period as an externally focused group to act in an advisory capacity. The IAC is comprised of both Indigenous and non-Indigenous individuals to demonstrate partnership, diverse dialogue and capacity building, and reflects the invaluable knowledge brought to that group by its members. The IAC meets quarterly to discuss matters requiring consultation and feedback.

Other activities to highlight include:

- Online powwow dance special to honour residential school survivors
- Decolonizing, Mindfulness and Transformations: the second forum of the *2021 Interdisciplinary Dialogue: COVID-19's Calls to Reimagine Relations* in collaboration with MacEwan's ahcâhk maskwa osihecikêwina – Spirit Bear Dialogues and University nuhelot'ine thaiyots'î nistameyimâkanak Blue Quills
- Two Cree language courses developed and approved in the previous reporting period were offered in the 2020-21 academic year.

The university received a significant donation of \$250,000 from the Rupertsland Institute that became part of the Métis Scholar Awards Endowment, which now totals \$2.75 million. MacEwan's longstanding partnership with Rupertsland Institute has supported the university's goal of supporting Métis scholars, with as many as 30 Métis students receiving bursaries from the endowment each year.

Supports for Learners with Disabilities

MacEwan's Access and Disability Resources (ADR) worked collaboratively with other units in the university to provide support to students throughout 2020/21. The following increases were observed during the reporting period:

- Number of students with confirmed disabilities registering with ADR (14%); and,
- Number of students with confirmed multiple disabilities registering with ADR (16.8%).

The ADR team provided advising services to current and prospective students regarding intake, documentation review, determination of disability-related services and supports, service coordination, and more. To ensure the health and safety of students and community members, ADR responded to demand for resources and support, such as one-on-one appointments with students, through a variety of means, including telephone and virtual options. Advising services were provided to over 1,200 current MacEwan students.

The shifts in instruction and assessment resulting from the pandemic both increased and altered demand for the resources and supports provided by the ADR team and exam services. In ADR, the need for assistive technology services, academic learning strategies, Educational Assistant support, and Communication and Access Real-time Translation increased. Alternatively, the shift in modality for many course sections resulted in a corresponding shift in assessment, such as home exams or alternative assessment assignments. This shift is not representative of the year over year increased demand for exam services support and was a direct result of the pandemic.

Supports for Learners from Low-Income Backgrounds

MacEwan University's robust bursary program provides support to students who are struggling financially. The main eligibility criterion for this program is demonstrated financial need, and the university continued to concentrate on students entering university.

In addition, and to support students struggling financially as a result of the pandemic, the university increased funding to the COVID-19 Relief Bursary. The additional funds, more than \$430,000 in total, were distributed to

more than 500 MacEwan students who experienced job loss, reduced hours, or other financial challenges during the pandemic. The addition of these funds brought the distributed total to \$562,000.

Throughout the reporting period, MacEwan distributed over 3,800 scholarships, awards, and bursaries. Totaling over than \$5.3 million, this is an overall increase of 10% over the previous year.

- There were 472 awards given to Indigenous students to a total value of \$728,710.33
- There were 315 awards given to students with disabilities to a total value of \$334,817.61
- There were 520 awards given to students who are parents to a total value of \$593,200.00

During the reporting period, 1363 bursaries were given to support students in financial need, to a total of \$1,576,144.67. The total funds distributed, by category, are as follows:

- Scholarships: over \$1.3 million
- Awards: over \$2.5 million
- Bursaries: over \$1.5 million.

7. Financial and Budget Information

This information should be reviewed in conjunction with the June 30, 2021, MacEwan University audited consolidated financial statements and accompanying notes.

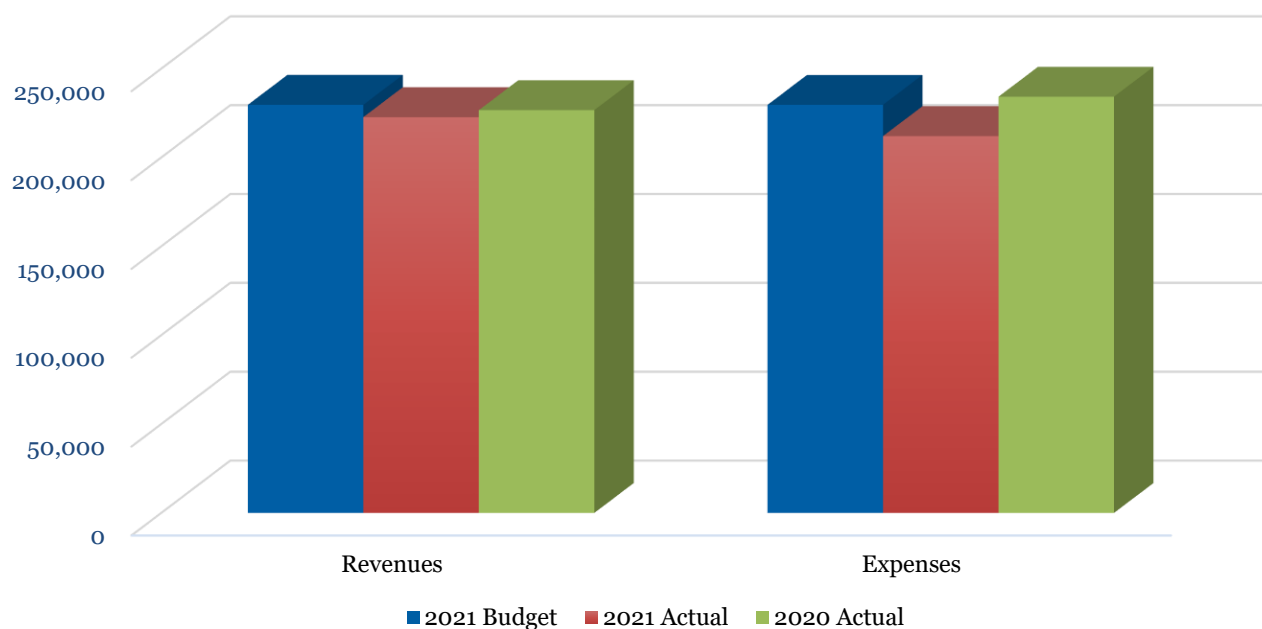
The audited consolidated financial statements are reviewed and approved by the Board of Governors of Grant MacEwan University on the recommendation of the Audit & Risk Committee of the Board of Governors. These consolidated financial statements are prepared in accordance with Canadian public sector accounting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

	Budget	2021 Variance	Actual	Year to Year Variance	2020 Actual
Revenues	\$ 229,644	\$ (6,919)	\$ 222,725	\$ (3,974)	\$ 226,699
Expenses	229,630	17,580	212,050	(22,189)	234,239
Annual Operating Surplus (Deficit)	14	10,661	10,675	18,215	(7,540)
Endowment Revenues	775	1,362	2,137	1,530	607
Annual Surplus (Deficit)	\$ 789	\$ 12,023	\$ 12,812	\$ 19,745	\$ (6,933)



The 2020/21 operating budget was prepared in the spring of 2020 based on assumptions which were reasonable at the time. During the year, however, the ongoing COVID 19 pandemic continued to have an impact on the level of activity on campus. Total revenue for the year was \$222,725

which was \$6,919 or 3% below budget. The most significant impact on revenue was related to the decline in revenue from the sales of services and products which was \$5,197 less than budgeted. The decline is related to the reduced level of campus activities. During the year, the following steps were taken to control expenses:

a. Salary and Benefits

Salary and benefit costs were less than budgeted due to the number of vacant positions across the University. In addition, many staff, particularly in the ancillary areas, were on furlough due to the pandemic.

b. Discretionary Expenses

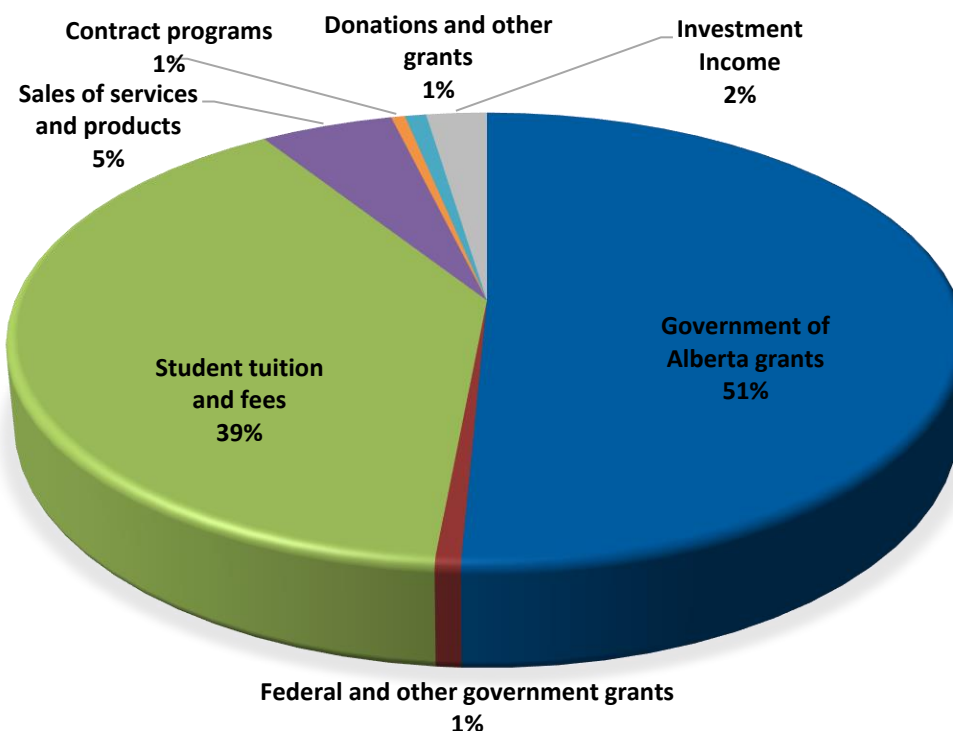
The reduced level of activity resulted in expenses generally being lower across the institution in multiple categories, including travel, consulting, contracted services, office and instructional supplies, small assets, and utilities.

