

achievements

leadership

governance

ANNUAL REPORT  
2004 - 2005

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

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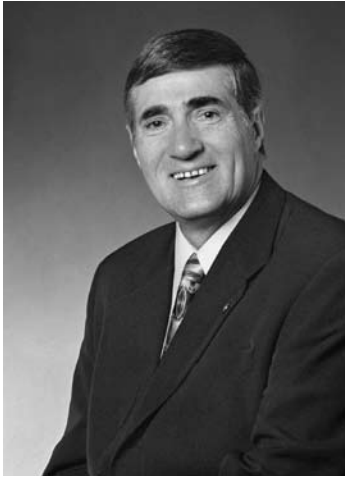
We are committed to excellence in teaching, research and  
scholarship, and to being of service to the general public.

Mission statement, May 1985  
Rededicated June 2002



## MESSAGE FROM THE PRESIDENT

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In this, my last report as president, I would like to thank the University community and the friends of the University who have made possible our significant collective achievements of the last decade. Many individuals have contributed to the remarkable story of the growth, development, and strengthening of the University during my term as president, and they all deserve recognition.

Worthy of particular note, however, are the two colleagues with whom I worked most extensively throughout this period: Dr. Alan Davis, who served as vice-president academic from 1996 to 2003, and Dr. Judith Hughes. Prior to serving as interim vice-president academic from 2003 to 2005, Dr. Hughes was the vice-president of student services from 1995 to 2002 and spearheaded our renewed emphasis on creating a learner-centred organization.

In 2004-2005, the University experienced another year of burgeoning student enrolment, with visiting students from other institutions taking more Athabasca University courses than ever before. It was a year in which we witnessed important enrolment growth in Alberta, and one in which the University received greater financial support from the Province of Alberta than in the last decade. This support was a precursor to the Alberta Government's commitment in 2005 to consider investment in the post-secondary sector as its top priority.

This past year also saw the University improve its systematic approach to technology planning and systems investment. Such planning and investment is crucial to both advancing the innovative ways we teach and serve our students and ensuring our staff can continue to work effectively. In that context, we appointed a chief information officer in 2004, and this is enabling us to develop clear priorities for our technological future.

We have done much to enhance our research reputation, appointing a third Canada Research Chair and securing more than \$2 million in research funding in 2004-2005. The University is also implementing its plans to take a leadership role in the development of e-learning in Canada.

I end with well wishes to my successor, Dr. Frits Pannekoek. The University is financially sound, has a well-earned reputation for the quality of its courses and programs, has built a strong complement of graduate studies, and is enhancing its research capacity. Much remains to be done, but this report makes clear that our dedicated and exemplary staff have created a solid foundation on which to develop Athabasca University's future.

Original signed by Dominique Abrioux

Dominique A.M.X. Abrioux, PhD  
President, February 10, 1995 – May 31, 2005



It gives me great pleasure to present this Annual Report highlighting another outstanding year of accomplishments at Athabasca University. In 2004-2005, the University successfully concluded its application for U.S. accreditation from the Middle States Commission on Higher Education. The number of students continued to grow, as did external funding for research.

The e-Learning Accelerator project assisted the University in further enhancing its online teaching, and the myAU student portal, launched in October 2004, personalize the Athabasca University experience for students and creates online learning communities. Athabasca's first doctoral programs, one in business administration and the other in distance education, were submitted to the Campus Alberta Quality Council for review. These accomplishments are a wonderful culmination to Dr. Dominique Abrioux's 10-year term as president.

Dr. Abrioux concluded his 10-year term as president in June 2005, and on behalf of Governing Council, I would like to thank him most sincerely for the remarkable contribution he has made to Athabasca University. We are pleased that he will remain with the University and look forward to his research and continuing involvement. We wish Dominique and his wife Marie-Louise much enjoyment in their new role and future retirement; we will be forever indebted.

To recognize Dr. Abrioux's outstanding contribution to Athabasca University, Governing Council has established the Dominique Abrioux Graduate Scholarship. The Scholarship will be awarded annually to students pursuing a graduate degree at Athabasca University who are within 15 credits of completing their graduate degree, with a preference given to students who have had to overcome a significant educational, financial or societal hurdle to pursue their degree.

A Presidential Search Committee was struck in June 2004 and culminated in the appointment by Governing Council of Dr. Frits Pannekoek as the sixth president of Athabasca University effective June 2005. We welcome Dr. Pannekoek and his wife Christine to the Athabasca University family and their new home in Athabasca. We look forward to working with Dr. Pannekoek and moving Athabasca University through the next phase of its evolution.

We would like to thank the members of the Presidential Search Committee for their dedication and commitment throughout the search process.

In accordance with the Athabasca University Regulation under the Post-secondary Learning Act, we were able to appoint one additional undergraduate student, a graduate student and an alumni member to Governing Council. The increased representation of this group will be a significant benefit to Governing Council.

The Athabasca University Regulation also afforded us the opportunity to increase our public member representation by two, and I would like to welcome Ron C. Cherlet and Marilyn Kane to Governing Council. I would also like to thank Jann Beeston and Allen Benson, who contributed to the work of Governing Council but who left us during this past year.

Original signed by David J. Burnett

David J. Burnett, CA  
Chair, Athabasca University Governing Council

## ACCOUNTABILITY STATEMENT

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The Athabasca University Annual Report for the year ended March 31, 2005 was prepared under the direction of the 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 David J. Burnett

David J. Burnett, CA  
Chair, Athabasca University Governing Council



2004-2005 Athabasca University Governing Council

*Back row, L > R: Bruce Spencer, Robert R. Roth, Timothy Nerez, Dominique Abrioux, Timothy Parker*

*Middle row, L > R: Herb Holmes, Rebecca Heartt, Robert McColl, Marilyn Kane, David Burnett, Barry Walker*

*Front row, L > R: Lisa Priebe, Mac McInnis, Ruth Blakely, Ron Cherlet, Joy Romero, Lionel Cherniwchan*

*Jody Hunt was not available for this photo.*

*As of March 31, 2005*

## **Appointed public members**

David J. Burnett (Chair)  
Joy Romero (Vice-chair)  
Ron C. Cherlet  
Lionel Cherniwchan  
Herb Holmes  
Jody Hunt  
Marilyn Kane  
Robert W. McColl  
Robert R. Roth  
Barry Walker

## **Executive officer**

Dominique Abrioux (President, Athabasca University)

## **Alumnus member**

Timothy Nerenz

## **Student members**

Mac McInnis  
Lisa Priebe

## **Tutor member**

Timothy Parker

## **Academic staff members**

Bruce Spencer  
Rebecca Heartt

## **Non-academic staff member**

Ruth Blakely

|    |   |
|----|---|
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*Inspiration*







**Dr. Dominique Abrioux**

10

## Ten years of achievement: the presidency of Dominique Abrioux

When Dr. Dominique Abrioux became president of Athabasca University in 1995, it was a critical time in the institution's history. The Government of Alberta had drastically reduced funding for all public institutions. The University had recently taken a risk in launching two graduate programs, both of which looked financially problematic. There was a mood of uncertainty and doubt about the University's long-term future.

Dr. Abrioux had served as dean of Arts and Sciences and acting vice-president academic before he was appointed president. He possessed a deep knowledge of the University, having initially joined Athabasca in 1978 to launch the French program while completing his doctorate in comparative literature at the University of Alberta.

With his considerable experience and insight, Dr. Abrioux concluded that he must focus on four goals that would restore the well-being of the University and enable it to thrive.

First, he insisted that the University attract more students. A larger number of students would both increase revenue and fulfill Athabasca's mission to improve access to university education.

His second goal was to guide the University through a review of its student services and ensure it was providing a high-quality experience. Improving the Athabasca University experience would reinforce efforts to draw more students, as people would be compelled to enrol with Athabasca if they felt confident about the quality of the institution. Furthermore, satisfied students would readily encourage others to enrol.

Faced with a significant loss in government funding, Dr. Abrioux's third goal was for the University to manage its finances in such a way as to create a sustainable future.

Finally, he knew that the institution must restore the faith of its stakeholders, especially those who were members of the University community. If the University was to continue to succeed in open and distance learning and attain new heights of excellence, its stakeholders had to believe in the institution.

A review of Dr. Abrioux's decade as president clearly shows that his goals aided the University's achievements. "Under Dominique's leadership, Athabasca has gone from strength to strength," says Brenda Gourley, vice-chancellor of The Open University of the United Kingdom.

#### Here are just some of the highlights of the last 10 years:

- > **Twenty-thousand more students are now enrolling each year.** Since 1995, the number of students taking courses has risen from about 11,000 to more than 31,000.
- > **Student satisfaction has remained high.** Though the University was confronted with operational pressures from growing so quickly, quality of education was not sacrificed – 98.5 per cent of students responding to Alberta's 2004 Post-Secondary Institution Graduate Outcomes Survey indicated they would recommend Athabasca to others.
- > **The University's fledgling graduate studies grew into one of the institution's flagships.** In the first year of graduate studies, 1994–1995, there was a cohort of less than 200 students. This past year, nearly 3,000 students were enrolled in graduate programs.
- > **All student services went online, and the University launched myAU.** With the October 2004 debut of myAU, an online portal that tailors University services to meet the specific needs of each student, Athabasca's online student services are poised to become even more effective.
- > **The University was recognized repeatedly for its expertise in distance learning.** Athabasca University has earned many accolades in the last decade, including an Institutional Prize of Excellence from the International Council for Open and Distance Education in 2004 and an Award of Excellence for Institutional Achievement from the Commonwealth of Learning in 2002.
- > **Athabasca played a critical role in realizing the Campus Alberta vision.** Thousands of Alberta students took Athabasca courses and transferred them to programs they were enrolled in at other institutions. This, coupled with the forging of transfer arrangements and partnerships with Alberta universities, colleges, and other organizations, meant the University vastly improved the accessibility and flexibility of post-secondary studies for students throughout Alberta. Examples include: Alberta-North, a consortium that brings education to people in northwestern Canada; the Campus Alberta Master of Counselling degree offered jointly with the universities of Calgary and Lethbridge; and a partnership with Mount Royal College that gives students the opportunity to complete Athabasca degrees on-campus at Mount Royal.
- > **The University made a successful bid to become the first Canadian university accredited in the United States.** After a lengthy self-study process, the Middle States Commission on Higher Education awarded Athabasca with U.S. accreditation.

While Dr. Abrioux would be the first to acknowledge the importance of teamwork and the involvement of many individuals and groups in making the last decade's achievements possible, much is also owing to his leadership. His strategic focus, his passion, and his relentless concern for quality and integrity have helped Athabasca University earn worldwide acknowledgement for its leadership and innovation in distance education.

## A new president

On June 1, 2005, Dr. Frits Pannekoek became the sixth president of Athabasca University. Dr. Pannekoek's rich background in distance education and e-learning technology will be critical as Athabasca University completes its transformation to the online environment.

Dr. Pannekoek grew up in Alberta and earned his BA with honours (1969) and MA (1970) at the University of Alberta. He completed his PhD (1974) with a dissertation on western Canadian history and indigenous peoples at Queen's University.

Prior to accepting the presidency at Athabasca University, Dr. Pannekoek was the director of Information Resources at the University of Calgary. He was directly responsible for the university library, the university archives, the university press, and the Nickle Arts Museum. He also held academic appointments in the Faculty of Communication and Culture and the Department of History.

Throughout his career, Dr. Pannekoek has demonstrated a commitment to innovating both how education is delivered and how knowledge and information is shared. Recognized nationally for his leadership in creating digital resources and transforming academic publishing, Dr. Pannekoek is also known as a primary mover in developing the University of Calgary's Information Commons, an online resource that supports the integration of dynamic technologies with the learning and teaching environment. He is a member of the Alberta SuperNet Research Alliance, which is studying the impact of the SuperNet in Alberta, and he is regularly called upon to serve as a provincial and national policy advisor in these areas of his expertise. Dr. Pannekoek has also chaired The Alberta Library (TAL), a consortium of more than 300 libraries, and the Health Knowledge Network, a health information collective. And in the midst of all this, he somehow found the time to amass 20 years of experience as a tutor and course developer in history for Athabasca University.

