

MOUNT ROYAL UNIVERSITY

Annual Report

2022/23



MOUNT ROYAL
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Table of contents

1	Accountability statement
1	Management’s responsibility for reporting
2	Message from the Board Chair and the President and Vice-Chancellor
4	Members of the Board of Governors
5	Public Interest Disclosure (Whistleblower Protection) Act
6	Operational overview
10	Goals and performance measures
31	Financial information
46	Capital report
49	Research, scholarship and community engagement
54	Appendix: 2022/23 consolidated financial statements

Mount Royal University is located in the traditional territories of the Niitsitapi (Blackfoot) and the people of the Treaty 7 region, which includes the Siksika, the Piikani, the Kainai, the Tsuut’ina and the Îyârhe Nakoda. We are situated on land where the Bow River meets the Elbow River. The traditional Blackfoot name of this place is “Mohkinstsis,” which we now call the city of Calgary. Calgary is also home to the Métis Nation.

Accountability statement

Mount Royal University's Annual Report for the year ended March 31, 2023 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.

Management's responsibility for reporting

Mount Royal 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 institution audit 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 the Province of Alberta, the institution'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.

Message from the Board Chair and the President and Vice-Chancellor

Mount Royal University is pleased to present its Annual Report to the Ministry of Advanced Education for the year ended March 31, 2023. The Report highlights the University's achievements in fulfilment of its mandate as approved by the Minister of Advanced Education to deliver a high-quality education to our students.

During 2022/23, the University re-engaged in its strategic planning process that was put on hold during the pandemic. In Fall 2022, a university-wide process was launched to continue the work outlined in the *Opening Minds and Changing Lives* strategic planning framework and to simultaneously embark on the development of a new academic plan. During the timeframe of this Report, the University conducted extensive consultations with Mount Royal faculty, staff, students, alumni and external partners to inform the development of these two plans.

A new University Strategic Plan, *Vision 2030: Opening Minds and Changing Lives*, was approved by the Board of Governors in May 2023, and it is anticipated that a new Academic Plan will be approved in Fall 2023. The new University Strategic Plan and Academic Plan will inform annual reporting to the Ministry beginning in 2023/24.

In this Annual Report, we present the advancements made in alignment with our previous strategic plan, *Learning Together, Leading Together*, which served as our guiding force during the 2022/23 period. Despite

encountering significant challenges resulting from the COVID-19 pandemic, we are proud to highlight the remarkable achievements attained during this time.

In June 2022, Mount Royal held its first in-person Convocation ceremonies since 2019. Over the course of three days, 1,330 students (out of a total graduating class of 2,217) crossed the stage to receive their parchments.

In 2022/23, the University remained focused on providing the majority of courses through in-person learning, however, remote delivery options continued to be used as supplementary modalities. Despite the ongoing impact of the pandemic, demand for Mount Royal programs remained strong. We maintained enrolment of more than 15,000 students who took advantage of a Mount Royal education in 2022/23. The University continued to see strong demand for degree programs across a range of disciplines. Since the beginning of the institution's growth trajectory in 2014/15, Mount Royal has increased overall FLE by 21.6 per cent. Many more students pursued certificates, diplomas and lifelong learning opportunities through Continuing Education and the Conservatory.

Mount Royal continued to enhance academic program offerings in response to the demands of Alberta learners and the employment market with the development of two new degree programs and five new micro-credentials. Additionally, select diploma and certificate programs underwent substantial

expansion, further enriching the educational opportunities available to students.

The pandemic impacted the mental health and well-being of university students worldwide. With the sudden shift to remote learning, social isolation and uncertainty about the future, students faced unprecedented challenges including financial hardships for many. Mount Royal recognized the urgent need to provide increased mental health support and resources to help students navigate these difficult times. Ensuring students' mental well-being has become an essential aspect of the University's overall effort to mitigate the long-term impacts of the pandemic on their academic success and personal development.

The Office of Indigenization and Decolonization and the Iniskim Centre made significant strides in advancing indigenization at Mount Royal through several successful initiatives. These efforts focused on enhancing awareness and understanding of Indigenous culture and pertinent issues. The University's commitment to attract and support Indigenous students remained steadfast, as evidenced by the presence of a dedicated full-time Indigenous recruitment officer, Indigenous admission targets, the waiver of application fees for Indigenous students in Fall 2022 and several support programs and resources offered through the Iniskim Centre for Indigenous students. The concerted efforts yielded positive outcomes, with the retention rate among self-identified Indigenous students standing strong at 84.5 per cent.

A high priority for Mount Royal is the promotion of an inclusive and respectful campus that welcomes all. The University created the Office of Equity, Diversity and Inclusion and appointed the inaugural associate vice-president, equity, diversity and inclusion to coordinate the University's efforts in fostering an environment

where individuals can learn from each other's differences, thereby increasing understanding and respect for people from different backgrounds.

Mount Royal actively nurtures advanced undergraduate research, leveraging exemplary student work to propel innovation and progress into the future. Through initiatives like the Undergraduate Student Research Awards and the Undergraduate Research Dissemination Fund, 24 undergraduate students received direct research funding to support their projects. In 2022/23, 149 undergraduate research assistants were hired to assist 70 faculty members in their research programs. These endeavors exemplify the University's commitment to fostering a research-driven culture that enables students to make meaningful contributions to their respective fields of study.

We extend our continued gratitude to our exceptional faculty, staff and management, whose perseverance and commitment have been instrumental in our continued success during these challenging times. We look forward to the coming year with optimism and anticipation.

[Original signed by]

Alex Pourbaix
*Chair, Board of Governors,
Mount Royal University*

[Original signed by]

Tim Rahilly, PhD
*President and Vice-Chancellor,
Mount Royal University*

Members of the Board of Governors

(Current as of July 31, 2023)



Alex Pourbaix, *Chair*



Sherri Evers



Joseph Nguyen



Shannon Ryhorchuk



Chris Lee, *Vice-Chair*



Brenden Hunter



Thomas P. O'Leary



Rob Schaefer



Dawn Farrell, *Chancellor*



Pamela Karlenzig



Shannon Pestun



Anisa Tilston



Tim Rahilly, *President and Vice-Chancellor*



Carrie Lonardelli



Kari Roberts



Salimah Walji-Shivji



Jacqueline Musabende



David Routledge

Public Interest Disclosure (Whistleblower Protection) Act

Mount Royal University has a Protected Disclosure (Whistleblower) policy and procedures to guide employees who identify and seek to disclose potential wrongdoings as defined by the *Public Interest Disclosure (Whistleblower Protection) Act*.

Eighteen disclosures were received between April 1, 2022 and March 31, 2023.

Only one of the disclosures met the threshold of the policy and was investigated under the policy. No wrongdoing under the Protected Disclosure (Whistleblower) policy was found. Some of the other disclosures were investigated under other policies and others were addressed through informal processes.

Operational overview

The 2022/23 Annual Report reflects the first complete fiscal year consisting of 12 months ending March 31, 2023; the 2021/22 fiscal year ending March 31, 2022 was nine months long in order to effect a change to align the University's fiscal year with that of the Government of Alberta.

In 2022/23, the University entered into a three-year Investment Management Agreement with the Ministry of Advanced Education. The base operating grant is tied to the achievement of metrics year with at-risk funding increases each year of 15 per cent, 25 per cent and 40 per cent, respectively. Mount Royal anticipates that it will successfully achieve these performance metrics thus avoiding any reductions in the base operating grant; formal confirmation will be received later in 2023.

The Campus Alberta base operating grant accounted for 37 per cent of total revenue, however, total Government of Alberta grant revenue increased to 41 per cent with the inclusion of conditional grants. Other revenue sources included tuition at 39 per cent, sales of services and products at 12 per cent, investment income at five per cent, donations and other grants at two per cent and federal and other government grants at one per cent.

Salaries and benefits accounted for 68 per cent of total expenditures with materials, supplies and services at 14 per cent, amortization of tangible capital assets at seven per cent, maintenance and repairs at four per cent, utilities at three per cent, scholarships and bursaries at two per cent, and cost of goods sold and interest on debt each at one per cent.

Total consolidated operating revenues exceeded expenses by \$8.6 million. This unplanned surplus was mainly attributable to increased investments and higher-than-budgeted ancillary operation revenues. In addition, supply chain challenges led to operational savings, largely the result of economic forces causing delays in receipt of goods and thereby less spending. Position vacancies due to recruitment challenges also contributed to less than anticipated spending.

Leadership Changes

Despite ongoing challenges in recruitment and retention in the sector, Mount Royal was able to bolster its senior leadership team in 2022/23.

In January 2023, the University welcomed Dr. Chad London, PhD, as its provost and vice-president academic, who joined Mount Royal from the University of Saskatchewan where he served as the dean of the College of Kinesiology. Dr. London is no stranger to MRU, having served for 20 years in various roles as a faculty member, department chair and dean of the Faculty of Health, Community and Education, prior to going to the University of Saskatchewan.

In August 2022, Mustansar Nadeem was appointed as the vice-president, finance and administration, joining Mount Royal from Mount Saint Vincent University where he served in the same capacity. In June 2022, long-time MRU employee Phil Warsaba was appointed vice-president, students, after previously serving as associate vice-president, students.

Other senior leadership appointments during the year included: Dr. Moussa Magassa, PhD, as MRU's first associate vice-president, equity, diversity and inclusion; Dr. Connie Van der Byl, PhD, as associate vice-president, research, scholarship and community engagement; Karianne Smith as associate vice-president, finance; Arleen Gallo as associate vice-president, human resources; Tom Durnin as chief information officer; Dr. Evan Cortens, PhD, as interim dean, Faculty of Continuing

Education and Extension, and John Fischer as interim associate vice-president, indigenization and decolonization.

Faculty Recruitment

Significant transformations took place at MRU, which included an evaluation of how the University can support the growth of sought-after disciplines. The 2022/23 period witnessed the addition of 26 assistant professors and senior lecturers. Additionally, there were more than 40 recruitments for current faculty positions, aimed at addressing departures due to retirements and other reasons. This infusion of resources allowed Mount Royal to enhance the teaching and research conducted by its exceptional team of academics.

Enrolment

Despite uncertainty caused by the pandemic, enrolment in 2022/23 remained steady.

CREDIT ENROLMENT	2022/23	2021/22
Full Load Equivalent (FLE)	11,144	11,140
Unique Students	15,573	15,728

International student enrolment grew slightly from 2.6 per cent of total enrolment in 2021/22 to 3.1 per cent in 2022/23. International enrolment continued to be impacted by the pandemic. The modest growth is largely attributed to new international students admitted into degree programs and the resumption of partnerships with international universities for inbound and outbound exchanges.

The University is optimistic that enrolment will resume its growth trajectory in 2023/24. Through provincial targeted enrolment expansion funding, Mount Royal will increase seats in high-demand business and computer science programs.

Through investments from government, industry and donors, Mount Royal will increase seats in other high-demand programs such as the Aviation Diploma.

The Student Experience

Eighty-two per cent of fourth-year Mount Royal students rated their entire educational experience as excellent or good, which is seven percentage points higher than students at Canadian comparator institutions (NSSE 2023).

In 2022, the percentage of incoming students who expressed a sense of belonging at Mount Royal University during their initial year dropped to 77 per cent, down from 85 per cent in 2019. This decline could potentially be attributed to ongoing disruptions caused by the pandemic, which led to a significant portion of courses being conducted entirely online, affecting the overall student experience. The findings also revealed analogous declines in this aspect among institutions in Mount Royal's comparator group (CUSC 2019, 2022).

Program Development

In 2022/23, Mount Royal developed two new degree programs, which are believed to be the first of their kind in Alberta, to meet learner and market demands. The Bachelor of Science in Data Science and the Bachelor of Aviation Management are on track to launch in 2024.

Through provincial funding aimed at expanding options for people looking to upgrade their skills or embark on new careers, Mount Royal received funding to develop micro-credentials in five areas. In 2022, the

Faculty of Continuing Education and Extension launched MRU's first two micro-credential programs in Applied Machine Learning (AML) and Environmental, Social and Governance (ESG) reporting. In January 2023, the Faculty launched an additional ESG micro-credential in Supply Chain Resilience and Scope 3 reporting and started developing micro-credentials in Advanced Competencies for Practicing Midwives - Hormonal Contraception and Bridge to Early Learning and Child Care. Each micro-credential comes with a digital badge that can be shared online so employers can verify the achievement.

Goals and performance measures

In 2021, the Government of Alberta introduced *Alberta 2030: Building Skills for Jobs*, a 10-year strategy for post-secondary education in Alberta. *Alberta 2030* includes six goals aimed at creating a world-class post-secondary system that “will equip Albertans with the skills, knowledge and competencies they need to succeed in their lifelong pursuits.”

In 2022/23, Mount Royal made significant progress in advancing the *Alberta 2030* goals as highlighted below.

SYSTEM GOAL:

IMPROVE ACCESS AND STUDENT EXPERIENCE

Institutional goal:

Grow to meet demand and remove barriers to completion

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
<p>Grow enrolment to add additional capacity to meet the demand for post-secondary access in the Calgary region and across Alberta</p>	<p>The principle of thoughtful growth underlies Mount Royal's enrolment management plan; to grow to meet the demands of Alberta learners and the employment market in a manner that does not compromise quality or the value proposition of what makes a Mount Royal education desirable. The 2022/23 reporting year closed with stable enrolment and FLE totals that were nearly identical to the previous year (an increase of 4 FLE or annual growth of 0.04%).</p> <p>Since the institution began its planned growth trajectory in 2014/15, Mount Royal has recorded a 21.6% increase in total FLE, which vies for the greatest amount of growth in the province over this period for institutions in the Comprehensive Academic and Research University and Undergraduate University sectors. Mount Royal will continue to focus on meeting the demands of Alberta learners in the coming academic year by striving to grow through targeted enrolment expansion.</p>

Expand programming to meet learner and market demands	Over the past year, Mount Royal continued to enhance its program offerings with the development of two new degrees – a Bachelor of Science in Data Science and a Bachelor of Aviation Management – in order to meet learner and market demands. It is anticipated that both programs will be the first of their kind in Alberta, and they are on track to launch in 2024.
Develop micro-credentials to meet student and labour market needs	Mount Royal received funding from the Ministry of Advanced Education to develop a suite of micro-credentials in five areas. The micro-credentials in Applied Machine Learning and Environmental, Social and Governance (ESG) reporting launched in 2022. An additional ESG micro-credential, in supply chain resilience and scope 3 reporting, launched in 2023. Two more micro-credentials, in the areas of early learning and childcare and advanced competencies for midwives, are in development, and anticipated to launch in 2024. Mount Royal is also an active partner with several other post-secondaries and the Ministry in developing a provincial micro-credential framework.
Maximize course transferability across Mount Royal and other institutions	Mount Royal continued to be a leader in the Campus Alberta system for depth and breadth of transfer agreements available through the Alberta Council for Admissions and Transfer (ACAT). Internally, broad-based course transferability is a hallmark of Mount Royal degree programs, whereby completion of optional, elective and General Education courses delivered across multiple faculties are applied to students' graduation requirements.
Increase four- and six-year degree graduation rates	The six-year Fall 2016 cohort graduation rate was 66.9%, which is a slight decrease when compared with the 68.0% rate for the Fall 2015 cohort. The four-year graduation rate for the Fall 2018 cohort fell to 35.0%, compared to the 36.2% rate for the Fall 2017 cohort. All student enrolment behaviours have been affected by the pandemic and the corresponding impact on registration levels, course-taking patterns, and retention and graduation rates will be evident for several years.
Increase number of seats available to students in courses required for graduation	From 2021/22 to 2022/23, there was a 5.0% increase in the number of seats available to students across all faculties. Since 2016/17, Mount Royal has increased its total seat offerings by 23.8%.