Despite the reduce revenue, the university's annual surplus for 2021 was \$12,812 (2020: deficit of \$6,933) which is the net result of \$6,919 decrease in revenue compared to budget offset by \$17,580 positive variances in operating expenses. These variances are further explained in section B below.

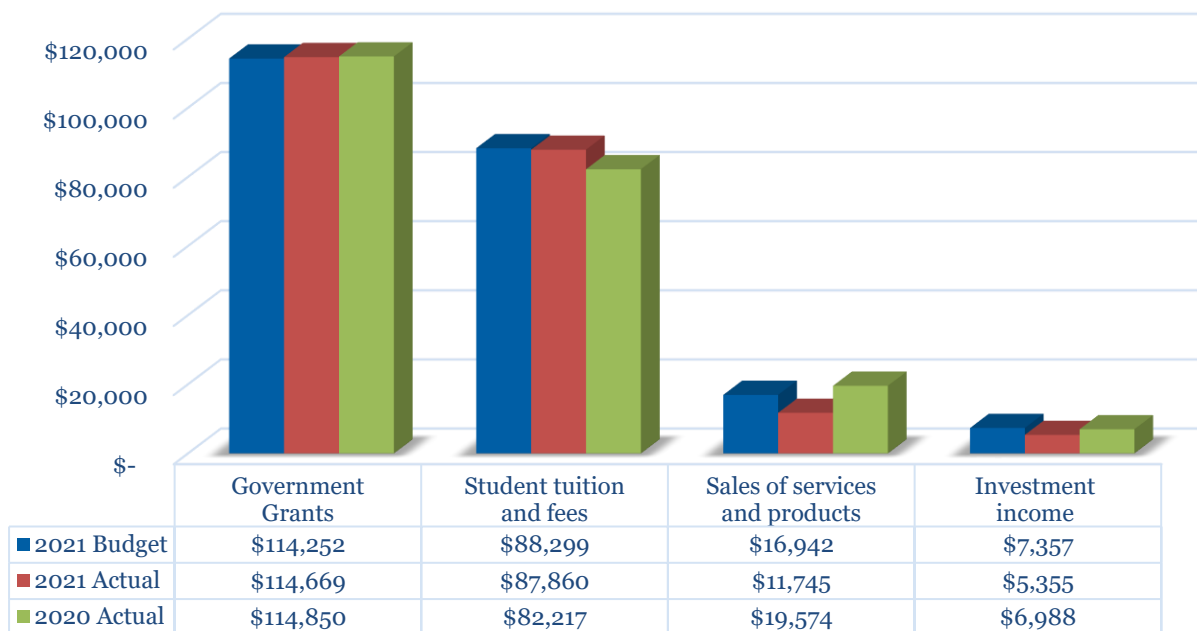
B. Operational Highlights

a. Operating Revenues

Grants from the Government of Alberta continue to be 51% of the total revenue for the university, with student tuition being the next largest category at 39%. Sales of services and products were 5% of total revenue in 2021, compared to 9% in 2020.



The following shows the comparison of the 2021 approved budget, 2021 actual, and 2020 actual revenue for each of the main categories of revenue:



i. Government grants

Government grants includes both Government of Alberta grants which represent the single largest source of funding for university operations and Federal and other grants which primarily support research activity. The \$114,669 of grant revenue consist of the following:

	2021			2020	
	Budget	Variance	Actual	Change	Actual
Government of Alberta:					
Campus Alberta Grant	\$ 105,266	\$ (1,303)	\$ 103,963	\$ 153	\$ 103,810
Other one-time and conditional funding:					
Student with disabilities		875	875	2	873
Student Mental Health and wellness		313	313	(166)	479
Infrastructure Maintenance Program	1,000	(731)	269	(54)	323
Other	1,516	394	1,910	(807)	2,717
Expended deferred capital contributions	5,656	13	5,669	(225)	5,894
	113,438	(439)	112,999	(1,097)	114,096
Federal and Other grants:					
One-time and conditional funding	756	852	1,608	915	693
Expended deferred capital contributions	58	4	62	1	61
	814	856	1,670	916	754
Total Government Grants	\$ 114,252	\$ 417	\$ 114,669	\$ (181)	\$ 114,850

Alberta provincial grants were lower due to less operating spending applied to the Infrastructure Maintenance Program (IMP). Federal grants included a \$265 grant for indirect research costs not budgeted for, an additional \$365 of federal wage subsidy grants through the Magnet Student Work Placement funding, and \$226 related to an increase in federally funded research activity.

ii. Student tuition and fees

Tuition fees and other fees for Canadian students enrolled in credit programs increased on average of 6.75% for 2020/21. The 2021 increase in tuition and fees of \$5,643 over 2020 is primarily the net effect of the following:

1. Increase in domestic undergraduate tuition by \$7,876 (13%) due to a combination of increased tuition rates and increased enrollment in the Bachelor of Arts, Science, Nursing and Commerce programs.
2. Decrease of \$1,260 in Continuing Education was primarily due to the cancellation of several Conservatory of Music course which could not be moved online.
3. Decrease of \$1,845 in international undergraduate tuition because of an overall 33% decline in international student enrollment.

iii. Sales of services and products

The overall variance indicates a significant shortfall of \$5,197 in revenue due to the impact of the pandemic on-campus operations with negative variances in the Student Residence (\$2,028), bookstore sales (\$1,258), parking (\$1,513), recreation registrations (\$463), and other revenue items such as lockers, conference, and theatre revenue (\$545). The shortfall was partially offset by a positive \$673 variance from the sale of furniture and fixtures to the Edmonton Public School Board related to the lease of the Alberta College campus.

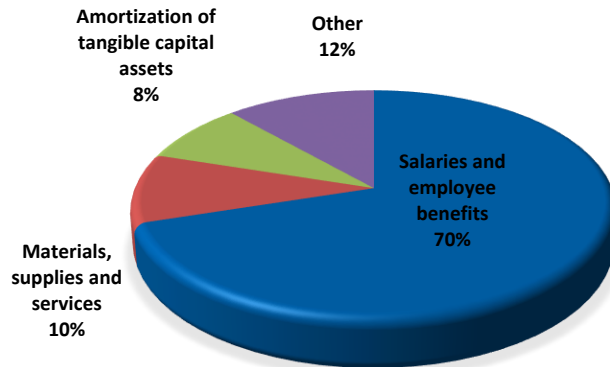
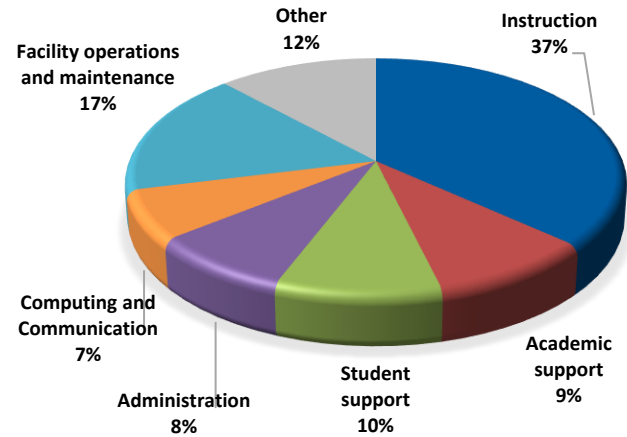
iv. Investment income

Investment income had an overall negative variance of (\$2,002) from the budget. (\$1,472) of the variance is due to a smaller than budgeted return on long-term investments. The budget assumed that some long-term investments would be redeemed to realize an additional \$2,000 in income. Due to the forecasted expenses being lower than budgeted this was not considered necessary.

