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MOUNT ROYAL UNIVERSITY

Annual Report

2023/24



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Accountability Statement

Mount Royal University's Annual Report for the year ended March 31, 2024 was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to

the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Management's Responsibility for Reporting

Mount Royal University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the institution's audit committee, approved by the Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-secondary Learning Act*.

The Auditor General of the Province of Alberta, the institution's external auditor appointed under the *Post-secondary Learning Act*, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian Public Sector Accounting Standards.





Land Acknowledgement

Mount Royal University is situated on an ancient and storied land steeped in ceremony and history that, until recently, was occupied exclusively by people indigenous to this place. With gratitude and reciprocity, Mount Royal acknowledges the relationships to the land and all beings, and the songs, stories and teachings of the Siksika Nation, the Piikani Nation, the Kainai Nation, the Îethka Stoney Nakoda Nation (consisting of the Chiniki, Bearspaw and Goodstoney Nations), the people of the Tsuut'ina Nation, and the Métis.

At the verbal negotiations held to discuss Treaty 7 between the nations and the Crown and Canadian government, Indigenous peoples assumed hereditary lands would be shared and a cooperative future would be built together that was to last as long as the grass grows, the sun shines and the rivers flow. However, many of the verbal promises made to these nations were not reflected in the written version of Treaty 7, created by the Crown and Canadian government. Even then, many promises that were included in the written version have been broken.

What followed were policies of cultural genocide and assimilation that caused profound harm. The original people of these lands were confined to reserves, prohibited from pursuing traditional practices and forced to send their children to residential schools. Rather than building meaningful and mutually beneficial relationships, there was dispossession and exploitation in systems of economic and social marginalization.

As such, Mount Royal University is committed to advancing the success of Indigenous learners and respectfully supporting Indigenous cultural identities and integrity, leading to a good life in all its aspects. Mount Royal will challenge settler colonialism and systemic racism and discrimination by addressing the legacy of broken promises and rebuilding the relationships between Indigenous and non-Indigenous peoples. This includes those who now live at the confluence of the Elbow and Bow rivers, a place referred to by the Siksika Nation, the Piikani Nation and the Kainai Nation as Moh'kinstsis, by the Îethka Stoney Nakoda Nations as Wîcîspa, and by the Tsuut'ina Nation as Guts'ists'i. Mount Royal will meet these goals by committing to the Truth and Reconciliation Commission's Calls to Action and adopting and applying the principles of the United Nations Declaration on the Rights of Indigenous Peoples.

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

Mount Royal University (MRU) is pleased to present its 2023/24 Annual Report to the Ministry of Advanced Education for the year ended March 31, 2024. The report provides the University's progress and achievements in fulfilling its mandate, as approved by the Minister of Advanced Education, to deliver a high-quality undergraduate education.

Highlights of this period include the following:

- A new University Strategic Plan, *Vision 2030: Opening Minds and Changing Lives*, was approved by the Board of Governors in May 2023. A new 2023-2030 Academic Plan, *Connect. Inspire. Transform.* was approved by the General Faculties Council in September 2023. Additionally, a new Research and Scholarship Plan and Students Division Strategic Plan were developed to support the University Strategic Plan and the Academic Plan.
- Mount Royal received approval to launch new programs and expand seats in existing programs. In January 2024, Mount Royal launched the Bachelor of Science in Data Science as Alberta's first four-year data science degree. The annual intake in the Aviation Diploma program expanded to 65 students from 40 and MRU received approval for the Bachelor of Aviation Management program, which will launch in Fall 2024.
- To support the University's research and scholarship goals, Mount Royal launched the Undergraduate Research Leadership Program, distributed \$210,000 for faculty research and student conference presentations, and Mount Royal faculty secured more than \$2.1 million in external research funding, including significant support from the Tri-Agencies.
- Mount Royal obtained a \$222,950 Co-operative Education and Work-Integrated Learning Canada (CEWIL) iHub grant to pilot the eCareer Portfolio Capstone and Showcase project, which will provide students with practical experience in communicating their career-related experiences and skills while bridging their academic and professional journeys. An Experiential Learning Steering Committee was established in Fall 2023 to develop an institutional experiential learning framework with engagement from staff, faculty and students. Mount Royal also provided local and international learning opportunities for students with more than 50 initiatives and 64 partnerships in 28 countries.

- In alignment with institutional values, Mount Royal continued its work to foster a sense of belonging by delivering events and programs to support student and employee well-being, equity, diversity and inclusion, and ceremonies to advance decolonization and reconciliation. Mount Royal also made its venues available to the public to support its broader communities, hosting more 750 events including conferences and arts performances.
- Student enrolment increased with Full Load Equivalent (FLE) of 11,560.5 in 2023/24 compared to 11,144.3 in 2022/23. Non-ministry approved programming offered by Continuing Education also increased to 13,337 registrations in 2023/24 from 12,651 registrations in 2022/23. Mount Royal ended the fiscal year on March 31, 2024 with an operating surplus of \$14.8 million compared to \$8.6 million for the prior fiscal year ending March 31, 2023.

We extend our continued gratitude to Mount Royal's exceptional faculty, staff and management, whose perseverance and commitment have been instrumental in our continued success. In the coming year, we look forward to welcoming new and returning students and continuing to advance our goals and priorities.

[Original signed by]

Chris Lee

*Chair, Board of Governors,
Mount Royal University*

[Original signed by]

Tim Rahilly, PhD

*President and Vice-Chancellor,
Mount Royal University*

Members of the Board of Governors

(Current as of July 18, 2024)



Chris Lee, Chair



Laura Daniels



Thomas P. O'Leary



Sheba Singh



Shannon Pestun, Vice-Chair



Sherri Evers



Kari Roberts



Reynold Tetzlaff



Dawn Farrell, Chancellor



Brendan Hunter



David Routledge



Anisa Tilston



Tim Rahilly, President and
Vice-Chancellor



Carrie Lonardelli



Shannon Ryhorchuk



Jacqueline Musabende



Rob Schaefer

Public Interest Disclosure (Whistleblower Protection) Act

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

Twenty disclosures were received between April 1, 2023 and March 31, 2024.

Only one of the disclosures met the threshold assessment under the policy. This disclosure was investigated under the policy, however no wrongdoing was found. Some of the other disclosures were investigated under other policies and others were addressed through informal processes.

Operational Overview

In 2023/24, Mount Royal University set a new direction with the approval of a new Strategic Plan, *Vision 2030: Opening Minds and Changing Lives*. With 10 strategic goals, this document will direct planning at Mount Royal University for the next seven years. Setting this course has meant realigning plans and priorities throughout the University. To date, *Vision 2030* has been a guiding document in the development of the Academic Plan, Research and Scholarship Plan and Students Division Strategic Plan. Institutional goals for equity, diversity, inclusion, accessibility and indigenization and decolonization will guide the development of these cross-institutional plans in the coming years. Even with these changes, Mount Royal has been responsive and made significant progress in delivering on its strategic goals.

Mount Royal's flight training and aviation program announced its expansion, increasing annual intake to 65 students from 40 in the Aviation Diploma program. In addition, a new hangar and learning facility will open at the Springbank airport, building much-needed capacity to train the next generation of pilots. The Bachelor of Aviation Management program was also approved in 2023 and will launch in Fall 2024, providing additional pathways to employment in this growing industry sector. In January 2024, Mount Royal launched the Bachelor of Science in Data Science, Alberta's

first four-year data science degree. The program explores the pillars of data science, including math, statistics, computer science and domain knowledge.

As a result of the targeted enrolment expansion grants and increased growth in intake into pathway programs, Full Load Equivalent (FLE) enrolment increased with a total FLE of 11,560.5 in 2023/24 compared with 11,144.3 in 2022/23. International student enrolment also increased, with a total FLE of 400.8 in 2023/24 compared with 328.4 in 2022/23. However, with new restrictions on student visas introduced by the federal government, Mount Royal needed to revise its international enrolment strategy for the upcoming year. Still, with the completion of the Students Division Strategic Plan, enrolment management activities and initiatives designed to provide students with a seamless service delivery experience will support overall enrolment growth in the next 10 years.

The Faculty of Continuing Education continues to recover from the impacts of the pandemic, with non-ministry approved programming growing to 13,337 course registrations in 2023/24, up from 12,651 registrations in 2022/23. A significant portion of this growth was driven by year-over-year growth in the Conservatory (18.5 per cent), whose registrations now exceed

pre-pandemic levels. Across all non-ministry approved programming areas, including course- and non-course-based activities, the faculty served 32,842 students in 2023/24.

Community connections and engagement are vital to the University's success. As such, Mount Royal University's Foundation generated \$8.2 million in revenue through community engagement opportunities and philanthropy initiatives. Cougars Athletics and Recreation hosted youth events such as basketball and volleyball and provided adaptive programming supported by community grants. Business and Retail Services provided year-round and summer youth programming, serving 1,855 children and employing 80 students. The Crowchild Classic hockey event drew 12,409 attendees, with ticket proceeds supporting student wellness initiatives.

For the year ended March 31, 2024, the Campus Alberta Operating Grant represented 34.4 per cent of total revenue, which funds all the University's activities. Total tuition revenues, both credit and non-credit, represent 41.2 per cent of revenue to the University, outpacing the Campus Alberta Grant funding. The provincial performance-based funding model, Investment Management Agreement (IMA), puts increasing amounts of operating funding at risk as it makes a portion of the University's base operating grant conditional upon achieving several performance metrics.

Beginning in fiscal 2022/23, the University entered into a three-year IMA (April 1, 2022 – March 31, 2025) with the Ministry of Advanced Education. The base operating grant is tied to the achievement of metrics each year. The total at-risk funding increases each year from 15 per cent to 25 per cent and to 40 per cent. During 2023/24, the University and the Ministry agreed to amend and restate the IMA with four funding metrics and one transparency metric. At the end of 2023/24, the University had not received confirmation that it had met its targets. However, management anticipates it will successfully achieve these performance metrics, thus avoiding any reductions in the base operating grant.

In March 2024, the Board of Governors of Mount Royal University approved a three-year balanced budget plan (2024/25 - 2026/27) that continues to prioritize the University's academic mission. The plan includes assumptions and prioritization of enrolment growth through targeted program expansion, indigenization and decolonization, experiential learning, and research and scholarship.

Goals and Performance Measures

In May 2023, the Board of Governors approved Mount Royal University's new Strategic Plan, *Vision 2030: Opening Minds and Changing Lives*. This plan is a roadmap for all planning at the University, with 10 goals to achieve MRU's strategic vision. In September, the General Faculties Council approved *Connect. Inspire. Transform.*, which outlines how MRU will achieve the academic goals of *Vision 2030*.

The University's planning aligns with the vision set in *Alberta 2030: Building Skills for Jobs*, focusing on improving student access to a high-quality education, providing students with greater access to experiential learning opportunities and an increased focus on internationalization.

In 2023/24, Mount Royal made significant progress towards its goals. Organized by goal, the following initiatives highlight new and ongoing work considered to have strong relevance or impact on progress.

Goal:

Mount Royal graduates have the transversal skills they need to make meaningful contributions to the workforce and the broader communities to which they belong.

Mount Royal is committed to providing a transformative education through a broad liberal education and experiential learning opportunities that emphasize students' development of transversal skills. This year, the University launched three key initiatives to increase access to experiential learning, prepare students for their future professions and ensure the General Education curriculum better meets learners' needs.

MRU establishes Experiential Learning Steering Committee to increase students' access to opportunities

In alignment with the 2023-2030 Academic Plan, the Experiential Learning Steering Committee was established in Fall 2023 to develop an institutional experiential learning framework. The committee comprises faculty, staff and student representatives from across Mount Royal, and is tasked with preparing recommendations for a framework to streamline the delivery, coordination and tracking of experiential learning activities, thus facilitating the increase of experiential learning opportunities for students. The recommendations are expected to include an updated institutional definition for experiential learning, pedagogical criteria and operational considerations for implementation.

Career Services secures CEWIL iHub Grant to launch eCareer Portfolio project

In 2023, Career Services secured a \$222,950 CEWIL iHub grant to pilot the eCareer Portfolio Capstone and Showcase project. This project is designed to help students gain practical experience tracking, curating and communicating their career-related experiences and skills while bridging their academic and professional journeys. Students who successfully completed the program requirements, including the showcase, received a \$1,000 stipend funded by the grant. Delivered as a semester-long capstone course, 56 students created eCareer Portfolios and presented their work to the community at the eCareer Portfolio Showcase. Of note, 61% of participating students were from equity-deserving groups.

"The eCareer Portfolio program presents students with a valuable opportunity to establish professional connections and refine essential skills, such as verbal and written communication. Moreover, the program also provides excellent support through the Career Services staff and student consultants, who play a pivotal role in supporting students through their projects and offering guidance. As someone who initially had limited experience interacting with industry professionals and discussing my employment history, I now feel confident in articulating my skills and experiences because, through the program, I have learned how to transform my experiences into skills sought after by employers."

– Bachelor of Arts Criminal Justice student

Academic Affairs forms General Education Steering Committee to revise curriculum for future learners

In alignment with the 2023-2030 Academic Plan, the General Education Steering Committee (GESC) was established in Fall 2023 to review and revise the General Education provision at Mount Royal to ensure it meets the needs of future learners while continuing to deliver a broad-based liberal education. The GESC comprises MRU faculty, staff and student representatives and is tasked with providing recommendations for a revised model for the delivery of General Education, along with operational considerations for implementation.

Goal:

Students at Mount Royal have local and international learning experiences that develop the intercultural competence they need to work and live in a global society.

Mount Royal aims to deliver an education that fosters intercultural competence, preparing students to contribute to the well-being of all societies. Over the past year, the University has continued efforts to unite diverse communities by recruiting international students and offering programs and services that support all students in their global learning journey.

MRU expands global learning reach with over 50 initiatives and 64 partnerships in 28 countries

With more than 50 initiatives and 64 partnerships spanning 28 countries, Mount Royal is dedicated to providing inbound and outbound international learning opportunities. Last year, 97 domestic students participated in international learning experiences, helping them to broaden their horizons and develop intercultural competence through their immersion in new environments. On campus, 87 international students from partner institutions engaged in inbound exchange programs, enriching the campus community with their diverse perspectives and experiences.

"Studying abroad through MRU's exchange program provided me with so many benefits both academically and personally. I learnt so much from attending school in a different country and made memories that I will never forget. I have never been put outside of my comfort zone as much as this experience forced me to . . . Travelling is such a learning event and I genuinely feel as though this has been one of the absolute best ways to gain the experience and knowledge needed to feel confident to take on anywhere in the world."

– MRU student

International Student Support Centre increases supports for international students with a new full-time position and community-building initiatives

Helping international students feel connected to the Mount Royal community is just as important as helping them achieve academic success. Last year, Mount Royal invested in the holistic success of international students by adding another full-time position to the International Student Support Centre (ISSC) that is dedicated to supporting these students.

In addition to the academic, wellness and social initiatives delivered through the ISSC, in 2023/24 ISSC hosted International Education Week from November 6 to 8. The event was designed to showcase the impact that international education has in preparing students for the world and supporting international engagement efforts, and featured events such as a study abroad lunch and learn, a live Q&A with Immigration, Refugees and Citizenship Canada (IRCC) and a celebratory festival.

"The ISSC holds a special place in my heart. It has not only been a resource hub but also a sanctuary where I've found a sense of belonging and community far from home. I went there in times when I felt lonely, sometimes just needing a place to eat, and other times when I was with friends. My frequent visits have not only allowed me to access vital services and support but also to forge meaningful friendships with fellow international students and staff members alike . . . Additionally, my experiences as an international student have equipped me with empathy, adaptability and a deep understanding of the unique needs and struggles faced by individuals in similar circumstances."

– MRU international student

Goal:

Mount Royal holistically supports students by readily connecting them with the resources they need to achieve their personal and academic goals.

The University provides diverse services designed to support each student's academic success and well-being. In 2023/24, Mount Royal invested in several initiatives to improve students' access to and awareness of academic support programs and services, such as the Early Support Program and development of the Academic Integrity online module. To support students' mental and physical health, Mount Royal offered mental health training, peer support programs and two new initiatives for nutritional well-being.

Students Division develops strategic plan to strengthen its delivery of student services	During the 2023/24 academic year, the Students Division developed a strategic plan aligned with the student-centred goals in <i>Vision 2030</i> . A key priority is to provide students with a seamless and barrier-free experience when accessing services. Initiatives underway include implementing an integrated student services delivery model and investing in technology, notably a Customer Relationship Management system. These efforts are integral to the G-Wing renovation project, which will be a vibrant hub of student services and activities.
Early Support Program helps 418 at-risk students	The Early Support Program assisted 418 students struggling academically and at risk of losing Good Academic Standing. The main concerns the program helped students address included their academics, emotional well-being, finances, purpose/career and physical well-being. The program significantly increases students' engagement with support services to help them across the areas they struggle with most – 78% said they accessed more campus resources because of the program.
Student Learning Services delivers specialized supports to priority groups through targeted programming and collaboration	Student Learning Services (SLS) provided enhanced support to priority groups through outreach and programs developed in collaboration with the Iniskim Centre, International Student Support Centre, Office of Community Standards and Office of the Registrar. Working in collaboration with units, SLS works to provide tailored support to enhance different student populations' access to services. For instance, SLS dedicated approximately 200 hours to support Indigenous students in the Iniskim Centre.

