



ST. MARY'S UNIVERSITY COLLEGE

ANNUAL REPORT TO ALBERTA ENTERPRISE AND ADVANCED EDUCATION **2011-2012**





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The St. Mary's University College
2011-2012 Annual Report to
Alberta Enterprise and Advanced Education

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Accountability Statement

The St. Mary's University College Annual Report for the year ended March 31st, 2012 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.

Original signed by:

James T (Terry) McCoy, Chair, Board of Governors
October 15, 2012

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

Original signed by:

Debra Osiowy, Vice-President Business and Finance
October 15, 2012



1.0 Message from the President

The *St. Mary's University College 2011-2012 Annual Report to Alberta Enterprise and Advanced Education* is a dynamic reflection of the continuing growth and success of our institution during the period April 1, 2011 to March 31, 2012.

St. Mary's University College is an independent academic institution with a mandate to "provide primarily liberal arts, science, and education baccalaureate programs," in the context of a long tradition of Catholic pedagogy and service. Our Vision Statement celebrates our goal of "inspiring students to lead with integrity and to meet the future with confidence, intellectual acuity, moral conviction, and a passion for social justice and the common good."

We take this mandate seriously, and strive to achieve it through a focus on quality instruction, rigorous degree programs, community outreach and a hands-on approach to student services. This student-centred philosophy of education has led to rapid growth for our small institution, resulting in a steady rise in enrolments for virtually every year since we began offering degrees, something few other institutions can claim. We believe that the uniqueness of our approach explains this success in realizing significant enrolment growth of more than 9% again in 2011-2012.

As this Annual Report will show, the 2011-2012 fiscal year has been highly successful and marked by achievements including the development of new degree programs, sustained enrolment increases, high rates of student satisfaction, the opening of a new campus fitness centre, and the beginning of planning for a major campus expansion.

In reflecting on the 2011-2012 fiscal year, our successes would not be possible without the support from government grants and many private donors. Grant funding is essential in providing the sustainable base from which we can provide high quality programs to students.

As a university college with exceptional growth, we have seen grant funding per student decline in recent years due to funding freezes. We applaud the government's commitment to post-secondary education and restoration of annual increases, and look forward to working collaboratively with the Ministry to identify funding options that will ensure equitable levels of funding and enable us to provide affordable access to high-quality, learner-centred university education.

As we reflect on our 25th anniversary in September 2011, we are humbled by the incredible long-standing support from the many private donors who enabled us to establish St. Mary's, achieve provincial accreditation and grow into a thriving university college. In September 2011, an anonymous donor made a substantial gift that enabled us to retire the campus



mortgage obligation providing a solid foundation for the future. As we look to the next 25 years, we are laying the groundwork for major expansions to programs and facilities. Given our status as an independent academic institution ineligible for capital grants, we must rely upon continued support from our donors to provide the financial backing to build a fully-serviced campus with first-rate facilities for academics and library, student wellness and support, recreation and athletics, and the needed administrative and governance functions.

We continue to expand our degree offerings and were pleased to receive approval for the 120-credit BA degree with a major in Psychology in September 2012. We hear time and again from transfer students that they wish they could complete their degree at St. Mary's if only the major they wanted to pursue were in place. As such there are other program proposals in various stages of development for new degrees in Biology, Catholic Studies, History, and Secondary Education that will meet this need. As evidenced by the success of our graduates, St. Mary's plays an important role in the post-secondary arena allowing students the opportunity to learn in an intimate and dynamic learning environment where they gain the analytical and communications skills they need to take their place as leaders of the future.

Our Education program continues to thrive, with spaces filling quickly, and excellent employment prospects for our graduates. The BEd Elementary was designed to educate teachers to serve in Catholic schools, but it has attracted students keen to teach in a variety of settings, and has the support of the Catholic, public and independent school boards. In June 2011, 36 BEd students graduated with their degrees, the majority of whom have accepted teaching positions in local schools.

We have initiated a number of high-profile activities that are enhancing our visibility in the Alberta marketplace including community events, an academic lectures series, and non-credit programs such as Discovering Science, a hands-on science program for students aged 12-14. We are finalizing plans to improve and build our accessibility for First Nations, Metis, and Inuit students and other non-traditional and adult learners. We are looking forward to reporting on clear successes in this area in next year's report.

In closing, we look forward to the next 25 years with confidence. Having established a solid foundation for growth, we are encouraged by the passion of our students, faculty, staff and supporters. It is rare to find this level of enthusiasm and commitment for a common purpose and it provides an excellent basis from which to grow. To succeed, St. Mary's must continue to enhance our visibility and reputation, add to the array of degree programs, and strengthen our funding base. And we need to ensure that we maintain the keys to our success: skilled and dedicated faculty and staff, small classes, quality of degrees and financial accountability.



We are supremely confident that this ambition is well within our abilities to achieve and we look forward to working with Alberta Enterprise and Advanced Education to further refine and grow our university.

Sincerely,

Original signed by:

Gerry Turcotte, PhD
President and Vice-Chancellor



2.0 Executive Summary

This report covers the period from April 1, 2011 to March 31, 2012. The goals, expected outcomes, and performance measures have been referenced from the St. Mary's University College Comprehensive Institutional Plan, 2011-2014.

The academic year 2011-2012 had several significant milestones in the history of St. Mary's University College as a Catholic liberal arts and sciences university:

The university celebrated the 25th anniversary of the granting to Royal Assent to the St. Mary's College Act on September 18, 1986. The university hosted a number of special events to celebrate this milestone and to recognize the contributions of the many pioneering individuals who were instrumental in establishing St. Mary's on a solid foundation.

Dr. Terry Downey stepped down as the second President of St. Mary's University College at the end of June 2011. During his 12-year tenure as President a number of significant events occurred, including the purchase of the Lacombe site, authorization to grant degrees and approval of our first degree programs in 2004, the granting of government funding, the launch of a post-degree Bachelor of Education program in 2008, and the establishment of an endowed CWL Chair for Catholic Studies in 2010.

The St. Mary's community welcomed our third President, Dr. Gerry Turcotte on July 1, 2011. Dr. Turcotte comes to this position with strong academic credentials and outstanding leadership qualities. In taking up his new position, Dr. Turcotte stated: "As my predecessor once noted, 'the pace and scope of the development of St. Mary's during this decade far surpasses that of any Catholic post-secondary institution in any equivalent period in Canadian history.' It is my promise that this will continue to be true."