b. Operating Expenses

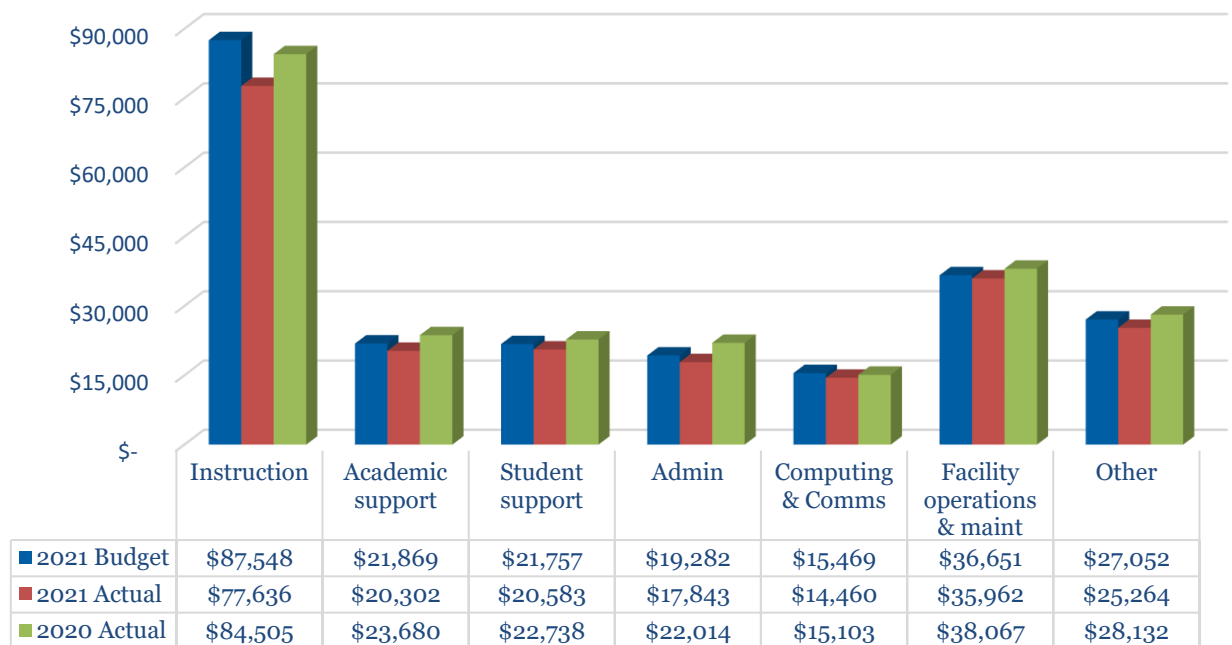
Under public sector accounting standards, the consolidated statement of operations presents expenses by the functions as defined in Note 2(k) to the consolidated financial statements.

Note 18 to the consolidated financial statements discloses the operating expenses by objects. The following presents an overview of 2021 operating expenses by function and object:

Expense by ObjectExpense by Function

i. Expense by function

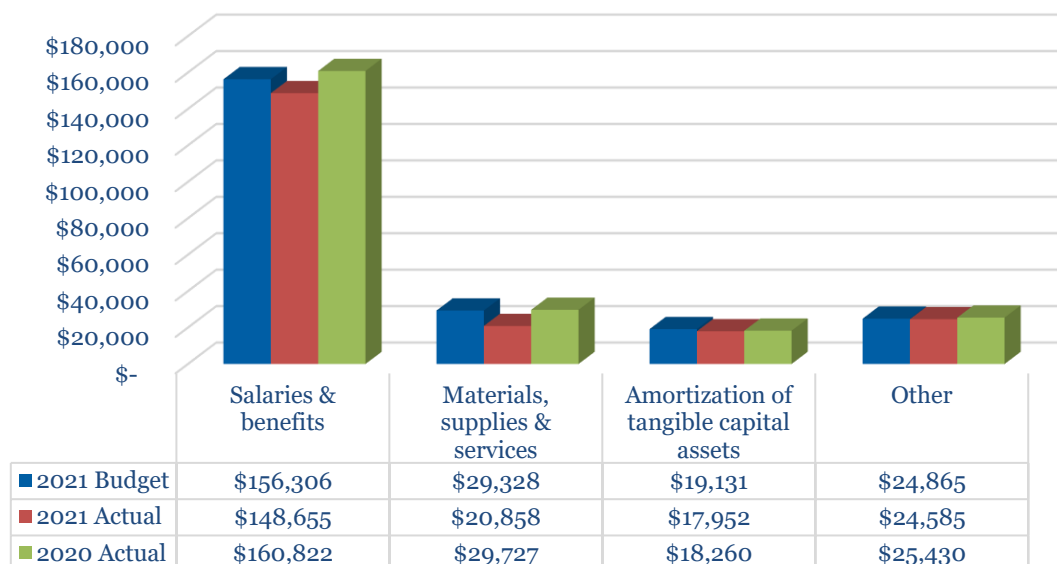
The following shows the comparison of 2021 approved budget, 2021 actual and 2020 actuals. The 2021 actual is below budget and 2020 for all functional areas.



The 2021 actual is below budget and 2020 for all functional areas. The most significant variance is in instructional costs which is primarily related to the university's ability to deliver courses online with fewer sessional instructors.

ii. Expense by object

Note 18 to the consolidated financial statements presents additional details of the expenses by objects. The following shows the comparison of 2021 budget, 2021 actual and 2020 actuals.



1. Salaries and employee benefits

Salaries and employee benefit expenses are less than the budget due to vacant positions, particularly in instructional positions. There were also a significant number of Campus services casual staff on furlough due to reduced level of activity on campus.

2. Materials, supplies, and services

Due to the pandemic, there considerable savings across most expense categories. The most significant savings were incurred in professional and contractor fees (\$2,700), travel and hosting expenses (\$1,780), and computer equipment and supplies (\$1,552).

C. Capital Plan – Acquisition of Tangible Capital Assets

The capital plan for 2021 included several construction and renovation projects such as the completion, furnishing, and relocation of the School of Continuing Education into the fifth floor of Allard Hall, classroom renovations on the third and fourth floors of Allard Hall, expansion of the John L. Haar Library and the initiation of the science lab expansion which has been partially funded by a \$2.4 million grant received from the Government of Alberta. See below for the summary of the capital plan.

	2021			Change	2020
	Budget	Variance	Actual		Actual
Building to be leased to Students' Association of MacEwan University	\$ -	\$ 406	\$ 406-	\$ (7,508)	\$ 7,914
Campus development	12,125	(5,264)	6,861	(10,400)	17,261
Campus Services infrastructure	445	(374)	71	(210)	281
Furniture, fixture and equipment	2,175	(1,207)	968	(1,714)	2,682
Technology and software	1,350	(584)	766	(619)	1,385
Library collections	338	553	891	390	501
Infrastructure enhancement	283	549	832	(747)	1,579
	\$ 16,716	\$ (5,921)	\$ 10,795	\$ (20,808)	\$ 31,603

D. 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.

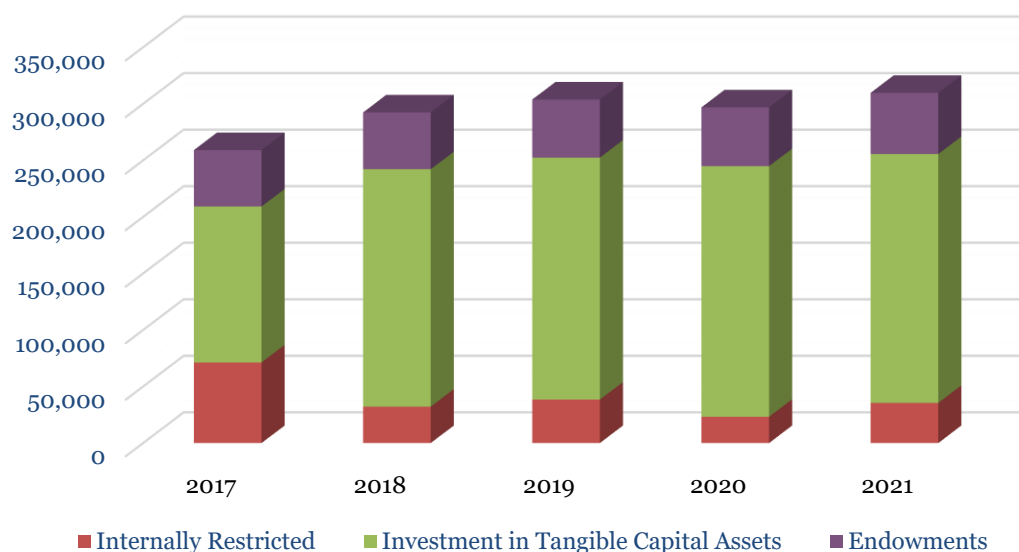
	2021	2020
Cash (applied to) provided by operating transactions	\$ 29,634	\$ (3,576)
Cash applied to capital transactions	(12,255)	(30,996)
Cash provided by (applied to) investing transactions	959	29,208
Cash applied to financing transactions	(1,447)	(3,713)
Increase (decrease) in cash	\$ 16,891	\$ (9,077)

- Cash provided by operating transactions for the year ended June 30, 2021 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 normal purchases and disposals during the period.
- Cash provided by financing transactions is due to repayment of debt less of donations received for Allard Hall.

