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Accountability Acknowledgement (a & b)

a. Accountability statement

The institution's Annual Report for the year ended March 31, 2025 was prepared under the Board's direction in accordance with the *Sustainable Fiscal Planning and Reporting Act* and ministerial requirements established pursuant to the *Post-secondary Learning Act*. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

Original signed by Dr. Alex Clark

Original signed by Byron Nelson

Dr. Alex Clark

Byron Nelson

President

Chair, the Governors of Athabasca University

b. Management's Responsibility for Reporting

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

The Annual Report has been developed under the oversight of the institution audit & risk committee, as well as approved by the Board of Governors and is prepared in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the *Post-secondary Learning Act*.

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

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Public Interest Disclosure (Whistleblower Protection) Act

In 2013, the Government of Alberta enacted the *Public Interest Disclosure (Whistleblower Protection)* Act and associated regulations. The act applies to provincial government departments, offices of the Legislature and to public entities. Public entities include any agency, board, commission, provincial corporation, or other entity designated in the regulations which includes Athabasca University.

The purposes of the act are to:

- Facilitate the disclosure and investigation of significant and serious matters an employee believes may be unlawful, dangerous, or injurious to the public interest;
- · Protect employees who make a disclosure;
- Manage, investigate, and make recommendations respecting disclosures or wrongdoings and reprisals; and
- Promote public confidence in the administration of the departments, Legislative offices, and public entities.

No disclosures that fall within the definition of wrongdoing as defined in the Act were reported during the reporting period (April 1, 2024 to March 31, 2025).

Number of disclosures received - 0

Number of disclosures acted on - 0

Number of disclosures not acted on - 0

Number of investigations commenced - 0

Number of investigations still underway - 0

Provide a description of any wrongdoing found and any recommendations made or corrective measures taken regarding the wrongdoing, or the reasons why no corrective measure was taken: None

Goals and Performance Measures

AU is a university like no other. Our mission, as Alberta and Canada's open university, is to provide access and opportunity for a post-secondary education to all.

We are scalable and responsive to our learners with a uniquely agile, efficient, and effective means for accessible post-secondary education to meet changing workforce needs to citizens near and far. With access to a high-quality university education, AU learners can train, upskill, and reskill, irrespective of urban or rural location or educational background. Uniquely, this allows learners to study at university while they still live and work in their home communities, laddering up their credentials and fulfilling their educational requirements at micro-credential, degree, master, or doctoral levels.

AU's new strategic plan expresses core values like no other. AU's enduring and distinctive nature, and its contribution to post-secondary education in Alberta and beyond was affirmed through the consultation and launch of our new strategic plan, *Like No Other, 2025-2029*. Learners' needs are at the centre of our principles-driven plan, driven by three core priorities: **access, opportunity, and community**. Incorporating these principles in our work, together we build new possibilities for our learners, our team members, and for our communities, growing economic impact and diversification from our home of Athabasca and northern, rural Alberta.

a. Student supports and resources

We put our learners at the centre of everything we do. Via our uniquely open admissions policy, we aim to increase access, opportunity, and community for all learners, regardless of their educational background across rural, urban, remote, northern, and Indigenous communities.

With 70% of AU's undergraduates being the first in their family to attend university, we have over fifty years' experience in supporting diverse students to succeed in their studies and careers.

Our commitment to our students—and to developing, attracting and growing talent in rural and northern communities, starting with our home community of Athabasca—supports the growth of rural and northern economic sustainability.

In 2024-25, AU continued to provide world-class learning opportunities in the following ways:

Responsive program development and renewal

AU continually revises and develops new courses and programs to meet the changing needs of our province, its diverse learners, and their communities. In 2024-25, these changes included:

- New credentialed programs to respond to changing provincial labour needs in technology and industry
 - Data Science, Bachelor of Science minor, opening fall 2025
 - Earth Systems Science, Master of Science, opening fall 2025
 - Environment Studies, Bachelor degree, projected to open January 2026

Program development highlights (2024-25)

- **Graduate Certificate in Artificial Intelligence:** program proposal under development to grow opportunities for harnessing the power of Al.
- Master in Management program: program proposal under development that ladders management diploma and certificate programs into a full degree credential.
- Bachelor of Science, Biological Sciences: revised from Human Science to reflect the expansion of the curriculum and more accurately reflect the content for prospective students.
- Master of Architecture: Canada's first online architecture program. We are working with the Canadian Architectural Certification Board (CACB) to attain eligibility for accreditation.
- Architecture, undergraduate and graduate degrees: regulation changes developed that led to enhanced programs and new disciplines.
- Pre-calculus course: developed for student success in university-level mathematics.
- **PhD in Interdisciplinary Studies:** program proposal under development to find solutions across disciplines for our current and future challenges. This will be the first PhD program at AU.
- Rural revitalization course: developed in collaboration with the Alberta Real Estate Foundation.
- Indigenous Business programs: believed to be the first of its kind in Canada, developed and delivered by Indigenous scholars. In total, 188 students were enrolled in Indigenous Business programs: the Bachelor of Commerce, Indigenous Business; or the University Certificate, Indigenous Community Economic Development and Planning.

High-quality online and in-person learner experiences

Place-based growth

AU continues to build on its foundation of high-quality learner experiences in digital space and in physical place, especially in our home community of Athabasca. The *Like No Other* strategic plan encourages and supports our learners, team members, and community members to gather in Athabasca to work, learn, teach, research, and celebrate. In 2024-25, AU expanded in-person opportunities on our Athabasca campus through:

- The rejuvenation of convocation in Athabasca: About 2,000 graduates, guests, and community members joined in the festivities, supported by more than 100 staff and community volunteers and 40 local businesses.
- The revitalization of our Athabasca campus: We have worked to re-establish a vibrant, viable, and attractive workplace for staff in Athabasca, developing new hybrid work options to encourage team members to work and gather on campus. Improvements to campus facilities included the expansion of lab space, renovated library and office space, and recreational facilities—with a focus on building a sustainable, positive, workspace environment and culture.
- Athabasca student internships: Over the spring and summer, AU employed 22 high school and postsecondary students from the region on our main campus in Athabasca, to provide university workexperience for community youth.
- Athabasca Architecture Maker Space: the Maker Space, located in AU Main in Athabasca, was completed in early 2025. The state-of-the-art facility includes 3D scanners and printers, audio and video recording suites, virtual reality equipment and more, and will be open to students, staff, faculty, and community members later in 2025.
- **Shad Anywhere program:** <u>Shad Canada partnered with AU</u> on summer university experiences in STEAM (Science, Technology, Engineering, Arts, and Math) and entrepreneurship. AU and Shad hosted 116 high school students across Canada.
- **Writer-in-residence:** AU's 2024-25 writer-in-residence is <u>Bertrand Bickersteth</u>, an Alberta-based poet and writer about Black Canadian culture. He is a resource for students, team members, faculty, tutors, and community members.

- AU science labs: In 2024-25, the Faculty of Science hosted 22 in-person science lab sessions at AU campus in Athabasca and at NAIT, with over 300 students attending.
- **Science Outreach**: Activities open to the community continued this year with lectures held online and in-person at AU's main campus in Athabasca, along with an increase in lab experiences for local junior high and high school students in Athabasca.
- **Library supports:** The AU library re-opened to the public for three days per week. To support more students to use the facility, AU library staff welcomed four classes from Athabasca's Edwin Parr Composite High School for information literacy sessions. Staff also worked with the Athabasca public library to help plan and host the "One Book One Community" event on campus.
- **Lesotho trip:** Students from a variety of AU programs travelled to Lesotho again this year with international partner RISE for hands-on projects in sustainability through the Global Skills Opportunity study abroad program.
- MITACS students: AU hosted 22 MITACS students for research internships in computing, remote sensing, and regenerative design in the summer of 2024.

Improving technology for access

As an online university, transformative technology systems are AU's bricks and mortar.

Sustainable, intuitive and helpful technology systems support AU to make our highest contribution, which is why AU has prioritized a major overhaul of its student systems and technology platforms over the next three years. Key achievements from this year's technology innovations supported each AU learner's journey and success via:

- Full Brightspace migration: This year, AU migrated its entire inventory of 900 courses to a single, new, simplified learning management system. This major institutional transition supports student success through a single common platform for all AU courses. It will fully enable the implementation of technology-based learner supports to supplement person-based student supports in the year ahead.
- **New student awards system:** AU launched a new, unified student awards systems in August 2024 that streamlined applications for bursaries, scholarships and awards. Student applications increased by 195% over the previous year.
- Pilot rollout of the Frontline Learner Services Transformation (FLST): This technology-enabled student support pilot strengthens support for funded students and students registered with AU's Accessibility Services. The pilot will be incorporated into regular operations in fall 2025. Results from this year's pilot included:
 - ·reduced wait times
 - ·fewer repeat queries and student complaints
 - ·increased positive student service experiences
- **New graduate admissions platform:** To complement the FLST, AU implemented AU GradApply, a new graduate admissions management system to improve access by centralizing and streamlining AU's graduate admissions process.
- More Open Education Resources: AU is a world leader in the development of Open Education Resources (OER) to provide education materials at no cost for learners at the point of access. Adoption of OER increased by 21% this fiscal year—saving students about \$232,000 in course material fees.

