

**Auditor's Report****Auditor's Report**

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Advanced Education as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Ministry. 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 Ministry 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.

As disclosed in Note 2, the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. PSAB has recently revised the definition of the Government reporting entity for implementation for years commencing on or after April 1, 2005. If all organizations referred to in Note 2(a) had been included in the accompanying financial statements, I estimate that assets and liabilities would increase by approximately \$5.4 billion and \$1.3 billion respectively as at March 31, 2005. This estimate is based on information from their most recent audited financial statements.

FCA  
Auditor General

Edmonton, Alberta  
May 20, 2005

**Statement of Operations  
for the Year Ended March 31, 2005**

	2005		2004
	Budget	Actual	Actual
	(Schedule 4)		(Restated: See Note 3)
<b>Revenues (Schedule 1)</b>			
Internal Government Transfers	\$ 43,245	\$ 43,669	\$ 42,925
Transfers from Government of Canada	243,626	216,985	226,142
Premiums, Fees and Licences	3,044	3,512	2,871
Other Revenue	5,157	7,307	4,712
	295,072	271,473	276,650
<b>Expenses – Directly Incurred (Schedule 3)</b>			
Assistance to Post-Secondary Institutions	1,222,179	1,230,939	1,173,737
Support to Post-Secondary Learners	105,850	105,358	98,163
Provision for Future Cost of Student Loans Issued	59,800	49,439	14,418
Alberta Centennial Education Savings Plan	4,300	—	—
Total Adult Learning Support	1,392,129	1,385,736	1,286,318
Apprenticeship Delivery and Industry Training	17,992	20,735	16,206
Ministry Support Services	10,187	8,787	8,259
Program Delivery Support	36,103	34,069	31,656
Total Ministry and Program Delivery Support	64,282	63,591	56,121
Ministry Expense	1,456,411	1,449,327	1,342,439
<b>Ministry Net Operating Results</b>	<b>\$ (1,161,339)</b>	<b>\$ (1,177,854)</b>	<b>\$ (1,065,789)</b>

The accompanying notes and schedules are part of these financial statements.

**Statement of Financial Position  
March 31, 2005**

	2005	2004
		(Restated: See Note 3)
<b>Assets</b>		
Cash	\$ 2,653	\$ 2,291
Accounts Receivable (Note 4)	10,984	7,545
Loans Receivable (Note 5)	126,300	110,292
Tangible Capital Assets (Note 6)	16,078	12,055
	\$ 156,015	\$ 132,183
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 60,266	\$ 56,156
Liability for Student Loans Issued (Note 8)	14,364	26,697
	74,630	82,853
<b>Net Assets/Net Liabilities</b>		
Net Assets/Net Liabilities at Beginning of Year	49,330	(95,738)
Net Operating Results	(1,177,854)	(1,065,789)
Net Transfer from General Revenues	1,209,909	1,210,857
Net Assets at End of Year	81,385	49,330
	\$ 156,015	\$ 132,183

The accompanying notes and schedules are part of these financial statements.

**Statement of Cash Flows  
for the Year Ended March 31, 2005**

<i>(in thousands)</i>	2005	2004
<b>Operating Transactions</b>		(Restated: See Note 3)
Net Operating Results	\$ (1,177,854)	\$ (1,065,789)
Non-cash items included in Net Operating Results		
Amortization	897	820
Valuation Adjustments		
Provision for Future Cost of Student Loans Issued	49,439	14,418
Provision for Vacation Pay	208	95
	(1,127,310)	(1,050,456)
Net Change in Liability for Student Loans Issued	(6,212)	(27,559)
(Increase) Decrease in Accounts Receivable	(3,439)	(2,755)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	3,902	(46,611)
Cash Applied to Operating Transactions	(1,133,059)	(1,127,381)
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets (Schedule 8)	(4,920)	(6,263)
<b>Investing Transactions</b>		
Net Change in Loans Receivable	(71,568)	(77,727)
<b>Financing Transactions</b>		
Net Transfer from General Revenues	1,209,909	1,210,857
<b>Increase (Decrease) in Cash</b>	362	(514)
<b>Cash, Beginning of Year</b>	2,291	2,805
<b>Cash, End of Year</b>	\$ 2,653	\$ 2,291

The accompanying notes and schedules are part of these financial statements.

**Notes to the Financial Statements**  
**March 31, 2005**

Note 1

**Authority and Purpose**

The Ministry of Advanced Education has been designated as responsible for various Acts by the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000 and its regulations. In support of Alberta's vision, Advanced Education's purpose is for Alberta to be a learning society where all Albertans have access to the opportunity to develop the learning, work and life skills they need to achieve their aspirations and maximize their potential to the benefit of themselves and Alberta.

Note 2

**Summary of Significant Accounting Policies and Reporting Practices**

The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

**(a) Reporting Entity**

The reporting entity is the Ministry of Advanced Education, for which the Minister of Advanced Education is accountable. The Ministry provides funding to universities, technical institutes, public colleges and the Banff Centre. Details on balances and transactions with these entities are disclosed in Schedules 3 and 6. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

The Public Sector Accounting Board has released guidance that controlled entities are to be included and how they are to be included effective April 1, 2005. This may affect how the Province reports accountable organizations such as the Public Post-secondary Institutions depending on the results of the current review being conducted to determine whether control exists. The government has agreed in principle to include the financial statements of these entities commencing from fiscal year beginning April 1, 2006 if it is determined that control exists.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

**(b) Basis of Financial Reporting****Revenues**

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue and included in accounts payable.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

**Internal Government Transfers**

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

**Dedicated Revenue**

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

**Expenses****Directly Incurred**

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies, directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay and student loans.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

**Incurred by Others**

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 10.

**Assets**

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments and the allowance for impaired loans.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000 (2004 – \$15,000). All land is capitalized.

**Liabilities**

Liabilities represent all financial claims payable by the Ministry at fiscal year end. They include the Ministry's obligations for future payments under the Student Financial Assistance Act for guarantees, remissions, risk premiums and interest.

**Net Assets/Net Liabilities**

Net assets/net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

**Measurement Uncertainty**

Measurement uncertainty exists when there is significant variance between the amount recognized in the financial statements and another reasonably possible amount. The liability for student loans issued amounting to \$14,364,000 (2004 – \$26,697,000), the allowance for loan relief completion payments amounting to \$72,776,000 (2004 – \$62,260,000) and the allowance for impaired loans amounting to \$25,511,000 (2004 – \$23,548,000) are subject to measurement uncertainty.

The Ministry has made certain assumptions in the determination of the liability for student loans, such as future interest, recovery and default rates. In determining the allowance for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies. The Ministry has made certain assumptions with respect to the recovery and default rates in the determination of the allowance for impaired loans. Changes in these assumptions could materially impact the liability for student loans issued, the allowance for loan relief completion payments and the allowance for impaired loans.

Note 8 discloses information on the liability for student loans issued.

**Note 3** | **Reorganization**

The Ministry of Advanced Education was established as a result of restructuring of government ministries announced on November 24, 2004 and other transfer of responsibilities to and from other departments. Comparatives for 2004 have been restated as if the Ministry had always been assigned with its current responsibilities. Net liabilities on March 31, 2003 is made up as follows:

<i>(in thousands)</i>	
Transferred from Ministry of Learning	\$ 96,540
Transferred to Human Resources and Employment	(802)
Net liabilities at March 31, 2003	<u>\$ 95,738</u>

**Note 4** | **Accounts Receivable**

<i>(in thousands)</i>	2005	2004
Government of Canada	\$ 9,468	\$ 6,440 <small>(Restated: See Note 3)</small>
Accrued Interest Receivable on Loans	767	548
Other	749	557
	<u>\$ 10,984</u>	<u>\$ 7,545</u>

Accounts receivable are unsecured and reported at their net realizable value.

**Note 5** | **Loans Receivable**

<i>(in thousands)</i>	2005	2004
Loans Receivable	\$ 224,587	\$ 196,100
Less		
Allowance for Impaired Loans	(25,511)	(23,548)
Allowance for Loan Relief Completion Payments	(72,776)	(62,260)
	<u>\$ 126,300</u>	<u>\$ 110,292</u>

Effective August 2001, under the terms of the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students at interest rates prescribed by the Minister of Advanced Education.

Loans receivable are stated at cost net of the allowance for loan relief completion payments and the allowance for impaired loans. Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans receivable are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or

- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

The allowance for impaired loans is a general provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates and recovery rates in conjunction with changing economic circumstances.

Loans receivable become payable and interest is earned when students discontinue their studies or graduate. Loans receivable bear interest at either a fixed rate of prime plus 5% or floating rate based on prime plus 2.5% and are repayable to a maximum term of 114 months. When loans receivable are classified as impaired, interest ceases to accrue. Loans receivable are unsecured.

### Note 6 | Tangible Capital Assets

(in thousands)	Estimated Useful Life	2005			2004
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment (a)	3-10 years	\$ 26	\$ 10	\$ 16	(Restated: See Note 3) \$ 19
Computer Hardware and Software	5 years	20,383	4,321	16,062	12,036
		\$ 20,409	\$ 4,331	\$ 16,078	\$ 12,055

(a) Equipment includes office equipment and furniture.

