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LEADING CANADA IN ON-LINE & DISTANCE EDUCATION

## MESSAGE FROM THE CHAIR




Athabasca University is standing at the threshold of its potential, not just in terms of its provincial mandate, but also in terms of its national and international mandate. I am excited about the future of this institution, and I look forward to working with Government toward ensuring that flexible educational opportunities and options are available to Albertans.

Over the last decade, Athabasca University has pursued a path of growth, and has seen its budget burgeon to \$60 million. Enrolment has exploded, with the student body growing from roughly 9,000 individuals to over 26,000. We fully expect to see our student numbers continue to grow dramatically in coming years. At the same time, student satisfaction rates have remained high. Every day Athabasca University provides education solutions for thousands of Albertans, as well as people from across the country and around the world.

While it was that unprecedented growth that has allowed this institution to remain open, and to go on to become an internationally recognized leader in distance and on-line education, growth has also become one of the biggest challenges currently facing Athabasca University.

The Government of Alberta has acknowledged that Athabasca University has a significant and growing role to play in the province's educational system. I look forward to the possibilities that AU will realize as we co-operate with the Government of Alberta to maintain and strengthen this legacy of excellence.



Robert Fulton, QC  
Chair, Athabasca University Governing Council



As more institutions, organizations and individuals discover the power and the growing importance of flexible learning solutions, Athabasca University continues to stand out as North America's distance learning leader in best practices and the most innovative uses of technology. Every day at AU, we further realize our capacity to touch individual lives, our ability to innovate, our potential to be extraordinary. The 2002-03 results, as outlined here, demonstrate this continued leadership.

Through effective management, Athabasca University has met the student growth targets outlined in our Business Plan. In the last year, the number of students at Athabasca University grew 14 per cent, to 26,691; annual course registrations now exceed 51,000. These targets have been met while Athabasca University has remained fiscally sound.

However, registration numbers alone do not tell the story of Athabasca University, and the extent of its impact on the lives of students. Between eight to ten per cent of all undergraduates from the University of Alberta, University of Calgary and University of Lethbridge achieve graduation thanks, in part, to credits transferred from their studies with Athabasca University to their respective degree programs. Through collaborations with community colleges and technical institutes in Alberta, some 2,629 students have transferred 15 credits or more to Athabasca University degree programs. It is through initiatives such as these that Athabasca University continues to fulfill its mandate to create flexible, open learning opportunities for the people of Alberta.

Athabasca University further demonstrates its commitment to adult learners by developing and delivering graduate programs. Since the launch of the well-subscribed Master of Distance Education and Master of Business Administration programs in 1994, Athabasca University also offers the Master of Health Studies, Master of Science in Information Systems, the Master of Arts – Integrated Studies and the Master of Counselling programs. These programs, together with the Master of Nursing introduced in 2002-03, now serve some 2,500 graduate students.

Hundreds of creative, dedicated and determined individuals throughout the University work every day to ensure that each Athabasca University student experiences the best in learning and support from Canada's Open University. As you will read in the profiles within the following report, Athabasca University makes a difference to every student who chooses to learn with us. I am delighted to present Athabasca University's 2002-03 Annual Report. This is the story of AU's continuing commitment to expanding access to high-quality programs and student service, to fiscal responsibility, and to its mandate as Canada's premier distance learning institution.

A handwritten signature in black ink that reads "Dominique A.M.X. Abrioux". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dominique Abrioux, PhD  
President, Athabasca University





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A C C E S S I B I L I T Y



**I am still learning.**

~ Michelangelo

### Total student numbers

The total number of undergraduate and graduate students has increased from 16,076 in 1998-99 to 26,691 in 2002-03, an average year-over-year annual increase of 14 per cent.

The total undergraduate and graduate registrations have increased from 33,055 in 1998-99 to 51,029 in 2002-03, an average annual increase of 12 per cent.

Fiscal year	98-99	99-00	00-01	01-02	<b>02-03</b>	<b>02-03 increase</b>
Undergraduate	14,963	17,992	19,906	22,089	<b>24,354</b>	<b>10 %</b>
Graduate	1,113	1,589	1,859	2,097	<b>2,337</b>	<b>11 %</b>
<b>Total number</b>	<b>16,076</b>	<b>19,581</b>	<b>21,765</b>	<b>24,186</b>	<b>26,691</b>	<b>10 %</b>

### Alberta residents taking courses at Athabasca University\*

Fiscal year	98-99	99-00	00-01	01-02	<b>02-03</b>
Undergraduate	7,573	8,176	8,549	9,404	<b>10,241</b>
Graduate	330	430	482	559	<b>600</b>
<b>Total number</b>	<b>7,903</b>	<b>8,606</b>	<b>9,031</b>	<b>9,963</b>	<b>10,841</b>

\* Based on current addresses

## Course registrations by program

The distribution of registrations by program status has remained nearly unchanged since 1999-00. About 20 per cent of the registrations were degree students, two per cent were university certificate and diploma students, and 78 per cent were non-program students.

Registrations from degree program students grew slowly between 1998-99 and 2001-02, but increased considerably in 2002-03 over the previous year, by 17.4 per cent. The increase mainly resulted from Bachelor of Science (52 per cent), Bachelor of Nursing (41 per cent), Bachelor of Professional Arts (40 per cent), and Bachelor of Arts - 3 year and 4 year (22 per cent). It should be noted that 21 per cent of the increase was due to the Mount Royal College collaboration.

## Undergraduate registrations by program

Fiscal year Degree program	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Bachelor of Arts, four-year	1,019	3.5	1,011	2.9	1,065	2.8	1,087	2.8	1,402	3.2
Bachelor of Arts, three-year	356	1.2	432	1.2	600	1.6	742	1.9	836	1.9
Bachelor of Arts, after degree	99	0.3	116	0.3	134	0.4	77	0.2	77	0.2
Bachelor of Administration	1,418	4.8	1,371	3.9	1,386	3.7	1,223	3.1	1,287	2.9
Bachelor of Administration, post diploma	475	1.6	530	1.5	771	2.1	906	2.3	911	2.1
Bachelor of Commerce	876	3.0	801	2.3	745	2.0	851	2.2	923	2.1
Bachelor of General Studies	759	2.6	810	2.3	667	1.8	538	1.4	503	1.1
Bachelor of General Studies in Applied Studies	21	0.1	12	0.0	17	0.0	11	0.0	8	0.0
Bachelor of Nursing	724	2.5	679	1.9	646	1.7	712	1.8	1,006	2.3
Bachelor of Professional Arts	378	1.3	374	1.1	431	1.1	576	1.5	806	1.8
Bachelor of Science	163	0.6	214	0.6	254	0.7	220	0.6	334	0.8
Bachelor of Science in Computing and Information Systems	393	1.3	568	1.6	630	1.7	522	1.3	567	1.3
Bachelor of Health Administration	—	—	—	—	—	—	—	—	2	0.0
Bachelor of Management	—	—	—	—	—	—	—	—	100	0.2
Bachelor of Human Resources and Labour Relations	—	—	—	—	—	—	—	—	1	0.0
<b>Total by undergraduate degrees</b>	<b>6,681</b>	<b>22.7</b>	<b>6,918</b>	<b>19.8</b>	<b>7,346</b>	<b>19.6</b>	<b>7,465</b>	<b>19.1</b>	<b>8,763</b>	<b>19.9</b>



# A C C E S S I B I L I T Y

## Undergraduate registrations by program (cont'd)

Fiscal year Certificate program	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
University Certificate in Accounting	174		217		213		223		230	
University Certificate in Advanced Accounting	19		20		9		5		15	
University Certificate in Administration	116		124		91		72		81	
University Certificate in Career Development	13		42		42		29		29	
University Certificate in Computing and Information Systems	110		125		125		94		107	
University Certificate in Computers and Management Information Systems	28		42		52		40		53	
University Certificate in Counselling Women	2		9		9		12		15	
University Certificate in English Language Studies	2		0		1		3		0	
University Certificate in French Language Proficiency	11		17		13		17		13	
University Certificate in Health Development Administration	124		100		64		21		20	
University Certificate in Home Health Nursing	11		9		6		4		2	
University Certificate in Labour Relations	47		49		54		54		87	
University Certificate in Labour Studies	4		3		5		11		3	
University Certificate in Public Administration	13		21		15		11		13	
University Certificate in Rehabilitation Practice	38		0		0		0		0	
University Diploma in Arts	8		10		18		17		42	
University Diploma in Inclusive Education	4		16		38		16		33	
University Certificate in Human Resources and Labour Relations	0		0		0		0		4	
<b>Total by undergraduate certificates/diplomas</b>	<b>724</b>	<b>2.5</b>	<b>804</b>	<b>2.3</b>	<b>755</b>	<b>2.0</b>	<b>629</b>	<b>1.6</b>	<b>747</b>	<b>1.7</b>
<b>Non-program registrations</b>	<b>22,047</b>	<b>74.9</b>	<b>27,140</b>	<b>77.8</b>	<b>29,389</b>	<b>78.4</b>	<b>31,069</b>	<b>79.3</b>	<b>34,597</b>	<b>78.4</b>
<b>Total undergraduate registrations</b>	<b>29,452</b>		<b>34,862</b>		<b>37,490</b>		<b>39,163</b>		<b>44,107</b>	

## Graduate registrations by program

The number of graduate students doubled over the past five years, from 1,113 in 1998-99 to 2,337 in 2002-03.

Fiscal year Program	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Master of Arts- Integrated Studies	—	—	—	—	27	0.4	201	3.1	392	5.7
Master of Business Administration	2,986	82.9	4,018	77.4	4,528	73.5	4,370	66.7	4,253	61.4
Master of Distance Education	580	16.1	827	15.9	970	15.7	1,023	15.6	993	14.3
Master of Nursing, and Health Studies	37	1.0	349	6.7	635	10.3	876	13.4	1,092	15.8
Master of Science- Information Systems	—	—	—	—	—	—	81	1.2	192	2.8
<b>Total number</b>	<b>3,603</b>		<b>5,194</b>		<b>6,160</b>		<b>6,551</b>		<b>6,922</b>	

## Undergraduate registrations by study mode

The proportion of undergraduate individualized study registrations increased gradually from 79 per cent of total undergraduate registrations in 1998-99, to 87 per cent in 2002-03. Grouped study registrations decreased from 18 per cent in 1998-99 to 11 per cent in 2002-03. E-Class opened with 174 registrations in 2000-01, totaled 361 in 2001-02, but dropped to 178 in 2002-03. Registrations in challenge exams more than doubled from 309 in 1998-99 to 724 in 2002-03.

Fiscal year Study mode	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Individualized	23,140	78.6	27,960	80.2	31,592	84.3	34,118	87.1	38,326	86.9
Grouped	5,294	18.0	4,778	13.7	4,321	11.5	4,285	10.9	4,879	11.1
Challenge	309	1.0	273	0.8	393	1.0	399	1.0	724	1.6
TAC*	709	2.4	1,851	5.3	1,010	2.7	—	0.0	—	0.0
e-Class	—	0.0	—	0.0	174	0.5	361	0.9	178	0.4
<b>Total number</b>	<b>29,452</b>		<b>34,862</b>		<b>37,490</b>		<b>39,163</b>		<b>44,107</b>	

\* Registrations in Tokyo Accounting Centre (TAC) programs were classified from Challenge to Grouped Study part of the way through fiscal 1998-99 so have been presented separately. There were no TAC registrations after 2000-01.

## Undergraduate student demographics

### Undergraduate students by age range

The proportion of students under the age of 25 has increased by three per cent in the past five years, from 39 per cent in 1998-99 to 42 per cent in 2002-03.

Seventy-six per cent of undergraduate students were under 34-years-old, remaining unchanged in the past five years. The average age of undergraduate students has remained about 29-years-old for this period.

Fiscal year Age	98-99 %	99-00 %	00-01 %	01-02 %	02-03 %
Less than 25	38.9	38.8	40.1	41.2	42.1
25 to 34	36.0	36.7	35.0	35.0	34.3
35 to 44	19.1	18.6	18.6	17.7	17.3
45 to 54	5.4	5.3	5.6	5.6	5.7
55 plus	0.6	0.6	0.6	0.5	0.6
<b>Total number</b>	<b>14,963</b>	<b>17,992</b>	<b>19,906</b>	<b>22,089</b>	<b>24,354</b>

### Undergraduate registrations by new and returning students

New students accounted for an increasing proportion of the registrations over the five years, growing from 44 per cent in 1998-99 to 48 per cent in 2002-03.

Fiscal year Status	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
New	12,815	43.5	15,757	45.2	17,198	45.9	18,673	47.7	21,013	47.6
Returning	16,637	56.5	19,105	54.8	20,292	54.1	20,490	52.3	23,094	52.4
<b>Total number</b>	<b>29,452</b>		<b>34,862</b>		<b>37,490</b>		<b>39,163</b>		<b>44,107</b>	

### Undergraduate students by gender

About two-thirds of undergraduate students were female. This percentage has remained constant over the five-year period.

