




ST MARY'S
UNIVERSITY

ANNUAL REPORT TO
ALBERTA ADVANCED
EDUCATION
2016-2017





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1.0 Accountability Statement

The St. Mary's University's Annual Report for the year ended March 31st, 2017 was prepared under the Board's direction in accordance with ministerial guidelines. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Mr. Don Verdonck, P.Eng, ICD.D
Chair, Board of Governors
September 25, 2017

2.0 Management's Responsibility for Reporting

St. Mary's 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 approved by the Board of Governors and is prepared in accordance with ministerial guidelines.

Debra Osowy, Vice-President Business and Finance
September 25, 2017



3.0 Message from the President

St. Mary's University continues to be one of the fastest-growing universities in Alberta, increasing in student growth by almost 50% in the last five years alone. While small, St. Mary's provides important opportunities for access to post-secondary education for students, especially in the South East of Calgary. St. Mary's has distinguished itself with small class sizes, affordable tuition, and innovative programs that provide not only rigorous academic content, but also a wide range of programs that support non-traditional learners, particularly for First Nations and marginalized learners. This, together with our demonstrated focus on inclusivity and our championing of social justice issues, has made us a go-to destination for career-focused, socially-minded students.

The University's Strategic Directions commit us to:

- 1. Promote and support a student-centred learning experience**
- 2. Promote and support exceptional teaching and learning**
- 3. Establish long-term sustainability**
- 4. Establish and implement a comprehensive human resources plan focusing on the whole person: mind, body and spirit**
- 5. Implement the University expansion plan**
- 6. Preserve the integrity of the campus environment**

This Annual Report demonstrates how we have addressed these priorities, developing ambitious promotional campaigns to grow our already robust enrolment, not for the sake of growth but to ensure sustainability and to meet our commitment to access for Alberta students. We have implemented important supports for our students ensuring stronger conversion of applicants and a decrease in attrition. In part the latter has been met by increasing attention to mental health initiatives to support our stakeholders, and greater support through our learning centre to upgrade student study skills.

Equally important for St. Mary's is our commitment to Indigenous initiatives. We have converted our FNMI Liaison Officer's position into a fulltime Director of Indigenous Initiatives. We have partnered with Tsuut'ina to offer workshops for Educational Assistants, and to offer basketball clinics for Indigenous youth, only a few of the many initiatives we have developed as part of our 3-year-Aboriginal Strategic Plan.



We remain committed to improving transition pathways for high school students into university, aware that Alberta has the lowest follow-through in the country for post-secondary enrolments. In light of this, we have created high school equivalency courses recognized by all Campus Alberta universities; we have created a highly valued Academic Writing institute to help supplement student skills; and we have established a transitions committee that works directly with local high schools to enable student progress.

Needless to say, our core business is the delivery of world-class academic content in the Liberal Arts, Sciences and Education. The Annual Report demonstrates the strides we have made in building faculty research mentorships, research writing workshops, and review mechanisms to support faculty in the development of their research and teaching. We have begun a process to attract conferences to the university in order to champion a stronger research culture.

We have done significant work to improve the educational experience of our students on campus, but have also expanded our student opportunities for study abroad, experiential learning and work experience; as well as establishing connections with other stakeholders through our work supporting the training needs of the Calgary Catholic School District, for example, or partnering with Gonzaga University. We continue to experience difficulty with the TQS, however, since they automatically accredit courses offered by institutions affiliated with Universities Canada (Univ. Can) even though Univ. Can is not an accrediting agency. Since St. Mary's is not a member of this club, our courses are not automatically approved and credited to our education students, at times costing them significant pay deductions once they become teachers. This would be an area where Ministerial review might be particularly valued given that all of our courses are vetted by the CAQC and that St. Mary's is a full member of Campus Alberta.

Given our financial challenges, our Financial and Budget information makes clear both how frugal we are as an operation, and how well managed our affairs have needed to be. The budget details make clear, however, that Government support is needed to provide basic equity of funding, certainly until a proper funding review is finalized. At the very least, St. Mary's should receive identical funding with King's University in Edmonton, given that we are comparable in size.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gerry Turcotte".

Gerry Turcotte, PhD



4.0 Public Interest Disclosure (Whistleblower Protection) Act

Section 1 (k) of this Act states that a “public entity” means any agency, board, commission, Crown corporation or other entity designated as a public entity in the regulations.

As an Independent Academic Institution, St. Mary's does not fall under this definition.



5.0 Operational Overview

Our major challenge remains one of funding. Despite being the fastest-growing University in Alberta, we are also the lowest funded per FLE of all 26 post-secondary institutions in Alberta. This has a direct impact on our ability going forward to maintain tuition on par with the public universities. Our growth has also put pressure on our ability to accommodate our students since we receive no funding for capital projects. In the period covered by this report we used every space available on campus for teaching opportunities to ensure no student was turned away.

Given the significant funding disadvantage that St. Mary's faces relative to all the other institutions in Alberta (including universities that are smaller than us), we have developed initiatives to generate additional revenue that will allow us to support our students. We have frozen mandatory fees, kept our tuition in line with the University of Calgary (though our free parking greatly reduces the cost burden for students), and we have created new Continuing Education courses that, over time, will help bridge a small part of the funding shortfall. This new revenue stream, however, is limited by scale and will be some time in development.

The funding shortfall also impacts our ability to provide scholarships and bursaries for those in need, but we have maintained almost \$250,000 of grants available to one in six students. This has required significant work stewarding donors at what is a very difficult time in the economy. Another major impact of the lack of capital funding is our inability to expand our international offerings since we do not have a residence on campus. Our goal would be to meet this need in the near future, though this too will be contingent on funding.

We remain committed to developing a key research centre in our area of strength — social justice in particular — but again, given our underfunding we need to prioritize and streamline our undertakings. We have deferred this initiative until we can assess the Government's commitment to an equitable funding review.

In the end, St. Mary's University, Calgary, has proven to be a reliable, first rate University meeting the needs of students seeking a smaller university experience. We have done an incredible job catering to the booming population explosion in the South East of Calgary, a market that will only grow larger. We have made social justice, Indigenous reconciliation, and of course quality academic programming, the centerpiece of our model. In this, we feel we have championed the values and success of the Campus Alberta system.



6.0 Goals, Expected Outcomes and Performance Measures

Access and Quality

Table 1: 2016-2017 Student Enrolment (FLE)

	CIP enrolment projection 2016-17	Actual enrolment 2016-17
Total FLEs	650	659
International FLEs		18

Type	Description	Status	Progress Made in the Last 12 Months
Goal 1: To increase enrolment to 650 FLEs in 2016-2017 with growth to 700 FLEs in 2018-2019			
G1 -Priority Initiative 1	Launch a broad, multi-media marketing campaign in 2016-2017	See following chart:	

Multi-Media Marketing Campaigns: May 2016 - Present				
May 2016	June 2016	July 2016	August 2016	September 2016
<ul style="list-style-type: none"> ➤ Canadian School Counsellor ➤ Carillon ➤ Metro Learning Curve Educational Supplement ➤ Western Catholic Reporter 	<ul style="list-style-type: none"> ➤ Carillon ➤ Metro Learning Curve ➤ Western Catholic Reporter 	<ul style="list-style-type: none"> ➤ Metro Learning Curve 	<ul style="list-style-type: none"> ➤ Canadian School Counsellor ➤ Carillon ➤ Metro Continuing Education Supplement ➤ Metro Learning Curve 	<ul style="list-style-type: none"> ➤ Canadian School Counsellor ➤ Carillon ➤ Metro Learning Curve



October 2016	November 2016	December 2016		
<ul style="list-style-type: none"> ➤ Calgary Herald Road to Higher Learning Supplement ➤ Carillon ➤ Metro Learning Curve ➤ Kool 101.5 FM Campaign 	<ul style="list-style-type: none"> ➤ Canadian School Counsellor ➤ Carillon ➤ Metro Continuing Education ➤ Kool 101.5 FM Campaign ➤ Metro Learning Curve 	<ul style="list-style-type: none"> ➤ Canadian School Counsellor ➤ Carillon ➤ Kool 101.5 FM Campaign 		
January 2017	February 2017	March 2017	April 2017	May 2017
<ul style="list-style-type: none"> ➤ Calgary Herald – Board Announcement ➤ Carillon General ad ➤ Glacier High School Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Great News Community Newsletters Ad ➤ Metro Learning Curve / ad ➤ Metro Print – Board Announcement, MyCalgary Feature Ad ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media: Facebook/Instagram/ Twitter ➤ Kool 101.5 FM - Every second week running 28 :30 second ads ➤ Bridge Banner – Open House – Jan 28 – Feb 11 	<ul style="list-style-type: none"> ➤ Canadian School Counsellor – General ad ➤ Carillon ad ➤ Glacier High School Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Great News Community Newsletters ad ➤ Metro Learning Curve article / ad ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media: Facebook/Instagram/ Twitter ➤ Metro Digital Home Page Takeover – Darwin Day/Open House ➤ Kool 101.5 FM - Every second week running 28 :30 second ads 	<ul style="list-style-type: none"> ➤ Calgary Herald – Road to Higher Learning Supplement / ad ➤ Calgary Sun Educational Supplement / ad ➤ Carillon Ad ➤ Glacier High School Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Metro Continuing Education supplement ➤ Metro Learning Curve supplement ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media: Facebook/Instagram/ Twitter ➤ Kool 101.5 FM - Every second week running 28 :30 second ads 	<ul style="list-style-type: none"> ➤ Carillon Ad ➤ Kool 101.5 FM - Every second week running 28 :30 second ads ➤ Glacier High School Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Metro Learning Curve Supplement ➤ Cardel Rec Center Shawnessy – 15second video/loop on Main Entrance Monitor ➤ Leaders & Learners magazine – Educational Supplement ➤ Converge – Christian College Guide Educational Supplement ➤ Metro Digital Campaign - Running full advertising campaign including 	<ul style="list-style-type: none"> ➤ Avenue Magazine Educational Issue ad ➤ Carillon Ad ➤ Kool 101.5 FM - Every second week running 28 :30 second ads ➤ Glacier High School Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Metro Learning Curve Supplement ➤ Cardel Rec Center Shawnessy – 15second video/loop on Main Entrance Monitor ➤ Canadian School Counsellor ad ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media:



