



Athabasca  
University



Annual Report  
2025-2026

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# Accountability Acknowledgement (a & b)

## a. Accountability statement

Athabasca University's Annual Report for the year ended March 31, 2026 was prepared under the Board of Governors' 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*

President

Chair, the Governors of Athabasca University

## b. Management's responsibility for reporting

Athabasca University'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's 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.

*Original signed by Dr. Alex Clark*

*Original signed by Byron Nelson*

President

Chair, the Governors of Athabasca University

# 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, 2025 to March 31, 2026).

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

Athabasca University (AU) is uniquely positioned as Alberta's "Like No Other" open and online university. Our unique approach to expanding accessibility to post-secondary learning, growing opportunities, and supporting communities to meet key labour market needs across Alberta and Canada is flexible, responsive, and scalable.

AU brings high-quality university education to learners wherever they live: in urban, rural, remote, Indigenous, and northern communities, no matter their life circumstances or challenges. Our learners can work at their own pace to meet their own needs and preferences – while still making their highest contributions to their families, workplaces, and communities.

The implementation of our strategic plan [Like No Other, 2024-29](#), guides AU with its pillars of access, opportunity, and community, and a focus on student-centred supports, technology for access, and a meaningful contribution to our home region of Athabasca and northern Alberta. In the fall of 2025, we began extensive consultations for the development of AU's new **Academic Plan** to operationalize the vision set out in *Like No Other*.

As AU continues to develop this important roadmap, we are well-positioned to seek opportunities to grow our impact for learners and communities in the year ahead.

## a. Student supports and resources

AU's open and flexible mandate places our learners at the centre of all that we do. With 64% of our undergraduates being the first in their families to attend university, we are committed to helping our diverse student population succeed, no matter their learning journey, their life circumstances, or where they live.

In 2025-26, AU continued to provide world-class learning opportunities in the following ways:

### Responsive program development and renewal

AU continually revises and develops courses and programs in response to the changing needs of diverse learners and their communities.

#### New credentialed programs to respond to changing labour needs in technology, environment, and industry:

- **Earth Systems Science, Master of Science**, opened September 2025
- **Environmental Studies, Bachelor degree**, opened January 2026
- **Graduate Certificate – Artificial intelligence**, opened July 2026
- **Graduate Certificate – Leadership**, tentative opening January 2027
- **Graduate Diploma – Leadership**, tentative opening January 2027
- **Graduate Certificate – Strategic Analytics**, tentative opening January 2027
- **Graduate Diploma – Strategic Analytics**, tentative opening January 2027

## New minors

- **Data science** undergraduate minor, opened September 2025
- **Artificial intelligence and machine learning** undergraduate minor, opened September 2025

## Key program development and renewals to respond to changing student demand and labour needs, including:

- **PhD Computing Information Systems:** awaiting Ministry approval; will be AU's first doctoral program, in an area of key market need.
- **Master in Management** awaiting Ministry approval; ladders management diploma and certificate programs into a full degree credential.
- **PhD in Interdisciplinary Studies:** program proposal nearing completion, to find solutions across disciplines for our current and future challenges.
- **Indigenous Business programs:** believed to be the first of its kind in Canada, developed and delivered by Indigenous scholars. In total, 167 students were enrolled in Indigenous Business programs: the Bachelor of Commerce (Indigenous Business); and the University Certificate in Indigenous Community Economic Development and Planning.

## High-quality online and in-person learner experiences

### Place-based growth

High-quality learning experiences, both in digital space and in physical place in our home community of Athabasca, are at the foundation of all that we do.

In 2025-26, AU expanded in-person opportunities at our Athabasca campus in the following ways:

- **Growing convocation in Athabasca:** [Convocation 2025](#) celebrated more than 2,000 graduates from 29 countries and every province and territory of Canada. In-person attendance in Athabasca increased by 15% over the previous year, while guest attendance rose by 50% and faculty participation grew by 40%. The two-day festivities in Athabasca were supported by more than 100 staff and community volunteers and 40 local businesses.
- **Athabasca Architectural Maker Space:** The development and opening of the [Architectural Maker Space](#), located at the AU campus in Athabasca, enables access to architectural education and research through place-based technologies such as sensors, 3D printers, scanners, virtual reality, and production tools. The technology will also be used to create a digital, open architecture e-studio, extending access to architectural education and research from local to global.
- **Shad virtual program:** The university continued its partnership with [Shad Canada](#) to deliver a university summer experience to high school students from across Canada, providing education on STEAM (Science, Technology, Engineering, Arts, and Math) topics as well as Indigenous Knowledge systems and entrepreneurship.
- **AU science labs expansion:** More than 300 students attended in-person labs in 2025-26. In addition, the development of the microbioreactor laboratory facility expanded AU's science lab, with specialized equipment to support research into environment modelling and climate change mitigation.
- **Athabasca student internships:** Over the spring and summer of 2025, AU employed 22 high school and post-secondary students from the region on its main campus in Athabasca, providing university work-experience for community youth. A weekly leadership speaker series gave the students insight into the experiences of community and workplace leaders.

- **Science outreach:** Activities open to the community continued this year with 20 science outreach lectures held online and in-person in Athabasca, plus community events like the annual butterfly count, and science lab experiments with junior-high and high-school students in Athabasca at our main teaching lab.
- **MITACS students:** AU hosted 27 MITACS students for research internships in remote sensing, drone technology, robotics, AI and education, and education technology.

## Improving technology for access

As an online university, technology transformation and renewal are key to improving the experience of our learners, the efficacy of our systems, and the workplace of our team members.

Building and enhancing sustainable, intuitive, and supportive technology systems for our learners is a priority for AU in the coming years. Key achievements from this year's technology innovations include:

- **AU Service Centre implementation:** The AU Service Centre was implemented in December 2025, consolidating 28 points of contact with AU into a single, streamlined service experience or virtual "front door" to the university, making it easier for students to access supports. Approximately 75% of student inquiries are now resolved at the first point of contact, reducing referrals and follow-up interactions. This enables students to receive timely support, progress more efficiently in their studies, and benefit from a more consistent, high-quality service experience.
- **AU Accommodate launch:** This new management system to support student accommodations has improved operational efficiency, consistent service delivery, reporting, and monitoring of accommodation services and trends.
- **Prior Learning Assessment and Recognition (PLAR) improvements:** The overhaul of AU's PLAR program is well underway, with a redesigned, Brightspace-based learning experience to improve learner preparedness, standardize delivery, and establish a scalable foundation for future growth.
- **PebblePad e-portfolio launch:** In January, AU launched PebblePad, a state-of-the-art e-portfolio system that allows students to work more independently to articulate their skills and learning with more customization options.
- **Expanding Open Education Resources:** AU is a world leader in the development of Open Education Resources (OERs) to provide learning materials for free at the point of access. OER usage increased an additional 6% this fiscal year—saving students more than \$229,000 in course material fees. Since 2020, AU students have saved more than \$600,000 with OERs.
- **New writing supports:** AU has expanded its writing supports for undergraduate and graduate students throughout 2025-2026. The Write Site writing support service launched a monthly workshop for learners with ADHD and executive function challenges. English language workshops were also offered monthly, with hands-on instruction in key writing skills and supports for ESL/EAL learners.
- **Library tutorials:** The library continued to expand and revise its instructional tutorials for students, on topics ranging from the research process to citing materials appropriately. Usage of the tutorials grew 31% in 2025-26, continuing the trend of increases from previous years.

## Increasing financial supports to increase learner access and opportunities

AU provides flexible, open, affordable education supported by scholarships and bursaries for students in financial need, as part of the university's commitment to access and opportunity for all.

AU has approximately 5,780 active learners supported through student financial aid. AU awarded the following supports in 2025-26:

- Awards and scholarships: \$701,988 to 304 students
- Student bursaries: \$592,600 to 457 students
- Graduate Research Fellowship: \$180,000 to 36 students
- Indigenous student awards: \$84,353 to 37 students
- Alberta Graduate Excellence: \$363,000 to 33 students
- Honours list recipients: 1,116

### New awards created in 2025-26:

- Student Financial Unmet Need Undergraduate Bursary
- AUGSA Graduate Student Entrance Award

### Additional awards:

- Dr. Tony Simmons Memorial Award for Marginalized Students
- Jonathan Ormson Memorial Award for Bachelor of Science
- President's Award for Rural Alberta Nursing Students
- Dr. Geoff Peruniak Bachelor of Arts in Psychology Memorial Bursary
- Cathy Bray Essay Award

## Indigenous inclusion and supports

AU continued to foster Indigenization and kwayskahsatsowin (conciliation) across its faculties and units, working to prioritize these efforts across our community. AU's *Like No Other* strategic plan supports Indigenous inclusion through our Indigenous centre, Nukskahtowin, as a key priority.