<p>MRU advances Suicide Prevention Framework with mental health training and peer programming</p>	<p>Mount Royal advanced several initiatives from its Suicide Prevention Framework in 2023/24. By providing students and employees with access to information and training to increase their mental health literacy skills, the University helped community members identify and respond to individuals experiencing mental health concerns. These programs were delivered across three broad areas:</p> <ul style="list-style-type: none"> • Peer-to-peer education programming; • Mental health support training and workshops, and • Mental health classroom and practicum training. <p>Additionally, two new initiatives were delivered to help support students' well-being:</p> <ul style="list-style-type: none"> • Wellness Services, funded through a three-year gift agreement with Viewpoint Foundation, offers an after-hours Peer Support Cafe. The cafe is a venue for campus community members to receive professional mental health crisis support after regular business hours. • In partnership with Student Counselling Services, Access and Inclusion Services established two peer groups, the ADHD Peer Group and the Living Well Peer Group. These peer groups are reciprocal psycho, social and educational programs that bring together students who share lived experiences to create personal connections and to learn from peers and experts.
<p>Wellness Services and Hospitality Services establish partnerships that support students' nutritional well-being</p>	<p>Wellness Services and Hospitality Services launched the NourishU program, teaching budgeting and cooking skills to students, supported by a donation from Canadian Natural. The program is designed to accept 30 students a month. Participants are provided with cooking supplies and a \$100 grocery gift card after the three-hour session.</p> <p>To support the health and well-being of students, Hospitality Services and Chartwells partnered to provide sandwiches, fruit, baked goods, drinks and yogurt on a daily basis to the Peer Support Centre. The implementation of the Second Harvest program has resulted in more than 1,300 meals donated to the Students' Association of Mount Royal University.</p>

<p>Excellence in Academic Advising Committee to develop vision and core principles for advising at MRU</p>	<p>Following a review of Mount Royal's academic advising model, the Excellence in Academic Advising Committee was formed. As a first step, the committee will develop a collective vision, core principles and desired expectations and outcomes for academic advising. In Winter 2024, consultation sessions were held for students and employees to provide input on the direction of advising at MRU. In total, 273 employees participated in the online and in-person sessions, and 648 students provided feedback through an online form.</p>
<p>Academic Affairs and Students Division deliver programming to help students transition to undergraduate learning</p>	<p>In collaboration with Cougars Athletics and Recreation, MRU's Department of General Education offered UGST 1001: Effective Learning in the Undergraduate Context. This three-credit class is an elective for most MRU degree programs, and is mandatory for MRU student-athletes. In the 2023/24 academic year, 974 students registered in the course, 33 of whom were student-athletes. The course curriculum covers topics such as time management, motivation, mindset training and the impact of lifestyle factors on success.</p> <p>To support students' academic success, the Students Division delivered two new online modules on D2L: the academic integrity training module and the APA referencing module. These modules strengthen students' understanding of the Code of Academic Integrity policy and how to write academic papers with proper citation. Combined, 2,700 students completed these modules.</p>
<p>Student Learning Services launches Program Integration Initiative to provide program-specific support to students</p>	<p>Student Learning Services launched the Program Integration Initiative this year, which provides timely, relevant and tailored support directly within students' programs. By meeting students where they're at, the program eliminates the need for extra navigation of services. As a result of this work, students will possess the field-specific competencies from their degree and the learning skills needed to adapt and succeed in an evolving job market.</p>

Goal:

Mount Royal has embedded the principles of intersectional equity, diversity, inclusion and accessibility and is a welcoming environment free from discrimination and systemic racism.

Mount Royal strives to ensure all community members feel valued, respected and that they belong. Committed to intersectional equity, diversity, inclusion and accessibility (EDIA), the University developed and delivered events and programs to enhance the EDIA knowledge of the campus community. This year, Mount Royal also began developing its first EDIA Plan to identify key strategic priorities and initiatives that will help the institution realize this goal.

EDIA Strategic Plan Advisory Committee established to guide development of foundational EDIA Plan	The EDIA Strategic Plan Advisory Committee, formed in Winter 2024, includes students, faculty and staff to guide the development of Mount Royal's first EDIA Plan. The plan will be a foundational document, and will support the intersectional and cross-institutional operationalization of the University's EDIA goals. Community feedback, collected from February 14 to March 27, will be synthesized alongside institutional documents and commitments, and information gathered about EDIA-related work across campus to inform priority areas for the plan.
Mount Royal engages 594 community members during its first Inclusion Week	Mount Royal hosted its inaugural Inclusion Week from March 18 to 22. Attended by 594 community members, events created space for the MRU community to broaden its understanding of EDIA topics, strengthen a sense of belonging and empower participants to take meaningful action. Inclusion Week sought to represent the needs and interests of the entire MRU community. Events featured diverse voices, including 20 student presenters, nine faculty presenters, eight staff presenters and three community members.
MRU hosts year-round EDIA events, including monthly Conversations That Matter, to create a respectful and inclusive campus environment	Throughout the year, MRU hosted a range of EDIA events, including workshops and speaker sessions, aimed at increasing awareness and promoting actionable strategies to combat discrimination. Guest speakers were brought in from a variety of disciplines, with a majority of presentations coming from experts within the MRU community. The monthly Conversations That Matter series is core to this work and facilitates respectful and inclusive dialogues about EDIA that centre the voices and experiences of all equity-deserving individuals, groups and their allies.
EDI Community of Practice works to foster communication and collaboration	An EDI Community of Practice (CoP) was established to offer a safe space that facilitates peer-to-peer communication, collaborative relationships-building, meaningful exchanges and knowledge sharing. CoP is a network of MRU EDIA leaders who are committed to building an inclusive and welcoming campus that embeds the principles of EDIA, aligning with MRU's strategic plan. The CoP met twice after its inception in December 2023.

<p>Student EDI Champions for Change program launches with 16 members to promote an inclusive campus</p>	<p>The Student EDI Champions for Change, launched in January 2024 with 16 student members, met weekly with the Education and Development Specialist from the EDI office to explore EDIA topics and how they relate to campus life. Students will return in the Fall 2024 semester to lead the next group of Student EDI Champions for Change and will continue the discussions and action items of the previous cohort.</p>
<p>\$75,000 allocated to EDI Opportunity Fund to support initiatives addressing systemic barriers at MRU</p>	<p>MRU allocated \$75,000 to the EDI Opportunity Fund to support student and employee initiatives aimed at addressing systemic barriers on campus. The fund is managed by the Office of Equity, Diversity and Inclusion. In 2023/24, there were 26 applications for projects from employees and students. Of these applications, 11 projects received funding and another five were deferred for review to the next application cycle. In total, \$71,986 was allocated to approved projects.</p>
<p>Mount Royal prepares to collect EDIA demographic data with environmental scan and cross-functional working group</p>	<p>As the University returned to face-to-face instruction following the pandemic, there was an identified need for EDIA demographic data. EDIA demographic data (and an EDIA climate survey) is foundational to any sustainable EDI strategy and is central to understanding the University's achievement of its EDIA goals. In Fall 2023, in preparation for collecting EDIA data, MRU conducted an environmental scan of best practices within the sector and established a cross-functional working group to ensure data is collected securely and meets institutional needs.</p>
<p>MRU units and employees collaborate to launch introductory EDI Training Course for all employees</p>	<p>The Office of Equity, Diversity and Inclusion – in partnership with Human Resources, the Mount Royal Faculty Association (MRFA), the Mount Royal Staff Association (MRSA) and the exempt employee group – co-developed an introductory EDI training course for all employees. The course, launched in Summer 2023, is designed to act as a baseline, covering foundational EDIA principles and topics including:</p> <ul style="list-style-type: none"> • An overview of equity, diversity, inclusion and how we can work together to support a respectful workplace; • Scenarios to help employees apply their learning in various situations; • An understanding of conscious and unconscious bias and stereotypes, and • Strategies on how to be an effective ally in the workplace. <p>All MRSA and exempt employees are encouraged to complete this training, while MRFA members are required to complete the training under the terms of their collective agreement.</p>

EDI Education and Development Specialist hired to support campus community	<p>In Fall 2023, the Office of Equity, Diversity and Inclusion established a new full-time role and hired its first EDI Education and Development Specialist. Working with departments, clubs, faculty and staff, the EDI Education and Development Specialist visited many classrooms, staff meetings and training sessions to provide education on anti-racism and anti-discrimination practices. These sessions aimed to enhance understanding and improve EDIA on campus.</p>
EDIA training for CRC and MRU researchers begins with hiring of EDI Training Specialist for Researchers position	<p>The EDI Training Specialist for Researchers, hired during the 2023/24 academic year, supports Canada Research Chairs (CRCs) and MRU researchers to integrate EDIA principles into their research practices. This position is a cross-collaboration between the Office of Equity, Diversity and Inclusion and the Office of Research, Scholarship and Community Engagement. In their role, the EDI Training Specialist for Researchers made great strides to support researchers, including:</p> <ul style="list-style-type: none"> • Delivering in-person workshops; • Meeting with research writing groups to offer advice on EDIA action plans and EDIA statements for grant applications; • Developing a comprehensive “learning path” to support researchers looking to increase their EDIA competencies; • Creating an online support space for researchers on D2L, with plans for a soft launch in Fall 2024, and • Drafting an EDIA Action Plan for CRCs.
Draft framework developed to implement the Scarborough Charter on Anti-Black Racism and Black Inclusion at MRU	<p>The Scarborough Charter on Anti-Black Racism and Black Inclusion in Canadian Higher Education provides a comprehensive framework for addressing historical injustices and fostering environments conducive to the thriving of Black individuals. Since MRU's endorsement of the Charter in November 2021, a draft framework was crafted to implement the Charter. The framework was informed by thorough document analysis and discussions with EDIA leads at several other universities that endorsed the Scarborough Charter.</p>

Goal:

Mount Royal creates ethical space that integrates Indigenous knowledge, and Indigenous and non-Indigenous community members can learn from one another in a respectful environment.

Mount Royal is committed to indigenization and decolonization, and works continuously to integrate Indigenous ways of knowing into the curriculum and finds ways to decolonize institutional processes. In 2023/24, Mount Royal hosted events to increase awareness of Indigenous culture and issues, nurtured partnerships with Indigenous communities and developed programming to support Indigenous students.

<p>MRU promotes reconciliation and decolonization through Journey to Indigenization and 4 Seasons of Reconciliation</p>	<p>From September 22 to October 4, 2023 Mount Royal hosted Journey to Indigenization. The campus-wide event provided an opportunity to learn from one another, and included 20 faculty, staff and student presentations with an average of 25 participants per session. Several ceremonies were held over the course of the event, including Acknowledging the Signing of Treaty 7, Red Dress Exhibit, Orange Shirt Day and Sisters in Spirit March. Notably, 350 people joined to create a human spider web, enacting the teachings of Ani to pisi (creation story) and acknowledging the National Day of Truth and Reconciliation.</p> <p>MRU also renewed the online professional development course, <i>4 Seasons of Reconciliation</i>, with three debriefing sessions for staff who wished to connect and discuss. The course educates employees about Canada's colonial history, from pre-contact to the residential school system. The number of staff and faculty taking the course remains strong and peaks after Journey to Indigenization.</p>
<p>Iniskim Centre and SAMRU partner to host annual Pow Wow and Round Dance, celebrating Indigenous culture and community</p>	<p>Partnering with the Iniskim Centre, the Students' Association of Mount Royal University (SAMRU) co-hosted the 27th annual MRU Pow Wow and the 23rd annual Round Dance at Wyckham House. These events, attended by 300 to 400 guests, welcomed Indigenous and non-Indigenous community members. Held on November 4, 2023, the annual Pow Wow included competitive dancing, singing and drumming and featured a Grand Entry and a blessing and welcome from Elder Betty Crazyboy. At the Round Dance on March 23, 2024, community members were invited to dance, socialize and engage with Elders and traditional knowledge keepers.</p>
<p>University works to update institutional land acknowledgement with community and Elder input</p>	<p>In June 2023, Mount Royal began updating its institutional land acknowledgement (see p. 3) to reflect the University's growth and deepened collective understanding of this land and its history. This process involved discussions with Elders and input from Indigenous and non-Indigenous members of the Mount Royal community. In updating the land acknowledgement, it was important for the University to ensure it is grounded in the standpoint that we are all treaty people and aligns with MRU's goal of creating ethical space.</p>

<p>Mount Royal strengthens Indigenous partnerships: naming ceremony, MOU with Old Sun Community College, working with Traditional Thinkers Advisory Council</p>	<p>Mount Royal is committed to developing and maintaining reciprocal relationships with Indigenous communities and working together towards reconciliation. In 2023/24, MRU progressed its relationships with Indigenous communities in the following key ways:</p> <ul style="list-style-type: none"> • On September 1, 2023, a naming ceremony was held in Siksika Nation, celebrating the Old Sun Community College (OSCC) Indigenous Business Program and the signing of the MOU between OSCC and MRU. The MOU affirms this long-standing relationship through the collaborative development of an Indigenous Business and Economic Development Concentration within the MRU Bachelor in Business Administration Degree. • Traditional Thinkers Advisory Council met three times plus Elders attended the Indigenous Honouring Ceremonies and the Convocation Exercise where Roy Bear Chief received an honorary degree. The council is composed of Treaty 7 Elders who advise the Provost and AVP Indigenization and Decolonization.
<p>MRU advances decolonization efforts through tenure practices and teaching employees how to engage with Elders</p>	<p>As part of its decolonization work, Mount Royal recognizes the importance of validating Indigenous ways of knowing, being and doing across university structures and practices. In 2023/24, two key initiatives moved the institution forward in its work to decolonize the academy:</p> <ul style="list-style-type: none"> • The appendix to Recognize Indigenous Perspectives in the Institutional Tenure and Promotion Criteria was approved by General Faculties Council on May 17, 2023, and • Three Engaging with Elders learning sessions were held to provide participants with an understanding of the nature of gifting and protocols that enhance relationships.

Dr. Gabrielle Weasel Head develops foundational document for decolonizing curriculum	<p>During Fall 2023 term, Dr. Gabrielle Weasel Head created <i>Decolonizing Curriculum Processes</i> which will be a foundational document in the future development of a curriculum framework for the indigenization and decolonization of courses and programs. The theoretical approach and principles will be used to build out plans for curriculum adaptation and development.</p>
University signs practicum agreement with Łutsel K'É Dene First Nation, providing students with the opportunity to learn in a remote Indigenous community	<p>On September 30, 2023, MRU signed a practicum agreement with the Łutsel K'É Dene First Nation. Through this mutually beneficial relationship, MRU Health, Community and Education students will have the opportunity to support the recreational needs of the Nation and learn about one of Canada's most remote Indigenous communities. During their practicum, students can take part in traditional activities and experience the Łutsel K'É way of living.</p>
Career Services and Iniskim Centre deliver Indigenous Mentorship Program, connecting Indigenous students with mentors	<p>Career Services and the Iniskim Centre launched the Indigenous Mentorship Program in January 2024. The program fosters connections between Indigenous MRU students and mentors from external organizations, many of whom are MRU alumni. This year, the program brought together six mentors with six mentees to explore academic and career development within the context of cultural revitalization. Activities included a welcome event and a beading workshop where participants beaded Red Dress Pins under the guidance of Elder Pearl Whitequills.</p>

Goal:

Mount Royal is an employer of choice that attracts and retains top talent.

Mount Royal University recognizes the pivotal role of employees in supporting student success, and strives to cultivate a workplace that nurtures employee engagement, collaboration and innovation. To create an environment where employees feel valued and supported, several initiatives were launched in 2023/24 to enhance employee well-being, work-life balance and personal and professional development.

MRU launches the CelebrateU program to recognize employee achievements	<p>As part of Mount Royal's commitment to fostering a culture that recognizes and celebrates employees' success, the University launched its CelebrateU program in September 2023. Knowing that employees who feel valued at work are happier, more productive and less likely to seek other employment, the recognition framework focuses on formal, informal and everyday recognition opportunities. As part of this initiative, employees with one or more years of service received recognition for their contributions to the MRU community.</p> <p>In Winter 2024, phase two of CelebrateU was launched with the introduction of the Faculty Excellence Awards, a program that recognizes the exemplary achievements of Mount Royal faculty in scholarly teaching, service and scholarship. With a suite of new and pre-existing awards, this program streamlines the awards application, adjudication and recognition processes. The awards include the Distinguished Faculty Awards, three new Teaching and Learning Awards and three Research Recognition Awards. In total, 11 faculty members received a Faculty Excellence award in 2024 and were recognized at a new Faculty Excellence Celebration in the spring.</p>
Human Resources conducts two comprehensive reviews to enhance HR functions and develop a non-union compensation framework	<p>To ensure employees feel heard, supported and valued, Human Resources completed two reviews in 2023/24. First, Human Resources completed a comprehensive department review. The review identified focus areas for Human Resources to mature their function within the institution and deliver programs and services that will better support employees. Human Resources also completed a broad market review of non-union compensation to inform feedback provided to the government for the development of a new non-union compensation framework to be implemented in the fall that will provide consistency, clarity and equity and allow MRU to be competitive in attracting top talent.</p>

Human Resources and Employee Wellness teams work to support employee development and well-being with new programs and services

In becoming an employer of choice, the University recognizes the importance of supporting employee development and well-being. In 2023/24, the Human Resources and Employee Wellness teams offered a variety of programs and services to support employees' professional and personal development and overall well-being. Key initiatives undertaken in the last year included:

- Offering professional development training programs on core skills such as crucial conversations, managing in a unionized workplace and all foundational training. There were 3,831 enrolments across these opportunities.
- Officially launching a new employee hybrid work program that aligned with best practices and included set criteria and parameters for employee groups. This initiative is crucial to MRU attracting and retaining top talent as the workplace environment landscape has shifted.
- Changing the Employee Family Assistance Program (EFAP) provider to Inkblot Therapy in August 2023. With more features such as greater flexibility in counselling appointments and therapist matching systems, this change has increased EFAP use to 13.5% from 4.5%, with a 95% satisfaction rating.
- Launching Wellness Wednesdays events. From May 2023 to March 2024, 26 health promotion events were hosted, with nearly 1,200 registrations. Events are designed to provide employees with a variety of supports across all dimensions of wellness. Across all events, more than 90% of participants reported being satisfied.
- Commencing a comprehensive review on the employee benefit offering, and increasing support for employee mental health to align internal policies and practices with sector best practices.

