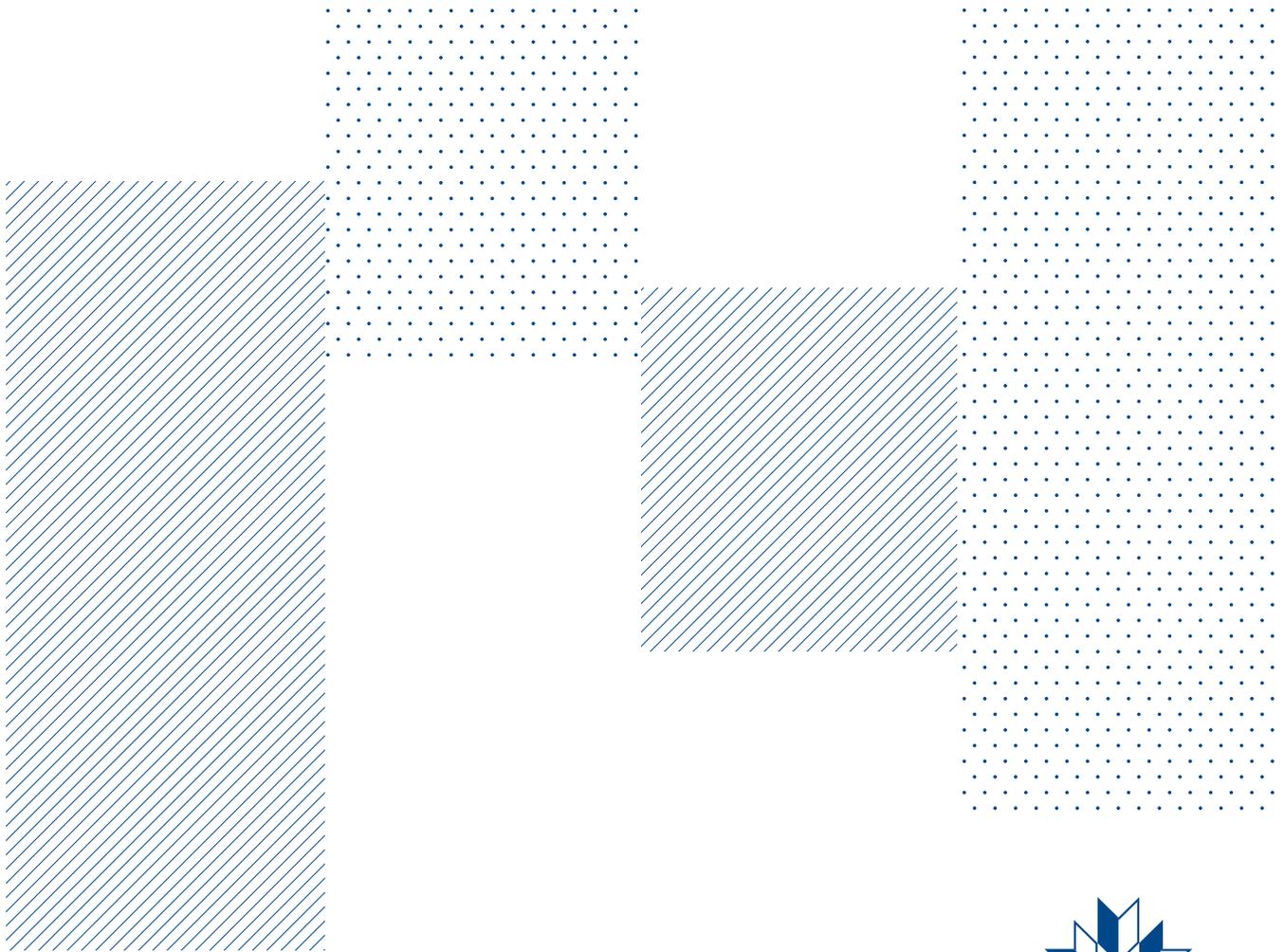


2015/16

ANNUAL REPORT

Building on Our Strengths



MOUNT ROYAL
UNIVERSITY
1910



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Building on our strengths

Students rank Mount Royal University among Canada's best universities for quality of teaching and overall educational experience. For more than a century, we've distinguished ourselves by offering smaller class sizes, a robust liberal education and unique undergraduate programs. In the 2015/16 year, we continued building on our strengths.

Vision

Mount Royal University: an exceptional undergraduate educational experience

Mission

Since 1910, Mount Royal has built a reputation on a strong, liberal education foundation with an undergraduate focus. More than a century later, we remain responsive to the needs of our community through our enduring commitment to this legacy. We are a community of engaged citizens, providing personalized, experiential and outcome-based learning in an environment of inclusion, diversity and respect. Through our focus on teaching and learning informed by scholarship, we are preparing our graduates for success in their careers and lives.

Mandate statement

Mount Royal University is a public, board-governed institution operating as a Baccalaureate and Applied Studies Institution under the authority of the *Post-secondary Learning Act* of Alberta. Mount Royal was named a university by an Order in Council on 2 September 2009 and is governed by the *Post-secondary Learning Act*.

Mount Royal University is a learning community that focuses on instruction informed by scholarship. Its mission is excellence in baccalaureate and applied degrees along with certificate and diploma programs. Mount Royal's programs prepare students to be thoughtful and informed citizens by combining liberal and applied studies and by providing graduates with opportunities for individual fulfillment, further study and employment.

Mount Royal offers programs in arts and science, nursing and health, business, communications, community studies, design, education, performing arts and aboriginal studies that lead to the following credentials and further studies:

- baccalaureate degrees and transfer programs to prepare learners for further study and employment
- applied degrees to prepare learners for employment
- certificate and diploma programs to prepare learners for employment and lead to further studies and credentials
- post-secondary entrance programs that facilitate learner access to further studies

Mount Royal University plays a pivotal role in the Campus Alberta system. It is both a sending and a receiving institution for students transferring to and from other institutions. The University also develops collaborative degree partnerships with other Alberta institutions.

Mount Royal supports scholarly activity that contributes to instructional excellence and to the cultural, social and economic well-being of the community locally, provincially, nationally and internationally.

Mount Royal students are supported by a range of services that contribute to academic, social and personal development. Student supports include library services, academic advising, learning skills development, cultural activities, career services, residence services, counseling, recreation and wellness programs. These services are designed to benefit students by increasing their opportunities for success.

Mount Royal's primary service area includes Calgary and the surrounding region. Mount Royal also serves a wider learner population provincially, nationally and internationally through face-to-face and distance delivery and through partnerships with other post-secondary institutions. Mount Royal serves its communities by creating and communicating knowledge and by meeting the needs of the labour market in fields related to its program areas.

Mount Royal University also serves its communities by providing contract training, professional development, international programming and, through its internationally recognized conservatory, music instruction particularly for younger people. Through these programs, Mount Royal enhances its commitment to continuous, lifelong learning and to global awareness in an interconnected world.

Approved by the Board of Governors, February 1, 2010

Approved by the Minister of Advanced Education and Technology, February 24, 2010



Message from the Board chair

In 2015/16, Mount Royal University built on its strengths, working toward our vision of providing Canada's most exceptional undergraduate educational experience. The Board of Governors' priorities remain to: oversee the execution of the strategic plan, ensure effective leadership and the best governance practices; monitor the University's sustainability; and continue to build and protect Mount Royal's outstanding reputation.

Execution of the strategic plan was well underway in 2015/16, with 10 overarching goals and 33 strategies identified to achieve these goals. In the spring of 2016, leaders across the campus began focusing on a subset of strategies that needed to be prioritized over the next three years. Overall, the Board is satisfied that Mount Royal is taking a comprehensive, yet actionable, approach in implementing the strategic plan.

The Board of Governors remains committed to ensuring excellent governance. In 2015/16, governors were actively engaged in ensuring Mount Royal was accountable, transparent, efficient and fair. Given a wide range of stakeholders with varying needs, the Board worked to find mutual and timely solutions.

The University's ability to provide quality programs and services remained solid. Despite a weakened economy going into 2016/17, the financial position of the institution is strong and feedback from students is extremely positive.

Looking forward, Mount Royal has a clear road map in its strategic plan. With an engaged Board, committed management and highly dedicated faculty and staff, we have a robust foundation to provide a strong, liberal education and enable an exceptional undergraduate experience.

[original signed by]
Bryan D. Pinney
Chair, Board of Governors



Message from the president

In this fifth year of my presidency at Mount Royal, there were a number of opportunities for us to advance our goals, to make improvements and to celebrate our successes.

One of those successes was the opening of the Taylor Centre for the Performing Arts — a milestone achieved with the help of government, the Taylors and many donors, employees and building partners. Construction of the Riddell Learning and Library Centre continued, with the opening expected mid-2017. Further ahead, a new Campus Master Plan guides our future developments.

There was growing demand for access to post-secondary education. The challenging economy was certainly one driver, but there was also more interest in Mount Royal's offerings — unique degrees, small class sizes, practical experience, a chance to do research and a liberal education. We introduced a Broadcast Media Studies major and there are many degrees and majors being advanced.

In 2015/16, we continued to build a positive campus community. From increasing supports for mental health to encouraging healthy living, Mount Royal was very active. I was so proud of how warmly the campus welcomed as guests, Fort McMurray residents escaping the wild fires. Moving forward, development of awareness, policies and resources in the areas of sexual violence and religious intolerance will be enhanced.

If there was one thing I saw in 2015/16, it was a coalescing around the fact that at Mount Royal we put students first. So when students surveyed said their experience was more positive than students nationally, they were more likely to recommend MRU, they were very satisfied with their decision to come to MRU, their experience exceeded their

expectations and they were satisfied with both the quality of teaching and the concern shown to them as individuals,¹ it meant the feeling was mutual. We value the positive feedback from students, and we will continue to work to earn these praises in the future.

[original signed by]
David Docherty, PhD
President, Mount Royal University

¹According to a survey conducted by the Canadian University Survey Consortium of 479 first-year Mount Royal students.

Accountability statement

Mount Royal University's Annual Report for the year ended June 30, 2016 was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[original signed by]
Bryan D. Pinney
Chair, Board of Governors
December 12, 2016

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's finance committee, as well as approved by the Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-secondary Learning Act*.

The Auditor General of Alberta, the institution's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian public sector accounting standards.

[original signed by]
David Docherty, PhD
President, Mount Royal University

[original signed by]
Duane Anderson, CPA, CMA
Vice-President, Administrative Services, Mount Royal University

December 12, 2016

Governance

Mandate

The Board provides oversight and guidance to the University to ensure it has the right strategies, talent and processes aligned with its vision and mission to create sustainable value to all stakeholders. The Board monitors performance to ensure the necessary steps are being taken by the University to achieve the goals outlined in the strategic plan.

Priorities

- Oversee the execution of the strategic plan
- Ensure effective leadership begins at the top, with the best governance practices
- Monitor the sustainability of the University
- Build Mount Royal University's brand and protect its reputation

Members of the Board of Governors

(Current as of Dec. 12, 2016)



Bryan D. Pinney
Chair



David Docherty
President



Jennifer Pierce
Vice-Chair



Daryl Fridhandler



Jim Campbell



Shifrah Gadamsetti



Eleanor Chiu



Paul Kundan



David Clemis



Rusty Martel

Progress to achieve our goals



Comprehensive Institutional Plan (CIP)

Increase flexibility in student access

Provide our students with greater program and course availability and more course delivery platforms

CIP priority initiative



Grow to meet the demands of Alberta learners

We will increase both the number of spaces available and the programs offered at the Lincoln Park campus to better accommodate the growing demand for access to post-secondary education in Alberta.

Expected outcome

Our credit full-load equivalent (FLE) learners are increased proportionately to our 10-year goal.

Performance measure

The enrolment management plan aligns with the mission and vision of the University and is guided by the specific goals, strategies and measures defined by the institution's strategic plan. Underlying all enrolment planning is the principle of thoughtful growth. The plan emphasizes the need 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.

For 2015/16, the student body grew by 100 FLE learners, an increase of 1.1% compared with the previous reporting period. By 2018/19, it is expected Mount Royal will have increased its overall FLE students by about 5.0%, compared with 2014/15 reported totals.

Total FLE students

2015/16
9,266

2014/15
9,166

2013/14
9,419

SOURCE:
Learner and Enrolment Reporting System (LERS).
Provided by the Office of Institutional Analysis

Expected outcome

Our degree programs and majors are increased proportionately to our 10-year goal.

Performance measure

Over the next three years, there will be further planned reductions to Open Studies to offset increased intakes in degree programs, where student demand is strongest. Baccalaureate FLE students will also increase over this same period of time, as the University's remaining applied degree programs are fully converted into ministry-approved, four-year degrees.

In 2015/16, Mount Royal's overall FLE students in degrees (and applied degrees) grew by 4.9%, causing the overall proportion to increase by 2.9% — amid a shift away from non-credential programs like Open Studies. This was driven both by increases in the proportion of degree applicants and the proportion of qualified degree applicants.

1 Increase flexibility in student access

Degree FLE students as a proportion of total FLE students

2015/16
72.5%

2014/15
69.9%

2013/14
63.9%

SOURCE:
Learner and Enrolment Reporting System (LERS).
Calculated by the Office of Institutional Analysis

Degree applicants as a proportion of total applicants

Fall 2015
10,170 / 13,132 = 77.4%

Fall 2014
9,909 / 13,197 = 75.1%

Fall 2013
8,987 / 13,345 = 67.3%

SOURCE:
Application Submission Initiative (ASI).
Calculated by the Office of Institutional Analysis

Qualified degree applicants as a proportion of total qualified applicants

Fall 2015
 $6,892 / 10,161 = 67.8\%$

Fall 2014
 $7,123 / 10,537 = 67.6\%$

Fall 2013
 $6,269 / 10,703 = 58.6\%$

SOURCE:
 Application Submission Initiative (ASI).
 Calculated by the Office of Institutional Analysis

Expected outcome

Transfer student intake is increased.

Performance measure

Mount Royal continued to play a leading role in mobility and transfer across the Campus Alberta system of post-secondary institutions. Degree-level programming was provided for college partners in communities without universities: Fort McMurray, Medicine Hat and Red Deer. It is the University's intention to increase its influence as a receiving institution.

Expected outcome

Our new post-baccalaureate certificates and diplomas are increased proportionately to our 10-year goal.

Performance measure

Mount Royal offered a rich program mix. Post-baccalaureate certificates and diplomas (credentials requiring a degree for admission) are expected to be the primary area of growth for certificates and diplomas going forward. A second growth area for one- to two-year credentials will be pre-baccalaureate

programs designed for target audiences, such as first-generation or Indigenous learners requiring transition programming, or mid-career adults returning to the University or wishing to change professional direction.

CIP priority initiative

1.2

Remove existing barriers to timely degree completion

Mount Royal will facilitate degree completion by improving student access to specific courses, expanding course availability, enhancing alternative delivery methods, offering year-round course delivery and maximizing course transferability across Mount Royal programs and between post-secondary institutions.

Expected outcome

Training and support for innovative learning technologies is increased.

Performance measure

The drop-in computer lab at the Academic Development Centre provided 4,393 points of assistance to faculty and instructional staff seeking assistance to increase their effective use of technologies for teaching and learning. Questions related to Mount Royal's learning management system accounted for more than three-quarters of contact points. Other technology tools and applications supported in

the lab included Google Apps for Education, MS Office and MyMRU (an internal portal).

Expected outcome

Training and support for classroom, blended and online delivery methodologies is increased.

Performance measure

The Student Technicians and Resource Tutors (START) program employed students to assist other students in building greater skill and confidence in the use of technology tools. In 2015/16, START provided 9,957 instances of support to

students in the START lab and at the library information desk. START also provided 1,257 hours of service to the Mount Royal community by assisting at the information technology service desk and labs, as well as in the student residences.

Expected outcome

Advising assistance for students requiring support in assessing their current abilities and preparedness for specific educational goals is increased.

