# Athabasca University

Annual Report

to Alberta Advanced Education and Technology

For the year ended March 31, 2010
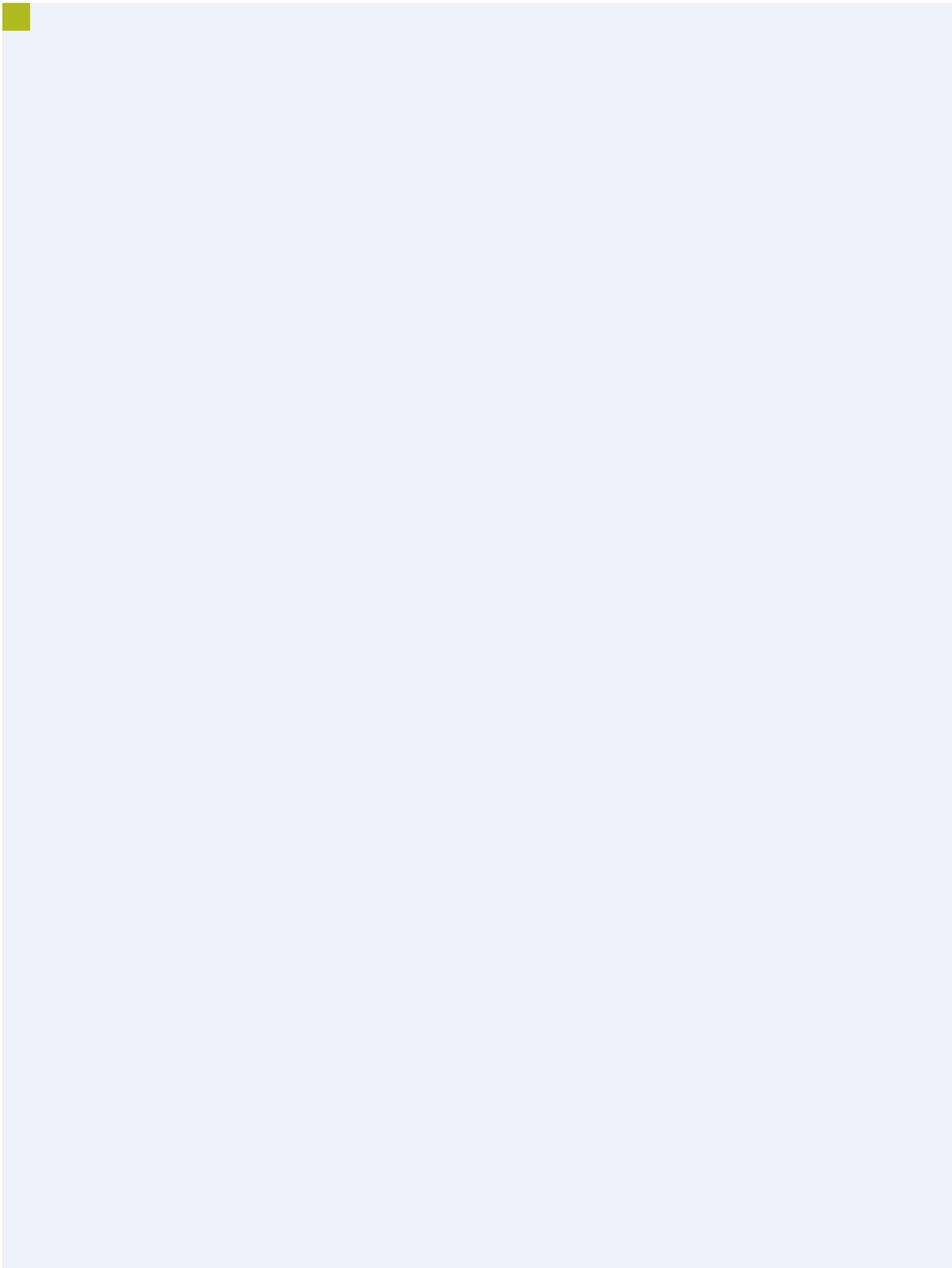
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Accountability Statement

Athabasca University's Annual Report for the year ended March 31, 2010, was prepared under the direction of Athabasca University Governing Council in accordance with the *Government Accountability Act* and ministerial guidelines established pursuant to the *Government Accountability Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Original signed by Barry Walker

Barry Walker, FCA
Chair, Athabasca University Governing Council

October 22, 2010

Management's Responsibility For Reporting

Athabasca University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the *Annual Report*, including the financial statements, performance results and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The *Annual Report* has been developed under the oversight of Athabasca University Governing Council's Audit Committee and approved by Athabasca University Governing Council and is prepared in accordance with the *Government Accountability Act* and the *Post-secondary Learning Act*.

The Auditor General of the Province of Alberta, Athabasca University's external auditor, appointed under the *Auditor General Act*, performs an annual independent audit of the consolidated financial statements in accordance with generally accepted accounting principles.

Original signed by Frits Pannekoek   *Original signed by Ray Block*

Frits Pannekoek, PhD   Ray Block, PhD, CGA
President   Vice-President (Finance and Administration)

October 22, 2010

Message from the Chair and President

In 2010, Athabasca University marks the fortieth anniversary of its founding, by order in council of the Government of Alberta, on June 25, 1970.

AU's story since that time has been one of remarkable growth through dedication to providing quality post-secondary education to those least able to access it. In the early years, students numbered in the hundreds, and the university's first Convocation, in 1977, celebrated the achievement of only two graduates. However, as time passed, the university gained national and international recognition, both for the quality of its courses and programs and for its leadership in open and distance education, and enrolment swelled. Today, AU is regarded as a world leader in distance education and e-learning, and nearly 40,000 students annually benefit from the high quality instruction and academic services provided by its outstanding faculty and staff.

During the past year, as outlined in the following report, AU, with the support of both federal and provincial governments, took significant strides toward further advancing its leadership in online learning by initiating a project to digitize 450 additional courses for online delivery and by moving forward on its visionary Open Learning Environment, an innovative online post-secondary system in which cutting-edge technologies will integrate with advanced pedagogical practice to form a supportive, student-centred, world-class learning environment. In the past, AU excelled in earlier modes of distance education; this revamping of the university's information and communication technology will allow it to maintain that leadership position in the twenty-first century.

AU is also at the forefront of the academic world in its support for and encouragement of the Open Educational Resources movement. Nowhere is that support more evident than in the development of and early success of Athabasca University Press, a scholarly publishing house committed to open access and digital publishing in order to serve the needs of a global community of adult learners and researchers.

Current and prospective students throughout Alberta can be assured that AU will continue, as it has from the beginning, to dedicate its resources to the removal of geographic, financial, social and cultural barriers that restrict access to and success in university studies.

Original signed by Barry Walker   *Original signed by Frits Pannekoek*

Barry Walker, FCA   Frits Pannekoek, PhD
Chair   President
Athabasca University Governing Council   Athabasca University

October 22, 2010

Operational Overview

Mission

Athabasca University, Canada's Open University, is dedicated to the removal of barriers that restrict access to and success in university-level study and to increasing equality of educational opportunity for adult learners worldwide.

We are committed to excellence in teaching, research and scholarship and to being of service to the general public.

May 1985
Reconfirmed June 2006

Mandate

Founded in 1970 and operating as a comprehensive academic and research institution under the authority of the Alberta *Post-secondary Learning Act*, Athabasca University is a public, board-governed, open and distance education university which serves students throughout Alberta, across Canada and around the world. Working as a partner within Campus Alberta, Athabasca University is committed to collaborating with other key stakeholders to ensure a seamless and responsive advanced education system that provides high-quality learning opportunities in support of lifelong learning.

The university offers a range of courses and programs leading to graduate and undergraduate degrees, certificates and diplomas in the humanities, the social sciences, the sciences, technology, business and the health disciplines.

As an open university, Athabasca University seeks to remove barriers to undergraduate and graduate education. It offers flexible enrolment opportunities for learners, regardless of age, gender, culture, income, disability, career and family obligations, geographic location or educational background. As a distance education university, Athabasca University provides flexibility for lifelong learners who cannot or choose not to undertake residential post-secondary education. The university offers learners the opportunity to interact with students across Canada and around the world through programs in established and emerging areas as it seeks to meet the needs of career professionals, develop research expertise and create knowledge that fosters a global outlook among its graduates.

Athabasca University provides high-quality, interactive learning environments that include a variety of online and other media technologies for individualized and cohort learning. The university's library and tutorial services and extensive student support services that facilitate access and increase learner success are integral aspects of a quality open and distance education system. Similarly, its course designs and technology applications are based on current research in open and distance education, pedagogical advances in lifelong learning and contemporary developments in online learning technologies. The university actively pursues technological innovations that can enhance its teaching, research and administrative functions.

The university provides undergraduate degree completion opportunities for university transfer students and college diploma graduates through credit co-ordination, credit transfer, prior learning assessment and associated forms of learning accreditation. It supports collaborations such as its degree completion agreements with colleges and partnership with Alberta-North.

These collaborations, together with its participation in initiatives such as the Canadian Virtual University, reflect Athabasca University's longstanding commitment to adult and lifelong learners, to Aboriginal communities, to learners in remote, rural and northern areas, to under-served urban populations and to program students at other universities who seek courses to accelerate degree completion. The university also acquires and maintains accreditation in other Canadian provinces and in appropriate international jurisdictions.

Athabasca University pursues and demonstrates excellence in research and scholarship, viewing research as central to the creation and mobilization of knowledge, the enhancement of its programs, the education of its students, the betterment of its community and the development of its faculty and future scholars. Besides its international reputation for research in all aspects of open and distance education and learning technologies innovation, the university is developing notable strength in interdisciplinary research in several areas such as Canadian studies, globalization and cultural studies, Indigenous education, space and environmental sciences, project management, and nursing and health management. Aspects of technological change are integral to many of these theme areas. By supporting and conducting research activity in all program areas, Athabasca University makes significant contributions to cultural, scientific and professional development in Alberta and beyond.

Athabasca University's academic, professional and support staff engage in professional service within the education system at local, provincial, national and international levels. The university encourages its members to serve a wide range of communities through activities such as volunteerism, community based research, involvement in local community organizations and participation in virtual learning communities.

Approved by the Minister of Advanced Education and Technology
November 17, 2009

Governance

AU operates with a bicameral governance system. Governing Council members are appointed by the Government of Alberta. The Governing Council consists of the chairperson, up to 10 public members, two academic staff members, one tutor, one non-academic staff member, one graduate student, two undergraduate students and one alumni member. The president of the university is an *ex officio* member of the council.

As of March 31, 2010, the membership of Governing Council was as follows:

Appointed Public Members	Barry Walker (Chair)
	Marilyn Kane (Vice-Chair)
	William Byrne
	Ron Cherlet
	Brian Curial
	Jody Hunt
	Jill Matthew
	Jeffrey Mulligan
	John Trefanenko
	Shawn Wasel
Executive Officer	Frits Pannekoek, President

Academic Staff Members	Donna Romyn, Athabasca University Academic Council
	John Ollerenshaw, Athabasca University Faculty Association
Tutor Member	Judi Malone
Non-academic Staff Member	Carla Yeaman
Graduate Student Member	Amanda Nielson, President, Athabasca University Graduate Students' Association
Undergraduate Student Members	Barb Rielly, President, Athabasca University Students' Union
	Sarah Kertcher, Vice-President (Finance and Administration), Athabasca University Students' Union
Alumni Member	Timothy Nerenz

Core Programs

AU is committed to excellence in teaching, research and scholarship. The integration of research and creative activity with teaching informs its curriculum and provides opportunities for highly qualified graduates to promote innovation and to participate more fully in society. A vibrant research community, informed teaching and a supportive learning environment are reflected in quality courses and programs.

As of March 2010, AU offered 838 undergraduate and graduate courses. The university focuses on providing flexibility of access and effective student support.

Graduate Programs

AU offers the following nine graduate degrees as well as 15 related graduate diplomas and certificates:
- Doctor of Education (Distance Education)
- Doctor of Business Administration
- Master of Arts – Integrated Studies
- Master of Business Administration
- Master of Counselling
- Master of Distance Education
- Master of Health Studies
- Master of Nursing
- Master of Science in Information Systems

Undergraduate Programs

In addition to 25 undergraduate certificate and diploma programs, AU offers the following undergraduate degrees, many of which are available through both regular and post-diploma programs:
- Bachelor of Arts, four-year (with a major in anthropology, Canadian studies, English, French, history, humanities, information systems, labour studies, political economy, political science, psychology, sociology or women's studies or a combined major)

- Bachelor of Arts, three-year (general or with a concentration in English, French, history, humanities, information systems, labour studies, political economy, political science, psychology, sociology or women's studies)

- Bachelor of Commerce (general or with a major in accounting, e-commerce or financial services)

- Bachelor of General Studies (in arts and science or applied studies)

- Bachelor of Health Administration

- Bachelor of Human Resources and Labour Relations

- Bachelor of Management, four-year (general or with a major in human resource management, marketing, or indigenous nations and organizations)

- Bachelor of Management, three-year

- Bachelor of Nursing (post LPN or post RN)

- Bachelor of Professional Arts (with a major in communication studies, criminal justice, human services or governance, law and justice)

- Bachelor of Science (general or with a major in human science)

- Bachelor of Science in Computing and Information Systems

Enrolment, Facility and Staffing Information

Enrolment

AU's overall student enrolment for 2009–10 was 38,190 (7,701 full-load equivalents). Enrolment in the graduate degree programs was 3,738 in 2009–10; in undergraduate degree programs, 6,250. Detailed enrolment and course registration statistics are presented on pages 36–40.

Facilities

AU operates out of its main campus and the nearby Duniece Centre and Tim Byrne Centre (course materials production centre) in Athabasca as well as three satellite campuses which are housed in leased office space in Edmonton, St. Albert and Calgary. AU's main Data Centre is located on the Athabasca campus and contains the central storage, processing and network hubs. Smaller subsidiary data facilities are located in St. Albert and Edmonton.

Staffing

In the 10-year period from 1999–2000 through 2009–10, AU experienced a 100 per cent cumulative growth in enrolment (from 3,848 full-load equivalents to 7,701), an average yearly growth of 7.2 per cent. AU's staff complement has gradually grown to meet the needs of this larger student body.

The following table presents a comparison of staffing complements (full-time equivalents) for the past three years:

	2007–08	2008–09	2009–10
Academic, full-time	169	179	186
Academic, part-time	123	127	149
Professional	228	255	306
Management and executive	26	25	24
Support and temporary	325	329	351
Casual	79	83	54
Tutors	361	384	377
Total	**1,311**	**1,382**	**1,447**

Employees work on the four university campuses and in alternative offices.

Collaborations and Partnerships

The diversity of Alberta's educational institutions provides learners with flexibility of choice, and AU plays a particularly strong role in guaranteeing that flexibility. Because of its open admission policies, its flexible learning methods and its long-standing practice of working collaboratively with other institutions, AU continues to play a vital role in the province's post-secondary learning system.

Students registered at other Alberta post-secondary institutions make extensive use of AU's courses and educational services to help them complete their degrees. This accessibility accounts for a large percentage of students enrolled at the university: 9.9 per cent of AU undergraduates are visiting from other Alberta post-secondary institutions. For example, in the past year, 1,657 students from the University of Alberta and the University of Calgary took AU courses for degree completion at their home universities.

To create pathways to degree completion for students who hold college diplomas, AU has entered into more than 350 agreements and partnerships with colleges and technical institutes in Alberta, across Canada and abroad. Last year, for example, 1,873 Alberta college graduates were enrolled in AU degree completion programs.

The university also has long-standing collaborative arrangements for providing post-secondary learning in Aboriginal and rural communities and is a founding member of Alberta-North, a partnership of seven post-secondary institutions bringing courses and programs to students in northern Alberta, Nunavut, the Yukon and the Northwest Territories. AU collaborates with Tribal Councils and other post-secondary institutions throughout Alberta (e.g., Yellowhead Tribal College, Blue Quills College, Lakeland College) to deliver quality educational opportunities to students outside the urban centres.

Through its partnership with Alberta-North, AU helps to provide facilities, learning technologies and support services at over 80 online CAP sites, through which students can receive courses and programs offered by many different post-secondary institutions.

AU is a founding member of the Canadian Virtual University, a consortium of 10 Canadian universities with an interest in e learning, and maintains formal collaborative ties with a number of major employers and professional associations.

AU administrators and faculty and staff members engage in discussions with colleagues at other Alberta post-secondary institutions, particularly provincial colleges, as part of their ongoing collaborative work.

