



Athabasca University

Financial Statements

March 31, 2022

Athabasca University

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Year ended March 31, 2022

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Athabasca University
Statement of Management Responsibility
Year ended March 31, 2022

The financial statements of Athabasca University (“the University”) have been prepared by management in accordance with Canadian Public Sector Accounting Standards as described in note 2 to the financial statements. The financial statements present fairly the financial position of the University as at March 31, 2022 and the results of its operations, remeasurement gains and losses, changes in net financial assets, and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Board of Governors is responsible for reviewing and approving the financial statements, and overseeing management’s performance of its financial reporting responsibilities.

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

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

Original signed by Peter Scott

original signed by Deborah L. Meyers

Peter Scott
President

Deborah L. Meyers
Vice-President, Finance and Performance
Services and Chief Financial Officer

Independent Auditor's Report

To the Board of Governors of Athabasca University

Report on the Financial Statements

Opinion

I have audited the financial statements of Athabasca University (the University), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, change in net financial assets, remeasurement gains and losses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2022, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

May 20, 2022
Edmonton, Alberta

Athabasca University

Statement of Financial Position

As at March 31, 2022

(thousands of dollars)

	<u>2022</u>	<u>2021</u>
Financial assets excluding portfolio investments restricted for endowments		
Cash	\$ 10,065	\$ 7,594
Portfolio investments - non-endowment (Note 3)	67,754	64,560
Accounts receivable	3,781	6,427
Inventory held for sale	953	707
	<u>82,553</u>	<u>79,288</u>
Liabilities		
Accounts payable and accrued liabilities	15,350	15,033
Employee future benefit liabilities (Note 5)	13,209	14,171
Deferred revenue (Note 6)	27,180	29,315
	<u>55,739</u>	<u>58,519</u>
Net financial assets excluding portfolio investments restricted for endowments	26,814	20,769
Portfolio investments - restricted for endowments (Note 3)	4,139	3,983
Net financial assets	<u>30,953</u>	<u>24,752</u>
Non-financial assets		
Tangible capital assets (Note 7)	48,272	44,346
Purchased intangible capital assets (Note 8)	58	92
Prepaid expenses	2,494	2,332
	<u>50,824</u>	<u>46,770</u>
Net assets before spent deferred capital contributions	81,777	71,522
Spent deferred capital contributions (Note 9)	34,153	33,088
Net assets (Note 10)	<u>\$ 47,624</u>	<u>\$ 38,434</u>
Net assets is comprised of:		
Accumulated surplus	\$ 46,885	\$ 36,446
Accumulated remeasurement gains	739	1,988
	<u>\$ 47,624</u>	<u>\$ 38,434</u>
Contingent assets and contractual rights (Note 12 and Note 14)		
Contingent liabilities and contractual obligations (Note 13 and Note 15)		

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

Athabasca University

Statement of Operations

Year ended March 31, 2022

(thousands of dollars)

	Budget (Note 20)	2022	2021
Revenues			
Government of Alberta grants (Note 16)	\$ 51,711	\$ 47,363	\$ 47,537
Student tuition and fees	107,920	99,026	92,789
Sales of services and products	8,418	7,658	14,443
Investment income	1,806	4,511	1,741
Federal and other government grants (Note 16)	1,466	1,660	1,593
Donations and other grants	958	670	982
	<u>172,279</u>	<u>160,888</u>	<u>159,085</u>
Expenses			
Instruction and non-sponsored research	86,992	77,504	80,504
Academic and student support	21,833	18,159	18,908
Institutional support	16,244	18,947	19,122
Computing and communication	23,664	16,004	16,418
Sponsored research and special purpose	8,987	8,781	7,547
Ancillary and academic services	9,100	6,726	10,510
Facility operations and maintenance	5,459	4,455	4,544
	<u>172,279</u>	<u>150,576</u>	<u>157,553</u>
Annual operating surplus	-	10,312	1,532
Endowment contributions and capitalized investment income			
Endowment contributions (Note 10)	-	6	47
Endowment capitalized interest income (Note 10)	-	121	41
	<u>-</u>	<u>127</u>	<u>88</u>
Annual surplus	-	10,439	1,620
Accumulated surplus, beginning of year	-	36,446	34,826
Accumulated surplus, end of year (Note 10)	<u>\$ -</u>	<u>\$ 46,885</u>	<u>\$ 36,446</u>