Performance measure

It is important to get students on the right path to reaching their educational goals. According to the 2016 National Survey of Student Engagement, 56% of first-year students said their academic advisors were available when needed, compared with 71% of senior students surveyed. To better accommodate new students, the Office of Student Success developed a first-year registration assistance program to help incoming students register in a higher course load and in classes that give students the most options for pursuing desired academic paths. The program was set for pilot in the Faculty of Science and Technology for registration in Fall 2016 courses. Based on a successful trial, Enrolment

Services plans to expand the program to all faculties.

Expected outcome

Numbers of students gaining admission into chosen programs of study is increased.

Performance measure

Being accepted into a program of choice is vital to many students. According to the 2016 Canadian University Survey Consortium, 87% of first-year students surveyed said it was important or very important that Mount Royal offered the program they wanted to take when making the choice to attend the University.

1 Increase flexibility in student access

In response to the high demand for degree-level programming, Mount Royal's degree intake has risen steadily in the last four years, both in total numbers and as a proportion of total intake.

In 2015/16, MRU participated in the University/College Applicant Survey, which will provide deeper insight into the intentions of applicants, permitting a better understanding of program-level demand and enabling the tailoring of marketing and recruiting efforts.

Degree intake as a percentage of total intake

Fall 2015
66.1%

Fall 2014
61.9%

Fall 2013
44.9%

SOURCE:
Applicant Yield Report.
Calculated by the Office of Institutional Analysis.

Expected outcome

Monitoring of students currently enrolled in programs, to determine pace is meeting intentions for completion, is increased.

Performance measure

An alert program called "Early Support" was piloted in 2015/16. This program allows faculty members and staff to alert the Office of Student Success to students who may need additional support, so small issues do not turn into major learning obstacles. This pilot was well received by faculty and students who

were connected with the Office of Student Success. One hundred and thirty-one students were referred through the program; a significant impact given the scope of the pilot.

The Office of Student Success and the Office of Institutional Analysis also continued to develop a sustainable model for recording and monitoring student retention and persistence rates.

Expected outcome

Numbers of students completing undergraduate degrees, in keeping with intention, are increased.

Performance measure

The Office of Student Success and the Office of Institutional Analysis developed a sustainable model for recording and monitoring four- and six-year graduation rates. Meaningful results will be available when the 2010 cohort reaches the six-year graduation mark. A toolset was created to identify bottlenecks for degree completion and to generate course-level recommendations for programs to improve access to core offerings required for degree completion.



Enhance community outreach

Engage our broader community in thoughtful outreach initiatives to provide access to educational opportunities available at Mount Royal, which in turn enhance the experiences of all of our students by providing exposure to diversity in both culture and thought

CIP priority initiative

2.1

Enhance partnerships with Indigenous communities

We will engage current and potential Indigenous students, enabling greater success in our dedicated recruitment initiatives and specialized retention strategies.

The representation of Indigenous students at Mount Royal should be equal to the representation of Indigenous Peoples within our province.

Expected outcome

The Iniskim Centre’s services and programs are enhanced.

Performance measure

Mount Royal’s strategic plan recognizes the Indigenous lands and communities of southern Alberta. The impending approval of the Indigenous strategic plan is an important next step.

The Iniskim Centre continued to be a focal point for many activities that showcase the University’s commitment to Indigenous education. In 2015/16, the centre strengthened its programs through new partnerships

with community groups. Enrolment in the Aboriginal Education Program increased to 139 students in 2015/16, compared with 133 students in 2014/15. Other high-quality programs included: the Aboriginal Science and Technology Education Program, Indigenous Youth Science Talks, the MEG Energy Summer Science Camp, the Medicine Trail Program, the Indigenous Housing Program and the BMO Peer Mentorship Program.

Expected outcome

A focused Indigenous student recruitment strategy is developed.

<p>Performance measure</p> <p>Mount Royal created an Indigenous recruitment officer position to work on specific initiatives to support the recruitment of Indigenous students by establishing contacts with urban and rural communities, making arrangements for high school and community visits and tracking the interest of prospective students. The incumbent also collaborates with the Iniskim Centre to ensure awareness of services for students and support beyond the recruitment process.</p>	<p>Expected outcome</p> <p>Access admissions policies are recommended for implementation on an institutional level.</p> <p>Performance measure</p> <p>Special consideration is offered for designated seats through a specific Indigenous admission target. To qualify for this category, applicants must meet the definition of an Indigenous applicant, as well as the minimum admission requirements as indicated in the general admission requirements for the</p>	<p>University. Almost all degree and diploma programs have adopted this target.</p> <p>Expected outcome</p> <p>Indigenous student enrolments are increased proportionately to our 10-year goal.</p> <p>Performance measure</p> <p>Increasing representation of Indigenous students in the student body is a measure of Mount Royal's ability to strengthen partnerships with Indigenous groups. The proportion of self-identified Indigenous students in all</p>	<p>ministry-approved programs was 4.7% in 2015/16, compared with 4.1% in 2014/15, suggesting the University is on track to meet its goal of 7.0% by 2024/25.</p>
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Self-identified Indigenous students as a proportion of all students

2015/16
4.7%

2014/15
4.1%

2013/14
3.8%

SOURCE:
Learner and Enrolment Reporting System (LERS). Includes all ministry-approved programs as calculated by the Office of Institutional Analysis

CIP priority initiative

2.2

Increase our international focus

This will be done through the development and delivery of programs related to student mobility and faculty exchanges, and through the provision of specialized student supports dedicated to our international student population.

An enhanced internationalization strategy will enable a greater number of students from all over the world to experience a Mount Royal education. The added benefit of this element of internationalization will be the interactions our current students will enjoy when engaging with international students, while providing greater exposure to the diversity that internationalization will naturally bring to campus.

Additionally, facilitating exchanges for our students and faculty through international partnerships will further enhance their educational experience.

Expected outcome

The depth and breadth of dedicated student support for international students is increased on campus.

Performance measure

In 2015/16, Mount Royal held active partnerships with 64 universities in 26 countries. A total of 158 Mount Royal students participated in semester-abroad exchanges, faculty-led field schools and study tours, directed field studies, and work and internship opportunities. Ninety-six students came to Mount Royal through

international partnerships — in addition to the international students who attend Mount Royal as full-time, fee-paying students.

A working group is reviewing and revising the international strategy to address international student recruitment and to prioritize exchange opportunities for Mount Royal students through existing and new partnership agreements.

Expected outcome

Cost effective approaches to international student recruitment are explored and developed.

Performance measure

An international recruitment officer and an additional international admissions evaluator were hired. An Internationalization Task Force, composed of members from Enrolment Services, the Faculty of Continuing Education and Extension and International Education, was formed to coordinate efforts and guide development of an institutional internationalization strategy.

Expected outcome

Existing international student enrolment in the Languages Institute (English Language Program) is maintained as preparation for entry into degree programs and/or employment.

Performance measure

The internationally-acclaimed Languages Institute continued to help more than 1,500 international students and professors each year who need to upgrade their English language skills. The institute also provided customized

English language training programs to business, government and private organizations from around the globe.

Enrolment in the English Language Program held steady year-over-year at 231 unique students. To ensure continued success in international student enrolment, several steps were taken, including development of a recruitment strategy and adding another term to create a year-round program.

The Institute is also exploring ways to develop credit pathways for international students, given reductions to Open Studies intake.

Expected outcome

International student enrolments are increased proportionately to our 10-year goal.

Performance measure

Aggressive targets were set to internationalize the University. By 2024/25, the goal is for visa students to represent 5.0% of students enrolled in credit programs. In 2015/16, the proportion of visa students grew to 1.9% and it is anticipated this growth will increase as more targeted international recruitment efforts are implemented.

Proportion of credential-program students studying on a visa

2015/16
1.9%

2014/15
1.8%

2013/14
1.7%

SOURCE:
Office of Institutional Analysis.
Includes all ministry-approved certificate, diploma and degree programs and all visa types



Set the standard for a personalized learning experience

Enhance and promote our unique approach to personalized learning

CIP priority initiative

3.1

Ensure a personalized learning experience for our students

We will ensure a personalized learning experience for our students and promote it internally and externally in order to identify this as a distinguishing feature of a Mount Royal University educational experience.

Our approach to personalized experience does not stop at smaller class sizes and inclusive classroom instruction; rather it gives us the opportunity to focus on the academic success and growth of every student, in every interaction.

Expected outcome

Academic support and student engagement opportunities are increased.

Performance measure

The University continued to build on its legacy as a student-centred institution. There were many highlights under the Student Affairs and Campus Life umbrella in 2015/16.

- A new peer mentorship program (MAPS: Mentors: Academic and Personal Success) was launched in Student Learning Services

- Student Learning Services integrated writing and referencing skills into all sections of 1000-level GNED courses and 3,099 students benefitted from this model of embedding foundational skills into the first year
- Accessibility Services, with the Academic Development Centre, provided Universal Design For Learning workshops for faculty
- Diversity and Human Rights hired an inclusive education and programming co-ordinator, and sexual violence response and awareness co-ordinator
- The National College Health Assessment survey, administered through Wellness Services, achieved a record response rate of 41.5%
- New Canadian Interuniversity Sport attendance records were set, with 12,859 fans taking in the Crowchild

Classic hockey doubleheader between the Mount Royal Cougars and the University of Calgary Dinos at the Scotiabank Saddledome

Expected outcome

New Student Orientation and all first-year experience initiatives are enhanced, resulting in greater retention through to second year of programs.

Performance measure

Students who participated in New Student Orientation engaged in culture-building activities with their future

classmates and instructors, while also getting valuable information on MRU.

Plans to significantly restructure the orientation program were developed in 2015/16, with an eye to ensuring incoming students feel welcomed and supported by the University community and are given opportunities to meet with peers, develop lasting relationships, learn about the academic requirements and expectations of their individual programs of study, and build an affinity with the institution.

Expected outcome

Approaches to student persistence are developed and revised to align with current students' intentions.

Performance measure

The Office of Student Success continued to develop transitional support programming to address common causes for student attrition. The office worked with staff and faculty to better understand how to help students be successful. The office leads several important initiatives, including New Student Orientation and the Early Support referral program, as well as student success peers who facilitated workshops and collectively created an approachable support system.

Expected outcome

Students with learning difficulties are reasonably accommodated and provided with support, assistance and adaptive technologies, resulting in greater academic success among the population.

Performance measure

Accessibility Services continued to partner with stakeholders to create an accessible, equitable and inclusive learning environment for students experiencing

disability-related barriers. The number of students with increasingly complex profiles eligible for academic accommodations and access supports continued to grow.

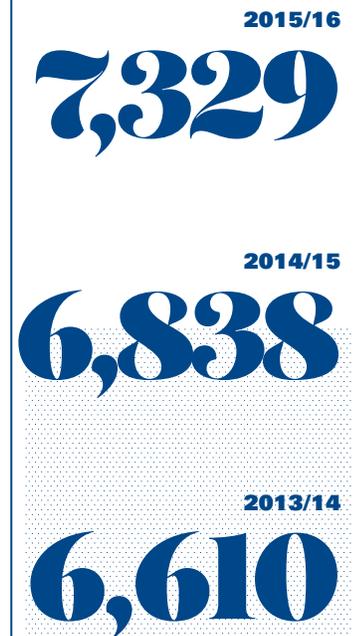
Number of students provided with accessibility services



SOURCE:
Student Affairs and Campus
Life Annual Reports —
Accessibility Services

Accessibility Services continued to work closely with deans, chairs and other faculty members on academic accommodations.

Accommodated exams



SOURCE:
Student Affairs and Campus
Life Annual Reports —
Accessibility Services

Expected outcome

The analytical framework and persistence strategies recommended by the institutional Retention Committee are implemented.

Performance measure

Recommendations from the institutional Retention Committee resulted in the development of the Office of Student Success. The responsibilities for the retention framework and associated strategies rest with this office. A framework was developed.

Expected outcome

We demonstrate strong graduation rates relative to comparable Canadian post-secondary institutions.

Performance measure

Mount Royal considers six-year graduation rates to be the metric most often used when discussing graduation rates. However, being a relatively new university, few programs have produced six-year graduation figures. The latest six-year graduation rates available are for the Fall 2009 cohort. Mount Royal's intention is to use Fall 2010

as a baseline, because this cohort best reflects the educational experience now being provided.

Expected outcome

We demonstrate strong rates of acceptance in graduate or professional schools.

Performance measure

Among students who completed their Mount Royal education in 2011/12, two years later over one-quarter of these students were enrolled in further post-secondary education, according to the latest

available (2014) Graduate Outcomes Survey. The survey was prepared for the Alberta Government by R.A. Malatest & Associates Ltd. The University will watch future surveys to understand how increases in students accessing degree-level programs impacts this expected outcome.



Foster a sense of belonging among students

Create an environment in which students are engaged and have a sense of belonging

CIP priority initiative

4.1

Create high impact experiences in and out of the classroom

Students benefit and are more satisfied in supportive settings that cultivate positive relationships among students, faculty and staff. A supportive environment leads to increased engagement, a sense of belonging and, ultimately, success in a student's university experience.

Expected outcome

The new Student Affairs and Campus Life strategic plan is implemented.

Performance measure

In 2015/16, the new Student Affairs and Campus Life strategic plan 2015 – 2020 was implemented with 23 strategies which align with the University's strategic plan. Significant progress was made on seven prioritized strategies, with deliverables reached on the four goals of academic success, community, citizenship and wellness.

Expected outcome

Students report that they have more opportunities to develop and participate in a community that is inclusive, respectful, supportive and equitable.

Performance measure

In 2015/16, Mount Royal launched a major marketing campaign featuring the phrase "You Belong Here." The campaign communicated the inherent sense of belonging that comes from being part of the Mount Royal community.

A unified, long-term campaign will clarify the brand promise to the community.

98%

of students agree/strongly agree Mount Royal is a respectful and inclusive place

82%

*of students agree/strongly agree they feel a sense of belonging on campus**

80%

*of students feel a sense of community on campus**

*Questions are not part of the standard instrument, meaning they may or may not appear in future years.

SOURCE:
Canadian University Survey Consortium (CUSC) — 2016 First-year Student Survey

Expected outcome

Adaptive technological services and other supports are increased for students with disabilities.

Performance measure

Accessibility Services introduced successful new programs in 2015/16, including the peer mentorship for first-year students experiencing autism-related barriers, “Techie Tuesday” drop-in sessions for assistive technology advisors and assistive technology training and support. The early results were impressive. For instance, 95% of students provided

access to recording pens (for in-class use) want to continue using the pen. These new initiatives, as well as existing supports, helped empower students to achieve their academic goals.

Expected outcome

The Student Mental Health strategy is fully implemented.

Performance measure

Implementing recommendations from the President’s Task Force on Student Mental Health remained a high priority, with a total of 30 recommendations successfully put in place. Many activities

were implemented, keeping mental health at the forefront of the campus community's mind. Examples of programs included: Peer-to-Peer (P2P) Mental Health, The Working Mind/The Inquiring Mind and The ABCs of Helping. Mount Royal will continue adjusting mental health-funded initiatives to align with the new Alberta Post-secondary Addiction and Mental Health Framework.

Expected outcome

A virtual hub, acting as a central location for student supports, is developed and implemented.

Performance measure

There continued to be many on-campus resources available to foster positive mental health and support for those with mental health challenges, including centralization of resources on one website. The online resources were sorted into categories for help seekers, supporters and those looking for proactive solutions. The @MRULiveWell Twitter account also acted as an informative hub to promote wellness content from a variety of areas across campus. The account engaged students and increased awareness of available resources and tools. This social media account experienced an 82% growth in followers from August 2015 to June 2016.



Provide intellectually engaged learning

Provide our students with an opportunity to become deeply engaged in their educational experience, preparing them for personal and career success

CIP priority initiative

5.1

Expose students to a liberal education

Mount Royal defines a liberal education as one that exposes our students to a breadth of disciplines across different faculties. As a fundamental part of all of our degree programs, liberal education includes an exposure to themes such as: numeracy and scientific literacy; values, beliefs and identity; community and society; and communication.

Our approach includes a comprehensive collection of courses across a range of subjects, including the sciences, mathematics, business and the humanities, and is designed to complement our students' studies in their chosen field. These courses provide a broad, well-rounded foundation, helping to prepare our students for success in their core subject studies and for future education and employment.

Expected outcome

Number of students continuing on to graduate or professional schools are increased.