Beyond e-learning, information and communications studies, the other foundation of Dr. Pannekoek's professional life has been the fields of western Canadian and Métis history and museum and heritage studies. Between 1976 and 1979, he was the chief of historical research for National Historic Sites, Prairie Region, and from 1979 to 1998, he worked with the Government of Alberta primarily as the director of the Historic Sites Service. Dr. Pannekoek's expertise in and passion for Western Canada and its heritage helped his department win numerous awards for its innovative approaches to developing museums and historic sites. A long-standing interest in aboriginal communities is reflected in his many research publications in this area, as well as his participation in initiatives such as the interpretive centre for Head-Smashed-In Buffalo Jump.

With his thorough knowledge of learning, information and communications technology, an evident desire to fully realize the potential of such technology, a laudable academic and administrative career, and a deep-seated familiarity with Athabasca University, Dr. Frits Pannekoek is well-equipped to lead the University through its next phase of growth.



**Dr. Frits Pannekoek**

## Remembering Lois Hole

“I have faith in a better future, because I have faith that most human beings want to do the right thing. If we can put aside differences of ideology, if we can learn to love one another, then one day we will enjoy a world where no one need live in fear, where no one need go hungry, where everyone can enjoy a good education, the fellowship of friendly neighbours, and the security of a world at peace with itself at long last.”\*

The Honourable Dr. Lois E. Hole  
Member, Order of Canada (CM)  
Chancellor, Alberta Order of Excellence (AOE)

Lois Hole, beloved 15th lieutenant-governor of Alberta, died on January 6, 2005 at the age of 71.

Education and literacy were two of her many interests. “It’s never too late to learn,” she was fond of saying, and her long relationship with Athabasca University was just one example of her dedication to learning. She served as a member of Governing Council from 1971 to 1984 and was presented with an honorary Doctor of Athabasca University in 1985 to recognize her unstinting support of both the University and education in Alberta. She also attended and spoke at numerous University events, convocations and functions over the years.

Dr. Mary Hamilton of the Centre for Language and Literature was an academic representative on Governing Council from 1978 to 1981 and remembers Lois Hole as personable, thoughtful and caring. Mrs. Hole was very much concerned for the welfare of not only the University as an institution, but also for the welfare of students and staff, Hamilton says.

“She was a strong and very passionate woman who didn’t see the need to hide her feelings behind a tough exterior. As a young academic woman, this was enlightening for me to see... She was not afraid to speak her mind on sensitive issues. We saw that when she was lieutenant-governor and would insert her own comments in the speech from the throne.

“After she left Governing Council, Lois came back for many events at AU over the years. She really did remain a strong friend of the University,” Hamilton says.

“Lois Hole was an eloquent supporter of this University and of education and learning,” says president Dr. Dominique Abrioux. “She held Athabasca University near to her heart and believed in the importance of lifelong learning. All who care about education and literacy, about music and the arts, and about the importance of community will miss her. She was a model of the innovative, caring and compassionate Albertan.”

Lois Hole leaves a tremendous legacy to education and will be missed by her colleagues and friends in the Athabasca University community.

\*Used by permission of Bill Hole.



**Lois Elsa Hole**

*1933–2005*



**Beverly Mohammed** *BAdmin*

"I would like to sincerely thank Athabasca University for its approach to education and commitment to distance learning, its fairness to all students, and the encouragement and feedback provided from the instructors. To sum it up, Athabasca U sets a recipe for academic success. Thank you."

*Our students*



## Total student numbers

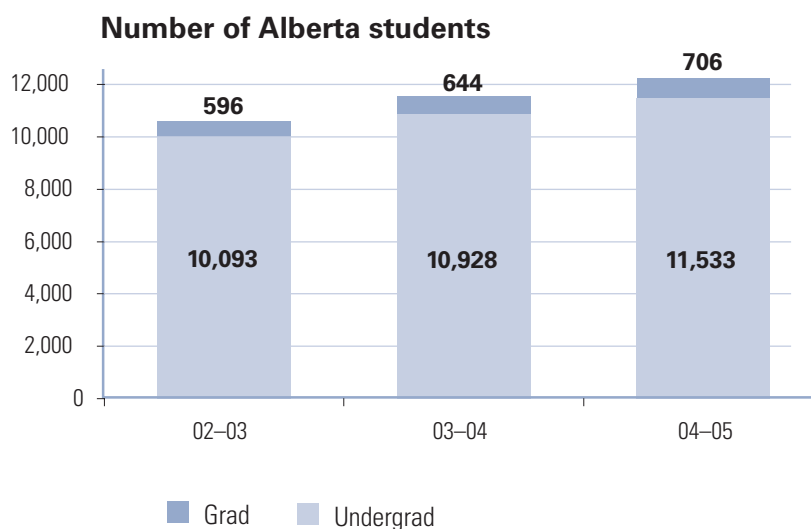
The total number of undergraduate and graduate students at Athabasca University has increased from 26,675 in 2002-2003 to 31,754 in 2004-2005. Over the past three years, AU's student enrolment has increased by an average of 9.5 per cent.

| Fiscal year                     | 02-03         | 03-04         | 04-05         | 04-05 increase |
|---------------------------------|---------------|---------------|---------------|----------------|
| Undergraduate                   | 24,333        | 26,933        | 28,898        | 7.3%           |
| Graduate*                       | 2,342         | 2,609         | 2,856         | 9.5%           |
| <b>Total number of students</b> | <b>26,675</b> | <b>29,542</b> | <b>31,754</b> | <b>7.5%</b>    |

\*Graduate total does not include the Campus Alberta Master of Counselling.

## Total Alberta students

Athabasca University's 2005-2009 Business Plan target is to increase the number of Alberta students by seven per cent per year. During 2004-2005, 12,239 Alberta residents took courses at Athabasca University, an increase of 5.8 per cent over the previous year.



### Roger Scott *BN*

"During my studies, I was deployed two times to Afghanistan with the Canadian Forces. I completed three courses in Afghanistan in the quiet moments... Athabasca offered the flexibility I needed to complete my degree part-time."

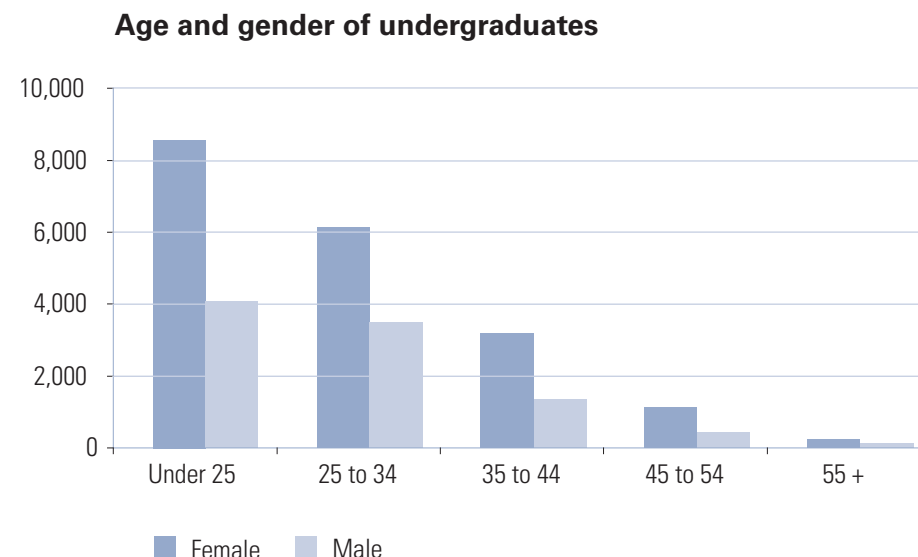
## Undergraduate students by geographic origin

Registrations from Alberta still predominate at Athabasca University. However, there has been a higher number of registrations from the rest of Canada and especially from Ontario. Undergraduate course registrations from Ontario students have nearly tripled, from 5,171 in 1999-2000 to 14,253 in 2004-2005.

| Fiscal year                         | 02-03         | 03-04         | 04-05         |
|-------------------------------------|---------------|---------------|---------------|
| Geographic origin                   | %Total        | %Total        | %Total        |
| Alberta                             | 41.5          | 40.6          | 40.0          |
| British Columbia                    | 9.1           | 9.6           | 9.3           |
| Saskatchewan                        | 5.6           | 5.4           | 5.0           |
| Manitoba                            | 3.6           | 3.5           | 3.3           |
| Ontario                             | 26.4          | 28.0          | 29.9          |
| Quebec                              | 1.2           | 1.3           | 1.2           |
| New Brunswick                       | 1.4           | 1.5           | 1.5           |
| Newfoundland and Labrador           | 1.4           | 1.2           | 1.1           |
| Nova Scotia                         | 2.4           | 2.8           | 3.2           |
| Prince Edward Island                | 0.2           | 0.3           | 0.3           |
| Northwest Territories               | 1.1           | 1.2           | 0.9           |
| Nunavut                             | 0.2           | 0.2           | 0.2           |
| Yukon                               | 0.3           | 0.4           | 0.3           |
| <b>Total Canada</b>                 | <b>94.4</b>   | <b>96.0</b>   | <b>96.2</b>   |
| <b>International</b>                | <b>3.3</b>    | <b>3.1</b>    | <b>3.2</b>    |
| <b>Unknown</b>                      | <b>2.3</b>    | <b>0.9</b>    | <b>0.6</b>    |
| <b>Total undergraduate students</b> | <b>24,333</b> | <b>26,933</b> | <b>28,898</b> |

## Undergraduate students by age and gender

The general demographic profile of undergraduate students has remained fairly constant over the past three years, with women comprising two-thirds of the student population. In 2004-2005, 44 per cent were under the age of 25, and the average age was 29, the same as in 2003-2004.





"I will remember the tremendous feeling of satisfaction that comes with knowing only disciplined people complete degrees through distance education, and that I am now one of them. Distance education could be called self-discipline education. My AU experience enabled me to develop this discipline that I did not know I had. Actually, when I started I didn't."

**Thom Goodspeed** *BGS*

## Undergraduate course registrations by new and returning students

The ratio of first-time to returning students has decreased over the three-year period. New students accounted for 44 per cent of undergraduate registrations in 2004-2005, compared to 48 per cent in 2002-2003.

| Fiscal year                                     | 02-03         |        | 03-04         |        | 04-05         |        |
|---|---------------|--------|---------------|--------|---------------|--------|
| Status  | #             | %Total | #             | %Total | #             | %Total |
| New   | 20,994        | 47.7   | 22,842        | 46.2   | 23,779        | 43.9   |
| Returning                                       | 23,077        | 52.3   | 26,569        | 53.8   | 30,362        | 56.1   |
| <b>Total undergraduate course registrations</b> | <b>44,071</b> |        | <b>49,411</b> |        | <b>54,141</b> |        |



## Undergraduate course registrations by program

The proportion of course registrations by students enrolled in Athabasca University degree programs increased from 20 per cent in 2002-2003 to 25 per cent in 2004-2005.

Course registrations by non-program students increased by five per cent. This was a slower rate than in 2003-2004, when these course registrations increased by nine per cent. Nonetheless, nearly three-quarters or 73 per cent of course registrations were by non-program students in 2004-2005.