Through a series of long established relationships, AU already offers its courses through grouped study at a variety of partner institutions. In addition to offering courses, AU has liaison staff on site at Medicine Hat College, Mount Royal University, Grande Prairie Regional College and Lethbridge Community College and another staff member working with four central Alberta institutions. These liaison offices provide opportunities for dialogue and relationship building.

Forging new partnership opportunities, particularly with corporate Canada, is a major focus of the university's business plan.

Major Accomplishments of 2009–10

Institutional Self Study

The comprehensive institutional self-study process initiated last year in anticipation of major university planning initiatives, including the *Strategic University Plan 2011–16* and renewal of AU's accreditation with the Middle States Commission on Higher Education, is nearing completion. The Self Study Steering Committee established seven working groups, each of which studied and reported on one of seven aspects of university operations:

- mission, goals and integrity
- planning and institutional resources
- leadership, governance and administration
- student admissions, retention and support
- faculty
- educational offerings
- assessment

Their combined report was distributed to AU committees in January 2010 and, after revision, to the AU community for consultation in March. Following those consultations, a further revised draft was submitted to the Middle States Commission on Higher Education for review.

Teaching and Learning

Course Digitization Project

Through a two-year, $6.4 million Course Digitization Project, initiated in November 2009, AU is converting 450 existing courses to digital formats compatible with online learning.

In addition to providing a new course foundation, adaptable to emerging technologies in the coming years, and paving the way for the university to become a leader in the use of new learning technologies, the project supports the Campus Alberta goal of providing learning opportunities for more students in more places.

The project is providing employment for people in a number of northern Alberta communities, including Athabasca, and involves partnerships with several rural colleges.

The Government of Canada contributed $3.2 million to the project through the Community Adjustment Fund, an economic stimulus program administered by Western Economic Diversification Canada in support of projects that create jobs and maintain employment in rural communities. Matching funds

from AU and the Government of Alberta's commitment of $1.2 million will complete funding for the project.

Copyright Advocacy

AU has taken a leadership position in national discussions and consultations on copyright law and the proposed new federal *Copyright Act*, Bill C-32. While the university acknowledges that the proposed legislation offers a number of improvements to the existing act, its digital lock provisions alone counterbalance all of those positive changes.

In addition, Access Copyright has applied to increase its tariff from just under $3.50 per full-time student to $45 per full-time student. The university has lodged a complaint with the Copyright Board of Canada and is actively participating in the Association of Universities and Colleges of Canada's challenge to this tariff.

Journalism in Conflict Zones

A new AU course, created in conjunction with the Department of National Defence, prepares journalists in training to work in overseas war zones.

The six-month course, Communication Studies 451, launched in May 2009, is designed to assist students to develop key skills required to work in areas of conflict and includes a three-week practicum at Canadian Forces Base Wainwright, Alta., during which students are mentored by two seasoned war correspondents. In scenarios that change daily, students role play, dealing with cultural assumptions and sensitivities from different cultural perspectives in a variety of real-world situations. Each evening, students use the television studio provided on the base to produce a news program reflecting the day's events.

The course, developed by AU communication studies professors Dr. Evelyn Ellerman and Dr. Karen Wall, based on a memorandum of understanding with the Department of National Defence, exemplifies the types of partnerships among universities, public bodies and industry that are increasingly being made possible through the blending online and on-site education. Waiting lists for the course, which can accommodate only 10 students at a time, are long.

Training for Teachers Working with Indigenous Students

In support of Goal 3 of the Government of Alberta's 2009–12 business plan and the Ministry of Education's efforts to enhance First Nations, Métis and Inuit learner success, AU is collaborating with the ministry to develop and pilot an online graduate level course for early career teachers working with indigenous students. The course, planned for regular availability in the 2010–11 academic year, will allow teachers new to the profession to build upon their individual and shared experiences and deepen their understanding of cultural protocols and learning activities for indigenous students.

Research

Learning Communities Project: Phase 2

In December 2009, AU's Learning Communities Project, Phase 2: Indigenous Communities, received $3.1 million in funding from Rural Alberta's Development Fund to identify northern Alberta Aboriginal learners who are seeking specific educational opportunities and to facilitate linkages between those learners and partner educational providers. This project, a partnership with the Alberta-North colleges, also received $200,000 in support from the Renaissance Fund of the Access to the Future Fund.

Learning linkages will be established through a central, web-based co-ordinating network designed to enhance the delivery of courses which meet the needs of small pockets of learners in diverse locations. This network will co-ordinate local learner support activities and link learners in various communities. The project will also establish a network of community liaison personnel, local co-ordinators, mentors and learning support personnel to work with prospective students in northern Aboriginal communities.

The Learning Communities Project has been invited to work with four Aboriginal Councils and their associated communities, during Phase 2: the Athabasca Tribal Council (Fort Chipewyan, Fort McKay, and Anzac, Conklin and Javier), the Bigstone Cree Nation (Wabasca-Demarais and Peerless Lake, Trout Lake, Calling Lake, Sandy Lake, Chipewyan Lakes and Red Earth Creek), the Métis Settlements Council (Buffalo Lake, Fishing Lake, East Prairie, Gift Lake, Paddle Prairie, Peavine, Kikino and Elizabeth) and the North Peace Tribal Council (Fox Lake, Garden River and Jean D'Or Prairie).

Research in Phase 2 of the project is being led by Dr. Lisa Carter, dean of the Faculty of Science and Technology, and Priscilla Campeau, chair of the Centre for World Indigenous Knowledge and Research. As in Phase 1 of the project, the research is interdisciplinary in nature, involving researchers and other staff members from a number of academic and administrative centres, including the Office of the Vice-President (Academic), the Office of the Vice-President (Advancement), the Centre for Distance Education, the School of Computing and Information Systems, the Centre for Learning Accreditation and the Centre for World Indigenous Knowledge and Research.

Population Health Investigator Award

Dr. Jeffrey Vallance, an assistant professor in the Centre for Nursing and Health Studies, was awarded a seven-year, $1,080,000 Population Health Investigator Award by the Alberta Heritage Foundation for Medical Research in support of his study Facilitating Physical Activity Behavior and Health Outcomes in Breast Cancer Patients Receiving Chemotherapy: A Practical Behavioral Trial. This is the first Alberta Heritage Foundation for Medical Research award to an AU researcher.

Vallance's project focuses on studying the effects of physical activity on the health outcomes of breast cancer patients who are undergoing chemotherapy and involves a major population study to be carried out in rural Alberta.

The Population Health Investigator Award sets its peer-reviewed standards to ensure that the work of funded researchers is internationally competitive and is intended to allow health researchers in the early stages of their career to commit at least 75 per cent of their time to research.

Vallance also received a $300,000 New Investigator Award and an additional $187,963 operating grant from the Canadian Institute for Health Research.

Natural Science and Engineering Research Council Industrial Chair

In the fall of 2009, the Advisory Committee on University Industry Grants recommended to the Natural Science and Engineering Research Council that AU's iCORE/Xerox/Markin Industrial Research Chair in Adaptivity and Personalization in Informatics be conditionally awarded an Natural Science and Engineering Research Council Industrial Chair, and the council has accepted that recommendation.

This grant will allow the chair holder, Dr. Kinshuk, director of AU's School of Computing and Information Systems, to further develop his research in adaptation and personalization in informatics.

This award will match previously awarded Informatics Circle of Research Excellence (iCORE) funds in the amount of $760,000 (full matching). The Natural Science and Engineering Research Council funding will be forthcoming in 2010–11 fiscal year.

Leader's Opportunity Fund Award

In November 2009, Dr. Fuhua (Oscar) Lin, a professor in the School of Computing and Information Systems and program director for the Master of Science in Information Systems, was awarded a Leader's Opportunity Fund grant by the Canada Foundation for Innovation for his project Infrastructure for Building 3D Virtual Classrooms.

The proposed research will develop, test and deploy three-dimensional virtual classrooms that combine interactive three-dimensional graphics, commercial game and simulation technology, virtual reality, voice, chat, web cameras and rich digital media with collaborative online course environments. When fully integrated with the university's existing Moodle learning management system, Alfresco content management system and digital library, the three-dimensional virtual classrooms will immerse and engage students in the same way that the best video games grab and keep the attention of players and will provide an excellent platform for AU computer science, psychology, business and education researchers for trials and other forms of experimentation.

The Leaders Opportunity Fund is designed to help universities attract and retain exceptional researchers at a time of intense international competition and is intended to serve the infrastructure needs of individual faculty members or small groups of faculty members.

Student Services

Banner Upgrades

AU has spent over $2.4 million over the past two years to upgrade the Banner student information system. This enhancement has positioned the university to further develop Banner and related systems to improve student services.

Transfer Credit Improvements

A number of improvements to assessment services and communication related to credit transfers are underway. Upgrades to the Transfer Credit Articulation System are providing students with online access to transfer credit results and the ability to perform online searches for information related to credit available for given academic qualifications.

Financial Aid

Adults who face financial barriers to higher education constitute one under-represented student group. To help reduce these barriers, AU continues, as resources allow, to increase the number of student scholarships and bursaries.

New automated student financial aid processes are reducing processing time for aid applications and expediting communication with students. Students can now access financial aid results online.

Exam Letter Process Improvements

The Student and Academic Services Web Unit, in collaboration with the Academic Support Unit, enhanced the process by which exam letters are generated and distributed. A manual process has been replaced by an automated process resulting in more rapid turnaround time for the production and delivery of exam letters. A conservative estimate of the saving is about three minutes of processing time per letter, so over the course of the year, the system is expected to save approximately 70 days of employee time, which can be allocated to other support functions.

Academic Centre Web Pages

Beginning in late 2009, the Student and Academic Services Web Unit assisted several academic centres to revise their student and staff web pages. These projects included full content review, removal of replicated information, redesign of information architecture, visual design and search engine optimization. Web pages for the Centre for Language and Literature, the Centre for Science, and the Centre for Integrated Studies have been completed and work continues on a number of others.

Faculty and Staff Achievement

Canadian Association for Nursing Research Presidency

Dr. Pamela Hawranik, dean of AU's Faculty of Graduate Studies and an associate professor of nursing, was elected president of the Canadian Association for Nursing Research, a national organization that promotes nursing research across Canada and links researchers, practitioners and educators. She had served on association's board of directors for the previous five years.

Wedemeyer Award

The University Professional and Continuing Education Association awarded Dr. Mohamed Ally, director of AU's Centre for Distance Education, the 2010 Charles A. Wedemeyer Award for his book *Mobile Learning: Transforming the Delivery of Education and Training*. The award is granted annually by the association to recognize publications of merit that make significant contributions to research in the field of distance education.

Published by AU Press, *Mobile Learning* focuses on the use of mobile technology for various distance learning applications, designing learning materials for delivery on mobile technology, recent initiatives in mobile learning research and best practices of educators, trainers and researchers in the field. The book also serves as a textbook for courses in distance education, mobile learning and educational technology.

Teaching Science Online

In September 2009, associate vice-president (academic) Dr. Dietmar Kennepohl was the guest editor of a special issue, on teaching science, of the *American Journal of Distance Education* (Volume 23, Number 3). The issue also featured an interview with AU professor emeritus Dr. Robert Holmberg about his lifetime experience teaching science online and at a distance. The journal's editor, Dr. Michael Grahame Moore, said that the special issue was needed because science teaching has lagged behind other subjects in its adoption of distance teaching methods.

National Dissertation Award

Andrew Han, a learning designer in AU's Centre for Language and Literature, received the Canadian Association for University Teachers of German Dissertation Prize for his work *Deification and Invective in Heinrich Heine's Satirical Prose*. The prize is awarded triennially for the best doctoral dissertation written and defended in a German studies program in Canada during the previous three years. Han's award was for the period June 1, 2005, to October 15, 2008. He received the award at the association's annual meeting in Ottawa in May 2009.

Lifetime Achievement Award

Fil Fraser, a term graduate instructor in the Centre for Integrated Studies, received a lifetime achievement award from the Caribbean Tales Youth Film Festival in Toronto in January 2010.

Fraser is a longtime broadcaster, journalist, television program director and radio, television and feature film producer. His wide and varied career has included terms as vice-chair of Telefilm Canada, the president of Vision TV, founding publisher of the *Regina Weekly Mirror* and host of ITV Television's *Fil Fraser Show* in the 1970's. He is also a member of the Order of Canada. His first two books, *Alberta's Camelot: Culture and the Arts in the Lougheed Years*, a memoir, and *Running Uphill: the Fast, Short Life of Canadian Champion Harry Jerome*, a biography of the Olympic sprinter Harry Jerome, are rooted in history. He is now working on an historical novel intended to chronicle early Black settlement in British Columbia.

Best Journal Article Award

Dr. Dianne Conrad, director of AU's Centre for Learning Accreditation, received the best article award from the Canadian Association for University Continuing Education at the association's annual conference in Vancouver in May 2009. Conrad's article, "Revisiting the Recognition of Prior Learning: A Reflective Inquiry into RPL Practice in Canada," appeared in the fall 2008 issue of the *Canadian Journal of University Continuing Education.*

Tibesar Prize

Dr. Mike Gismondi, director of the Centre for Integrated Studies, and Dr. Jeremy Mouat, a former AU history professor, were awarded the 2008–09 Tibesar Prize for the most distinguished article in the journal *The Americas* for their article "La Enojosa Cuestion de Emery: The Emery Claim in Nicaragua and American Foreign Policy, c. 1888–1910." The award from the American Historical Association's Conference of Latin American History was presented at the conference's annual meeting in San Diego, Calif., in January 2010.

Outstanding Mentor Award

Regner Sabillon, an individualized study tutor in the School of Computing and Information Systems, received the 2009 Outstanding Mentor Award in the Network Professional Association Awards for Professionalism. The award honours a networking professional who has most effectively met the combined ideals of professionalism and mentoring.

Canadian Geographic Prize

A photograph taken at Eleanor Lake in southeastern British Columbia by AU grounds technician Rob Koons won the grand prize in the *Canadian Geographic's* twenty-fifth annual photo contest in August 2009. Koons' entry was one of more than 10,000 submitted to the competition.

Student Achievement

Champion Entrepreneur

AU Bachelor of Commerce student Teang Tang of Calgary was named 2010 Student Entrepreneur Alberta Champion and Student Entrepreneur Western Regional Champion by Advancing Canadian Entrepreneurship, a national, charitable organization that teaches and encourages young Canadians in

entrepreneurship. Tan is owner of Calgary-based Mingle Event Management, a company which specializes in sustainable event-management solutions. Her regional victory qualified her as one of six finalists for the 2010 Student Entrepreneur National Competition (May 2010). The Student Entrepreneur Championships are supported by the Canadian Imperial Bank of Commerce.

Social Sciences and Humanities Research Council Scholarship

Master of Arts – Integrated Studies student Jeremy Hexham of Calgary received a J.A. Bombardier Canada Graduate Scholarship from the Social Sciences and Humanities Research Council of Canada. Hexham is carrying out interdisciplinary research on the role of Internet websites in promoting the growth of the Christian Right in Canada.

Alumni Achievement

Order of Manitoba

On May 12, 2009, Supt. Corrine Scott of Winnipeg (MBA, 2006) was inducted into the Order of Manitoba by Lieutenant Governor John Harvard. The Order of Manitoba is the province's highest honour, recognizing citizens who have demonstrated excellence and achievement in any field of endeavour to the benefit of the social, cultural or economic well-being of Manitoba and its residents. Scott was honoured as a pioneer, role model and advocate for women in policing in Canada.

Scott is the only female officer with the Winnipeg Police Service to have held every rank from constable to superintendent. Throughout her 28-year career, she has been a source of inspiration to women in policing across Canada. In 2004, she became the first woman to be promoted to the rank of superintendent in the Winnipeg Police Service. She now oversees the police service's Investigative Operations unit including Homicide and Major Crimes.

Scott is a member of the Canadian and Manitoba Associations of Chiefs of Police and the International Association of Women Police. In 2002, she founded the Winnipeg Police Service Policewomen's Network. Its mandate includes recruitment, retention, mentorship and support of female officers. She is a strong advocate of higher education. Scott's previous honours include the Governor General's Exemplary Service Medal.

Publications

Athabasca University Press

Athabasca University Press was the subject of a conference session, Being an Open Access Press: The First Two Years, featured at the International Public Knowledge Project Conference in Vancouver in July 2009. The session, which focused on the philosophy of open access scholarly publishing and the search for an appropriate business model, explored the successes of AU Press in its first two years and considered critical issues in open access publishing in the context of AU Press. The presentation was very well received by an audience that included many publishing industry representatives.