Highlights from work this year include:

- **Tuition discount for Indigenous students:** In 2025-26, AU approved the expansion of its tuition discount for Indigenous undergraduate students to include Indigenous graduate students beginning in September 2026, reducing barriers to access for more learners.
- **Indigenous student scholarships:** Three Indigenous students received the Indigenous Award in Heritage Resource Management.
- **Outreach in Athabasca:** Nukskahtowin grew its relationship with the Athabasca Friendship Centre, including programs providing access to school supplies as well as community events. Nukskahtowin continues to build connections with the community through its "Bannock and a Movie" series at AU main campus.
- **Collaboration with Red Crow Community College:** In 2025-26, 2 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 and community event supports:** The Nukskahtowin team continued to connect with potential students in Indigenous communities at local events and career fairs including

the Bent Arrow, Oteenow, Alexander, Saddle Lake, Esquao, and Maskwacis career fairs, the Edmonton Indigenous Youth Fair, the National Gathering of Elders, the Nipikiskwasiwan Summit, Rupertsland Institute, and the National Indigenous Cultural Expo. More than 900 potential students have engaged with AU at these events.

- **Indigenous education for secondary students:** AU's AVP Indigenous Conciliation presented an Indigeneity and Education class for high school students through the Shad Canada virtual program.
- **Incorporating Indigeneity into course work:** A module called "Writing about Indigenous Peoples" has been added to all courses in the Faculty of Humanities and Social Sciences. Nukshahtowin continues to work with all faculties on the inclusion of Indigeneity within existing courses.

## 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 2025-26 include:

- **Accessible student mental health and wellness supports:** AU's Mental Health and Wellness Support Services completed 9,624 support consultations, while 136 students participated in 294 personal counselling sessions with service providers from CarePath and FSEAP. In total, 4,361 students are registered with TalkCampus, an online, mental wellness, peer support community.
- **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 81 learners following 160 referrals from departments and teams across the university.
- **Faculty of Health Disciplines mentorship:** A student-led nurse practitioner mentorship program was initiated, matching students with senior peers for support. A similar program for Master of Counselling students has been established.

# Performance measures 2025-26

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

## AU's student population

|               | Learners | Mean age |
|---------------|----------|----------|
| Undergraduate | 32,835   | 30.9     |
| Graduate      | 4,108    | 38.3     |
| Total         | 36,943   | 31.8     |

- **First in family, graduating with a bachelor’s degree:** 64%
- **Women:** 65%
- **Domestic living in rural areas:** 11%
- **Domestic living in urban areas:** 89%
- **Indigenous (self-identified):** 4.4%
- **Students living outside of Alberta, in Canada:** 58%
- **International:** 7.5%

## Satisfaction

|                                                             | 2023-24 | 2024-25 | 2025-26 |
|-------------------------------------------------------------|---------|---------|---------|
| Undergraduate learner satisfaction with learning experience | 76.0%   | 78.4%   | 83.9%   |
| Undergraduate learner satisfaction with course materials    | 73.4%   | 75.2%   | 76.8%   |

## Accessibility

- **Total active students registered for accommodations/services with AU Accessibility Services:** 2,997
- **Registered with one disability:** 1,187
- **Self-identifying with two or more disabilities:** 852
- **Verified psychiatric disabilities:** Primary = 444; Secondary = 424; Tertiary = 150

## b. Strategic research priorities

As one of four Comprehensive Academic and Research Universities (CARU) in the province, and the only Alberta university situated in a rural community, research is core to AU's academic vision and mission.

With our online and place-based presence, AU provides solutions to Alberta's challenges like no other post-secondary institution. Our research fosters collaborations that benefit people and communities, wherever they are.

Under the *Like No Other* plan, expanding the scope and increasing the impact for AU's learners and communities is achieved in the following ways:

- Fostering research culture, supports, incentives, and rewards
- Increasing research intensity
- Growing research reputation, partnerships, and impacts

### Fostering research culture, supports, incentives and rewards

#### • Advancing AU's research data and discoverability through AU Pure

The Research Office completed the transition of its research administration portal to Pure, with every AU faculty researcher having their own profile. This has contributed to raising the research profile of AU faculty, with close to 200 media features on AU research, including labour relations, health innovations, education and learning technology, artificial intelligence, and climate change. The Pure portal also provides real-time visibility into open access publications and global research collaborations, both internally and externally, while highlighting the many ways AU researchers contribute to advancing the United Nations Sustainable Development Goals. Total page views for the year increased 47% over the previous year.

#### • Supporting research commercialization

The AU-led course, 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.

#### • Increasing research intensity

AU's research impact is growing. AU total sponsored research revenue increased by 10% year over year. The number of faculty members who submitted applications for Tri-Agency funding increased by 77%, and the percentage of faculty members with external funding grew to 23%. Tri-Agency funding rose by 5% and non-Tri-Agency funding increased by 33%. AU also increased its Tri-Agency Research Support Fund by 12%, which helps manage and administer research, oversee regulatory requirements and accreditation, intellectual property, and knowledge mobilization. All of these indicators signal the growth and maturity of the research culture at AU.

### Research intensity measures

| Research measure                                                         | 2025-26       |
|--------------------------------------------------------------------------|---------------|
| Total sponsored research revenue                                         | \$5.3 million |
| Research revenue external (faculty non-Tri-Agency)                       | \$1.6 million |
| Research revenue external (faculty Tri-Agency)                           | \$2.2 million |
| # of faculty submitting external applications (Tri-Agency)               | 53            |
| # of faculty submitting external applications, Non-Tri-Agency            | 26            |
| # of successful external applications awarded to faculty, Tri-Agency     | 14            |
| # of successful eternal applications awarded to faculty (non-Tri-Agency) | 5             |
| Percentage of faculty holding external funding                           | 23            |
| # of AU learners employed in faculty research projects                   | 66            |

### Growing research reputation, partnerships, and impacts

- **Elevating AU’s research profile though “Research with Reach” videos**

The sixth annual series of [Research with Reach videos](#) profiled the work of some of AU’s most notable researchers: [Dr. Terra Manca](#), Canada Research Chair in Regulation, Social Governance, and Inequities in Health, studying barriers to vaccine access; [Dr. Hugh Notman](#), who explores primate behaviour; [Dr. Martin Connors and Dr. Darcy Cordell](#), who work out of the Athabasca University Geophysical Observatory, looking at space weather’s real-world effects; and AU architecture professors [Dr. Henry Tsang](#), [Dr. Douglas MacLeod](#), [Veronica Madonna](#), and [Dr. Trevor Butler](#) at the Athabasca Architectural Maker Space, researching regenerative and virtual design.

This year’s video series achieved the highest level of engagement since the initiative began, expanding the visibility of AU’s research. Within the first two months of their release, the videos had generated more than 225,000 views to completion and more than two million social media impressions—a growth rate of 12% and 194% respectively.

- **Celebrating research achievements**

AU received recognition for its institutional, individual, and cooperative research achievements in 2025-26. A few examples include:

- **AU Science Outreach** - 2025 ASTech Alberta-wide Community Champion of Innovation/Special Award Regional Innovation Champions – Research
- **RAIC Centre for Architecture** - 2025 ASTech Construction/Smart Cities Researcher of the Year award – finalist, RAIC Centre
- **Dr. Lana Ray** - Excellence in First Nations, Inuit and Metis Cancer Research Award from the Canadian Cancer Research Alliance

## Growing research impact

- **Sustainable construction:** Architecture associate professor [Veronica Madonna](#) was recently awarded funding to advance education and capacity to use wood in sustainable construction. She is developing online modules to teach architecture students about incorporating wood and other biomaterials into low-carbon building projects.
- **Tackling microplastic pollution:** [Dr. Srijak Bhatnagar](#) recently received an NSERC Discovery Grant for his work studying how plastics break down and interact with the environment, and the effects various bacteria might have on these impacts.
- **Indigenous research program:** [Dr. Lana Ray](#), CRC in Resurgent Methodologies for Indigenous Health, has an active research program in partnership with Indigenous communities and is co-director of the Anishinaabe Kendaasiwin Institute at Lakehead University.
- **Protecting the Athabasca River:** [Dr. Junye Wang](#) received NSERC funding to research microorganisms and decomposition in the Athabasca River Basin, building on his previous hydrology work there.
- **Exploring teen mental health and climate change:** [Dr. Gina Martin](#) recently authored a study that found more than one-third of Canadian teens said climate change was affecting their mental health, as part of her work in the area.
- **Developing African business:** [Dr. Simon Sigué](#), AU's interim dean of the Faculty of Graduate Studies, is supporting the development of African business as a board member and former president of the Academy of African Business Development. The forum helps provide opportunities for research capacity-building in Africa.