The proportion of course registrations by students enrolled in certificate and diploma programs remained relatively constant over the three-year period at less than two per cent.

| Fiscal year   | 02-03         |             | 03-04         |             | 04-05         |             |
|---|---------------|-------------|---------------|-------------|---------------|-------------|
| Program   | #             | %Total      | #             | %Total      | #             | %Total      |
| Bachelor of Administration  | 2,211         | 5.0         | 2,302         | 4.7         | 2,253         | 3.9         |
| Bachelor of Arts, three-year  | 835           | 1.9         | 868           | 1.8         | 916           | 1.7         |
| Bachelor of Arts, four-year   | 1,481         | 3.4         | 1,767         | 3.6         | 2,033         | 3.8         |
| Bachelor of Commerce  | 923           | 2.1         | 1,273         | 2.6         | 1,533         | 2.9         |
| Bachelor of General Studies   | 514           | 1.1         | 549           | 1.1         | 633           | 1.2         |
| Bachelor of Health Administration   | 3             | –           | 32            | 0.1         | 73            | 0.1         |
| Bachelor of Human Resources and Labour Relations                          | 1             | –           | 31            | 0.1         | 161           | 0.3         |
| Bachelor of Management, three-year  | 47            | 0.1         | 387           | 0.8         | 656           | 1.2         |
| Bachelor of Management, four-year   | 53            | 0.1         | 158           | 0.3         | 523           | 1.0         |
| Bachelor of Nursing   | 1,006         | 2.3         | 1,679         | 3.4         | 2,410         | 4.5         |
| Bachelor of Professional Arts   | 806           | 1.8         | 877           | 1.8         | 1,409         | 2.6         |
| Bachelor of Science   | 333           | 0.8         | 417           | 0.8         | 473           | 0.9         |
| Bachelor of Science in Computing and Information Systems                  | 566           | 1.3         | 466           | 0.9         | 597           | 1.1         |
| <b>Total course registrations for undergraduate degrees</b>               | <b>8,779</b>  | <b>19.9</b> | <b>10,806</b> | <b>21.9</b> | <b>13,670</b> | <b>25.1</b> |
| <b>Total course registrations for undergraduate certificates/diplomas</b> | <b>755</b>    | <b>1.7</b>  | <b>796</b>    | <b>1.6</b>  | <b>835</b>    | <b>1.6</b>  |
| <b>Non-program course registrations</b>                                   | <b>34,537</b> | <b>78.4</b> | <b>37,809</b> | <b>76.5</b> | <b>39,636</b> | <b>73.4</b> |
| <b>Total undergraduate course registrations</b>                           | <b>44,071</b> |             | <b>49,411</b> |             | <b>54,141</b> |             |

## Visiting students

Athabasca University plays an important role in Canada's post-secondary system by providing students with the opportunity to take Athabasca courses that they can apply toward programs they are enrolled in at other institutions. At the time of admission, students are asked to specify whether they are concurrently enrolled at another institution. In 2004-2005, 36 per cent of the University's undergraduate intake stated they were visiting students. Twenty institutions across the country accounted for 60 per cent of the University's visiting students.



### Justine Wostenberg BA

"The best thing about having completed my degree is that it gives me a good understanding of the European culture that has become dominant in Canada and my place in it."

| Home institutions              | #     | % of total | Subtotal     | % of total  |
|--------------------------------|-------|------------|--------------|-------------|
| University of Alberta          | 598   | 8.0        |              |             |
| University of Calgary          | 570   | 7.6        |              |             |
| Mount Royal College            | 224   | 3.0        |              |             |
| Grant MacEwan College          | 148   | 2.0        |              |             |
| University of Lethbridge       | 114   | 1.5        |              |             |
| All other Alberta              | 544   | 7.3        |              |             |
| <b>Total Alberta</b>           |       |            | <b>2,198</b> | <b>29.5</b> |
| Brock University               | 304   | 4.1        |              |             |
| University of Ottawa           | 292   | 3.9        |              |             |
| Queen's University             | 235   | 3.1        |              |             |
| Certified General Accounting   | 183   | 2.5        |              |             |
| University of Western Ontario  | 183   | 2.5        |              |             |
| McMaster University            | 148   | 2.0        |              |             |
| Wilfrid Laurier University     | 135   | 1.8        |              |             |
| Laurentian University          | 124   | 1.7        |              |             |
| All other Ontario              | 1,042 | 14.0       |              |             |
| <b>Total Ontario</b>           |       |            | <b>2,646</b> | <b>35.4</b> |
| Dalhousie University           | 256   | 3.4        |              |             |
| University of Saskatchewan     | 203   | 2.7        |              |             |
| University of Manitoba         | 172   | 2.3        |              |             |
| St. Francis Xavier University  | 168   | 2.2        |              |             |
| University of Regina           | 152   | 2.0        |              |             |
| Brandon University             | 143   | 1.9        |              |             |
| University of Victoria         | 102   | 1.4        |              |             |
| All other Canada               | 1,111 | 14.9       |              |             |
| <b>Total rest of Canada</b>    |       |            | <b>2,307</b> | <b>30.9</b> |
| <b>Total Canada</b>            |       |            | <b>7,151</b> |             |
| <b>International</b>           |       |            | <b>317</b>   | <b>4.2</b>  |
| <b>Total visiting students</b> |       |            | <b>7,468</b> |             |

## Graduate students by geographic origin\*

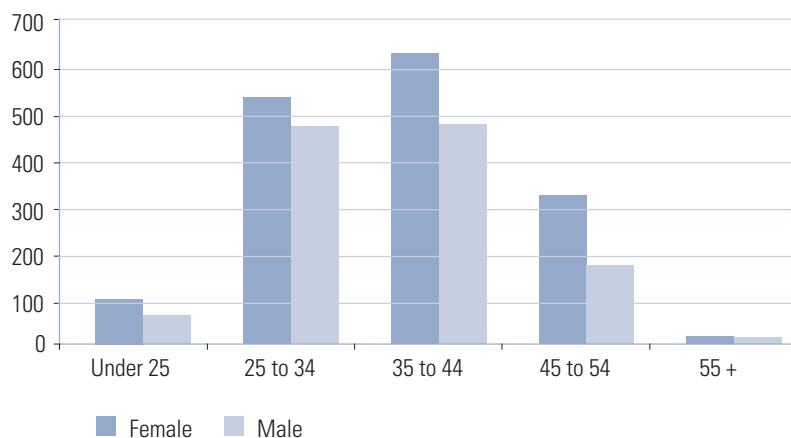
Seventy-nine per cent of Athabasca University's graduate students were from three provinces: Ontario, Alberta, and British Columbia, with 41 per cent residing in Ontario.

| Fiscal year                    | 02-03        | 03-04        | 04-05        |
|--------------------------------|--------------|--------------|--------------|
| Geographic origin              | #            | #            | #            |
| Alberta                        | 596          | 644          | 706          |
| British Columbia               | 309          | 334          | 379          |
| Saskatchewan                   | 75           | 89           | 107          |
| Manitoba                       | 100          | 98           | 97           |
| Ontario                        | 916          | 1,065        | 1,173        |
| Quebec                         | 50           | 55           | 52           |
| New Brunswick                  | 29           | 37           | 39           |
| Newfoundland and Labrador      | 47           | 46           | 49           |
| Nova Scotia                    | 37           | 50           | 67           |
| Prince Edward Island           | 8            | 11           | 17           |
| Northwest Territories          | 19           | 14           | 18           |
| Nunavut                        | 6            | 6            | 11           |
| Yukon                          | 14           | 19           | 15           |
| <b>Total Canada</b>            | <b>2,206</b> | <b>2,468</b> | <b>2,730</b> |
| <b>International</b>           | <b>133</b>   | <b>139</b>   | <b>123</b>   |
| <b>Unknown</b>                 | <b>3</b>     | <b>2</b>     | <b>3</b>     |
| <b>Total graduate students</b> | <b>2,342</b> | <b>2,609</b> | <b>2,856</b> |

## Graduate students by age and gender\*

In 2004-2005, 57 per cent of AU's graduate students were female. However, the gender distribution differed widely across programs. For example, 92 per cent of students in the Master of Health Studies and Master of Nursing programs were women, whereas 87 per cent of students in the Master of Science – Information Systems program were men. The average age of Athabasca University's graduate students at the time of admission was 37.

**Age and gender of graduate students**



\*Graduate total does not include the Campus Alberta Master of Counselling.

"Athabasca University enabled me to achieve a realistic goal of balancing my work, my family, and studies. While completing the course on evaluation, I lost my job after 24 years due to cutbacks. The course enabled me to evaluate my journey and try teaching in two universities. In retrospect, it was the best thing that could have happened."

**Kathleen Lavin MN**



## Graduate students by program

Graduate student enrolments remained fairly constant between 2002-2003 and 2004-2005 in the Master of Business Administration and Master of Distance Education programs. The more recently established graduate programs (Master of Health Studies, Master of Arts—Integrated Studies, Master of Nursing and Master of Science – Information Systems) have showed strong increases in enrolments over the last three fiscal years.

| Fiscal year                             | 02–03        |        | 03–04        |        | 04–05        |        |
|---|--------------|--------|--------------|--------|--------------|--------|
| Program                                 | #*           | %Total | #*           | %Total | #*           | %Total |
| Master of Arts – Integrated Studies     | 214          | 9.1    | 311          | 11.9   | 392          | 13.7   |
| Master of Business Administration       | 1,108        | 47.3   | 1,087        | 41.7   | 1,031        | 36.1   |
| Master of Distance Education            | 421          | 18.0   | 429          | 16.4   | 431          | 15.1   |
| Master of Health Studies                | 498          | 21.3   | 402          | 15.4   | 485          | 17.0   |
| Master of Nursing                       | –            | –      | 217          | 8.3    | 316          | 11.1   |
| Master of Science – Information Systems | 101          | 4.3    | 163          | 6.2    | 201          | 7.0    |
| <b>Total graduate students**</b>        | <b>2,342</b> |        | <b>2,609</b> |        | <b>2,856</b> |        |

“I chose Athabasca University because it’s Canadian and it has an excellent reputation. It was the only Canadian program I felt could meet my needs.”

**Nathalie Ladouceur-Thomas** MDE

\* Number refers to total number of students enrolled in each program.

\*\* Graduate total does not include the Campus Alberta Master of Counselling program.



*Our research*



It is the role of universities to generate new ideas, to innovate, and to push at problems until they become opportunities. Through research, universities maintain their unique position in the world, advancing knowledge and augmenting the achievements of humanity while enriching the educational experience of their students, who learn from active researchers and participate in research as part of their studies.

Like other universities, Athabasca University is dedicated to research for its discovery and teaching value. Unlike other universities, Athabasca's mission-critical research is transforming the very ways that students learn. Recent research in e-learning and distance education is already innovating the design and delivery of our programs and courses.

With last year's appointment of a third Canada Research Chair, a proposal for an Alberta Centre of Excellence in E-Learning, and funding for research in a variety of disciplines, Athabasca University continues to be a force in research and a leader in the pedagogy of distance education.

Chemistry students conduct an experiment in the laboratory at the Athabasca campus.



## Athabasca University's third Canada Research Chair

Dr. Heather Kanuka became Athabasca University's Canada Research Chair in e-Learning on June 1, 2004. Her research is key to the future of the University, as it guides Athabasca on how to develop and offer education in an ever-advancing online world.

The main thrust of Dr. Kanuka's work is investigating how the Internet is changing teaching, learning, research, scholarship, and administration. Specific areas in Dr. Kanuka's research include network-enhanced resources, techniques for teaching and learning, and how online education can create the complex social environment necessary for deep and meaningful learning.

In 2001, Dr. Kanuka received her PhD from the University of Alberta and applied for a Social Sciences and Humanities Research Council of Canada (SSHRC) grant to complete a post-doctoral fellowship at Athabasca University. During her post-doctorate, Dr. Kanuka studied dual mode distance education, which includes both on- and off-campus learning. She soon discovered that the boundaries between on- and off-campus were beginning to blur. "I couldn't separate the off-campus from the on-campus, because so many on-campus students took online courses... they had barriers other than just geographical."

As a Canada Research Chair at Athabasca University, she will continue researching the impact of the Internet on dedicated distance delivery within post-secondary institutions.

"Education is a sociolinguistic process. We learn through dialogue with each other," Dr. Kanuka says. "The question is how to successfully translate that sociolinguistic process to the new world of online education."



**Dr. Heather Kanuka**



## M-Learning and the Alberta Centre of Excellence in E-Learning

Significant research is underway in m-learning, the use of mobile devices to support, deliver and enhance education. The Mobile Learning Symposium held in December 2004 brought Athabasca University researchers in contact with leading international experts. The symposium identified three key areas for the University to focus research on: organization, pedagogy, and technology.

To further this research, Athabasca is developing plans to establish an Alberta Centre of Excellence in E-Learning. While the focus is on e-learning, the University plans to include m-learning as a part of this Centre and, in pursuit of this goal, the University is seeking a Canada Research Chair in mobile/wireless learning.

Key components of the Alberta Centre of Excellence in E-Learning include:

- > A common online environment to support e-learning for courses delivered both at a distance and in traditional face-to-face settings by all public and private sector organizations in the province.
- > A suite of software applications licensed for use by institutions throughout the province, along with special help and other services to aid the users of these applications.
- > An approach that encourages collaboration with the private sector and other organizations outside the province for effective sharing of resources.

Athabasca University professor Dr. Fuhua Lin is researching how intelligent software agents can aid in online learning.