E. Accumulated Surplus

MacEwan University's accumulated surplus at June 30, 2021 was \$309,658 (2020: \$296,846). 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 2017. 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 \$35,440 includes \$10,000 which is designated for the new academic building and the remaining funds will continue provide the funds to enhance the university campus and technology.

Trend of Total Accumulated Surplus



F. Risk Analysis

The 2020/21 to 2022/23 Financial 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 base Campus Alberta Grant	Campus Alberta Grant remained at level consistent with 2019/20	No impact
Decrease in student enrolment and business activities on campus due to the University continuing to have reduced services to help manage the COVID-19 pandemic	Changes made to Tuition and Fee regulations allowed for tuition & fee increases to an overall cap of 7%	Tuition and student fees revenue increased 6.8% over 2019/20
	Domestic student enrolment was relatively consistent with budget and 2019/20.	Revenue for the sale of services and product 44% below budget and 40% below 2019/20
	International student enrolment was 33% below 2019/20. On-campus activity significantly reduced because of the transition to online instruction	Moving to online instruction and reduced on-campus activity resulted in significant savings in all expenses categories offsetting any reduction to revenue
Significant reduction in the value of investment holdings resulting in a need to write-down investment value	Market value of the investment portfolios increased significantly during 2020/21	No impact
Inflationary increase to operating expenses	Inflationary increases low	No impact

The 2020/21 to 2022/23 Financial Plan also identified several 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 had an operating surplus 2020/21	The operating surplus increase in the amount of funds restricted for campus development
Government policy limits institutional flexibility to determine the best use of restricted funds and unrestricted funds	No changes	No impact
Significant increase in estimated cost of campus development projects	Cost of projects remain controlled	No impact

In addition to the above potential negative risks to the university's financial operations and campus development plans, there are also several 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 and contributing to the operating surplus.
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 transferred \$11 million of short-term investment to the operating bank account to ensure the university sufficient funds for its operating requirements	The additional funds were not required due to the significant reduction in expenditures. The cash balance at June 30, 2021 was \$17,071 higher than June 30, 2020.
Increase in Campus Alberta Grant which was not anticipated.	No increase received.	No Impact
Increased number of students	The slight overall increase in domestic student enrolment was offset by a reduction international student enrolment.	Minimal change in student enrolment resulted in increased tuition revenue based on tuition and fee increases that were effective for 2020/21

8. Capital Plan

For the 2020/21 reporting period, MacEwan University's capital plan continued with the next steps after the campus consolidation and the unification of all programming onto City Centre Campus (CCC). The next steps included design and construction of renovations and expansion of student learning spaces and services in the Library, Science Labs and the Exam Centre.

Phase 2 of the Library renovation, Phase 1 of lab space expansion, Exam Centre expansion, and a project to increase washroom capacity in Building 5 are some of the projects that are underway in the 2020/21 reporting period. The Library renovation added space, improved circulation and improved the acoustical separation. Phase 1 of the lab space expansion increased the capacity of the science teaching labs. The Exam Centre expansion increased the capacity of the Access and Disability Resources (ADR) Exam Centre will allow for an eventual consolidated campus Exam Centre. Increasing the washroom capacity in Building 5 and upgrading the washrooms to meet current building code and barrier-free design guide also supports MacEwan University's goal to celebrate diversity and embrace equity and inclusion by providing more gender-neutral washrooms.

Another area of focus for the Campus Master Plan is to ensure congruence with the City of Edmonton's development plans for downtown Edmonton. There are several key development initiatives that directly impact MacEwan University. The university is working closely with city officials to accommodate and minimize impact of the LRT expansion and Columbia Avenue streetscape work to the City Centre Campus.

In addition, challenges relative to the pandemic, Alberta's economy and PSI sector reform are expected to have a direct impact on campus planning.

The last major piece of campus consolidation was completed during the reporting period. This relocated students and programs from the

Alberta College Campus (ACC) to the CCC. The primary scope of the campus consolidation Allard L5 project was to design and construct program and departmental space, on the 5th floor of Allard Hall, to accommodate the move of the School of Continuing Education programs from ACC. The project was substantially completed on August 31, 2020.

Also completed earlier in the year, was the Cooling Coil Replacement Project which replaced sixty-four (64) air-handling unit (AHU) cooling coils on Buildings 5,6,7, and 8. The new cooling coils have an expected life expectancy of 25 to 30 years. Alberta Advanced Education awarded \$1,200,000 in grant funding to MacEwan University to support the project for replacing AHU cooling coils. The project was completed and commissioned on May 2, 2020.

MacEwan operates with as much as 40% less space per student compared to its peer PSIs in Alberta and significantly below its own space standard targets. Over the next five years, the university plans to increase its enrolment, increase full-time faculty positions to support further enrollment growth, and grow research and community partnerships, all adding to space demands. Current space pressures include demand for larger classrooms, more active learning spaces, and student support services areas. The university will need to explore innovative ways to manage space capacity issues.

The new academic building that will accommodate the School of Business, Careers and Experience, MacEwan International and the Office of University Research is the highest priority capital project as it will provide capacity for MacEwan University to grow by approximately 2,000 to 2,500 FLEs. With this facility expansion, MacEwan will be able to increase its opportunities to grow, innovate and compete as a maturing university and to expand its delivery of high-quality student programs that are continually targeted to meet labour market demands and support innovation. The building will house over

21,000 m² of academic space on the university's north, 105 Avenue gateway. This additional building will allow expansion in other programs. For example, it will enable repurposing of Building 5 for additional

science lab and instructional space, allowing for growth in the Bachelor of Science, another high-demand and high-impact program.

2020/21 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	School of Business Building Project – Schematic Design	\$3,900,000	To be determined	\$3.9M University for planning and design.	No change
Expansion	Library Renovation	\$4,500,000	100% University	\$4.5M University	No change
Expansion	Lab Space Expansion and Update (Phase 1 and 2)	\$8,500,000	28% GoA 72% PSI funds	\$2.4M GoA \$6.1M University	\$2.4M reduction in GoA grant
Other					
Expansion	Exam Centre	\$1,200,000	100% University	\$1.2M University	No change
Expansion	Increase Washroom Capacity in Building 5	\$1,000,000	100% University	\$1.0M University	No change
Expansion	Faculty and Administration Offices and Workspaces Enhancements	\$4,600,000	100% University	\$6.1M University	No change
Expansion	Allard Hall Post-Occupancy Project	\$2,060,000	100% University	\$2.06M University	No change
Maintenance	Occupancy loading exiting and egress to meet capacity	\$11,500,000	100% GoA	\$4.5M from GoA CMR funding	No change
Preservation	High Voltage Switchgear	\$6,100,000	100% GoA	No funds received to-date	No change
Preservation	VING Lock Hardware Replacement	\$4,100,000	100% GoA	\$1.3M from GoA CMR funding	No change
Expansion	Classroom Expansion	\$11,000,000	To be determined	No funds received to-date	No change

Type of Project and Funding Sources					
Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
Preservation	East Campus Plant Replacement and Expansion	\$20,000,000	To be determined	No funds received to-date	No change
Maintenance	Clock Tower Main Entrance Vestibule Functional Improvement	\$5,6000,000	100% GoA	No funds received to date	No change
Preservation	Outdoor Ramp Heating System Replacement	\$1,800,000	100% University	\$550,000 University	University approved partial funding to address City Centre Parkade ramp.
Preservation	Campus Remediation	\$6,630,000	Government funding requested	No funds received to date	
Expansion	Increase Washroom Capacity in Building 5	\$1,000,000	100% University	\$1 million University	No change
Expansion	Campus Master Plan Repurpose of Open Space	\$1,500,000	100% University	\$100,000 University	University approved funding for planning
Proposed	Repurpose Building 5 for Science Expansion	To be determined	To be determined	No funds received to date	No change
Proposed	Building 7 Library Expansion	To be determined	To be determined	No funds received to date	No change

2020/21 Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
School of Business Project Schematic Design	Jul 2019 – Dec 2026	Jul 2019	Dec 31, 2026	Schematic Design in progress.	Prime Architect awarded.
Cooling Coil	Apr 2018 – Jun 2020	Apr 2018	Jun 2020	Complete	Completed
Allard Post Occupancy Project	Jul 2018 – Dec 2021	Jul 1, 2018	Dec 31, 2021	Work on the remaining 3	Completed AS5 Mechanical System.