AU Press has been a resounding success to date, having gained a reputation for high quality accessible publications. The press has published 34 books, 16 author videos, one print/e-journal, six additional journals and two websites and has developed an e-publishing program, consisting of open access versions of books on the AU Press website and publications in other e-formats being sold through e-aggregators. Books published by AU Press are available in print and online through open access. All publications are thus accessible to students at all levels, including those in remote settings.

In 2009–10, AU Press books won or were nominated for a number of prestigious awards:

- *Imagining Head-Smashed-In: Aboriginal Buffalo Hunting on the Northern Plains*, by Jack Brink, archaeology curator at the Royal Alberta Museum:
    - 2009 Public Communication Award, the Canadian Archaeology Association
    - 2009 City of Edmonton Book Prize
    - 2009 Non-fiction Book of the Year, Alberta Book Publishing Awards
    - 2009 Best Adult Non Fiction Award, Calgary Public Library Foundation Literary Awards

    (Brink's work was previously awarded the Society for American Archaeology's Best Archaeology Book Award [popular writing category] for 2009.)

- *The Importance of Being Monogamous: Marriage and Nation Building in Western Canada in 1915* by Dr. Sarah Carter, professor of history and classics and the Faculty of Native Studies at the University of Alberta (co-published by the University of Alberta Press):
    - 2008 Margaret McWilliams Award for Scholarly History, the Manitoba Historical Society
    - 2009 Clio Award (Prairie Region), Canadian Historical Association
    - 2009 Scholarly and Academic Book of the Year, Alberta Book Publishing Awards
    - Shortlisted for 2010 Harold Adams Innis Prize (best English-language book in the social sciences), Canadian Federation for the Humanities and Social Sciences

    (Carter's work was previously nominated for the Cundill International Prize in History.)

- *Bomb Canada and Other Unkind Remarks in the American Media* by Chantal Allan:
    - Shortlisted for the Alberta Readers' Choice Award

- *Mobile Learning: Transforming the Delivery of Education and Training* by Mohamed Ally:
    - 2010 Charles A. Wedemeyer Award, University Professional and Continuing Education Association

Connecting Canadians

An AU initiative, Connecting Canadians: Canada's Multicultural Newspapers, is providing Canadians with Internet access to 20 multicultural newspapers from across the country. The project focused on the early to mid-1900's and included papers published in Croatian, Estonian, Finnish, Hungarian, Latvian, Lithuanian Polish, Serbian, Ukrainian and Yugoslavian.

Funded by a $405,000 Government of Canada grant, through the Department of Canadian Heritage Partnerships Fund, AU and four partner institutions (Simon Fraser University, the Multicultural History Society of Ontario, Commonwealth Imaging and Galileo Educational Network) will digitize and deploy the newspapers to the Internet on an open-access basis, making them freely available to anyone with Internet access. A key driver of this project is the use of technology to facilitate access to the content, which is mobile friendly. In addition to browsing the papers, students, teachers, researchers and other interested parties will be able to search the historic newspapers and look at the original pages.

Project leaders want to present the collection to multicultural groups associated with the languages in which the newspapers were published, invite interested readers to the site and encourage them to explore the papers and provide text or audio translations of articles of interest.

Open AU and Open Magazine

In May 2009, the university launched *Open AU*, an online magazine. *Open AU* features stories about AU students, faculty members, research projects, awards and events. An online companion to the

already successful *Open* magazine, which is published once a year, *Open AU* creates a barrier-free global community for anyone interested in lifelong learning and AU.

Open AU received a 2009 Platinum Award in Design from the Association of Marketing and Communication Professionals (MarCom). The MarCom Awards is an international creative competition that recognizes outstanding achievement by marketing and communication professionals. *Open* magazine received a Gold Award in Design in the same competition.

Circulation for *Open* magazine grew to 610,000 in 2009–10, with distribution in Alberta, Ontario and British Columbia.

Conferences

Moodlemoot 2009

In April 2009, over 300 delegates from as far away as New Zealand, India and Mexico attended Moodlemoot 2009, hosted by AU in Edmonton, while another 110 delegates in locations as distant as Qatar, Japan and Australia participated online. A unique feature of the conference was that it featured both on-site and online presenters.

The conference featured keynote sessions with Dr. Martin Dougiamas, founder and lead developer of Moodle; Dr. Alec Couros of the University of Regina; Dr. Victor Manuel González Romero, state planning secretary for Jalisco, Mexico; Jaci Lyndon, manager of the STARS Centre in Calgary; Dr. Terry Anderson, a professor in AU's Centre for Distance Education and Canada Research Chair in distance education; and Brian Stewart, AU's vice-president (information technology).

E-Learning and Games

AU hosted Edutainment 2009, the fourth International Conference on E-Learning and Games, in Banff from August 9 to 11, 2009. This edutainment conference has grown into a major international event with a focus on combining education with entertainment. The conference focused not only on research into game-based learning but also on issues of learning experiences gained through entertainment.

Presenting Women's History

Dr. Karen Wall, an assistant professor of communication studies in the Centre for State and Legal Studies, received funding from the Social Science and Humanities Research Council's Aid to Research Workshops and Conferences in Canada Program in support of Going Public: Cross-disciplinary Perspectives on Presenting Women's History, a Canadian Association for Women's Public History conference which was held in Edmonton in October 2009. The conference explored ways of bridging the divide between women's history as a discipline and women's history as practice to find ways to unite the two for a better public understanding of Canada's history. Strengthening links between public history practitioners was a key goal.

International Relations

Accreditation in Greece and the European Union

In November 2009, AU signed a memorandum of agreement with the University of Kavala Institute of Technology in Kavala, Greece, to promote its Master of Distance Education degree in Greece. The process of developing this memorandum of agreement involved accreditation of both AU and the MDE

program in Greece by the National Academic Recognition Information Centre, the Greek accrediting body, making AU the first external distance education university to be accredited in Greece. With accreditation in Greece comes accreditation in the European Union. Agreements covering other AU programs are possible.

Open Educational Resource Foundation

AU became a founding member of the Open Education Resource Foundation, a recently launched international organization designed to assist educational institutions in reducing costs through the use of open education materials. The foundation, headquartered at Otago Polytechnic in Dunedin, New Zealand, is an independent, not-for-profit organization developed to provide leadership, networking and support for educators and educational institutions to achieve their objectives through open education. It will promote the use of open education resource materials worldwide. These are cost-free lessons and other learning materials which educators are free to reuse, adapt and modify without restriction. Dr. Rory McGreal, AU's associate vice-president (research), is Canada's representative to the foundation.

Caribbean Students Learning through AU

Two AU programs have been selected for a Government of Canada funded pilot project that provides scholarships to Caribbean students who wish to complete Canadian distance and online programs entirely in their home countries. The Certificate in Counselling Women and the Certificate in Computing and Information Technology were selected because they met Foreign Affairs and International Trade Canada criteria: they are short programs, they ladder to degree-credit programs and they do not compete with a distance program offered by University of West Indies. The project is co-ordinated by the Canadian Virtual University.

Fundraising

First Family Campaign

AU's Family Campaign (We Are the Family!), the second phase of the university's multi-year fundraising strategy following the successful Executive Campaign in 2008–09, ran from October 2009 to February 2010, providing opportunities for AU staff and faculty members to contribute to the university's growth and to fulfillment of its mission to reduce barriers to post-secondary education. The successful campaign was based on three principles:

- We support our university.
- Seeking external support should be preceded by seeking internal support.
- Giving is a personal choice.

Two areas, research and academic initiatives and student awards, received the highest levels of support from AU employees.

Significant Changes

New AU Mandate

Athabasca University's new mandate, approved by Alberta Advanced Education and Technology in November 2009, signals an important future role for the university in post-secondary education in Alberta.

The new mandate (See page 6) identifies AU as Alberta's open, lifelong learning, distance and online learning institution. Changes to the mandate reflect the variety of the programs offered by the university today, its leadership in new learning technologies, its role in Campus Alberta and its increasingly significant research activities.

Over the past several years, the ministry reviewed the mandates of all the colleges and universities in the province to ensure that they reflected current practices and to provide an opportunity for dialogue about what each institution planned to achieve. In part, the updates were necessitated by the province's Roles and Mandates Six Sectors Framework, under which all institutions experienced change, and some were assigned new roles.

The new mandate, which was developed through university-wide dialogue, consultation and committee work before being forwarded to government for further review, clearly identifies qualities central to AU's identity, including open admission, accessibility, service to under-represented communities and flexibility in course and program delivery. It speaks to AU's role in Campus Alberta as "committed to collaborating with other key stakeholders to ensure a seamless and responsive advanced education system that provides high-quality learning opportunities in support of lifelong learning."

Revised Academic Structure

AU changed its academic structure in October 2009 to better manage the university's growth and to reflect the diversity of its course offerings. Four new faculties (Business, Health Disciplines, Humanities and Social Sciences, and Science and Technology) were created to streamline academic operations and to make the university's academic structure more transparent to new students and to faculty members at other post-secondary institutions.

Dr. Alex Kondra was appointed dean of the Faculty of Business; Dr. Donna Romyn, dean of the Faculty of Health Disciplines; Dr. Jeff Taylor, dean of the Faculty of Humanities and Social Sciences, and Dr. Lisa Carter, dean of the Faculty of Science and Technology.

Membership in the four faculties breaks down as follows:

- Faculty of Humanities and Social Sciences: Centre for Language and Literature, Centre for Psychology, Centre for Integrated Studies, Centre for State and Legal Studies, Centre for Work and Community Studies, Centre for Global and Social Analysis and Centre for World Indigenous Knowledge and Research
- Faculty of Health Disciplines: Centre for Nursing and Health Studies and Graduate Centre for Applied Psychology
- Faculty of Science and Technology: Centre for Science and School of Computing and Information Systems
- Faculty of Business: Centre for Innovative Management, Centre for Organizational Behaviour and Marketing, Centre for Accounting and Taxation and Centre for Finance, Economics, E-Commerce and Decision Sciences

Previously, all directors of academic centres reported directly to the vice-president (academic). Under the new model, most will now report to their respective deans; however, the Centre for Distance Education will continue to report directly to the vice-president.

New Programs

AU continues to develop new programs in response to the demonstrated educational needs of Albertans. One new program proposal, for a post-baccalaureate diploma in architecture, was submitted

to Advanced Education and Technology during the past year. Work continues on a proposal for a doctorate in Nursing and Health Studies.

Architecture Program Planning

In September 2009, AU signed a memorandum of understanding with the Royal Architectural Institute of Canada, committing the two institutions to co-operate in development of an academic and work-study program in architecture through which students may satisfy the educational requirements for registration as an architect in Canada.

AU's planned Bachelor of Science in architecture and Graduate Diploma in Architecture programs will include virtual design studios and build on the existing Royal Architectural Institute of Canada foundation to create a new and innovative approach to post-secondary education in architecture. They will provide a diverse group of learners with access to the resources needed to take their careers to a higher level:

- those seeking entry into the field of architecture
- those now working in architecture and related fields who seek professional accreditation in architecture
- students in campus-based programs who need additional courses
- Canadians working internationally who wish to pursue accreditation
- foreign educated architects seeking Canadian accreditation

The memorandum of understanding also commits AU and the Royal Architectural Institute of Canada to seek to establish a partnership with a French-language university to offer French-language versions of the architecture programs.

British Columbia Council on Admissions and Transfers Membership

The British Columbia Council on Admissions and Transfers, the body that facilitates admission, articulation and transfer agreements among B.C. post-secondary institutions, unanimously approved AU's membership in December 2009. AU is the first Alberta post-secondary institution to be admitted to the B.C. transfer system. Membership will result in AU's articulation pathways being published in the council's transfer guide, enhancing the university's visibility and recognition in B.C.

New Chair of Athabasca University Governing Council

In December 2009, Alberta Advanced Education and Technology Minister Doug Horner appointed Barry Walker chair of the Athabasca University Governing Council. Walker replaced Joy Romero, who had chaired the council since October 2006.

The new chair had been a public member of the Governing Council since August 2004 and previously served as chair of the Audit and Finance Committees and as a member of the Executive and Human Resources Standing Committees.

Walker is a fellow of the Institute of Chartered Accountants of Alberta and a partner with Peterson Walker LLP. A former AU student, he has experienced firsthand the benefits of distance learning and has a clear understanding of the AU student experience.

New Student Awards

Ten new awards were established for AU students during the past year:

- The Mature Graduate Student Award is available to a graduate student, 50 or older, taking a first graduate program.
- The Mature Undergraduate Student Award is available to an undergraduate student, 40 to 60, undertaking a university program for the first time.
- The First in Family to Attend University Award is available to AU students who are the first in their immediate family (parents, grandparents, siblings) to attend university.
- The Glass Ceiling Awards are available to students studying to break career barriers.
- The Undergraduate Refugee Award will be awarded to the program student, arrived in Canada as a refugee within the last 10 years, who has the highest final grade average on his or her best 15 AU program credits.
- The Master's Level Refugee Award will be awarded to the program student, arrived in Canada as a refugee within the last 15 years, who has the highest final grade average on his or her best 15 AU program credits.
- The PLAR Scholarship will be awarded an AU undergraduate student who has successfully completed the Prior Learning Assessment and Recognition process.
- The Gateway to AU Undergraduate Course Awards are available to students living in rural or remote locations in Alberta or Aboriginal students worldwide who are enrolled in their first AU course.
- The Graduate Level Student Travel Awards will assist students to take advantage of dissemination and presentation opportunities to showcase their research.
- The Access to Research Tools Awards, from Sun Microsystems of Canada, will facilitate research conducted by AU graduate program students by partially covering costs incurred while completing a thesis, dissertation or major project.

New Alumni Awards

Until 2009, the AU Alumni recognized two of its outstanding members each year by awarding the Distinguished Alumni Award and the Rising Star Award. Two additional awards were added in 2009. The Volunteer Service Award recognizes an alumni member whose service has made a difference to the well-being of others at home or abroad, and the Future Alumni Award recognizes the leadership, service and potential of a current AU student.

Environmental Factors Affecting Performance

Opportunities and Challenges

Information and Communication Technology

Technological developments have transformed the contemporary workplace, creating both opportunities and challenges for AU and other adult educators. AU aspires, over the next decade, to further develop its Open Learning Environment, a planned virtual campus through which course delivery can be tailored to meet students' individual needs and learning styles. Development of the Open Learning Environment has been planned over 10 years with a total estimated capital cost of

$90 million. In particular, the university is actively developing new ways to engage, through the use of technology, members of communities under-represented in post-secondary education, particularly indigenous communities.

Economic Factors

Like most Canadian universities, AU has experienced a decline in investment income as a result of the general weakness in the financial markets, a challenge which has been compounded by a freeze on the university's general operating grant, lower than projected enrolment increases and limitations on the university's ability to increase tuition fees. AU has implemented various measures to address the funding challenge, including improvements in business practices (aided by technology), increased restraint in discretionary spending, a temporary freeze on hiring to vacant positions (except for vacancies that can be filled internally, those that have external funding and tutor positions) and a voluntary retirement incentive program.

Limited program funding, especially for new programs, represents a particularly significant challenge for AU since its delivery model demands front-end course and program investments that are difficult to achieve in the present economic climate.

Research

AU's revised mandate provides an expanded base for research beyond distance education and new learning technologies. The challenges ahead are to define the university's role in Alberta's new research capacity planning framework and to develop an Institutional Research Plan that aligns with the Government of Alberta's emphasis on knowledge transfer through industrial partnerships and commercialization. Building research capacity through flexible networks and alliances will be one important aspect of that plan. Areas of strength in health, information technology, knowledge media, community sustainability and project management are being expanded. While the recently developed research institutes are providing impetus for some research networks and initiatives, they have not yet achieved sustainable grant levels.

How Challenges and Risks Identified in the Business Plan Have Affected Institutional Performance

As emphasized in AU's Business Plan 2009–13, ensuring the university's ability to meet its post-secondary mandate requires an increase in funding to cover its growing indirect costs. A careful analysis completed for last year's plan revealed that AU requires $15 million per year to cover unfunded indirect costs. Due to the freeze on university operating grants for the next two years and given the province's fiscal position, neither normal increases nor additional funding will be possible in the immediate future. AU will meet these fiscal realities by deferring the following planned activities:

- exit surveys to gather information on matters such as satisfaction levels of students who left the university without passing or completing courses or without graduating from their degree program
- further co-ordination of recruitment activities focused on under-represented student groups with relevant support units (e.g., Access for Students with Disabilities)
- designation of a W3C-based checklist to ensure that websites are accessible to people with disabilities as a formal, required part of the course development process
- improvement of the assessment methods and communication related to transfer credit agreements

- further investigation, development and implementation of new distance learning pedagogy and technology

Effectiveness with which Challenges Were Approached

AU continues to work closely with representatives of Advanced Education and Technology on its need for capital technology funding and on the annual operating lift requested in the Business Plan 2009–13.