Goal:

Mount Royal has achieved sustainable enrolment growth to meet demand and maintained its delivery of a high-quality education.

With Alberta's youth population projected to grow, Mount Royal University is committed to meeting the increased demand for access to a high-quality undergraduate education while maintaining a student-focused approach. In 2023/24, Mount Royal strategically expanded enrolment and introduced new degrees and micro-credentials to meet the educational goals of Alberta learners.

Mount Royal expands aviation programming and launches Alberta's first Bachelor of Science in Data Science

Mount Royal's flight training and aviation program announced its expansion, increasing annual intake to 65 students from 40 in the Aviation Diploma program. In addition, a new hangar and learning facility will open at Springbank Airport, building much-needed capacity to train the next generation of pilots. The projected cost for the project – including purchase, renovations and a new fuel tank – is \$9.71 million. This initiative has been made possible through the Government of Alberta, private donor support and a \$3-million federal investment from Prairies Economic Development Canada. The Bachelor of Aviation Management program was also approved in 2023 and will launch in the fall of 2024, providing additional pathways to employment in this growing industry sector.

In January 2024, Mount Royal launched the Bachelor of Science in Data Science as Alberta's first four-year data science degree. The program explores the pillars of data science, including math, statistics, computer science and domain knowledge. It provides a pathway to careers in data science, data analysis, data and artificial intelligence and more, in industries ranging from oil and gas to transportation, tech and the public sector. Fifty students were admitted in Winter 2024 and the program will admit 100 students in Fall 2024 and subsequent years.

Faculty of Continuing Education develops new micro-credentials in Supply Chain Resilience, Scope 3 Reporting, Bridge to Early Learning and Child Care

Supported by provincial micro-credential grant funding, the Faculty of Continuing Education developed a Supply Chain Resilience and Scope 3 Reporting micro-credential to be delivered starting in April 2024. This program explores supply chain resilience, lifecycle analysis and circular economy, and is suitable for those who want better visibility of an organization's impact in the Environmental, Social and Governance (ESG) reporting arena, as well as those pursuing a career in sustainability/ESG.

Also supported by provincial micro-credential grant funding, the Faculty of Continuing Education launched a new Bridge to Early Learning and Child Care micro-credential and extension certificate in January 2024. This program offers an online educational pathway for English as an Additional Language learners who are considering a career working with children and families in Alberta in child care, preschool, school-age care, family child care or nanny positions.

**MRU increases seat availability
across faculties by 2.9%
(2022/23 to 2023/24)**

To understand the extent to which the University is achieving its growth goals, several key metrics are tracked, including student graduation and retention metrics that could have an overall impact on growth goals, detailed below:

- The 2023/24 reporting year concluded with substantial enrolment growth, driven by targeted expansion efforts and increased student registration in Open Studies and University Entrance programs. Overall, Mount Royal University experienced a 3.7% increase in FLE (equivalent to 416 FLE), while international enrolment saw a remarkable 22.1% growth, adding 73 FLE. Since the institution began its planned growth trajectory in 2014/15, Mount Royal has recorded a 26.1% increase in total FLE. Mount Royal will continue to focus on meeting the demands of Alberta learners in the coming academic year by striving to grow through targeted enrolment expansion.
- The six-year Fall 2017 cohort graduation rate was 66.2%, which is a slight decrease when compared with the 66.9% rate for the Fall 2016 cohort. The four-year graduation rate for the Fall 2019 cohort increased to 35.4%, compared to the 35.0% rate for the Fall 2018 cohort. All student enrolment behaviours have been affected by the pandemic and the corresponding impact on registration levels, course-taking patterns, and retention and graduation rates will be evident for several years.
- From 2022/23 to 2023/24, there was a 2.9% increase in the number of seats available to students across all faculties. Since 2016/17, Mount Royal has increased its total seat offerings by 27.4%.
- The first- to second-year retention rate, as reported to the Consortium for Student Retention Data Exchange (CSRDE), decreased to 86.2% in 2022 from 86.3% in 2021, the two most recent years for which data is available. CSRDE provides a measure of first-time university students enrolled in at least 80% of a full course load in a degree program. In assessing the entire cohort of students enrolled in degrees at Mount Royal, the Fall 2022 cohort retention rate was 84.2%, compared to 82.3% in the previous year.

Goal:

Mount Royal has optimized flexibility in its program delivery options and pathways for students to complete their program of choice.

To achieve institutional growth goals and meet the evolving needs of today's learners, MRU is committed to diversifying its programming, course delivery methods and pedagogical practices. In the past year, the University focused on enhancing student flexibility by improving access to program pathways and educational resources, while supporting faculty to adopt accessible pedagogical practices and preparing for AI integration in the classroom.

MRU partners with ACSOM to streamline medical school admissions for Science, Nursing and Midwifery students	In January 2024 Mount Royal and the American Canadian School of Medicine (ACSOM), an accredited four-year non-profit medical school in Dominica, signed an agreement giving Mount Royal students a new way to work toward becoming a physician. Through this partnership, ACSOM and Mount Royal will streamline the admissions process for Bachelor of Science, Bachelor of Nursing and Bachelor of Midwifery students at MRU. Students now have the opportunity to be interviewed and admitted directly into ACSOM by ACSOM faculty, ensuring a selection of the best-qualified students from diverse backgrounds, with a focus on those from underserved communities.
Mount Royal a Campus Alberta system leader in transfer agreements and internal course transferability	Mount Royal continued to be a leader in the Campus Alberta system for its depth and breadth of transfer agreements available through the Alberta Council for Admissions and Transfer (ACAT). Internally, broad-based course transferability is a hallmark of Mount Royal degree programs, whereby students' completion of optional, elective and General Education courses delivered across multiple faculties are applied to graduation requirements.
MRU Library and Academic Development Centre open applications for 2024/25 OER grants	The Library and the Academic Development Centre (ADC) accepted applications for the Open Educational Resources (OER) Grants for the adoption and adaptation of OERs. The OER Grant program provides funding and support to any full-time and contract faculty members interested in adapting or adopting open educational resources for the 2024/25 academic year. The purpose of the OER Grants is to provide faculty with the support needed to engage in adopting or adapting open resources.

<p>MRU enhances accessibility of course materials through D2L and development of digital learning repository</p>	<p>Expanding on the accessibility features of D2L, the University-wide learning management system, Mount Royal invested in a third-party integration tool, Ally. The tool is seamlessly embedded in D2L to ensure faculty can create exceedingly accessible coursework delivered through the platform (for example, providing closed captioning for voice and video recordings). Faculty are provided with feedback on the accessibility of their content along with suggestions for improvement. Also, the Academic Development Centre, in collaboration with Access and Inclusion Services, created a digital learning repository to further support faculty called <i>Creating Accessible Learning</i>, which is being launched in Summer 2024.</p>
<p>Generative Artificial Intelligence Working Group seeks to shape future of teaching and learning at MRU</p>	<p>The Generative Artificial Intelligence (AI) Working Group was established in February 2024 to monitor and assess the use of artificial intelligence in teaching and learning at Mount Royal. The committee drafted initial recommendations around AI-related policies, course syllabus and assignment guidelines, and future considerations, including its role as a committee.</p>

Goal:

Mount Royal is recognized for impactful research and scholarship that advances knowledge, informs teaching and promotes community engagement.

Mount Royal is proud of faculty's research and scholarly achievements, such as securing external funding through Tri-Agency grants, Canada Research Chairs and the work of the institutes. In 2023/24, the Office of Research, Scholarship and Community Engagement led diverse initiatives supporting faculty and student research, facilitating community connections and developing the new Research and Scholarship Plan to build research and scholarship at MRU.

MRU develops new Research and Scholarship Plan	In Fall 2023, the University began drafting its Research and Scholarship Plan after extensive internal and external data analysis and consultation. The plan will serve to build a scholarly community that is actively engaged in reimagining the learning experience, innovating beyond the classroom, nurturing a culture of curiosity and celebrating success through knowledge mobilization. The General Faculties Council approved the plan in Spring 2024.
MRU launches Undergraduate Research Leadership Program to foster student mentorship and research initiatives across faculties	The new Undergraduate Research Leadership Program enables experienced student researchers to mentor peers and contribute to undergraduate research initiatives. One student leader will be selected from each faculty (Arts, Science and Technology, Business and Communication Studies, and Health, Community and Education). With support from the program coordinator, the four leaders will work to help mentor prospective student researchers, promote research opportunities on campus and bring student perspectives to student research initiatives.
MRU launches QriTical research hub, promoting intersectional research and social change	In March 2024, MRU launched the QriTical research hub, a connector and intellectual hub created by, with and for members of Mount Royal's 2SLGBTQIA+ community. QriTical provides a space to engage with research, pedagogies and social change mobilizations that challenge cisgender and heterosexual norms from an intersectional lens. QriTical events included The Tea: Dialogues in Teaching and Learning, a faculty-focused discussion on the climate for teaching about gender and sexual diversity at MRU.

<p>Research and Scholarship Days celebrates undergraduate research with 110 students participating in the campus-wide poster presentation</p>	<p>From March 25 to April 5, MRU held its annual Research and Scholarship Days. Celebrating undergraduate research, the event featured 62 abstracts and posters, with 110 student participants and 37 faculty supervisors. Faculty-specific showcases saw strong engagement, with 87 poster submissions and 181 student participants. Other notable events held during the week included:</p> <ul style="list-style-type: none"> • Map the System, with 14 student presenters split into five teams at the campus final. Before finalists were determined, 56 students participated across 25 teams. • The JMH LaunchPad competition finals, which included seven student presentations and was attended by 336 community members. • QriTical held the QriTical Student Colloquium, which featured student research and writing on 2SLGBTQIA+ issues, as well as a virtual speaker session.
<p>MRU distributes \$210,500 for faculty research and student conference presentations</p>	<p>To help support the research efforts of faculty and students, Mount Royal allocated funds through two internal sources this year. The Internal Research Grant Project Fund supported 26 projects, distributing a total of \$182,000. The Undergraduate Research Dissemination Fund (URDF) allocated \$28,500 across 16 applications to support 20 students presenting at global conferences.</p>
<p>MRU faculty secure over \$2.1 million in external research funding, including significant support from Tri-Agencies</p>	<p>Successful research and scholarship programs require supporting faculty to pursue and successfully attain funding from external bodies. In 2023/24, MRU faculty secured \$2,141,123 for externally funded research projects, including significant Tri-Agency support:</p> <ul style="list-style-type: none"> • MRU researchers made 13 NSERC applications, with six projects being funded (46% success rate). In total MRU secured \$755,000 in funding from NSERC. • MRU researchers made 17 SSHRC applications, with five projects successfully funded (29% success rate). Results for several applications are still pending. In total, MRU secured \$574,734 worth of funding from SSHRC.
<p>121 MRU students hired as research assistants in 2023/24</p>	<p>A unique hallmark of MRU is the extent to which undergraduate students are able to participate in faculty research usually only available to graduate students at other universities. In 2023/24, 121 of 157 (77%) research assistants (RAs) at MRU were students. These opportunities support learning and financial well-being, with \$534,187 paid to RAs, including 32 funded by Tri-Agency grants. RA positions supported 73 supervisors' work.</p>

<p>New Centre for Health and Innovation in Aging hosts Intergenerational Speaker Series and Age Inclusive Symposium to explore challenges and opportunities with aging</p>	<p>The Centre for Health and Innovation in Aging brings together aging adults, faculty, students, researchers, innovators, care providers and industry partners to explore novel approaches to healthcare delivery, digital solutions and personalized interventions that address the unique challenges and opportunities associated with aging. In 2023/24, the Centre hosted the Intergenerational Speaker Series and the Age Inclusive Symposium, focusing on how to make MRU an age-friendly community and make strides to benefit an aging population.</p>
<p>Institute for Innovation and Entrepreneurship celebrates successes in supporting students through programming and industry collaborations</p>	<p>The Institute for Innovation and Entrepreneurship aims to support the development of high-impact talent essential to Alberta's continued economic prosperity by delivering transformative programming. In 2023/24, successes included:</p> <ul style="list-style-type: none"> • Delivering the Growth Catalyst program for mid-sized businesses, which offers affordable, team-centric and sector-agnostic solutions. To date, 74 businesses have received growth strategies, expert coaching and access to an industry network. • Providing students with the opportunity to gain hands-on experience solving business problems by teaming up with local companies through the five-week Innovation Sprint. Each semester the student cohort is split into four groups and paired with a local company to solve business challenges. For Fall 2023 and Winter 2024, Innovation Sprint saw 31 student participants work with eight small-business leaders. • Introducing the eight-month Tech LiftOff program for 18 business and computer science students to learn about the tech industry's inner workings, trends and best practices while networking with leaders in the tech space. • Supporting 14 MRU students to travel to Porto, Portugal for the European Innovation Academy in Summer 2023 with \$20,000 in funding. The International Education Department matched the contribution with an additional \$20,000, while the Students' Association of Mount Royal University provided a \$700 grant to each participant. • Launching the inaugural HealthTech Challenge. Over the 13-week program, three cross-disciplinary teams (15 students working in groups of five) went head-to-head diving into cutting-edge health technology advancement. By the program's conclusion, four students received job offers, and two received roles at Startup Calgary.

<p>Institute for Community Prosperity drives social change through innovative programming and publications</p>	<p>The Institute for Community Prosperity (ICP) provides learning to transform communities, empowering students, citizens and organizations to drive impactful change. Highlights of ICP's work in 2023/24 included:</p> <ul style="list-style-type: none"> • The Catamount Fellowship, where students from across academic disciplines address a complex social and environmental issue affecting Calgarians, engaged nine student fellows, nine faculty mentors and 10 community partners. • The Connect First Social Entrepreneurs program involved 10 students who networked with community-driven changemakers. Over the program, there were seven co-facilitators and three guest speakers as living case studies. • ICP helped produce a case study, <i>The Dandelion Wager: Scaling Social Impact by Winding Up and Giving it All Away</i>, in association with Calgary Reads as it wound down its operations. • ICP released its annual environmental scan, <i>The Great Acceleration</i>, commissioned by the Calgary Foundation. • In collaboration with ATCO, ICP published the <i>Accessing Canada Scan</i>, which looked at research and performed field scans of accessibility issues, infrastructure and lived experiences of those living with a disability.
<p>Trico Changemakers Studio facilitates social innovation and community collaboration with high-impact initiatives</p>	<p>The Trico Changemakers Studio is a social innovation, collaboration and learning space at the intersection of campus and community. In 2023/24, the Studio delivered three high-impact initiatives:</p> <ul style="list-style-type: none"> • The Anitopisi Leadership Program ended its two-year pilot program with six student changemakers and four Elders. This was a year of reflection as organizers decided on how to continue forward with the program. Meanwhile, the Anitopisi Learning Circle continued to operate, providing Indigenous and non-Indigenous people with a space to learn about, and engage with, processes of reconciliation. • Funded by an anonymous donor from the Calgary Foundation, the Literacy Lab launched in January 2024. The Literacy Lab is a multi-year social lab that brings together diverse community participants focused on addressing challenges related to childhood literacy. • Changemaker Conversations are spaces for generative dialogue, meaningful connection and inspiration on issues affecting society and the planet. In 2023/24, in addition to the regular speaker series, students and guest speakers across multiple sectors and communities were brought together in the classroom.

**Mokakiiks Centre advances
SoTL with 2023/24 Symposium
and *Imagining SoTL* publication**

The Mokakiiks Centre for Scholarship of Teaching and Learning (SoTL) is a research hub where scholars work to advance knowledge about teaching and learning. In 2023/24, the following initiatives were critical to the Centre's support and promotion of SoTL:

- Since 2011, the Mokakiiks Centre has organized the Symposium for the Scholarship of Teaching and Learning, a conference dedicated to developing teaching and learning research, sharing findings, publicizing completed projects and building a scholarly community. In November 2023, the Symposium in Canmore focused on "Expeditions into SoTL," where attendees explored SoTL journeys, setbacks and growth pathways.
- *Imagining SoTL*, an open-access publication that stems from the annual Symposium, published its third volume in Fall 2023, featuring two issues: "Call and Response" and "A Decade On." These editions revisited key conversations from the November 2022 symposium and included contributions from various MRU authors.

Goal:

Mount Royal is a community-engaged university where on-campus and off-campus initiatives promote the economic, cultural and social well-being of all communities involved.

Mount Royal has always been part of the broader community. Staying true to this history, the University engaged with internal and external communities across four divisions. These engagements developed and sustained mutually beneficial partnerships, while connecting Mount Royal's resources with the aspirations of surrounding communities.

Foundation achieves \$8.2M in revenue through community engagement and philanthropy initiatives

Through the Mount Royal University Foundation, Mount Royal cultivates a culture of philanthropy and support for the University through its community engagement initiatives. Further, Board members serve in strategic advisory and advocacy roles, facilitating introductions and connections with the broader community. In 2023/24, highlights of the Foundation's work included:

- Hosting key donors at University events such as the Crowchild Classic, the In Memoriam tea, Sounds of the Season and the Board Chairs' BBQ;
- Ongoing engagement with valued donors through Chancellor's Society activities;
- Establishment of the 1910 Legacy Society to recognize, celebrate and steward donors who have indicated an intention to leave an estate gift to MRU;
- Ensuring that donors receive information on the impact of their gift through a personalized thank-you by phone, email or mail, and
- Sending more than 100,000 solicitation emails to alumni and donors that highlight philanthropic need and impact related to scholarships and student assistance supports.

