

Annual Report

2021/22



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1. Accountability Statement

MacEwan University's Annual Report for the nine-month period ended March 31, 2022, 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 June 1, 2022.

2. Management's Responsibility for Reporting

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

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

The Annual Report has been developed under the oversight of the university's Audit & Risk Committee, Finance, Property and Investment Committee, and Strategy & Stakeholder Relations 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 Maureen Lomas, CMA, CPA]
Vice President, Finance and Administration & Chief Financial Officer



3. Message from the President and Vice-Chancellor

Mid-way through the second year of my term, amid a global pandemic, I would like to acknowledge the remarkable progress and resiliency of MacEwan University during the 2021/22 year.

Following Board of Governors and General Faculties Council approval last fall, the university began implementation of its new strategic framework, *Teaching Greatness: Strategic Vision 2030*. The plan is a bold and aspirational 10-year plan that defines MacEwan's special place in the Alberta post-secondary ecosystem while also being aligned to *Alberta 2030: Building Skills for Jobs*, the province's vision for the post-secondary system.

MacEwan University was very appreciative to receive operating and program grant funding for 2022/23 from the province that remained at 2020/21 levels and is projected to do so for one more year. We also received much needed funding for Capital Maintenance Renewal, for students with disabilities and for mental health supports. With our new strategic vision in place, the university is well positioned to

leverage opportunities announced in the Provincial Budget 2022 to support the Alberta at Work initiative and advance *Alberta 2030*, including enrolment growth in programs of strength that are in 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. While we saw some unpredictability in our enrolment patterns through the pandemic, our enrolment remains relatively stable. In the short term, the university has immediate plans to expand the number of micro-credentials offered and grow enrolment in high demand areas of business, health and community programs, and science. To provide more flexible options, the university is pursuing options to allow our students to exit with secondary majors. In Fall of 2022, we will admit the first cohort of students to our new Bachelor of Fine Arts, building on our history of exceptional fine art programming that connects the craft and the business of the arts.

Growth and then accelerated growth are planned for the later part of our strategic vision. Expanding to 20,000 Full Load Equivalents (FLEs) by 2030 - a 60% increase based on current FLEs - is a cornerstone initiative in our new strategic vision. While we will continue to be innovative in how we grow, the university's highest priority is to secure funding for a new School of Business building to meet labour market and skill needs of Edmonton, the capital region and the province.

Planning continues for the new School of Business building, with the schematic design approved by the Board in March 2022, moving the project into the design development phase. This means that MacEwan is shovel ready this year for the building if capital funding can be secured. This is planned growth that realizes our Campus Master Plan which was approved in 2018. A funding plan is in place that includes a comprehensive fundraising strategy with well-known and respected business and community leaders as co-chairs.

MacEwan continued to keep our community safe during the pandemic, while also providing quality learning opportunities for our students, moving online when needed and increasingly improved our hybrid (intentionally flexible) pedagogy.

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. MacEwan's role as a downtown university came into sharper focus during the pandemic and points to the important role the institution plays in Edmonton's vibrancy, recovery, and economic and social success.

I was delighted to see a very active campus later in Winter term, with more activity than we saw at in Fall of 2021. The university continues to benefit from our learnings through COVID-19 and are finding more clarity in how we deliver our programs, particularly in a post-pandemic, hybrid learning environment and through investments in hybrid delivery which is critical to our long-term growth plan.

MacEwan University is on target to complete a search for our second of four Tier-2 Canada Research Chairs (CRC). The academic appointments will be in place by June 2022 and will seek CRC funding in the areas of Indigenous Business and Social Entrepreneurship, and Urban Policy and Governance. CRC provide an excellent opportunity to recruit outstanding scholars who can help shape and deliver MacEwan's vision for scholarship and an opportunity to build steeples of excellence in areas of strength. In building our research profile, the university also saw very positive results in growing our external research funding in an order of magnitude increase during this past year.

MacEwan is diversifying its revenue streams. Our fundraising capacity is enhanced a with

modular campaign approach. Several campaigns were launched over the past year that will support the success of our students, including the Students First Modular Campaign. The aim of this campaign is to double student aid over the next five years.

MacEwan continues to respond as a community on matters of equity, diversity and inclusion, and on matters of reconciliation. The university is working towards building a community that is reflective of our student body and of the diverse society around us. *Teaching Greatness* integrates our connection to community and our sense of place. We are partners in reconciliation and committed to Indigeneity and inclusive excellence. An employee demographic data survey was conducted last fall, and we continue to examine the results to identify gaps and build strategies for a more inclusive community.

A very special highlight this past year was the achievement of our MacEwan Griffins women's soccer team in their first-ever U Sports championship title. This was a wonderful accomplishment for the university as we continue to build our athletics program.

I am looking forward optimistically to MacEwan's future as we celebrate our 50th anniversary and implement *Teaching Greatness*. With our long history as an institution that focuses on people, MacEwan University is well positioned to contribute to the economic, social, 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, 2021 – March 31, 2022:

Disclosures Received	Disclosures Acted On	Disclosures Not Acted On
0	N/A	N/A
Investigations Commenced	Findings of Wrongdoing	Disclosures Closed
N/A	N/A	N/A

5. Operational Overview

As per the annual report guidelines, this section details significant factors affecting the university's outcomes and performance. The university has successfully adopted a new fiscal year from April to March, reflecting a nine-month condensed reporting period for this year's annual report.

New Strategic Framework

As MacEwan prepared to mark its 50th anniversary and as the province set a new direction for Alberta's post-secondary sector through *Alberta 2030*, it was an obvious time to chart a new path forward for the university to ensure growth and success over the next decade in serving our community. In October 2021, the General Faculties Council and Board of Governors approved a new strategic vision for the university. *Teaching Greatness: Strategic Vision 2030* sets out key directions and the values that will guide us going forward. The new strategic vision represents what we heard from the academic community and our external partners that a passion for teaching is at the centre of what MacEwan University does. Through our new strategic vision, we are renewing our commitment to *Teaching Greatness* with rigor.

Alberta 2030 Initiative

The university is carefully considering the goals outlined in *Alberta 2030* and has started to act on a number of flagship initiatives, including the implementation of four new micro-credentials and in the submission of six proposals to *Alberta at Work* for targeted enrolment expansion funding to expand access in high demand areas.

In response to the provincial initiative stemming from *Alberta 2030* to reduce sexual violence on campus, MacEwan is recognized as a leader in this work and will be acting as a lead institution in collaborating with the Ministry of Advanced Education and the 26 Alberta post-secondary institutions to develop a sector-wide survey tool based on MacEwan's 2019 campus climate survey.

As a priority, we are also expanding our efforts to create more work integrated learning opportunities through growing partnerships and seeking external funding opportunities as we strive to produce job ready, practical and inquisitive graduates.

Fiscal Planning

As is the case with universities in Alberta and across the country, MacEwan ended the 2021/22 fiscal 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, supply chain and enrolment patterns. With a surplus realized of just over \$8 million, expenditures were significantly less than a normal year. Many course sections were moved online, allowing for larger online classes, 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 2022/23, the university found itself in a stable funding position with notification that operating and program grants for 2021/22 would remain close to 2020/21 levels. This was the first year of the government's commitment to three years of stable funding with no further reductions, subject to annual allocations. This allowed the university to be strategic and plan for the longer term and to develop a budget for 2022/23 focused on achievement of our approved mandate, the provincial vision for the system, *Alberta 2030*, and to realize our new strategic vision, *Teaching Greatness*. Investments in students, in supporting faculty to deliver exceptional undergraduate education, and in planning for our new School of Business building have been made.

The university also fully leveraged the room provided in the provincial *Tuition and Fee Policy* to be more on par with other jurisdictions. As noted in Section 6, demand for mental health support far exceeds what we can provide. The university is developing

strategies to meet this demand, including consultation with our students' association and the implementation a new mandatory non-instructional fee to add additional supports for mental health services.

New School of Business Building

Fundamental to the university achieving its new strategic vision and post-secondary growth over the next decade in support of *Alberta 2030* and the skills needs of the province, MacEwan's plans for a new School of Business building continues to progress. The plan for the new building has been consistently reflected in our planning documents and submissions to government, including our 2018 Campus Master plan, and aligns with the *Infrastructure Accountability Act* and government released 20-year capital plan. Roughly 25% of MacEwan's enrollment is in the School of Business and this is an area of strong labour and student demand. Given our plans for growth, even with innovative ways of expanding access, MacEwan will exceed its physical capacity within the next ten years. A new academic building is critical for meeting increased need and to ensure MacEwan remains a critical choice in post-secondary education.

The business case for the new building was formally submitted to the Minister in December 2021. At its March 17 meeting, the Board of Governors approved the building's schematic design, moving the project to the design development phase.

COVID-19

The university's operations and program delivery continued to be impacted by the global pandemic. As much as possible, the university's goal was to have an active campus. This was achieved as we carefully followed the health and safety orders issued by the Chief Medical Officer, by the design of flexible hybrid programming and by investing in on-campus safety measures. Vaccine and mask mandates were put in place for specific periods of time, which resulted in high vaccination rates in the university community.

In response to the Omicron variant that emerged at the beginning of Winter term, the faculty front-loaded the online components of hybrid delivery so that they could deliver the in-person components later in the term as the Omicron variant declined. This approach allowed us to see a more active campus in the later part of Winter term than at our previous peak in Fall of 2021.

Spring, Summer and Fall term registrations are open with the assumption that we will be able to continue into the fall with no restrictions. The university continues to benefit from our learnings and find more clarity in how we deliver our programs, particularly in a post-pandemic, hybrid learning environment. Enrolment trends, campus activity and expenditure and revenue patterns continue to be affected throughout the year. Supply chain issues were also a concern with major delays in receiving technology, furniture, and equipment, creating budget surpluses in these areas.

Leadership and Organizational Changes

In February, we welcomed Maureen Lomas as our new vice-president, Finance and Administration & CFO, who joined us from Alberta Innovates, and Jason Fung, as general counsel, coming from Alberta Justice and Solicitor General.

Two decanal searches were completed during this year: Dr. Richard Perlow was appointed as the dean of the School of Business and Dr. David Danto was appointed as the dean of the Faculty of Health and Community Studies. Dr. Perlow comes to MacEwan from the University of Lethbridge with extensive teaching and administrative experience. Dr. Danto is currently a program head at the University of Guelph-Humber, a position he has held since 2010. Both will commence their roles in June 2022.

Recruitment continues to be impacted by the restrictions of the Reform of Agencies, Boards and Commissions (RABCCA) compensation regulation, limiting our ability to be competitive in recruitment.

Inclusive Excellence

The university continues to make progress on matters related to inclusive excellence. 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 conducted an employee demographic survey in fall of 2021. We continue to examine our results in comparison to MacEwan's first-year student population and the community around us. Through the course of the reporting year, the university implemented several strategies in support of inclusive excellence including:

- Introduction of a pilot program where term assistant professors are cross appointed with our kîhêw waciston Indigenous Centre to build capacity and embed Indigenous ways of knowing into our program content.
- The Faculty of Nursing Council is the most recent area to recommend equity admissions, earmarking up to 10% of seats for qualified Indigenous applicants.
- Alignment of our equity goals with our hiring practices by improving the language in our recruitment advertising.

Investment to support equity admissions and scholarships, awards and bursaries to reward excellence and expand needs-based funding, including targeted and support funding for students who are equity-deserving.

Enrolment Plan, Program Changes and Developments

Our decision to change the university's financial year end and the resulting revised Annual Report completion dates means that final enrolment numbers are not available for the Annual Report. Instead, we are reliant on our best prediction of where we expect the final reported numbers to land. The preliminary analysis for 2021/22 shows that enrolment falls short of the projection in the 2021/22 to 2023/24 Financial Plan by 320 FLEs. This shortfall results from drops in enrolments in both the international and domestic categories. This can be attributed, in part, to lower

application numbers for the year, a reflection of applications overall in the Alberta post-secondary system. Another contributing factor to the lower-than-expected enrolment numbers result from MacEwan's decision to implement a vaccine standard for the 2022 Winter term. This decrease in enrolment at MacEwan mirrors decreases in enrolment across the post-secondary system in Alberta.

There was only one significant programming change this year. General Faculties Council approved the termination of the Bachelor of Applied Business Administration, and the university is seeking to receive Ministry approval for termination effective July 1, 2022. The degree saw decreasing student interest and did not have strong industry recognition; with the availability of the BCom option, the applied degree was no longer serving a purpose and the program was suspended in July 2016. All students in the applied degree have been able to complete the credential or move to the BCom, with a major in Accounting.

With regards to program development, the School of Continuing Education developed and piloted four micro-credentials in areas of marketing, sustainable business, supply chain management, and data analysis with funding from the Government of Alberta. These courses were co-developed with representatives from business and industry. Forty learners participated in the pilot offerings and provided excellent feedback relating to course content, instruction and use of the online platform. Participants indicated they gained useful skills that they could apply to their work. All micro-credentials will be publicly launched in May 2022.