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

Athabasca University

Statement of Change in Net Financial Assets

Year ended March 31, 2022

(thousands of dollars)

	Budget <u>(Note 20)</u>	<u>2022</u>	<u>2021</u>
Net financial assets, beginning of year	\$ 24,752	\$ 24,752	\$ 19,359
Annual surplus	-	10,439	1,620
Acquisition of tangible capital assets	(5,569)	(9,781)	(6,939)
Acquisition of intangible capital assets		-	(104)
Amortization of tangible capital assets	5,503	5,855	5,930
Amortization of purchased intangible capital assets		34	12
(Increase) decrease in prepaid expenses		(162)	45
Increase (decrease) in spent deferred capital contributions	(635)	1,065	(807)
(Decrease) increase in accumulated remeasurement gains and losses		(1,249)	5,636
Increase in net financial assets		<u>6,201</u>	<u>5,393</u>
Net financial assets, end of year	<u>\$</u>	<u>\$ 30,953</u>	<u>\$ 24,752</u>

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

Athabasca University

Statement of Remeasurement Gains and Losses

Year ended March 31, 2022

(thousands of dollars)

	<u>2022</u>	<u>2021</u>
Accumulated remeasurement gains (losses), beginning of year	<u>\$ 1,988</u>	<u>\$ (3,648)</u>
Unrealized (losses) gains attributable to:		
Quoted in active market financial instruments		
Portfolio investments - non-endowment	(835)	5,715
Amounts reclassified to the statement of operations:		
Quoted in active market financial instruments		
Portfolio investments - non-endowment	<u>(414)</u>	<u>(79)</u>
Net change for the year	<u>(1,249)</u>	<u>5,636</u>
Accumulated remeasurement gains, end of year	<u><u>\$ 739</u></u>	<u><u>\$ 1,988</u></u>
 Accumulated remeasurement gains is comprised of:		
Portfolio investments - non-endowment	<u><u>\$ 739</u></u>	<u><u>\$ 1,988</u></u>

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

Athabasca University

Statement of Cash Flows

Year ended March 31, 2022

(thousands of dollars)

	<u>2022</u>	<u>2021</u>
Operating transactions		
Annual surplus	\$ 10,439	\$ 1,620
Add (deduct) non-cash items:		
Amortization of tangible capital assets	5,855	5,930
Amortization of purchased intangible capital assets	34	12
Expended capital contributions recognized as revenue	(3,075)	(3,383)
Gain on sale of portfolio investments	(414)	(79)
(Decrease) increase in employee future benefit liabilities	(962)	200
Change in non-cash items	1,438	2,680
Decrease (increase) in accounts receivable	2,646	(3,720)
(Increase) decrease in inventory held for sale	(246)	522
Increase in accounts payable and accrued liabilities	317	1,149
(Decrease) increase in deferred revenue	(2,164)	4,897
(Increase) decrease in prepaid expenses	(162)	45
Cash provided by operating transactions	<u>12,268</u>	<u>7,193</u>
Capital transactions		
Acquisition of tangible capital assets	(9,781)	(6,939)
Purchase of intangible capital assets	-	(104)
Cash applied to capital transactions	<u>(9,781)</u>	<u>(7,043)</u>
Investing transactions		
Purchases of portfolio investments	(9,285)	(23,984)
Proceeds on sale of portfolio investments	5,129	7,592
Cash applied to investing transactions	<u>(4,156)</u>	<u>(16,392)</u>
Financing transactions		
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue	4,140	2,576
Cash provided by financing transactions	<u>4,140</u>	<u>2,576</u>
Increase (decrease) in cash	2,471	(13,666)
Cash, beginning of year	7,594	21,260
Cash, end of year	<u>\$ 10,065</u>	<u>\$ 7,594</u>

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

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

1 Authority and purpose

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

2 Summary of significant accounting policies and reporting practices

(a) General - Canadian Public Sector Accounting Standards and use of estimates

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

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

(b) Valuation of financial assets and liabilities

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost
Portfolio investments	Fair value
Accounts receivable	Lower of cost or net recoverable value
Inventory held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	Cost

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

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

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

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

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

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

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

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

(c) Revenue recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

Grants and donations related to land

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

Endowment contributions

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

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

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

(c) Revenue recognition (continued)

Investment income

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

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

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

Endowments

Endowments consist of:

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

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

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

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

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

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

(d) Inventory held for sale

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

Notes to the Financial Statements

Year ended March 31, 2022
(thousands of dollars)

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

(e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

<u>Asset category</u>	<u>Estimated useful life</u>
Buildings	40 years
Site improvements	10 - 25 years
Computer hardware and software	3 - 10 years
Furniture and equipment	5 - 20 years
Leasehold improvements	term of lease
Library holdings	10 years

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

(f) Purchased intangible capital assets

Intellectual property including licenses and course content where the University controls access to, is recorded at cost, which includes amounts that are directly related to the acquisition, initial update or modifications to bring these assets into service. Intangible assets acquired through a transfer, contribution, or inter-entity transactions are not capitalized.