Performance measure

The Fall 2015 Graduate Studies Fair saw 25 graduate and professional schools participate, marking a significant increase from the previous year. This growth was indicative of the interest of graduate and professional schools in Mount Royal students. The University continues to believe that graduate school is a great opportunity for those who

enjoy their field of study and supports students pursuing a graduate degree by offering additional supports.

Expected outcome

Employer feedback indicates that students have the necessary skills to secure and retain employment at greater levels.

Performance measure

Students continued to graduate with the credentials sought by employers, who recognize Mount Royal as reputable, responsive and collab-

orative. According to a recent report from Illumina Research Partners, 80% of employers surveyed hold the University in good standing, while an additional 8% say the University's reputation could not be better. This feedback validated Mount Royal's longstanding commitment to be a community-responsive institution.

88%

of employers say MRU has a good/great reputation

SOURCE:
Illumina Research Partners
2016 Brand & Reputation
Detailed Data Findings

Expected outcome

Graduate employment rates in chosen field of study are increased.

Performance measure

Nearly 200 more graduates accessed Career Services this year, compared with the previous year. As a result of a challenging economic environment for those seeking jobs, more graduates sought professional support, in particular help developing effective search plans.

CIP priority initiative

5.2

Student participation in capstone work integrated learning

At Mount Royal, the majority of our programs currently offer some form of work-integrated learning. These experiences provide our students with practical application of the concepts they have learned through classroom study, better preparing them for the next stage in their lives.

Expected outcome

Relationships with employers in the public and private sector for the purposes of securing appropriate work experiences for students are increased.

Performance measure

Despite the challenging economic climate in Alberta, 147 new employer partnerships were formed in 2015/16. In March, Mount Royal's annual Career and Recruitment Fair was filled to maximum capacity of 82 exhibitors, who collectively reported having more than 1,050 vacancies available

at the time of the event. As well, all additional recruitment fairs were sold out, including the Chartered Professional Accountants fair, the Energy Career fair, the Volunteer Recruitment fair and Business Career Expo.

Expected outcome

Services for students related to career education and employment (resumé writing and interview skills) are expanded.

Performance measure

Career Services helped students plan their career and find jobs. Services included appointments with certified

career professionals, resumé and cover letter critiquing, job search coaching, an online job bank exclusive to students and graduates, in-class presentations, workshops, job fairs, and career and employment tip sheets.

A number of support services saw increased demand in 2015/16 over the previous year, including critiques of resumés, cover letters and portfolios (15%), in-class workshops (13%) and the number of tip sheets provided (24%). Meanwhile, individual student appointments dipped slightly.

SOURCE:
Student Affairs and Campus Life
Annual Reports — Career Services

Expected outcome

Services for employers seeking to recruit

graduates for employment (job postings and the website) are expanded.

Performance measure

In 2015/16, Career Services saw the number of actual positions available remain virtually the same as the previous year, despite a slight decline in the number of job postings. It is believed fewer companies posted jobs, but those that posted jobs had more positions available. It is also important to note that the decrease in postings was a common trend across many Canadian universities and not exclusive to Alberta's economic trend. Many organizations have implemented their own applicant tracking systems and now want applicants to apply via external job posting systems.

*Student and graduate job bank
Number of job positions available*



SOURCE:
Student Affairs and Campus Life
Annual Reports — Career Services

Expected outcome

Students secure appropriate work experiences as part of their academic programs.

Performance measure

Career Services continued to offer students the opportunity to gain valuable work experience while pursuing their degree. Job search and recruitment support was provided through professional development courses, partnerships with employers who provide work opportunities and facilitation of work terms once a student is hired.

*Work experience placements**

2015/16
340

2014/15
320

2013/14
395

*Required for students in Information Design, Journalism, Public Relations, Environmental Science, Computer Information Systems, Policy Studies and Interior Design programs.

SOURCE:
Student Affairs and Campus Life
Annual Reports — Career Services

*Co-operative education placements**

2015/16
198

2014/15
196

2013/14
163

*Supports business students by offering an optional program that allows students to complete up to three experiential learning work term opportunities. Programs include: Accounting, Finance, Human Resources, International Business, Marketing, Social Innovation and Supply Chain Management.

SOURCE:
Student Affairs and Campus Life
Annual Reports — Career Services

Expected outcome

Student work experience placements rates increase.

Performance measure

To further support student academic success through experiential learning opportunities, career co-ordinators increased communication with students to ensure student expectations were aligned with the current labour market. Co-ordinators also continued to support student job search skill development and encouraged students to increase job search efforts to help secure employment. This initiative contributed to the 95% placement rate of engaged students.

Expected outcome

Employer feedback indicates that students have the necessary skills to secure and retain employment.

Performance measure

What employers said about Mount Royal University:

“
One of the best parts of an education at Mount Royal University is the internship programs that they offer to students.”



Practical education and experience.



Real-world-ready education.



Administration tend to be very engaged with student success.



Expected outcome

Graduate employment rates in chosen field of study are increased.

Performance measure

A large majority of Mount Royal graduates (82%) are working in a position related to the program they graduated, according to employed respondents who participated in the 2014 Graduate Outcomes Survey commissioned by the Government of Alberta. While the latest available data comes from the class of 2011/12, the University's enduring commitment to work-integrated learning continued to ensure future

graduates will hit the ground running in their desired occupation. In the 2015/16 academic year, 25% of Mount Royal students participated in meaningful Community Service Learning (CSL) projects through 42 courses. This translated into nearly 300,000 hours of community service with 475 partner organizations. Mount Royal is proud to be a national leader in CSL.

SOURCE:
 Illumina Research Partners
 2016 Brand & Reputation
 Detailed Data Findings

CIP priority initiative

5.3

Student participation in research

Engagement of our students in scholarship and research projects is a defining characteristic of Mount Royal's undergraduate education. Undergraduate research at Mount Royal takes many forms, including the availability of research assistant roles, faculty support for individual or group research projects, faculty guidance for student research journals, scholarly communications or conference presentations, as well as student poster presentations.

At Mount Royal, the majority of our programs currently offer some form of student scholarship or research. We will develop new and innovative ways to integrate research into teaching and to involve our students in research projects. Through this integration, our students will gain new knowledge in their area of study, as well as in the research process itself, adding depth to their overall educational experience.

Expected outcome

Numbers of students involved as primary researchers or research assistants are increased.

Performance measure

The direct engagement of undergraduate students in research continued to be a highly valuable part of their educational experience at Mount Royal. The goal is that every student be able to enhance their educational experience by participating in research projects. In 2015/16, there were 174 undergraduate research assistants paid through the Office of

Research, Scholarship and Community Engagement. Although the number is down slightly from 2014/15, the value of research assistant contracts increased by 42.5%.

Expected outcome

Dissemination of teaching-learning related scholarship findings are increased.

Performance measure

The dissemination of teaching and learning scholarship increased significantly in the reporting year. In 2015/16, there were 19 papers, eight workshops and 36 scholarly presentations

produced by faculty members compared with nine papers, six workshops and 48 scholarly presentations in 2014/15. In addition, the number of publications with multiple Mount Royal authors increased from two in 2014/15 to 12 in 2015/16, indicating a laudable increase in collaborative engagement.

Expected outcome

Fostering of networks of faculty and communities of practice in teaching-learning related scholarship, both internally and externally, are increased.

Performance measure

Mount Royal continued to show leadership nationally and internationally in developing networks and communities of practice around SOTL topics. There were 50 presentations made at the annual SOTL symposium in both 2014/15 and 2015/16. The Nexen Scholars Program continued to provide opportunities to develop SOTL expertise with participants in 2015/16. Most notably, nine faculty members participated in national or international collaborative writing groups on key SOTL topics in 2015/16, compared with one participant in 2014/15.

For the first time, Research and Scholarship Days gathered scholars from all faculties, disciplines and institutes to showcase a more

complete picture of scholarly activities on campus.

Expected outcome

Support of institute operations through fund development and grant acquisitions are increased.

Performance measure

External support of Mount Royal research continued to increase, in line with the goal to drive up Tri-Council research applications and funding. The overall value of external grants and awards increased 7% year-over-year, including a 68% jump in the value of Tri-Agency grants.

CIP priority initiative

5.4

Create empowered learners

By encouraging our students to take responsibility for their own educational experience and to collaborate with their peers in a collective ownership of their shared learning, we are empowering them to become more self-sufficient learners, developing personal skills that they can apply in all of their future endeavours.

Expected outcome

Current mentorship programs, including peer to peer programs, are enhanced, with new programs developed.

Performance measure

The Harry G. Schaefer Mentorship Program delivered through Student Learning Services was available to students from all programs. It aimed to be a transformative experience for participants — students and mentors alike. The 2015/16 academic year marked the fourth iteration of this hallmark program and there was positive growth.

Unique in 2015/16, three Mount Royal researchers presented a report that found the majority of mentees reported career-related benefits, while mentors also benefited in important areas such as listening and communication, self-awareness, reflection and leadership.

Participation in Harry G. Schaefer
Mentorship Program

2015/16
97 *mentors* **128** *mentees*

2014/15
84 *mentors* **88** *mentees*

2013/14
76 *mentors* **78** *mentees*

SOURCE:
 Student Affairs and Campus Life
 Annual Reports —
 Student Learning Services

**Expected
outcome**

Student leadership
opportunities on
campus are increased.

**Performance
measure**

Mount Royal offered a host of peer-support programs, including Peer-Assisted Study Sessions, Mentors: Academic & Personal Success for first-year students offered through Student Learning Services and a trio of programs in Wellness Services related to health, mental health and relationship violence. The Office of Student Success coordinated a team of student success peers, in addition to the student leaders who assisted with New Student Orientation.

Senior students holding
a formal leadership role
in a student group

2016
27%

2013
24%

SOURCE:
 2016 National Survey of Student
 Engagement (NSSE)

Expected outcome

An integrated student experience is developed whereby students are encouraged to create their own sense of community to enhance their work within academic programs.

Performance measure

Students were presented with formal and informal ways of building learning communities on campus. Structured opportunities included General Education Learning Communities, in which

first-year students met with professors and like-minded students to explore a set of related ideas throughout the term. The University continued to work hard to cultivate a culture in which new networks flourish. For instance, when the Riddell Library and Learning Centre opens, there will be about 30 group study rooms throughout the first three floors of the building. These spaces will seat six to eight students and offer a variety of furniture and technology options to support students in all types of group work.

Senior students participating in a learning community in which groups of students take two or more classes together

2016
23%

2013
27%

SOURCE:
2016 National Survey of Student
Engagement (NSSE)

Expected outcome

Workshops aimed at teaching skills, such as financial literacy (budget planning and money management), are increased.

Performance measure

In partnership with ATB Financial, a significant sponsor of New Student Orientation, several financial literacy workshops were delivered to Mount Royal students. These were well received by the students attending. Other resources are available year-round, including tips on budgeting, information on student discounts and techniques for money management.

Expected outcome

Student voice is augmented through high participation rate in online Student Evaluation of Instruction applied to all courses.

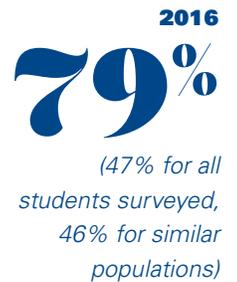
Performance measure

For the first time in Fall 2015, all credit courses were evaluated online using the Student Evaluation of Instruction process. A communication strategy was put in place and student response was positive. There were 3,431 classes evaluated for the academic year, with 82,142 individual

invitations sent. Of that, 49,241 responses were received. The overall response rate was 59.9%.

The three-year Canadian University Survey Consortium results indicated the new method made a measurable difference to students. These results aligned with Mount Royal primarily administering evaluations in class until Fall 2016, at which time online evaluations facilitated students' ability to provide feedback in all courses. With this change in 2016, Mount Royal will better align with the teaching evaluation practices at other Canadian universities and surpass them in providing students with the opportunity to give feedback about their instructional experiences.

Ability to evaluate teaching — all courses



SOURCE:
Canadian Universities Survey Consortium –
2014 Middle Years Student Survey,
2015 Graduating Student Survey and
2016 First-year Student Survey.



Enhance our culture of innovation

Support faculty, staff and management to become leaders in the exploration and adoption of innovative approaches to teaching, scholarship, research, business practices and other initiatives related to the success of our students

CIP priority initiative

6.1

Encourage and invest in innovation

Expected outcome

Facilitation of Mount Royal faculty engaged in teaching-learning research is increased.

Performance measure

The scholarship of teaching and learning (SOTL) continued to be a priority in 2015/16. Understanding and developing best practices in post-secondary teaching provided improved scholarly output and classroom experiences. The number of faculty members directly engaged in SOTL research increased by 50% in 2015/16, compared with the previous academic year. This was

primarily due to a new community of practice developed around Decoding the Disciplines process.

Expected outcome

Training and support for innovative learning technologies is increased.

Performance measure

Mount Royal employees accessed training and received advice on popular software applications through Information Technology Training Services. Staff provided online training resources and one-on-one support,

and scheduled computer workshops. Training links were and continue to be available for Google Apps, Microsoft Office and the website content management system.

Expected outcome

A comprehensive orientation and development program for new faculty is implemented.

Performance measure

The Academic Development Centre (ADC) offered two faculty orientation programs: the New Faculty Support Program for new full-time

faculty and the Contract Faculty Support Program. These programs were designed to orient new Mount Royal faculty members to best practices in teaching and learning and to provide opportunities for collaboration, community building and professional learning. The goal of these programs was and continues to be to contribute toward effective, scholarly teaching and overall success and satisfaction in faculty roles.

Expected outcome

Training and support for classroom, blended and online delivery methodologies is increased.

Performance measure

Instructional design and faculty development teams within the Academic Development Centre (ADC) supported the following curricular initiatives: eLearning courseware development, maintenance of fully online and blended courses and support for flipped classroom course delivery methodologies. All of these projects supported alternative course delivery options. In addition, a well-subscribed course redesign initiative, aimed at large scale or program course redesign, was included as part of the annual call for curricular project support.

Expected outcome

Learning communities for teaching enhancement are developed, particularly in the area of the scholarship of teaching and learning.

Performance measure

The ADC continued to provide Mount Royal faculty with a variety of professional learning opportunities, including stand-alone workshops, short courses which run over several sessions and year-long engagements, such as Faculty Learning Communities.



These professional development opportunities address topics related to: pedagogy, curriculum and assessment of learning, scholarship and integration of technology into a post-secondary context. In 2015/16, the Mount Royal teaching and learning community completed 940 session registrations for workshops and programs offered by the ADC, accounting for 1,815 hours of participation in teaching and learning professional development.



Expected outcome

Professional development opportunities in the areas of operational innovation for non-teaching staff are increased.



Performance measure

A review of department professional development budgeting practices continued to achieve economies of scale across the University. The negotiation of vendor contracts drove fiscal responsibility, optimizing professional development offerings while balancing the current financial environment

and professional development needs. Partnering with the Faculty of Continuing Education and Extension, a new cost structure was successfully negotiated for the 2016/17 year. The result was a significant decrease in course costs, allowing a greater variety and increase of courses, workshops and sessions offered to staff throughout the year.



Engage multiple communities in innovative and productive partnerships

Develop new partnerships with community organizations, the private and not-for-profit sectors and post-secondary institutions across Canada, while enhancing and expanding on the strengths of existing collaborations

CIP priority initiative

7.1

Fundraise with intention

We will fundraise with intention, actively developing new private sector relationships to generate additional sources of revenue for current and emerging areas of priority.

Through greater collaboration and engagement with individual philanthropists, alumni and the corporate community, we will enhance our programming and provide our students and faculty with opportunities not available through traditional revenue streams.

Expected outcome

Planning for a new comprehensive fundraising campaign is underway.

Performance measure

Mount Royal's Changing The Face of Education campaign officially closed in 2015. It was the largest fundraising campaign in the University's history and was met with outstanding enthusiasm, dedication and commitment. With many of the pledged gifts in support of this campaign nearing their completion, the University is working to prolong and renew the relationships developed during the campaign, while

also identifying prospective new partners for the next transformational campaign. Management is working to assess and strengthen the preparedness of the development team and the related processes and technologies prior to beginning the planning stage for the next transformational campaign.