- **New credentialing support:** AU finalized the introduction of MyCreds, a secure, online document-sharing platform, certifying a total of 17,500 university transcripts in this first year of operations.
- **New writing supports:** AU now provides free, open, foundational supports in math and writing for students via the "Math Site" and "Write Site" to help support success in their course work and/ or supplement their learning. The Write Site piloted four graduate student writing retreats and launched a session for students to provide writing strategies for those with ADHD.
- New work-integrated learning supports: AU launched the fourth AI-powered virtual co-op program in the Faculty of Business to equip students to work in the sustainability business sector. This new program joins the virtual co-ops in financial institutions, consulting, and construction industries.

Increasing financial supports to increase learner access and opportunities

As part of AU's commitment to access and opportunity, we provide affordable, flexible and open education opportunities supported by scholarships and bursaries for students in financial need.

AU has about 4,500 active student financial aid files, representing 26% of our program students in any given month. AU awarded the following supports in 2024-25:

Awards and scholarships: \$686,233 to 338 students
 Student bursaries: \$407,497 to 282 students
 Graduate Research Fellowship: \$187,500 to 37 students
 Indigenous student awards: \$89,998 to 48 students
 Alberta Graduate Excellence: \$11,000 to 6 students

· Honours list recipients: 915

Additional awards:

- Dr. Tony Simmons Memorial Award for Marginalized Students: 3 students
- Jonathan Ormson Memorial Award for Bachelor of Science: 2 students

New awards created in 2024-25:

- President's award for Rural Alberta Nursing Students, which will begin distribution in October 2025.
- Dr. Geoff Peruniak Bachelor of Arts in Psychology Memorial Bursary, distributed to 3 students this reporting year.

Fostering Indigenous inclusion and supports

AU fosters Indigenization and kwayskahsatsowin (conciliation) in every facet of our community. AU's *Like No Other* strategic plan emphasizes Indigenous inclusion and supports through our Indigenous centre, <u>Nukskahtowin</u>, as a key integrative priority. Highlights from work this year include:

- **AVP Indigenous Conciliation:** AU appointed its first Associate Vice-President Indigenous Conciliation, Priscilla Campeau, to lead and champion Indigenization and decolonization efforts across the university.
- Tuition discount for Indigenous students: In 2024-25, 256 students took 841 courses using the 10% discount offered by AU to all Indigenous students.
- Collaboration with Red Crow Community College: In 2024-25, 18 students from Red Crow Community College were enrolled in AU's University Certificate in Indigenous Community Economic Development and Planning, as part of a unique partnership between the two institutions.
- Career fair supports: The Nukskahtowin team continued to connect with potential students in Indigenous communities at career fairs and other local events.
- Indigenous student support and Nukskahtowin websites: The <u>Nukskahtowin website</u> was revamped and relaunched to provide better and easier access to information and supports.
- Indigenous education for secondary students: AU's AVP Indigenous Conciliation presented an Indigeneity and Education class for high school students through the Shad Anywhere program online.
- Indigenous anti-racism MOOC: In January 2025, AU launched a free massive open online course (MOOC) in Indigenous Health and Wellness, Advocacy, and Allyship. The course explains the roots of racism and discrimination Indigenous people experience in accessing care, and the role of advocacy and allyship in addressing these issues. Over 2,000 registrants accessed the course during this reporting period.

Supporting student well-being

AU's commitment to access, opportunity, and community for our learners means supporting their unique and changing needs at every stage of their educational journey. Highlights from 2024-25 include:

- Accessible student mental health and wellness support: AU's Mental Health and Wellness Support Services completed 7,144 support consultations while 515 students registered for CarePath mental health support and online resources.
- Specialized student mental health and wellness support: To support the smaller number of students with the highest-risk mental health challenges, the learner contact team used a new, single contact initiative to provide early intervention, targeted support, and individualized support to 45 learners following referrals from across the university.

Performance measures 2024-25

AU's learners continue to look like no other university's learners in Alberta and beyond.

AU's student population

	Learners	Mean age
Undergraduate	31,441	31.0
Graduate	4,278	38.3
Total	35,719	31.8

• First in family, graduating with a bachelor's degree: 64%

• Women: 66%

• Domestic living in rural areas: 10.7%

• Domestic living in urban areas: 89.3%

• Indigenous: 4.4%

• Students who live outside of Alberta, in Canada: 57%

• International: 7.4%

Satisfaction

• Undergraduate learner satisfaction with learning experience: 78.4%

• Undergraduate learner satisfaction with course materials: 75.2%

Accessibility

- Total active students registered for accommodations/services with AU Accessibility Services: 2,944
- Registered with one disability: 1,719
- Self-identifying with two or more disabilities: 1,225
- Verified psychiatric disabilities: Primary = 844, Secondary = 738

b. Strategic research priorities

AU is one of four Comprehensive Academic and Research Universities (CARU) in Alberta—and the only CARU in a northern, rural community.

Our research focuses on collaborations to benefit people and communities near and far. Our unique approach to research as a hybrid institution, particularly in open access and digital research, means AU can provide solutions to Alberta's challenges like no other post-secondary institution.

As a CARU, research is a core part of AU. Foundational to the *Like No Other* strategic plan, AU seeks to build research opportunities and impacts for both our learners and our communities.

World-class researchers

Built on a promising research foundation, AU's research programs are expanding in scope and quality. This year, four AU researchers were recognized internationally among the <u>world's top 2%</u> <u>leading academics</u> in their fields (based on multiple data points) by Stanford University and Elsevier in their "World's top 2%" index:

- Dr. Terry Anderson: (emeritus) education and artificial intelligence;
- Dr. Junye Wang: environmental sciences and energy,
- Dr. Norman Temple: health and nutrition, and
- Dr. Alex Clark: health services, nursing, and cardiovascular system.

Diverse research impacts

During this reporting period, AU researchers achieved notable impacts:

- Oil sands reclamation: AU achieved two commercialization milestones with the submission of a provisional patent for Dr. Shawn Lewenza's invention for monitoring and reclamation efforts in the oil sands, and the creation of the startup company <u>Luminous BioSolutions</u> to license and commercialize this invention.
- Northern child and family health: Dr. Kharah Ross led AU's contribution to the One Child, Every Child research program to support communities, families, and organizations to prosper. Other AU collaborators in the research program include: Dr. Marti Cleveland-Innes, Dr. Alexa Ferdinands, and Dr. Tobias Wiggins.
- Restoring prairie grasslands: <u>New research</u> co-led by AU assistant professor Dr. Srijak Bhatnagar explores the potential of fungi and bacteria to help reclaim a former coal mine in southern Alberta. The research is a collaboration between AU, Lethbridge Polytechnic, and the Nature Conservancy of Canada.
- **Using AI to support student learning engagement:** Dr. Ali Dewan from AU's School of Computing and Information Systems <u>is studying</u> how artificial intelligence and facial recognition technology can detect when students lose interest in their schoolwork and help get them back on track.
- Bridging the gap between Global North and South: Dr. Haider Alvi, a professor of innovation finance at AU, <u>studies how business can help</u> find solutions to economic, environmental, and other challenges facing the world.
- Supporting education for sick children: Dr. Marti Cleveland-Innes is <u>leading a new research program</u> to explore how to support the education of Alberta children dealing with serious illnesses, especially from marginalized communities.
- **Use of eHealth technology:** AU is part of the Health Everywhere Hub, a collaborative to accelerate the commercialization and scale of eHealth and mHealth technologies, with Dr. Dunwei Wen leading our participation.

Other research success included:

- Water & Oil Sands Reclamation: Dr. Scott Ketcheson received the Regional Award for Innovation Woodlands Region at the ASTech 2024 awards.
- **Computer systems:** Dr. Oscar Lin received the IEEE Distinguished Leadership Award, 2024 from IEEE Computer Society and the IEEE Computational Intelligence Society.

