



## ST. MARY'S UNIVERSITY COLLEGE

### ANNUAL REPORT TO ALBERTA INNOVATION AND ADVANCED EDUCATION 2013-2014







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The St. Mary's University College  
2013-2014 Annual Report to  
Alberta Innovation and Advanced Education

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## **Accountability Statement**

The St. Mary's University College Annual Report for the year ended March 31<sup>st</sup>, 2014 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.

A handwritten signature in blue ink that reads "James T. McCoy".

James T. (Terry) McCoy, Chair, Board of Governors  
September 30, 2014

## **Management's Responsibility for Reporting**

St. Mary's University College'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

A handwritten signature in blue ink that reads "Debra Osowy".

Debra Osowy, Vice-President Business and Finance  
September 30, 2014



## 1.0 Message from the President

As one of the fastest-growing post-secondary institutions in Alberta, St. Mary's University College has experienced a growth over the last two years of almost 38%. In the period covered by this Annual Report alone we can confirm a student-enrolment increase of over 17%.

This is significant not just because it provides clear evidence of the community's interest in what St. Mary's has to offer, but also because it is a testament to the effective way the university has mapped and followed its new Strategic Plan, approved by the Board of Governors on the 24<sup>th</sup> of April 2013.

The Strategic Directions we adopted were 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 highlights key examples of how we have acted on all these priority areas, in many cases exceeding our already high benchmarks and expectations. That we have done so as a small, independent academic institution, with a predominant focus on degrees in the Liberal Arts & Sciences, and on the Bachelor of Education after-degree, speaks volumes about the talent, commitment and abilities of the faculty, staff, students and community supporters we attract.

We have created significant new degrees and successfully hired new faculty to deliver on our commitments; we have dramatically expanded our student services to provide more support for students throughout their time at the university; we have expanded our collaborations with other institutions including high school upgrading providers such as the Chinook Learning Centre and St. Anne's Academic Centre. We have established and continue to resource a new teaching and learning committee, bringing renewed attention to faculty professional development. We have worked particularly closely with the provincial Government to review our program funding and have intensified the work we do within our fundraising programs to secure strong donor support. This, coupled with a



demonstrated scrupulousness around our financial modeling, has made our small institution disproportionately robust.

As you will see from the attached report, the university has also implemented significant health, wellness and safety programs to improve the overall environment for all our community. Finally, we have worked to develop a comprehensive university expansion plan that will address the record-breaking enrolment pressure that we are experiencing, an expansion plan that has been tied to extensive community and local government conversations, and with a clear goal of preserving the integrity of our unique and historic site.

The Annual Review 2013-2014 is a testament to the extraordinary individuals that make up the St. Mary's University community and I am grateful to them, and to the wider community that supports us, for helping us to become the quality institution that we are.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gerry Turcotte', with a large, sweeping flourish underneath.

Gerry Turcotte, PhD



## 2.0 Operational Overview

In 2013-2014, St. Mary's University College continued to build on our past successes and accomplishments to prepare for our future growth.

### Core Programs

#### *Degrees*

St. Mary's currently offers eight degrees: four 90-credit BA degrees with concentrations in General Studies, English, History and Psychology; three 120-credit BA degrees with majors in English, Liberal Studies, and Psychology (and at the time of preparation of this report St. Mary's had just received approval to offer a 120-credit BA with a major in History starting September 1, 2014); and a two-year after-degree BEd (Elementary). St. Mary's will begin to offer a 120-credit BSc with a major in Biology on September 1, 2015.



#### *Transfer Program*

St. Mary's also offers a transfer program in business management where students complete up to half of their credits at St. Mary's before transferring into the University of Lethbridge's Bachelor of Management Program, the University of Calgary's Bachelor of Commerce Program or Mount Royal University's Bachelor of Business Administration Program. St. Mary's plans to develop its own Bachelor of Management degree with a focus on ethics.





### *Diploma and Certificate Programs*

Two programs for Catholic educators are offered at St. Mary's.



**GDRE: The Graduate Diploma in Religious Education (GDRE)** is a 30-credit program that provides a fundamental background in a wide range of religious education topics in an open study format.

**GCEL: The Graduate Certificate in Catholic Educational Leadership (GCCEL)** is a 12-credit certificate program that provides an overview of religious education topics of interest to teachers and administrators offered in a cohort format to be completed within a 12-18 month time frame.

St. Mary's also offers a Certificate in the Sacred Arts: Foundations. Courses in this program combine hands-on instruction with a theoretical understanding of the theology and aesthetic principles that underlie the development of excellence in the various fields of Sacred Art. To earn this certificate, students must complete at least 120 hours of course instruction. The first completed this certificate in Spring 2014.

## **Enrolment, Facilities, and Staffing**

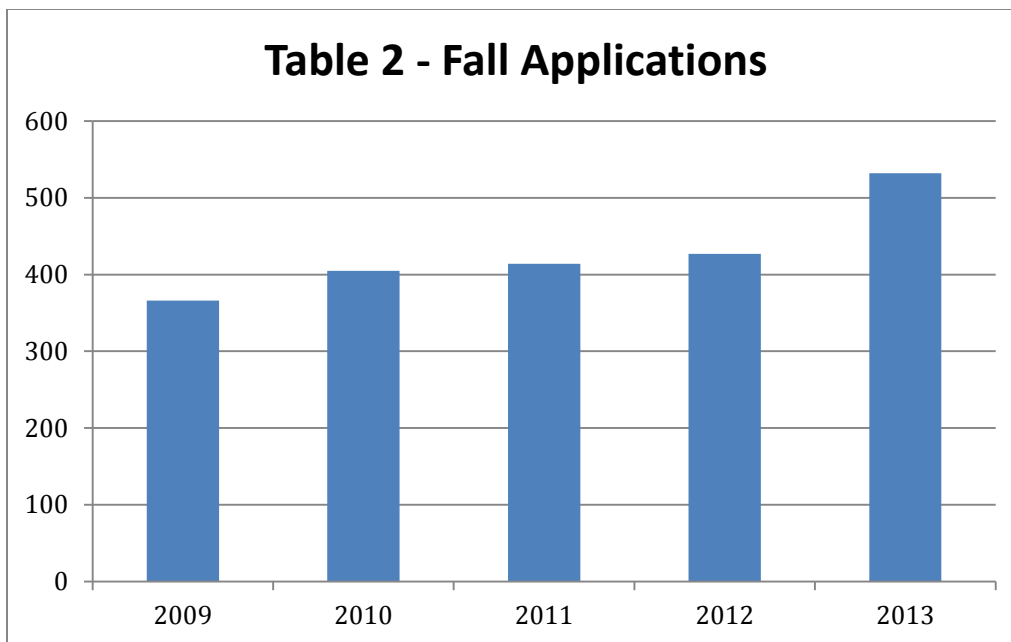
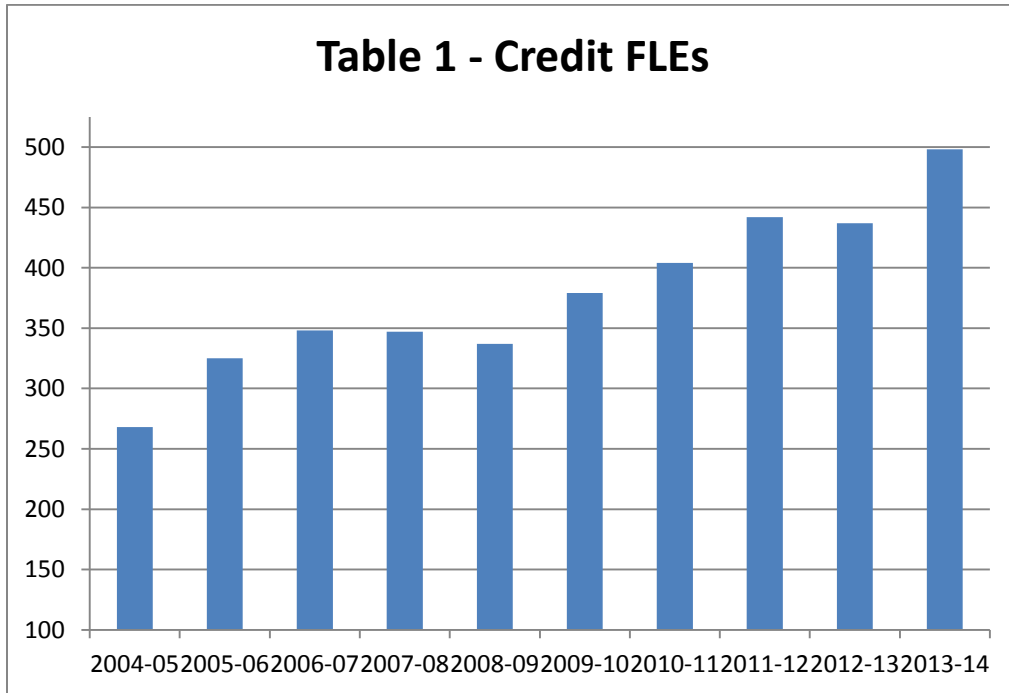
### *Enrolment*

Enrolments rose by a record 17% in Fall 2013, with FLEs approaching 500 for the first time in St. Mary's history (see Table 1 below). The Enrolment Plan in the 2013-2016 Comprehensive Institutional Plan set a goal of 470 FLE for 2013-2014 and this number was exceeded by almost 30 FLE. Applications for admission for Fall 2013 were up 25% (see Table 2 below) and as will be reported in our 2014-2015 Annual Report, applications for Fall 2014 admission are up over 25% over the Fall 2013 number.

The first year cohort in our BEd Elementary program was increased to 50 students in Fall 2013, up from 40 in Fall 2012, and the program continues to thrive. The BEd Elementary was designed to educate teachers to serve in Catholic schools, but with its extensive practicum opportunities, reputation for excellence, and excellent employment prospects for graduates, it has attracted students of all faith traditions who wish to teach in a variety of



settings. The program has the support of the Catholic, public and independent school boards in Southern Alberta.



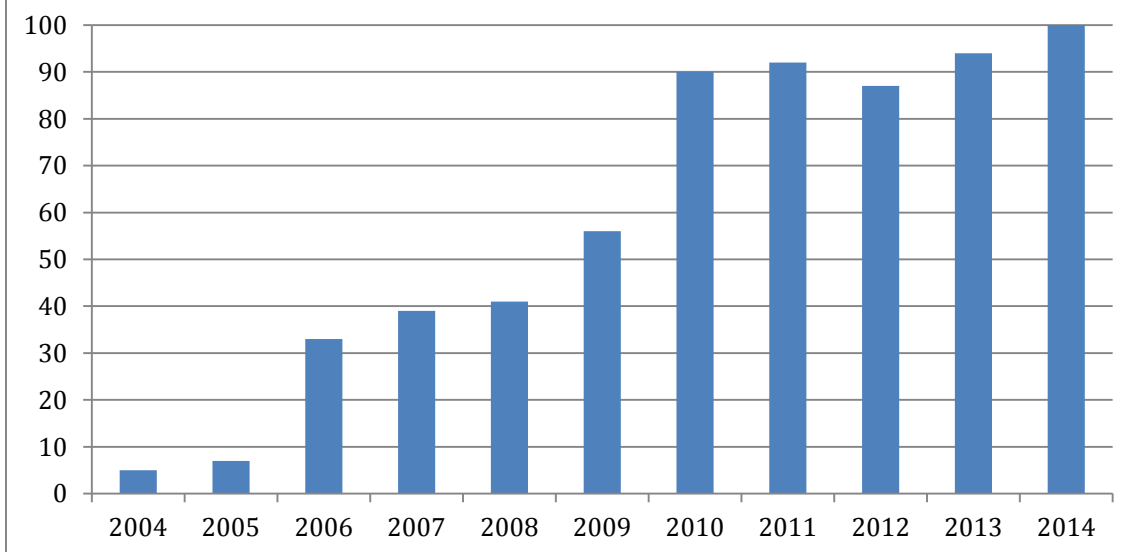


### Graduation Rates

The 2013-2014 year once again saw a record number of students completing their program requirements with 100 graduands convocating. Table 3 below clearly shows how dramatically the number of graduates has grown since St. Mary's received degree-granting status in 2004.