As a result of its efforts, the Foundation generated \$8.2 million in revenue in 2023/24.

<p>OAR advances alumni engagement with awards, volunteer recognition and programming</p>	<p>The Office of Alumni Relations (OAR) fosters alumni belonging and connection to the University by creating experiences that open minds and change lives, sharing knowledge to encourage continuous learning and growth, and building networks that meaningfully bring alumni together virtually and in-person.</p> <p>In 2023/24, OAR:</p> <ul style="list-style-type: none"> • Launched a more inclusive and representative Outstanding Alumni Awards; • Engaged or recognized 330 alumni volunteers who participated at MRU as speakers, mentors, panelists and advisory committee members; • Grew affinity partner revenue by 11% over the previous year, and • Delivered eight core engagement programs, and saw 850 alumni participate in events on campus. <p>As a result of the efforts of the Office of Alumni Relations, individual faculty, student groups, campus services and other partners, 2,646 alumni engaged with MRU in 2023/24.</p>
<p>Cougars Athletics and Recreation hosts youth events and adaptive programming supported by community grants</p>	<p>Funded by grants from the Calgary Foundation, the John Bowlen Legacy Flow Through Fund and the Calgary Adaptive Hub powered by Canadian Tire Jumpstart, Cougars Athletics and Recreation (CAR) made its facilities and numerous recreation staff available for various adaptive programming opportunities for young athletes from the broader community. The generous donations provided programs such as Wheelchair Basketball, H2Able, Inclusive Boccia, Inclusive Climbing, Learn 2Ride Junior Adaptive Cycling, Power Training Youth with Cerebral Palsy and Children Adapted Physical Activity Program (CAPA) to many youths who might not otherwise experience sport opportunities.</p> <p>In January 2024, CAR hosted a series of athletics events for local youth. In collaboration with the Calgary Minor Basketball Association, Calgary Basketball Association and Alberta Basketball, CAR hosted two events, each drawing more than 1,000 spectators to watch MRU women's and men's basketball teams compete. On January 13, in partnership with Volleyball Calgary and Volleyball Alberta, volleyball programs attracted over 600 youths.</p>

<p>Business and Retail Services provides year-round and summer youth programming, serving 1,855 children and employing 80 students</p>	<p>Through its year-round and summer youth programming, Business and Retail Services offered 31 unique learning opportunities across 91 sessions. Designed for youths aged four to 15, programs provide participants with opportunities to stay intellectually engaged, make new friends and try new activities while they are on break from school. Mount Royal served 1,401 families through these programs, with 1,855 children and youth attending camps. The bursary program raised \$38,000, awarding 69 bursaries to 65 children. Summer programming also employed 80 MRU students. When surveyed, 95% rated their employment experience as very good or excellent.</p>
<p>Crowchild Classic and Cougars Golf Classic engage community members in sporting events, raise funds for student wellness and athletics</p>	<p>On January 24, 2024, the annual Crowchild Classic took place at the Saddledome. Games featured MRU's women's and men's hockey teams in a doubleheader against the University of Calgary Dinos. The event drew 12,409 attendees, with ticket proceeds benefiting student wellness initiatives. Additionally, working with Student Affairs partners at the University of Calgary and the Calgary Flames organization, MRU paired a Bystander Intervention program with the Crowchild Classic, enabling up to 50 volunteers to receive Bystander Intervention and Harm Reduction/ Naloxone training at the event.</p> <p>The Cougars Golf Classic, hosted at Cottonwood Golf and Country Club on August 17, 2023, attracted 144 golfers. The event raised over \$40,000 to support MRU's eight varsity programs. Funds were allocated to initiatives to support student-athletes' physical wellness through nutrition, including providing post-competition food when Cougars teams competed at home to ensure they were fueling their body at the appropriate time and with the correct nutrition.</p>
<p>University Library fosters community engagement with 1,110 borrowing cards and 400+ events</p>	<p>The University Library supports the information needs of community members who are welcome to borrow library resources, use library spaces and access virtual and in-person library reference support. Approximately 1,100 community members have MRU Library community borrowing cards. Community members are also welcome to attend and participate in learning events in Library spaces. MRU faculties, departments, institutes and student groups are supported by the Library to create accessible events which bring industry and professional community members to campus to meet, network with and see the work of MRU students in action. Over 400 campus and community events were held in or hosted by the Library this year, including academic panels and symposia open to the academic and Calgary community, student society job fairs, industry nights, city-wide hackathons and capstone student showcases.</p>

MRU hosts over 750 events, showcasing diverse performances, conferences and providing filming venues for television and movie productions

To support the educational, cultural and social interests of the communities it serves, Mount Royal's Event and Theatre Services and Hospitality Services provided public access to the University's diverse venues and arts programming, including:

- Providing over 400 venue rentals. Bookings included conferences, workshops, fundraisers, banquets, church groups, fashion shows, corporate retreats, classroom bookings and weddings.
- Hosting large conferences such as the Schachter "Catch the Energy" Conference (800 delegates), Bethel Youth Conference (400 delegates), the Women's Entrepreneurship Day Summit (300 delegates) and the Institute for Innovation and Entrepreneurship (300 attendees).
- Fulfilling more than 350 space bookings and presenting 150 performances in the Bella Concert Hall in the Taylor Centre for the Performing Arts. Bookings ranged from Mount Royal Conservatory performances to music festivals, comedians and spoken word presentations, school band and choir concerts, and dance recitals and competitions.
- Delivering the Taylor Centre Concert Season, consisting of an eclectic mix of 12 performances. Notable acts included Jan Lisiecki, Mary Walsh, Kid Koala, Brett Kissel and the Calgary Philharmonic Orchestra.
- Providing locations for television and movie productions on the Mount Royal campus. Most recently, the Lifetime Network produced a film entitled *The Little Girl Who Wasn't*. Two other productions with Lucky Star Films and Common Ground Film were also filmed on campus in 2023.

Performance Measures

To better understand the extent to which Mount Royal is achieving its goals, performance measures have been identified for each of the 10 goals. These measures will allow the University to more objectively monitor the extent to which each goal is being achieved over time and make decisions about when to adjust course.

What follows are the performance measures where data are available to measure progress on institutional goals. Data is currently unavailable for some goals and identified measures. As the University implements solutions to gather these data, these measures will be reported going forward.

Performance Measures	Baseline Performance	Current Performance	Change
NOTE: MEASURES FOLLOWED BY AN ASTERISK (*) ONLY YIELD DATA EVERY THREE YEARS.			
Transversal skills			
Increase graduating students' perception that their Mount Royal experience contributed to their development across 16 transversal skill and knowledge domains*	Student perceptions: <ul style="list-style-type: none"> Remained the same in 14 domains Decreased in 2 domains 	—	—
Global learning and intercultural competence			
Increase FLE generated by international students	328.4	400.8	+22.1%
Increase the percentage of graduating students participating in local learning experiences with international components or global learning experiences (e.g., study abroad) that develop intercultural competence*	18%	—	—

Performance Measures	Baseline Performance	Current Performance	Change
NOTE: MEASURES FOLLOWED BY AN ASTERISK (*) ONLY YIELD DATA EVERY THREE YEARS.			
Increase the percentage of graduating students who strongly agree/agree that they adapt their behaviour when engaging with people from different backgrounds*	43%	–	–
Decrease the percentage of graduating students who strongly disagree/disagree that they adapt their behaviour when engaging with people from different backgrounds*	9%	–	–
Student supports	MRU	Comparators	Difference
<u>First-year students</u> at MRU are more likely to report that the University substantially emphasizes providing support to help students succeed academically than students at comparator institutions*	67%	65%	+2%
<u>First-year students</u> at MRU are more likely to report that the University substantially emphasizes providing support for their overall well-being (recreation, health care, counselling, etc.) than students at comparator institutions*	65%	58%	+7%
<u>Fourth-year students</u> at MRU are more likely to report that the University substantially emphasizes providing support to help students succeed academically than students at comparator institutions*	61%	58%	+3%
<u>Fourth-year students</u> at MRU are more likely to report that the University substantially emphasizes providing support for their overall well-being (recreation, health care, counselling, etc.) than students at comparator institutions*	59%	51%	+8%

Performance Measures	Baseline Performance	Current Performance	Change
NOTE: MEASURES FOLLOWED BY AN ASTERISK (*) ONLY YIELD DATA EVERY THREE YEARS.			
Indigenization and decolonization			
Increase the percentage of graduating students who say their experience at MRU has significantly contributed to their understanding of Indigenous worldviews, experiences, issues and peoples of Canada*	52%	53%	+1%
Increase first-year Indigenous students' perception MRU provides a supportive environment for different racial/ethnic identities	65%	–	–
Maintain fourth-year Indigenous students' perception MRU provides a supportive environment for different racial/ethnic identities	75%	–	–
Maintain first-year Indigenous students' perception MRU emphasizes ensuring they are not stigmatized because of their identity	75%	–	–
Increase fourth-year Indigenous students' perception MRU emphasizes ensuring they are not stigmatized because of their identity	56%	–	–
Enrolment growth			
Increase total FLE	11,144.3	11,560.5	+3.7%
Increase Continuing Education registrations in non-ministry-approved programs	12,651	13,337	+5.4%

Performance Measures	Baseline Performance	Current Performance	Change
NOTE: MEASURES FOLLOWED BY AN ASTERISK (*) ONLY YIELD DATA EVERY THREE YEARS.			
Program delivery options and pathways			
Decrease the percentage of graduating students in degree-seeking programs who report they experienced delays to program completion*	34%	37%	+3%
Research and scholarship			
Increase the percentage of fourth-year students who have worked with a faculty member on a research project*	20%	–	–
Increase the percentage of faculty engaged in externally funded research	20%	–	–
Increase the number of media hits and stories/ profiles from verified sources about research and scholarship at MRU	1,050	–	–
Community engagement			
Increase contributed revenue to MRU (e.g., donations, sponsorships, grants, etc.)	\$11,508,148	\$8,200,418	-27.8%
Increase the alumni engagement score	2.27% (n=2,682)	2.24% (n=2,646)	-0.03%

Financial Information

Management's Discussion and Analysis

This Management Discussion and Analysis (MD&A) report provides readers of Mount Royal University's consolidated financial statements with management's opinion of the financial performance and operating activities for the University's fiscal year ended March 31, 2024.

The consolidated financial statements include the financial results of Mount Royal University, the University's Foundation and the Mount Royal Early Learning Centre (MRELC), formerly known as the Mount Royal Child Care Centre. The Foundation is a wholly owned non-profit organization that receives donations and endowments on behalf of the University. The Foundation is incorporated under the *Companies Act of Alberta*. The MRELC is a non-profit organization that is incorporated under the *Societies Act of Alberta*. Mount Royal University is a board-governed public post-secondary institution operating in Alberta as an undergraduate university under the authority of the *Post-secondary Learning Act*.

This supplemental financial information should be read in conjunction with Mount Royal's consolidated financial statements and accompanying notes. The MD&A and audited financial statements are reviewed and approved by the Board of Governors of Mount Royal University on the recommendation of its Finance Committee and Audit and Risk Committee. The University's consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

The following provides an overview of the financial results achieved during the period ended March 31, 2024, with discussion and analysis of the following areas:

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

Economic and Operating Environment

During 2023/24, the economic and social issues from the pandemic were far less impactful to the University's operations, resulting in the reversal of financial contingencies previously set aside for lingering effects. However, as the Bank of Canada continued to adjust its interest rate upward during the fiscal year, from 4.5 per cent in March 2023 to 5.0 per cent by the end of March 2024, inflation and supply chain issues continued to be a dominant theme during 2023/24.

The University has remained focused on providing the majority of its courses through in-person learning at the main campus location, with the Aviation program delivered at the Springbank airport. The University also serves a wider learner population provincially, nationally and internationally through distance delivery and through partnerships with other post-secondary institutions in the province.

For the year ended March 31, 2024, the Campus Alberta operating grant represents 34.4 per cent of total revenue funding the University's activities. It is important to note that total tuition revenues, both credit and non-credit, represent 41.2 per cent of revenue to the University which is outpacing the Campus Alberta Grant funding. The provincial performance-based funding model, Investment Management Agreement (IMA), puts increasing amounts of operating funding at risk as it makes a portion of the University's base operating grant conditional upon achievement of a number of performance metrics.

Beginning in fiscal year 2022/23, the University entered into a three-year IMA (April 1, 2022 to March 31, 2025) with the Ministry of Advanced Education. The base operating grant is tied to the achievement of metrics each year. The total at-risk funding increases each year from 15 per cent to 25 per cent and to 40 per cent. With regard to 2022/23, the Ministry confirmed that the University achieved its funding metric targets and minimum threshold. During 2023/204, the University and the Ministry agreed to amend and restate the IMA with four funding metrics and one transparency metric. At the end of 2023/24, the University has not received confirmation that it has met its targets. However, management anticipates it will successfully achieve these performance metrics, thus avoiding any reductions in the base operating grant.

In March 2024, the Board of Governors approved a three-year balanced budget plan (2024/25 through 2026/27) that continues to prioritize the University's academic mission. The plan includes assumptions and prioritization of enrolment growth through program expansion, indigenization and decolonization, experiential learning, and research and scholarship.

Financial Health Indicators

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

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

As of March 31, 2024, Mount Royal's total accumulated net asset balance was \$177.4 million (2023: \$155.2 million). The balance consisted of:

- \$76.3 million (43.0 per cent) in endowments held in perpetuity;
- \$35.1 million (19.8 per cent) related to the accumulated net investment in tangible capital assets since the University's inception;
- \$45.8 million (25.8 per cent) related to internally restricted funds and reserves, and
- \$20.2 million (11.4 per cent) related to the University's accumulated operating surplus, including remeasurement gains and losses.

The accumulated operating surplus balance at March 31, 2024 was \$20.2 million (2023: \$9.8 million), comprising \$7.5 million (2023: \$2.0 million) in accumulated surplus and \$12.7 million (2023: \$7.8 million) in accumulated remeasurement gains. Note 14 to the consolidated financial statements contains a more comprehensive view of the University's accumulated operating surplus. Other financial health indicators are as follows:

- **Net Financial Assets** is a measure of Mount Royal's capacity for its financial assets to cover liabilities and fund future operations. It reflects the University's financial health and sustainability at the end of March 2024. The University generated net financial assets of \$82.5 million at the end of 2024 and \$62.7 million at the end of 2023. It reflects the University's strong liquidity position as at March 31, 2024, with no borrowing on its \$40.0-million (2023: \$40.0 million) revolving demand operating credit.
- The University's liquidity requirements are met mainly through operating cash flows, working capital balances and capital renewal funding from provincial grants. Included in the March 2024 net financial assets balance is \$84.0 million (2023: \$78.0 million) of portfolio investments restricted for endowments. The economic value of the endowments is required to be maintained in perpetuity and cannot be used to cover liabilities or future operating or capital purchases.

- The University's financial liabilities include the adoption of the Asset Retirement Obligations (ARO) accounting standard which resulted in the recognition of a legal obligation associated with the retirement of tangible capital assets. The ARO liability has placed the University in a temporary negative financial position or net debt before endowments. The value of the liability became effective in 2022/23 and was applied retroactively to the prior year, resulting in a 2024 liability of \$26.9 million (2023: \$26.4 million).

In addition, the University ended the fiscal year with an operating surplus of \$14.8 million (2023: \$8.6 million). After consideration for changes in net assets, the Board of Governors approved the appropriation of \$10.0 million (2023: \$8.8 million) from the 2023/24 accumulated operating surplus to internally restricted surplus to fund institutional strategic priorities.

Financial Risks

Mount Royal is expecting the demand for access to post-secondary education to substantially increase over the next few years. The University is also anticipating to face issues that are similar to those affecting universities and colleges globally. However, as a student-centred undergraduate institution with significant potential for growth, Mount Royal's approved budget for 2024/25 reflects several assumptions to mitigate the most significant financial risks:

- Revenue generation reflects organic growth opportunities based on forecasted operating conditions in 2024/25. It is anticipated that ancillary operations will further align to pre-pandemic activity levels. That said, financial risks remain in revenue generated through parking and events and theatre services.

- While some risk remains in achieving enrolment targets, the University's enrolment trajectory is based on stable enrolment projections. The forecasted increases in enrolment are largely attributable to targeted enrolment expansion funding, which has allowed the University to expand access to some of its highest-demand programs. Other risk mitigation strategies include extensive student outreach as well as ongoing monitoring of enrolment and program capacity trends.

- Early in 2024, the federal government announced a two-year international student intake cap, including changes to the international study permit application process and the implementation of provincial and territorial caps. Although these temporary measures present a new risk to international enrolment projections, the University remains far more insulated from fluctuations in international enrolment than most Canadian post-secondary institutions. The University is adjusting its admission processes to comply with federal and provincial requirements.
- Staffing compensation costs represent the largest portion of general operating expenses by a significant margin, representing 71 per cent of the University's 2024/25 operating budget. During fiscal 2023/24 the University's recruitment efforts were affected by external labour market pressures resulting in several budgeted positions remaining vacant. It is anticipated that tight labour markets will continue to impact operations in 2024/25. As a mitigation strategy, an offset to labour costs for anticipated delays in hiring and resulting savings has been included in the 2024/25 budget and in the next two fiscal forecast budgets.
- Global supply chain challenges and elevated inflation remained unpredictable during 2023/24. It is estimated that inflationary and supply chain pressures may continue in 2024/25, resulting in cost escalations. These volatile economic conditions combined with provincial fiscal pressures may adversely impact the University's operations.
- The University's financial liabilities include the legal obligation associated with the retirement of tangible capital assets resulting from their acquisition, construction or normal operating use. The liability referred to as Asset Retirement Obligations has some estimation risk both to the extent of the existence of hazardous asbestos fibre materials and the cost of remediation. The majority of the University's asset retirement obligations relate to its obligation to remove the asbestos from buildings as per government regulations.
- The University's future estimated costs for deferred maintenance of all faculty and administrative buildings across campus is estimated at \$77.9 million as of October 2024. Some costs can be attributed to high inflation as the cost of non-residence building construction in the city is growing at a high rate. These estimated costs are managed strategically to ensure the reliability of building systems and prevent unexpected failures and incidents. In 2023/24, the provincial government provided a Capital Maintenance and Renewal (CMR) grant of \$4.3 million (2023: \$3.6 million), which is a main source of funding for deferred maintenance liability.