In order to set the stage for the next phase of development of St. Mary's as a post-secondary institution, Dr. Turcotte launched a long term strategic planning exercise. A series of focus group meetings were held with a wide range of stakeholders in early 2012 with the purpose of developing a new long-term strategic plan for the next phase of St. Mary's development. The new strategic plan will be launched by the end of 2012.



Progress in Meeting Our Goals

St. Mary's made significant progress in achieving the goals set out in our Comprehensive Institutional Plan.

Goal 1: Attract and Retain Well-Qualified Students

- ✓ 9.4% increase in FLE for 2011-2012
- ✓ continued increase in the number of new applications
- ✓ expanded usage of new social media for recruitment efforts
- ✓ 26% increase in funding for scholarships and bursaries
- ✓ establishment of a \$1 million endowment for scholarships in education
- ✓ creation of the position of Director of Admissions and Recruitment

Goal 2: Enhance the Student Learning Experience

- ✓ expansion of the services provided by the Learning Centre
- ✓ development of an early warning system to provide support for students at risk
- ✓ enhanced focus on and support for academic advising

Goal 3: Enhance Student Engagement in Campus Community Life

- ✓ approval of the appointment of a Vice-President Student Services
- ✓ newly renovated Collegiate Training Hall opened in March 2012
- ✓ transition year in preparation for athletic competition in the ACAC
- ✓ appointment of a Recreation and Wellness Coordinator
- ✓ creation of new student athletic clubs
- ✓ establishment of an athletics scholarship program

Goal 4: Promote Program Renewal and Development

- ✓ submission of proposals for 120-credit degree programs in Liberal Studies and Psychology
- ✓ approval of new courses in support of degree proposals and program enrichment
- ✓ Board of Governors approval to proceed with development of proposals for a 120-credit BSc degree in Biology and a 120 credit interdisciplinary degree in Catholic Studies
- ✓ expanded opportunities for practicum placements in the BEd program, including in the Yukon

Goal 5: Encourage Excellence in Teaching, Scholarship and Creative Activity

- ✓ tenure-track appointments made in psychology, education and history
- ✓ enhancement of compensation levels for part-time, sessional faculty
- ✓ continued support for faculty professional development
- ✓ approval of an Institutional Research Plan



Goal 6: Enhance Community and International Engagement

- ✓ implementation of exchange agreements with St. Mary's University in Twickenham, England and the Ukrainian Catholic University in Lviv, Ukraine moves forward
- ✓ St. Mary's students serve as tutors in the Calgary Police Youth at Risk Program
- ✓ receipt of an NSERC Promo-Science grant for the Discovering Science program

Goal 7: Ensure Sustainable Fiscal Growth

- ✓ retirement of the campus mortgage thanks to a very generous private donation
- ✓ capital investments in campus facilities including the opening of a new Collegiate Training Hall in March 2012
- ✓ growth in revenue from tuition fees and government grants
- ✓ appointment of new Development Office position to focus on grant funding opportunities
- ✓ approval of the Campus Site Plan to guide future campus expansion



3.0 A Year of Transitions

The 2011-2012 academic year marked several significant transitions in the history of St. Mary's University College. As noted previously, the university celebrated the 25th anniversary of the St. Mary's College Act on September 18, 1986. The university hosted a number of special events to celebrate this milestone and to recognize the contributions of the many pioneering individuals who were instrumental in establishing St. Mary's on a solid foundation.

Dr. Terry Downey stepped down as the second President of St. Mary's University College at the end of June 2011. St. Mary's moved to our current location on the historic 35-acre Father Lacombe site just prior to Dr. Downey taking office in 1999. During his tenure, Dr. Downey oversaw a number of significant developments including, the purchase of the Lacombe site, the authorization to grant degrees and approval of our first degree programs in 2004, the granting of government funding, the launch of a post-degree Bachelor of Education program in 2008, and the establishment of an endowed CWL Chair for Catholic Studies in 2010. By the end of his tenure in office, the number of part-time and full-time students studying at St. Mary's had risen to 685.

On July 1, 2011, the St. Mary's community welcomed our third President, Dr. Gerry Turcotte. An installation celebration at St. Mary's Cathedral, presided over by Bishop Frederick Henry, the Chancellor of the university was held in October. Dr. Turcotte comes to this position with strong academic credentials and outstanding leadership qualities.

Originally from Montreal, Dr. Turcotte spent 25 years in Australia in a number of academic and administrative roles, most recently as Associate Provost and Executive Dean of the College of Arts & Sciences at the University of Notre Dame. He has authored over 200 publications including 15 books. He has received a number of teaching and writing awards and, in 2011, was presented the Governor General's International Award for Canadian Studies for his promotion of Canadian Studies. In taking up his new position, Dr. Turcotte made a commitment to continue the pace of expansion at St. Mary's, a rate of development that has been said to surpass "that of any Catholic post-secondary institution in any equivalent period in Canadian history."

In his first written comments to the constituency of St. Mary's, Dr. Turcotte wrote: "In the months and years ahead ... we will be introducing new academic programs to expand our offerings; we will enter into an important site development initiative that will see additional buildings erected to better accommodate our academic and athletic programs and to cater effectively for our anticipated growth across all of our disciplines."



In order to set the stage for the next phase of St. Mary's development, Dr. Turcotte launched a long-term strategic planning exercise. An external consultant was hired to work with the Strategic Planning Advisory Group, composed of representatives from senior administration, faculty, staff, and the Board of Governors. A series of focus group meetings were held with a wide range of stakeholders in early 2012. These consultations will inform the new long-term strategic plan for the next phase of St. Mary's development.



4.0 Goals and Outcomes

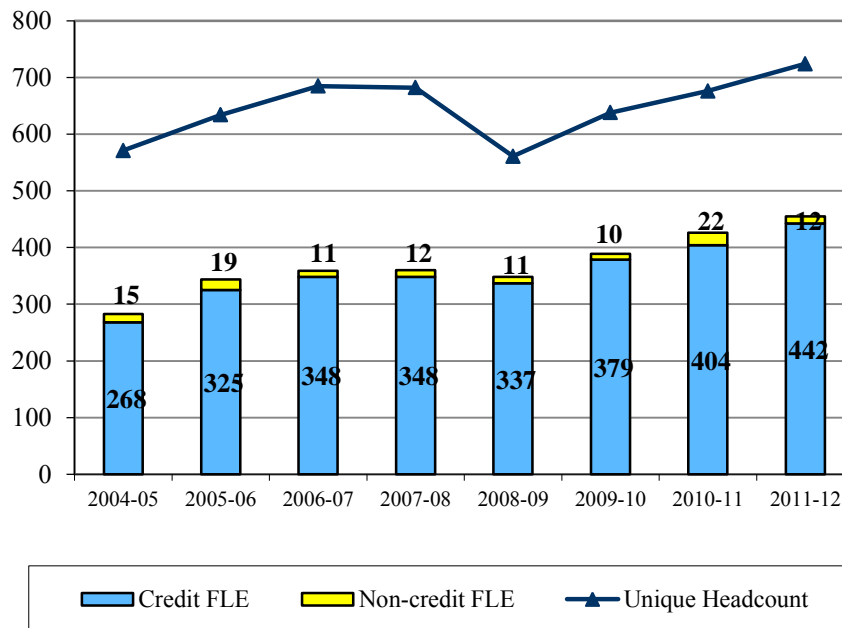
Goal 1: Attract and Retain Well-Qualified Students