Expected outcome

We have increased the value of our endowment dedicated to scholarships and bursaries.



Performance measure

The value of endowments related to scholarships and bursaries increased to \$31.8 million from \$30.3 million over the last year due to a focus on fundraising for student awards. This growth included capitalization of \$0.47 million in endowment earnings. An internal outreach strategy was developed to engage and motivate internal resources to further fundraise for scholarships and bursaries.

Expected outcome

The value of bursaries, scholarships and awards distributed to our students

increased to 2.5% of our annual operating budget.

Performance measure

The value of bursaries, scholarships and awards distributed to our students increased from 1.71% to 1.83% of the operating budget over the past fiscal year. Development of a new campaign to support student awards is underway to add to this progress.

Expected outcome

Additional funding for the Institute for Scholarship of Teaching and Learning is secured.

Performance measure

The University continues to place a strong emphasis on raising funds to support this signature institute.

Expected outcome

We have increased our number of alumni donors by 300%.

Performance measure

The alumni relations and annual giving teams continued to work on improving contact data for alumni and in 2015/16 Mount Royal increased its contactable alumni donor pool by nearly 20%. A new tracking system was created to better equip the team to segment alumni, engage alumni in leadership programs to strengthen their connection to Mount Royal, create more

focused campaigns and cultivate alumni donors for major gifts and planned gifts. Evidence of an increased and sustained number of alumni donors has yet to be demonstrated.

Expected outcome

Evidence of increased alumni donor sustainment is demonstrated.

Performance measure

Evidence of increased and sustained numbers of alumni donors has yet to be demonstrated.



Foster a healthy work environment

Foster a working environment that supports the success of our faculty, staff and management within a positive climate of respect, transparency and inclusiveness

CIP priority initiative

8.1

Support a healthy and productive work environment

We will provide services that support a healthy and productive work environment.

Mount Royal has a commitment to the personal success of all members of our campus community. We will provide our faculty, staff and management with the services they need to be successful in their work to effectively support our students.

Expected outcome

A new Human Resources plan is developed and implemented.

Performance measure

Mount Royal spent a considerable amount of time realigning Human Resources services to the needs and interests of the community, with new portfolios dedicated to: employee well-being and quality of work life; recruitment and onboarding; and, organizational and talent development. Work has begun to more effectively and efficiently provide transactional services to the University.

This includes a focus on how technology can modernize and reduce administration and improve services, so time can be rededicated to professional services to managers and employees. Human Resources will continue to advance strategic offerings, including workforce planning, human resource governance, collective bargaining and labour relations, diversity and inclusion, and organizational culture.

Expected outcome

A comprehensive plan for employee recruitment (staff, faculty and management) is operationalized.

Performance measure

To support this outcome, Human Resources:

- sourced and implemented new technologies to modernize recruitment practices
- engaged new and tailored services for talent sourcing
- refreshed hiring guidelines, offer letters and the new

employee orientation program

- established an employee value proposition and started to refocus the employee brand
- revised employee onboarding checklists and facilitated employee onboarding with campus departments
- collaborated with campus partners to create a plan to establish the foundation of employment equity practice

Expected outcome

The breadth of professional development opportunities taking place on campus is increased.

Performance measure

To support the growing demand for professional development among MRU employees, the organizational and talent development portfolio was created in November 2015. The portfolio scope and accompanying position encompasses a breadth of talent development areas, all with the purpose of increasing accessibility to

professional development opportunities.

Creation, implementation and operationalization of the Employee Training Portal was the first step in a phased approach to increase the breadth of professional development opportunities across campus. The portal is a gateway, centralizing and promoting training courses, sessions and workshops offered by individual departments. The portal is a one-stop shop where employees can view a calendar of training offerings, descriptions and registration.

**Expected
outcome**

Employee health and wellness programs are expanded.

**Performance
measure**

Enhanced employee health and wellness was and continues to be a priority for Mount Royal. Key objectives and activities were developed through a comprehensive review and planning process that took place in the first half of 2016. Objectives target enhancing communication and establishing the business case for health and wellness with management, staff and faculty. Human Resources developed programs to enable

healthy lifestyles among employees and target key subject matter. Examples of key subject matter for the next reporting period relate to mental health, stress management and staying active at work. Lastly, a review of Human Resources systems was initiated and recommendations will be made on how to promote health and wellness through other methods in the future.



Advance economic, environmental and social sustainability

Promote growth of economic, environmental and social sustainability throughout our campus and become leaders within our community through thoughtful planning and deliberate action

CIP priority initiative

9.1

Actively promote and support environmental sustainability

We will actively promote and support environmental sustainability by implementing the key recommendations from the President’s Task Force on Campus Sustainability.

At Mount Royal, environmental sustainability includes the adoption of important initiatives, such as energy renewal, carbon footprint reductions, carefully considered land use, waste reduction and the stewardship of our green spaces.

Expected outcome

Evidence of energy renewal, reduction of carbon footprint, carefully considered land use, waste reduction and green space stewardship is demonstrated.

Performance measure

Mount Royal continued to reduce its environmental footprint with short-term and long-term initiatives, such as a corporate energy management program which decreased energy consumption. The University’s Campus Master Plan ensured that all new buildings are

designed to achieve Leadership in Energy and Environmental Design certification. To date, five buildings meet these industry-leading standards.

New initiatives included the implementation of an organics collection program, campaigns to increase awareness of current recycling programs and other initiatives focused on student and employee education.

Waste-to-resource assessment (January 2016)

35%

diversion rate of waste from landfills (excluding residence buildings)

SOURCE:
Facilities Management



CIP priority initiative

9.2

Create an environment of economic sustainability

We will create an environment of economic sustainability by ensuring that the Government of Alberta considers post-secondary education a priority, and there is a commitment to provide stable and equitable operating funds and flexible Tuition Fee Regulation.

At Mount Royal, economic sustainability is dependent upon predictable and sustainable base operating grants and infrastructure maintenance funding from the provincial government to cover the cost of current program delivery, and to plan future programs and enrolment to meet the proportionately high demand for university access in Calgary.

Expected outcome

Mount Royal participates actively and contributes to the Adult Learner Review of post-secondary funding in Alberta.

Performance measure

Mount Royal representatives have and will continue to contribute to the tuition and funding reviews through all opportunities provided by government. In addition, the University continued to work closely with all levels of government to ensure decision makers are aware of the opportunities and growth potential that Mount Royal

provides within the Alberta post-secondary system. Mount Royal's physical capacity facilitates additional enrolment growth, pending proportionate funding support for delivery of programs and services.

Expected outcome

We have reduced the excess demand for post-secondary seats in Calgary through increased student enrolment.

Performance measure

Enrolment in Mount Royal's programs in 2015/16 exceeded 2014/15 by 2%, in line with the strategic enrolment plan

for the period. Within this overall increase, demand for and enrolment in the University's degrees grew by 7%. This incremental rate of growth, also as planned, reflected student demands for degree-level studies as they transition from the certificate and applied degree programs into the University's baccalaureate offerings. Mount Royal continually assesses demand for its programs and, where possible, develops new degrees and reallocates seats to existing degrees to address excess demand at the baccalaureate level.

Expected outcome

We are receiving university-level funding from government for all degree programs.

Performance measure

The University reviewed government funding levels for its programs and that of its peers in the province. Government operational funding, including that for degree programs, was and continues to not be formula based. This is an issue which is in scope for the funding and tuition reviews. Mount Royal's analysis of funding levels informed discussions with the Ministry of Advanced Education in support of program developments, including new degrees and new majors within existing degree offerings.

CIP priority initiative

9.3

Secure our economic sustainability

We will secure our economic sustainability by developing comprehensive implementation plans, including management of current assets and resources and planning for future resource development with diversified revenue sources. The implementation plans will also include enhanced internal controls to ensure responsible management of resources to capitalize on returns on investment.

Economic sustainability also includes the application of important practices, such as fiscal stewardship, resource development, asset management, the development of internal controls and planning for initiatives to ensure a responsible return on investment.



Expected outcome

Mount Royal develops a three-year budget plan, which achieves both current operational requirements and considers long-term strategic goals.

Performance measure

Approval of the three-year budget plan for 2016/17 through 2018/19 provided a stable financial framework for the ongoing operational requirements of the University's delivery of programs and services. Upon approval of this year's budget plan, the President

announced a Resource Planning Task Force for the review of planning processes to enhance the University's financial sustainability and resiliency. The task force will examine budget planning and resource allocation processes, and will ensure integration of consistent evidence-based planning to strengthen the resiliency of the institution to permit a sustained focus on long-term strategic goals.

Expected outcome

Mount Royal presents a balanced budget to the Board of Governors for the next three years, without the need to draw on reserve funds to cover the cost of program delivery.

Performance measure

The University approved a balanced budget for 2016/17, with projection for balanced budgets through 2018/19. This reflected the institution's commitment to sustainable financial operations. Reserve funds remain available for special projects, strategic initiatives and investments in future revenue-generating facilities and programs. Reserve-fund project spending was \$3.3 million at the close of the 2015/16 fiscal year; \$7.9 million in reserve funding was allocated to priority projects for advancement of the University's strategic objectives.

Access and quality (program planning)

In response to a substantial increase in demand for baccalaureate programs by current and potential students, programs at Mount Royal evolved and expanded to meet these needs, and were rolled-out on a priority basis.

Programs in implementation

1. Bachelor of Science — Major in Environmental Science
Funding: government
Implementation roll-out: 2015 (third year)
2. Bachelor of Child Studies and Diploma of Child Studies
Funding: conversion of applied degrees
Implementation roll-out: 2015 (second year)
3. Bachelor of Health and Physical Education
Funding: conversion of University Transfer and applied degrees
Implementation roll-out: 2015 (second year)
4. Bachelor of Interior Design
Funding: conversion of applied degrees and government expansion funding
Implementation roll-out: 2015 (first year)
5. Bachelor of Communication — Major in Broadcast Media Studies
Funding: internal reallocation
Implementation roll-out: Fall 2016
Performance measures for new programs include:
 - Enrolment target of 102% was achieved

- Highly-qualified graduates enter the workforce or graduate school
- Graduates gain professional certification in some cases (Collaborative Bachelor of Science — Major in Environmental Science with Keyano College)

Programs approved for roll-out

Collaborative Bachelor of Science — Major in Environmental Science (with Keyano College)
Funding: government
Pilot course: Winter 2016
Implementation roll-out: Fall 2017

Programs planned for roll-out

1. Bachelor of Arts — Major in Business Economics
Funding: internal reallocation
Roll-out: Fall 2017
Rationale:
 - Build on the strengths of existing Mount Royal programs
 - Prepare graduates at the degree level in the identified fields
 - Prepare highly-qualified graduates for the workforce
 - Prepare students for study at the graduate levelPerformance measures:
 - Enrolment targets are achieved
 - Highly-qualified graduates enter the workforce or graduate school

2. Bachelor of Science — Major in Chemistry

Funding: internal reallocation

Roll-out: Fall 2017

3. Bachelor of Science — Majors for roll-out Fall 2018 or later

Major in Biology

Major in Mathematics

Major in Computing Science

Rationale:

- Build on the strengths of the Bachelor of Science programs
- Prepare graduates at the degree level in the field of science
- Prepare highly-qualified graduates for the workforce
- Prepare students for study at the graduate level or professional level (e.g., law, medicine, etc.)
- Provide a broader range of science major options for Mount Royal students: they are currently limited to five science majors
- Help meet the demand for science education in Alberta and Calgary
- Increase the proportion of Mount Royal students in foundation science programs, in improved balance with other universities

Performance measures:

- Enrolment targets are achieved
- Highly-qualified graduates enter the workforce, graduate or professional school
- Graduates gain professional certification (where applicable)

4. Bachelor of Social Work (under reconsideration)

Funding: internal reallocation

Roll-out: Fall 2018

Rationale:

- Build on the strengths of existing Mount Royal programs

- Prepare graduates at the degree level in the identified field
- Prepare highly-qualified graduates for the workforce
- Prepare students for study at the graduate level

Performance measures:

- Enrolment targets are achieved
- Highly-qualified graduates enter the workforce or graduate school

5. Human Resources Graduate Certificate through Centre for Extension Credit — Alternative Delivery

Funding: internal cost recovery

Roll-out: Fall 2017

Rationale:

- Provide educational opportunities tailored to serve non-traditional adult students unable to access regularly scheduled classes
- Expand program offerings without requiring additional Campus Alberta Grant funding
- Meet increasing demand for professionals with recognized training in the human resources management
- Prepare students to earn the Certified Human Resource Professional designation

Performance measures:

- Enrolment targets are achieved
- Program is financially self-sustaining
- Non-traditional students gain access to further educational opportunities
- Graduates gain professional certification

6. Future U Certificate through Centre for Extension Credit (builds on 1st year university courses)

Funding: internal cost recovery

Roll-out: Fall 2018

Rationale:

- Provide educational opportunities tailored to serve non-traditional adult students unable to access regularly scheduled classes
- Expand program offerings without requiring additional Campus Alberta Grant funding
- Enable non-traditional students to prove their readiness for post-secondary study

Performance measures:

- Enrolment targets are achieved
- Program is financially self-sustaining
- Non-traditional students gain access to educational opportunities
- Non-traditional students continue post-secondary studies at Mount Royal or elsewhere

7. Education Assistant Certificate through Centre for Extension Credit

Funding: internal cost recovery

Roll-out: Fall 2017

Rationale:

- Prepare individuals for the demanding and multi-faceted activities of Alberta's educational assistant professionals
- Enable students to transfer courses for credit into the Bachelor of Education program
- Enable education assistants to enter the classroom with considerable experience in a variety of situations and provide the tools to succeed in these new and changing roles

Performance measures:

- Enrolment targets are achieved
- Program is financially self-sustaining

- Students are able to transfer course credits into Bachelor of Education program

8. Bachelor of Arts — Major in Philosophy

Funding: internal reallocation

Roll-out: Fall 2018

9. Bachelor of Arts — Majors for roll-out Fall 2018 or later:

Major in Indigenous Studies

Major in Environmental Humanities

Major in Religious Studies

Major in Women and Gender Studies

Rationale:

- Build on the strengths of the Bachelor of Arts programs
- Prepare graduates at the degree level in the field of Arts
- Prepare highly-qualified graduates for the workforce
- Prepare students for study at the graduate level or professional level (e.g., law, medicine, etc.)
- Provide a broader range of Arts major options for Mount Royal students: they are currently limited to seven Arts Majors
- Help meet the demand for arts education in Alberta and Calgary
- Increase the proportion of Mount Royal students in foundation arts programs, in improved balance with other universities

Performance measures:

- Enrolment targets are achieved
- Highly-qualified graduates enter the workforce, graduate school or professional school
- Graduates gain professional certification (where applicable)

10. Bachelor of Business Administration — Majors in Finance, International Business and Supply Chain Management

Funding: internal reallocation

Roll-out: Fall 2017 or 2018

Rationale:

- Build on the strengths of the Bachelor of Business Administration programs
- Prepare graduates at the degree level in the fields of Business Administration
- Prepare highly-qualified graduates for the workforce
- Prepare students for study at the graduate level or professional level (e.g., law, medicine, etc.)
- Provide a broader range of Business Administration major options for Mount Royal students
- Help meet the demand for business administration education in Alberta and Calgary
- Increase the proportion of Mount Royal students in foundation business programs, in improved balance with other universities

Performance measures:

- Enrolment targets are achieved
- Highly-qualified graduates enter the workforce, graduate school or professional school

Enrolment plan (numbers are rounded to the nearest whole number)