## Fulfilling research goals with funding

In 2004-2005, researchers at Athabasca University continued to develop new knowledge and pedagogy in a broad range of disciplines. Following are some examples of how their leading-edge research and collaborations with other researchers across Canada and around the world were ensured by funding from a number of agencies:

- > SSHRC (Social Sciences and Humanities Research Council of Canada) provided the opportunity for Dr. Rick Kenny to study the role of the instructional designer as an agent of social change, and for Dr. Martha Cleveland-Innes to examine how students handle the transition from classroom-based learning to web- and print-based learning.
- > NSERC (Natural Sciences and Engineering Research Council of Canada) facilitated research by Dr. Burton Voorhees on how systems can maintain themselves in unstable states to gain behavioural flexibility. NSERC also funded Dr. Fuhua Lin's development of intelligent software agents that can manage online information for students, professors and administrators alike.
- > Funding from the CFI (Canada Foundation for Innovation) and ASRA (Alberta Science and Research Authority) allowed further expansion of the Athabasca University Geophysical Observatory (AUGO), a world-class facility undertaking ground-breaking research on the Earth's magnetosphere, auroras, and space weather.
- > HRSDC (Human Resources and Skills Development Canada) enabled Dr. Jane Arscott and Dr. Ingrid Crowther to continue a project on accrediting and recognizing the learning of adults working in human services fields such as child and youth care, social work and rehabilitation services.
- > The University also received an award from CFI and ASRA for the project *Accessibility to Education Using Learning Objects: Implementing the Semantic Web with Advanced Development and Testing of Applications Using Metadata Promoting Interoperability Among Repository Networks*. This award is expected to enable the University to continue its role as a leader in research on the use of technology in education.

After so many years I have finally achieved one of my most sought-after life goals. My favourites were the chemistry and science projects courses... I was able to develop real products at work (oilfield service company chemist) and get course credit for them. This was the best training for a career in the field.

**Brian O'Neil** BSc



## Research publications and other creative works

| Research publications         | 02-03 | 03-04 | 04-05* | Three-year average 01-02 to 03-04* | Three-year average 02-03 to 04-05* |
|-------------------------------|-------|-------|--------|------------------------------------|------------------------------------|
| Number of full-time faculty   | 103   | 106   | 111    | 104                                | 107                                |
| Books authored or co-authored | 42    | 55    | 43     | 44                                 | 47                                 |
| Books edited or co-edited     | 4     | 6     | 9      | 4                                  | 6                                  |
| Refereed articles             | 88    | 133   | 90     | 102                                | 104                                |
| Non-refereed publications     | 24    | 42    | 33     | 43                                 | 33                                 |
| Conference presentations      | 194   | 306   | 209    | 228                                | 236                                |

Note: Numbers from previous years have been amended to reflect granting council definitions. Books authored or co-authored includes chapters authored or co-authored. Refereed articles include refereed journals and conference proceedings.

\*Information for 2004-2005 is incomplete. Approximately 50 per cent of faculty have not reported on activities as at July 31, 2005. These numbers are expected to increase significantly.

## Total research funding *(in thousands of dollars)*

| Fiscal year  | 02-03           | 03-04           | 04-05           | Three year average 01-02 to 03-04 | Three year average 02-03 to 04-05 |
|--|-----------------|-----------------|-----------------|-----------------------------------|-----------------------------------|
| <b>Total sponsored research values</b>                                   | <b>\$ 1,719</b> | <b>\$ 1,543</b> | <b>\$ 2,016</b> | <b>\$ 1,279</b>                   | <b>\$ 1,759</b>                   |
| Support from council sources   | \$ 242          | \$ 442          | \$ 424          | \$ 321                            | \$ 369                            |
| Council support ratio (council sources/total sponsored research revenue) | 14.1%           | 28.7%           | 21%             | 25.1%                             | 21%                               |
| Support from community and industry sources*                             | \$ 1,477        | \$ 1,101        | \$ 1,592        | \$ 958                            | \$ 1,390                          |
| Community and industry support ratio                                     | 85.9%           | 71.4%           | 79%             | 74.9%                             | 79%                               |

\*Includes other federal, provincial, and industry funding from sources such as CFI (Canadian Foundation for Innovation), HRSDC (Human Resources and Skills Development Canada), OLT (Office of Learning Technologies), etc.)

*Realization*

I completed my high school back in Thailand. Then I came to Canada and studied English language. And finally I studied at AU... Studying at AU has given me knowledge and made me realize my strength on what I can do for myself. If I try I can accomplish anything I like.

**Suraphol Ubolkaew** *BAdmin*



## U.S. accreditation

This year brought the culmination of an extensive quality assurance process that Athabasca University embarked upon to meet the U.S. accreditation standards of the Middle States Commission on Higher Education.

The University first identified accreditation in the U.S. as a goal in its 1999 Strategic University Plan update. In 2002, Athabasca was accepted as a candidate for accreditation under an international pilot program of the Middle States Commission on Higher Education (3624 Market Street, Philadelphia, PA, 19104, 267-284-5000), one of the six regional higher education associations in the U.S. The Commission invited Athabasca to prepare a self-study. Coordinating contributions from 11 task forces, a committee conducted a comprehensive examination of the governance, planning, resources and outcomes of the University.

Over a year-and-a-half of review, consultations, open forums, and electronic discussions within the University community identified both opportunities to improve the learning experience for students and reasons to celebrate Athabasca's significant achievements. A Middle States team visited the University in person in March 2005, and the chair of the visiting team, Dr. Gerald A. Heeger, president of the University of Maryland University College, confirmed the Athabasca committee's assessment: Athabasca University met all of the Commission's standards for accreditation. While the visiting team provided suggestions for the University, it also noted accomplishments in many areas.

The decision of the Middle States Commission on Higher Education sets Athabasca University apart as the first Canadian university to be fully accredited by a regional higher education commission in the U.S. The Commission defines itself as "a voluntary, non-governmental, peer-based membership association dedicated to educational excellence and improvement through peer evaluation and accreditation." It serves institutions in Delaware, Maryland, New Jersey, New York, Pennsylvania, Washington, D.C, and a variety of international institutions including The Open University of the United Kingdom.

There are no equivalent peer-based quality assurance bodies in Canada. The lack of reciprocity with provincially mandated quality councils is an immediate challenge for the University, which serves students across Canada. Internationally, the growth in cross-border education, and the variable standards of quality assurance, are issues faced by the entire higher education community.

## The e-Learning Accelerator and myAU

Through the e-Learning Accelerator, a \$1.5-million project funded by Alberta Advanced Education and announced in January 2004, Athabasca University has been adding online components to the approximately 175 courses that account for the top 80 per cent of undergraduate course registrations. By June 2005, all of these courses met the University's minimum requirements for online delivery.

The project's first task was to define what is meant by online courses. While online courses are evolving rapidly, the project team identified four types. Many courses include elements of more than one of these types:



**Functional.** Functional courses provide students with online access to descriptive information about the course, regulations pertaining to the course, and means for students to communicate with their professor, hand in assignments, etc. The University requires its functional courses to include components such as a course outline, a course home page, and e-mail.



**Distributional.** Distributional courses use the course website to distribute learning materials that are required by students to meet the learning objectives of the course, such as University-authored study guides and student manuals.



**Interactional.** Quizzes, exams, simulations, presentations, and other resources that students can interact with online are the key element of interactional courses.



**Communal.** In communal courses, students and professors communicate through online means such as discussion boards, chat rooms, and voice-over IP conferencing. This online communication is built into these courses as a required, evaluated activity.

Another integral part of the e-Learning Accelerator project was launching myAU, a web portal for Athabasca University students. With myAU, students are able to log in with one password to access student services and courses in a personal learning web space customized just for them. Their courses are collected in one area, complete with links to professors, online course resources and a record of their grades to date. Office of the Registrar and other student services are all accessible and listed neatly in another area. A community area provides students with discussion boards, blogs and other online means to connect with their fellow students. And, the Message Centre delivers University announcements relevant to the student. For example, the University can send a message regarding a certain program only to students who are enrolled in that program.

myAU is still in a relatively early stage of development, and its designers look forward to exploring its potential further. They are not the only ones exploring – since the University launched myAU in October 2004, more than 32,000 students have logged in to the portal.

## Degrees, diplomas and certificates awarded

| Fiscal year  | 02–03        | 03–04        | 04–05        |
|--|--------------|--------------|--------------|
| <b>Undergraduate degrees</b>   |              |              |              |
| Bachelor of Administration   | 121          | 135          | 104          |
| Bachelor of Arts   | 55           | 84           | 87           |
| Bachelor of Commerce   | 12           | 17           | 20           |
| Bachelor of General Studies (Applied Studies)                          | 57           | 38           | 44           |
| Bachelor of General Studies (Arts and Science)                         | 50           | 46           | 42           |
| Bachelor of Health Administration                                      | –            | 1            | 1            |
| Bachelor of Human Resources and Labour Relations                       | –            | –            | –            |
| Bachelor of Management   | 6            | 29           | 52           |
| Bachelor of Nursing  | 60           | 91           | 239          |
| Bachelor of Professional Arts  | 58           | 52           | 77           |
| Bachelor of Science  | 3            | 2            | 3            |
| Bachelor of Science in Computing and Information Systems               | 6            | 7            | 4            |
| <b>Total number of undergraduate degrees awarded</b>                   | <b>428</b>   | <b>502</b>   | <b>673</b>   |
| <b>Graduate degrees</b>  |              |              |              |
| Master of Arts—Integrated Studies                                      | 5            | 14           | 18           |
| Master of Business Administration                                      | 178          | 157          | 192          |
| Master of Business Administration in Information Technology            | 65           | 39           | 47           |
| Master of Business Administration in Project Management                | –            | 7            | 10           |
| Master of Counselling  | –            | –            | 14           |
| Master of Distance Education   | 42           | 50           | 47           |
| Master of Health Studies   | 31           | 52           | 49           |
| Master of Nursing  | 16           | 33           | 34           |
| Master of Science – Information Systems                                | –            | 1            | 14           |
| <b>Total number of graduate degrees awarded</b>                        | <b>337</b>   | <b>353</b>   | <b>425</b>   |
| <b>Undergraduate certificates/diplomas</b>                             |              |              |              |
| University Certificate in Accounting                                   | 18           | 19           | 18           |
| University Certificate in Advanced Accounting                          | –            | 1            | 1            |
| University Certificate in Administration                               | 4            | 5            | 8            |
| University Certificate in Career Development                           | –            | 5            | 5            |
| University Certificate in Computing and Information Systems            | 1            | 8            | 5            |
| University Certificate in Computers and Management Information Systems | 3            | 3            | 5            |
| University Certificate in Counselling Women                            | 2            | 1            | 2            |
| University Certificate in English Language Studies                     | –            | 1            | 1            |
| University Certificate in French Language Proficiency                  | 2            | 3            | 3            |
| University Certificate in Health Development Administration            | –            | –            | 1            |
| University Certificate in Home Health Nursing                          | 1            | –            | –            |
| University Certificate in Human Resources and Labour Relations         | –            | 4            | 4            |
| University Certificate in Industrial Relations and Human Resources     | 8            | 5            | 1            |
| University Certificate in Labour Relations                             | 2            | 5            | 1            |
| University Certificate in Labour Studies                               | –            | 1            | 2            |
| University Certificate in Public Administration                        | –            | 1            | –            |
| University Certificate in Rehabilitation Practice                      | –            | –            | –            |
| University Diploma in Arts   | 1            | 1            | 1            |
| University Diploma in Inclusive Education                              | 2            | 8            | 3            |
| <b>Total number of undergraduate certificates/diplomas awarded</b>     | <b>44</b>    | <b>71</b>    | <b>61</b>    |
| <b>Graduate diplomas</b>   |              |              |              |
| Advanced Graduate Diploma: Advanced Nursing Practice                   | 17           | 17           | 16           |
| Advanced Graduate Diploma in Distance Education (Technology)           | 15           | 16           | 9            |
| Advanced Graduate Diploma in Management                                | 286          | 125          | 17           |
| Graduate Diploma in Management   | –            | 146          | 285          |
| <b>Total number of graduate diplomas awarded</b>                       | <b>318</b>   | <b>304</b>   | <b>327</b>   |
| <b>Total credentials awarded</b>                                       | <b>1,127</b> | <b>1,230</b> | <b>1,486</b> |

## Staffing

| As of March 31,                                  | 2003       | 2004         | 2005         |
|--|------------|--------------|--------------|
| <b>Total number of employees</b>                 | <b>987</b> | <b>1,028</b> | <b>1,075</b> |
| <b>Breakdown by employee type</b>                |            |              |              |
| Academic, full-time                              | 103        | 106          | 111          |
| Academic, part-time                              | 144        | 161          | 148          |
| Professional                                     | 129        | 145          | 152          |
| Management and executive                         | 17         | 17           | 18           |
| Support and temporary                            | 257        | 262          | 284          |
| Casual   | 88         | 79           | 86           |
| Part-time tutors                                 | 249        | 258          | 276          |
| <b>Employee location of work*</b>                |            |              |              |
| Athabasca  | 411        | 419          | 399          |
| Edmonton Learning Centre                         | 58         | 59           | 54           |
| St. Albert<br>(Centre for Innovative Management) | 36         | 44           | 39           |
| Calgary Learning Centre                          | 14         | 12           | 14           |
| Lethbridge Community College                     | 1          | 1            | 1            |
| Medicine Hat                                     | 1          | –            | –            |
| Home offices                                     | 466        | 493          | 568          |

\*Alberta staff taking advantage of a new telework policy instituted in May 2004 have released some of the capacity pressures at the Athabasca campus.