Summary of Financial Results

Mount Royal ended the fiscal year March 31, 2024, with an operating surplus of \$14.8 million compared to \$8.6 million for the prior fiscal year ended March 31, 2023.

This fiscal year's operating surplus was mainly driven by increased student tuition and fees arising from strong enrolment growth. This growth was mainly due to the targeted enrolment expansion grants provided in support of student enrolment. Conditional grant funding was higher as compared to budget for research projects and for enrolment expansion programs. Other revenue improvements included ancillary operations, which generated higher sales and services than originally budgeted. In addition,

the University benefited from investment income due to interest rate gains, capital gains from equity holdings and from the rebalancing of its investment portfolios. Salaries and employee benefits were higher than budget at the end of the fiscal year. However, operational savings were reflected in maintenance and repairs as well as materials and supplies expenses.

Net assets increased by \$22.2 million from the previous year to \$177.4 million (\$155.2 million in 2023). The growth is mainly due to generating an operating surplus of \$14.8 million and an increase in the fair value of endowments by \$2.5 million, plus an increase in accumulated remeasurement gains by \$4.9 million.

Consolidated statement of financial position

Mount Royal University's consolidated statement of financial position provides financial information on the University's financial health and sustainability at the end of March 31, 2024.

Cash and portfolio investments

The University ended the fiscal year with a cash balance of \$62.2 million. This amount reflects an increase of \$23.0 million from the prior year's balance. This increment is a direct result of provincial funding received for various programs, including the G-Wing capital infrastructure project, the aviation program, the targeted enrolment expansion program and the capital

maintenance and renewal grant program. The year-end cash balance also includes deferred tuition and fees, and funds for general operations.

Portfolio investments related to non-endowment funds and portfolio investments restricted for endowment purposes experienced increases of \$14.3 million and \$5.9 million respectively, a total increase of \$20.2 million from the prior year end. This was as a result of \$11.7 million in realized investment income and an increase in the unrealized gains by \$8.5 million. Further portfolio investment details are described in Note 4 to the University's consolidated financial statements.

Accounts receivable

The accounts receivable balance of \$12.0 million (2023: \$12.7 million) primarily consists of \$8.2 million (2023: \$8.6 million) owed to the University from the Students' Association of Mount Royal University (SAMRU). This is in reference to a mortgage held on behalf of SAMRU to finance the expansion to the Wyckham House Student Centre. The mortgage balance is reported in Note 8 to the University's consolidated financial statement.

The accounts receivable remaining balance totalling \$3.8 million (2023: \$4.1 million) includes amounts owing from students and commercial clients. The overall decrease of \$0.3 million from the prior year balance was as a result of increased collections of outstanding balances from business activity in commercial client accounts, federal government grant claims and full recovery of staff advances related to the implementation of the University's bi-weekly payroll.

Accounts payable and accrued liabilities

The University's accounts payable and accrued liabilities include outstanding vendor invoices, construction holdbacks, student deposits, payroll liabilities and vacation entitlements. There was an increase of \$2.8 million (2023: \$9.4 million) in accounts payable and accrued liabilities from the prior year, which was largely attributable to vendors' invoices related to general operations, as well as from payroll and accrued vacation liabilities.

Employee future benefit liabilities

Employee future benefit liabilities include long-term disability, supplemental retirement plans, employee-funded future leaves and administrative leave. The employee future benefit liabilities increased by a net of \$0.8 million, primarily resulting from higher long-term disability premiums related to the Local Authorities Pension Plan.

Debt

At the end of the fiscal year, \$37.2 million (2023: \$41.1 million) was accumulated in debt for infrastructure-related projects. This balance includes \$8.2 million that is owed to the University by SAMRU. This is reported in the University's accounts receivable balance. The University's debt decreased by \$3.9 million from the prior year as a result of ongoing repayments on loans to the Ministry of Treasury Board and Finance. Details are in Note 8 to the University's consolidated financial statements.

Deferred revenue

The University records deferred revenue related to tuition and fee amounts collected in advance of future periods. It also records contributions received for targeted initiatives or intended for specific purposes that will be spent in the future. These contributions include endowment interest, conditional grants, research grants and restricted donations. At the end of the fiscal year, \$91.5 million (2023: \$68.4 million) was recognized as deferred revenue. Further details about deferred revenue can be found in Note 9 to the University's consolidated financial statements.

Tangible capital assets and purchased intangibles

The overall decrease in the net book value of tangible capital assets and purchased intangibles by \$3.1 million (2023: \$2.1 million) is primarily due to the outpacing of amortization expenses over capital asset acquisitions. Although the University experienced a slight decrease in capital spending levels as compared to the last fiscal year, the total acquisition of tangible capital and purchased intangibles of \$12.6 million was lower than amortization of \$15.7 million, leading to the overall decline in their net book value. Further information is available in Notes 11 and 12 to the consolidated financial statements.

Asset retirement obligations

Accounting standard PS 3280 Asset Retirement Obligations addresses the accounting and reporting of legal obligations associated with the retirement of tangible capital assets. Since its implementation in 2023, the University has implemented processes, accounting and oversight in compliance with this standard. At the end of March 31, 2024, the estimated value of the obligation was \$26.9 million (2023: \$26.4 million). During the course of the fiscal year, \$0.02 million in remediation of asbestos-containing space and an inflationary increase of \$0.51 million was applied to the initial estimate from 2023.

Spent deferred capital contributions

This liability category represents grants and donations received for, and spent on, capital acquisitions where the conditions of the grant and the University's actions and commitments create a liability. The grants and donations are recorded as revenue in the same manner as the capital assets funded by them are amortized. The spent deferred capital balance of \$237.9 million as of March 31, 2024 (2023: \$239.9 million) is related to grants and donations committed for the construction or renovation of campus buildings. Details are disclosed in Notes 9 and 10 to the University's consolidated financial statements.

Net assets

Net assets are the University's accumulated operating surplus, internally restricted surplus, net investment in capital assets, endowments and accumulated remeasurement gains. The value of net assets provides the economic position of the

University from all years of operations. Net assets increased by \$22.2 million (14.3 per cent) from the prior year-end balances. The year-over-year net assets balances are further disclosed in the following table:

	AS OF MARCH 31, 2024 (MILLIONS)	AS OF MARCH 31, 2023 (MILLIONS)	INCREASE (DECREASE) (MILLIONS)	% CHANGE
Accumulated operating surplus	\$7.5	\$2.0	\$5.5	275.0%
Internally restricted surplus	\$45.8	\$38.4	\$7.4	19.3%
Net investment in capital assets	\$35.1	\$33.1	\$2.0	6.0%
Endowments	\$76.3	\$73.9	\$2.4	3.2%
Accumulated remeasurement gains	\$12.7	\$7.8	\$4.9	62.8%
Total	\$177.4	\$155.2	\$22.2	14.3%

Accumulated operating surplus

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

The net increase in accumulated operating surplus of \$5.5 million is mainly due to the fiscal

year operating surplus of \$14.8 million, followed by the recovery of operating expenses funded from internally restricted surplus of \$1.0 million, less investments in tangible capital assets of \$0.3 million, and partially offset by a transfer to the internally restricted surplus of \$10.0 million to fund institutional strategic priorities.

Internally restricted surplus

The total internally restricted surplus increased by \$7.4 million, comprising an allocation to the capital renewal fund of \$10.0 million, partially offset by current-year disbursements of \$2.6 million in capital and operating activities. The details of the changes in reserves can be found in Note 14 to the University's consolidated financial statements.

Investment in tangible capital assets and purchased intangibles

At March 2024, the University's net book values of tangible capital assets and purchased intangibles were \$328.4 million and \$0.5 million, respectively. The University has invested in these non-financial assets by utilizing the following funding sources:

	AS OF MARCH 31, 2024 (MILLIONS)	AS OF MARCH 31, 2023 (MILLIONS)
Internally funded from accumulated operating surplus	\$35.1	\$33.1
Externally financed (through debt)	\$29.0	\$32.6
Externally funded (spent deferred capital contributions)	\$237.9	\$239.9
Asset retirement obligations	\$26.9	\$26.4
Net book value of tangible capital assets	\$328.9	\$332.0

The internally funded portion of \$35.1 million as of March 31, 2024, represents the University's contribution from its accumulated operating surplus invested in capital assets. This increase by \$2.0 million from March 31, 2023 is the result of new investment in capital assets through debt and other internal funding. Note 11 to the University's consolidated financial statement provides additional information on tangible capital assets.

Endowments

Endowments are funds that are subject to restrictions relating to capital and to investment earnings. The investment income earned on endowments are subject to the University's preservation of capital policy and must be used in accordance with purposes jointly agreed upon by the University and its donors.

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

Endowments have increased by \$5.9 million from the prior fiscal year. This increase is due to new contributions from donors and additional investment income earned from the endowments, which are held to support inflation-proofing the endowments for future spending. The details of changes to endowments can be found in Note 14 to the University's consolidated financial statements.

Accumulated remeasurement gains

Remeasurement gains and losses are an instrument to adjust the investment portfolio to fair market value. As of March 31, 2024 the investment portfolio had a net remeasurement gain of \$12.7 million. The effect of the remeasurement gains is disclosed in the statement of remeasurement gains and losses of the consolidated financial statements.

Consolidated Statement of Operations

Mount Royal University's consolidated statement of operations presents the University's operating surplus, resulting from the year ended March 31, 2024 operating revenue and expense activities.

Revenue

Total revenue for the year ended March 31, 2024, was \$266.4 million compared to budget of \$256.6 million. This represents a total revenue increase of \$9.8 million (four per cent).

Grant funding streams

Government of Alberta grants represent the second-largest source of funding to support the University's operations at 40 per cent of total revenues. Provincial grant revenue totalled \$104.9 million, which was anticipated during budget development.

Student tuition and fees

Student tuition and fees represent the largest source of funding. Student tuition and fees were \$2.9 million over budget. This was due to better-than-budget credit tuition as a result of targeted enrolment expansion post-budget development and strong enrolments in the Conservatory. The targeted enrolment expansion also resulted in higher student, athletics and other fees. The overall figure is inclusive of a decline in flying fees and lower other credit-free tuition.

Sales of services and products

Ancillary operations revenue increased by \$4.1 million from budget primarily due to residence being at capacity, strong membership sales in recreation and higher than anticipated youth camps revenues.

Donations and other grants

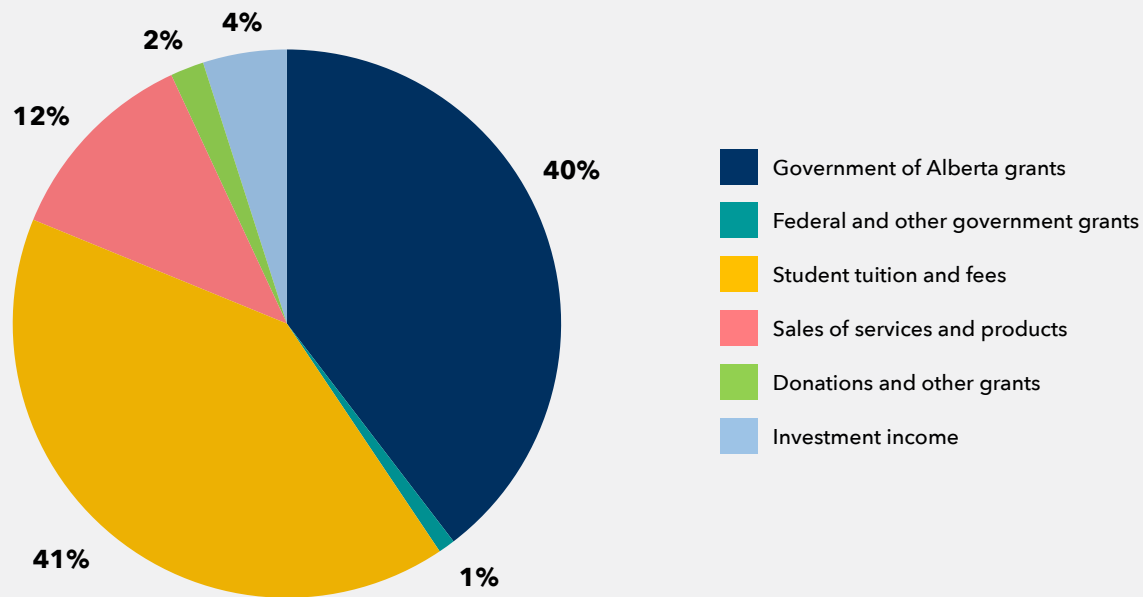
Donations and other grants increased by \$1.2 million as compared to budget resulting from increased funding for program expansion and for the Transitional Vocational Program (TVP). The TVP and program expansion grants are fully offset by expenditures.

Investment income

Investment income realized a positive variance of \$1.5 million as compared to budget as a result of interest rate gains.

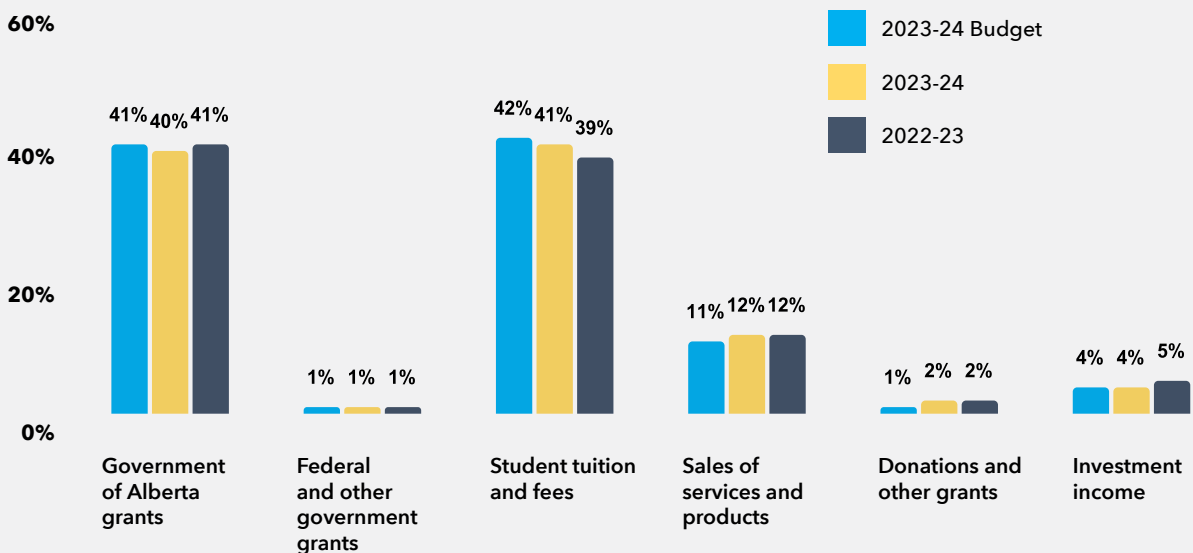
Revenues by Source 2023/24

Total revenue allocation between revenue sources for the year ended March 31, 2024 is illustrated in the pie chart below:



Revenue Comparison

A comparison of the total revenue generated by source for 2023/24 budget, 2023/24 actuals and 2022/23 actuals is illustrated in the graph below:



Expenses

Total expenses for the year ended March 31, 2024 were \$251.6 million, compared to budgeted expenses of \$256.5 million. This represents a decrease of \$4.9 million versus budget.

Expenses by Function

Instruction and non-sponsored research

Instruction and non-sponsored research expenses were \$1.9 million less than budgeted. The decrease was attributed to cost savings resulting from vacant full-time faculty positions and contracts, and lower instructional activity in the flight school.

Academic and student support

Academic and student support expenses were \$2.9 million under budget due to materials and labour vacancy contingencies in budget coupled with a larger transfer of expense from academic and student supports to ancillary enterprises.

Facility operations and maintenance

Facility operations and maintenance were under budget by \$1.2 million due to the reversal of central contingencies for inflationary pressures that were not realized.

Ancillary services

Ancillary expenditures were \$1.3 million over budget due to increased overhead allocations to ancillary enterprises from institutional support as compared to budget due to increased demand for residence and recreation programming.