## Research partnerships

Growing the scope and impact of our research program and culture is a key component of AU's *Like No Other* strategic plan. In 2025-26, this included growing our research partnerships and collaborations. Some examples include:

- **One Child Every Child:** AU continued to be an active partner in this pan-Alberta child health and wellness initiative with the University of Calgary, led at AU by [Dr. Kharah Ross](#).
- **Health Everywhere Hub:** [Dr. Dunwei Wen](#) continued to lead AU's participation in this initiative of institutions across Alberta that brings together programs, experts, and resources to accelerate the commercialization and scale of eHealth and mHealth technologies.
- **Alberta Innovates:** The Faculty of Business established a new partnership with Alberta Innovates to work on the commercialization of research and to bring researchers and industry partners together. These collaborations will address challenges facing Alberta companies while creating opportunities for AU faculty and students to engage in impactful, industry-driven research.
- **Other national, provincial, regional, and municipal research partnerships:** AU is a member of Research Impact Canada, Community Campus Engage Canada, the Association of Commonwealth Universities, the Edmonton Regional Innovation Network, the Wood Buffalo Regional Innovation Network, the Calgary Chamber of Commerce, and Calgary Economic Development – Team Calgary.

## c. Collaborations with other learning providers

AU has strategic relationships with post-secondary partners in Alberta, in Canada, and around the world. Our learner-centred approach leads to collaborations that reduce barriers for learners to attend Athabasca University, while improving their learning experience and opportunities.

Notable highlights from 2025-26 to improve access and opportunities for learners include:

- **Program articulations:** AU had 171 new program articulation agreements and 2,298 domestic and international course articulations completed where transfer credit was awarded.
- **Flexible transfer programs:** A total of 1,632 diploma students from other institutions transferred to AU degree programs to supplement their education quickly and easily.
- **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 a Targeted Enrolment Expansion grant.
- **Non-program students from other Alberta universities:** A total of 9,789 visiting students took courses at AU to complete studies at other universities.
- **Dual credit agreements:** AU has dual credit agreements with nine Alberta school divisions and several private academies, as well as with ministries in Saskatchewan and B.C. This includes the introductory Architecture Design studio course for high school students at Edmonton Public and Sturgeon Public schools.
- **AU library sessions:** The university collaborates with the Edwin Parr Composite School in Athabasca to offer information literacy sessions to students, in-person at AU's library.

# Financial Information

(thousands of dollars)

## a. Budget variances

### Revenue

| Category                                                   | Budgeted amount   | Actual amount     | Variance        | Variance explanation                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------|-------------------|-------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Key variances defined as any difference over \$1.0M</i> |                   |                   |                 |                                                                                                                                                                                                                                                                                                                                                         |
| Government of Alberta grants                               | \$ 46,275         | \$ 47,421         | \$ 1,146        | The university's base operating grant received an increased allocation in the last quarter due to collective bargaining cost pressures as well as higher-than-budgeted CMR project spending increased recognized revenue.                                                                                                                               |
| Student tuition and fees                                   | \$ 109,682        | \$ 110,710        | \$ 1,028        | Undergraduate student fees reflect an increase of 2.83% over the anticipated budget of 4%. While higher-than-expected growth was experienced in FST and FHSS, FHD did see a decline due to the the pause in the BN LPN program until January. This was partially offset by a 5.23% decrease in graduate level growth compared to a budget of 4% growth. |
| Sales of services and products                             | \$ 6,666          | \$ 7,449          | \$ 783          |                                                                                                                                                                                                                                                                                                                                                         |
| Investment income                                          | \$ 3,000          | \$ 4,253          | \$ 1,253        | Investment income was higher than planned due primarily to favourable market conditions, resulting in better-than-expected realized gains on sales of investments                                                                                                                                                                                       |
| Federal and other government grants                        | \$ 2,361          | \$ 4,699          | \$ 2,338        | Research grant funding applied for but not approved at the time of budget development has contributed to higher revenue                                                                                                                                                                                                                                 |
| Donations and other grants                                 | \$ 578            | \$ 1,193          | \$ 615          |                                                                                                                                                                                                                                                                                                                                                         |
|                                                            | <b>\$ 168,562</b> | <b>\$ 175,725</b> | <b>\$ 7,163</b> |                                                                                                                                                                                                                                                                                                                                                         |

## Expenses

| Category                                                   | Budgeted amount   | Actual amount     | Variance        | Variance explanation                                                                                                                                                           |
|------------------------------------------------------------|-------------------|-------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Key variances defined as any difference over \$1.0M</i> |                   |                   |                 |                                                                                                                                                                                |
| Salaries and employee benefits                             | \$ 119,616        | \$ 117,256        | \$ 2,360        | Favourable variance due primarily to a favourable UAPP actuarial adjustment and higher-than-planned vacancies. This is partially offset by an accrued restructuring liability. |
| Fees and purchased services                                | \$ 23,015         | \$ 23,003         | \$ 12           |                                                                                                                                                                                |
| Cost of goods sold                                         | \$ 6,681          | \$ 6,231          | \$ 450          |                                                                                                                                                                                |
| Communication and travel                                   | \$ 4,636          | \$ 4,213          | \$ 423          |                                                                                                                                                                                |
| Materials and supplies                                     | \$ 3,743          | \$ 3,252          | \$ 491          |                                                                                                                                                                                |
| Rental, insurance, and utilities                           | \$ 1,774          | \$ 1,458          | \$ 316          |                                                                                                                                                                                |
| Scholarships and bursaries                                 | \$ 1,270          | \$ 1,646          | \$ (376)        |                                                                                                                                                                                |
| Amortization of capital assets                             | \$ 7,827          | \$ 7,665          | \$ 162          |                                                                                                                                                                                |
|                                                            | <b>\$ 168,562</b> | <b>\$ 164,724</b> | <b>\$ 3,838</b> |                                                                                                                                                                                |

## b. Audited financial statements

Please see Appendix A.

## Self-Generated Revenue

(thousands of dollars)

### a. Tuition and mandatory fees

| Revenue source                | Description                                                                                                       | Annual revenue    |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------|
| Domestic tuition              | Undergraduate and graduate tuition from domestic students less waivers subject to Tuition and Fee Regulation      | \$ 65,902         |
| International student tuition | Undergraduate and graduate tuition from international students less waivers subject to Tuition and Fee Regulation | \$ 6,107          |
| Continuing education fees     | Non-credit courses as well as continuing education offered through our PowerED department                         | \$ 681            |
| Other mandatory student fees  | All fees other than tuition revenue. Examples include application, exam challenge, extension, transcript, etc.    | \$ 38,020         |
| <b>Subtotal</b>               |                                                                                                                   | <b>\$ 110,710</b> |

### b. Donations and investment income

| Revenue source              | Description                                                                                                    | Annual revenue  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------|-----------------|
| Cash donations              | Cash donations from families and individuals, industry, not-for-profit enterprises, other registered charities | \$ 251          |
| Donations in-kind           | In-kind donations from individuals and industry                                                                | \$ 21           |
| Interest earned             | Interest earned on bank and portfolio investment                                                               | \$ 409          |
| Interest on endowments      | Endowment capitalized interest income                                                                          | \$ 89           |
| Contributions to endowments | Endowment contributions                                                                                        | \$ 41           |
| Other                       | Investment income medium-, short-, and long-term portfolio investments                                         | \$ 3,844        |
| <b>Subtotal</b>             |                                                                                                                | <b>\$ 4,655</b> |

### c. Research grants

| Grant source                 | Description                                                                                              | Annual revenue  |
|------------------------------|----------------------------------------------------------------------------------------------------------|-----------------|
| Not-for-profit organizations | Research grant revenue recognized from not-for-profit agency grants                                      | \$ 131          |
| Federal government           | Revenue recognized from grants received from NSERC, SSHRC, CIHR, ECCC and other departments for research | \$ 4,625        |
| Businesses                   | Research grant revenue recognized from industry partners                                                 | \$ 720          |
| <b>Subtotal</b>              |                                                                                                          | <b>\$ 5,476</b> |

### d. Other grants

| Grant source       | Description                                                                                                        | Annual revenue |
|--------------------|--------------------------------------------------------------------------------------------------------------------|----------------|
| Federal government | Revenue recognized from grants received from Health Canada and other federal departments for non-research projects | \$ 74          |
| Other              | Other sources                                                                                                      | \$ 70          |
| <b>Subtotal</b>    |                                                                                                                    | <b>\$ 144</b>  |

### e. Auxiliary/ancillary services

| Service                                  | Description                                                                                                                                                 | Annual revenue  |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sale of undergraduate course materials   | Learning materials to complete course. Includes books, worksheets, kits, as well as other items as needed                                                   | \$ 5,653        |
| Sale of graduate course materials        | Learning materials to complete course. Includes books, worksheets, kits, as well as other items as needed                                                   | \$ 430          |
| 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                                    | \$ 267          |
| <b>Subtotal</b>                          |                                                                                                                                                             | <b>\$ 6,351</b> |

## f. Academic enterprise

| Enterprise                                   | 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 | \$ 165         |
| Other                                        | Miscellaneous promotional material sales, conference revenue, rental revenue, royalties, and other by-product sales from the university                                                        | \$ 729         |
| Subtotal                                     |                                                                                                                                                                                                | \$ 894         |

## g. Land trusts and for-profit ventures

Not applicable.