In the area of program development, the Faculty of Arts and Science has been exploring the expansion of a double major in both its BSc and BA degrees. Some progress has already been made, but the ability of students to get a secondary major with one major from each of Arts and Science has not been available. The university met with Campus Alberta Quality Council (CAQC) and with members of the Program Branch of the Ministry of Advanced Education in March 2022 to consider the

possibility of adding this increased flexibility to both our Arts and Science degrees. Our proposal was seen favourably and the university is now looking to add formal recognition for students who meet the requirements of such secondary majors in the immediate future. Further work to extend the idea of secondary majors across faculties and schools is now under consideration. The flexibility being provided to students will mean students can better demonstrate the unique nature of their learning at MacEwan in aid of advancing their careers aspirations.

MacEwan also met with CAQC on our readiness to apply for Audit Status within CAQCs reporting expectations. Such status would recognize the maturity of MacEwan's ability to develop degrees and self-regulate degree review. As a result of these discussions with CAQC, MacEwan has submitted a formal request for Audit Status.

6. Goals and Performance Measures

Implementation is now underway on the new strategic vision for the university, approved by the Board of Governors in October 2021. *Teaching Greatness: Strategic Vision 2030* is in alignment with the directions and flagship initiatives outlined in *Alberta 2030*. While it is early in implementation, progress has already been made on each direction. For each of the items that follow, the objectives and priorities are from *Teaching Greatness* and metrics defined in the 2022 Investment Management Agreement. Metrics are being developed under each direction to measure success of the new vision. This work is in progress.

TEACHING GREATNESS: Energizing MacEwan's commitment to exceptional undergraduate learning

Goal	Results Achieved
Establishing markers for success to realize MacEwan commitment to exceptional undergraduate learning.	<ul style="list-style-type: none"> A dashboard to measure the success of our new vision and this direction is in development. As a ten-year vision, the dashboard will measure progress in phases to recognize pandemic recovery, growth and accelerated growth. Currently, alumni report a 92% satisfaction rate related to quality of instruction. The university is exploring metrics that will move the measure on our commitment to exceptional undergraduate learning. Targets and measures are expected to be established by June of 2023.

SMASH THE CALENDAR: Maximizing flexibility to meet students where they are

Goal	Results Achieved
Implement and expand the university's offerings of micro-credentials.	<p>The university successfully launched four new micro-credentials in spring of 2022:</p> <ul style="list-style-type: none"> Data for Financial Growth, in partnership with Canadian Western Bank. Intelligent Supply Chain, in partnerships with Routeique Inc. and the Edmonton International Airport. Sustainable Business Revival, in partnership with Edmonton Chamber of Commerce. Digital Marketing for Small Business, in partnership with Edmonton Chamber of Commerce.
Accelerated Progression: Bachelor of Science in Nursing.	<ul style="list-style-type: none"> Project Aurora was launched to engage health professions and national experts and thought leaders to accelerate a nursing curriculum review, revision and implementation process. An expected outcome of the curriculum review will be to graduate nursing students sooner, and

Goal	Results Achieved
	<p>better prepare them to deal with today's nursing realities.</p> <ul style="list-style-type: none"> • A case for support is being developed that will generate resources for Project Aurora through philanthropic investment.

GRAND AS A GRIFFIN: Preparing MacEwan graduates who are versatile and future ready

Goal	Results Achieved
Expand opportunities for students to participate in work integrated learning (WIL) opportunities.	<ul style="list-style-type: none"> • The university is on track to grow WIL and has met the IMA target of 75% for proportion of approved programs that offer WIL opportunities for students. New targets are being established through IMA negotiations. • More than 5,000 of MacEwan students participate in placements including co-op, practicum, internships, field placement and clinical settings. • Over the past year, the university was able to more than double WIL opportunities in targeted areas over 2020/21 numbers. • Strategies are underway to develop unique partnerships and enhance communication and coordination across the university. Examples of new or expanded partnerships include: <ul style="list-style-type: none"> ○ Edmonton International Airport (MOU in place) ○ Edmonton Elks (MOU in place) ○ Citadel Theatre (exploring and expanding existing and new opportunities).

PERPETUAL MOTION: Pursuing deliberate growth to help shape Alberta's future

Goal	Results Achieved
New Academic Building: Build a strong case to advocate for investment in a new academic building for the university.	<ul style="list-style-type: none"> • With growth targeted for 20,000 FLEs by 2030, progress is being made on planning for a new academic building. On a headcount basis, this growth will exceed campus capacity. • The business case for the new building was submitted to the Minister in December 2021. A funding plan has been developed that

Goal	Results Achieved
	<p>includes provincial capital funds, along with a robust fundraising plan. The university has invested \$1.2 million in planning funding and allocated \$18.8 million in internal restricted funds to date.</p> <ul style="list-style-type: none"> Schematic design has been approved by the Board of Governors and the project is in the design phase which will be complete by fall 2022.
Program Growth in business, nursing and community and health programs to meet system demand.	<ul style="list-style-type: none"> The university has submitted a total of six proposals through the <i>Alberta at Work Program</i>, an initiative announced in Budget 2022 to support <i>Alberta 2030</i> implementation. Four proposals were funded, expanding spaces by 184 FLEs.

TRENDSETTERS AND TRENDBREAKERS: Strengthening the value MacEwan adds to community through scholarship

Goal	Results Achieved
Build centers of excellence around Canada Research Chairs.	<ul style="list-style-type: none"> Work continues to profile and fundraise to support the Centre for Sexual and Gender Diversity (CSGD) led by Canada Research Chair (CRC), Dr. Kristopher Wells. The CSGD supports research, teaching and service work related to sexual orientation, gender identity and gender expression on campus and in the community. Strong partnerships have formed around the centre, including with the Edmonton Oilers Community Foundation. The university is on target to complete its search for its second of four Tier 2 Canada Research Chairs. It is expected that the Indigenous Business and Social Entrepreneurship chair will be in place this spring. The search for a research chair in Urban Policy and Governance was completed in Spring 2022. In addition to building centres of excellence around specific areas of expertise, the CRCs provide an opportunity to drive interdisciplinary research across faculties and schools.

FULFILLMENT OF LEGISLATED ROLES AND MANDATES

In alignment with the mandate approved by the Minister of Advanced Education, 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 diplomas and certificates, as well as non-credential offerings in preparatory and transfer areas.

STUDENT MENTAL HEALTH

Student demand for mental health and wellness supports continues to increase year over year. Throughout the reporting period, due to the COVID-19 pandemic, the university continued to see consistent demand for services and support. The university's Wellness and Psychological Services office (WPS) maintained its multimodal approach of providing initial consultation services to students.

Initial consultations, of which 807 have been provided to date, are free and confidential 30-minute conversations where students meet with a clinician to explore the student's reasons for seeking help. The initial consultations provided from July 2021 to March 2022 represent an 11% increase to date over the last year, demonstrating the consistent increase in demand for student mental health services year over year. During a consultation, a student and clinician discuss goals for counselling as well as the best course of action to address those goals moving forward. The number of individual counselling and case management appointments to students following initial consultation reached 3,877 during the reporting period.

The use of a short-term counselling model allows WPS to support as many students as possible with the majority of students experiencing significant growth and progress toward achieving their goals. To both meet demand and support the development of new clinicians, WPS expanded its master's level practicum program to five students for 2021/22. A flexible, multimodal approach of offering in-person, telephone and online services was implemented to ensure WPS could meet changing health and safety measures throughout 2021/22.

The health and safety of the campus community while providing mental health services during the pandemic was of the utmost importance. To that end, services for our Indigenous students via the WPS satellite office in the kihêw waciston Indigenous Centre continued to be offered online or by telephone. These flexible options supported MacEwan's ongoing commitment to reducing barriers to service for Indigenous students while ensuring the students' health and safety during the reporting period. 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, Working with Worry, and Living Mindfully: Acceptance and Commitment Therapy for Anxiety group counselling sessions, were made available to students through various modalities.

To support the promotion of mental health, provide non-clinical mental health care, and to facilitate access to clinical mental health services within and through the community, MacEwan secured \$1,290,000 from the Ministry of Advanced Education during the previous reporting period. This grant will be received over a three-year period commencing in 2022. These grant funds continue to aid the university's approach to supporting and promoting mental health and wellness through to 2024.

Peer Health Education Team

Harm reduction and preventative education continues to be an area of focus for WPS to address health concerns as part of the area's overall goals related to early intervention. To ensure the health and safety of MacEwan's campus community during the COVID-19 pandemic, the Peer Health Education Team (PHET) and the Coalition for Harm Reduction at MacEwan (CHARM), formed prior to the reporting period, offered services through online and hybrid models.

Coalition for Harm Reduction at MacEwan

CHARM continues to maintain a Google site that promotes evidence-based harm reduction information for students, volunteer opportunities and more. CHARM's membership includes campus and community agencies such as community pharmacists, the MacEwan University Health Centre and others. The resource bank made available to students and community members, as well as CHARM's focus on harm-reduction programming, continue to be valued resources 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 and is a recognized leader in sexual violence prevention on university campuses. Supported by the Office of Sexual Violence Prevention, Education and Response (OSVPER), the university works to create an educational environment that is free from sexual violence and where the MacEwan community feels safe and supported.

MacEwan University's stand-alone Sexual Violence policy and Responding to Sexual Violence procedure outline 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. In 2021/22, the university completed a

comprehensive review of the Responding to Sexual Violence procedure, which included extensive engagement and subsequent revision. This work to update the document ensures its alignment with a campus-wide investigations framework and ensures both clarity and transparency of process for the university community. These comprehensive policy documents contribute to MacEwan's reputation as a leader in this important work.

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.

Building Momentum

Building Momentum (2020/21 – 2025/26) outlines the sexual violence program's mandate, vision and values. It describes specific actions and timelines for each of the three goals: (1) build an essential, sustainable program, (2) develop prevention strategies and educational priorities, and (3) integrate restorative practices into program services.

The university's Sexual Violence Prevention and Education Framework (2021/22 – 2025/26), informed by evidence-based research and best practices, establishes guiding principles, strategic goals, and programming priorities for prevention and education.

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 2021/22, MAVEN peer educators created and led outreach and engagement initiatives focused on alcohol and consent, self-care during the holidays, healthy relationships, boundaries, supporting survivors and sex-positivity.

The university offers customized and discipline-specific sexual violence education to undergraduate classes, as well as regular

opportunities to attend in-person and virtual workshops on creating consent culture, supporting survivors and bystander intervention.

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

Employee Education and Engagement

The university provides employees with 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 completion of the training, participants function as a network of information and support for individuals impacted by sexual violence.

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. Flexible support is available in-person, online, by telephone or any combination thereof.

The Sexual Violence Response Team is a group of university employees responsible for overseeing the university's response to sexual violence. This team is committed to ensuring that MacEwan University 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. The university continued to see robust student-engaged research in 2021-22, 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.

Despite intermittent university closures and limited access to university facilities, MacEwan faculty and students remained active in their pursuit of new knowledge and innovations. MacEwan's dedicated Undergraduate Student Research Initiative (USRI) program continued to support student development as the highly qualified researchers and workers of tomorrow.

Student-engaged research and scholarly activity provides MacEwan students with invaluable experience by integrating in-class curriculum with real world problem solving. 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.

MacEwan faculty members were awarded the following funding:

- Six Mitacs Globalink (students from India, France and Ukraine being hosted in Computer Science, Mathematics and Statistics and Biological Science, four faculty supervisors).
- Margot Jackson (Health Systems & Sustainability) was awarded MacEwan's first Canadian Institutes of Health Research (CHIR) funding for her project "A narrative inquiry study into the impacts of

the COVID-19 pandemic on the experiences of children and youth waiting for mental health services" which investigates the effectiveness of child and adolescent mental health programs and will be of great value in assisting mental health service providers in planning, refining and implementing current and future programming. Total award: \$287,802.

- Emily Milne (Sociology) received Alberta Education funding for her project "Engaging Family, Community, and School Members as Partners in Education in the Northland School Division" which explores how family and community member engagement in education contributes to student outcomes and can inform curriculum and pedagogy in a way that aligns with the Indigenous ways of knowing, doing, and being. Total award: \$50,000.
- Irfan Chaudhry (Office of Human Rights, Diversity and Equity) received SSHRC Insight funding as co-applicant on the project "Finding the Gaps: Criminal Justice Processing of Hate Crime." This comparative study will highlight the significance of provincial distinctions for the effectiveness of hate crime legislation and inform policy making at all points in the lifecycle of hate crime. Total award: \$269,141; \$48,642 to MacEwan.
- Theresa Chika James (Organizational Behaviour, Human Resources Management and Management) was awarded SSHRC Insight Development funding as co-applicant (technically award start date June 2021) on the project "How and Why Black Women Remedial Voice in Response to Experienced Interpersonal Mistreatment and the Impacts on their Mental Well-being: A Canadian Inquiry." The research examines the prevalence of experienced workplace interpersonal mistreatment against Black women in Canada, and how and why they remedial voice in response to these experiences represents an opportunity to contribute insights in this area by shedding light on the workplace lived experiences of this unique group of Black women in Canada. Total award:

\$37,184 with a yet- to-be determined component coming to MacEwan.

In addition, the following applications were submitted by individual faculty members:

- 19 Principal Investigator proposals (Total value: \$2,533,409)
- Four SSHRC Insight
- Three SSHRC Insight Development
- Six NSERC Discovery
- One CIHR
- Two Mitacs (one BSI and one Accelerate)
- Three external grants (ACA, ARN, SERG)

At an institutional level, MacEwan has submitted the following applications during the reporting period:

- Seven USRAs (\$42,000)
- SSHRC Institutional Grant
- CRCP EDI Grant (\$50,000)

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. The organizations that have benefitted from this program include 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.