Some Key Accomplishments:

- **9.4% increase in FLE for 2011-2012**
- **continued increase in the number of new applications**
- **expanded usage of new social media for recruitment efforts**
- **26% increase in funding for scholarships and bursaries**
- **establishment of a \$1 million endowment for scholarships in education**
- **creation of the position of Director of Admissions and Recruitment**

Although St. Mary's has only been offering degrees since 2004, we have developed in this short period, a strong reputation as a student-focused, high quality post-secondary institution. As a result, St. Mary's has continued to experience a steady increase in enrolments. In 2011-2012, St. Mary's FLE increased from 404 to 442, marking an increase of 9.4%. This represents a 64% increase in student enrolments since St. Mary's began offering degrees in 2004.

Total Student Enrolment



An important part of St. Mary's recruitment strategy has been to increase our pool of applications. For fall 2011, St. Mary's received 422 new applications, an increase of 70% in applications since the fall of 2008 when our new enrolment management strategy was



developed. The strongest area of interest among new applicants is in the area of psychology, where applications have increased by 140% in the past three years.

As a small and relatively young institution in an increasingly competitive post-secondary market, St. Mary's is committed to achieving a level of enrolment growth which will allow us to consolidate our current programs at a sustainable level while undertaking the strategic development of selected new programs in response to student demand. The greatest recruitment strength of St. Mary's is our growing reputation as a student-focused institution characterized by small classes, interaction with faculty members, and opportunities to participate in meaningful extra-curricular activities. Awareness of these strengths is best communicated through direct contact with St. Mary's, especially with current students and alumni who can speak of their positive experiences.

In order to build on this strength, St. Mary's continues to build strong collaborative relationships with strategically selected secondary schools within commuting distances from our campus. In addition, we have focused on the increased use of social media through the development of a student-oriented Facebook page, a Twitter feed, and an enhanced website. A St. Mary's student was hired to write a regular blog about daily life on campus. These media saw a steady increase of visits as the year progressed and awareness of their existence has increased. In addition, the newly formed St. Mary's University College Alumni Association hosted a number of events, both in conjunction with the departure of Dr. Downey as President and the celebration of the 25th anniversary of the school. This helped give a higher profile to alumni on campus and created a greater awareness of the successes of our graduates. A representative of the Alumni was also appointed to the Board of Governors in order to facilitate a greater engagement of alumni members in the current activities of the university.

As a small institution, St. Mary's is not able to mount the kind of large-scale advertising campaigns that larger institutions often do. As a result, many of the exciting activities and accomplishments of our faculty and students often escape media attention. To counter this, a significant priority has been given to identifying ways to raise the profile of St. Mary's within the city of Calgary. The 25th anniversary celebrations and the inauguration of our new President provided occasions to welcome many new visitors from the community to campus. Dr. Turcotte's inaugural lecture, followed by a "ghost tour" that highlighted the history of our site, especially the landmark tower, attracted a record attendance for an on-campus event. These events have helped to create greater awareness and interest in St. Mary's from the general public.

In order to continue to attract and retain highly qualified students, St. Mary's is committed to maintaining tuition rates which are comparable to public institutions. At the same time, we recognize that it important to increase the number of scholarships and bursaries that are available to our students. St. Mary's has been fortunate to have donors who see this as



a priority area. As a result of increased donations in this area, the budget for scholarships and bursaries for 2011-2012 increased by 26% over the previous year. This enables us to fund a growing number of students each year, particularly those who are applying for bursaries on the basis of financial need. In addition, a donor has committed to the establishment of a \$1 million scholarship endowment to enable students from Saskatchewan wishing to become teachers to attend St. Mary's.

St. Mary's is committed to an ongoing evaluation and improvement of our institutional recruitment strategies and activities. As part of this review process, the decision was made to create the position of Director of Admissions and Recruitment. Part of the aim of this change was to create a more seamless and holistic approach to student recruitment which ensures greater follow-up with students who have been admitted to St. Mary's. Our academic advising services now work much more closely with the admissions office in ensuring that students are provided with the academic counseling that they need to move from acceptance to actual registration in courses.

Goal 2: Enhance the Student Learning Experience

Some Key Accomplishments:

- **expansion of the services provided by the Learning Centre**
- **development of an early warning system to provide support for students at risk**
- **enhanced focus on and support for academic advising**

In student satisfaction surveys, students have consistently identified small classes and opportunities to consult with their professors as some of the greatest benefits of studying at St. Mary's. At the same time, St. Mary's recognizes the importance of enhancing the support services available for students outside of the regular classroom environment. In 2011-2012, we undertook a review of these services in an effort to establish a more proactive program for identifying students "at risk" and ensuring that support services are in place for each student in a timely manner. The St. Mary's Learning Centre has seen a steady increase in participation rates in both workshops and seminars conducted for students on study and writing skills and in individual consultation meetings.

A year ago we introduced a "passport system" for students enrolled in the mandatory first-year English course. Students in this course are required to take a minimum number of seminars offered by the Learning Centre on such topics as grammar, research methods, study skills, and essay writing. Based on feedback from the initial year, a number of adjustments were made to the program this year. We are pleased to report that the participation rates in these workshops continue to increase, with many students attending more than the minimum number required to "complete" their passport. A new feature introduced this year was an online component of the program whereby students could be tested on pre-assigned questions from the workshops.



Goal 3: Enhance Student Engagement in Campus Community Life

Some Key Accomplishments:

- **approval of the appointment of a Vice-President Student Services**
- **newly renovated Collegiate Training Hall opened in March 2012**
- **transition year in preparation for athletic competition in the ACAC**
- **appointment of a Recreation and Wellness Coordinator**
- **creation of new student athletic clubs**
- **establishment of an athletics scholarship program**

St. Mary's is committed to the development of the whole student by attending not only to the mind, but also to the body and spirit. Without an on-campus residence, St. Mary's remains essentially a commuter campus. Nevertheless, we endeavor to develop programs and facilities that promote greater student engagement in all aspects of life.