“I will remember the excellent learning experience and all the folks from across the country who taught and worked and learned with me. I chose Athabasca University after a long search for a program that would suit my learning needs: pertinent Canadian health care curriculum. On reading the first calendar Athabasca put out, I knew I had found the fit.”

**Linda Herman** *MHS*





## Value to the taxpayer

| Fiscal year                                       | 00-01   | 01-02   | 02-03   | 03-04   | 04-05    |
|---|---------|---------|---------|---------|----------|
| Government funding per full-load equivalent (FLE) | \$4,193 | \$4,529 | \$4,251 | \$4,038 | \$4,167* |

\*Pending confirmation of official full-load equivalent (FLE) by Alberta Advanced Education, based on \$26,383,000/6,332.

## Value to the student

Athabasca University's basic undergraduate fee level increased in 2004-2005 by 7.1 per cent. As the table below shows, the University continues to be a relatively low-cost provider in terms of tuition fees charged to students by other Alberta and out-of-province universities. Since Athabasca University students avoid most of the costs facing traditional university students – particularly relocation, travel, and loss of employment income – Athabasca University remains the most affordable Canadian university option by a considerable margin.

| Fiscal year   | 02-03  | 03-04  | 04-05  | 05-06      |
|---|--------|--------|--------|------------|
| Cost per three-credit course                              |        |        |        |            |
| Alberta universities*                                     |        |        |        |            |
| Athabasca University                                      | \$ 355 | \$ 381 | \$ 408 | \$ 408     |
| Out-of-province fee**                                     | \$ 70  | \$ 55  | \$ 55  | \$ 27      |
| Cost per three-credit course for out-of-province students | \$ 425 | \$ 436 | \$ 463 | \$ 463 *** |
| University of Alberta                                     | \$ 403 | \$ 431 | \$ 454 | \$ 454     |
| University of Calgary                                     | \$ 412 | \$ 438 | \$ 459 | \$ 459     |
| University of Lethbridge                                  | \$ 347 | \$ 373 | \$ 400 | \$ 400     |
| Other Canadian universities                               |        |        |        |            |
| University of Northern British Columbia                   | \$ 275 | \$ 366 | \$ 403 |            |
| Simon Fraser University                                   | \$ 285 | \$ 371 | \$ 427 |            |
| University of Waterloo                                    | \$ 411 | \$ 419 | \$ 419 |            |
| York University   | \$ 411 | \$ 418 | \$ 418 |            |
| University of Ottawa                                      | \$ 409 | \$ 416 | \$ 416 |            |
| Ryerson University  | \$ 418 | \$ 418 | \$ 418 |            |
| Laurentian University                                     | \$ 411 | \$ 418 | \$ 418 |            |
| Wilfrid Laurier University                                | \$ 460 | \$ 469 | \$ 469 |            |
| Memorial University                                       | \$ 297 | \$ 267 | \$ 255 |            |
| University of Manitoba                                    | \$ 300 | \$ 300 | \$ 300 |            |

\* To recognize Alberta's centennial, the Alberta Government is providing Alberta institutions with a rebate that keeps 2005-2006 base tuitions the same as 2004-2005. For Athabasca University, this rebate applies only to Alberta residents starting courses between September 1, 2005 and August 31, 2006. In this chart, the Athabasca University course registration fee for 2005-2006 has been reduced by \$28 to reflect this government initiative.

\*\* Athabasca University charges an out-of-province fee to Canadian residents outside Alberta.

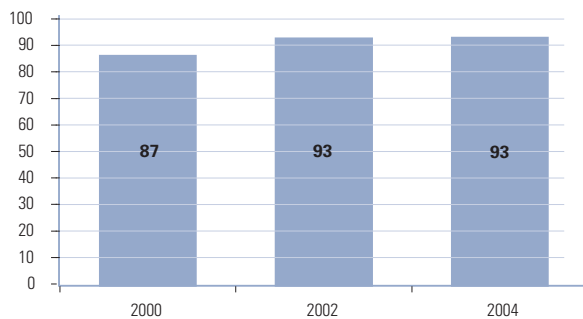
\*\*\* The Alberta Government's centennial rebate does not apply to Canadian students residing outside of Alberta, so an additional \$28 has been added to this figure.

## External indicators of performance

Athabasca University participates in the provincial University and University Colleges Graduate Employment and Student Satisfaction Surveys. The most recent survey was the 2004 Post-Secondary Institution Graduate Outcomes Survey, which surveyed Athabasca's class of 2002. This survey showed that the University continues to receive high ratings in key performance measures for employment and satisfaction. For example:

- > 98.5 per cent of the graduates said they would recommend Athabasca University to someone else.
- > 98 per cent of the graduates who were in the labour force were employed.
- > 86 per cent of the employed graduates had jobs that were related to their area of study.
- > 83 per cent agreed or strongly agreed with this statement: "Given the benefits of post-secondary education, I consider the program to be worth the financial cost to me and my family."

**Per cent satisfied with overall quality of educational experience**



The preliminary full-load equivalent (FLE) count, excluding the Campus Alberta Master of Counselling program, is 6,332 for the 2004-2005 academic year. This is 10.8 per cent higher than the comparable number for 2003-2004.

## Tuition fee policy compliance information\* (in thousands of dollars)

Total tuition fee revenue from programs under the Tuition Fee Policy: \$9,277

Net operating expenditures under the Tuition Fee Policy: \$32,162

Tuition fee revenue as a percentage of net operating expenditures: 28.8 per cent

\* The information shown above provides a calculation of the ration of institution tuition fee revenue to net operating expenditures and demonstrates institution performance with respect to the 30 per cent tuition fee ceiling. The information was prepared in accordance with the Public Post-Secondary Institutions' Tuition Fees Regulation (55/2004). The calculation has been submitted to Alberta Advanced Education and is pending verification by Ministry staff.

"Distance learning will test your strength of purpose like nothing else. I chose AU because it permitted me the flexibility to work full-time, which meant that I wouldn't need staggering student loans to earn my degree."

**Desi Valentine** *BAdmin*



# Athabasca University looking forward

In the last decade, as one of the country's most innovative and fastest-growing universities, Athabasca University has become nationally and internationally recognized as Canada's Open University. For the next decade, Athabasca is well-positioned to seize the opportunities presented by e-learning technologies.



Alberta is committed to providing support for 60,000 more post-secondary students and to playing a key role in the world's new knowledge economy. The Province has already made visionary investments in technological infrastructure such as the SuperNet and the Lois Hole Campus Alberta Digital Library, both of which have the potential to transform post-secondary learning in Alberta, and, by example, throughout the world. For its part, Athabasca is leading the way through the e-Learning Accelerator project, funded by the Province, and through hundreds of partnerships with universities and colleges in Alberta, the rest of Canada, and abroad. As Alberta's only university without enrolment ceilings, Athabasca is uniquely positioned to build an innovative e-learning capacity.

If everyone is to be lifelong learners who seize the hope and opportunity offered by Alberta's new knowledge economy, Athabasca University's responsive, non-traditional, anytime learning opportunities will be much in demand. The future workplace of this economy will require educated employees who know how to communicate, to access information, and to create knowledge in an e-environment that crosses cultures, time zones and experiences. Regardless of program, Athabasca's students will have these skills. Athabasca's courses will also respond to the rapid changes within all disciplines. E-courses will be updated quickly to meet the increasingly sophisticated needs of learners. As Athabasca continues to lead in e-learning, it will need to address the challenges of significant additional investment in people and in technology required to fully realize the new digital learning and work environments.

Significant investment in new research will also be required from industry, government and granting councils if the new environments are to meet and exceed the demands of tomorrow's learners. Athabasca has already exercised considerable leadership in research in digital publishing, in new technologies, in learning object development, in digital copyright reform, and in e-learning. These have given sound direction for future possibilities in distance education in which the University is an indisputable leader. Questions like: "How can distance education more effectively incorporate inquiry-based learning? What are the opportunities for new gaming technologies in distance education? Do the new e-technologies marginalize certain members of the community? Can digital environments more strongly root learning within the community?" need aggressive investigation. There is no doubt that by seeking the answers to these questions, by researching and applying new technologies, Athabasca University can be Alberta's and Canada's leader in bringing post-secondary education to every community, to every learner, to every business, to the civil service and to every non-governmental organization.

As Athabasca University increasingly focuses on e-learning, it must recognize the very real issues of the digital divide. The University must not ignore its mandate as an open university. It must use the new e-strategies to ensure that advanced education opportunities for Alberta's disabled, the economically disadvantaged, new Canadians and indigenous peoples are imaginatively, aggressively and equitably addressed.

To meet this exciting future in a planned and fiscally responsible way, next year Athabasca University will be starting consultations on a new strategic plan inclusive of all its stakeholders, including communities, faculty, staff, students, government and other post-secondary stakeholders. Together, we will create a future with vigour, vision and equity.

"I achieved a life goal – it doesn't matter that it's 20 years late."

**Tim le Riche** BPA





# *Financials*

## Financial position

Athabasca University is planning to use accumulated surplus from previous years to invest significantly in academic programs and technological development, as investments are necessary to maintain infrastructure and build capacity.

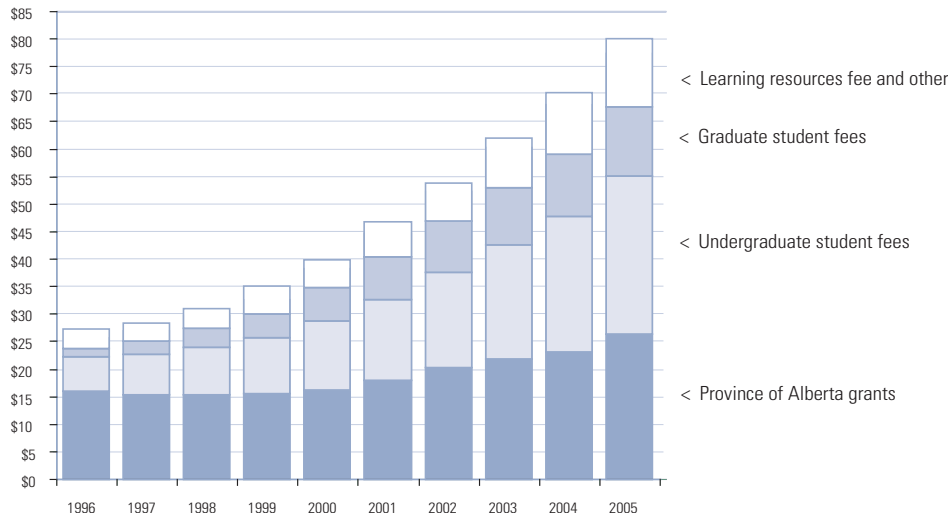
The year-end results contributed to a 38 per cent increase in net assets, from \$22 million in 2004 to \$31 million in 2005. To ensure the University continues to grow and remain competitive, Governing Council has appropriated net assets for strategic investments. Internally restricted net assets set aside for strategic investments include \$10 million for systems development, \$5 million for new program development, \$2 million for building renovations, \$1 million for future student awards and \$1 million for future employee benefits. The remaining net asset amounts include \$8 million invested in capital assets, \$1 million in endowments, and \$2 million in unrestricted net assets. These net asset amounts remain relatively unchanged from year to year and are required for regular operations. Continued prudent investment of all net asset amounts and effective financial management should ensure that the University is well-positioned financially to respond to upcoming challenges.