**Table 3 - Number of Graduates: All Programs**





### *Facilities*

Since 1999, St. Mary's University College has been located on 35 acres at 14500 Bannister Road SE, Calgary, Alberta on the former Father Lacombe Home site at the edge of Fish Creek Provincial Park.



Buildings on the St. Mary's campus include 1) the Administration Building, 2) St Basil's Hall, 3) the Classroom Building, 4) the Le Fort Centre, 5) Father Michael J. McGivney Hall and 6) the Students' Association Building. There are also heritage buildings on site that are not in current use (the Water Tower and Carriage House).

#### 1) The Administration Building:

This building was constructed in the 1950s and all four floors as well as the basement have been completely renovated. The basement houses three offices and a large biology laboratory. The four upper floors contain faculty and administrative offices. Each floor has an area of 4,776 square feet for a total area of 23,880 square feet.

#### 2) St. Basil's Hall:

St. Basil's Hall, built to house the University College's Library and computer labs, officially opened in late 1999. This one-storey, 6,000-square-foot building has two state-of-the-art computer labs, an office for the Librarian, a cataloguing office, an open study area and study carrels. As described below, the Library has excellent collections in various disciplines and provides full access to the resources of the entire Alberta library system.



3) Classroom Building:

This single-storey building was originally constructed in 1957 with a later single-storey addition completed in 1995. The interior of this building was entirely renovated in 1999, with subsequent updating over the next 15 years. This building houses classrooms, the chemistry laboratory and a storeroom for chemicals, an office for the laboratory instructor, a chapel and an adjacent Campus Ministry office, a gymnasium with a fitness centre and change rooms, and the Learning Centre.

4) The Le Fort Centre:

The Le Fort Centre, a renovated historic building on the eastern edge of the campus, officially opened on June 30, 2007. It contains four classrooms, study areas, student lockers, a café and bookstore. The Le Fort Centre also contains leased space housing a glass blowing studio.

5) Father Michael J. McGivney Hall:

Formerly Midlands United Church, Father Michael J. McGivney Hall was renovated in 2007-2008 and now houses the offices and classrooms of the Bachelor of Education program. The community of St. Mary's University College frequently gathers in the large room on the main floor for lectures, meetings and celebrations.

6) Students' Association Building:

This one-and-a-half storey building houses the St. Mary's University College Students' Association offices and a large lounge/recreation room.



**Staffing**

During the 2013-2014 year, St. Mary's employed:

- 21 full-time tenured and tenure-track faculty members
- 36 sessional instructors
- 38 administrative and facilities staff



### 3.0 Goals, Expected Outcomes and Performance Measures

St. Mary's set out nine goals in our 2013-2016 Comprehensive Institutional Plan. This section of the report will describe the initiatives undertaken to achieve these goals and their outcomes.

#### **Goal 1: Attract and Retain Well-Qualified Students with the Aim of Increasing Enrolment at a Rate of Ten Percent Per Year Over the Next Three Years**



St. Mary's objective with this goal was to achieve a level of enrolment growth which would allow us to consolidate our current programs at a sustainable level, undertake strategic development of new programs in response to student demand, and ensure optimal usage of our physical space. As a stable minimum enrolment of 500 FLE students is the minimal threshold necessary to qualify for membership in the Association of University and Colleges of Canada (AUCC) and St. Mary's wishes join AUCC, enrolment of 500 FLE is an immediate goal.

St. Mary's University College recorded an overall FLE increase of 17% in 2013-2014. Additionally, applications for admission for the 2014-2015 academic year are up 25% over the previous year.

In 2013-2014, St. Mary's undertook several initiatives related to attracting and retaining students. Market research indicated that the St. Mary's story as an engaging, inclusive and open Liberal Arts University was not well known in our community. In response, St. Mary's developed and implemented a multi-media marketing campaign with a focus on the development of the whole person. The "Grow" campaign was launched in Fall 2013 and generated significant discussion and interest. The campaign included billboards, transit



advertising and radio advertising. The campaign features St. Mary's professors and students and will run for the duration of the 2015-2016 recruiting season.

St. Mary's has been disciplined and focused in developing partnerships with local high schools. In addition to five south Calgary high schools selected for increased outreach activities in 2012-2013, St. Mary's added five additional schools in Calgary, Okotoks, Chestermere, and Strathmore for more intensive partnership discussions in 2013-2014. In these schools, we engaged faculty to collaborate with International Baccalaureate (IB) and Advanced Placement teachers to present St. Mary's information directly to additional students. St. Mary's initiated discussions regarding dual credit opportunities and, in 2013-2014, negotiated a dual credit course in Advanced Acting 35 and Drama 203 with Bishop O'Byrne High School. The course will be offered in Fall 2014 with 15 students enrolled.

St. Mary's worked closely with St. Anne Academic Centre to offer diploma preparation and high school courses on our campus in 2013-2014. We offered Diploma Preparation courses in English 30-1 and Math 30-1, with a total enrolment of over 30 students. St. Anne scheduled an English 30-1 course for Summer 2014, subject to enrolment of 15 students. During 2013-2014, we conducted an extensive review of our admissions and communications processes, with a goal of responding to a prospective student's application within one week of its receipt. This goal was met over 80% of the time for admission applications for the 2014-2015 academic year.

The 2013-2014 year was the first in our offering the President's Circle Scholarship, a scholarship aimed directly at high academic achievers who attain a high school average of 80% or higher. Of our incoming students, 42% were eligible for the scholarship, having achieved the required admission average and registered in a full course load.

## Goal 2: Increase Access and Support for Under-Represented Student Populations



St. Mary's has witnessed considerable growth in under-represented students. The Humanities 101 program, offered to Calgary's most marginalized and vulnerable citizens, has grown considerably and, in 2013-2014, comprised 7% of our total student population. Through a generous donation from the Campbell family, St. Mary's has established a bursary to



support the transition of Humanities 101 students to degree programs. Of the Humanities 101 graduates in 2013-2014, 10% will move to degree study.

Our First Nations, Métis and Inuit (FNMI) initiatives helped grow the self-declared FNMI student population to comprise 1.4% of the total student population in 2013-2014. This year St. Mary's formed a FNMI Advisory Council, comprised of education and community leaders from FNMI communities, to guide the development and implementation of an FNMI strategic plan. The first key FNMI initiative was to bring FNMI scholars from other universities to our campus to help us better understand Aboriginal ways of knowing, being and learning. In 2013-2014 we invited three such scholars to campus and they engaged directly with over 75 faculty, staff and students. With the assistance of a \$50,000 grant from the Calgary Foundation, we are developing "Elders on Campus" and "Scholars on Campus" programs to support our FNMI learners. St. Mary's has approved the hiring of our first ever FNMI Liaison Specialist, and we are now a member of the Alberta Aboriginal Recruitment Network (AARN). Our goal is to grow our FNMI student enrolment to a total of 5% of our student population.



In February 2014, St. Mary's hosted the regional Transitions Conference. This event offers information from many Calgary post-secondary institutions in a central location to students with disabilities. Over 180 students and parents attended.

In 2013-2014, St. Mary's implemented a new process for managing individual student disability grants. The Learning Centre now establishes, manages, and reports on student grants, thereby making it easier for students with disabilities to access and manage grants.

### **Goal 3: Retain Students through the Enhancement of the Student Learning Experience**

In 2013-2014 St. Mary's implemented several initiatives aimed at enhancing the learning experience. The initiatives are part of a comprehensive First Year Experience program that will be fully implemented over the next three years. For 2013-2014, we focused on pre-start readiness, including a Boot Camp for new students. The inaugural Boot Camp ran over two days in August 2013 and featured four seminars offered to 120 new students. The transition





of new students was monitored closely through an early alert and intervention program. The program identified students who were at risk of academic failure and was accompanied by an active intervention strategy.

St. Mary's is attentive to the development of the whole person, and we wish to recognize the development through a co-curricular record. In 2013-14 we conducted extensive research and inventoried best practices in co-curricular record design, tracking and auditing. We performed rigorous system tests and identified the co-curricular activities that we will track for the pilot project to be implemented in 2014-2015. The documentation of a more complete picture of a student's university life is an important step in legitimizing the co-curricular activities of students and provides an excellent complementary piece to the academic transcript.

In 2013-2014, the Academic and Career Advisors' office established a professional mentoring program. The program paired professionals from Health, Law, and Business with St. Mary's students in their final year of study. The pilot program involved 15 students and 15 professionals.



Providing access to quality physical fitness and wellness activities is a key to enhancing the student learning experience and to the development of the whole person. This year St. Mary's added personal fitness training to our suite of wellness initiatives. The arrangement with a private, certified provider was very successful and the 20 hours of availability per week was consistently booked by fee-paying clients. An evaluation of the program at the end of 2013-2014 resulted in a decision to hire the personal trainer as a full-time Fitness Centre Manager. The manager will continue to offer personal fitness training as well as other specialized wellness services, including nutritional advice and seminars.



In 2013-2014, St. Mary's introduced a Vice-President Student Services scholarship to recognize exceptional student leadership on campus. This scholarship will be a key component of a comprehensive student leadership development program. This year the scholarship awarded \$5,000 to five student leaders.

Access to mental health resources and experts is a critical part of a positive learning environment. In 2013-2014, we provided increased access to counselling services through additional on-campus appointments. We also provided specialized seminars to specific student populations and under-represented groups, such as our Humanities 101 students. This year we offered four general mental health seminars to all students, in collaboration with the Canadian Mental Health Association. The seminars were on such relevant topics as mental health awareness and suicide prevention. All of these additional supports and services are part of the roll-out of a comprehensive mental health plan developed in partnership with the Canadian Association of College and University Student Services (CACUSS).



This year the Learning Centre introduced the Writing Lab, offering writing support to students, with the support offered by paid peer tutors. The tutors were nominated by faculty for their expertise in writing and exceptional academic achievement. Overall, 12% of our students accessed peer tutoring services in 2013-2014. Students had access to an online booking system, through which they could identify tutors who matched their needs and learning style. The online booking system also offered a feedback tool, and all students who accessed tutoring indicated that they would access it in future as needed and would recommend it to their friends.