Information and communication technology is integral to the university's learning delivery and student support systems. Technology removes barriers and makes AU accessible to those in rural and remote areas and those unable to attend residential programs because of work, disability or community or family commitments, enabling their full participation in the knowledge economy.

AU was able to secure external funding which will enable it to advance some of its planned initiatives, including the development of the Open Learning Environment:

- $7.65 million in federal and provincial funding, through the Knowledge Infrastructure Program (See "Open Knowledge Environment Project" below) allowed advancement of Open Learning Environment goals.
- $3.8 million in Knowledge Infrastructure Program funding was received for campus building improvements (See page 26).
- $3.2 million from Western Economic Diversification Canada's Community Adjustment Fund Program was matched by the university with in-kind contributions and funds from other sources for a $6.4 million project to digitize course materials (See page 11).
- Advanced Education and Technology approved an additional $250,000 of funding for the Academic Research Centre Project to allow the university to meet Leadership in Energy and Environmental Design (LEED) Gold Design Standard for the building.
- Funds made available to AU through the Government of Alberta's Access to the Future Fund, particularly the Renaissance Fund Program, continue to be invaluable to university in allowing it to initiate several important and innovative scholarly communication projects and in leveraging key research opportunities.

Despite fiscal challenges, AU did make strides toward achieving excellence in learning, including expanding programs in response to economic, market and community dynamics, and "enhancing open access" objectives:

- The Bachelor of Arts philosophy major was approved by Academic Council.
- A formal agreement was signed with the Royal Architectural Institute of Canada on development of a future architecture program.
- Ninety-nine more courses were converted to the Moodle learning platform.
- Graduate student enrolment grew by 5.8 per cent.
- Scholarships and bursaries with a total value of $980,743 were awarded.

Major Operating and Capital Initiatives

Open Knowledge Environment Project

The Open Knowledge Environment Project, initiated in 2009, responds to AU's highest priority infrastructure need: development and enhancement of the university's information and communication

technology infrastructure. This innovative online infrastructure project, representing a step toward fulfillment of AU's proposed $90 million Information and Communication Technology Capital Plan: Open Learning Environment, will implement a number of components:

- synchronous web conferencing
- immersive technologies and social networking infrastructure
- integration with Alberta's Netera and Westgrid research networks
- content management system integration (Alfresco ECM, syllabus request system, exam harmonization project)
- virtual media lab
- gradebook integration
- MyAU portal development
- course tracking system
- graduate student admissions system
- federated search project, copyright system project

Academic and Research Centre Project

Construction of the 5,343 m^2 Academic and Research Centre on AU's Athabasca campus was nearly 50 per cent complete as of March 31, 2010. According to a revised construction schedule, the project is scheduled for substantial completion by January 2011. There have been no substantive changes to scope from the originally approved final design, construction drawings and specifications, and all changes are documented within the Change Order approval process. The project management team is working closely with the architect's design team to achieve the Leadership in Energy and Environmental

Design (LEED) Gold Design Standard certification for the new building. The Academic and Research Centre will provide office space and meeting rooms for AU faculty and staff and reduce space shortages experienced in recent years.

Main Campus Building and Science Laboratory Renewal Project

The $8,450,000 Main Campus Building and Science Laboratory Renewal Project directed at maintaining and improving the main campus building at AU Athabasca, started in early 2009 and includes three subprojects: the Science Laboratory Expansion and Renewal Project ($6,490,000), the Roofing and Skylight Upgrades Project ($1,085,000) and the Main and Library Entrance Reconstruction Project ($875,000). This project is supported by a $3,802,500 Knowledge Infrastructure Program grant, and all projects funded under the program are to be completed by March 31, 2011.

This project involves the expansion of the existing science laboratory from 355 m^2 to 735 m^2 and the renovation of the existing laboratory space. The project scope includes provision of scholarly research space and student teaching labs and enhancement of work spaces and equipment storage areas. The new lab will provide independent work areas for students and researchers in various disciplines in the science group and a more functional teaching space to assist with on-site lab instruction.

A detailed functional program, created by HFKS Architects Inc., provided the initial direction for the lab expansion, and additional architectural services were provided by Manasc Isaac Architects Ltd. The completed lab design, drawings and specification have been reviewed and approved by the Project Management Office and representatives of all science disciplines.

The project is progressing on schedule and within budget.

Athabasca University Geophysical Observatory Project

A replacement Geophysical Observatory is needed to assist AU professor and Canada Research Chair in space science, instrumentation and networking Dr. Martin Connors and his team in space research. The usefulness of the existing observatory, located on the AU grounds, has been compromised by increasing light pollution. The new observatory will be constructed at Narrow Lake, approximately 30 km west of Athabasca, to eliminate light interference. The facility will be one of 16 ground based observatories assisting with the research and collection of data for NASA's THEMIS Mission.

Construction of the new observatory, planned for 2010–11, is being funded by the Alberta Science and Research Investments Program as part of the concurrent Canada Foundation for Innovation and Alberta Science and Research Investments competitions. The project will receive $1,373,558 in funding: $712,261 from Alberta Science and Research Investments Program and $661,297 from the Canada Foundation for Innovation.

Calgary Relocation

At year end, AU was in discussions with Bow Valley College in Calgary about the potential for relocating the university's Calgary operations from their existing leased, downtown location to a new building being constructed on Bow Valley's main campus in downtown Calgary. AU is considering occupying about half of one floor of the building (900 to 1,400 m^2). The proposed relocation would occur in 2013.

This partnership between AU and Bow Valley College will showcase Campus Alberta and provide an example of positive collaboration among Alberta post-secondary institutions. It will benefit students by providing learning experiences at a variety of academic levels in one convenient downtown location accessible by public transportation and by providing options for students to transfer or ladder into university-level programs in both traditional classroom and distance learning environments.

Integrated Learning Centre – Edmonton

The Strategic University Plan calls for the development of a Greater Edmonton facility that will accommodate the activities of the Centre for Innovative Management, now located in St. Albert, and the two AU Edmonton centres located in downtown Edmonton. The expected benefits of this project include administrative efficiencies in registration and financial and support processes, including support for those working from home offices in the St. Albert and Edmonton areas. Through discussions with interested parties and government, AU continues to investigate options for housing its Greater Edmonton Area operations.

Financial Highlights

AU's net asset position remains healthy, despite a decrease in overall net assets from $22.7 million to $15 million. Internally restricted net assets (reserves) remained virtually unchanged. Detailed financial analysis is presented in the "Management's Discussion and Analysis" section on pages 44–49. Audited financial statements are presented in Appendix A.

Goals, Expected Outcomes and Performance measures

Achievement of Business Plan Goals

The stated goals of Athabasca University's Business Plan 2009–13 were based on those of the *Strategic University Plan 2006–11*:

- ensuring quality in learning
- enhancing open access
- focusing on quality research
- building communities
- recruiting and retaining excellent employees
- allocating resources

Substantial progress has been made toward achieving these goals.

> *Goal 1: Excellence in Learning: to continue to focus on the delivery of high quality open and distance education through a wide range of programs and courses*

Program Planning

The 2009 Institutional Access Plan acknowledged the challenges of the fiscal environment and the suspension of new program funding. Only programs and courses for which faculty were in place and costs could be recovered through tuition were considered for opening. Planned program development activities requiring external funding did not proceed beyond internal approval.

The first cohort of candidates for the Doctor of Business Administration degree were admitted to the program in April 2009. One new program proposal, for a post-baccalaureate diploma in architecture, was submitted to Advanced Education and Technology. A philosophy major for the Bachelor of Arts (four-year) was approved by Academic Council. In September 2009, AU signed a memorandum of understanding with the Royal Architectural Institute of Canada, committing the two institutions to co-operate in development of an academic and work-study program in architecture.

Program reviews for the Bachelor of General Studies, the Bachelor of Professional Arts (Human Services), the Bachelor of Science in Information Systems and the Master of Arts – Integrated Studies were completed in 2009–10.

Online Course Development

Conversion of undergraduate and graduate courses to the Moodle Learning Management Platform continues as illustrated in the table below. The conversion target of 680 courses is based on the total of all graduate and undergraduate courses with more than 10 students registered during the 2008–09 academic year.

Status	Number of Courses	Percentage of Target
Opened in Moodle in 2009–10	99	14.6%
Opened in Moodle in 2008–09	107	15.7%
Opened in Moodle in 2007–08	102	15%
Opened in Moodle in 2006–07	113	16.6%
Other learning management systems*	48	7.1%
Total	**469**	**69%**

*Credit courses offered by the Centre for Innovative Management

External funding from the Community Adjustment Fund and the Knowledge Infrastructure Program have allowed enhancements to continue, including the development of 12 showcase courses and collaborative work with Canadian Virtual University partners on the Best First Year Online calculus course. Enhancements have included webcasts, podcasts, interactive multimedia, wikis, blogs, discussion forums and introduction of other social software to enhance interactivity.

The Government of Alberta provided $330,000 to develop the graduate course Learning in Aboriginal Communities and to offer it to recently hired school teachers. The Centre for World Indigenous Knowledge and Research is leading the initiative to develop the course, which will be offered through the Centre for Integrated Studies beginning in October 2010.

The Centre for Learning Design and Development expanded professional development opportunities for academics to support excellence in teaching for online learning environments.

Implementation of an upgraded Alfresco content management system is continuing. This system is a vital element of the infrastructure needed for digitization of course materials and improvement of the information architecture of web services.

Student Services

The second stage of an Interactive Voice Response System was launched in May 2009 to allow more direct routing to student services. Key student services websites were also upgraded to improve self-service navigation and to add a teaching video and an assignment drop box for the Write Site. New automated student financial aid processes were introduced and are reducing processing time for aid applications and expediting communication with students.

Admission and registration functions in the Office of the Registrar were amalgamated and responsibility areas redistributed in October 2009 to improve access to services and facilitate cross training of staff for better coverage. Process improvements are underway through the exam harmonization and document imaging projects. The Student and Academic Services Web Unit, in collaboration with the Academic Support Unit, enhanced the production and delivery of exam letters releasing staff time to support other functions.

The Faculty of Graduate Studies developed an admission and registration process model to integrate common activities in separate centres. In addition, policy was developed to clarify roles and responsibilities of thesis and supervision committees and communication was enhanced through an updated faculty website.

Digitization of Learning Resources

The Canadian Research Knowledge Network and the Lois Hole Campus Alberta Digital Library continued to expand to provide AU students and staff with access to additional digital resources. The number of e-books available in the library collection has increased significantly.

> **Goal 2: Enhancing Open Access:** *to increase participation rates at AU and ensure accessibility for students from diverse regions and backgrounds*

Student Recruitment

Graduate course registration increased by 5.5 per cent in 2009–10. As shown in the table below, growth exceeded expectations in business and distance education but targeted increases were not achieved in other areas.

Program	Targeted Increase	Actual Increase
Business	(5%)	1%
Distance Education	3%	12%
Humanities and Social Sciences	20%	2%
Health Disciplines	22%	11%

Undergraduate course registration grew by 0.1 per cent, also well below the target of 4.8 per cent. New student registration for individualized study courses dropped 1.6 per cent from the previous year and for grouped study courses by more than 20 per cent.

A long-range marketing and recruitment plan, including general awareness and targeted campaigns, is being implemented. Openness, excellence, flexibility and innovation are the key messages of the recruitment and marketing plans. Academic centre and staff pages are being reviewed to enhance their information architecture, visual design and search engine optimization. Work continues with community colleges in Alberta to enhance access to university-level study and classroom courses offered at AU-Calgary and at the Edmonton campus of the University of Lethbridge.

The British Columbia Council on Admissions and Transfers approved AU's application for membership. The university will now be included in the council's transfer guide, and its top 25 courses will be listed in the BCcampus online catalogue. This initiative builds on the B.C. Degree Quality Assessment Board's recognition of AU.

Student Retention

AU awarded 1,746 academic credentials in 2009–10, 972 at the undergraduate level and 774 at the graduate level.

Undergraduate program administrators met quarterly to share best practices on services for program students. Enhancements to program planning information on the web have been designed to complement the current planning forms, and academic advisors are contacting students who have completed general application forms but have not registered in courses after two months.

The Centre for Learning Design and Development and the Office for Access to Students with Disabilities are defining standards and production processes to audit the accessibility of online courses. Improvements to transfer credit processes have reduced wait times for transcript evaluations.

Implementation of the Student Awards Plan 2008–11 continues with more awards available, especially for graduate students. The student awards and the revised undergraduate honours list policies were passed by Academic Council. The total value of scholarships and bursaries awarded has increased significantly since 2006–07.

Goal 3: Excellence in Research: *to foster and expand research and scholarship at AU*

Support for Student and Staff Research

An internal research forum on the theme Cross-Fertilization of Research Activities, included presentations from graduate students, researchers from Mount Royal University and expert panel members. Sixty-five faculty members participated. Additional grant preparation workshops and mentoring assistance was facilitated through Research Services.

The Graduate Student Research Fund Committee approved 10 awards (two research dissemination awards, and eight disciplinary awards) across the various graduate centres. Thirteen internal grants were awarded by the Academic Research Committee, one to a staff member who had an unfunded but meritorious Social Science and Humanities Research Council application. The Academic and Professional Development Fund Committee reviewed 95 applications for funding and made 79 awards in support of research dissemination.

Scholarship in Open and Distance Learning

The William and Flora Hewlett Foundation awarded AU $150,000 to support the Open Educational Resources Network, which will promote international interaction to ensure that both developed and developing countries can benefit from the open educational resources movement.

The International Review of Research in Open and Distance Learning published three regular issues, two regional issues (Africa and the Middle East) and one special issue (Openness and the Future of Higher Education).

Expanding Research Culture

A number of AU researchers received funding during 2009–10 for a wide variety of projects in a number of disciplines (See pages 40–43).

Dissemination and Knowledge Transfer

Athabasca University Press, one of the first open access scholarly presses in North America, published 20 monographs, three journals, two websites and 35 author video segments. Three publications won academic awards. Aid to Scholarly Journals awarded $16,000 to the *International Review of Research in Open and Distance Learning* and $30,000 to *Labour/Le Travail*.

The Research Centre hosted a number of dissemination activities including: 10 Lunch and Learn sessions, nine Arts and Science Research Talks and 12 Collaborative Research Forums.

Research Partnerships and Collaborations

The Athabasca River Basin Research Institute was awarded $200,000 by the Imperial Oil Foundation in support of development of the online Bibliography of the Athabasca River Basin. This database will serve as a digital portal for sharing information and building knowledge among academics, governments, industry and the general public.

> ### Goal 4: Building Communities: to promote collaboration and
> ### foster leadership in the communities we serve

Media Coverage

The Advancement Office has developed *The Experts Guide*, a media guide to AU scholars and researchers, and provided media relations training for researchers. Media coverage continues to improve. In fiscal 2009–10 AU was featured in 565 mainstream media news stories with a combined reach of 24,787,111 and an estimated advertising value of $1.8 million.

Institutional Partnerships and Collaborations

The project Connecting Canadians: Canada's Multicultural Newspapers was initiated by Library Services working in partnership with Commonwealth Imaging (a division of West Canadian Industries), Simon Fraser University, the Multicultural History Society of Ontario and the Galileo Educational Network. The project, focusing on digitization and deployment to the Internet of 20 early to mid-twentieth century newspapers, was funded by the Canadian Heritage Partnerships Program.

In collaboration with eCampus Alberta and Grant MacEwan University AU hosted several college courses in Moodle. If this pilot project is successful, this service may be expanded and made available to other partners in Campus Alberta.

Undergraduate program applications are being managed through the Alberta Post-secondary Application System. The system allows for the electronic transfer of transcripts between institutions.

International Partnerships

AU became a founding member of the Open Education Resource Foundation, an independent, not-for-profit organization to provide leadership, networking and support for educators and educational institutions to achieve their objectives through open education. The university also participated in the first international Open Access Week (October 19–23) presenting five one-hour webcasts to broaden awareness of open access.

The Technology Enhanced Knowledge Research Institute signed an agreement with the University of the West Indies to collaborate on the development and assembly of open education resources to create modules for a post-graduate program in learning technologies. The Canadian Department of Foreign Affairs and International Trade financed a workshop on the practical application of open education resources in Barbados in March.

AU has also been authorized to offer joint programming in the European Union after signing a memorandum of agreement with the Technological Educational Institute in Kavala, Greece, to facilitate admissions to the Master of Distance Education program. An additional memorandum of understanding was established with Beijing Normal University to promote scholarly exchanges and participation in seminars and courses.