To better serve student needs and enhance the coordination of all student services as our student body grows, it was decided that it was time for St. Mary's to appoint our first Vice-President Student Services. A nation-wide recruitment process was launched with the intent of filling this position in July 2012.

In March 2012, the newly renovated Collegiate Training Hall (CTH) was officially opened. Completion of this facility was aided by a grant from the Community Facility Enhancement Program. The new Training Hall provides greater space for fitness and recreational activities for both students and staff, as well as providing enhanced training opportunities for student athletes. In a short period, the CTH has become somewhat of a focal point for student activities on campus.

A Recreation and Wellness Coordinator position was created within the Athletics department to provide leadership in the development of a more active campus recreation program designed particularly for those who are not involved in varsity athletics. Recreational clubs were established for indoor soccer and hockey to compete in city recreational leagues since our student body is too small to develop an intramural program.

Planning continues for St. Mary's entry into the Alberta Colleges Athletic Conference (ACAC) in the fall of 2012. This year, the men's and women's basketball teams played a number of exhibition games with ACAC while still competing in the regular schedule of the Alberta College's Athletic League (ACAL). Through the generous support of donors, St. Mary's established our first athletic scholarships in support of athletes preparing for competition in the ACAC.



Goal 4: Promote Program Renewal and Development

Some Key Accomplishments:

- **submission of proposals for 120-credit degree programs in Liberal Studies and Psychology**
- **approval of new courses in support of degree proposals and program enrichment**
- **Board of Governors approval to proceed with development of proposals for a 120-credit BSc degree in Biology and a 120-credit interdisciplinary degree in Catholic Studies**
- **expanded opportunities for practicum placements in the BEd program, including in the Yukon**

St. Mary's is committed to developing a broader range of new degree programs while consolidating and improving our current course offerings. As a result, proposals for a 120-credit BA degree in Psychology and a 120-credit interdisciplinary BA degree in Liberal Studies were prepared. Also, in June 2011, the Academic Council and Board of Governors gave approval to move forward with the development of proposals for a 120-credit BSc degree in Biology as well as a 120-credit interdisciplinary degree in Catholics Studies. The Academic Council also gave approval in principle a 120-credit BA degree in History. It is anticipated that these degree proposals will be submitted to the Ministry for approval during the 2012-2013 academic year.

In preparation for these proposals, the Academic Council approved the following new courses:

CATH 301: Introduction to the Catholic Intellectual and Cultural Tradition
CATH 311: Catholic Social Thought: A Vision for the World
CATH 401: Capstone Seminar in Catholic Studies
PHIL 353: Contemporary Ethical Issues
POLS 381: Introduction to International Issues
IDST 333: Reading the Landscapes: Local Explorations in Literature, Ecology and History

With the graduation of the first cohort of BEd students in 2010, interest in St. Mary's Bachelor of Education (Elementary) program has continued to grow. A very high percentage of the first graduating class reported success in finding teaching assignments. At the same time, a growing number of school boards have expressed interest in providing practicum placements. In the first two years the program was offered, practicum placements were made primarily within the Calgary Catholic School District and Christ the Redeemer School District. In 2010-2011, Calgary Board of Education agreed to practicum placements in two schools as a pilot project. After a successful experience, the Calgary Board of Education offered to open all of its schools to possible practicum placements. Practicum placements have also been arranged with the Palliser and RockyView School Boards. In addition, at the



invitation of the Bishop of the Yukon, six student teachers were sent for practicum placements in Catholic schools in Whitehorse. The requests for practicum placements currently far outstrip the number of placements needed for the program. Based on the success of the BEd program in Elementary Education, St. Mary's has begun a series of consultations with school boards exploring the feasibility of establishing a BEd Secondary program.

Goal 5: Encourage Excellence in Teaching, Scholarship and Creative Activity

Some Key Accomplishments:

- **tenure-track appointments made in psychology, education and history**
- **enhancement of compensation levels for part-time, sessional faculty**
- **continued support for professional development of faculty**
- **approval of an Institutional Research Plan**

In order to maintain the high level of satisfaction that students express about their experience at on our campus, it is important that St. Mary's continue to recruit and retain a highly qualified faculty and staff. To this end, the Board of Governors has committed to maintaining salaries at a competitive level with public sector post-secondary institutions in order to ensure that St. Mary's can compete for the best faculty members. At the same time, St. Mary's recognizes that our part-time faculty also make an important contribution to the institution. As a result, the Board of Governors approved an adjustment to the salaries of sessional instructors in order to place their salary scale on a more competitive level with neighbouring public institutions.

During 2011-2012, tenure-track appointments were made in psychology, education, and history. The tenure and promotion policy of St. Mary's expects that all faculty strive for excellence in teaching and to engage in research and scholarship. In the promotion of scholarship, St. Mary's understands that research and scholarship can take a variety of forms. Thus, in addition to more traditional forms of pure research, St. Mary's encourages our faculty to engage in the scholarship of integration, application, and pedagogy. To encourage such endeavours, St. Mary's provides support for research leaves, professional development funding, a faculty research colloquium, and the David Lawless Scholar Award. The recently established StMU Research and Scholarship fund was approved by the Board of Governors to support the establishment of research programs that will make our faculty more competitive in applying for external research funding in the future.

In order to give more focus to these research efforts, the St. Mary's University College Institutional Research Plan was developed following extensive consultation with faculty. The Institutional Research Plan has identified four strategic clusters of interdisciplinary research: (1) ethics, justice, and society; (2) cultures, communities, and citizenship; (3) health, wellness, and spirituality; and (4) science, pedagogy and the environment.



Goal 6: Enhance Community and International Engagement

Some Key Accomplishments:

- **implementation of exchange agreements with St. Mary's University in Twickenham, England and the Ukrainian Catholic University in Lviv, Ukraine moves forward**
- **St. Mary's students serve as tutors in the Calgary Police Youth at Risk Program**
- **Discovering Science program received a NSERC Promo-Science grant**

St. Mary's mission statement seeks to challenge "all individuals of the community to become compassionate, thoughtful and resourceful members of society." To achieve this end, St. Mary's is committed to enhancing the number of opportunities for our faculty, staff, and students to participate in a variety of local and international projects.

On an international level, St. Mary's has established formal exchange agreements with St. Mary's University College in Twickenham, England and with the Ukrainian Catholic University in Lviv, Ukraine. Discussions with St. Mary's in Twickenham, with the goal of having the first exchange of students in 2013, are underway. In May 2011, two education professors from St. Mary's visited the Ukrainian Catholic University to provide professional development sessions in the area of pedagogy. A special fundraising campaign has been launched within the Canadian-Ukrainian community to provide a sustainable funding base for future exchanges of both students and professors between the two institutions.