### Note 7 | Accounts Payable and Accrued Liabilities

(in thousands)	2005	2004
Accounts Payable	\$ 15,795	(Restated: See Note 3) \$ 6,856
Accrued Liabilities		
Vacation	2,904	2,679
Other	23,156	12,260
University of Calgary	—	30,700
Advances from Government of Canada	17,849	2,972
Unearned Revenue	562	689
	\$ 60,266	\$ 56,156

### Note 8 | Liability for Student Loans Issued

(in thousands)	2005	2004
Loan Relief Completion Payments (a)	\$ 3,223	\$ 10,597
Interest (b)	6,035	7,239
Guarantees (net of estimated recoveries) (c)	3,899	7,061
Risk Premium (d)	1,207	1,800
	\$ 14,364	\$ 26,697

Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students.

As at March 31, 2005, the outstanding Alberta Student Loans issued by the financial institutions to Alberta students amounted to \$186 million (2004 – \$235 million). The government fully guarantees \$30 million (2004 – \$41 million) of these outstanding loans. The authorized guarantee limit set by Order in Council for loans issued under the *Student Financial Assistance Act* is \$400 million.

These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium. This liability was recognized in the year the financial institutions issued the loans and is re-evaluated each year to reflect changes in assumptions or new information.

- (a) Loan relief completion payments are payable on Alberta Student Loans when a student’s combined indebtedness of Canada and Alberta Student Loans exceeds established debt limits. In determining the liability for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies.
- (b) Interest is paid at a variable rate based on prime for Alberta Student Loans while the students are in school. Interest relief is provided to students who have completed their studies and who meet certain requirements whereby the government pays all or a portion of the interest on the Alberta Student Loan. Changes in assumptions regarding future interest rates will impact the liability for interest.
- (c) The liability for guarantees is an estimate of the amount of guaranteed Alberta Student Loans which will go into default, less the amount that will subsequently be recovered from students. The key assumptions used to determine this liability are the default and recovery rates.
- (d) A risk premium of either 5% or 8% on Alberta Student Loans is paid to the respective financial institutions six months after students complete their studies. This premium eliminates the need for the government to provide further loan guarantees on most student loans outstanding.

In the prior year, students completing their studies prior to August 2001 did not apply for approximately \$35 million in loan relief completion payments and the Ministry adjusted the provision for future cost of student loans issued accordingly.

<i>(in thousands)</i>	2005		2004
	Budget	Actual	Actual
Current Year Provision for Student Loans	\$ 59,800	\$ 49,439	\$ 49,418
Adjustment for Expired Loan Relief Entitlement	—	—	(35,000)
Provision for Future Cost of Student Loans Issued	\$ 59,800	\$ 49,439	\$ 14,418

Note 9

**Valuation of Financial Assets and Liabilities**

Fair value is the amount of consideration agreed upon in an arm’s length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. The fair values of loans receivable and liability for student loans issued are not reported due to there being no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.



Note 10

**Contractual Obligations**

<i>(in thousands)</i>	2005	2004
Grants	\$ 6,600	\$ 1,647 (Restated: See Note 3)
EDP Development	43	51
Service Contracts	25,058	18,305
	<b>\$ 31,701</b>	<b>\$ 20,003</b>

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

<i>(in thousands)</i>	Grants	EDP Development	Service Contracts	Total
2006	\$ 2,127	\$ 43	\$ 12,312	\$ 14,482
2007	1,311	—	11,303	12,614
2008	2,542	—	1,443	3,985
2009	620	—	—	620
2010	—	—	—	—
Thereafter	—	—	—	—
	<b>\$ 6,600</b>	<b>\$ 43</b>	<b>\$ 25,058</b>	<b>\$ 31,701</b>

In addition, the Ministry has approved \$2,856 (2004 – \$3,357) of loans to students which have not been cashed by students as of March 31, 2005. These obligations expire in 2006.

Note 11

**Contingent Liabilities**

*(in thousands)*

At March 31, 2005, the Ministry of Advanced Education is a defendant in two legal claims (2004 – two legal claims). Both of these claims have specified amounts totaling \$1,350 (2004 – two claims with specified amounts totaling \$1,350). The one claim amounting to \$150 (2004 – one claim amounting to \$150) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 12

**Trust Funds under Administration**

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

At March 31, 2005, trust funds under administration were as follows:

<i>(in thousands)</i>	2005			2004
	Total Assets	Total Liabilities	Net Assets (Net Liabilities)	Net Assets (Net Liabilities)
Advanced Education General Trust	\$ 53	\$ 53	\$ —	\$ — (Restated: See Note 3)
Advanced Education Endowment Fund	18	—	18	17
Mildred Rowe Weston Estate Trust	71	—	71	74
	<b>\$ 142</b>	<b>\$ 53</b>	<b>\$ 89</b>	<b>\$ 91</b>

**Note 13 | Payments under Agreement**

The Ministry has entered into several agreements to deliver programs on behalf of third parties, which include the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes \$8,468,000 (2004 – \$5,422,000) and accounts payable and accrued liabilities includes \$4,281,000 (2004 – \$2,957,000) relating to payments under agreement.

Amounts paid under agreements on behalf of third parties are as follows:

<i>(in thousands)</i>	2005	2004
<b>Canadian Millennium Scholarship Foundation</b>		(Restated: See Note 3)
Canadian Millennium Scholarships	\$ 28,077	\$ 27,819
<b>Government of Canada</b>		
Canada Study Grants	10,112	9,788
French Minority Language Education and French Second Language Instruction	2,339	2,237
	<b>\$ 40,528</b>	<b>\$ 39,844</b>

**Note 14 | Defined Benefit Plans**

*(in thousands)*

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,197 for the year ended March 31, 2005 (2004 – \$1,971).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of \$268,101 (2003 – deficiency of \$290,014) and the Public Service Pension Plan reported a deficiency of \$450,068 (2003 – \$584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of \$9,404 (2003 – \$9,312).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of \$11,817 (2004 – \$9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$3,208 (2004 – \$1,298). The expense for these two plans is limited to employer's annual contributions for the year.

**Note 15 | Change of Canada Social Transfers Revenue Allocation**

The Ministry of Finance changed its Canada Social Transfer Revenue allocation methodology among ministries during the year. Comparatives have been restated to conform with the new allocation methodology.

**Note 16 | Comparative Figures**

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

**Note 17 | Approval of Financial Statements**

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

**Schedules to the Financial Statements  
for the Year Ended March 31, 2005**

## Schedule 1

**Revenues**

<i>(in thousands)</i>	2005		2004
	Budget	Actual	Actual
<b>Internal Government Transfers</b>			(Restated: See Note 3)
Lottery Fund	\$ 20,700	\$ 20,700	\$ 20,700
Alberta Heritage Scholarship Fund	22,545	22,969	22,225
	43,245	43,669	42,925
<b>Transfers from the Government of Canada</b>			
Canada Social Transfers (Note 15)	242,332	215,651	224,779
Canada Student Loans Administration	1,044	1,084	1,078
Other	250	250	285
	243,626	216,985	226,142
<b>Premiums, Fees and Licences</b>			
Marketing Apprenticeship	2,537	3,045	2,511
International Qualifications Assessment Service	298	209	205
Trade School Licence Fee	160	230	92
Other	49	28	63
	3,044	3,512	2,871
<b>Other Revenue</b>			
Investment Income	5,131	4,495	3,208
Refunds of Expenditure	—	2,669	1,394
Miscellaneous	26	143	110
	5,157	7,307	4,712
<b>Total Revenues</b>	<b>\$ 295,072</b>	<b>\$ 271,473</b>	<b>\$ 276,650</b>

## Schedule 2

**Dedicated Revenue Initiatives**

<i>(in thousands)</i>	2005		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess (Shortfall)
<b>Support for Adult Learning</b>			
Marketing Apprenticeship (a)	\$ 3,042	\$ 3,045	\$ 3
<b>Support to Adult Learners</b>			
Program Delivery Support (b)	1,294	1,334	40
	<b>\$ 4,336</b>	<b>\$ 4,379</b>	<b>\$ 43</b>

The revenue of each dedicated revenue initiative is included in the Ministry's revenue.

- (a) Marketing Apprenticeship dedicated revenues are fees to offset the costs of marketing programs and services including training, promotion, and certification, and to offset the costs associated with the delivery of certain services including the Prior Learning Assessments, Qualification Certificate Program, and the Equivalency Program.
- (b) The dedicated revenues for program delivery support under Support to Adult Learners are amounts received from the Government of Canada and the Canadian Millennium Scholarship Foundation (CMSF) to administer the Canada Student Loans, Grants and the Canadian Millennium Scholarship Foundation bursary program.

**Expenses – Directly Incurred by Object**

	2005		2004
	Budget	Actual	Actual
			(Restated: See Note 3)
Grants			
Public Post-Secondary Institutions (Schedule 6)	\$ 1,190,259	\$ 1,217,950	\$ 1,159,177
Private Post-Secondary Institutions (Schedule 6)	9,085	11,540	14,526
Learners	99,245	95,578	88,595
Provision for Future Cost of Student Loans Issued	59,800	49,439	14,418
Other	27,069	14,369	12,135
	1,385,458	1,388,876	1,288,851
Salaries, Wages and Employee Benefits	28,226	29,213	27,077
Supplies and Services	38,593	32,115	27,534
Amortization of Tangible Capital Assets	4,070	897	819
Valuation Adjustments	5	208	95
Other	59	63	43
	1,456,411	1,451,372	1,344,419
Less:			
Recoveries from Support Service Arrangements with Related Parties (a)	—	(2,045)	(1,980)
	\$ 1,456,411	\$ 1,449,327	\$ 1,342,439

(a) The Ministry provides information technology support services to the Ministry of Human Resources and Employment \$2,045 (2004 – \$1,980). Costs for these services are recovered from that Ministry.