The cost, less residual value, of the purchased intangible capital asset, is amortized on a straight-line basis over the lesser of the expected useful life or the license expiry date.

Developed or inherited intangible assets, works of art, cultural and historical properties, and archival materials are expensed when acquired and not recognized as capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

(g) Foreign currency translation

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

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

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

(h) Employee future benefits

Pension

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

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

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

Administrative Leave Plan

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

Life Insurance, Short Term Disability, and Long Term Disability

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

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

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

(i) Liability for contaminated sites

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

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

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

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

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

(j) Expense by function

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

Instruction and non-sponsored research

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

Academic and student support

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

Institutional support

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

Computing and communication

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

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

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

(j) Expense by function (continued)

Sponsored research and special purpose

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

Ancillary and academic services

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

Facility operations and maintenance

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

(k) Internally restricted funds and reserves

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

(l) Future changes in accounting standards

In August 2018, the Public Sector Accounting Board (PSAB) issued PS 3280, Asset Retirement Obligations. This accounting standard has been deferred by PSAB, and is effective for fiscal years starting on or after April 1, 2022. Asset Retirement Obligations provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

In November 2018, the PSAB issued PS 3400, Revenue. This accounting standard has been deferred by PSAB, and is effective for fiscal years starting on or after April 1, 2023. Revenue provides guidance on how to account for and report on revenue, specifically addressing revenue arising from transactions with performance obligations (exchange transactions) and transactions that do not have performance obligations (unilateral transactions).

In April 2021, the PSAB issued PS 3160, Public Private Partnerships. This accounting standard is effective for fiscal years starting on or after April 1, 2023. Public Private Partnerships provides guidance on how to account for infrastructure (recognizing, measuring, and classifying) when procured under these types of arrangements.

Management has not yet adopted these standards, and is currently assessing the impact of these new standards on the financial statements.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

3 Portfolio investments

	2022	2021
Portfolio investments - non-endowment	\$ 67,754	\$ 64,560
Portfolio investments - restricted for endowments	4,139	3,983
	<u>\$ 71,893</u>	<u>\$ 68,543</u>

All of the University's investments are in units of pooled investment funds and are valued based upon quoted prices in active markets for identical investments. The composition of portfolio investments measured at fair value is as follows:

	2022			
	Level 1	Level 2	Level 3	Total
Pooled Investment Funds				
Bonds listed in active market	\$ 35,854	-	-	\$ 35,854
Equities listed in active market	32,757	-	-	32,757
Money Market Funds	3,282	-	-	3,282
Total portfolio investments	<u>\$ 71,893</u>	<u>-</u>	<u>-</u>	<u>\$ 71,893</u>
	2021			
	Level 1	Level 2	Level 3	Total
Pooled Investment Funds				
Bonds listed in active market	\$ 35,229	-	-	\$ 35,229
Equities listed in active market	30,035	-	-	30,035
Money Market Funds	3,279	-	-	3,279
Total portfolio investments	<u>\$ 68,543</u>	<u>-</u>	<u>-</u>	<u>\$ 68,543</u>

The fair value measurements are derived from:

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

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

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

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

3 Portfolio investments (continued)

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

- Money Market pooled funds: 1.36% (2021 - 0.73%); term to maturity: less than one year.
- Pooled funds of government and corporate bonds: 3.33% (2021 - 3.32%); terms to maturity: range from less than one year to more than 10 years.