<ul style="list-style-type: none"> ➤ Business In Calgary Supplement 	<ul style="list-style-type: none"> ➤ Landmark Cinemas – 4 week run of 15second video ad ➤ Okotoks Western Wheel – Educational Insert Supplement ➤ YouThink Magazine – Educational Insert ad ➤ Great News Community Newsletter Ad 	<ul style="list-style-type: none"> ➤ Cardel Rec Center – 15second video/loop on Main Entrance Monitor ➤ Great News Community Newsletters Ad Shawnessy 	<p>retargeting, social media: Facebook/Instagram/Twitter</p> <ul style="list-style-type: none"> ➤ Great News Community Newsletters Ad 	<p>Facebook/Instagram/Twitter</p> <ul style="list-style-type: none"> ➤ Metro Digital Home Page Takeover – May Open House ➤ Pattison Outdoor - General Awareness Campaign – 75 Transit interiors and 4 LRT Platform Station Posters at Anderson, Fish Creek, Canyon Meadows and Shawnessey Stations ➤ Great News Community Newsletters Ad
June 2017	July 2017	August 2017	September 2017	
<ul style="list-style-type: none"> ➤ Avenue Magazine Educational Issue ad ➤ Carillon Ad ➤ Kool 101.5 FM - Every second week running 28 :30 second ads ➤ Glacier High school Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Metro Learning Curve Supplement ➤ Cardel Rec Center Shawnessy – 15second 	<ul style="list-style-type: none"> ➤ Calgary Herald – Stampede Breakfast Ad ➤ Great News Community Newsletters Ad ➤ Kool 101.5 FM - Every second week running 28 :30 second ads ➤ Kool 101.5 FM – Golf Tournament ad ➤ Glacier High school Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Metro Learning Curve Supplement 	<ul style="list-style-type: none"> ➤ Canadian School Counsellor Educational Supplement ➤ Great News Community Newsletters ad ➤ Metro Continuing Education Supplement ➤ Metro Learning Curve Educational Supplement / ad ➤ Metro Print – Golf Tournament Sponsor Thank You ad ➤ Metro Digital Home Page Takeover – Golf Tournament 	<ul style="list-style-type: none"> ➤ Carillon Ad ➤ Great News Community Newsletters Ad ➤ Metro Print – ½ Golf Sponsorship thank you ad ➤ Glacier High school Advertising Poster – 3 foot x 4 foot in 13 high schools ➤ Avenue Magazine – 1/3 page general ad ➤ Canadian School Counsellor Educational Supplement ➤ Metro Learning Curve Educational Supplement ➤ Pattison Outdoor C-Train/Bus Interior General Awareness Ad campaign 	



<p>video/loop on Main Entrance Monitor</p> <ul style="list-style-type: none"> ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media: Facebook/Instagram/Twitter ➤ Okotoks Western Wheel Educational Insert Supplement ➤ Cartvertising Campaign Launched – 250 shopping cart ads in Shawnessey Safeway ➤ Calgary Herald – Convocation Ad ➤ Calgary Herald – Honorary Fellows Ad ➤ Calgary Herald – Tipi/Indigenous Initiatives Ad ➤ Great News Community Newsletters Ad 	<ul style="list-style-type: none"> ➤ Cardel Rec Center Shawnessy – 15second video/loop on Main Entrance Monitor ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media: Facebook/Instagram/Twitter ➤ Cartvertising Campaign– 250 shopping cart ads in Shawnessey Safeway 	<ul style="list-style-type: none"> ➤ Metro Digital Campaign - Running full advertising campaign including retargeting, social media: Facebook/Instagram/Twitter ➤ Pattison Outdoor C-Train/Bus Interior General Awareness Ad campaign ➤ Kool 101.5 FM - Every second week running 28 :30 second ads ➤ Kool 101.5 FM – Golf Tournament ad ➤ YouThink Magazine Educational Supplement 	
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Type	Description	Status	Progress Made in the Last 12 Months
G1 -Priority Initiative 2	Develop graduate certificates with one program developed in 2016-2017		Developed a list of potential graduate certificates for further development in 2017-2018.



Type	Description	Status	Progress Made in the Last 12 Months
Goal 1 Expected Outcomes and Indicators	Increase in the number of applicants to St. Mary's University by 10%; and increase in conversion of applicants to registrants to 60% from 52%		The number of applications grew by 2% with a 5% improvement in the conversion of applicants to starts, resulting in overall FLE growth of 5%. The improvement in conversion of applicants is due in large part to the implementation of a new communications plan.
Goal 2: To increase First Nations, Métis and Inuit (FNMI) enrolment to 5% of student population by 2018-2019			
G2 -Priority Initiative 1	Build an Indigenous Centre as part of our campus expansion to provide dedicated space for teaching, ceremony, and community	Pre-Planning	This is still in a pre-planning phase. We need to work more with our Advancement team to build a case for support for this initiative. Beginning a conversation with the Indigenous Place-Making Council of Canada to explore collaborating on this project.
G2 -Priority Initiative 2	Work in partnership with Tsuut'ina and Siksika to offer workshops for Educational Assistants	In Progress	There is continued dialogue and planning with Tsuut'ina in particular and the Dean of Education has hired a curriculum specialist to build out the program.
G2 -Priority Initiative 3	Change the current FNMI Liaison contract position to a permanent position of Director of Indigenous Initiatives	Completed	Michelle Scott has been in the role of Director of Indigenous Initiatives since July 1, 2016.
G2 -Priority Initiative 4	Expand our Elders on Campus program from two to four Elders, including Elders from Tsuut'ina and Morley	In Progress	There have been conversations with an Elder from Tsuut'ina, Alex Crowchild, who has expressed interest in our Elders Program, as well as Alice Kaquitts from the Stoney Nakoda Nation. We will bring this to our Indigenous Advisory Council meeting in October 2017.



Type	Description	Status	Progress Made in the Last 12 Months
G2 -Priority Initiative 5	Engage Indigenous high school students by offering basketball clinics in community schools (two clinics in 2016-2017)	One clinic completed	One very successful basketball clinic was held at Tsuut'ina in the spring of 2016 with great engagement and eagerness to host more in the new school year.
Goal 2 Expected Outcomes and Indicators	Increase the number of Indigenous students attending St. Mary's University	Ongoing	For 2016-2017 we had a 10% increase in the number of self-identified Indigenous students.
Goal 3: To provide transitions, supports and pathways for high school students and under-represented learners into post-secondary education and to successful degree completion			
G3 -Priority Initiative 1	High school equivalency courses, English 030 and Math 030, will be offered in August 2016 and will be added to the ACAT high school admissions chart. The courses will be recognized by other Campus Alberta universities as equivalent to high school courses for admissions purposes	Completed	Both high school equivalency courses were successfully piloted in the summer of 2016. Both were added to the high school course equivalency chart of ACAC.
G3 -Priority Initiative 2	The Academic Writing Institute that was piloted in 2015-2016 will become part of our regular summer course offerings	Completed	The Academic Writing Institute was offered as part of our regular summer timetable.



Type	Description	Status	Progress Made in the Last 12 Months
G3 -Priority Initiative 3	The Transitions Committee will expand its membership to include additional student representatives from local high schools and St. Mary's University. The committee determines what services and supports will help facilitate successful student transition from high school to university and makes recommendations for implementation	Ongoing	We have added a new member (Counselling Coordinator from CCSD) to the committee.
G3 -Priority Initiative 4	Create a Virtual Learning Centre to provide on-line access to our Learning Centre resources by high school students. Of particular interest to high school counselors is student access to our Academic Success Series, which we will make available in 2016-2017	Ongoing	The basic structure and initial content of the website has been defined. As part of the academic readiness project pilot during the 2016-2017 academic year, we were invited by Calgary high school counselors to present the Academic Success Seminars and we delivered the seminars to 27 different groups of grades 10-12 students in 5 schools.
Goal 3 Expected Outcomes and Indicators	Lower attrition rates	Ongoing	During 2016-2017 we identified retention as a priority for Strategic Enrolment Management Council and completed a number of research initiatives and data analysis to help us identify retention issues. Developing a list of programs with the highest attrition and developing strategies to improve retention in these programs is a priority for 2017-2018.



Type	Description	Status	Progress Made in the Last 12 Months
Goal 4: To maintain affordable tuition rates and the financial sustainability of the institution			
G4 -Priority Initiative 1	Continue to promote affordability for students by freezing mandatory fees and Bachelor of Education tuition for 2016-2017 and by minimizing future tuition increases to the extent possible	Ongoing	St. Mary's University is committed to keeping our tuition in line with the tuition charged by public universities in the region. We also offer students free parking and our students participate in the U-Pass program which is a partnership with the City of Calgary that offers discounted transit access to post-secondary students. Tuition was frozen for Bachelor of Education and increased by 3% for all other degree programs.
G4 -Priority Initiative 2	Increase revenue-generating opportunities through Continuing Education offerings	Completed	Hired a Continuing Education Coordinator (part time). Offered a broad range of arts programming.
G4 -Priority Initiative 3	Develop an MOU with United Active Living, a seniors' care facility adjacent to St. Mary's University, to use their studio space for cost recovery and revenue-generating courses	Ongoing	MOU developed and signed. We used the UAL studio space to offer a CE course and used the studio for some Humanities 101 classes.
G4 -Priority Initiative 4	Continue to advocate for equitable funding to ensure tuition increases can be capped at CPI rates	Ongoing	Our goal is still to keep tuition rates comparable to public universities in Alberta, this despite being the lowest funded institution per FLE of all 26 publicly funded institutions.



Type	Description	Status	Progress Made in the Last 12 Months
Goal 4 Expected Outcomes and Indicators	Maintenance of affordable tuition fees; a part-time Continuing Education Coordinator will be hired in 2016-2017; a Strategic Plan for Continuing Education will be developed in 2016-2017; a suite of Continuing Education courses will be launched in 2017-2018; an MOU will be signed with United Active Living in 2016-2017; and, one course will be offered in collaboration with United Active Living using their studio space and gallery	Ongoing	<p>Hired Elizabeth Cressman on a part time basis as the Continuing Education Coordinator.</p> <p>Building on our partnership with the United Active Living Centre, two Continuing Education courses were offered in their Art Studio in 2017.</p> <p>Planning a suite of courses for the fall of 2017, with a range of 12 Continuing Education courses on offer.</p> <p>Some Advanced Level Sacred Arts courses will be offered, starting in late fall 2017 and early winter 2018.</p>
Goal 5: To continue to expand the pool of bursaries and scholarships available to support students			
G5 -Priority Initiative 1	Stewardship of existing donors to maintain their support	Ongoing	<ul style="list-style-type: none"> • Monthly News & Events email • Marian Update Mailings – May 2016, April 2017 • Report to Community – November 2016 • <i>Illuminate</i> Research Newsletter – Spring 2016, Fall 2016 and Spring 2017 • Invitations to St. Mary's events (President's Dinner, Awards Ceremony, Heritage Centre Opening) • Opportunity to meet award recipients at Awards Ceremony • Custom stewardship reports for donors awards • Donor stewardship meetings • Timely receipts and acknowledgement letters for gifts received



Type	Description	Status	Progress Made in the Last 12 Months
G5 -Priority Initiative 2	Identification and cultivation of new donors	Ongoing	<ul style="list-style-type: none"> Prospects cultivated by St. Mary's New participants (individuals and companies) at Golf Tournament and President's Dinner to be cultivated and stewarded going forward
Goal 5 Expected Outcomes and Indicators	Increase the value of scholarships and bursaries awarded to 7% of total tuition and student fees by 2018-2019	Ongoing	<ul style="list-style-type: none"> Fundraising for scholarships and bursaries at St. Mary's Golf Tournament and President's Dinner Cultivation of new and existing donors with a focus on creating new scholarships and bursaries Student awards highlighted in St. Mary's publications
Goal 6: To cultivate a dynamic academic environment that promotes rigorous intellectual inquiry through teaching, research, and scholarly activity			
G6 -Priority Initiative 1	Develop a Research Centre of Excellence in Social Innovation and Catholic Educational Leadership	Deferred	Plans for the Research Centre of Excellence have been deferred while we are consulting with internal and external stakeholders on the direction of the Research Centre. Planning will resume with the hiring of a new Dean of Education, expected for July 1, 2018, and when funds can be obtained to fund the Centre.
G6 -Priority Initiative 2	Create a new faculty mentorship program	In Progress	The Teaching and Learning Committee has been reviewing best practices for faculty mentoring. Consultation was undertaken by the Faculty Orientation Planning Committee to determine faculty needs for mentoring. This input will inform the development of a mentorship program over the next year.
G6 -Priority Initiative 3	Offer faculty workshops on grant and research proposal writing	Ongoing	Grant writing workshop was held with faculty in October 2016. Further workshops are planned for the upcoming year.