- **Child health:** Dr. Kharah Ross received the 2024 President's Award for Research and Scholarly Excellence.
- **Indigenous:** Dr. Leslie Main Johnson was acknowledged as Distinguished Ethnobiologist from the Society of Ethnobiology for her research contributions over four decades.
- **Food sovereignty:** Dr. Janelle Baker received the CAFA Distinguished Academic Early Career Award and was appointed a Future Flourishing Fellow by the Canadian Institute for Advanced Research.

Research intensity measures

In the past year AU, attracted the following research investments.

Research measure	2024-25
Total sponsored research revenue	\$4.8 million
Research revenue external (faculty non-Tri-Agency)	\$1.2 million
Research revenue external (faculty Tri-Agency)	\$2.1 million
# of faculty submitting external applications (Tri-Agency)	13
# of faculty submitting external applications, Non-Tri- Agency	25
# of successful external applications awarded to faculty, Tri-Agency	21
# of successful eternal applications awarded to faculty (non-Tri-Agency)	9
Percentage of faculty holding external funding	17.5
# of AU learners employed in faculty research projects	55

Building AU's research foundations:

Under the *Like No Other* plan, expanding the scope and increasing the impact of our research is key. To benefit AU's learners and communities, this entails:

- Growing our research culture by increasing the number of tri-agency and other external grants submitted and awarded,
- · Improving our research supports, incentives and rewards,
- · Increasing our research reputation, partnerships, and impacts.

Improving our research foundations in 2024-25 included:

Improving AU's research reputation

- <u>AU Pure Portal</u> developed a unique, updated profile for every AU faculty researcher to provide real-time visibility on open-access publications and collaborations, with 43,000 page views, 13,000 unique visitors from 42 countries, and a 200% increase in traffic from last year.
- The fifth installment of the "Research with Reach" video series showcased the work of our newest Canada Research Chair, <u>Dr. Lana Ray</u>, as well as other AU researchers: <u>Dr. Ali Dewan</u> (artificial intelligence), <u>Dr. Haider Alvi</u> (business solutions for local impact), and <u>Dr. Kharah Ross</u> (community research to prevent gender-based violence). These achieved 200,000 views on YouTube and 345,000 views on LinkedIn with 334,000 impressions.
- Supporting research commercialization, a new course led by AU titled Intellectual Property for the New Innovator, helps researchers learn about commercializing their work. Funded by the Government of Alberta, the course launched across the province as a collaboration and partnership that included Wood Buffalo Regional Innovation, Northwestern Polytechnic, Keyano College, MacEwan University, Grand Prairie Regional Innovation Network, Data for Good, Centre for Social Impact Technology, Social Impact Lab Alberta, Edmonton Unlimited, WTAL Canada, University of Lethbridge, and Concordia University of Edmonton.

Growing Research Partnerships

To foster opportunities for AU researchers, a number of strategic partnerships were prioritized:

- Innovation: AU is a collaborative member of the Wood Buffalo Regional Innovation Network, along with several other innovation organizations in Edmonton, Calgary, and Grande Prairie. AU also partnered with the Canadian Innovation Space, and participated in Innovation Week 2024 as well as Inventures, organized by Alberta Innovates.
- **Industry:** Dr. Scott Ketcheson, CRC in Hydrological Sustainability, has expanded his research program in oilsands reclamation, receiving over \$2.2 million in funding from Suncor Energy.
- **Community:** The United Way Social Impact Lab was a collaboration between AU, The United Way and Athabasca community members to develop innovative ways to foster community connection and capacity-building.

c. Collaborations with other learning providers

AU's long history of working with post-secondary partners in Alberta, across Canada and around the world is bolstered and reinforced under the new *Like No Other* strategic plan. Keeping learners' needs always at the centre, we seek collaborations to add value and reduce barriers for students, improve learning experiences, and foster research collaborations to benefit our communities near and far.

To date, AU has established:

- Memoranda of understanding and agreement with 37 post-secondary institutions across Canada and around the world, including in the United States, Finland, and the West Indies,
- Articulation agreements with approximately 160 post-secondary institutions covering approximately 1,800 unique external programs.

Notable collaboration highlights from 2024-25 to improve access and opportunities for learners include:

- Non-program students from other Alberta universities: More than 9,000 visiting students took courses at AU to complete studies at other Alberta universities.
- Flexible transfer programs: Over 1,800 diploma students from other institutions transferred to AU degree programs to supplement their education quickly and easily.
- **Dual credit agreements:** Agreements were signed with the Province of Saskatchewan and more than a dozen Alberta school authorities, including a dual credit agreement with the Edmonton Public School Board for the introductory Architecture Design Studio for high school students, and an agreement with the Renert School in Calgary for science courses.
- Indigenous access to enrolment and admissions: AU continued to provide increased access to its Bachelor of Commerce program through ongoing collaborations with Eden Valley Bearspaw First Nation and Red Crow Community College.
- Master in Laws (Legislative Drafting): A laddering agreement with the University of the West Indies allows graduates of AU's Graduate Diploma in Legislative Drafting to pursue a Master in Laws (Legislative Drafting) degree.
- Access to nursing education: A direct admission partnership was established with Northern Lakes College (NLC) for the Bachelor of Nursing Program for 20 NLC Licensed Practical Nurse graduates per year, funded by the Targeted Enrolment Expansion grant.
- Access to Computing diplomas: A laddering program was established with Portage College for the Bachelor of Science in Computing and Information Systems.

Financial Information

(thousands of dollars)

a. Budget Variances

Revenue

Category	Bu	ıdgeted	A	ctual	Va	riance	Variance explanation
	an	nount	ar	mount			
Key variances defin	ed (as any di	ffe	rence ove	er \$1	1.0M	
Government of	\$	45,998	\$	50,581	\$	4,583	The increase is due to the rise in spending
Alberta Grants							on the Capital Maintenance and Renewal
							(CMR) grant and the recognition of an
							additional \$3.4 million revenue from
							deferred capital contributions related to the
							restructuring of an externally funded capital
							project.
Student tuition	\$	103,051	\$	103,538	\$	487	
and fees							
Sales of services	\$	6,085	\$	6,449	\$	364	
and products							
Investment	\$	2,685	\$	4,496	\$	1,811	Investments out-performed budget
income							expectations. All funds, except for Canadian
							Equity, exceeded their 2024-25 benchmarks,
							with Global Equity Funds providing the
							strongest performance. When comparing
							returns of all funds to the prior fiscal, fixed
	_		_				income provided notably greater returns.
Federal and other	\$	2,241	\$	3,648	\$	1,407	The increases compared to the budget are
government							attributed to continued growth in research
grants							activities and related grant spending.
Donations and	\$	145	\$	1,704	\$	1,559	Donations and grant revenue from non-
other grants							profit organizations exceeded budgeted
							expectations and were the primary drivers
							of the favourable budget variance.
	\$	160, 205	\$	170,416	\$	10,211	

Expenses

Category		udgeted mount		tual nount	Vai	riance	Variance explanation
Key variances defined as any difference over \$1.0M							
Salaries and employee benefits	\$	112,433	\$	111,564	-\$	869	
Fees and purchased services	\$	23,446	\$	23,964	\$	518	
Cost of goods sold	\$	6,245	\$	5,862	-\$	383	
Communications and travel	\$	4,941	\$	4,129	-\$	812	
Materials and supplies	\$	3,765	\$	8,694	\$	4,929	The main reason for the increase is the expense of certain assets determined to no longer support their book value.
Rental, insurance, and utilities	\$	2,049	\$	1,770	-\$	279	
Scholarships and bursaries	\$	1,866	\$	1,585	-\$	281	
Amortization of capital assets	\$	5,460	\$	7,005	\$	1,545	The increase from the budget is a result of new assets being transferred into service during the year, primarily related to the Brightspace learning environment.
	\$	160, 205	\$	170,416	\$	10,211	

b. Audited Financial Statements

Please see appendix A.