Institutional goal:

Indigenize our university

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
<p>Increase faculty, staff and management awareness and understanding of Indigenous culture and issues</p>	<p>Opportunities for faculty and students to present the indigenization of their class offerings and to learn from others happened during the annual Journey to Indigenization events in September and October. The events included the Acknowledgement of National Truth and Reconciliation, Orange Shirt Day, Walking with our Sisters and the Indigenous Knowledge Transfer Ceremony held September 30, 2022.</p> <p>During Fall 2022, the following displays were available: <i>Truth and Reconciliation Indigenous Travelling Art Exhibit</i> (artists of Treaty 7) and four exhibits from the Legacy of Hope Foundation to educate and create awareness of the residential school system and the intergenerational impacts of the "Sixties Scoop". These included <i>Waniskahtan Project</i>, <i>Killing the Indian in the Child: Generations Lost</i> and <i>Escaping Residential Schools: Running for our Lives</i>.</p> <p>The Office of Indigenization and Decolonization partnered with The Canadian Library, where MRU faculty, staff and students created a book gallery honouring First Nations, Métis and Inuit women, children and two-spirit people who have been murdered or gone missing.</p> <p>Other initiatives undertaken by the Office of Indigenization and Decolonization included:</p> <ul style="list-style-type: none">• four pilot sessions, <i>Tipi Teachings</i>, offered to leadership, management, faculty, staff, students and community featuring teachings by elders from various nations;• a poster campaign at MRU to challenge faculty, staff and students to think deeply about their beliefs and biases regarding Indigenous Peoples and colonization in Canada;• engagement of seniors in the community through the <i>Traditional Thinkers</i> initiative, to assist in the mentorship of others and supporting the social participation and inclusion of seniors at MRU;• continuation of the <i>Indigenous Ecological Restoration</i> efforts to indigenize all of MRU grounds, in collaboration with the MRU Grounds and Facilities Management departments and the Faculty of Health, Community and Education;• events and workshops for leadership, management, faculty, staff and students, including monthly "Tea with OID," "Tobacco Teachings," "Land Teachings" and "Traditional Thinkers," among others. <p>The associate vice-president, indigenization and decolonization met with individual leadership, management, faculty, staff and students on questions regarding indigenization and decolonization pertaining to curriculum, cultural protocols or other.</p> <p>The Iniskim Centre continues to work with various staff and faculty groups to deliver Indigenous awareness programming such as the KAIROS Blanket Exercise, tipi-raising and guest lectures in a variety of courses.</p>

<p>Continue implementation of an Indigenous student recruitment plan</p>	<p>A full-time Indigenous recruitment officer continued to increase Mount Royal's presence in urban and rural Indigenous communities and at events across the province. Indigenous admission targets are supported by a policy that holds a minimum of 7% of seats in programs across all faculties for Indigenous applicants.</p> <p>In Fall 2022, application fees for Indigenous students were waived in honour of the National Day for Truth and Reconciliation. Online events were hosted by the Iniskim Centre for Northern Youth Abroad participants, supplemented by onsite visits for students touring southern post-secondaries. Treaty 7 high schools and programs also toured MRU.</p>
<p>Increase number of applications by Indigenous students in all programs</p>	<p>Applications to all programs from self-declared Indigenous students decreased by 5.8% (1,043 to 983) in Fall 2022 compared to Fall 2021. It is felt current and prospective Indigenous student populations were disproportionately impacted by the pandemic. Mount Royal expects Indigenous student applications will be restored to previous levels as early as Fall 2023.</p>
<p>Increase enrolment by self-identified Indigenous students</p>	<p>The percentage of self-identified Indigenous students fell to 5.8% in 2022/23, compared with 6.0% in 2021/22.</p>
<p>Increase retention rates of Indigenous students</p>	<p>The Consortium for Student Retention Data Exchange retention rate among self-identified Indigenous students (84.5%) parallels the retention rate for non-Indigenous students (86.3%).</p> <p>To further support Indigenous students, learning strategists provided 200 hours of writing and math support within the Iniskim Centre. Meeting students in the Centre has created strong, supportive relationships that have benefited students and staff alike:</p> <ul style="list-style-type: none"> • 50% of those students who accessed help in Iniskim later came for appointments on their own, and; • 6% of all students accessing support from Student Learning Services self-identify as Indigenous, which is representative of the total Indigenous student population at the institution. <p>Student testimonial: <i>"It had been a long eight years away from school when I started at MRU last September. I had a lot of anxiety because of this and huge doubts about my success. I met the learning strategists shortly after starting, and while the first month was shaky, they quickly helped me build my confidence in my abilities. Reflecting on my studies for the past year, I've achieved far more than I ever thought I would and have the confidence to tackle the mountain of education I have ahead of me. I know coming to MRU is a big change for people at Iniskim; it can be hard to seek out help when you need it."</i></p>
<p>Increase number of faculty, staff and management enrolled in Indigenous education and training courses</p>	<p>MRU Human Resources renewed the license with First Nations University Canada (FNUC) to offer <i>4 Seasons of Reconciliation</i> to incoming faculty and staff. This is a three-hour online professional development on the history and impacts of colonization and the path to reconciliation with a certificate of completion from FNUC.</p> <p>Over the past two academic years, the University offered four sessions of the <i>4 Seasons of Reconciliation</i> program. From August 1, 2021 to July 31, 2022, 108 employees successfully completed the program. An additional 54 employees completed the program from August 1, 2022 to June 1, 2023.</p>

<p>Implement partnerships and MOUs between Mount Royal and Indigenous groups that contribute to curriculum development and indigenization</p>	<p>A \$1.4-million donation by Ptarmigan Charitable Foundation was provided to support a chair to oversee the collaboration of business courses offered by Old Sun College and Mount Royal University. An MOU was signed to develop an agreement to offer transferable courses. The chair role was advertised and did not garner a successful candidate. The role will be re-designed with community input and advertised in the future.</p> <p>The Office of Indigenization and Decolonization, in collaboration with faculty, partnered with elders from the Tsuut'ina Gunaha Institute to create a Tsuut'ina Curriculum Guide and further expand the Tsuut'ina language revitalization.</p> <p>The Office of Indigenization and Decolonization also set up the Traditional Thinkers Advisory Council. On January 19, 2023, a pipe ceremony was held to inaugurate the Council and to initiate the Indigenous strategic planning process. Elders and MRU executives were present with faculty, management, staff and students for the ceremony.</p> <p>A research collaboration between the Office of Indigenization and Decolonization and Community Futures Treaty Seven titled "Treaty 7 Women's Research Initiative" saw the hiring of four students through Mitacs funding.</p> <p>The MRU Injury & Prevention Clinic continued to engage in Indigenous health dialogues in collaboration with the Iniskim Centre as part of Nursing's Community Health classes (NURS 2216) during the Winter and Spring semesters. This is part of an overall indigenization strategy that challenges future registered nurses to step into meaningful action in response to the Truth and Reconciliation Commission's Calls to Action in healthcare. Students experience transformational learning through engagement with Indigenous community members, both in the Iniskim Centre and with Indigenous health professionals and health centres in the community. This opportunity engages future nurses with citizenship experiences they can carry into the healthcare system and offers a new understanding of history and how nursing professionals can play an effective role in reconciliation.</p>
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Institutional goal:

Support student mental health and well-being

OUTCOMES AND PERFORMANCE MEASURES

Develop a suicide prevention framework to support mental health

PROGRESS REPORT

Following the June 2021 launch of the Suicide Prevention Strategic Framework, work began to implement the framework on campus. In December 2022, a Framework Implementation Committee was brought together to better coordinate and support campus implementation efforts. This Committee comprises representatives who are intended users of the Framework, including but not limited to: departments and academic units, institutional leaders, students and the Students' Association of Mount Royal University (SAMRU). Also, MRU invested in training employees as ASIST and safeTALK trainers to help improve MRU's capacity to deliver suicide prevention training in the future.

Highlights this year included the initial steps in the development of an after-hours mental health crisis response on campus, increased capacity to deliver suicide awareness/intervention workshops with a commitment from GreenShield Canada to support programming, a commitment to Recovery on Campus with initial seed grant funds secured and the development of a suicide risk screening tool. There was continued focus on the Framework's 52 recommendations and each recommendation has an implementation team to ensure work progresses in a timely manner.

The suicide prevention strategy at MRU provides access to a variety of suicide prevention, awareness training and education programs. More than 150 people received training such as QPR (Question, Persuade, Refer: suicide prevention training), ASIST (Applied Suicide Intervention Skills Training), LivingWorks START suicide prevention program and safeTALK suicide prevention program.

In Spring 2023, the mental health outreach coordinator was trained to facilitate safeTALK which will enable more cost-effective delivery of the workshop on campus in the future.

Completion of these kinds of programs dramatically improves peoples' ability to recognize and take action when supporting an individual who is experiencing suicidality. For example, 96% of ASIST training participants reported feeling better prepared to intervene with someone at risk of suicide.

<p>Provide access to information, training and awareness for students, faculty, staff and management to increase mental health literacy skills to identify and respond to students experiencing mental health concerns</p>	<p>Mount Royal provided numerous mental health-themed education and awareness programs along with training and activities for students, staff and faculty that ranged from information booths and classroom presentations to training seminars and fairs.</p> <p>Peer-to-peer training programs are proven to be highly effective in positively impacting the health and wellbeing of students, and MRU's team of 16 volunteer student mental health peers hosted 10 events with more than 450 student participants to raise awareness of mental health challenges faced by the student body. The Stepping UP program is also a peer-delivered program that focused on the promotion of healthy relationships and the prevention of gender-based violence. The Stepping UP team of 15 peer leaders hosted a variety of events such as Bystander Intervention Training, Healthy Relationships and Gender and Media.</p> <p>MRU continued the delivery of <i>The Inquiring Mind</i>, a mental health workshop designed to increase awareness of mental health, reduce the stigma of mental illnesses, provide resources to maintain positive mental health and to increase resiliency for students. The workshop ran five times in 2022/23 with 112 students attending.</p> <p>Opioid use and opioid-related deaths continue to be a health crisis impacting Albertans. Since 2018, Wellness Services has partnered with Safeworks and a Nursing faculty member to offer harm reduction and naloxone training. In 2022/23, the training was offered more than in any previous year, with a total of 13 sessions delivered to over 290 students, staff and faculty. The training was effective at raising the skills of participants to cope with crises, with 95% of students (230 respondents) and 97% of staff (33 respondents) indicating that they are now more confident in responding to someone experiencing an opioid poisoning.</p> <p>MRU once again participated in the National College Health Assessment (NCHA), a statistically valid and reliable web-based survey created by the American College Health Association. The instrument collected data on students' habits, behaviours and perceptions of various health topics and it was completed in the Winter 2022 term with a 35% response rate. The results were reviewed and assessed in order to inform the design and delivery of relevant educational and awareness activities impacting the health and wellbeing of MRU students. Additionally, 15 presentations summarizing the results were delivered to MRU departments to help inform their work with students accessing their services, and six presentations were delivered to 184 Undergraduate Studies students to increase awareness of support services (99% of student participants reported that they could identify resources to support their mental health as a result of the presentation).</p>
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Implement campus services to increase self-management and coping skills, including counselling groups and early support referrals

Throughout 2022/23, skills-based programming was provided to students, ranging from clinical support groups to online wellness tools and topic-specific awareness campaigns. The topics and themes of services and activities delivered were based upon the results of the NCHA survey as well as the prevalence of student needs.

Student Counselling Services contributed to skills development through access to group supports, such as the women's group for female-identified Indigenous students, the Pride Centre's weekly wellness wind-down for 2SLGBTQIA+-identified students, SMILE (Success with Mental Illness in Learning Environments) for students with a mental illness, the Global Wellness Community for international students, Steps to Wellbeing for students with mild-to-moderate mental health issues and various groups focused on the needs of specific academic programs (Interior Design, Midwifery and Nursing). A total of 436 students participated in group services designed to support student health and wellbeing. Such programs provided high-impact services, as noted by the student who described the outcome of the Steps to Wellbeing program: *"[The program] had a positive impact on me. I've been eating healthier and working out more. This has really helped me reduce my stress levels and my anxiety and depression has been better lately."*

An extensive suite of online tools and resources were made available to students. MRU purchased the TAO platform (Therapy Assistance Online) that provides students with free access to over 150 topics related to health and wellbeing. The University also created the Live Well Podcast that had 486 downloads of its 9-episode series. Other wellness awareness activities resulted in over 2,250 interactions with students about topics related to their health and wellbeing.

The Early Support program continued to be an important offering that supports the mental health and wellbeing of MRU students. Functioning as a hub where students, staff and faculty can refer students who may be in need of support services, Early Support received 342 referrals in 2022/23. The top concerns raised by students were linked to academics, mental health and wellbeing, finances, physical health and career.

Provide appropriate on-campus services and transition processes for incoming students and those who may be better served through off-campus community services

MRU continued to focus on providing robust mental health and awareness programming in order to reduce stigma and increase students' help-seeking behaviours. This focus served to reduce the number of students in urgent distress and increase the likelihood of timely access to medical and therapy services. MRU provided direct clinical supports for students through the Health Services medical clinic and Student Counselling Services. Mental health appointments represented half (49.3%) of the 10,655 visits to health services in this reporting year, a 24% increase over pre-pandemic visits. The addition of a dedicated mental health nurse was essential in improving the timely delivery of mental health care, with over 460 appointments accommodated in 2022/23.

Access to timely and relevant counselling services remained a priority for MRU. Student Counselling Services increased the total number of appointments by 316 in 2022/23 when compared to 2021/22. This was mostly accomplished through the addition of six walk-in appointments per day to improve access for students in need. The University also focused on improving after-hours support for students experiencing mental health distress. In collaboration with the Calgary Distress Line, all MRU Security and Residence professional staff completed Distress Line Training to better support the recognition of, and response to, student mental health emergencies. Updates to MRU response protocols were also completed, including collaborations with the Calgary Mobile Response Team.

Institutional goal:

Deliver personalized learning experiences for all students

OUTCOMES AND PERFORMANCE MEASURES

Expand transitional support programming that provides year-round support for first-year students

PROGRESS REPORT

Orientation & Transition programming at MRU is intentionally built around Dr. Alf Lizzio's *Five Senses of Student Success Framework*. Programming was expanded to include:

- MRUBegin (1,156 visitors): a series of asynchronous online modules that included topics on campus life, students' rights and responsibilities, academic preparedness and support, decolonization, relationships and inclusion and program-specific onboarding;
- Summer Workshop Series (1,064 participants);
- Campus Tours (1,412 participants, including parents and supporters);
- Orientation Days (2,334 participants);
- First Day Back Party (500 participants);
- Campus Carnival (1,000 participants);
- Orientation and Transition Peer Program (50 participants): a peer cohort program to help students increase their connectedness, resourcefulness, purpose and capability during the crucial first six weeks of their academic journey, and;
- First-Year Mentorship Program: a four-month program designed to help students succeed.

Six months after participating in Orientation and Transition programming, first-year students reported a 21% increase in confidence in their academic skills and 75% of student participants felt more prepared for their studies.

715 unique students participated in the Peer Learning Program (PLP) as learners. Of those, 354 (50%) were in their first year. First-year students received 3,600 hours of support through PLP.

774 unique students attended writing, learning and math appointments with learning strategists. 454 (61%) were first-year students who attended 1,100 appointments.

1,129 unique students came to workshops, with 854 (75%) being first-year students. On average, they attended two workshops each.

<p>Increase student retention rates</p>	<p>The first- to second-year retention rate, as reported to the Consortium for Student Retention Data Exchange (CSRDE), decreased to 86.3% in 2021 from 87.3% in 2020, the two most recent years for which data is available. CSRDE provides a measure of first-time university students enrolled in at least 80% of a full course load in a degree program. In assessing the entire cohort of students enrolled in degrees at Mount Royal, the Fall 2021 cohort retention rate was 82.3%, compared to 83.3% in the previous year.</p> <p>342 students were supported through the Early Support program. The average GPA of referred students is 2.02, which suggests that MRU is working with the correct population, as these students are at risk of falling out of Good Academic Standing.</p> <p>In 2022/2023, the top five student concerns brought forward in Early Support appointments were related to the following themes: academic, emotional wellbeing, finances, physical wellbeing and purpose/career.</p> <p>Central Advising began to gather data about the impact of meeting with an advisor on admission timelines and success. Initial analysis indicated that Open Studies students who met with an advisor were 8-10% more likely to convert to a degree program at MRU within two years than students who did not meet with an advisor.</p>
<p>Achieve a higher percentage than the comparator group of students rating their overall educational experience as excellent or good</p>	<p>The National Survey of Student Engagement (NSSE 2023) reported that among fourth-year students at Mount Royal, 82% rated their entire educational experience as excellent or good, seven percentage points more than students at Canadian comparator institutions.</p>
<p>Increase support for the creation and use of Open Education Resources (OERs) across programs</p>	<p>The Library and the Academic Development Centre continued to provide and administer a grant program to encourage the creation and use of OERs and to provide the needed support to grant recipients.</p> <p>Three new projects were funded and supported in 2022/23. An education and awareness campaign about OERs and Open Access was launched in Fall 2022 and Winter 2023, as well as a Syllabus Review Service, designed to help faculty find and incorporate OERs into their course materials.</p> <p>Mount Royal continued to provide access to and support for the Pressbooks platform, a publishing tool that is used to create, adapt and publish open content.</p>

Institutional goal:

Create high-impact experiences in and out of the classroom

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Maintain the percentage of first-year students at Mount Royal who reported having very much/some success feeling as if they belong at the university	<p>The proportion of first-year students saying, as part of their transition to university, they had very much or some success feeling that they belonged at Mount Royal decreased to 77% in 2022 from 85% in 2019. This decrease may reflect continued pandemic-related disruptions to the student experience (about one-third of courses were delivered fully online). Similar decreases for this item were observed in the results of Mount Royal's comparator group (CUSC 2019, 2022).</p> <p>87% of students who participated in Orientation Days indicated that it made them feel like they belong at Mount Royal.</p> <p>After participating in the First-Year Mentorship Program, 97% of mentees indicated that they had moderate or high confidence that they belong at MRU. This was a 36% increase from their sense of belonging prior to participating in the program.</p>
Increase student participation in community-building programs and services	<p>From 2020 to 2023, a similar proportion of fourth-year students said they spent time doing community service or volunteer work in a typical week (50% in 2020 and 51% in 2023). While fourth-year students' participation in community service or volunteer work remained similar, first-year students' participation in these activities decreased from 41% in 2020 to 36% in 2023. Decreased participation among first-year students may reflect the ongoing impacts of the pandemic, and these students might be more hesitant to engage in specific social contexts (NSSE 2020, 2023).</p>
Increase participation in student leadership opportunities	<p>The proportion of first- and fourth-year students who reported taking on a formal leadership role in a student organization or group was consistent from 2020 to 2023. Among first-year students, 4% (in 2020 and 2023) said they had formal leadership roles. About one in four fourth-year students said they held a formal leadership role in either 2020 (24%) or 2023 (27%) (NSSE 2020, 2023).</p> <p>In addition, 472 students participated in student leadership opportunities across campus (a 16.5% increase from 2021/2022) and 250 student leaders received training on Kouzes and Posner's Five Practices of Exemplary Leadership. The annual Student Leadership Conference was expanded to include a Pitch Competition that challenged 20 students to propose innovative solutions to real world problems on campus.</p>

Institutional goal:

Foster a safe and positive work environment

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
<p>Demonstrate evidence of broad cultural, ethnic, religious, sexual orientation, abilities, gender and age diversity among faculty, staff and management</p>	<p>MRU became actively engaged in determining how to capture EDI metrics to objectively measure the cultural, ethnic, religious, sexual orientation, abilities, gender and age diversity among faculty, staff and management. This included the review and implementation of a new Applicant Tracking System that may have the ability to capture this data.</p> <p>MRU created an office of Equity, Diversity and Inclusion and hired its inaugural associate vice-president, EDI. As part of its EDI implementation strategies, MRU implemented a foundational EDI employee training program. Its goal is to promote understanding of the principles, implementation processes and benefits of EDI in contributing to a respectful, equitable, accessible, inclusive and welcoming workplace environment. The training builds capacity for intercultural skills, cultural competency, empathy, mutual respect and acceptance of individuals' and groups' cultures, ethnic, religious, sexual orientation, abilities, gender and age diversity among faculty, staff and management.</p> <p>To support this work, MRU created the EDI Opportunity Fund providing financial support of up to \$15,000 to propel initiatives that identify and remove systemic barriers, and made it available to current MRU students, faculty, staff and administrators.</p>
<p>Ensure workspaces are inspected for hazardous conditions at regular intervals and are conducive to a safe work environment</p>	<p>Workspace inspections were scheduled and conducted on a regular basis within identified areas with increased hazard levels, or more generally where there was support from a Safety Advisory Group. Additional workspace reviews will be scheduled as new Safety Advisory Groups are formed and trained to conduct inspections.</p>
<p>Increase the percentage of employees who have completed the basic health and safety orientation</p>	<p>MRU has met the expectation of the provincial <i>Occupational Health & Safety Act</i> for health and safety orientation training. It is a requirement that current employees have taken, and all new employees take, the Health and Safety Orientation, Employee Rights and Responsibilities and the Violence and Harassment training modules. Ongoing maintenance programs continue to be offered.</p>

SYSTEM GOAL:

DEVELOP SKILLS FOR JOBS

Institutional goal:

Provide high-impact or capstone work-integrated learning experiences

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Expand student work experience and work-integrated learning opportunities	<p>Work-integrated learning (WIL) placements grew to 1,014 in 2022/23 from 665 in 2021/22.</p> <p>A total of 219 new students were admitted to the Co-operative Education Program in 2022/23, and 81 students graduated with a co-op notation, marking completion of three co-operative education terms during their degree studies at Mount Royal.</p> <p>MRU launched an eCareer Portfolio pilot with 144 student participants.</p> <p>A total of \$153,000 in WIL funding, secured through Mitacs and Co-operative Education and Work-Integrated Learning Canada (CEWIL Canada), was disbursed to 136 students.</p>
Expand student community engagement and Community Service Learning opportunities	<p>There were 50 Community Service Learning (CSL) courses offered in 2022/23, comparable with the previous year. Typically, students contribute more than 300,000 hours of community service learning at over 500 community organizations.</p>
Increase the proportion of students participating in internship, co-op, practicum and clinical placements	<p>Compared with 2019/20 graduates, students who completed their program in 2021/22 were less likely to say they had participated in work-integrated learning placements (76% vs. 67%). This decrease in participation is almost certainly related to the pandemic and students' preference to avoid certain social activities, as the proportion of students who said they did not participate even if opportunities were available increased from 29% in 2020 to 52% in 2022 (GFUS 2020, 2022).</p>

Institutional goal:

Provide students with a liberal education

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Maintain the high proportion of graduates reporting that they have strong critical thinking and problem-solving skills	From 2020 to 2022, the proportion of employed graduates who said their program had prepared them to analyze information and solve problems in their job was consistent. In 2022, more than nine in 10 employed graduates said their program had at least moderately prepared them to analyze information (95% compared with 96% in 2020) or solve problems (92% compared with 95% in 2020) (GFUS 2020, 2022).
Implement the recommendations for General Education that resulted from the program review	The General Education program review will be used as the foundation to inform a larger evaluation of the General Education provision. This work will commence in the Fall 2023 semester under the leadership of the newly-appointed vice-provost, academic and director of liberal education.