Type	Description	Status	Progress Made in the Last 12 Months
G6 -Priority Initiative 4	Create a review and feedback process to support development of major grant applications	Ongoing	<p>Faculty have formally received focused feedback to support the development of major grant applications through individual Annual Reviews with the Vice-President Academic & Dean.</p> <p>Faculty who intend to apply for major grants have been mentored by peers, the Director of Research, and the Vice-President Academic & Dean and successful grant applications have been circulated as models.</p> <p>Applications for Canada Summer Jobs Grants were vetted and prioritised by the Director of Research prior to submission.</p>
G6 -Priority Initiative 5	Host academic conferences at St. Mary's University	Completed	<p>The Rouge Forum: Teaching for Democracy and Justice in an Age of Inequality, an international conference, was held at St. Mary's University May 27-28, 2016. Canada's Poet Laureate, George Elliott Clarke, opened the conference with a public talk on marginalization, justice and anti-racism. Local, national and international panelists and speakers discussed issues of social justice through a critical lens and sought to create an environment that challenges the status quo and empowers individuals to address areas of concern.</p> <p>St. Mary's University is planning to host the annual meeting of the Pacific Northwest Region of the American Academy of Religion and Society of Biblical Literature between May 5-7, 2017.</p>



Type	Description	Status	Progress Made in the Last 12 Months
<p>Goal 6 Expected Outcomes and Indicators</p>	<p>Create a Centre of Excellence proposal and implementation timeline; secure funding for the Centre by 2018-2019; launch the Centre in 2019-2020; launch a Faculty mentorship program in May, 2017; offer two grant and research proposal writing workshops in each of 2016-2017 and 2017-2018; launch a grant review and feedback process in 2017-2018; and, host one academic conference in each of 2016-2017 and 2017-2018</p>	<p>Ongoing & Completed</p>	<p>Centre of Excellence proposal has been drafted with an open implementation timeline.</p> <p>Cases for support for donors are being explored by the Development department.</p> <p>One grant workshop was held in 2016-2017 and one is planned for 2017-2018.</p> <p>Feedback from faculty about grant review and support processes was undertaken and will inform the launch of a formal process in 2017-2018.</p> <p>One (1) academic conference was hosted in 2016-2017 and a second one is planned for 2017-2018.</p>
<p>Goal 7: To incorporate research into the student experience and create opportunities for student participation in faculty research projects</p>			
<p>G7 -Priority Initiative 1</p>	<p>Develop experiential learning framework, forms and processes</p>	<p>Completed</p>	<p>The framework of experiential learning has been established to include: Community Service Learning (CSL) courses, Travel Study courses, Study Abroad and Exchange Programs.</p> <p>Forms completed for CSL courses: CSL Proposal Packet, Basic Requirements for CSL, StMU-Community Partner Service Learning Placement Agreement, Site Visit Checklist, CSL Student Guidebook, CSL Agreement Form for students, CSL Information Sheet for Placement, CSL Timesheet, Waiver, CSL Mid-Term Questionnaire, CSL Evaluation for Student, Community Partner Evaluation of Student and Community Partner Evaluation for CSL at St. Mary's.</p>



Type	Description	Status	Progress Made in the Last 12 Months
			<p>Forms completed for Travel Study courses: Faculty Travel Study Proposal Packet, Travel Study Guidebook, Budget Templates, Information Sheets, Budget Contract, Conduct Liability and Responsibility, Health and Emergency Treatment Authorization Form, Travel Waiver and Student Evaluations.</p> <p>Forms and processes being established for Study Abroad and Exchange Programs.</p> <p>Risk and Safety Forms have been drafted and are awaiting approval.</p>
G7 -Priority Initiative 2	Develop a process for initiating and implementing travel study courses	Completed	A Faculty Travel Study Proposal Packet and Travel Study Guidebook have been completed. They include the process, explanations and timeline.
G7 -Priority Initiative 3	Evaluate the two community service learning (CSL) courses that were piloted in 2015-2016 and develop recommendations for future CSL implementation	Completed	A 2015-2016 Community Service Learning Review and Recommendations for future CSL is completed in both long form with appendices and an executive summary.
G7 -Priority Initiative 4	Increase research training opportunities for students	Completed	<p>BIOL 451 Biological Conservation: service learning practicums were incorporated into the course.</p> <p>HIST 395 Public History and Memory: student intern placements were completed at Military Museums and the Archives of the Roman Catholic Diocese of Calgary. This experience resulted in further employment offers for the students.</p>



Type	Description	Status	Progress Made in the Last 12 Months
			<p>Student research assistant was employed through Canada Summer Jobs Grant on “Ecology of an Evasive Weed: <i>Thesium Ramosum</i>,” June 20, 2016 - August 24, 2016.</p> <p>Student research assistants were employed through “Alberta Environment and Parks Innovation Fund”; as part of “Conservation K-9s to detect invasive plant <i>Thesium Arvense</i> in Fish Creek Provincial Park”, September 12, 2016 - March 31, 2017.</p> <p>A major grant from the Alberta Conservation Association for the White-Crowned Sparrow project was used to fund a student research assistant who helped gather DNA samples, plumage, and song data for over 100 birds in 13 field sites across Alberta.</p>



Type	Description	Status	Progress Made in the Last 12 Months
<p>Goal 7 Expected Outcomes and Indicators</p>	<p>Implement experiential learning framework, forms and process in 2017-2018 and provide training for faculty and staff; launch the process and timeline for initiating and implementing travel study courses in Fall, 2016; present findings from the two community service learning (CSL) courses piloted in 2015-2016 to faculty in Fall, 2016 and develop a framework for future CSL offerings; apply for four Canada Summer Jobs Grants for summer research assistants and at least one other funding opportunity to support student research; and, develop research credit framework for students participating in research</p>	<p>Ongoing</p>	<p>Forms and processes have been established for CSL, Travel Study and are in process for Study Abroad/Exchange and Risk and Safety. They will continue to be modified to meet current standards and reviewed for efficiency and effectiveness for faculty, staff and students.</p> <p>Both the travel study process, timelines and forms and findings for CSL courses piloted will be shared with faculty.</p> <p>The travel study course: <i>“RLGS 305/HIST 381: Rome and Christian Spirituality”</i> taught by Dr. Peter Baltutis will be trialing the Proposal Packet, forms and processes.</p> <p>Research credit framework is being explored by the Science and Psychology faculty for a feasible model for our University.</p>
<p>Goal 8: To ensure quality and relevance of existing programs, and to develop new degrees and certificates in response to student demand and societal needs</p>			
<p>G8 -Priority Initiative 1</p>	<p>Develop quality assurance policy and processes to guide program evaluation and renewal</p>	<p>Completed</p>	<p>Extensive consultation with CAQC and post-secondary partners informed the development and approval of a new Cyclical Program Review Policy and Cyclical Review Template to guide our quality assurance processes. CAQC has endorsed the new policy and template, which were used for the first time during the 2016-2017 Cyclical Review of the BEd After-Degree (Elementary) program.</p>



Type	Description	Status	Progress Made in the Last 12 Months
G8 -Priority Initiative 2	Develop a new BA with a Major in Social Justice and Catholic Studies (SJCS) for September 2017 implementation	In Progress	Part A of the CAQC submission has been completed. Part B is approaching completion with anticipated submission in fall 2017.
G8 -Priority Initiative 3	Develop a new BEd (Secondary) Education degree	Ongoing	During the year we consulted with internal and external stakeholders regarding the development of a new BEd (Secondary) Education degree. The Cyclical Program Review of the BEd (Elementary) and meetings with the Area Superintendents indicated a strong community desire for StMU to offer the BEd (Secondary). We have begun the degree planning and expect to have Parts A and B ready for submission in 2017-2018.
G8 -Priority Initiative 4	Revise the Graduate Certificate in Catholic Educational Leadership (GCCEL) in 2016-2017 in response to recommendations from Area Superintendents in the K-12 education districts	Ongoing	We held several consultation meetings with the Area Superintendents about the GCCEL. While there is support for the GCCEL, there is a variance across the districts regarding how many graduate courses are needed for administrators. We are now consulting with HR in the districts for clarity about how they will recognise the courses if TQS does not. We are engaged in ongoing talks with CAQC and TQS about TQS recognition of StMU courses, since TQS is disadvantaging St. Mary's Education graduates by using membership in Universities Canada as a credentialing body rather than recognising CAQC's credentialing of St. Mary's. These two pieces will inform the redevelopment of the certificate.
G8 -Priority Initiative 5	Create a transfer agreement with Gonzaga University so that courses in the GCCEL are accepted towards their MEd	Ongoing	Discussions with Gonzaga about partnership opportunities, including transferring GCCEL courses into the Gonzaga Med, are ongoing. They will not be able to be completed until the TQS piece is resolved.



Type	Description	Status	Progress Made in the Last 12 Months
G8 -Priority Initiative 6	Develop a graduate certificate in Creative Writing or Addictions and Mental Health	In Progress	<p>The Psychology area is working on a graduate certificate in wellness and expects the proposal to be ready in 2017.</p> <p>Creative writing options are being explored through several community partnerships.</p>
G8 -Priority Initiative 7	<p>If permitted to offer Ministry-approved undergraduate certificates, develop the following certificates:</p> <ul style="list-style-type: none"> • Human Resources Management • Environmental Sustainability • Social Responsibility and Innovation • Youth Ministry • Aging and Wellness 	Deferred	Deferred awaiting Ministry approval.
Goal 8 Expected Outcomes and Indicators	<p>Develop and formalize a Cyclical Program Review Policy and Processes; receive approval to offer the BA in SJCS degree; receive approval to offer the BEd (Secondary) degree; gather recommendations from Area Superintendents by fall 2016; submit revised GCCEL to Academic Council by winter 2017; signed MOU and transfer agreement with Gonzaga University by 2018; Graduate Certificate implemented by 2018; and, Undergraduate Certificates by 2018 if permitted by the Ministry</p>	Completed	<p>The Cyclical Program Review Policy was approved by Academic Council and ratified by the Board of Governors in May 2016 and sent to CAQC in June 2016.</p> <p>Other initiatives are ongoing.</p>



Research, Applied Research and Scholarly Activities

In keeping with the goals established in our Institutional Research Plan, St. Mary's University continues to maintaining a strong culture of academic inquiry and innovation by: 1) supporting the conduct of innovative research by its faculty, 2) celebrating the vital relationship between teaching and scholarship, 3) adhering to the highest ethical standards and upholding academic freedom, 4), facilitating collaborative and interdisciplinary research initiatives, and 5) serving the welfare of humanity.

The results of these efforts are evident in the significant increase in faculty scholarship and research support evident in the table below.