Fiscal year Gender	98-99 %	99-00 %	00-01 %	01-02 %	02-03 %
Female	64.5	63.8	64.9	66.1	66.3
Male	35.5	36.2	35.0	33.7	33.3
Unknown	0.0	0.0	0.1	0.2	0.4
<b>Total number</b>	<b>14,963</b>	<b>17,992</b>	<b>19,906</b>	<b>22,089</b>	<b>24,354</b>

### Undergraduate registrations by geographic origin

The proportion of undergraduate individualized study students from Alberta declined gradually over the past five years, from 50 per cent in 1998-99 to 41 per cent in 2002-03. This resulted from a lower growth rate of

undergraduate individualized study students from Alberta, eight per cent per year, as compared to a 21 per cent growth per year for the rest of Canada.

Undergraduate registrations from Alberta still predominate. However, the proportion has declined from 52 per cent in 1998-99 to 45 per cent in 2002-03, mainly resulting from the relative decline in undergraduate individualized study registrations, from 52 per cent in 1998-99 to 43 per cent in 2002-03. The relative decline in Alberta-based undergraduate individualized registrations was a result of a higher growth rate in registrations from the rest of Canada, and most particularly from Ontario. The undergraduate individualized study registrations from Ontario students have tripled, from 3,339 in 1998-99 to 10,509 in 2002-03.

Fiscal year Geographic origin	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Alberta	15,427	52.4	16,268	46.7	17,244	46.0	17,865	45.6	19,709	44.7
British Columbia	3,012	10.2	3,316	9.5	3,517	9.4	3,833	9.8	4,672	10.6
Saskatchewan	1,837	6.2	1,980	5.7	2,218	5.9	2,414	6.2	2,325	5.3
Manitoba	808	2.7	1,063	3.0	1,226	3.3	1,272	3.2	1,345	3.0
Ontario	3,422	11.6	5,232	15.0	7,182	19.2	8,468	21.6	10,839	24.6
Quebec	252	0.9	342	1.0	407	1.1	460	1.2	476	1.1
New Brunswick	196	0.7	293	0.8	353	0.9	495	1.3	524	1.2
Newfoundland	447	1.5	529	1.5	546	1.5	590	1.5	601	1.4
Nova Scotia	407	1.4	551	1.6	642	1.7	848	2.2	969	2.2
Prince Edward Island	41	0.1	50	0.1	63	0.2	75	0.2	100	0.2
Northwest Territories	400	1.4	438	1.3	396	1.1	408	1.0	472	1.1
Nunavut	11	0.0	17	0.0	23	0.1	71	0.2	78	0.2
Yukon	96	0.3	131	0.4	114	0.3	105	0.3	136	0.3
<b>Total Canada</b>	<b>26,356</b>	<b>89.5</b>	<b>30,210</b>	<b>86.7</b>	<b>33,931</b>	<b>90.7</b>	<b>36,904</b>	<b>94.2</b>	<b>42,246</b>	<b>95.8</b>
International*	1,741	5.9	3,097	8.9	2,418	6.4	1,425	3.6	1,543	3.5
Unknown	1,355	4.6	1,555	4.5	1,141	3.0	834	2.1	318	0.7
<b>Total number</b>	<b>29,452</b>		<b>34,862</b>		<b>37,490</b>		<b>39,163</b>		<b>44,107</b>	

\* Including TAC registrations from 1998-99 to 2000-01.

## Graduate student demographics

### Graduate students by age range

Graduate students tend to be older than undergraduate students with the largest proportion (nearly half) being between 35 and 44, with an average age of 41. The age distribution of AU's graduate student population remained similar over the five-year period.

Fiscal year Age	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Less than 25	5	0.4	9	0.6	7	0.4	11	0.5	25	1.1
25 to 34	291	26.1	409	25.7	473	25.4	579	27.6	636	27.2
35 to 44	523	47.0	768	48.3	904	48.6	970	46.3	1,073	45.9
45 to 54	278	25.0	373	23.5	439	23.6	499	23.8	567	24.3
55 plus	13	1.2	30	1.9	35	1.9	36	1.7	35	1.5
Unknown	3	0.3	—	—	1	0.0	2	0.0	1	0.0
<b>Total number</b>	<b>1,113</b>		<b>1,589</b>		<b>1,859</b>		<b>2,097</b>		<b>2,337</b>	

# A C C E S S I B I L I T Y

## Graduate students by gender

The proportion of women graduate students grew steadily in the past five years from 38 per cent in 1998-99 to 54 per cent in 2002-03. While this result was largely due to the increase of women graduate students in Master of Nursing & Health Studies, the number and proportion of women increased in all graduate programs.

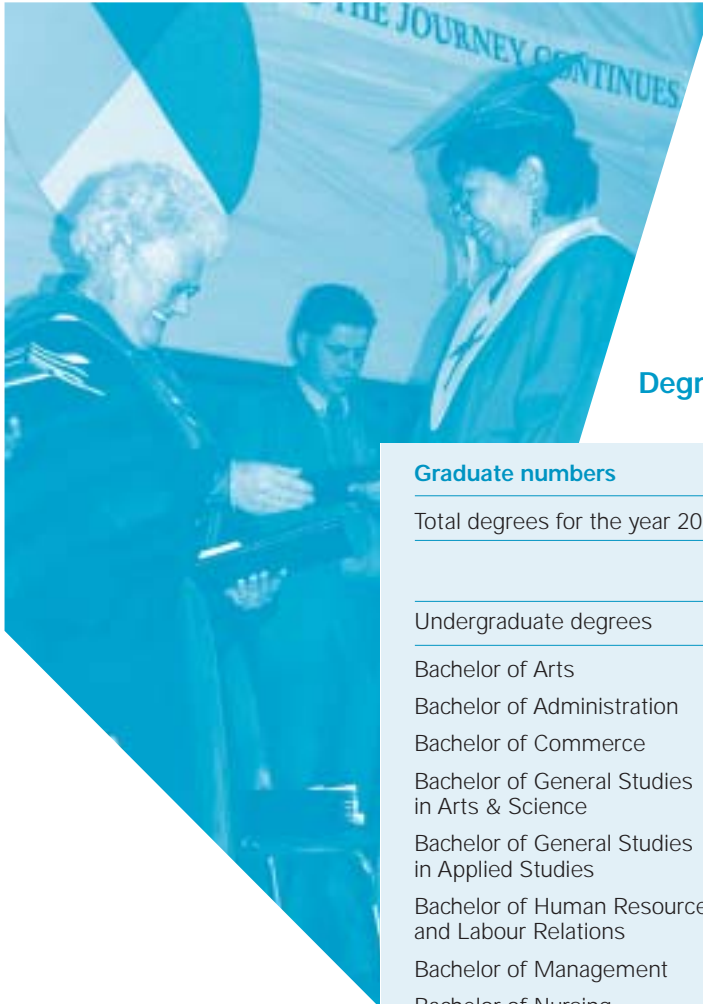
Fiscal year	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Female	426	38.3	699	44.0	904	48.6	1,087	51.8	1,250	53.5
Male	687	61.7	890	56.0	955	51.4	1,010	48.2	1,087	46.5
<b>Total number</b>	<b>1,113</b>		<b>1,589</b>		<b>1,859</b>		<b>2,097</b>		<b>2,337</b>	

## Graduate students by geographic origin

The number of Ontario students has been greater than that from Alberta over the past five years, and particularly it has increased faster than that from Alberta. As a result, 39 per cent of graduate students were from Ontario, while 26 per cent were from Alberta in 2002-03. The number of students from the three provinces - Ontario, Alberta, and British Columbia – accounted for more than 70 per cent of the total graduate students for all the five programs.

Fiscal year	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Alberta	330	29.6	430	27.1	482	25.9	559	26.7	600	25.7
British Columbia	171	15.4	228	14.3	262	14.1	276	13.2	302	12.9
Saskatchewan	39	3.5	59	3.7	64	3.4	73	3.5	75	3.2
Manitoba	53	4.8	72	4.5	88	4.7	94	4.5	103	4.4
Ontario	356	32.0	554	34.9	685	36.8	786	37.5	913	39.1
Quebec	28	2.5	33	2.1	38	2.0	48	2.3	49	2.1
New Brunswick	7	0.6	14	0.9	16	0.9	19	0.9	29	1.2
Newfoundland	14	1.3	30	1.9	26	1.4	42	2.0	47	2.0
Nova Scotia	12	1.1	23	1.4	29	1.6	26	1.2	37	1.6
P.E.I.	6	0.5	8	0.5	5	0.3	5	0.2	7	0.3
N.W.T	11	1.0	21	1.3	22	1.2	26	1.2	20	0.9
Nunavut	3	0.3	3	0.2	3	0.2	2	0.1	5	0.2
Yukon	4	0.4	7	0.4	9	0.5	10	0.5	14	0.6
<b>Total Canada</b>	<b>1,034</b>	<b>92.9</b>	<b>1,482</b>	<b>93.3</b>	<b>1,729</b>	<b>93.0</b>	<b>1,966</b>	<b>93.8</b>	<b>2,201</b>	<b>94.2</b>
International	63	5.7	88	5.5	115	6.2	119	5.7	127	5.4
Unknown	16	1.4	19	1.2	15	0.8	12	0.6	9	0.4
<b>Total number</b>	<b>1,113</b>		<b>1,589</b>		<b>1,859</b>		<b>2,097</b>		<b>2,337</b>	





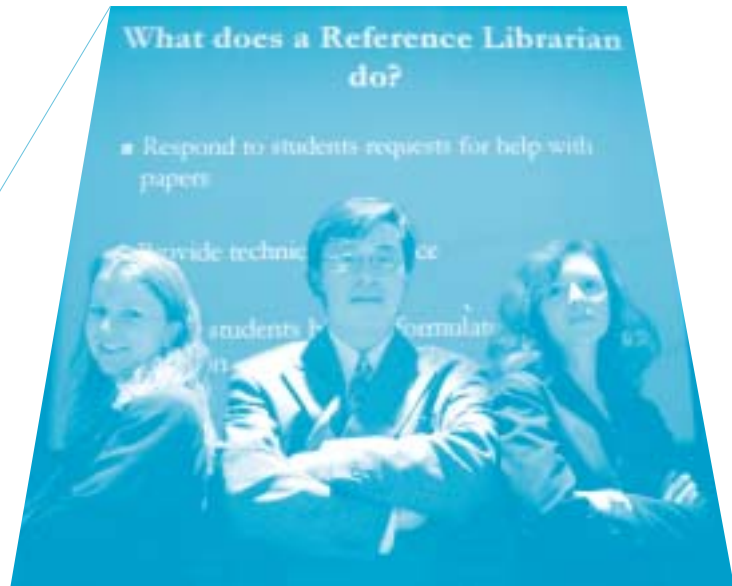
## Degrees, diplomas and certificates awarded

<b>Graduate numbers</b>				
Total degrees for the year 2002-03				<b>1,127</b>
	Dec-02	Jun-03 (Aurora)	May-03	
<b>Undergraduate degrees</b>				
Bachelor of Arts	14	41		<b>55</b>
Bachelor of Administration	42	78	1	<b>121</b>
Bachelor of Commerce	4	8		<b>12</b>
Bachelor of General Studies in Arts & Science	27	23		<b>50</b>
Bachelor of General Studies in Applied Studies	7	50		<b>57</b>
Bachelor of Human Resources and Labour Relations	0	0		<b>0</b>
Bachelor of Management	0	6		<b>6</b>
Bachelor of Nursing	21	39		<b>60</b>
Bachelor of Professional Arts	15	43		<b>58</b>
Bachelor of Science	2	1		<b>3</b>
Bachelor of Science in Computing and Information Systems	3	3		<b>6</b>
<b>Total number</b>	<b>135</b>	<b>292</b>	<b>1</b>	<b>428</b>
<b>Graduate degrees</b>				
	Dec-02	Jun-03		
Master of Arts–Integrated Studies	1	4		<b>5</b>
Master of Business Administration	77	101		<b>178</b>
Master of Business Administration in Information Technology	29	36		<b>65</b>
Master of Distance Education	12	30		<b>42</b>
Master of Health Studies	5	26		<b>31</b>
Master of Nursing		16		<b>16</b>
Master of Science– Information Systems	0	0		<b>0</b>
<b>Total number</b>	<b>124</b>	<b>213</b>		<b>337</b>
<b>Total degrees awarded</b>				<b>765</b>

**Graduate numbers (continued)**

Undergraduate certificates/diplomas		Advanced graduate diplomas	
University Certificate in Advanced Accounting	0	Advanced Graduate Diploma in Nursing Practice	17
University Certificate in Accounting	18	Advanced Graduate Diploma in Distance Education	15
University Certificate in Administration	4	Advanced Graduate Diploma in Management	286
University Certificate in Career Development	0		
University Certificate in Computing and Information Systems	1		
University Certificate in Computers and Management Information Systems	3		
University Certificate in Counselling Women	2		
University Certificate in English Language Studies	0		
University Certificate in French Language Proficiency	2		
University Certificate in Health Development Administration	0		
University Certificate in Home Health Nursing	1		
University Certificate in Human Resources and Labour Relations	0		
University Certificate in Industrial Relations and Human Resources	8		
University Certificate in Labour Relations	2		
University Certificate in Labour Studies	0		
University Certificate in Public Affairs	0		
University Certificate in Rehabilitation Practice	0		
University Diploma in Arts	1		
University Diploma in Inclusive Education	2		
<b>Total</b>	<b>44</b>	<b>Total</b>	<b>318</b>
<b>Total certificates/diplomas</b>			<b>362</b>





## Library services

The number of “connects” to on-line resources through the Library’s Proxy Server increased by 277 per cent in 2002-03. This is partly attributable to increases in the use of on-line resources by library users, increases in the integration of resources into on-line courses, and the increase in the on-line resources licensed, including bigChalk Library, Blackwell Synergy HSS Collections, Canadian Newstand, Emerald Fulltext, and Science Direct. In total, full text on-line articles are now available for more than 9,000 journals.