## h. Other

| Revenue source | Description                                                                                     | Annual revenue |
|----------------|-------------------------------------------------------------------------------------------------|----------------|
| Alumni fees    | Fees collected from students to help fund the alumni relations department activities and events | \$ 204         |
| Subtotal       |                                                                                                 | \$ 204         |
| Grand total    |                                                                                                 | \$ 128,434     |

# Capital Report

(thousands of dollars)

## a. Top three priority projects

| Project 1 - Business Technology Renewal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |             |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|------------------|
| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Total project cost | Start date  | End date         |
| Implementation of multiple systems to transform the experience of learners at AU through an investment and renewal of key elements of our technological infrastructure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 4,359           | Apr-25      | Mar-29           |
| Funding sources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |             |                  |
| Source                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amount             | Percentage  | Received to date |
| Government of Alberta                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ 2,865           | 66%         | \$ 2,865         |
| Government of Canada                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                    | 0%          |                  |
| Institutional funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 1,494           | 34%         | \$ 1,494         |
| Donations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    | 0%          |                  |
| Foundations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    | 0%          |                  |
| Industry                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    | 0%          |                  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>\$ 4,359</b>    | <b>100%</b> | <b>\$ 4,359</b>  |
| Project 2 - Critical Learning Infrastructure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |             |                  |
| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Total project cost | Start date  | End date         |
| The Critical Learning Infrastructure project will be a vital and generational investment to improve student access to online university education across the province by fully modernizing the full scope of Athabasca University's ageing core technology systems and digital learning platforms. This will be an essential and transformative investment to provide synergistic student benefits, improving access to university education across Alberta, enrolment scalability and students' experiences while reducing the university's main institutional risk factor - cybersecurity. The initiative provides the technological foundation required to support future provincial enrolment growth by improving access to an additional 5,000 students in Alberta while also fully harnessing the benefits to students and staff of artificial intelligence innovations and increasing operational efficiency. | \$ 13,563          | Apr-26      | Mar-29           |
| Funding sources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |             |                  |
| Source                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amount             | Percentage  | Received to date |
| Government of Alberta                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ 11,863          | 87%         | \$ -             |
| Government of Canada                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                    | 0%          |                  |

|                     |                  |             |             |
|---------------------|------------------|-------------|-------------|
| Institutional funds | \$ 1,700         | 13%         | \$ -        |
| Donations           |                  | 0%          |             |
| Foundations         |                  | 0%          |             |
| Industry            |                  | 0%          |             |
| <b>Total</b>        | <b>\$ 13,563</b> | <b>100%</b> | <b>\$ -</b> |

### Project 3 - Northern Learning Hub

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total project cost | Start date | End date |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------|----------|
| The Northern Learning Hub will be a vital and generational investment to improve rural student access to university education across the province by fully leveraging Athabasca University's positioning as Alberta's second biggest university (enrolling over 36,000 students annually) with its distinctive positioning in rural Alberta and Athabasca. It will transition the Academic Research Centre from an administrative building into a state-of-the-art rural-based hybrid learning, research, and community engagement facility to benefit students, foster community impact, and increase rural economic and community impact in Athabasca and across the rural north. The project will create new and diverse in-person and technology-enabled learning spaces for up to 2,500 more students per year, supporting rural, northern, and Indigenous students while expanding access to post-secondary education and workforce development opportunities across Alberta. | \$ 28,500          | Apr-26     | Mar-29   |

#### Funding sources

| Source                | Amount           | Percentage  | Received to date |
|-----------------------|------------------|-------------|------------------|
| Government of Alberta | \$ 25,000        | 88%         |                  |
| Government of Canada  |                  | 0%          |                  |
| Institutional funds   | \$ 3,500         | 12%         |                  |
| Donations             |                  | 0%          |                  |
| Foundations           |                  | 0%          |                  |
| Industry              |                  | 0%          |                  |
| <b>Total</b>          | <b>\$ 28,500</b> | <b>100%</b> | <b>\$ -</b>      |

## b. All other projects

| Name and description       | Type        | Total cost | Current status |
|----------------------------|-------------|------------|----------------|
| Cloud Infrastructure       | Maintenance | \$ 3,173   | In progress    |
| Campus Renewal             | Expansion   | \$ 1,500   | Planning       |
| AU Technology Evergreening | Maintenance | \$ 1,669   | In progress    |

|                                            |             |           |               |             |
|--------------------------------------------|-------------|-----------|---------------|-------------|
| Embark Estudio Grant                       | Expansion   | \$        | 114           | Planning    |
| Building Infrastructure Improvements       | Maintenance | \$        | 750           | Planning    |
| Banner Annual Payroll and Tax Change       | Maintenance | \$        | 60            | Planning    |
| Water Filtration System                    | Maintenance | \$        | 50            | Planning    |
| Equipment Renewal                          | Maintenance | \$        | 756           | In progress |
| Community and Culture Catalyst Fund        | Maintenance | \$        | 500           | Planning    |
| Athabasca Maker Space Architecture Program | Expansion   | \$        | 29            | In progress |
| Integrated Microbioreactor Lab Platform    | Maintenance | \$        | 1,067         | In progress |
| Library Collections                        | Maintenance | \$        | 600           | In progress |
| <b>Total</b>                               |             | <b>\$</b> | <b>10,268</b> |             |

## Mandatory Non-Instructional Fees Reporting

(thousands of dollars)

### a. Summary

| Fee name     | Supported goods/ services                                                                              | Budgeted amount | Actual amount | Variance explanation                                                                                                                                           |
|--------------|--------------------------------------------------------------------------------------------------------|-----------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alumni fees  | Supporting services and events provided by the Alumni Department for graduates of Athabasca University | \$ 273          | \$ 286        | Reporting expenses only; fees and purchased services, materials and rentals were less than budget which are partially offset by increased salary and benefits. |
| <b>Total</b> |                                                                                                        | <b>\$ 273</b>   | <b>\$ 286</b> |                                                                                                                                                                |

### 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, 2025 and March 31, 2026, no events at Athabasca University were cancelled for reasons related to free speech, and no free-speech-related complaints were received.

AU has updated its [Freedom of Enquiry and Expression web page](#) to make its 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, 2026**

**Athabasca University**  
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Year ended March 31, 2026

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## Athabasca University

### Statement of Management Responsibility

Year ended March 31, 2026

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, 2026 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*

Dr. Alex Clark  
President

*Original signed by Stuart Johnston*

Stuart Johnston  
Vice-President, Finance and Operations  
and Chief Financial Officer

## 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, 2026, 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, 2026, 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 Phillip D. Peters FCPA, FCA, KC]  
Auditor General of Alberta