Community Partnerships

Thirty-two learning needs assessments were completed by the Learning Communities Project, and the Learning Ambassador and Mentor Program was expanded from the Horizon work site to other communities. Outreach activities are also continuing. Phase 2 of the Learning Communities Project, Indigenous Communities, was initiated with funding support from Rural Alberta's Development Fund. In partnership with the Alberta-North colleges and the Athabasca Tribal Council, the Bigstone Cree Nation, the Métis Settlement's General Council and the North Peace Tribal Council, the project will create a system of student supports and improve access to e-learning opportunities in response to local needs and interests.

AU was recognized by Alberta Advanced Education and Technology for its "dedicated service" in support of regional education consortia in the transition to community college stewardship.

Alliances with Business and Industry

The Master of Distance Education Program was recognized by the Canadian Society for Training and Development as providing one or more of the core competencies outlined in its Training Competency Architecture.

AU has become a professional service provider for the provincial Voucher Program. The vouchers help companies to develop their technology-based ideas into marketable products or services at labs, fabrication centres, business development services and other organizations supporting innovation.

An agreement with the Western Hockey League will provide enhanced access to AU courses and programs for players in member clubs.

The Journalism in Conflict Zones course was offered in collaboration with the Department of National Defence.

Alumni Activities

In 2009–10, Alumni Relations hosted 13 events, which were attended by a total of 490 participants in various communities across the country. Two new alumni awards were created to recognize volunteer service by alumni members and the leadership potential of a current AU student.

Goal 5: Recruiting and Retaining Excellent People:
to recruit and retain the very best staff

Staff Recruitment and Retention

For the third year in a row, AU was selected as one of Alberta's Top Employers by Mediacorp Canada Inc., publishers of *Canada's Top 100 Employers*. The 2010 recognition was attributed to a number of factors including the university's encouragement of the use of public transit and bikes to travel to work, its flexible hours, telecommuting, top-up benefits for new mothers and fathers, phased-in retirement options and retirement planning seminars.

A new talent management system, AU Recruit, was implemented for excluded, management, professional and support positions. This system is designed to reduce some of the administrative burden in the recruitment process and improve reporting functions. It also allows the university to identify candidates with desired competencies from previous competitions.

The Open Knowledge Environment Project and the Course Digitization Project required hiring a total of 125 employees in eight months. Recruitment for the former project targeted high demand information technology positions while the Community Adjustment Fund funding associated with the latter project required hiring and supervising staff in multiple high unemployment communities in northern Alberta.

An internal baseline audit was completed for the Workers Compensation Board's Certificate of Recognition Program to identify gaps and strengths in the AU's Occupational Health and Safety Program. Work plans are being implemented to enhance the Occupational Health and Safety Program with the goal of achieving Certificate of Recognition status within two years.

Staff Recognition, Training and Communication

The university's annual Employee Recognition Event was held at the Athabasca Regional Multiplex on September 23, 2009, to celebrate a number of staff accomplishments including years of service, educational achievement, publication, performance and retirement.

Twenty-one Wellness Committee volunteers developed and delivered a series of wellness related educational events including a smoking cessation program, a blood pressure clinic, a breast and cervical cancer awareness session, nutrition information sessions, a stress management workshop and various fitness activities.

The orientation workshop for new employees was expanded to include introductions to the Administration, Finance, and Occupational Health and Safety units of the university. Human Resources, Finance and Administration developed a joint handbook and workshop for supervisors regarding administrative responsibilities.

In response to findings from a staff climate survey, handbooks for managers and staff in the various employee groups were developed to provide greater transparency in the performance assessment process.

A learning and development framework, outlining learning needs identified by the organization and its internal stakeholders, was developed. The framework provided a multi-year approach for meeting training needs through a combination of in-house, external and online resources.

Governance and Administration

Deans were recruited for the university's four new faculties: the Faculty of Business, the Faculty of Health Disciplines, the Faculty of Humanities and Social Sciences, and the Faculty of Science and Technology. Planning and vision sessions have been held in each faculty, and positions and resources are being realigned to support the new academic structure.

The academic governance review has resumed, and discussions are underway with Advanced Education and Technology regarding the university's regulations.

A new web governance structure, including both Operations and Advisory Committees, was inaugurated, and a proposal for revising the information architecture for web services was developed.

> **Goal 6: Allocating Resources:** *to secure and steward the resources necessary for AU and its staff and students to achieve their potential*

Alignment

Beginning in the spring of 2009, the Financial Planning Task Force solicited suggestions from the university community for addressing fiscal challenges. The discussion and analysis continued through the budget process with opportunities for savings being identified across the institution.

The Strategic Enrolment Management Plan was updated to reflect the progress on initiatives first identified through community consultation in 2008–09. The plan orients activities with a focus on responsive student services, improved retention and effective marketing and recruitment. Contact points with students were mapped and high priority communication gaps were addressed.

Consultations on the draft institutional self study provided opportunities to assess a wide range of institutional issues. Recommendations from the self study will be prioritized through the business planning processes in the coming year.

Key elements of the capital plan are being realized:
- Construction of the new Academic and Research Centre and renovations to the main campus building are in progress
- A construction start for the new Athabasca University Geophysical Observatory is scheduled for later this year.
- Components of the Open Learning Environment are being realized through the Open Knowledge Environment Project and the Course Digitization Project.
- A solution to the university's Calgary space needs is in sight through negotiations with Bow Valley College.
- Planning for the Integrated Learning Centre in the Greater Edmonton Area continues although external funding has not been secured.

The operating grant from the Government of Alberta increased by six per cent in 2009–10.

Significant project funding was provided by the federal and provincial governments.

- The federal Knowledge Infrastructure Program provided $3.8 million for the Main Campus Building and Science Laboratory Renewal Project.
- The two levels of government provided a total of $7.65 million for the Open Knowledge Environment Project.
- Through the Community Adjustment Fund the federal government provided $3.2 million for the Course Digitization Project.
- Rural Alberta's Development Fund provided $3.1 million in funding for Phase 2 of the Learning Communities Project.

Donation revenues, as reported in the university's financial statements, were down substantially from the previous year. However, the deferral method of accounting used for the financial statements recognizes donation revenue only when the conditions specified by the donor are met and related expenditures are incurred. Donation revenue also does not include grants, sponsorships or licensing fees, which are included in other revenue categories. Unfulfilled pledges are also not included. On a cash-in basis, donations actually increased by 13.5 per cent. The large negative variance can be explained as follows: a one time endowment of $629,620, related to the Ultimate Heirs Trust Fund, was provided by the Province of Alberta in 2008–09, and in-kind donations of $682,740 in services for the Project Management Research Institute Project were recorded in the 2008–09.

Investment income rose to $4.4 million, compared to a loss of $2.5 million in the previous year. These returns were $2.8 million above the budget target for the year.

Performance Measures

Enrolment and Course Registration

Total enrolment at AU dropped slightly from 38,417 in 2008–09 to 38,190 in 2009–10, a decrease of 0.6 per cent. While enrolment in graduate programs grew by 5.8 per cent, undergraduate enrolment declined by 1.2 per cent during the period. Comparative total enrolment figures for the past three years are shown in the following table:

	2007–08	2008–09	2009–10
Undergraduate	34,426	34,883	34,452
Graduate	3,239	3,534	3,738
Total	37,665	38,417	38,190
Growth Rate	1.4%	2%	(0.6%)

Though overall undergraduate enrolment dropped slightly, enrolment by undergraduate program students grew by 1.7 per cent, as shown in the following table:

	2007–08	2008–09	2009–10	Change
Bachelor of Nursing	1,192	1,255	1183	(5.7%)
Bachelor of Arts (4-Year)	781	850	887	4.4%
Bachelor of Commerce	569	718	778	8.4%
Bachelor of Management (3-Year)	579	610	652	6.9%
Bachelor of Professional Arts	600	560	549	(2%)
Bachelor of Arts (3-Year)	458	449	463	3.1%
Bachelor of General Studies	334	364	357	(1.9%)
Bachelor of Science	268	261	297	13.8%
Bachelor of Human Resources and Labour Relations	179	230	270	17.4%
Bachelor of Management (4-Year)	216	234	242	3.4%
Bachelor of Science in Computing and Information Systems	206	191	221	15.7%
Bachelor of Administration	398	292	215	(26.4%)
Bachelor of Health Administration	110	130	136	4.6%
Total	**5,890**	**6,144**	**6,250**	**1.7%**

Students also registered in more courses on average than in the previous year, resulting in an overall increase in registration, as shown in the following table:

	2007–08	2008–09	2009–10
Undergraduate	61,281	63,317	63,377
Graduate	7,694	8,600	9,071
Total	68,975	71,917	72,448
Growth Rate	0.7%	4.3%	0.7%

This increase in course registration resulted in a corresponding increase in full-load equivalents, as shown in the following table:

	2007–08	2008–09	2009–10
Undergraduate	5,984	6,183	6,217
Graduate	1,211	1,343	1,484
Total	7,195	7,526	7,701
Growth Rate	0.2%	4.6%	2.3%

AU's Business Plan 2009–13 targeted a four per cent increase in enrolment by Alberta students during 2009–10. Although graduate enrolment in this category also grew, that growth was offset by a decrease in undergraduate enrolment so that total enrolment by residents of Alberta decreased slightly, as shown in the following table:

	2007–08	2008–09	2009–10
Undergraduate	12,261	12,408	12,354
Graduate	828	942	993
Total	13,089	13,350	13,347
Growth Rate	0.7%	2%	(0.02%)

Degrees, Diplomas and Certificates Awarded

A total of 1,746 academic credentials, 774 at the graduate level and 972 at the undergraduate level, were awarded by AU during the 2009–10 academic year.

	2007–08	2008–09	2009–10
Undergraduate Degrees			
Bachelor of Administration[1]	93	47	54
Bachelor of Arts	94	118	76
Bachelor of Commerce	31	35	47
Bachelor of General Studies	103	139	127
Bachelor of Health Administration	7	1	6
Bachelor of Human Resources and Labour Relations	13	20	30
Bachelor of Management	93	99	118
Bachelor of Nursing	264	334	326
Bachelor of Professional Arts	90	118	104
Bachelor of Science	11	11	10
Bachelor of Science in Computing and Information Systems	7	6	5
Total Undergraduate Degrees	**806**	**928**	**903**
Undergraduate Certificates and Diplomas	**67**	**57**	**69**
Graduate Degrees			
Master of Arts – Integrated Studies	47	41	57
Master of Business Administration	209	156	179
Master of Counselling[2]	65	19	43
Master of Distance Education	74	53	39
Master of Health Studies	54	56	67
Master of Nursing	78	100	123
Master of Science – Information Systems	25	30	35
Total Graduate Degrees	**552**	**455**	**543**
Graduate Diplomas	**204**	**166**	**231**
Total Credentials Awarded	**1,629**	**1,606**	**1,746**

[1] Program closed December 31, 2004.

[2] Enrolment numbers for 2007–08 include joint program graduate data from the University of Calgary; 2008–09 and 2009–10 numbers include only students in the AU database.

Student Awards

AU awarded $980,743 in undergraduate and graduate student bursaries and scholarships in 2009–10. Though this amount is lower than the previous year's total, 2008–09 was an exceptional year for student awards, owing to strong investment market performance and substantial one-time grants from the Access to the Future Fund and the Queen Elizabeth II Graduate Scholarship Program. The past year's allotment of awards represents the second highest distribution of student aid in the university's history. The following table shows award totals for the past three years:

	Total Awarded	Percent Change
2009–10	$ 980,743	(13.9%)
2008–09	$ 1,138,753	163.6%
2007–08	$ 493,661	17.9%

Graduate Satisfaction

AU consistently exceeds the provincial average level of satisfaction on the Government of Alberta's Alberta Graduate Outcome Survey. The following table shows the percentage of graduates who indicated that they satisfied with their overall educational experience:

	Athabasca University	Alberta Average
2008	96.6%	89%
2006	97.4%	90%
2004	92.7%	89.4%

An increasing number of AU undergraduates indicate that they would recommend AU to others, as revealed in the Athabasca University Biennial Undergraduate Student Satisfaction Survey:

Students who would recommend AU to others	
2009	97.6%
2007	96.2%
2005	96%

Graduate Employment Rate

That AU's graduates consistently enjoy a very high rate of participation in the labour force is an indirect measure of the high quality of the university's programs. The following chart shows employment rates for AU graduates as revealed through the Alberta Graduate Outcome Survey:

	Athabasca University	Alberta Average
2008	94.1 %	88.4%
2006	93.6 %	88.2%
2004	94.6%	73.9%

It is also important to note that a majority of AU students participate in the labour force while completing their courses or programs: 81 per cent work while they study.

Research Activities

AU is committed to excellence in research. Mission critical research in the scholarship of teaching and learning in open and distance environments has had particular prominence, but AU also actively supports and maintains high standards in discipline based research. The following are a few highlights of research activity during the past year:

Learning Communities: Phase 2 of the Learning Communities Project, under the leadership of Dr. Lisa Carter, dean of the Faculty of Science and Technology, and Priscilla Campeau, chair of the Centre for World Indigenous Knowledge and Research, is underway, supported by $3.1 million in funding from Rural Alberta's Development Fund (See page 12).

Breast Cancer Recovery: Dr. Jeffrey Vallance of the Centre for Nursing and Health Studies has received a total of $1,568,000 in funding for his project Facilitating Physical Activity Behavior and Health Outcomes in Breast Cancer Patients Receiving Chemotherapy: A Practical Behavioral Trial (See page 13).

Athabasca River Basin Bibliography: Dr. David Locky and the Athabasca River Basin Research Institute were awarded $200,000 over four years by the Imperial Oil Foundation to support development of the *Bibliography of the Athabasca River Basin*, a digital online bibliography that will serve as portal for knowledge building and sharing and provide a foundation for research and scholarly work. Building on a science database compiled with the support of Suncor Energy (2007) and Alberta Culture and Community Spirit (2008), the bibliography now includes scientific, social scientific and business/commerce databases (over 21,000 titles in all). Others are being added. A prototype web interface is anticipated in 2010. A variety of research initiatives are expected to evolve out of this project.

Open Educational Resources: In response to the need for alternative educational strategies, the promotion of open educational resources and the promotion of co-operative and collaborative actions at the international level, AU received $150,000 over two years from the Hewlett Foundation to launch an open educational resources network with a focus on action and collaboration. This network will help to sustain the international open educational resources community. Together, the community and the network will promote international interaction to ensure that both developed and developing countries can benefit from the open educational resources movement according to their specific context and needs.

Virtual Classrooms: Dr. Fuhua (Oscar) Lin a professor in the School of Computing and Information Systems and program director for the Master of Science in Information Systems, was awarded a $13,422 Leader's Opportunity Fund grant by the Canada Foundation for Innovation for his project Infrastructure for Building 3D Virtual Classrooms (See page 14).

Natural Science and Engineering Research Council Industrial Chair: In the fall of 2009, the Advisory Committee on University Industry Grants recommended to the Natural Science and Engineering Research Council that AU's iCORE/Xerox/Markin Industrial Research Chair in Adaptivity and Personalization in Informatics be conditionally awarded a Natural Science and Engineering Research Council Industrial Chair (See p. 13).

Natural Science and Engineering Research Council Grants: In April 2009, two AU researchers were awarded grants through the Natural Sciences and Engineering Research Council of Canada:

- Dr. Kinshuk of the School for Computing and Information Systems will receive $95,000 over five years from the council's Discovery Grant Program for his project Adaptive Approaches for Mobile Learning Technologies.

- Dr. Burt Voorhees, a professor of mathematics in the Centre for Science was awarded an additional $70,000 over five years, also from the Discovery Grant Program, to continue his project Theory and Application of Cellular Automata and Iterated Systems.

Social Science and Humanities Research Council Grants: Three AU researchers were awarded grants through the Social Science and Humanities Research Council of Canada's Standard Research Grants Program:

- Dr. Dianne Conrad, director of the Centre for Learning Accreditation, will receive $39,571 over two years for Relationship of Knowledge-Building to the Use of Prior Learning Assessment within Undergraduate Degree Programs, a research project employing a cumulative case study approach to examine two systems of prior learning assessment and recognition in use in Canada and New Zealand. The comparative aspect of the study aims to identify strengths and weaknesses, advantages and disadvantages of each system for learners, institutions and employers, the ultimate end user of each system.

- Dr. Kam Jugdev, an associate professor of project management and strategy in the Centre for Innovative Management has been awarded $68,986 over three years for her project Building Knowledge Networks: Factors Impacting Project Assessments. This study will help increase understanding of how project assessments and communities of practice lead to the creation of organization-wide knowledge networks.