Institutional goal:

Enrich the student academic experience through participation in research projects

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Ensure graduates have gained experience in conducting research and developed transferable analytical skills in the research process	<p>Research and Scholarship Days 2023 (March 27 to April 6) saw the highest level of engagement by undergraduate MRU students to date with 123 presentations – 98 poster presentations and 25 oral presentations – across all faculties.</p> <p>The Faculty of Science and Technology had an additional poster session with 39 submissions by 90 students and 21 faculty supervisors, while Psychology had 20 students presenting posters under the supervision of 11 faculty members.</p> <p>The Catamount Fellowship, supported by the Institute for Community Prosperity, had 13 student-led projects, each with one faculty supervisor and a community partner.</p>
Increase the number of students participating in research projects	<p>From 2020 to 2023, the proportion of first-year students who said they had worked with a faculty member on a research project remained consistent (5% and 4%, respectively). However, the proportion of fourth-year students who said they had worked with a faculty member on a research project increased to 27% in 2023 from 21% in 2020 (NSSE 2020, 2023).</p> <p>In 2022/23, 149 MRU undergraduate research assistants (RAs) were hired. They were supervised by 77 faculty members.</p>

SYSTEM GOAL:

STRENGTHEN INTERNATIONALIZATION

Institutional goal:

Internationalize our university

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Increase international student enrolment	<p>Total international student enrolment in Learner and Enrolment Reporting System (LERS) programs was 3.1% for 2022/23, compared to 2.6% for 2021/22.</p> <p>Growth in international enrolment can be largely attributed to new international student admits in degree programs and the resumption of partnerships with international universities for inbound and outbound exchange. As was the case for most ESL programs across North America, enrolment in Language Education for Academic Purposes (LEAP) declined precipitously as a direct result of the pandemic, although positive gains in enrolment were realized in the Winter term, and the program is now in a recovery phase.</p>
Establish new international partnerships for study abroad opportunities	<p>Annually, the University seeks to increase institution-wide coordination of international field school opportunities, and existing partnerships for inbound and outbound student exchange are reviewed for currency and activity level. As a result of this review, some partnerships were terminated while others were renewed. In addition, new partnerships that are deemed to be compatible with Mount Royal's objectives and students' needs are created when feasible. During the 2022/23 reporting year, three new agreements were established, increasing MRU's bi-lateral partnerships with universities around the world to 73.</p>
Enhance international student supports	<p>The International Student Support Centre developed and delivered a robust slate of academic, personal and social programming for international students, launching over 25 online and several in-person events on a weekly basis for students in the 2022/23 academic year. These activities were supported by a student intern, two lead volunteers and a roster of more than 20 MRU student volunteers committed to international student support. Throughout the reporting period, daily comprehensive support was provided by the Office of International Education to international students planning to attend the institution. In addition, the International Student Support Centre continued to provide immigration advising to students.</p>
Increase university-wide coordination of international field school opportunities, in order to increase student participation	<p>Following a lengthy hiatus due to travel restrictions and health protocols, Mount Royal resumed inbound and outbound student exchanges, international work experiences and field schools. In 2022/23, 47 MRU students participated in faculty-led field schools in Ghana, Dominica and Europe.</p>

Expand inbound and outbound exchange and semester-abroad student participation	80 Mount Royal students travelled abroad in the Fall, Winter and Spring semesters in 2022/23 as part of outbound exchange experiences, and 13 students engaged in international work experiences. Over this same period of time, MRU welcomed 92 inbound exchange students from partner institutions.
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SYSTEM GOAL:

IMPROVE SUSTAINABILITY AND AFFORDABILITY

Institutional goal:

Fundraise with intention

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Grow Mount Royal's endowment fund to support student scholarships and bursaries	As of March 31, 2023, Mount Royal's student awards endowment fund totaled \$47.6 million, which does not include the expendable portion which amounts to an additional \$3.2 million. The MRU Foundation remains confident that the goal of growing the endowment to \$50 million by 2025 will be met.
Increase the proportion of Mount Royal's annual operating budget dedicated to bursaries, scholarships and awards	<p>For the fiscal year ended March 31, 2023, Mount Royal spent \$5.1 million on student awards; this compares to \$4.6 million spent for the fiscal year ending March 31, 2022. The proportion of annual operating budget spent on student awards decreased from 2.7% to 2.1% versus the previous year.</p> <p>This decline in the proportion of the annual operating budget dedicated to student awards is due to a 12-month operating budget this year versus a 9-month operating budget last year. While the annual spend has increased, operating expenses have increased at a more significant rate.</p>
Increase the proportion of students who receive bursaries, scholarships and awards	The total number of students receiving student awards increased in the past year to 2,497 from 2,307; 22.4% of unique full-time students (excluding Academic Upgrading) received University-administered awards.

Institutional goal:

Seek equitable, stable and predictable government/regulated funding, and increase efficiency

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Develop a financial plan designed to achieve long-term strategic goals, with an operating budget that does not require the use of reserve funds to support base program and service delivery	Mount Royal approved a three-year budget plan predicated on anticipated provincial funding and increased tuition fees, in compliance with the <i>Tuition and Fees Regulation</i> (TFR) and enrolment stability. The 2022/23 plan continued to prioritize the University's academic mission while anticipating a return to more on-campus activities and continued investments in learning environments. The operating budget for the 2022/23 fiscal period did not require the use of reserve funds to support base program and service delivery.
Repurpose vacant and unusable spaces in the main building (former Library and Conservatory space) as a cost-effective means of increasing instructional capacity	<p>Two capital construction projects, one valued at \$61 million and the second at \$14.6 million, were initiated and are scheduled to be completed within the next four years. The first project is to develop space in the Lincoln Park Building, G-Wing, which was vacated by the opening of the Riddell Library and Learning Centre, and the second is the building of a new hangar at the Springbank Airport.</p> <p>The W-Wing renovation project, valued at approximately \$4 million, was completed. This project transitioned the space vacated with the opening of the Taylor Centre for the Performing Arts into classrooms, meeting space and student study rooms.</p> <p>Three Canada Foundation for Innovation (CFI) projects were completed creating new lab and classroom spaces.</p>
Reduce the cost of delivery per FLE with respect to Mount Royal's comparators	Total operating expenditures per FLE rose from \$19,347 in 2021/22 to \$21,602 in 2022/23. While figures for 2022/23 for other institutions are not yet available, the figure for 2021/22 is below the equivalent figure for the university sector (\$34,839) and above the equivalent figure for undergraduate universities only (\$18,976) (expenses from FIRS [MRU's 2021/22 prorated from 9 months to 12 months], FLE from LERS).

Institutional goal:

Diversify our revenue sources and capitalize current assets

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
<p>Review opportunities for strategic incorporation of commercial amenities in planning for new development or renovations of existing facilities, to enhance revenue generation</p>	<p>Post-pandemic demand and interest in the streaming and recording of performances and events continued as a sustainable revenue stream which supports client connections and accentuates the venue and technical capabilities in Event, Theatre & Hospitality Services.</p> <p>Continued engagement with the filming industry resulted in further opportunities to showcase MRU with indoor and outdoor space rentals for feature film and television programs.</p> <p>Hospitality Services worked closely with Compass Group-Chartwells to implement and launch MRU Catering Services as part of a phased-in approach to the food services contract.</p> <p>The License Plate Recognition program continues to be a work in progress due to long delivery times associated with required equipment. A sole-source agreement is currently being developed that will streamline operations and integrate current software applications to mirror those of Security Services. It is anticipated that maintenance expenditures will decrease from an IT perspective due to the same equipment being deployed in Parking & Transportation Services and Security Services.</p> <p>Netsuite was fully incorporated into Campus Store operations. Netsuite functionalities led to an increase in sales reporting categories and accuracy, which has provided better data for decision making.</p> <p>A Business & Retail Services strategy document was developed to help guide the work of Parking & Transportation Services, Campus Store and Youth Programming. This document focused on roles and responsibilities, outputs and performance metrics that are connected to the overall strategic priorities of the institution. This work created focus and provided a vision of how Business & Retail Services is supporting MRU.</p> <p>Parking & Transportation Services initiated a detailed asset assessment project, as considerable capital upgrade investments will be required in the near future; parking infrastructure is starting to show significant signs of decline.</p> <p>The printer fleet agreement, including maintenance, was extended through the 2023/24 academic year to accommodate a new printing strategy that is currently being developed. In addition, the parking management software was also extended for an additional 12 months. Both agreements fall within the Contractual Signing Authority policy and both have favourable financial terms for MRU.</p>

<p>Maximize revenue generation through rental of the Bella Concert Hall and other campus spaces to external groups</p>	<p>External rentals, internal presentations and concert season performances utilizing the Bella Concert Hall exceeded expected levels in 2022/23 as part of a two-year recovery plan. In total, there were 234 bookings in the Bella Concert Hall and supporting venues which presented a wide range of artists, Conservatory performances and other events. Event, Theatre & Hospitality Services successfully relaunched services promoting Mount Royal's venues and event services, seeing close to 400 event, conference and filming bookings in Ross Glen Hall and the supporting venues and classrooms on campus.</p> <p>A new Parking & Transportation Services strategy was approved and will be implemented for the Fall 2023 semester. Although an overall price increase of 2% will be strategically incorporated, some permits will see a price decrease. Included in this strategy is a monthly payment option for permit lots, as opposed to having to pay for a semesterly permit up front.</p> <p>Business & Retail Services and Campus Athletics & Recreation entered into an MOU to support both youth programming initiatives and recreation membership revenue. As a result, both areas realized significant increases in revenue. An addendum to this MOU is currently being developed to help increase attendance to Cougars Athletics games by incorporating parking fees into season ticket packages.</p> <p>Two MOUs were in development between Business & Retail Services and Event, Theatre & Hospitality Services, and between Business & Retail Services and the Conservatory, to help support revenue generating initiatives for both departments. Parking was identified as a major barrier to attracting business. As such, the University is strategically trying to mitigate this issue while keeping revenue generating requirements in focus.</p>
<p>Increase revenue from sales of services and products</p>	<p>In the first year of post-pandemic recovery for Event, Theatre & Hospitality Services, the year-over-year revenue increases were exceptional, recognizing that the 2021/22 year consisted of only two fully operational months. In the first year of post-pandemic recovery, revenues represented more than 75% of the 2018/19 sales, exceeding expectations and paving a path to a full recovery in the 2023/24 budget year.</p> <p>Overall, Business & Retail Services revenue was up 42.9% from the previous year with approximately \$9.3 million in revenue. Parking & Transportation Services led the way with gains of 65.49%, with 12 months of operations as opposed to 9 months.</p> <p>A new campus store manager with significant retail experience was hired to help support general merchandise sales, as sales in the hardcopy textbook category have seen an industry-wide decline of approximately 6% year-over-year for the past 10 years. Early indicators show that revenue trends are starting to increase with gains being made in the general merchandise category, which should lead to an increase in bottom-line performance for 2023/24.</p>

Institutional goal:

Promote environmental sustainability

OUTCOMES AND PERFORMANCE MEASURES	PROGRESS REPORT
Enhance environmental sustainability practices through educational campaigns that are designed to change the behaviours of building users	Poster campaigns, sustainability fairs and direct messages were used to create awareness that everyone has a role to play and an ability to influence Mount Royal's environmental footprint.
Reduce consumption and cost per square foot	Ongoing work in this area included fine-tuning building automation systems to maximize efficiency and lower consumption. LED relamping replaced an inefficient lighting system. The irrigation system was integrated with weather stations and turf moisture sensors to ensure watering is based on soil need as opposed to schedules. Capital renewal activity included modernization and attention to environmental impact in all projects.
Achieve a 'gold' level rating in the Association for the Advancement of Sustainability in Higher Education's (AASHE) Sustainability Tracking, Assessment and Rating System (STARS) program for environmental sustainability	Activity to manage the Mount Royal's STARS rating was coordinated by Facilities Management, the Institute for Environmental Sustainability and the Sustainability Working Group. A complete assessment of the STARS program requirements and measures to attain a gold standard was underway.

Financial information

Management's discussion and analysis

This Management Discussion and Analysis (MD&A) report provides readers of Mount Royal University's consolidated financial statements with management's opinion of the financial performance and operating activities for the University's year ended March 31, 2023. The financial results reflect the first complete fiscal year consisting of 12 months ending March 31, 2023. The University changed its fiscal year-end effective March 31, 2022 to coincide with that of the Government of Alberta, accordingly the financial results are compared to the nine-month period ended March 31, 2022. As a result, the two periods are not directly comparable.

The consolidated financial statements include the financial results of Mount Royal University, the University Foundation and the Child Care Centre. The Board of Governors of Mount Royal University is a corporation continued under the *Post-secondary Learning Act* of Alberta. The Foundation is a wholly owned non-profit organization that receives donations and endowments on behalf of the University. The Foundation is incorporated under the *Companies Act* of Alberta. The Child Care Centre is a non-profit organization that is incorporated under the *Societies Act* of Alberta.

This supplemental financial information should be read in conjunction with Mount Royal's consolidated financial statements and accompanying notes. The MD&A and audited financial statements are reviewed and approved

by the University Board of Governors on the recommendation of its Finance Committee and its Audit and Risk Committee. The University's consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

The following provides an overview of the financial results achieved during the year ended March 31, 2023, with discussion and analysis of the following areas:

- Economic and operating environment;
- Financial health indicators;
- Financial risks, and
- Summary of financial results.

Economic and operating environment

During 2022/23, the far-reaching social and economic impacts of the pandemic continued to linger and affect economic realities and the University's operations. Inflation was a dominant theme during 2022/23, with the Bank of Canada making aggressive moves to increase interest rates several times during the fiscal year, from 0.25 per cent in March 2022 to 4.5 per cent by the end of March 2023. The University continued to experience challenges from staffing recruitment to supply chain management and inflation.

The University has remained focused on providing the majority of its courses through in-person learning, however, remote delivery options will continue to be used as supplementary modalities. The University is dedicated to providing a transformative

education that prepares students for success in a rapidly evolving and interconnected environment.

For the year ended March 31, 2023, the Campus Alberta operating grant represented 36.6 per cent of total revenue funding the University's activities. It is important to note that total tuition revenues, both credit and non-credit, represented 39 per cent of revenue to the University which is outpacing the Campus Alberta Grant funding. The new provincial performance-based funding model, Investment Management Agreement (IMA), puts increasing amounts of operating funding at risk as it makes a portion of the University's base operating grant conditional upon achievement of a number of performance metrics.

Beginning fiscal 2022/23, the University entered into a three-year IMA (April 1, 2022 to March 31, 2025) with the Ministry of Advanced Education. The base operating grant is tied to the achievement of metrics each year. The total at-risk funding increases each year of the Agreement, from 15 per cent in 2022/23 to 25 per cent in the following year and finally to 40 per cent in 2024/25. At the end of 2022/23, the University had not received confirmation that it had met its targets, however management anticipates it will successfully achieve these performance metrics, thus avoiding any reductions in the base operating grant.

In March 2023, the Board of Governors approved a three-year balanced budget plan (2023/24 – 2025/26) that continues to prioritize the University's academic mission. The budget plan includes assumptions for stable enrolment targets as well as strategic priorities, program expansion, critical infrastructure needs, student financial support and equity, diversity and inclusion initiatives.

Financial health indicators

Mount Royal's long-term economic sustainability is critical to the continued delivery of the University's mandate and rich program mix of undergraduate studies. The University considers the following financial health metrics as indicators of its financial strength:

- **Net Asset position:** The University's net assets performance measure provides important information regarding its financial health and sustainability. It measures the economic resources accumulated through operations since inception that either have exceeded the operating requirements from prior years or have been set aside to support future operations.