#### Goal 4: Enhance Student Engagement in Campus Community Life

St. Mary's demonstrates its commitment to student engagement in a number of ways. The student voice is sought, respected and utilized in the development of space and site plans. As St. Mary's prepares for expansion of facilities, the students are actively engaged in the planning process through membership on various related committees, forums and informal dialogue. In 2013-2014, St. Mary's formed a Campus Health and Wellness Committee to develop and implement a comprehensive wellness plan. There is student representation on the committee. There is also student representation on the FNMI Advisory Council and on hiring committees for key administrative and staff positions.



The students, through the Student Legislative Council, are regularly engaged with the Department of Athletics and Recreation to ensure that athletic, recreation, and leisure activities reflect the needs of all students. The two Student Appreciation Days held in 2013-2014 were jointly planned and sponsored by the students and the university. Over 300 students attended the Student Appreciation Day events in 2013-2014.



In 2013-2014, we increased our participation in scheduled Alberta Colleges Athletic Conference (ACAC) cross-country running events in preparation for full entry in 2014-2015. This opens up additional opportunities for competitive participation for our students.



This year we added several opportunities for student, staff and faculty to participate together in activities, such as pool tournaments and the inaugural annual Valentine Cup ball hockey match.

### **Goal 5: Promote Program Renewal and Development**

In 2013-2014, St. Mary's University College developed new and reviewed existing degree programs to ensure that all are of high academic quality; meet student demand and needs; and enhance the range of options that students may pursue. St. Mary's students have consistently indicated they would prefer to complete their studies at St. Mary's if there were increased degree options for them.

As we continue to move forward with the development of new degree options, we expect to see an increase in both the percentage of students remaining at St. Mary's to complete their degree and in the number of new students choosing St. Mary's as their first option in post-secondary education. This has already been reflected in the dramatic increase of 17% in FLEs for the 2013-2014 academic year.

During 2013-2014, the main focus for program development and academic planning was on the development, completion and approval of four new degree proposals.

First, ministerial approval was granted for a 120-credit BA in Liberal Studies. This is a unique interdisciplinary degree which will enable students both to undertake a broad liberal arts education and to choose a specific concentration in one of eleven areas of study offered at St. Mary's. These include Canadian Studies, Catholic Studies, Drama, English, Family Studies, History, Business and Management Studies, Philosophy, Psychology, Science Studies and Sociology. Dr. Tara Hyland-Russell, who has extensive experience in interdisciplinary studies, was appointed Coordinator of Liberal Studies to oversee implementation of the new degree beginning in September 2014. A series of three integrative Liberal Studies courses required of students in this program was approved by Academic Council. Applications in Spring 2014 indicate that there will be strong interest in this unique option.

Second, ministerial approval was granted for a 120-credit BSc in Biology for implementation in September 2015. This is the first Bachelor Science degree to be approved at St. Mary's and represents a significant development in its role as an institution which believes that science forms an essential part of classical liberal arts education. This program was also developed in response to the growing enrolment pressures in the biological sciences across Campus Alberta. Already in 2013-2014, St. Mary's experienced a 94% increase over the previous year in the number of students studying biology. In order to implement the BSc (Biology) in 2015, significant planning was undertaken for proposed renovation and expansion of the biology lab facilities. In addition, a new tenure track appointment was



made in Biology to ensure there would be a strong complement of faculty in place to offer the number and range of courses that this new degree program will require.

Third, work was completed on the proposal for a 120-credit BA in History. With an anticipated implementation date of September 2014, we will have completed our commitment to offer a four-year degree alternative for each of the three-year degrees which had originally been approved in the early phase of St. Mary's development. Already in 2013-2014, the number of students enrolled in a four-year degree program increased from 15% to 19%, while the percentage of those enrolled in three-year degree programs decreased from 32% to 26%. In anticipation of implementation of the 120-credit degree, two tenure track appointments were made in History and Catholic Studies effective July 1, 2014.

Fourth, planning continued on the development of a proposal for a BEd Secondary track to be added to the current BEd Elementary program at St. Mary's. This proposal is being developed in response to the encouragement received from the school boards with which St. Mary's collaborates and from students currently enrolled at St. Mary's. Consultative meetings were held with external stakeholders and with St. Mary's faculty with the intent of having a proposal ready for submission in the Fall of 2015.

At the same time, St. Mary's has sought to respond to the growing demand for its BEd Elementary program. In 2013-2014, the cohort of incoming students was increased by 25% in response to the high number of applications. Based on the volume of applications received already in early 2014 for the 2014-2015 academic year, the decision was made to put administrative resources in place as we aim for a double cohort of incoming BEd students in 2014-2015.

We are pleased with our continuing success in developing new relationships between our BEd program and school boards and individual schools. During 2013-2014, St. Mary's placed practicum students in 68 schools within 11 different school boards. This included placements within seven new school boards or districts: Rockyview School Division, Foothills School Division, Holy Spirit (Lethbridge), Red Deer Catholic, Siksika, Vancouver College (private), and Clearwater Academy (private). These placements are in addition to the three school districts with whom we have worked since the inception of the program: Calgary Board of Education, Calgary Catholic School District, and Christ the Redeemer School District. An increasing number of school boards have expressed interest in participating in our job fairs and have become much more active in recruiting our graduates.



To further strengthen our BEd program and its role in the Alberta Education system, St. Mary's signed a Memorandum of Understanding with the Alberta Teachers' Association (ATA). As part of its decision to grant recognition of the St. Mary's BEd program, St. Mary's was also granted a seat on the ATA's Teacher Education and Certification Committee. This will help to ensure we have a seat at the table in future discussions regarding certification and teacher education issues.

For a number of years, as part of professional development training, St. Mary's has been offering two programs to teachers and administrators within the Catholic School Board: the Graduate Diploma in Religious Education (GDRE) and the Certificate in Religious Education Administration (REAP). These programs were designed to meet the needs of teachers in the Catholic school system who already hold BEd degrees, and are seeking additional professional development to assist in their roles as religious education teachers and administrators. Although a significant number of teachers have enrolled in courses in these two diploma programs, those who actually complete them are low in number, and the enrolment in many courses has not reached the level for which we had hoped.

As a result, the REAP program has been replaced with a Graduate Certificate in Catholic Educational Leadership (GCCEL). This new program will place a greater focus on preparation for administrative leadership rather than simply a Religious Education specialty. We plan to deliver the program on a cohort basis, with only one course being offered per semester and in a sequence which allows completion of the program in a more timely fashion, possibly just 18 months. A number of the courses will be offered in a mixed modal fashion with both face-to-face and online components. This will enable St. Mary's to respond to interest received from areas such as Medicine Hat and Lethbridge where they would like to access



our professional training programs but cannot attend regular weekly classes. Courses will be offered during the regular semester periods as well as the Summer.

### **Goal 6: Promote Excellence in Faculty Research and Scholarship**

The St. Mary's University College Institutional Research Plan (IRP) identified four principal strategic goals to ensure that research is aligned with the broader mandate and mission of the University. These goals are:

- a. To create an academic environment that supports and promotes research, as well as scholarly and creative activity;
- b. To support faculty in the development of collaborative and interdisciplinary research initiatives and projects that reflect the mission of St. Mary's and areas of institutional strength and expertise;
- c. To support the integration of research and education and enhance the research training of students;
- d. To promote the exploration and dissemination of knowledge for the benefit of society.

To achieve these goals the following initiatives have been taken in the past academic year:

1. To create an academic environment that supports and promotes research, as well as scholarly and creative activity, a Director of Research and Grants position was created. Dr. Norman Knowles assumed the position on January 1, 2014. Some of the duties of the Director of Grants and Research are:

- reviewing the existing St. Mary's University College Institutional Research Plan and related research policies and, if advisable, recommend changes to the Dean's Council and Academic Council;
- planning for faculty professional development sessions relating to research, scholarship, and grant writing;
- ensuring that faculty are adequately informed about research funding opportunities;
- assisting faculty in securing and administering research grants and contracts, and in meeting their regulatory responsibilities in regards to any grants currently held; and
- serving as the point of contact for federal granting councils such as SSHRC, government ministries, foundations, associations and industry which provide funding for faculty research.

Since his appointment, Dr. Knowles has:

- created a research information and resource file on the Faculty S-Drive;
- prepared guides to grant writing;
- initiated the creation of a Research Web Page;
- hosted a workshop on SSHRC grant submissions;



- gathered input for the publication of an annual newsletter on faculty research;
- chaired the Research Grants Committee;
- contributed to the preparation and assessment of Canada Summer Jobs applications to hire student researchers;
- produced annual report on research and scholarship; and
- called together working groups to work on the development of research centres.

2. Several steps have been taken to increase levels of financial support to faculty to prepare grant applications, conduct research, and present findings.

- Professional Development funds have been increased for full-time faculty. The discretionary annual grant to each faculty member to purchase journal subscriptions, books, teaching materials and support research has been increased from \$500 to \$600. The annual allotment for each full-time faculty member put into the Professional Development Fund for which faculty may apply to support research and scholarly presentation has increased from \$1,200 to \$1,500.
- An annual fund established in support of research and scholarly projects and activities undertaken by St. Mary's University College Faculty was increased to \$7,000. Individual projects up to a maximum of \$2,500 will be funded for a period of up to eighteen months.

The purpose of the St. Mary's Faculty Research Grant is to assist St. Mary's researchers to:

- conduct seed research projects which assist in the establishment of long-term research plans/programs and provide the basis for future applications for external funding;
- maintain ongoing research plans with modest funding requirements or for which few external funding opportunities exist;
- fund activities which generate specific research outcomes and lead to publishable results; and
- disseminate research results and establish collaborative networks nationally and internationally.

In the past year, Faculty Research Grants have been awarded to:

- Dr. Mary Ann McLean: "Native Invertebrates and Alien Plants in Fish Creek Park."
- Dr. Corinne Syrnyk: "Invaluable Supports? The Nurturing Teaching Assistant Project."
- Dr. Michael Duggan: "Affection for Mother Jerusalem and the Sanctuary in the Laments of 1 Maccabees 1-4."
- Dr. Tara Hyland Russell: "Well-Being and Social Skills among Participants in a Radical Humanities Program for Marginalised Adults."





3. To support faculty in the development of collaborative and interdisciplinary research initiatives and projects that reflect the mission of St. Mary's and areas of institutional strength and expertise and to promote the exploration and dissemination of knowledge for the benefit of society, Academic Council approved a policy in November 2013 for the establishment and management of Research Centres.

4. To support the integration of research and education and enhance the research training of students:

Drs. Mary Ann McLean and Gary Grothman were successful in their application for a Canada Summer Jobs grant, for a summer student researcher to work on native invertebrates and invasive plants in Fish Creek Provincial Park. St. Mary's student, Ethan Harder, was hired to work on both projects during the Summer of 2013. The collaboration between St Mary's University College faculty and Fish Creek Provincial Park (FCPP) staff is continuing.

Students in the last year of their program also experience presenting their major research projects, completed in IDST 400, ENGL 400, or PSYC 400, their capstone courses, in a public forum. Three student conferences are held each Spring.