Grants	
Internal Grants	
St. Mary's Professional Development Grants	19 (\$32,596.00)
St. Mary's Research Grants	3 (\$7500.00)
St. Mary's Teaching Innovation Grant	1 (\$2500.00)
Total	23 (\$42,596.00)
External Grants	
Alberta Environment and Parks Innovation Fund	1 (\$24,631.00)
Canada Summer Jobs	1 (\$4595.00)
Calgary Board of Education	1 (\$1000.00)
MESC Education	1 (\$11,000.00)
Social Sciences and Humanities Research Council Insight Grant	1 (22,920.00)
Tsuut'ina Education	1 (\$4500.00)
Total	27 (\$68,646.00)
Scholarship	
Books authored, co-authored	1



Books edited or co-edited	3
Articles in peer reviewed journals/book chapters	27
Other Peer Reviewed Scholarly Activity	-
Non-peer Reviewed Scholarly Activity	15
Conference Presentations	43
Conference Attendance (In addition to conferences noted above)	6
Peer-Reviewed Publications by Student Authors	-
Peer-Reviewed Publications Submitted	21
Scholarly Service	50

Research Goal 1: To create an academic environment that supports and promotes research, as well as scholarly and creative activity.

1. Supporting the conduct of innovative research by its faculty

- In October 2016, Dr. Norman Knowles and Dr. Mary Ann McLean led a workshop on strategies for preparing SSHRC grant applications.
- To increase the visibility of research and scholarly activity within the St. Mary's community, its supporters, and the general community, St. Mary's began to publication of *Illuminate*, a biannual newsletter on teaching and research, in the spring of 2016.
- Awarded Dr. Corrine Syrnyk, Associate Professor, Psychology, the Dr. David Lawless Award for Scholarly Achievement.
- Awarded St. Mary's Research Grants to:
 - Dr. Michael Duggan, Professor, Religious Studies, "Second Temple Judaism," \$2500.00



- Dr. Jennifer Garrison, Associate Professor, English, “Confessing Masculinity: Gender, Penance, and Fraternity in Medieval English Literature,” \$2500.00
- Dr. Carolyn Salomons, Assistant Professor, History, “1492 Reconsidered: Religious and Social Change in Avila,” \$2500.00
- Awarded 19 Professional Development Grants worth \$32,596 to support faculty conference attendance, research trips, and acquisition of research resources.

2. Celebrating the vital relationship between teaching and research

- Teaching Innovation Grant awarded to Dr. Cory Wright-Maley, Associate Professor, Education, \$2500.00.
- To support the integration of research and education and enhance the research training of students:
 - Successfully submitted an application to Canada Summer Jobs to hire a student research assistant for the project, “Ecology of an Evasive Weed: *Thesium Ramosum*”, June 20, 2016-August 24, 2016.
 - Student research assistants employed through Alberta Environment and Parks Innovation Fund” as part of “Conservation K-9s to detect invasive plant *Thesium Arvense* in Fish Creek Provincial Park”, September 12, 2016-March 31, 2017.
 - Service learning practicums incorporated into BIOL 451 Biological Conservation.
 - HIST 395 Public History and Memory: Student intern placements at Military Museums and the Archives of the Roman Catholic Diocese of Calgary.
 - Each of the degree programs at St. Mary’s requires the completion of a major research paper or project under the supervision of a faculty advisor and the presentation of the findings at an end-of-year student conference.
 - Exemplary student papers are published annually in *The Attic*, a journal of student academic work that covers all disciplines.



- Several St. Mary's faculty and students participated in ImagiNation 150 on campus, a legacy project that brings young people together with Members of the Order of Canada into focus group discussions regarding their hopes and fears for the future of Canada with the intent to collect, analyze and present the results.

3. Adhering to the highest ethical standards and upholding academic freedom

- In 2016, Academic Council approved a new Research Ethics Policy that updated St. Mary's policies in keeping with the Tri-Council Ethical Conduct for Research Involving Humans.

4. Facilitating collaborative and interdisciplinary research initiatives

- In conjunction with the development of a four-year BA in Social Justice and Catholic Studies, a prospectus for the creation of a Centre of Excellence in Social Justice Research, Teaching, and Learning was completed in the spring of 2016.
- St. Mary's is preparing to host the annual meetings of the Pacific Northwest Region of the American Academy of Religion and the Society of Biblical Literature in the spring of 2017. This conference will bring together scholars in Biblical Studies, Theology, Religious Studies, Cultural Studies and History to St. Mary's from across the Pacific North West and provide an opportunity for our faculty to present their research and network with scholars in their fields.
- During his sabbatical, Dr. Michael Duggan was the Margaret Beaufort Visiting Scholar at St. John's College, Cambridge.

5. Serving the welfare of humanity

- To promote the exploration and dissemination of knowledge for the benefit of society, the *Inspiring Conversations* series continues to create a link between the University and the wider community by offering a free public forum to guests of outstanding intellectual and ethical vigour to address topics of broad community interest.
 - Dr. Corey Wright-Maley and Dr. Trent Davis, St. Mary's University, "Teaching for Democracy in an Age of Economic Disparity", October 6, 2016.



- Calligraphers and cantors from the Jewish, Muslim and Christian traditions exploring the intersections of the sacred with chant, illumination, manuscript, and the divine: “Encountering God and Each Other in Sacred Texts”, November 17, 2016.
- Dr. Wilton Littlechild, Truth and Reconciliation Commission of Canada, “Lifting Each Other Up: Education and Reconciliation”, January 23, 2017.
- Dr. Scott Lovell, St. Mary's University, “Bird Speciation in Alberta,” and Brian Keating, “Islands in Time”, Darwin Day, Calgary Zoo, February 12, 2017.
- Hannah Cree, ATB Financial, “Exploring Social Entrepreneurship”, Global Business Centre, February 28, 2017.
- Dr. Jennifer Garrison, St. Mary's University, Book Launch, “*Challenging Communion: The Eucharist in Middle English Literature*”, March 22, 2017.
- World Premiere of Eugene Stickland's play *First and Last*, commissioned by St. Mary's University, March 30-April 1, 2017.
- Performance of *Quotidian Creations*, student-written and acted vignettes March 30-April 1, 2017.
- Updated the St. Mary's speaker's bureau and media contact list.

7.0 Financial and Budget Information

The focus for the 2016-2017 fiscal year was financial responsibility and long-term sustainability. Over the course of the 2015 calendar year, it became clear that the local economy was facing many challenges as a result of the continuing decline in oil prices and equity markets. As an institution that has relied on private donations and equity gains to fund a portion of operating expenses, this posed a financial risk, at a time when academic programs were thriving and enrolment continued to grow.

To address this risk, the 2016-2017 operating and capital budgets were based on conservative projections for enrolment, donations and investment income. The approval of a 2% increase to government grants was very positive, providing a source of secure increased



funding. Having said that, St. Mary's has grown by an extraordinary 50% in enrolment in the past five years alone, without the benefit of grant increases to fully recognize that growth. As a result, there was considerable pressure on revenue streams at a time of enrolment growth. To achieve a balanced budget, the 2016-2017 budget invoked several measures to reduce costs including a salary freeze, deferral of faculty sabbaticals, cuts to professional development funding for administrative staff, and cuts across a wide variety of non-compensation budgets including advertising, security and travel. We remain grateful to members of the faculty and staff for their support in light of these measures.

For the fiscal year ended March 31, 2017, St. Mary's adopted a change in reporting format for the Statement of Operations to better portray the operating position of the University. In prior years, capital gains and non-cash gains or losses in the fair value of investments had been reported as part of core operating revenues. In fact, St. Mary's does budget for revenue from these sources as they do not represent a source of cash with which to fund university operations. In addition, the extreme volatility in equity markets in recent years has resulted in significant swings throughout the year, both positive and negative. To better reflect results from core university operations, the Statement of Operations was changed to report capital gains and fair market adjustments of investments as 'Other Items' thus allowing St. Mary's to report a surplus or shortfall from core operations as well as an overall excess of revenue or expense including other items. For the 2016-2017 fiscal year, there was a surplus from core operations of \$395,084 before other items. Other items include capital gains and fair market adjustments of \$708,128, as well as the impact of a change in accounting estimate for the asset restoration provision of \$72,175, resulting in a total excess of revenue over expense of \$1,175,387 for the year ended March 31, 2017.

Statement of Operations

Total operating revenues were \$12,272,978 in the 2016-2017 fiscal year, excluding capital gains and non-cash increases in the market value of adjustments. This was a slight increase over the approved budget. With the steady and sustained increases in student enrolment over the past five years, there has been a marked shift in which tuition revenues now far-surpassed government grants, thus passing on a greater share of costs to students. Looking back to the 2011-2012 fiscal year, revenue from government grants was approximately equal to the tuition and fee revenue paid by students. Over the past six years, revenue from tuition has grown to be a full 150% of total grant revenue as students fund a much higher proportion of their education. We are optimistic that the funding model review currently underway will consider the needs of growing institutions and reflect sustained enrolment changes in the new model.



St. Mary's adopted a new format for the Statement of Operations to better reflect University operating revenues. For 2016-2017 and future fiscal years, capital gains and fair value adjustments in the investment portfolio will be reported in a separate section.

For the 2016-2017 fiscal year, St. Mary's reported an Excess of Revenue over Expenses Before Other Items of \$395,084. With capital gains and fair value adjustments in University investment holdings, the Excess of Revenue Over Expense was \$1,175,387.

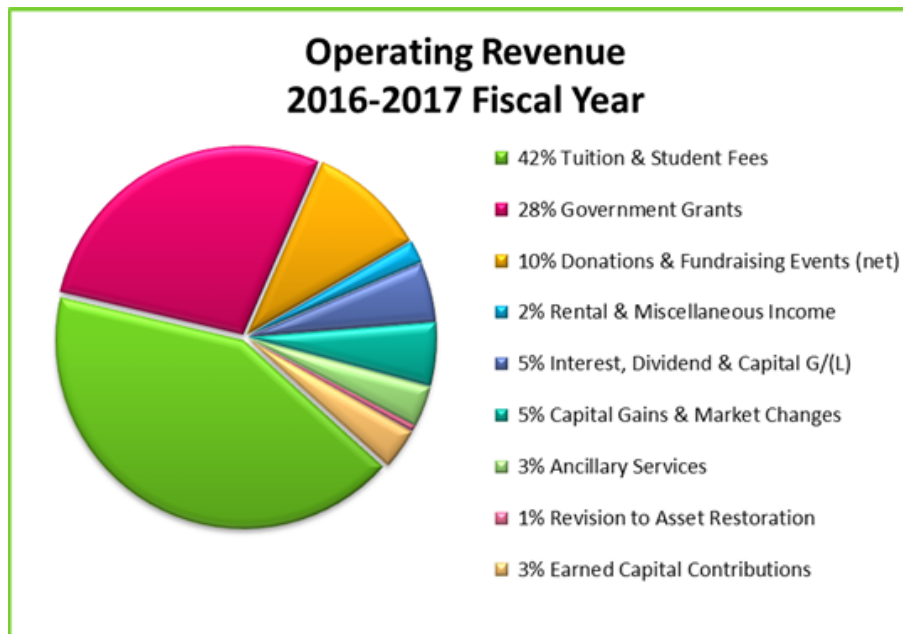
Highlights of the 2016-2017 fiscal year are provided in the following commentary.

Revenues

Tuition revenue grew to \$5,479,724, representing 44.6% of total revenues. With enrolment growth of 6.0% in credit programs, revenue from tuition and fees exceeded the approved budget by 5.52% (an increase of 7.1% over the prior year). St. Mary's has a long-standing commitment to competitive tuition fees for undergraduate arts and sciences baccalaureate programs. The premium tuition rate for the two-year Bachelor of Education program reflects the niche nature of this baccalaureate program.