As of March 31, 2023, Mount Royal's total accumulated net asset balance was \$155.2 million (2022: \$147.3 million). The balance consisted of:

- \$73.9 million (47.6 per cent) in endowments held in perpetuity;
- \$33.1 million (21.3 per cent) related to the accumulated net investment in tangible capital assets since the University's inception;
- \$37.1 million (23.9 per cent) related to internally restricted funds and reserves, and
- \$11.1 million (7.2 per cent) related to the University's accumulated operating surplus, including remeasurement gains and losses.

The accumulated operating surplus balance at March 31, 2023 was \$11.1 million (2022: \$17.9 million), comprising \$3.3 million (2022: \$0.8 million) in accumulated surplus and \$7.8 million (2022: \$17.1 million) in accumulated remeasurement gains. Note 14 to the consolidated financial statements contains a more comprehensive view of the University's accumulated operating surplus. Other financial health indicators are as follows:

- Net Financial Assets is a measure of Mount Royal's capacity for its financial assets to cover liabilities and fund future operations. It reflects the University's financial health and sustainability at the end of March 2023. The University generated net financial assets of \$62.7 million at the end of 2023 and \$55.3 million at the end of 2022. It reflects the University's strong liquidity position as at March 31, 2023, with no borrowing on its \$40.0 million (2022: \$40.0 million) revolving operating line of credit.
- The University's liquidity requirements are met mainly through operating cash flows, working capital balances and capital renewal funding from provincial grants. Included in the March 2023 net financial assets balance is \$78.0 million (2022: \$77.0 million) of portfolio investments restricted for endowments. The economic value of the endowments is required to be maintained in perpetuity and cannot be used to cover liabilities or future operating or capital purchases.

- However, effective this fiscal year and applied retroactively to the prior year, the University's financial liabilities include the adoption of a new accounting standard which resulted in the recognition of a legal obligation associated with the retirement of tangible capital assets. The new liability, referred to as Asset Retirement Obligations (ARO), 2023: \$26.4 million (2022: \$26.6 million), has placed the University in a negative financial position or net debt before endowments.

In addition, the University ended the fiscal year with an operating surplus of \$8.6 million (2022: \$14.8 million). After consideration for positive changes in net assets, the Board of Governors approved the appropriation of \$8.8 million (2022: \$14.5 million) from the 2022/23 accumulated operating surplus to internally restricted surplus to fund institutional strategic priorities.

Financial risks

Mount Royal is expecting the demand for access to post-secondary education to substantially increase over the next few years. The University is anticipating it will encounter issues similar to those affecting universities and colleges globally. Facing digital competition from non-traditional institutions that may offer affordable online education poses a definitive risk. However, as a student-focused undergraduate institution with significant potential for growth, Mount Royal's approved budget for 2023/24 reflects several assumptions to mitigate the most significant financial risks:

- Revenue-generating opportunities reflect the slow return to normal operating conditions that took place in 2022/23. It is anticipated that ancillary operations will further align to pre-pandemic activity levels, however, a significant level of risk continues to persist from changed learners' and commercial clients' behaviours that emerged during the pandemic and continue to take hold post-pandemic. In this context, this level of risk impacts the University's parking revenue services. Accordingly, the 2023/24 budget reflects lower revenue expectations of parking and revenue-generating services.
- Enrolment remains steady and consistent, despite uncertainty caused by the pandemic and remote delivery. The University has adapted, taking on a greater role in supporting students by enhancing online offerings and investing in a high-quality learning management system. While some risk remains in achieving enrolment targets, the University's enrolment trajectory is anticipated to have a modest growth of 1.3 per cent

in 2023/24, with similar growth levels projected for each of the following fiscal years. Forecasted increases in enrolment are largely attributable to Targeted Enrolment Expansion funding, which has allowed the University to expand access to some of its highest-demand programs. Other risk mitigation strategies include extensive student outreach as well as an ongoing monitoring of enrolment and program capacity trends.

- Staffing compensation costs represent the largest portion of general operating expenses by a significant margin, representing 67 per cent of the University's 2023/24 operating budget. During fiscal 2022/23 the University's recruitment efforts were affected by external labour market pressures, resulting in several budgeted positions remaining vacant. It is anticipated that tight labour markets will continue to impact operations in 2023/24. As a mitigation strategy, an offset labour vacancy contingency has been included in the 2023/24 budget and in the next two fiscal forecast budgets.
- Global supply chain challenges and elevated inflation remained unpredictable during 2022/23. It is anticipated that inflationary and supply chain pressures may continue in 2023/24, resulting in cost escalations. These volatile economic conditions combined with provincial fiscal pressures may adversely impact the University's operations. As a mitigation strategy, the 2023/24 budget includes a five per cent contingency of total budget expenses, less amortization, for possible expenditure escalations.

Summary of Financial Results

Mount Royal ended the fiscal year March 31, 2023, with an operating surplus of \$8.6 million compared to \$14.8 million for the nine-month period ended March 31, 2022. The main reason for the significant difference in the operating surplus is based on the one-time and exceptional factors experienced throughout the shortened prior reporting period. More specifically, due to the nature of the University's operations, revenue activity is concentrated in the period of July to March, while expenses normally exceed revenue during April to June. As the period reported in the nine months ended March 2022 was from July to March, revenue exceeded expenses. Therefore, the financial results presented under the section Consolidated Statement of Operations are compared to the 2022/23 budget.

This fiscal year's operating surplus was mainly driven by increased conditional grants from government funding and by higher ancillary operations revenues than originally budgeted. Operational savings included supply chain challenges, largely the result of economic forces causing delays in receipt of goods and therefore in spending. Furthermore, significant recruitment challenges resulted in many budgeted positions remaining vacant during the period. The University also benefited from investment income due to significant capital gains from equity holdings as well as from the rebalancing of its investment portfolios.

Net assets increased by \$7.8 million from the previous year to \$155.2 million (\$147.4 million in 2022). The growth is mainly due to generating an operating surplus of \$8.6 million and an increase in the fair value of endowments by \$8.5 million, less a decrease in the accumulated remeasurement gains by \$9.3 million.

Consolidated statement of financial position

Mount Royal University's consolidated statement of financial position provides financial information on the University's financial health and sustainability at the end of March 31, 2023.

Cash and portfolio investments

The total of cash and portfolio investments (non-endowment) increased by \$19.7 million from the prior period. The increase mainly includes provincial funding for the G-Wing and W-Wing capital infrastructure projects, the aviation management diploma program, the targeted enrolment expansion program and the capital maintenance and renewal program.

Portfolio investments restricted for endowment purposes increased by \$1.1 million from the prior period. Further portfolio investment details are described in Note 5 to the University's consolidated financial statements.

Accounts receivable

The accounts receivable balance primarily consists of \$8.6 million owed to the University from the Students' Association of Mount Royal University (SAMRU). This is in reference to a mortgage held on behalf of SAMRU to finance the expansion to the Wyckham House Student Centre. The mortgage balance is reported in Note 9 to the University's consolidated financial statement.

Accounts receivable also includes amounts owing from students and commercial clients, totalling \$4.1 million. An overall increase of \$1.7 million from prior period balances was generated from business activity in commercial client accounts, federal government claims and staff advances related to the implementation of the University's bi-weekly payroll.

Accounts payable and accrued liabilities

The University's accounts payable and accrued liabilities include outstanding vendor invoices, construction holdbacks, student deposits, payroll liabilities and vacation entitlements. There was an increase of \$9.4 million in accounts payable and accrued liabilities from the prior period which was largely attributable to the year-end accrual of payroll costs resulting from the implementation of the University's new bi-weekly payroll process, totalling \$7.0 million. The remaining increase is from vendors' invoices related to general operations as well as from the campus renovation of vacated spaces.

Employee future benefit liabilities

Employee future benefit liabilities include long-term disability, supplemental retirement plans, employee-funded future leaves and administrative leave. The employee future benefit liabilities increased by a net of \$1.0 million primarily resulting from an adjustment related to prior years' unrecorded liabilities for the University's administrative leave benefit plan.

Debt

At the end of the fiscal year, \$41.1 million was accumulated in debt for infrastructure-related projects. This balance includes \$8.6 million that is owed to the University by SAMRU. This is reported in the University's accounts receivable balance. The University's debt decreased by \$3.3 million from the prior period as a result of ongoing repayments on loans to the Ministry of Treasury Board and Finance. Details are in Note 9 to the University's consolidated financial statements.

Deferred revenue

The University records deferred revenue related to tuition and fee amounts collected in advance of future periods. It also records contributions received for targeted initiatives or intended for specific purposes that will be spent in the future. These contributions include endowment interest, conditional grants, research grants and restricted donations. At the end of the fiscal year, \$68.4 million was recognized as deferred revenue. Further details about deferred revenue can be found in Note 10 to the University's consolidated financial statements.

Tangible capital assets

The overall decrease of \$2.1 million in the net book value of capital assets is primarily due to the outpacing of amortization expenses over capital asset acquisitions; although, the University experienced an increase in capital spending levels as compared to the last fiscal period. The fiscal year capital acquisitions of \$13.8 million were lower than amortization of \$15.9 million, leading to the overall decline in the net book value of tangible capital assets. Further information is in Note 12 to the consolidated financial statements.

Asset retirement obligations

Effective April 1, 2022, the University adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard retroactively to June 30, 2021, with restatement of prior year comparative information. PS 3280 addresses the accounting and reporting of legal obligations associated with the retirement of tangible capital assets. On March 31, 2023, the estimated value of the obligation was \$26.4 million. During the course of the fiscal year, \$0.2 million in remediation was applied to the initial estimate of \$26.6 million reported on March 31, 2022.

Spent deferred capital contributions

This liability category represents grants and donations received for, and spent on, capital acquisitions where the conditions of the grant and the University's actions and commitments

create a liability. The grants and donations are recorded as revenue in the same manner as the capital assets funded by them are amortized. The spent deferred capital balance of \$239.9 million as of March 31, 2023 is related to grants and donations committed for the construction or renovation of campus buildings. Details are disclosed in Notes 10 and 11 to the University's consolidated financial statements.

Net assets

Net assets are the University's accumulated operating surplus, internally restricted surplus, investment in tangible capital assets, endowments and accumulated remeasurement gains. Net assets increased by \$7.8 million (5.3 per cent) from the prior year results and is further disclosed in the following table:

	AS OF MARCH 31, 2023 (MILLIONS)	AS OF MARCH 31, 2022* (MILLIONS)	INCREASE (DECREASE) (MILLIONS)	% CHANGE
Accumulated operating surplus	\$3.3	\$0.8	\$2.5	312.5%
Internally restricted surplus	\$37.1	\$34.9	\$2.2	6.3%
Investment in tangible capital assets	\$33.1	\$29.3	\$3.8	13.0%
Endowments	\$73.9	\$65.3	\$8.6	13.2%
Accumulated remeasurement gains	\$7.8	\$17.1	(\$9.3)	(54.4%)
Total	\$155.2	\$147.4	\$7.8	5.3%

**March 31, 2022 accumulated operating surplus and investment in tangible capital assets have been restated to conform to the new standard, PS 3280.*

Accumulated operating surplus

The accumulated operating surplus is the net result of the University's operating surpluses or deficits since inception. These are amounts which have not been designated for specific purposes through internally restricted appropriations or invested in tangible capital assets.

The net increase in accumulated operating surplus of \$2.5 million is mainly due to the fiscal year operating surplus of \$8.6 million, followed by the recovery of operating expenses funded from internally restricted surplus of \$2.5 million and from investments in tangible capital assets of \$0.2 million, partially offset by a transfer to the internally restricted surplus of \$8.8 million to fund institutional strategic priorities.

Internally restricted surplus

The total internally restricted surplus increased by \$2.2 million, comprising an allocation to the capital renewal fund of \$8.8 million and partially offset by current year disbursements of \$6.6 million in capital and operating activities. The details of the changes in reserves can be found in Note 14 to the University's consolidated financial statements.

Investment in tangible capital assets

The investment in tangible capital assets of \$332.0 million is funded by the following sources:

	AS OF MARCH 31, 2023 (MILLIONS)	AS OF MARCH 31, 2022 (MILLIONS)
Internally funded from accumulated operating surplus	\$33.1	\$29.3
Externally financed (through debt)	\$32.6	\$35.5
Externally funded (spent deferred capital contributions)	\$239.9	\$242.7
Asset retirement obligations	\$26.4	\$26.6
Net book value of tangible capital assets	\$332.0	\$334.1

The internally funded portion of \$33.1 million as of March 31, 2023 represents the University's contribution from its accumulated operating surplus invested in capital assets. This increase by \$3.8 million from March 31, 2022, is the result of new investment in capital assets

through debt and other internal funding. Note 12 to the University's consolidated financial statement provides additional information on tangible capital assets.

Endowments

The University's endowments consist of contributions held in perpetuity which have been invested to generate investment returns to support annual scholarships and program spending. Endowments are a significant component of the University's Net Assets. Even though endowment contributions and capitalized investment income flows through the Statement of Operations into accumulated surplus, the capital must be held in perpetuity and is not available for spending on university operations. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

Endowments have increased by \$8.6 million from the prior fiscal year. This increase is due to new contributions from donors and additional investment income earned from the endowments, which are held to support inflation-proofing the endowments for future spending. The details of changes to endowments can be found in Note 14 to the University's consolidated financial statements.

Accumulated remeasurement gains

Remeasurement gains and losses are an instrument to adjust the investment portfolio to fair market value. As of March 31, 2023 the investment portfolio had a net remeasurement gain of \$7.8 million. The effect of the remeasurement gains is disclosed in the statement of remeasurement gains and losses of the consolidated financial statements.

Consolidated statement of operations

Mount Royal University's consolidated statement of operations presents the University's operating surplus, resulting from the year ended March 31, 2023 operating revenue and expense activities.

Revenue

Total revenue for the year ended March 31, 2023 was \$249.3 million compared to \$183.5 million for the nine-month period ended March 31, 2022. This total revenue increase of \$65.8 million (36 per cent) is mainly due to the shortened reporting period resulting from the change in fiscal year-end in 2021/22. Relative to budget, revenues increased by \$4.9 million due to increased activity in government grants, greater sales and services revenues, and higher levels of investment income.

Grant funding streams

Government of Alberta grants represent the single-largest source of funding to support the University operations at 41 per cent of total revenues. Provincial grant revenue totalled \$102.9 million which was \$24.0 million higher than the prior year grant revenue. The increase over the prior year is mainly related to the University's Campus Alberta operating grant which increased due to a 12-month year in 2022/23 compared to a nine-month period ended in 2021/22.

Student tuition and fees

Student tuition and fees were \$1.7 million under budget due to lower than planned flight training hours and lower than planned business and professional education training in the Faculty of Continuing Education. Partially offsetting the declines were increases in credit tuition and fees due to unbudgeted program expansion.

Sales of services and products

Ancillary operations revenue increased by \$1.9 million from budget primarily due to unbudgeted Foundations for the Future Charter Academy rental revenues. The rental agreement will not continue beyond June 2023. The Campus Store continues to see declines in textbook and general merchandise sales. These declines are partially offset by a reduction in cost of goods sold.

Donations and other grants

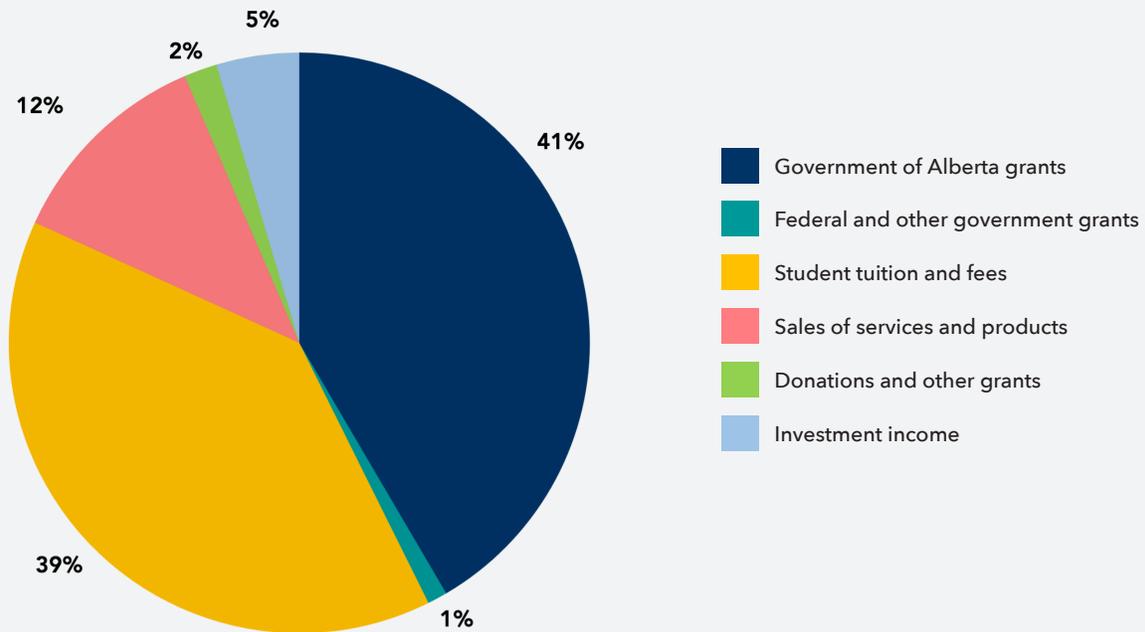
Donations and other grants increased by \$0.7 million as compared to budget. Most of this increase is due to increased research grant funding.

Investment income

Investment income realized a positive variance of \$0.7 million as compared to budget as a result of gains from portfolio rebalancing and large capital gains distributed on Canadian equity holdings.