May 29, 2026  
Edmonton, Alberta

## Athabasca University

### Statement of Financial Position

As at March 31, 2026  
(thousands of dollars)

|                                                                                       | 2026             | 2025             |
|---------------------------------------------------------------------------------------|------------------|------------------|
| <b>Financial assets excluding portfolio investments restricted for endowments</b>     |                  |                  |
| Cash                                                                                  | \$ 22,953        | \$ 15,134        |
| Portfolio investments - non-endowment (Note 3)                                        | 80,757           | 77,624           |
| Accounts receivable                                                                   | 3,449            | 1,773            |
| Inventory held for sale                                                               | 588              | 617              |
|                                                                                       | <b>107,747</b>   | <b>95,148</b>    |
| <b>Liabilities</b>                                                                    |                  |                  |
| Accounts payable and accrued liabilities                                              | 18,388           | 15,871           |
| Employee future benefit liabilities (Note 5)                                          | 1,281            | 5,935            |
| Deferred revenue (Note 6)                                                             | 29,500           | 28,313           |
|                                                                                       | <b>49,169</b>    | <b>50,119</b>    |
| <b>Net financial assets excluding portfolio investments restricted for endowments</b> | <b>58,578</b>    | <b>45,029</b>    |
| Portfolio investments - restricted for endowments (Note 3)                            | 5,324            | 5,268            |
| <b>Net financial assets</b>                                                           | <b>63,902</b>    | <b>50,297</b>    |
| <b>Non-financial assets</b>                                                           |                  |                  |
| Tangible capital assets (Note 7)                                                      | 31,557           | 36,658           |
| Prepaid expenses                                                                      | 3,605            | 3,767            |
|                                                                                       | <b>35,162</b>    | <b>40,425</b>    |
| <b>Net assets before spent deferred capital contributions</b>                         | <b>99,064</b>    | <b>90,722</b>    |
| Spent deferred capital contributions (Note 8)                                         | 22,567           | 24,633           |
| <b>Net assets (Note 9)</b>                                                            | <b>\$ 76,497</b> | <b>\$ 66,089</b> |
| <b>Net assets are comprised of:</b>                                                   |                  |                  |
| Accumulated surplus                                                                   | \$ 70,478        | \$ 59,347        |
| Accumulated remeasurement gains                                                       | 6,019            | 6,742            |
|                                                                                       | <b>\$ 76,497</b> | <b>\$ 66,089</b> |
| Contingent assets and contractual rights (Note 10 and Note 12)                        |                  |                  |
| Contingent liabilities and contractual obligations (Note 11 and Note 13)              |                  |                  |
| Approved by the Board of Governors (Note 20)                                          |                  |                  |

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

# Athabasca University

## Statement of Operations

Year ended March 31, 2026  
(thousands of dollars)

|                                                                  | Budget<br>(Note 18) | 2026             | 2025             |
|------------------------------------------------------------------|---------------------|------------------|------------------|
| <b>Revenues</b>                                                  |                     |                  |                  |
| Government of Alberta grants (Note 14)                           | \$ 46,275           | \$ 47,421        | \$ 50,581        |
| Student tuition and fees                                         | 109,682             | 110,710          | 103,538          |
| Sales of services and products                                   | 6,666               | 7,449            | 6,449            |
| Investment income                                                | 3,000               | 4,253            | 4,496            |
| Federal and other government grants (Note 14)                    | 2,361               | 4,699            | 3,648            |
| Donations and other grants                                       | 578                 | 1,193            | 1,704            |
|                                                                  | <u>168,562</u>      | <u>175,725</u>   | <u>170,416</u>   |
| <b>Expenses (Note 16)</b>                                        |                     |                  |                  |
| Instruction and non-sponsored research                           | 85,706              | 79,217           | 77,358           |
| Academic and student support                                     | 19,266              | 21,989           | 22,343           |
| Institutional support                                            | 18,324              | 17,315           | 18,411           |
| Computing and communication                                      | 26,043              | 24,041           | 21,643           |
| Sponsored research and special purpose                           | 7,397               | 11,170           | 13,993           |
| Ancillary and academic services                                  | 7,290               | 6,801            | 6,679            |
| Facility operations and maintenance                              | 4,536               | 4,191            | 4,146            |
|                                                                  | <u>168,562</u>      | <u>164,724</u>   | <u>164,573</u>   |
| <b>Annual operating surplus</b>                                  | -                   | <b>11,001</b>    | 5,843            |
| <b>Endowment contributions and capitalized investment income</b> |                     |                  |                  |
| Endowment contributions (Note 9)                                 | -                   | 41               | 50               |
| Endowment capitalized interest income (Note 9)                   | -                   | 89               | 124              |
|                                                                  | -                   | <u>11,131</u>    | 6,017            |
| <b>Annual surplus</b>                                            | -                   | <b>11,131</b>    | 6,017            |
| <b>Accumulated surplus, beginning of year</b>                    | -                   | <b>59,347</b>    | 53,330           |
| <b>Accumulated surplus, end of year (Note 9)</b>                 | <u>\$ -</u>         | <u>\$ 70,478</u> | <u>\$ 59,347</u> |

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

## Athabasca University

### Statement of Change in Net Financial Assets

Year ended March 31, 2026  
(thousands of dollars)

|                                                                   | Budget<br>(Note 18) | 2026             | 2025             |
|-------------------------------------------------------------------|---------------------|------------------|------------------|
| <b>Net financial assets, beginning of year</b>                    | <b>\$ 50,297</b>    | <b>\$ 50,297</b> | <b>\$ 37,318</b> |
| Annual surplus                                                    | -                   | 11,131           | 6,017            |
| Acquisition of tangible capital assets                            | (7,017)             | (2,575)          | (2,929)          |
| Proceeds from sale of tangible capital assets                     |                     | 37               | -                |
| Amortization of tangible capital assets                           | 7,827               | 7,665            | 7,005            |
| (Gain) loss on disposal of tangible capital assets                |                     | (26)             | 5,098            |
| Decrease (increase) in prepaid expenses                           |                     | 162              | (236)            |
| Decrease in spent deferred capital contributions                  | 57                  | (2,066)          | (5,772)          |
| (Decrease) increase in accumulated remeasurement gains and losses |                     | (723)            | 3,796            |
| <b>Increase in net financial assets</b>                           |                     | <b>13,605</b>    | <b>12,979</b>    |
| <b>Net financial assets, end of year</b>                          | <b>\$</b>           | <b>\$ 63,902</b> | <b>\$ 50,297</b> |

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

## Athabasca University

### Statement of Remeasurement Gains and Losses

Year ended March 31, 2026  
(thousands of dollars)

|                                                           | 2026            | 2025            |
|-----------------------------------------------------------|-----------------|-----------------|
| <b>Accumulated remeasurement gains, beginning of year</b> | <b>\$ 6,742</b> | <b>\$ 2,946</b> |
| Unrealized (losses) gains attributable to:                |                 |                 |
| Quoted in active market financial instruments             |                 |                 |
| Portfolio investments - non-endowment                     | (798)           | 3,814           |
| Designated fair value financial instruments               |                 |                 |
| Portfolio investments - non-endowment                     | 121             | 387             |
| Amounts reclassified to the statement of operations:      |                 |                 |
| Quoted in active market financial instruments             |                 |                 |
| Portfolio investments - non-endowment                     | (44)            | (405)           |
| Designated fair value financial instruments               |                 |                 |
| Portfolio investments - non-endowment                     | (2)             | -               |
| <b>Net change for the year</b>                            | <b>(723)</b>    | <b>3,796</b>    |
| <b>Accumulated remeasurement gains, end of year</b>       | <b>\$ 6,019</b> | <b>\$ 6,742</b> |
| <b>Accumulated remeasurement gains is comprised of:</b>   |                 |                 |
| Portfolio investments - non-endowment                     | <b>\$ 6,019</b> | <b>\$ 6,742</b> |

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

# Athabasca University

## Statement of Cash Flows

Year ended March 31, 2026  
(thousands of dollars)

|                                                                                                                | 2026             | 2025             |
|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Operating transactions</b>                                                                                  |                  |                  |
| Annual surplus                                                                                                 | \$ 11,131        | \$ 6,017         |
| Add (deduct) non-cash items:                                                                                   |                  |                  |
| Amortization of tangible capital assets                                                                        | 7,665            | 7,005            |
| Expended capital contributions recognized as revenue                                                           | (2,743)          | (6,083)          |
| Gain on sale of portfolio investments                                                                          | (46)             | (405)            |
| Write-down of tangible capital assets                                                                          | -                | 4,996            |
| (Gain) loss on disposal of tangible capital assets                                                             | (26)             | 102              |
| Decrease in employee future benefit liabilities                                                                | (4,654)          | (2,878)          |
| Change in non-cash items                                                                                       | 196              | 2,737            |
| (Increase) decrease in accounts receivable                                                                     | (1,676)          | 321              |
| Decrease in inventory held for sale                                                                            | 29               | 136              |
| Increase in accounts payable and accrued liabilities                                                           | 2,517            | 727              |
| Increase (decrease) in deferred revenue                                                                        | 1,262            | (345)            |
| Decrease (increase) in prepaid expenses                                                                        | 162              | (236)            |
| Cash provided by operating transactions                                                                        | 13,621           | 9,357            |
| <b>Capital transactions</b>                                                                                    |                  |                  |
| Acquisition of tangible capital assets                                                                         | (2,575)          | (2,929)          |
| Proceeds on sale of tangible capital assets                                                                    | 37               | -                |
| Cash applied to capital transactions                                                                           | (2,538)          | (2,929)          |
| <b>Investing transactions</b>                                                                                  |                  |                  |
| Purchases of portfolio investments                                                                             | (6,103)          | (6,821)          |
| Proceeds on sale of portfolio investments                                                                      | 2,162            | 3,279            |
| Cash applied to investing transactions                                                                         | (3,941)          | (3,542)          |
| <b>Financing transactions</b>                                                                                  |                  |                  |
| Increase in spent deferred capital contributions, less<br>expended capital contributions recognized as revenue | 677              | 311              |
| Cash provided by financing transactions                                                                        | 677              | 311              |
| Increase in cash                                                                                               | 7,819            | 3,197            |
| <b>Cash, beginning of year</b>                                                                                 | <b>15,134</b>    | <b>11,937</b>    |
| <b>Cash, end of year</b>                                                                                       | <b>\$ 22,953</b> | <b>\$ 15,134</b> |

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

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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 tangible capital assets and purchased intangibles, 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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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 to purchase intangible assets, revenue will be recognized over the useful life of the tangible capital assets or the intangible 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 tangible capital assets are recorded at fair value when a fair value can reasonably be determined. Transfers of tangible capital assets from related parties are recorded at the carrying value.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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. Land transferred from related parties is recognized as revenue at the carrying value or nominal amount.