The Library loaned out a total of 29,536 items last year. That represents an increase of 2 per cent over 2001-02.

Queries to the Library Information Desk increased slightly over 2001-02, for a total of 18,102. The Library Information Desk handled an average of 1,509 queries each month. Within this figure, the proportion of e-mail queries increased by 13 per cent to an average of 920 e-mail queries every month, while queries by all other modes decreased.

Automatic requests through the Library On-line Catalogue for materials in the collection rose to 5,981, an increase of 27 per cent over 2001-02.

The Digital Reading Room (DRR) has been a particularly exciting project. More than 30 courses have implemented this efficient process for linking directly to on-line resources in on-line curriculum pages. The DRR now links to over 2,500 learning resources.

Fiscal year	99-00	00-01	01-02	<b>02-03</b>
Monograph collection	130,000	132,000	134,000	<b>141,796</b>
Total queries to Library Info Desk	13382	14,718	17,868	<b>18,102</b>
Connects through Proxy Server to on-line resources	186,000	238,000	230,578	<b>870,337</b>
Items checked out	24,000	27,440	29,066	<b>29,536</b>
Courses generating queries	363	362	339	<b>382</b>
Interlibrary loan transactions	3,758	4,429	4,843	<b>3,845</b>

### AU grad considers returning

For Merlyn Horton, 2002-03 was an incredible year. In September, the educator and youth advocate from British Columbia secured a grant that allowed her to launch the Safe On-line Outreach Society, an organization geared toward reducing the sexual exploitation of youth in the on-line world. Then, just a few months later, she completed the last course for her Bachelor of Professional Arts in Communications degree from Athabasca University.

"The day I got my degree I sat down and cried," Horton said, noting that AU's flexible education model was a big factor in her success.

"I think more older students are now needing to upgrade their education and skills to remain current within their careers. On-line education allows for multi-tasking between professional and personal commitments."

Now Horton is seriously considering AU's Master of Arts-Integrated Studies program.

"By pursuing the MAIS degree, I won't be required to 'dance to anyone else's tune,'" she said. "I'm too old to walk a path that is someone else's predetermined ideas. I like the flexible focus of the MAIS degree."



## Administration certificate benefits firefighter's career



When Brian Paziuk decided to continue his education, he went looking for an institution that would fit with his life. Having worked as a firefighter with the City of Edmonton for 29 years, he knew shift work would get in the way of classes at traditional universities.

That brought him to Athabasca University where, Paziuk says, he found more than just the University Certificate in Administration he completed this year.

"Course content is one thing," he said, "but more important were the skills and traits that I developed from the distance learning environment, such as self-discipline and the sense of personal accomplishment. I carry these every day to my job and they influence everything I do."

According to Paziuk, a many-times blood donor, the future is looking bright, and this certificate is only going to help.

"I work very close to administration," he said, "and there are more and more demands on administrative staff. It is no longer good enough to be a good firefighter and leader, one must also be a good manager. I wanted to be well positioned in my organization for advancement."

## Volunteering, studies all part of life for grad

Sonia Grewal has accomplished a lot in her thirty-some years. In November, 2002, she was appointed to the board for the B.C. Neurofibromatosis Foundation, a body devoted to raising awareness and funds to find a cure for the disease. She runs a not-for-profit dance school, and loves to cook and grow herbs. In 1998, she was one of six recipients of a Canadian Flare Magazine National Volunteer Award. In 1999, Grewal graduated, with distinction, from the Bachelor of Administration in Health program at Athabasca University.

"I don't know that I wanted to accomplish anything in particular, other than finish the degree," Grewal explained.

"I just had this 'vibe' that this was the right program for me and that I would like working in the health care field," she added, noting that 'vibe' paid off. "In the first semester of the program, I just fell in love with the courses, and became engrossed in the program content, often taking extra work home with me."

According to Grewal, her degree has done good things for her, and she looks forward to taking AU's Master of Health Studies program. Currently, she works as a contracted project evaluator for the Vancouver Island Health Authority.


"Having this degree got my foot in the door with the B.C. government and provided a stepping stone for my career," Grewal said. "I am confident my studies will help me to acquire better and higher paying positions in the future."





AFFORDABILITY AND VALUE FOR MONEY

## AFFORDABILITY AND VALUE FOR MONEY



**The beautiful thing about learning  
is nobody can take it away from you.**

~ B. B. King

### Value to the taxpayer

Fiscal year	98-99	99-00	00-01	01-02	02-03
Government funding per FLE	\$4,329*	\$3,785	\$3,833	\$4,037	<b>\$4,028**</b>

\* Based on fiscal transaction

\*\* Pending confirmation of official FLE by Alberta Learning – based on \$20,758,000/5154. This figure is actually less than the amount per FLE received in 1998-99. Last year only 35 per cent of AU's revenues were provided by provincial grants.

### Value to the student

Athabasca University's main fee level increased in 2002-03 by 4.1 per cent. As the table below shows, it continued to be a relatively low-cost provider in terms of tuition fees charged to students, with lower fees both than the other Alberta universities and the majority of out-of-province universities. Since AU students avoid most of the costs facing traditional university students – particularly relocation, travel, and loss of income – Athabasca University remains the most affordable Canadian university option by a considerable margin.

Fiscal year	94-95	00-01	01-02	02-03	Eight-year increase (per cent) %	03-04 Proposed
<b>Alberta universities</b>						
Athabasca University	\$255	325	341	355	39	381
University of Alberta	228	377	389	403	77	431
University of Calgary	239	387	398	412	72	438
University of Lethbridge	238	347	347	347	46	371
<b>Other Canadian universities</b>						
University of Northern British Columbia	220	226	214	275	25	
Simon Fraser University	219	231	219	285	30	
University of Waterloo	276	450	403	411	49	
York University	—	—	—	411	—	
University of Ottawa	—	—	—	409	—	
Ryerson University	—	—	—	418	—	
Laurentian University	223	395	403	411	84	
Wilfrid Laurier University	—	—	—	460	—	
Memorial University	316	330	297	297	- 6	
University of Manitoba	221	333	300	300	36	

## Academic coordinator launches scholarship



Claude Dupuis, academic coordinator at AU's School of Business, has put his money where his mouth is in support of Athabasca University and its students. Claude is funding a scholarship that will be awarded each fall to one AU student enrolled in the four-year Bachelor of Management, majoring in Human Resources.

"I've been lucky to be able to reap the benefit of other people's generosity," Dupuis explained. "I believe in removing barriers for those who seek access to a quality university education. To me that is what Athabasca University is all about, and why I chose to work here.

"This scholarship represents the fulfillment of a personal pledge. You don't have to be independently wealthy to do something like this. You just have to make the commitment."



A C C O U N T A B I L I T Y



**Whenever you are asked if you can do a job, tell 'em, 'Certainly I can!' Then get busy and find out how to do it.**

~ Theodore Roosevelt

### External performance indicators

According to the "2002 Alberta Universities and University Colleges' Graduate Employment Survey."

- Ninety-one per cent of all AU students reported satisfaction with the relevance of their courses, and 93 per cent reported satisfaction with their overall educational experience, compared with Alberta average figures of 67 per cent and 81 per cent, respectively.
- Eighty-nine per cent of AU graduates said their degree was worth the cost, compared to an Alberta average of 73 per cent.

### Internal performance indicators

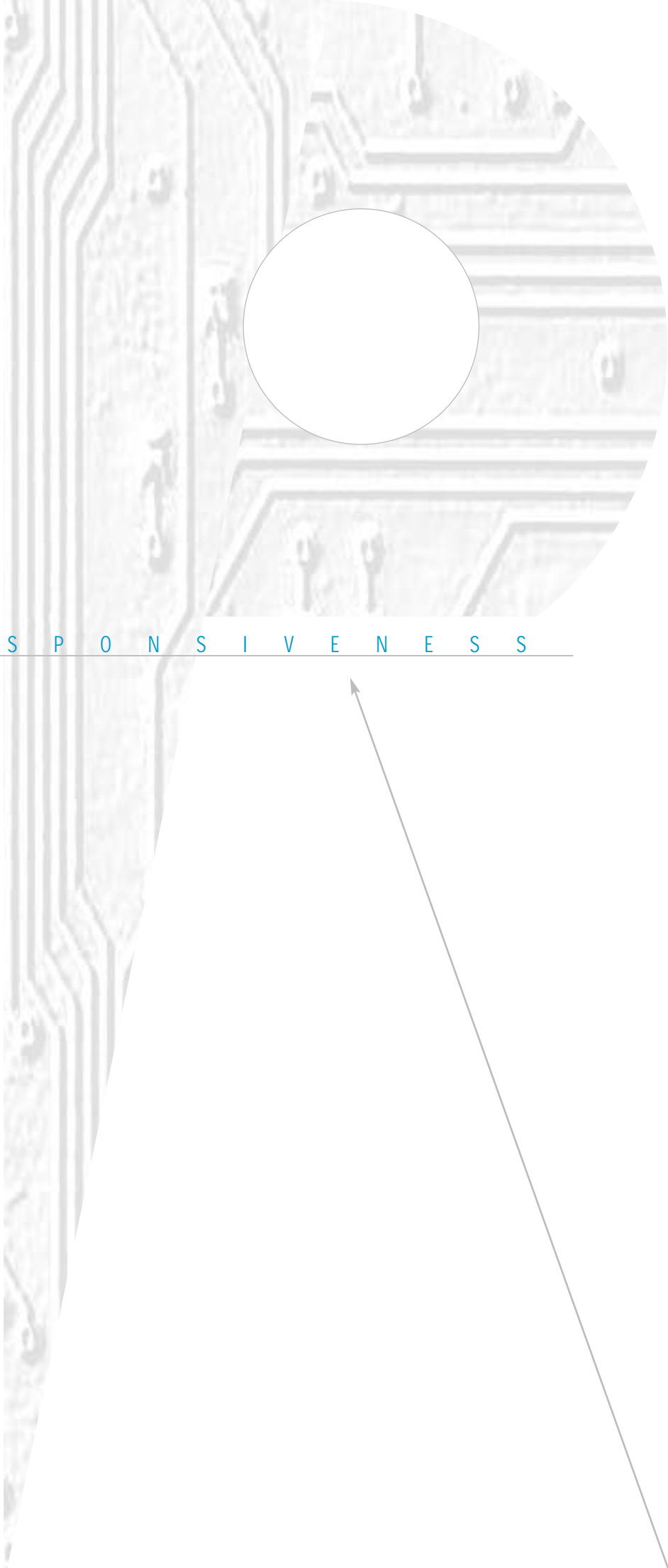
#### Satisfaction with academic services

The report, "Student Satisfaction with Academic Services, Undergraduate, Individualized Study (2003)," which is available from the Office of Institutional Studies, covers a number of performance indicators. The following figures are extracted from the report:

- Ninety-seven per cent of students rated the academic content of their courses as good or fairly good.
- Ninety-six per cent said they would recommend AU to a friend.
- Ninety-four per cent of students said they always, or most of the time, received a response from their tutor within two working days.
- Ninety-one per cent reported satisfaction with the turn-around time on assignment marking.
- Ninety-four per cent of students who contacted an Information Centre attendant were satisfied with the attendant's ability to answer their questions.







R E S P O N S I V E N E S S



**The wisest mind has something yet to learn.**

~ George Santayana

### New programs

The following new programs received their first student intakes in 2002-03:

- Bachelor of Nursing: Licensed Practical Nurse (LPN) Route
- Bachelor of Commerce: Financial Services Major
- Bachelor of Commerce: Accounting Major
- Master of Nursing

The following are programs currently in development that have reached the first level of the approval process. Additional programs may be brought forward in the coming year.

- Doctor of Distance Education.
- Master of Inclusive/Special Education
- Bachelor of Science: Computing Information Systems (three-year program)
- Bachelor of Fine Arts
- Bachelor of General Studies (four-year program)
- Bachelor of Arts in Communication Studies
- Bachelor of Arts in Culture and Media
- University Certificate: E-commerce
- University Certificate: Financial Services
- University Certificate: Marketing
- Advanced University Certificate: E-commerce
- Bachelor of General Studies: Open

## Prior Learning Assessment (PLA)

In the Centre for Learning Accreditation, we have approximately 160 e-mail contacts with students per month. We have also assessed a total of 23 portfolios, which has resulted in the awarding of 426 credits.

The Centre for Learning Accreditation has begun the process of gathering statistics on the progress of students who have received Prior Learning Assessment credits, and there are indications that they are progressing well as Athabasca University program students. Findings from similar programs around the globe indicate PLA students tend to take more courses, get higher grades, have more likelihood of landing a job, and enter the career they want.