2020/21 Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
				AHU units are in progress	Project experienced progress delays due to the pandemic.
Exam Centre	Jul 2019 – Dec 2021	Jul 1, 2019	Dec 31, 2021	Construction in progress.	Design completed and construction underway.
Increase Washroom Capacity in Building 5	Jul 2019 – Dec 2021	Jul 1, 2019	Dec 31, 2021	Construction in progress.	Design completed and construction underway.
Faculty and Administration Offices and Workspaces Enhancements	Jul 2019 – Mar 2024	Jul 1, 2019	Mar 31, 2024	Construction in progress.	Design completed and construction underway.
Campus Master Plan Repurpose of Open Space	Jul 2019 – Dec 2023	Jul 1, 2019	Dec 31, 2023	Planning complete; Design on hold	Design on hold due to unknown impacts of the LRT development
Ving Lock Hardware Replacement	Sep 2021 – Dec 2026	Sep 01, 2021	Dec 31, 2026	Not started	No change
East Campus Infrastructure Project (Planning)	Jan 2021 – Dec 2026	Jan 1, 2021	Dec 31, 2026	Prime architect awarded	MacEwan Campus Infrastructure Report finalized and will inform the East Campus Plant Replacement and Expansion.
Clock Tower Main Entrance Vestibule Functional Improvement	TBD			Pending funding	No change
Campus Remediation	TBD			Pending funding	No change
Outdoor Ramp Heating System Replacement	Mar 2021 – Sep 2023	Mar 21, 2021	Sep 30, 2023	CCC parkade ramp replacement under construction. Expected completion dates dependent on securing	Project designed and commenced construction.

2020/21 Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
				funding for the other ramps.	
High Voltage Switch Gear Replacement	TBD			Pending funding	No change
Occupancy loading exiting and egress to meet capacity	Jan 2021 – Dec 2024	Jan 1, 2021	Dec 31, 2024	Phase 1 is in progress	Schematic design completed.
Repurpose Building 5 for Science Expansion	TBD			Pending funding	Pending funding
Building 7 Library Expansion	TBD			Pending funding	Pending funding
School of Business Project Schematic Design	Jul 2019 – Dec 2026	Jul 2019	Dec 31, 2026	Schematic Design in progress.	Prime Architect awarded.
Cooling Coil	Apr 2018 – Jun 2020	Apr 2018	Jun 2020	Complete	Completed
Allard Post Occupancy Project	Jul 2018 – Dec 2021	Jul 1, 2018	Dec 31, 2021	Work on the remaining 3 AHU units is in progress	Completed AS5 Mechanical System. Project experienced progress delays due to the pandemic.
Exam Centre	Jul 2019 – Dec 2021	Jul 1, 2019	Dec 31, 2021	Construction in progress.	Design completed and construction underway.

Appendix A. Consolidated Financial Statements

Consolidated Financial Statements

For the year ended June 30, 2021

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Independent Auditor's Report

To the Board of Governors of Grant MacEwan University

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of MacEwan University (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, 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, 2021, 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 7, 2021
Edmonton, Alberta

MacEwan University
Consolidated Statement of Financial Position
As at June 30, 2021
(thousands of dollars)

	2021	2020
FINANCIAL ASSETS, excluding portfolio investments - restricted for endowments		
Cash (Note 3)	\$ 46,421	\$ 29,530
Portfolio investments - non-endowment (Note 4)	55,665	44,650
Finance lease receivable (Note 6)	21,930	22,643
Accounts receivable	3,646	3,936
Inventories held for sale	1,375	1,672
Advances	1,615	1,140
	130,652	103,571
LIABILITIES		
Accounts payable and accrued liabilities	27,962	29,089
Employee future benefit liabilities (Note 7)	7,082	7,911
Debt (Note 8)	61,733	65,829
Deferred revenue (Note 9)	55,726	36,298
Environmental liability for contaminated sites (Note 10)	6,665	6,014
	159,168	145,141
Net debt excluding portfolio investments - restricted for endowments	(28,516)	(41,570)
Portfolio investments - restricted for endowments (Note 4)	81,859	67,848
Net financial assets	53,343	26,278
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	398,957	406,569
Prepaid expenses	7,350	7,816
	406,307	414,385
Net assets before spent deferred capital contributions	459,650	440,663
Spent deferred capital contributions (Note 12)	132,338	135,701
Net assets	\$ 327,312	\$ 304,962
Net assets is comprised of:		
Accumulated surplus (Note 13)	\$ 309,658	\$ 296,846
Accumulated remeasurement gains	17,654	8,116
	\$ 327,312	\$ 304,962

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, 2021
(thousands of dollars)

	Budget (Note 22)	2021	2020
REVENUES			
Government of Alberta grants (Note 21)	\$ 113,438	\$ 112,999	\$ 114,096
Federal and other government grants (Note 21)	814	1,670	754
Student tuition and fees	88,299	87,860	82,217
Sales of services and products	16,942	11,745	19,574
Contract programs	1,403	1,214	1,341
Donations and other grants	1,391	1,882	1,729
Investment income	7,357	5,355	6,988
	<u>229,644</u>	<u>222,725</u>	<u>226,699</u>
EXPENSES (Note 18)			
Instruction	87,548	77,636	84,505
Academic support	21,869	20,302	23,680
Student support	21,757	20,583	22,738
Administration	19,283	17,843	22,014
Computing and communications	15,469	14,460	15,103
Facility operations and maintenance	36,651	35,962	38,067
Other	27,052	25,264	28,132
	<u>229,630</u>	<u>212,050</u>	<u>234,239</u>
Annual operating surplus (deficit)	14	10,675	(7,540)
Endowment contributions	775	2,137	607
Annual surplus (deficit)	789	12,812	(6,933)
Accumulated surplus, beginning of year	296,846	296,846	303,779
Accumulated surplus, end of year (Note 13)	<u><u>\$ 297,635</u></u>	<u><u>\$ 309,658</u></u>	<u><u>\$ 296,846</u></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, 2021
(thousands of dollars)

	<u>Budget</u> <u>(Note 22)</u>	<u>2021</u>	<u>2020</u>
Annual surplus (deficit)	\$ 789	\$ 12,812	\$ (6,933)
Acquisition of tangible capital assets (Note 11)	(16,716)	(10,143)	(31,603)
Environmental liability capitalized		(651)	(378)
SAMU building financing lease receivable		406	27,479
Amortization of tangible capital assets (Note 11)	19,131	17,952	18,260
Proceeds from sale of tangible capital assets		10	236
Loss (gain) on disposal of tangible capital assets		39	(60)
Change in accumulated remeasurement gains and losses		9,538	(3,059)
Change in prepaid expenses		466	(402)
Change in spent deferred capital contributions		(3,363)	(4,964)
		<hr/>	<hr/>
Increase (decrease) in net financial assets	3,204	27,065	(1,424)
Net financial assets, beginning of year		26,278	27,702
		<hr/>	<hr/>
Net financial assets, end of year		<u>\$ 53,343</u>	<u>\$ 26,278</u>

The accompanying notes are an integral part of these consolidated financial statement

MacEwan University
Consolidated Statement of Remeasurement Gains and Losses
Year ended June 30, 2021
(thousands of dollars)

	<u>2021</u>	<u>2020</u>
Accumulated remeasurement gains, beginning of year	\$ 8,116	\$ 11,175
Amounts reclassified to the consolidated statement of operations:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	(652)	(1,247)
Unrealized gains (losses) attributable to:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	<u>10,190</u>	<u>(1,812)</u>
Change in accumulated measurement gains (losses)	<u>9,538</u>	<u>(3,059)</u>
Accumulated remeasurement gains, end of year	<u>\$ 17,654</u>	<u>\$ 8,116</u>

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

MacEwan University
Consolidated Statement of Cash Flows
Year ended June 30, 2021
(thousands of dollars)

	2021	2020
OPERATING TRANSACTIONS		
Annual operating surplus (deficit)	\$ 12,812	\$ (6,933)
Add (deduct) non-cash items:		
Amortization of tangible capital assets	17,952	18,260
Spent deferred capital contributions recognized as revenue	(6,121)	(6,344)
Loss (gain) on disposal of tangible capital assets	39	(60)
(Decrease) increase in employee future benefit liabilities	(829)	34
Gain on disposal of portfolio investment - non endowments	(668)	(1,254)
Decrease (increase) in:		
Finance lease receivable (payment from SAMU)	714	693
Advances	(474)	-
Accounts receivable	289	1,798
Inventories held for sale	297	6
Prepaid expenses	466	(402)
Increase (decrease) in:		
Accounts payable and accrued liabilities relating to operating transactions	994	(10,099)
Deferred revenue	4,163	725
Cash provided by (applied to) operating transactions	29,634	(3,576)
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets less in-kind donations	(10,143)	(31,603)
(Decrease) increase in accounts payable and accrued liabilities relating to capital transactions	(2,121)	371
Proceeds on disposal of tangible capital assets	10	236
Cash applied to capital transactions	(12,255)	(30,996)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(5,033)	(6,787)
Proceeds on sale of portfolio investments	5,992	35,995
Cash provided by investing transactions	959	29,208
FINANCING TRANSACTIONS		
Increase in capital contributions	2,649	207
Debt repayment	(4,096)	(3,920)
Cash applied to financing transactions	(1,447)	(3,713)
Increase (decrease) in cash	16,891	(9,077)
Cash, beginning of year	29,530	38,607
Cash, end of year	\$ 46,421	\$ 29,530
Cash comprises of:		
Non-endowment	\$ 43,677	\$ 29,490
Endowment	2,744	40
	\$ 46,421	\$ 29,530

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

MacEwan University
Notes to the Consolidated Financial Statements
June 30, 2021
(thousands of dollars)

1) Authority and Purpose

The Board of Governors of Grant MacEwan University is a corporation that 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 and Vice-Chancellor, 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.