	2005		
	Budget	Authorized Supplementary (a)	Authorized Budget
<i>(in thousands)</i>			
<b>Revenues</b>			
Internal Government Transfers	\$ 43,245	\$ —	\$ 43,245
Transfers from Government of Canada (Note 15)	243,626	—	243,626
Premiums, Fees and Licences	3,044	505	3,549
Other Revenue	5,157	—	5,157
	295,072	505	295,577
<b>Expenses – Directly Incurred</b>			
Assistance to Post-Secondary Institutions	1,222,179	8,977	1,231,156
Support to Post-Secondary Learners	105,850	5,855	111,705
Provision for Future Cost of Student Loans Issued	59,800	(15,000)	44,800
Alberta Centennial Education Savings Plan	4,300	—	4,300
Total Adult Learning Support	1,392,129	(168)	1,391,961
Apprenticeship Delivery and Industry Training	17,992	3,379	21,371
Ministry Support Services	10,187	183	10,370
Program Delivery Support	36,103	—	36,103
Total Ministry and Program Delivery Support	64,282	3,562	67,844
Ministry Expense	1,456,411	3,394	1,459,805
Gain (Loss) on Disposal of Tangible Capital Assets	—	—	—
Ministry Net Operating Results	\$ (1,161,339)	\$ (2,889)	\$ (1,164,228)
Capital Investment	\$ 4,347	\$ 1,662	\$ 6,009
Non-Budgetary Disbursements	\$ 141,500	\$ —	\$ 141,500

(a) Supplementary estimates were approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).

## Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

<i>(in thousands)</i>	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
<b>Voted Operating Expenses and Equipment/ Inventory Purchases</b>					
<b>Ministry Support Services</b>					
<b>1.1 Ministry Support Services</b>					
1.0.1 Minister's Office	\$ 191	\$ 51	\$ 242	\$ 323	\$ (81)
1.0.2 Minister's Committees	212	36	248	153	95
1.0.3 Deputy Minister's Office	271	—	271	337	(66)
1.0.4 Finance and Administrative Services	2,933	42	2,975	2,034	941
1.0.5 Human Resource Services	1,180	9	1,189	1,280	(91)
1.0.6 Legislative Services and Freedom of Information	204	—	204	225	(21)
1.0.7 Information and Strategic Services					
Operating Expense	2,898	45	2,943	2,970	(27)
Capital Investment	917	—	917	7	910
1.0.8 Administrative Systems Support	1,434	—	1,434	634	800
1.0.9 Communications	295	—	295	286	9
1.0.10 Amortization of Capital Assets	459	—	459	428	31
1.0.11 Standing Policy Committee on Learning and Employment	110	—	110	117	(7)
<b>Total Ministry Support Services</b>	<b>11,104</b>	<b>183</b>	<b>11,287</b>	<b>8,794</b>	<b>2,493</b>
<b>Support for Basic Learning</b>					
<b>2.1 Program Delivery</b>					
2.1.1 Program Delivery Support	4,058	—	4,058	1,878	2,180
Basic Capital	—	—	—	—	—
<b>Total Sub-Program</b>	<b>4,058</b>	<b>—</b>	<b>4,058</b>	<b>1,878</b>	<b>2,180</b>
<b>2.2 Public and Separate School Support</b>					
2.2.1 Operating Support for Basic Education	125	—	125	125	—
<b>Total Sub-Program</b>	<b>125</b>	<b>—</b>	<b>125</b>	<b>125</b>	<b>—</b>
<b>2.4 Provincial Initiatives</b>					
2.4.3 High Speed Networking	1,800	—	1,800	1,013	787
<b>Total Sub-Program</b>	<b>1,800</b>	<b>—</b>	<b>1,800</b>	<b>1,013</b>	<b>787</b>
<b>Total Support for Basic Learning</b>	<b>5,983</b>	<b>—</b>	<b>5,983</b>	<b>3,016</b>	<b>2,967</b>

Schedule 5  
(continued)

## Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

<i>(in thousands)</i>	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
<b>Support for Adult Learning</b>					
<b>3.1 Program Support</b>					
3.1.1 Program Delivery Support	3,536	—	3,536	3,649	(113)
3.1.2 Community Education					
Operating Expense	1,152	—	1,152	1,804	(652)
Operating Expense Funded by Lotteries	15,300	—	15,300	15,300	—
3.1.3 Learning Television					
Operating Expense	127	—	127	324	(197)
Operating Expense Funded by Lotteries	2,300	—	2,300	2,300	—
3.1.4 Other Program Support	15,571	(1,797)	13,774	8,164	5,610
3.1.5 International Qualifications Assessment	677	—	677	856	(179)
<b>Total Sub-Program</b>	<b>38,663</b>	<b>(1,797)</b>	<b>36,866</b>	<b>32,397</b>	<b>4,469</b>
<b>3.2 Grants to Post Secondary Institutions</b>					
3.2.1 Private University-Colleges	9,085	—	9,085	10,841	(1,756)
3.2.2 Technical Institutes	157,635	—	157,635	181,484	(23,849)
3.2.3 Public Colleges	297,739	—	297,739	295,070	2,669
3.2.4 Universities	577,644	1,300	578,944	588,694	(9,750)
3.2.5 Banff Centre	11,090	—	11,090	11,313	(223)
3.2.6 Inter-Jurisdiction Programs	5,464	—	5,464	5,259	205
<b>Total Sub-Program</b>	<b>1,058,657</b>	<b>1,300</b>	<b>1,059,957</b>	<b>1,092,661</b>	<b>(32,704)</b>
<b>3.3 Funding Envelopes</b>					
3.3.1 Funding Envelopes Delivery Support	514	—	514	502	12
3.3.2 Access Fund	146,151	(2,200)	143,951	117,285	26,666
3.3.3 Performance Envelope	—	11,674	11,674	11,816	(142)
<b>Total Sub-Program</b>	<b>146,665</b>	<b>9,474</b>	<b>156,139</b>	<b>129,603</b>	<b>26,536</b>
<b>3.4 Apprenticeship and Industry Training</b>					
3.4.1 Apprenticeship Delivery Support					
Operating Expense	13,702	2,874	16,576	17,660	(1,084)
Capital Investment	430	1,162	1,592	1,485	107
3.4.2 Marketing Apprenticeship	2,537	505	3,042	3,029	13
3.4.3 Amortization of Capital Assets	1,753	—	1,753	46	1,707
<b>Total Sub Program</b>	<b>18,422</b>	<b>4,541</b>	<b>22,963</b>	<b>22,220</b>	<b>743</b>
<b>Total Support for Adult Learning</b>	<b>1,262,407</b>	<b>13,518</b>	<b>1,275,925</b>	<b>1,276,881</b>	<b>(956)</b>

Schedule 5  
(continued)

### Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

<i>(in thousands)</i>	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
<b>Support to Adult Learners</b>					
<b>4.1 Program Delivery</b>					
4.1.1 Program Delivery Support					
Operating Expense	6,456	—	6,456	6,908	(452)
Capital Investment	3,000	500	3,500	3,429	71
4.1.2 Program Systems Support	10,900	—	10,900	9,689	1,211
4.1.3 Amortization of Capital Assets	1,858	—	1,858	423	1,435
<b>Total Sub-Program</b>	<b>22,214</b>	<b>500</b>	<b>22,714</b>	<b>20,449</b>	<b>2,265</b>
<b>4.2 Assistance for Learners</b>					
4.2.1 Maintenance Grants	8,100	1,100	9,200	8,903	297
4.2.2 Special Needs Bursaries	1,600	—	1,600	905	695
4.2.3 Alberta Opportunities Bursary	11,800	200	12,000	11,319	681
4.2.4 Achievement Scholarships					
Operating Expense	16,000	—	16,000	14,094	1,906
Operating Expense Funded by Lotteries	3,100	—	3,100	3,100	—
4.2.5 Student Loan Relief – Benefit	31,800	4,100	35,900	34,170	1,730
<b>Total Sub-Program</b>	<b>72,400</b>	<b>5,400</b>	<b>77,800</b>	<b>72,491</b>	<b>5,309</b>
<b>Total Support to Adult Learners</b>	<b>94,614</b>	<b>5,900</b>	<b>100,514</b>	<b>92,940</b>	<b>7,574</b>
<b>Total Voted Expenses</b>	<b>\$ 1,374,108</b>	<b>\$ 19,601</b>	<b>\$ 1,393,709</b>	<b>\$ 1,381,631</b>	<b>\$ 12,078</b>
<b>Voted Expenses</b>					
Program Operating Expenses	\$ 1,349,061	\$ 17,939	\$ 1,367,000	\$ 1,356,011	\$ 10,989
Program Operating Expenses funded by Lotteries	20,700	—	20,700	20,700	—
Equipment/Inventory Purchases	4,347	1,662	6,009	4,920	1,089
<b>Total Voted Expenses</b>	<b>\$ 1,374,108</b>	<b>\$ 19,601</b>	<b>\$ 1,393,709</b>	<b>\$ 1,381,631</b>	<b>\$ 12,078</b>
<b>Statutory Expenses</b>					
Alberta Centennial Education Savings Plan	\$ 4,300	\$ —	\$ 4,300	\$ —	\$ 4,300
Alberta Heritage Scholarships	22,545	455	23,000	22,969	31
Valuation Adjustments					
Provision for Future Cost of Student Loans Issued	59,800	(15,000)	44,800	49,439	(4,639)
Provision for Doubtful Accounts/Bad Debt Expense	5	—	5	—	5
Provision for Vacation Pay	—	—	—	208	(208)
<b>Total Statutory Expenses</b>	<b>\$ 86,650</b>	<b>\$ (14,545)</b>	<b>\$ 72,105</b>	<b>\$ 72,616</b>	<b>\$ (511)</b>