## Course development

Courses being developed for opening in 2003 include the following:

- Anthropology 310
- Communication Studies 410
- Computing 347
- Computing 348
- Computing 365
- Computing 374
- Computing 466
- Computer Management Information Systems 245
- Computer Management Information Systems 311
- E-commerce 320
- English 146
- English 475
- Environmental Studies 200
- German 203
- Governance 400
- Governance 440
- Human Services 322
- Math 365
- Nursing 442
- Political Economy 230
- Political Science 480/580
- Psychology 395
- Women's Studies 446
- Primate Behavior
- Issues in Audience Effects
- Network & Systems Administration I
- Network & Systems Administration II
- Introduction to Database Management
- UNIX Systems Administration
- Website Technology
- Microcomputer Application in Business (Windows)
- Case Studies; End-Use Information Systems
- Projects in E-commerce
- Advanced Reading Skills
- Literature and Hypertext
- Introductory Environmental Science
- Introductory German II
- Governance and Leadership
- Governance and the Law
- Policies in the Human Services
- Calculus III
- Gerontological Nursing
- Globalization and World Politics
- The Politics of CyberSpace
- Psychology and the Law
- Gender, Culture & Technology

## Collaborations and partnerships

Athabasca University is committed to removing barriers that can prevent people from pursuing a university education, and awarding credit for previous learning that is relevant to a specified field of study at Athabasca University.

Through strategic collaboration and articulation agreements, and alliances, the University and its hundreds of partners – educational institutions, professional associations, development and training providers, and employers – increase access to university courses and credentials. Each agreement requires significant effort across the University and co-operation between the University and the partner. This behind-the-scenes effort is largely invisible to students who, as a result, have less administrative detail to be concerned with, and can focus instead on their studies and learning.

The University continues to pursue three main kinds of partnership arrangements:

**Transfer Credit Articulation** - An agreement that details, on an institution-to-institution basis, block transfer credit awarded for a credential or coursework, completed at or through a partner that is relevant to a particular Athabasca University program of study. A searchable list of block transfer credit arrangements can be found on-line at <https://www.athabascau.ca/registrar/forms/tcas/>.

**Collaboration** - An agreement that details how Athabasca University and the partner will work together, on a continuing basis, to deliver University courses. Some collaboration agreements entail the delivery of Athabasca University courses on-site at a domestic or international partner location. In others, the emphasis is on joint promotional activities. A searchable list of collaboration partners, with relevant information about many of the partnerships, can be found on-line at <http://www.athabascau.ca/collab/collab.php>. A searchable list of grouped study courses on-site at partner locations can be found on-line at [http://www.athabascau.ca/lso/LSO\\_web.html](http://www.athabascau.ca/lso/LSO_web.html).

**Consortia, Strategic Alliances** - The University participates in multi-partner arrangements of a varying nature. In general, the University aligns itself with regional, national, and international consortia and consortia-like initiatives that serve groups of students who stand to benefit greatly from the University's courses, programs, and flexible delivery methods. A searchable list of consortia and strategic alliances can be found on-line at <http://www.athabascau.ca/collab/collab.php>.

### Alberta North still a priority

Athabasca University continues to support Alberta North, a unique partnership of six post-secondary institutions that have collaborated since 1994 to provide quality educational opportunities to adult learners in northern Alberta.

Alberta North serves an area comprising more than half the provincial landmass, and 13 per cent of the province's population. The challenge of the great distance makes it difficult and expensive for people living in Alberta's north to access education and training programs.

Athabasca University, Fairview College, Grande Prairie Regional College, Keyano College, Northern Lakes College and Portage College pool resources to provide 49 small sites called Community Access Points (CAPs) that are located in remote communities throughout northern Alberta. The CAPs receive programming from the partner institutions and member institutions have agreed to assist each other's students.

### Campus Alberta concept grows in 2002-03

The Campus Alberta Graduate Program in Counselling continues to morph and develop.

At the program's outset in January of 2002, 60 students enrolled in three different specializations: Counselling Psychology, School Counselling and Career Counselling. In January of 2003, faculty and administration welcomed 90 new students, with course offerings expanded to include a specialization in Art Therapy.

The idea for Campus Alberta Graduate Program in Counselling emerged when faculty from Alberta's four universities, as well as major stakeholder groups in the professional community, agreed that there was a clear need for an alternative model for graduate counsellor education in Alberta. Participants formed the *Campus Alberta: Counsellor Education Initiative* to emphasize the collaborative nature and provincial scope of their vision.



The image features a stylized, light gray circuit board pattern that forms a large, irregular shape on the right side of the page. Within this shape, there is a white circle in the upper right quadrant. A thin gray arrow originates from the bottom right and points towards the text 'RESEARCH EFFECTIVENESS'. The text is centered horizontally and underlined.

R E S E A R C H E F F E C T I V E N E S S





**The great aim of education is not knowledge, but action.**

~ Herbert Spencer

### Publications summary

Fiscal year	98-99	99-00	00-01	01-02	02-03
Books authored/ coauthored/edited	4	10	26	12	25
Refereed publications/ book chapters	57	62	52	67	165
Conference presentations	94	117	148	190	194
non-refereed publications	19	18	40	88	24
<b>Total</b>	<b>195</b>	<b>221</b>	<b>306</b>	<b>393</b>	<b>429</b>

### Externally funded research and awards – complete list

**Anderson, T. and R. McGreal.** Funding for project entitled, "EduSource learning object repository." CANARIE, July 2002.

**Anderson, Terry and R. McGreal.** Funding for project entitled, "Interoperable Metadata for E-Learning in Canada (IMEC)." Industry Canada, September 2002.

**Anderson, T.** Funding for project entitled, "Broadband Enabled Lifelong Learning Environment (BELLE)." CANARIE, April 2002.

**Anderson, Terry** and **R. McGreal**. Funding for project entitled, "Learning Objects in a Box." Industry Canada, January 2003.

**Anderson, Terry**. Funding for project entitled, "SuperNet." SSHRC INE (Initiative on the New Economy), January 2003.

**Busch, Vicky**. Funding for publication of project entitled "Rethinking Residency in the Age of On-line Learning." Industry Canada, April 2002.

**Byrd, Clarence**. Funding for project entitled, "Research on the accounting practices of Canadian public companies." Canadian Institute of Chartered Accountants.

**Byrd, Clarence**. Funding for project entitled, "Research on the development of accounting pronouncements." Canadian Institute of Chartered Accountants.

**Clarke, Curtis** and **Vincent Roper**. Funding for project entitled, "Workplace Assessment: A review of Internal Police and Corrections Canada Programming." Campus Canada, March 2003.

**Clarke, Curtis** and **Ian Montgomerie**. Funding for project entitled, "Implementing A Strategic Plan: Corporate Services Branch" Edmonton Police Service: Contract, January 2003.

**Clarke, Curtis**. Jointly with **Dr. Ian Urquhart**, University of Alberta, Political Science. Funding for project entitled, "Policing Alberta's Oil Patch." SSHRC and Law Commission, Spring 2002.

**Clarke, Curtis**. Funding for project entitled, "Intelligence Led Policing: A Tactical Management Tool for the Edmonton Police Service." Edmonton Police Service, August, 2002.

**Clarke, Curtis**. Funding for project entitled, "Knowledge Management Assessment for the Edmonton Police Services: Capturing, Sharing, Sustaining." Edmonton Police Service, December 2002.

**Connors, Martin**. Canada Research Chair in Space Science, Instrumentation, and Networking, Canada Research Chairs Program (NSERC), November 2002.

**Connors, Martin**. Funding for project entitled, "Magnetometer Arrays for Electrojet Morphology and Pulsation Studies." Canada Foundation for Innovation, November 2002.

**Connors, Martin** with **P. Wiegert, C. Veillet, K. Innanen, S. Mikkola,** and **P. Chodas**. Funding for 10 hours of MegaCam time on Canada-France-Hawaii Telescope for "A Search for Earth Trojan Asteroids in the MegaCam Era".

**Holt, Peter**. Funding for project entitled, "HCI for E-learning multimedia environments." NSERC, March 2003.

**Lin, Fuhua (Oscar)**. Funding for project entitled, "Knowledge modeling for adaptive course generation and delivery in distributed learning." NSERC, March 2003.

**Morito, Bruce**. Aid to scholarly publication subvention for *Thinking Ecologically: Environmental Thought, Values and Policy*, Fernwood Press, April 2002.

**Oseen, Collette**. Funding for project entitled, "Transformatory Organizing: Skill-sharing and entrustment in the construction of the politically effective, contiguous non-governmental organization." SSHRC, March 2003.

**Thomas, J.** and **B. Zwerman**. Funding for project entitled, "Professionalization of Project Management." PMI Research Program Funding Grant, 2002-2004.

**Wall, Karen**. Co-Investigator; funding for the project entitled, "The Role of the Banff School of Fine Arts in Mountain Culture, Tourism and Recreation Development." SSHRC 2003-2007.

## Internally funded research and awards

### Academic Research Fund

**Connors, Martin.** For the project entitled, "Automated Meteor Detection Network."

**Ellerman, Evelyn.** For the project entitled, "Missionaries & Literacy Decolonization in Papua New Guinea."

**Gregory, David.** For the project entitled, "Songhunters: The Recovery and Publication of Vernacular Ballads and Folk Lyrics in Georgian and Victorian England."

**Haley, H.** For the project entitled, "Radio Documentary Comparing Official and Experiential Knowledge of Living With Industrial Pollution."

**Johnson, Leslie Main.** For the project entitled, "Investigating the Nature and Construction of Dene Traditional Language."

**Mouat, Jeremy.** For the project entitled, "Understanding Mr. Wright: Fame, Fortune and Mining Speculation in the Nineteenth Century."

**Musila, Jacob.** For the project entitled, "Regional Economic Integration and Trade Flows: A Gravity Model Analysis of African Countries."

**Nothof, Anne.** For the project entitled, "Ironic Image: Sharon Pollock's Stratford Productions."

**Perry, Beth.** For the project entitled, "Using the Internet for Conducting Qualitative Research: Designing and Testing a New Method."

**Taylor, Jeff.** For the project entitled, "The Historical Development of Unions and Training in Canada."

**Temple, Norman.** For the project entitled, "Survey of Nutrition Supplements and Alternative Medicine."

**Voorhees, Burt.** For the project entitled, "Instability in Cellular Systems."

**Wang, Eric and Joram Ngwenya.** For the project entitled, "Optimal capital cost allowance planning."

### Mission Critical Research Fund

**Ally, M. and M. Cleveland-Innes.** For the project entitled, "Using E-learning methods to foster on-line soft skills in the workplace."

**Carter, Lisa.** For the project entitled, "Changing Trends in Education & Training of Health Care Professionals."

**Cleveland-Innes, M.** For the project entitled, "Student role adjustment in on-line communities of inquiry."

**Gismond, Mike, K. Johnson, L. Ross, S. Schafer and T. Tin.** For the project entitled, "An Evaluation of the impact of the Digital Reading Room (DRR) on Faculty, Library Staff, and Students."

**Ross, L. and P. Holt.** Invisible Barriers: Understanding Women's Experience in Computing and Information Systems in a Distance Education Environment.

### Graduate Student Mission Critical Research Fund

**Bicek, E.** For the project entitled, "Study of the Experiences of Teachers in Their Role as Asynchronous On-line."

**Finseth, E.** For the project entitled, "Facilitators Fostering Mentoring Relationships using Distance Education."

**Razavi, O.** For the project entitled, "Quality Assurance in the In-Service Teacher Education Program in Northern Namibia: A Case Study."

## Graduate Student Disciplinary Research Fund

**Longpre, K.** For the project entitled, "An exploration of the potential of music and narrative song as an instrument for distance learning."

**Roy, M.** For the project entitled, "Transformative Learning in an On-line Environment."

The full printed report "Staff Publications and research Grants 2002-2003" is available from the Office of the Vice-President, Academic at Athabasca University.

## Research profiles



**Dr. Terry Anderson**  
Professor, Distance Education  
Canada Research Chair in Distance Education

In his research, Dr. Terry Anderson looks at the interaction that occurs within the distance education model, whether between students and instructors, or students and their peers. His newest area of research considers the interaction between students and the content of courses, and the agents that help determine course content. He hopes his research will help Athabasca University provide courses that students can participate in fitting to their own needs and the needs of the community.

Prior to joining Athabasca University, Anderson was professor and co-director of Academic Technologies for Learning at the University of Alberta's Faculty of Extension. He appreciates the environment at Athabasca University because the subject of his research is so closely related to the university's strategic goals. This has not always been the case.

"I'm more used to working on the edges, where distance education is seen as a novelty item and not really what the institution is all about," says Anderson, a Canada Research Chair in Distance Education. "Coming to an institution where my work is situated at the forefront of mission critical research is a great opportunity, if just a bit scary as well."



**Dr. Deborah Hurst**  
Associate Professor, Organizational Studies

Dr. Deborah Hurst chooses to work with Athabasca University, and the Centre for Innovative Management (CIM), because she likes CIM's innovative approach to learning and education, and she likes the flexibility and autonomy she has been afforded.