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

	2022		2021	
	Deferred revenue endowments (Note 6)	Accumulated remeasurement gains and losses	Total	Total
Net unrealized gains (losses), beginning of year	\$ 222	\$ 1,988	\$ 2,210	\$ (4,229)
Unrealized (losses) gains attributable to portfolio investments	29	(835)	(806)	6,518
Amounts reclassified to statement of operations	-	(414)	(414)	(79)
Net unrealized gains, end of year	\$ 251	\$ 739	\$ 990	\$ 2,210

4 Financial risk management

The University is exposed to the following risks:

Market risk

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

The University assesses its portfolio investment sensitivity to a percentage increase or decrease in market prices. The sensitivity rate is determined, by the University's investment consultant, using the historical annualized standard deviation for the total portfolio investments over a four year period. At March 31, 2022, if market prices had a 5.2% (2021 - 5.0%) increase or decrease with all other variables held constant, the increase or decrease in accumulated remeasurement gains and losses and deferred revenue for the year would have been a total of \$3,738 (2021 - \$3,427).

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

4 Financial risk management (continued)

Credit risk

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

The credit rating distribution of bonds held are as follows:

	<u>2022</u>	<u>2021</u>
Credit rating		
AAA	33 %	36 %
AA	14 %	10 %
A	33 %	35 %
BBB	20 %	19 %
	<u>100 %</u>	<u>100 %</u>

Liquidity risk

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

Interest rate risk

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

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

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>Greater than 5 years</u>	<u>Total</u>
Money Market Funds	\$ 3,282	\$ -	\$ -	\$ 3,282
Bonds listed in active market	3,792	20,683	11,379	35,854
	<u>\$ 7,074</u>	<u>\$ 20,683</u>	<u>\$ 11,379</u>	<u>\$ 39,136</u>

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

	<u>0.50% decrease</u>	<u>0.25% decrease</u>	<u>0.25% increase</u>	<u>0.50% increase</u>
Dollar value change	\$ 524	\$ 262	\$ (262)	\$ (524)

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

4 Financial risk management (continued)

Foreign currency risk

Foreign currency risk on investments is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign currency. The University invests primarily in Canadian dollar denominated securities and therefore has minimal exposure to currency risk. The University's exposure to foreign exchange risk is negligible due to minimal business activity conducted in foreign currency.

5 Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	<u>2022</u>	<u>2021</u>
Universities Academic Pension Plan (UAPP)	\$ 11,988	\$ 12,802
Administrative Leave Plan	1,221	1,369
	<u>\$ 13,209</u>	<u>\$ 14,171</u>

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

Universities Academic Pension Plan (UAPP)

The UAPP is a multi-employer contributory joint defined benefit pension plan for academic and professional staff members. An actuarial valuation of the UAPP was completed as at December 31, 2020, and was then extrapolated to March 31, 2022, resulting in a UAPP deficit of \$247,933 (2021 - \$817,447 deficit) consisting of a pre-1992 deficit of \$797,730 (2021 - \$832,342) and a post-1991 surplus of \$549,797 (2021 - \$14,895). The University's portion of the UAPP pre-1992 deficit and post-1991 surplus has been allocated based on its percentage of the plan's total employer contributions for the year.

The unfunded deficit for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2021 - 1.25%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 3.04% (2021 - 2.90%) of salaries until June 30, 2022 and 3.57% (2021 - 3.04%) of salaries required to eliminate the unfunded deficit by December 31, 2043. The Government of Alberta's obligation for the future additional contributions was \$226,028 at March 31, 2022 (2021 - \$249,339).

Administrative Leave Plan

The University provides for certain senior administrators to accrue a compensated leave. The individual's salary and benefits in effect at the time of commencing the leave are paid for the duration of the leave. The leave obligation is actuarially determined using the projected benefit method prorated on service and is calculated based on assumptions that have been adopted as a best estimate. An actuarial valuation of these benefits was carried out as at March 31, 2022. Net actuarial gains or losses are recognized immediately in the statement of operations. The University has provided for the plan by accruing a benefit obligation of \$1,221 (2021 - \$1,369) in employee future benefit liabilities. The University's Administrative Leave Plan has no plan assets. The University plans to use its working capital to finance these future obligations.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