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	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

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Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value creates 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 that is other than temporary 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 portfolio investments are accounted for using trade-date accounting.

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

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

c) Revenue Recognition

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

i. Government Grants, Non-government Grants and Donations

Government transfers are referred to as government grants.

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

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

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

ii. Grants and Donations Related to Land

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

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

iii. Endowment Contributions

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

iv. Investment Income

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

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

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

d) Finance Lease Receivable

Net investment in finance leases are recognized at the present value of future expected lease payment 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 underlying tangible capital asset's carrying value 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.

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f) Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts 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, and interest costs that are directly attributable to the acquisition or construction of the asset.

Work-in-progress, including 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.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the minimum lease payments, excluding executory 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 cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

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

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

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

g) Foreign Currency Translation

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

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

h) Employee Future Benefit Liabilities

i. Pension

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

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

ii. Supplemental Retirement Plans

The university maintains a supplemental pension plan for its 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. 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 outside of short-term and long-term disability coverage. The maximum accumulated sick leave is 210 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 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 long-term

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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. The value of the benefit liability for employees on 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. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid.

v. Administrative Leave

The university supports employees transitioning from academic administrator positions to faculty positions by offering an administrative leave between appointments. The administrative leave is up to 12 months for five years of continuous service. The employee must return to regular faculty responsibility for a minimum period 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 salary and benefits equal to the employee's base salary at the end of their term as an academic administrator. The cost of the administrative leave is expensed in the year the employee is approved to receive the administrative leave.

i) Basis of Consolidation

i. Grant MacEwan University Foundation

These consolidated financial statements include the financial results of the Grant MacEwan University Foundation (foundation), which operates under Part 9 of the *Companies Act* (Alberta) for the support and advancement of the university. The foundation is a registered charity and is exempt from payment of income tax.

ii. MacEwan Downtown Corporation and The MacEwan University Land Trust

The university controls MacEwan Downtown Corporation, is the trustee for The MacEwan University Land Trust, and is a 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

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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.

j) Environmental Liability for Contaminated Sites

Sites are contaminated when chemical, organic or radioactive material or live organism that exceeds an environmental standard is introduced into the soil, water or sediment. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

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

The liability is recognized net of any expected recoveries.

k) Expense by Function

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

i. Instruction

Includes expenses related to all programming and training within the university, whether for credit or non-credit.

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

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

iv. Administration

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

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v. Computing and Communications

Includes expenses related to central institution wide Information Technology (IT) services. These costs can be either in-house or services provided by a third party.

vi. Facility Operations and Maintenance

Includes utility costs and centralized management and expenses to maintain and renovate grounds, facilities, operations, and physical plant for all university activities. It also includes amortization of building and equipment, except those expenses attributable to ancillary services.

vii. Other

Includes the following costs:

Ancillary services

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. It also includes amortization directly attributable to ancillary services.

Research

Includes expenses for strategic health innovation, research and education projects that are outside, but complimentary to the college's core program areas.

Restricted and endowment activities

Includes expenses associated with restricted grants, fundraising costs, salaries and benefits of staff who are designated for special purpose areas, specialized equipment for special purpose areas or self-generated business, foreign exchange losses, public relations and alumni relations, business development and advancement departments and strategic initiatives outside of core operational funding that contribute to the achievement of plan and goals of the organization.

Extraordinary expenses

Includes expenses associated with valuation changes, contaminated site costs, and changes in amortization calculations.

I) 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 ten 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 and 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.

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

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

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

m) Funds and Reserves (Internally Restricted Accumulated Surplus)

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

n) Future Accounting Changes

In August 2018, the Public Sector Accounting Board (PSAB) issued PS 3280 Asset retirement obligations. This accounting standard has been deferred by PSAB and 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, PSAB approved PS 3400 Revenue. This accounting standard has been deferred by PSAB, and 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.

In November 2020, PSAB issued PSG-8 Purchased intangibles. This accounting guideline is effective for fiscal years starting on or after April 1, 2023. Purchased intangibles provide guidance on how to account for intangibles.

In April 2021, PSAB issued PS 3160 Public-Private Partnership standard. This accounting standard is effective for fiscal years starting on or after April 1, 2023. This standard provides guidance on how to account and report on infrastructure procured through public-private partnership agreements.

Management has not yet adopted these standards and is currently assessing the impact of these new standards on the consolidated financial statements.

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3) Cash

The university has \$2,744 (2020: \$40) cash restricted for endowments.

4) Portfolio Investments

	2021	2020
Portfolio investments - non-endowment	\$ 55,665	\$ 44,650
Portfolio investments - restricted for endowments	81,859	67,848
	<u>\$ 137,524</u>	<u>\$ 112,498</u>

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

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).

	Level 1	Level 2	Level 3	Total
	2021			
Portfolio investments at fair value				
Pooled funds				
Canadian equities	\$ 721	\$ 33,045	\$ -	\$ 33,766
Foreign equities	6,453	69,668	-	76,121
Canadian bonds	1,747	-	-	1,747
Foreign bonds	-	24,889	-	24,889
Cash surrender value of planned gifts (life insurance policies)	-	-	1,001	1,001
	<u>\$ 8,921</u>	<u>\$ 127,602</u>	<u>\$ 1,001</u>	<u>\$ 137,524</u>
	<u>6.49%</u>	<u>92.79%</u>	<u>0.73%</u>	<u>100.00%</u>
	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>

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The fair value measurements are those derived from:

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

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 1,028	\$ 1,004
Disposals	(51)	(14)
Unrealized gains	<u>24</u>	<u>38</u>
Balance, end of year	<u>\$ 1,001</u>	<u>\$ 1,028</u>

The university has policies and procedures 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 to oversee 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 due to 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 diversified by asset class with individual issuer limits. The objective of the university's unrestricted long-term operating fund is to achieve 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.

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On June 30, 2021, the impact of a change in the rate of return on the investment portfolio is as follows:

- 0.42% change in fixed income securities would have a \$112 increase or decrease (2020: 1.61% change would have a \$406 increase or decrease);
- 18.44% change in common stocks and equivalents would have a \$20,263 increase or decrease (2020: 17.06% change would have a \$14,711 increase or decrease).

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The university is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The university does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The university's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

c) Liquidity Risk

Liquidity risk is the risk that the university will encounter difficulty 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 most cost-effectively. 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 honour 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. 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 most 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 Department of Treasury Board and Finance (Note 8).

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

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
2021				
Cash	100%	0%	0%	0.81%
Portfolio investments, fixed income	0%	100%	0%	0.42%
2020				
Cash	100%	0%	0%	0.58%
Portfolio investments, fixed income	0%	100%	0%	1.61%

6) Finance Lease Receivable

The university leases a building to the Students' Association of MacEwan University (SAMU). The initial lease term is 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 additional term. As the risks and benefits of this building were 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 are the same as the interest rate and semi-annual payment required on the debt financing received from the Department of Treasury Board and Finance for the SAMU building, as disclosed in Note 8.

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

	Finance lease receivable	Interest	Annual payment
2022	\$ 736	\$ 661	\$ 1,397
2023	758	639	1,397
2024	782	615	1,397
2025	805	591	1,396
2026	830	567	1,397
Thereafter	18,019	5,029	23,048
Total at June 30, 2021	\$ 21,930	\$ 8,102	\$ 30,032
Total at June 30, 2020	\$ 22,643	\$ 8,785	\$ 31,428

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7) Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	<u>2021</u>	<u>2020</u>
Benefit liability for employees on long-term disability	\$ 4,119	\$ 4,437
Supplemental retirement plan (SRP)	1,671	1,637
Accumulating non-vesting sick leave liability	763	838
Administrative leave	<u>529</u>	<u>999</u>
	<u>\$ 7,082</u>	<u>\$ 7,911</u>

a) Defined Benefit Accounted for on a Defined Benefit Basis

i. Benefit Liability for Employees on 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 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 of June 30, 2021. At June 30, 2021, the university had 31 (2020: 36) employees on 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 of June 30, 2021.

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 of April 30, 2019, and results were then extrapolated to June 30, 2021. Any resulting net actuarial gain (loss) is deferred and amortized on a straight-line basis over the related employee groups' expected average remaining service life.

iv. Administrative Leave

The university supports 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 equal to the employee's base salary at the end of their term as an academic administrator. The cost of the administrative leave is expensed in the year the employee is approved to receive the administrative leave.

