

**Alberta
University
of the
Arts**



Annual Report

2022–2023

Land Acknowledgement

Alberta University of the Arts (AUArts) is situated on the ancestral land of the Siksikaitsitapi – Blackfoot (Siksika, Kainai, Piikani) and the shared territories of the Tsuut’ina – North Dene Sarcee, Iyarhe Nakoda-Stoney (Bears paw, Chiniki, Good Stoney) and homeland of the Métis Nation of Alberta Region III. The City of Calgary has long been called Moh’kins’tsis by the Siksika, Guts’ists’i by the Tsuut’ina, and Wîchîspa by the Nakoda.

Alberta University of the Arts' Values

At AUArts, we are a diverse community of critical thinkers driven by curiosity and inspired by imagination. We create, make, shape, explore and help emerging artists, craftspeople and designers find a career path while finding themselves.

Together, our students, alumni, faculty, staff, and our many collaborators transform perspectives, spark discussion, and ignite change. We use visual art, craft and design as powerful vehicles to change the world. And that is our real masterpiece, the work we are most P.R.O.U.D. of.

PASSION We are curious and thoughtful risk takers; we celebrate our creative process.

RESPECT We build relationships based on trust and accountability; we are connected to one another's success and wellness.

OPENNESS We embrace diversity and inclusivity in culture, identity and perspective; we are transparent, confident, approachable and welcoming.

UNIQUE We pursue excellence in our studio-based practices, and in our support for our learners, faculty, staff, and external partners.

DARING We are courageous and deeply committed to experimentation, free enquiry, and research.

Vision

To change the world through art, craft and design while enriching creative communities and economies.

Mission

Alberta University of the Arts is a diverse and inclusive community committed to leading education and research in creative practices.

Contents

Accountability Statement	1
Management's Responsibility for Reporting	1
Message from the Chair of the Board of Governors and the President and CEO	2
Public Interest Disclosure Act	3
Operational Overview	3
Goals and Performance Measures	5
Strategic Goals	5
Academic Priorities	5
Financial Statement Discussion Analysis	9
Financial Highlights	9
Revenues	9
Expenses	11
Capital	12
Net Assets and Net Financial Assets	12
Areas of Significant Financial Risk	13
Capital Plan	14
Type of Project and Funding Sources	14
Project Timelines and Status	14
Appendix	15

Accountability Statement

This Alberta University of the Arts annual report for the year ended June 30, 2023, was prepared under the Board of Governors' direction per the Fiscal Planning and Transparency Act and ministerial guidelines established according to the Post-Secondary Learning Act. All material economic, environmental or fiscal implication of which we are aware has been considered in preparation of this report.

Management's Responsibility for Reporting

This Alberta University of the Arts annual report for the year ended June 30, 2023, was prepared under the Board of Governors' direction per the Fiscal Planning and Transparency Act and ministerial guidelines established according to the Post-Secondary Learning Act. All material economic, environmental or fiscal implication of which we are aware has been considered in preparation of this report.



Message from the Chair of the Board of Governors and the President and CEO

Coming out of the COVID-19 pandemic, 2022-23 was a period of renewed and most welcomed energy for all at the institution. This was a year marked by definite progress on many key activities throughout the institution, from Academic Affairs to Technology, from Student Affairs to Facilities. These activities and projects are laying the ground for the foundational work necessary for the future sustainable health and growth of the institution.

As such, 2022-23 was the third year for our Strategic Plan Moving Forward 2026. In particular, two key activities identified in 2021-22, continue to play a central role for the future of the institution. Equity, diversity, inclusion and accessibility engagement activities started and an accessibility report commissioned. *AUArts Indigenous Pathways Soksipaitapiiwahsin (Good Living Ways)* is complete and formally endorsed by the Board of Governors. To enable AUArts to further advance its commitment to a personal learning environment that can lead to increased opportunities for employment and lifelong learning, a Centre for program innovation is underway. These three key activities and many more, signal an important cultural shift for the institution.

In 2022-23, enrollments were very healthy, a most encouraging sign coming out of the COVID-19 pandemic. We also saw a definite improvement in our retention rates. However, the University continues to recognize the challenging financial situation that many of our students face, and this is further exacerbated by high inflationary pressures. For the first time in our history, our endowment has surpassed the \$10 million mark, something we are much proud of as we recognize the importance of supporting our community in a sustainable way.