Schedule 5  
(continued)**Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget**

<i>(in thousands)</i>	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
<b>Non-Budgetary Disbursements by Program</b>					
<b>3.2 Grants to Post-Secondary Institutions</b>					
3.2.4 Universities	\$ 30,700	\$ —	\$ 30,700	\$ 30,700	\$ —
<b>4.3 Support to Adult Learners</b>					
4.3.1 Student Loans Servicing Cost	6,800	—	6,800	4,152	2,648
4.3.2 Loan Relief Completion Payments	7,000	—	7,000	3,986	3,014
4.3.3 Student Loan Disbursements	97,000	—	97,000	89,386	7,614
	110,800	—	110,800	97,524	13,276
<b>Total Non-Budgetary Disbursements</b>	<b>\$ 141,500</b>	<b>\$ —</b>	<b>\$ 141,500</b>	<b>\$ 128,224</b>	<b>\$ 13,276</b>

(a) Supplementary estimates were approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).

(b) Includes achievement bonuses of \$659.

## Funding Provided to Post-Secondary Institutions

<i>(in thousands)</i>	Operating and Conditional Funding	Access Fund	Other (a)	Total
<b>Public</b>				
<b>Colleges</b>				
Alberta College of Art and Design	\$ 7,881	\$ 315	\$ 89	\$ 8,285
Bow Valley College	15,104	1,281	585	16,970
Grande Prairie Regional College	16,294	364	91	16,749
Grant MacEwan College	44,916	7,841	3,220	55,977
Keyano College	19,668	1,516	236	21,420
Lakeland College	19,892	1,353	219	21,464
Lethbridge Community College	22,280	3,557	1,436	27,273
Medicine Hat College	15,710	1,464	180	17,354
Mount Royal College	42,698	6,635	791	50,124
NorQuest College	18,313	2,261	844	21,418
Northern Lakes College	17,995	608	—	18,603
Olds College	14,994	801	1,209	17,004
Portage College	13,335	733	151	14,219
Red Deer College	23,272	6,164	345	29,781
<b>Technical Institutes</b>				
Northern Alberta Institute of Technology	104,229	11,289	1,760	117,278
Southern Alberta Institute of Technology	80,677	10,847	1,619	93,143
<b>Universities</b>				
Athabasca University	19,372	5,203	323	24,898
The University of Alberta	315,722	28,292	5,030	349,044
The University of Calgary	207,161	17,623	4,302	229,086
The University of Lethbridge	48,195	7,671	626	56,492
<b>Banff Centre</b>				
The Banff Centre for Continuing Education	11,313	55	—	11,368
<b>Total</b>	<b>\$ 1,079,021</b>	<b>\$ 115,873</b>	<b>\$ 23,056</b>	<b>\$ 1,217,950</b>
<b>Private</b>				
<b>Colleges</b>				
Canadian University College	\$ 1,610	\$ 106	\$ 7	\$ 1,723
Concordia University College of Alberta	6,547	322	74	6,943
The King's University College	2,358	392	30	2,780
<b>Private Vocational Schools</b>				
Columbia College	2	92	—	94
<b>Total</b>	<b>\$ 10,517</b>	<b>\$ 912</b>	<b>\$ 111</b>	<b>\$ 11,540</b>

(a) Other funding supports initiatives such as Inmate Programs and Community Adult Learning Programs.

## Schedule 7

**Statement of Alberta Heritage Scholarship Fund Expenses**

The Alberta Heritage Scholarship Fund is designed to reward Albertans for excellence and outstanding achievement.

Under the *Alberta Heritage Scholarship Act*, the Minister of Advanced Education is responsible for the administration of scholarships, while the Provincial Treasurer is responsible to hold and administer the Fund. Scholarship payments from the Fund are made from the investment earning on the Fund assets. The endowment and retained earnings of the fund total \$249,642 (2004 – \$251,354). The financial statements of the Fund are included in the annual report of the Ministry of Finance.

	Actual				Cumulative	
	2005		2004		1981-2005	
	Number of Recipients	Expenses	Number of Recipients	Expenses	Number of Recipients	Expenses
<i>(in thousands)</i>						
Rutherford	8,940	\$ 16,975	8,788	\$ 16,388	138,227	\$ 186,747
McKinney	925	2,297	909	2,252	19,887	51,764
Graduate Scholarships	194	1,887	188	1,810	1,942	18,728
Lougheed	15	265	15	265	496	6,973
Steinhauer	14	240	15	265	486	6,636
United World College	16	425	16	422	184	4,246
Other Heritage Scholarships	647	880	693	823	7,397	6,775
	10,751	\$ 22,969	10,624	\$ 22,225	168,619	\$ 281,869

Expenses of \$22,969 (2004 – \$22,225) are included in Support to Post-Secondary Learners and are offset by revenues from the Fund. These amounts are included in the Consolidated Statement of Operations of Advanced Education.

## Schedule 8

**Tangible Capital Asset Purchases**

	2005		2004
	Budget	Actual	Actual
<i>(in thousands)</i>			
<b>By Type</b>			(Restated: See Note 3)
Equipment	\$ —	\$ —	\$ —
Computer Hardware and Software	4,347	4,920	6,263
	\$ 4,347	\$ 4,920	\$ 6,263

## Salary and Benefits Disclosure

	2005				2004
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Deputy Minister (4)(5)	\$ 164,568	\$ 30,489	\$ 31,473	\$ 226,530	\$ 234,404 (Restated: See Note 3)
<b>Executives</b>					
Assistant Deputy Minister, Adult Learning Division	132,216	19,436	24,644	176,296	175,327
Assistant Deputy Minister, Information and Strategic Services Division (6)(7)	127,701	18,847	24,320	170,868	175,470
Assistant Deputy Minister, Corporate Services Division (6)(8)	132,216	26,618	26,017	184,851	176,474
Executive Director, Apprenticeship and Industry Training Division (9)	124,284	21,968	24,596	170,848	164,968
Executive Director, Learner Transitions (10)	77,016	—	13,654	90,670	115,987
Executive Director, Strategic and Corporate Services (11)	41,976	17,492	9,393	68,861	—
	<b>\$ 799,977</b>	<b>\$ 134,850</b>	<b>\$ 154,097</b>	<b>\$ 1,088,924</b>	<b>\$ 1,042,630</b>

On November 24, 2004, the Ministry of Learning was split into the Ministry of Education and the Ministry of Advanced Education. Prior to November 24, the Ministry of Learning had a single Executive Committee. Subsequently, two Executive Committees were created. Two of the Assistant Deputy Ministers were members of both Executive Committees until March 31, 2005 and are therefore included in the disclosure for both ministries. Total salary and benefits relating to a position are disclosed.

- (1) Base salary includes regular base pay.
- (2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments.
- (3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits figures.
- (5) This position was occupied by two individuals throughout the year. Other cash benefits relate solely to the current Deputy Minister.
- (6) The incumbent's services are shared with the Ministry of Education.
- (7) A portion of base salary and other non-cash benefits are disclosed for the Executive Director who assumed the role of the Assistant Deputy Minister for a period of time.
- (8) Other cash benefits include \$7,377 (2004 – \$0) in vacation pay.
- (9) Other cash benefits include \$3,698 (2004 – \$0) in vacation pay.
- (10) This position was discontinued in November 2004.
- (11) This position was created in December 2004.

**Related Party Transactions**

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The following transactions with related parties are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

<i>(in thousands)</i>	2005	2004
<b>Revenue</b>		(Restated: See Note 3)
Internal Government Transfers		
Lottery Fund	\$ 20,700	\$ 20,700
Alberta Heritage Scholarship Fund	22,969	22,225
	<b>\$ 43,669</b>	<b>\$ 42,925</b>
<b>Expenses</b>		
Supplies and Services from Other Ministries	\$ 5,494	\$ 4,250
<b>Payable to Related Party</b>	<b>\$ 68</b>	<b>\$ —</b>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 11.