Self-Generated Revenue

(thousands of dollars)

a. Tuition and Mandatory Fees

Revenue Source	Description	nnual evenue
Domestic Tuition	Undergraduate and graduate tuition from domestic students less waivers subject to Tuition and Fee Regulation	\$ 61,876
International Student Tuition	Undergraduate and graduate tuition from international students less waivers subject to Tuition and Fee Regulation	\$ 5,666
Continuing Education Fees	Non-credit courses as well as continuing education offered through our PowerED department	\$ 899
Other Mandatory Student Fees	All fees other than tuition revenue. Examples include application, exam challenge, extension, transcript, etc.	\$ 35,097
	Subtotal	\$ 103,538

b. Donations and Investment Income

Revenue Source	Description	Annua Reven	
Cash Donations	Cash donations from families and individuals, industry, not-for-profit enterprises, other registered charities	\$	800
Donations In-kind	In-kind donations from individuals and industry	\$	72
Interest Earned	Interest earned on portfolio investments	\$	712
Interest on Endowments	Interest earned on endowment investments	\$	124
Contributions to Endowments	Endowment contributions from not-for-profit	\$	50
Realized Gains/Losses	Gains and losses, short-, medium-, and long-term portfolio investments	\$	404
Other	Investment income short-, medium-, and long- term portfolio investments	\$ 3	,378
	\$ 5	,540	

c. Research Grants

Revenue Source	Description	Annual Revenue
Not-for-Profit Organizations	Research grant revenue recognized from not-for-profit agency grants	\$ 173
Federal Government	Revenue recognized from grants received from NSERC, SSHRC, CIHR, ECCC and other departments for research	\$ 3,394
Businesses	Research grant revenue recognized from industry partners	\$ 388
	Subtotal	\$ 3,955

d. Other Grants

Revenue Source	Description	Annual Revenue
Not-for-Profit Organizations	Revenue recognized from grants received by not- for-profit agencies for non-research projects	\$ 261
Federal Government	Revenue recognized from grants received from Health Canada and other federal departments for non-research projects	\$ 188
	Subtotal	\$ 449

e. Auxiliary / Ancillary Services

Revenue Source	Description	Annual Revenue	
Sale of Undergraduate Course Materials	Learning materials to complete course. Includes books, worksheets, kits, as well as other items as needed	\$ 4,4	50
Sale of Graduate Course Materials	Learning materials to complete course. Includes books, worksheets, kits, as well as other items as needed	\$ 43	39
External Cost Recoveries	Primarily related to cost recovery of special materials and services provided to learners with special needs as well as other miscellaneous cost recoveries	\$	1
Miscellaneous Ancillary Services Revenue	Includes rental revenue, foreign exchange, promotional materials, sponsorship, as well as other miscellaneous categories	\$ 37	70
	Subtotal	\$ 5,26	50

f. Academic Enterprise

Revenue Source	Description	Annual Revenue
Sale of Professional Services and Consulting	Digital transformation services offered by our PowerED department to assist post-secondary, corporate, government, and not-for profit entities develop online training and education platforms	\$ 39
Other	Miscellaneous promotional material sales, conference revenue, rental revenue, royalties, and other by-product sales from the university	\$ 59
	Subtotal	\$ 98

g. Land Trusts and For-Profit Ventures

Not applicable.

h. Other

Revenue Source	Description		nnual evenue
Alumni Fees	Fees collected from students to help fund the alumni relations department activities and events		202
	Subtotal	\$	202
	Grand Total	\$	119,930

Capital Report

(thousands of dollars)

a. Top 3 priority projects

Description	Tot	al oject	Start Date	End Date
	COS	-		
Implementation of multiple systems to transform the experience of learners at AU through an investment and renewal of key elements of our technological infrastructure	\$	2,426	Apr-25	Mar-27
Funding Sources				
Source	Am	nount	Percentage	Received to Date
Government of Alberta	\$	1,241	51.15%	\$ 1,241
Government of Canada			0%	
Institutional Funds	\$	1, 185	48.85%	\$ -
Donations			0%	
Foundations			0%	
Industry			0%	
Total	\$	2,426	100%	\$ 1,241
Project 2 - Cloud Infrastructure				
Description	Tot pro	oject	Start Date	End Date
The Cloud Infrastructure is the continuous improvement of AU's cloud environment as the entire university's operations are now running in the AU cloud. Cloud Infrastructure ensures that the best cloud artificial intelligence and robotic processing automation tools are in use to protect and monitor the cloud operating environment.	\$	3,173	Apr-25	Mar-28
Funding Sources				
Source	Am	nount	Percentage	Received to Date
Government of Alberta	\$	1,863	58.71%	\$ -
Government of Canada			0%	
Institutional Funds	\$	1,310	41.29%	\$ -
Donations			0%	
Foundations			0%	
Industry			0%	
Total	¢	3,173	100%	¢ _

Project 3 - AU Technology Evergreeni	ng			
Description	Total proje cost		Start Date	End Date
IT systems must remain current to be effective to interact in a digital world. Technology failure is not an option for a digital-first university. The AU technology evergreening ensures that IT is routinely assessed, renewed, and replaced as necessary. This "project" is an ongoing program.	\$	1,827	Apr-24	Mar-28
Funding Sources				
Source	Amo	unt	Percentage	Received to Date
Government of Alberta			0%	
Government of Canada			0%	
Institutional Funds	\$	1, 827	100%	\$ -
Donations			0%	
Foundations			0%	
Industry			0%	
Total	\$	1, 827	100%	\$ -

b. All Other Projects

Name and Description	Туре	Total Cost	Current Status
Banner Annual Payroll and Tax Change	Maintenance	\$60	Planning
Equipment Renewal	Maintenance	\$840	In Progress
Community and Culture Catalyst Fund	Expansion	\$500	Planning
Athabasca Maker Space Architecture Program	Expansion	\$375	In Progress
Integrated Microbiocreator Lab Program	Maintenance	\$1,250	In Progress
Library Collections	Maintenance	\$575	In Progress
	Total	\$3,600	

Mandatory Non-Instructional Fees Reporting

(thousands of dollars)

a. Summary

Fee Name	Supported Goods / Services	geted ount	Actual Amount	Variance Explanation
Alumni Fees	Supporting services and events provided by the Alumni Department for graduates of Athabasca University	\$ 273	\$	Reporting expenses only- Fees and purchases services, materials and rentals were less than budget which are partially offset by increased salary and benefits.
	Total	\$ 273	\$ 273	

b. Compliance Statement

Were any new MNIFs introduced or existing MNIFs substantively changed during the reporting period?

No.

Free Speech Reporting

Athabasca University's Freedom of Enquiry and Expression principles and guidelines are listed on AU's public website.

Between April 1, 2024 and March 31, 2025, no events at Athabasca University were cancelled for reasons related to free speech, and no free-speech-related complaints were received.

AU is currently revising its Freedom of Enquiry and Expression website to make our guidelines and complaints process more transparent.

Board of Governors Training on For-Profit Ventures

AU's board of governors has not completed training on for-profit ventures as a board. We do not anticipate it will be required.

Appendix A

Athabasca University

Financial Statements March 31, 2025

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Year ended March 31, 2025

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Statement of Management Responsibility

Year ended March 31, 2025

The financial statements of Athabasca University ("the university") have been prepared by management in accordance with Canadian Public Sector Accounting Standards as described in note 2 to the financial statements. The financial statements present fairly the financial position of the university as at March 31, 2025 and the results of its operations, remeasurement gains and losses, changes in net financial assets, and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that 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 is responsible for reviewing and approving the financial statements, and overseeing management's performance of its financial reporting responsibilities.

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

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

Original signed by Dr. Alex Clark	Original signed by Stuart Johnston
Dr. Alex Clark President	Stuart Johnston Vice-President, Finance and Operations
	and Chief Financial Officer

Auditor General OF ALBERTA

Independent Auditor's Report

To the Board of Governors of Athabasca University

Report on the Financial Statements

Opinion

I have audited the financial statements of Athabasca University (the University), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2025, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

May 30, 2025 Edmonton, Alberta

Statement of Financial Position

As at March 31, 2025 (thousands of dollars)

	2025			2024
Financial assets excluding portfolio investments restricted for				
endowments	ď	1517/	ф	11 077
Cash	\$	15,134	\$	11,937
Portfolio investments - non-endowment (Note 3)		77,624		70,055
Accounts receivable		1,773		2,094
Inventory held for sale		617		753
		95,148		84,839
Liabilities				
Accounts payable and accrued liabilities		15,871		15,144
Employee future benefit liabilities (Note 5)		5,935		8,813
Deferred revenue (Note 6)		28,313		28,350
		50,119		52,307
Net financial assets excluding portfolio investments restricted for endowments		45,029		32,532
Portfolio investments - restricted for endowments (Note 3)		5,268		4,786
Net financial assets		50,297		37,318
Non-financial assets				
Capital assets (1) (Note 7)		36,658		45,832
Prepaid expenses		3,767		3,531
		40,425		49,363
Net assets before spent deferred capital contributions		90,722		86,681
Spent deferred capital contributions (Note 8)		24,633		30,405
Net assets (Note 9)	\$	66,089	\$	56,276
Net assets are comprised of:				
Accumulated surplus	\$	59,347	\$	53,330
Accumulated remeasurement gains		6,742		2,946
	\$	66,089	\$	56,276

Contingent assets and contractual rights (Note 10 and Note 12)

Contingent liabilities and contractual obligations (Note 11 and Note 13)

(1) Capital assets include tangible capital assets and purchased intangibles.