As the teaching of Art, Craft and Design is becoming more and more competitive in this global economy, we must continue to focus our attention on planning for growth, so that we can better serve the current and future needs of Albertans. To that end, it is essential that the University be able to reach an economy-of-scale status. Thus, support for program growth becomes essential as well as sustainable and predictable funding. And addressing space issues – principally the ownership of our sole existing facility, and updating it to current Teaching and Learning needs, is critical in supporting such growth.

M. Carol Ryder
Chair of the Board of Governors

Dr. Daniel Doz
President and CEO

Public Interest Disclosure Act

This section presents Alberta University of the Arts' disclosures made during 2022-23 according to the Public Interest Disclosure Act. The Act applies to provincial agencies, boards, and commissions. Under the Act, each agency, board, and commission is responsible for annually reporting on the number of disclosures received and investigated.

Amendments to the Alberta Public Interest Disclosure Act (PIDA) took effect on March 1, 2018. In response, Alberta University of the Arts has a Public Interest Disclosure Policy and Procedure.

No disclosures were reported in the past year.

Operational Overview

In 2023, Alberta University of the Arts remained dedicated to its mission of excellence and a commitment to enhancing the student experience as the University continues to focus on executing the Strategic Plan. The year was marked by significant advancements and initiatives that set the stage for a promising future.

Facilities

To meet the evolving needs of our students and faculty, AUArts proposed two transformative building renovation projects: the "Sixth Floor South Side Addition" and the "Learning Commons Development." Seeking support and funding from the Alberta Ministry of Advanced Education, these projects are vital as we approach our Centennial in 2026. The primary objective of the "Sixth Floor South Side Addition" is twofold: to create flexible spaces supporting AUArts' growth in technology and digital content and to enhance operational sustainability through renewable energy generation. This project will accommodate a 15% increase in Full-Time Equivalent (FTE) students and support the growth of emerging programs. The "Learning Commons Development" project aims to create cohesive spaces for creative teaching, learning, and exhibition, accommodating an expected increase of 10% FTE students. These modernization projects position AUArts for growth, improving the student experience and our ability to meet evolving educational and collaborative needs.

Academic Excellence

In 2023, Alberta University of the Arts (AUArts) continued its unwavering commitment to academic excellence and enhancing the student experience. A series of transformative initiatives were introduced to advance academic programs and cater to the needs of the University's diverse community. One significant milestone was the introduction of the Cyclical Program Review Policy and Procedure, which is crucial to ensuring the quality and relevance of AUArts' academic programs. This systematic evaluation process enables the institution to stay ahead of the curve, ensuring that its offerings remain aligned with industry demands and the aspirations of the students.

The Bachelor of Design program underwent substantial improvements in 2023. Prerequisites for 27 courses were reduced, offering students a more flexible and accessible curriculum. Credit issues in the program's second year were addressed, ensuring a smoother educational journey for AUArts students. The development of a Work Integrated Learning (WIL) course titled 'Design Work' not only promoted experiential learning but also fostered engagement with industry, better-preparing AUArts students for successful careers.

Additionally, AUArts focused on strengthening the Bachelor of Fine Arts program to provide more cohesive and integrated learning experiences. Proposed concentration models for each area within the BFA program offers students clearer paths to specialization and expertise. These initiatives underscored AUArts' unwavering commitment to adapt and evolve, aligning its programs with the ever-changing demands of the creative industry.

Inclusive Community

Promoting an inclusive academic community remained a core focus at AUArts. In 2023, significant strides were made toward this goal, demonstrating the institution's commitment to an equitable and diverse learning environment. The dedication to equity, diversity, inclusion, and accessibility (EDIA) was manifested through several noteworthy achievements. AUArts completed an Equity, Diversity and Inclusion (EDI) Study, offering valuable insights into the institution's current state of diversity and inclusivity, providing the foundation for ongoing efforts to enhance EDIA across campus. This ensured that AUArts' academic community reflects the rich tapestry of backgrounds and perspectives, contributing to a vibrant and dynamic learning environment.

To further the commitment to Indigenous perspectives, AUArts developed a framework that integrates Indigenous cultures and voices into every facet of the institution. *AUArts Indigenous Pathways Soksipaitapiiwahsin (Good Living Ways)* honours the unique contributions and experiences of Indigenous students, faculty, and staff, supporting the broader goal of Reconciliation.