Locally, St. Mary's BEd program has established a partnership agreement with the Calgary Police Service to provide tutors for its Youth at Risk Development (YARD) program. St. Mary's is the first post-secondary institution to participate in the program in Calgary. YARD is a community-based, early intervention initiative that supports youth, ages 10 to 17, who are at risk of gang involvement. St. Mary's student teachers participated as volunteer tutors, meeting with youth twice a week to tutor them and serve as positive role models. After a successful pilot project in 2011-2012, the number of St. Mary's tutors involved in the YARD program in future years will be expanded.

Four years ago the St. Mary's science faculty launched a community outreach program called Discovering Science. This program, targeted at junior high school students, is designed to foster an interest in the study of science at an earlier age. The program focuses on a hands-on approach to science education in a laboratory setting. Each semester the program attracts as many as 25 participants and registration for the spots fill immediately. The program is now funded through a multi-year grant from the NSERC Promo-Science program. It has been particularly popular with students who are home-schooled. The Discovering Science program also provides an opportunity for BEd students to be involved as volunteer teachers.



Goal 7: Ensure Sustainable Fiscal Growth

Some key accomplishments:

- **retirement of the campus mortgage thanks to a very generous private donation**
- **capital investments in campus facilities including the opening of a new Collegiate Training Hall in March 2012**
- **growth in revenue from tuition fees and government grants**
- **appointment of new Development Office position to focus on grant funding opportunities**
- **approval of the Campus Site Plan to guide future campus expansion**

Fiscal Performance:

St. Mary's realized strong fiscal performance in 2011-2012. Revenue from tuition and student fees grew by 8.6% and grant revenue rose by 3.6%. Revenue from operating donations fell from the prior year; however, this was offset by a restricted donation of more than \$4 million that enabled retirement of the mortgage on the campus site. This incredible anonymous gift has further established the fiscal foundation of St. Mary's and set a clear path for future campus expansion.

For several years, it has been the goal of St. Mary's to direct a greater proportion of private donation support away from funding operating expenses in favour of supporting capital priorities, growth in the endowment fund, and specific quality and academic projects. Considerable progress was made toward achieving this goal in the 2011-2012 fiscal year. As new academic programs were implemented and enrolment levels grew, the combined revenue from tuition and operating grants comprised a greater share of total revenue than in prior years. This trend will continue as St. Mary's grows in terms of academic programs, students and facilities.

St. Mary's is appreciative of the enrolment pressure funding awarded in the 2011-2012 fiscal year as an initial step toward making St. Mary's grant funding more equitable in relation to the funding levels for the independent academic institutions sector. The enrolment pattern at St. Mary's is unique having grown from 25 students in 1997 to 442 FLE students in 2011-2012. Given the continuing record of enrolment growth and the absence of funding for new academic programs in recent years, the grant funding per FLE student has actually declined as enrolment has grown. At the current time, grant funding per FLE student is well-below all other institutions in our sector. In the absence of adequate grant funding, St. Mary's faces serious revenue pressures. We will continue dialogue with the Ministry on this issue as it is critical to our continuing ability to provide learner-centred, high quality post-secondary education for a growing number of Alberta students.



Several new fundraising and communications initiatives were undertaken in 2011-2012 to further build donation support for brand recognition. There has been considerable success in raising funds for endowed scholarships, although there is no question that restoration of the Renaissance Fund matching grants would attract additional donations. Given continuing reliance on donations to fund all capital needs and a portion of operating expenses, there continues to be a focus on building the reputation of St. Mary's and attracting new donors. To that end, a new position was added to the Development Office to focus on foundation and grant opportunities.

Investment in Campus Facilities:

St. Mary's made several important investments in campus facilities during the fiscal year. Perhaps the most exciting project was the opening of the new Collegiate Training Hall in March 2012.

Following extensive renovations to the former gymnasium in the Classroom Building, our President Dr. Gerry Turcotte and Mr. Wayne Cao, then Deputy Speaker of the Alberta Legislature, opened the new Collegiate Training Hall on March 30, 2012. There has been overwhelming excitement throughout campus about the facility and it has been well-used by students, faculty, staff and our athletics teams. The new fitness facility is an important means of achieving our mission to educate students in mind, body and spirit. The \$210,000 project was funded in part by a grant from the Community Facility Enhancement Program.

In addition to the training hall, St. Mary's made other enhancements to campus facilities including mechanical upgrades, the installation of water bottle refilling stations that enabled St. Mary's to become "water bottle-free", expansion of the campus cafeteria space, upgrading of technology equipment, and the purchase of an enterprise reporting system to enhance institutional reporting.

As an independent academic institution, St. Mary's receives no capital grant funding from the Province and must raise all funds necessary to undertake capital expansion and maintenance.

Planning for Future Campus Expansion:

During the 2011-2012 fiscal year, St. Mary's completed a Campus Site Plan. The Site Planning process was a highly successful project led by the Urban Lab from the Faculty of Environmental Design at the University of Calgary. The 35-acre St. Mary's campus poses incredible development opportunities. The site is unique in both its setting adjacent to Fish Creek Provincial Park and its heritage as the site of the former Lacombe Home with several designated historic buildings. St. Mary's is the only post-secondary institution located in the thriving area of South Calgary and the campus site holds great development potential.



The Urban Lab led a highly consultative process that established principles to guide future campus development, including a commitment to preserve the historical character of the site, support for environmental integrity and sustainability, and a respect for pedestrian enjoyment and wellness initiatives.

The St. Mary's Campus Site Plan identified the need for three new buildings, including a residence, athletics and wellness facility, and an academic building containing a new library. Following approval by the Board of Governors, work began on concept designs for the new buildings and on early planning for a capital fundraising campaign in the near future.

The Site Planning process was also instrumental in laying the groundwork for a Strategic Planning process which began in early 2012. The Strategic Planning Process was launched to further define the path for growth in academic programs and enrolments while remaining faithful to the goal of a student-centred learning environment with small class sizes and a commitment to the whole student.



5.0 Management's Discussion and Analysis

5.1 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, 2012 and accompanying notes. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and have been reviewed and approved by the Board of Governors on the recommendation of the Audit Committee.