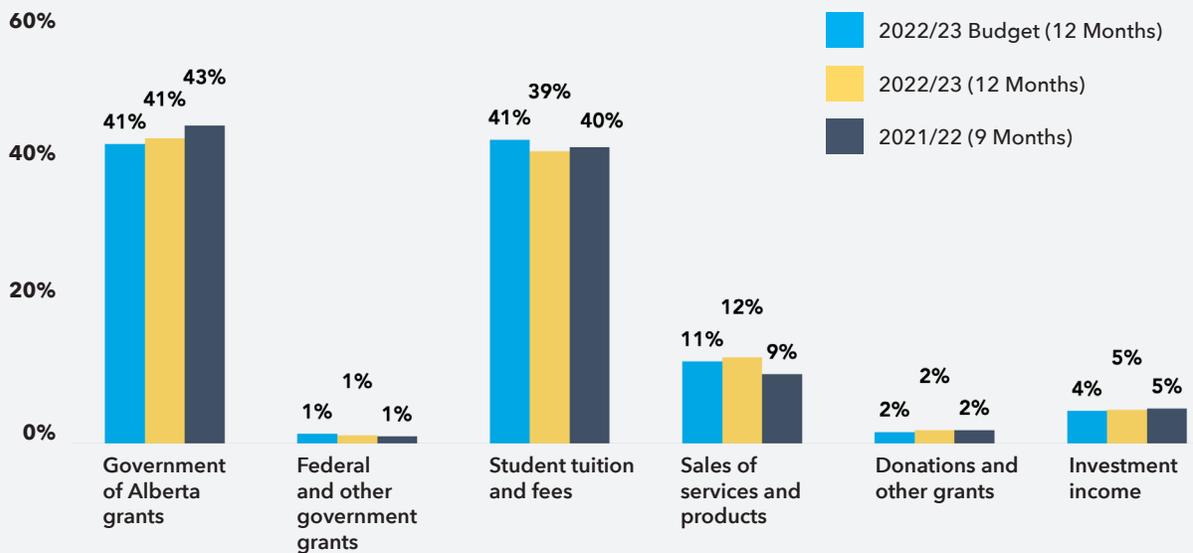
Revenues by Source 2022/23

Total revenue allocation between revenue sources for the year ended March 31, 2023 is illustrated in the pie chart below:



Revenue Comparison

A comparison of the total revenue generated by source for 2022/23 budget (12 months), 2022/23 actuals (12 months) and 2021/22 actuals (nine months) is illustrated in the graph below:



Expenses

Total expenses for the year ended March 31, 2023 were \$240.7 million, compared to \$168.7 million for the nine-month period ended March 31, 2022. The increase is mainly a result of the 12-month year-end at March 31, 2023 compared to a nine-month period reported at March 31, 2022. Expenses were \$3.7 million less than budget mainly due to delays in hiring for vacant positions as well as unspent budgeted funds as a result of challenging supply chain logistics.

Expenses by Function

Instruction and non-sponsored research

Instruction and non-sponsored research expenses were \$4.4 million less than budget. The decrease was attributed to cost savings resulting from vacant full-time and contract faculty positions, lower activity in the flight school and lower-than-planned institutional overhead allocations.

Academic and student support

Academic and student support expenses were \$3.1 million under budget as a result of materials and labour vacancy contingencies in budget coupled with a larger transfer of expense from academic and student supports to ancillary enterprises.

Facility operations and maintenance

Facility operations and maintenance were over budget by \$2.9 million due to higher-than-planned operational spend on capital maintenance and renewal programs, and increased utilities expense.

Institutional support

Institutional support expenses were \$1.9 million under budget due to lower IT contracted licensing fees, increased overhead allocations to ancillary operations and vacant positions.

Ancillary services

Ancillary expenditures were \$1.5 million over budget due to increased overhead allocations to ancillary enterprises from institutional support as compared to budget and a larger transfer of expense from academic and student support to ancillary services for public portion of athletics and recreation.

Sponsored research

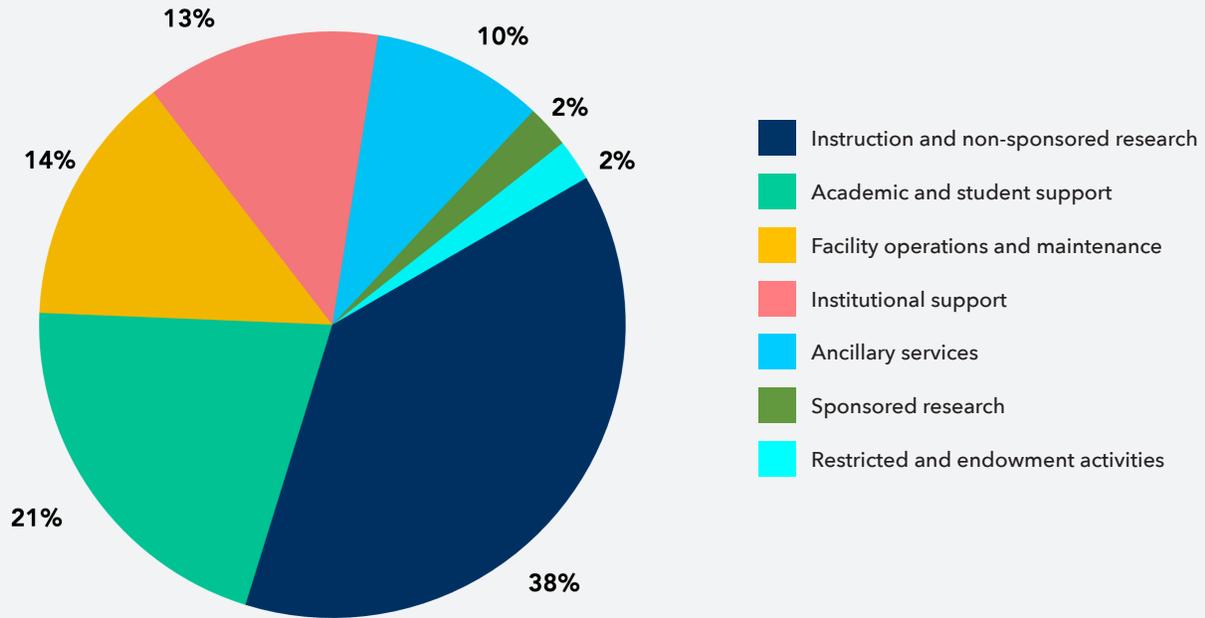
Sponsored research exceeded budget by \$1.5 million due to unanticipated research-related activities. However, the increased expenses were fully offset by associated grant revenue.

Restricted and endowment activities

Restricted and endowment activities were below budget by \$0.3M due to a concerted effort to re-imagine alumni development programming in University Advancement.

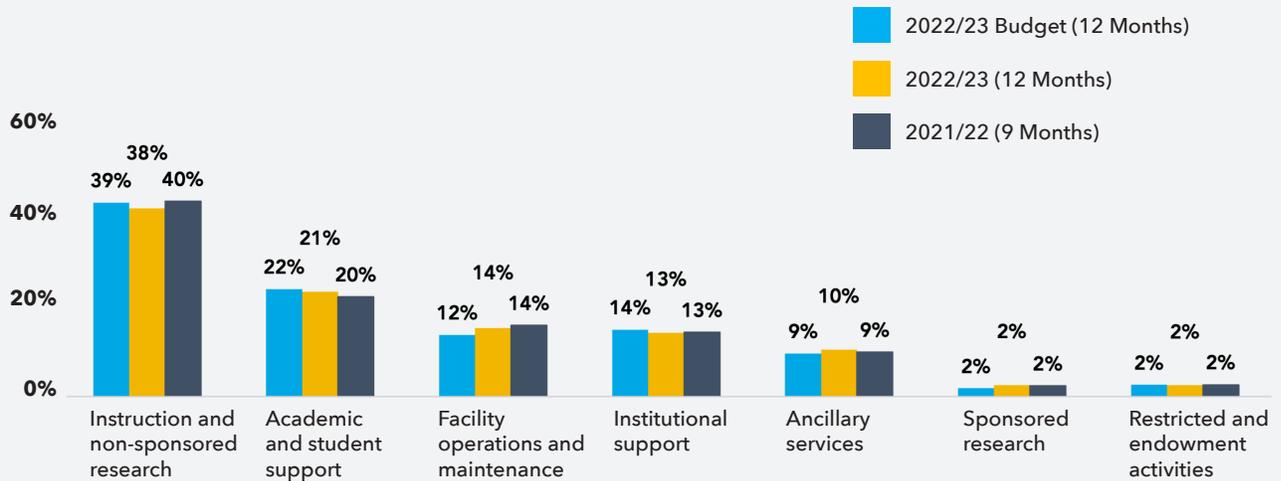
Expenses by Function 2022/23

Total expense allocation by function for the year ended March 31, 2023, is illustrated in the pie chart below:



Expenses Comparison by Function

A comparison of the total expense by function for 2022/23 budget (12 months), 2022/23 actuals (12 months), and 2021/22 actuals (nine months) is illustrated in the graph below:



Expense by Object

Salaries and benefits

Compensation expenses totalled \$165.0 million or 68 per cent of the University's operating expenses in 2022/23. These expenses, which include employee benefits, were \$1.9 million under budget due to vacancies in faculty and staff positions and unspent one-time project funds; partially offset by unbudgeted accrued administrative leave that increased compensation expenses. Casual wages were also lower than budget due to lower flight training hours in the Aviation Management Program.

Materials, supplies and services

A \$2.4 million positive variance as compared to budget in supplies and services was related to lower IT contracted licensing agreements, lower fuel and aircraft maintenance expenses as a result of fewer flight training hours and general savings across multiple departments.

Cost of goods sold

A \$1.0 million positive variance as compared to budget in cost of goods sold resulting from lower than anticipated campus store textbook and general merchandise sales.

Scholarships and bursaries

An unfavourable \$0.1 million variance as compared to budget due to higher-than-expected donation-funded scholarships and bursaries. This expense is fully offset by increased donation revenue.

Maintenance and repairs

An unfavourable variance as compared to budget of \$0.6 million in maintenance and repairs was due to higher than anticipated operational spend on capital maintenance and renewal programs versus capitalization.

Utilities

An unfavourable variance as compared to budget of \$0.8 million in utilities resulting from increased transportation and usage rates compared to budget.

Amortization of tangible capital assets

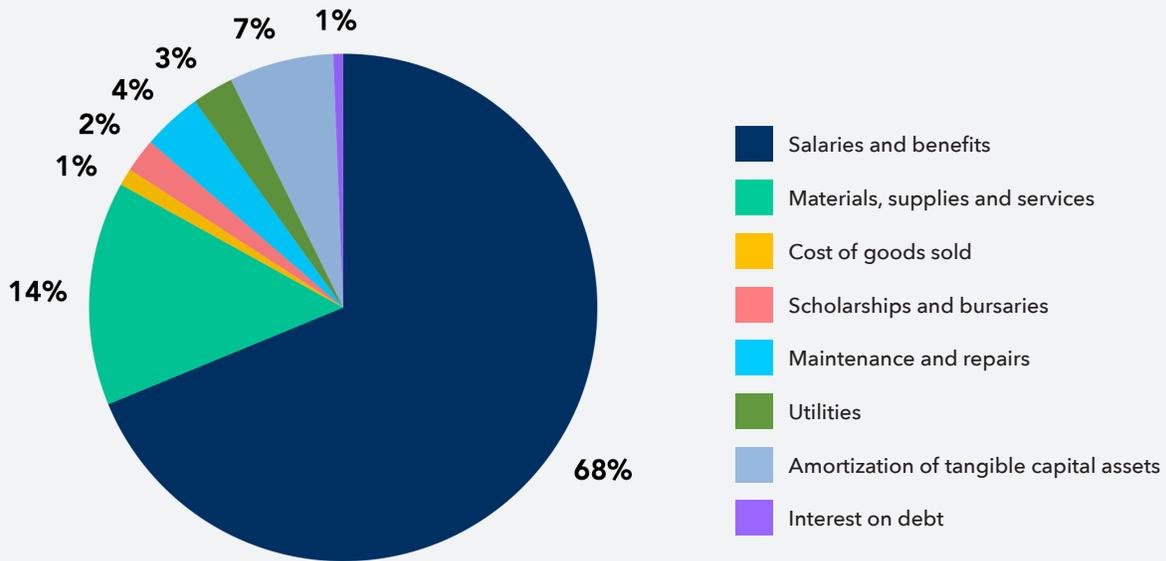
Amortization was underestimated in the approved budget, leading to a \$0.5 million negative variance.

Interest on debt

A \$0.5 million positive variance in interest on debt due to more favourable cash flow than anticipated, resulting in less reliance on the demand operating credit as compared to budget.

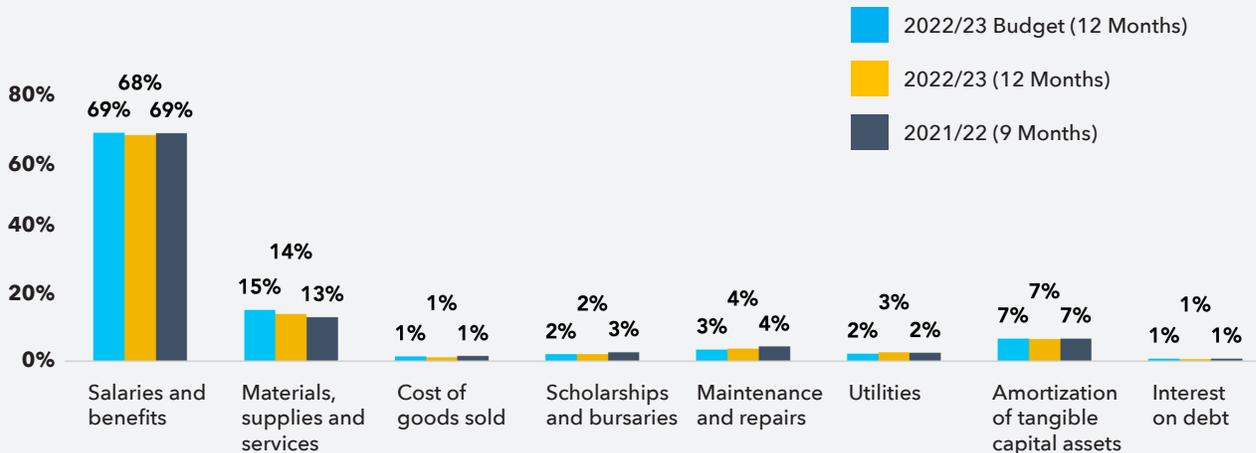
Expenses by Object 2022/23

Total expense allocation by object for the year ended March 31, 2023 is illustrated in the pie chart below:



Expenses Comparison by Object

A comparison of the total expense by object for 2022/23 budget (12 months), 2022/23 actuals (12 months) and 2021/22 actuals (nine months) is illustrated in the graph below:



Capital report

Capital construction

Funding from the Government of Alberta (\$50 million) and the Taylor Family Foundation (\$15 million) were received to repurpose spaces made vacant by the openings of the Taylor Centre for the Performing Arts in 2015 and the Riddell Library and Learning Centre in 2017. This capital redevelopment is critical to the University in meeting its goal to increase student enrolment and enhance support for student success.

The creation of wildfire forensic and physiology labs with dedicated classrooms and a Podcast Studio were completed to support academic research with funding support from the Canada Foundation for Innovation.

Priority requests for future consideration

The University seeks to increase the size of its Aviation Diploma Program. This enrolment expansion requires a new hangar to accommodate the additional students, instructors and planes. In addition, Mount Royal is developing a degree proposal for a new Bachelor of Aviation Management degree, with the first enrolment intake expected in Fall 2023.

A masterplan and functional program assessment of the Science and Technology space (B-Wing) was finalized to guide planning and prioritizing the development of this area and ensuring alignment with the changes being brought about by the Major Capital G-Wing project.

Capital infrastructure renewal

Infrastructure renewal and upgrade projects are funded through the Government of Alberta's Capital Maintenance Renewal (CMR) program and are designed to address deferred maintenance, mitigate business continuity risks and reduce the University's environmental footprint.

Detailed breakdown of priority projects

Top priority capital projects					
PROJECT TYPE	DESCRIPTION	TOTAL BUDGET	FUNDING SOURCE	PROJECT STATUS	PROGRESS MADE IN 2022/2023
Expansion	Repurposing existing facilities (W- and G-Wings)	\$65M	GoA: 77% Donor: 23%	\$15M received from GoA; \$5M received from donor	W-Wing complete and in use as of September 2022 G-Wing functional program and schematic design underway
Expansion	Repurposing research spaces including physiology, forensics and podcasting labs and classrooms (B-Wing)	\$3.1M	CFI: 18.5% GoA: 18.5% MRU: 63%	All funding received	Complete and in use as of September 2022
Other					
New	Aircraft hangar	\$6.5 million	GoA: \$5M Donor: \$1.5M	All funding received	Prime consultant has been approved by Campus Development Committee to complete schematic design; requirements gathering for schematic design
Proposed	Science and Technology wing redevelopment	\$2.5 million	To be determined	Re-submitted to GoA via the June 1, 2023, BLIMS submission	Re-submitted with escalation included
Maintenance	Electrical distribution	\$2.4 million	CMR: 100%	Project in progress	Upgrading aging end of useful life electrical distribution. Completed major electrical upgrade to emergency power system and transfer switch.
Maintenance	Fire alarm upgrade	\$3.3 million	CMR: 100%	Project in progress	New fire alarm fibre communication link. Improving code compliance of fire alarm systems to future-proof.

Project timelines and status

PROJECT DESCRIPTION	PROJECT TIMELINES	PROJECT START	EXPECTED PROJECT COMPLETION	PROJECT STATUS	PROGRESS MADE IN 2022/2023
Repurposing existing facilities (W-Wing and G-Wing)	2019 – 2025	October 2019	W-Wing 2022 G-Wing 2025	Completed In progress	W-Wing complete and in use as of September 2022 G-Wing functional program and schematic design underway
Aircraft hangar	2022 – 2024		September 2024	In Progress	Requirements gathering for schematic design
Science and Technology Wing re- development	2022 – TBD			\$2.5M of Planning funds Planning submitted through BLIMS	Condition assessment and masterplan complete with high- level costing; applied for funding for design development scope
Electrical distribution	April 2019 - May 2024	April 2019	Estimated May 2024	In progress	CMR funding approved (multi-year project)
Fire alarm upgrade	2020 – 2024	2020	2024	In progress	CMR funding approved (multi-year project)

Research, scholarship and community engagement

Mount Royal University is committed to providing impactful academic experiences in the classroom, the lab, off campus, through interdisciplinary collaboration and community engagement. Research and scholarship ensure these experiences have high impact, advance knowledge and provide the skills to be competitive in the workforce and beyond. Internal research funding of \$67,364 was awarded to 11 faculty-led projects in 2022/23. An additional \$16,500 funded 11 research dissemination applications.

Undergraduate research prepares students with the competencies and the know-how to solve problems and think critically about the challenges they will face in the workplace and in their communities. Mount Royal students have opportunities to develop research skills and disseminate output through conference presentations, poster events, competitions and community engagement. Undergraduate Student Research Awards (USRA) and the internal Undergraduate Research Dissemination Fund (URDF) meant that 24 undergraduate students received direct research funding for their projects. Considering research assistants as a whole, 149 students were hired with an additional 34 non-student RA's being hired. They were supervised by 77 faculty members in 2022/23.