5 Employee future benefit liabilities (continued)

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

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

	2022		2021	
	UAPP	Administrative Leave	UAPP	Administrative Leave
Expense				
Current service cost	\$ 6,096	\$ 321	\$ 5,303	\$ 287
Interest cost	938	13	1,647	74
Amortization of net actuarial loss (gain)	305	(91)	1,498	(371)
Total expense (income)	\$ 7,339	\$ 243	\$ 8,448	\$ (10)
Financial Position				
Accrued benefit obligation:				
Balance, beginning of year	\$ 176,118	\$ 1,369	\$ 152,855	\$ 1,864
Current service cost	6,096	321	5,303	287
Interest cost	9,269	13	8,656	74
Benefits paid	(7,911)	(391)	(7,173)	(485)
Actuarial loss (gain)	13,424	(91)	16,477	(371)
Balance, end of year	196,996	1,221	176,118	1,369
Plan assets	(196,341)	-	(160,084)	-
Plan deficit	655	1,221	16,034	1,369
Less unamortized net actuarial (gain) loss	(11,333)	-	3,232	-
Accrued benefit liability	\$ 11,988	\$ 1,221	\$ 12,802	\$ 1,369

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

5 Employee future benefit liabilities (continued)

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

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

	2022		2021	
	UAPP	Administrative Leave	UAPP	Administrative Leave
Accrued benefit obligation:				
Discount rate	5.10%	0.90%	5.20%	3.85%
Long-term average compensation increase	3.00%	2.00%	3.00%	2.00%
Benefit cost:				
Discount rate	5.20%	n/a	5.60%	n/a
Long-term average compensation increase	3.00%	2.00%	3.00%	2.00%
Alberta inflation (long term)	2.00%	n/a	2.00%	n/a
Estimate average remaining service life	10.6 years	12 years	10.6 years	10.0 years
Retirement age	65	67.5	65	67.5

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

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members. As the University does not have sufficient information to follow the accounting standards for defined benefit plans, it is accounted for on a defined contribution basis. The pension expense recorded in these financial statements is \$1,343 (2021 - \$1,359).

An actuarial extrapolation of the PSPP was carried out as at December 31, 2021 from the actuarial valuation as at December 31, 2020 with the updated assumptions. At December 31, 2021, the PSPP reported a surplus of \$4,588,479 (2020 - \$2,223,582). For the year ended December 31, 2021, PSPP reported employer contributions of \$310,371 (2020 - \$323,497). For the 2021 calendar year, the University's employer contributions were \$1,378 (2020 calendar year - \$1,360).

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

6 Deferred revenue

	2022			2021
	Unspent externally restricted grants and donations	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 10,790	\$ 18,525	\$ 29,315	\$ 23,615
Grants, tuition and donations	6,513	71,436	77,949	81,609
Investment income	272	-	272	68
Unrealized gain (Note 3)	29	-	29	803
Transfers to spent deferred capital contributions (Note 9)	(4,140)	-	(4,140)	(2,576)
Recognized as revenue	(4,941)	(71,304)	(76,245)	(74,204)
Balance, end of year	<u>\$ 8,523</u>	<u>\$ 18,657</u>	<u>\$ 27,180</u>	<u>\$ 29,315</u>

7 Tangible capital assets

	2022					2021	
	Land	Buildings and site improvements	Computer hardware and software	Furniture and equipment	Leasehold improvements and library holdings	Total	Total
Cost							
Beginning of year	\$ 2,180	61,958	50,884	9,245	7,537	\$ 131,804	\$ 125,031
Acquisitions	-	14	9,564	105	98	9,781	6,939
Disposals, including write-downs	-	-	(23)	(295)	(1,141)	(1,459)	(166)
	<u>\$ 2,180</u>	<u>61,972</u>	<u>60,425</u>	<u>9,055</u>	<u>6,494</u>	<u>\$ 140,126</u>	<u>\$ 131,804</u>
Accumulated amortization							
Beginning of year	\$ -	33,492	39,573	7,225	7,168	\$ 87,458	\$ 81,694
Amortization expense	-	1,610	3,680	502	63	5,855	5,930
Effects on disposals, including write-downs	-	-	(23)	(295)	(1,141)	(1,459)	(166)
	<u>\$ -</u>	<u>35,102</u>	<u>43,230</u>	<u>7,432</u>	<u>6,090</u>	<u>\$ 91,854</u>	<u>\$ 87,458</u>
Net book value at March 31, 2022	<u>\$ 2,180</u>	<u>26,870</u>	<u>17,195</u>	<u>1,623</u>	<u>404</u>	<u>\$ 48,272</u>	
Net book value at March 31, 2021	<u>\$ 2,180</u>	<u>28,446</u>	<u>11,311</u>	<u>2,020</u>	<u>369</u>		<u>\$ 44,346</u>

Included in computer hardware and software is \$6,553 (2021 - \$3,925) work-in-progress, that is not amortized as the assets are not yet available for use.