Government grant revenue of \$3,644,932 met grant expectations, surpassing the budget by 1.4%. The increase over budget was related to implementation of the Indigenous Career grants. In addition to base allocations, grants included \$493,000 in Targeted Enrolment Expansion Funding (approved in 2014) and grants to support students with disabilities of \$10,624. Unlike public institutions, St. Mary's received no grants to support a tuition freeze.

Revenues from operating donations and fundraising events fell short of budget targets by \$278,279 or 17.4%, a decline of 12.7% from the prior year. While donors remained committed to St. Mary's in spite of the depressed local economy, many chose to defer donations or restrict contributions for scholarships or capital projects. While unrestricted donations did not achieve budget projections,





the full funding of the new \$3 million Heritage Centre through private contributions was a remarkable achievement that speaks to the support for St. Mary's, our programs and our students.

Total investment income from interest, dividends and endowment grants was \$666,944, falling short of budget by 2.6%. While yields from interest and dividends remained steady, there was considerable volatility in the market value of investments during the fiscal year. Although changes in the market value of investments must be reported under generally accepted accounting principles, they do not represent a cash inflow or outflow to the University. While stock market had partially recovered by March 31, 2017 resulting in more positive results than anticipated, the volatility throughout the year underscores the inherent risk of reliance on market gains to fund current year operating needs. To better reflect revenue cashflows, St. Mary's adopted a change in reporting format to the Statement of Operations in which Capital gains or losses and fair value adjustments on investments are reported as a separate line item following the 'Excess of Revenue over Expenses Before Other Items'. By reporting the changes in market value in a separate section, the financial statements better reflect the cash revenues available to fund University operating costs. St. Mary's adopted a new Investment Policy during the year with the goal of preserving capital and providing a consistent and secure income flow from dividends, interest and distributions, to fund operations.

Revenue from ancillary services and miscellaneous sources exceeded budget by \$27,165 or 4.1% due to revenue growth in facility rentals, external exam proctoring and research grants. Revenues from bookstore sales fell short of budget by 2.1% as students choose less costly options such as electronic and used materials. While rental revenues have been an increasing source of revenue to supplement income, the ongoing growth in student enrolment has limited the space available for external rentals.

Earned capital contributions rose to \$666,944, meeting budget expectations (an increase of 16.1% over the prior year). The increase over the 2015-2016 fiscal year represents the impact of private donations invested to fund the new Heritage Centre.

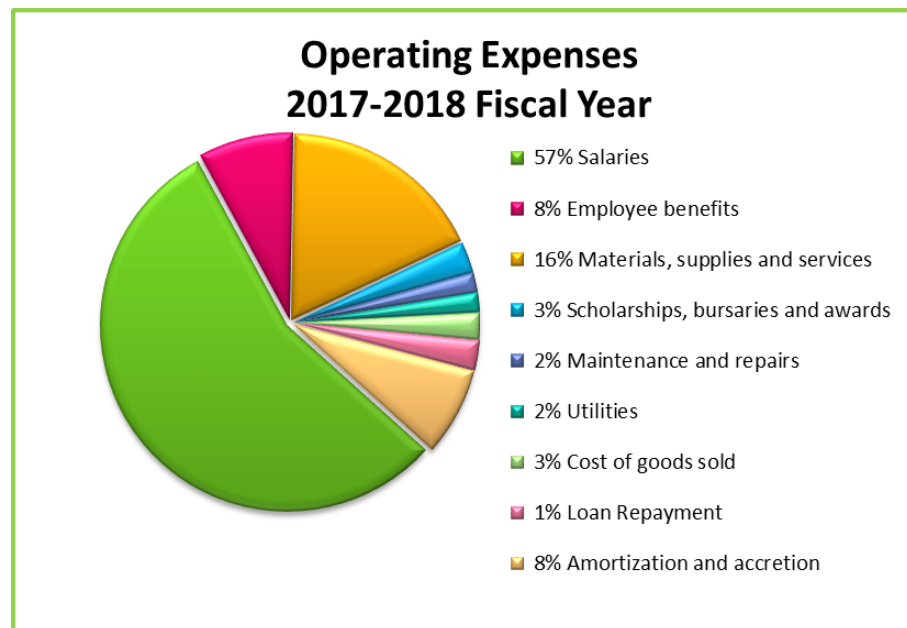
Expenses

Total expenses for the 2016-2017 fiscal year were \$11,877,894, resulting in savings of 2.4% from the approved budget.



Salaries and benefits represents the major annual expense at 65.2% of the operating budget. In response to revenue challenges for the 2016-2017, St. Mary's implemented a salary freeze in which cost of living and step increases were not awarded on July 1, 2016 as had been the traditional schedule. These measures were invoked as a means of ensuring fiscal sustainability by which revenue from tuition, grants, and ancillary income would be sufficient to fund core University operating expenses. Under these measures, each member of the faculty and staff was asked to share in the cuts and we are grateful to them for their support in the face of significant sacrifice.

During the year, St. Mary's recorded **salaries expense** of \$4,670,670, representing a savings of \$100,098 or 1.46% from the approved budget due to several unanticipated medical leaves. Similarly, **employee benefits expense** of \$988,380 represented a savings of 3.4% from budget. Unique among the independent academic institution sector, St. Mary's maintains a commitment to market compensation to attract and retain the highest quality of faculty and staff. There were no changes to the employee benefit plan during the year.



The annual expense for **materials, supplies and services** was \$1,913,599, a savings of \$43,126 or 2.2% from budget (a decrease of \$52,160 from the prior year). The 2016-2017 fiscal year budget provisions for advertising, travel, and other discretionary items were cut or held as a temporary savings measure. In addition, all professional development for administrative staff was cut to zero for the 2016-2017 fiscal year. While these initiatives resulted in savings for the 2016-2017, they represent essential components of the University budget and were restored in the 2017-2018 fiscal year.

Scholarships, bursaries and awards rose to \$357,171, an increase of \$323,455 or 10.4%, due to new awards including the Indigenous Career Awards funded by the Government of Alberta. The President's Circle Entrance Awards rose by 45.7% over the prior year, providing an important source of academic support for students. St. Mary's is committed to expanding the array of scholarships,



bursaries and awards to support students in their post-secondary studies. In terms of funding, over 41% of scholarships, bursaries and awards are funded through donor-funded endowments, providing a perpetual source of support for students.

The annual ***maintenance and repairs*** expense exceeded budget by \$20,120 while ***utilities*** costs recorded savings of \$10,464. With the positive increases in enrolment, facility maintenance is a key priority in ensuring productive and pleasant learning environments for students. Several of the campus facilities are Provincially-designated Historic Resources, requiring that we work closely with Alberta Heritage Management to protect and maintain the historic fabric of these unique buildings. St. Mary's has taken steps to reduce its exposure to volatility in utility costs through participation in fixed rate contracts through a consortium of independent schools.

In December 2014, St. Mary's secured a 20-year loan from the City of Calgary to fully satisfy development levies on the Bannister Road site. The annual budget for ***loan repayment*** of \$336,000 in the Comprehensive Institutional Plan represents the cash outlay for both interest and principal repayment. However, the audited financial statements report only the interest expense of \$146,948 due to a year end audit adjustment to reclassify the principal portion of payments to reduce the balance of long-term debt.

The ***cost of goods sold*** in the bookstore of \$321,340 exceeded the approved budget by 7.4% due to cost increases for textbooks, particularly those sourced internationally. With the rising cost of education and the onset of electronic resources, the St. Mary's Bookstore has put a greater emphasis on campus merchandise to complement instructional materials and promote the University.

The annual ***amortization expense*** of \$954,101 met budget targets and reflects investments in the new Heritage Centre and annual accretion expense of \$4,299 related to the amortization of future remediation costs of asbestos removal. For the 2016-2017 fiscal year, there was a change in accounting estimate related to Site Restoration liability for asbestos removal. Upon review, the University has no legal obligation to remove the remaining asbestos provided it is contained and does not pose a health risk. Going forward, there will no longer be an annual accretion provision included in amortization expense.

Statement of Financial Position

St. Mary's maintained a strong financial position, ending the year with total assets of \$48.3 million, an increase of almost \$2 million. This growth was driven by:

- construction of the new Heritage Centre, funded entirely by private donations;



- growth in the market value of investments including growth in the St. Mary's Endowment to \$11.3 million, an increase of more than \$1 million over the prior year.

Total liabilities fell slightly as deferred contributions on hand as of March 31, 2016 were reclassified to Deferred Capital Contributions, having been invested to fund the new Heritage Centre.

The growth in Net Assets was driven primarily by the current year excess of revenue over expenses and strong investment income in the Endowment Fund.

8.0 Internationalization

In the past year, we have continued to focus on building relationships with new international partners, strengthening the current partnerships and developing the infrastructure at St. Mary's University to support international projects.

In addition to the existing agreements with the Ukrainian Catholic University (UCU) in Lviv, Ukraine and Katholische Universität Eichstätt-Ingolstadt in Germany (KUEI) for student and faculty exchanges and collaborative research, we developed an MOU with Taiwan for student and faculty exchanges. Two students from UCU attended courses for one semester at StMU and we are working on the arrangements for the first KUEI student to come on exchange to St. Mary's for fall 2017. We are also finalising arrangements for two of our Education students to travel to the Ukraine for specialized international practicum at an ESL Summer Camp for Ukrainian University students and four Education students to travel to Taiwan for specialized international practicum at a junior high school. Other prospective partnerships are under discussion.

The Experiential Learning Coordinator coordinated and provided support to the Biology instructor for the international field study component of *Tropical Biology* that occurred in Belize in February 2017. The course was an outstanding success as the students reported the experiential study of over 60 species of flora and fauna significantly deepened their understanding of tropical ecology in the reef, river, and rainforest. The Coordinator will continue to take an important role in facilitating international student exchanges and travel study courses.

Timetabling of faculty teaching assignments will be tailored to accommodate travel study courses. Faculty have been supported in international knowledge dissemination through Professional Development Grants that allow them to travel to international conferences, share their findings with colleagues, and develop international collaborations.



Web-based and print communications and marketing materials are being developed to promote St. Mary's International initiatives and to support the current and prospective partnerships.

9.0 Information Technology

St. Mary's University is in the process of completing several major upgrades to Information Technology (IT) resources on campus. The IT staff complement is now three full-time positions to support all University IT and audio-visual resources. Though the team is small, they support a very robust array of resources to support educational programs and research as well as administrative requirements. In order to manage a large infrastructure and user base St. Mary's IT has streamlined internal IT processes and used automation where possible. This includes automated operating system installation, patch management, and user creation directly linked to the student registry system.

Security Incident

St. Mary's suffered a ransomware attack in August 2016 in which a user's records on the St. Mary's network were accessed and encrypted by a hostile external party. Fortunately, due to the availability of a well-functioning back-up system, St. Mary's was able to avoid the loss of data or the need to pay ransom. However, this incident identified the need for formal reporting protocols and the opportunity to enhance IT security to further protect the St. Mary's network from future breaches and incidents. A new policy and procedure has been developed to guide the response and reporting protocols for responding to IT Security Incidents at St. Mary's. The procedure includes a post-response review to recommend further security measures and mechanisms to enhance protection of St. Mary's systems, data, and networks.