In addition to her teaching duties, Hurst studies different aspects of internal organizational change. She looks at matters from employer and employee viewpoints and considers issues such as team development, function, knowledge management, transferring tacit knowledge, contingent knowledge worker experiences and management issues, and the changing psychological contracts that result. Her goal in this research, always, is to help find ways to improve the human condition at work.

Hurst's interest in this area developed early in her career, when she found herself frustrated by the lack of access to advancement opportunities for young unmarried women. This was in the early days of employment equity, and a time when some forms of workplace discrimination were accepted as commonplace.

Despite this frustration, Hurst took advantage of her employer's tuition refund program and over a 10-year period earned a Bachelor of Arts degree. She went on to complete her master's and her doctorate, and has worked with CIM, in various roles, since 1995. She became an associate professor of Organizational Theory and Behaviour in 2001



**Dr. Burton Voorhees**  
Professor, Mathematics

With funding from National Sciences and Engineering Research Council and Athabasca University Research Committee, Dr. Burton Voorhees is creating computer simulations to construct and test models of systems that maintain themselves in unstable states in order to gain behavioural flexibility.

Voorhees has been mulling over this topic for the last couple of decades, since he read an article describing how fighter planes are designed to be flexible and maneuverable, at the expense of stability. It occurred to him then that there are general principles that could be applied universally.

“There’s a trade-off between stability and flexibility,” Voorhees explains. “If you want any sort of system that will be flexible and stable in an alternate environment, you have to look at other methods of control.”

A second area of investigation for Voorhees is the issue of how scientists think, and how that thinking affects scientific technique. By looking at scientific research, and at the various tools for thinking in science, he has been able to correlate the two in terms of how the scientific tools have helped scientists avoid errors. Learning this, he believes, will help his students learn scientific technique.

“Normally science education students are expected to pick up on the underlying ways of looking at things by osmosis from their professors,” he said. “That’s starting to change a little in the last while, but certainly when I was going to university and grad school, that’s the way it was.”



### Connors named Canada Research Chair in 2002

In November of 2002, AU's Dr. Martin Connors was awarded a Canada Research Chair in Space Science, Instrumentation and Networking. Using magnetometers to study outbursts of auroral activity in space, Connors' research will lead to an improved understanding of the aurora, space weather, and their effects on communications, pipeline function and other activities here on Earth. Athabasca University's northerly location and rural setting provides the perfect locale for his research – and the recently installed Athabasca University Geophysical Observatory (AUGO).

Among other things, AUGO equipment takes colour photographs of auroral activity in the skies above Athabasca and sends the images over an Internet link to the University of Calgary. The images are then analyzed using information about magnetic fields, also recorded at AU.

According to Connors, he more than enjoys his work. "Somewhere I saw a phrase, 'do what you love and you will never work another day in your life,'" he says. "That seems true."

Connors and colleagues also made headlines in 2002 when they described the movement of the asteroid 2002 AA29. According to the astronomers, the asteroid follows a "horseshoe orbit" that brings it close to Earth every 95 years.



Installing 'Wilbur' were (left to right):  
Kaare Berg and Peter King from the University of Calgary's Institute for Space Research and Martin Connors from AU.



### **Dr. Rory McGreal honoured with Wedemeyer Award**

Dr. Rory McGreal received the Mildred B. and Charles A. Wedemeyer Award for Outstanding Practitioner in Distance Education 2001 at the 18th Annual Distance Education Conference in Madison, Wisconsin, on August 16, 2002. Presented in collaboration with The American Journal of Distance Education, this award is bestowed in alternate years to outstanding distance education scholars and practitioners.

The award honours Dr. Charles Wedemeyer, scholar, researcher and distance education innovator, and his wife, Mildred. In the 1950s and 1960s, Dr. Wedemeyer received several million-dollar-plus grants from both the Ford and Carnegie Foundations to explore how other media might be integrated with printed learning materials. His Articulated Instructional Media project was foundational to the creation of the British Open University, Athabasca University, Indra Ghandi Open University and countless others.

Other Wedemeyer award winners at Athabasca University include Andy Woudstra and Richard Powell, for their article, "Value Chain Analysis: A Framework for Management of Distance Education" (AJDE, 1989).

### **Athabasca University taking a leading role in eduSource Canada project**

In 2002, Athabasca University received \$650,000 to be used for its contribution to the eduSource Canada project. EduSource is bringing together Canada's leading experts in the field of on-line education to create a pool of linked and interoperable on-line learning object repositories, as well as the tools, systems, protocols and practices that will support repository infrastructure. These repositories will allow learning partners to find high-quality learning materials by providing information that is structured and organized to facilitate searching, storing, and using learning materials, regardless of their source location.

Athabasca University is responsible for the development and implementation of the CanCore metadata profile. This new technology will allow educators and students flexibility in how they obtain and use on-line learning resources. According to AU's Associate Vice-President, Research, Dr. Rory McGreal, this project allows for advances in education around the world, and guarantees ongoing advanced research in Alberta.

"It's the next generation," McGreal says. "In 10 or 15 years these developments will change the face of education and open up all kinds of possibilities for learning, both formal and informal."



A P P E N D I C E S

# A P P E N D I C E S



**A college degree is not a sign that one is a finished product, but an indication a person is prepared for life.**

~ Rev. Edward A. Malloy

## Tuition fee compliance information\*

(In thousands of dollars)

Total tuition fee revenue from programs under the Tuition Fee Policy: \$14,422

Net operating expenditures: \$43,318

Tuition fee revenue as a percentage of net operating expenditures: 33.3 per cent

\* The information shown above provides a calculation of the ratio of institution tuition fee revenue to net operating expenditures, and demonstrates institution performance with respect to the 30 per cent tuition fee ceiling. The information was prepared in accordance with Section 3 of the Tuition Fee Regulation. It has been submitted to Alberta Learning and has been verified by Ministry staff.

## Staffing

As of March 1,	2001	2002	2003
<b>Total number of employees</b>	<b>844</b>	<b>919</b>	<b>987</b>

As of March 1, Breakdown by employment type	2001	2002	2003
Academic, full-time	93	104	103
Academic, part-time	126	117	144
Professional	102	115	129
Management and executive	16	15	17
Support and temporary	232	251	257
Casual	49	68	88
Part-time tutors	226	249	249

As of March 1, Employee location of work	2001	2002	2003
Athabasca	368	394	411
Edmonton Learning Centre	36	47	58
St. Albert (CIM)	30	39	36
Calgary Learning Centre	17	12	14
Lethbridge	1	1	1
Medicine Hat	0	1	1
Working from home offices	392	425	466

### AU wins E-Business Leadership Award

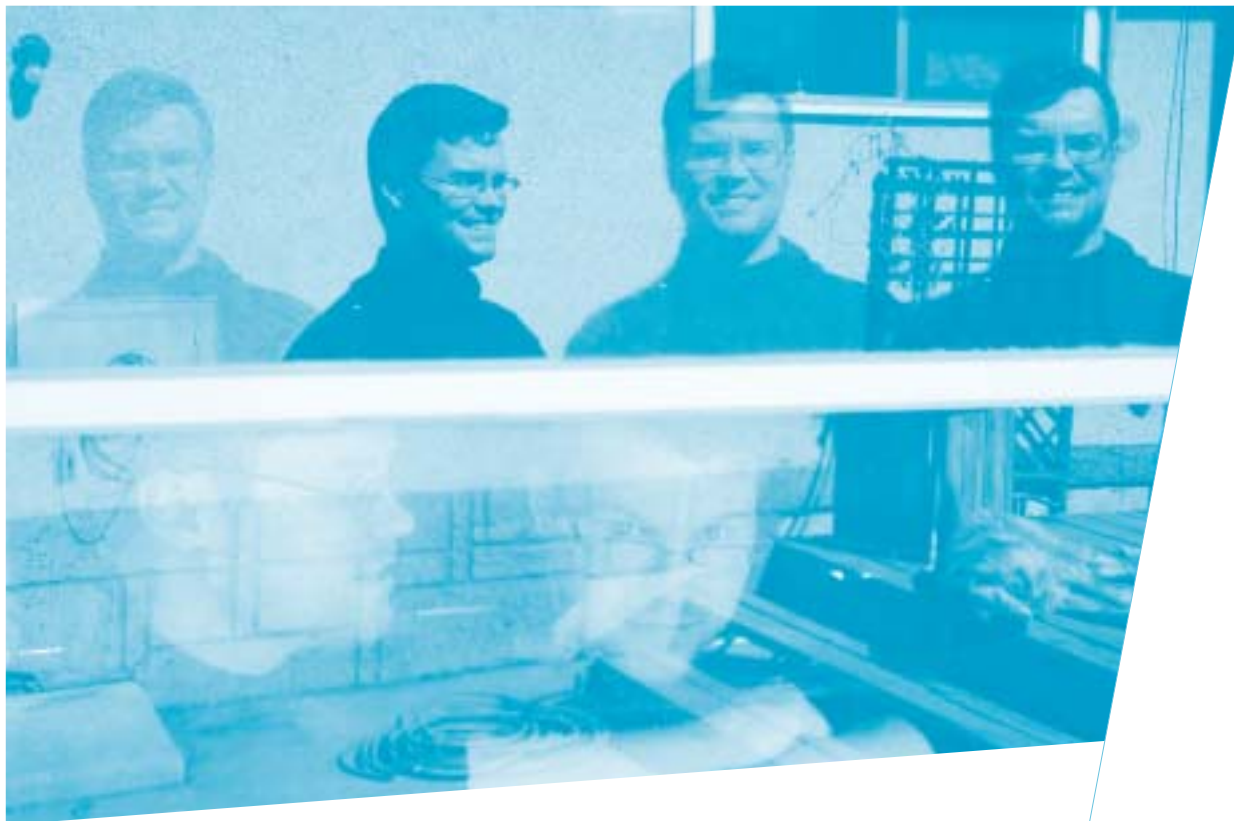
Athabasca University's School of Business received honours for its e-Commerce/e-Class initiative in December of 2002. The AU Centre was one of eight Alberta companies, communities and not-for-profit organizations awarded an Alberta E-Business Leadership Award in recognition of its leadership and success in electronic commerce and learning using the Internet.

Learning Minister Lyle Oberg presented the award to School of Business chair David Annand, and E-Commerce academic coordinator Houda Trabelsi.

According to Bob Gardiner, president of the Canadian E-Business Leadership Program, Athabasca University was chosen "because of the growth of the institution through distance learning and the expansion using web-based tools and solutions." He said that the level of impact on the community was significant, particularly because of the number of students with access to the Internet and the number of programs available, and added that "Athabasca University was selected due to the general good web design and high degree of functionality."



### AU tutor wins book prize



AU tutor Thomas Wharton won the Writers Guild of Alberta Georges Bugnet Award for Novel in 2002. Judged for freshness of voice, cohesiveness, and its contribution to literary art, Wharton's book, *Salamander*, was recognized at the annual Book Awards Gala held May 11.

The Georges Bugnet Award was established in honour of novelist Georges Bugnet (1879-1981), who immigrated to Canada and homesteaded near Gunn, Alberta in 1905. Bugnet attended the Sorbonne, served in the French army, and worked as an editor. He was also a botanist, researcher, poet, science fiction writer and novelist. At age 100, Bugnet was awarded an honorary doctorate from the University of Alberta.



### **AU professor wins CAUT position**

Cathy Cavanaugh, associate professor, Women's Studies, and chair of the Centre for Work and Community Studies, has been elected to the Status of Women committee for the Canadian Association of University Teachers (CAUT). Three candidates vied for the position, but Cathy received more than 50 per cent of the votes cast.

### **History professor joins Canadian Historical Review**



History professor, Alvin Finkel, was named to the editorial board of Canadian Historical Review, Canada's oldest and most prestigious historical journal. He will serve as the representative of Prairie historians from 2003 to 2006. It's the latest in a long line of editorial duties for Finkel. He was editor-in-chief of Prairie Forum and a member of the editorial board of Canadian Plains Research Centre Publications from 1986 to 1995, then a member of the editorial board of the Journal of the Canadian Historical Association from 1995 to 1998, and president of the Canadian Association of Learned Journals from 1995 to 1997. Since 2000, Finkel has been book review editor for Labour/Le Travail, and a member of that journal's editorial board.

### Former AU coordinator named to Order of Canada

Linda Bull was named a member of the Order of Canada. The former Athabasca University Native Studies coordinator was among 99 new appointments to the prestigious order, announced in 2002 by Governor General Adrienne Clarkson. Bull is a strong advocate for the rights of Indigenous peoples and has made presentations at more than 40 international peace, education, and human rights conferences. She helped host the 1999 International Institute on Peace Education in Alberta, and is involved in the province's 2002 World Indigenous Peoples Conference on Education. Bull is also active in spiritual and healing seminars, and cross-cultural sensitization workshops.