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.

Building Relationships for Student Success

During the reporting period, MacEwan's School of Business launched the Entrepreneur in Residence (EIR) program with local entrepreneur, Colin Christensen, as its first EIR. In this role, Colin has been working with local EIRs from other post-secondary institutions including NAIT, Concordia University of Edmonton, and the University of Alberta. The goal of this work is to create a more entrepreneurial ecosystem in Edmonton that better aligns post-secondary institutions and industry.

Students in the School of Business competed in the "Pivot on Purpose Student Case Competition" in the reporting period. This competition was an opportunity for students to learn how to apply business skills, knowledge

and the power of markets to pressing social problems while learning from a local organization. The student case competition was free and open to teams with at least one student registered in a post-secondary institution while the rest of the team could include recent graduates. This event was a collaboration across all Canadian post-secondary institutions.

MacEwan University's Sociological Field School is a joint initiative between the Sociology departments at MacEwan University and the Ukrainian Catholic University (UCU) in Lviv, Ukraine. The program is a for-credit course that combines the study of social issues and the Ukrainian language with experiential learning and international travel. The goal of the Sociological Field School is to explore social issues of relevance to both Canada and Ukraine. Students study the relevant laws, policies, history and culture of both countries and provide some sociological insight into the specific social issue they are studying. A major component of the course is for MacEwan and UCU Sociology students to meet, discuss social issues and work collaboratively on their assigned projects. Due to COVID-19 and the war in Ukraine, the course will be offered virtually in 2022, with hopes to travel again to Ukraine next year if the situation improves.

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. Twenty-two students attended this course in the fall of 2021.

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 fourth year of the dual-credit offering aimed at providing high school students within Edmonton Catholic Schools an opportunity to explore careers within law enforcement. The faculty consistently has 25 to

30 students enrolled in each course offered, one in the Fall term and one in the Winter term.

The Faculty of Health and Community Studies partnered with the Northland School Division to offer the first year of dual-credit offerings in the Police and Investigations and Special Needs Educational Assistant programs for high school students interested in exploring careers in those professions. The first course offering occurred in Fall 2021 from the Police and Investigations program and in Winter 2022, two courses were offered, one from the Police and Investigation Program and one from the Special Needs Educational Assistant Program.

MacEwan's School of Continuing Education has worked closely with the Tlicho Government and has signed a two-year contract that includes the following programming: Leadership Certificate, Management Certificate, two University Preparation courses (INDG 100 and 200), Photography, and a micro-credential in Digital Marketing.

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. The program is very successful with full enrolments and waiting lists for INDG 100. The INDG 200 course will be offered in Winter 2022.
- During the reporting period, the Faculty of Arts and Science's Associate Dean of Operations facilitated an agreement between the School of Continuing Education and the Northern School District to deliver, virtually, INDG 100 to the region.
- The Faculty of Health and Community Studies' collaboration with Little Red River Cree Nation continued online offering of the Special Needs Educational Assistant program to employees working as educational assistants within the school system. The faculty anticipates its first graduates from this program in 2023.
- Department of Public Safety and Justice Studies, in partnership with the Edmonton Police Service, will continue to offer Run with the Recruiters every Friday morning. Although on hold during the pandemic, activities resumed in the Winter 2022 term. This provides current students with the opportunity to network with EPS members while preparing themselves for the fitness testing standards required to become a police officer.
- The School of Continuing Education has signed a contract with Keyano College to offer an International Professional Development Certificate.
- Renewal of the Faculty of Health and Community Studies' partnership with Hexagon, an information technology company, and the Emergency Communications and Response program which provides the latest version of the company's computer-aided dispatch (CAD) software into the faculty's simulated lab environment. This leading-edge technology will be implemented in Fall 2022.
- The collaborative online intercultural learning course, led by MacEwan University's Dr. Chaldeans Mensah, Ukrainian Catholic University's Dr. Galyna Protsyk, and National University Kyiv Mohyla Academy's Dr. Halyna Solovei. In addition to rigorous content on global governance and diplomacy, this course brings students from two countries to learn the United Nations' rules of procedure and culminates in a simulation of a committee of the UN General Assembly.
- MacEwan University- Fulda University Collaboration: Transnational Governance and Human Rights – Partnerships for the Internationalization of Studies, Teaching and Research. MacEwan University and Fulda Students have conducted online UN simulations. Fulda has invited MacEwan faculty and students to participate in their online lecture series on human rights and has also invited Dr. Mensah and three

MacEwan students to come to Fulda in early July 2022 to participate in seminars on human rights. Dr. Mensah has been awarded a four-month Visiting Professorship at Fulda University starting April 2023

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 between the School of Business and Bielefeld University in Germany to co-deliver courses provides a series of cross-cultural business experiences for Human Resources students. At the time of writing, the school is leading a cross-cultural experiential learning initiative involving partners from Morocco and Poland.

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 2021/22. To ensure the health and safety of students, faculty and staff, the kihêw waciston Indigenous Centre provided student advising and Elder support via email and phone. As noted earlier, mental health support for Indigenous students were conducted through a multi-modal approach by Wellness and Psychological Services.

In March, the kihêw waciston Indigenous Centre hosted the second annual oskaya êkiskwayihtamowin osihcikêwin Indigenous Youth Rising Conference. This conference was an all-day virtual, 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. The event engaged over 2,800 Indigenous Youth across the country, offering learning opportunities and connections to MacEwan University in partnership with the City of Edmonton.

MacEwan's Indigenous Advisory Council (IAC), reinvigorated during 2020/21, continued to meet quarterly to discuss matters requiring consultation and feedback. The IAC is an externally focused group 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.

Kihêw waciston, in collaboration with the Office of Human Rights, Diversity and Equity, the MacEwan Library, MacEwan Black History Month, the Ukrainian Resource and Development Centre, and the City of Edmonton, participated in the 2022 Interdisciplinary Dialogue Project. This annual project brings together members from the university community as well as members of the broader public. The theme for the 2021/22 academic year is RECOVERY. In February, the second of three forums for this year's project:

- There were 503 awards given to Indigenous students. Total value: \$862,120.06.
- There were 328 awards given to students with disabilities. Total value: \$440,902.35.
- There were 452 awards given to students who are parents. Total value: \$646,491.44.
- There were 606 automated entrance scholarships awarded. Total value: \$1,594,000, an increase of 26% over the previous year.

During the reporting period, 1389 bursaries were given to support students in financial need, to a total of \$1,796,288.67. The total funds distributed, by category, are as follows:

- Scholarships: over \$2.5 million.
- Awards: over \$1.2 million.
- Bursaries: almost \$1.8 million.

7. Financial and Budget Information

This information should be reviewed in conjunction with the March 31, 2022, 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.

Note: With the fiscal year change, the operating statement for fiscal 2022 ending March 31, 2022, represents a stub period of nine months when compared to the year ending June 30, 2021, which represents 12 months. For that reason, many of the graphs use percentages rather than actual dollars so that differences between fiscal years are comparable regardless of the length of the fiscal year. Financial data for the nine months ended March 31, 2021, is also presented as information only (for comparison purposes) as those financial results represent a part of a fiscal year and were not audited.

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:

	2022				2021	*2021
	Budget	Variance	Actual	Change	Actual	9 months
Revenues	\$ 183,703	\$ (900)	\$182,803	\$(39,922)	\$ 222,725	\$172,606
Expenses	183,648	(9,470)	174,178	(37,872)	212,050	157,653
Annual Operating Surplus (Deficit)	55	8,570	8,625	(2,050)	10,675	14,953
Endowment Revenues	525	(249)	276	(1,861)	2,137	1,253
Annual Surplus	\$ 580	\$ 8,321	\$ 8,901	\$ (3,911)	\$ 12,812	\$ 16,206

*The financial data for the nine months ended March 31, 2021, is presented as information only. The results represent a portion of the fiscal year, and thus were not subject to audit.

The 2021/22 operating budget was prepared in the spring of 2021 based on assumptions which were reasonable at the time. During the year the following variances were the major contributing factor to the overall budget variances for revenue and expenses:

a. Student Tuition and Fees

Overall enrolments are projected to fall short of the planned enrolment by approximately 320 FLEs on an annualized basis. This includes a shortfall of approximately 36 International FLEs on an annualized basis. The lower than planned enrolment resulted in a negative variance of \$3,350 in Domestic tuition revenue and a negative variance of \$784 in international tuition revenue.

The reduced enrolment can be attributed to lower application numbers for the year, a reflection of applications overall in the Alberta post-secondary system. With the pandemic, normal enrolment patterns were disrupted as students took fewer courses in an online environment. The impact of COVID-19 on enrolment is difficult to quantify. There was a general decline in enrolment across the post-secondary system in Alberta, although MacEwan fared better than most. More normal enrolment patterns are expected to return in the fall.

b. Sales of Services and Products

The budget for the nine months ended March 31, 2022, took into consideration reduced activity due to the continuing pandemic although it was unclear what the potential impact would be. Taking that into consideration, the actual ancillary revenue exceeded budget by \$825 with another \$2,063 variance in other revenue. Although ancillary revenue exceeded the prior results for the same time frame by \$6,002 it still has not returned to pre-pandemic levels.

Other revenue included a one-time payment of \$1,400 from the City of Edmonton for the 104th Avenue right of way for LRT construction. Another \$677 was received in insurance proceeds for the 2020 Allard Hall flooding.

c. Salaries and Benefits

Salary and benefit costs are less than budgeted by \$7,104 mainly due to a higher number of vacancies in faculty and support positions. For all faculty positions the variance was \$4,087 with \$749 of the variance in sessional instructors. Fewer sessional instructors were required with reduced sections due to lower enrolment. Support and Out of Scope salaries were lower than budget by \$2,175 due to a number of vacancies across the institution.

d. Materials and Supplies

Material and supply costs were less than budget by \$1,734. There are positive variances in a variety of categories such as travel, hosting, office supplies and promotions, offset by a negative variance in small assets due to higher than planned furniture costs for a variety of projects, a long overdue computer deployment and classroom technology upgrades. There was a project contingency that was set aside to fund these projects (refer to project section).

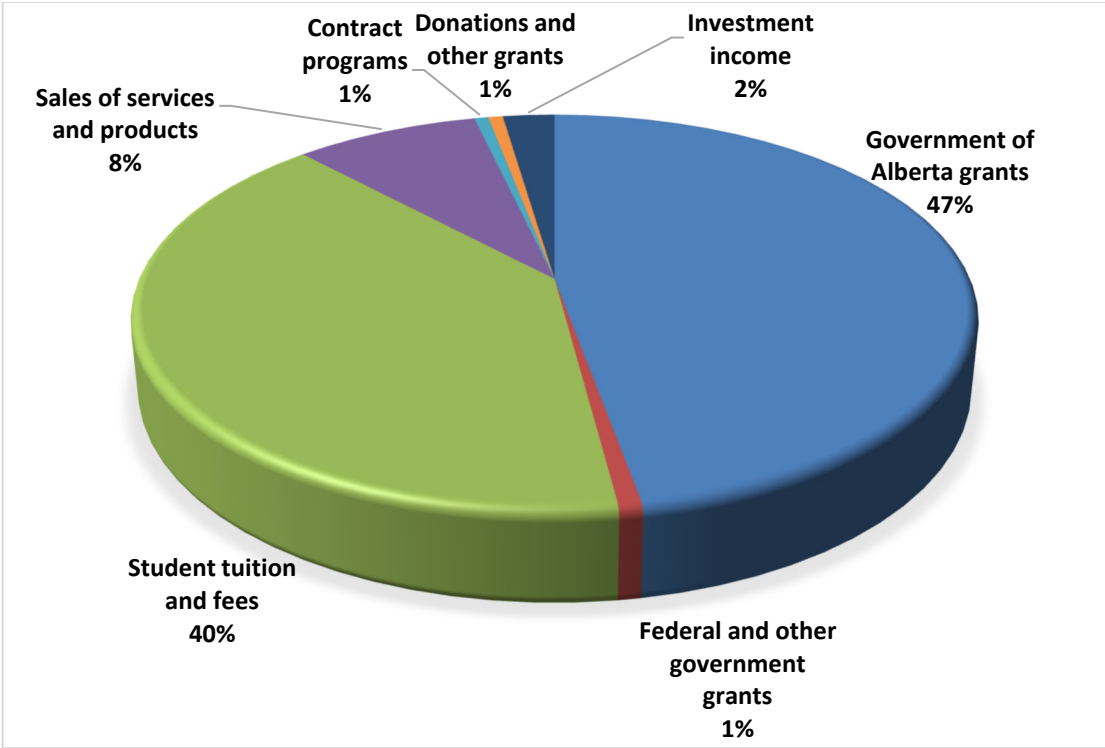
e. Scholarships and Bursaries

Scholarships exceeded budget by \$784 with entrance scholarships exceeding plan by \$486 due to the cancellation of 2020 diploma exams resulting in higher admission averages. The balance was due to the new MacEwan Access Bursary and increases in the Indigenous award.