	2015/16 Planned	2015/16 Actual	Variance FLE
Institution Total	9,332	9,266	-66
Degree	6,508	6,580	72
Bachelor of Arts	1,365	1,381	16
Bachelor of Arts in Criminal Justice	328	372	44
Bachelor of Business Administration	1,555	1,562	7
Bachelor of Child Studies	205	192	-13
Bachelor of Communication	472	495	23
Bachelor of Computer Information Systems	176	188	12
Bachelor of Education	335	266	-69
Bachelor of Health and Physical Education	403	425	22
Bachelor of Interior Design	36	39	3
Bachelor of Midwifery	37	43	6
Bachelor of Nursing	790	806	16
Bachelor of Science	805	812	7
Applied Degree	126	133	7
Bachelor of Applied Business and Entrepreneurship	16	19	3
Bachelor of Applied Computer Information Systems and Business	0	0	0
Bachelor of Applied Ecotourism and Outdoor Leadership	10	6	-4
Bachelor of Applied Interior Design	100	106	6
Bachelor of Applied International Business and Supply Chain Management	0	1	1
Bachelor of Applied Science - Environmental Science	0	1	1
University Transfer	294	257	-37
University Entrance	222	194	-28
Bachelor of Physical Education	0	1	1
Bachelor of Computer Science	72	62	-10

	2015/16 Planned	2015/16 Actual	Variance FLE
Open Studies *	666	583	-83
Diploma	263	299	36
Aviation Diploma	42	51	9
Broadcasting Diploma	65	72	7
Child and Youth Care Counsellor Diploma	1	2	1
Disability Studies Diploma	0	1	1
Early Learning and Child Care Diploma	3	4	1
Social Work Diploma	152	169	17
Theatre Arts Diploma	0	0	0
Certificate	151	149	-2
Advanced Studies in Critical Care Nursing Certificate	36	36	0
Athletic Therapy Certificate	33	31	-2
Bridge to Canadian Nursing (BCN) Program	57	60	3
Business Administration Certificate	20	17	-3
Early Learning and Child Care Certificate	0	1	1
Environmental Technology Certificate	5	4	-1
Journalism Certificate	1	0	-1
Learner Funded Designated Programs	222	227	5
Funeral Service Diploma	39	49	10
Massage Therapy Diploma	99	95	-4
Personal Fitness Trainer Diploma	65	60	-5
Embalmer Certificate	4	5	1
Funeral Director Certificate	12	14	2
Massage Therapy Certificate	3	4	1
Other	1,102	1,037	-65
Academic Upgrading	715	656	-59
English as a Second Language	353	346	-7
Transitional Vocational	34	35	1

* Includes FLE from Aboriginal Education Program and Unclassified Studies

Research, applied research and scholarly activities

The context for the University's research in 2015/16 was based on:

- developing a culture where high-quality research by faculty and students was a matter of course across all academic units
- emphasizing program research that was timely, relevant, collaborative and community-engaged
- engaging undergraduate students in research that would be supported by graduate students in many other institutions.
- weaving research more closely with teaching
- meeting practical or community needs, while still maintaining a healthy mix of basic and applied research questions
- involving faculty more directly with their undergraduate students

Research and scholarship at Mount Royal aligned with the 2012 Alberta Research and Innovation Plan, with an increasing focus in the areas of:

- economic diversification and job creation
- environmental stewardship
- effective resource management
- engaged individuals and communities for a healthy Alberta

Mount Royal continued to leverage its research activities based on existing strengths. Examples of these areas of strength included:

- a history of valuing the scholarship of teaching and learning and developing best practices in post-secondary teaching as supported by the Institute for Scholarship of Teaching and Learning and the Academic Development Centre

- continuation of the Nexen Scholars Program and TransCanada Collaborative Research Program, which advance knowledge about teaching and learning and engaged faculty members in program-, discipline- and interdisciplinary projects
- advancement of research and scholarship through the:
 - Institute for Scholarship of Teaching and Learning
 - Institute for Environmental Sustainability
 - Institute for Innovation and Entrepreneurship
 - Institute for Community Prosperity
 - Centre for Child Well-Being
 - Centre for Community Disaster Research

In 2015/16, there were many new successes, as outlined on pages 34 to 35.

Community

The University's mandate is to be both a sending and receiving institution for transfer students, and thereby play a pivotal role in Campus Alberta.

Collaborative degree programs

In 2015/16, Mount Royal offered three collaborative degree programs with Alberta community colleges.

- Medicine Hat College (MHC) - Bachelor of Business Administration
- Medicine Hat College - Bachelor of Education
- Red Deer College (RDC) - Bachelor of Business Administration

A fourth collaborative degree program will be implemented in Fall 2017.

- Keyano College (KC) - Bachelor of Science - Environmental Science

In general terms, students who complete specified two-year diplomas or university transfer credits are eligible to enter year three of the Mount Royal degree. Years three and four of the University's curriculum are currently offered onsite at MHC and RDC, and will come into effect at KC in Fall 2017. This enables students in those locations to complete a baccalaureate program without relocating to Calgary. Upon completion of 60 credits of coursework in years three and four, students receive the Mount Royal parchment (BBA, BEd or BSc). Detailed agreements addressing matters such as admissions, curriculum approval,

faculty hiring and reporting have been developed for each collaboration to ensure the integrity and quality of the program.

Dual credit programs

Mount Royal is currently engaged in three dual credit initiatives with area high schools.

- Springbank High School: The focus of this dual credit project is environmental sustainability. Two courses from the University's BSc in Environmental Science are being offered to students onsite at Springbank High.
- Bishop Carroll High School: The focus of this dual credit initiative is first-year English composition. Mount Royal's English 1101 (Critical Reading and Writing) is being delivered to students onsite at Bishop Carroll by a Mount Royal professor.
- Westmount Charter School: The focus of this dual credit initiative is first-year Biology and Chemistry. Classes are being delivered to students onsite at the University; the students have been integrated into lectures and labs with other Mount Royal students.

Initiatives for Indigenous Learners

Mount Royal will uphold the promises made in Treaty 7 and work to close the current educational gap between Indigenous and non-Indigenous learners in Canada. The University also commits

to answering the Truth and Reconciliation Commission's Calls to Action as they relate to post-secondary education by developing culturally appropriate curricula and building student capacity for intercultural understanding, empathy and mutual respect.

Performance measures for this area during 2015/16, can be found on pages 16 to 18.

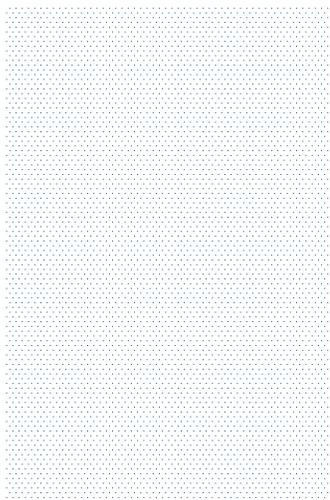
Longer term, during 2015/16 work was done to develop an Indigenous Strategic Plan. The goals are to:

- cultivate respectful and welcoming environments that prevail over the legacy of colonization
- foster respect for Indigenous ways of knowing and knowledge-production and increase capacity for Indigenous scholarship
- build strong relationships by forging mutually supportive and productive partnerships with all stakeholders in Indigenous education
- work with our communities to enhance the academic, personal and cultural experience of Indigenous learners
- promote culturally responsible and respectful curricula that integrates Indigenous pedagogies and ways of knowing

Internationalization

Mount Royal did not set enrolment targets for international students in 2015/16; however, increasing international student enrolment is a goal of the University so that by 2025, 5% of the student population is comprised of international students. In 2015/16, the proportion of visa students grew to 1.9%, compared with 1.8% in 2014/15.

Proportion of credential-program students studying on a visa



2015/16
1.9%

2014/15
1.8%

2013/14
1.7%

SOURCE:

Learner and Enrolment Reporting System (LERS), calculated by the Office of Institutional Analysis. Includes all ministry-approved certificate, diploma and degree programs and all visa types

Achievements in the international portfolio are outlined on pages 18 to 20.

Long-term efforts in 2015/16 to increase the representation of international students at Mount Royal included the creation of an Internationalization Task Force, composed of members from Enrolment Services, the Faculty of Continuing Education and Extension and International Education, to coordinate efforts and guide development of an institutional internationalization strategy. As well, additional resources were added with the hiring of an international recruitment officer and an additional international admissions evaluator.

Information technology

In 2015/16, the University's Information Technology Services (ITS) department continued to support all student, academic and administrative-facing systems and was committed to their safe, timely and efficient operations.

ITS received strategic guidance and oversight from the Technology Stewardship Committee (TSC), which was chaired by the chief information officer, comprised of members from across the University community and reported into the President's Executive Committee. The purpose of the TSC continued to be creating and overseeing execution of the University's strategic technology plan.

During the year, this committee provided stewardship for the information systems project portfolio and ensured information systems decisions had strategic fit, functional utility and balanced investment across the institution. Committee oversight included ensuring there were the standards necessary for efficient operations, including enterprise data and systems architecture.

In 2015/16, Mount Royal invested about \$10 million on ITS labour to maintain its systems, but was unable to make significant inroads in contributing to institutional growth and transformation. Approximately 95% of ITS labour focused on running the organization. This percentage of labour must change to properly support Mount Royal's strategic plan. To this end, in 2015/16 work was begun to develop a strategic technology plan to complement information technology and data governance frameworks.

Capital plan

In 2015/16, Mount Royal's capital plan focused on bringing additional academic space, facilities and structures to its Lincoln Park campus to provide Mount Royal students, staff and faculty with a premier learning and working environment. These capital projects provided Mount Royal with the space and facilities to carry out its mandate and align with the Ministry of Advanced Education's goal of having a baccalaureate and applied studies institution that can provide lifelong learning to Albertans.

Critical capital projects for Mount Royal are outlined on the following pages, including one approved project and projects yet to be approved by the Province.

It is important to note that Mount Royal completed the process to develop a new Campus Master Plan in 2015/16, a key document to inform the University's campus development for the next 20 to 30 years.

Approved Project

New Library and Learning Centre:

- \$100.4 million project: \$12 million in private funding and \$88.4 million from the Government of Alberta

Ministry-approved support for the project of \$85.8 million over three years:

- 2014/15: \$14 million — funding received
- 2015/16: \$25 million — funding received
- 2016/17: \$46.8 million

The Riddell Library and Learning Centre is currently under construction and scheduled to be completed in mid-2017.

A detailed proposal was submitted to the Ministry of Advanced Education and Technology on June 10, 2010 and the funding for 2014/15 and the subsequent two fiscal years was approved in the 2014/15 provincial budget plan.

Mount Royal completed the facility planning and design and secured additional private sector donations of \$12 million to support construction of the project.

The new building is located on the east side of the campus, across from the East Arts building. The total size will be 21,598 gross square metres, with provision for 14,969 net assignable square metres of space. The facility is being built with flexibility in mind, so that the space can be adapted to the changing teaching and learning needs of students and faculty. The new space can serve a student population of up to 12,000 full-loaded equivalent (FLE) students and is a stand-alone LEED Gold building.

Critical to the project is integration of the following:

- Library (study and learning spaces, collections, instructional programs and services and support)
- Student Learning Services and Accessibility Services
- START (Student Technicians and Resource Tutors), a peer technology help and tutoring program
- The Institute for Scholarship of Teaching and Learning, the Academic Development Centre, and the Department of Education
- Information Technology Services

Spaces directly supporting student learning will increase significantly.

- Space per FLE will increase from 0.45 net square metres to 0.75 net square metres
- The number of student stations will increase from 570 to 1,496
- The number of group-use rooms will increase from three to 34

Library holdings will increase from 203,824 volumes to 396,824 volumes (including Archives).

Upon approval, Mount Royal will initiate planning and a funding request for the re-purposing of the vacated library space, as noted on the following pages.

Major Capital Project Costs (\$ thousands)	2016	Project to Date	Total Budget
Projects in Progress			
New Library and Learning Centre	38,200	59,200	100,400
Priority Projects			
Repurposing of the existing and vacated Library spaces, and Main Street renovations	-	-	29,000
Repurposing of the vacated Conservatory spaces and development of research labs and facilities	-	-	25,000
Facility upgrades for the aviation hangar for Aviation Program	-	-	3,500
Health Science and Science Technology facility – phase II	-	-	152,000
Way-finding project	-	-	1,800
New Information Technology Data Centre	-	-	4,000

Projects for Approval

The following list of capital projects, consistent with the University's Campus Master Plan, are identified as immediate priorities.

1. Repurposing of the existing and vacated Library spaces and Main Street renovations

Mount Royal has just completed its Campus Master Plan update, which comes at the tail end of many years of completing new building construction. Existing campus spaces vacated by these new capital projects provide Mount Royal with the opportunity for growth using existing infrastructure.

Once the new Riddell Library and Learning Centre is constructed, Mount Royal will need to redevelop the existing Library, Academic Development Centre and Student Learning Services spaces to enable the further development of programs and services and to be a catalyst for re-developing the Main Street corridor of the campus.

Student services currently operates in scattered locations throughout the campus, creating a source of confusion and frustration for students seeking particular kinds of support. To create a student-centred point of arrival and offer a "one-stop shop" for students, Mount Royal would like to consolidate and centralize student services in a more visible and accessible location. The scope of the project includes the creation of Welcoming Centres at the West and the East Gates; relocation of Enrolment Services, Career Services, Learning Skills, and Testing and Disability Services; and an overall enhancement of the main corridors.

These repurposing priorities are critical in meeting the University's goal to increase enrolment intake, which in turn assists in meeting The Government of Alberta's capital plan pillars of supporting key social programs and services, economic development and environmental outcomes.

Preliminary estimate: \$29 million

2. Repurposing of the vacated Conservatory spaces and development of research labs and facilities

With the completion of the Taylor Centre for the Performing Arts and Bella Concert Hall in the fall of 2015, there is an opportunity to repurpose the former Conservatory spaces to help meet priority teaching and learning needs. Renovation of existing facilities would provide additional instructional space, faculty and support staff offices, and student study space.

In transitioning from a college to an undergraduate university mandate, Mount Royal faculty members have deepened their engagement in research and scholarship activities. Laboratory facilities are of critical importance, primarily in the Faculty of Science and Technology. This fundamental infrastructure is needed to engage in research and to attract external, project-based funding in support of such research. Mount Royal's three-year research plan identifies critical areas where research infrastructure and research capacity building are required. For example, this would include: a Plant Cuticular Lipid Research Lab, a Health and Exercise Science Lab, an Astrocyte Biology and Cell Imaging Lab and an Innovation Design and Development Centre. These labs require specialty equipment, mechanical systems and mill work. The health

and safety requirements for research labs are technical and complex, and without the proper spaces that comply with the safety regulations, none of these proposed research activities can occur.

These repurposing priorities are critical in meeting Mount Royal's goal to increase enrolment intake and enhance teaching and lab facilities to support undergraduate student success, which in turn assists in meeting The Government of Alberta's capital plan pillars of supporting key social programs and services, economic development and environmental outcomes.

Preliminary estimate: \$25 million

3. Facility upgrades for the aviation hangar for the Aviation Program

The current aviation hangar, used for flight training for the Aviation Diploma students in the Bissett School of Business, is more than 40 years old. It requires significant repair or replacement to facilitate current flight training and program delivery.

Preliminary estimate: \$3.5 million

4. Health Science and Science and Technology Facility – Phase II

With the anticipated expansion of Health Science and Science degree programs, Mount Royal foresees the need for the creation of an integrated Health Science and Science wing

in support of Mount Royal degree program offerings in these areas.

Preliminary estimate: \$152 million

5. Way-finding project

The expansion of the Lincoln Park campus over the past 10 years necessitates increased and updated way-finding for the safe flow of movement of all individuals on campus.

Preliminary estimate: \$1.8 million

6. New Information Technology Data Centre

Mount Royal's current Data Centre was built more than 20 years ago. An additional Data Centre will enhance Mount Royal's business continuity and disaster recovery and expand its technology utility base to accommodate the growth in storage and technology. The University will explore the development of this Data Centre with other Calgary-based post-secondary institutions to meet this common requirement and to achieve cost efficiency.

Preliminary estimate: \$4 million

Budget and finance information

This Management's Discussion and Analysis (MD&A) should be read in conjunction with Mount Royal University's consolidated financial statements and accompanying notes for the year ended June 30, 2016. The MD&A and consolidated financial statements are received and approved by the University's Board of Governors on the recommendation of the Audit and Risk Committee. The University's consolidated financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards and are expressed in Canadian dollars.