IT Committee

The University's IT Committee was re-established in Fall 2016 with representation from across Campus departments. The IT Committee facilitates discussion on IT resources and directs IT strategy for the benefit of students, faculty and staff. The IT Committee will act as champions for IT systems on campus and discuss IT policy and security. With support from the IT Committee, an official service window was established to facilitate the scheduling of regular system upgrades and patch installations.



Educational Resources

With support from the Access to the Future grants, St. Mary's implemented new audio-visual resources across campus including new classroom technology (projectors, computers, document cameras). This followed the investment in Google Chromebooks and additional Smartboards in the 2015-2016 fiscal year to enhance instructional resources for students and faculty. The Bachelor of Education Program includes a focus on technology in the classroom and has been highly successful as our BEd graduates take these valuable skills to their future classrooms and students.

St. Mary's University is part of the Southern Alberta Integrated Library (SAIL) consortium providing students with access to online library resources from the St. Mary's University library and also the University of Calgary, Ambrose University and Bow Valley College collections. This partnership has been an important means of providing students, faculty and staff with the resources needed to support their learning, scholarship and research.

The faculty at St. Mary's continue to expand their use of Moodle to facilitate the sharing of educational materials and online discussion with students. To enhance wi-fi access for students, staff and faculty, St. Mary's University implemented a new wireless system last year which has been very beneficial to the University community in improving internet and system access from mobile devices.

Administrative Systems

The Power Campus student registry system provides students with access to online registration, transcripts, and financial records enabling them to submit or change registrations, make payments and monitor grades from their home computer or mobile device. We continue to expand our use of the Power Campus system to accommodate extra-curricular transcripts and new non-credit programming.

On the finance side, the new PowerPlan budget system was implemented to streamline and automate budget entry and variance reporting. As a result of internal process review, data import and export processes were implemented to enable electronic entry of financial data between internal systems, eliminating duplicate entry and saving valuable time and campus resources. Initiatives are also underway to implement electronic storage of key documents with a focus on data security.

Institutional Dashboard

The University Institutional Dashboard has become a key resource for the entire University providing metrics and indicators in a variety of areas including admissions, retention, demographics, academic indicators, financial ratios, facilities utilization and research



outcomes. Over the 2016-2017 fiscal year, the Strategic Enrolment Management Committee worked closely with the IT Department to develop and further refine metrics and measures related to student retention, program costing, non-credit programs, scholarship selection and overall student enrolment trends.

IT Infrastructure and Security

In the 2016-2017, a new Barracuda backup system and appliance were implemented to further secure and protect IT data and resources. During the year, we have allocated funding to further expand network storage to meet demand from the growing number of faculty, students and staff. At the same time, we are reviewing IT security measures and improving security wherever possible to further protect the University from possible data breaches including mandatory Virtual Private Networks for remote access, strict controls over administrative rights, two factor authentications for select users and enhanced automated monitoring systems to identify irregular activity. We continue to review systems, share strategies with other post-secondary institutions, and look for opportunities to enhance network security, data security, integrity and redundancy. We look forward to leverage opportunities from the partnerships and collaborations such as the ShareIT program recently discussed with AAHEIT.

10.0 Capital Plan

St. Mary's has seen extraordinary enrolment growth of 50% in the past five years alone. The increasing number of students choosing St. Mary's for post-secondary studies has put pressure on facilities for classrooms, offices, student study and recreation space. Thus far, we have been able to accommodate growth through strategic timetabling, the new Heritage Centre and the expansion of spring and summer course offerings.

The Site Planning process, completed in 2015-2016, identified the need for a new Classroom Building, new gymnasium and a student residence to accommodate growth and expansion for the next ten years. We are currently exploring funding opportunities for these important projects. In the short term, several projects were completed to accommodate the immediate increase in student enrolment as plans are made for the major campus expansion. As an Independent Academic Institution, St. Mary's is not eligible for Provincial capital grants and must raise all capital investments through private contributions.

Heritage Centre

The highlight of the 2016-2017 was the opening of the ***Heritage Centre*** in September 2016. This new facility provides over 450 sq. m. of new space for teaching, performances and gatherings. Located adjacent to the historic water tower, the Heritage Centre provides classroom, study, café and bookstore space in the Le Fort Centre. The new facility is equipped with retractable seating and has the



flexibility to be an intimate learning environment or expand to host groups of up to 1250 attendees. The main space is equipped with a full audio-visual system and an LED theatre lighting system to support drama and choir performances. The new space is ideal for Indigenous gatherings and celebrations as mechanical systems were designed to accommodate smudging ceremonies.

With the new Heritage Centre, the 'Heritage Row' area has become the heart of the campus providing students with a bright and comfortable setting in which to collaborate, study, enjoy the café and purchase books and St. Mary's merchandise. The space includes a bright atrium area along the north side with spectacular views of Fish Creek Provincial Park. From the moment it was completed, students have flocked to it. The new Heritage Centre officially opened in November 2016, as St. Mary's celebrated its 30th Anniversary.

Other Capital Investments in Facilities and Equipment

- An external security camera system was installed to enable St. Mary's to better protect students and facilities on campus. The security cameras are an effective means of prevention on campus and provide archival evidence in the event of incidents.
- A new LED lighting system was installed in McGivney Hall to better support public events including the Inspiring Conversations lecture series, Continuing Education courses, and student lectures and events. The lighting enhancements were funded through the Access to the Future grants.
- Several technology and server upgrades were implemented including a new backup appliance, new wi-fi system, and upgraded servers.
- New photocopiers were installed across campus to modernize equipment and enhance convenience for faculty and staff.
- With support from a private donor, St. Mary's commissioned an official ceremonial mace to be used for formal events including convocation.

Looking Ahead

In 2017, work commenced on two additional Heritage Row projects. First, plans were approved for the ***restoration of the historic Glassblower's space*** to accommodate relocation of the Campus Bookstore. Working in partnership with Alberta Heritage Management, the bookstore moved to the historic Glassblower's space in September 2017 and the former bookstore space was renovated to expand



the cafeteria to better accommodate students, staff and faculty. Architectural work was completed in the 2016-2017 in anticipation of construction over the summer of 2017. These new projects are funded by private contributions.

In September 2016, St. Mary's received approval for \$807,501 in Federal Strategic Investment Fund (SIF) infrastructure projects. The planning, tendering, contracting, and procurement processes for these projects was completed in the 2016-2017. Construction commenced in May 2017.

Federal SIF funding of \$395,525 was approved for the following projects:

- **Library Infrastructure Renewal** – Renovations to the St. Basil's Hall Library to install movable stacks for the library collection, construction of a new Reading Room for special collections, renovations to streamline the staff work area, addition of self-checkout facilities, and installation of new carpet and furnishings. With meticulous planning and scheduling, work was completed over the summer term to minimize inconvenience and disruption. Facilities were made available for a temporary library and computer lab to support spring term course offerings. The newly renovated Library opened in August 2017 to rave reviews. Students and staff appreciate the open concept, modern furnishings and the movable stacks that provide convenient access to the collection.
- **Science Infrastructure Renewal**
 - Foundation repairs were completed to waterproof the Biology Lab in the Administration Building and install new windows. Three years ago, the Biology Lab had a complete renovation to expand space for the Bachelor of Science Major in Biological Sciences. Space was doubled to add new wet-lab facilities, space for resources (including the herbarium), and new office space for lab instructor. The main Biology Lab was re-fitted with new cabinets, flooring, and IT systems. The SIF project in 2017 completed that project with flood-proofing to prevent contamination of the lab space, mitigate growth of mold, and enable St. Mary's to attain Level 2 Containment certification for the lab.
 - A new heating, ventilation and air-conditioning (HVAC) system was installed in the Classroom Building to provide proper support for the Chemistry Lab and classrooms. The new system was installed in summer 2017 along with new flooring and windows for the Chemistry Lab.

In addition, St. Mary's received grant support from the Canada 150 Infrastructure Fund to support a new **Air-Conditioning System for the Fitness Hall**. This will provide a safer and more comfortable workout environment for students, staff, faculty and the wider community. Once again, the planning, tendering and procurement processes were completed in the 2016-2017 fiscal year with installation of new equipment, ducts and infrastructure between May 2017 and August 2017.



Financial Statements

For the years ended March 31, 2017 and March 31, 2016

Independent Auditors' Report

To the Board of Governors of St. Mary's University:

We have audited the accompanying financial statements of St. Mary's University, which comprise the statements of financial position as at March 31, 2017 and 2016 and the statements of operations, changes in net assets and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. Mary's University as at March 31, 2017 and 2016, and results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Statements of Financial Position

For the years ended March 31, 2017 and March 31, 2016

	As at March 31, 2017	As at March 31, 2016
ASSETS		
Current assets		
Cash and equivalents	\$ 1,135,373	\$ 592,132
Accounts receivable	89,154	33,281
Prepaid Expenses	220,050	191,015
Inventory	111,522	92,063
Short-term investments - Note 4	1,219,932	4,117,617
	2,776,031	5,026,108
Investments - Note 4	20,021,124	17,788,780
Property, plant and equipment - Note 5	25,518,838	23,510,636
	\$ 48,315,993	\$ 46,325,524
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 368,510	\$ 353,249
Accrued vacation pay	181,810	203,338
Deferred revenue	780,124	671,574
Current portion of long term loan - Note 6	192,372	186,807
Current portion of future retirement obligations - Note 8	-	8,801
Deferred contributions - Note 9	719,835	2,928,527
	2,242,651	4,352,296
Long term loan - Note 6	4,303,336	4,495,708
Asset restoration obligations - Note 7	-	187,649
Future retirement obligations - Note 8	469,908	388,870
Deferred contributions - Note 9	407,884	380,030
Deferred capital contributions - Note 10	6,597,647	4,406,617
	14,021,426	14,211,170
NET ASSETS		
Unrestricted	8,685,247	7,359,325
Invested in capital assets	14,270,968	14,421,503
Restricted for endowment purposes - Note 11	11,338,352	10,333,526
	34,294,567	32,114,354
	\$ 48,315,993	\$ 46,325,524

Approved by the Board of Governors:


 Chair, Board of Governors


 President



Statements of Operations and Change in Unrestricted Net Assets

For the years ended March 31, 2017 and March 31, 2016

	2017	2016
REVENUE		
Tuition fees	\$ 5,479,724	\$ 5,115,231
Provincial government grants	3,644,932	3,554,691
Donations and fundraising events	1,321,721	1,513,840
Ancillary services and miscellaneous revenue	704,165	681,165
Interest and investment income - Note 4	666,944	573,996
Amortization of deferred capital contributions - Note 10	455,492	313,810
	<u>12,272,978</u>	<u>11,752,733</u>
OPERATING EXPENSES		
Salaries	6,764,629	6,567,084
Employee benefits	988,380	979,302
Materials, supplies and services	1,913,599	1,965,759
Scholarships, bursaries and awards	357,171	262,541
Maintenance and repairs	229,670	249,111
Utilities	202,056	191,312
Interest on long term debt	146,948	150,213
Cost of goods sold	321,340	314,351
Amortization and accretion	954,101	807,532
	<u>11,877,894</u>	<u>11,487,205</u>
EXCESS OF REVENUE OVER EXPENSE BEFORE OTHER ITEMS	395,084	265,528
Revision to asset restoration obligation - Note 2	72,175	-
Capital gains (losses) and fair value adjustment - Note 4	708,128	(428,787)
	<u>1,175,387</u>	<u>(163,259)</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSE	1,175,387	(163,259)
Investment in capital assets	(348,074)	(541,048)
Net amortization of capital assets	498,609	493,722
	<u>1,325,922</u>	<u>(210,585)</u>
CHANGE IN UNRESTRICTED NET ASSETS FOR THE YEAR	1,325,922	(210,585)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	7,359,325	7,569,910
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 8,685,247	\$ 7,359,325