- Dr. Beth Perry, an associate professor of nursing in the Centre for Nursing and Health Studies, and co-investigator Dr. Margaret Edwards, a professor of nursing and health studies in the Centre for Nursing and Health Studies, are researching how artistic pedagogical technologies stimulate interaction, create social presence and help develop community in the online post-secondary classroom. Their three-year project, which was funded for $42,976, will address questions arising from earlier research conducted by the same team of investigators.

Sponsored Research Revenue as a Percentage of Provincial Grants

Sponsored research revenue (in thousands of dollars) as a percentage of provincial operating grants is summarized in the following table. The percentage increase has risen slightly over the past three years.

Types of Research Support	2007–08	2008–09	2009–10	Three-Year Average 2007–09	Three-Year Average 2008–10
Total sponsored research revenues	$2,509	$3 ,288	$4,864	$2,638	$3,554
Total Province of Alberta operating grants	$34,211	$38,537	$43,055	$34,604	$38,601
Sponsored research revenues as a percentage of provincial operating grants	7.3%	8.5%	11.3%	7.5%	9%

Research Impact: All Sources

A summary of all external research funding (in thousands of dollars) is provided in the following table. External funding from the granting councils has shown a downward trend in recent years; however, support from community and industry sources has increased slightly.

Types of Research Support	2007–08	2008–09	2009–10	Three-Year Average 2007–09	Three-Year Average 2008–10
Total sponsored research revenues[1]	$2,509	$3,288	$4,864	$2,638	$3,554
Support from council sources[2]	$466	$536	$824	$548	$609
Council support ratio (council sources/total sponsored research revenue)	18.6%	16.3%	16.9%	21.7%	17.3%
Support from community and industry sources[3]	$2,043	$2,752	$4,040	$2,090	$2,945
Community and industry support ratio (community and industry/total sponsored research revenue)	81.4%	83.7%	83.1%	78.3%	82.7%

[1] Figures include cash as well as in-kind contributions as recorded in the Audited Financial Statements.

[2] Council sources includes Social Sciences and Humanities Research Council of Canada and Natural Sciences and Engineering Research Council of Canada, including Canadian Graduate Scholarships, and Canadian Institutes of Health Research and Canada Research Chairs and indirect costs (federal).

[3] Includes other federal, provincial, and industry funding from sources such as the Canada Foundation for Innovation, Human Resources and Skills Development Canada and Office of Learning Technologies.

Research Council Success

AU's success rate with its applications to the granting councils, which has been fairly consistent over the past three years, is summarized (in thousands of dollars) in the following table.

Granting Councils[1]	2007–08	2008–09	2009–10	Three-Year Average 2007–09	Three-Year Average 2008–10
Number of applications	34	55	46	40	45
Number of awards	10	15	13	11	13
Total value of awards (in thousands of dollars)	$466	$536	$824	$548	$609

[1] Includes Social Sciences and Humanities Research Council of Canada and Natural Sciences and Engineering Research Council of Canada, including graduate scholarships, and Canadian Institutes of Health Research. Also includes Canada Research Chairs and indirect costs, but not Canada Foundation for Innovation, Human Resources and Skills Development Canada, Office of Learning Technologies, Industry Canada, etc.

Research Publications and Other Creative Works

Faculty and staff members actively disseminate their research findings through various publications and presentations. The following table provides a summary of these activities. (Note: Numbers for previous years have been amended to reflect changing definitions from granting agencies.)

Research Publications[1]	2007–08	2008–09	2009–10	Three-Year Average 2007–09	Three-Year Average 2008–10
Number of full-time faculty[2]	162	173	182	159	172
Books authored or co-authored	49	65	66	58	60
Books edited or co-edited	12	17	20	12	16
Articles in refereed publications	203	230	247	193	227
Non-refereed publications	35	38	42	38	38
Conference presentations	306	378	400	327	361

[1] Books authored or co-authored include chapters authored or co-authored. Refereed articles include refereed journals and conference proceedings. Conference presentations include invited speaking engagements.

[2] The number of full-time teaching staff is as reported to Statistics Canada through the University Full-time Teaching Staff System for the period and includes teaching staff employed as of October 1 of the reporting year and research staff who have an academic rank and salary scale similar to teaching staff, appointed on a full-time basis, whose term of appointment is not less than 12 months (including staff members on leave).

Management's Discussion and Analysis

For the 2009–10 fiscal year, AU's overall net assets decreased from $22.7 million to $15 million. Despite this decrease, the university's net asset position remains relatively healthy. The decrease in net assets can be explained by

- planned expenses of $2.9 million from accumulated reserves as approved in the 2009–10 budget

- a non-cash expense of $2.9 million for the increase to AU's share of the University Academic Pension Plan liability, which will be funded through future contributions from government, employees and the university

- an accrued expense of $1.6 million for the Voluntary Retirement Incentive Plan, which will result in significant future savings to assist the university in dealing with reduced government funding and limited tuition fee increases due to regulation

Despite the overall decline in net assets, internally restricted net assets (reserves) remained virtually unchanged, mainly as a result of

- a change in accounting policy related to professional development allocation amounts for staff and the resulting restatement (recovery) of net assets of $2.3 million

- the separate classification of the $2.9 million change in the University Academic Pension Plan liability under unrestricted net assets (deficit)

- a net reduction of $2.4 million in investments in capital assets

Internally Restricted Net Assets: Two Year Comparison (millions of dollars)
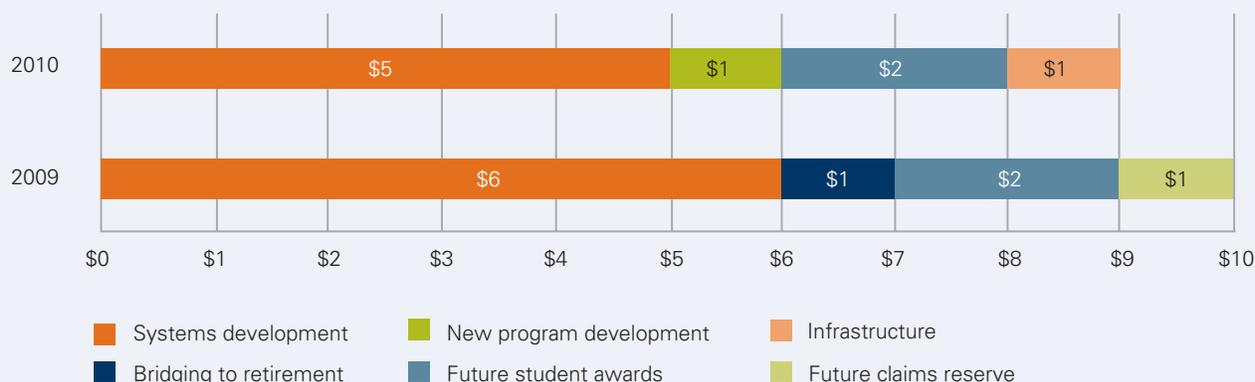
AU faced a number of other financial challenges during the year, including lower than anticipated course registration (4.8 per cent planned compared to 0.7 per cent actual). The university managed these challenges as effectively as possible through reductions in related expenses and through implementation of a stringent vacancy recruitment approval process, which eventually led to a freeze on hiring to vacant positions.

Despite the lower than anticipated growth, overall course registration increased from 71,917 to 72,488, and full-load equivalent students increased from 7,525 to 7,701. Growth appears to have stabilized at an average of about two per cent per year, a reality which has been factored into the university's future

budget projections. The number of degrees awarded to Alberta residents has also remained relatively stable at 679 during 2009–10.

AU received funding approval for a number of large one-time projects in 2009–10 including $3.8 million from the Government of Canada's Knowledge Infrastructure Program for the Open Knowledge Environment Project and $3.8 million from the same program for the Main Campus Building and Science Laboratory Renewal Project. An additional $3.8 million in matching funds was provided for the first of these two projects by the Government of Alberta. The university also received approval of $3.2 million in funding from the federal Community Adjustment Fund, and further matching of $1.2 million is expected from the province for this grant.

The following table outlines the effect on current year financial statements of the university's main external funded projects:

	Total	Access to the Future Fund	Academic Research Centre	Community Adjustment Fund	Knowledge Infrastructure Program	Restricted Research Accounts
Financial Position						
Assets						
Short-term, cash and other	$ 36,544	1,408	19,565	(880)	5,390	3,102
Short-term, receivable	6,593	1,350		880		
Long-term investments	29,906					
Capital assets	34,394	46	13,080	199	2,144	127
	107,437	**2,804**	**32,645**	**199**	**7,534**	**3,229**
Liabilities and Net Assets						
Current liabilities	$ 40,220	2,758		1,110	5,390	3,102
Employee future benefits	10,037					
Deferred capital contributions	18,455		18,455			
Unamortized DCC	23,703	46	13,080	199	2,144	127
Net assets	15,022					
	107,437	**2,804**	**32,645**	**199**	**7,534**	**3,229**
Financial Operations						
Revenue	$ 121,528	950	-	1,052	1,386	1,215
Expense	129,533	950	-	1,052	1,386	1,215
	$ (8,005)	-	-	-	-	-

Construction of the Academic and Research Centre continued during the year. Because this $30 million project is funded by the Province of Alberta, the financial impact is only apparent on the Statement of Financial Position and Statement of Cash Flows. About $9.7 million of the increase in capital assets is related to the Academic and Research Centre building project. Deferred capital contributions and changes thereto and the increase in unamortized deferred capital contributions are also primarily related to the Academic and Research Centre.

The combined effect of the capital investment in the Academic and Research Centre and the $8 million operating draw on net assets, however, did not result in a significant decrease in cash and cash equivalents, short-term investments and long-term investments because most of the $8 million draw

was of a non-cash nature (University Academic Pension Plan $2.9 million, net amortization expense $2.6 million, and Voluntary Retirement Incentive Plan $1.6 million), and $5.7 million of the KIP funding was received in advance.

Of the $52.5 million in total investments at March 31, 2010, $29.9 million was held by Philips, Hager and North, and the remaining $22.6 million comprised short-term, fixed-income investment instruments held by Servus Credit Union.

As in the previous year, AU recorded its portion of the increase in the liability related to the University Academic Pension Plan ($2.9 million). The university's share of the accrued benefit liability is $7.3 million, which is reflected in its unrestricted net assets (deficit). On the positive side, the university's share of the plan deficit has declined from $28.4 million in 2009 to $16.8 million in 2010. This $16.8 million will be amortized over the next 10.5 years.

The total University Academic Pension Plan deficiency at March 31, 2010, was estimated to be $924 million, a significant decrease from $1.3 billion in the previous year. AU's share of this deficiency ($16.8 million, as noted above) is only 1.8 per cent.

2010 Actual Compared with 2009 Actual

Comparing the statement of operations for 2010 to that of 2009, the 14.4 per cent increase in revenue supported the 10.3 per cent increase in total expenses, resulting in an overall decrease in the deficiency of revenue over expense, as shown in the following table (in thousands of dollars):

	2009 Actual	Change	2010 Actual	2010 Budget	2010 Variance
Revenue	$ 106,209	$ 15,319	$ 121,528	$ 122,058	$ (530)
Expense	117,491	12,042	129,533	125,027	(4,506)
	$ (11,282)	$ 3,277	$ (8,005)	$ (2,969)	$ (5,036)

The following table highlights the changes (in thousands of dollars) and the primary contributors to the change in either revenue or expenses between the two years.

	Change from 2009 to 2010
Revenue	
Province of Alberta grants: Part of this increase reflects the six per cent base operating grant increase of approximately $2.1 million. Another $1.4 million is related to recognition of KIP grant revenue and related matching funds. Approximately $1 million is related to new program expansion (enrolment planning envelope).	$ 4,518
Student fees (undergraduate and graduate) and sales of goods and services: $900,000 was due to a 5.8 per cent increase in graduate enrolment. Approximately $2.6 million was related to tuition, learning resources and other related fee changes.	3,515
Investment income: This increase is due to a gain of $4.4 million in the investment markets, compared to an unprecedented loss of $2.5 million the year before.	6,894
Other	392
Total revenue	$ 15,319
Expenses	
Salaries and benefits: This increase is primarily due to a combined increase of almost seven per cent ($5.6 million) for cost-of-living and merit. Another $1.6 million is attributed to a two per cent increase in staffing, mainly due to the annualized effect of the previous year's growth and partly due to hiring for the Knowledge Infrastructure Program and Community Adjustment Fund funded projects. The Voluntary Retirement Incentive Plan accrual accounted for $1.6 million, and the University Academic Pension Plan liability increase of $2.9 million contributed to the increase.	$ 11,707
Fees and purchased services: $900,000 of this increase relates to renovations to the main campus building roof, skylights and entrance, another $300,000 to increases in services provided by subject matter experts and $200,000 to an increase in consulting services for the Office of the Vice-President (Finance and Administration).	1,566
Communication and travel: This decrease is attributable to a 24 per cent decrease in travel expenses offset by an average annual increase in communication costs. The reduction in travel costs resulted from management's direction to manage and monitor costs more stringently.	(788)
Other expenses	(443)
Total expenses	$ 12,042

Categories of Revenue and Expense Amounts: An Historical Overview

Revenue increased by 309 per cent between 2000 and 2010.

In 1993, the provincial grant represented 75 per cent of AU's revenue, but by 1997 it had dropped to 45 per cent. In 2010, it represented only 35 per cent. Increases in revenue over the past 10 years have, for the most part, derived from graduate and undergraduate student fees, which now provide 48 per cent of the university's revenue.

Revenue by Source: 2000 to 2010 Actual (millions of dollars)

Other 9%

Learning Resources Fee 8%

Graduate Student Fees 14%

48%

Undergraduate Student Fees 34%

Province of Alberta Grants 35%

$39.4 M $79.6 M $121.5 M

At 69 per cent of total expenses, salaries and benefits are by far AU's largest expenditure, a common ratio in the sector. Over the past 10 years, salaries and benefits expenses, as a percentage of total expenses, have increased from 61 to 69 per cent. This growth reflects both a significant increase in the cost of human resources and the increased level of staffing required to support a more complex organizational and governance structure and to facilitate research and project activity.

Expense by Type: 2000 to 2010 Actual (millions of dollars)

Other 5%
Communication & Travel 5%
Materials & Supplies 8%

Fees & Services 13%

Salaries & Benefits 69%

$39 M $71.3 M $129.5 M
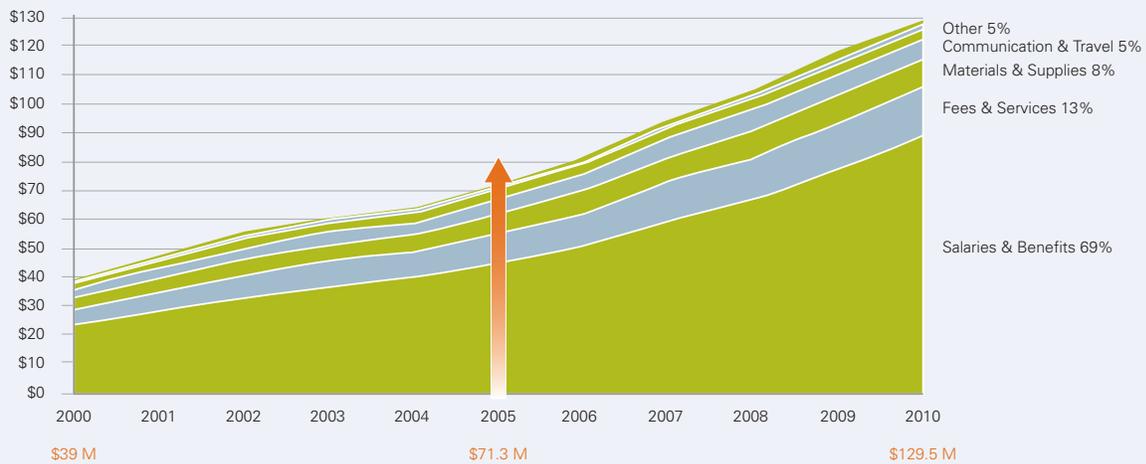
2010 Actual Compared to 2010 Budget

The primary reasons for the $5 million variance from the planned draw on reserves of $3 million are highlighted in the following table.