<i>(in thousands)</i>	2005	2004
<b>Expenses – Incurred by Others</b>		(Restated: See Note 3)
Accommodation	\$ 4,153	\$ 3,948
Legal Services	69	140
Other	1	—
	<b>\$ 4,223</b>	<b>\$ 4,088</b>

## Allocated Costs

	2005				2004
	Expenses (1)	Expenses – Incurred by Others		Total Expenses	Total Expenses
		Accommodation Costs (2)	Legal Services (3)		
<i>(in thousands)</i>					
<b>Program</b>					(Restated: See Note 3)
Assistance to Post Secondary Institutions	\$ 1,230,939	\$ 2,497	\$ —	\$ 1,233,436	\$ 1,176,458
Support to Post Secondary Learners	154,797	728	—	155,525	112,716
Apprenticeship Delivery and Industry Training	20,735	42	—	20,777	16,244
Ministry Support Services	8,787	817	69	9,673	9,380
Program Delivery Support	34,069	69	—	34,138	31,729
	<b>\$ 1,449,327</b>	<b>\$ 4,153</b>	<b>\$ 69</b>	<b>\$ 1,453,549</b>	<b>\$ 1,346,527</b>

- (1) Expenses – Directly Incurred as per Statement of Operations. Support to post-secondary learners includes provision for future costs of student loans issued and Alberta Centennial Education Savings Plan (ACES). Assistance to post-secondary institutions includes one-time operations and maintenance grants.
- (2) Costs shown for Accommodation on Schedule 10, allocated by square footage.
- (3) Legal Services Expense is split based on the allocated shared percentage identified in the Order In Council splitting the Ministry of Learning.

## Financial Information

*Unaudited  
Information*

### ***Post-Secondary Institutions Financial Statements***

Summary of Colleges

Summary of Technical Institutes

Summary of Universities

Summary of The Banff Centre for Continuing Education

Post-Secondary Institutions – Disclosure of Salaries and Benefits for President Positions

---

*Audited financial statements are available on Advanced Education's Website:*

[www.advancededucation.gov.ab.ca/PSFS](http://www.advancededucation.gov.ab.ca/PSFS)

*For a print version of the complete audited financial statements of post-secondary institutions, please order by:*

*phone* 780-427-2767

*e-mail* [lrccustserv@gov.ab.ca](mailto:lrccustserv@gov.ab.ca)

*online* [www.lrc.education.gov.ab.ca](http://www.lrc.education.gov.ab.ca)

Summary of  
CollegesStatement of Operations and Changes in Financial Position  
for the Year Ended June 30, 2004

<i>(in thousands)</i>	Alberta College of Art and Design	Bow Valley College	Fairview College	Grande Prairie Regional College	Grant MacEwan College
<b>Revenue</b>					
Grants	\$ 8,641	\$ 16,752	\$ 14,697	\$ 17,446	\$ 51,798
Sales, rentals and services	938	—	1,943	2,791	17,574
Tuition and related fees	3,545	9,194	2,996	6,563	45,164
Education contracts and contract programs	—	7,196	583	1,144	3,931
Investment income	213	346	360	427	1,780
Donations and contributions	205	353	141	652	2,346
Amortization of deferred capital contributions	762	1,362	1,784	1,538	4,872
Ancillary services	903	1,547	—	—	—
Miscellaneous revenue	82	—	—	—	—
	15,289	36,750	22,504	30,561	127,465
<b>Expense</b>					
Salaries, wages and benefits	9,111	23,606	11,655	18,111	78,863
Instruction and institutional support	279	—	—	—	—
Supplies and services	3,511	8,366	4,894	6,187	21,198
Amortization of capital assets	938	2,126	2,046	2,163	9,313
Maintenance, utilities and property tax	—	—	1,216	818	3,309
Facilities cost	—	—	—	—	—
Scholarships and bursaries	141	191	94	212	880
Other	444	695	623	892	7,235
Loss/(gain) on disposal of capital assets	3	6	502	10	—
	14,427	34,990	21,030	28,393	120,798
Excess Revenue over Expenses	\$ 862	\$ 1,760	\$ 1,474	\$ 2,168	\$ 6,667
<b>Changes in Financial Position</b>					
Cash generated (used) by operations	\$ 1,081	\$ 3,002	\$ 1,915	\$ 3,664	\$ 10,507
Cash generated (used) by investing activities	(414)	(3,576)	3,318	(2,774)	(21,662)
Cash generated (used) by financing activities	164	1,065	1,274	986	12,547
Increase/(decrease) in cash and short-term investments	831	491	6,507	1,876	1,392
Cash and short-term investments at beginning of year, net of bank indebtedness	3,352	2,810	1,751	845	14,836
Cash and short-term investments at end of year, net of bank indebtedness	\$ 4,183	\$ 3,301	\$ 8,258	\$ 2,721	\$ 16,228



**Statement of Operations and Changes in Financial Position  
for the Year Ended June 30, 2004**

<i>(in thousands)</i>	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	Mount Royal College
<b>Revenue</b>					
Grants	\$ 21,364	\$ 22,018	\$ 27,166	\$ 18,189	\$ 49,996
Sales, rentals and services	5,032	4,450	7,062	3,351	15,518
Tuition and related fees	5,067	10,409	14,524	8,611	29,259
Education contracts and contract programs	1,019	2,098	1,333		15,792
Investment income	1,154	1,049	462	664	2,600
Donations and contributions	595	211	123	125	1,304
Amortization of deferred capital contributions	1,879	2,496	3,621	1,170	7,858
Ancillary services	—	—	—	—	—
Miscellaneous revenue	—	1,228	—	—	—
	36,110	43,959	54,291	32,110	122,327
<b>Expense</b>					
Salaries, wages and benefits	22,234	25,717	32,949	19,255	77,022
Instruction and institutional support	—	—	—	—	—
Supplies and services	6,058	11,905	7,994	6,788	21,996
Amortization of capital assets	3,295	4,690	4,046	2,317	11,461
Maintenance, utilities and property tax	1,923	1,996	1,798	792	5,212
Facilities cost	—	—	—	—	—
Scholarships and bursaries	421	182	132	269	709
Other	1,242	308	3,295	1,301	5,086
Loss/(gain) on disposal of capital assets	22	(18)	—	—	—
	35,195	44,780	50,214	30,722	121,486
Excess Revenue over Expenses	\$ 915	\$ (821)	\$ 4,077	\$ 1,388	\$ 841
<b>Changes in Financial Position</b>					
Cash generated (used) by operations	\$ 3,281	\$ 1,658	\$ 5,190	\$ 3,819	\$ 4,594
Cash generated (used) by investing activities	(1,725)	(3,364)	(3,209)	(6,278)	(14,575)
Cash generated (used) by financing activities	77	320	1,603	1,453	(3,273)
Increase/(decrease) in cash and short-term investments	1,633	(1,386)	3,584	(1,006)	(13,254)
Cash and short-term investments at beginning of year, net of bank indebtedness	524	2,245	(1,528)	4,919	29,906
Cash and short-term investments at end of year, net of bank indebtedness	\$ 2,157	\$ 859	\$ 2,056	\$ 3,913	\$ 16,652

**Statement of Operations and Changes in Financial Position  
for the Year Ended June 30, 2004**

<i>(in thousands)</i>	NorQuest College	Northern Lakes College	Olds College	Portage College	Red Deer College
<b>Revenue</b>					
Grants	\$ 20,985	\$ 18,504	\$ 17,042	\$ 14,430	\$ 27,473
Sales, rentals and services	2,402	1,310	4,896	1,765	1,207
Tuition and related fees	8,745	3,158	4,872	2,831	14,712
Education contracts and contract programs	4,634	335	2,070	1,483	1,855
Investment income	558	178	761	127	340
Donations and contributions	68	48	872	160	1,581
Amortization of deferred capital contributions	1,026	1,244	1,867	1,040	2,478
Ancillary services	—	—	—	—	6,622
Miscellaneous revenue	—	44	—	280	—
	38,418	24,821	32,380	22,116	56,268
<b>Expense</b>					
Salaries, wages and benefits	26,065	14,819	18,746	13,534	35,334
Instruction and institutional support	—	—	—	—	—
Supplies and services	7,334	4,383	7,300	5,586	11,618
Amortization of capital assets	1,892	2,028	2,867	1,725	4,323
Maintenance, utilities and property tax	546	1,488	1,314	713	1,791
Facilities cost	—	158	—	—	—
Scholarships and bursaries	—	62	222	106	272
Other	209	1,081	1,805	—	2,561
Loss/(gain) on disposal of capital assets	—	(6)	69	—	(1,263)
	36,046	24,013	32,323	21,664	54,636
Excess Revenue over Expenses	\$ 2,372	\$ 808	\$ 57	\$ 452	\$ 1,632
<b>Changes in Financial Position</b>					
Cash generated (used) by operations	\$ 2,292	\$ 1,557	\$ 887	\$ 1,699	\$ (259)
Cash generated (used) by investing activities	(4,439)	(1,259)	(2,160)	(1,459)	(1,543)
Cash generated (used) by financing activities	1,225	507	1,064	949	362
Increase/(decrease) in cash and short-term investments	(922)	805	(209)	1,189	(1,440)
Cash and short-term investments at beginning of year, net of bank indebtedness	8,499	3,658	3,639	2,662	10,529
Cash and short-term investments at end of year, net of bank indebtedness	\$ 7,577	\$ 4,463	\$ 3,430	\$ 3,851	\$ 9,089