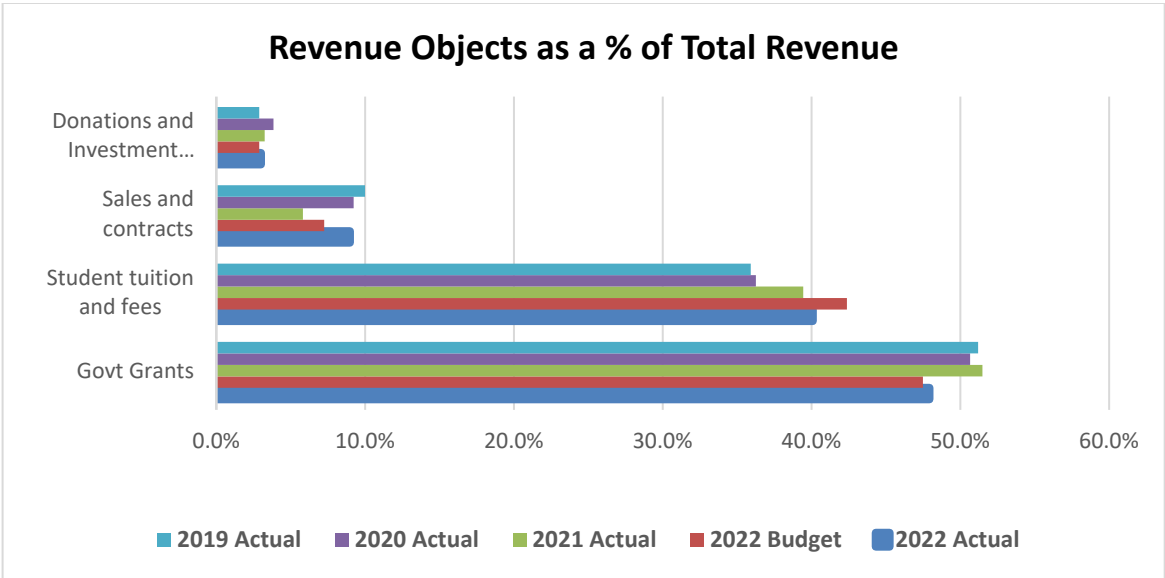
B. Operational Highlights

a. Operating Revenues

Grants from the Government of Alberta declined from approximately 50.7% of the total revenue for the university in fiscal 2021, to 47% for the nine months ended March 31, 2022. Student tuition as a percent of total revenue increased slightly from 39.4 % in Fiscal 2021 to 40.1% in fiscal 2022.



Total operating revenues for the university was \$182,803,200 which is \$90,000 less than budget and \$39,922 less than in 2019. The following shows the comparison of revenue types as a percentage of overall revenue since fiscal 2019 (note that donations and investment income were combined due to materiality):



The general trend is student tuition increasing as a percentage of total revenue offset by the Alberta operating grant declining as a percent of overall revenue. Sales are expected to increase as a percent of overall revenue from the low in fiscal 2021 that was mainly due to the impact of the pandemic.

	2022				2021	2021
	Budget	Variance	Actual	Change	Actual	*9 months
Government of Alberta grants	\$ 86,652	\$ (466)	\$ 86,186	\$ (26,813)	\$ 112,999	\$ 85,269
Federal and other government grants	585	842	1,427	(243)	1,670	948
Student tuition and fees	77,850	(4,568)	73,282	(14,578)	87,860	72,166
Sales of services and products	12,385	2,906	15,291	3,546	11,745	9,289
Contract programs	937	199	1,136	(78)	1,214	836
Donations and other grants	1,444	(235)	1,209	(673)	1,882	960
Investment income	3,850	422	4,272	(1,083)	5,355	3,137
	<u>\$ 183,703</u>	<u>\$ (900)</u>	<u>\$ 182,803</u>	<u>\$ (39,922)</u>	<u>\$ 222,725</u>	<u>\$ 172,605</u>

*Unaudited - for information only

b. Operating Expenses

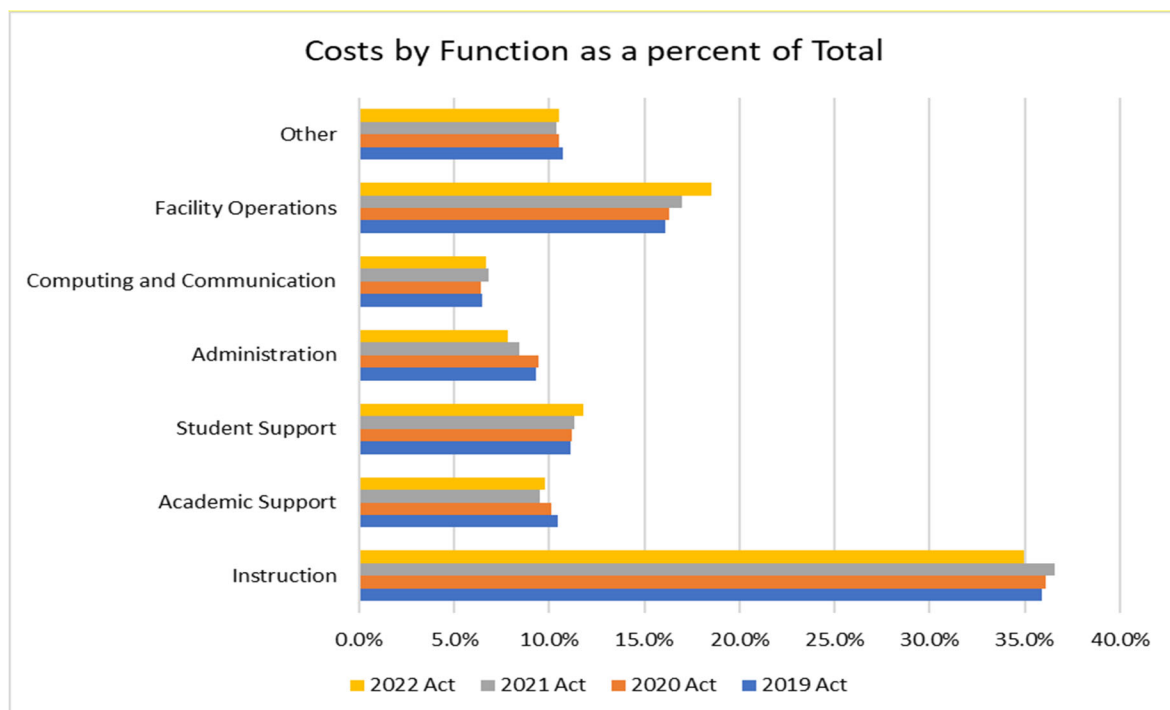
Under public sector accounting standards, the consolidated statement of operations presents expenses by the functions as defined in Note 2(l) to the consolidated financial statements. Note 19 to the consolidated financial statements discloses the operating expenses by objects. The following presents the 2022 operating expenses by function and object:

i. Operating Expense by Function

	Instruction	Academic support	Student support	Administration	Computing & Communication	Facility Operations	Other	Total
Salaries	\$ 48,770	\$ 10,274	\$ 10,247	\$ 8,622	\$ 6,091	\$ 5,332	\$ 6,260	\$ 95,596
Employee benefits	9,642	2,133	2,175	2,132	1,241	1,140	1,035	19,498
Total salaries and employee benefits	58,412	12,407	12,422	10,754	7,332	6,472	7,295	115,094
Materials, and supplies	1,126	3,027	1,516	861	1,307	1,469	1,053	10,359
Professional services	1,115	1,347	1,185	1,980	2,497	706	1,086	9,916
Facility maintenance and utilities	105	69	421	22	478	11,396	2,433	14,924
Amortization of capital assets	-	-	226	-	-	11,554	1,522	13,302
Cost of goods sold	74	109	21	-	-	(198)	2,953	2,959
Scholarships and bursaries	1	27	5,593	-	-	-	92	5,713
Interest on long term debt	-	-	-	-	-	-	1,911	1,911
Total	<u>\$ 60,833</u>	<u>\$ 16,986</u>	<u>\$ 21,384</u>	<u>\$ 13,617</u>	<u>\$ 11,614</u>	<u>\$ 31,399</u>	<u>\$ 18,345</u>	<u>\$ 174,178</u>
Percentage of total	35%	10%	12%	8%	7%	18%	11%	100%

	2022				2021	2021
	Budget	Variance	Actual	Change	Actual	*9 months
Instructional	\$ 67,399	\$ (6,566)	\$ 60,833	\$ (16,803)	\$ 77,636	\$ 58,059
Academic support	16,278	708	16,986	(3,316)	20,302	14,988
Student support	21,436	(52)	21,384	801	20,583	18,273
Administration	14,483	(866)	13,617	(4,226)	17,843	13,042
Computing & Communications	13,052	(1,438)	11,614	(2,846)	14,460	10,550
Facility operations	32,323	(924)	31,399	(4,563)	35,962	26,303
Other	18,677	(332)	18,345	(6,919)	25,264	16,529
	<u>\$ 183,648</u>	<u>\$ (9,470)</u>	<u>\$ 174,178</u>	<u>\$ (37,872)</u>	<u>\$ 212,050</u>	<u>\$ 157,744</u>

* Information only - results not audited



Functional costs are shown as a percentage to allow for comparisons between fiscal years that are twelve or nine months. For fiscal 2022, the percentage of expenses related to student support and facility operations increased from prior years. The former reflects the university prioritizing student support especially the increased allocation of funds for scholarships and bursaries. The facilities costs are higher due to campus development expenses for the library and science lab expansion, and the design work for the new academic building.

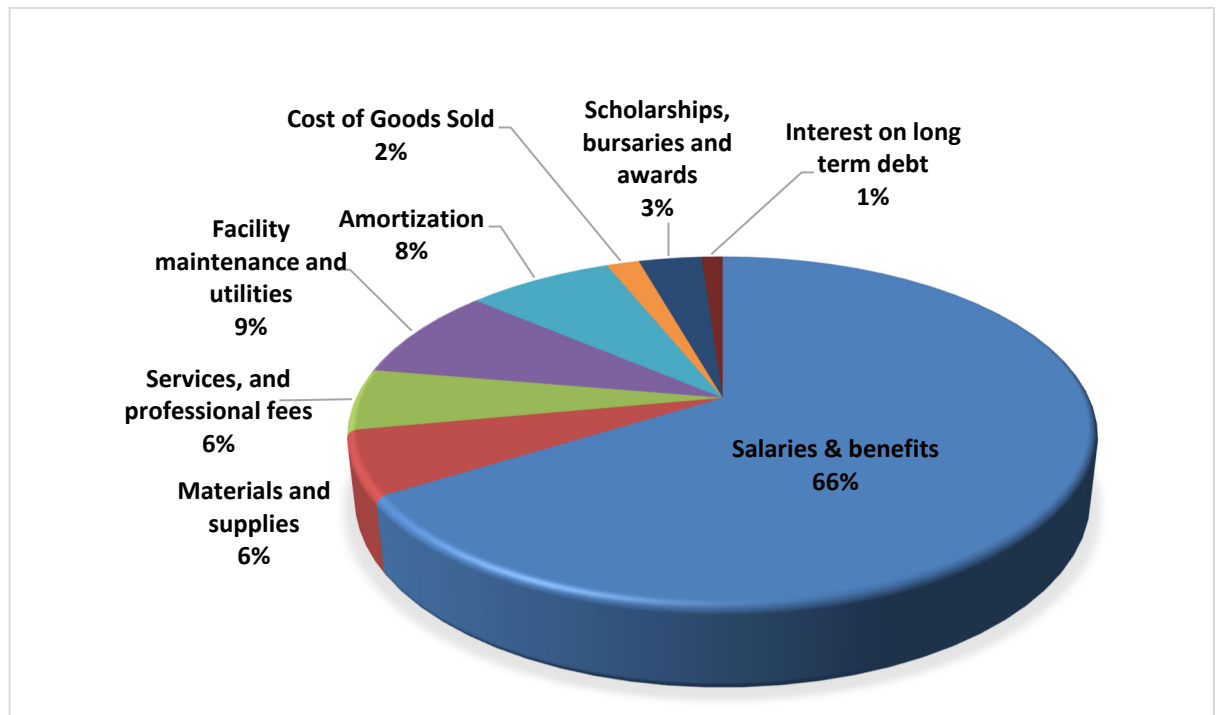
Instruction costs are lower due to the high number of continuing faculty vacancies and lower sessional instruction costs due to lower enrolment. Administration costs are also lower in part due to concerted effort to reduce administration costs, and vacancies in key leadership positions throughout the year. Other functions remained stable when compared to prior years.

ii. Expense by object

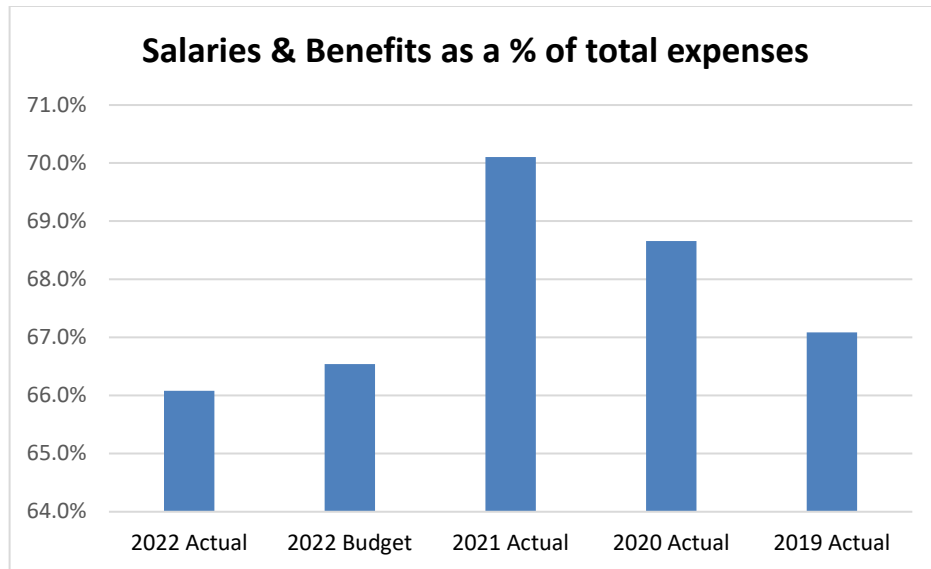
Note 19 to the consolidated financial statements presents the expenses by objects, with the following major categories of the \$174,178 expenses for the university: salaries and employee benefits (66%); facility maintenance and utilities (9%); and amortization of tangible capital assets (8%).