### Undergraduate registrations by academic centre

Fiscal year	98-99		99-00		00-01		01-02		02-03	
	#	%Total	#	%Total	#	%Total	#	%Total	#	%Total
Commerce and Administrative Studies	10,320	35.0	12,695	36.4	11,864	31.6	11,400	29.1	12,545	<b>28.4</b>
Science	4,140	14.1	4,760	13.7	5,455	14.6	6,442	16.4	7,708	<b>17.5</b>
Language and Literature	3,119	10.6	3,628	10.4	4,345	11.6	4,645	11.9	5,184	<b>11.8</b>
Global and Social Analysis	2,953	10.0	3,359	9.6	3,743	10.0	3,886	9.9	4,460	<b>10.1</b>
Psychology	2,460	8.4	2,961	8.5	3,360	9.0	3,800	9.7	4,565	<b>10.3</b>
State and Legal Studies	1,799	6.1	1,940	5.6	2,435	6.5	2,395	6.1	2,695	<b>6.1</b>
Computing and Information Systems	1,837	6.2	2,165	6.2	2,539	6.8	2,166	5.5	2,079	<b>4.7</b>
Work and Community Studies	1,853	6.3	2,282	6.5	2,708	7.2	2,903	7.4	2,993	<b>6.8</b>
Nursing and Health Studies	804	2.7	875	2.5	862	2.3	1,316	3.4	1,719	<b>3.9</b>
Indigenous Education	120	0.4	161	0.5	144	0.4	178	0.5	99	<b>0.2</b>
Other centres*	47	0.2	36	0.1	35	0.1	32	0.0	60	<b>0.1</b>
<b>Total number</b>	<b>29,452</b>		<b>34,862</b>		<b>37,490</b>		<b>39,163</b>		<b>44,107</b>	

\* Undergraduate students took graduate courses in graduate centres.



## **Governing Council** (As of May 31, 2003)

### **Appointed public members**

Jann Beeston  
Herb Belcourt  
David Burnett (Vice chair)  
Lionel Cherniwchan  
Rosalind Eichhorn (to December, 2002)  
Robert M. Fulton, QC (Chair)  
Herb Holmes  
Robert McColl  
Joy Romero (from December, 2002)  
Robert Silverthorne

### **Executive officer**

Dominique Abrioux (President, Athabasca University)

### **Student member**

Debbie Jabbour (President, AUSU)

### **Tutor member**

Karen Farkas (from January, 2003)  
Theresa Ferguson (to January, 2003)

### **Academic staff members**

Dietmar Kennepohl (Centre for Science - from March, 2003)  
Don Kvill (Centre for Science - to March, 2003)  
Peter Jay Smith (Centre for State & Legal Studies - to March, 2003)  
Bruce Spencer (Centre for Work and Community Studies - from March, 2003)

### **Non-academic staff member**

Diane Ellefson



ATHABASCA UNIVERSITY IN THE COMMUNITY

## ATHABASCA UNIVERSITY IN THE COMMUNITY



**Education is the most powerful weapon  
you can use to change the world.**

~ Nelson Mandela

### Co-operation



In conjunction with an international committee, Athabasca University led the organization of the very successful ICDE/CADE conference held in Calgary in May, 2002.

## Community



Athabasca University faculty and staff joined members of the Athabasca community to recreate merriment in the Monty Python tradition in October, 2002. Proceeds from the event were donated to Athabasca's Words Work, an adult literacy program.

## Philanthropy



Staff made personal sacrifices to benefit those in need. In 2002, University community do-gooders raised over \$30,000 to donate to the annual United Way Campaign.



## Sharing

Through the Explorations Lecture Series, Athabasca University staff members have the opportunity to share their personal expertise and experiences with members of the Athabasca community. In 2002-03, the series featured such titles as: "The Methye Portage," "The Modern Composer," and "Food and Community in Indonesia."



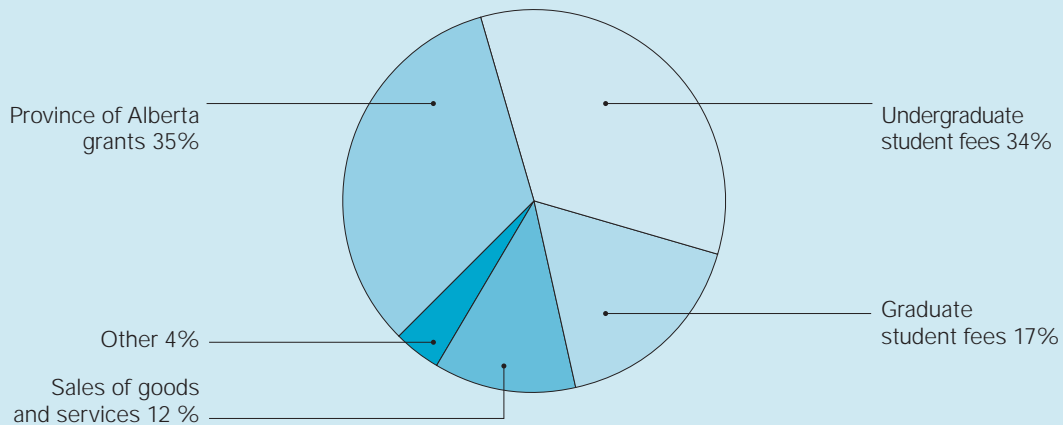
F I N A N C I A L S T A T E M E N T S

**Education's purpose is to replace an empty mind with an open one.**

~ Malcolm Forbes

### Revenue by source

for the year ended March 31, 2003

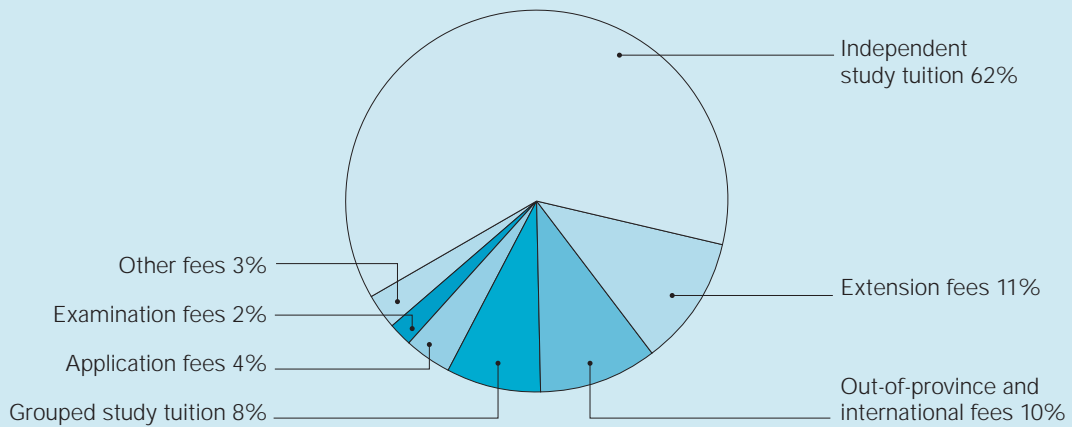


### Revenue by source

- All undergraduate student fees grew to 34 per cent of total revenue in 2002-03, compared to 32 per cent in 2001-02.
- By contrast, Province of Alberta grants declined to 35 per cent of total revenue in 2002-03, from 38 per cent in 2001-02.
- Very significantly, 2002-03 was the first year that undergraduate student fees exceeded Province of Alberta grants.
- Sales of goods and services increased to 12 per cent of total revenue in 2002-03 from 10 per cent in 2001-02.

### Undergraduate student fees

for the year ended March 31, 2003

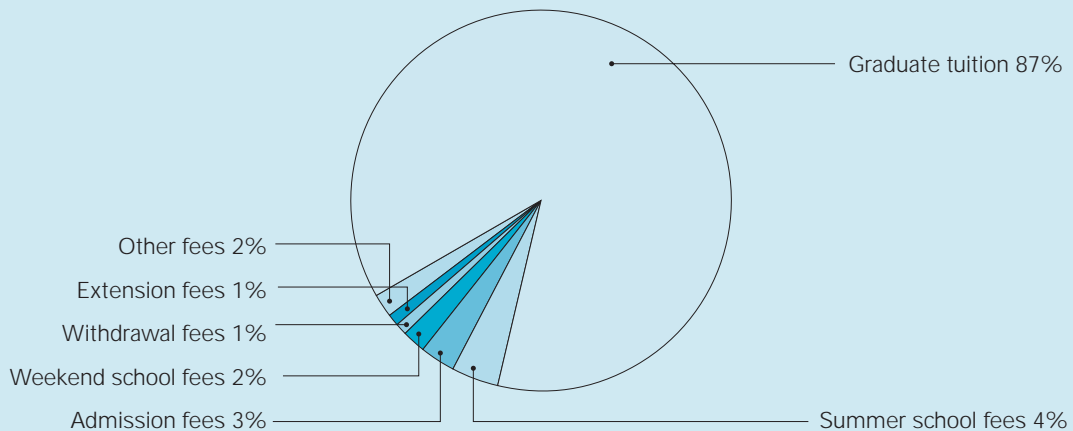


### Undergraduate student fees

- Undergraduate student fees are very diverse, with independent study tuition comprising 62 per cent of total fees.
- The remaining undergraduate fees, for the most part, are linked to specific services (e.g. course extensions) or specific student groups (out-of-province and international).
- Extension fees, together with out-of-province and international fees, are very significant, as they comprise 21 per cent of total undergraduate student fees.

### Graduate student fees

for the year ended March 31, 2003

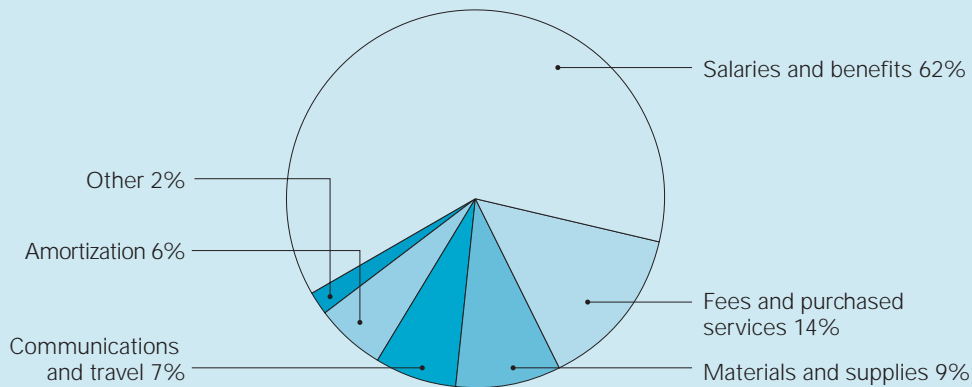




### Graduate student fees

- Graduate tuition comprises 87 per cent of graduate student fees, whereas undergraduate tuition comprises only 62 per cent of undergraduate student fees.
- The large graduate tuition component reflects the nature of the University's graduate programs.
- Graduate students register in and complete programs, and graduate fees reflect this comprehensive program orientation.
- By contrast, many undergraduate students are visiting and take a few courses to obtain transfer credit for another institution's program.

**Expense by type**  
for the year ended March 31, 2003

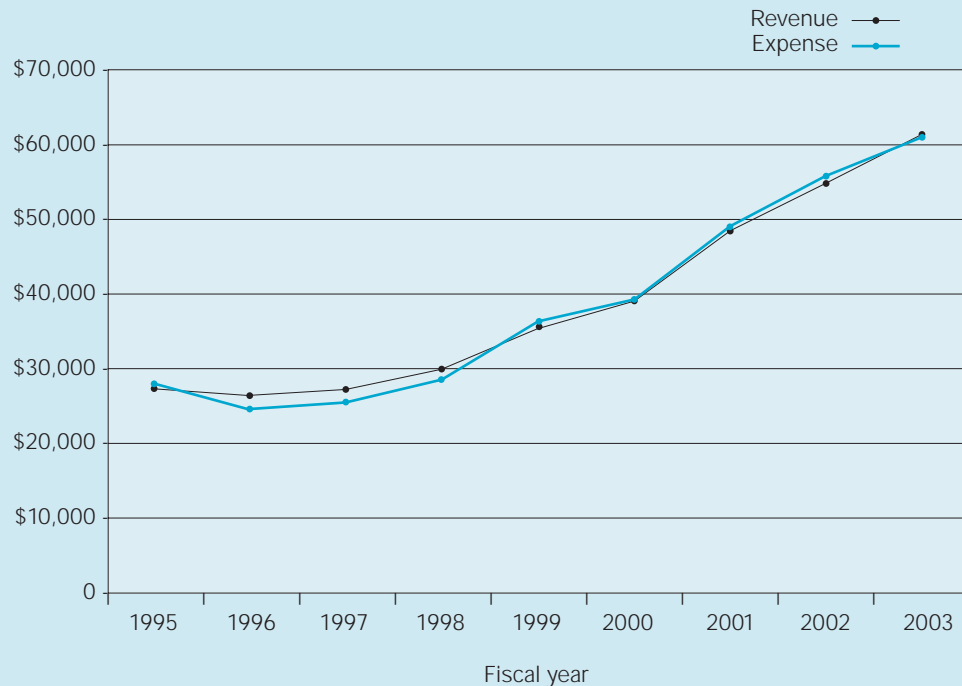


### Expense by type

- Salaries and benefits, at 62 per cent of the University's expenses, are the single largest expense. Further, salaries and benefits result from negotiated collective agreements, and are subject to annual cost-of-living, annual increment and benefit increases.
- Fees and purchased services, at 14 per cent of expenses, include instructional, course development, library and maintenance services for the University.
- Materials and supplies, representing nine per cent of expenses, are primarily course materials purchased.