##### 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 obligation 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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

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

#### (c) Revenue recognition (continued)

##### Investment income (loss) (continued)

Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the statement of operations.

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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

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

#### (e) Tangible capital assets

Tangible capital assets include 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.

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 tangible 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                 |
| Leasehold improvements          | term of lease                |
| Library holdings <sup>(1)</sup> | 10 years                     |

(1) Library holdings include tangible capital assets and purchased intangibles.

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

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

#### (f) Asset retirement obligations

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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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, 2026 (2025 - \$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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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 (PSP) 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.

##### Life Insurance, Short Term Disability, and Long Term Disability

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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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, 2026 (2025 -\$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.

##### Institutional support

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.

##### 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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

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

#### (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.

#### (l) 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.

- Effective April 1, 2029, the university will adopt PS 3251 *Employee Benefits*. This standard will replace and consolidate two old standards, PS 3250 - *Retirement Benefits* and PS 3255 - *Post-employment benefits, Compensated Absences and Termination Benefits*. The application of the standard will improve the understandability of the financial reporting of employee benefits and provide better information for accountability purposes.
- Effective April 1, 2030, the university will adopt PS 3150 *Tangible Capital Assets*. The amendments standardize capital asset accounting by incorporating Government Not For Profit standards, clarifying recognition and disclosure requirements related to collections, works of art and historical treasures, and eliminating legacy alternatives from PS 4200 series.

The university is currently assessing the impact of these standards on the financial statements.

### 3 Portfolio investments

|                                                   | 2026             | 2025             |
|---------------------------------------------------|------------------|------------------|
| Portfolio investments - non-endowment             | \$ 80,757        | \$ 77,624        |
| Portfolio investments - restricted for endowments | 5,324            | 5,268            |
|                                                   | <u>\$ 86,081</u> | <u>\$ 82,892</u> |

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 3 Portfolio investments (continued)

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

| 2026                        |           |           |         |           |
|-----------------------------|-----------|-----------|---------|-----------|
|                             | Level 1   | Level 2   | Level 3 | Total     |
| Pooled Investment Funds     |           |           |         |           |
| Bond funds                  | \$ 40,559 | \$ -      | \$ -    | \$ 40,559 |
| Equities                    |           |           |         |           |
| Canadian equities           | 7,604     | -         | -       | 7,604     |
| Foreign equities            | 25,077    | -         | -       | 25,077    |
| Mortgage funds              | -         | 11,429    | -       | 11,429    |
| Money market funds          | 1,412     | -         | -       | 1,412     |
| Total portfolio investments | \$ 74,652 | \$ 11,429 | \$ -    | \$ 86,081 |
|                             | 87%       | 13%       | 0%      | 100%      |
| 2025                        |           |           |         |           |
|                             | Level 1   | Level 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%      |

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: 2.96% (2025- 3.38%); term to maturity: less than one year.
- Pooled funds of government, mortgage, and corporate bonds: 4.61% (2025 - 4.33%); terms to maturity: range from less than one year to more than 10 years.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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:

|                                                                 | 2026                                 |                                            |          | 2025     |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------------|----------|----------|
|                                                                 | Deferred revenue endowments (Note 6) | Accumulated remeasurement gains and losses | Total    | Total    |
| Net unrealized gains, beginning of year                         | \$ 819                               | \$ 6,742                                   | \$ 7,561 | \$ 3,457 |
| Unrealized (losses) gains attributable to portfolio investments | (75)                                 | (677)                                      | (752)    | 4,509    |
| Amounts reclassified to statement of operations                 | -                                    | (46)                                       | (46)     | (405)    |
| Net unrealized gains, end of year                               | \$ 744                               | \$ 6,019                                   | \$ 6,763 | \$ 7,561 |

### 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, 2026, if market prices had a 4.83% (2025 - 4.94%) 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 \$4,158 (2025 - \$4,095).

#### 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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 4 Financial risk management (continued)

#### Credit risk (continued)

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

|               | 2026        | 2025        |
|---------------|-------------|-------------|
| Credit rating |             |             |
| AAA           | 54%         | 48%         |
| AA            | 10%         | 11%         |
| A             | 28%         | 32%         |
| BBB           | 8%          | 9%          |
|               | <b>100%</b> | <b>100%</b> |

#### 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:

|                              | Less than 1<br>year | 1 to 5<br>years  | Greater<br>than 5<br>years | Total            |
|------------------------------|---------------------|------------------|----------------------------|------------------|
| Money Market funds           | \$ 1,412            | \$ -             | \$ -                       | \$ 1,412         |
| Bond listed in active market | 2,739               | 35,344           | 2,476                      | 40,559           |
| Mortgage funds               | 46                  | 9,278            | 2,105                      | 11,429           |
|                              | <b>\$ 4,197</b>     | <b>\$ 44,622</b> | <b>\$ 4,581</b>            | <b>\$ 53,400</b> |

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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:

|                     | 0.50%<br>decrease | 0.25%<br>decrease | 0.25%<br>increase | 0.50%<br>increase |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| Dollar value change | \$ 666            | \$ 333            | \$ (333)          | \$ (666)          |

#### 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 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:

|                                           | 2026            | 2025            |
|-------------------------------------------|-----------------|-----------------|
| Universities Academic Pension Plan (UAPP) | \$ -            | \$ 4,084        |
| Administrative Leave Plan                 | 1,281           | 1,851           |
|                                           | <u>\$ 1,281</u> | <u>\$ 5,935</u> |

#### (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, 2024, and was then extrapolated to March 31, 2026, resulting in a UAPP surplus of \$612,697 (2025 - \$426,781) consisting of a pre-1992 deficit of \$816,020 (2025 - \$832,113) and a post-1991 surplus of \$1,428,717 (2025 - 1,258,894). 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% (2025 - 1.25%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 4.03% (2025 - 3.57%) of salaries until June 30, 2026 and 4.22% (2025- 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 \$219,515 at March 31, 2026 (2025 - \$202,844).

Currently, the university's pension liability, net of valuation allowance, is \$0 (2025 - \$4,084).

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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, 2026. 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 \$1,281 (2025 - \$1,851) 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:

|                                              | 2026             |                      | 2025             |                      |
|----------------------------------------------|------------------|----------------------|------------------|----------------------|
|                                              | UAPP             | Administrative Leave | UAPP             | Administrative Leave |
| <b>Expense</b>                               |                  |                      |                  |                      |
| Current service cost                         | \$ 6,152         | \$ 83                | \$ 5,910         | \$ 251               |
| Interest (earned) cost                       | (950)            | 52                   | (212)            | 73                   |
| Amortization of net actuarial (gain) loss    | (1,896)          | (64)                 | (1,115)          | 190                  |
| Change in valuation allowance <sup>(1)</sup> | 621              | -                    | -                | -                    |
| Total expense                                | <u>\$ 3,927</u>  | <u>\$ 71</u>         | <u>\$ 4,583</u>  | <u>\$ 514</u>        |
| <b>Financial Position</b>                    |                  |                      |                  |                      |
| Accrued benefit obligation:                  |                  |                      |                  |                      |
| Balance, beginning of year                   | \$ 189,470       | \$ 1,851             | \$ 184,898       | \$ 1,337             |
| Current service cost                         | 6,152            | 83                   | 5,910            | 251                  |
| Interest cost                                | 11,630           | 52                   | 11,538           | 73                   |
| Benefits paid                                | (9,931)          | (641)                | (9,431)          | -                    |
| Actuarial (gain) loss                        | (9,945)          | 64                   | (3,445)          | 190                  |
| Balance, end of year                         | <u>187,376</u>   | <u>1,281</u>         | <u>189,470</u>   | <u>1,851</u>         |
| Plan assets                                  | <u>(209,402)</u> | -                    | <u>(207,186)</u> | -                    |
| Plan (surplus) deficit                       | <u>22,026</u>    | <u>1,281</u>         | <u>(17,716)</u>  | <u>1,851</u>         |
| Less unamortized net actuarial gain          | <u>(21,405)</u>  | -                    | <u>(21,800)</u>  | -                    |
| Accrued benefit (asset) liability            | <u>\$ (621)</u>  | <u>\$ 1,281</u>      | <u>\$ 4,084</u>  | <u>\$ 1,851</u>      |
| Valuation allowance <sup>(1)</sup>           | <u>621</u>       | -                    | <u>-</u>         | -                    |
| Net accrued benefit liability                | <u>\$ -</u>      | <u>\$ 1,281</u>      | <u>\$ 4,084</u>  | <u>\$ 1,851</u>      |