	2022			Change	2021	2021
	Budget	Variance	Actual		Actual	*9 months
Salaries	\$ 101,902	\$ (6,306)	\$ 95,596	\$ (29,245)	\$ 124,841	\$ 93,104
Employee benefits	20,296	(798)	19,498	(4,316)	23,814	18,220
Total salaries and employee benefits	122,198	(7,104)	115,094	(33,561)	148,655	111,324
Materials and supplies	12,093	(1,734)	10,359	2,003	8,356	5,714
Services and professional fees	10,104	(188)	9,916	(1,403)	11,319	7,916
Facility maintenance and utilities	15,458	(534)	14,924	594	14,330	9,372
Amortization	13,835	(533)	13,302	(4,650)	17,952	13,495
Cost of Goods Sold	3,078	(119)	2,959	(383)	3,342	3,105
Scholarships and bursaries	4,930	784	5,714	326	5,388	4,679
Interest on long term debt	1,953	(43)	1,910	(798)	2,708	2,049
	<u>\$ 183,649</u>	<u>\$ (9,471)</u>	<u>\$ 174,178</u>	<u>\$ (37,872)</u>	<u>\$ 212,050</u>	<u>\$ 157,654</u>

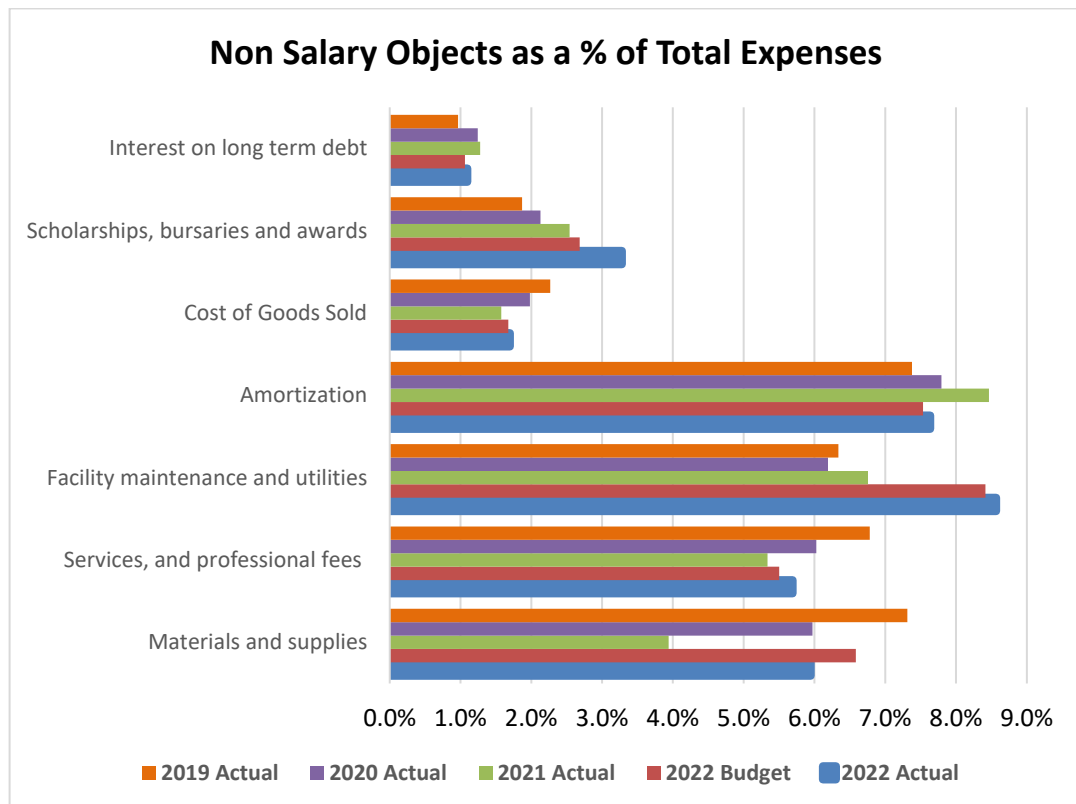
*Information only - results not audited



The following shows the actual salaries and benefits from fiscal 2019 to fiscal 2022 and the budget for fiscal 2022 as a percentage of overall expenses.



The following shows the various non salary actual expenses from fiscal 2019 to fiscal 2022 and the budget for fiscal 2022 as a percentage of overall expenses.



Facility maintenance and utilities have grown as percentage of overall expenses due to various non-capital campus development projects. The other category that has increased

as a percentage of overall expenses has been scholarships and bursaries as noted in the section on student support costs.

C. Major Campus Development Projects Overview

a. Campus Projects

- i. **Campus Development:** During the year, the university made significant investments in science labs (\$2,814) and library expansion (\$1,977). These two projects are close to completion and should wrap up by the end of the 2nd quarter in fiscal year 2023. Other campus development projects included building five washroom upgrades, new security dispatch center, new exam center, new faculty offices, and additional improvements to Allard Hall.
- ii. **Classroom IT Upgrades:** A significant investment was made in capital and operating classroom technology upgrades (\$1,398) that was partially funded by the Student Technology Fee. Eleven classrooms were upgraded to the asynchronous model and two classrooms to a HyFlex model. The plan is to upgrade an additional 26 classrooms to the asynchronous model and one additional classroom to the HyFlex model in fiscal 2023. Upgrades face delays due to severe supply chain issues.
- iii. **New Academic Building:** The third key project investment was in the design of the new academic building (\$1,176) with substantial funding set aside in the next two years to complete the design and construction drawing phases to have the project shovel-ready in fiscal 2023 depending on availability of funding from government, donors, and the sale of the Alberta College campus.
- iv. **Capital Maintenance and Renewal:** Major projects undertaken in 2022 include a major mechanical component replacement project (unit heaters, backflow prevention, heat exchangers, and heating tubes), asphalt shingle replacement, vacuum pump replacement in Building 5 and the start of the Building 7 egress construction.

b. Project Cost Details

Below are the project cost details by category.

	Approved Budget	Change	Actual to March 31, 2022	Actual as a percent of Budget
Research	\$236	(\$16)	\$252	107%
IT Software Projects	154	(1,350)	1,504	977%
Infrastructure Projects	920	682	238	26%
Ancillary Projects	183	(410)	593	324%
Campus Design incl School of Business	1,250	19	1,231	98%
Campus Development	2,016	(490)	2,506	124%
Department & Other Projects	600	472	128	21%
Sub Total	\$5,359	(\$1,093)	\$6,452	120%

Although the operating expenses exceed the budget, the budget plans include high level estimates of how much will be assessed as capital versus operating. When this report is combined with the capital report, the university has underspent on projects by \$2,354 (\$3,447 capital variance less \$1,093 negative expense variance). This is especially relevant with

classroom upgrades where most of the actual costs were not capitalized due to purchasing many new components that fall below the capital threshold.

c. Capital Plan

The capital plan for the university included several approved priority campus development projects, classroom technology upgrades, and annual replacement of furniture, fixtures and equipment. Capital spending was below plan but was offset by higher operating expenses in many of the projects.

	2022		
	Budget	Variance	Actual
Campus development	\$ 6,175	\$ (1,292)	\$ 4,883
Technology and software implementation and upgrade	1,013	(125)	888
Campus Services infrastructure	49	(49)	-
Furniture, fixture and equipment	1,875	(808)	1,067
Library collections	338	509	847
Infrastructure enhancement	2,488	(1,682)	806
	<u>\$ 11,938</u>	<u>\$ (3,447)</u>	<u>\$ 8,491</u>

D. Consolidated Statement of Cash Flows

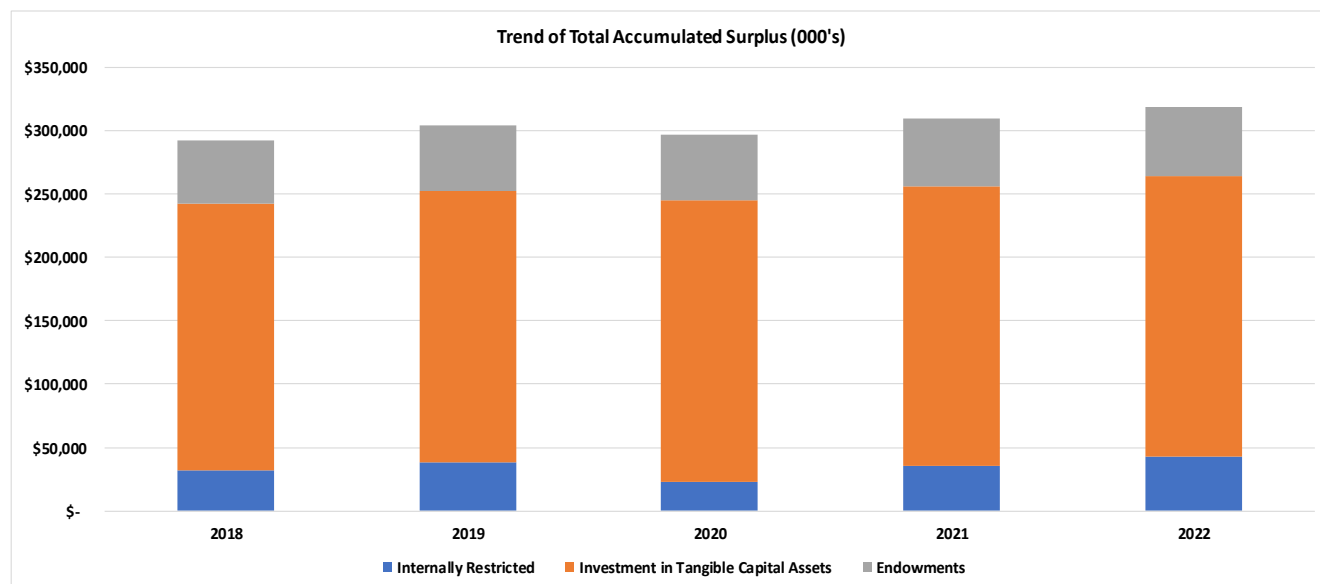
The consolidated statement of cash flows provides an overview of the changes in the cash and cash equivalents for the university.

	March 31, 2022 (9 months)	June 30, 2021 (12 months)
Cash provided by operating transactions	\$ 28,820	\$ 27,513
Cash applied to capital transactions	(8,945)	(10,134)
Cash (applied to) provided by investing transactions	(1,774)	959
Cash applied to financing transactions	<u>(3,306)</u>	<u>(1,447)</u>
	<u>\$ 14,795</u>	<u>\$ 16,891</u>

- i. Cash provided by operating transactions for the nine months ended March 31, 2022 is due to operating results net of internally funded tangible capital assets transactions and changes in non-cash financial assets and liabilities.
- ii. Cash applied to capital transactions are acquisitions during the year. See above for additional information on these acquisitions.
- iii. Cash applied to investing transactions is due to normal purchases and disposals during the year.
- iv. Cash applied to financing transactions is due to repayment of debt less of donations received for Allard Hall.

E. Accumulated Surplus

MacEwan University's accumulated surplus at March 31, 2022, was \$318,559 (2021: \$309,658). Note 14 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 \$43,164 includes \$18,824 set aside for the new academic building with the balance providing the funds necessary for the university to enhance the campus and technology.



8. Capital Plan

For the 2021/22 reporting period, MacEwan University's capital plan continued with the next steps after the campus consolidation and the unification of all programming on City Centre Campus (CCC). The next steps included designing and constructing of student learning spaces, building spaces that engage the community and minimizing deferred maintenance of aging buildings.

The MacEwan community was welcomed back to campus during the 2021/22 reporting period, with the completion of several projects including the John L. Haar Library expansion, Building 5 science lab expansion, Exam Centre expansion, newly renovated all-gender washrooms and additional faculty offices. Many of these projects focused on enhancing student learning experiences and solidifying the university's commitment to inclusivity, diversity, and equity.

The Occupancy Loading – Exiting/Egress Project is in the construction documentation phase. The project itself will be phased based on funding availability. The first phase will see egress points added to the pedway between Buildings 7 and 8. The pedway will be brought down to grade allowing for circulation on the first and second floors.

As the original CCC approaches 30 years, many of the building system are at the end of life and have reached maximum capacity. The east campus central plant and high voltage switch gear are two such systems that will require attention over the next few years.