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

	Benefit liability for employees on long-term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit	Administrative leave
2021				
Expenses				
Current service cost	\$ 258	\$ 212	\$ 36	\$ 128
Interest cost	74	41	8	-
Amortization of actuarial (gain) loss	(115)	65	(78)	-
Total expense (recovery)	<u>\$ 217</u>	<u>\$ 318</u>	<u>\$ (34)</u>	<u>\$ 128</u>
Financial position				
Accrued benefit obligation:				
Balance, beginning of year	\$ 3,959	\$ 2,252	\$ 394	\$ 999
Current service cost	258	212	36	128
Benefit payment	(534)	(284)	(42)	(597)
Interest cost	74	41	8	-
Actuarial gain	(428)	(219)	(4)	-
Balance, end of year	<u>3,328</u>	<u>2,002</u>	<u>393</u>	<u>529</u>
Unamortized net actuarial gain (loss)	<u>791</u>	<u>(331)</u>	<u>370</u>	<u>-</u>
Accrued benefit liability	<u>\$ 4,119</u>	<u>\$ 1,671</u>	<u>\$ 763</u>	<u>\$ 529</u>
2020				
Expenses				
Current service cost	\$ 767	\$ 182	\$ 34	\$ 198
Interest cost	92	51	10	-
Amortization of actuarial (gain) loss	(128)	65	(79)	-
Total expense (recovery)	<u>\$ 731</u>	<u>\$ 298</u>	<u>\$ (35)</u>	<u>\$ 198</u>
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 loss	310	181	16	-
Balance, end of year	<u>3,959</u>	<u>2,252</u>	<u>394</u>	<u>999</u>
Unamortized net actuarial gain (loss)	<u>478</u>	<u>(615)</u>	<u>444</u>	<u>-</u>
Accrued benefit liability	<u>\$ 4,437</u>	<u>\$ 1,637</u>	<u>\$ 838</u>	<u>\$ 999</u>

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:

	2021			2020		
	Benefit liability for employees on long-term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit	Benefit liability for employees on long-term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit
Accrued benefit obligation						
Discount rate	2.01%	2.27%	2.01%	1.88%	1.88%	1.88%
Long-term average compensation increase	2.50%	2.00%	2.50%	2.50%	2.00%	2.50%
Benefit cost						
Discount rate	1.88%	1.88%	1.88%	2.43%	2.43%	2.43%
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	7.3	8.2	10.8	6.9	10	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 the duration matched to the Department of Treasury Board and Finance borrowing rate as of June 15, 2021 (2020: June 15, 2020).

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 university employees and is accounted for on a defined contribution basis. An actuarial valuation of the LAPP was carried out as of December 31, 2019, and results were then extrapolated to December 31, 2020. At December 31, 2020, the LAPP reported an actuarial surplus of \$4,961,337 (2019: \$7,913,261).

The pension expense recognized in these financial statements is \$11,357 (2020: \$11,773). Other than the requirement to make additional contributions, the university does not bear any risk related to 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:

			Amount outstanding	
	<u>Maturity date</u>	<u>Interest rate</u>	<u>2021</u>	<u>2020</u>
Debentures payable to the Department of Treasury Board and Finance:				
1. Parkade	April 2025	6.250%	\$ 1,766	\$ 2,145
2. Student residence	June 2030	5.849%	21,741	23,532
3. West parkade	September 2030	4.392%	3,063	3,317
4. Robbins Health Learning Centre parkade	September 2032	4.890%	1,094	1,164
5. Surface parking lots	September 2024	1.568%	2,377	3,033
6. Allard Hall parkade	December 2047	3.164%	6,800	6,962
7. Allard Hall retail	December 2047	3.164%	2,962	3,033
8. Students' Association of MacEwan University building	December 2042	3.040%	21,930	22,643
			\$ 61,733	\$ 65,829

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
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
2026	3,896	1,712	5,608
Thereafter	39,863	10,114	49,977
	<u>\$ 61,733</u>	<u>\$ 20,789</u>	<u>\$ 82,522</u>

Interest on debt is \$2,708 (2020: \$2,913) and is included in the consolidated statement of operations. No interest on debt is included in tangible capital assets on the consolidated statement of financial position (2020: nil).

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 are 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.

	2021			2020	
	Restricted		Student tuition and fees, contract programs and other revenue	Total	Total
	Unspent deferred revenue	Unspent deferred capital contributions			
Balance, beginning of year	\$ 25,612	\$ 150	\$ 10,536	\$ 36,298	\$ 44,062
Grants, donations and other revenue received	12,490	2,648	93,014	107,931	99,242
Restricted investment income - realized	3,528	10	-	3,538	2,383
Restricted investment income - unrealized gain (loss)	13,805	-	-	13,805	(3,685)
Transfers to spent deferred capital contributions	(245)	(2,513)	-	(2,758)	(1,380)
Deposit applied to finance lease receivable	-	-	(406)	(406)	(4,143)
Recognized as revenue	(9,229)	-	(93,498)	(102,506)	(99,989)
Returned to grantor	(176)	-	-	(176)	(193)
Balance, end of year	\$ 45,785	\$ 295	\$ 9,646	\$ 55,726	\$ 36,298

10) Environmental Liability for Contaminated Sites

The composition of liability is as follows:

	2021	2020
Balance, beginning of year	\$ 6,014	\$ 5,636
Addition to liability during the year	464	-
Change in estimate related to existing sites	187	378
Balance, end of year	\$ 6,665	\$ 6,014

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:

	2021						2020
	Land	Buildings	Land improvements	Equipment ⁽²⁾	Computer hardware and software	Other ⁽³⁾	Total
Cost⁽¹⁾							
Beginning of year	\$ 59,896	\$ 456,220	\$ 6,883	\$ 30,991	\$ 45,782	\$ 17,805	\$ 617,577
Acquisitions	792	6,591	15	1,058	796	891	10,143
Change in environmental liability for contaminated sites	651	-	-	-	-	-	651
Transferred to finance lease receivable	-	(406)	-	-	-	-	(406)
Recategorization	-	-	-	1,124	(1,124)	-	-
Disposals, including write-downs	-	-	-	(496)	(3,303)	(105)	(3,904)
	61,339	462,405	6,898	32,677	42,151	18,591	624,062
Accumulated amortization							
Beginning of year	-	(139,027)	(3,504)	(19,973)	(35,220)	(13,284)	(211,008)
Amortization expense	-	(11,498)	(335)	(1,923)	(3,266)	(930)	(17,952)
Recategorization	-	-	-	(333)	333	-	-
Effects on disposals, including write-downs	-	-	-	450	3,300	105	3,855
	-	(150,525)	(3,839)	(21,779)	(34,853)	(14,109)	(225,105)
Net book value at June 30, 2021	\$ 61,339	\$ 311,880	\$ 3,059	\$ 10,898	\$ 7,298	\$ 4,482	\$ 398,957
Net book value at June 30, 2020	\$ 59,896	\$ 317,193	\$ 3,379	\$ 11,018	\$ 10,562	\$ 4,521	\$ 406,569

- (1) Cost includes work-in-progress at June 30, 2021 totaling \$6,455 (2020: \$16,263) comprised of buildings \$6,353 (2020: \$15,199) and computer hardware and software \$102 (2020: \$999). It does not include land (2020: \$19), equipment (2020: \$1) or land improvements (2020: \$45).
- (2) Equipment includes vehicles, heavy equipment, office equipment and furniture, and other equipment.
- (3) Other tangible capital assets include library materials, leasehold improvements and works of art used to support the educational purposes of certain academic programs.

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12) Spent Deferred Capital Contributions

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 135,701	\$ 140,665
Transfers from unspent deferred capital contributions	2,513	208
Transfers from unspent deferred revenue	245	1,172
Spent deferred capital contribution recognized as revenue	<u>(6,121)</u>	<u>(6,344)</u>
	<u><u>\$ 132,338</u></u>	<u><u>\$ 135,701</u></u>

13) Accumulated Surplus

	<u>Accumulated surplus (deficit) from operations</u>	<u>Investment in tangible capital assets</u>	<u>Internally restricted</u>	<u>Endowments</u>	<u>Total</u>
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
Annual operating surplus	10,675	-	-	-	10,675
Endowment contributions	-	-	-	2,137	2,137
Amortization of internally funded tangible capital assets	11,831	(11,831)	-	-	-
Net book value of assets disposals	49	(49)	-	-	-
Debt repayment impacting investment in tangible capital assets	(3,382)	3,382	-	-	-
SAMU Building	406	(406)	-	-	-
Internally funded acquisition of tangible capital assets	(2,849)	7,633	(4,784)	-	-
Allard Hall donations	247	(247)	-	-	-
Operating expenses funded from internally restricted surplus	3,977	-	(3,977)	-	-
Net Board appropriation to internally restricted surplus	(20,954)	-	20,954	-	-
Accumulated surplus, June 30, 2021	\$ -	\$ 220,150	\$ 35,440	\$ 54,068	\$ 309,658