## Here and Now



A Conference on Literature  
Presented by the Students of English 401

Date: April 16th, 2014  
Time: 12:30pm - 5:30pm  
Place: Fr. Michael J. McGivney Hall

  
**ST MARY'S**  
UNIVERSITY COLLEGE

The graduating students of the four-year Bachelor of Arts English degree invite all students, faculty, staff and friends to join them as they present papers distilled from their research projects in English 401, the program's senior seminar. The presentations will address an inviting array of literary topics. Lunch will be provided.

### Goal 7: Encourage Excellence in Teaching and Learning

Although we have taken significant steps in increasing support for faculty research, the promotion of excellence in teaching by all faculty members and the creation of a positive and supportive learning environment for all students will always remain the principal focus of St. Mary's. Central to this goal is the commitment that faculty are well-resourced to develop and showcase best-practice examples of their work within their discipline.

As part of the University's redevelopment of our support initiatives, a Committee on Teaching and Learning was formed to identify opportunities for growth and development and to recognize and celebrate examples of teaching and scholarly excellence. Since the 2013-2014 academic year was its first full year of operation, the committee chose to focus on two areas.

First, the committee conducted an extensive review of the current instruments for evaluation of our courses and faculty teaching. As a result of this review, the process for



conducting both course evaluations as well as in-class observations/evaluations for faculty members was significantly revised. The focus of these changes is to ensure that a positive and pro-active peer mentoring system is in place to assist faculty in developing their teaching competencies and skills.

Second, the Committee on Teaching and Learning created two new teaching awards to recognize both teaching excellence and innovation. The committee has also prepared a proposal for the creation of an annual Innovation In Teaching Award (similar to the David Lawless Scholarship Award and to be awarded at Convocation), as well as an Innovation In Teaching Grant to promote and encourage innovative efforts in the area of teaching. The St. Mary's Teaching Excellence Award will be presented at the annual Spring Convocation, along with the David Lawless Scholarship Award, in order to place a higher level of public recognition on both teaching and research excellence. As well, a Teaching Innovation Grant will be awarded annually to encourage faculty to engage in more innovative and cutting edge pedagogies.

### **Goal 8: Enhance the Opportunities for Faculty, Staff, and Students to Participate in Collaborative Initiatives with Provincial, National, and International Partners**

As a relatively small, independent post-secondary institution, St. Mary's University College is committed to building collaborative partnerships and networks with other Campus Alberta institutions as well as local, regional, and international partners that extend the reach and impact of our programs.

During the 2013-2014 academic year, a significant priority was placed on the development of First Nations, Métis and Inuit (FNMI) partnerships. Under the guidance of the newly created FNMI Advisory Council, we interact with a number of community leaders, scholars, boards, groups and agencies in support of FNMI students. In addition, we partner with school boards in First Nations communities, and our faculty and staff have opportunities to interact with visiting scholars. Our new FNMI Liaison Specialist, Michelle Scott, is also involved in the Alberta Aboriginal Recruitment Network (AARN) initiative. We have partnered with the Calgary Foundation in support of our FNMI initiatives in terms of identifying resources.

With the relaunch of Humanities 101 in 2013-2014, St. Mary's also partnered with several community agencies in the recruitment and support of students in the program, including YWCA Calgary, Prospect Human Services, Momentum, the Patch Project, the Calgary Drop-In Centre, Foothills Special Needs Association for Parents and Siblings (SNAPS), the Catholic Immigration Society, Canadian Mental Health Association, the Urban Society for Aboriginal Youth (USAY), and Aspen Family Services.



This year has also seen expanded partnerships developed with the Calgary Catholic School District (CCSD) through the development of a dual credit program in drama and the hosting of English upgrading courses offered by CCSD on the St. Mary's campus.

Throughout the academic year, the campus ministry office created service opportunities for our students through such agencies as Families and Schools Together Canada, the Bannister Patch family outreach program of Hull Services, the Youth at Risk Development Program (YARD) (with the Calgary Police Service), the Calgary Centre for Newcomers, and Our Lady Queen of Peace Ranch, a charitable facility and program located in Bragg Creek, dedicated to helping less fortunate young people and families.

In the future, St. Mary's plans to expand significantly the number of service opportunities offered to its students within the framework of service learning programs which are more directly connected with their degree programs. For this purpose, a special consultant's report was commissioned to provide a preliminary survey of potential service learning partnerships. As a result of this study, a half-time consultant was hired to provide advice on the administrative framework which needs to be put in place to expand service learning opportunities in the future.

### **Goal 9: Ensure Sustainable Fiscal Management while Preparing for Significant Growth in Academic Programs and Campus Facilities**

The 2013-2014 fiscal year was highly successful from many different perspectives. The tremendous enrolment increase, the growth in donations and fundraising and the approval of new degree programs further established St. Mary's as an institution of choice for Calgary students.

The growth in donations and fundraising enabled the subsequent investments in 2014-2015 to accommodate the growing number of students including new parking areas, expanded seating in the café, building enhancements and new academic appointments.

Furthermore, the endowment fund grew by 6.0% for the second year in a row. Thanks to many private donors, the total endowment fund now stands at \$9.5 million providing an annual grant to operations of almost \$500,000.

St. Mary's was pleased to participate with other Campus Alberta partners in identifying opportunities for partnerships and operational efficiencies. St. Mary's has been a partner in the Southern Alberta Integrated Library for many years. Over the past year, St. Mary's joined the Calgary Public Purchasing Group which will enable us to access group buying opportunities. As well, our Facilities Manager was invited to meet with other Campus Alberta Facilities Directors for their semi-annual meeting in Spring 2014. These



opportunities for networking are highly valuable to St. Mary's as a small institution in sharing expertise, best practices and policy development.

St. Mary's was also pleased to join the Collaborative Policy Development initiative led by Grande Prairie Regional College in partnership with Meyers Norris Penny LLP. As a small and youthful university, the opportunity to collaborate on policy development has a huge benefit in expediting policy development and sharing expertise and experience in an efficient and professional process.

St. Mary's has been pleased to represent the Independent Academic Institution sector at meetings of the Provincial Funding Model Committee. We appreciate the opportunity for discussion and consultation as the Ministry moves forward in changing the current funding model.

Having achieved remarkable success in the 2013-2014 fiscal year, St. Mary's maintains long-term sustainability as its top priority. With this in mind, it is critical that we take into account and work to address pressures that may negatively impact our financial model. A key pressure, as we describe elsewhere in this report, is the absence of grant funding for the extraordinary enrolment growth achieved over many years. Indeed, grant funding per student has now fallen to perhaps the lowest in the Province. For many years, St. Mary's has been able to raise private donations to fund the unfunded portion of operating costs, however, given that we are also not eligible for capital grants, it would be best if we could direct donations from private supporters to other non-government funded items, such as campus expansion, construction, development and equipment costs. As such, we are pleased to hear the announcement of an equity review and new funding model.



## 4.0 Management's Discussion and Analysis

St. Mary's is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian not-for-profit accounting standards as described in Note 2 to the audited financial statements. The financial statements present fairly the financial position of St. Mary's as of the years ended March 31, 2014 and 2013 and the results of its operations, and its cashflows.

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

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee. The Audit Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit Committee, with and without the presence of management.

### Financial Statement Presentation

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the audited financial statements for the fiscal year ended March 31, 2014 and accompanying notes. The financial statements have been reviewed and approved by the Board of Governors on the recommendation of the Audit Committee.

Since April 1, 2012, St. Mary's has used the accounting standards for Canadian not-for-profit organizations as set out in Part III of the CICA Handbook. Please note that Canadian accounting standards for not-for-profit organizations differ from Canadian Public Sector accounting standards that apply to government-controlled post-secondary institutions.

### Financial Management

The Board of Governors reviews and approves the annual operating and capital budget on the recommendation of the Finance Committee. The annual operating budget reflects the mandate and the approved priorities and goals of the institution for the coming year in the context of the Strategic Plan. Through a decentralized budgeting approach, area managers are actively involved in the submission of business plans and budget requests that incorporate both opportunities and risks for their areas of responsibility. With the recent approval of the new Strategic Plan, the budget process now aligns budget investments with Strategic Directions approved by the Board of Governors. As the fiscal year progresses, there is ongoing dialogue with budget managers to identify pressure points and ensure that



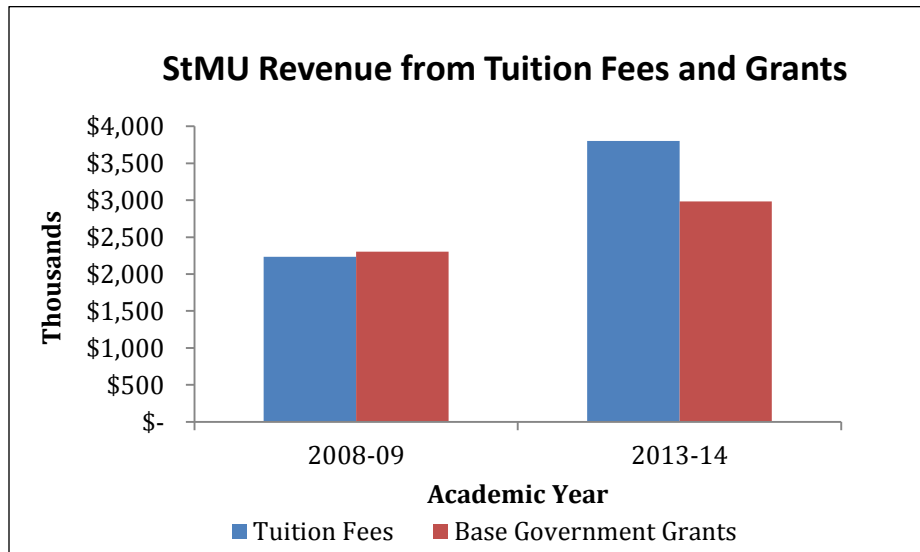
the needed resources are in place to enable them to achieve their goals and objectives. The Finance Committee and full Board of Governors, receive regular briefings on fiscal results to date in reference to the approved budget, prior year results and in relation to non-financial targets including enrolments.