Despite using the available space efficiently, as reflected in having a lower space utilization rate than other post-secondary institutions in the province, MacEwan University faces ongoing space pressures. Over the next five years, the university will increase its enrolment (in accordance with the government forecast of post-secondary enrolment growth and the aspirations of MacEwan's new strategic vision between now and 2029), increase full-time faculty positions, and grow research and community partnerships, all adding to space

demands, which in turn drives the demand for more classroom space, more active learning spaces and increased student support services areas. The university will need to explore innovative ways to manage space capacity issues.

To address the space pressures, the new academic building that will accommodate the School of Business, Careers and Experience, MacEwan International and the Office of University Research, continues to be the highest priority capital project, as it will provide the capacity for MacEwan University to grow by approximately 5,000 FLEs. With this facility expansion, MacEwan will be able to increase its opportunities to grow, innovate and compete as a maturing university and continue to maintain its delivery of high-quality student programs that are targeted to meet labour market demands and support innovation and commercialization. The university engaged GEC Architecture to commence the design process. Once fully funded, the construction of the new School of Business building will support Alberta's economy by directly providing jobs in the construction sector, support neighbouring communities in Edmonton's downtown and will sustain improved access to knowledge, skills and competencies in entrepreneurship and diversification to grow the Alberta market locally and globally.

The new building will house over 21,000 m² of academic space on the university's north, 105 Avenue gateway. With the decant of the School of Business from Buildings 5, 6 and 7, the vacated spaces provide an opportunity to support future growth. It will also enable the repurposing of Building 5 for additional science laboratory and instructional space.

Another area of focus is an update of the 2018 Campus Master Plan and Landscape Master Plan to ensure continued alignment with the university's strategic vision, and the City of Edmonton's development plans for downtown. There are several key development initiatives that directly impact MacEwan University. The

university is working closely with city officials to accommodate and minimize the impact of the LRT expansion and Columbia Avenue streetscape work on the CCC. In addition,

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

2021/22 SUMMARY OF CAPITAL PROJECTS

Type of Project and Funding Sources					
Type	Project Description	Total Project Cost (in thousands)	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, Design Development and Construction Documents	\$150,000	To be determined	\$3.9M University for planning and design.	No change
Maintenance	Occupancy loading exiting and egress to meet capacity	\$11,500	100% GoA	\$4.5M from GoA CMR funding	No change
Preservation	East Campus Plant Replacement and Expansion	\$20,000	To be determined	No funds received to-date	No change
Other					
Expansion	Faculty and Administration Offices and Workspaces Enhancements	\$7,800	100% University	\$5.6M University	No change
Preservation	High Voltage Switchgear	\$6,100	100% GoA	No funds received to-date	No change
Preservation	VING Lock Hardware Replacement	\$4,100	100% GoA	\$1.5M from GoA CMR funding	No change
Expansion	Classroom Expansion	\$11,000	To be determined	No funds received to-date	No change
Maintenance	Clock Tower Main Entrance Vestibule Functional Improvement (Building 7)	\$5,6000	100% GoA	No funds received to date	No change
Preservation	Outdoor Ramp Heating System Replacement	\$1,800	100% University	\$550,000 University	University approved partial funding to address City Centre Parkade ramp.
Preservation	Campus Remediation	\$6,630	Government funding requested	No funds received to date	

Type of Project and Funding Sources

Type	Project Description	Total Project Cost (in thousands)	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
Expansion	Campus Master Plan Update and Repurpose of Open Space	\$1,500	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
Preservation	Residence - Air Handler Replacement	To be determined	100% University	\$85,000 university funds for design. Construction is not funded.	No change
Expansion	Studio Arts Space	To be determined	To be determined	No funds received to date	No change
Preservation	Cafeteria Upgrade (Building 6)	\$1,150	78% GoA 22% University	\$900,000 CMR \$250,000 University	No change
Expansion	Biology Lab Expansion	To be determined	To be determined	No funds received to date	No change
Expansion	Faculty and Administration Offices and Workspaces Enhancements	\$7,800	100% University	\$5.6M University	No change
Preservation	High Voltage Switchgear	\$6,100	100% GoA	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
Science Lab Expansion	Jul 2019 – Dec 2021	Jul 1, 2019	Mar 31, 2022	Complete	Final documentation complete.
Library Renovation	Jul 2019 – Dec 2021	Jul 1, 2019	Dec 15 2021	Complete.	Final documentation complete.
School of Business Project	Jul 2019 – Dec 2026	Jul 2019	Dec 31, 2026	Schematic Design complete. Design Documentation in progress.	Prime Architect awarded.
Allard Post Occupancy Project	Jul 2018 – Dec 2021	Jul 1, 2018	Mar 31, 2021	Complete.	Final documentation complete.
Exam Centre	Jul 2019 – Dec 2021	Jul 1, 2019	Dec 31, 2021	Complete.	Final documentation complete.

2020/21 Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
Increase Washroom Capacity in Building 5	Jul 2019 – Dec 2021	Jul 1, 2019	Dec 31, 2021	Complete.	Final documentation complete.
Faculty and Administration Offices and Workspaces Enhancements	Jul 2019 – Mar 2024	Jul 1, 2019	Mar 31, 2024	3-year, multi-phased project to develop faulty offices and enhance open workspaces.	Phased design and construction.
Campus Master Plan Update and Repurpose of Open Space	Jul 2019 – Dec 2023	Jul 1, 2019	Dec 31, 2023	Planning.	Procurement of Architect and Landscape Architect in progress.
Ving Lock Hardware Replacement	Sep 2021 – Dec 2026	Sep 01, 2021	Dec 31, 2026	In progress – Phased installation plan.	ITS review of the lock system complete. Lock on back-order.
East Campus Infrastructure Project (Planning)	Jan 2021 – Dec 2026	Jan 1, 2021	Dec 31, 2026	Planning.	Planned separately from the School of Business.
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 complete. Expected completion dates for others are dependent on securing funding.	CCC parkade ramp complete.
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 construction documentation in progress.	Design development complete.
Repurpose Building 5 for Science Expansion	TBD			Pending funding.	Pending funding.
Building 7 Library Expansion	TBD			Pending funding.	Pending funding.

2020/21 Project Timelines and Status					
Project Description	Project Timeline	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 months
Residence - Air Handler Replacement	Sept 2021 – Dec 2023	Sept 2021	Dec 2023	Design.	No change.
Studio Arts Space	Feb 2022 – Aug 2023	Feb 2022	Aug 2023	Planning.	No change.
Cafeteria Upgrade (Building 6)	Feb 2022 – Sept 2022	Feb 2022	Sept 2022	Planning.	No change.

Appendix A. Consolidated Financial Statements

Consolidated Financial Statements

**For the nine-month period
ended March 31, 2022**

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MacEwan University
Statement of Management Responsibility
Nine-month period ended March 31, 2022

The consolidated financial statements of the university have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the university as at March 31, 2022 and the results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the nine month period then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that Institution assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

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 Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit and Risk Committee. With the exception of the President, all members of the Audit and Risk Committee are not employees of the university. The Audit and Risk Committee meets with management and the external auditors and internal auditors to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Audit and Risk Committee, with and without the presence of management.

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

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

[Original signed by Maureen Lomas, CMA, CPA]
Vice President, Finance and Administration & Chief Financial Officer

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 March 31, 2022, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the nine-month period 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 March 31, 2022, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the nine-month period then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter – change in fiscal year end

I draw attention to Note 3 of the consolidated financial statements that describes the change in fiscal year end from June 30 to March 31. My opinion is not modified in respect to this matter.

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

June 1, 2022
Edmonton, Alberta

MacEwan University
Consolidated Statement of Financial Position
Nine-month period ended March 31, 2022
(thousands of dollars)

	<u>March 31, 2022</u> (Note 3)	<u>June 30, 2021</u>
FINANCIAL ASSETS, excluding portfolio investments - restricted for endowments		
Cash (Note 4)	\$ 61,216	\$ 46,421
Portfolio investments - non-endowment (Note 5)	57,528	55,665
Finance lease receivable (Note 7)	21,564	21,930
Accounts receivable	3,105	3,646
Inventories held for sale	1,533	1,375
Advances	1,572	1,615
	<u>146,518</u>	<u>130,652</u>
LIABILITIES		
Accounts payable and accrued liabilities	35,839	27,962
Employee future benefit liabilities (Note 8)	6,222	7,082
Debt (Note 9)	59,309	61,733
Deferred revenue (Note 10)	57,369	55,726
Environmental liability for contaminated sites (Note 11)	6,665	6,665
	<u>165,404</u>	<u>159,168</u>
Net debt excluding portfolio investments - restricted for endowments	<u>(18,886)</u>	<u>(28,516)</u>
Portfolio investments - restricted for endowments (Note 5)	<u>84,255</u>	<u>81,859</u>
Net financial assets	<u>65,369</u>	<u>53,343</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	394,131	398,957
Prepaid expenses	6,464	7,350
	<u>400,595</u>	<u>406,307</u>
Net assets before spent deferred capital contributions	<u>465,964</u>	<u>459,650</u>
Spent deferred capital contributions (Note 13)	<u>128,671</u>	<u>132,338</u>
Net assets	<u>\$ 337,293</u>	<u>\$ 327,312</u>
Net assets is comprised of:		
Accumulated surplus (Note 14)	\$ 318,559	\$ 309,658
Accumulated remeasurement gains	<u>18,734</u>	<u>17,654</u>
	<u>\$ 337,293</u>	<u>\$ 327,312</u>

Contingent assets and contractual rights (notes 15 and 17), Contingent Liabilities and contractual obligations (notes 16 and 18)

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

MacEwan University
Consolidated Statement of Operations
Nine-month period ended March 31, 2022
(thousands of dollars)

	Budget (9 months) (Note 23)	March 31, 2022 (9 months) (Note 3)	June 30, 2021 (12 months)
REVENUES			
Government of Alberta grants (Note 22)	\$ 86,652	\$ 86,186	\$ 112,999
Federal and other government grants (Note 22)	585	1,427	1,670
Student tuition and fees	77,850	73,282	87,860
Sales of services and products	12,385	15,291	11,745
Contract programs	937	1,136	1,214
Donations and other grants	1,444	1,209	1,882
Investment income	3,850	4,272	5,355
	<u>183,703</u>	<u>182,803</u>	<u>222,725</u>
EXPENSES (Note 19)			
Instruction	67,399	60,833	77,636
Academic support	16,278	16,986	20,302
Student support	21,436	21,384	20,583
Administration	14,483	13,617	17,843
Computing and communications	13,052	11,614	14,460
Facility operations and maintenance	32,323	31,399	35,962
Other	18,677	18,345	25,264
	<u>183,648</u>	<u>174,178</u>	<u>212,050</u>
Annual operating surplus	55	8,625	10,675
Endowment contributions	525	276	2,137
Annual surplus	580	8,901	12,812
Accumulated surplus, beginning of period	<u>309,658</u>	<u>309,658</u>	296,846
Accumulated surplus, end of period (Note 14)	<u>\$ 310,238</u>	<u>\$ 318,559</u>	\$ 309,658

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

MacEwan University
Consolidated Statement of Change in Net Financial Assets
Nine-month period ended March 31, 2022
(thousands of dollars)

	Budget (9 months) <u>(Note 23)</u>	March 31, 2022 (9 months) <u>(Note 3)</u>	June 30, 2021 (12 months) <u></u>
Annual surplus	\$ 580	\$ 8,901	\$ 12,812
Acquisition of tangible capital assets (Note 12)	(11,938)	(8,977)	(10,143)
Environmental liability capitalized		-	(651)
SAMU building financing lease receivable		486	406
Amortization of tangible capital assets (Note 12)	13,835	13,302	17,952
Proceeds from sale of tangible capital assets		33	10
(Gain) Loss on disposal of tangible capital assets		(18)	39
Decrease in prepaid expenses		886	466
Decrease in spent deferred capital contributions		(3,667)	(3,363)
Increase in accumulated remeasurement gains		1,080	9,538
		<u>12,026</u>	<u>27,065</u>
Increase in net financial assets		12,026	27,065
Net financial assets, beginning of period		53,343	26,278
Net financial assets, end of period		\$ 65,369	\$ 53,343

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

MacEwan University
Consolidated Statement of Remeasurement Gains and Losses
Nine-month period ended March 31, 2022
(thousands of dollars)

	March 31, 2022 (9 months)	June 30, 2021 (12 months)
	(Note 3)	
Accumulated remeasurement gains, beginning of period	\$ 17,654	\$ 8,116
Unrealized gains attributable to:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	1,149	10,190
Amounts reclassified to the consolidated statement of operations:		
Designated fair value financial instruments:		
Portfolio investments - non-endowment	(69)	(652)
Accumulated remeasurement gains, end of period	\$ 18,734	\$ 17,654

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

MacEwan University
Consolidated Statement of Cash Flows
Nine-month period ended March 31, 2022
(thousands of dollars)

	March 31, 2022 (9 months) (Note 3)	June 30, 2021 (12 months)
OPERATING TRANSACTIONS		
Annual operating surplus	\$ 8,901	\$ 12,812
Add (deduct) non-cash items:		
Amortization of tangible capital assets	13,302	17,952
Expended capital contributions recognized as revenue	(4,549)	(6,121)
(Gain) loss on disposal of tangible capital assets	(18)	39
Decrease in employee future benefit liabilities	(860)	(829)
Gain on disposal of portfolio investment	(84)	(668)
Decrease (increase) in:		
Finance lease receivable (payment from SAMU)	366	714
Advances	43	(474)
Accounts receivable	541	289
Inventories held for sale	(158)	297
Prepaid expenses	886	466
Increase (decrease) in:		
Accounts payable and accrued liabilities	7,877	(1,127)
Deferred revenue	2,573	4,163
Cash provided by operating transactions	28,820	27,513
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(8,978)	(10,143)
Proceeds on disposal of tangible capital assets	33	10
Cash applied to capital transactions	(8,945)	(10,134)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(6,702)	(5,033)
Proceeds on sale of portfolio investments	4,928	5,992
Cash (applied to) provided by investing transactions	(1,774)	959
FINANCING TRANSACTIONS		
(Decrease) increase in spent deferred capital contributions, less expended capital contributions recognized as revenue, less in-kind donations	(882)	2,649
Debt repayment	(2,424)	(4,096)
Cash applied to financing transactions	(3,306)	(1,447)
Increase in cash	14,795	16,891
Cash, beginning of the period	46,421	29,530
Cash, end of the period	\$ 61,216	\$ 46,421
Cash comprises of:		
Non-endowment	\$ 60,504	\$ 43,677
Endowment	712	2,744
	\$ 61,216	\$ 46,421

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

MacEwan University
Notes to the Consolidated Financial Statements
Nine-month period ended March 31, 2022
(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 – Canadian 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, revenues and expenses 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

MacEwan University
Notes to the Consolidated Financial Statements
Nine-month period ended March 31, 2022
(thousands of dollars)

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.