In the spirit of advancing EDIA initiatives, a Special Advisor to the President was appointed. This dedicated advisor will be instrumental in helping AUArts implement the findings of the EDI Study and craft strategies and initiatives to promote a more inclusive and accessible environment for all members of the University's community.

In conclusion, 2022-23 marked a year of transformative improvements in academic programming and an unwavering commitment to EDIA at AUArts. These endeavours reinforced the institution's dedication to nurturing talent, fostering innovation, and maintaining its position as a leading and inclusive hub for creative learning and development.



Goals and Performance Measures

Alberta University of the Arts is pleased to report progress toward accomplishing the University's Strategic Plan* Goals and Academic Plan* priorities over the past year. This progress contributes to fulfilling AUArts' roles and mandates under the PSLA, programming, and student support to meet the needs of students and employees, strategic research priorities, and collaborations with other educational institutions.

Strategic Goals

1. Align programming and curriculum to the evolving needs of students and communities.
2. Enable innovation and experimentation through teaching, applied and scholarly research, and creative activities.
3. Expand relationships with strategic partners and communities that enrich and improve students' learning outcomes.
4. Drive sustainable growth through revenue diversification, an engaging academic environment and a high-performance organization.

Academic Priorities

1. Advance quality sustainable programming that prepares students for life and work beyond graduation.
2. Promote research and career skills development throughout AUArts.
3. Build strong relationships.
4. Commit to a culture of inclusion and respect.

*Alberta University of the Arts' 2020-2026 Strategic Plan and 2020-2025 Academic Plan can be found at <https://www.auarts.ca/about-auarts/publications/strategic-plans>

Goals and Performance Measures

Strategic Goal 1. Align programming and curriculum to the evolving needs of students and communities	
Strategy	2022–2023 Accomplishments
Curriculum and credential framework	<ul style="list-style-type: none"> Developed structural changes for BDes program Common course/prerequisite structure developed for BFA degree Cyclical Program Review Policy and Procedure created and approved; First AUArts Cyclical Program Review begun for MFA in Craft Media program Grew Animation micro credential enrollment to 46 and continued refinement of Animation micro-credential to be a fully self-directed online program Achieved Board/government approval for deficit funding for additional micro-credentials
Attract and retain students	<ul style="list-style-type: none"> Strengthened recruitment and retention efforts with seven international study exchange program agreements and 4 Transfer and Articulation Agreements (New agreements: College of New Caledonia; New Brunswick College of Craft and Design; Renewed agreements: Yukon University and College of the Rockies) Signed agreement with ApplyBoard for international recruitment and marketing Executed SEM (Strategic Enrolment Management) strategies with increased Academic Programs' involvement in advising, orientation, and recruitment with future and current students in BFA, BDes, and MFA Implemented timetabling software (infosilem) Developed specific digital recruitment communications and marketing content to support degree and SCEPD recruitment targets Increased student retention from Fall 2022 to Winter 2023 term by 10% Completed ArtStream re-development (June 2023) Expanded faculty complement by hiring seven new full-time faculty members across academic areas
Equity, diversity and inclusion	<ul style="list-style-type: none"> Completed EDI Study (EDI Task Force) Completed Indigenization framework Completed GBSV (Gender-Based and Sexual Violence) review and action plan

Strategic Goal 2. Enable innovation and experimentation through teaching, applied and scholarly research, and creative activities	
Strategy	2022–2023 Accomplishments
Teaching and learning	<ul style="list-style-type: none"> Second IMA target in the MFA approved and implemented to provide 66% of students at AUArts an opportunity for WIL. A third IMA target course (BDes) was developed Continued formalizing governance and support for WIL Secretariat and University Teaching and Learning needs and interests identified via faculty working group; 2 T&L Lunch and Learn sessions held; 4 distinct professional development opportunities in T&L offered to all faculty
Scholarly research and creative activities	<ul style="list-style-type: none"> Continued research intensification work, including re-establishment of the Research Ethics Board (REB), research planning, identification of themes supporting a research centre, and development of research administration policies Relationships with Tri-Council Partners (SSHRC, NSERC, CIHR) and Mitacs developed and renewed Increased international MFA applicants, offers to 9 international students out of 12 offers total Drafted policy and procedure for the establishment of Research Centres Promoted student work and faculty research activities through university digital and social media channels Hired a curator for the Illingworth Kerr Gallery with an arts research mandate Cultivated the MFA Alumni community, including the inauguration of the MFA Folio Lunch Held two faculty research soirees featuring faculty research to community members