Community partnerships are vital to the research and scholarship conducted by faculty and students at MRU and to solving both local and global challenges.

Sponsored Research

Mount Royal faculty are supported through sponsored research grants. Funding from the bodies that make up the Tri-Agency group, which comprises the Social Sciences and Humanities Research Council (SSHRC), Natural Sciences and Engineering Research Council (NSERC) and Canadian Institutes of Health Research (CIHR), is critical for supporting research. All faculties within Mount Royal draw upon the applicable agency for support. In 2022/23, faculty members across Mount Royal submitted 17 applications to SSHRC and NSERC with three of the 17 of projects funded.

The Canada Foundation for Innovation (CFI) Fund helps provide Mount Royal researchers with the equipment and tools needed to facilitate the completion of innovative research projects. The Canada Research Chairs (CRC) Program enables Mount Royal to develop a better understanding of peoples and societies through research expertise. In 2022/23, Mount Royal held three Tier 2 CRCs and three CFI grants.

Mount Royal Institutes

Mount Royal Institutes and Centres provide faculty with impactful research and scholarship opportunities and students with valuable experiences outside the classroom.

The **Institute for Innovation and Entrepreneurship** (IIE) hosted the 10th annual JMH LaunchPad Pitch Competition at Mount Royal University on April 7, 2022, with 300 people in attendance. Eight MRU student founders shared \$70,000 in prizes and for the first time, all six winners were women. Students from all programs and degrees are welcome to apply, and the pitch competition provides students with the opportunity to flex their creative abilities and promote innovation.

IIE launched HealthTech Challenge, a new student program where cross-disciplinary student teams designed cutting-edge advancements in health technology under the guidance of expert faculty members. IIE also initiated the Growth Catalyst program which has trained 120 leaders in 35 Alberta businesses and provided in-class work-integrated learning opportunities for 85 students.

IIE secured a \$300,000 grant from Edmonton Global to deliver a Hydrogen Innovation Accelerator to advance the hydrogen industry in Alberta.

The **Institute for Environmental Sustainability** (IES) continued to support climate change discussion through symposiums like World Wetlands Day 2023. Hosted by the institute, the symposium focused on the restoration of lost wetland habitat. In 2022, IES hired seven research assistants working on projects in association with the

Institute, furthering Mount Royal's commitment to providing high-impact education at the undergraduate level and helping fulfil IES's goal of getting students from all disciplines involved with climate study.

The Countering Consumerism Contest held to commemorate Earth Day 2022 encouraged students from all disciplines to participate in a media project that countered hyper-consumption and proposed alternative approaches to wasteful consumerism with the hope of enabling cultural shifts. The theme for the 2022 contest was fast fashion.

The **Institute for Community Prosperity** (ICP) connects community, faculty and students to address critical societal issues. The Catamount Fellowship for Emerging Changemakers in 2022/23 had 12 MRU students from all four faculties, mentored by 12 MRU faculty members, work on community-wide systems-level challenges with 12 community partners. The program is funded by Suncor Energy Foundation. Map the System Student Challenges announced a new three-year partnership with ATCO Group as the keystone sponsor for the program. The Institute manages this program both at a Canada-wide level, involving 15 teams and more than 260 student entries (involving over 750 students), and at a campus-level, where six teams competed. ICP introduced 140 ATCO employees to the Map the System methodology.

ICP launched, with critical support from the Alberta Government's Civil Society Fund, the Centre for Social Impact Technology, for which the Institute serves as administrative host. The Centre, the first of its kind in Canada, brings together the social innovation and tech innovation communities through shared learning, dialogue and action. This initiative has

produced an inaugural Summit, nine webinars and five other in-person events involving a total of 560 attendees. The Centre has also produced 18 volunteer-written blog posts with topics including blockchain for good, data privacy, art and AI, tech ethics and the nonprofit digital divide.

ICP delivered, in partnership with Momentum, the fifth Annual Economics of Social Change Workshop series with our largest cohort of students to date, with a hybrid learning format enabling online and remote participation, particularly from rural Alberta. This program is also synchronized to include the second annual cohort of the ConnectFirst Student Social Entrepreneurs, 10 students supported on a social entrepreneurship learning journey, highlighted by a day-long workshop with Ashoka Fellow Shaun Loney (and sponsored by the eponymous credit union, ConnectFirst).

ICP documented Calgary Reads' "Dandelion Strategy", an experiment in scaling social innovation through winding down a nonprofit organization and dispersing the programming to other community partners better positioned to scale.

ICP is a founding partner of the Learning Collective's Open Learning Lab, an experimental open learning space at Bow Valley Square downtown, which features AccelerateU, in partnership with the Bissett School of Business, Oxford Properties and the City of Calgary, with over 40 community groups confirmed to participate or locate their operations in the shared learning space.

ICP received support from the Alberta Community Infrastructure Program to create a new program for community practitioners/professionals for developing a cohort of

systems leaders, which mirrors the Catamount Fellowship for Emerging Changemakers.

Executive Director James Stauch published a widely-circulated article in Social Innovations Journal on Diagnosing the Challenge of Social Innovation Learning in Universities delivered at the AshokaU Forum in Halifax. He adapted this article into a TEDxCalgary talk delivered this spring. Stauch also completed his seventh annual environmental scan for the Calgary Foundation, covering a wide range of trending issues and topics – social, political, technological, cultural, ecological.

The **Trico Changemakers Studio** is a social innovation, collaboration and learning space at the intersection of campus and community. The Changemaker Conversations Project was a partnership with the Calgary Foundation to grow the program and broaden our community reach by hosting 12 conversations that drew 416 attendees (community members, students and faculty) around the themes of Right Relations and Racial Equity, Environment and Sustainability, Wellbeing and Belonging. The Artist as Changemaker Residency Program is an ongoing partnership with Calgary Arts Development to explore the role of artists in social change. This year, seven new artists were welcomed to the residency with seven new community partners and four Artist Fellows. The Anitopisi Leadership Program is a student leadership program that is situated at the intersection of reconciliation and changemaking. With the support of Elders and Indigenous knowledge keepers, students learn through land-based learning, lectures, storytelling, creative arts practice and group activity. The two-year pilot wrapped up in April 2023 with 10 students having participated over the two years. In January 2023, the Studio welcomed Steacy Pinney as the Studio's new

changemaker-in-residence for 2023/24. As the former CEO of the treasured local nonprofit Calgary Reads, Pinney is a true changemaker with a passion for early childhood literacy and an incredible systems mindset.

Social Innovation Labs + Impact Facilitation

- Nonprofit Resilience Lab – in its 2nd year (in partnership with Calgary Foundation)
- Literacy Lab – received support from an anonymous donor through the Calgary Foundation to develop and facilitate a two-year social innovation lab focused on childhood literacy.
- Active Reconciliation Treaty 7: Banff Retreat – an immersive retreat experience for nonprofit organizations to explore reconciliation through systems thinking, tools and approaches. The retreat is hosted by the Calgary Foundation and co-facilitated by members of the Foundation and Studio teams. The 2022 retreat included participants from Trellis, Miistakis as well as Calgary Foundation board and staff.

Finally, Mount Royal continues to benefit from its affiliation with the **Miistakis Institute**, a not-for-profit, charitable, applied research institute. The Miistakis Institute specializes in evaluating complex environmental problems and using our diverse skill sets and tools to resolve them. Miistakis works with Mount Royal faculty and students in its outreach work.

Mount Royal Centres

Centres at Mount Royal are also an important source of rigorous and impactful research and scholarship with faculty interest in their establishment rising.

The **Mokakiiks Centre for Scholarship of Teaching** facilitates and supports investigation, leading to deeper understanding of and sustained improvement in student learning. The annual Symposium for SoTL (Scholarship of Teaching and Learning) was held in Banff in November 2022 with 116 participants from local, national and international contexts. The SoTL Development Program facilitated 22 faculty participants across three years to develop new SoTL projects and \$42,000 in SoTL grants were awarded.

The **Centre for Community Disaster Research (CCDR)** is committed to develop, lead and support research efforts to meet local, regional, national and international demand for adaptive solutions to disaster response, disaster preparedness and risk mitigation strategies and approaches to disaster recovery and resiliency. The CCDR delivers rigorous and evidence-based research led by community needs and involves over 20 academic researchers, 50 community organizations, government stakeholders, policymakers, knowledge end-users and numerous undergraduate and graduate students. Research projects undertaken by CCDR faculty affiliates are funded by external research grants, including the Social Sciences and Humanities Research Council (SSHRC), the Canadian Institutes for Health Research and Alberta Innovates (AI). This past year, CCDR faculty members disseminated research findings through diverse means to

provide resources, programming, support and policy recommendations on recent disasters including the ongoing 2023 floods and wildfires across Canada, the 2021 British Columbia floods, the 2021 Lytton, BC wildfire, the 2019 Ontario, Quebec and New Brunswick floods, the 2016 Fort McMurray Alberta wildfire and the 2013 southern Alberta floods. As the number of disasters has increased in the last few years, so has the demand for the CCDR to provide disaster-related research to address these complex and increasing needs. The CCDR is actively seeking funding to develop critical research infrastructure and equipment to establish a research facility that will house and outfit the centre. This will enable the CCDR to meet its goal of creating a world-class disaster research hub at Mount Royal University and continue to advance innovative interdisciplinary disaster research in Canada.

Appendix

2022/23 consolidated financial statements

The audited financial statements of Mount Royal University for the year 2022/23 are provided as an appendix to this Annual Report and include the independent auditor's report, statement of management's responsibility, consolidated financial statements and notes to the consolidated financial statements.



MOUNT ROYAL
UNIVERSITY
1910

**CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED

MARCH 31, 2023

Mount Royal University

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

STATEMENT OF MANAGEMENT RESPONSIBILITY	1
INDEPENDENT AUDITOR'S REPORT	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF OPERATIONS	6
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	7
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10

STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of Mount Royal University ("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, 2023 and the results of its operations, change in net financial assets, remeasurement gains and losses and cash flows for the year 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 the University's 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]

[Original signed by]

President and Vice-Chancellor

Vice-President of Finance and Administration

To the Board of Governors of Mount Royal University

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Mount Royal University (the Group), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter – corresponding information

I draw attention to Note 4 of the consolidated financial statements, which describes the change in fiscal year end. 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

May 25, 2023
Edmonton, Alberta



Mount Royal University
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023
(thousands of dollars)

	March 31 2023	March 31 2022 (Restated note 3)
Financial assets excluding portfolio investments restricted for endowments		
Cash	\$ 39,246	\$ 16,066
Portfolio investments - non-endowment (note 5)	102,025	105,463
Accounts receivable (note 7)	12,756	11,427
Inventories held for sale	945	830
	154,972	133,786
Liabilities		
Accounts payable and accrued liabilities	31,239	21,839
Employee future benefit liabilities (note 8)	3,135	2,178
Debt (note 9)	41,159	44,430
Deferred revenue (note 10)	68,401	60,350
Asset retirement obligations (note 13)	26,400	26,631
	170,334	155,428
Net debt excluding portfolio investments restricted for endowments		
Portfolio investments - restricted for endowments (note 5)	(15,362)	(21,642)
	78,043	76,966
Net financial assets		
	62,681	55,324
Non-financial assets		
Tangible capital assets (note 12)	332,027	334,074
Inventories of supplies	56	389
Prepaid expenses	373	293
	332,456	334,756
Net assets before spent deferred capital contributions		
	\$ 395,137	\$ 390,080
Spent deferred capital contributions (note 11)	239,946	242,734
Net assets (note 14)		
	\$ 155,191	\$ 147,346
Net assets is comprised of:		
Accumulated surplus	\$ 147,396	\$ 130,284
Accumulated remeasurement gains	7,795	17,062
	\$ 155,191	\$ 147,346

Contingent assets and contractual rights (notes 16 and 18)

Contingent liabilities and contractual obligations (notes 17 and 19)

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



Mount Royal University
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

	Budget 2023 12 Months (note 25)	March 31 2023 12 Months (note 4)	March 31 2022 9 Months (Restated Note 3) (note 4)
Revenues			
Government of Alberta grants (note 23)	\$ 99,041	\$ 102,898	\$ 78,872
Federal and other government grants (note 23)	3,288	2,732	1,796
Sales of services and products	27,173	29,085	17,194
Student tuition and fees	100,329	98,642	73,502
Donations and other grants	3,845	4,568	3,366
Investment income	10,757	11,410	8,759
	<u>244,433</u>	<u>249,335</u>	<u>183,489</u>
Expenses (note 20)			
Instruction and non-sponsored research	96,133	91,773	65,075
Academic and student support	53,285	50,204	34,200
Facility operations and maintenance	30,518	33,466	24,428
Institutional support	33,155	31,207	22,095
Ancillary services	21,380	22,890	15,210
Sponsored research	4,120	5,662	3,647
Restricted and endowment activities	5,814	5,536	4,072
	<u>244,405</u>	<u>240,738</u>	<u>168,727</u>
Operating surplus	<u>28</u>	<u>8,597</u>	<u>14,762</u>
Endowment contributions and capitalized investment income			
Endowment contributions (note 14)		6,003	1,567
Endowment capitalized investment income (note 14)		2,512	2,206
		<u>8,515</u>	<u>3,773</u>
Surplus	28	17,112	18,535
Accumulated surplus, beginning of period	130,284	130,284	111,749
Accumulated surplus, end of period (note 14)	<u>\$ 130,312</u>	<u>\$ 147,396</u>	<u>\$ 130,284</u>

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



Mount Royal University

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED MARCH 31, 2023 (thousands of dollars)

	Budget 2023 12 Months (note 25)	March 31 2023 12 Months	March 31 2022 9 Months (Restated Note 3) (note 4)
Surplus	\$ 28	\$ 17,112	\$ 18,535
Acquisition of tangible capital assets	(20,657)	(13,812)	(8,335)
Proceeds from sale of tangible capital assets		16	4
Amortization of tangible capital assets	15,339	15,851	11,406
Gain on disposal of tangible capital assets		(8)	(3)
Decrease (increase) in inventories of supplies		333	(311)
Increase in prepaid expenses		(80)	(50)
Increase (decrease) in spent deferred capital contributions (note 11)	4,010	(2,788)	(2,559)
Decrease in accumulated remeasurement gains		(9,267)	(2,894)
(Decrease) increase in net financial assets	(1,280)	7,357	15,793
Net financial assets, beginning of period	55,324	55,324	39,531
Net financial assets, end of period	\$ 54,044	\$ 62,681	\$ 55,324

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



Mount Royal University

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES YEAR ENDED MARCH 31, 2023 (thousands of dollars)

	March 31 2023 12 Months	March 31 2022 9 Months (note 4)
Accumulated remeasurement gains, beginning of period	\$ 17,062	\$ 19,956
Unrealized losses attributable to:		
Portfolio investments - non-endowment	(7,539)	(2,631)
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	(1,728)	(263)
Accumulated remeasurement gains, end of period	\$ 7,795	\$ 17,062

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



Mount Royal University

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

	March 31 2023 12 Months	March 31 2022 9 Months (Restated note 3) (note 4)
OPERATING TRANSACTIONS		
Surplus	\$ 17,112	\$ 18,535
Add (deduct) non-cash items:		
Amortization of tangible capital assets	15,851	11,406
Gain on sale of portfolio investments	(3,017)	(446)
Gain on disposal of tangible capital assets	(8)	(3)
Expended capital contributions recognized as revenue	(8,981)	(6,718)
Increase (decrease) in employee future benefit liabilities	957	(137)
Change in non-cash items	21,914	22,637
(Increase) decrease in accounts receivable	(1,329)	1,043
Increase in inventories held for sale	(115)	(181)
Increase in accounts payable and accrued liabilities	9,400	5,321
Increase in deferred revenue	15,489	2,046
Decrease in asset retirement obligations	(231)	-
Decrease (increase) in inventories of supplies	333	(311)
Increase in prepaid expenses	(80)	(50)
Cash provided by operating transactions	45,381	30,505
INVESTING TRANSACTIONS		
Purchases of portfolio investments	(50,260)	(12,621)
Proceeds on sale of portfolio investments	38,933	1,695
Cash applied to investing transactions	(11,327)	(10,926)
FINANCING TRANSACTIONS		
Debt - repayment	(5,041)	(4,076)
Debt - new financing	1,770	751
Increase in spent deferred capital contributions, less expended capital recognized as revenue, less in-kind donations	6,186	4,060
Cash provided by financing transactions	2,915	735
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets, less in-kind donations	(13,805)	(8,236)
Proceeds on disposal of tangible capital assets	16	4
Cash applied to capital transactions	(13,789)	(8,232)
Increase in cash	23,180	12,082
Cash, beginning of period	16,066	3,984
Cash, end of period	\$ 39,246	\$ 16,066

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

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

1. Authority and purpose

The Board of Governors of Mount Royal University is a corporation that manages and operates Mount Royal University (“the University”) under the *Post-secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the President, who is an ex officio member.

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 and its consolidated entities are registered charities, and under section 149 of the *Income Tax Act* (Canada), are exempt from the payment of income tax.

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, 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. The University's management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets, revenue recognition for expended capital, payroll accruals and liabilities and asset retirement obligations 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 consolidated financial statements.

b. Valuation of financial assets and liabilities

The University's financial assets and liabilities are generally measured as follows:

Financial statement component	Measurement
Cash	Cost
Portfolio investments	Fair value
Accounts receivable	Lower of cost or net realizable value
Inventories held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	Cost
Asset retirement obligations	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value 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.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

b. Valuation of financial assets and liabilities (continued)

The purchase and sale of 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.

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

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.

Endowment contributions

Endowment contributions are recognized as revenue in the consolidated statement of operations in the year in which they are received, and are required by donors to be maintained intact in perpetuity.

Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of 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.