Sponsored research

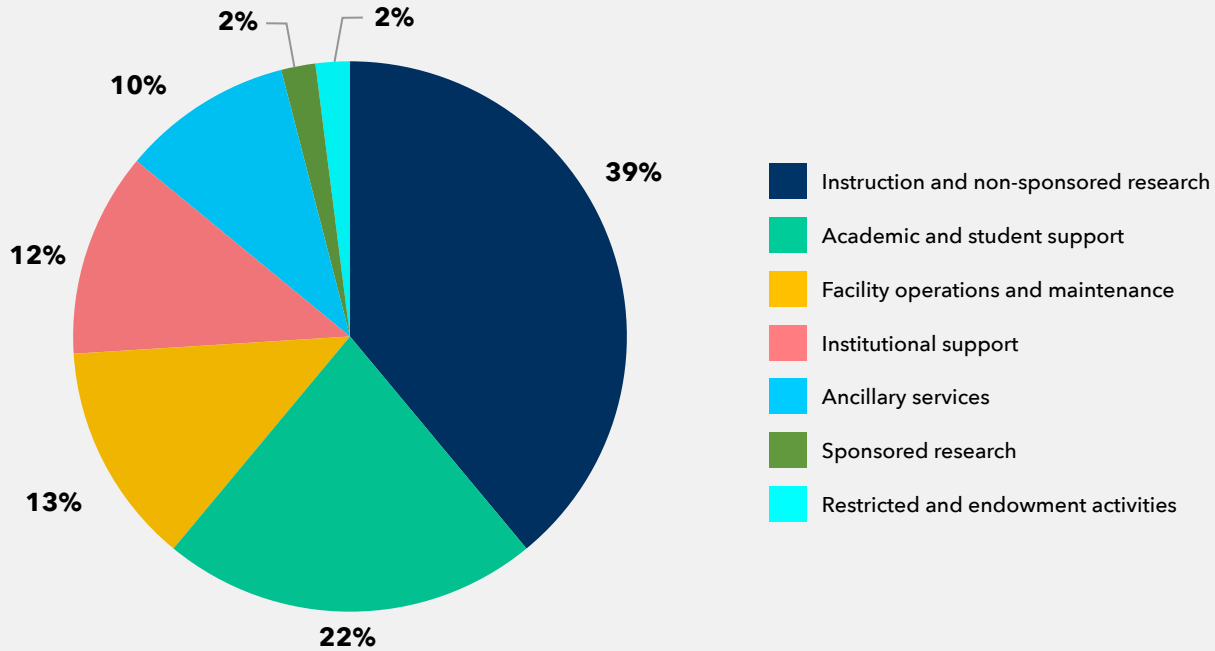
Sponsored research exceeded budget by \$0.2 million due to unanticipated research-related activities. However, the increased expenses were fully offset by associated grant revenue.

Restricted and endowment activities

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

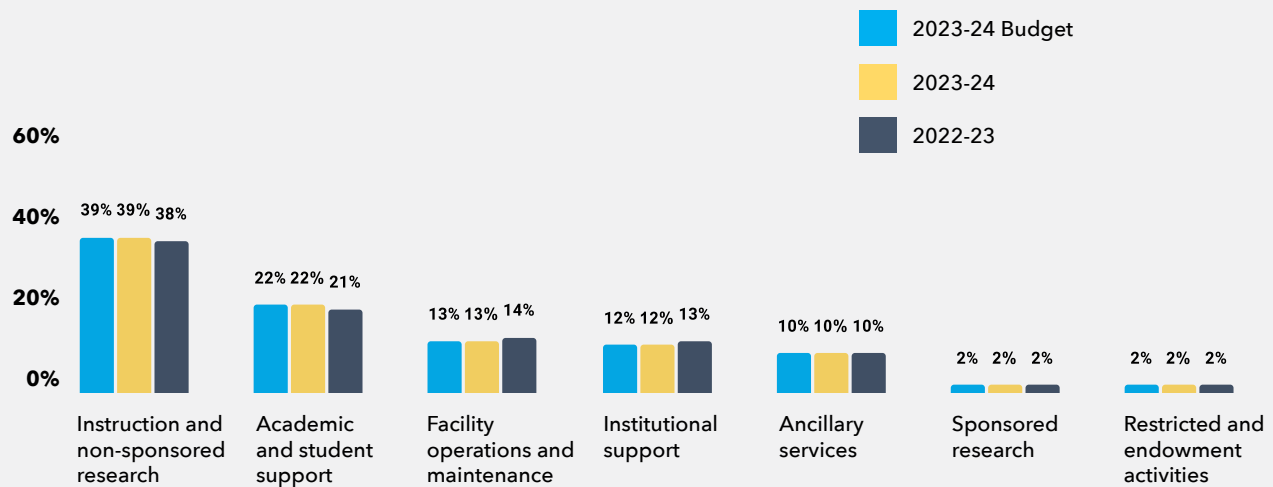
Expenses by Function 2023/24

Total expense allocation by function for the year ended March 31, 2024 is illustrated in the pie chart below:



Expense Comparison by Function

A comparison of the total expense by function for 2023/24 budget, 2023/24 actuals and 2022/23 actuals is illustrated in the graph below:



Expense by Object

Salaries and benefits

Compensation expenses totalled \$175.2 million or 69 per cent of the University's operating expenses in 2023/24. These expenses, which include employee benefits, were \$1.8 million over budget due to a temporary lifting of the salary freeze for management, organizational structure reviews and higher than anticipated Local Authorities Pension Plan payments for those on long-term disability. Partially offsetting the increases were savings in faculty salaries, as these were overestimated during budget development.

Materials, supplies and services

A \$4.2-million positive variance as compared to budget in supplies and services was related to a reversal of central contingencies of \$4.3 million, partially offset by increases across multiple departments, including professional fees for arbitration, legal fees, employee recognition and organizational reviews.

Cost of goods sold

A \$0.5-million positive variance as compared to budget in cost of goods sold resulted from lower than anticipated campus store textbook and general merchandise sales.

Maintenance and repairs

A favourable variance as compared to budget of \$1.9 million in maintenance and repairs was due to the removal of a central contingency for inflationary pressures and lower than anticipated contracted services.

Utilities

A favourable variance as compared to budget of \$0.1 million in utilities resulted from lower transportation and usage rates compared to budget.

Amortization of tangible capital assets

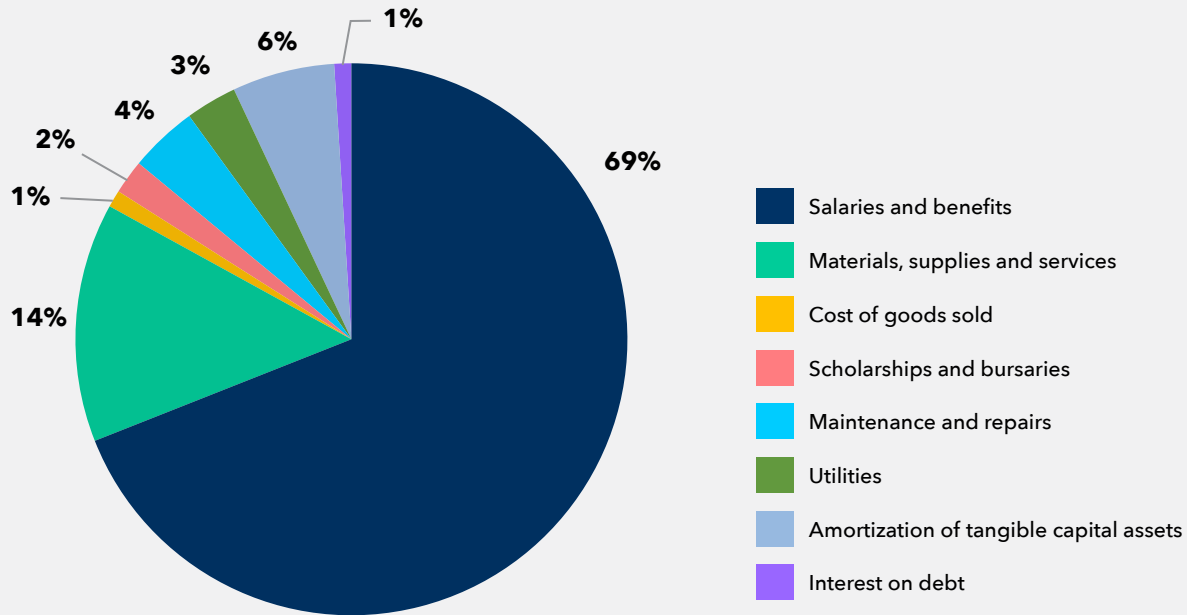
Amortization was underestimated in the approved budget, leading to a \$0.4-million negative variance. Asset retirement obligations were budgeted in materials and supplies.

Interest on debt

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

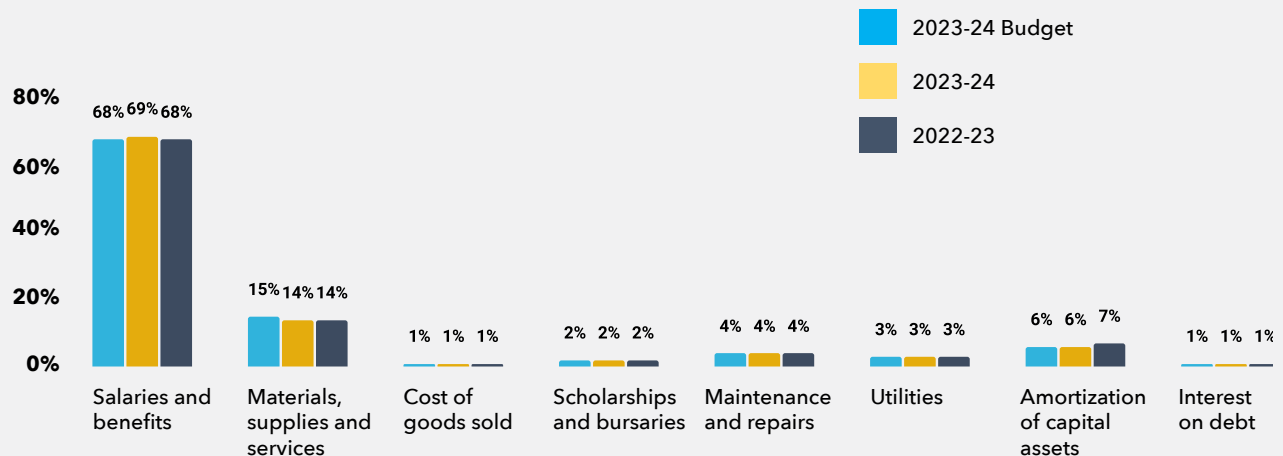
Expenses by Object 2023/24

Total expense allocation by object for the year ended March 31, 2024 is illustrated in the pie chart below:



Expenses Comparison by Object

A comparison of the total expense by object for 2023/24 budget, 2023/24 actuals and 2022/23 actuals is illustrated in the graph below:



Capital Report

Capital Construction

Repurposing existing spaces

Mount Royal University is embarking on a \$65-million internal renovation of spaces vacated due to the construction of the Taylor Centre for the Performing Arts and Riddell Library and Learning Centre. The project is funded by the Government of Alberta and the Taylor Family Foundation.

- **W-Wing Renovations (former Conservatory space):** This project included the addition of four new classrooms with capacities ranging from 56 to 78, group study rooms, a lactation room and building systems upgrades. All work is completed and classrooms have been in use since Fall 2022.
- **G-Wing Renovations (former Library space):** The G-Wing Renovation Project will renovate major elements of the original Main Building (1973 construction) to repurpose the vacated library space, including adding a new second storey in a portion of that space. The renovated space will include a student service centre, student plaza and multi-purpose spaces.

Aviation hangar

A new four-year Bachelor of Aviation Management program will launch at Mount Royal University, with the first cohort beginning in Fall 2024. This new degree and Mount Royal's sought-after two-year Aviation Diploma program necessitated a new facility for housing aircraft and academic spaces at Springbank Airport. The Government of Alberta and Prairies Economic Development Canada contributed to funding this project.

Priority Requests for Future Consideration

Mount Royal University's top three capital requests are as follows:

Healthcare Innovation Centre

Construction of a new Healthcare Innovation Centre to house MRU's School of Nursing and Midwifery and related programs to elevate MRU's School of Nursing and Midwifery to Canada's finest. Currently, there are approximately 1,200 students enrolled in four programs (Bachelor of Midwifery, Bachelor of Nursing, Bridge to Canadian Nursing and Advanced Studies in Critical Care Nursing), graduating 400 students annually.

Nursing and midwifery are on the global healthcare frontlines. It is crucial to support these programs to ensure a continued supply of highly educated and trained nurses and midwives to provide care for individuals, families and communities. Benefits include nursing enrolment growth, nurse retention and development, and excellence in nursing education and care for Indigenous communities.

New student housing

Re-envisioning the East Residences to address student housing needs and expanding MRU's self-generated revenue capacity using a phased approach. Phase 1 of the project is to develop a Residence, Dining and Revenue Generation Master Plan.

The key outcomes for the plan include:

- Identifying areas for new student residential facilities and defining the renovation, repurposing or replacement of existing facilities;
- Creating a self-supporting and financially sustainable housing and dining operation, and
- Creating opportunities for self-generated revenue.

Science and Technology Wing renovation and expansion

The Science and Technology Wing was constructed in 1973, with a modest addition in 1988. Since then, most laboratories and other spaces have not been upgraded. The current facility has extensive deficiencies and deferred maintenance, particularly in the laboratories. A Facility Assessment was completed in 2020/21. The assessment included a visual review of the structure and life safety and code reviews of the mechanical and electrical systems. A preliminary functional program exercise was also undertaken to perform a high-level test fit and cost estimating. The scope of this planning phase is to review the Facility Assessment Report and develop a high-level functional program and schematic and conceptual design to renovate existing spaces that support growth in STEM programming (i.e. physical sciences, mathematics, data science, computer science).

Capital Infrastructure Renewal

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

Detailed Breakdown of Priority Projects

Priority capital project requests					
PROJECT TYPE	PROJECT DESCRIPTION	TOTAL BUDGET	FUNDING SOURCES	FUNDING RECEIVED TO DATE	ESTIMATED PROJECT TIMELINES
New	Health Care Innovation Centre (New Build) – Planning Phase	\$3.5M	GOA = 100%	No funds received to date	September 2024 to August 2026 Programming, schematic design and conceptual design, including identifying building location in MRU's Lincoln Park Campus.
New	New Student Housing Complex – Planning Phase	\$3.5M	GOA = 100%	No funds received to date	September 2024 to August 2026 Programming, schematic design and conceptual design, including identifying building location in MRU's Lincoln Park Campus.
Expansion	Science and Technology Wing Renovations – Planning Phase	\$3M	GOA = 100%	No funds received to date	September 2024 to December 2025 Review Facility Condition Assessment completed in 2021, develop functional program, schematic design and conceptual design.

Approved Projects

PROJECT DESCRIPTION	PROJECT TIMELINES	PROJECT START	EXPECTED PROJECT COMPLETION	PROJECT STATUS	PROGRESS MADE IN 2023/24
Repurpose existing spaces – BLIMS 14151 Internal renovations to vacated spaces (G-Wing and W-Wing).	2019-2026	October 2019	W-Wing Renovations completed in 2022 G-Wing Renovations scheduled for completion Fall 2026	W-Wing Renovations – Completed G-Wing Renovations – In progress	Design drawings are completed. Construction documents are in progress and expected to be completed by November 2024.
Aviation hangar – BLIMS 64848	2023-2025	March 2023	2025	In progress	Schematic Design was completed. Class D cost estimate identified a gap between scope and budget. A hangar for purchase has become available. MRU is doing its due diligence to review this option (instead of the initial scope of constructing a sprung structure).
Electrical distribution upgrade	2019-2029	April 2019	2029	In progress	Completed design and procurement of Central Distribution Panels (CDP) and Variable Frequency (VFD) drives and pumps.
Fire alarm upgrade	2020-2027	April 2020	2027	In progress	Completed the fibre upgrade; design of the fire alarm rezoning; assessment of Y-Wing and T-Wing areas in the Main Building; and code upgrades of all EA, EB, EC, ED, EL and Grounds buildings.

Free Speech Reporting

Free Speech Policy Information

Please [click here](#) to access Mount Royal University's Expression and Free Speech Policy, posted on the website.

The University did not amend this policy between April 1, 2023 and March 31, 2024.

One administrative policy intersects with the Expression and Free Speech Policy, also available on the University's website. Please [click here](#) to access the Temporary Use of University Space Policy.

Cancelled Events

Between April 1, 2023 and March 31, 2024 no events were cancelled by the University for reasons related to free speech.

Free Speech-Related Complaints

Between April 1, 2023 and March 31, 2024 Mount Royal University did not receive any complaints related to free speech issues, as summarized in the table below.

Total number of complaints:	0
Total number of complaints that did not progress through the institution’s resolution process as determined by institutional policy:	0
Total number of complaints where it was determined that the free speech policy was not followed:	0

Board of Governors Training on For-Profit Ventures

Ongoing Board education is considered by the Board through its Governance and Nominating Committee in accordance with the University's strategic priorities and identified risks.

To date, Mount Royal University has not facilitated training opportunities for Board of Governors' members specific to for-profit ventures, as the composition of the Board includes individuals with substantial private sector experience. These Board members have extensive expertise in business, governance and leadership, which equips them to ensure that strong oversight and strategic guidance is provided to the University.

Board member experience is reflected in the bios available here: <http://mru.ca/boardmembers>

Have all current board members completed for-profit ventures training?

Specific training focused on for-profit ventures has not been identified or provided.

When did current board members last complete for-profit ventures training?

Please see above.

Appendix

2023/24 Consolidated Financial Statements

The audited financial statements of Mount Royal University for the year 2023/24 are provided as an appendix to this Annual Report and include the independent auditor's report, statement of management's responsibility, consolidated financial statements and notes to the consolidated financial statements.



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**CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED

MARCH 31, 2024

Mount Royal University

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

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STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of Mount Royal University ("the University") have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the University as at March 31, 2024 and the results of its operations, change in net financial assets, remeasurement gains and losses and cash flows for the year then ended.