### Revenue versus expenses

From 1995-2003 (In thousands of dollars)



### Revenue versus expenses

- The 1999 fiscal year was a turning point fiscally for the University.
- From 1995 to 1998, annual revenue changed moderately from a three per cent drop in 1996, to an eight per cent increase in 1998.
- In all of the subsequent years annual revenue has grown steadily by 15 per cent, with the exception of 2001 when revenue grew by 18 per cent.
- This compound revenue growth of 15 per cent (and more) since 1999 is dramatic, and results from significant growth in undergraduate and graduate registrations.
- Related to revenue growth, operating expenses have also increased substantially, with annual changes ranging from a 14 per cent reduction in 1996 to 24 per cent growth in 1999.
- Expense control was very evident from 1996 to 1998, and again in 2003. In each year, annual revenue exceeded expenses by more than \$1.1 million, and even up to \$3.2 million in 1997.
- Expense growth has varied more than revenue growth due to significant strategic investments in graduate programs, technology development and research projects.
- The University strives for balanced budgets with total revenue equal to total expenses, recognizing that certain investments often are necessary to precede growth.



## Auditor's report

### To the Athabasca University Governing Council

I have audited the statement of financial position of the Athabasca University as at March 31, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts of and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
May 15, 2003

FCA  
Auditor General

**Athabasca University**  
**Statement of financial position**  
**March 31, 2003**

(thousands of dollars)

**Assets**

Current assets

Cash and short-term investments (Note 3)  
 Accounts receivable (Note 5)  
 Inventory of course materials  
 Prepaid expenses

Non-current investments (Notes 3 and 4)

Deferred course development costs (Note 6)  
 Capital assets (Note 7)

**Liabilities and net assets**

Current liabilities

Accounts payable and accruals  
 Salaries and benefits payable (Note 17)  
 Deferred revenue  
 Deferred contributions (Note 8)  
 Due to Joint Venture (Note 4)  
 Current portion of obligation under capital lease (Note 9)

Obligation under capital lease (Note 9)

Deferred salaries and benefits payable  
 Unamortized deferred capital contributions (Note 10)  
 Unamortized course development contributions (Note 10)  
 Deferred capital contributions (Note 11)

Net assets

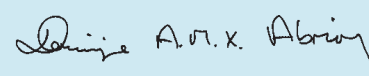
Investment in capital assets (Note 7)  
 Endowments (Note 12)  
 Internally restricted (Note 13)  
 Unrestricted

2003	2002
<b>\$ 14,892</b>	\$ 11,209
<b>3,493</b>	2,869
<b>2,832</b>	3,084
<b>413</b>	357
<b>21,630</b>	17,519
<b>5,255</b>	4,892
<b>386</b>	525
<b>21,469</b>	23,024
<b>\$ 48,740</b>	\$ 45,960
<b>\$ 1,769</b>	\$ 1,834
<b>4,845</b>	3,457
<b>8,552</b>	7,301
<b>1,025</b>	1,338
<b>287</b>	398
<b>53</b>	47
<b>16,531</b>	14,375
<b>136</b>	153
<b>1,492</b>	998
<b>13,095</b>	13,353
<b>386</b>	525
<b>662</b>	1,261
<b>32,302</b>	30,665
<b>8,185</b>	9,471
<b>1,089</b>	1,089
<b>5,979</b>	4,735
<b>1,185</b>	—
<b>16,438</b>	15,295
<b>\$ 48,740</b>	\$ 45,960

Approved on behalf of the Governing Council



Mr. Robert M. Fulton, QC, Chairman



Dr. Dominique Abrioux, President

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

# F I N A N C I A L   S T A T E M E N T S

**Athabasca University**  
**Statement of operations**  
**For the year ended March 31, 2003**  
(thousands of dollars)

	2003	2002
Revenue		
Province of Alberta grants (Note 16)	<b>\$20,758</b>	\$19,335
Undergraduate student fees	<b>20,897</b>	17,303
Graduate student fees	<b>10,222</b>	9,272
Sales of goods and services	<b>7,488</b>	5,296
Amortization of deferred capital contributions (Note 10)	<b>1,011</b>	1,086
Amortization of deferred course development contributions (Note 10)	<b>139</b>	253
Interest (Note 12)	<b>439</b>	730
Donations	<b>51</b>	36
Research and other grants	<b>501</b>	225
Other	<b>303</b>	104
	<b>61,809</b>	53,640
Expenses		
Salaries and benefits (Note 18)	<b>37,423</b>	33,101
Fees and purchased services	<b>8,748</b>	8,252
Materials and supplies	<b>5,286</b>	4,891
Communications and travel	<b>4,280</b>	4,230
Amortization of capital assets	<b>3,279</b>	3,036
Amortization of deferred course development costs (Note 6)	<b>139</b>	253
Insurance, utilities and taxes	<b>573</b>	463
Facilities rental	<b>797</b>	767
Scholarships	<b>141</b>	125
	<b>60,666</b>	55,118
Excess (deficiency) of revenue over expenses	<b>\$1,143</b>	\$(1,478)

**Athabasca University**  
**Statement of changes in net assets**  
**For the year ended March 31, 2003**  
(thousands of dollars)

	2003				2002	
	Investment in capital assets	Endowments	Internally restricted	Unrestricted	Total	
Balance, beginning of year	\$9,471	\$1,089	\$4,735	\$0	<b>15,295</b>	\$16,598
Excess (deficiency) of revenue over expenses	—	—	—	1,143	<b>1,143</b>	(1,478)
Investment in capital assets, internally funded	971	—	—	(971)	—	—
Repayment of obligations under capital lease	11	—	—	(11)	—	—
Capital contribution for land	—	—	—	—	—	175
Amortization of internally funded assets	(2,268)	—	—	2,268	—	—
Transfers (Note 13)	—	—	1,244	(1,244)	—	—
Balance, end of year	\$8,185	\$1,089	\$5,979	\$1,185	<b>\$16,438</b>	\$15,295

# F I N A N C I A L   S T A T E M E N T S

**Athabasca University**  
**Statement of cash flows**  
**For the year ended March 31, 2003**  
(thousands of dollars)

	2003	2002
Cash provided from (used in) operating activities:		
Excess (deficiency) of revenue over expenses	<b>\$1,143</b>	\$(1,478)
Items not affecting cash flow:		
Amortization of capital assets	<b>3,279</b>	3,036
Amortization of deferred course development costs	<b>139</b>	253
Amortization of deferred capital contributions	<b>(1,011)</b>	(1,086)
Amortization of deferred course development contributions	<b>(139)</b>	(253)
Increase (decrease) in deferred salaries and benefits payable	<b>494</b>	(100)
Write down of investment	<b>137</b>	—
Equity in joint venture earnings	<b>(32)</b>	(80)
Transfer from deferred capital contributions (Note 8)	<b>(58)</b>	—
	<b>3,952</b>	292
Change in non-cash working capital		
Change in accounts receivable, inventory of course materials and prepaid expenses	<b>(428)</b>	(410)
Change in current liabilities, except current portion of obligation under capital lease	<b>2,150</b>	1,344
	<b>1,722</b>	934
	<b>5,674</b>	1,226
Cash used in investing activities:		
Increase (decrease) in non-current investments	<b>(468)</b>	2,040
Capital asset acquisitions, internally funded	<b>(971)</b>	(2,345)
Capital asset acquisitions, externally funded	<b>(753)</b>	(2,242)
Deferred course development costs (Note 6)	—	(112)
	<b>(2,192)</b>	(2,659)
Cash provided from financing activities:		
Deferred capital contributions (Note 11)	<b>212</b>	3,440
Capital lease payments	<b>(11)</b>	(429)
Capital contribution for land	—	175
	<b>201</b>	3,186
Increase in cash and cash equivalents	<b>3,683</b>	1,753
Cash and cash equivalents, beginning of year	<b>11,209</b>	9,456
Cash and cash equivalents, end of year	<b>\$14,892</b>	\$11,209



**Athabasca University**  
**Notes to the financial statements**  
**March 31, 2003**

(thousands of dollars)

**Note 1 Authority and purpose**

Athabasca University (the "University") operates under the authority of the Universities Act, Chapter U-3, Revised Statutes of Alberta 2000. It is directed by an appointed Governing Council and offers undergraduate and graduate degree programs through distance education. The University is a registered charity and is exempt from the payment of income taxes.

**Note 2 Significant accounting policies and reporting practices**

**(a) General**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. Such estimates, the potential errors of which, in administration's opinion, are within reasonable limits of materiality have been made using professional judgments and conform to 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) Revenue recognition**

Government operating grants are recognized as revenue in the period received, or, where the grants relate to a future period, they are deferred and recognized in the subsequent period.

Contributions restricted for purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the acquisition of capital assets having a limited life are deferred and recorded as deferred capital contributions in the period in which they are expended. Deferred capital contributions are amortized to revenue over the useful lives of the related assets. Contributions restricted for the development of courses are deferred and amortized to revenue over the duration of the courses.

Endowment contributions are recognized as direct increases in net assets in the period in which they are received. Contributions restricted for the acquisition of non-consumable capital assets are recognized as direct increases in net assets in the period in which they are expended.

Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered. Deferred revenue includes course and seminar fees received in advance.

**(c) Investments**

Current investments are valued at the lower of cost and market value. Non-current investments are valued at cost or, when there has been other than a temporary impairment in the value of the investment, at market value. Gains or losses on sales of investments are recognized in the year of disposal. The investment in a joint venture is accounted for using the equity method.

**Note 2 Significant accounting policies and reporting practices (continued)**

**(d) Inventory of course materials**

Inventory of course materials is valued at the lower of cost and net realizable value.

**(e) Copyrights**

It is the policy of the University to obtain a copyright on all course material produced. These copyrights are recorded at a nominal value of \$1 and included in prepaid expenses.

**(f) Deferred course development costs**

Costs related to the development of special purpose courses through Curriculum Redevelopment Funding are deferred and amortized over periods not exceeding five years.

**(g) Capital assets**

Capital assets acquisitions are recorded at cost, except for donated assets, which are recorded at fair value. Capital assets are amortized on a straight-line basis over the assets' estimated useful lives as follows:

	<u>Years</u>
Buildings and site improvements	40
Furnishings, equipment and software	3 – 10
Library materials	10

Works of art assets purchased by the University are recorded at cost. Donated works of art assets are recorded at fair values.

**(h) Employee future benefits**

The University participates with other employers in two defined benefit pension plans, the Universities Academic Pension Plan and the Public Service Pension Plan. 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 costs included in these financial statements comprise the amount of employer contributions required for its employees during the year, based on rates that are expected to provide for benefits payable under the respective pension plan. The University does not record its portion of the pension plans' deficit or surplus.

The University has other defined benefit plans. The cost of benefits earned by employees in these plans is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary escalation. Net actuarial gains (losses) are recognized immediately.

**(i) Fair value of financial instruments and cash equivalents**

The carrying values of financial assets and financial liabilities are considered to approximate fair value unless otherwise disclosed. Cash and cash equivalents consists of cash and short-term investments. Short-term investments consist of commercial paper, bonds, and a term deposit that mature within one year.

### Note 3 Investments

Non-current investments represent funds related to deferred capital contributions, endowments and certain amounts internally restricted by the Governing Council and consist, together with cash and short-term investments, of the following:

	2003				2002	
	Cash and short-term investments	Non-current investments	Total		Total	
			Cost	Market <sup>(1)</sup>	Cost	Market
Bank balances	\$5,245	\$38	\$5,283	\$5,283	\$4,556	\$4,556
Money market investments <sup>(2)</sup>	9,647	4,088	13,735	13,735	10,313	10,313
Bonds <sup>(3)</sup>	—	1,006	1,006	1,029	1,016	1,057
Other investments <sup>(4)</sup>	—	123	123	123	216	216
Total 2003	<b>\$14,892</b>	<b>\$5,255</b>	<b>\$20,147</b>	<b>\$20,170</b>	\$16,101	\$16,142
Total 2002	\$11,209	\$4,892	\$16,101	\$16,142		

- (1) Market value approximates fair value of investments, except for other investments, where cost is assumed to be fair value.
- (2) Money market investments are purchased at a discount by the University and must be rated at R-1 or better (rated by Dominion Bond Rating Service). At March 31, 2003, the investments held have an average effective yield of 3.04 per cent (2.14 per cent - 2002) and will mature within 60 days.
- (3) The bonds mature December 2003 with a stated interest rate of 7.75 per cent and have an effective yield of 6.80 per cent. The bonds are expected to be held to maturity.
- (4) Other investments, recorded at the lower of cost and estimated market value, include shares of two private companies and a joint venture interest. During the year, shares of one company were written down to a nominal value.

### Note 4 Interest in joint venture

The University has a one-third joint venture interest in the Campus Alberta: Graduate Program in Counselling. Three Alberta universities formed the joint venture to develop and deliver a Collaborative Alberta Graduate Counselling Program.