The University holds a number of works of art, cultural and historical properties, and archival materials. These items are expensed when acquired and therefore not included in tangible capital assets.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

8 Purchased intangible capital assets

	<u>2022</u>	<u>2021</u>
Cost		
Beginning of year	\$ 104	\$ -
Purchases	-	104
Disposals, including write-downs	-	-
	<u>\$ 104</u>	<u>\$ 104</u>
Accumulated amortization		
Beginning of year	\$ 12	\$ -
Amortization expense	34	12
Effects on disposals, including write-downs	-	-
	<u>\$ 46</u>	<u>\$ 12</u>
Net book value	<u>\$ 58</u>	<u>\$ 92</u>

9 Spent deferred capital contributions

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

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 33,088	\$ 33,895
Transfers from restricted grants and donations	4,140	2,576
Expended capital contributions recognized as revenue	<u>(3,075)</u>	<u>(3,383)</u>
Balance, end of year	<u>\$ 34,153</u>	<u>\$ 33,088</u>

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

10 Net assets

	Accumulated surplus from operations ⁽¹⁾	Investment in capital assets ⁽²⁾	Endowments	Total
Balance as at March 31, 2020	\$ 18,061	\$ 9,442	\$ 3,675	\$ 31,178
Annual operating surplus	1,532	-	-	1,532
Endowments				
New contributions	-	-	47	47
Capitalized investment income	-	-	41	41
Capital assets ⁽²⁾				
Acquisition of capital assets ⁽²⁾	(4,467)	4,467	-	-
Amortization of capital assets ⁽²⁾	2,559	(2,559)	-	-
Increase in accumulated remeasurement gains and losses	5,636	-	-	5,636
Balance as at March 31, 2021	23,321	11,350	3,763	38,434
Annual operating surplus	10,312	-	-	10,312
Endowments				
New contributions	-	-	6	6
Capitalized investment income	-	-	121	121
Capital assets ⁽²⁾				
Acquisition of capital assets ⁽²⁾	(5,641)	5,641	-	-
Amortization of capital assets ⁽²⁾	2,814	(2,814)	-	-
Decrease in accumulated remeasurement gains and losses	(1,249)	-	-	(1,249)
Balance as at March 31, 2022	<u>\$ 29,557</u>	<u>\$ 14,177</u>	<u>\$ 3,890</u>	<u>\$ 47,624</u>
Net assets is comprised of:				
Accumulated surplus	\$ 28,818	\$ 14,177	\$ 3,890	\$ 46,885
Accumulated remeasurement gains	739	-	-	739
	<u>\$ 29,557</u>	<u>\$ 14,177</u>	<u>\$ 3,890</u>	<u>\$ 47,624</u>

⁽¹⁾ Accumulated surplus from operations includes internally restricted funds of \$23,761 (2021 - \$20,129).

⁽²⁾ Includes tangible capital assets and purchased intangible capital assets.

11 Liability for contaminated sites

The University has no liability for remediation of contaminated sites as at March 31, 2022 (2021 - \$0).

12 Contingent assets

The University has no contingent assets as at March 31, 2022.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

13 Contingent liabilities

The University has no legal claims as at March 31, 2022 that management believes would have a material adverse effect on the financial position or the results of operations of the University.

14 Contractual rights

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

15 Contractual obligations

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

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

	Service Contracts	Information Systems and Technology	Long-term Leases	Total
2023	\$ 15,442	\$ 10,096	\$ 181	\$ 25,719
2024	1,102	1,672	85	2,859
2025	247	1,440	-	1,687
2026	145	1,257	-	1,402
2027	20	6	-	26
Thereafter	-	-	-	-
Total at March 31, 2022	<u>\$ 16,956</u>	<u>\$ 14,471</u>	<u>\$ 266</u>	<u>\$ 31,693</u>
Total at March 31, 2021	<u>\$ 14,214</u>	<u>\$ 11,131</u>	<u>\$ 946</u>	<u>\$ 26,291</u>

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

The University is one of 64 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected costs of claims against the exchange is based on actuarial projections and is funded through members' premiums. As at December 31, 2021, CURIE had an accumulated surplus of \$105,790 (2020 - \$99,449), of which the University's pro rata share is approximately 0.53% (2021 - 0.53%). This accumulated surplus is not recognized in the financial statements.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