5.2 Financial Management

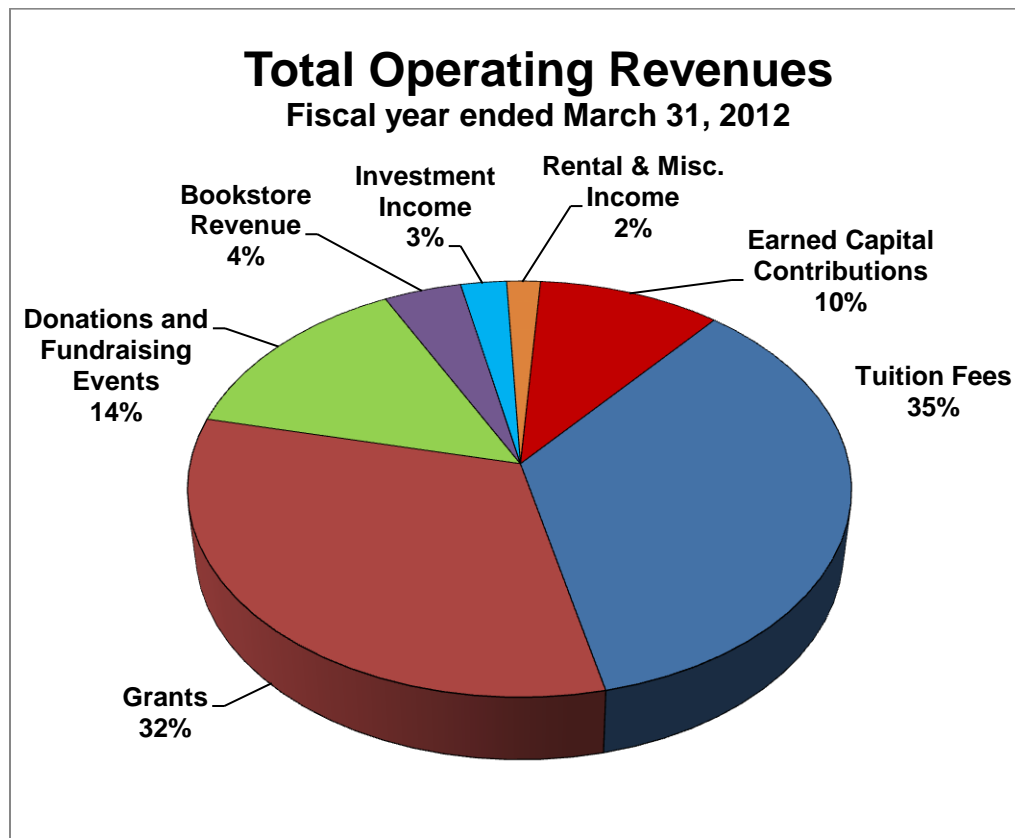
The Board of Governors reviews and approves the annual operating and capital budget on the recommendation of the Finance Committee. The annual operating budget reflects the mandate, priorities and goals of the institution for the coming year after consideration of the risks and opportunities. Department managers participate in a decentralized budgeting process and are responsible to manage and report on variances to the approved budget throughout the year.

5.3 Statement of Operations

St. Mary's realized an excess of operating revenue over expenses of \$94,312 for the fiscal year ended March 31, 2012 (2011: \$2,116,891).

5.3.1 Revenue

Revenue from the two main sources of funds – tuition fees and government operating grants – increased over the prior year and exceeded budget. While there were strong donations for restricted purposes, unrestricted donations fell significantly from the prior year. Revenue from investment income was also reduced as a result of volatility in equity markets and historically-low interest rates.



Highlights of 2011-2012 revenue include:

Tuition fee revenue rose by 8.6% to \$3,135,847 as a result of enrolment growth of 9.4% and the approved tuition increase of 1.0%. Enrolments continue to thrive in the Bachelor of Arts programs as students are drawn to small class sizes at tuition rates comparable to public university programs. The Bachelor of Education, now in its fifth year, continues to see strong demand in spite of its premium tuition rate.

Government grant revenue rose slightly by 3.6% due to additional support for enrolment pressure. The absence of funding for growth and new programs, combined with St. Mary's enrolment growth, has resulted in an actual decline in grant funding per FLE student. At the current time, St. Mary's grant funding per FLE student is far below all other institutions in our sector. We will continue dialogue with the Ministry toward restoring equitable funding levels for our students. As we maintain our commitment to affordable tuition fees, equitable grant funding is essential in enabling us to provide high-quality programs to an ever-increasing number of students.

Revenue from donations and fundraising events fell from the prior year. It should be noted that there had been a single exceptionally large gift in the prior year that had a material



impact on operating revenue. That being said, there is a definite trend in which donors prefer to fund specific initiatives for capital or programs rather than unrestricted contributions and this trend is reflected in the decline in donation revenues.

This trend, combined with the absence of new program funding from government, has and will continue to be a serious issue for St. Mary's. In the absence of the mortgage donation noted in the following paragraph, St. Mary's would have reported an operating deficit of approximately \$440,076 rather than a surplus of \$94,312.

Even as unrestricted donations declined significantly, St. Mary's received donations to the endowment fund of \$1,324,168 (2011: \$470,362) and donations for specific capital or operating initiatives of \$131,430 (2011: 362,711).

A single donation of more than \$4 million from an anonymous donor enabled St. Mary's to retire the mortgage on the campus site. The donation is reported on the audited financial statements as a direct increase to unrestricted net assets. The donation also triggered forgiveness of the 1999 mortgage on the buildings which is recognized as income over the useful life of the building. The amortization of deferred capital contributions includes a one-time revenue entry of \$534,388 to recognize the proportion of the building liability forgiveness revenue related to St. Mary's use of the building since 1999.

Investment income was far below budget due to volatility in equity markets and historically low interest rates.