## Revenue trend

The pattern of significant registration growth over the past decade is mirrored in revenue growth. This growth trend is displayed in the following 10-year summary of revenue by source chart.

### Revenue trend by source

From 1996 to 2005 actual (in million of dollars)



During the first five years, total revenue grew by 44 per cent, from \$27 million in 1996 to \$39 million in 2000, reflecting an average annualized growth rate of 10 per cent. Even more dramatic, the last five years' growth has averaged 15 per cent annually as total revenue increased by 105 per cent from \$39 million in 2000 to \$80 million in 2005.

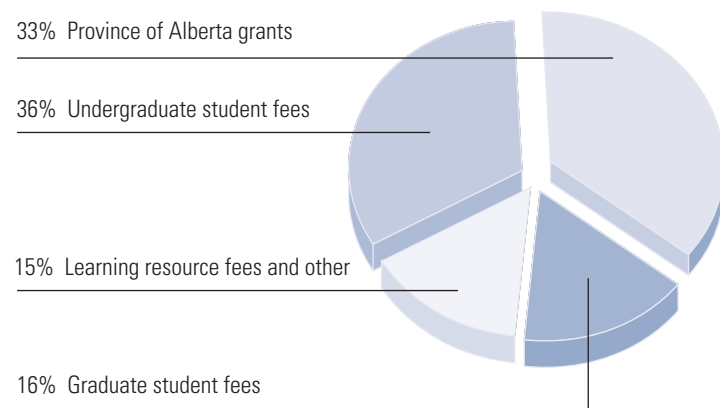
Province of Alberta grants were 59 per cent of total revenue in 1996, and in 2005, they constituted 33 per cent. Although the growth of Province of Alberta grant contributions during the past 10 years was steady, increasing from \$16 million in 1996 to \$26 million in 2005, the relative decline in provincial contributions has been offset by the dual impact of fee increases and student registration growth. As a result, over this decade, student contribution to total revenues increased from 29 per cent in 1996 to 52 per cent of revenue in 2005.

## Revenue by source

Revenue grew by 14 per cent, reaching \$80 million. The following chart shows the distribution of the major sources of 2005 revenue, which is very similar to the 2004 distribution.

### Revenue by source

for the year ended March 31, 2005



Student fees contributed \$41 million or more than half of the University's revenue, with undergraduate and graduate fees generating 52 per cent combined.

- > Undergraduate student fees were the single largest source of revenue, generating 36 per cent or almost \$29 million of revenue.
- > Undergraduate registrations represented 87 per cent of all 2004-2005 registrations, and they contributed 69 per cent of student fee revenue.
- > The principal contributors of undergraduate student fee revenue were individualized study tuition (63 per cent), extension fees (12 per cent) and grouped study tuition (nine per cent). The remaining 16 per cent of undergraduate fees were linked to specific services and student groups, such as out-of-province and international.
- > Graduate fees generated 16 per cent or close to \$13 million of total revenue.
- > Graduate registrations contributed almost one-third of all student fee revenue from just 13 per cent of all 2004-2005 registrations.
- > At 94 per cent, the primary contributor of graduate fees revenue was tuition. Graduate tuition fees cover the cost of course materials and other learning resources.

The University received \$25 million in grants from the Province of Alberta, and together with amortized capital contributions, grants totalled 33 per cent of revenue. This included \$3 million for infrastructure support and targeted program grants that were unexpectedly received late in the year.

## Revenue by source (continued)

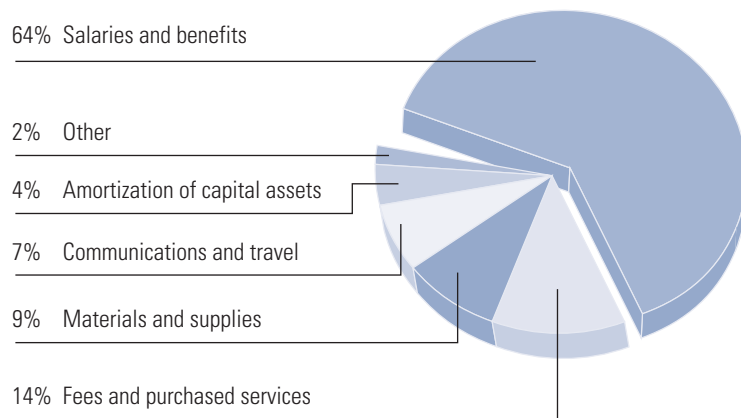
Learning resource fees and other revenue approached \$12 million and contributed 15 per cent of total revenue. This source predominately includes undergraduate learning resource fees, external recoveries, interest and miscellaneous revenue. The learning resource fees composed 66 per cent or close to \$8 million, compared to 2004 at 61 per cent or almost \$7 million.

## Expenses

Expenses grew by 11 per cent, reaching \$71 million. The following chart shows the distribution of the major categories of 2005 expenses, which is very similar to the 2004 distribution.

### Expenses by type

for the year ended March 31, 2005



At 64 per cent of the University's expenses, salaries and benefits constituted the single largest expense, just over \$45 million. Salaries and benefits increased by 12 per cent compared to 2004 due to negotiated wage settlements and staffing growth.

Fees and purchased services increased by 17 per cent over 2004 to \$10 million. Included in this category are instructional, course development, library and maintenance service fees. The majority of the increase related to a rise in one-time project activity combined with inflationary factors on service arrangements.

Materials and supplies expenses increased by six per cent over 2004 to \$6 million and were composed primarily of purchased course materials, an expense associated with the costs of goods sold and directly linked to the level of learning resource fee revenue.



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

## Auditor's report

### To the Athabasca University Governing Council

I have audited the statement of financial position of Athabasca University as at March 31, 2005, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Edmonton, Alberta  
May 13, 2005

Auditor General

**Athabasca University**  
**Statement of financial position**

March 31, 2005

(thousands of dollars)

**Assets**

**Current assets**

Cash and short-term investments (Note 3)  
 Accounts receivable (Note 4)  
 Inventory of course materials  
 Prepaid expenses

Non-current investments (Notes 3 and 5)  
 Deferred course development costs (Note 6)  
 Capital assets (Note 7)

**Liabilities and net assets**

**Current liabilities**

Accounts payable and accruals  
 Salaries and benefits payable (Note 8)  
 Deferred revenue  
 Deferred contributions (Note 9)  
 Current portion of obligation under capital lease (Note 10)

Obligation under capital lease (Note 10)  
 Deferred salaries and benefits payable (Notes 8 and 18)  
 Unamortized deferred capital contributions (Note 11)  
 Unamortized course development contributions (Note 11)  
 Deferred capital contributions (Note 12)

**Net assets**

Investment in capital assets (Note 7)  
 Endowments (Note 13)  
 Internally restricted (Note 14)  
 Unrestricted

|  | 2005             | 2004      |
|--|------------------|-----------|
|  | <b>\$ 21,186</b> | \$ 16,179 |
|  | <b>3,202</b>     | 3,740     |
|  | <b>2,856</b>     | 2,847     |
|  | <b>810</b>       | 560       |
|  | <b>28,054</b>    | 23,326    |
|  | <b>18,884</b>    | 12,599    |
|  | <b>370</b>       | 318       |
|  | <b>20,092</b>    | 20,151    |
|  | <b>\$ 67,400</b> | \$ 56,394 |
|  | <b>\$ 4,005</b>  | \$ 1,754  |
|  | <b>5,183</b>     | 4,527     |
|  | <b>11,320</b>    | 10,454    |
|  | <b>1,801</b>     | 2,431     |
|  | <b>49</b>        | 50        |
|  | <b>22,358</b>    | 19,216    |
|  | <b>52</b>        | 95        |
|  | <b>1,992</b>     | 1,746     |
|  | <b>11,891</b>    | 12,537    |
|  | <b>370</b>       | 318       |
|  | <b>–</b>         | 135       |
|  | <b>36,663</b>    | 34,047    |
|  | <b>8,100</b>     | 7,469     |
|  | <b>1,223</b>     | 1,089     |
|  | <b>19,461</b>    | 12,027    |
|  | <b>1,953</b>     | 1,762     |
|  | <b>30,737</b>    | 22,347    |
|  | <b>\$ 67,400</b> | \$ 56,394 |

Approved on behalf of the Governing Council

Original signed by David J. Burnett

David J. Burnett, CA, Chair

Original signed by Frits Pannekoek

Dr. Frits Pannekoek, President

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

**Athabasca University**  
**Statement of operations**  
 For the year ended March 31, 2005  
 (thousands of dollars)

|   | 2005            | 2004            |
|---|-----------------|-----------------|
| <b>Revenue</b>  |                 |                 |
| Province of Alberta grants (Note 17)                                | \$ 25,452       | \$ 22,135       |
| Undergraduate student fees  | 28,689          | 24,649          |
| Graduate student fees   | 12,690          | 11,104          |
| Sales of goods and services   | 9,598           | 9,226           |
| Amortization of deferred capital contributions (Note 11)            | 913             | 1,054           |
| Amortization of deferred course development contributions (Note 11) | 18              | 68              |
| Interest  | 888             | 872             |
| Donations   | 432             | 163             |
| Research and other grants   | 801             | 664             |
| Other   | 82              | 30              |
|   | <b>79,563</b>   | <b>69,965</b>   |
| <b>Expenses</b>   |                 |                 |
| Salaries and benefits (Note 19)                                     | 45,191          | 40,177          |
| Fees and purchased services   | 10,307          | 8,774           |
| Materials and supplies  | 6,498           | 6,116           |
| Communications and travel   | 4,812           | 4,171           |
| Amortization of capital assets                                      | 2,755           | 3,085           |
| Amortization of deferred course development costs (Note 6)          | 18              | 68              |
| Insurance, utilities and taxes                                      | 596             | 605             |
| Facilities rental   | 947             | 853             |
| Scholarships  | 167             | 207             |
|   | <b>71,291</b>   | <b>64,056</b>   |
| <b>Excess of revenue over expenses</b>                              | <b>\$ 8,272</b> | <b>\$ 5,909</b> |

**Athabasca University**  
**Statement of changes in net assets**  
 For the year ended March 31, 2005  
 (thousands of dollars)

|  | 2005                               |            |                          |              |           | 2004      |
|--|------------------------------------|------------|--------------------------|--------------|-----------|-----------|
|  | Investment<br>in capital<br>assets | Endowments | Internally<br>restricted | Unrestricted | Total     | Total     |
| Balance, beginning of year                               | \$ 7,469                           | \$ 1,089   | \$ 12,027                | \$ 1,762     | \$ 22,347 | \$ 16,438 |
| Excess of revenue<br>over expenses                       | -                                  | -          | -                        | 8,272        | 8,272     | 5,909     |
| Investment in capital assets,<br>internally funded       | 2,429                              | -          | -                        | (2,429)      | -         | -         |
| Repayment of obligations<br>under capital lease          | 44                                 | -          | -                        | (44)         | -         | -         |
| Amortization of internally<br>funded assets              | (1,842)                            | -          | -                        | 1,842        | -         | -         |
| Endowment contributions<br>net of expenditures (Note 13) | -                                  | 118        | -                        | -            | 118       | -         |
| Interfund transfers (Note 14)                            | -                                  | 16         | 7,434                    | (7,450)      | -         | -         |
| Balance, end of year                                     | \$ 8,100                           | \$ 1,223   | \$ 19,461                | \$ 1,953     | \$ 30,737 | \$ 22,347 |