The University's equity in the accumulated earnings of the joint venture at March 31, 2003 is \$123 (2002 - \$80).

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## Note 4 Interest in joint venture (continued)

The University's share of the joint venture's assets, liabilities and equity is:

	2003	2002
Current assets <sup>(1)</sup>	<b>\$282</b>	\$209
Capital assets	<b>10</b>	8
	<b>\$292</b>	\$217
Current liabilities	<b>\$159</b>	\$129
Deferred capital contributions	<b>10</b>	8
Joint venture interest	<b>123</b>	80
	<b>\$292</b>	\$217

(1) Included in current assets is a receivable of \$137 (2002 - \$159) from Athabasca University for operating funds that are being administered on behalf of the joint venture.

The University's share of joint venture earnings for the year ending March 31, 2003 is \$32, which is one-third of the net of total revenues of \$872 less total expenses of \$776.

At March 31, 2003, the Due to Joint Venture net liability is \$287 (2002 - \$398), comprised of \$410 (2002 - \$478) operating funds belonging to the Joint Venture less \$123 (2002 - \$80) of the University's equity in accumulated earnings.

## Note 5 Accounts receivable

Accounts receivable includes \$535 (2002 - \$44) in grants due from the Province of Alberta.

## Note 6 Deferred course development costs

	2003	2002
Balance, beginning of year	<b>\$525</b>	\$666
Costs incurred during the year	<b>—</b>	112
	<b>525</b>	778
Less amount amortized during the year	<b>(139)</b>	(253)
Balance, end of year	<b>\$386</b>	\$525

**Note 7   Capital assets and investment in capital assets**

	2003			2002
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$1,567	\$ —	<b>\$1,567</b>	\$1,567
Buildings and site improvements	25,300	12,852	<b>12,448</b>	13,295
Building construction in progress	490	—	<b>490</b>	—
Furnishings, equipment and software (Note 9)	17,287	11,700	<b>5,587</b>	6,690
Library materials	4,938	4,181	<b>757</b>	852
Works of art	620	—	<b>620</b>	620
	<u>\$50,202</u>	<u>\$28,733</u>	<b>21,469</b>	23,024
Unamortized deferred capital contributions related to capital assets (Note 10)			<b>(13,095)</b>	(13,353)
Obligation under capital lease (Note 9)			<b>(189)</b>	(200)
Investment in capital assets			<b><u>\$8,185</u></b>	<u>\$9,471</u>

The University holds a collection of 486 works of art consisting of sketches, limited edition prints, photographs and some original paintings. The works of art are held by the University for public exhibition.

**Note 8   Deferred contributions**

Deferred contributions represent unspent restricted grants and donations. Changes in the deferred contributions balances are as follows:

	2003	2002
Balance, beginning of year	<b>\$1,338</b>	\$1,879
Contributions received in the year	<b>634</b>	322
Transfer from deferred capital contributions (Note 11)	<b>58</b>	—
Amount recognized as revenue in the year	<b>(1,005)</b>	(863)
Balance, end of year	<b><u>\$1,025</u></b>	<u>\$1,338</u>
The balance consists of funds restricted from:		
Province of Alberta		
Access	<b>\$410</b>	\$730
Learning Enhancement	<b>76</b>	140
Curriculum Redevelopment	<b>70</b>	70
Intellectual Infrastructure	<b>13</b>	17
Sponsored research projects	<b>456</b>	381
	<b><u>\$1,025</u></b>	<u>\$1,338</u>

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## Note 9    Obligation under capital lease

The University leases certain equipment under agreements, which are classified as capital leases. Costs and accumulated amortization of such assets totaled \$1,210 and \$416 respectively (2002 - \$1,210 and \$265) and are included in furnishings, equipment and software (Note 7).

As of March 31, 2003, future minimum lease payments under the capital lease are as follows:

2004	\$54
2005	54
2006	54
2007	53
	215
Total future minimum lease payments	215
Less amount representing implicit interest at 8%	(36)
	179
Present value of future minimum lease payments	179
Plus accrued interest	10
	189
Total capital lease payable	189
Less current portion obligation under capital lease	(53)
	136
Long term obligation under capital lease	\$136

## Note 10    Unamortized deferred capital and deferred course development contributions

	2003			2002
	Related to			Total
	Capital assets	Deferred course development	Total	
Balance, beginning of year	\$13,353	\$525	<b>\$13,878</b>	\$13,038
Contributions (Note 11)	753	—	<b>753</b>	2,179
	\$14,106	525	<b>14,631</b>	15,217
Amortized to revenue	(1,011)	(139)	<b>(1,150)</b>	(1,339)
Balance, end of year	\$13,095	\$386	<b>\$13,481</b>	\$13,878

## Note 11    Deferred capital contributions

Deferred capital contributions represent unspent capital funding received from governments and publicly funded organizations.

	2003	2002
Balance, beginning of year	<b>\$1,261</b>	\$ —
Add contributions received in the year	<b>212</b>	3,440
Transfers to unamortized deferred capital contributions in the year (Note 10)	<b>(753)</b>	(2,067)
Transfer to unamortized deferred course development contributions in the year (Note 10)	<b>—</b>	(112)
Transfer to deferred contributions in the year (Note 8)	<b>(58)</b>	—
Balance, end of year	<b><u>\$662</u></b>	<u>\$1,261</u>

### Note 12 Endowments

Endowments consist of externally restricted donations to the University, the principal of which is required to be maintained intact. There are no externally imposed restrictions over the use of the investment income generated from endowments and accordingly, all investment income earned is recognized as revenue in the Statement of Operations.

### Note 13 Internally restricted net assets

The Governing Council had designated internally restricted net assets for future operating and capital needs.

	2003			2002
	Operating	Capital	Total	Total
Balance, beginning of the year	\$2,735	\$2,000	<b>\$4,735</b>	\$5,763
Transfers from (to) unrestricted net assets	1,244	—	<b>1,244</b>	(1,028)
Balance, end of year	<b>\$3,979</b>	\$2,000	<b><u>\$5,979</u></b>	<u>\$4,735</u>

The balance consists of funds internally restricted for:

	2003			2002
	Operating	Capital	Total	Total
Building renovations	\$ —	\$2,000	<b>\$2,000</b>	\$2,000
New program development	1,729	—	<b>1,729</b>	451
Future student awards	1,381	—	<b>1,381</b>	1,415
Future employee benefits	869	—	<b>869</b>	869
	<b>\$3,979</b>	\$2,000	<b><u>\$5,979</u></b>	<u>\$4,735</u>



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## Note 14 Budget

The following budget amounts are part of the annual plan that was approved by the Governing Council on March 22, 2002.

	<b>Approved 2002-03 budget</b>
Revenue	
Province of Alberta grants	\$21,854
Undergraduate student fees	18,437
Graduate student fees	10,734
Sales of goods and services	4,747
Amortization of deferred capital and deferred course development contributions	1,000
Interest	528
Other	215
	<b>\$57,515</b>
Expenses	
Salaries and benefits	\$35,379
Fees and purchased services	8,018
Materials and supplies	5,715
Communications and travel	3,637
Amortization of capital assets and deferred course development costs	3,150
Facilities rental	942
Insurance, utilities and taxes	493
Scholarships	150
	<b>\$57,484</b>
Excess of revenue over expenses	<b>\$31</b>

## Note 15 Operating lease commitments

The University is committed to operating leases expiring no later than 2008 for facilities and equipment with the following annual payments:

2004	\$	813
2005	\$	706
2006	\$	556
2007	\$	345

The University is also required to pay a pro rata share of operating expenditures of the facilities.

## Note 16 Related party transactions

The University is a Provincial Corporation as all of the members of the Governing Council are appointed either by a Province Statute (the Universities Act) or by a combination of orders by the Lieutenant Governor in Council and the Minister of Learning. Transactions between the University and the Province of Alberta are summarized on the following page.

	2003	2002
Operating grant	<b>\$17,848</b>	\$16,382
Infrastructure	—	3,387
Access funding	<b>1,892</b>	1,482
Growth	<b>351</b>	384
Performance	—	171
Learning enhancement envelope funding	—	55
Utility rebate	—	(63)
Other	<b>267</b>	295
Total contributions	<b>20,358</b>	22,093
Plus deferred contributions from Provincial sources	<b>446</b>	682
Less deferred capital contributions from Provincial sources	<b>(46)</b>	(3,440)
Province of Alberta grants revenue	<b>\$20,758</b>	\$19,335

The University offered certain courses at other provincial post-secondary institutions. The revenue for these courses amounted to \$1,019 (2002 - \$872).

#### Note 17 Employee future benefits

The University participates in the Universities Academic Pension Plan and the Public Service Pension Plan, which are multi-employer plans. The expense recorded in these financial statements equals the University's employer contributions of \$1,570 (2002 - \$1,452) for the year ended March 31, 2003.

At December 31, 2002, the Universities Academic Pension Plan reported an actuarial deficiency of \$327,372 (2001 - \$151,996). An actuarial valuation of the Universities Academic Pension Plan was carried out as at December 31, 2000 which was then extrapolated to December 31, 2002. The extrapolation did not include the impact of increases in the maximum pensionable salary amount proposed in the 2003 Federal Budget. The next actuarial valuation of the Universities Academic Pension Plan is required to be completed by the end of 2003.

At December 31, 2002, the Public Service Pension Plan reported an actuarial deficiency of \$175,528 (2001 - surplus of \$320,487). An actuarial valuation of the Plan was carried out as at December 31, 2000 which was then extrapolated for the December 31, 2002 financial statements. The next actuarial valuation will be carried out effective December 31, 2002, and any differences between the valuation and extrapolation results will be reported as gains or losses in the December 31, 2003 financial statements of the Plan.

The University's non-pension defined benefit plans are not fully funded. The non-pension defined benefit plans' deficit equals the accrued benefit obligation of \$1,843 (2002 - \$1,266) which is recorded in salaries and benefits payable.

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligations for the non-pension defined benefit plans are as follows:

	2003	2002
Discount rate		
Administrative Leave Plan	<b>5%</b>	6.5%
Flexible Benefit Plan	<b>6%</b>	6.5%
Rate of compensation increase		
First year	<b>7%</b>	3.5%
Subsequent years	<b>6%</b>	3.5%
Average remaining service period of active employees		
Administrative Leave Plan	<b>5 years</b>	7 years
Flexible Benefit Plan	<b>13 years</b>	14 years
Retirement age	<b>60 years</b>	60 years

During the year the University paid benefits from its non-pension defined benefit plans totaling \$34 (2002 - \$371).

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## Note 18 Salary and benefits

Salary and employee benefit information is disclosed pursuant to a Treasury Board directive under the Financial Administration Act of the Province of Alberta.

	2003				2002	
	Number of individuals <sup>(4)</sup>	Salary <sup>(1)</sup>	Benefits and allowances <sup>(2)</sup>	Total	Number of individuals <sup>(4)</sup>	Total
	(thousands of dollars)					
Governing Council						
Chairman of Governing Council	1	\$ —	\$ —	\$ —	1	\$ —
Governing Council members	13	—	—	—	13	—
	14	—	—	—	14	—
Executive Officers						
President	1	189	23	212	1	205
Vice-President						
Academic	1	154	24	178	1	171
External Relations (formerly Student Services)	1	127	21	148	1	144
Finance and Administration	1	117	20	137	1	142
Associate Vice-Presidents						
Academic (vacant for 4 months)	1	80	15	95	—	—
Research	1	113	23	136	1	79
	6	780	126	906	5	741
Academic/Professional/Management <sup>(3)</sup>	298	17,607	3,232	20,839	264	17,759
Tutors and Academic Coaches <sup>(3)</sup>	249	4,554	378	4,932	243	4,479
Support <sup>(3)</sup>	311	8,860	1,678	10,538	297	9,605
	878	\$31,801	\$5,414	37,215	823	32,584
Increase (decrease) in staff benefit liabilities				(139)		46
Increase in administrative and flex leave accruals						
President				10		21
Vice-Presidents						
Academic				36		32
External Relations (formerly Student Services)				7		41
Finance and Administration				24		10
Associate Vice-Presidents						
Academic				31		—
Research				—		5
Academic/Professional/Management				239		362
				<u>\$37,423</u>		<u>\$33,101</u>

**Note 18 Salary disclosure (continued)**

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, honoraria, and any other direct cash remuneration.
- (2) The employer's share of all employee benefits and contributions includes payments made on behalf of employees for vacation payouts, pension, health care, dental, vision, group life insurance, accidental death and dismemberment insurance, long and short-term disability plans, professional memberships, tuition, supplemental unemployment benefits, research and study leaves, professional development allowances (excluding approved travel related costs) and travel insurance. The accruals of administrative leave for Executive Officers and Academic Managers, and of flexible plan benefits for Managers and Excluded Professional staff, have been included as reconciling items.
- (3) All non-governance staff have been grouped into categories of Academic /Professional/Management, Tutors and Academic Coaches, and Support.
- (4) The number of individuals represents a head count of staff members.

**Note 19 Comparative figures**

Certain 2002 figures have been reclassified to conform to the presentation adopted in the 2003 financial statements.

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1 University Drive, Athabasca, AB, T9S 3A3

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