Strategic Goal	3. Expand relationships with strategic partners and communities that enrich and improve students learning outcomes
Strategy	2022–2023 Accomplishments
Integrating external communities and strategic partnerships	<ul style="list-style-type: none"> • Centennial plan framework completed • Transformational projects selected • Partnered with the Alberta government on Alberta 2030 priorities, including mental health support and funding for family upgrades • Re-vitalized summer residency program for alumni, artists and other community members • Implemented various academic partnerships (e.g. West Island College workshops) • Developed partnerships supporting student services, including Indigenous and sexual health supports • Numerous community projects are underway across institution in support of students, faculty and alumni (i.e. airport, Brookfield, Platform) • RBC two-year funding for internal student jobs that help build AUArts capacity
Internal partnerships	<ul style="list-style-type: none"> • Conducted several successful community events, including the Welcome Back BBQ, Holiday Luncheon & Long Service Awards and Gallery Crawl (fall '22 and spring'23), good examples of internal community collaboration • Financial investment in the Students' Association Food Shelf program

Strategic Goal	4. Drive sustainable growth through revenue diversification, an engaging academic environment and a high performance organization
Strategy	2022–2023 Accomplishments
High performance organization	<ul style="list-style-type: none"> • Implemented on-going Remote Work Guidelines for Staff (AUPE, Mgmt/Exempt) • Implemented a new benefits provider for AUArts faculty and staff with excellent service and access to health and wellness resources • Implemented salary increases for the majority of employees as per collective agreements and RABCCA legislation
Funding aligned with vision and mandate	<ul style="list-style-type: none"> • Academic Programs obtained an Alberta Targeted Enrolment Expansion Grant to expand Object Design and Fabrication programming. • Boost-A-Student campaign raised \$100,000 (end 2022) to support students in need.
Facility master plan	<ul style="list-style-type: none"> • Submitted funding request for 6th-floor addition and solar energy installation totalling \$16.7 million • Initiated upgrades to classrooms and studio facilities, including technology upgrades • Implemented detailed budgeting methodology and enhanced budget owner consultation • Partial implementation of AFE process to replace BIR • Implemented financial planning software for budgeting, forecasting, and management reporting

Financial Statement Discussion Analysis

Financial Statement Discussion Analysis

The financial statement discussion and analysis should be read in conjunction with the audited financial statements of Alberta University of the Arts (AUArts) for the year ended June 30, 2023, and accompanying notes. AUArts financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

The Auditor General of Alberta has audited the financial statements and has provided the accompanying Independent Auditors' Report. The financial statements and Annual Report satisfy a legislative requirement in Alberta's Post-secondary Learning Act.

The financial statement discussion and analysis and the audited financial statements are reviewed and approved by the Board of Governors of AUArts on the recommendation of the Finance and Audit Committee.

All amounts are expressed in thousands of dollars unless otherwise noted.

The Board of Governors of AUArts is a corporation which manages and operates AUArts under the Post-Secondary Learning Act (Alberta). AUArts is a specialized arts and culture institution mandated to offer four-year undergraduate and graduate degrees in visual art and design.

Financial Highlights

In 2022-23, AUArts continued to demonstrate commitment to fiscal responsibility and ended the year with an operating surplus of \$1,513 (2022: \$658). The surplus was primarily related to the increase in tuition and fees from higher-than-planned student enrollment (\$1,465) and increased investment income (\$183).

Net assets of \$19,478 increased from the prior year (2022: \$17,143) and is mainly due to an increase in the fair value of portfolio investments (\$580) along with the annual operating surplus (\$1,513).

Revenues

Total revenues for the year ending June 30, 2023, were \$25,808 compared to budgeted \$24,016 and \$24,072 in the prior year. This represents an increase of 7% compared both to the budget and the preceding year.