Approved by the Board of Governors. (Note 20)

Statement of Operations

Year ended March 31, 2025 (thousands of dollars)

	Budget		ıdget 2025		2024
	(Note 18	3)			
Revenues					
Government of Alberta grants (Note 14)	\$ 45,9	98	\$	50,581	\$ 47,100
Student tuition and fees	103,0	051		103,538	98,178
Sales of services and products	6,0	85		6,449	5,679
Investment income	2,6	85		4,496	3,236
Federal and other government grants (Note 14)	2,2	241		3,648	3,141
Donations and other grants		45		1,704	1,311
	160,2	.05		170,416	 158,645
Expenses (Note 16)					
Instruction and non-sponsored research	82,9	24		77,358	75,438
Academic and student support	18,	517		22,343	19,496
Institutional support	18,0	70		18,411	17,024
Computing and communication	22,3	98		21,643	23,262
Sponsored research and special purpose	5,9	38		13,993	9,851
Ancillary and academic services	7,3	26		6,679	6,618
Facility operations and maintenance	5,0	32		4,146	3,972
	160,2	.05		164,573	155,661
Annual operating surplus		-		5,843	2,984
Endowment contributions and capitalized investment income					
Endowment contributions (Note 9)		-		50	1
Endowment capitalized interest income (Note 9)				124	137
Annual surplus		-		6,017	3,122
Accumulated surplus, beginning of year				53,330	 50,208
Accumulated surplus, end of year (Note 9)	\$		\$	59,347	\$ 53,330

Statement of Change in Net Financial Assets

Year ended March 31, 2025 (thousands of dollars)

	В	udget	2025	2024
	(N	ote 18)		
Net financial assets, beginning of year	_\$	37,318	\$ 37,318	\$ 27,980
Annual surplus		-	6,017	3,122
Acquisition of capital assets		(5,955)	(2,929)	(3,599)
Proceeds from sale of capital assets			-	2
Amortization of capital assets		5,460	7,005	7,194
Loss on disposal of capital assets			102	-
Write-down of capital assets			4,996	420
(Increase) decrease in prepaid expenses			(236)	851
Decrease in spent deferred capital contributions		(256)	(5,772)	(2,111)
Increase in accumulated remeasurement gains and losses			 3,796	 3,459
Increase in net financial assets			12,979	9,338
Net financial assets, end of year	\$		\$ 50,297	\$ 37,318

Statement of Remeasurement Gains and Losses

Year ended March 31, 2025 (thousands of dollars)

	:	2025	2	2024
Accumulated remeasurement gains (losses), beginning of year	\$	2,946	\$	(513)
	<u> </u>			(3-3)
Unrealized gains attributable to:				
Quoted in active market financial instruments				
Portfolio investments - non-endowment		3,473		3,399
Designated fair value financial instruments				
Portfolio investments - non-endowment		728		342
Amounts reclassified to the statement of operations:				
Quoted in active market financial instruments				
Portfolio investments - non-endowment		(405)		(282)
Designated fair value financial instruments				
Portfolio investments - non-endowment		-		
Net change for the year		3,796		3,459
Accumulated remeasurement gains, end of year	\$	6,742	\$	2,946
Accumulated remeasurement gains is comprised of:				
Portfolio investments - non-endowment	\$	6,742	\$	2,946

Statement of Cash Flows

Year ended March 31, 2025 (thousands of dollars)

	2	2025	2024
Operating transactions		_	
Annual surplus	\$	6,017	\$ 3,122
Add (deduct) non-cash items:		_	
Amortization of capital assets		7,005	7,194
Expended capital contributions recognized as revenue		(6,083)	(3,271)
Gain on sale of portfolio investments		(405)	(282)
Write-down of capital assets		4,996	420
Loss on disposal of capital assets		102	-
Decrease in employee future benefit liabilities		(2,878)	(2,014)
		2,737	2,047
Decrease (increase) in accounts receivable		321	(293)
Decrease in inventory held for sale		136	157
Increase in accounts payable and accrued liabilities		727	1,497
Decrease in deferred revenue		(345)	(394)
(Increase) decrease in prepaid expenses		(236)	851
Cash provided by operating transactions		9,357	6,987
Capital transactions			
Acquisition of capital assets		(2,929)	(3,599)
Proceeds on sale of capital assets		_	2
Cash applied to capital transactions		(2,929)	 (3,597)
Investing transactions			
Purchases of portfolio investments		(6,821)	(7,105)
Proceeds on sale of portfolio investments		3,279	 9,734
Cash (applied to) provided by investing transactions		(3,542)	2,629
Financing transactions			
Increase in spent deferred capital contributions, less expended capital			
contributions recognized as revenue		311	 1,160
Cash provided by financing transactions		311	1,160
Increase in cash		3,197	7,179
Cash, beginning of year		11,937	4,758
Cash, end of year	\$	15,134	\$ 11,937

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

1 Authority and purpose

The Governors of Athabasca University is a corporation which manages and operates Athabasca University ("the university") under the *Post-secondary Learning Act* (Alberta), and the *Athabasca University Regulation* (Alberta Regulation 50/2004). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the President, who is an *ex officio* member. Under the *Post-secondary Learning Act*, the university is a comprehensive academic and research university offering fully-accredited distributed learning from its headquarters in the town of Athabasca. The university offers credit and non-credit learning experiences that lead to professional, undergraduate, masters, and doctoral credentials across ever evolving and comprehensive disciplines. The university is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

2 Summary of significant accounting policies and reporting practices

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the university are as follows:

(a) Use of estimates

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

(b) Valuation of financial assets and liabilities

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

<u>Financial statement component</u> <u>Measurement</u>

Cash Cost

Portfolio investments Fair value

Accounts receivable Lower of cost or net recoverable value Inventory held for sale Lower of cost or net realizable value

Accounts payable and accrued liabilities Cost

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

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(b) Valuation of financial assets and liabilities (continued)

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

For financial assets and liabilities measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of portfolio investments are accounted for using trade-date accounting.

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

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

(c) Revenue recognition

All revenue is reported on the accrual basis of accounting. Cash received for which goods or services have not been provided is recorded as deferred revenue.

Government grants, non-government grants and donations Government transfers are referred to as government grants.

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

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

In-kind donations of services, materials or capital assets are recorded at fair value when a fair value can reasonably be determined. Transfers of capital assets from related parties are recorded at the carrying value.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(c) Revenue recognition (continued)

Grants and donations related to land

Grants and donations for the purchase of land are recognized as deferred revenue when received, and recognized as revenue when the land is purchased. An in-kind contribution of land is recognized as revenue at the fair value of the land when a fair value can be reasonably determined. When the fair value cannot be reasonably determined, the in-kind contribution is recorded at nominal value.

Sales of services and products

Sales of services and products represent revenues from non-tuition related services and/or products such as one day workshops, media production, conferences, registration fees, membership fees, book sales, rental income, and copyright licensing.

These revenues are considered revenues arising from exchange transactions. Revenue from these transactions is recognized when or as the university fulfils its performance obligation and transfers control of the promised goods and services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

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

Student tuition and fees

Student tuition and fees are charged for the programs offered by the university such as laboratory fees, extension fees and out of province fees.

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

Endowment contributions

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

Investment income (loss)

Investment income includes dividends, interest income, and realized gains or losses on the sale of portfolio investments.

Realized investment income on portfolio investments from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability and is recognized as revenue in the statement of operations when the terms of the grant or donation are met. The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the statement of operations.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(c) Revenue recognition (continued)

Investment income (loss) (continued)

Unrealized gains and losses on portfolio investments from unrestricted grants and donations are recognized in the accumulated remeasurement gains and losses until settlement. Once realized, these gains or losses are recognized as revenue or expense in the statement of operations. Unrealized gains and losses on portfolio investments from restricted grants and donations are recognized in deferred revenue until the related investments are sold.

Endowments

Endowments consist of:

- externally restricted donations received by the university, the principal of which is required to be maintained intact in perpetuity.
- · capitalized investment income that has been allocated for annual inflation.

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

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

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

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is adjusted and the donors are notified, where appropriate.

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

(d) Inventory held for sale

Inventory held for sale is valued at the lower of cost and expected net realizable value and is determined using the weighted average method.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(e) Capital assets

Capital assets include both tangible capital assets and purchased intangibles. Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Purchased intangibles are also recorded at cost, which includes amounts that are directly related to the acquisition, initial update or modifications to bring these assets into service. Purchased intangibles with an indefinite life are not amortized.

Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service. The cost, less residual value, of the capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

<u>Asset category</u> <u>Estimated useful life</u>

Buildings 40 years

Site improvements 10 - 25 years

Computer hardware and software 3 - 10 years

Furniture and equipment 5 - 20 years

Library holdings 10 years

Library holdings include tangible capital assets and purchased intangibles.

Capital asset write-downs are recorded when conditions indicate that they no longer contribute university's ability to provide services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are recognized as an expense in the statement of operations.

term of lease

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

(f) Asset retirement obligations

Leasehold improvements

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

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

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(f) Asset retirement obligations (continued)

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

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

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

Where a present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the statement of operations. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. The university has no asset retirement obligations recognized as at March 31, 2025 (2024 - \$0).

(g) Foreign currency translation

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

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(h) Employee future benefits

Pension

The university participates with other employers in the Public Service Pension Plan (PSPP) and the Universities Academic Pension Plan (UAPP). These pension plans are multi-employer defined benefit pension plans that provide pensions for the university's participating employees based on years of service and earnings.

Pension expense for the UAPP is actuarially determined using the projected benefit method prorated on service and is allocated to each participating employer based on their respective percentage of employer contributions. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life of the related employee group.

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

Administrative Leave

The university provides for certain senior administrators to accrue a compensated leave. The expense for this plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are recognized immediately in the statement of operations.

<u>Life Insurance, Short Term Disability, and Long Term Disability</u>

The cost of providing non-vesting and non-accumulating benefits under these plans is expensed in full when the event occurs that obligates the university to provide the benefit. Future premium rates are negotiated annually. Rate adjustments are determined based on a combination of the insurer's manual rate and the university's actual claims experience over the past five years. Any plan assets resulting from the surplus or deficit of the plans are attributed to the insurer.

(i) Liability for contaminated sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. Contaminated sites occur when an environmental standard exists and contamination exceeds the environmental standard.

A liability for remediation of contaminated sites from an operation(s) that is in productive use is recognized net of any expected recoveries when all of the following criteria are met:

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

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(i) Liability for contaminated sites (continued)

A liability for remediation of contaminated sites from an operation(s) no longer in productive use and/or an unexpected event occurs resulting in contamination is recognized net of any expected recoveries when all of the following criteria are met:

- the university is directly responsible or accepts responsibility;
- · it is expected that future economic benefits will be given up; and
- · a reasonable estimate of the amount can be made.

The university has no liability for contaminated sites recognized as at March 31, 2025 (2024 -\$0).

(j) Expense by function

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

Instruction and non-sponsored research

Expenses relating to the academic activities supporting innovative learning, programming, and teaching. This function also includes expenses incurred by faculty and within academic departments for their scholarly and non-sponsored research activities.

Academic and student support

Expenses relating to activities directly supporting the academic functions and support of the student body. Includes expenses incurred by the library and centralized administrative activities supporting students such as registry, counselling services and scholarship awards.

<u>Institutional support</u>

Expenses relating to administration, governance, public relations and marketing, alumni relations, fund development, finance, human resources and any other centralized university-wide administrative services.

Computing and communication

Expenses relating to the delivery and support of centralized core computing, networks, data communication, and other information technology activities. Includes operations, maintenance, and amortization of information technology systems.

Sponsored research and special purpose

Expenses specifically funded by externally restricted grants and donations; sponsored research activities and expenses for student scholarships, bursaries, and other initiatives involving teaching and learning, and community service.

Ancillary and academic services

Expenses relating to product and service sales including the provision of course materials and other learning resources to students, and consulting services for digital online transformation support to organizations and institutions.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

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

(j) Expense by function (continued)

Facility operations and maintenance

Expenses relating to the operation and maintenance of all university facilities (owned or leased) that house the teaching, research and administrative activities. Includes utilities, rental costs, facilities administration, building maintenance, custodial services, grounds keeping, major repairs and renovations, and amortization of building and facility related equipment.

(k) Internally restricted funds and reserves

Certain amounts, as approved by the Board of Governors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to or from funds and reserves are an adjustment to the respective fund when approved.

(I) Future changes in accounting standards

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

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

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

3 Portfolio investments

	 2025	2024
Portfolio investments - non-endowment	\$ 77,624	\$ 70,055
Portfolio investments - restricted for endowments	5,268	4,786
	\$ 82,892	\$ 74,841

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

3 Portfolio investments (continued)

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

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	I	_evel1	L	evel 2		Level 3	Total
Pooled Investment Funds							
Bond funds	\$	39,906	\$	-	\$	-	\$ 39,906
Equities							
Canadian equities		5,205		-		-	5,205
Foreign equities		25,575		-		-	25,575
Mortgage funds		_		10,927		-	10,927
Money market funds		1,279		-		-	1,279
Total portfolio investments	\$	71,965	\$	10,927	\$	-	\$ 82,892
		87%		13%		0%	100%
			2024				
	ı	_evel1	L	evel 2	Level 3		Total
Pooled Investment Funds							
Bond funds	\$	35,456	\$	-	\$	-	\$ 35,456
Equities							
Canadian equities		4,802		-		-	4,802
Foreign equities		23,605		-		-	23,605
Mortgage funds		-		9,771		-	9,771
Money market funds		1,207				_	1,207
Total portfolio investments	\$	65,070	\$	9,771	\$	_	\$ 74,841
		87%		13%		0%	100%

The fair value measurements are derived from:

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

Level 2: Inputs other than quoted prices included with level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The average effective yields and the terms to maturity are as follows:

- Money Market pooled funds: 3.38% (2024- 4.56%); term to maturity: less than one year.
- Pooled funds of government, mortgage, and corporate bonds: 4.33% (2024 5.15%); terms to maturity: range from less than one year to more than 10 years.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

3 Portfolio investments (continued)

In addition to recognizing the realized gains and losses on the sale of portfolio investments in the statement of operations, the university reports unrealized gains and losses on portfolio investments as follows:

			2	025			2	2024
	re endo	eferred venue owments lote 6)	remeas	mulated surement ind losses	Total			「otal
Net unrealized gains (losses), beginning of year	\$	511	\$	2,946	\$	3,457	\$	(362)
Unrealized gains attributable to portfolio investments		308		4,201		4,509		4,101
Amounts reclassified to statement of operations		-		(405)		(405)		(282)
Net unrealized gains, end of year	\$	819	\$	6,742	\$	7,561	\$	3,457

4 Financial risk management

The university is exposed to the following risks:

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the university has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return within specific risk tolerances.

The university assesses its portfolio investment sensitivity to a percentage increase or decrease in market prices. The sensitivity rate is determined, by the university's investment consultant, using the historical annualized standard deviation for the total portfolio investments over a four year period. At March 31, 2025, if market prices had a 4.94% (2024 - 5.55%) increase or decrease with all other variables held constant, the increase or decrease in accumulated remeasurement gains and losses and deferred revenue for the year would have been a total of \$4,095 (2024 - \$4,154).

Credit risk

Credit risk on portfolio investments arise from the potential failure of a counterparty, debtor or issuer to honor its contractual obligations. To manage this risk the university has established an investment policy with required minimum credit quality standards and issuer limits. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

4 Financial risk management (continued)

Credit risk (continued)

The credit rating distribution of bonds and mortgages held are as follows:

	2025	2024
Credit rating		
AAA	48%	36%
AA	11%	8%
A	32%	38%
BBB	9%	15%
ВВ	0%	3%
	100%	100%

Liquidity risk

Liquidity risk is the risk that the university will encounter difficulty in meeting obligations associated with its financial liabilities. The university does not have an available line of credit, however it manages liquidity risk by maintaining a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements.

Interest rate risk

Interest rate risk is the risk that future cash flows or fair values will fluctuate from the degree of volatility of interest rates. The university invests in units of pooled investment funds. Indirectly the university is exposed to risks associated with interest rate fluctuation and volatility. This risk is managed by managing the term to maturity of certain fixed income securities that the university holds.

The maturity of the interest bearing investments held in pooled funds are as follows:

	s than 1 /ear	1 to		Greater than 5 years			Total
Money Market funds	\$ 1,279	\$	-	\$	-	\$	1,279
Bond listed in active market	4,382		29,970		5,554		39,906
Mortgage funds	2,720		7,303		904		10,927
	\$ 8,381	\$	37,273	\$	6,458	\$	52,112

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

4 Financial risk management (continued)

Interest rate risk (continued)

The impact of a change in interest rates on those pooled investment funds, that are primarily invested in fixed income debt instruments, are as follows:

	 50% crease	 25% crease).25% crease	 .50% crease
Dollar value change	\$ 585	\$ 292	\$ (292)	\$ (585)

Foreign currency risk

Foreign currency risk on investments is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign currency. The university is exposed to foreign exchange risk on portfolio investments that are denominated in foreign currencies. The university does not hedge its foreign currency exposure with currency forward contracts or any other type of derivative financial instruments. The university's exposure to foreign exchange risk is low due to minimal business activity conducted in a foreign currency.