|	Variance
Revenue Variances	
Student tuition and fees:	
Undergraduate: enrolment growth below target, along with less income than expected from other student fees (e.g., application and extension fees).	(2,073)
Graduate: enrolment growth below target.	(1,118)
Sales of goods and services: with lower enrolment less income from learning resources fees	(882)
Investment income: significant returns in the bond and equity markets	2,800
Federal and other government grants: unbudgeted Knowledge Infrastructure Program and Community Adjustment Fund funding	1,770
Donations and other grants: revenue as reported for accounting purposes does not include pledges amounting to $900,000. With total donations pledged and received, AU was close to meeting its $1.5 million fundraising target.	(1,218)
Other revenue variances	191
Total revenue variance	**(530)**
Expense Variances	
Salaries and benefits: a net result from $2.5 million in savings due to vacancies and recruitment delays less $1.6 million accrual for Voluntary Retirement Incentive Plan, $1.7 million unrealized planned savings in course deliver model, $2.1 million for unbudgeted federal project costs and $2.9 million related to the increase in University Academic Pension Plan liability	(6,033)
Materials, Supplies and Services: Fees and purchased services (A number of information and communication technology project budgets were recorded here whereas the actual costs were incurred in salaries and benefits.)	1,903
Other expense variances	(376)
Total expense variance	**(4,506)**
Overall Variance from Budget	**(5,036)**
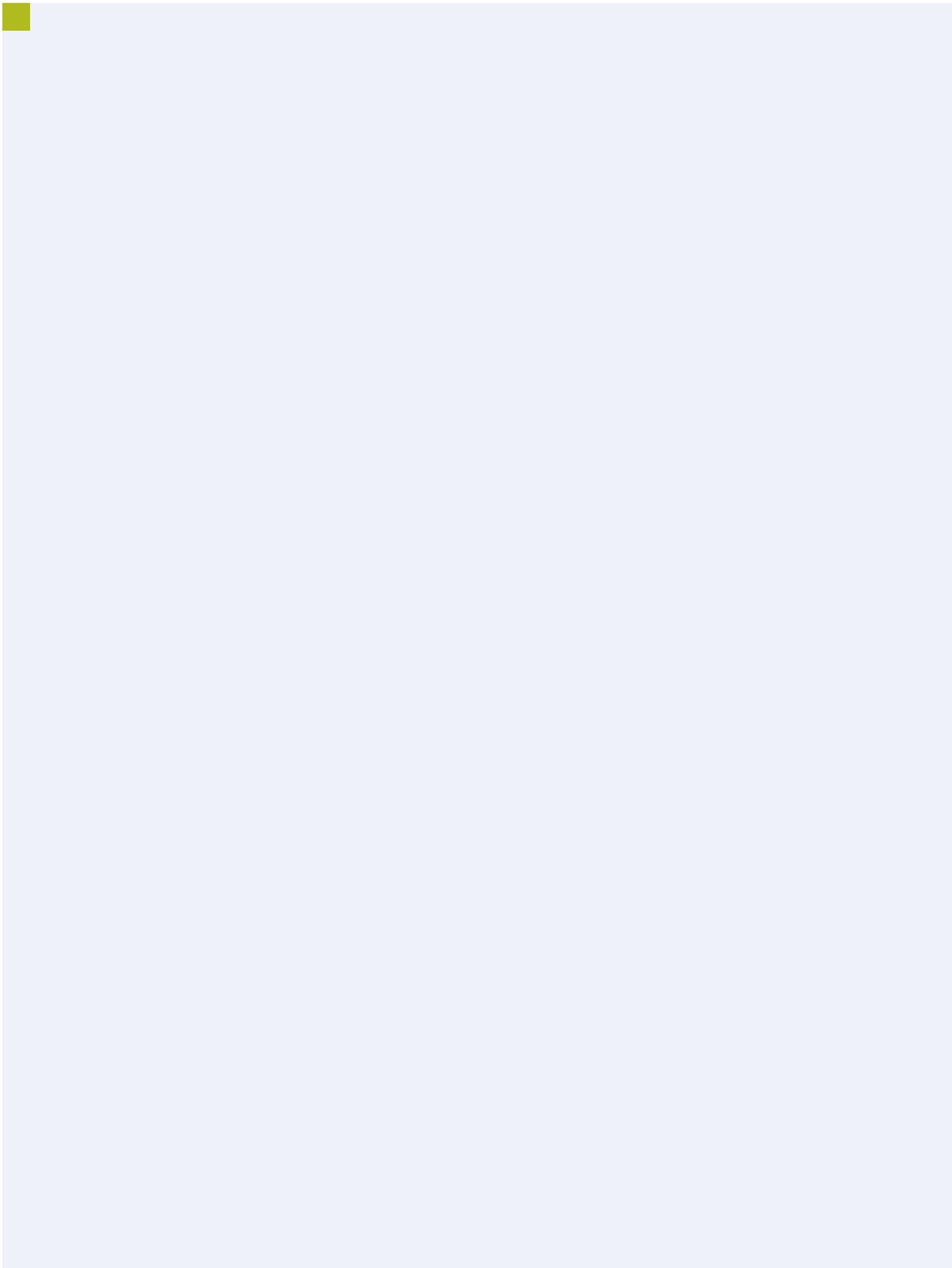
Athabasca University

Financial Statements

For the year ended March 31, 2010

Auditor's Report

To the Athabasca University Governing Council

I have audited the statement of financial position of Athabasca University as at March 31, 2010 and 2009 and the statements of operations, changes in net assets and cash flows for the years 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 audits.

I conducted my audits 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 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 financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the university as at March 31, 2010 and 2009 and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Merwan N. Saher, CA

Edmonton, Alberta
May 28, 2010

Auditor General

Note: *The official version of this Report of the Auditor General, and the information the report covers, is in printed form.*

Statement of Financial Position

Year Ended March 31
(thousands of dollars)

Assets	2010	2009
		Restated (Note 3)
Current assets		
Cash and cash equivalents (Note 4)	$ 7,733	$ 2,063
Short-term investments (Note 5)	22,601	28,395
Accounts receivable	6,593	4,939
Inventories and prepaid expenses	6,210	5,187
	43,137	40,584
Long-term investments (Note 5)	29,906	31,120
Capital assets (Note 6)	34,394	25,526
	$107,437	$97,230
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	$15,095	$ 8,550
Deferred revenue	12,794	12,672
Deferred contributions, research and other (Note 8)	12,331	5,940
	40,220	27,162
Employee future benefit liabilities (Note 7)	10,037	7,295
Deferred capital contributions (Note 8)	18,455	27,615
Unamortized deferred capital contributions (Note 9)	23,703	12,454
Contractual obligations (Note 13)	92,415	74,526
Net assets		
Endowments (Note 10)	2,346	2,029
Investment in capital assets, internally restricted (Note 11)	10,691	13,072
Internally restricted (Note 12)	9,250	9,550
Unrestricted (deficit)	(7,265)	(1,947)
	15,022	22,704
	$107,437	$97,230

Approved on behalf of the Governing Council:

Original signed by Barry Walker

Barry J. Walker, FCA
Chair, Athabasca University Governing Council

Original signed by Frits Pannekoek

Frits Pannekoek, PhD
President

The accompanying notes are part of these financial statements.

Statement of Operations

Year Ended March 31
(thousands of dollars)

	2010	2010	2009
	Budget		Restated (Note 3)
Revenue			
Government of Alberta grants (Note 16)	$ 42,310	$43,055	$ 38,537
Student tuition and fees:			
Undergraduate	42,978	40,905	39,070
Graduate	17,871	16,753	15,138
Sales of services and products	13,348	12,629	12,564
Investment income (loss) (Note 15)	1,631	4,431	(2,463)
Federal and other government grants	350	1,528	251
Donations and other grants	2,730	1,481	2,279
Amortization of deferred capital contributions (Note 9)	840	746	833
	122,058	121,528	106,209
Expenses			
Salaries	69,958	73,156	64,672
Employee benefits	13,252	16,087	12,864
Materials, supplies and services:			
Fees and purchased services	19,047	17,144	15,758
Materials and supplies	10,272	9,987	9,980
Communications and travel	7,119	6,476	7,264
Rental and insurance	2,333	2,433	2,744
Amortization of capital assets	2,552	3,269	2,907
Scholarships, bursaries and awards	494	981	1,302
	125,027	129,533	117,491
Deficiency of revenue over expenses	$ (2,969)	$ (8,005)	$ (11,282)

The accompanying notes are part of these financial statements.

Statement of Changes in Net Assets

Year Ended March 31
(thousands of dollars)

	Endowments	Investment in Capital Assets, Internally Restricted	Internally Restricted	Unrestricted (Deficit)	Total
2010					
Balance, beginning of year	$ 2,029	$ 13,072	$ 9,550	$ (1,947)	$ 22,704
Deficiency of revenue over expenses	-	-	-	(8,005)	(8,005)
Investment in capital assets (Note 11)	-	(2,381)	-	2,381	-
Expenditure of internally restricted net assets	-	-	(300)	300	-
Endowment contributions and net transfers	317	-	-	6	323
Balance, end of year	$ 2,346	$ 10,691	$ 9,250	$ (7,265)	$ 15,022
2009					
Balance, beginning of year as previously reported	$ 1,595	$ 11,636	$ 19,529	$ (1,555)	$ 31,205
Restatement (Note 3)	-	-	-	2,151	2,151
Balance, beginning of year as restated	$ 1,595	$ 11,636	$ 19,529	$ 596	$ 33,356
Deficiency of revenue over expenses as restated (Note 3)	-	-	-	(11,282)	(11,282)
Investment in capital assets (Note 11)	-	1,436	-	(1,436)	-
Expenditure of internally restricted net assets	-	-	(9,979)	9,979	-
Endowment contributions and net transfers	434	-	-	196	630
Balance, end of year as restated	$ 2,029	$ 13,072	$ 9,550	$ (1,947)	$ 22,704

The accompanying notes are part of these financial statements.

Statement of Cash Flows

Year Ended March 31
(thousands of dollars)

	2010	2009
		Restated (Note 3)
Cash provided from (used in) operating activities:		
Deficiency of revenue over expenses	$ (8,005)	$ (11,282)
Add (deduct) non-cash items:		
Amortization of capital assets	3,269	2,907
Amortization of deferred capital contributions	(746)	(833)
Loss (gain) on disposal of capital assets	76	(15)
Change in employee future benefit liabilities	2,742	867
Change in unrealized (gain) loss on investments	(3,354)	3,922
	(6,018)	(4,434)
Net change in non-cash working capital:		
Inventory and prepaid expenses	(1,024)	(56)
Accounts payable and accrued liabilities	5,593	(2,438)
Deferred contributions	6,391	1,394
Deferred revenue	123	880
Short term investments	5,794	(12,700)
Accounts receivable	(1,654)	500
	15,223	(12,420)
	9,205	(16,854)
Cash provided from (used in) investing activities:		
Purchases of capital assets, net of proceeds from disposals	(11,261)	(6,575)
Purchases of long term investments, net of sales	1,214	21,753
Unrealized gain (loss) on investments	3,354	(3,922)
	(6,693)	11,256
Cash provided from (used in) financing activities:		
Capital contributions	2,683	74
Interest earned on capital contributions	152	851
Endowment contributions	-	630
Endowment investment earnings	336	-
Endowment awards	(13)	-
	3,158	1,555
Net cash increase (decrease) in cash and cash equivalents	5,670	(4,043)
Cash and cash equivalents, beginning of year	$ 2,063	6,106
Cash and cash equivalents, end of year (Note 4)	$ 7,733	$ 2,063

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

Year Ended March 31
(thousands of dollars)

1   Authority and Purpose

Athabasca University Governing Council is a corporation which manages and operates Athabasca University ("the University") under the *Post-Secondary Learning Act*, statutes of Alberta 2003, chapter P-19.5, and the Athabasca University Regulation, Alberta Regulation 50/2004. All members of Governing Council are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education and Technology, with the exception of the President, who is an *ex officio* member. Under the *Post-secondary Learning Act* the University is a comprehensive academic and research institution (as per Campus Alberta Sector Regulation) offering undergraduate and graduate degree programs through distance education. The University is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

2   Summary of Significant Accounting Policies and Reporting Practices

(a) General — GAAP and Use of Estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, known as GAAP. 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. University administration uses judgment to determine such estimates. Employee future benefit liabilities and amortization of capital assets are the most significant items based on estimates. In administration's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

(b) Financial Instruments

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

Financial Statement Components	Classification	Measurement
Cash and cash equivalents	Held for Trading	Fair Value
Investments	Held for Trading	Fair Value
Accounts receivable	Loans and Receivables	Amortized Cost
Accounts payable and accruals	Other liabilities	Amortized Cost

The University's financial instruments are recognized on their settlement date. Transaction costs related to all financial instruments are expensed as incurred. Valuations of publicly traded securities are based on quoted market bid prices at the close of business on the statement of financial position date.

As permitted for Not-for-Profit Organizations, the University has elected to not apply the standards on derivatives embedded in non-financial contracts, and the University has elected to continue to follow CICA 3861: Disclosure and Presentation.

Financial statements are exposed to credit risk, interest rate risk, foreign exchange risk, market risk, commodity price risk and liquidity risk. Each of these risks is managed through the University collection procedures, investment guidelines, banking arrangements and other internal policies, guidelines and procedures.

(c) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Cost of purchased inventory includes the purchase price, cost of shipping and net tax. For internally produced inventory, cost also includes direct and indirect overhead. Inventories held for consumption are valued at cost or net replacement cost.

(d) Copyrights

The University obtains copyrights on all course materials produced. These copyrights are recorded at a nominal value of one dollar and are included in prepaid expenses.

(e) Capital Assets

Purchased capital assets are recorded at cost. Donated assets are recorded at fair value when a fair value can be reasonably determined. Works of art purchased by the University are not amortized and include sketches, limited edition prints, photographs, sculptures, rare books, and original paintings. The works of art are held by the University for education, research, and public exhibition purposes.

Construction in progress includes construction costs directly attributable to the construction including engineering and, legal fees.

Capital assets, once placed into service, are amortized on a straight-line basis over the assets' estimated useful lives, as follows:

	Years
Buildings	40
Site improvements	10 – 25
Leasehold improvements	lesser of 5 years or lease term
Furnishings, equipment and software	3 – 10
Library materials	10

(f) Revenue Recognition

The financial statements record the following items as revenue – at the following times:

- Unrestricted contributions – when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Operating grants – when received or receivable, or where a portion of the grant relates to a future period, it is deferred and recognized in the appropriate future period.
- Unrestricted investment income – when earned; this includes interest, dividends, and realized and unrealized gains and losses.
- Pledges – when collected.
- Revenues received for services and products – when the services or products are substantially provided. Deferred revenue includes course fees received in advance.
- Tuition fees – when the instruction is delivered.
- Donations of materials – are recorded at fair value when a fair value can be reasonably determined and when materials and services would otherwise have been purchased.
- Restricted contributions – based on the deferral method.

Deferral method

- Contributions, including investment income on the contributions which are restricted for purposes other than endowment or capital asset acquisitions are deferred and recognized as revenue when the conditions of the contribution are met.

- Contributions to acquire capital assets with limited life are first recorded as deferred capital contributions when received; and when expended they are transferred to unamortized deferred capital contributions and amortized to revenue over the useful lives of the related assets.
- Endowment contributions are recognized as direct increases in endowment net assets. Investment earnings, under agreements with benefactors or the *Post-Secondary Learning Act* allocated to endowment principal, are also recognized as direct increases in endowment net assets.
- Endowment investment earnings that are allocated for spending are reported in endowments.
- Contributions restricted to the acquisition of land and permanent collections are first recorded as deferred contributions when received, and when expended, they are recognized as direct increases in investment in capital assets and collections.

(g) Employee Future Benefits

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

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

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

The University's other defined benefit plans include the following: Administrative Leave, Flexible Benefits, Extended Health and Dental Care, Life and Dependent Life Insurance, Weekly Indemnity, and Long-term Disability.

For the Administrative Leave, the cost of benefits earned by employees 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.

For the Extended Health and Dental Care Plans, the costs of benefits earned by employees are the actual claims paid during the period, the insurer's cost of administration (net of interest), plus the year-over-year change in the estimate for any claims that may have occurred but have not been paid. The net change is recorded as an expense or recovery.

For the Life and Dependent Life Insurance, Weekly Indemnity and Long Term Disability Plans, the cost of the employee future benefit, if any is not reflected. Future premium rates are negotiated annually. Rate adjustments are determined based on a combination of the insurer's manual rate and the University's actual claims experience over the past five years. Any plan assets resulting from the surplus or deficit of the plans are attributed to the insurer.

(h) Capital Disclosures

The University defines its capital as the amounts included in deferred contributions (Note 8), endowment net assets (Note 10) and unrestricted net assets. A significant portion of the University's capital is externally restricted and the University's unrestricted capital is funded primarily by Alberta Advanced Education and Technology. The University has investment policies (Note 5), spending policies and cash management procedures to ensure the University can meet its capital obligations.

Under the *Post-Secondary Learning Act*, the University must receive ministerial approval for a deficit budget, for borrowing and for the sale of any land or buildings.