### Financial Results from Core Operations

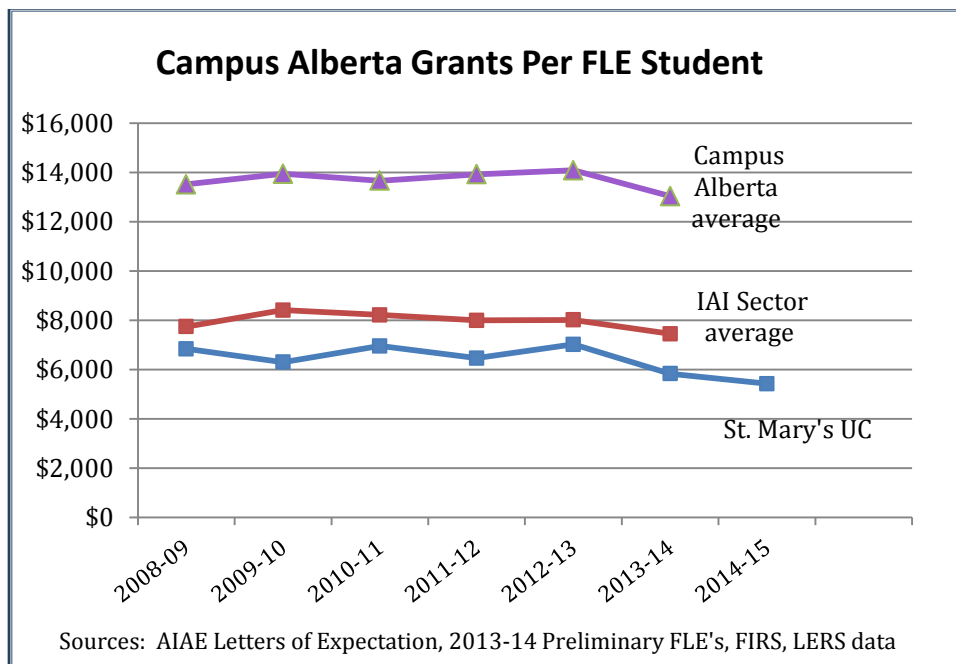
The Statement of Operations provides a comprehensive report of total income and expense. However, the key measure of sustainability is represented by revenue and expense from core operations, excluding non-operational revenue from donations, fundraising and investment income. For the fiscal year ended March 31, 2014, revenue from tuition fees, grants and ancillary sources represented only 62% of the total while non-operational revenue from donations, fundraising and investment income comprise 38% of the total. When core operating revenue is examined in reference to core operating expense (less fund-raising costs), there is a shortfall of more than \$1 million from core operations.

	2013-14 Actual	2012-13 Actual
Tuition fees	\$ 3,800,785	\$ 3,370,254
Provincial government grants	2,982,329	3,071,201
Bookstore	430,629	394,269
Rental and miscellaneous	116,195	86,776
<b>Total operational revenue</b>	<b>\$ 7,329,938</b>	<b>\$ 6,922,500</b>
Academic and library	\$ 3,517,315	\$ 3,579,195
President's office and board	599,759	609,340
Student and campus services	1,666,422	1,401,686
Facilities and technology	1,060,980	1,000,808
Finance and administration	782,493	742,062
Bookstore	388,517	371,579
Communications	377,566	285,728
<b>Total operational expenses</b>	<b>\$ 8,393,052</b>	<b>\$ 7,990,398</b>
<b>Net operational shortfall</b>	<b>\$ (1,063,114)</b>	<b>\$ (1,067,809)</b>

Over the past five or more years, government grants have failed to keep pace with rapid enrolment growth at St. Mary's. As a result, there is now a marked shift in which students are now funding approximately 40% of the cost of their education in contrast to government grants which now fund only 31% of total costs. For the 2013-2014 fiscal year, students funded almost 28% more of their education than government grants.



The recently-announced equity review is welcome news to St. Mary's. While our students enjoy access to affordable, high-quality University education, and a growing array of programs, the shortfall in grant funding has posed budgetary challenges. The equity review is absolutely essential in recognizing the growth and success that St. Mary's has achieved since the last equity review in 2005. At the same time, as we work toward development of a new funding model, we would urge the Ministry to include strategic provisions for growth, student success and new programs.





St. Mary's has continued to lead the province in enrolment growth. In the past five years from 2008-2009 to 2013-2014, total enrolments (FLE students) have grown by 47.1%. Enrolments for the Fall 2014 term are 20% higher than the previous year. This outstanding growth will only continue as new programs are launched. Student demand for the recently approved Bachelor of Science degree in Biology has already exceeded our own enrolment targets.

At the same time, provincial operating grants have not kept pace with this growth and as a result, the rate of funding per student has fallen to among the lowest in the province. In the 2013-2014 fiscal year, tuition fees covered almost 40% of operating costs while government grants covered only 31%. As a university on the cusp of exciting growth, we would encourage the Ministry to expedite the equity review so as to better align funding with enrolments and thereby invest in student success.

### **Statement of Operations**

St. Mary's realized an excess of operating revenue over expenses of \$2,164,111 for the fiscal year ended March 31, 2014 (2013: \$485,188). This very positive result was due to strong revenue growth resulting from increased enrolments and a very generous bequest donation received during the year.

#### ***Revenue***

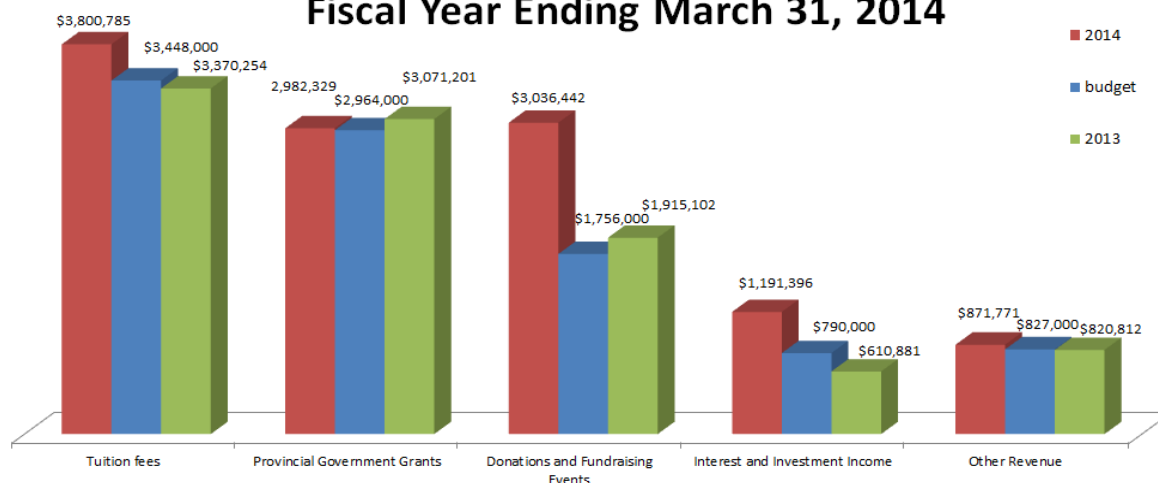
Total operating revenue rose by 21.4% to \$11,882,723 (2013: \$9,788,250).

During the 2013-2014 academic year, there was significant growth in revenues from tuition fees, donations and fundraising and investment income. However, this was contrasted by a decline in revenue from provincial operating grants of almost \$90,000 due to a freeze in base operating grants and the fact that prior year figures included a one-time grant for ApplyAlberta implementation costs.





## Total Operating Revenues Fiscal Year Ending March 31, 2014



Highlights of 2013-2014 revenue include:

**Tuition fee revenue** rose by 12.8% to \$3,800,785 (2013: \$3,370,254) as a result of outstanding enrolment growth and the modest tuition increase. Enrolments grew dramatically in the Bachelor of Arts and Education programs due to the growing reputation of St. Mary's, strong demand for student-centered learning in small class sizes, affordable tuition rates, and the commitment to the whole person – mind, body and spirit. St. Mary's also experienced growth in non-credit programs including Sacred Arts, Discovering Science and the Graduate Certificate in Educational Leadership.

**Government grant revenue** fell by 2.9% to \$2,982,329 (2013: \$3,071,201) due to a freeze in provincial operating grants and the fact that prior year figures included a one-time ApplyAlberta system implementation grant. In the context of overall cuts to the post-secondary sector in Budget 2013, St. Mary's was relieved to have base grants frozen at prior year levels. However, the freeze in grant funding posed a serious financial challenge at a time when St. Mary's was experiencing a 17% increase in student enrolments.

St. Mary's continues to experience unparalleled growth in enrolments, new programs and student satisfaction. In reaching new levels of growth, St. Mary's continues to meet or exceed Provincial Ministry goals for delivering more spaces in high-quality post-secondary programs, providing affordable learning opportunities, and offering a supportive learning environment that enables each student to reach their full potential. While the current year decrease in grant funding is a concern, the recent allocation of new Enrolment Expansion funding for the Bachelor of Education program is encouraging in supporting growth in 2014-2015 and future years. We are further encouraged by the announcement of an equity review to provide adjustments to institutions such as St. Mary's where enrolment growth has been unfunded. We will continue dialogue with the Ministry regarding enrolment



growth, program expansion and the related funding foundations that are needed to allow St. Mary's to achieve our own goals, and those of Campus Alberta, and most of all, our students.

We appreciate the opportunity to participate in the Provincial Funding Model Review Committee in creating an equitable, transparent, predictable and sustainable funding model that enables St. Mary's to maintain our commitment to affordable tuition fees and enable more Alberta students to achieve their dream of access to high-quality university programs.

**Revenue from donations and fundraising events** increased dramatically to \$3,036,442 (2013: \$1,915,102) thanks to a one-time bequest of almost \$1.1 million from an individual who passed away. This donation enabled St. Mary's to fund many important investments in the 2014-2015 fiscal year to accommodate enrolment growth including new faculty and administrative positions, renovations to the biology lab, and expansion of parking lots.

It is the longstanding support from many private donors that has enabled St. Mary's to achieve the outstanding success and growth to date. As a rapidly growing institution, private contributions have had to be raised to cover unfunded basic operating costs when provincial operating grants did not keep pace with growth. As a more equitable funding formula is put in place, private donors will be able to make an even more meaningful impact in helping students as their funding is directed to new facilities, new scholarships and enhanced learning supports.

St. Mary's is laying the groundwork for major campus expansion in the next three to five years. As an independent academic institution, St. Mary's is not eligible for capital grants. As a result, private donations and contributions must be raised to fund all new buildings including additional classrooms, student residences, new athletic facilities and a student commons for dining, study and events. Based on results of a feasibility study, we believe there is strong support for this project that will enrich the lives of not only students, faculty and staff but all residents of south Calgary, Alberta and beyond.

Donations to the endowment fund were \$162,090 (2013: \$311,851) and are recorded as direct increases to net assets. Endowment funds are permanently restricted and investment income earned is used to fund particular programs or general operations, as directed by the donor. Donations for deferred capital or operating initiatives were \$319,146 (2013: \$738,103). These contributions are recorded as deferred contributions and recorded as revenue when the related expense is incurred.

**Investment income** rose by 95.0% to \$1,191,396 (2013: \$610,881) thanks to very positive equity markets and growth in invested funds. Of the total, reported investment income, \$528,444 or 44.3% is unrealized gains in market value in the account. While the results were strong in the most recent year, investment income continues to be a challenging line item with historically-low interest rates and ongoing volatility in equity markets. University



investment funds are managed by professional advisors under the oversight of the Finance Committee of the Board.