	2023 Actual	2023 Budget	Variance to Budget	2022 Actual	Variance to Prior Year
Government of Alberta grants	\$15,629	\$15,264	\$365	\$15,764	\$(135)
Federal and other government grants	62	60	2	152	(90)
Sales of services and products	662	821	(159)	453	209
Student tuition and fees	7,956	6,961	995	6,491	1,465
Donations and other contributions	629	535	94	525	104
Investment income	870	375	495	687	183
	\$25,808	\$24,016	\$1,792	\$24,072	\$1,736

Government of Alberta Grants

Grants from the Government of Alberta represent the University's single largest source of revenue. Total revenues from Government of Alberta grants, including expended capital, were \$135 or 1% lower compared to the prior year and an increase of \$365 or 2% compared to budget. Government of Alberta grants were lower than the prior year, mainly due to a decrease in the Campus Alberta operating grant year-over-year. The increase in grants compared to budget was driven by planning and higher utilization of the various university transition grants and earned capital contributions for building renovations and upgrades.

Federal and Other Government Grants

Total revenues from federal and other government grants, including expended capital, were \$90 or 59% lower compared to the prior year but comparable to budget. In 2021-22, AUArts received a \$45 municipal foundation grant and had a higher utilization of interprovincial funding available to support students and applied research grants.

Sales of Services and Products

Sales of services and products includes revenues generated by bookstore sales of art supplies. Sales of services and products were \$209 or 46% higher than in the prior year due to the bookstore returning to full operation post-pandemic. An unfavourable budget-to-actual variance of \$159 or 19% was due to the global pandemic and other geopolitical uncertainties experienced at the time of budget preparation.

Student Tuition and Fees

Student tuition and fees includes instructional fees, international student fees, and mandatory non-instructional fees. Student tuition and fees were \$1,465 or 23% higher than in the prior year and \$995 or 14% higher than budget. The increase is explained by a combination of tuition fee increases and increased student enrollment.

Donations and Other Contributions

In 2022-23, AUArts continued to receive support from new and existing sponsors. Total revenues from donations and contributions were \$104 or 20% higher than the prior year and \$94 or 18% higher than budget. This increase was driven by higher utilization of funds available from donations and contributions compared to the prior year when AUArts was still recovering from pandemic disruptions.

Investment Income

Investment income supports both AUArts' operating activities and a reserve for strategic and other initiatives. Investment income revenue was \$183 or 27% higher than the prior year and \$495 higher than budget. The increase in investment income is due to higher returns earned on account balances and GICs, as well as higher dividends and realized gains on long-term managed portfolio investments.

Expenses

Total expenses for the period ending June 30, 2023 were \$24,295. This represents an increase of \$881 or 4% compared to the prior year and an increase of \$279 or 1% compared to budget. Employee salaries and benefits are the single largest expense, representing 67% of total costs. Overall, the increase in expenditure compared to the prior year can be attributed mainly to the rise in employee salaries and benefits as campus activity returned to near-normal levels of operation after the pandemic.

	2023 Actual	2023 Budget	Variance to Budget	2022 Actual	Variance to Prior Year
Employee salaries and benefits	\$16,308	\$16,224	\$84	\$15,347	\$961
Materials, supplies and services	5,571	5,201	370	5,773	(202)
Utilities	768	1,123	(355)	892	(124)
Amortization of tangible capital assets	924	698	226	760	164
Cost of goods sold	280	411	(131)	186	94
Scholarships and bursaries	380	312	68	396	(16)
Maintenance and repairs	64	47	17	60	4
	\$24,295	\$24,016	\$279	\$23,414	\$881

Employee Salaries and Benefits

Employee salaries and benefits were \$961 or 6% higher than the prior year and comparable to budget. In 2022-23, AUArts hired more sessional instructors to accommodate increased student enrollment and the resulting demand for direct instruction.

Materials, Supplies and Services

Materials, supplies and services were \$202 or 3% lower than the prior year and \$370 or 7% higher than budget. The decrease over the preceding year is mainly due to the changes in applying AUArts' tangible capital asset policy as AUArts started capitalizing bulk purchases exceeding \$5. The increase compared to budget is due to higher-than-expected recruitment, staffing and general service contract expenses.

Utilities

Utilities were \$124 or 14% lower than the prior year and \$355 or 32% lower than budget. In 2022-23, AUArts completed the Mechanical Room Retrofit project, which resulted in significant savings in the cost of utilities.