(1) A valuation allowance is recorded to reduce accrued pension asset to nil, as no contribution holiday is assumed and no future economic benefit is expected.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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:

|                                         | 2026       |                      | 2025       |                      |
|-----------------------------------------|------------|----------------------|------------|----------------------|
|                                         | UAPP       | Administrative Leave | UAPP       | Administrative Leave |
| <b>Accrued benefit obligation:</b>      |            |                      |            |                      |
| Discount rate                           | 5.90%      | 3.08%                | 6.10%      | 3.24%                |
| Long-term average compensation increase | 3.00%      | 2.00%                | 3.00%      | 2.00%                |
| <b>Benefit cost:</b>                    |            |                      |            |                      |
| Discount rate                           | 6.10%      | n/a                  | 6.20%      | n/a                  |
| Long-term average compensation increase | 3.00%      | 2.00%                | 3.00%      | 2.00%                |
| Alberta inflation (2026)                | 2.25%      | 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 | 5 years              | 11.5 years | 8 years              |
| Retirement age                          | 65         | 65                   | 65         | 65                   |

#### (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 \$1,151 (2025 - \$1,137).

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, 2025, the PSPP reported a surplus of \$7,706,238 (2024 - \$6,473,956). For the year ended December 31, 2025, PSPP reported employer contributions of \$299,440 (2024 - \$279,451). For the 2025 calendar year, the university's employer contributions were \$1,122 (2024 calendar year - \$1,118).

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 6 Deferred revenue

|                                                               | 2026                                                           |                                                  |                  | 2025             |
|---------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------|------------------|------------------|
|                                                               | Unspent<br>externally<br>restricted<br>grants and<br>donations | Student<br>tuition, fees<br>and other<br>revenue | Total            | Total            |
| Balance, beginning of year                                    | \$ 10,069                                                      | \$ 18,244                                        | \$ 28,313        | \$ 28,350        |
| Grants, tuition and other donations                           | 8,832                                                          | 73,024                                           | 81,856           | 76,115           |
| Investment income                                             | 542                                                            | -                                                | 542              | 203              |
| Unrealized (loss) gain (Note 3)                               | (75)                                                           | -                                                | (75)             | 308              |
| Transfers to spent deferred capital<br>contributions (Note 8) | (677)                                                          | -                                                | (677)            | (311)            |
| Recognized as revenue                                         | (8,234)                                                        | (72,225)                                         | (80,459)         | (76,352)         |
| Balance, end of year                                          | <u>\$ 10,457</u>                                               | <u>\$ 19,043</u>                                 | <u>\$ 29,500</u> | <u>\$ 28,313</u> |

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 7 Capital assets

|                                                 | 2026            |                                 |                                               |                         |                                                            | 2025              |
|-------------------------------------------------|-----------------|---------------------------------|-----------------------------------------------|-------------------------|------------------------------------------------------------|-------------------|
|                                                 | Land            | Buildings and site improvements | Computer hardware and software <sup>(1)</sup> | Furniture and equipment | Leasehold improvements and library holdings <sup>(3)</sup> | Total             |
| Cost                                            |                 |                                 |                                               |                         |                                                            |                   |
| Beginning of year                               | \$ 2,180        | \$ 61,978                       | \$ 63,319                                     | \$ 9,659                | \$ 6,286                                                   | \$ 143,422        |
| Acquisitions                                    | -               | 9                               | 1,490                                         | 902                     | 174                                                        | 2,575             |
| Disposals, including write-downs <sup>(2)</sup> | -               | -                               | (525)                                         | (182)                   | (21)                                                       | (728)             |
|                                                 | <u>\$ 2,180</u> | <u>\$ 61,987</u>                | <u>\$ 64,284</u>                              | <u>\$ 10,379</u>        | <u>\$ 6,439</u>                                            | <u>\$ 145,269</u> |
| Accumulated amortization                        |                 |                                 |                                               |                         |                                                            |                   |
| Beginning of year                               | \$ -            | \$ 39,706                       | \$ 52,961                                     | \$ 8,340                | \$ 5,757                                                   | \$ 106,764        |
| Amortization expense                            | -               | 1,331                           | 5,836                                         | 400                     | 98                                                         | 7,665             |
| Effects on disposals, including write-downs     | -               | -                               | (525)                                         | (171)                   | (21)                                                       | (717)             |
|                                                 | <u>\$ -</u>     | <u>\$ 41,037</u>                | <u>\$ 58,272</u>                              | <u>\$ 8,569</u>         | <u>\$ 5,834</u>                                            | <u>\$ 113,712</u> |
| Net book value at March 31, 2026                | <u>\$ 2,180</u> | <u>\$ 20,950</u>                | <u>\$ 6,012</u>                               | <u>\$ 1,810</u>         | <u>\$ 605</u>                                              | <u>\$ 31,557</u>  |
| Net book value at March 31, 2025                | \$ 2,180        | \$ 22,272                       | \$ 10,358                                     | \$ 1,319                | \$ 529                                                     | \$ 36,658         |

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 tangible capital assets.

(1) Included in computer hardware and software is \$865 (2025 - \$441) work-in-progress, that is not amortized as the assets are not yet available for use.

(2) Write-downs in the amount of \$0 (2025 - \$4,996) are a result of certain software projects that management has terminated in the period.

(3) Library holdings include purchased intangibles. Acquisitions of purchased intangibles in the current year are \$159 (2025 - \$142). The net book value of purchased intangibles included in library holdings is \$515 (2025 - \$422).

### 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.

|                                                      | 2026             | 2025             |
|------------------------------------------------------|------------------|------------------|
| Balance, beginning of year                           | \$ 24,633        | \$ 30,405        |
| Transfers from restricted grants and donations       | 677              | 311              |
| Expended capital contributions recognized as revenue | (2,743)          | (6,083)          |
| Balance, end of year                                 | <u>\$ 22,567</u> | <u>\$ 24,633</u> |

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 9 Net assets

|                                                           | Accumulated<br>surplus from<br>operations <sup>(1)</sup> | Investment<br>in tangible<br>capital<br>assets | Endowments      | Total            |
|-----------------------------------------------------------|----------------------------------------------------------|------------------------------------------------|-----------------|------------------|
| <b>Balance as at March 31, 2024</b>                       | \$ 36,572                                                | \$ 15,427                                      | \$ 4,277        | \$ 56,276        |
| <b>Annual operating surplus</b>                           | 5,843                                                    | -                                              | -               | 5,843            |
| <b>Endowments</b>                                         |                                                          |                                                |                 |                  |
| New contributions                                         | -                                                        | -                                              | 50              | 50               |
| Capitalized investment income                             | -                                                        | -                                              | 124             | 124              |
| <b>Tangible capital assets</b>                            |                                                          |                                                |                 |                  |
| Acquisition of tangible capital assets                    | (2,618)                                                  | 2,618                                          | -               | -                |
| Amortization of tangible capital assets                   | 922                                                      | (922)                                          | -               | -                |
| Net book value of tangible capital asset disposals        | 5,098                                                    | (5,098)                                        | -               | -                |
| Increase in accumulated<br>remeasurement gains and losses | 3,796                                                    | -                                              | -               | 3,796            |
| <b>Balance as at March 31, 2025</b>                       | <b>\$ 49,613</b>                                         | <b>\$ 12,025</b>                               | <b>\$ 4,451</b> | <b>\$ 66,089</b> |
| <b>Annual operating surplus</b>                           | <b>11,001</b>                                            | -                                              | -               | <b>11,001</b>    |
| <b>Endowments</b>                                         |                                                          |                                                |                 |                  |
| New contributions                                         | -                                                        | -                                              | 41              | 41               |
| Capitalized investment income                             | -                                                        | -                                              | 89              | 89               |
| <b>Tangible capital assets</b>                            |                                                          |                                                |                 |                  |
| Acquisition of tangible capital assets                    | (1,898)                                                  | 1,898                                          | -               | -                |
| Amortization of tangible capital assets                   | 4,922                                                    | (4,922)                                        | -               | -                |
| Net book value of tangible capital asset disposals        | 11                                                       | (11)                                           | -               | -                |
| Increase in accumulated<br>remeasurement gains and losses | (723)                                                    | -                                              | -               | (723)            |
| <b>Balance as at March 31, 2026</b>                       | <b>\$ 62,926</b>                                         | <b>\$ 8,990</b>                                | <b>\$ 4,581</b> | <b>\$ 76,497</b> |
| <b>Net assets is comprised of:</b>                        |                                                          |                                                |                 |                  |
| Accumulated surplus                                       | \$ 56,907                                                | \$ 8,990                                       | \$ 4,581        | \$ 70,478        |
| Accumulated remeasurement gains                           | 6,019                                                    | -                                              | -               | 6,019            |
|                                                           | <b>\$ 62,926</b>                                         | <b>\$ 8,990</b>                                | <b>\$ 4,581</b> | <b>\$ 76,497</b> |