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

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

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

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

[Original signed by]

Acting President and Vice-Chancellor

[Original signed by]

Vice-President of Finance and Administration

Independent Auditor's Report



To the Board of Governors of Mount Royal University

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Mount Royal University (the Group), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 28, 2024
Edmonton, Alberta



Mount Royal University

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

(thousands of dollars)

	2024	2023
Financial assets excluding portfolio investments restricted for endowments		
Cash	\$ 62,228	\$ 39,246
Portfolio investments - non-endowment (note 4)	116,289	102,025
Accounts receivable (note 6)	12,025	12,756
Inventories held for sale	1,403	945
	191,945	154,972
Liabilities		
Accounts payable and accrued liabilities	33,989	31,239
Employee future benefit liabilities (note 7)	3,891	3,135
Debt (note 8)	37,172	41,159
Deferred revenue (note 9)	91,481	68,401
Asset retirement obligations (note 13)	26,898	26,400
	193,431	170,334
Net debt excluding portfolio investments restricted for endowments	(1,486)	(15,362)
Portfolio investments - restricted for endowments (note 4)	83,965	78,043
Net financial assets	82,479	62,681
Non-financial assets		
Tangible capital assets (note 11)	328,354	332,027
Purchased intangibles (note 12)	517	-
Inventories of supplies	58	56
Prepaid expenses	3,915	373
	332,844	332,456
Net assets before spent deferred capital contributions	\$ 415,323	\$ 395,137
Spent deferred capital contributions (note 10)	237,915	239,946
Net assets (note 14)	\$ 177,408	\$ 155,191
Net assets are comprised of:		
Accumulated surplus	\$ 164,715	\$ 147,396
Accumulated remeasurement gains	12,693	7,795
	\$ 177,408	\$ 155,191
Contingent assets and contractual rights (notes 16 and 18)		
Contingent liabilities and contractual obligations (notes 17 and 19)		

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



Mount Royal University

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

	Budget (note 25)	2024	2023
Revenues			
Government of Alberta grants (note 23)	\$ 105,003	\$ 104,921	\$ 102,898
Federal and other government grants (note 23)	2,463	2,698	2,732
Sales of services and products	28,298	32,395	29,085
Student tuition and fees	107,181	110,057	98,642
Donations and other grants	3,826	5,000	4,568
Investment income	9,823	11,363	11,410
	256,594	266,434	249,335
Expenses (note 20)			
Instruction and non-sponsored research	98,610	96,699	91,773
Academic and student support	56,026	53,176	50,204
Facility operations and maintenance	33,998	32,802	33,466
Institutional support	31,227	31,118	31,207
Ancillary services	24,651	25,929	22,890
Sponsored research	5,840	6,003	5,662
Restricted and endowment activities	6,172	5,881	5,536
	256,524	251,608	240,738
Annual operating surplus	70	14,826	8,597
Endowment contributions and capitalized investment income			
Endowment contributions (note 14)		886	6,003
Endowment capitalized investment income (note 14)		1,607	2,512
		2,493	8,515
Annual surplus	70	17,319	17,112
Accumulated surplus, beginning of year	147,396	147,396	130,284
Accumulated surplus, end of year (note 14)	\$ 147,466	\$ 164,715	\$ 147,396

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



Mount Royal University

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

	Budget (note 25)	2024	2023
Annual surplus	\$ 70	\$ 17,319	\$ 17,112
Acquisition of tangible capital assets	(26,569)	(12,019)	(13,812)
Proceeds from sale of tangible capital assets		-	16
Amortization of tangible capital assets	15,327	15,691	15,851
Loss (gain) on disposal of tangible capital assets		1	(8)
Purchase of intangible assets		(549)	-
Amortization of purchased intangibles		32	-
(Increase) decrease in inventories of supplies		(2)	333
Increase in prepaid expenses		(3,542)	(80)
Increase (decrease) in spent deferred capital contributions	11,402	(2,031)	(2,788)
Increase (decrease) in accumulated remeasurement gains		4,898	(9,267)
Increase in net financial assets	230	19,798	7,357
Net financial assets, beginning of year	62,681	62,681	55,324
Net financial assets, end of year	\$ 62,911	\$ 82,479	\$ 62,681

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



Mount Royal University

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

	2024	2023
Accumulated remeasurement gains, beginning of year	\$ 7,795	\$ 17,062
Unrealized gains (losses) attributable to:		
Portfolio investments - non-endowment	6,004	(7,539)
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	(1,106)	(1,728)
Accumulated remeasurement gains, end of year	\$ 12,693	\$ 7,795

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



Mount Royal University

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

	2024	2023
OPERATING TRANSACTIONS		
Annual surplus	\$ 17,319	\$ 17,112
Add (deduct) non-cash items:		
Amortization of tangible capital assets	15,691	15,851
Amortization of purchased intangibles	32	-
Gain on sale of portfolio investments	(1,934)	(3,017)
Loss (gain) on disposal of tangible capital assets	1	(8)
Expended capital contributions recognized as revenue	(8,569)	(8,981)
Change in employee future benefit liabilities	756	957
Annual surplus net of non-cash items	23,296	21,914
Decrease (increase) in accounts receivable	731	(1,329)
Increase in inventories held for sale	(458)	(115)
Increase in accounts payable and accrued liabilities	2,750	9,400
Increase in deferred revenue	19,650	15,489
Increase (decrease) in asset retirement obligations	498	(231)
(Increase) decrease in inventories of supplies	(2)	333
Increase in prepaid expenses	(3,542)	(80)
Cash provided by operating transactions	42,923	45,381
INVESTING TRANSACTIONS		
Purchases of portfolio investments	(16,291)	(50,260)
Proceeds on sale of portfolio investments	6,367	38,933
Cash applied to investing transactions	(9,924)	(11,327)
FINANCING TRANSACTIONS		
Debt - repayment	(5,317)	(5,041)
Debt - new financing	1,330	1,770
Increase in spent deferred capital contributions, less expended capital recognized as revenue, less in-kind donations	6,511	6,186
Cash provided by financing transactions	2,524	2,915
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets, asset retirement additions, less in-kind donations	(11,992)	(13,805)
Purchase of intangible assets	(549)	-
Proceeds on disposal of tangible capital assets	-	16
Cash applied to capital transactions	(12,541)	(13,789)
Increase in cash	22,982	23,180
Cash, beginning of year	39,246	16,066
Cash, end of year	\$ 62,228	\$ 39,246

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



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

1. Authority and purpose

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

The University is an undergraduate university under the *Post-secondary Learning Act*. The roles of an undergraduate university are as follows:

- a) provide undergraduate degree programs;
- b) collaborate with other post-secondary institutions to support regional access to undergraduate degree programs;
- c) provide approved foundational learning, diploma or certificate programs; and
- d) undertake research and scholarly activities that enrich undergraduate education.

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

2. Summary of significant accounting policies and reporting practices

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the University are as follows:

a. Use of estimates

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

b. Valuation of financial assets and liabilities

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

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

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

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

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

b. Valuation of financial assets and liabilities (continued)

costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred.

The purchase and sale of portfolio investments are accounted for using trade date accounting.

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

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

c. Revenue recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

Grants and donations related to land

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

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

Sales of services and products

Sales of services and products represent revenues from non-tuition related services and/or products such as parking fees, locker rental fees, workshops, media production, conferences, public recreation program fees, membership fees, food services and related commissions, gift certificates, book sales, rental income, theatre ticket sales, fines and surcharges, non-refundable deposits, sponsorship revenue and other administrative charges.

These revenues, with the exception of parking fines, non-refundable deposits and some administrative fees, are considered revenues arising from exchange transactions. Revenue from these transactions is recognized when or as the University fulfils its performance obligations and transfers control of the promised goods and services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Revenue without performance obligations is a non-exchange transaction with a payor and is recognized when the University has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

Student tuition and fees

Student tuition and fees are charged for the programs offered by the University such as program registration and application fees, course delivery fees, student services fees, flying fees, and athletics and recreation fees.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

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

c. Revenue recognition (continued)

These fees are considered revenue arising from exchange transactions with performance obligations. The University recognizes revenue from program registration and application fees when received as the performance obligations of registering the student are met when paid. Revenue from course delivery and laboratory fees are recognized over the course of each academic period/semester as the University fulfils its performance obligations by delivering the courses. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Endowment contributions

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

Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms of the grant or donation are met.

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

d. Endowments

Endowments consist of:

- Externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation, which is capitalized to maintain and grow the real value of the endowments. Benefactors as well as University policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by reinvesting unexpended income.

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

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

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the accumulated capitalized investment income. However, for individual endowments without sufficient accumulated capitalized investment income, endowment principal is used in that year and is expected to be recovered by future investment income.

e. Inventories held for sale

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

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

f. Tangible capital assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the construction of new buildings. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

All leases are recorded in the financial statements as either a capital or operating lease. Any lease which transfers substantially all the benefits and risk of ownership associated with the leased asset are accounted for as leased tangible capital assets. Capital lease assets and liabilities are recognized at the lesser of the present value of future minimum lease payments and the asset's fair market value at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the University's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

<u>Asset category</u>	<u>Useful Life</u>
Buildings	25 - 50 years
Learning resources	10 years
Furnishings, equipment and systems	3 - 20 years

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

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

g. Purchased intangibles

Purchased intangibles are recorded at cost less accumulated amortization. The cost, less any residual value, of purchased intangibles with a finite life is amortized on a straight-line basis over its useful life in a manner appropriate to its nature and use, which is normally the shortest of the technological, commercial, and legal life. Purchased intangibles with an indefinite life are not amortized.

The University purchased intangibles that have estimated finite useful lives as follows:

<u>Asset category</u>	<u>Useful Life</u>
Learning resources	10 years
Licensing agreements	2 - 10 years

Write-downs are recognized for finite and indefinite life intangibles when conditions indicate they no longer contribute to the University's ability to provide services, or when the value of future economic benefits associated with the purchased intangibles are less than their net book value. Net write-downs are recognized as expenses.

h. Foreign currency translation

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

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

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



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

i. Employee future benefits

Pension

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

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

Long-term disability

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

Administrative leave and deferred salary plans

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

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

Supplementary executive retirement plan (SERP) - defined benefit

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

j. Basis of consolidation

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

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

k. Liabilities for contaminated sites

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

- an environmental standard exists;
- there is evidence that contamination exceeds the environmental standard;
- the University is directly responsible or accepts responsibility for the contamination;

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

k. Liabilities for contaminated site (continued)

- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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

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

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

As at March 31, 2024 and March 31, 2023, there were no liabilities for remediation of contaminated sites.

l. Asset Retirement Obligations (ARO)

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. The tangible capital assets include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

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

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

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

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

m. Expense by function

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

Instruction and non-sponsored research

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

Academic and student support

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

Facility operations and maintenance

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

Institutional support

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

Ancillary services

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

Sponsored research

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

Restricted and endowment activities

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

n. 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.

o. Future changes in Accounting Standards

The University will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- Effective April 1, 2026, *The Conceptual Framework for Financial Reporting in the Public Sector*. The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- Effective April 1, 2026, PS 1202 *Financial Statement Presentation*. Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

The University is currently assessing the impact of the new conceptual framework and standard, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

3. Adoption of new accounting policies

PS 3400: Revenue

Effective April 1, 2023, the University adopted the new accounting standard PS 3400, Revenue, a standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenue that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The University adopted this standard on a prospective basis and as a result, 2023 comparatives are not restated.

The result of adopting the standard for April 1, 2023 is a net decrease to revenue and corresponding increase to deferred revenue in the year as follows:

Consolidated Statement of Operations:

Revenues:	Adjustment to Revenue
Sales of services and products	(\$244)

Consolidated Statement of Financial Position:

	Adjustment to Deferred revenue
Deferred revenue (note 9)	\$244

PSG-8: Purchased Intangibles

Effective April 1, 2023, the University adopted the principles in the new guideline PSG-8, Purchased intangibles. The guideline provides direction on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet this definition.

The University adopted this standard on a prospective basis and as a result, 2023 comparatives are not restated. New information is also added in note 2(g) and note 12 to provide further disclosures as a result of purchased intangibles.

PS 3160: Public Private Partnerships

Effective April 1, 2023, the University adopted the new accounting standard PS 3160, Public Private Partnerships, a standard on accounting for public private partnership between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. Public private partnerships are an alternative finance and procurement model where the public sector entity procures infrastructure using a private sector partner.

The result of prospectively adopting the standard for April 1, 2023 has no impact on the financial reporting in the year as the University has not entered into public private partnerships.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

4. Portfolio investments

	2024	2023
Portfolio investments - non-endowment	\$ 116,289	\$ 102,025
Portfolio investments - restricted for endowments	83,965	78,043
	\$ 200,254	\$ 180,068

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

2024					
	Annual return	Level 1	Level 2	Level 3	Total
Pooled investment in funds:					
Fixed income					
Canadian fixed income	2.09 %	\$ -	\$ 27,641	\$ -	\$ 27,641
Canadian commercial mortgages	6.95 %	-	-	20,054	20,054
Equities					
Canadian equities	13.94 %	-	37,092	-	37,092
Foreign equities	23.51 %	-	71,370	-	71,370
Pooled real estate units	(1.91)%	-	-	24,291	24,291
Infrastructure	5.18 %	-	-	19,257	19,257
Other ^(a)		508	23	18	549
Total portfolio investments		\$ 508	\$ 136,126	\$ 63,620	\$ 200,254
		0.25 %	67.98 %	31.77 %	100 %

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

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

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

4. Portfolio investments (continued)

The fair value measurements are those derived from:

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

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

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

	2024	2023
Balance, beginning of year	\$ 67,601	\$ 36,318
Unrealized losses	(1,527)	(898)
Purchases	1,335	35,605
Proceeds on sale	(5,732)	(5,300)
Gains on sale	1,943	1,876
Balance, end of year	\$ 63,620	\$ 67,601

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.

At March 31, 2024, the impact of a change in the rate of return on the investment portfolio is as follows:

- Returns on the Canadian and global equity holdings in passively managed index pooled funds have a perfectly positive correlation with the respective equity market returns. A 2.5% increase or decrease in the Canadian and global equity market return rates will cause a 2.5% or a \$2,723 increase or decrease in the market value of University's equity holdings respectively (2023: \$2,132 increase or decrease);
- Returns on the Canadian fixed income holdings in passively managed index pooled funds also have a perfectly positive correlation with the fixed income market returns. A 2.5% increase or decrease in the Canadian fixed income market return rates will cause a 2.5% or a \$692 increase or decrease in the market value of the University's fixed income holdings (2023: \$679 increase or decrease);
- Returns on the actively managed real estate pooled fund holdings have a negative 0.13 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$79 decrease or increase in the University's real estate fund holdings respectively (2023: \$61 decrease or increase);
- Returns on the actively managed Canadian commercial mortgages fund holdings have a positive 0.07 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$34 increase or decrease in the market value of the University's Canadian commercial mortgages holdings (2023: \$131 decrease or increase).

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

5. Financial risk management (continued)

b. Foreign currency risk

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

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

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
US dollar	\$ 47,047	\$ (1,176)	\$ (470)	\$ 470	\$ 1,176
Euro	5,781	(145)	(58)	58	145
Japanese Yen	4,047	(101)	(40)	40	101
British Pound	2,427	(61)	(24)	24	61
Chinese Yuan	1,841	(46)	(18)	18	46
Swiss Franc	1,641	(41)	(16)	16	41
Other currencies	8,586	(215)	(86)	86	215
	<u>\$ 71,370</u>	<u>\$ (1,785)</u>	<u>\$ (712)</u>	<u>\$ 712</u>	<u>\$ 1,785</u>

c. Credit risk

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

The credit risks on investments held are as follows:

	2024	2023
Money market funds		
R-1 (high)	100.00 %	100.00 %
Canadian fixed income		
AAA	41.72 %	37.74 %
AA	32.15	33.30
A	15.30	17.56
BBB	10.83	11.33
Not rated	-	0.07
	<u>100.00 %</u>	<u>100.00 %</u>



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

5. Financial risk management (continued)

d. Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with its financial liabilities. The University maintains a short-term line of credit of \$40,000 (2023 - \$40,000) that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost-effective manner. At March 31, 2024, the University has not committed any borrowing facilities (2023 - \$nil).

e. Interest rate risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the University holds. Interest risk on the University's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (note 8).