Strategy

Throughout the 2015/16 year (July 1, 2015 through June 30, 2016), Mount Royal University continued to focus on the strategic objectives set out in "Learning Together, Leading Together" – Mount Royal University's 10 year Strategic Plan to 2025. Among the priority objectives for the first three years of this strategic plan are for the University to: grow to meet the demands of Alberta learners; reduce the time to credential completion for current students; increase financial sustainability; and, increase funding. Initiatives to achieve these priority areas are under way.

Enrolment for 2015/16 grew by 1.1% compared with 2014/15, on track with the overall goal to increase the number of students. Full-load equivalent enrolment in degree studies programs increased by 4.9% in 2015/16, compared with the prior year. These results are consistent with the objective to grow to meet demand from prospective students, which remains high.

The University continued over 2015/16 to develop more advanced analysis of program planning, course offerings and delivery capacity utilization. This will enable the University to maximize enrolment capacity, without compromising the delivery of quality programs. These analytics will also support and inform initiatives to improve student retention and decrease the time to credential completion. Integration of the analyses continues as the University begins to plan for the 2017/18 year.

The 2015/16 year was the second year of lower demand for credit-free programs offered by the Faculty of Continuing Education and Extension, falling below the long-term trend. The Faculty completed a full assessment and remediation plan in 2015/16, with changes made to programs and offerings to better meet continuing learner needs. Indicators late in 2015/16 provided promising first results due to program revisions.

Environment

The Alberta and Calgary economy continued to be sluggish over the 2015/16 year. Additional resources made available through the October 2015 provincial budget were used to progress priority initiatives, including growing to meet student demand. Strong application pressure from students wishing to pursue baccalaureate level studies in the Calgary area continued.

The provincial government's cost reduction measure of freezing compensation for management and non-unionized government employees through March 2018 was extended to include all post-secondary institutions in April 2016. While the financial impact was not material in 2015/16, the decision reflects

the extension of governmental policy and directives to universities as a means to address ongoing financial pressures on the provincial budget. The University continues to provide feedback to the government on such directives and is focused on maintaining an equitable and productive work environment. The University's current collective agreement with the Mount Royal Staff Association was settled in 2014 and expires on June 30, 2017. The collective agreement with the Mount Royal Faculty Association was settled late in the 2015/16 program year and runs through to June 30, 2018.

The University's completion and approval of its Master Campus Plan enables strategic development and growth of the University's physical capacity. Significant commercial and residential development in the neighbourhood surrounding the main campus is expected to change the landscape, program and service opportunities for the University. An Events and Theatre Services team has been established within the University to maximize commercial activity through its facilities and services for conferences and events.

Risks

The University's 2015/16 year was supported by modest increases in provincial grants. This enabled the University to invest in initiatives to improve its financial sustainability and resiliency. If this level of provincial grants were reduced, or provincial restrictions on operational aspects of the University's programs and service delivery increased, the University's ability to achieve its strategic objectives, particularly growth of its programs, may be compromised. The University works closely with the Ministry of

Advanced Education to ensure the Government of Alberta understands the impact of decisions on the University and is aware of the University's growth potential and need for strategic investment. Internal efforts to reduce the cost of delivery of programs and services continue. In the event of reduced provincial support, growth relies primarily on the University's ability to improve its cost structure.

The prolonged sluggishness in the regional economy presents a risk to the University's credit-free program offerings. While recent changes to these operations and offerings were met with a positive shift in registration, this must continue in order to return to previous levels of profitability. Continued economic weakness may dampen the response to new offerings and impact the University financially.

Financials

The results of operations as presented in the audited consolidated financial Statements for the year ending June 30, 2016, reflect the University's capital investments, primary business drivers, economic environment and internal cost controls. The University's financial position remains strong.

Financial assets

Financial assets were \$177.8 million at June 30, 2016, compared with \$196.9 million at year end in 2014/15. The reduction was primarily due to a lower cash balance of \$27.3 million at June 30, 2016, down from \$51.9 million the prior year reflecting the use of cash to construct the Riddell Library and Learning Centre (RLLC), as budgeted. Offsetting this use of cash was a \$3.7 million rise in the value of the investment portfolio and a

\$2.0 million increase in accounts receivable, compared with the prior year. Accounts receivables reflected the provision of accommodation and meals on behalf of Alberta Emergency Management Agency for people impacted by the Fort McMurray fires.

Total assets

The combination of financial assets plus non-financial assets, primarily tangible capital assets, resulted in total assets of \$335.9 million at the close of the 2015/16 year. This compared with total assets of \$303.9 million at the end of the 2014/15 year.

Liabilities

Liabilities decreased over the fiscal year, closing at \$146.7 million at June 30, 2016, compared with \$173.1 million at the 2014/15 year end. A \$16.3 million reduction in deferred revenue, as with the cash position above, reflected \$14.1 million of previously deferred resources being deployed to construct the RLLC. Liabilities also went down due to the \$2.9 million net reduction in the debt balance. Details of the University's debt are presented in note 9 accompanying the consolidated financial statements. Interest payments on this debt represented 1.2% of total expense over the 2015/16 fiscal year.

Net financial assets

The increase of \$7.3 million in the net financial assets over the 2015/16 year represented the University's increased capacity to satisfy its financial obligations. This improved position reflected stable liquidity, resulting from operating activities and the lack of new debt.

Net assets

The total net asset balance was \$118.7 million at June 30, 2016, compared with \$114.0 million at the prior year end. The 2015/16 balance includes: accumulated unrestricted operating surplus of \$1.4 million. Restricted funds included \$22.7 million internally restricted by the Board of Governors for priority projects and facility maintenance; \$52.0 million restricted through endowment; and, net investment in tangible capital assets of \$34.9 million. Remeasurement gains attributable to portfolio investments are also reflected within total net asset balances.

Accumulated surplus, restricted and unrestricted



2015/16 Operations

Revenue

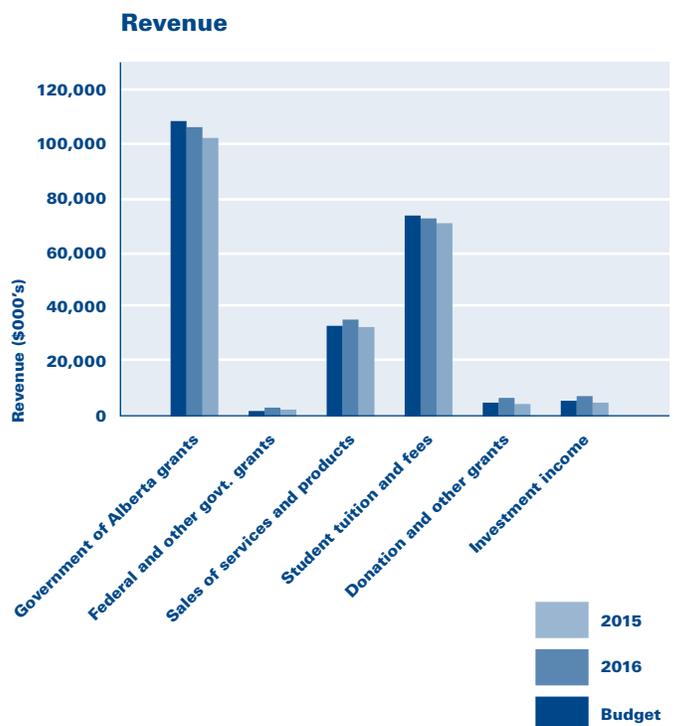
Revenues of \$231.0 million in 2015/16, compared with a budget expectation of \$227.8 million and actual revenues of \$214.6 million in the prior year. The 7% increase compared with the prior year was primarily due to an increased operating grant from the Government of Alberta, on target credit enrolment and growing commercial activities. Reduced demand for credit-free programs and corporate training offered by the Faculty of Continuing Education and Extension offset these revenue increases.

Government of Alberta grants were \$109.4 million in 2015/16, compared with the budget of \$109.7 million and actual provincial grants of \$100.1 million in 2014/15. The increase was due to a 2% increase to the base grant and grants in lieu of tuition increases (due to the government-mandated tuition freeze) adjusted for the market. The total also reflected the introduction of new degree programs and a facility operating grant for the new Centre.

Sales of services and products were \$34.1 million in 2015/16, compared with expectations in the budget of \$31.8 million and actual sales of \$31.4 million in 2014/15. There were a number of contributing factors to the increase over budget, including strong retail activities in the Residences, Food Services, Recreation and BookStore. As well, the University provided accommodation and meal services on behalf of Alberta Emergency Management Agency to those evacuated from Fort McMurray. This activity was beyond budget expectations.

Student tuition and fees totaled \$73.1 million in 2015/16, compared with a budget of \$74.7 million and actual fees of \$71.4 million in 2014/15. Although enrolment and related revenue for credit programs was higher than expected, it was more than offset by lower registration in credit-free program offerings.

Donations revenue and income generated from the investment portfolio to support distribution for programs and student scholarship and bursaries were higher than the prior year. The stronger US dollar caused fund value appreciation to boost investment income.



Expenses

A number of material business drivers impacted the University's expenditures of \$226.1 million in 2015/16, compared with budget expectations of \$224.7 million and actual expenditures of \$213.2 million in 2014/15.

Compensation costs account for 69.2% of overall expenses. Instructional and non-sponsored research expense of \$96.3 million in 2015/16 for credit program delivery was slightly lower, compared with \$97.7 million budgeted and \$94.5 million actual expense in the prior year. This was primarily due to a delay in hiring faculty in the summer of 2015. The University used part-time faculty, while awaiting clarity on provincial funding. Additional full-time faculty were hired in the spring of 2016. As well, reduced activity levels in credit-free offerings contributed to reduced expenditures in instruction and non-sponsored research.

Academic and student support expense was \$42.9 million in 2015/16, compared with \$41.0 million budgeted and \$40.4 million of actual expense in 2014/15. Overall, the University responded to an increase in student demand for programs and services. Specifically, the rise in expenses reflected: distribution of higher investment income to academic institutes, scholarships and bursary payments; greater activity levels at the Health Centre and Optimal Therapies; success of the University's Intercollegiate Athletic programs leading to more post-season travel; growth in Indigenous student academic support at the Iniskim Centre; and, increased student accessibility support requirements.

Facility operations and maintenance expense was \$33.7 million in 2015/16, compared with \$34.0 million budgeted and actual expense of \$27.1 million in 2014/15. Factors putting downward pressure on this expense were utility savings of \$647,000 due

to a mild winter, low prices for natural gas and environmental efforts to reduce energy consumption. These factors were offset by reserve-funded spending of \$863,000 for facility alteration and renovations to meet current program needs. As well, expense rose due to the addition of the Taylor Centre for the Performing Arts (Centre), generating \$1.8 million in amortization expense, \$313,000 for debt servicing and \$283,000 in utilities. All of these expenditures were budgeted and offset by incremental revenue activity carried out inside this new Centre. In 2015/16, the University received from the Government of Alberta a \$1.0 million grant to fund infrastructure maintenance and \$597,000 for custodial services in the Centre.

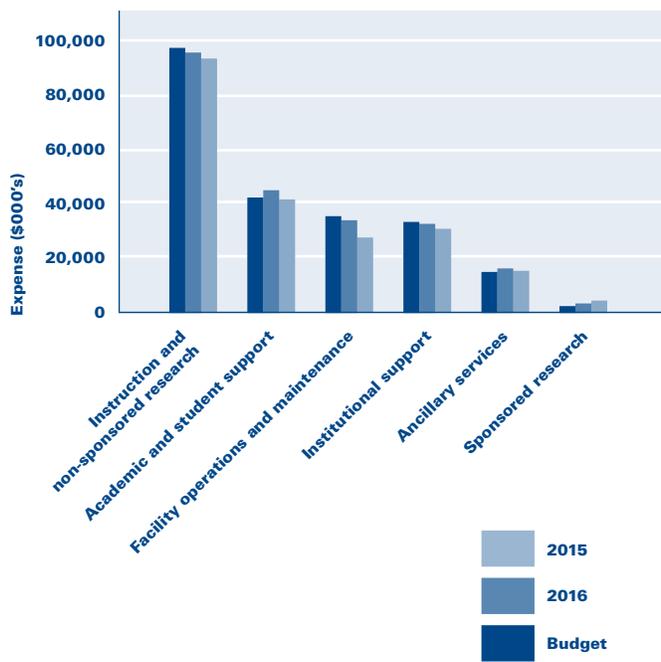
Institutional support expense was \$33.0 million in 2015/16, compared with \$33.3 million budgeted and \$30.7 million actual expense in 2014/15. Activities included \$1.0 million in reserve-funded projects offset by savings related to position vacancies.

Ancillary services were \$17.4 million in 2015/16, compared with \$16.2 million budgeted and \$17.3 million actual expense in 2014/15. The increase reflected reserve-funded projects on recreation facility maintenance and services provided on behalf of Alberta Emergency Management Agency in response to the Fort McMurray fire.

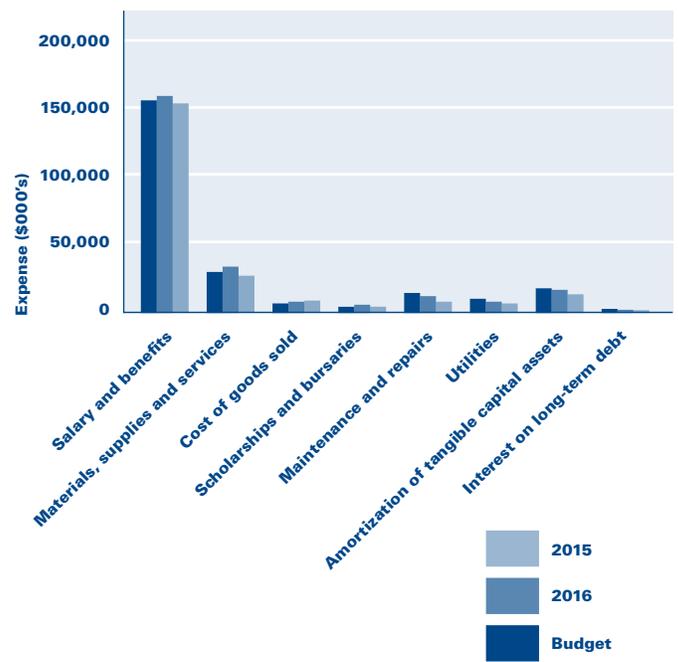
Liquidity

The University's liquidity remains strong and stable with a \$27.3 million closing cash position at June 30, 2016, reduced from the \$51.9 million at the close of 2014/15. This reduction was projected given construction activity related to the RLLC. The final installment of the Government of Alberta's capital grant related to construction of the RLLC was received in August of 2016.

Expense by Function



Expense by Object



Public interest disclosure activity

Mount Royal University provides avenues for the safe disclosure of concerns related to discrimination and harassment, fraud and misconduct, financial irregularity and noncompliance with policy. Of four disclosures received during the 2015/16 fiscal year, all were addressed; one qualified as a public interest disclosure under the *Public Interest Disclosure (Whistleblower Protection) Act*. A formal investigation was conducted and found insufficient support for a finding of wrongdoing.

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 June 30, 2016 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, the University has developed and maintains a system of internal controls 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 systems.

The Board of Governors is responsible for reviewing and approving the financial statements, and overseeing managements' 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. The members of the Audit and Risk Committee are not employees of the University. The Audit and Risk Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit and Risk Committee, with and without the presence of management.

These consolidated financial statements for the year ended June 30, 2016 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 examination and provides an audit opinion on the fairness of presentation of the information in the consolidated financial statements.