5 Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	2025 202			024
Universities Academic Pension Plan (UAPP)	\$	4,084	\$	7,476
Administrative Leave Plan		1,851		1,337
	\$	5,935	\$	8,813

(a) Defined benefit plans accounted for on a defined benefit basis

Universities Academic Pension Plan (UAPP)

The UAPP is a multi-employer contributory joint defined benefit pension plan for academic and professional staff members. An actuarial valuation of the UAPP was completed as at December 31, 2022, and was then extrapolated to March 31, 2025, resulting in a UAPP surplus of \$426,781 (2024 - deficit of \$10,888) consisting of a pre-1992 deficit of \$832,113 (2024 - \$854,385) and a post-1991 surplus of \$1,258,894 (2024 - \$843,497). The university's portion of the UAPP pre-1992 deficit and post-1991 surplus has been allocated based on its percentage of the plan's total employer contributions for the year.

The unfunded deficit for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2024 - 1.25%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 3.57% (2024 - 3.57%) of salaries until June 30, 2024 and 4.03% (2024- 4.03%) of salaries thereafter until December 31, 2043 to eliminate the unfunded deficit. The Government of Alberta's obligation for the future additional contributions was \$202,844 at March 31, 2025 (2024 - \$195,453).

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

5 Employee future benefit liabilities (continued)

(a) Defined benefit plans accounted for on a defined benefit basis (continued)

Administrative Leave Plan

The university provides for certain senior administrators to accrue a compensated leave. The individual's salary and benefits in effect at the time of commencing the leave are paid for the duration of the leave. The leave obligation is actuarially determined using the projected benefit method prorated on service and is calculated based on assumptions that have been adopted as a best estimate. An actuarial valuation of these benefits was carried out as at March 31, 2025. Net actuarial gains or losses are recognized immediately in the statement of operations. The university has provided for the plan by accruing a benefit obligation of \$1,851 (2024 - \$1,337) in employee future benefit liabilities. The university's Administrative Leave Plan has no plan assets. The university plans to use its working capital to finance these future obligations.

The university's expense and financial position of these defined benefit plans is as follows:

	2	025	2024			
	UAPP	Administrative Leave	UAPP	Administrative Leave		
Expense						
Current service cost	\$ 5,910	\$ 251	\$ 6,087	\$ 348		
Interest (earned) cost	(212)	73	239	69		
Amortization of net actuarial (gain) loss	(1,115)	190	(700)	(233)		
Total expense	\$ 4,583	\$ 514	\$ 5,626	\$ 184		
Financial Position						
Accrued benefit obligation:						
Balance, beginning of year	\$ 184,898	\$ 1,337	\$ 188,224	\$ 1,153		
Current service cost	5,910	251	6,087	348		
Interest cost	11,538	73	11,944	69		
Benefits paid	(9,431)		(9,434)			
Actuarial (gain) loss	(3,445)	190	(11,923)	(233)		
Balance, end of year	189,470	1,851	184,898	1,337		
Plan assets	(207,186)		(190,246)			
Plan (surplus) deficit	(17,716)	1,851	(5,348)	1,337		
Less unamortized net actuarial gain	(21,800)		(12,824)			
Accrued benefit liability	\$ 4,084	\$ 1,851	\$ 7,476	\$ 1,337		

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

5 Employee future benefit liabilities (continued)

(a) Defined benefit plans accounted for on a defined benefit basis (continued)

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

_		2025		2024
	UAPP	Administrative Leave	UAPP	Administrative Leave
Accrued benefit obligation:				
Discount rate	6.10%	3.24%	6.20%	4.60%
Long-term average compensation increase	3.00%	2.00%	3.00%	2.00%
Benefit cost:				
Discount rate	6.20%	n/a	6.30%	n/a
Long-term average compensation increase	3.00%	2.00%	3.00%	2.00%
Alberta inflation (2025)	2.50%	n/a	2.50%	n/a
Alberta inflation (long term)	2.00%	n/a	2.00%	n/a
Estimate average remaining service life	11.5 years	8 years	11.5 years	9 years
Retirement age	65	65	65	67.5

(b) Defined benefit plan accounted for on a defined contribution basis

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members. As the university does not have sufficient information to follow the accounting standards for defined benefit plans, it is accounted for on a defined contribution basis. The pension expense recorded in these financial statements is \$1,137 (2024 - \$1,062).

An actuarial extrapolation of the PSPP was carried out as at December 31, 2024 from the actuarial valuation as at December 31, 2021 with the updated assumptions. At December 31, 2024, the PSPP reported a surplus of \$6,473,956 (2023 - \$4,542,500). For the year ended December 31, 2024, PSPP reported employer contributions of \$279,451 (2023 - \$260,539). For the 2024 calendar year, the university's employer contributions were \$1,118 (2023 calendar year - \$1,061).

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

6 Deferred revenue

		2025		2024
	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total	Total
Balance, beginning of year	\$ 10,549	\$ 17,801	\$ 28,350	\$ 28,384
Grants, tuition and other donations	7,628	68,487	76,115	73,790
Investment income	203		203	113
Unrealized gain (Note 3)	308		308	360
Transfers to spent deferred capital contributions (Note 8)	(311)		(311)	(1,160)
Recognized as revenue(1)	(8,308)	(68,044)	(76,352)	(73,137)
Balance, end of year	\$ 10,069	\$ 18,244	\$ 28,313	\$ 28,350

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

7 Capital assets

					20	025					2024
	Land	а	uildings nd site ovements	ha	omputer ardware and oftware		rniture and uipment	impr an	asehold ovements d library oldings	Total	Total
Cost											
Beginning of year	\$ 2,180	\$	61,972	\$	68,885	\$	9,226	\$	6,662	\$ 148,925	\$ 145,942
Acquisitions	-		6		1,967		797		159	2,929	3,599
Disposals, including write- downs	_		-		(7,533)		(364)		(535)	(8,432)	(616)
	\$ 2,180	\$	61,978	\$	63,319	\$	9,659	\$	6,286	\$ 143,422	\$ 148,925
Accumulated amortization											
Beginning of year	\$ -	\$	38,324	\$	50,305	\$	8,258	\$	6,206	\$ 103,093	\$ 96,093
Amortization expense	-		1,382		5,091		446		86	7,005	7,194
Effects on disposals, including write-downs					(2,435)		(364)		(535)	(3,334)	(194)
	\$ -	\$	39,706	\$	52,961	\$	8,430	\$	5,757	\$ 106,764	\$ 103,093
Net book value at March 31, 2025	\$ 2,180	\$	22,272	\$	10,358	\$	1,319	\$	529	\$ 36,658	
Net book value at March 31, 2024	\$ 2,180	\$	23,648	\$	18,580	\$	968	\$	456		\$ 45,832

Included in computer hardware and software is \$441 (2024 - \$9,025) work-in-progress, that is not amortized as the assets are not yet available for use.

Write-downs in the amount of \$4,996 (2024 - \$420) are a result of certain software projects that management has terminated in the period.

Library holdings include purchased intangibles. Acquisitions of purchased intangibles in the current year are \$142 (2024 - \$2). The net book value of purchased intangibles included in library holdings is \$422 (2024 - \$330). The university holds a number of works of art, cultural and historical properties, and archival materials. These items are expensed when acquired and therefore not included in capital assets.

8 Spent deferred capital contributions

Spent deferred capital contributions is comprised of externally restricted grants and donations spent on capital assets, less amortization recognized as revenue.