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	\$ 62,228	\$ (1,556)	\$ (622)	\$ 622	\$ 1,556
Canadian fixed income	27,664	5,246	2,098	(1,813)	(4,533)
Real estate	24,291	680	267	(267)	(680)
Canadian commercial mortgages	20,054	1,065	425	(431)	(1,079)
Infrastructure	19,257	2,792	1,117	(1,271)	(3,177)
	153,494	8,227	3,285	(3,160)	(7,913)

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

	<1 year	1-5 years	> 5 years	Average effective market yield
	%	%	%	%
Portfolio investment, fixed income	0.11	40.54	59.35	3.78
Canadian commercial mortgages	32.40	51.20	16.40	6.95

6. Accounts receivable

	2024	2023
Accounts receivable	\$ 3,837	\$ 4,152
Receivable from the Students Association of Mount Royal University (note 8)	8,188	8,604
	\$ 12,025	\$ 12,756

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 SAMRU's Wyckham Student centre on campus. The University borrowed the sum of \$13,000 to fund the costs of construction for the expansion, and SAMRU is repaying the amount on the same terms and conditions as the borrowing outlined in note 8.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

7. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	2024	2023
Long-term disability	\$ 2,245	\$ 1,657
Administrative leave and deferred salary plans	1,375	1,243
Supplementary executive retirement plans - defined benefit	271	235
	<u>\$ 3,891</u>	<u>\$ 3,135</u>

a. Long-term disability

The University contributes the employer and employee portions 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 on March 31, 2024 and incorporated the change to total pension coverage. The next actuarial valuation will be carried out on March 31, 2025.

b. Administrative leave and deferred salary plans

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

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

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

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

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

Previously, the University provided a non-contributory defined supplementary executive retirement benefits under a defined contribution plan to certain executive members. The benefit has been discontinued and replaced with a non-contributory supplementary executive defined retirement benefit plan. In 2023 all remaining funds were transferred from the discontinued plan to the defined benefit plan.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

7. Employee future benefit liabilities (continued)

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

		2024			
		Long-term disability	Administrative leave and deferred salary plans	Defined benefit	Defined contribution
Expense					
Current service cost	\$	608	\$ 282	\$ 51	\$ -
Interest cost		89	76	3	-
Amortization of net actuarial loss		212	230	22	-
Total expense	\$	909	\$ 588	\$ 76	\$ -
Financial position					
Accrued benefit obligation:					
Balance, beginning of year	\$	1,657	\$ 1,243	\$ 235	\$ -
Current service cost		608	282	51	-
Interest cost		89	76	3	-
Amortization of net actuarial loss		212	230	22	-
Benefits paid		(321)	(456)	(40)	-
Balance, end of year	\$	2,245	\$ 1,375	\$ 271	\$ -
		2023			
		Long-term disability	Administrative leave and deferred salary plans	Defined benefit	Defined contribution
Expense					
Current service cost	\$	541	\$ 1,223	\$ 88	\$ -
Interest cost		30	-	22	-
Amortization of net actuarial loss		(558)	-	5	-
Total expense	\$	13	\$ 1,223	\$ 115	\$ -
Financial position					
Accrued benefit obligation:					
Balance, beginning of year	\$	1,935	\$ 20	\$ 160	\$ 63
Current service cost		541	1,223	88	(63)
Interest cost		30	-	5	-
Amortization of net actuarial loss		(558)	-	22	-
Benefits paid		(291)	-	(40)	-
Balance, end of year	\$	1,657	\$ 1,243	\$ 235	\$ -



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

7. Employee future benefit liabilities (continued)

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

	2024		2023	
	Long-term disability	Defined benefit	Long-term disability	Defined benefit
Accrued benefit obligation:				
Discount rate	6.45 %	6.30 %	5.95 %	6.30 %
Benefit cost:				
Discount rate	2.50 %	6.30 %	2.50 %	6.30 %
Inflation (long-term)	2.00 %	2.00 %	2.00 %	2.00 %
Estimated average remaining service life	n/a	11 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, 2023, the LAPP reported an actuarial surplus of \$15,056,661 (2022 - \$12,671,000). An actuarial valuation of the LAPP was carried out as at December 31, 2022 and was then extrapolated for December 31, 2023. The pension expense recorded in the consolidated financial statements is \$10,935 (2023 - \$10,275).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

8. Debt

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

				2024	2023
	Collateral ⁽¹⁾	Maturity	Interest rate %	Amortized cost	Amortized cost
Debentures payable to the Department of Treasury Board and Finance:					
West Student Residence	1	August 15, 2027	6.1250 %	\$ 9,053	\$ 11,000
Taylor Centre for the Performing Arts	1	March 17, 2029	3.1250 %	4,827	5,705
Mount Royal University Parkade	1	September 24, 2035	4.8675 %	12,754	13,564
MRU Student Association's Wyckham Student Centre (note 6)	1	June 15, 2037	5.0030 %	8,188	8,604
				34,822	38,873
Liabilities under capital leases			(2.3526)%	2,350	2,286
Balance, end of year				\$ 37,172	\$ 41,159

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

Principal and interest repayments are as follows:

Year	Principal	Interest	Total
2025	\$ 5,391	\$ 1,682	\$ 7,073
2026	5,199	1,486	6,685
2027	5,101	1,263	6,364
2028	5,063	1,020	6,083
2029	2,590	763	3,353
Thereafter	13,828	2,823	16,651
	\$ 37,172	\$ 9,037	\$ 46,209

Interest expense on debt is \$1,362 (2023 - \$1,497) and is included in the consolidated statement of operations.

The University has a short-term line of credit, unsecured, with an authorized limit of \$40,000 (2023 - \$40,000). The interest rate is prime less 0.75% (2024 - 6.45%, 2023 - 5.95%), payable monthly. The principal is due on demand or at the borrower's discretion. As at March 31, 2024, no amounts have been drawn on this facility (2023 - \$nil).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

9. Deferred revenue

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

	2024			2023	
	Unspent externally restricted grants and donations	Unspent externally restricted capital contributions	Student tuition, fees and other revenue	Total	Total
Balance, beginning of year	\$ 25,370	\$ 31,206	\$ 11,825	\$ 68,401	\$ 60,350
Grants, tuition, donations received during the year	16,172	17,031	14,095	47,298	40,866
Investment income	4,958	1,138	-	6,096	6,163
Unrealized gains (losses)	3,430	-	-	3,430	(7,438)
Transfers to spent deferred capital contributions	(2,832)	(3,706)	-	(6,538)	(6,193)
Recognized as revenue	(15,381)	-	(11,825)	(27,206)	(25,347)
Balance, end of year	\$ 31,717	\$ 45,669	\$ 14,095	\$ 91,481	\$ 68,401

10. Spent deferred capital contributions

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

	2024		2023	
Spent deferred capital contributions, beginning of year	\$	239,946	\$	242,734
Transfers from unspent externally restricted grants and donations		2,832		3,032
Transfers from unspent externally restricted capital contributions		3,706		3,161
Expended capital contributions recognized as revenue		(8,569)		(8,981)
Net change for the year		(2,031)		(2,788)
Balance, end of year	\$	237,915	\$	239,946



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

11. Tangible capital assets

	2024				2023	
	Land	Buildings ⁽¹⁾	Learning resources	Furnishings, equipment and systems ⁽²⁾	Total	Total
Cost						
Balance, beginning of year	\$ 6,815	\$ 528,228	\$ 7,354	\$ 70,267	\$ 612,664	\$ 600,826
Acquisitions	-	5,150	308	6,561	12,019	13,812
Disposals, including write-downs	-	-	(620)	(3,268)	(3,888)	(1,974)
	6,815	533,378	7,042	73,560	620,795	612,664
Accumulated amortization						
Balance, beginning of year	\$ -	\$ 223,441	\$ 3,829	\$ 53,367	\$ 280,637	\$ 266,752
Amortization expense	-	9,503	720	5,468	15,691	15,851
Effects of disposals, including write-downs	-	-	(620)	(3,267)	(3,887)	(1,966)
	-	232,944	3,929	55,568	292,441	280,637
Net book value, March 31, 2024	6,815	300,434	3,113	17,992	328,354	
Net book value, March 31, 2023	\$ 6,815	\$ 304,787	\$ 3,525	\$ 16,900	\$	332,027

⁽¹⁾ No interest was capitalized by the University in 2024 or 2023.

⁽²⁾ Furnishings, equipment and systems include computer software, hardware, and all furniture and non-computing capital equipment including in-kind-donations at March 31, 2024 of \$27 (2023 - \$7).

Cost includes work-in-progress at March 31, 2024 totaling \$4,549 related to buildings \$4,545 (2023 - buildings \$1,272) and equipment \$4 (2023 - equipment \$nil).

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



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024
(thousands of dollars)

12. Purchased Intangibles

	2024			2023
	Learning Resources	Licensing agreements	Total	Total
Cost				
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Acquisitions	272	277	549	-
	272	277	549	-
Accumulated amortization				
Balance, beginning of year	-	-	-	-
Amortization expense	27	5	32	-
	27	5	32	-
Net book value, March 31, 2024	\$ 245	\$ 272	\$ 517	\$ -



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

13. Asset Retirement Obligations

	2024	2023
Balance, beginning of year	\$ 26,400	\$ 26,631
Liability incurred	513	-
Liability settled	(15)	(231)
Increase (decrease) in asset retirement obligations	498	(231)
Balance, end of year	\$ 26,898	\$ 26,400

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

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

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

Asset retirement obligations are measured at their current estimated cost to settle or otherwise extinguish the liability. The University has measured asset retirement obligations related to hazardous materials at its current value due to the uncertainty about when the hazardous materials would be removed.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

14. Net assets

	Accumulated surplus from operations	Internally restricted surplus	Investment in capital assets ⁽¹⁾⁽²⁾	Endowments	Total
Net assets, as at March 31, 2022	\$ 17,874	\$ 34,862	\$ 29,279	\$ 65,331	\$ 147,346
Annual operating surplus	8,597	-	-	-	8,597
Endowments					
New donations	-	-	-	6,003	6,003
Capitalized investment income	-	-	-	2,512	2,512
Tangible capital assets					
Amortization of tangible capital assets	6,876	-	(6,876)	-	-
Acquisition of tangible capital assets	(3,552)	(4,067)	7,619	-	-
Debt repayment	(4,645)	-	4,645	-	-
Debt - new financing	1,770	-	(1,770)	-	-
Decrease in asset retirement obligations	(231)	-	231	-	-
Net book value of tangible capital asset disposal	2	-	(2)	-	-
Operating expenses funded from internally restricted surplus	1,196	(1,196)	-	-	-
Net Board appropriation to internally restricted surplus	(8,800)	8,800	-	-	-
Change in accumulated remeasurement gains	(9,267)	-	-	-	(9,267)
Net assets, beginning of year - April 1, 2023	9,820	38,399	33,126	73,846	155,191
Annual operating surplus	14,826	-	-	-	14,826
Endowments					
New donations	-	-	-	886	886
Capitalized investment income	-	-	-	1,607	1,607
Tangible capital assets					
Amortization of tangible capital assets	7,122	-	(7,122)	-	-
Acquisition of tangible capital assets	(3,863)	(1,618)	5,481	-	-
Amortization of purchased intangibles	32	-	(32)	-	-
Purchase of intangibles	(549)	-	549	-	-
Debt repayment	(4,901)	-	4,901	-	-
Debt - new financing	1,330	-	(1,330)	-	-
(Increase) in asset retirement obligations	498	-	(498)	-	-
Net book value of tangible capital asset disposals	1	-	(1)	-	-
Operating expenses funded from internally restricted surplus	979	(979)	-	-	-
Net Board appropriation to internally restricted surplus	(10,000)	10,000	-	-	-
Change in accumulated remeasurement gains	4,898	-	-	-	4,898
Net assets, end of year as at March 31, 2024	\$ 20,193	\$ 45,802	\$ 35,074	\$ 76,339	\$ 177,408

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

(2) The University's closing net assets invested in capital assets have been reduced by the University's asset retirement obligation of \$26,898 (2023 \$26,400). A funding source for this obligation has not been determined.

Net assets are comprised of:

Accumulated surplus	\$ 7,500	\$ 45,802	\$ 35,074	\$ 76,339	\$ 164,715
Accumulated remeasurement gains	12,693	-	-	-	12,693
	\$ 20,193	\$ 45,802	\$ 35,074	\$ 76,339	\$ 177,408



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

15. Internally restricted surplus

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

Internally restricted net assets with significant balances include:

	2024				
	Balance at beginning of year	Reallocations/ Appropriations from unrestricted net assets	Capital disbursements	Operating disbursements	Balance at end of year
Capital renewal	\$ 23,243	\$ 9,343	\$ 911	\$ 621	\$ 31,054
Commercial operations project planning	1,148	-	650	174	324
Residence renewal	360	440	57	93	650
Research and special projects	2,252	164	-	43	2,373
Academic strategic development	611	-	-	17	594
University effectiveness and community needs	10,584	53	-	31	10,606
Scholarships and bursaries	201	-	-	-	201
Total	\$ 38,399	\$ 10,000	\$ 1,618	\$ 979	\$ 45,802

	2023				
	Balance at beginning of year	Reallocations/ Appropriations from unrestricted net assets	Capital disbursements	Operating disbursements	Balance at end of year
Capital renewal	\$ 17,106	\$ 8,800	\$ 2,595	\$ 68	\$ 23,243
Commercial operations project planning	1,536	-	103	285	1,148
Residence renewal	604	-	155	89	360
Research and special projects	2,848	(10)	-	586	2,252
Academic strategic development	726	(64)	-	51	611
University effectiveness and community needs	11,838	74	1,214	114	10,584
Scholarships and bursaries	204	-	-	3	201
Total	\$ 34,862	\$ 8,800	\$ 4,067	\$ 1,196	\$ 38,399



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

16. Contingent assets

As of March 31, 2024, the University initiated legal matters and insurance claims where possible assets are being sought. While the outcomes of these claims cannot be reasonably estimated at this time, the University believes that any settlement will not have a material effect on the financial position or the results of operations of the University. These contingent assets are not recognized in the consolidated financial statements.

17. Contingent liabilities

As of March 31, 2024, the University is a defendant in a number of legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Management has concluded that none of the claims meets the criteria for recording a liability.

18. Contractual rights

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

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

	Operating leases	Other contracts	Total
2025	\$ 23	\$ 22,824	\$ 22,847
2026	46	1,225	1,271
2027	30	564	594
2028	-	520	520
2029	-	193	193
Total at March 31, 2024	\$ 99	\$ 25,326	\$ 25,425
Total at March 31, 2023	\$ 190	\$ 43,710	\$ 43,900



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

19. Contractual obligations

The University has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	Capital projects ⁽¹⁾	Service contracts ⁽²⁾	Total
2025	\$ 11,473	\$ 24,157	\$ 35,630
2026	43,587	12,448	56,035
2027	17,386	10,609	27,995
2028	-	4,681	4,681
2029	-	4,397	4,397
Total at March 31, 2024	\$ 72,446	\$ 56,292	\$ 128,738
 Total at March 31, 2023	 \$ 61,837	 \$ 63,274	 \$ 125,111

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

⁽²⁾ Service contracts include contractual obligations the University entered into for services such as electricity, natural gas, information technology maintenance agreements, and other service obligations. The University has contracts to manage its exposure to volatility in the electrical and natural gas industries. Based on management's estimates, the annual costs for the utility contracts at the year ended March 31, 2025 are expected to be approximately \$6,613.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

20. Expense by object

The following is a summary of expense by object:

	2024		2023	
	Budget		Actuals	Actuals
	(note 25)			
Salaries	\$ 148,857	\$ 149,508	\$ 141,714	
Employee benefits	24,515	25,692	23,405	
Materials, supplies and services	39,648	35,472	35,219	
Cost of goods sold	3,144	2,639	2,610	
Scholarships and bursaries	5,512	5,523	5,144	
Maintenance and repairs	11,179	9,269	9,017	
Utilities	6,529	6,419	6,273	
Amortization of tangible capital assets	15,327	15,692	15,859	
Amortization of purchased intangibles		32	-	
Interest on debt	1,813	1,362	1,497	
	\$ 256,524	\$ 251,608	\$ 240,738	

21. Funds held on behalf of others

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

	2024	2023
Associations and others	\$ 41	\$ 58
Recreational clubs	32	31
Ministry funds	750	8
	\$ 823	\$ 97

22. Related parties

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

The University has debt with the Department of Treasury Board and Finance as described in Note 8.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

23. Government transfers

	2024	2023
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 91,708	\$ 91,178
Capital	17,322	15,000
Other	8,309	5,000
Total Advanced Education	117,339	111,178
Other Post-Secondary Institutions	71	81
Other Government of Alberta departments and agencies:		
Ministry of Culture	18	118
Ministry of Seniors, Community and Social Services	363	305
Ministry of Children and Family Services	1,216	901
Ministry of Jobs, Economy and Northern Development	-	10
Ministry of Health	99	107
Ministry of Public Safety and Emergency Services	525	-
Ministry of Justice	-	526
Ministry of Technology and Innovation	1,070	722
Total other Government of Alberta departments and agencies	3,291	2,689
Total contributions received	120,701	113,948
Expended capital contributions recognized as revenue	6,465	6,713
Deferred revenue	(22,245)	(17,763)
	\$ 104,921	\$ 102,898
Accounts receivable		
Other Government of Alberta departments and agencies	71	239
	\$ 71	\$ 239
Federal and other government grants		
Contributions received	\$ 1,553	\$ 2,096
Expended capital contributions recognized as revenue	847	838
Deferred revenue	298	(202)
	\$ 2,698	\$ 2,732



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024 (thousands of dollars)

24. Salary and employee benefits

	2024			2023	
	Base salary ⁽²⁾	Other cash benefits ⁽³⁾	Other non-cash benefits ⁽⁴⁾⁽⁵⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -
Members of the Board of Governors	-	-	-	-	-
Executive					
President and Vice-Chancellor	347	63	166	576	645
Provost and Vice-President Academic					
Current term commenced January 1, 2023	280	-	106	386	76
Past term ended January 31, 2023	-	-	-	-	365
Total	280	-	106	386	441
Vice-President Finance and Administration					
Current term commenced August 1, 2022	259	-	34	293	195
Past term ended June 20, 2022	-	-	-	-	62
Total	259	-	34	293	257
Vice-President University Advancement					
Current term ended January 12, 2024	193	9	24	226	288
General Counsel and University Secretary	233	-	34	267	257
Vice-President Students	231	-	30	261	247

⁽¹⁾ Effective July 1, 2015, all members of the Board of Governors elected to forego honoraria.

⁽²⁾ Base salary includes pensionable base pay.

⁽³⁾ Other cash benefits include housing allowances, vacation payout, car allowances, professional development, cash travel allowances and severance. No cash bonuses were paid in 2024 or 2023.

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

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



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

(thousands of dollars)

24. Salary and employee benefits (continued)

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

	Accrued obligation March 31, 2023	Service Cost	Interest Costs	Actuarial Loss (Gain)	Accrued obligation March 31, 2024
President and Vice-Chancellor	\$ 86	\$ 33	\$ -	\$ -	119
Provost and Vice-President Academic	\$ 3	\$ 17	\$ -	\$ -	20

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

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

	Accrued obligation, March 31, 2023	Service Cost	Interest Costs	Actuarial Loss (Gain)	Accrued obligation March 31, 2024
President and Vice-Chancellor	\$ 218	\$ 79	\$ 18	\$ -	315
Provost and Vice-President Academic	\$ -	\$ 56	\$ -	\$ -	56

25. Budget figures

The University's 2023-24 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

26. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Governors of Mount Royal University on May 28, 2024.

27. Comparative Figures

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



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