**Statement of Operations and Changes in Financial Position  
for the Year Ended June 30, 2004**

<i>(in thousands)</i>	2004 Totals	2003 Totals	2004 Budget
		(Restated)	
<b>Revenue</b>			
Grants	\$ 346,501	\$ 331,194	\$ 329,559
Sales, rentals and services	70,239	64,937	66,202
Tuition and related fees	169,650	155,595	167,722
Education contracts and contract programs	43,473	43,886	40,500
Investment income	11,019	5,436	8,208
Donations and contributions	8,784	8,624	6,223
Amortization of deferred capital contributions	34,997	33,949	32,985
Ancillary services	9,072	8,628	8,566
Miscellaneous revenue	1,634	1,873	1,888
	695,369	654,122	661,853
<b>Expense</b>			
Salaries, wages and benefits	427,021	406,545	414,597
Instruction and institutional support	279	701	624
Supplies and services	135,118	133,632	140,257
Amortization of capital assets	55,230	50,968	48,849
Maintenance, utilities and property tax	22,916	22,852	22,863
Facilities cost	158	181	190
Scholarships and bursaries	3,893	3,536	4,073
Other	26,777	26,331	25,531
Loss/(gain) on disposal of capital assets	(675)	448	(25)
	670,717	645,194	656,959
Excess Revenue over Expenses	\$ 24,652	\$ 8,928	\$ 4,894
<b>Changes in Financial Position</b>			
Cash generated (used) by operations	\$ 44,887	\$ 14,614	
Cash generated (used) by investing activities	(65,119)	(72,657)	
Cash generated (used) by financing activities	20,323	46,049	
Increase/(decrease) in cash and short-term investments	91	(11,994)	
Cash and short-term investments at beginning of year, net of bank indebtedness	88,647	100,641	
Cash and short-term investments at end of year, net of bank indebtedness	\$ 88,738	\$ 88,647	

Statement of Financial Position  
as at June 30, 2004

<i>(in thousands)</i>	Alberta College of Art and Design	Bow Valley College	Fairview College	Grande Prairie Regional College	Grant MacEwan College
<b>Assets</b>					
Current					
Cash and short-term investments	\$ 4,183	\$ 3,301	\$ 8,258	\$ 2,721	\$ 16,228
Accounts receivable	202	2,262	756	987	2,312
Inventories	534	568	229	326	2,222
Prepaid expenses and deposits	—	103	72	13	553
	4,919	6,234	9,315	4,047	21,315
Long-term					
Investments	2,976	11,508	5,359	7,804	25,455
Capital assets	6,525	22,150	18,894	34,367	163,865
Other assets	612	—	—	—	—
	\$ 15,032	\$ 39,892	\$ 33,568	\$ 46,218	\$ 210,635
<b>Liabilities and Net Assets</b>					
Current					
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	323	1,391	707	1,596	8,638
Accrued vacation pay	713	1,676	587	1,170	4,613
Unearned revenue	190	1,669	56	275	3,240
Deferred contributions	943	915	952	598	4,026
Current portion of long-term debt	—	—	—	150	197
Other current liabilities	194	144	—	619	—
	2,363	5,795	2,302	4,408	20,714
Long-term					
Debt	—	—	—	812	14,893
Deferred contributions	—	—	—	—	—
Deferred capital contributions	1,388	4,008	742	1,255	2,169
Unamortized deferred capital contributions	6,076	17,664	10,111	29,726	94,351
Other long-term liabilities	98	162	916	246	—
	7,562	21,834	11,769	32,039	111,413
Net Assets					
Endowments	1,790	410	2,074	2,817	11,257
Investment in capital assets	449	4,180	8,783	3,432	54,423
Internally restricted	1,433	7,400	3,486	2,327	279
Unrestricted	1,435	273	5,154	1,195	12,549
	5,107	12,263	19,497	9,771	78,508
	\$ 15,032	\$ 39,892	\$ 33,568	\$ 46,218	\$ 210,635

Summary of  
CollegesStatement of Financial Position  
as at June 30, 2004

<i>(in thousands)</i>	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	Mount Royal College
<b>Assets</b>					
Current					
Cash and short-term investments	\$ 2,157	\$ 859	\$ 2,056	\$ 3,913	\$ 16,652
Accounts receivable	1,391	1,899	1,126	817	5,876
Inventories	158	1,000	497	366	868
Prepaid expenses and deposits	179		279	174	1,037
	3,885	3,758	3,958	5,270	24,433
Long-term					
Investments	8,459	5,576	7,931	7,630	45,052
Capital assets	60,871	61,300	51,935	40,868	180,877
Other assets	80	11	—	—	—
	\$ 73,295	\$ 70,645	\$ 63,824	\$ 53,768	\$ 250,362
<b>Liabilities and Net Assets</b>					
Current					
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	2,217	1,298	1,544	1,207	6,231
Accrued vacation pay	1,583	1,773	717	563	4,007
Unearned revenue	655	1,570	1,028	796	3,763
Deferred contributions	2,820	2,190	1,251	1,745	7,835
Current portion of long-term debt	194	848	142	80	—
Other current liabilities	—	—	—	—	1,073
	7,469	7,679	4,682	4,391	22,909
Long-term					
Debt	5,282	2,856	6,105	3,775	—
Deferred contributions	—	—	—	—	4,563
Deferred capital contributions	—	436	1,654	146	13,154
Unamortized deferred capital contributions	32,137	44,790	34,005	28,102	133,083
Other long-term liabilities	—	—	—	1,042	33,573
	37,419	48,082	41,764	33,065	184,373
Net Assets					
Endowments	1,158	1,540	4,386	2,593	17,222
Investment in capital assets	23,258	12,820	11,683	8,911	15,087
Internally restricted	—	524	1,309	4,045	8,457
Unrestricted	3,991	—	—	763	2,314
	28,407	14,884	17,378	16,312	43,080
	\$ 73,295	\$ 70,645	\$ 63,824	\$ 53,768	\$ 250,362

Statement of Financial Position  
as at June 30, 2004

<i>(in thousands)</i>	NorQuest College	Northern Lakes College	Olds College	Portage College	Red Deer College
<b>Assets</b>					
Current					
Cash and short-term investments	\$ 7,577	\$ 4,463	\$ 3,430	\$ 3,851	\$ 9,089
Accounts receivable	1,676	1,138	3,020	1,028	1,062
Inventories	149	210	425	195	909
Prepaid expenses and deposits	983	110	—	156	309
	10,385	5,921	6,875	5,230	11,369
Long-term					
Investments	6,515	1,464	5,746	535	6,272
Capital assets	22,620	31,336	28,877	32,362	55,318
Other assets	—	—	100	—	1,283
	\$ 39,520	\$ 38,721	\$ 41,598	\$ 38,127	\$ 74,242
<b>Liabilities and Net Assets</b>					
Current					
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	2,312	688	1,199	929	4,382
Accrued vacation pay	2,191	2,003	1,341	1,037	2,899
Unearned revenue	1,328	246	574	504	1,697
Deferred contributions	241	1,374	2,537	1,015	1,337
Current portion of long-term debt	—	—	159	—	179
Other current liabilities	—	109	—	—	420
	6,072	4,420	5,810	3,485	10,914
Long-term					
Debt	—	—	3,822	—	4,743
Deferred contributions	—	—	—	—	—
Deferred capital contributions	570	—	601	214	527
Unamortized deferred capital contributions	15,545	25,968	16,835	28,779	36,167
Other long-term liabilities	—	132	—	—	366
	16,115	26,100	21,258	28,993	41,803
Net Assets					
Endowments	380	68	5,117	444	4,508
Investment in capital assets	7,075	5,368	8,060	3,583	14,726
Internally restricted	9,741	13	478	915	1,460
Unrestricted	137	2,752	875	707	831
	17,333	8,201	14,530	5,649	21,525
	\$ 39,520	\$ 38,721	\$ 41,598	\$ 38,127	\$ 74,242

**Statement of Financial Position  
as at June 30, 2004**

<i>(in thousands)</i>	2004 Totals	2003 Totals
		(Restated)
<b>Assets</b>		
Current		
Cash and short-term investments	\$ 88,738	\$ 90,248
Accounts receivable	25,552	26,186
Inventories	8,656	8,069
Prepaid expenses and deposits	3,968	2,833
	126,914	127,336
Long-term		
Investments	148,282	150,335
Capital assets	812,165	798,710
Other assets	2,086	2,135
	<b>\$ 1,089,447</b>	<b>\$ 1,078,516</b>
<b>Liabilities and Net Assets</b>		
Current		
Bank indebtedness	\$ —	\$ 1,601
Accounts payable and accrued liabilities	34,662	35,059
Accrued vacation pay	26,873	28,446
Unearned revenue	17,591	16,952
Deferred contributions	29,779	24,111
Current portion of long-term debt	1,949	1,556
Other current liabilities	2,559	2,155
	113,413	109,880
Long-term		
Debt	42,288	35,060
Deferred contributions	4,563	4,710
Deferred capital contributions	26,864	35,264
Unamortized deferred capital contributions	553,339	567,444
Other long-term liabilities	36,535	43,832
	663,589	686,310
Net Assets		
Endowments	55,764	51,835
Investment in capital assets	181,838	163,792
Internally restricted	41,867	39,643
Unrestricted	32,976	27,056
	312,445	282,326
	<b>\$ 1,089,447</b>	<b>\$ 1,078,516</b>