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the consolidated statement of operations.

d. Endowments

Endowments consist of:

- Externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

d. Endowments (continued)

- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation is capitalized to maintain and grow the real value of the endowments. Benefactors as well as University policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by 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, generally to regulate the distribution of income earned by the endowments.
- Encroachment on the capital of the endowments to avoid fluctuations in the amounts distributed and generally to regulate the distribution of investment 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 spending allocation is funded from the accumulated capitalized investment income. However, for individual endowments without sufficient accumulated capitalized investment income, endowment principal is used in that year and is expected to be recovered by future investment income.

e. Inventories held for sale

Inventories held for sale are valued at the lower of cost and expected net realizable value and are determined using the first in, first out (FIFO) method.

f. Tangible capital assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the construction of new buildings. Work in progress, which includes facilities and improvement projects 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 future minimum lease payments at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the University's rate for incremental borrowing or the interest rate implicit in the lease.

The 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:

<u>Asset category</u>	<u>Estimated useful lives</u>
Buildings	25 - 50 years
Learning resources	10 years
Furnishings, equipment and systems	3 - 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.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

g. Foreign currency translation

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



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

g. Foreign currency translation (continued)

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.

Foreign exchange gains and losses are not significant and are therefore not disclosed separately in the consolidated statement of remeasurement gains and losses.

h. Employee future benefits

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 is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

Long-term disability

The University contributes the employer and employee portion of the LAPP premiums for all employees on long term disability for the duration of their leave, until retirement age, or until the termination of the benefit, whichever is longer. The benefit cost is charged to expense in full when the event occurs which obligates the University to provide the benefits. The cost of these benefits is actuarially determined using the accumulated benefit method, a market interest rate and management's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are recognized immediately.

Administrative leave and deferred salary plans

The University provides for certain executives to accrue a paid leave of absence at the end of their administrative appointment. The expense for these plans is estimated using the projected benefit method prorated on service. Gains and losses on the accrued benefit obligation are recognized immediately.

The University provided compensated absences for its employees under deferred salary plans. The deferred salary plan for management and support staff is wholly self-funded by participating employees who contributed between 15% and 20% of their pre-tax annual salary for four years and then draw on the accumulated sum during their year of leave. This benefit has been discontinued as of July 1, 2018. Amounts owing to previously eligible employees are included in these consolidated financial statements.

Supplementary executive retirement plan (SERP) - defined benefit

The University has a former executive member participating in a defined benefit pension that is unfunded. The actuarial value of this liability is included in these statements. Effective April 1, 2022, the University also provides a non-contributory supplementary defined retirement pension for designated Executive and Senior Leaders. The pension expense for these plans is actuarially determined using the projected benefit method prorated over the expected remaining service life. Actuarial gains or losses on the accrued benefit obligation are amortized over the remaining expected average service life of the plan.

Supplementary executive retirement plans (SERP) - defined contribution

The University previously provided a non-contributory defined benefit supplementary executive retirement benefits under a defined contribution plan to certain executive members. The pension expense for the defined contribution supplementary executive retirement plan is the employer's current year contribution to the plan as calculated in accordance with the plan rules. Effective April 1, 2022, this plan was discontinued and converted into a separate supplementary defined benefit plan for designated Executive and Senior Leaders.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

i. Basis of consolidation

The consolidated financial statements use the line-by-line method to record entities controlled by the University.

- The Mount Royal University Foundation is a wholly owned non-profit organization that receives donations and endowments on behalf of the University. The Mount Royal University Foundation is incorporated under the *Companies Act of Alberta*.
- Mount Royal University Child Care Centre is a non-profit organization that is incorporated under the *Societies Act of Alberta*.

These entities are not material to the University's consolidated financial statements, and therefore, separate condensed financial information is not presented.

j. Environmental liabilities

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- there is evidence that contamination exceeds the 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.

Where an environmental standard does not exist or contamination does not exceed an environmental standard, a liability for remediation of a site is recognized by the University when the following criteria have been met:

- 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 University have already occurred.

As at March 31, 2023 and March 31, 2022, there were no liabilities for remediation of contaminated sites.

k. Asset Retirement Obligations (ARO)

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets (TCAs). Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- post-retirement activities such as monitoring; and
- constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

(d) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over estimated useful life of the tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed. The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

I. Expense by function

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

Instruction and non-sponsored research

Expenses relating to the University's instruction and non-sponsored research and scholarly activity undertaken by faculty and within academic departments that contribute jointly to instruction and research functions. Non-credit instruction expenses related to the activities that are part of the non-credit programming are also included.

Academic and student support

Expenses relating to the support for the academic functions of the University. Admissions and registry functions and all other activities that support the student body are also included.

Facility operations and maintenance

Expenses relating to the maintenance and renewal of facilities that house all teaching, research and administrative activities within the University. These include utilities, facilities administration, building maintenance, custodial services, landscaping and groundskeeping, major repairs and renovations, and tangible capital asset amortization on all non-ancillary capital.

Institutional support

Expenses incurred in support of the computing, networking, data communications and other information technology functions. University wide administrative services expenses are also included.

Ancillary services

Expenses relating to services and products provided to the University community and to external individuals and organizations. Services include the University bookstore, printing, student residences, events and conference services, and parking services.

Sponsored research

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

Restricted and endowment activities

Expenses that support the growth of special purpose revenues. These expenses do not support the major activities of the University, such as research, instruction (approved and non-approved programming), and self-generated revenue. This includes all externally restricted funds that are intended for a specific purpose not related to research.

m. Funds and reserves

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

n. Future changes in Accounting Standards

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

Management has not yet adopted this standard and is currently assessing the impact on the consolidated financial statements.

3. Change in accounting policies

Effective April 1, 2022, the University adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

At the beginning of the fiscal year in which PS 3280 was in effect, the University recognized the following to conform to the new standard;

i. asset retirement obligations;

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

3. Change in accounting policies (continued)

- ii. asset retirement cost capitalized as an increase to the carrying amount of the tangible capital assets in productive use;
- iii. accumulated amortization on the capitalized cost; and
- iv. adjustment to the opening balance of the accumulated surplus.

Amounts are measured using information, assumptions and discount rates that are current at the beginning of the fiscal year in which the standard is in effect. The amount recognized as an asset retirement costs is measured as of the date the asset retirement obligation was incurred. Accumulated amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

In the prior year, the University incorrectly capitalized certain prepaid expenses. In this fiscal year, the University appropriately accounted for its prepaid expenses using PS 3210 - Assets as it relates to prepaid expenses. This correction to the prior period error has been applied retrospectively with an adjustment of comparative numbers as per the other adjustment recognized column presented below.

The impacts on the prior years financial statements as a result of these changes in accounting standards and policy is as follows:

	2022			
	As previously reported	ARO adjustment recognized	Other adjustment recognized	As restated
Consolidated Statement of Operations				
Expenses	\$ 167,134	\$ 400	\$ 1,193	\$ 168,727
Surplus	20,128	(400)	(1,193)	18,535
Accumulated surplus, beginning of period	127,727	(15,978)	-	111,749
Accumulated surplus, end of period	147,855	(16,378)	(1,193)	130,284
Consolidated Statement of Financial Position				
Liabilities: Asset retirement obligations	-	26,631	-	26,631
Net financial assets	81,955	(26,631)	-	55,324
Tangible capital assets	323,821	10,253	-	334,074
Prepaid expenses	1,486	-	(1,193)	293
Non financial assets	325,696	10,253	(1,193)	334,756
Net assets	164,917	(16,378)	(1,193)	147,346
Consolidated Statement of Change In Net Financial Assets				
Surplus	20,128	(400)	(1,193)	18,535
Amortization of tangible capital assets	11,006	400	-	11,406
Increase in prepaid expenses	(1,243)	-	1,193	(50)
Net financial assets at beginning of period	66,162	(26,631)	-	39,531
Net financial assets at end of period	81,955	(26,631)	-	55,324
Consolidated Statement of Cash Flows				
Surplus	20,128	(400)	(1,193)	18,535
Amortization of tangible capital assets	11,006	400	-	11,406
Increase in prepaid expenses	\$ (1,243)	\$ -	\$ 1,193	\$ (50)

4. Change in fiscal year end

The University changed its fiscal year end effective 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 January 2021. Information included in the consolidated financial statements reflects the twelve months ended March 31, 2023, as compared to the nine month period ended March 31, 2022. As a result, the two periods are not entirely comparable.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

5. Portfolio investments

	March 31 2023	March 31 2022
Portfolio investments - non-endowment	\$ 102,025	\$ 105,463
Portfolio investments - restricted for endowments	78,043	76,966
	\$ 180,068	\$ 182,429

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

	March 31, 2023				Total
	Annual return	Level 1	Level 2	Level 3	
Pooled investments in fixed income					
Canadian fixed income	(5.19)% \$	- \$	27,081 \$	- \$	27,081
Pooled investments in equities					
Canadian equities	(1.99)%	-	31,664	-	31,664
Foreign equities	1.35 %	-	53,444	-	53,444
Pooled real estate units	1.57 %	-	-	30,396	30,396
Canadian commercial mortgages	3.57 %	-	-	18,751	18,751
Infrastructure	2.43 %	-	-	18,437	18,437
Other ^(a)		90	188	17	295
Total portfolio investments		\$ 90	\$ 112,377	\$ 67,601	\$ 180,068
		0.05 %	62.41 %	37.54 %	100 %

	March 31, 2022				Total
	Annual return	Level 1	Level 2	Level 3	
Pooled investments in fixed income					
Canadian fixed income	(3.04)% \$	- \$	30,755 \$	- \$	30,755
Pooled investments in equities					
Canadian equities	20.11 %	-	32,811	-	32,811
Foreign equities	9.08 %	-	82,372	-	82,372
Pooled real estate units	14.67 %	-	-	35,107	35,107
Canadian commercial mortgages	(1.42)%	-	-	1,196	1,196
Other ^(a)		37	136	15	188
Total portfolio investments		\$ 37	\$ 146,074	\$ 36,318	\$ 182,429
		0.02 %	80.07 %	19.91 %	100 %

^(a) Other portfolio investments are composed of a cash pending investment (level 1); investments in listed common shares/index funds by the University Student Investment Fund (level 2) and a donated life insurance policy (level 3).

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

5. Portfolio investments (continued)

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

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:

	March 31 2023	March 31 2022
Balance, beginning of year	\$ 36,318	\$ 32,504
Unrealized (losses) gains	(898)	3,414
Purchases	35,605	1,213
Proceeds on sale	(5,300)	(1,213)
Gains on sale	1,876	400
Balance, end of year	<u>\$ 67,601</u>	<u>\$ 36,318</u>

6. Financial risk management

The University is exposed to the following risks:

a. Market price risk

The University is exposed to market price risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the University has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

At March 31, 2023, the impact of a change in the rate of return on the investment portfolio is as follows:

- Returns on the Canadian and global equities holdings in passively managed index pooled funds have a perfectly positive correlation with the respective equity market returns. A 2.5% increase or decrease in the Canadian and global equity market return rates will cause a 2.5% or a \$2,132 increase or decrease in the market value of University's equity holdings respectively (2022: \$2,883 increase or decrease);
- Returns on the Canadian fixed income holdings in passively managed index pooled funds also have a perfectly positive correlation with the fixed income market returns. A 2.5% increase or decrease in the Canadian fixed income market return rates will cause a 2.5% or a \$679 increase or decrease in the market value of the University's fixed income holdings (2022: \$769 increase or decrease);
- Returns on the actively managed real estate pooled fund holdings have a negative 0.08 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$61 decrease or increase in the University's real estate fund holdings respectively (2022: \$44 decrease or increase);
- Returns on the actively managed Canadian commercial mortgages fund holdings have a positive 0.28 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$131 increase or decrease in the market value of the University's Canadian commercial mortgages holdings (2022: \$12 decrease or increase).

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

6. Financial risk management (continued)

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 is also exposed to foreign currency risk on a United States dollar operating bank account. 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.

The impact of a change in the most material value of the portfolio investment denominated in foreign currency is shown below:

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
US dollar	\$ 33,424	\$ (836)	\$ (334)	\$ 334	\$ 836
Euro	4,783	(120)	(48)	48	120
British pound	2,159	(54)	(22)	22	54
Japanese yen	3,020	(75)	(30)	30	75
Chinese yuan	1,860	(46)	(19)	19	46
	<u>\$ 45,246</u>	<u>\$ (1,131)</u>	<u>\$ (453)</u>	<u>\$ 453</u>	<u>\$ 1,131</u>

c. Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the University. The University is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from non-tuition accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures.

The credit risks on investments held are as follows:

	March 31 2023	March 31 2022
Money market funds		
R-1 (high)	100.00 %	100.00 %
Canadian fixed income		
AAA	37.74 %	34.75 %
AA	33.30	35.88
A	17.56	16.56
BBB	11.33	12.80
Not rated	0.07	0.01
	<u>100.00 %</u>	<u>100.00 %</u>

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

6. Financial risk management (continued)

d. Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with its financial liabilities. The University maintains a short-term line of credit of \$40,000 (2022 - \$40,000) that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost-effective manner. At March 31, 2023, the University has not committed any borrowing facilities (2022 - \$nil).

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 9).

The impact of a change in interest rates for various instruments is shown below:

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
Cash	\$ 39,246	\$ (981)	\$ (392)	\$ 392	\$ 981
Canadian fixed income	27,081	5,292	2,118	(1,823)	(4,552)
Real estate	30,396	304	116	(116)	(304)
Canadian commercial mortgages	18,751	938	375	(375)	(938)
Infrastructure	18,437	(2,627)	(1,051)	903	2,259
	<u>\$ 133,911</u>	<u>\$ 2,926</u>	<u>\$ 1,166</u>	<u>\$ (1,019)</u>	<u>\$ (2,554)</u>

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

	<1 year	1-5 years	> 5 years	Average effective market yield
	%	%	%	%
Portfolio investment, fixed income	0.19	44.63	55.18	(5.19)
Canadian commercial mortgages	34.40	48.00	17.60	3.59

7. Accounts receivable

	March 31 2023	March 31 2022
Accounts receivable	\$ 4,152	\$ 2,427
Receivable from the Students Association of Mount Royal University (note 9)	8,604	9,000
	<u>\$ 12,756</u>	<u>\$ 11,427</u>

Accounts receivable are unsecured and non-interest bearing.

In 2007, the University and the Students Association of Mount Royal University (SAMRU) entered into an agreement to finance the expansion of the SAMRU's Wyckham Student centre on campus. The University borrowed the sum of \$13,000 to fund the costs of construction for the expansion, and the SAMRU is repaying the amount on the same terms and conditions as the borrowing outlined in note 9.



Mount Royal University
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

8. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	March 31 2023	March 31 2022
Long-term disability	\$ 1,657	\$ 1,935
Administrative leave and deferred salary plans	1,243	20
Supplementary executive retirement plans - defined benefit	235	160
Supplementary executive retirement plans - defined contribution	-	63
	\$ 3,135	\$ 2,178

a. Long-term disability

The University contributes the employer portion of LAPP pension premiums for all employees on long-term disability for the duration of their leave, until retirement age, or until the termination of the benefit, whichever is longer. Effective September 1, 2019 for management and staff and January 1, 2020 for faculty, the University started contributing the employee portion for employees on long-term disability. The most recent actuarial valuation for this accrued obligation was completed on March 31, 2023 and incorporated the change to total pension coverage. The next actuarial valuation will be carried out on March 31, 2024.

b. Administrative leave and deferred salary plans

The University provides for certain executives to accrue a paid leave of absence at the end of their administrative appointment. The expense for these plans is estimated using the projected benefit method prorated on service. Gains and losses on the accrued benefit obligation are recognized immediately.

The University provided compensated absences for its employees under deferred salary plans. The deferred salary plan for management and support staff is wholly self-funded by participating employees who contributed between 15% and 20% of their pre-tax annual salary for four years and then draw on the accumulated sum during their year of leave. This benefit has been discontinued as of July 1, 2018. Amounts owing to previously eligible employees are included in these financial statements.

c. Supplementary executive retirement plan (SERP) - defined benefit

The University provides a non-contributory supplementary executive defined retirement benefit to a past executive member. An actuarial valuation of these benefits was carried out as at March 31, 2022. The next actuarial valuation will be carried out on March 31, 2025. As well, the University provides a non-contributory supplementary defined retirement benefit to the President and to the Provost and Vice - President Academic. An actuarial valuation of these benefits was carried out as at March 31, 2023. The next actuarial valuation will be carried out on March 31, 2024.

d. Supplementary executive retirement plan (SERP) - defined contribution

Previously, the University provided a non-contributory defined supplementary executive retirement benefits under a defined contribution plan to certain executive members. The benefit has been discontinued and replaced with a non-contributory supplementary executive defined retirement benefit plan. The transfer of current service costs from the discontinued plan to the defined benefit plan has created a reduction in the former plan pension expense of \$(63) (2022 - \$16).



Mount Royal University
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

8. Employee future benefit liabilities (continued)

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

	March 31, 2023			
	Long-term disability	Administrative leave and deferred salary plans	Defined benefit	Defined contribution
Expense				
Current service cost ^(a)	\$ (278)	\$ 1,223	\$ 88	\$ (63)
Interest cost	-	-	5	-
Amortization of net actuarial loss	-	-	22	-
Total expense	\$ (278)	\$ 1,223	\$ 115	\$ (63)
Financial position				
Accrued benefit obligation:				
Balance, beginning of period	\$ 1,935	\$ 20	\$ 160	\$ 63
Current service cost ^(a)	(278)	1,223	88	(63)
Interest cost	-	-	5	-
Amortization of net actuarial loss	-	-	22	-
Benefits paid	-	-	(40)	-
Balance, end of period	\$ 1,657	\$ 1,243	\$ 235	\$ -
	March 31, 2022			
	Long-term disability	Administrative leave and deferred salary plans	Defined benefit	Defined contribution
Expense				
Current service cost ^(a)	\$ (131)	\$ -	\$ -	\$ 16
Interest cost	-	-	6	-
Amortization of net actuarial loss	-	-	9	-
Total expense	\$ (131)	\$ -	\$ 15	\$ 16
Financial position				
Accrued benefit obligation:				
Balance, beginning of period	\$ 2,066	\$ 28	\$ 174	\$ 47
Current service cost ^(a)	(131)	-	-	16
Interest cost	-	-	6	-
Amortization of net actuarial loss	-	-	9	-
Benefits paid	-	(8)	(29)	-
Balance, end of period	\$ 1,935	\$ 20	\$ 160	\$ 63

^(a) The liability for long term disability has declined due to the March 31, 2023 actuarial valuation reflecting a decrease in LAPP contribution percentages.