**Ancillary income** from the bookstore and facility rentals provided an additional source of revenues.

<b>Total Operating Revenues</b>	<b>2013-14 Actual</b>	<b>2013-14 Budget</b>	<b>2012-13 Actual</b>
Tuition and student fees	\$ 3,800,785	\$ 3,448,000	\$ 3,370,254
Government grants	2,982,329	2,964,000	3,071,201
Donations and fundraising	3,036,442	1,756,000	1,915,102
Investment income	1,191,396	790,000	610,881
Other revenue	871,771	827,000	820,812
<b>Total</b>	<b>\$ 11,882,723</b>	<b>\$ 9,785,000</b>	<b>\$ 9,788,250</b>

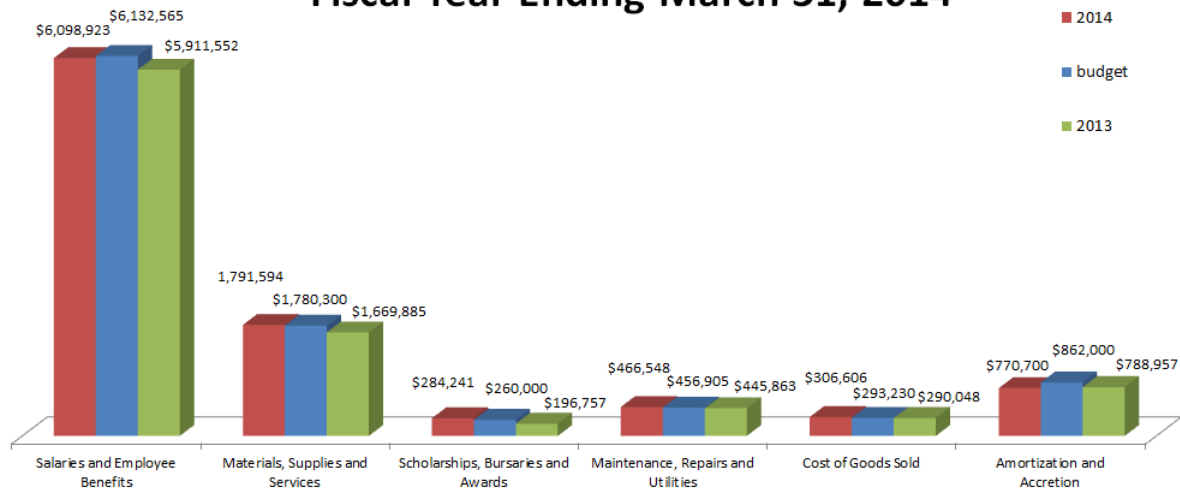
#### *Operating Expenses*

St. Mary's operating expenses rose by 4.5% to \$9,718,612 (2013: \$9,303,062). The growth reflected focused investments in several areas to accommodate growth and enhance programs and student services.

Expenses included very modest salary increases and investments in the Learning Centre and Student Services. In addition, several strategic objectives were funded including a new branding and communications program, a fundraising campaign feasibility study, and continued consultations regarding campus expansion planning. A new tenure-track faculty appointment was made in the Bachelor of Education program and provisions were made in preparation for the Bachelor of Science degree with a major in Biology and Bachelor of Arts degree major in History, both of which have since been approved.



## Total Operating Expenses Fiscal Year Ending March 31, 2014



Highlights of 2013-2014 operating expenses include:

**Compensation expenses** rose by 3.2% to \$6,098,923 (2013: \$5,911,552) and remained the highest expense item. Under Board policy, salaries for full-time faculty are set at 95% of faculty scales at the University of Calgary. As such, faculty received no cost of living increase this past year however annual increments were awarded. Salary scales for administrative employees are competitive within the Western Canada broader public sector. Consistent with policy for full-time faculty members, administrative staff received annual increments (to the top of scale) but no cost of living increase. The recent restraint in cost of living awards has raised some concerns from faculty and staff. In the city of Calgary, there is a highly competitive hiring market, particularly for some administrative positions. A fair and competitive compensation package is critical in attracting and retaining the highest-quality faculty and staff.

Expenses for **materials, supplies and services** rose by 7.2% to \$1,791,594 (2013: \$1,669,885). This line includes a wide variety of expenses including office and laboratory supplies, professional fees, insurance, external contracted services, travel and professional development costs. This past year includes strategic allocations for campus expansion planning consultation sessions, an updated branding and advertising strategy, investment in a fundraising campaign feasibility study, along with investments in the St. Mary's Learning Centre and the re-launching of the Humanities 101 Program.

**Scholarships, bursaries and awards** increased by 44.5% to \$284,241 (2013: \$196,757) as a result of outstanding growth in the President's Circle Scholarships. These Scholarships are awarded based on academic merit and provide scholarships ranging from \$1,000 to \$2,500 in the first year of study. Thanks to support from many private donors, St. Mary's now



provides a very full array of scholarships and bursaries. In the 2013-2014 academic year, one in six students received some form of financial support from scholarships and/or bursaries. We were very pleased to learn that the Access to the Future program is being restored as it will further promote private donations for universities.

**Maintenance and repairs** expenses increased by 5.2% to \$272,532 (2013: \$258,934) and **utilities expenses** increased slightly to \$194,016 (2013: \$186,929). This is an area of continual cost pressure for campus operations.

**Cost of goods sold** increased slightly to \$306,606 (2013: \$290,048). Bookstore sales have increased with student enrolments and the bookstore operates on a very slight profit margin. Though we are seeing growth in electronic options and textbook rentals, sales of traditional textbooks remain the primary item sold.

**Amortization and accretion expense** declined to \$770,700 (2013: \$788,957). This expense consists of the cost of buildings, equipment and capital items amortized over the useful life of the related asset.

	2013-14 Actual	2013-14 Budget	2012-13 Actual
Salaries and employee benefits	\$ 6,098,923	\$ 6,132,565	\$ 5,911,552
Materials, supplies and services	1,791,594	1,780,300	1,669,885
Scholarships, bursaries & awards	284,241	260,000	196,757
Maintenance, repairs and utilities	466,548	456,905	445,863
Cost of goods sold	306,606	293,230	290,048
Amortization and accretion	770,700	862,000	788,957
<b>Total</b>	<b>\$ 9,718,612</b>	<b>\$ 9,785,000</b>	<b>\$ 9,303,062</b>

#### *Comparison of Budget to Actual Results*

The annual budget exercise is a consultative process that allows budget managers to bring forth new initiatives and areas for improvement or growth. Through engagement and discussion, St. Mary's has achieved an uncommon commitment to managing expenses and achieving outstanding results with limited budgets. Having relied on private giving from its inception, St. Mary's is keenly aware of the need to get the best possible value from limited resources and put students first.

The 2013-2014 fiscal year reflects strong fiscal results and outstanding success in achieving a 14% increase in enrolments. On the revenue side, tuition fees and private donations were strong while total expenses ended the year within the established budget.

With the exception of government grants, all revenue sources exceeded the established budget targets for the year. Tuition fees exceeded budget by 10% as a result of enrolment



growth. Revenue from donations and fundraising exceeded budget targets due to a single bequest of more than \$1 million as well as strong support from many new and continuing donors. Investment income also exceeded budget due to strong equity markets. It should be noted that budget estimates for donations, fundraising and investment income are set at very conservative levels to reflect the high level of risk in those areas.

On the expense side, compensation expenses ended the year just slightly under budget. Based on the link to the University of Calgary faculty salary structure, there was no cost of living award provided to faculty or staff. It should be noted that the very positive business climate in Calgary has made it more difficult to hire for particular administrative positions.

For the most part, non-compensation expenses ended the year within budget while allowing for several strategic investments in communications, fundraising events and professional fees. We will continue to monitor utility costs and look for ways to implement energy efficiencies.

## Statement of Financial Position

### Assets

Total assets increased by \$2,515,330, or 7.1%, during the 2013-2014 fiscal year. Current assets grew by \$483,710 as more cash was on hand, including \$670,000 in short term deposits, in anticipation of short-term operating and capital commitments including renovations to the Biology Lab and the creation of several new faculty offices to address the needs of expanded enrolment. Long-term investments grew considerably by 16.3% to \$17,286,554 (2013: \$14,868,989) due to new donations. The endowment fund has grown to a meaningful size and provides a significant source of operating revenues.

Net capital assets fell slightly. While there are continuing investments in existing campus facilities, there were fewer capital projects undertaken due to a key vacancy in the Facilities area. As previously noted, St. Mary's is currently making plans for a major capital expansion in the next three to five years including new buildings, extensive renovations to existing facilities and development of a campus quadrangle.

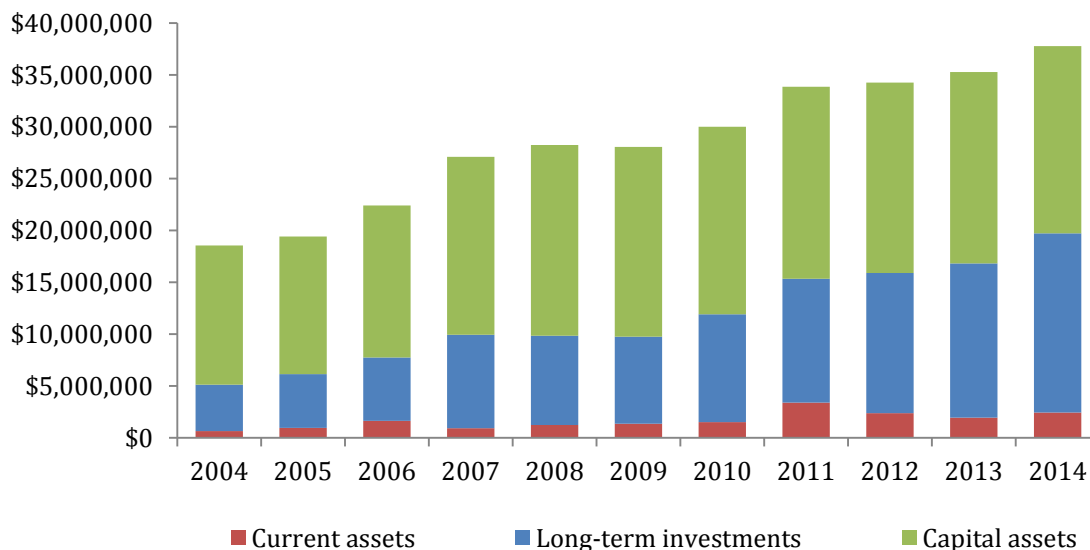
Capital investments made in 2013-2014 include:

- Investment in science equipment and lab renovations to support new Bachelor of Science degree program
- Ongoing investments in educational technology, furnishings and equipment
- Purchase of several pieces of historic stained glass for display in the buildings; note that the cost of this investment was funded through private donations



## Total Assets

Source: Audited Financial Statements



### Liabilities and Net Assets

Current liabilities declined by \$137,184, a decrease of 9.9%. While there was an increase in deferred revenue from tuition fees and fundraising events, this increase was more than offset by decreases in current payables and short term deferred contributions.

Non-current liabilities fell by \$52,218, or 1.0% due to an overall decline in unamortized capital contributions net of a small increase in future retirement obligations to fund contractual commitments. There was also an increase in deferred contributions, both short- and long-term portions, which reflected donations on hand for future capital needs and program initiatives.

Total net assets rose by 9.4% to \$31,339,294 primarily due to strong operating performance and growth in the endowment fund. The university endowment fund increased by 6.0% to \$9,503,572 (2013: \$8,962,951) due to new contributions and positive investment income. As previously noted, the news that the Access to the Future Fund is being restored is very positive. The availability of matching donations has been a powerful force in promoting for private giving for the benefit of students.