[original signed by]

David Docherty, PhD
President, Mount Royal University

[original signed by]

Duane Anderson, CPA, CMA
Vice-President, Administrative Services, Mount Royal University



Independent Auditor's Report

To the Board of Governors of Mount Royal University

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Mount Royal University, which comprise the consolidated statement of financial position as at June 30, 2016, and the consolidated statements of operations, change in net financial assets, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mount Royal University as at June 30, 2016, and the results of its operations, its changes in net financial assets, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

October 24, 2016

Edmonton, Alberta

Consolidated statement of financial position

As at June 30, 2016 (thousands of dollars)

	2016	2015
Financial assets		
Cash	\$ 27,319	\$ 51,850
Portfolio investments – non-endowment (note 4)	76,561	73,082
Portfolio investments – restricted for endowments (note 4)	56,721	56,525
Accounts receivable (note 6)	16,659	14,714
Inventories for resale	551	715
	177,811	196,896
Liabilities		
Accounts payable and accrued liabilities	28,863	35,501
Employee future benefits liabilities (note 8)	3,817	4,349
Debt (note 9)	63,521	66,446
Deferred revenue (note 10)	50,569	66,821
	146,770	173,117
	\$ 31,041	\$ 23,779
Net financial assets		
Non-financial assets		
Tangible capital assets (note 7)	335,867	303,925
Inventories of supplies	49	36
	335,916	303,961
	\$ 366,957	\$ 327,740
Net assets before deferred capital contributions		
Spent deferred capital contributions (note 11)	248,298	213,775
	\$ 118,659	\$ 113,965
Net assets is comprised of:		
Accumulated surplus (note 12)	110,977	104,550
Accumulated remeasurement gains	7,682	9,415
	\$ 118,659	\$ 113,965

Contingent liabilities and contractual obligations (note 14 and 15)

Approved by the Board of Governors (note 21):

[original signed by]
Bryan D. Pinney
Chair, Board of Governors

[original signed by]
Elanor Chiu
Chair, Audit and Risk Committee

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

Consolidated statement of operations

Year ended June 30, 2016 (thousands of dollars)

	Budget	2016	2015
Revenues			
Government of Alberta grants (note 20)	\$ 109,654	\$ 109,392	\$ 100,081
Federal and other government grants	1,291	2,208	1,633
Sales of services and products	31,757	34,114	31,449
Student tuition and fees	74,736	73,055	71,377
Donations and other grants	5,070	5,927	4,940
Investment income	5,265	6,263	5,161
	<u>227,773</u>	<u>230,959</u>	<u>214,641</u>
Expenses			
Instruction and non-sponsored research	97,682	96,331	94,473
Academic and student support	40,966	42,873	40,474
Facility operations and maintenance	33,995	33,731	27,093
Institutional support	33,330	33,043	30,745
Ancillary services	16,226	17,428	17,278
Sponsored research	2,520	2,718	3,114
Special purpose and trust	-	-	45
	<u>224,719</u>	<u>226,124</u>	<u>213,222</u>
Annual operating surplus	3,054	4,835	1,419
Endowment contributions and capitalized investment income (note 3 and 12)	-	1,592	6,048
Annual surplus	3,054	6,427	7,467
Accumulated surplus, beginning of year	104,550	104,550	97,083
Accumulated surplus, end of year	<u>\$ 107,604</u>	<u>\$ 110,977</u>	<u>\$ 104,550</u>

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

Consolidated statement of change in net financial assets

Year ended June 30, 2016 (thousands of dollars)

	Budget	2016	2015
Annual surplus	\$ 3,054	\$ 6,427	\$ 7,467
Acquisition of tangible capital assets	(43,603)	(46,246)	(49,544)
Amortization of tangible capital assets	14,592	14,297	12,459
Loss on sale of tangible capital assets		7	57
Change in inventories of supplies		(13)	4
Change in prepaid expenses		-	366
Change in spent deferred capital contributions (note 11)	42,411	34,523	28,105
Net accumulated remeasurement (losses) gains		(1,733)	2,416
Increase in net financial assets	16,454	7,262	1,330
Net financial assets, beginning of year	23,779	23,779	22,449
Net financial assets, end of year	\$ 40,233	\$ 31,041	\$ 23,779

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

Consolidated statement of remeasurement gains and losses

Year ended June 30, 2016 (thousands of dollars)

	<u>2016</u>		<u>2015</u>
Accumulated remeasurement gains, beginning of year	\$ 9,415	\$	6,999
Unrealized (losses) gains attributable to:			
Portfolio investments – non-endowment	(1,560)		3,141
Amounts reclassified to the consolidated statement of operations:			
Portfolio investments – non-endowment	(173)		(725)
Accumulated remeasurement gains, end of year	\$ 7,682	\$	<u>9,415</u>

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

Consolidated statement of cash flows

Year ended June 30, 2016 (thousands of dollars)

	2016	2015
Operating transactions		
Annual surplus	\$ 6,427	\$ 7,467
Add (deduct) non-cash items:		
Amortization of tangible capital assets	14,297	12,459
Loss on disposal of tangible capital assets	7	57
Expended capital recognized as revenue	(8,454)	(6,776)
(Decrease) increase in employee future benefit liabilities	(532)	1,687
(Gain) on sale of investments	(309)	(1,229)
Total non-cash items	11,436	13,665
(Increase) decrease in accounts receivable	(1,945)	5,653
Decrease in inventories for resale	174	231
(Decrease) increase in accounts payable and accrued liabilities	(6,638)	3,040
Increase in spent deferred capital contributions, less expended capital recognized as revenue	42,968	34,869
(Decrease) increase in inventories of supplies	(13)	4
(Decrease) increase in deferred revenue	(14,855)	1,558
Decrease in prepaid expenses	-	366
Cash provided by operating transactions	31,127	59,386
Investing transactions		
Purchases of investments	(11,183)	(9,311)
Proceeds on sale of investments	4,687	5,370
Cash (applied to) investing transactions	(6,496)	(3,941)
Financing transactions		
Debt – repayment	(3,811)	(4,146)
Debt – new financing	886	786
Cash (applied to) financing transactions	(2,925)	(3,360)
Capital transactions		
Acquisition of tangible capital assets	(46,237)	(49,532)
Cash (applied to) capital transactions	(46,237)	(49,532)
(Decrease) increase in cash	(24,531)	2,553
Cash, beginning of year	51,850	49,297
Cash, end of year	\$ 27,319	\$ 51,850

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

Notes to the consolidated financial statements

Year ended June 30, 2016 (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. Under the *Post-Secondary Learning Act*, Campus Alberta Sector Regulation, the University is a Baccalaureate and Applied Studies University offering baccalaureate degrees, certificates, diplomas and applied degrees, as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

a. General - Public Sector Accounting Standards (PSAS) and Use of Estimates

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The measurement of certain assets and liabilities is contingent upon future events: therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. University management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets and the revenue recognition for expended capital are the most significant items based on estimates. In management’s opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

b. Valuation of Financial Assets and Liabilities

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

Financial statement component	Measurement
Cash	Cost
Portfolio investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial instruments 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 recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments 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 when incurred. The purchase and sale of cash and portfolio investments are accounted for using settlement 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 recorded 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 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 recorded as revenue when the University is eligible to receive the funds. Unrestricted non-government grants and donations are recorded 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 recorded at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recorded at the carrying value. While volunteers as well as the University's staff contribute a significant amount of time each year to assist the University in carrying out its mission, the value of their services are not recognized in the consolidated financial statements because fair value cannot be reasonably determined.

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 records such in-kind contributions at nominal value.

Endowments

Endowments consist of externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.

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

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

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment 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 cumulative capitalized investment income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income.

Endowment contributions, matching contributions, and associated investment income allocated for the preservation of endowment capital purchasing power are recognized in the consolidated statement of operations in the period in which they are received.

Investment income

Investment income includes dividends and 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.

Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the consolidated statement of operations as a component of endowment contributions and capitalized investment income.

d. Inventories

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

e. Tangible Capital Assets

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

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the University's rate for incremental borrowing or the interest rate implicit in the lease.

The 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:

Asset category	Estimated useful lives
Buildings	25 - 40 years
Learning resources	10 years
Furnishings, equipment and systems	3 - 20 years

Tangible capital assets write downs are recorded when conditions indicate that 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 expense.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets.

f. Foreign Currency Translation

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

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

g. 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 recorded 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 cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the University's long-term disability plans 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.

Retirement incentive plan

The cost of providing non-accumulating and non-vesting employee future benefits for a faculty retirement incentive plan has been charged to expense in full when the event occurs which obligates the University to provide the benefits. There have been no new additional participants in the current fiscal year.

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 provides compensated absences for its employees under two deferred leave plans. Participating faculty members contribute 15% of their pre-tax annual salary for four years and then are paid 85% of their salary during their year of leave. The deferred salary plan for management and support staff is wholly self funded by participating employees who contribute 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.

Supplementary retirement plan (SRP) – defined benefit

The University has a former executive member participating in a defined benefit pension that is self funded. The actuarial value of this liability is included in these statements. The pension expense for this plan 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 retirement plan (SRP) – defined contribution

The University provides non-contributory defined benefit supplementary retirement benefits under a defined contribution plan to current executive members. The pension expense for the defined contribution supplementary retirement plan is the employer's current year contribution to the plan as calculated in accordance with the plan rules.

h. 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*.
- The 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.

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 taken by faculty and within academic departments which 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 grounds keeping, major repairs and renovations, and all 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, food and conference services, and parking services.

Sponsored research

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

Special purpose and trust

Expenses for fundraising and other activities that do not support the core activities of the University.

j. 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.

k. Future Accounting Changes

In March 2015, the Public Sector Accounting Board issued PS 2200 Related party disclosures and PS 3420 Inter-entity transactions. In June 2015, the Public Sector Accounting Board issued PS 3210 Assets, PS 3320 Contingent assets, PS 3380 Contractual rights, and PS 3430 Restructuring transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017, with the exception of PS 3430, which is effective for fiscal years starting on or after April 1, 2018.

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000 Financial statement concepts, and establishes general disclosure standards for assets.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets.
- PS 3380 - Contractual rights defines and establishes disclosure standards on contractual rights.
- PS 3430 - Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

Management is currently assessing the impact of these new standards on the consolidated financial statements. The University discloses transactions and balances related to the Government of Alberta in note 20.

3. CHANGES IN ACCOUNTING POLICIES

a. Adoption of the Net Debt Model

The net debt model (with reclassification of comparatives) has been adopted for the presentation of financial statements. Net financial asset or net debt is measured as the difference between the University's financial assets and liabilities.

The effect of this change results in changing the presentation of the consolidated statement of financial position and adding the consolidated statement of change in net financial assets (net debt).

b. Endowment Contributions and Capitalized Investment Income

Effective July 1, 2015, endowment contributions, matching contributions, and associated investment income allocated for the preservation of endowment capital purchasing power are recognized in the consolidated statement of operations in the period in which they are received. In prior years, such transactions were recognized as direct increases to endowments, not through income in the consolidated statement of operations, in the period they were received. This change in accounting policy is applied retroactively with restatement of comparatives.

The impact on the prior year's financial statements as a result of the change in accounting policy is as follows:

	2015			
	As previously recorded	Reclass to net debt model	Recognition of endowment contribution	As restated
Consolidated Statement of Financial Position				
Portfolio investments	\$ 129,607	\$ (129,607)	\$ -	\$ -
Portfolio investments – non-endowment	-	73,082	-	73,082
Portfolio investments – restricted for endowments	-	56,525	-	56,525
Inventories	761	(761)	-	-
Inventories for resale	-	725	-	725
Inventories of supplies	-	36	-	36
Deferred revenue	280,596	(213,775)	-	66,821
Spent deferred capital contributions	-	213,775	-	213,775
Endowments	50,447	(50,447)	-	-
Accumulated operating surplus	54,103	(54,103)	-	-
Accumulated surplus	-	104,550	-	104,550
	<u>\$ 515,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515,514</u>

Consolidated Statement of Operations

Endowment contribution	\$ -	\$ -	\$ 6,023	\$ 6,023
Endowment capitalized investment income	-	-	25	25
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,048</u>	<u>\$ 6,048</u>

4. PORTFOLIO INVESTMENTS

	2016	2015
Portfolio investments – non-endowment	\$ 76,561	\$ 73,082
Portfolio investments – restricted for endowments	56,721	56,525
	<u>\$ 133,282</u>	<u>\$ 129,607</u>

The composition, fair value, and annual market yields on portfolio investments are as follows:

	2016			
	Market yield	Level 2	Level 3	Total
Investments at fair value				
Pooled investments in bonds				
Canadian bonds	5.22%	\$ 52,509	\$ -	\$ 52,509
Pooled investments in equities				
Canadian equities	(0.24)%	34,926	-	34,926
Foreign equities	1.12%	32,947	-	32,947
Pooled real estate units	4.26%	-	12,890	12,890
Other ^(a)		-	10	10
Total investments		120,382	12,900	133,282
		90%	10%	100%

	2015			
	Market yield	Level 2	Level 3	Total
Investments at fair value				
Pooled investments in bonds				
Canadian bonds	6.24%	\$ 52,468	\$ -	\$ 52,468
Pooled investments in equities				
Canadian equities	(1.15)%	31,571	-	31,571
Foreign equities	18.99%	32,187	-	32,187
Pooled real estate units	7.50%	-	13,372	13,372
Other ^(a)		-	9	9
Total investments		116,226	13,381	129,607
		90%	10%	100%

(a) Other portfolio investment is comprised of a donated life insurance policy

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included with 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:

	2016	2015
Balance, beginning of year	\$ 13,381	\$ 11,937
Purchases	-	561
Proceeds on sale	(1,036)	-
Unrealized gains	441	883
Gain on sale	114	-
Balance, end of year	\$ 12,900	\$ 13,381

5. FINANCIAL RISK MANAGEMENT

The University is exposed to the following risks:

a. Market Price Risk

The University is exposed to market price risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the University has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits 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.

The following details the University's portfolio sensitivity to a 1.0 - 2.5% increase or decrease in the market prices:

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
Canadian bonds	\$ 52,509	\$ (1,313)	\$ (525)	\$ 525	\$ 1,313
Canadian equities	34,926	(873)	(349)	349	873
Foreign equities	32,947	(824)	(329)	329	824
Real estate	12,890	(10)	(4)	4	10
	\$ 133,272	\$ (3,020)	\$ (1,207)	\$ 1,207	\$ 3,020

b. Foreign Currency Risk

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 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 foreign currency portfolio is shown below:

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
US dollar investments	\$ 18,121	\$ (249)	\$ (100)	\$ 100	\$ 249
Euro	3,295	(8)	(3)	3	8
British pound	2,306	(4)	(2)	2	4
Japanese yen	2,636	(5)	(2)	2	5
	\$ 26,358	\$ (266)	\$ (107)	\$ 107	\$ 266

c. Credit Risk

The University is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honor its contractual obligations. To manage this risk the University has established an investment policy with required minimum credit quality standards and issuer limits. 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:

	2016	2015
Bonds		
AAA	39.60	42.00
AA	27.90	24.70
A	22.20	22.90
BBB	10.30	10.40
	100.00%	100.00%

d. Liquidity Risk

The University maintains a short-term line of credit of \$15 million that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. There are no amounts outstanding on the line of credit at June 30, 2016 (2015 - \$0).

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-risk agreements with Alberta Capital Finance Authority (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	\$ 27,319	\$ (6)	\$ (2)	\$ 2	\$ 6
Bonds	52,509	10,964	4,385	(3,744)	(9,362)
Real estate	12,891	242	97	(97)	(242)

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 investments, fixed income	1	41	58	5.22

6. ACCOUNTS RECEIVABLE

	2016	2015
Accounts receivable	\$ 5,798	\$ 3,566
Receivable from the Students Association of Mount Royal University (note 9)	10,861	11,148
	\$ 16,659	\$ 14,714

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 facilities on campus. The University borrowed the sum of \$13 million 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.

7. TANGIBLE CAPITAL ASSETS

	2016					2015
	Land	Buildings ⁽¹⁾	Learning resources	Furnishings, equipment and systems ⁽²⁾	Total	Total
Cost						
Beginning of year	\$ 6,815	\$ 403,768	\$ 5,363	\$ 49,125	\$ 465,071	\$ 418,080
Acquisitions	-	41,594	620	4,032	46,246	49,544
Disposals, including write-downs	-	-	(295)	(3,842)	(4,137)	(2,553)
	6,815	445,362	5,688	49,315	507,180	465,071
Accumulated Amortization						
Beginning of year	\$ -	\$ 123,718	\$ 2,344	\$ 35,084	\$ 161,146	\$ 151,183
Amortization expense	-	9,528	598	4,171	14,297	12,459
Effects of disposals, including write-downs	-	-	(295)	(3,835)	(4,130)	(2,496)
	-	133,246	2,647	35,420	171,313	161,146
Net book value, June 30, 2016	\$ 6,815	\$ 312,116	\$ 3,041	\$ 13,895	\$ 335,867	\$ -
Net book value, June 30, 2015	\$ 6,815	\$ 280,050	\$ 3,019	\$ 14,041	\$ 303,925	\$ 303,925

(1) Building historic cost includes construction in progress of \$59,204 (2015 - \$106,041). Interest: Building additions includes capitalized interest of \$0 (2015 - \$379).