**Athabasca University**

**Statement of cash flows**

For the year ended March 31, 2005

(thousands of dollars)

|  | 2005             | 2004             |
|--|------------------|------------------|
| Cash provided from operating activities:   |                  |                  |
| Excess of revenue over expenses  | \$ 8,272         | \$ 5,909         |
| Items not affecting cash flow:   |                  |                  |
| Amortization of capital assets   | 2,755            | 3,085            |
| Amortization of deferred course development costs  | 18               | 68               |
| Amortization of deferred capital contributions   | (913)            | (1,054)          |
| Amortization of deferred course development contributions                                  | (18)             | (68)             |
| Increase in deferred salaries and benefits payable   | 246              | 254              |
| Equity in joint venture earnings (Note 5)  | (132)            | (134)            |
| Transfer to (from) deferred capital contributions (Note 9)                                 | 132              | (31)             |
|  | <b>10,360</b>    | <b>8,029</b>     |
| Change in non-cash working capital   |                  |                  |
| Change in current assets, except cash<br>and short-term investments                        | 279              | (409)            |
| Change in current liabilities, except current portion of<br>obligation under capital lease | 3,143            | 2,688            |
|  | <b>3,422</b>     | <b>2,279</b>     |
|  | <b>13,782</b>    | <b>10,308</b>    |
| Cash used in investing activities:   |                  |                  |
| Increase in non-current investments  | (6,153)          | (7,210)          |
| Capital asset acquisitions, internally funded  | (2,429)          | (1,271)          |
| Capital asset acquisitions, externally funded  | (267)            | (496)            |
|  | <b>(8,849)</b>   | <b>(8,977)</b>   |
| Cash provided from financing activities:   |                  |                  |
| Endowment contributions, net   | 118              | –                |
| Capital lease payments (Note 10)   | (44)             | (44)             |
|  | <b>74</b>        | <b>(44)</b>      |
| Increase in cash and cash equivalents  | <b>5,007</b>     | <b>1,287</b>     |
| Cash and cash equivalents, beginning of year   | <b>16,179</b>    | <b>14,892</b>    |
| Cash and cash equivalents, end of year   | <b>\$ 21,186</b> | <b>\$ 16,179</b> |

**Athabasca University**  
**Notes to the financial statements**

March 31, 2005

(thousands of dollars)

**Note 1 Authority and Purpose**

Athabasca University (the "University") operates under the authority of the Post-Secondary Learning Act, Statutes of Alberta 2003, chapter P-19.5. It is directed by an appointed Governing Council and offers undergraduate and graduate degree programs through distance education. The University is a registered charity and is exempt from the payment of income taxes.

**Note 2 Significant Accounting Policies and Reporting Practices****(a) General**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. Such estimates, the potential errors of which, in administration's opinion, are within reasonable limits of materiality have been made using professional judgment and conform to the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

**(b) Revenue Recognition**

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

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

Endowment contributions, including investment earnings, are recognized as direct increases in net assets in the period in which they are received. Contributions restricted for the acquisition of non-consumable capital assets are recognized as direct increases in net assets in the period in which they are expended. The portion of investment earnings, which, in accordance with agreements with benefactors or the authority provided by Section 76(2)(c) of the Post-Secondary Learning Act, is used to fund scholarships, is transferred to investment income.

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

Donations of goods and services that otherwise would have been purchased are recorded at fair value when a fair value can be reasonably determined.

Volunteers contribute services to assist the University in carrying out its mission. Such contributed services are not recognized in these financial statements.

**Note 2 Significant Accounting Policies and Reporting Practices (continued)**

**(c) Investments**

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

**(d) Inventory of Course Materials**

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

**(e) Copyrights**

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

**(f) Deferred Course Development Costs**

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

**(g) Capital Assets**

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

|                                  | <b>Years</b>                    |
|----------------------------------|---------------------------------|
| Buildings                        | 40                              |
| Site improvements                | 10 – 25                         |
| Computing equipment and software | 3 – 5                           |
| Vehicles and other equipment     | 5 – 10                          |
| Leasehold improvements           | lesser of 5 years or lease term |
| Library materials                | 10                              |

Works of art assets purchased by the University are recorded at cost. Donated works of art assets are recorded at fair values. All works of art are not amortized.

**(h) Employee Future Benefits**

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

**Note 2 Significant Accounting Policies and Reporting Practices (continued)**

Pension costs included in these financial statements comprise the amount of employer contributions required for its employees during the year, based on rates that are expected to provide for benefits payable under the respective pension plan. The University does not record its portion of the pension plans' deficit or surplus.

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

**(i) Fair Value of Financial Instruments and Cash Equivalents**

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

**Note 3 Cash and Investments**

Cash and investments consist of bank account balances, money market investments and other investments, as follows:

|   | 2005                                    |  |                  |                  | 2004             |                  |
|---|---|--|------------------|------------------|------------------|------------------|
|   | Current cash and short-term investments | Non-current investments <sup>(4)</sup> | Total            |                  | Total            |                  |
|   |   |  | Carrying value   | Market           | Carrying value   | Market           |
| Monetary investments <sup>(1)</sup>     |   |  |                  |                  |                  |                  |
| Bank balances                           | \$ 7,061                                | \$ 235                                 | \$ 7,296         | \$ 7,296         | \$ 4,068         | \$ 4,068         |
| Money market investments <sup>(2)</sup> | 14,125                                  | 18,358                                 | 32,483           | 32,483           | 24,493           | 24,493           |
| Sub-total                               | 21,186                                  | 18,593                                 | 39,779           | 39,779           | 28,561           | 28,561           |
| Other investments <sup>(3)</sup>        | –                                       | 291                                    | 291              | 291              | 217              | 217              |
| <b>Total 2005</b>                       | <b>\$ 21,186</b>                        | <b>\$ 18,884</b>                       | <b>\$ 40,070</b> | <b>\$ 40,070</b> | <b>\$ 28,778</b> | <b>\$ 28,778</b> |
| <b>Total 2004</b>                       | <b>\$ 16,179</b>                        | <b>\$ 12,599</b>                       | <b>\$ 28,778</b> | <b>\$ 28,778</b> |                  |                  |

(1) The carrying value of monetary investments is a close approximation of market value.

(2) Money market investments are purchased at a discount and are rated at R-1 or better (rated by Dominion Bond Rating Service). At March 31, 2005, the investments held have an average effective yield of 2.59% (2.28% – 2004) and mature within 90 days.

(3) Other investments are recorded at the lower of carrying value and estimated market value and include the shares of two private companies and a joint venture interest.

(4) Non-current investments include all endowments, which must be held for perpetuity, and expenditures planned after March 31, 2006 from deferred capital contributions and certain internally restricted net assets.



**Note 4 Accounts Receivable**

Accounts receivable includes \$406 (2004 – \$325) in grants due from the Province of Alberta and \$138 (2004 – \$96) in recoverable expenses from Campus Alberta Applied Psychology: Counselling Initiative.

**Note 5 Interest in Joint Venture**

The University has a one-third joint venture interest in the Campus Alberta Applied Psychology: Counselling Initiative. Three Alberta universities have formed the joint venture to develop and deliver this collaborative graduate degree.

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

|  | 2005          | 2004          |
|--|---------------|---------------|
| Current assets                             | \$ 458        | \$ 411        |
| Capital assets                             | 3             | 8             |
|  | <b>\$ 461</b> | <b>\$ 419</b> |
| Current liabilities                        | \$ 167        | \$ 194        |
| Unamortized deferred capital contributions | 3             | 7             |
| Investment in capital assets               | –             | 1             |
|  | <b>170</b>    | <b>202</b>    |
| Joint venture interest                     |               |               |
| Opening balance                            | 217           | 123           |
| Distribution                               | (58)          | (40)          |
| Excess of revenues over expenses           | 132           | 134           |
|  | <b>291</b>    | <b>217</b>    |
|  | <b>\$ 461</b> | <b>\$ 419</b> |

The University’s share of joint venture earnings for the year ending March 31, 2005 is one-third of the net of total revenues of \$1,794 (2004 – \$1,545) less total expenses of \$1,398 (2004 – \$1,143).

**Note 6 Deferred Course Development Costs**

|                                  | 2005          | 2004          |
|----------------------------------|---------------|---------------|
| Balance, beginning of year       | \$ 318        | \$ 386        |
| Costs incurred during the year   | 70            | –             |
|                                  | <b>388</b>    | <b>386</b>    |
| Amount amortized during the year | (18)          | (68)          |
| Balance, end of year             | <b>\$ 370</b> | <b>\$ 318</b> |

**Note 7 Capital Assets and Investment in Capital Assets**

|  | 2005             |                          |                 | 2004            |
|--|------------------|--------------------------|-----------------|-----------------|
|  | Cost             | Accumulated amortization | Net book value  | Net book value  |
| Land   | \$ 1,565         | \$ –                     | \$ 1,565        | \$ 1,567        |
| Buildings and site improvements  | 26,341           | 14,590                   | 11,751          | 12,470          |
| Leasehold construction in progress   | 429              | –                        | 429             | –               |
| Furnishings, equipment and software (Note 10)                                  | 19,090           | 13,955                   | 5,135           | 4,826           |
| Library materials  | 5,069            | 4,477                    | 592             | 668             |
| Works of art <sup>(1)</sup>  | 620              | –                        | 620             | 620             |
|  | <b>\$ 53,114</b> | <b>\$ 33,022</b>         | <b>20,092</b>   | 20,151          |
| Unamortized deferred capital contributions related to capital assets (Note 11) |                  |                          | (11,891)        | (12,537)        |
| Obligation under capital lease (Note 10)                                       |                  |                          | (101)           | (145)           |
| Investment in capital assets   |                  |                          | <b>\$ 8,100</b> | <b>\$ 7,469</b> |

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

**Note 8 Salaries and Benefits Payable**

|  | 2005            | 2004            |
|--|-----------------|-----------------|
| Salaries and wages                               | \$2,168         | \$1,806         |
| Vacation pay                                     | 1,497           | 1,388           |
| Administrative Leave Plan                        | 1,310           | 1,226           |
| Flexible Benefit Plan                            | 1,011           | 889             |
| Professional development funds                   | 1,189           | 964             |
| Total salaries and benefits payable              | 7,175           | 6,273           |
| Current portion of salaries and benefits payable | (5,183)         | (4,527)         |
| Deferred salaries and benefits payable           | <b>\$ 1,992</b> | <b>\$ 1,746</b> |

Deferred salaries and benefits payable are the long-term accrued benefit obligations of the Administrative Leave Plan and Flexible Benefit Plan.

**Note 9 Deferred Contributions**

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

|   | 2005            | 2004            |
|---|-----------------|-----------------|
| Balance, beginning of year  | \$2,431         | \$ 1,025        |
| Contributions received in the year  | 1,420           | 2,093           |
| Transfer from (to) deferred capital contributions (Note 12)                 | (132)           | 31              |
| Transfer to unamortized deferred course development contributions (Note 11) | (70)            | –               |
| Amount recognized as revenue in the year                                    | (1,848)         | (718)           |
| <b>Balance, end of year</b>   | <b>\$ 1,801</b> | <b>\$ 2,431</b> |
| The balance consists of funds restricted from:                              |                 |                 |
| Province of Alberta   |                 |                 |
| Access  | \$ 906          | \$ 1,839        |
| Learning Enhancement  | 21              | 56              |
| Curriculum Redevelopment  | –               | 70              |
| Intellectual Infrastructure   | 13              | 13              |
| Infrastructure Maintenance  | 4               | 15              |
| Innovation and Science  | 211             | –               |
| Health and Wellness   | 40              | –               |
| Sponsored research special projects   | 606             | 438             |
|   | <b>\$ 1,801</b> | <b>\$ 2,431</b> |

**Note 10 Obligation Under Capital Lease**

The University leases certain equipment under agreements, which are classified as capital leases. Costs and accumulated amortization of such assets totaled \$1,210 and \$718 respectively (2004 – \$1,210 and \$567) and are included in furnishings, equipment and software (Note 7).