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

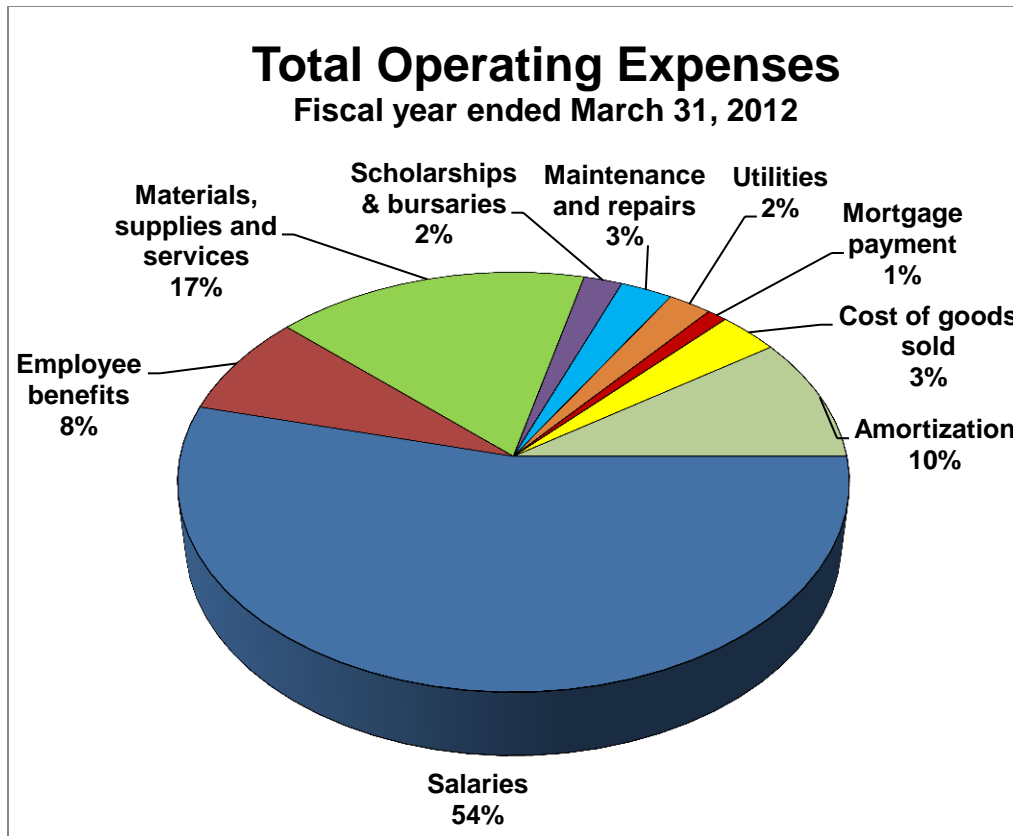
	2011-12 Actual	2011-12 Budget	2010-11 Actual
Tuition and student fees	\$3,135,847	\$2,901,200	\$ 2,888,096
Government grants	2,868,003	2,750,000	2,768,826
Donations and fundraising	1,239,140	2,305,000	2,830,293
Investment income	223,137	693,000	1,032,143
Other revenue	1,432,407	850,800	897,914
Total	\$ 8,898,534	\$ 8,915,000	\$ 10,417,272

5.3.2 Operating Expenses

St. Mary's operating expenses rose to \$8,804,222, an increase of 6.1% from the prior year. The growth in expenses was needed to fund consecutive years of growing enrolments, enhancements to campus facilities and investment in new programs. The operating budget also included allocations for new faculty appointments, new administrative staff positions



and several one-time events including the 25th anniversary celebrations and the welcoming of a new President. Dr. Gerry Turcotte joined St. Mary's on July 1, 2011 succeeding Dr. Terry Downey who had completed twelve years as President.



Highlights of 2011-2012 operating expenses include:

Compensation expenses continued to be the primary expense consisting of salaries and employee benefits expenses of \$5,444,303 (2011: \$5,042,056), an increase of 8.0%. Salary scales for St. Mary's faculty are tied to faculty scales at the University of Calgary. As such, faculty received a cost of living increase of 2.0% in addition to annual increments. Salary scales for administrative employees are competitive within the Western Canada broader public sector and once again received a cost of living increase of 2.0% and annual increments.

Expenses for **materials, supplies and services** rose in 2011-2012 to reflect investments in the Presidential transition, implementation of the Apply Alberta system, and investments in the athletics program and communications. Materials, supplies and services include a wide variety of expenses including office and laboratory supplies, professional fees, insurance, external contracted services, travel and professional development costs.



Scholarships, bursaries and awards increased to \$182,760 (2011: \$148,718) as a result of new allocations to support athletics scholarships and increased scholarship support from donors. The Renaissance Fund matching grant program was very effective in promoting private donations for student awards and we would encourage its restoration as soon as possible to further promote private donations toward scholarships and bursaries for students.

Maintenance and repairs expenses increased slightly by 3.6% to \$248,535 however **utilities expenses** rose dramatically by 28.6% with higher electricity costs. This is becoming a significant challenge for the campus.

Interest expense is greatly reduced due to retirement of the campus mortgage in September 2011.

Cost of goods sold increased to \$28,862. This increase of 14.1% reflects increased sales at the St. Mary's bookstore which operates at a slight profit margin.

Amortization and accretion expense reflect the annual cost of buildings, equipment and capital items amortized over the useful life of the related asset; these costs have increased in relation to the investment in capital facilities and capital assets

	2011-12 Actual	2011-12 Budget	2010-11 Actual
Salaries and employee benefits	\$ 5,444,303	\$ 5,422,704	\$ 5,042,056
Materials, supplies and services	1,495,808	1,606,396	1,373,395
Scholarships, bursaries & awards	182,760	190,450	148,718
Maintenance, repairs and utilities	456,040	404,000	401,192
Interest on long-term debt	95,413	764,000	245,773
Cost of goods sold	288,862	262,450	253,104
Amortization and accretion	841,036	850,000	836,143
Total	\$ 8,804,222	\$ 9,500,000	\$ 8,300,381

5.3.3 Comparison of Budget to Actual Results

St. Mary's has a long-standing tradition of fiscal prudence. The annual budget process is highly collaborative process involving managers from all areas of the University College. Through a consultative process, St. Mary's has achieved an uncommon commitment to managing expenses and achieving outstanding results with limited funding.

In the 2011-2012 fiscal year, total revenues fell short of the overall revenue budget due to a significant decline in unrestricted donations and investment income. While St. Mary's was fortunate to receive large restricted donations for the mortgage obligation and endowment



fund, the current year decline in unrestricted donations highlights the high level of risk associated with reliance on private donations to fund a material portion of operating expenses. On that note, St. Mary's was pleased that the two primary sources of operating revenue, tuition fees and government grants, exceeded budget on a combined basis by \$352,650 or 6.2%.

Growth in revenue from tuitions and grants is essential to mitigate the risk posed by reliance on private donations and investment income, both of which can be affected by factors beyond our control. In the past three years from 2008-2009 to 2011-2012, total enrolments (FLE students) have grown by 31.2% while grant revenue has grown by only 24.6%. When inflation and compensation increases are considered, the real grant per FLE student has declined considerably. While we remain committed to growth objectives, there is a real funding disincentive to institutions such as St. Mary's in periods of exceptional growth. As previously mentioned, we will continue dialogue with the Ministry on this issue as it is critical in allowing us to provide access to post-secondary programs for our current and future students.