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 of Governors and do not have interest allocated to them. Internally restricted accumulated surplus includes:

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	Balance, beginning of year	Disbursements		Appropriations from accumulated operating surplus	Balance, end of year
		Operating expense	Capitalized		
Campus development	\$21,974	(\$3,433)	(\$4,597)	\$9,626	\$23,570
New campus building	-	-	-	10,000	10,000
School of Continuing Education	326	(39)	-	-	287
Student technology reserve	767	(505)	(187)	1,328	1,403
Music degree - renovations	175	-	-	-	175
Scholarships and bursaries	5	-	-	-	5
	<u>\$23,247</u>	<u>(\$3,977)</u>	<u>(\$4,784)</u>	<u>\$20,954</u>	<u>\$35,440</u>

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

Financial assets	2021	2020
Cash	\$ 2,744	\$ 40
Portfolio investments - endowments	81,859	67,848
Accounts receivable	-	17
Total financial assets	<u>\$ 84,603</u>	<u>\$ 67,905</u>
Less:		
Accounts payable and accrued liabilities	(65)	(53)
Deferred revenue - investment earnings available for distribution	<u>(30,470)</u>	<u>(15,921)</u>
	<u>\$ 54,068</u>	<u>\$ 51,931</u>

14) Contingent Assets

The university has initiated an insurance claim in which the outcome may result in assets in the future. The university estimates the potential settlement to be about \$722, which will not have a material effect on the financial position or the results of operations of the university. The insurance claim has not been assessed by the insurance company. Contingent assets are not recognized in the consolidated financial statements.

15) Contingent Liabilities

As of June 30, 2021, the university was a defendant in four legal proceedings (2020: four). 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 university's consolidated financial position or results of operations.

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 the fair value of the obligation.

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16) Contractual Rights

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

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

	Operating leases	Other contracts	Total
2022	\$ 1,695	\$ 6,462	\$ 8,157
2023	1,529	2,668	4,197
2024	599	2,871	3,470
2025	-	2,081	2,081
2026	-	1,055	1,055
Thereafter	-	17,795	17,795
Total at June 30, 2021	<u>\$ 3,823</u>	<u>\$ 32,932</u>	<u>\$ 36,755</u>
Total at June 30, 2020	<u>\$ 3,252</u>	<u>\$ 29,419</u>	<u>\$ 32,671</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
2022	\$ 2,773	\$ 761	\$ 4,799	\$ 186	\$ 8,519
2023	2,923	1,719	-	69	4,711
2024	2,923	1,501	-	12	4,436
2025	2,923	1,501	-	-	4,424
2026	2,192	1,501	-	-	3,693
Thereafter	-	-	-	-	-
Total at June 30, 2021	<u>\$ 13,734</u>	<u>\$ 6,983</u>	<u>\$ 4,799</u>	<u>\$ 267</u>	<u>\$ 25,783</u>
Total at June 30, 2020	<u>\$ 9,266</u>	<u>\$ 6,888</u>	<u>\$ 2,988</u>	<u>\$ 349</u>	<u>\$ 19,491</u>

The university is one of 64 members (2019: 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 of December 31, 2020, CURIE had an accumulated surplus of \$99,449 (2019: \$90,185), of which the university's pro-rata share is approximately 1.20% (2019: 1.18%). 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:

	Budget	2021	2020
Salaries	\$ 130,621	\$ 124,841	\$ 134,877
Employee benefits	25,685	23,814	25,945
Total salaries and employee benefits	156,306	148,655	160,822
Materials, supplies and services	29,328	20,858	29,729
Amortization of capital assets	19,131	17,952	18,260
Maintenance and repairs	7,947	8,685	8,394
Cost of goods sold	3,858	3,342	4,640
Utilities	5,485	4,462	4,492
Scholarships and bursaries	4,849	5,388	4,989
Interest on long term debt	2,726	2,708	2,913
	\$ 229,630	\$ 212,050	\$ 234,239

19) Salaries and Employee Benefits

	2021				2020
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ⁽³⁾	Total	Total
Governance (4)					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -
Members of the Board of Governors	-	-	-	-	15
Executive					
President					
President and Vice-Chancellor (5)	279	6	88	373	-
Past President (6)	-	-	-	-	69
Acting President and Vice-President, Resources and People (7)	56	118	13	187	377
Provost and Vice-President, Academic	270	6	73	349	357
Vice-President, General Counsel	254	6	78	338	335
Vice-President, University Relations	245	6	60	311	324
Vice-President, Finance and Administration and Chief Financial Officer (8)	121	3	35	159	-
Vice-Provost (9)	216	18	40	274	228
Associate Vice-President, Finance (10)	178	80	27	285	243

- (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 2021.
- (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, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships, tuition fees, and approved administrative leaves.

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- (4) Academic staff, student and non-academic staff members appointed to the Board of Governors received an honorarium of \$3 per year until May 1, 2020, after which the honorarium was nil, and a parking pass for daily use if required, pro-rated for their term on the Board of Governors. In the current year, academic staff, public members, student and non-academic staff members appointed to the Board of Governors, including the Board Chair, do not receive an honorarium. A parking pass for daily use was not required during the COVID-19 pandemic.
- (5) The position of President was changed to President and Vice-Chancellor on August 1, 2020.
- (6) The Past President's last day of employment was July 3, 2019. Other cash benefits in 2020 include a vacation payout of \$65.
- (7) The Vice-President Resources and People was also Acting President until July 31, 2020 and retired on September 18, 2020. Other cash benefits include \$2.5 additional pay as Acting President and a vacation payout of \$114.
- (8) The position of Vice-President Resources and People was changed to Vice-President Finance and Administration and Chief Financial Officer on January 2, 2021.
- (9) The Vice Provost is appointed from the Deans and receives additional pay of \$15 per year, which is included in other cash benefits. During the year, the position of Vice Provost was held by two individuals. The previous and current incumbent appointed to this position overlapped in July and August 2020.
- (10) The Associate Vice-President, Finance was also Chief Financial Officer until January 2, 2021, and was Acting Vice-President Resources and People from September 1, 2020 to January 2, 2021. The Associate Vice-President, Finance was on the executive decision-making team until his retirement on April 30, 2021. Other cash benefit includes \$7 as Acting Vice-President Resources and People and vacation payout of \$73.

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. The 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 benefits coverage. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. The 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 costs and accrued obligations for each of the executives in the above table are outlined in the following table:

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	Accrued obligation June 30, 2020	Service costs	Interest cost	Benefit payment	Actuarial loss (gain)	Accrued obligation June 30, 2021
President and Vice-Chancellor	\$ -	\$ 53	\$ 1	\$ -	\$ (3)	\$ 51
Acting President and Vice-President, Resources and People	284	11	1	(222)	(74)	-
Provost and Vice-President, Academic	56	40	2	-	(20)	77
Vice-President, General Counsel	268	35	6	-	(21)	288
Vice-President, University Relations	46	25	1	-	(19)	54
Vice-President, Finance and Administration & Chief Financial Officer	-	15	-	-	(1)	14
Vice-Provost	-	-	-	-	-	-
Associate Vice-President, Finance	-	-	-	-	-	-

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

Service costs for the President and Vice-Chancellor and the Vice-President, Finance and Administration and Chief Financial Officer include accrued benefits earned from August 1, 2020, and January 2, 2021, respectively, when the individuals in these positions became eligible to participate in the SRP. The Vice-Provost and the Associate Vice-President, Finance are not eligible to participate in the SRP.

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 Department of Treasury Board and Finance as described in Note 8.

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21) Government Transfers

	2021	2020
Grants from Government of Alberta		
Department of Advanced Education:		
Operating	\$ 111,153	\$ 108,215
Scholarship and awards	768	768
Capital	2,400	-
	<u>114,321</u>	<u>108,983</u>
Total department of Advanced Education		
	<u>-</u>	<u>10</u>
Other post-secondary institutions		
	<u>-</u>	<u>10</u>
Other Government of Alberta ministries, departments and agencies		
Children's Services	1,480	1,338
Education	19	-
Alberta Health Ministry	10	-
Alberta Innovates	-	78
Labour and Immigration	-	58
Culture, Multiculturalism and Status of Women	-	35
	<u>1,509</u>	<u>1,509</u>
Total other Government of Alberta ministries, departments and agencies		
	<u>1,509</u>	<u>1,509</u>
Total grants received	115,830	110,502
Restricted expended capital recognized as revenue	5,669	5,894
Change in deferred revenue	(8,500)	(2,300)
	<u>\$ 112,999</u>	<u>\$ 114,096</u>
Federal and other government grants		
Total grants received	\$ 2,180	\$ 771
Restricted expended capital recognized as revenue	61	61
Change in deferred revenue	(571)	(78)
	<u>\$ 1,670</u>	<u>\$ 754</u>

22) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the university's 2020/21 to 2022/23 Financial Plan as approved by the Board of Governors and presented to the Minister of Advanced Education.

23) Comparative Figures

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

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