**Statement of Operations and Changes in Financial Position  
for the Year Ended June 30, 2004**

<i>(in thousands)</i>	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2004 Totals	2003 Totals	2004 Budget
<b>Revenue</b>					
Grants	\$ 97,594	\$ 88,418	\$ 186,012	\$ 171,130	\$ 175,464
Earned revenue programs	27,052	34,978	62,030	59,602	66,104
Tuition and related fees	26,538	29,116	55,654	51,156	53,393
Donations and fund raising	2,497	6,765	9,262	9,272	3,182
Ancillary services	14,844	17,775	32,619	31,181	33,660
Sales, rentals and services	4,858	4,411	9,269	9,295	9,186
Investment income	2,298	787	3,085	1,983	2,624
Amortization of deferred capital contributions	6,384	7,582	13,966	13,673	15,066
	182,065	189,832	371,897	347,292	358,679
<b>Expense</b>					
Salaries, wages and benefits	115,164	106,042	221,206	212,927	228,649
Supplies and services	39,442	38,021	77,463	70,807	68,802
Utilities	6,546	8,425	14,971	14,125	15,512
Interest expense	—	4,046	4,046	4,301	4,029
Facility rentals	646	—	646	552	459
Scholarships and bursaries	815	3,235	4,050	4,071	1,600
Repairs and maintenance	—	8,986	8,986	8,666	8,533
Capital amortization	12,276	14,647	26,923	29,244	30,995
Loss on disposal of capital assets	392	1,807	2,199	614	100
	175,281	185,209	360,490	345,307	358,679
Excess Revenue over Expenses	\$ 6,784	\$ 4,623	\$ 11,407	\$ 1,985	\$ —
<b>Changes in Financial Position</b>					
Cash generated (used) by operating activities	\$ 15,627	\$ 24,781	\$ 40,408	\$ 12,076	
Cash generated (used) by investing activities	(23,758)	4,242	(19,516)	(27,814)	
Cash generated (used) by financing activities	10,767	3,021	13,788	11,490	
Net increase (decrease) in short-term investments	2,636	32,044	34,680	(4,248)	
Cash and short-term investments at the beginning of the year	1,219	4,912	6,131	10,379	
Cash and short-term investments at the end of the year	\$ 3,855	\$ 36,956	\$ 40,811	\$ 6,131	



Statement of Financial Position  
as at June 30, 2004

<i>(in thousands)</i>	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2004 Totals	2003 Totals (Restated)
<b>Assets</b>				
Current				
Cash and short-term investments	\$ 3,855	\$ 36,956	\$ 40,811	\$ 6,131
Accounts receivable	7,001	8,461	15,462	15,239
Inventories	3,261	1,914	5,175	4,608
Prepaid expenses	732	445	1,177	1,963
<b>Total Current</b>	<b>14,849</b>	<b>47,776</b>	<b>62,625</b>	<b>27,941</b>
Long-term				
Investments	42,429	13,311	55,740	66,221
Capital assets	170,272	204,988	375,260	373,841
Long-term receivables	3,125	—	3,125	4,346
<b>Total Assets</b>	<b>\$ 230,675</b>	<b>\$ 266,075</b>	<b>\$ 496,750</b>	<b>\$ 472,349</b>
<b>Liabilities and Net Assets</b>				
Current				
Accounts payable and accrued liabilities	\$ 13,609	\$ 17,963	\$ 31,572	\$ 26,368
Accrued vacation pay	10,140	8,030	18,170	18,109
Unearned revenue	7,569	7,932	15,501	13,235
Deferred salary plans	—	404	404	396
Deferred contributions	5,302	14,757	20,059	13,749
Current portion of long-term debt	—	549	549	3,725
Current portion of long-term leases	584	—	584	236
	<b>37,204</b>	<b>49,635</b>	<b>86,839</b>	<b>75,818</b>
Long-term				
Debt (Mortgages)	—	19,524	19,524	56,638
Deferred capital contributions	5,413	4,090	9,503	15,517
Long-term leases	1,161	—	1,161	312
Unamortized deferred capital contributions	98,080	120,758	218,838	175,505
	<b>104,654</b>	<b>144,372</b>	<b>249,026</b>	<b>247,972</b>
Net Assets				
Endowments	9,274	9,221	18,495	17,576
Internally restricted	1,743	—	1,743	—
Investment in capital assets	70,447	64,157	134,604	137,425
Unrestricted net assets	7,353	(1,310)	6,043	(6,442)
<b>Total Net Assets</b>	<b>88,817</b>	<b>72,068</b>	<b>160,885</b>	<b>148,559</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 230,675</b>	<b>\$ 266,075</b>	<b>\$ 496,750</b>	<b>\$ 472,349</b>

Summary of  
UniversitiesStatement of Operations and Changes in Financial Position  
for the Year Ended March 31, 2005

<i>(in thousands)</i>	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University
<b>Revenue</b>				
Grants	\$ 587,583	\$ 378,912	\$ 67,093	\$ 25,452
Tuition and related fees	163,423	116,485	33,743	41,379
Non-credit tuition and related fees	—	13,328	—	—
Donations and contributions	38,012	66,714	663	432
Investment and royalty income	41,550	21,138	2,395	888
Sales, rentals and services	160,493	72,211	9,398	9,598
Amortization of deferred capital contributions	62,559	59,843	6,153	931
Miscellaneous revenue	—	—	3,195	883
	1,053,620	728,631	122,640	79,563
<b>Expense</b>				
Salaries	528,279	359,479	65,915	45,191
Employee benefits	87,190	53,469	10,805	—
Materials, supplies and services	178,646	108,725	11,140	16,805
Maintenance, utilities and property tax	60,778	32,301	5,428	1,543
Scholarships and bursaries	63,190	33,640	2,982	167
Travel	—	21,917	3,080	4,812
Cost of goods sold	—	17,113	2,888	—
Interest/Financing	9,280	3,704	429	—
Amortization of capital assets	88,815	79,277	12,064	2,773
Unrealized loss on write-down of investments	—	—	55	—
Other	—	—	—	—
Loss/(gain) on disposal of capital assets	—	—	1,094	—
	1,016,178	709,625	115,880	71,291
Excess Revenue over Expenses	\$ 37,442	\$ 19,006	\$ 6,760	\$ 8,272
<b>Changes in Financial Position</b>				
Cash generated (used) by operating activities	\$ 103,035	\$ 61,224	\$ 18,486	\$ 13,782
Cash generated (used) by investing activities	(259,371)	(165,920)	(16,053)	(8,849)
Cash generated (used) by financing activities	215,749	127,624	3,210	74
Increase/(decrease) in cash and short-term investments	59,413	22,928	5,643	5,007
Cash and short-term investments at beginning of year, net of bank indebtedness	138,885	205,136	12,553	16,179
Cash and short-term investments at end of year, net of bank indebtedness	\$ 198,298	\$ 228,064	\$ 18,196	\$ 21,186

**Statement of Operations and Changes in Financial Position  
for the Year Ended March 31, 2005**

<i>(in thousands)</i>	2005 Totals	2004 Totals	2005 Budget
		(Restated)	
<b>Revenue</b>			
Grants	\$ 1,059,040	\$ 957,384	\$ 1,014,248
Tuition and related fees	355,030	332,652	351,271
Non-credit tuition and related fees	13,328	13,326	16,649
Donations and contributions	105,821	106,394	69,029
Investment and royalty income	65,971	105,256	111,537
Sales, rentals and services	251,700	235,169	261,067
Amortization of deferred capital contributions	129,486	124,013	125,690
Miscellaneous revenue	4,078	3,654	3,340
	<b>1,984,454</b>	<b>1,877,848</b>	<b>1,952,831</b>
<b>Expense</b>			
Salaries	998,864	938,034	1,080,175
Employee benefits	151,464	140,388	86,427
Materials, supplies and services	315,316	291,530	526,769
Maintenance, utilities and property tax	100,050	99,894	31,187
Scholarships and bursaries	99,979	82,468	32,203
Travel	29,809	27,067	6,595
Cost of goods sold	20,001	21,010	2,920
Interest/Financing	13,413	11,553	3,386
Amortization of capital assets	182,929	174,098	174,600
Unrealized loss on write-down of investments	55	85	—
Other	—	—	2,676
Loss/(gain) on disposal of capital assets	1,094	1	—
	<b>1,912,974</b>	<b>1,786,128</b>	<b>1,946,938</b>
Excess Revenue over Expenses	<b>\$ 71,480</b>	<b>\$ 91,720</b>	<b>\$ 5,893</b>
<b>Changes in Financial Position</b>			
Cash generated (used) by operating activities	\$ 196,527	\$ 123,423	
Cash generated (used) by investing activities	(450,193)	(421,231)	
Cash generated (used) by financing activities	346,657	340,341	
Increase/(decrease) in cash and short-term investments	92,991	42,533	
Cash and short-term investments at beginning of year, net of bank indebtedness	372,753	330,220	
Cash and short-term investments at end of year, net of bank indebtedness	<b>\$ 465,744</b>	<b>\$ 372,753</b>	