16 Government transfers

	<u>2022</u>	<u>2021</u>
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 41,831	\$ 42,274
Special purpose	2,982	3,600
Total Advanced Education	<u>44,813</u>	<u>45,874</u>
Other Government of Alberta departments and agencies:		
Environment and Parks	-	1,000
Culture and Status of Women	140	104
Jobs, Economy and Innovation	64	36
Health	-	3
Labour and Immigration	-	(15)
Total other Government of Alberta departments and agencies	<u>204</u>	<u>1,128</u>
Total grants received	45,017	47,002
Expended capital contributions recognized as revenue	2,899	3,188
Deferred revenue	(553)	(2,653)
Total Government of Alberta grants	<u>\$ 47,363</u>	<u>\$ 47,537</u>
Grants from Federal and other government		
Special purpose grants received	\$ 2,043	\$ 2,104
Expended capital contributions recognized as revenue	167	186
Deferred revenue	(550)	(697)
Total Federal and other government grants	<u>\$ 1,660</u>	<u>\$ 1,593</u>

In addition to the grants listed above, the University received \$320 (2021 - \$212) from the Ministry of Culture and Status of Women, included in sales of services and products, for a service agreement to assist with the delivery of a specific program.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

17 Related parties

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

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

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

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

18 Expense by object

	2022		2021
	Budget (Note 20)	Actual	Actual
Salaries	\$ 92,775	\$ 86,448	\$ 90,613
Employee benefits	20,036	18,722	18,926
Fees and purchased services	32,954	23,091	24,959
Cost of goods sold	8,478	6,312	7,575
Communication and travel	3,066	2,916	2,685
Materials and supplies	4,586	2,766	2,939
Rental, insurance and utilities	2,813	2,351	2,289
Scholarships and bursaries	2,068	2,081	1,625
Amortization of capital assets ⁽¹⁾	5,503	5,889	5,942
	<u>\$ 172,279</u>	<u>\$ 150,576</u>	<u>\$ 157,553</u>

⁽¹⁾ Includes tangible capital assets and purchased intangible capital assets.

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

19 Salary and employee benefits

	2022			2021	
	Base salary ⁽¹⁾	Cash benefits ⁽²⁾	Non-cash benefits ⁽³⁾	Total	Total
Governance⁽⁴⁾					
Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -
Executive					
President ⁽⁵⁾⁽⁶⁾	281	21	38	340	96 ⁽⁷⁾
Provost and Vice-President Academic ⁽⁸⁾	290	21	104	415	433
Vice-President Finance and Performance Services and CFO ⁽⁵⁾	236	5	43	284	311
Vice-President Information Technology and CIO	256	17	46	319	318
Vice-President University Relations	245	15	45	305	305

⁽¹⁾ Base salary includes pensionable base pay.

⁽²⁾ Cash benefits include, if applicable, earnings such as vacation payouts, amounts to compensate for the UAPP salary cap, vehicle allowance, relocation benefit, and other non-pensionable direct cash lump sum payments.

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

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

⁽⁵⁾ In 2022 two individuals held this position; the past interim incumbent for 9 months and the current incumbent for 3 months.

⁽⁶⁾ Other non-cash benefits for the incumbent in this role include future administrative leave benefits, which accrue annually on the employment anniversary date, beginning after completing the first year of service (per the *Reform of Agencies, Boards and Commissions, Post-secondary Institutions, Compensation Regulation*).

⁽⁷⁾ The 2021 amount is net of a \$280 forfeited balance of administrative leave benefits upon prior incumbent resignation in accordance with the *Reform of Agencies, Boards and Commissions, Post-secondary Institutions, Compensation Regulation*.

⁽⁸⁾ Non-cash benefits for the individual in this role include future administrative leave benefits accrued during the year.

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

	Accrued Obligation March 31, 2021	Service costs	Interest and other costs	Benefits paid	Actuarial loss (gain)	Accrued Obligation ⁽⁹⁾ March 31, 2022
President ⁽⁶⁾	\$ -	-	-	-	-	\$ -
Provost and Vice-President Academic	\$ 280	60	3	-	(5)	\$ 338

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

Athabasca University

Notes to the Financial Statements

Year ended March 31, 2022

(thousands of dollars)

20 Budget figures

The University's 2021-2022 budget figures have been provided for comparison purposes. The budget was approved by the Board of Governors and was presented to the Minister of Advanced Education.

21 Approval of financial statements

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