Statements of Changes in Net Assets
For the years ended March 31, 2017 and March 31, 2016

	2017			2016	
	Unrestricted	Invested in Capital Assets	Endowment Fund	Total	Total
NET ASSETS, BEGINNING OF YEAR	\$ 7,359,325	\$ 14,421,503	\$ 10,333,526	\$ 32,114,354	\$ 32,289,502
Excess (shortfall) of revenue over operating expense	1,673,996	(498,609)	-	1,175,387	(163,259)
Transfer from deferred contributions - Note 9	-	-	20,214	20,214	-
Endowment investment income - Note 11	-	-	1,308,907	1,308,907	(4,887)
Endowment grants to operations - Note 11	-	-	(374,721)	(374,721)	(260,613)
Endowment contributions - Note 11	-	-	50,426	50,426	253,611
Investment in capital assets	(348,074)	348,074	-	-	-
NET ASSETS, END OF YEAR	\$ 8,685,247	\$ 14,270,968	\$ 11,338,352	\$ 34,294,567	\$ 32,114,354



Statements of Cash Flows

For the years ended March 31, 2017 and March 31, 2016

	2017	2016
Operating Activities		
Excess (shortfall) of revenue over operating expense	\$ 1,175,387	\$ (163,259)
Add (deduct) non-cash items:		
Amortization and accretion	954,101	807,532
Amortization of deferred capital contributions	(455,492)	(313,810)
(Gain) loss on investments	(82,596)	123,489
Unrealized (gain) loss on investments	(625,532)	305,298
Deferred contributions recognized in donation revenue	(204,394)	(214,535)
Future retirement obligation	81,038	49,856
Revision to asset restoration obligation	(72,175)	
Net change in non-cash working capital ²	25,070	60,669
	795,407	655,240
Financing activities		
Endowment contributions	50,426	253,611
Deferred contributions and grants received	341,684	218,408
Capital contributions	307,883	2,213,907
Repayment of long term debt	(186,807)	(181,404)
	513,186	2,504,522
Investing activities		
Acquisitions of property, plant and equipment ¹	(3,037,051)	(758,007)
Payables relating to capital acquisitions	(35,956)	(6,562)
(Acquisitions) disposals of investments, net	1,373,469	(2,078,850)
Endowment investment income	1,308,907	(4,887)
Endowment grants to operations	(374,721)	(260,613)
	(765,352)	(3,108,919)
Increase (decrease) in cash	543,241	50,843
CASH, BEGINNING OF YEAR	\$ 592,132	\$ 541,289
CASH, END OF YEAR	\$ 1,135,373	\$ 592,132

Non-cash transaction:¹The statement of cash flows does not include donated property, plant and equipment of \$40,725, (2016 - \$5,425).²Net change in non-cash working capital:

	2017	2016
(Increase) decrease in accounts receivable	\$ (55,873)	\$ 80,771
(Increase) decrease in prepaid expenses	(19,459)	98,952
(Increase) decrease in inventory	(29,036)	(96,612)
Increase (decrease) in accounts payable and accrued liabilities, net of amounts for capital	51,217	(49,104)
(Decrease) in accrued vacation pay	(21,528)	(7,430)
(Decrease) in future retirement obligations	(8,801)	(26,342)
Increase in deferred revenue	108,550	60,434
	\$ 25,070	\$ 60,669



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

1. Nature of Operations

St. Mary's College was established by an Act of the Alberta Legislature in 1986. In 2014, permission was granted from the Province of Alberta to change the institution's name to St. Mary's University effective September 18, 2014. St. Mary's University ('St. Mary's') offers undergraduate degree programs and graduate certificate programs to students of all faith traditions. St. Mary's is a registered charity and is exempt from income tax pursuant to Section 149 of the Income Tax Act (Canada).

The financial statements have been prepared in accordance with Accounting Standards for Non-for-Profit Organizations.

2. Change in Accounting Estimate

St. Mary's reviewed its estimates of the asset restoration obligation related to the existence of asbestos in a number of its facilities. Upon review, management determined that there is no liability for asset restoration obligation as of March 31, 2017. Although not a current health hazard, upon renovation or demolition of these facilities, St. Mary's may be required to take appropriate remediation procedures to remove the asbestos. As St. Mary's has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset restoration obligation for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate the fair value of the obligation. For the year ended March 31, 2017, the effect of the change in estimate is to increase the excess of revenues over expenditures by \$72,175, to reduce the asset restoration obligation to \$nil, to reduce building capitalized costs included in property plant and equipment by \$269,987 and to reduce accumulated amortization of buildings included in property plant and equipment by \$150,215.

This change in estimate will provide financial statement users with more reliable, accurate and comparable information so as to assess the St. Mary's performance. St. Mary's has applied these changes prospectively in the financial statements.

3. Significant Accounting Policies

(a) Revenue recognition

St. Mary's uses the deferral method of accounting for contributions. Restricted contributions, designated for specific purposes, are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions are recognized as revenue or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from fundraising events is recognized when the contributions are received. Revenue from fundraising events and advance ticket sales are recognized in the period in which the event occurs.

Contributions restricted for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Contributions restricted for the purchase of capital assets that will not be amortized are recognized as direct increases to the invested in capital assets balance.

Endowment contributions are recognized as direct increases in the endowments balance. Annual spending allocations from endowments are recognized as investment income in the year in which the related expenditures are incurred. Investment earnings on endowed funds in excess of the annual spending allocation are reported as direct increases in the endowments balance.



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

3. Significant Accounting Policies (continued)

Revenue from sales in the bookstore is recognized at the time of sale. Revenue from rental of facilities is recognized in the period in which the facility is rented to an external party.

Amounts received for tuition fees and government grants are recognized as revenue in the period the related instructional services are provided.

(b) Investments and investment income

All investments are recorded at fair value based on quoted market bid prices at the close of business on the statement of financial position date. Contributions of publicly-traded securities are recorded at the closing market value on the date upon which they are transferred to St. Mary's. Investment income, including interest, dividends, income distributions, and realized and unrealized gains and losses, is recorded as earned. Short-term investments include restricted and unrestricted cash balances, short-term deposits and interest receivable.

(c) Property, plant and equipment

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair market value when fair market value is reasonably determinable. Property, plant and equipment are regularly assessed for impairment and re-valued as necessary. Amortization is provided on a straight-line basis over the estimated service of the lives of the assets, which are as follows:

Buildings	25 years
Library books and materials	10 years
Furniture and equipment	10 years
Computer equipment	5 years
Land and collections	Not amortized
Assets under construction	Not amortized

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its recoverable value.

(d) Donations-in-kind, pledges and contributed services

Donated materials are recognized in the financial statements at their estimated fair market value if determinable.

Pledges from donors are recorded when payment is received by St. Mary's or the transfer of property is completed. Volunteers contribute an indeterminable number of hours each year to assist St. Mary's in carrying out its mission of post-secondary and graduate education. The fair value of these services is not determinable and accordingly is not included in the financial statements.



3. Significant Accounting Policies (continued)

(e) Asset restoration obligation

The fair value of an obligation for asset restoration is recorded in the period in which a legal obligation is incurred for the restoration of the asset arising from the acquisition, construction, development, and/or normal use thereof. The estimated asset restoration costs are capitalized as part of the carrying amount for the long-lived asset and amortized in accordance with the amortization policy of the asset. The value of the obligation is adjusted at the end of each fiscal period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Actual costs incurred on settlement of the obligations are charged against the liability with any remaining difference recognized as a gain or loss to earnings in that period.

(f) Future retirement obligation

A liability has been established for the estimated future value of post-retirement benefits for executives based on the terms of employment contracts. Under the terms of the contract, post-retirement benefits will be paid over several years following retirement.

(g) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for amortization, the amortization of deferred capital contributions, expected costs for asset restoration obligations, future employee benefits, and provisions for contingencies. Actual results could differ from those estimates.

(h) Financial instruments

Measurement

St. Mary's initially measures its financial assets and financial liabilities at fair value. Subsequent to initial recognition, St. Mary's measures its financial assets and financial liabilities at amortized cost, except for cash, cash equivalents, equity securities quoted in an active market and any other financial asset or liability that St. Mary's elected to measure at fair value upon initial designation which are subsequently measured at fair value. Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, accrued vacation pay and the long term loan. All transactions costs for financial assets and liabilities are expensed when incurred.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized up to the amount of the previously recognized impairment.

**3. Significant Accounting Policies (continued)****(i) Credit, Currency, Market and Liquidity Risk***Credit Risk*

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to St. Mary's. St. Mary's is exposed to credit risk on cash deposits and receivables from students and third parties. St. Mary's holds its cash deposits in a large Canadian financial institution. Delinquent accounts are monitored and contacted on a monthly basis. Credit risk for tuition is managed through strict payment deadlines, restriction of enrolment activities for students with delinquent balances and standard collection procedures.

Currency Risk

St. Mary's is exposed to currency risk on investments that are denominated in foreign currencies. St. Mary's held cash and securities denominated in US currency of \$3,377,213 (CAD \$4,491,473) as of March 31, 2017 (2016 - \$2,586,246 (CAD \$3,359,023)). St. Mary's does not use derivative instruments to reduce its exposure to foreign currency risk. This risk is managed through the investment portfolio managers by using as risk management policies and practices as per the approved investment policy.

Market Risk

St. Mary's is exposed to market risk in investment earnings and long-term investment values from fluctuations and volatility in publicly-traded equity markets and foreign currencies. Market risk consists of price risk, foreign currency risk and interest rate risk. To manage market risk, St. Mary's has established a target mix of investment types designed to achieve the optimal returns with reasonable risk tolerances through diversity in holdings.

Under the terms of the long-term loan, St. Mary's must maintain unrestricted investments in a pledge account equal to the principal balance of the loan at all times. St. Mary's must confirm holdings on a quarterly basis. St. Mary's is exposed to market fluctuations in the value of pledged securities and maintains an excess balance to ensure compliance with borrowing covenants.

Liquidity Risk

St. Mary's maintains a short-term line of credit with a major Canadian chartered bank that is designed to ensure sufficient available funds to meet current and forecasted financial requirements. As at March 31, 2017, St. Mary's has available borrowing facilities of \$500,000 (2016 - \$500,000), none of which had been drawn. St. Mary's must maintain a market value of \$1,000,000 (2016 - \$1,000,000) in unrestricted investments at all times as security for this credit facility.

Under the terms of a long term loan agreement with the City of Calgary, St. Mary's must maintain unrestricted securities in a pledged account equal to the principal amount of the loan at all times during the 20 year repayment period. St. Mary's continues to earn investment income from pledged securities and actively manages cashflows to minimize liquidity risk.