(i) Contributed Services

Volunteers as well as staff members of the University contribute an indeterminable number of hours per year to assist the institution in carrying out its mission. Such contributed services are not recognized in the financial statements.

3   Changes in Accounting Policies

In previous years, the University had accounted for its allocations to staff professional development accounts by recognizing an expense and accruing a liability when the funding was allocated. To better reflect the economic substance of these transactions the University now recognizes the expense in the period in which the professional development activity occurs.

This change has been applied retroactively with restatement of prior year amounts. The effect on the 2009 financial statements as a result of the change in accounting policy is as follows:

	2009		
	As previously recorded	Adjustment recorded	As restated
Increase (decrease) in:			
Statement of financial position			
Current liabilities – accounts payable and accrued liabilities	$ 10,933	(2,383)	8,550
Unrestricted net assets, beginning of the year	$ (1,555)	2,151	596
Unrestricted net assets, end of the year	$ (4,330)	2,383	(1,947)
Statement of operations			
Communications and travel	$ 7,496	(232)	7,264
Total expenses	$ 117,723	(232)	117,491
Deficiency of revenue over expenses	$ (11,514)	232	(11,282)

4   Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposit, money market funds, short-term notes and treasury bills, with a maximum maturity of ninety days at date of purchase.

5   Investments

As at March 31, 2010, the composition, fair value and effective yields of short-term investments are as follows:

	Terms to Maturity in Years	2010		2009	
		Effective Yield	Value	Effective Yield	Value
Money market funds, short-term notes and treasury bills	<1	1.1%	$ 22,601	3.1%	$ 28,395

As at March 31, 2010, the composition, fair value and annual market yields on long-term investments are as follows:

	2010		2009	
	Annual Market Yield	Market Value	Annual Market Yield	Market Value
Canadian money market	0.6%	$ 17,916		$ -
Canadian bonds	10.5%	1,328	3.0%	22,695
Canadian equity	44.0%	5,018	(32.8%)	3,606
US equities	22.1%	3,541	(25.2%)	3,024
Overseas equities	28.9%	2,103	(33.1%)	1,795
		$ 29,906		$ 31,120

The Investment Policy for the University, approved by the Athabasca University Governing Council, provides the structure and guidelines within which the University's investment portfolio is to be effectively managed and enhanced. The University's Investment Advisory Group has the delegated authority for oversight of the University's investments.

The investment objective is to ensure that the investments are selected to match the anticipated cash flow requirements of the University. Therefore, short-, medium-, and long-term (including endowment) investment portfolios have been established. Based on cash flow projections, the University determines the amounts to be invested in each portfolio. The Investment Policy defines minimum and maximum ranges for each type of qualifying investment within each investment portfolio.

Canadian equities are listed in the S&P/TSX composite index, and US and International equities are limited to shares and pooled funds listed and traded on recognized stock market exchanges.

As instructed by the Investment Advisory Group, all bonds and debentures are rated BBB or higher, as measured by the Dominion Bond Rating Service (DBRS). A primary strategy used by the external fund manager to address risks in this fund is varying duration based on anticipation of future yields. The external fund manager also manages risks by varying the percentage of bonds and debentures issued by corporations as compared to those issued or guaranteed by the federal government or a provincial government. For the Bond Fund and Money Market Funds risks related to foreign currency exchange rate fluctuations are insignificant.

6   Capital assets

	2010			2009		
	Cost[(1)] [(2)]	Accumulated Amortization	Net book Value	Cost	Accumulated Amortization	Net book Value
Land	$ 1,565	$ –	$ 1,565	$ 1,565	$ –	$ 1,565
Buildings and site improvements	40,063	17,407	22,656	30,219	16,732	13,487
Leasehold improvements	3,187	2,168	1,019	3,193	1,532	1,661
Furnishings, equipment and software	23,930	16,522	7,408	22,307	15,189	7,118
Library materials	5,856	4,841	1,015	5,761	4,734	1,027
Works of art	731	–	731	668	–	668
	$ 75,332	$ 40,938	$ 34,394	$ 63,713	$ 38,187	$ 25,526

[(1)] Beginning August 1, 2006, for a term of 99 years, the University has leased certain lands (Lot 3 and 4, Block 8, Plan 0623053, to the north of and adjacent to its main campus) to the Town of Athabasca and the County of Athabasca for a nominal amount of one dollar per year.

[(2)] Included in the cost of capital assets are projects in progress that are not yet being amortized. These include buildings $13,355 (2009 – $3,519) and technology software $1,444 (2009 – $0)

7   Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2010	2009
University Academic Pension Plan (UAPP)	$ 7,265	$ 4,330
Administrative leave plan	2,733	1,765
Flexible benefits plan	39	1,200
	$ 10,037	$ 7,295

A. Defined Benefit

The Universities Academic Pension Plan (UAPP) is a multi-employer contributory joint defined benefit pension plan for academic and professional staff members. An actuarial valuation of the UAPP was carried out as at December 31, 2008. This was then extrapolated to the year ended December 31, 2009 and further extrapolated to the University's year end of March 31, 2010.

The Public Service Pension Plan (PSPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2009, the PSPP reported an actuarial deficiency of $1,729,196 (2008 – $1,187,538). An actuarial valuation of the PSPP was carried out as at December 31, 2005 and was then extrapolated to December 31, 2009. The pension expense recorded in these financial statements is $1,067 (2009 – $897).

The financial positions reported below represent the plans as a whole and not the University's share:

	2010		2009	
	March 31, 2010	December 31, 2009	March 31,2009	December 31, 2008
UAPP				
Post 1991	$ (277,859)	(305,020)	$ (442,750)	(303,034)
Pre 1992	(646,208)	(665,980)	(857,110)	(752,437)
Total	$ (924,067)	(971,000)	$ (1,299,860)	(1,055,471)
PSPP	Not Available	$ (1,729,196)	Not Available	$ (1,187,538)

The University's portion of the UAPP deficiency disclosed below has been allocated based on its percentage of the plan's total employer contributions for the year.

	2010	2009
Financial Operations		
Expenses		
Current service cost	$ 3,523	$ 2,940
Interest cost	1,983	870
Amortization of net actuarial losses	2,132	760
	$ 7,638	$ 4,570
Financial Position		
Accrued benefit obligation		
Balance, beginning of year	$ 75,853	63,380
Current service cost	3,523	2,940
Interest cost	5,203	4,343
Benefits paid	(3,453)	(2,910)
Actuarial (gain) loss	(12,626)	8,100
Balance, end of year	68,500	75,853
Plan assets	(51,684)	(47,448)
Funded status – plan deficit	16,816	28,405
Unamortized net actuarial loss	(9,551)	(24,075)
	$ 7,265	$ 4,330

The UAPP unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25 per cent (2009 – 1.25 per cent) of total earnings by the Province of Alberta. Employees and employers equally share the balance of the contributions of 2.03 per cent (2009 – 1.74 per cent) of total earnings required to eliminate the unfunded deficiency by December 31, 2043. The actuarial valuation shows that the present value at December 31, 2009 of the Province of Alberta's obligation for the future additional contributions was $270,000. The unfunded deficiency for service after December 31, 1991 is financed by special payments of 4.64 per cent (2008 – 4.08 per cent) of pensionable earnings shared equally between employees and employers until December 31, 2021.

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

	2010	2009
Accrued benefit obligation:		
Discount rate	6.90%	6.70%
Average compensation increase	3.50%	3.00%
Benefit cost:		
Discount rate	6.70%	6.70%
Average compensation increase	3.00%	3.00%
Alberta inflation		
(year 1, thereafter;	2.25%	3.70%
years 1–2, thereafter)	2.25%	2.70%
Estimated average		
remaining service life	11.3 years	10.5 years

B. Administrative Leave Plan

The University's Administrative Leave Plan has no plan assets. The University has provided for this plan by accruing a benefit obligation of $2,733 (2009 – $1,765) in employee future benefit liabilities.

The significant actuarial assumptions adopted in measuring the University's Administrative Leave Plan are as follows:

	2010	2009
Discount rate and rate of return	3.30%	7.70%
Rate of compensation increase		
First year	3.00%	7.00%
Subsequent years	3.00%	5.00%
Average remaining service period of active employees	6	8
Retirement age	62	62

	2010	2009
Financial Operations		
Expenses		
Current service cost	$ 585	$ 565
Interest cost	177	109
Amortization of net actuarial loss (gain)	305	(118)
	$ 1,067	$ 556
Financial Position		
Accrued benefit obligation		
Balance, beginning of year	$ 1,765	$ 1,615
Current service cost	585	565
Interest cost	177	109
Expected benefits paid	(99)	(406)
Actuarial loss (gain)	305	(118)
Balance, end of year	$ 2,733	$ 1,765

8   Deferred Contributions

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

	2010		2009	
	Capital	Research and other	Capital	Research and other
Balance, beginning of the year	$ 27,615	$ 5,940	$ 29,771	$ 4,545
Grants and donations received	452	13,500	-	5,890
Investment income	152	-	851	-
Recognized as revenue	-	(4,878)	-	(4,421)
Transfers	2,231	(2,231)	74	(74)
Transferred to unamortized deferred capital contributions (note 9)	(11,995)	-	(3,081)	-
Balance, end of the year	$ 18,455	$ 12,331	$ 27,615	$ 5,940

9   Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions represent the unamortized grants and donations spent to fund capital acquisitions. The amortization of unamortized deferred capital contributions is recorded as revenue in the statement of operations. The changes in the unamortized deferred capital contributions balance are as follows:

	2010	2009
Balance, beginning of the year	$ 12,454	$ 10,206
Additions from deferred capital contributions (note 8)	11,995	3,081
Amortization to revenue	(746)	(833)
Balance, end of the year	$ 23,703	$ 12,454

10   Endowments

Endowments consist of externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors. The primary investment objective is to ensure all funds are prudently invested in accordance with the investment policy, and that investments are selected to match the anticipated cash flow requirements and investment objectives of the University. These goals necessitate incurring generally accepted investment risks through ownership of financial securities.

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

• income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.

• encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment if, in the opinion of the Governing Council, the encroachment benefits the University and does not impair the long-term value of the fund.

The composition of endowments is as follows:

	2010	2009
Balance, beginning of year	$ 2,029	$1,595
Gifts of endowment principal	-	630
Transfer to endowments	-	11
Transfer from unrestricted net assets	(6)	(7)
Awards	(13)	(11)
Investment gain (loss)	336	(189)
Balance, end of year	$ 2,346	$2,029
Cumulative contributions	$ 2,069	$2,069
Cumulative capitalized income	205	207
Expendable earnings	72	(247)
	$ 2,346	$2,029

During the year, cumulative capitalized income of ($2) was transferred from expendable earnings to reflect the effect of inflation (2009 – $51).

11 Investment in Capital Assets, Internally Restricted

Net assets invested in internally restricted capital assets represent the carrying amount (net book value) of capital assets less unamortized deferred capital contributions.

	2010	2009
Capital assets at net book value (note 6)	$ 34,394	$ 25,526
Less amounts financed by unamortized deferred capital contributions (note 9)	(23,703)	(12,454)
Investment in capital assets, end of year	$ 10,691	$ 13,072

The changes during the year are as follows:

	2010	2009
Investment in capital assets, internally restricted, beginning of year	$ 13,072	$ 11,636
Acquisition of internally funded capital assets	157	3,487
Net book value of internally funded asset disposals	(78)	-
Amortization of investment in capital assets	(2,523)	(2,074)
Net investment in capital assets	(2,444)	1,413
Contributions of assets not subject to amortization	63	23
(Decrease) increase for the year	(2,381)	1,436
Investment in capital assets, internally restricted, end of year	$ 10,691	$ 13,072

12   Internally Restricted Net Assets

Internally restricted net assets represent amounts set aside by the University's Governing Council for specific purposes. Those amounts are not available for other purposes without the approval of the Governing Council. Internally restricted net assets are summarized as follows:

	Balance at beginning of year	Appropriations and transfers	Additions (disbursements)	Balance at end of year
Appropriation for operating activities				
New program development	$ 189	$ -	$ 722	$ 911
Bridging to retirement	976	(527)	(449)	-
Future student awards	1,552	-	78	1,630
Future claims reserve	631	-	(185)	446
	3,348	(527)	166	2,987
Appropriation for capital activities				
Investment in system development	6,202	(485)	(775)	4,942
Infrastructure	-	1,321	-	1,321
	6,202	836	(775)	6,263
	$ 9,550	$ 309	$ (609)	$ 9,250

13   Contractual Obligations

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

	2010	2009
Capital projects	$ 15,816	$ 27,233
Service contracts, information systems and technology, and long-term leases	8,571	4,831
	$ 24,387	$ 32,064

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

2010	Capital Projects	Service Contracts	Information Technology	Long-term Leases	Total
2011	$ 15,816	$ 3,702	$ 1,165	$ 1,116	$ 21,799
2012	-	103	587	936	1,626
2013	-	28	396	342	766
2014	-	7	-	-	7
2015	-	2	-	-	2
Thereafter	-	187	-	-	187
	$ 15,816	4,029	2,148	$ 2,394	$ 24,387

The University has contractual commitments of $15,816 for capital construction projects which are anticipated to be expended in 2011. Funding for these projects is primarily provided from capital grants from the Province of Alberta which is included in the total of deferred capital contributions, (Note 8 $18,455).

14   Budget Comparison

The University's 2009–2010 budget was approved by Governing Council as was presented to the Minister of Advanced Education and Technology as part of the University's submission of its 2009–2013 Business Plan. Certain budget figures from the University's 2009–2013 Business Plan have been reclassified to conform to the presentation adopted in the 2010 financial statements.

15   Investment Income

	2010	2009
Gain (loss) on investments held for endowments	$ 336	$ (189)
Gain (loss) on other investments	4,583	(1,612)
	4,919	(1,801)
Amounts transferred (to) from endowment net assets	(336)	189
Amounts transferred to deferred capital contributions	(152)	(851)
Total investment income (loss) recognized	$ 4,431	$ (2,463)

16   Related Party Transactions

The University operates under the authority and statutes of the Province of Alberta. Transactions between the University and the Government of Alberta (GOA) are measured at the exchange amount and are summarized below.

	2010	2009
Grants		
Advanced Education and Technology:		
Operating grants	$ 35,493	$ 33,826
Knowledge Infrastructure Program	7,640	-
Enrolment planning envelope	4,062	3,244
Access to the future fund (matching grants)	1,350	1,200
Infrastructure Maintenance Program	919	919
Research grants	712	7
Capital grants	250	-
Other	38	425
	50,464	39,621
Other GOA departments and agencies grants:		
Alberta Education	330	-
Alberta Innovates – Technology Futures	203	86
Alberta Innovates – Health Solutions	172	-
Finance and Enterprise	125	899
Culture and Community Spirit	40	159
	870	1,144
Total contributions received	51,334	40,765
Less: deferred contributions	(8,279)	(2,228)
Grants from GOA	$ 43,055	$ 38,537
Accounts receivable		
Advanced Education and Technology	$ 3,010	$ 1,920
Other GOA departments and agencies	178	212
	$ 3,188	$ 2,132
Accounts payable		
Advanced Education and Technology	$ 165	$ 223
Other GOA departments and agencies	17	-
	$ 182	$ 223

In addition to the grants listed above, the University received $1,060 (2009 $1,283) from the Ministry of Culture and Community Spirit, included in sales of services and products, for a service agreement to assist with the delivery of a specific program.

17 Salary and Benefits Disclosure

Treasury Board Directive 12-98 under the *Financial Administration Act* of the Province of Alberta requires the disclosure of certain salary and employee benefits information.

	2010				2009
	Base Salary[1]	Cash Benefits[2]	Non-cash Benefits[3]	Total	Total
Governing Council [4]					
Chair of Governing Council	$ -	$ -	$ -	$ -	$ -
Governing Council members	-	-	-	-	-
Executive Officers					
President	362	31	136	529	494
Vice-Presidents:					
Academic	237	15	79	331	303
Advancement	226	14	82	322	292
Finance and Administration [5]	183	3	73	259	280
Chief Information Officer	198	11	73	282	274
Associate Vice-Presidents:					
Academic	191	-	83	274	217
Research	191	-	27	218	202

[1] Base salary is pensionable and includes pay for vacation time taken.

[2] Cash benefits include amounts to compensate for the UAPP salary cap, lump sum payments and any other non-pensionable direct cash remuneration.

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

[4] The chair and the 17 members (2009–17) of Governing Council receive no remuneration for participation on the council.

[5] Two individuals held this position during the year.

18 Comparative Figures

Certain 2009 figures have been reclassified to conform to the presentation adopted in the 2010 financial statements.

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