Endowment funds are administered under the terms of formal endowment agreements. Endowment principal must be maintained in perpetuity while the annual investment earnings provide a source of annual operating funds. In many cases, the annual grant is restricted by the donor for a specific purpose such as a scholarship or bursary. In recent years, investment returns have been a challenge due to volatility in equity markets and



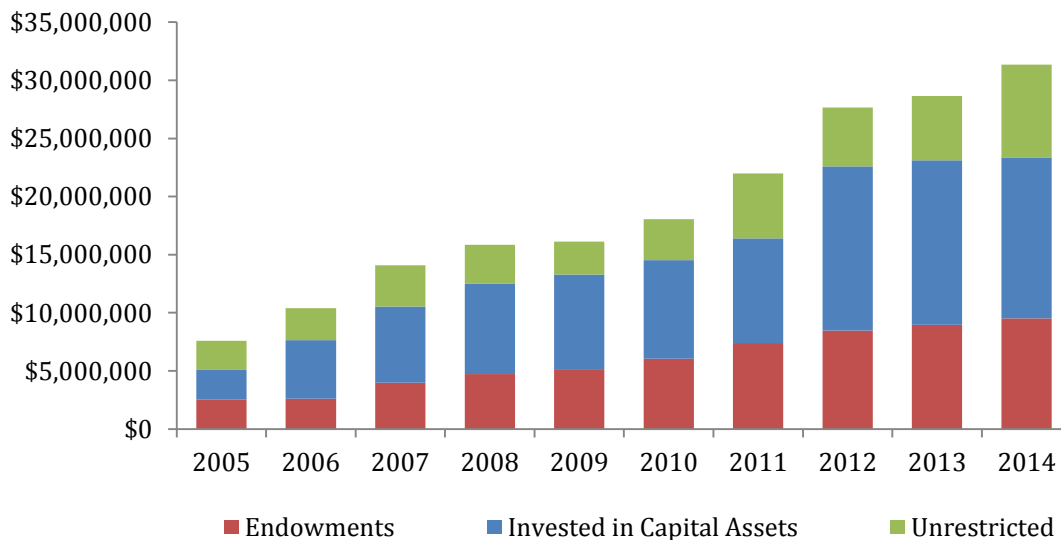
historically-low interest rates. The Finance Committee of the Board of Governors closely monitors investment performance so as to ensure preservation of capital and future endowment grants to operations and scholarship funds.

Unrestricted net assets grew by 44.4% to \$7,970,384 (2013: \$5,516,762) as a result of very positive fiscal results during the year, including receipt of a \$1.1 million bequest donation.

Given the tradition of reliance on donations for operating needs, St. Mary's has a history of budgeting conservatively. We are thankful to the faculty and staff who have an ongoing commitment to careful budgeting. This commitment has enabled St. Mary's to achieve remarkably successful student programs with limited budgets. As St. Mary's prepares to launch a capital expansion plan, the engagement of faculty, staff, students and donors will provide the foundation for us to implement additional new programs and a very exciting campus expansion plan.

## Total Net Assets

Source: Audited Financial Statements



As a post-secondary institution in the early stages of development, St. Mary's has ambitious plans for major growth in both programs and facilities over the next three to five years. Having already established an array of highly successful degree programs in Arts, Education and Science, there is tremendous momentum from which to plan for campus expansion. As we set the plans for new classroom, residence and wellness facilities, we look forward to working with Campus Alberta, the local community and our faculty, staff and students in moving forward with expansion plans that maintain a commitment to providing the best possible learning experience for each and every student.



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**ST. MARY'S UNIVERSITY COLLEGE**

**Financial Statements**

For the years ended March 31, 2014 and March 31, 2013

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## AUDITORS' REPORT

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

We have audited the accompanying financial statements of St. Mary's University College, which comprise the statements of financial position as at March 31, 2014 and 2013 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 College as at March 31, 2014 and 2013, 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.

Calgary, Canada  
September 4, 2014 (estimated)

Chartered Accountants



# ST. MARY'S UNIVERSITY COLLEGE

## Statements of Financial Position

For the years ended March 31, 2014 and March 31, 2013

	As at March 31, 2014	As at March 31, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 832,141	\$ 258,807
Accounts receivable	19,490	45,443
Prepaid expenses and inventory	243,383	225,625
Short-term investments – Note 3	1,358,173	1,439,602
	2,453,187	1,969,477
<b>Investments - Note 3</b>	17,286,554	14,868,989
<b>Capital assets - Note 4</b>	18,047,271	18,433,216
	\$ 37,787,012	\$ 35,271,682
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 232,947	\$ 309,987
Accrued vacation pay	171,022	187,217
Deferred revenue	515,102	454,349
Deferred contributions - Note 7	295,439	400,998
Current portion of future retirement obligation – Note 6	35,143	34,286
	1,249,653	1,386,837
<b>Asset restoration obligations - Note 5</b>	179,361	175,368
<b>Future retirement obligations - Note 6</b>	325,000	285,786
<b>Deferred contributions - Note 7</b>	511,772	510,763
<b>Deferred capital contributions - Note 8</b>	4,181,932	4,278,366
	6,447,718	6,637,120
<b>NET ASSETS</b>		
<b>Unrestricted</b>	7,970,384	5,516,762
<b>Invested in capital assets</b>	13,865,338	14,154,849
<b>Restricted for endowment purposes - Note 9</b>	9,503,572	8,962,951
	31,339,294	28,634,562
	\$ 37,787,012	\$ 35,271,682

Contingent Development Costs – Note 10

Approved by the Board of Governors:

\_\_\_\_\_  
Chairman, Board of Governors

\_\_\_\_\_  
President

*The accompanying notes are part of these financial statements*



# ST. MARY'S UNIVERSITY COLLEGE

## Statements of Operations and Change in Unrestricted Net Assets

For the years ended March 31, 2014 and March 31, 2013

	2014	2013
<b>REVENUE</b>		
Tuition fees	\$ 3,800,785	\$ 3,370,254
Provincial government grants	2,982,329	3,071,201
Donations and fundraising events	3,036,442	1,915,102
Bookstore	430,629	394,269
Interest and investment income – Note 3	1,191,396	610,881
Rental and miscellaneous	116,195	86,776
Amortization of deferred capital contributions - Note 8	324,947	339,767
	11,882,723	9,788,250
<b>OPERATING EXPENSES</b>		
Salaries	5,292,125	5,156,254
Employee benefits	806,798	755,298
Materials, supplies and services	1,791,594	1,669,885
Scholarships, bursaries and awards	284,241	196,757
Maintenance and repairs	272,532	258,934
Utilities	194,016	186,929
Cost of goods sold	306,606	290,048
Amortization and accretion	770,700	788,957
	9,718,612	9,303,062
<b>EXCESS OF REVENUE OVER EXPENSE</b>	2,164,111	485,188
Investment in capital assets	(156,242)	(476,134)
Net amortization of capital assets	445,753	449,190
<b>CHANGE IN UNRESTRICTED NET ASSETS FOR THE YEAR</b>	2,453,622	458,244
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	5,516,762	5,058,518
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	\$ 7,970,384	\$ 5,516,762

*The accompanying notes are part of these financial statements*



# ST. MARY'S UNIVERSITY COLLEGE

## Statements of Changes in Net Assets

For the years ended March 31, 2014 and March 31, 2013

	2014			2013	
	Unrestricted	Invested in Capital Assets	Endowment Fund	Total	Total
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 5,516,762	\$ 14,154,849	\$ 8,962,951	\$ 28,634,562	\$ 27,647,662
Excess (deficiency) of revenue over operating expense	2,609,864	(445,753)	-	2,164,111	485,188
Transfer from deferred contributions - Note 7	-	-	29,757	29,757	-
Investment income – Note 3	-	-	765,072	765,072	335,531
Endowment grants to operations	-	-	(416,298)	(416,298)	(145,670)
Endowment contributions	-	-	162,090	162,090	311,851
Investment in capital assets	(156,242)	156,242	-	-	-
<b>NET ASSETS, END OF YEAR</b>	\$ 7,970,384	\$ 13,865,338	\$ 9,503,572	\$ 31,339,294	\$ 28,634,562

*The accompanying notes are part of these financial statements*



# ST. MARY'S UNIVERSITY COLLEGE

## Statements of Cash Flows

For the years ended March 31, 2014 and March 31, 2013

	2014	2013
<b>Operating activities</b>		
Excess of revenue over operating expense	\$ 2,164,111	\$ 485,188
Add (deduct) non-cash items:		
Amortization and accretion	770,700	788,957
Amortization of deferred capital contributions	(324,947)	(339,767)
Loss (gain) on investments	83,838	(7,238)
Unrealized (gain) on investments	(528,444)	(181,655)
Deferred contributions recognized in donation revenue	(171,030)	(243,194)
Future retirement obligation	75,000	50,000
Net change in non-cash working capital <sup>2</sup>	30,937	(478,493)
	2,100,165	73,798
<b>Financing activities</b>		
Endowment contributions	162,090	311,851
Deferred contributions and grants received	96,237	629,562
Capital contributions <sup>1</sup>	228,065	324,795
	486,392	1,266,208
<b>Investing activities</b>		
Acquisitions of capital assets <sup>1</sup>	(380,314)	(749,166)
Payables relating to capital acquisitions	(90,153)	60,208
(Acquisitions) disposals of investments, net	(1,891,530)	(1,280,269)
Endowment investment income	765,072	335,531
Endowment grants to operations	(416,298)	(145,670)
	(2,013,223)	(1,779,366)
<b>Increase (decrease) in cash</b>	573,334	(439,360)
<b>CASH, BEGINNING OF YEAR</b>	\$ 258,807	698,167
<b>CASH, END OF YEAR</b>	\$ 832,141	\$ 258,807

### Non-cash transaction:

<sup>1</sup>The statement of cash flows does not include donated capital assets in the amount of \$448 (2013 – \$54,193)

<sup>2</sup>Net change in non-cash working capital:

	2014	2013
Decrease in accounts receivable	\$ 25,953	\$ 3,667
(Increase)/decrease in prepaid expenses and inventory	(17,758)	93,906
Decrease in accounts payable and accrued liabilities net of capital amounts	13,113	(26,341)
Increase in accrued vacation pay	(16,195)	33,669
Decrease in future retirement obligation	(34,929)	(208,541)
Increase /(decrease) in deferred revenue	60,753	(74,853)
	\$ 30,937	\$ (478,493)

*The accompanying notes are part of these financial statements*



Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

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**1. Nature of Operations**

St. Mary's College was established by an Act of the Alberta Legislature in 1986 as a not-for-profit, "private college for the promotion of higher education for Catholics and others". The name was officially changed to St. Mary's University College in 2004 upon accreditation to degree-granting status. St. Mary's University College ("St. Mary's") offers undergraduate and graduate degree programs and courses to students of all faith traditions. St. Mary's also offers professional courses for teachers in the Catholic school system. St. Mary's is a registered charity and is exempt from income tax pursuant to Section 149 of the Income Tax Act (Canada).

**2. 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.

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 have been classified as held-for-trading and 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 when received. Short-term investments include restricted and unrestricted cash balances, short-term deposits and interest receivable.



Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

**2. Significant Accounting Policies (continued)**

**(c) Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value when fair market value is reasonably determinable. Capital assets 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
Collections	Not amortized

**(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.

**(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 retirement obligations, future employee benefits, and provisions for contingencies. Actual results could differ from those estimates.





Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

**2. Significant Accounting Policies (continued)**

**(h) Financial instruments**

Financial assets and liabilities are initially recognized and subsequently measured based on their classification. Cash and cash equivalents, short-term investments, and long-term investments are measured at fair value. Gains and losses realized on disposal, unrealized gains and losses from market fluctuations and other investment income are reported in the Statement of Operations. All transactions costs for financial assets and liabilities are recorded as expenses. Other liabilities and receivables are measured at amortized cost using the effective interest rate method.

**(i) Credit, Currency, Market and Liquidity Risk**

*Credit Risk*

Credit risk for accounts receivable is relatively low as the majority of the balance is due from government bodies and ongoing facility renters. 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 accounts payable denominated in United States dollars. St. Mary's does not use derivative instruments to reduce its exposure to foreign currency risk. This is not a material financial risk.

*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.

*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, 2014, St. Mary's has available borrowing facilities of \$500,000, none of which had been drawn. Under the terms of the credit facility, St. Mary's must maintain a market value of \$1,500,000 in unrestricted investments at all times.

**(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, 2014 are \$306,606 (2013 – \$290,048).

**(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. St. Mary's is in compliance with all requirements as at and for the fiscal year ended March 31, 2014.

**(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.



Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

2. Significant Accounting Policies (continued)

(n) Disclosure of Related Party Transactions

The Roman Catholic Bishop of the Diocese of Calgary is Chancellor of St. Mary's University College. The Roman Catholic Diocese of Calgary made donations to St. Mary's University College of \$123,605 in the fiscal year ended March 31, 2014 (2013 - \$115,547).

3. Investments and Investment Income (Loss)

	March 31, 2014	March 31, 2013
Cash and interest receivable	\$ 654,008	\$ 666,685
Bonds	5,542,405	5,503,547
Publicly traded equities	12,228,076	9,944,742
Life insurance policy	220,238	193,617
	18,644,727	16,308,591
Less amounts reported as short-term investments	(1,358,173)	(1,439,602)
	\$ 17,286,554	\$ 14,868,989

Long-term investments include externally restricted contributions received for endowment purposes of \$9,653,725 (2013 - \$8,968,142) and restricted donations for specific capital and operating initiatives of \$738,105 (2013 - \$842,622). Bonds consist of government and corporate bonds with average effective yield of 4.4% (2013 - 4.4%). Short-term investments include cash balances and bonds maturing in the next fiscal year. The original cost of investments is \$16,959,558. The fair value adjustment is comprised of market fluctuations relating to the working capital and deferred contributions investment portfolios.

Investment income (loss)

	2014			
	Unrestricted	Endowment Fund	Restricted Fund	Total
Interest and dividend income	\$ 778,395	\$ 398,807	\$ 4,714	\$ 1,181,916
Capital gains (losses)	(83,838)	(51,907)	(3,356)	(139,101)
Fair value adjustment	528,444	453,186	4,166	985,796
Less transaction costs	(31,605)	(35,014)	(369)	(66,988)
<b>Balance, end of year</b>	<b>\$ 1,191,396</b>	<b>\$ 765,072</b>	<b>\$ 5,155</b>	<b>\$ 1,961,623</b>

	2013			
	Unrestricted	Endowment Fund	Restricted Fund	Total
Interest and dividend income	\$ 451,218	\$ 339,345	\$ 6,703	\$ 797,266
Capital gains (losses)	7,238	(121,034)	259	(113,537)
Fair value adjustment	181,655	156,871	743	339,269
Less transaction costs	(29,230)	(39,651)	(301)	(69,182)
<b>Balance, end of year</b>	<b>\$ 610,881</b>	<b>\$ 335,531</b>	<b>\$ 7,404</b>	<b>\$ 953,816</b>



Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

4. Capital Assets

	March 31, 2014		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 8,786,152	\$ -	\$ 8,786,152
Buildings	12,379,424	4,296,697	8,082,727
Library books and collections	2,109,532	1,494,108	615,424
Furniture and equipment	1,531,836	1,115,396	416,440
Computer equipment	1,431,604	1,285,076	146,528
	<u>\$ 26,238,548</u>	<u>\$ 8,191,277</u>	<u>\$ 18,047,271</u>

	March 31, 2013		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 8,786,152	\$ -	\$ 8,786,152
Buildings	12,302,191	3,801,520	8,500,671
Library books and collections	1,885,596	1,417,963	467,633
Furniture and equipment	1,494,388	1,022,073	472,315
Computer equipment	1,389,459	1,183,014	206,445
	<u>\$ 25,857,786</u>	<u>\$ 7,424,570</u>	<u>\$ 18,433,216</u>

5. Asset Restoration Obligations

St. Mary's acquired land and buildings in 1999 for development and use as a post-secondary campus. At that time, it was discovered that certain buildings contained asbestos-based materials. An independent engineering report was obtained in 1999 and updated in 2006 and again in 2013 that estimated removal costs for asbestos-based materials. The estimated undiscounted costs to settle the asset restoration obligations for removal of asbestos from campus buildings is approximately \$191,500 and will be incurred over the next 18 years. A risk free rate of 2.49% and an inflation rate of 2% have been used to calculate the fair value of the obligations.

St. Mary's hires experts to conduct regular air quality testing to ensure occupant health and safety in accordance with provincial air quality standards.

	2014	2013
<b>Balance</b> , beginning of year	\$ 175,368	\$ 123,605
Additional liability from revised cost estimate	-	49,090
Asset restoration accretion	3,993	2,673
<b>Balance</b> , end of year	<u>\$ 179,361</u>	<u>\$ 175,368</u>



Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

**6. Future Retirement Obligations**

A liability has been established for the estimated future value of post-retirement benefits for executive administrative leave and a Supplemental Executive Retirement Plan. Under the terms of the 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.

	2014	2013
<b>Balance</b> , beginning of year	\$ 320,072	\$ 478,613
Retirement benefits paid	(34,929)	(208,541)
Accrued for future obligation	75,000	50,000
<b>Balance</b> , end of year	\$ 360,143	\$ 320,072
Less portion reported as short term	(35,143)	(34,286)
<b>Long term retirement obligation</b>	\$ 325,000	\$ 285,786

**7. Deferred Contributions**

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

	2014	2013
<b>Balance</b> , beginning of year	\$ 911,761	\$ 525,392
Grants, contributions, and donations received	324,749	1,008,551
Recognized as revenue	(171,029)	(243,194)
Transferred to endowment fund	(29,757)	-
Transferred to unamortized deferred capital contributions - Note 8	(228,513)	(378,988)
<b>Balance</b> , end of year	807,211	911,761
Less short-term deferred contributions	(295,439)	(400,998)
<b>Long-term deferred contributions, end of year</b>	\$ 511,772	\$ 510,763

The balance consists of funds externally restricted for:

	2014		2013	
	Current	Long Term	Current	Long Term
Capital	\$ 117,833	\$ 285,755	\$ 248,563	\$ 305,755
Education program implementation	2,600	-	2,600	-
Library systems and enhancements	-	44,854	-	44,854
Scholarships and program enhancements	175,006	181,163	149,835	160,154
<b>Balance</b> , end of year	\$ 295,439	\$ 511,772	\$ 400,998	\$ 510,763



Notes to Financial Statements

For the years ended March 31, 2014 and March 31, 2013

**8. 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:

	<b>2014</b>	<b>2013</b>
<b>Balance</b> , beginning of year	\$ 4,278,366	\$ 4,239,145
Additions from deferred contributions - Note 7	228,513	378,988
Amortization to revenue	(324,947)	(339,767)
<b>Balance</b> , end of year	\$ 4,181,932	\$ 4,278,366

**9. 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.

**10. Contingent Development Costs**

In anticipation of future site development, St. Mary's has received approval from the City of Calgary to enter into a loan agreement for up to \$5 million to fully pay accrued development costs on the Bannister Road campus. The costs, which become payable upon future development of the site, are approximately \$5 million and consist of acreage assessments, existing and future surface improvements and street lighting.

The loan will be payable over a period of 20 years with a fixed rate of interest based on the rate in place at the Alberta Capital Finance Authority on the date the funds are released. There is also an administration fee due to the City of Calgary of 0.25% per annum. Pending the terms and conditions in the final loan agreement between St. Mary's and the City of Calgary, the loan proceeds are expected to be released prior the end of the 2014 calendar year.

**11. Subsequent Event**

Subsequent to the end of the fiscal year, St. Mary's received approval from the Government of Alberta to remove 'College' from its name. It is anticipated that the name will be officially changed in late 2014.

**12. Fundraising Expenses**

As required under the Charitable Fundraising Act of Alberta, St. Mary's incurred expenses of \$554,860 (2013 – \$523,707) for the purposes of soliciting contributions. Of these expenditures, \$296,287 (2013 – \$324,749) was paid as remuneration to employees of St. Mary's University College whose primary duties involve fundraising.



# ST. MARY'S UNIVERSITY COLLEGE

## Supplemental Schedule of Revenues and Expenses by Function

For the years ended March 31, 2014 and March 31, 2013

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	2014	2013
<b>REVENUE</b>		
Tuition fees	\$ 3,800,785	\$ 3,370,254
Provincial government grants	2,982,329	3,071,201
Bookstore	430,629	394,269
Interest and investment income – Note 3	1,191,396	610,881
Rental and miscellaneous	116,195	86,776
Amortization of deferred capital contributions - Note 8	324,947	339,767
	<hr/> 8,846,281	<hr/> 7,873,148
<b>OPERATING EXPENSE</b>		
Academics and library	3,517,315	3,579,195
President's office and board	599,759	609,340
Student and campus services	1,666,422	1,401,686
Facilities and technology	1,060,980	1,000,808
Finance and administration	782,493	742,062
Bookstore	388,517	371,579
Communications	377,566	285,728
Amortization and accretion	770,700	788,957
	<hr/> 9,163,752	<hr/> 8,779,355
<b>(Shortfall) of revenue over expense excluding fundraising</b>	<hr/> <b>(317,471)</b>	<hr/> <b>(906,207)</b>

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## Supplemental Schedule of Net Revenues from Fundraising Activities

For the years ended March 31, 2014 and March 31, 2013

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	2014	2013
Revenues from donations and fundraising events	\$ 3,036,442	\$ 1,915,102
Endowment fund contributions	162,090	311,851
Deferred contributions and net capital contributions	342,302	1,008,551
Less expenses for development office and fundraising events	(554,860)	(523,707)
<b>Net revenue from fundraising activities</b>	<hr/> <b>\$ 2,985,974</b>	<hr/> <b>\$ 2,711,797</b>

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# ST. MARY'S UNIVERSITY COLLEGE

## Supplemental Schedule of Revenues and Expenses by Function

For the years ended March 31, 2014 and March 31, 2013

	2014	2013
<b>REVENUE</b>		
Tuition fees	\$ 3,800,785	\$ 3,370,254
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<b>(Shortfall) of revenue over expense excluding fundraising</b>	<b>(317,471)</b>	<b>(906,207)</b>

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Less expenses for development office and fundraising events	(554,860)	(523,707)
<b>Net revenue from fundraising activities</b>	<b>\$ 2,985,974</b>	<b>\$ 2,711,797</b>