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) 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.

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.

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- 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.

e) Finance Lease Receivable

Net investment in finance leases ~~are~~ areis 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.

f) 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.

g) 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. Costs include 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:

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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.

h) Foreign Currency Translation

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

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

i) Employee Future Benefit Liabilities

i. Pension

The university participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that 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

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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 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.

j) Basis of Consolidation

i. Grant MacEwan University Foundation

These consolidated financial statements include the financial results of the Grant MacEwan University Foundation (foundation), which operates under Part 9 of the *Companies Act*

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(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, which is the trustee for The MacEwan University Land Trust, and is a beneficiary of The MacEwan University Land Trust.

Since MacEwan Downtown Corporation and The MacEwan University Land Trust do not meet all of the characteristics of a government business enterprise in that the land trust is unable to maintain its operations and meet its liabilities from revenues received from sources outside of the university, the financial statements are included in these consolidated financial statements on a line-by-line basis rather than on the modified equity method.

k) Liability for Contaminated sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard being introduced into the soil, water or sediment. It does not include airborne contaminants. Contaminated sites occur when an environmental standard exists and contamination exceeds the environmental standard. The university recognizes a liability for remediation of contaminated sites when the following criteria have been met:

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

A liability for a contaminated site may arise from operations that are either considered in productive use or no longer in productive use when environmental standards are exceeded. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard.

- The university has a duty or responsibility to others, leaving little or no discretion to avoid the obligation;
- the duty or responsibility to others entails settlement by future transfer or use of assets, or a provision of services at a specified or determinable date, or on demand; and
- the transaction or events obligating the institution have already occurred.

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I) 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.

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.

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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.

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 Changes in Accounting Standards

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.

Management is currently assessing the impact of PS 3280 Asset retirement obligations and PS 3400 Revenue standard on the consolidated financial statements. Management has not yet adopted these standards.

3) Change in fiscal year end

The university has changed their fiscal year end to March 31, 2022 to coincide with that of the Government of Alberta. This change in fiscal year end was approved by the Minister of Advanced Education in November 2020. Information included in the consolidated financial statements reflects the first complete fiscal period consisting of the nine months ending March 31, 2022, as compared to the twelve-month period ending June 30, 2021 and as a result, the two periods are not entirely comparable.

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4) Cash

The university has \$712 (June 30, 2021: \$2,744) cash restricted for endowments.

5) Portfolio Investments

	<u>March 31, 2022</u>	<u>June 30, 2021</u>
Portfolio investments - non-endowment	\$ 57,528	\$ 55,665
Portfolio investments - restricted for endowments	<u>84,255</u>	<u>81,859</u>
	<u>\$ 141,783</u>	<u>\$ 137,524</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>March 31, 2022</u>			
Portfolio investments at fair value				
Pooled funds				
Canadian equities	\$ 777	\$ 36,323	\$ -	\$ 37,100
Foreign equities	6,261	68,323	-	74,584
Canadian bonds	2,071	-	-	2,071
Foreign bonds	-	27,072	-	27,072
Cash surrender value of planned gifts (life insurance policies)	-	-	956	956
	<u>\$ 9,109</u>	<u>\$ 131,718</u>	<u>\$ 956</u>	<u>\$ 141,783</u>
	<u>6.42%</u>	<u>92.90%</u>	<u>0.67%</u>	<u>100.00%</u>
	<u>June 30, 2021</u>			
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>

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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>March 31, 2022</u>	<u>June 30, 2021</u>
Balance, beginning of period	\$ 1,001	\$ 1,028
Disposals	(45)	(51)
Unrealized gains	<u>-</u>	<u>24</u>
Balance, end of period	<u><u>\$ 956</u></u>	<u><u>\$ 1,001</u></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.

6) Financial Risk Management

The university is exposed to the following risks:

a) Market Price Risk

The university is exposed to market price risk – the risk that the value of a financial instrument will fluctuate 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 March 31, 2022, 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 of \$10,000 (June 30, 2021: \$10,000) 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 honor its financial obligations with the university.

The university is exposed to credit risk on fixed income investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. 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
March 31, 2022				
Cash	100%	0%	0%	1.03%
Portfolio investments, fixed income	0%	98%	2%	1.29%
June 30, 2021				
Cash	100%	0%	0%	0.81%
Portfolio investments, fixed income	0%	100%	0%	0.42%

7) 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 10.

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
2023	\$ 747	\$ 650	\$ 1,397
2024	770	627	1,397
2025	793	603	1,396
2026	818	579	1,397
2027	843	554	1,397
Thereafter	17,593	4,755	22,348
Total at March 31, 2022	\$ 21,564	\$ 7,768	\$ 29,332
Total at June 30, 2021	\$ 21,930	\$ 8,102	\$ 30,032

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8) Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	<u>March 31, 2022</u>	<u>June 30, 2021</u>
Benefit liability for employees on long-term disability	\$ 3,941	\$ 4,119
Supplemental retirement plan (SRP)	1,167	1,671
Accumulating non-vesting sick leave liability	688	763
Administrative leave	<u>426</u>	<u>529</u>
	<u>\$ 6,222</u>	<u>\$ 7,082</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 March 31, 2022. At March 31, 2022, the university had 26 (June 30, 2021: 31) 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 March 31, 2022.

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 January 31, 2022, and results were then extrapolated to March 31, 2022. 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
	March 31, 2022			
Expenses				
Current service cost	\$ 243	\$ 91	\$ 28	\$ 86
Interest cost	52	29	6	-
Amortization of actuarial gain	(174)	(187)	(78)	-
Benefit payments	-	(664)	-	(189)
Total expense (recovery)	<u>\$ 121</u>	<u>\$ (731)</u>	<u>\$ (44)</u>	<u>\$ (103)</u>
Financial position				
Accrued benefit obligation:				
Balance, June 30, 2021	\$ 3,328	\$ 2,002	\$ 393	\$ 529
Current service cost	243	91	28	86
Benefit payment	(299)	(664)	(31)	(189)
Interest cost	52	29	6	-
Actuarial gain	(813)	(187)	(43)	-
Balance, March 31, 2022	<u>2,511</u>	<u>1,271</u>	<u>353</u>	<u>426</u>
Unamortized net actuarial gain (loss)	<u>1,430</u>	<u>(104)</u>	<u>335</u>	<u>-</u>
Accrued benefit liability	<u>\$ 3,941</u>	<u>\$ 1,167</u>	<u>\$ 688</u>	<u>\$ 426</u>
	June 30, 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, June 30, 2020	\$ 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 loss	(428)	(219)	(4)	-
Balance, June 30, 2021	<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>

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:

	March 31, 2022			June 30, 2021		
	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	3.23%	3.07%	3.23%	2.01%	2.27%	2.01%
Long-term average compensation increase	2.50%	2.00%	2.50%	2.50%	2.00%	2.50%
Benefit cost						
Discount rate	2.01%	2.27%	2.01%	1.88%	1.88%	1.88%
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	8.2	8.7	10.9	7.3	8.2	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 rates as of March 15, 2022 (June 30, 2021: June 15, 2021).

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, 2020, and results were then extrapolated to December 31, 2021. At December 31, 2021, the LAPP reported an actuarial surplus of \$11,922 (2020: \$4,961).

The pension expense recognized in these financial statements is \$8,353 (June 30, 2021: \$11,357). 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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9) Debt

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

	Maturity date	Interest rate	Amount outstanding March 31, 2022	June 30, 2021
Debentures payable to the Department of Treasury Board and Finance:				
1. Parkade	April 2025	6.250%	\$ 1,766	\$ 1,766
2. West parkade	September 2030	4.392%	2,797	3,063
3. Student residence	June 2030	5.849%	20,806	21,741
4. Robbins Health Learning Centre parkade	September 2032	4.890%	1,021	1,094
5. Surface parking lots	September 2024	1.568%	1,711	2,377
6. Allard Hall parkade	December 2047	3.164%	6,717	6,800
7. Allard Hall retail	December 2047	3.164%	2,926	2,962
8. Students' Association of MacEwan University building	December 2042	3.040%	21,565	21,930
			\$ 59,309	\$ 61,733

Collateral:

- 1, 2 and 4 - cash flows from parking;
- 3 - 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
2023	\$ 4,376	\$ 2,445	\$ 6,821
2024	4,575	2,247	6,822
2025	4,433	2,038	6,471
2026	4,294	1,827	6,121
2027	4,002	1,607	5,609
Thereafter	37,629	9,283	46,912
	\$ 59,309	\$ 19,447	\$ 78,756

Interest on debt is \$1,911 (June 30, 2021: \$2,708) 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 (June 30, 2021: 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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10) Deferred Revenue

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

	March 31, 2022			
	Restricted		Student tuition and fees, contract programs and other revenue	Total
	Unspent deferred revenue	Unspent deferred capital contributions		
Balance, beginning of period	\$ 45,785	\$ 295	\$ 9,646	\$ 55,726
Grants, donations and other revenue received	5,409	197	95,487	101,093
Restricted investment income - realized	3,501	-	-	3,501
Restricted investment income - unrealized loss	(793)	-	-	(793)
Transfers to spent deferred capital contributions	(541)	(342)	-	(883)
Deposit applied to finance lease receivable	-	-	(486)	(486)
Recognized as revenue	(8,787)	-	(91,865)	(100,652)
Transfer to endowment	(53)	-	-	(53)
Returned to grantor	(84)	-	-	(84)
Balance, end of period	<u>\$ 44,437</u>	<u>\$ 150</u>	<u>\$ 12,782</u>	<u>\$ 57,369</u>

	June 30, 2021			
	Restricted		Student tuition and fees, contract programs and other revenue	Total
	Unspent deferred revenue	Unspent deferred capital contributions		
Balance, beginning of period	\$ 25,612	\$ 150	\$ 10,536	\$ 36,298
Grants, donations and other revenue received	12,490	2,648	93,014	108,152
Restricted investment income - realized	3,528	10	-	3,538
Restricted investment income - unrealized gains (loss)	13,805	-	-	13,805
Transfers to spent deferred capital contributions	(245)	(2,513)	-	(2,758)
Deposit applied to finance lease receivable	-	-	(406)	(406)
Recognized as revenue	(9,229)	-	(93,498)	(102,727)
Returned to grantor	(176)	-	-	(176)
Balance, end of period	<u>\$ 45,785</u>	<u>\$ 295</u>	<u>\$ 9,646</u>	<u>\$ 55,726</u>

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11) Environmental Liability for Contaminated Sites

The composition of liabilities is as follows:

	March 31, 2022	June 30, 2021
Balance, beginning of period	\$ 6,665	\$ 6,014
Addition to liability during the year	-	464
Change in estimate related to existing sites	-	187
Balance, end of period	<u>\$ 6,665</u>	<u>\$ 6,665</u>

The university has accepted the responsibility to perform remediation work at the university's city centre campus. Portions of the land on the city centre campus do 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.

As of March 31, 2022, the liability for contaminated sites at the university include sites such as parking lots, vacant lots, alleys and boulevard. The nature of the contamination includes petroleum hydrocarbons, F1-F4 fractions, metals and various polycyclic aromatic hydrocarbons, boron, nickel and some salinity parameters.

Hazardous building materials, including lead paint, asbestos, PCBs and/or mercury have been identified in the academic buildings on Parcel 1, the commercial buildings on the northern edge of the campus (Parcel 6) and in limited areas in the commercial building on Parcel 11. In their current encapsulated, undisturbed, isolated form and physical state, these hazardous materials do not present any health risks. However, when disturbed or removed, these materials must be abated appropriately or managed accordingly prior to demolition or renovation of these buildings.

Liability estimates are based on third party assessment.