(2) Furnishings, equipment and systems include computer software, hardware, and all furniture and non-computing capital equipment.

8. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities are comprised of the following:

	2016	2015
Long-term disability	\$ 2,231	\$ 1,641
Retirement incentive plan	224	1,139
Administrative leave including deferred salary plans	897	1,060
Supplementary retirement plan – defined benefit	266	290
Supplementary retirement plan – defined contribution (note 16)	199	219
	\$ 3,817	\$ 4,349

a. Long-Term Disability and Retirement Incentive Plan

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. The most recent actuarial valuation for this accrued obligation was completed at June 30, 2016. The next actuarial valuation will be carried out June 30, 2017.

A retirement incentive option was offered to eligible faculty members in the 2015 fiscal year, with no new participants in the current year. All related liabilities have been captured in the prior year.

b. Administrative Leave

The University provides for certain senior executives to accrue a paid leave of absence at the end of their administrative appointment. Upon completing their term of service, the individual's salary and benefits in effect at the end of the service are paid for the duration of the leave.

c. Supplementary Retirement Plan (SRP) – Defined Benefit

The University provides non-contributory defined supplementary retirement benefits to a past executive member. An actuarial valuation of these benefits was carried out as at June 30, 2016. The next actuarial valuation will be carried out June 30, 2019.

d. Supplementary Retirement Plan (SRP) – Defined Contribution

The University provides non-contributory defined supplementary retirement benefits under a defined contribution plan to certain executive members. The pension expense recorded in these consolidated financial statements is \$77 (2015 - \$92).

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

	2016				
	Long-term disability	Administrative leave	Retirement incentive	Defined benefit	Defined contribution
Expense					
Current service cost	\$ 590	\$ 22	\$ (915)	\$ -	\$ 77
Amortization of actuarial loss	-	-	-	5	-
Interest cost	-	-	-	8	-
Total expense	\$ 590	\$ 22	\$ (915)	\$ 13	\$ 77

Financial Position

Accrued benefit obligation:

Balance, beginning of year	\$ 1,641	\$ 362	\$ 1,139	\$ 290	\$ 219
Current service cost	590	22	(915)	-	77
Interest cost	-	-	-	8	-
Amortization of actuarial loss	-	-	-	5	-
Benefits paid	-	-	-	(37)	(97)
Balance, end of year	\$ 2,231	\$ 384	\$ 224	\$ 266	\$ 199

	2015				
	Long-term disability	Administrative leave	Retirement incentive	Defined benefit	Defined contribution
Expense					
Current service cost	\$ 183	\$ 120	\$ 1,139	\$ -	\$ 92
Amortization of actuarial loss	-	-	-	5	-
Interest cost	-	-	-	9	-
Total expense	\$ 183	\$ 120	\$ 1,139	\$ 14	\$ 92

Financial Position

Accrued benefit obligation:

Balance, beginning of year	\$ 1,458	\$ 242	\$ -	\$ 313	\$ 251
Current service cost	183	120	1,139	-	92
Interest cost	-	-	-	9	-
Amortization of actuarial loss	-	-	-	5	-
Benefits paid	-	-	-	(37)	(124)
Balance, end of year	\$ 1,641	\$ 362	\$ 1,139	\$ 290	\$ 219

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

	2016		2015	
	Long-term disability	Defined benefit	Long-term disability	Defined benefit
Accrued benefit obligation:				
Discount rate	2.50%	2.50%	2.50%	2.50%
Benefit cost:				
Discount rate	2.50%	2.50%	2.50%	2.50%
Inflation (long-term)	2.25%	2.25%	2.25%	2.25%
Estimated average remaining service life	n/a	10 years	n/a	11 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, 2015, the LAPP reported an actuarial deficit of \$923,416 (2015 - \$2,454,636 deficit). An actuarial valuation of the LAPP was carried out as at December 31, 2014 and was then extrapolated for December 31, 2015. The pension expense recorded in the consolidated financial statements is \$12,891 (2015 - \$12,355). Other than the requirement to make additional contributions, the University does not bear any risk related to the LAPP deficit.

9. DEBT

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

	2016				2015
	Collateral	Maturity	Interest rate %	Amortized cost	Amortized cost
Debentures payable to Alberta Capital Finance Authority					
Student Residence	1	August 15, 2027	6.1250%	\$ 21,817	\$ 23,027
Conservatory	1	March 17, 2029	3.1250%	11,150	11,835
Mount Royal University Parkade	1	September 24, 2035	4.8675%	18,268	18,820
MRU Students Association's Wyckham Student Centre (note 6)	1	June 15, 2037	5.0030%	10,861	11,148
Obligations under capital leases (note 15)			3.8780%	1,425	1,616
Balance, end of year				\$ 63,521	\$ 66,446

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

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

Year	Principal		Interest		Total
2017	\$	3,594	\$	3,127	\$ 6,721
2018		3,449		2,968	6,417
2019		3,426		2,807	6,233
2020		3,344		2,644	5,988
2021		3,499		2,474	5,973
Thereafter		46,209		15,186	61,395
	\$	63,521	\$	29,206	\$ 92,727

Interest expense on debt is \$2,684 (2015 - \$2,459) and is included in the consolidated statement of operations.

10. DEFERRED REVENUE

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

	2016				2015
	Research and special purpose	Unspent deferred capital contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 28,136	\$ 32,017	\$ 6,668	\$ 66,821	\$ 63,584
Grant, tuition, donations received during the year	8,822	32,578	6,225	47,625	54,917
Restricted investment income	2,918	62	-	2,980	2,173
Unrealized (losses) gains	(1,397)	-	-	(1,397)	1,679
Transfers spent deferred capital contributions	(300)	(42,677)	-	(42,977)	(34,881)
Recognized as revenue	(15,768)	(47)	(6,668)	(22,483)	(20,651)
Balance, end of year	\$ 22,411	\$ 21,933	\$ 6,225	\$ 50,569	\$ 66,821

11. SPENT DEFERRED CAPITAL CONTRIBUTIONS

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

	2016	2015
Spent deferred capital contributions, beginning of year	\$ 213,775	\$ 185,670
Transfers from unspent deferred capital contributions	42,677	34,532
Transfers from deferred research and special purpose	300	349
Extended capital recognized as revenue	(8,454)	(6,776)
Net change for the year	34,523	28,105
Spent deferred capital contributions, end of year	\$ 248,298	\$ 213,775

12. ACCUMULATED SURPLUS

The composition of accumulated surplus is as follows:

	Accumulated surplus from operations	Internally restricted surplus	Investment in tangible capital assets ⁽¹⁾	Endowments	Total accumulated surplus
Balance as at June 30, 2014	\$ 4,452	\$ 16,983	\$ 31,249	\$ 44,399	\$ 97,083
Annual operating surplus	1,419	-	-	-	1,419
Endowment contributions and capitalized investment income	-	-	-	6,048	6,048
Amortization of internally funded tangible capital assets	5,697	-	(5,697)	-	-
Net book value of tangible capital asset disposals	67	-	(67)	-	-
Debt – new financing	9,207	-	(9,207)	-	-
Debt repayment	(3,873)	-	3,873	-	-
Internally funded acquisition of tangible capital assets	(12,286)	(2,402)	14,688	-	-
Operating expenses funded from internally restricted surplus	3,977	(3,977)	-	-	-
Net Board appropriation to internally restricted surplus	(7,532)	7,532	-	-	-
Balance as at June 30, 2015	1,128	18,136	34,839	50,447	104,550
Annual operating surplus	4,835	-	-	-	4,835
Endowment contributions and capitalized investment income	-	-	-	1,592	1,592
Amortization of internally funded tangible capital assets	5,836	-	(5,836)	-	-
Net book value of tangible capital asset disposals	7	-	(7)	-	-
Debt new financing	886	-	(886)	-	-
Debt repayment	(3,524)	-	3,524	-	-
Internally funded acquisition of tangible capital assets	(3,158)	(111)	3,269	-	-
Operating expenses funded from internally restricted surplus	3,211	(3,211)	-	-	-
Net Board appropriation to internally restricted surplus	(7,862)	7,862	-	-	-
Balance as at June 30, 2016	\$ 1,359	\$ 22,676	\$ 34,903	\$ 52,039	\$ 110,977

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

13. INTERNALLY RESTRICTED SURPLUS

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

Internally restricted surpluses are summarized as follows:

2016				
	Balance at	Appropriations	Disbursements	Balance at end
	beginning of year	from unrestricted	during the year	of year
		net assets		
Appropriations for capital activities				
Capital renewal	\$ 5,039	\$ 2,985	\$ 1,283	\$ 6,741
Parking and transportation	3,654	-	-	3,654
Residence	3,978	1,500	951	4,527
Campus master plan	344	100	194	250
	13,015	4,585	2,428	15,172
Appropriations for operating activities				
Research and special projects	3,443	3,227	747	5,973
Academic program development	873	-	54	819
University effectiveness and community needs	424	-	23	401
Scholarships and bursaries	381	-	70	311
	5,121	3,277	894	7,504
Total	\$ 18,136	\$ 7,862	\$ 3,322	\$ 22,676
2015				
	Balance at	Appropriations	Disbursements	Balance at end
	beginning of year	from unrestricted	during the year	of year
		net assets		
Appropriations for capital activities				
Capital renewal	\$ 3,107	\$ 3,290	\$ 1,358	\$ 5,039
Parking and transportation	3,228	500	74	3,654
Residence	3,436	1,200	658	3,978
New facilities	2,100	-	2,100	-
Campus master plan	-	400	56	344
	11,871	5,390	4,246	13,015
Appropriations for operating activities				
Research and special projects	3,519	1,849	1,882	3,486
Academic program development	695	288	153	830
University effectiveness and community needs	455	-	31	424
Scholarships and bursaries	443	5	67	381
	5,112	2,142	2,133	5,121
Total	\$ 16,983	\$ 7,532	\$ 6,379	\$ 18,136

14. CONTINGENT LIABILITIES

(a) The University is a defendant in a number of legal proceedings. 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 meet the criteria for recording a liability.

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

15. 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⁾	Information systems and technology	Long-term leases	Total
2017	\$ 25,470	\$ 16,425	\$ 747	\$ 31	\$ 42,673
2018	-	6,315	444	28	6,787
2019	-	6,340	260	-	6,600
2020	-	-	14	-	14
	<u>\$ 25,470</u>	<u>\$ 29,080</u>	<u>\$ 1,465</u>	<u>\$ 59</u>	<u>\$ 56,074</u>

(1) Capital projects include obligations related to major capital and renovation projects. The University has commenced a major capital project to construct a new Library and Learning Centre scheduled to open in the spring of 2017. The total estimated cost of \$100.4 million for this project is funded by the Province of Alberta (\$88.4 million funding to be received over three fiscal years), and private donations (\$12 million). As at June 30, 2016 spending for the project was \$59.2 million.

(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 for the year ending June 2017 are expected to be approximately \$5.4 million.

16. SALARY AND EMPLOYEE BENEFITS

	2016				2015	
	Base salary ⁽¹⁾	Other cash benefits ⁽³⁾	Other non-cash benefits ⁽⁴⁾⁽⁵⁾	Total	Total	Total
Governance: ⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	6
Chair of the Board of Governors	-	-	-	-	-	20
Members of the Board of Governors						
Executive						
President	\$ 252	\$ 73	\$ 101	\$ 426	\$ -	411
Vice-President						
Provost & Academic ⁽⁶⁾	212	246	33	491	-	315
Administrative Services	242	14	98	354	-	344
University Advancement ⁽⁶⁾	226	57	13	296	-	262
Student Affairs and Campus Life ⁽⁶⁾	201	10	29	240	-	244

(1) Base salary includes pensionable base pay.

(2) All members of the Board of Governors received honoraria in the 2015 fiscal year. In 2016, all members of the Board of Governors have elected to forego honoraria.

(3) Other cash benefits include housing allowances, car allowances, professional development, cash travel allowances, severance and relocation benefits.

(4) Other non-cash benefits include: the employer's share of all employment 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, supplementary retirement plans, and club memberships.

(5) Under the terms of the supplementary retirement plan (SRP), 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) In 2016, two individuals held this position.

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

	Accrued obligation June 30, 2015	Payments	Current service cost	Accrued obligation June 30, 2016
President	\$ 81	\$ -	\$ 22	\$ 103
Vice-President:				
Provost & Academic ⁽⁶⁾	34	48	14	-
Administrative Services	75	-	21	96
University Advancement ⁽⁶⁾	16	33	17	-
Student Affairs and Campus Life ⁽⁶⁾	13	16	3	-
	\$ 219	\$ 97	\$ 77	\$ 199

(6) In 2016, two individuals held this position.

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

	Accrued obligation June 30, 2015	Payments	Current service cost	Accrued obligation June 30, 2016
President	\$ 158	\$ -	\$ 48	\$ 206
Vice-President:				
Provost & Academic ⁽⁶⁾	73	-	(70)	3
Administrative Services	131	-	44	175
	\$ 362	\$ -	\$ 22	\$ 384

(6) In 2016, two individuals held this position.

17. BUDGET FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the University's Comprehensive Institutional Plan as approved by the Board of Governors. Certain budget figures from the University's 2015-2016 Comprehensive Institutional Plan have been reclassified to conform with the presentation adopted in the 2016 consolidated financial statements.

18. EXPENSE BY OBJECT

The following is a summary of expense by object.

	2016		2015	
	Budget (note 17)	Actual	Actual	
Salaries	\$ 132,986	\$ 133,333	\$	130,028
Employee benefits	22,647	23,098		21,751
Materials, supplies and services	28,879	31,088		27,259
Cost of goods sold	4,622	4,707		4,942
Scholarships and bursaries	3,648	4,136		3,644
Maintenance and repairs	8,022	6,840		4,972
Utilities	6,581	5,934		5,651
Amortization of tangible capital assets	14,592	14,304		12,516
Interest on long-term debt	2,742	2,684		2,459
	<u>\$ 224,719</u>	<u>\$ 226,124</u>	<u>\$</u>	<u>213,222</u>

19. 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.

	2016		2015	
Associations and others	\$	12	\$	9
Recreational clubs		(15)		6
	<u>\$</u>	<u>(3)</u>	<u>\$</u>	<u>15</u>

20. GOVERNMENT OF ALBERTA TRANSACTIONS AND BALANCES

The University operates under the authority and statutes of the Province of Alberta. Transactions and balances between the University and the Government of Alberta (GOA) are measured at the exchange amount and summarized below.

	<u>2016</u>	2015
Grants from Government of Alberta		
Advanced Education:		
Campus Alberta grant	\$ 95,792	\$ 86,923
Other grants	27,149	27,430
Access to the Future Fund	-	5,370
Total Advanced Education	<u>\$ 122,941</u>	<u>\$ 119,723</u>
Total other Government of Alberta departments and agencies	<u>731</u>	<u>1,093</u>
Total contributions received	<u>123,672</u>	<u>120,816</u>
Restricted expended capital recognized as revenue	5,705	5,472
Deferred contributions	(19,985)	(21,207)
Transfers to endowments	-	(5,000)
	<u>\$ 109,392</u>	<u>\$ 100,081</u>
Accounts receivable		
Advanced Education	\$ 1,712	\$ -
Other Government of Alberta departments and agencies	70	-
	<u>\$ 1,782</u>	<u>\$ -</u>
Accounts payable		
Advanced Education	\$ -	\$ 12
	<u>\$ -</u>	<u>\$ 12</u>

The University has liabilities with Alberta Capital Finance Authority as described in note 9.

21. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Governors of Mount Royal University on October 24, 2016.

22. COMPARATIVE FIGURES

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



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