Statement of Financial Position  
as at March 31, 2005

<i>(in thousands)</i>	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University
<b>Assets</b>				
Current				
Cash and short-term investments	\$ 217,366	\$ 228,064	\$ 18,196	\$ 21,186
Accounts receivable	99,808	63,044	5,420	3,202
Inventories	—	5,688	476	2,856
Prepaid expenses and deposits	—	3,390	593	810
Other	12,985	—	—	—
	330,159	300,186	24,685	28,054
Long-term				
Investments	751,467	298,357	51,325	18,884
Capital assets and collections	1,235,368	665,513	172,775	20,092
Other assets	—	17,247	—	370
	\$ 2,316,994	\$ 1,281,303	\$ 248,785	\$ 67,400
<b>Liabilities and Net Assets</b>				
Current				
Bank indebtedness	\$ 19,068	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	101,554	78,999	5,460	4,005
Current portion of employee benefit liabilities	35,200	—	4,411	5,183
Deferred revenue	18,317	17,332	4,448	11,320
Deferred contributions	199,070	157,034	13,843	1,801
Current portion of long-term liabilities	6,034	35,113	115	49
	379,243	288,478	28,277	22,358
Long-term				
Employee benefit liabilities	47,568	—	5,545	1,992
Deferred contributions	90,000	—	—	—
Deferred capital contributions	1,931	3,900	1,739	—
Unamortized deferred capital contributions	745,321	442,658	84,437	12,261
Long-term debt	121,661	—	3,776	—
Other long-term liabilities	—	24,824	158	52
	1,006,481	471,382	95,655	14,305
Net Assets				
Endowments	556,844	295,719	11,975	1,223
Investment in capital assets	365,460	200,576	84,445	8,100
Internally restricted	—	24,028	13,713	19,461
Unrestricted	8,966	1,120	14,720	1,953
	931,270	521,443	124,853	30,737
	\$ 2,316,994	\$ 1,281,303	\$ 248,785	\$ 67,400

**Statement of Financial Position  
as at March 31, 2005**

<i>(in thousands)</i>	2005	2004
		(Restated)
<b>Assets</b>		
Current		
Cash and short-term investments	\$ 484,812	\$ 380,458
Accounts receivable	171,474	181,426
Inventories	9,020	8,421
Prepaid expenses and deposits	4,793	4,628
Other	12,985	12,678
	<b>683,084</b>	<b>587,611</b>
Long-term		
Investments	1,120,033	1,082,134
Capital assets	2,093,748	1,866,425
Other assets	17,617	18,000
	<b>\$ 3,914,482</b>	<b>\$ 3,554,170</b>
<b>Liabilities and Net Assets</b>		
Current		
Bank indebtedness	\$ 19,068	\$ 7,705
Accounts payable and accrued liabilities	190,018	160,800
Current portion of employee benefit liabilities	44,794	50,477
Deferred revenue	51,417	41,882
Deferred contributions	371,748	348,980
Current portion of long-term liabilities	41,311	7,047
	<b>718,356</b>	<b>616,891</b>
Long-term		
Employee benefit liabilities	55,105	52,264
Deferred contributions	90,000	90,000
Deferred capital contributions	7,570	27,007
Unamortized deferred capital contributions	1,284,677	1,140,701
Long-term debt	125,437	96,700
Other long-term liabilities	25,034	57,213
	<b>1,587,823</b>	<b>1,463,885</b>
Net Assets		
Endowments	865,761	825,289
Investment in capital assets	658,581	593,536
Internally restricted	57,202	36,643
Unrestricted	26,759	17,926
	<b>1,608,303</b>	<b>1,473,394</b>
	<b>\$ 3,914,482</b>	<b>\$ 3,546,170</b>

**Statement of Operations and Changes in Financial Position  
for the Year Ended March 31, 2005**

<i>(in thousands)</i>	2005 Totals	2004 Totals	2005 Budget
		(Restated)	
<b>Revenue</b>			
Grants	\$ 14,736	\$ 14,322	\$ 14,147
Accommodation	14,150	13,282	14,099
Sales, rentals and services	6,917	6,967	7,044
Tuition and related fees	5,320	4,968	5,119
Investment income	43	68	164
Donations and other contributions	2,846	2,643	2,578
Amortization of deferred capital contributions	1,520	1,499	1,435
	45,532	43,749	44,586
<b>Expense</b>			
Salaries, wages and benefits	23,432	22,688	24,036
Scholarships and financial assistance	3,805	3,710	3,768
Supplies and materials	4,190	4,053	4,107
Facility operating	3,622	3,364	3,876
Purchased services	2,408	2,980	2,292
Travel and related	1,529	1,355	1,663
Financial costs	688	654	669
Marketing and promotion	668	601	772
Vehicles and equipment	1,176	1,217	1,218
Amortization of capital assets	2,304	2,182	2,185
Loss (gain) on disposal of capital assets	4	(694)	—
	43,826	42,110	44,586
Excess Revenue over Expenses	\$ 1,706	\$ 1,639	\$ —
<b>Changes in Financial Position</b>			
Cash generated (used) by operating activities	\$ 2,022	\$ 2,270	
Cash generated (used) by investing activities	(3,434)	(3,248)	
Cash generated (used) by financing activities	2,387	656	
Increase (decrease) in cash and short-term investments	975	(322)	
Cash and short-term investments at beginning of year	1,519	1,841	
Cash and short-term investments at end of year	\$ 2,494	\$ 1,519	

**Statement of Financial Position  
as at March 31, 2005**

<i>(in thousands)</i>	2005	2004
<b>Assets</b>		
Current		
Cash and short-term investments	\$ 2,494	\$ 1,519
Accounts receivable	3,572	1,907
Inventories	422	426
Prepaid expenses	142	215
	6,630	4,067
Long-term		
Notes receivable	499	494
Long-term investments	6,996	6,543
Capital assets	50,911	50,106
Other assets	631	313
	\$ 65,667	\$ 61,523
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable	\$ 2,534	\$ 2,012
Accrued vacation pay	1,147	1,084
Unearned revenue	1,981	1,438
Deferred contributions	1,918	2,016
Long-term debt due within one year	3,196	3,519
	10,776	10,069
Long-term		
Deferred contributions	2,676	1,530
Long-term debt	—	8
Deferred expended capital contributions	33,888	33,748
	36,564	35,286
Net Assets		
Endowments	6,996	6,543
Operating net assets	11,331	9,625
	18,327	16,168
	\$ 65,667	\$ 61,523

**Disclosure of Salaries and Benefits for President Positions**

	Base Salary	Other Cash Benefits *	Other Non-Cash Benefits **	Total
<b>Colleges</b> (June 30, 2004)				
Alberta College of Art and Design	\$ 37,542	\$ 188,529	\$ 2,590	\$ 228,661
Bow Valley College	145,750	—	21,833	167,583
Fairview College	122,743	57,716	14,419	194,878
Grande Prairie Regional College	123,000	—	22,014	145,014
Grant MacEwan College	216,120	—	18,887	235,007
Keyano College	118,729	—	21,151	139,880
Lakeland College	150,000	14,700	14,337	179,037
Lethbridge College	146,233	23,435	14,347	184,015
Medicine Hat College	152,000	—	21,767	173,767
Mount Royal College	207,760	—	48,065	255,825
NorQuest College	134,160	—	29,242	163,402
Northern Lakes College	146,253	913	5,908	153,074
Olds College	146,297	9,160	15,182	170,639
Portage College	118,823	—	42,417	161,240
Red Deer College	141,543	2,333	25,805	169,681
<b>Technical Institutes</b> (June 30, 2004)				
Northern Alberta Institute of Technology	200,000	71,000	15,000	286,000
Southern Alberta Institute of Technology	175,000	26,000	44,000	245,000
<b>Universities</b> (March 31, 2005)				
University of Alberta	301,000	108,000	318,000	727,000
University of Calgary	287,000	—	131,000	418,000
University of Lethbridge	242,000	30,000	69,000	341,000
Athabasca University	228,000	—	26,000	254,000
<b>The Banff Centre</b> (March 31, 2005)				
The Banff Centre for Continuing Education	224,000	—	24,000	248,000

\* Other Cash Benefits include bonuses, overtime, lump sum payments and honoraria.

\*\* Other Non-Cash Benefits includes the Institute's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plan, professional memberships and tuition. Other non-cash benefits figure also includes the institution's share of the cost of additional benefits including sabbaticals or other special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, housing allowances and club memberships.

Note: The Presidents of Post-Secondary Institutions are appointed by the Institution's Board of Governors.



## Summary of Significant Accounting Policies

Post-secondary institutions prepare their financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The following are significant accounting policies followed by these entities:

- Revenues and expenses are recognized on an accrual basis.
- Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered.
- Unrestricted contributions are recognized as revenues when received.
- Capital grants are recorded as deferred contributions until the amounts are invested in capital assets.
- Once capital grants are invested in capital assets, the amounts are transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.
- Endowment contributions are recognized as direct increases in net assets in the period in which they are received.
- Contributions for capital assets that will not be amortized, such as land and art collections, are recorded as direct increases in net assets in the period the assets are acquired.
- Capital assets are recorded at cost when acquired. Capital assets are amortized based on amortization policies set by post-secondary institutions.
- Donated assets are recorded at fair value where fair value is reasonably determined.
- Inventories of merchandise for resale are valued at the lower of cost and net realizable value. Inventories of supplies for consumption are valued at the lower of cost and replacement value.
- Short-term investments are recorded at the lower of cost or market value. Long term investments are recognized at market value.