(1) Accumulated surplus from operations includes internally restricted funds of \$51,375 (2025 - \$38,202).

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 10 Contingent assets

The university has no contingent assets as at March 31, 2026 (2025 - \$0).

### 11 Contingent liabilities

The university has no legal claims as at March 31, 2026 that management believes would have a material adverse effect on the financial position or the results of operations of the university.

### 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:

|                         | Service contracts | Information systems and technology | Long-term leases | Total            |
|-------------------------|-------------------|------------------------------------|------------------|------------------|
| 2027                    | \$ 13,582         | \$ 4,508                           | \$ 314           | \$ 18,404        |
| 2028                    | 683               | 591                                | 230              | 1,504            |
| 2029                    | 320               | 596                                | 235              | 1,151            |
| 2030                    | 91                | 110                                | 57               | 258              |
| 2031                    | 14                | 96                                 | 44               | 154              |
| Thereafter              | 5                 | -                                  | -                | 5                |
| Total at March 31, 2026 | <u>\$ 14,695</u>  | <u>\$ 5,901</u>                    | <u>\$ 880</u>    | <u>\$ 21,476</u> |
| Total at March 31, 2025 | <u>\$ 18,749</u>  | <u>\$ 6,149</u>                    | <u>\$ 908</u>    | <u>\$ 25,806</u> |

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.

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, 2025, CURIE had an accumulated surplus of \$133,856 (2024 - \$130,336), of which the university's pro rata share is approximately 0.53% (2024 - 0.53%). This accumulated surplus is not recognized in the financial statements.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 14 Government transfers

|                                                            | 2026      | 2025      |
|------------------------------------------------------------|-----------|-----------|
| Grants from Government of Alberta                          |           |           |
| Advanced Education:                                        |           |           |
| Operating                                                  | \$ 42,599 | \$ 41,563 |
| Special purpose                                            | 2,841     | 2,417     |
| Total Advanced Education                                   | 45,440    | 43,980    |
| Other Government of Alberta departments and agencies:      |           |           |
| Technology and Innovation                                  | 462       | 281       |
| Art, Culture and the Status of Women                       | 98        | 102       |
| Total other Government of Alberta departments and agencies | 560       | 383       |
| Total grants received                                      | 46,000    | 44,363    |
| Expended capital contributions recognized as revenue       | 2,691     | 6,008     |
| Deferred revenue (recognized) received                     | (1,270)   | 210       |
| Total Government of Alberta grants                         | \$ 47,421 | \$ 50,581 |
| Grants from Federal and other government                   |           |           |
| Special purpose grants received                            | \$ 3,620  | \$ 3,812  |
| Expended capital recognized as revenue                     | 45        | 66        |
| Deferred revenue received (recognized)                     | 1,034     | (230)     |
| Total Federal and other government grants                  | \$ 4,699  | \$ 3,648  |

### 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.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 16 Expense by object

|                                         | 2026                |                          | 2025              |
|-----------------------------------------|---------------------|--------------------------|-------------------|
|                                         | Budget<br>(Note 18) | Actual                   | Actual            |
| Salaries <sup>(1)</sup>                 | \$ 97,180           | <b>\$ 100,726</b>        | \$ 94,072         |
| Employee benefits                       | 22,436              | <b>16,530</b>            | 17,492            |
| Fees and purchased services             | 23,015              | <b>23,003</b>            | 23,964            |
| Cost of goods sold                      | 6,681               | <b>6,231</b>             | 5,862             |
| Communication and travel                | 4,636               | <b>4,213</b>             | 4,129             |
| Materials and supplies                  | 3,743               | <b>3,252</b>             | 8,694             |
| Rental, insurance and utilities         | 1,774               | <b>1,458</b>             | 1,770             |
| Scholarships and bursaries              | 1,270               | <b>1,646</b>             | 1,585             |
| Amortization of tangible capital assets | 7,827               | <b>7,665</b>             | 7,005             |
|                                         | <u>\$ 168,562</u>   | <u><b>\$ 164,724</b></u> | <u>\$ 164,573</u> |

(1) Includes \$2,665 (2025 - \$389) of termination benefits

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(thousands of dollars)

### 17 Salary and employee benefits

|                                                            | 2026                       |                              |                                  |       | 2025  |
|------------------------------------------------------------|----------------------------|------------------------------|----------------------------------|-------|-------|
|                                                            | Base salary <sup>(1)</sup> | Cash benefits <sup>(2)</sup> | Non-cash benefits <sup>(3)</sup> | Total | Total |
| <b>Governance<sup>(4)</sup></b>                            |                            |                              |                                  |       |       |
| Board of Governors                                         | \$ -                       | \$ -                         | \$ -                             | \$ -  | \$ -  |
| <b>Executive</b>                                           |                            |                              |                                  |       |       |
| President <sup>(5)</sup>                                   | 333                        | 43                           | 295                              | 671   | 572   |
| Provost and Vice-President Academic <sup>(6)</sup>         | 289                        | 16                           | 50                               | 355   | 406   |
| Vice-President Finance & Operations and CFO <sup>(7)</sup> | 242                        | 10                           | 55                               | 307   | 300   |
| Vice-President Information Technology & CIO                | 241                        | 9                            | 49                               | 299   | 296   |
| Vice-President University Relations <sup>(8)</sup>         | 86                         | 7                            | 12                               | 105   | 301   |
| Chief Human Resource Officer                               | 240                        | 25                           | 44                               | 309   | 283   |
| Chief Governance Officer & General Counsel                 | 223                        | 17                           | 49                               | 289   | 269   |
| Chief Growth Officer <sup>(9)</sup>                        | 9                          | -                            | 3                                | 12    | 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 2026 and 2025.

(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) In 2026 two individuals held the position of Provost and Vice President Academic: current incumbent 11.5 months and previous incumbent 0.5 months.

(7) In 2026 two individuals held the position of Vice-President Finance and Operations and Chief Financial Officer (VPFO): Current incumbent 11.8 months, and previously acting incumbent for 0.2 months.

(8) In 2026 two individuals held the position of Vice President University Relations (VPUR) in an acting capacity: one for 4.4 months and the other for 7.6 months. The second Acting VPUR also served as Chief Governance Officer and General Counsel during the year. Reported salary represents only the additional compensation related to the acting appointment.

(9) Chief Growth Officer previous incumbent held the position for 0.5 months. The position is currently vacant.

# Athabasca University

## Notes to the Financial Statements

Year ended March 31, 2026  
(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:

|                          | Accrued<br>Obligation<br>March 31,<br>2025 | Current<br>service<br>costs | Interest<br>costs | Benefits<br>paid | Actuarial<br>gain | Accrued<br>Obligation <sup>(10)</sup><br>March 31,<br>2026 |
|--------------------------|--------------------------------------------|-----------------------------|-------------------|------------------|-------------------|------------------------------------------------------------|
| President <sup>(5)</sup> | \$ 154                                     | \$ 72                       | \$ 7              | -                | \$ (1)            | \$ 232                                                     |

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

### 18 Budget figures

The university's 2025-2026 budget was approved by the Board of Governors and was presented to the Minister of Advanced Education.

### 19 Comparative figures

Certain 2024-2025 figures have been reclassified to conform to the presentation in the 2025-2026 financial statements.

### 20 Approval of financial statements

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