	2	2025	2024
Balance, beginning of year	\$	30,405	\$ 32,516
Transfers from restricted grants and donations		311	1,160
Expended capital contributions recognized as revenue		(6,083)	(3,271)
Balance, end of year	\$	24,633	\$ 30,405

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

9 Net assets

			Investment in capital assets(2)		Endowments		Total
Balance as at March 31, 2023	\$	28,223	\$	17,333	\$	4,139	\$ 49,695
Annual operating surplus		2,984		-		-	2,984
Endowments							
New contributions		-		-		1	1
Capitalized investment income		-		-		137	137
Capital assets(2)							
Acquisition of capital assets(2)		(2,439)		2,439		-	-
Amortization of capital assets(2)		3,923		(3,923)		-	-
Net book value of capital asset disposals(2)		422		(422)		-	-
Increase in accumulated remeasurement gains and losses		3,459		<u>-</u>			3,459
Balance as at March 31, 2024		36,572		15,427		4,277	56,276
Annual operating surplus		5,843		-		-	5,843
Endowments							
New contributions		-		-		50	50
Capitalized investment income		-		-		124	124
Capital assets(2)							
Acquisition of capital assets(2)		(2,618)		2,618		-	-
Amortization of capital assets(2)		922		(922)		-	-
Net book value of capital asset disposals(2)		5,098		(5,098)		-	-
Increase in accumulated remeasurement gains and losses		3,796					3,796
Balance as at March 31, 2025	\$	49,613	\$	12,025	\$	4,451	\$ 66,089
Net assets is comprised of:							
Accumulated surplus	\$	42,871	\$	12,025	\$	4,451	\$ 59,347
Accumulated remeasurement gains		6,742					6,742
	\$	49,613	\$	12,025	\$	4,451	\$ 66,089

¹ Accumulated surplus from operations includes internally restricted funds of \$38,202 (2024 - \$30,783). ² Includes tangible capital assets and purchased intangibles.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

10 Contingent assets

The university has no contingent assets as at March 31, 2025 (2024 - \$0).

11 Contingent liabilities

The university is currently negotiating the renewal of three collective agreements that expired on June 30, 2024. The negotiations are likely to include retroactive compensation adjustments dating back to the respective collective agreement end dates. As of March 31, 2025 no formal settlements have been reached; however, management believes it is likely that settlements will occur which will include retroactive payments that can be reasonably estimated and have therefore been accrued in the financial statements. The outcome of these negotiations could have a material impact to the financial results for the period in which the settlements are finalized.

12 Contractual rights

Contractual rights are entitlements of the university to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met. The university has no material contractual rights arising from such contracts or agreements.

13 Contractual obligations

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

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

	Information							
	S	Service		Systems and		Long-term		
	Co	Contracts		Technology		Leases		Total
2026	\$	18,269	\$	5,657	\$	288	\$	24,214
2027		265		269		231		765
2028		112		207		186		505
2029		61		16		190		267
2030		42		-		13		55
Thereafter				-				
Total at March 31, 2025	\$	18,749	\$	6,149	\$	908	\$	25,806
Total at March 31, 2024	\$	15,592	\$	9,705	\$	234	\$	25,531

Service contracts include contractual obligations for services such as course delivery, learning materials, electricity, and consulting services. Information systems and technology include contractual obligations for services to systems. Long-term leases are contractual obligations the university has entered into for facility space with fixed term costs.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

13 Contractual obligations (continued)

The university is one of 78 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected costs of claims against the exchange is based on actuarial projections and is funded through members' premiums. Based on the financial statements as at December 31, 2024, CURIE had an accumulated surplus of \$130,336 (2023 - \$107,548), of which the university's pro rata share is approximately 0.53% (2023 - 0.53%). This accumulated surplus is not recognized in the financial statements.

14 Government transfers

	2025		2024
Grants from Government of Alberta			
Advanced Education:			
Operating	\$	41,563	\$ 41,569
Special purpose		2,417	2,860
Total Advanced Education		43,980	44,429
Other Government of Alberta departments and agencies:			
Technology and Innovation		281	902
Art, Culture and the Status of Women		102	98
Environment and Protected Area			 (1,743)
Total other Government of Alberta departments and agencies		383	(743)
Total grants received		44,363	43,686
Expended capital contributions recognized as revenue		6,008	3,088
Deferred revenue		210	 326
Total Government of Alberta grants	\$	50,581	\$ 47,100
Grants from Federal and other government			
Special purpose grants received	\$	3,812	\$ 3,327
Expended capital recognized as revenue		66	173
Deferred revenue		(230)	(359)
Total Federal and other government grants		\$ 3,648	 \$ 3,141

In addition to the grants listed above, no amounts were received from the Ministry of Art, Culture and the Status of Women in 2025 (2024 - \$32) related to a service agreement which concluded in June 2023.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

15 Related parties

The university is a related party to organizations within the Government of Alberta reporting entity, such as Ministries, Alberta universities and colleges, and school districts. Related parties also include key management personnel, the Board of Governors, and their close family members.

During the year the university conducted business transactions with related parties. The revenue received or expense incurred for these transactions have been included in the statement of operations but have not been separately quantified. These transactions are considered to be in the normal course of operations and are recorded at the exchange amount, which approximates fair value.

During the year, the university received the following services at nominal or reduced amounts:

- leased office space owned by Bow Valley College, an entity subject to common control, on only an operating cost recovery basis.
- operated the Athabasca University Geophysical Observatory II research station on land leased at nominal cost from the Alberta Ministry of Environment and Protected Areas.

16 Expense by object

	2025					2024		
	Budget (Note 18)		/	Actual		Actual		
Salaries(1)	\$	\$ 91,869		94,072	\$	89,629		
Employee benefits		20,564		17,492		17,371		
Fees and purchased services		23,446		23,964		25,253		
Cost of goods sold		6,245		5,862		5,816		
Communication and travel		4,941		4,129		3,869		
Materials and supplies		3,765		8,694		3,730		
Rental, insurance and utilities		2,049		1,770		1,648		
Scholarships and bursaries		1,866		1,585		1,151		
Amortization of capital assets (2)	5,460		5,460		7,194			
	\$	160,205	\$	164,573	\$	155,661		

¹Includes \$389 (2024 - \$961) of termination benefits.

²Includes tangible capital assets and purchased intangibles.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

17 Salary and employee benefits

		2024			
	Base Salary ⁽¹⁾	Cash Benefits ⁽²⁾			Total
Governance ⁽⁴⁾					
Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -
Executive					
President ⁽⁵⁾	329	28	215	572	478
Provost and Vice-President Academic ⁽⁶⁾	303	18	85	406	338
Vice-President Finance & Operations and CFO ⁽⁷⁾	239	16	45	300	296
Vice-President Information Technology & CIO	238	11	47	296	220
Vice-President University Relations	243	11	47	301	308
Chief Human Resource Officer	238	-	45	283	265
Chief Governance Officer & General Counsel	221	1	47	269	296
Chief Growth Officer ⁽⁸⁾	242	12	49	303	-

⁽¹⁾ Base salary includes pensionable base pay.

⁽²⁾ Cash benefits include, if applicable, earnings such as vacation payouts, amounts to compensate for the UAPP salary cap, expense allowance, relocation benefit, severance paid, and other non-pensionable direct cash lump sum payments. No bonuses were paid in 2025 and 2024.

³⁾ Non-cash benefits include the university's share of all employee benefits and contribution payments made on behalf of employees for pension, extended health care, dental, vision, group life insurance, accidental death and dismemberment insurance, and long and short-term disability plans. Non-cash benefits for some of the executive include the university's current year expense (current service cost, the related net actuarial gains or losses and adjustments for past service accrued at current salary rates) of the Administrative Leave Plan.

⁽⁴⁾ The Chair and Members of the Board of Governors receive no remuneration for participation on the Board.

⁽⁵⁾ Other cash benefits include, for the current incumbent, capped earned future administrative leave benefits accrued at year end and a housing allowance.

⁽⁶⁾ Other non-cash benefits include, for the individual in this role, the current expense of future administrative leave benefits accrued during the year.

⁽⁷⁾ In 2025 two individuals held this position; Vice-President Finance and Operations and Chief Financial Officer (VPFO) Incumbent 5.4 months, and Acting VPFO for 6.6 months.

⁽⁸⁾ Chief Growth Officer is a new executive position in 2024-2025.

Notes to the Financial Statements

Year ended March 31, 2025 (thousands of dollars)

17 Salary and employee benefits (continued)

The current service cost and accrued obligation for each executive in the Administrative Leave Plan is as follows:

	Oblig Mar	rued gation ch 31,)24	Current service costs	Interest costs	Benefits paid	Actuarial gain	Ob	Accrued bligation ⁽⁹⁾ March 31, 2025
President ⁽⁵⁾	\$	65	57	6	-	26	\$	154
Provost and Vice-President Academic ⁽⁶⁾		336	-	15	-	21		372

⁽⁹⁾ The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 5.

18 Budget figures

The university's 2024-2025 budget was approved by the Board of Governors and was presented to the Minister of Advanced Education.

19 Comparative figures

Certain 2023-2024 figures have been reclassified to conform to the presentation in the 2024-2025 financial statements.

20 Approval of financial statements

The financial statements were approved by the Board of Governors of Athabasca University.