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12) Tangible Capital Assets

Tangible capital assets changes during the year:

	March 31, 2022						June 30, 2021
	Land	Buildings	Land improvements	Equipment ⁽²⁾	Computer hardware and software	Other ⁽³⁾	Total
Cost⁽¹⁾							
Beginning of period	\$ 61,339	\$ 462,405	\$ 6,898	\$ 32,677	\$ 42,151	\$ 18,591	\$ 617,577
Acquisitions	-	5,465	-	2,117	547	848	10,143
Change in environmental liability for contaminated sites	-	-	-	-	-	-	651
Transferred to finance lease receivable	-	(486)	-	-	-	-	(406)
Disposals, including write-downs	-	-	-	(531)	(3,353)	(45)	(3,904)
	<u>61,339</u>	<u>467,384</u>	<u>6,898</u>	<u>34,263</u>	<u>39,345</u>	<u>19,394</u>	<u>624,062</u>
Accumulated amortization							
Beginning of period	-	(150,525)	(3,839)	(21,779)	(34,853)	(14,109)	(211,008)
Amortization expense	-	(8,692)	(213)	(1,439)	(2,254)	(704)	(17,952)
Effects on disposals, including write-downs	-	-	-	516	3,353	45	3,855
	<u>-</u>	<u>(159,217)</u>	<u>(4,052)</u>	<u>(22,702)</u>	<u>(33,754)</u>	<u>(14,768)</u>	<u>(225,105)</u>
Net book value, March 31, 2022	<u>\$ 61,339</u>	<u>\$ 308,167</u>	<u>\$ 2,846</u>	<u>\$ 11,561</u>	<u>\$ 5,591</u>	<u>\$ 4,626</u>	<u>\$ 394,131</u>
Net book value, June 30, 2021	<u>\$ 61,339</u>	<u>\$ 311,880</u>	<u>\$ 3,059</u>	<u>\$ 10,898</u>	<u>\$ 7,298</u>	<u>\$ 4,482</u>	<u>\$ 398,957</u>

- (1) Cost includes work-in-progress at March 31, 2022 totaling \$594 (June 30, 2021: \$6,455) comprised of buildings \$568 (2021: \$6,353) and computer hardware and software \$26 (June 30, 2021: \$102).
- (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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13) 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>March 31, 2022</u>	<u>June 30, 2021</u>
Balance, beginning of period	\$ 132,338	\$ 135,701
Transfers from unspent deferred capital contributions	342	2,513
Transfers from unspent deferred revenue	540	245
Spent deferred capital contribution recognized as revenue	<u>(4,549)</u>	<u>(6,121)</u>
Balance, end of period	<u>\$ 128,671</u>	<u>\$ 132,338</u>

14) Accumulated Surplus

	Accumulated surplus (deficit) from operations	Investment in tangible capital assets	Internally restricted	Endowments	Total
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	-	-
Balance as at June 30, 2021	<u>\$ -</u>	<u>\$ 220,150</u>	<u>\$ 35,440</u>	<u>\$ 54,068</u>	<u>\$ 309,658</u>
Annual operating surplus	8,625	-	-	-	8,625
Endowment contributions	-	-	-	276	276
Amortization of internally funded tangible capital assets	8,753	(8,753)	-	-	-
Net book value of assets disposals	15	(15)	-	-	-
Debt repayment impacting investment in tangible capital assets	(2,059)	2,059	-	-	-
SAMU Building	486	(486)	-	-	-
Internally funded acquisition of tangible capital assets	(3,364)	8,292	(4,928)	-	-
Allard Hall donations	196	(196)	-	-	-
Operating expenses funded from internally restricted surplus	4,863	-	(4,863)	-	-
Net Board appropriation to internally restricted surplus	(17,515)	-	17,515	-	-
Balance as at March 31, 2022	<u>\$ -</u>	<u>\$ 221,051</u>	<u>\$ 43,164</u>	<u>\$ 54,344</u>	<u>\$ 318,559</u>

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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		Disbursements		Appropriations	Balance,
	Balance,	Operating	Capitalized	from accumulated	March 31,
	June 30, 2021	expense		operating surplus	2022
Campus development	\$23,570	(\$2,506)	(\$4,738)	\$6,576	\$22,902
New campus building	10,000	(1,176)	-	10,000	18,824
School of Continuing Education	287	(58)	-	-	229
Student technology reserve	1,403	(1,123)	(129)	939	1,090
Allard Hall - FFAC improvements	175	-	(61)	-	114
Scholarships and bursaries	5	-	-	-	5
	<u>\$35,440</u>	<u>(\$4,863)</u>	<u>(\$4,928)</u>	<u>\$17,515</u>	<u>\$43,164</u>

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

	March 31, 2022	June 30, 2021
Financial assets		
Cash	\$ 712	\$ 2,744
Portfolio investments - endowments	84,255	81,859
Accounts receivable	1	-
Total financial assets	\$ 84,968	\$ 84,603
Less:		
Accounts payable and accrued liabilities	(66)	(65)
Deferred revenue - investment earnings available for distribution	(30,558)	(30,470)
	\$ 54,344	\$ 54,068

15) 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 \$164 (June 30, 2021: \$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.

16) Contingent Liabilities

As of March 31, 2022, the university was a defendant in eight legal proceedings (June 30, 2021: 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. 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. Once the public sector accounting standard for asset retirement obligations comes into effect (see Note 2(n)), retirement obligations related to asbestos removal will be recorded at that time.

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The university continues to review environmental objectives and liabilities for its activities and properties as well as any potential remediation obligations. There may be contaminated sites that the university has identified that have the potential to result in remediation obligations. A liability has not been recorded for these sites because either the likelihood of the university becoming responsible for the site is not determinable, the amount of the liability cannot be estimated, or both.

The university's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the environmental liabilities will be accrued in the year in which they are assessed as likely and measurable.

17) 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
2023	\$ 1,561	\$ 2,799	\$ 4,360
2024	679	2,775	3,454
2025	-	2,117	2,117
2026	-	837	837
2027	-	538	538
Thereafter	-	11,748	11,748
Total at March 31, 2022	\$ 2,240	\$ 20,814	\$ 23,054
Total at June 30, 2021	\$ 3,823	\$ 32,932	\$ 36,755

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18) 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
2023	\$ 4,294	\$ 1,719	\$ 2,223	\$ 83	\$ 8,319
2024	3,086	1,475	2,942	29	7,532
2025	3,086	1,476	-	-	4,562
2026	2,314	1,476	-	-	3,790
2027	-	1,476	-	-	1,476
Thereafter	-	-	-	-	-
Total at March 31, 2022	\$ 12,780	\$ 7,622	\$ 5,165	\$ 112	\$ 25,679
Total at June 30, 2021	\$ 13,734	\$ 6,983	\$ 4,799	\$ 267	\$ 25,783

Capital Projects includes a contract with GEC Architecture for the design and administration of the planned construction of a New Academic Building that will be the future home of the School of Business. The Board of Governors approved the contract with GEC Architecture on June 3, 2021. The fixed fee contract included options for a Centralized Heating and Cooling Plant and the potential addition of up to three shelled floors. On March 17, 2022, the Board approved moving into design development with two additional shelled floors without a Centralized Heating and Cooling Plant. Once design development and construction documents are prepared, construction is pending grant approval from the Government of Alberta.

The university is one of 64 members (2020: 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, 2021, CURIE had an accumulated surplus of \$105,790 (2020: \$99,449), of which the university's pro-rata share is approximately 0.37% (2020: 0.43%). This surplus is not recorded in the consolidated financial statements.

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19) Expense by Object

The following is a summary of expense by object:

	Budget (9 months) (Note 23)	March 31, 2022 (9 months) (Note 3)	June 30, 2021 (12 months)
Salaries	\$ 101,902	\$ 95,596	\$ 124,841
Employee benefits	20,296	19,498	23,814
Total salaries and employee benefits	122,198	115,094	148,655
Materials, supplies and services	12,093	10,359	8,356
Services and professional fees	10,104	9,916	11,319
Facility, maintenance and utilities	15,458	14,924	14,330
Amortization of capital assets	13,835	13,302	17,952
Cost of goods sold	3,078	2,959	3,342
Scholarships and bursaries	4,930	5,714	5,388
Interest on long term debt	1,953	1,910	2,708
	\$ 183,649	\$ 174,178	\$ 212,050

20) Salaries and Employee Benefits

	March 31, 2022 (9 months)				June 30, 2021 (12 months)
	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	-	-	-	-	-
Executive					
President					
President and Vice-Chancellor	230	5	115	350	304
Acting President and Vice-President, Resources and People (5)	-	-	-	-	187
Provost and Vice-President, Academic (6)	203	66	52	321	349
Vice-President, General Counsel (7)	46	87	12	145	338
Acting Vice-President, Safety, Risk and Internal Audit (8)	80	-	16	96	-
Vice-President, University Relations	185	5	43	233	311
Vice-President, Finance and Administration & CFO (9)	30	-	7	37	159
Past Vice-President Finance and Administration & CFO (10)	41	13	9	63	-
Acting Vice-President Finance and Administration (11)	97	-	16	113	-
Acting Chief Financial Officer (12)	88	7	18	113	-
Vice-Provost (13)	-	-	-	-	274
Associate Vice-President, Finance (14)	-	-	-	-	285

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- (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 2022.
- (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.
- (4) The Chair and other members of the Board of Governors receive no remuneration for their services as members of the Board of Governors.
- (5) The Vice-President, Resources and People was also Acting President until July 2020 and retired in September 2020. For the period ended June 30, 2021, the past incumbent received \$56 in base salary, \$13 in other non-cash benefits and \$118 in other cash benefits. The position of Vice-President, Resources and People was changed to Vice-President Finance and Administration & CFO in January 2021.
- (6) The Provost and Vice President, Academic received other cash benefits which include a vacation payout of \$62 and car allowance of \$4.
- (7) The past incumbent Vice President, General Counsel left this position in September 2021. Other cash benefits include a vacation payout of \$86 and a car allowance of \$1. The position of Vice-President, General Counsel, was changed to General Counsel in February 2022 and is no longer on the executive decision-making team.
- (8) The interim appointment of Acting Vice President, Safety, Risk and Internal Audit commenced in September 2021 and concluded in February 2022.
- (9) The incumbent position of Vice President, Finance and Administration & CFO was filled in February 2022.
- (10) The past incumbent Vice President, Finance and Administration & CFO left this position in August 2021. Other cash benefits include a vacation payout of \$12 and a car allowance of \$1.
- (11) The interim appointment of Acting Vice President, Finance and Administration was filled in September 2021 and concluded in February 2022.
- (12) The interim appointment of Acting Chief Financial Officer was filled by the Associate Vice-President Finance in September 2021 and concluded in February 2022 when the Associate Vice-President Finance left this position. Other cash benefits include a vacation payout of \$7.
- (13) The Vice Provost is appointed from the Deans. This position is vacant and will remain vacant for the foreseeable future.
- (14) The past incumbent Associate Vice President, Finance was also Chief Financial Officer until January 2021 and was Acting Vice-President, Resources and People from September 2020 to January 2021. The Associate Vice President, Finance was on the executive decision-making team until his retirement in April 2021. Other cash benefit includes \$7 as Acting Vice-President Resources and People and a 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

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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 prorated 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:

	Accrued obligation June 30, 2021	Service costs	Interest cost	Benefit payment	Actuarial loss (gain)	Accrued obligation March 31, 2022
President and Vice-Chancellor	\$ 51	\$ 41	\$ 1	\$ -	\$ (14)	\$ 80
Provost and Vice-President, Academic	77	24	2	-	(31)	72
Vice-President, General Counsel	288	6	1	(281)	(14)	-
Vice-President, University Relations	54	14	1	-	(25)	44
Vice-President, Finance and Administration & CFO	-	-	-	-	-	-
Past Vice-President Finance and Administration & CFO	14	5	-	(18)	(1)	-

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

21) 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 9.

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22) Government Transfers

	March 31, 2022 (9 months) Note 3	June 30, 2021 (12 months)
Grants from Government of Alberta		
Operating	\$ 79,598	\$ 111,153
Scholarships and Awards	894	768
Capital	-	2,400
	<u>80,492</u>	<u>114,321</u>
Other post-secondary institutions	<u>15</u>	<u>-</u>
Other Government of Alberta departments and agencies		
Alberta Health	-	10
Children's Services	5	1,480
Education	<u>-</u>	<u>19</u>
Total other Government of Alberta departments and agencies	<u>5</u>	<u>1,509</u>
Total grants received	80,512	115,830
Expended capital recognized as revenue	4,208	5,669
Deferred revenue	<u>1,466</u>	<u>(8,500)</u>
	<u>\$ 86,186</u>	<u>\$ 112,999</u>
Federal and other government grants		
Total grants received	\$ 1,722	\$ 2,180
Expended capital recognized as revenue	44	61
Deferred revenue	<u>(339)</u>	<u>(571)</u>
	<u>\$ 1,427</u>	<u>\$ 1,670</u>

23) Budget Figures (nine months)

Nine-month budget figures have been provided for comparison purposes and have been derived from the university's 2021/22 to 2023/24 Financial Plan as approved by the Board of Governors and presented to the Minister of Advanced Education.

24) Approval of financial statements

The consolidated financial statements were approved by the Board of Governors of MacEwan University.

25) Comparative Figures

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

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