On the expense side, total expenses incurred were less the approved budget by \$695,778, a difference of 7.3%. The savings resulted primarily from interest saved on retirement of the mortgage. There were also savings in materials and supplies due to capitalization of library materials. As previously noted, utility costs were well over budget due to high electricity rates and this is a continuing concern.

5.3.4 Statement of Financial Position

Assets

Total assets increased by \$394,888 during the 2011-2012 fiscal year. Current assets, aside from short-term investments, grew by \$250,784. Short- and long-term investments grew by \$285,569 due to a number of factors. Endowed investment funds grew by \$1,071,571 due to contributions net of investment losses. However, investments in the unrestricted account declined by \$745,993 as funds were withdrawn for capital priorities and some operating expenses.

Investment funds	2011-2012	2010-2011
Unrestricted	\$ 5,687,399	\$ 6,433,392
Restricted fund	525,392	565,400
Endowment fund	8,461,239	7,389,669
	<u>\$ 14,674,030</u>	<u>\$ 14,388,461</u>

Net capital assets declined by \$141,655 as amortization of existing assets exceeded new investments. After several consecutive years of capital investments, there were relatively



few capital projects undertaken in the 2011-2012 fiscal year. Rather the focus was on welcoming the new President and determining future capital priorities for the campus.

Capital investments made in 2011-2012 include:

- New Collegiate Training Hall with locker rooms, showers and first-class cardio and weight equipment at a cost \$209,740
- Roof and exterior repairs to various buildings at a cost of \$79,537
- Library acquisitions of \$52,463
- Completion of the campus site planning project in the amount of \$33,890
- Enterprise reporting system for integration to existing student information system in the amount of \$26,129
- Ongoing computer, network and office equipment replacements and upgrades of \$111,539

Total asset additions include \$28,474 (2011: \$35,745) in donated furniture and library materials. The annual amortization expense for 2011-2012 was \$841,036 (2011: \$836,143).

Liabilities and Net Assets

Current liabilities declined by \$475,164 almost entirely due to retirement of the mortgage. On a more detailed level, accounts payable and accrued liabilities fell slightly by \$28,102 however this was offset by a short-term loan in place of \$300,000 at year end. The loan has since been repaid.

Non-current liabilities fell significantly with retirement of the mortgage obligation. As previously noted, retirement of the mortgage also resulted in forgiveness of the \$1,160,400 mortgage on the buildings from 1999. As a result of this forgiveness and other capital contributions, deferred capital contributions rose by \$1,291,331 prior to amortization to revenue (earned capital contributions) of \$891,674 (2011:\$306,670). The net increase to deferred capital contributions was \$399,657 (2010: \$378,944). In addition total deferred contributions (both short- and long-term) fell slightly by \$40,008 while long-term future retirement obligations grew by \$42,625.

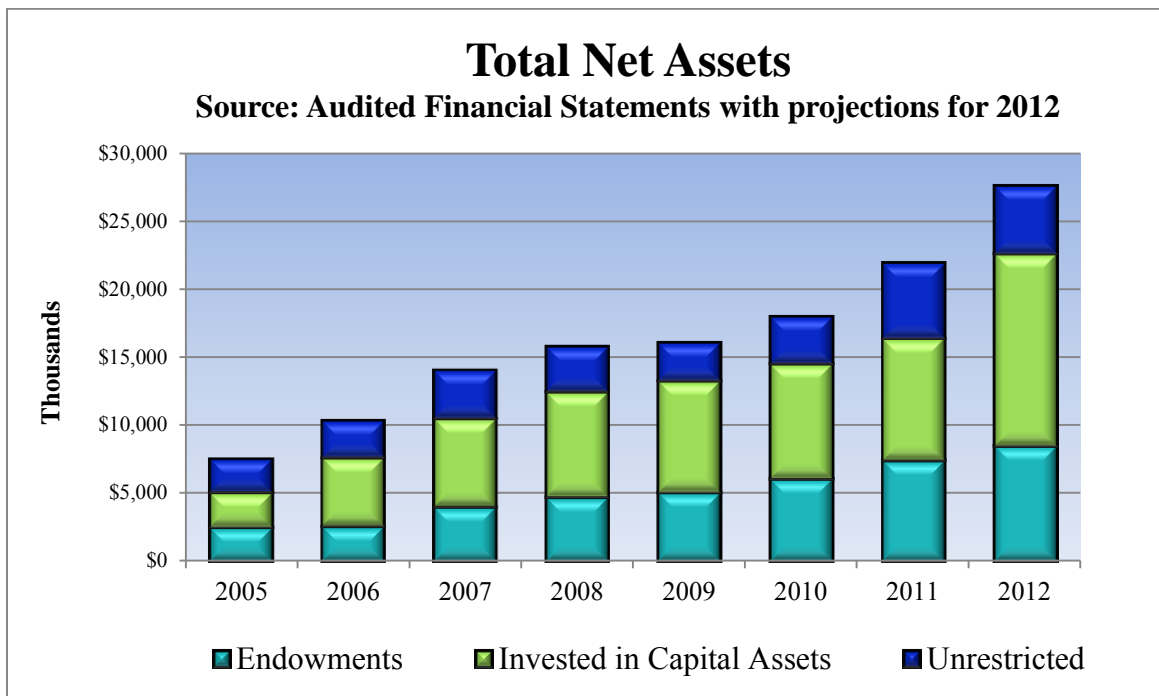
Net assets rose by \$5,661,633 during the year primarily due to the anonymous donation received to retire the mortgage obligation and due to growth in the endowment fund.

Endowment balances increased to \$8,461,239 (2011: \$7,389,668) due to contributions of \$1,324,168 net of investment losses of \$252,597. The Renaissance Fund was an excellent means of promoting private donations to post-secondary institutions and St. Mary's would encourage restoration of the program at the earliest opportunity.



Endowment funds are administered by means of formal endowment agreements. Endowment principal is required to 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 to a specific purpose such as a scholarship or bursary. In recent years, investment returns have been challenged 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 declined by \$524,766 largely due to shortfalls in revenue from donations and investment income. Given the inherent risk involved with revenue from donations and investment income, St. Mary's has a tradition of budgeting conservatively. In the long-term, St. Mary's intends to decrease reliance on revenue from donations and investment income to fund operations in favour of funding the vast majority of operating expenses from tuition fees and government grants. Private donations will be needed to fund capital expansion, new buildings and student scholarships and bursaries.



As a post-secondary institution in the early stages of development, St. Mary's is proud of our strong fiscal foundation and now looks forward to the future free of the mortgage liability. This foundation provides an excellent basis from which to begin planning for campus expansion including new academic, wellness and residence buildings.