(j) Inventories

Inventories are recorded at the lower of cost and net realizable value. Inventories that have been previously written-down are reversed if the economic circumstances have changed to support an increase in inventory value. Inventories recognized as an expense in the fiscal year ended March 31, 2017 are \$321,340 (2016 - \$314,351)



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

3. Significant Accounting Policies (continued)**(k) Capital Management**

St. Mary's ensures its continuing ability to pay current and future liabilities through maintaining a prudent base of capital, ensuring adequate liquidity, investment policies, spending policies and cash management procedures. St. Mary's must comply with externally-imposed covenants on its credit facilities and long term loan. St. Mary's is in compliance with all requirements as at and for the fiscal year ended March 31, 2017.

(l) Accrued Vacation Pay

Vacation entitlement is recorded as an expense at the time is earned by employees. Vacation entitlement is not accrued and reported for academic faculty members as they use all available entitlement on an annual basis.

(m) Disclosure of Allocated Costs by Not-For-Profit Organizations

St. Mary's does not allocate general support and fundraising costs among functions.

(n) Disclosure of Related Party Transactions

The Roman Catholic Bishop of the Diocese of Calgary is the Chancellor of St. Mary's University. The Roman Catholic Diocese of Calgary made donations to St. Mary's University of \$113,308 in the fiscal year ended March 31, 2017 (2016 - \$113,396).

4. Investments and Investment Income (Loss)

	2017	2016
Cash and cash equivalents	\$ 893,693	\$ 3,121,871
Bonds and interest receivable	4,740,969	5,927,332
Publicly traded equities	15,327,495	12,614,330
Life insurance policy	278,899	242,864
	21,241,056	21,906,397
Less amounts reported as short-term investments	(1,219,932)	(4,117,617)
	\$ 20,021,124	\$ 17,788,780

Long-term investments include externally restricted contributions received for endowment purposes of \$11,339,690 (2016 - \$10,556,715) and restricted donations for specific capital and operating initiatives of \$1,196,143 (2016 - \$2,734,426). Bonds consist of government and corporate bonds with average effective yield of 11.4% (2016 - 3.4%). Short-term investments include cash balances and bonds maturing in the next fiscal year. The original cost of investments is \$18,850,532 (2016 - \$18,373,724).



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

4. Investments and Investment Income (Loss) (continued)**Investment income (loss)**

	2017	2016
Interest and dividend income:		
Interest and dividend	\$ 317,243	\$ 336,546
Transaction costs	(23,346)	(23,163)
Endowment grants to operations	373,047	260,613
	666,944	573,996
Capital gains (losses) and fair value adjustment:		
Capital gains (losses)	82,596	(123,489)
Fair value adjustment	625,532	(305,298)
	708,128	(428,787)
Balance, end of year	\$ 1,375,072	\$ 145,209

The fair value adjustment is comprised of market fluctuations on investment portfolios.

5. Property, plant and equipment

	2017		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 13,726,119	\$ -	\$ 13,726,119
Buildings	15,764,950	5,891,035	9,873,915
Work in progress	232,679	-	232,679
Library books and collections	2,292,307	1,687,371	604,936
Furniture and equipment	2,355,558	1,481,461	874,097
Computer equipment	1,770,200	1,563,108	207,092
Balance, end of year	\$ 36,141,813	\$ 10,622,975	\$ 25,518,838

	2016		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 13,726,119	\$ -	\$ 13,726,119
Buildings	13,654,800	5,394,066	8,260,734
Heritage Centre, work in progress	335,376	-	335,376
Library books and collections	2,206,510	1,628,823	577,687
Furniture and equipment	1,722,560	1,322,228	400,332
Computer equipment	1,688,659	1,478,271	210,388
Balance, end of year	\$ 33,334,024	\$ 9,823,388	\$ 23,510,636



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

6. Long Term Loan

Under the terms of the loan, St. Mary's is required to make semi-annual payments of \$161,949.35 which include interest at a stated rate of 2.957% over a twenty year term in addition to an annual administration fee of 0.25% of the principal balance to the City of Calgary. Interest payable of \$41,486 (2016 - \$43,390) as of March 31, 2017 is included in accounts payable and accrued liabilities

The loan is secured by unrestricted long term investments in a pledged account equal to the principal amount of the loan. St. Mary's must confirm the market value of the pledged account to the City of Calgary on a quarterly basis. The aggregate amount of principal repayments required in each of the next five years and thereafter is as follows:

2018	\$	192,372
2019		198,103
2020		204,004
2021		210,081
2022		216,339
Thereafter		3,474,809
Balance, end of year	\$	4,495,708
Less current portion		192,372
Long term loan balance, March 31, 2017	\$	4,303,336

7. Asset Restoration Obligations

The estimated undiscounted costs to settle the asset restoration obligations is approximately \$NIL (2016 - \$262,270). In the prior year, a risk free rate of 2.49% and an inflation rate of 2% have been used to calculate the fair value of the obligations.

	2017	2016
Balance, beginning of year	\$ 187,649	\$ 183,454
Accretion expense	4,299	4,195
Revision to estimate - Note 2	(191,948)	
Balance, end of year	\$ -	\$ 187,649



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

8. Future Retirement Obligations

A liability has been established for the estimated post-retirement benefits for executive administrative leave and a Supplemental Executive Retirement Plan. Under the terms of the employment contract, post-retirement benefits will be paid over several years following retirement subject to vesting provisions. A whole life insurance policy is held to provide life insurance coverage for the family as well as assist in funding retirement obligations.

	2017	2016
Balance, beginning of year	\$ 397,671	\$ 374,157
Retirement benefits paid	(8,801)	(36,486)
Increase in cash surrender value of life insurance policy	21,038	
Accrued for future obligations	60,000	60,000
Balance, end of year	469,908	397,671
Less portion reported as short term	-	(8,801)
Long term retirement obligations	\$ 469,908	\$ 388,870

9. Deferred Contributions

Deferred contributions represent unspent externally restricted contributions and grants. The changes in the deferred contributions balance are as follows:

	2017	2016
Balance, beginning of year	\$ 3,308,557	\$ 1,493,335
Grants, contributions, and donations received	649,567	2,432,315
Grants, contributions, and donations - in kind	40,725	5,425
Recognized as revenue	(204,394)	(214,535)
Transferred to endowment fund	(20,214)	-
Transferred to unamortized deferred capital contributions - Note 10	(2,646,522)	(407,983)
Balance, end of year	1,127,719	3,308,557
Less short-term deferred contributions	(719,835)	(2,928,527)
Long term deferred contributions, end of year	\$ 407,884	\$ 380,030

The balance consists of funds externally restricted for:

	2017		2016	
	Current	Long Term	Current	Long Term
Capital	\$ 514,238	\$ 151,268	\$ 2,785,930	\$ 191,755
Education program	4,940	-	8,100	-
Library enhancements	-	-	-	44,955
Scholarships and program enhancements	200,657	256,616	134,497	143,320
Balance, end of year	\$ 719,835	\$ 407,884	\$ 2,928,527	\$ 380,030



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

10. Deferred Capital Contributions

Deferred capital contributions represent unamortized donations used to fund capital acquisitions. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The changes in deferred capital contributions balance are as follows:

	2017	2016
Balance, beginning of year	\$ 4,406,617	\$ 4,312,444
Additions from deferred contributions - Note 9	2,646,522	407,983
Amortization to revenue	(455,492)	(313,810)
Balance, end of year	\$ 6,597,647	\$ 4,406,617

11. Endowment Fund

Endowments consist of permanently restricted donations to St. Mary's, the principal of which is required to be maintained intact in perpetuity (externally restricted), as well as internal allocations by the Board of Governors (internally restricted). The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. A formal policy has been established with the objective of protecting the real value of the endowments by limiting the amount of spending allocations and reinvestment of unexpended income.

The composition of endowment is as follows:

	2017	2016
Balance, beginning of year	\$ 10,333,526	\$ 10,345,415
Endowment contributions	50,426	253,611
Transferred from deferred contributions - Note 9	20,214	-
	10,404,166	10,599,026
Endowment investment income:		
Interest and dividend income	285,032	315,527
Capital gains (losses)	173,314	(272,310)
Fair value adjustment	899,555	3,999
Less commissions	(48,994)	(52,103)
Total endowment investment income	1,308,907	(4,887)
Endowment funds before transfer to operations	11,713,073	10,594,139
Endowment transfer to operations	(374,721)	(260,613)
Balance, end of year	\$ 11,338,352	\$ 10,333,526



Notes to Financial Statements

For the years ended March 31, 2017 and March 31, 2016

12. Fundraising Expenses

As required under the Charitable Fundraising Act of Alberta, St. Mary's incurred expenses of \$638,632 (2016 - \$607,230) for the purposes of soliciting contributions. Of these expenditures, \$439,888 (2016 - \$385,004) was paid as remuneration to employees of St. Mary's whose primary duties involve fundraising.

13. Subsequent Event

Subsequent to year end, St. Mary's signed several contracts for capital renovation projects to be completed by the Fall of 2017. Construction costs will be funded by a combination of deferred contributions, government grants and unrestricted net assets on hand. In addition, St. Mary's received a restricted contribution subsequent to year end for restoration of the historic Water Tower as a gallery space.

14. Contingent Development Costs

Upon future development of the campus, St. Mary's will be responsible to reimburse the Fr. Lacombe Home Society for a portion of costs previously incurred for surface and utility improvements adjacent to the University boundary. At this time the estimated costs are undeterminable.

15. Comparative Figures

Certain prior year figures have been reclassified to conform to the current year financial statement presentation. There was no impact on the excess (deficiency) of revenues over expenses as a result of these reclassifications.



Supplemental Schedule of Revenues and Expenses by Function

For the years ended March 31, 2017 and March 31, 2016

	2017	2016
REVENUE		
Tuition fees	\$ 5,479,724	\$ 5,115,231
Provincial government grants	3,644,932	3,554,691
Interest and investment income - Note 4	666,944	573,996
Amortization of deferred capital contributions - Note 10	455,492	313,810
Ancillary services	453,110	472,103
Rental and miscellaneous revenue	251,055	209,062
	10,951,257	10,238,893
OPERATING EXPENSES		
Academics and library	4,670,670	4,600,215
Student and campus services	1,957,511	1,853,783
Facilities and technology	1,116,745	1,111,421
Amortization and accretion	954,101	807,532
Finance and administration	940,244	970,096
President's office and board	558,797	620,995
Communications	450,969	318,347
Ancillary Services	443,277	447,373
Interest on long-term debt	146,948	150,213
	11,239,262	10,879,975
Revision to asset restoration obligation - Note 2	72,175	
Capital gains (losses) and fair value adjustment - Note 4	708,128	(428,787)
Excess (shortfall) of revenue over expense excluding fundraising	\$ 492,298	\$ (1,069,869)
Donations and fundraising events revenue	1,321,721	1,513,840
Advancement and fundraising events expenses	(638,632)	(607,230)
Excess (shortfall) excess of revenue over expense	\$ 1,175,387	\$ (163,259)

Supplemental Schedule of Net Proceeds from Fundraising Activities

For the years ended March 31, 2017 and March 31, 2016

	2017	2016
Proceeds from donations and fundraising events	\$ 1,176,612	\$ 1,380,014
Endowment fund contributions	50,426	253,612
Deferred donations	495,059	2,426,516
Less expenses for development office and fundraising events	(638,632)	(607,230)
Net proceeds from fundraising activities	\$ 1,083,465	\$ 3,452,912