Mount Royal University
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

8. Employee future benefit liabilities (continued)

The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	March 31, 2023		March 31, 2022	
	Long-term disability	Defined benefit	Long-term disability	Defined benefit
Accrued benefit obligation:				
Discount rate	5.95 %	6.30 %	1.70 %	1.70 %
Benefit cost:				
Discount rate	2.50 %	6.30 %	2.50 %	1.70 %
Inflation (long-term)	2.00 %	2.00 %	2.00 %	3.00 %
Estimated average remaining service life	n/a	11 years	n/a	8 years

The University plans to use its working capital to finance these future obligations.

e. Multi-employer pension plans

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for University members and is accounted for on a defined contribution basis. At December 31, 2022, the LAPP reported an actuarial surplus of \$12,671,000 (2021 - \$11,922,370). An actuarial valuation of the LAPP was carried out as at December 31, 2021 and was then extrapolated for December 31, 2022. The pension expense recorded in the consolidated financial statements is \$10,275 (2022 - \$8,169).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

9. Debt

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

				March 31 2023	March 31 2022
	Collateral ⁽¹⁾	Maturity	Interest rate %	Amortized cost	Amortized cost
Debentures payable to the Department of Treasury Board and Finance:					
West Student Residence	1	August 15, 2027	6.1250 %	\$ 11,000	\$ 12,834
Taylor Centre for the Performing Arts	1	March 17, 2029	3.1250 %	5,705	6,557
Mount Royal University Parkade	1	September 24, 2035	4.8675 %	13,564	14,337
MRU Student Association's Wyckham Student Centre (note 7)	1	June 15, 2037	5.0030 %	8,604	9,000
				38,873	42,728
Liabilities under capital leases			(3.2143)%	2,286	1,702
Balance, end of period				\$ 41,159	\$ 44,430

(1) Collateral consists of cash flows from activities carried out in the facilities.

Principal and interest repayments are as follows:

Year	Principal	Interest	Total
2024	\$ 5,095	\$ 2,146	\$ 7,241
2025	5,059	1,823	6,882
2026	4,866	1,645	6,511
2027	4,768	1,262	6,030
2028	4,954	1,020	5,974
Thereafter	16,417	3,586	20,003
	\$ 41,159	\$ 11,482	\$ 52,641

Interest expense on debt is \$1,497 (2022 - \$1,337) and is included in the consolidated statement of operations.

The University has a short-term line of credit, unsecured, with an authorized limit of \$40,000 (2022 - \$40,000). The interest rate is prime less 0.75% (2023 - 5.95%, 2022 - 1.95%), payable monthly. The principal is due on demand or at the borrower's discretion. As at March 31, 2023, no amounts have been drawn on this facility (2022 - \$nil).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

10. Deferred revenue

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

				March 31 2023	March 31 2022
	Unspent externally restricted grants and donations	Unspent externally restricted capital contributions	Tuition and other fees	Total	Total
Balance, beginning of period	\$ 30,433	\$ 19,256	\$ 10,661	\$ 60,350	\$ 60,307
Grants, tuition, donations received during the year	14,041	15,000	11,825	40,866	19,693
Investment income	6,052	111	-	6,163	4,679
Unrealized losses	(7,438)	-	-	(7,438)	(2,003)
Transfers to spent deferred capital contributions	(3,032)	(3,161)	-	(6,193)	(4,159)
Recognized as revenue	(14,686)	-	(10,661)	(25,347)	(18,167)
Balance, end of period	\$ 25,370	\$ 31,206	\$ 11,825	\$ 68,401	\$ 60,350

11. Spent deferred capital contributions

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

	March 31 2023	March 31 2022
Spent deferred capital contributions, beginning of period	\$ 242,734	\$ 245,293
Transfers from unspent externally restricted grants and donations	3,032	2,330
Transfers from unspent externally restricted capital contributions	3,161	1,829
Expended capital contributions recognized as revenue	(8,981)	(6,718)
Net change for the period	(2,788)	(2,559)
Balance, end of period	\$ 239,946	\$ 242,734



Mount Royal University
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

12. Tangible capital assets

					March 31	March 31
					2023	2022
					(Restated Note 3)	
	Land	Buildings ⁽¹⁾	Learning resources	Furnishings, equipment and systems ⁽²⁾	Total	Total
Cost						
Balance, beginning of period	\$ 6,815	\$ 521,587	\$ 7,279	\$ 65,145	\$ 600,826	\$ 592,787
Acquisitions	-	6,641	723	6,448	13,812	8,335
Disposals, including write-downs	-	-	(648)	(1,326)	(1,974)	(296)
	6,815	528,228	7,354	70,267	612,664	600,826
Accumulated amortization						
Balance, beginning of period	\$ -	\$ 213,819	\$ 3,726	\$ 49,207	\$ 266,752	\$ 255,641
Amortization expense	-	9,622	751	5,478	15,851	11,406
Effects of disposals, including write-downs	-	-	(648)	(1,318)	(1,966)	(295)
	-	223,441	3,829	53,367	280,637	266,752
Net book value, March 31, 2023	6,815	304,787	3,525	16,900	332,027	
Net book value, March 31, 2022 (restated note 3)	\$ 6,815	\$ 309,116	\$ 3,553	\$ 14,590	\$	334,074

(1) No interest was capitalized by the University in 2023 or 2022.

(2) Furnishings, equipment and systems include computer software, hardware, and all furniture and non-computing capital equipment including in-kind-donations at March 31, 2023 of \$7 (2022 - \$99).

Historical cost includes work-in-progress at March 31, 2023 of \$1,272 related to buildings (2022 - buildings \$2,226, furnishings, equipment and systems \$1,350).

The University holds a collection of works of art including paintings, sculptures and photographs. Due to the subjective nature of these assets, the values are not reported in this note.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

13. Asset Retirement Obligations

	March 31 2023	March 31 2022 (Restated Note 3)
Liability incurred	\$ -	\$ -
Liability settled	(231)	-
Decrease in asset retirement obligations	(231)	-
Asset retirement obligations, beginning of period	26,631	26,631
Asset retirement obligations, end of period	\$ 26,400	\$ 26,631

Tangible capital assets with associated retirement obligations include only buildings. Mount Royal University has asset retirement obligations to remove hazardous asbestos fibre containing materials from various buildings under its control. Regulations require the University to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the University to remove the asbestos when asset retirement activities occur.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently re-measured considering any new information and the appropriateness of the assumptions used. The estimate of the liability is based on current quotes from third party experts.

The extent of the liability is limited to costs directly attributable to the removal of hazardous asbestos fibre containing materials from various buildings under the University's control in accordance with the legislation establishing the liability. The University estimated the nature and extent of hazardous materials in its buildings based on the potential square feet affected and the average costs per square feet to remove and dispose of the hazardous materials.

Included in the asset retirement obligations estimates are \$26,400 (2022 - \$26,631) measured at their current estimated cost to settle or otherwise extinguish the liability. The University has measured asset retirement obligations related to hazardous asbestos fibre containing materials at its current value due to the uncertainty about when the hazardous materials would be removed.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

14. Net assets

	Accumulated surplus from operations (Restated Note 3)	Internally restricted surplus	Investment in tangible capital assets ⁽¹⁾ (Restated Note 3)	Endowments	Total (Restated Note 3)
Net assets, as at June 30, 2021	\$ 21,407	\$ 22,082	\$ 42,636	\$ 61,558	\$ 147,683
Opening balance adjustments related to asset retirement obligations	(15,978)	-	-	-	(15,978)
Tangible capital assets					
Amortization of tangible capital assets	15,978	-	(15,978)	-	-
Acquisition of tangible capital assets	(26,631)	-	26,631	-	-
Asset retirement obligations	26,631	-	(26,631)	-	-
Restated net assets at June 30, 2021	21,407	22,082	26,658	61,558	131,705
Operating surplus	14,762	-	-	-	14,762
Endowments					
New donations	-	-	-	1,567	1,567
Capitalized investment income	-	-	-	2,206	2,206
Tangible capital assets					
Amortization of tangible capital assets	4,689	-	(4,689)	-	-
Acquisition of tangible capital assets	(2,943)	(1,233)	4,176	-	-
Debt repayment	(3,885)	-	3,885	-	-
Debt - new financing	751	-	(751)	-	-
Operating expenses funded from internally restricted surplus	487	(487)	-	-	-
Net Board appropriation to internally restricted surplus	(14,500)	14,500	-	-	-
Change in accumulated remeasurement gains	(2,894)	-	-	-	(2,894)
Net assets, as at March 31, 2022	17,874	34,862	29,279	65,331	147,346
Operating surplus	8,597	-	-	-	8,597
Endowments					
New donations	-	-	-	6,003	6,003
Capitalized investment income	-	-	-	2,512	2,512
Tangible capital assets					
Amortization of tangible capital assets	6,876	-	(6,876)	-	-
Acquisition of tangible capital assets	(3,783)	(4,067)	7,850	-	-
Debt repayment	(4,876)	-	4,876	-	-
Debt - new financing	1,770	-	(1,770)	-	-
Decrease in asset retirement obligations	231	-	(231)	-	-
Net book value of tangible capital asset disposals	2	-	(2)	-	-
Operating expenses funded from internally restricted surplus	2,465	(2,465)	-	-	-
Net Board appropriation to internally restricted surplus	(8,800)	8,800	-	-	-
Change in accumulated remeasurement gains	(9,267)	-	-	-	(9,267)
Net assets, as at March 31, 2023	\$ 11,089	\$ 37,130	\$ 33,126	\$ 73,846	\$ 155,191

(1) Investment in tangible capital assets represents the amount of the University's accumulated operating surplus that has been invested in the University's tangible capital assets.

Net assets is comprised of:

Accumulated surplus	\$ 3,294	\$ 37,130	\$ 33,126	\$ 73,846	\$ 147,396
Accumulated remeasurement gains	7,795	-	-	-	7,795
Total	\$ 11,089	\$ 37,130	\$ 33,126	\$ 73,846	\$ 155,191



Mount Royal University
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

15. Internally restricted surplus

Internally restricted surplus represents amounts set aside by the University's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them.

Internally restricted net assets with significant balances include:

	March 31, 2023				
	Balance at beginning of year	Reallocations/ Appropriations from unrestricted net assets	Capital disbursements	Operating disbursements	Balance at end of year
Capital renewal	\$ 17,106	\$ 8,800	\$ 2,595	\$ 68	\$ 23,243
Commercial operations project planning	1,536	-	103	387	1,046
Residence renewal	604	-	155	89	360
Research and special projects	1,679	(10)	-	583	1,086
Academic strategic development	726	(64)	-	51	611
University effectiveness and community needs	13,007	74	1,214	1,284	10,583
Scholarships and bursaries	204	-	-	3	201
Total	\$ 34,862	\$ 8,800	\$ 4,067	\$ 2,465	\$ 37,130

	March 31, 2022				
	Balance at beginning of period	Reallocations/ Appropriations from unrestricted net assets	Capital disbursements	Operating disbursements	Balance at end of period
Capital renewal	\$ 3,297	\$ 14,500	\$ 671	\$ 20	\$ 17,106
Commercial operations project planning	1,674	-	92	46	1,536
Residence renewal	734	-	38	92	604
Research and special projects	1,790	-	-	111	1,679
Academic strategic development	966	-	32	208	726
University effectiveness and community needs	13,417	-	400	10	13,007
Scholarships and bursaries	204	-	-	-	204
Total	\$ 22,082	\$ 14,500	\$ 1,233	\$ 487	\$ 34,862



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

16. Contingent assets

The University initiated legal matters and insurance claims where possible assets are being sought. While the outcomes of these claims cannot be reasonably estimated at this time, the University believes that any settlement will not have a material effect on the financial position or the results of operations of the University. These contingent assets are not recognized in the consolidated financial statements.

17. Contingent liabilities

The University is a defendant in a number of legal proceedings arising in the normal course of business. 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 financial position or the results of operations of the University. Management has concluded that none of the claims meets the criteria for recording a liability.

18. 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
2024	\$ 60	\$	25,996	\$	26,056
2025	54		16,543		16,597
2026	46		713		759
2027	30		278		308
2028	-		180		180
Total at March 31, 2023	\$ 190	\$	43,710	\$	43,900
Total at March 31, 2022	\$ 87	\$	52,219	\$	52,306



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

19. 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:

	Capital projects ⁽¹⁾	Service contracts ⁽²⁾	Total
2024	\$ 8,228	\$ 22,671	\$ 30,899
2025	5,000	10,805	15,805
2026	45,000	10,732	55,732
2027	3,609	9,405	13,014
2028	-	9,661	9,661
Total at March 31, 2023	\$ 61,837	\$ 63,274	\$ 125,111
Total at March 31, 2022	\$ 7,604	\$ 55,426	\$ 63,030

(1) Capital projects include obligations related to major capital and renovation projects.

(2) Service contracts include contractual obligations the University entered into for services such as electricity, natural gas, information technology maintenance agreements, and other service obligations. The University has contracts to manage its exposure to volatility in the electrical and natural gas industries. Based on management's estimates, the annual costs for the utility contracts at the year ended March 31, 2024 are expected to be approximately \$6,602.

20. Expense by object

The following is a summary of expense by object:

	Budget 2023 12 Months (note 25)	March 31 2023 12 Months	March 31 2022 9 Months (Restated Note 3) (note 4)
Salaries	\$ 143,345	\$ 141,714	\$ 98,936
Employee benefits	23,630	23,405	16,027
Materials, supplies and services	37,632	35,219	22,331
Cost of goods sold	3,607	2,610	2,514
Scholarships and bursaries	5,012	5,144	4,589
Maintenance and repairs	8,456	9,017	7,411
Utilities	5,433	6,273	4,175
Amortization of tangible capital assets	15,339	15,859	11,407
Interest on debt	1,951	1,497	1,337
	\$ 244,405	\$ 240,738	\$ 168,727



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

21. Funds held on behalf of others

The University holds the following funds on behalf of others over which the Board has no power of appropriation. Accordingly, these funds are not included in the consolidated financial statements.

	March 31 2023	March 31 2022
Associations and others	\$ 58	\$ 24
Recreational clubs	31	35
Ministry funds	8	198
	\$ 97	\$ 257

22. Related parties

The University is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the University, their close family members and the Board of Governors are also considered related parties. Transactions with these entities and individuals are considered to be in the normal course of operations and are recorded at the exchange amount, which approximates fair value.

The University has debt with the Department of Treasury Board and Finance as described in Note 9.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

23. Government transfers

	March 31 2023 12 Months	March 31 2022 9 Months
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 91,178	\$ 70,084
Capital	15,000	-
Other	5,000	700
Total Advanced Education	111,178	70,784
Other post-secondary institutions	81	12
Other Government of Alberta departments and agencies:		
Ministry of Culture	118	99
Ministry of Seniors, Community and Social Services	305	356
Ministry of Children's Services	901	278
Ministry of Jobs, Economy and Northern Development	10	-
Ministry of Health	107	59
Ministry of Education ^(a)	-	(27)
Ministry of Justice	526	-
Ministry of Technology and Innovation	722	-
Total other Government of Alberta departments and agencies	2,689	765
Total contributions received	113,948	71,561
Expended capital contributions recognized as revenue	6,713	5,054
Deferred revenue	(17,763)	2,257
	\$ 102,898	\$ 78,872
Accounts receivable		
Other Government of Alberta departments and agencies	239	153
	\$ 239	\$ 153
Federal and other government grants		
Contributions received	\$ 2,096	\$ 1,172
Expended capital contributions recognized as revenue	838	566
Deferred revenue	(202)	58
	\$ 2,732	\$ 1,796

^(a) An unused portion of the \$127 grant received in 2019 was returned to the Ministry during the previous year.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

(thousands of dollars)

24. Salary and employee benefits

	March 31			March 31	
	2023			2022	
	12 Months			9 Months	
	Base salary⁽²⁾	Other cash benefits⁽³⁾	Other non-cash benefits⁽⁴⁾⁽⁵⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	-
Members of the Board of Governors	-	-	-	-	-
Executive					
President and Vice-Chancellor	305	64	276	645	277
Provost and Vice-President Academic					
Current term commenced January 1, 2023	68	-	8	76	-
Past term ended January 31, 2023	258	80	27	365	212
Total	326	80	35	441	212
Vice-President Finance and Administration					
Current term commenced August 1, 2022	167	-	28	195	-
Past term ended June 20, 2022	55	1	6	62	213
Total	222	1	34	257	213
Vice-President University Advancement	226	29	33	288	203
General Counsel and University Secretary	224	-	33	257	188
Vice-President Students ⁽⁶⁾	218	-	29	247	-

(1) Effective July 1, 2015, all members of the Board of Governors elected to forego honoraria, redirecting resources to improved electronic reporting systems for Board members.

(2) Base salary includes pensionable base pay.

(3) Other cash benefits include housing allowances, vacation payout, car allowances, professional development, cash travel allowances and severance. No cash bonuses were paid in 2023 or 2022.

(4) Other non-cash benefits include: the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, extended health care, health spending, dental care, long-term disability and group life insurance. The other non-cash benefits also include the employer's share of the cost of additional benefits, including administrative leaves or other special leaves with pay, club and professional memberships, and fair market value of parking. Other non-cash benefits for the President and Vice-Chancellor include \$218 for current and past service costs for administrative leave.

(5) Under the terms of the supplementary executive retirement plan (SERP), executive officers may receive supplemental payments. Retirement arrangement costs, as detailed below, are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the defined annual contributions to the plan on behalf of the plan member, including accrued interest on the accrued liability in the plan.

(6) The new position of Vice-President Students was created June 1, 2022.



Mount Royal University
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
(thousands of dollars)

24. Salary and employee benefits (continued)

The supplementary retirement plan current service cost and accrued obligation for each executive in the above table are outlined in the following table:

	Accrued obligation March 31, 2022	Service Cost	Interest Costs	Actuarial Loss (Gain)	Accrued obligation March 31, 2023
President and Vice-Chancellor	\$ 63	\$ 23	\$ -	\$ -	86
Provost and Vice-President Academic	\$ -	\$ 3	\$ -	\$ -	3

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

The current service cost and accrued obligation for each executive under the Administrative leave plans is outlined in the following table.

	Accrued obligation, March 31, 2022	Service Cost	Interest Costs	Actuarial Loss (Gain)	Accrued obligation March 31, 2023
President and Vice-Chancellor	\$ -	\$ 218	\$ -	\$ -	218

25. Budget figures

The University's 2022-23 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

26. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Governors of Mount Royal University on May 25, 2023.



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