Future minimum capital lease payments are as follows:

|  | 2005         | 2004         |
|--|--------------|--------------|
| 2005   | \$ –         | \$ 54        |
| 2006   | 54           | 54           |
| 2007   | 53           | 53           |
| <b>Total future minimum lease payments</b>       | <b>107</b>   | <b>161</b>   |
| Less amount representing implicit interest at 8% | (12)         | (24)         |
| <b>Net future minimum lease payments</b>         | <b>95</b>    | <b>137</b>   |
| Plus accrued interest                            | 6            | 8            |
| <b>Total capital lease payable</b>               | <b>101</b>   | <b>145</b>   |
| Less current portion and accrued interest        | (49)         | (50)         |
| <b>Long term obligation under capital lease</b>  | <b>\$ 52</b> | <b>\$ 95</b> |

**Note 11 Unamortized Deferred Capital and Deferred Course Development Contributions**

|   | 2005           |                             |           | 2004      |
|---|----------------|-----------------------------|-----------|-----------|
|   | Related to     |                             |           | Total     |
|   | Capital assets | Deferred course development | Total     |           |
| Balance, beginning of year  | \$ 12,537      | \$ 318                      | \$ 12,855 | \$ 13,481 |
| Transfers from deferred contributions and deferred capital contributions (Notes 9 & 12) | 267            | 70                          | 337       | 496       |
|   | 12,804         | 388                         | 13,192    | 13,977    |
| Amortized to revenue  | (913)          | (18)                        | (931)     | (1,122)   |
| Balance, end of year  | \$ 11,891      | \$ 370                      | \$ 12,261 | \$ 12,855 |

**Note 12 Deferred Capital Contributions**

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

|   | 2005   | 2004   |
|---|--------|--------|
| Balance, beginning of year  | \$ 135 | \$ 662 |
| Transfers to unamortized deferred capital contributions in the year (Note 11) | (267)  | (496)  |
| Transfer from (to) deferred contributions in the year (Note 9)                | 132    | (31)   |
| Balance, end of year  | \$ -   | \$ 135 |

**Note 13 Endowments**

Endowments consist of externally restricted donations, the principal of which is required to be maintained intact. The use of the investment income is internally restricted as endowments must first be adjusted annually for inflation.

|  | 2005                  |                      |  |          | 2004     |
|--|-----------------------|----------------------|--|----------|----------|
|  | Capital contributions | Capitalized earnings | Increase (decrease) in expendable earnings | Total    | Total    |
| Endowments, beginning of year                            | \$ 1,089              | \$ -                 | \$ -                                       | \$ 1,089 | \$ 1,089 |
| Contributions received                                   | 100                   | -                    | -  | 100      | -        |
| Transfer from internally restricted net assets (Note 14) | -                     | -                    | 16   | 16       | -        |
| Investment earnings                                      | -                     | 15                   | 10   | 25       | 32       |
| Scholarships funded                                      | -                     | -                    | (7)  | (7)      | (32)     |
| Endowments, end of year                                  | \$ 1,189              | \$ 15                | \$ 19                                      | \$ 1,223 | \$ 1,089 |

**Note 14 Internally Restricted Net Assets**

The Governing Council has designated internally restricted net assets for future operating and capital needs. These amounts are not available for other purposes without the approval of the Governing Council.

|                                   | <b>2005<br/>Total</b> | <b>Net transfers<br/>from (to)<br/>unrestricted<br/>net assets and<br/>endowments</b> | <b>2004<br/>Total</b> |
|-----------------------------------|-----------------------|---|-----------------------|
| <b>Operating</b>                  |                       |   |                       |
| New program development           | \$ 5,244              | \$ 3,050  | \$ 2,194              |
| Future student awards             | 1,348                 | (16)  | 1,364                 |
| Future employee benefits          | 869                   | –   | 869                   |
|                                   | <b>7,461</b>          | <b>3,034</b>  | <b>4,427</b>          |
| <b>Capital</b>                    |                       |   |                       |
| Building renovations              | 2,000                 | –   | 2,000                 |
| Investment in systems development | 10,000                | 4,400   | 5,600                 |
|                                   | <b>12,000</b>         | <b>4,400</b>  | <b>7,600</b>          |
|                                   | <b>\$ 19,461</b>      | <b>\$ 7,434</b>   | <b>\$ 12,027</b>      |

**Note 15 Budget**

The budget, as approved by the Governing Council on March 26, 2004, is presented together with actual revenue and expenses for the year.

|  | Actual          | Budget        |
|--|-----------------|---------------|
| <b>Revenue</b>   |                 |               |
| Province of Alberta grants   | \$ 25,452       | \$ 21,831     |
| Undergraduate student fees   | 28,689          | 28,269        |
| Graduate student fees  | 12,690          | 13,389        |
| Sales of goods and services  | 9,598           | 7,869         |
| Amortization of deferred capital and deferred course development contributions | 931             | 1,000         |
| Interest   | 888             | 700           |
| Other  | 1,315           | 2,010         |
|  | <b>79,563</b>   | <b>75,068</b> |
| <b>Expenses</b>  |                 |               |
| Salaries and benefits  | 45,191          | 49,104        |
| Fees and purchased services  | 10,307          | 9,535         |
| Materials and supplies   | 6,498           | 7,009         |
| Communications and travel  | 4,812           | 4,401         |
| Amortization of capital assets and deferred course development costs           | 2,773           | 3,194         |
| Facilities rental, insurance, utilities and taxes                              | 1,543           | 1,650         |
| Scholarships   | 167             | 175           |
|  | <b>71,291</b>   | <b>75,068</b> |
| <b>Excess of revenue over expenses</b>   | <b>\$ 8,272</b> | <b>\$ -</b>   |

**Note 16 Operating Lease Commitments**

The University is committed to operating leases expiring no later than 2011 for facilities and equipment with the following annual payments:

|      |        |
|------|--------|
| 2006 | \$ 890 |
| 2007 | \$ 858 |
| 2008 | \$ 499 |
| 2009 | \$ 234 |
| 2010 | \$ 238 |
| 2011 | \$ 59  |

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

### Note 17 Related Party Transactions

The University is a Provincial Corporation as all of the members of the Governing Council are appointed either by a Provincial Statute (the Post-Secondary Learning Act) or by a combination of orders by the Lieutenant Governor in Council and the Minister of Advanced Education. Transactions between the University and the Province of Alberta are summarized below.

|   | 2005            | 2004            |
|---|-----------------|-----------------|
| Operating grant   | \$20,425        | \$18,570        |
| Infrastructure  | 150             | 134             |
| Access funding  | 3,728           | 3,828           |
| Other   | 353             | 992             |
| <b>Total contributions</b>  | <b>24,656</b>   | <b>23,524</b>   |
| Change in deferred contributions and other accruals from Provincial sources | 796             | (1,389)         |
| <b>Province of Alberta grants revenue</b>                                   | <b>\$25,452</b> | <b>\$22,135</b> |

The University offered certain courses at other provincial post-secondary institutions. The revenue for these courses amounted to \$1,564 (2004 – \$1,270).

### Note 18 Employee Future Benefits

The University participates in the Universities Academic Pension Plan and the Public Service Pension Plan, which are multi-employer plans. Employer contributions of \$2,392 (2004 – \$1,912) for the year ended March 31, 2005 are expensed in these financial statements.

Effective January 1, 2004, the Universities Academic Pension Plan contribution rates for employees are 7.515% (employer 8.515%) of earnings up to the year's maximum pensionable earnings (YMPE) under the Canada Pension Plan and 9.915% (employer 10.915%) on earnings above YMPE. In July 2005, contribution rates are scheduled to increase by 1.16%.

At December 31, 2004, the Universities Academic Pension Plan reported an actuarial deficiency of \$643,979 (2003 – \$538,352). This is being funded by contributions from employees and employers, and the Province of Alberta is contributing 1.25% (2003 – 1.25%) of pensionable salary toward the actuarial deficiency, for pre-1992 service, according to the plan to eliminate the deficiency on or before December 31, 2043.

Effective September 1, 2003, the Public Service Pension Plan contribution rates for each of employees and employers are 6.17% of earnings up to the YMPE under the Canada Pension Plan and 8.81% on earnings above YMPE. While contribution rates have remained unchanged for two years, management expects rate increases in 2006.

At December 31, 2004, the Public Service Pension Plan reported an actuarial deficiency of \$450,068 (2003 – \$584,213 restated). This is being funded by contributions from employees and employers. The portion of the actuarial deficiency for pre-2003 service is to be eliminated by December 31, 2017.

**Note 18 Employee Future Benefits (continued)**

The University's non-pension defined benefit plans are not fully funded. The non-pension defined benefit plans' deficit equals the accrued benefit obligation of \$2,321 (2004 – \$2,115) which is recorded in salaries and benefits payable.

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

|  | 2005     | 2004     |
|--|----------|----------|
| Discount rate and rate of return                     |          |          |
| Administrative Leave Plan                            | 3.5%     | 3%       |
| Flexible Benefit Plan                                | 5.25%    | 5.5%     |
| Rate of compensation increase                        |          |          |
| First year   | 6%       | 7%       |
| Subsequent years                                     | 6%       | 6%       |
| Average remaining service period of active employees |          |          |
| Administrative Leave Plan                            | 3 years  | 3 years  |
| Flexible Benefit Plan                                | 12 years | 13 years |
| Retirement age                                       | 60 years | 60 years |

During the year, the University paid benefits from its non-pension defined benefit plans totaling \$313 (2004 – \$284). Employee future benefit costs recognized in the year are \$644 (2004 – \$582).



**Note 19 Salary and Benefits**

The following salary and employee benefit information is disclosed further to the Financial Administration Act of the Province of Alberta.

|   | 2005                       |                              |                                  |        |                       | 2004   |                       |
|---|----------------------------|------------------------------|----------------------------------|--------|-----------------------|--------|-----------------------|
|   | Base salary <sup>(1)</sup> | Cash benefits <sup>(2)</sup> | Non-cash benefits <sup>(3)</sup> | Totals | Number of individuals | Totals | Number of individuals |
|   | (thousands of dollars)     |                              |                                  |        |                       |        |                       |
| <b>Governing Council</b>  |                            |                              |                                  |        |                       |        |                       |
| Chair of Governing Council  | \$ -                       | \$ -                         | \$ -                             | \$ -   | 1                     | \$ -   | 1                     |
| Governing Council members   | -                          | -                            | -                                | -      | 16                    | -      | 13                    |
| <b>Executive Officers</b>   |                            |                              |                                  |        |                       |        |                       |
| President   | 228                        | -                            | 26                               | 254    | 1                     | 225    | 1                     |
| Vice-Presidents   |                            |                              |                                  |        |                       |        |                       |
| Academic  | 155                        | -                            | 26                               | 181    | 1                     | 179    | 1                     |
| External Relations  | -                          | -                            | -                                | -      | -                     | 56     | -                     |
| Finance & Administration  | 154                        | -                            | 30                               | 184    | 1                     | 152    | 1                     |
| Executive Director  |                            |                              |                                  |        |                       |        |                       |
| External Relations  | 135                        | -                            | 25                               | 160    | 1                     | 107    | 1                     |
| Chief Information Officer (vacant for 1 month)                      | 115                        | -                            | 30                               | 145    | 1                     | -      | -                     |
| Associate Vice-Presidents   |                            |                              |                                  |        |                       |        |                       |
| Academic  | 116                        | -                            | 26                               | 142    | 1                     | 156    | 1                     |
| Research  | 130                        | -                            | 27                               | 157    | 1                     | 143    | 1                     |
| <b>Increase in Administrative Leave Plan accruals<sup>(4)</sup></b> |                            |                              |                                  |        |                       |        |                       |
| President   |                            |                              |                                  | 72     |                       | 16     |                       |
| Vice-Presidents   |                            |                              |                                  |        |                       |        |                       |
| Academic  |                            |                              |                                  | 1      |                       | 24     |                       |
| External Relations  |                            |                              |                                  | -      |                       | 9      |                       |
| Finance & Administration  |                            |                              |                                  | 76     |                       | 23     |                       |
| Executive Director  |                            |                              |                                  |        |                       |        |                       |
| External Relations  |                            |                              |                                  | 44     |                       | 24     |                       |
| Chief Information Officer   |                            |                              |                                  | 39     |                       | -      |                       |
| Associate Vice-Presidents   |                            |                              |                                  |        |                       |        |                       |
| Academic  |                            |                              |                                  | 38     |                       | 35     |                       |
| Research  |                            |                              |                                  | -      |                       | -      |                       |

(1) Base salary includes regular pensionable base pay.

(2) Cash benefits include lump sum payments, vacation payouts, and any other direct cash remuneration that are non-pensionable.

(3) Non-cash benefits include the employer's share of all employee benefits and contribution payments made on behalf of employees for pension, health care, dental, vision, group life insurance, accidental death and dismemberment insurance, and long and short-term disability plans. In addition, non-cash benefits include tuition and travel insurance paid on behalf of employees, and changes in vacation liability.

(4) Administrative Leave Plan accrual amounts include the current service cost, the related net actuarial gains or losses, and adjustments for past service accrued at current salary rates.



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