Amortization of Tangible Capital Assets

Amortization was \$164 or 22% higher than the prior year and \$226 or 32% higher than budget. This increase is driven by the completion of the Mechanical Room Retrofit project and changes in applying AUArts tangible capital asset policy as AUArts started capitalizing bulk purchases exceeding \$5.

Cost of Goods Sold

Cost of goods sold was \$94 or 51% higher than the prior year and \$131 or 32% lower than budget. The cost of goods sold is related to bookstore operations. Compared to the preceding year, the increase is due to the bookstore returning to full operation post-pandemic. An unfavourable budget-to-actual variance is due to several geopolitical and economic uncertainties at the time of budget preparation.

Financial Statement Discussion Analysis

Scholarships and Bursaries

Scholarships and bursaries were comparable to the prior year and exceeded budget by \$68 or 22%. The increase over budget is due to higher than planned graduate awards from restricted funding (grants and endowments) and the AUArts gem collection.

Maintenance and Repairs

Maintenance and repairs expenses were comparable to the prior year and exceeded budget by \$17 or 36%. The increase over budget is due to unexpected studio evergreening and classroom equipment repairs.

Capital

AUArts capital acquisitions are funded by internal operating funds, government grants, and donations.

	2023	2022	Variance
Building improvement	\$4,721	\$1,679	\$3,042
Computer hardware and software	234	–	234
Furnishings and equipment	147	270	(123)
	\$5,102	\$1,949	\$3,153

Significant capital asset acquisitions in 2022-23 included the following:

- Mechanical Room Retrofit project of \$3,258
- Electrical project of \$393
- Washroom upgrades of \$390
- Roof replacement project of \$360
- Data cabling project of \$222

Net Assets and Net Financial Assets

Net Assets

The net asset balance is an important indicator of financial health for the university. The net assets measure provides the economic position of the university from all years of operations. AUArts net assets include endowments of \$8,581. Endowments represent contributions from donors and capitalized investment income that are required to be maintained in perpetuity to protect the future economic value of the endowment. Of the remaining \$10,897 in net assets, \$1,238 represents funds invested in tangible capital assets.

	2023	2022	Variance
Accumulated surplus from operations	\$8,143	\$7,173	\$970
Investment in tangible capital assets	1,238	794	444
Internally restricted surplus	512	863	(351)
Endowments	8,581	7,889	692
Accumulated remeasurement gains	1,004	424	580
	\$19,478	\$17,143	\$2,335

In 2022-23, AUArts' net assets increased due to changes in the accumulated surplus from operations, new tangible capital assets acquisitions, new endowment contributions, and an increase in accumulated remeasurement gains due to higher returns earned on long-term managed portfolio investments.

Net Financial Assets

AUArts liquidity needs are met primarily through operating cash flows, working capital balances and capital expansion funding received through grants. Net financial assets is a measure of an organization's ability to use its financial assets to cover liabilities, fund future operations, and invest in renewal and growth activities.

Net financial assets (excluding portfolio investments restricted for endowments) indicate that the university has \$7,737 (2022: \$6,992) in financial assets to repay existing liabilities and to fund future operations. During the year, net financial assets increased mainly due to the \$1,755 annual surplus being offset by the acquisition of tangible capital assets net of amortization.

Areas of Significant Financial Risk

AUArts operates in a complex environment and must manage various risks, which are managed through an integrated enterprise risk management framework. The significant risks that can affect AUArts from a financial perspective are as follows:

Budgetary Pressure

AUArts relies on the Government of Alberta's Operations and Program Support Grant for over 60% of revenue. In recent years, the Government has introduced the Investment Management Agreement, which dictates performance metrics that must be achieved to maintain funding. To date, AUArts has met these metrics. However, any future reductions to this grant represent a significant financial risk to the university. Were this grant to be reduced, AUArts would have limited options to cultivate other revenue streams, given tuition regulation and limited capacity to pursue ancillary services revenue. As such, AUArts must focus on meeting the Government of Alberta's performance metrics and implementing operating efficiencies.

Inflation Pressures and Escalating Costs

During the year, AUArts contended with increased costs due to macro inflationary pressures. This trend will continue into subsequent years, particularly for labour costs due to the ratification of the AUArts Faculty Association and Alberta Union of Employees collective agreements. These escalating costs will challenge AUArts' ability to maintain service excellence and ongoing operational efficiencies.

Information Technology

AUArts spends a significant portion of operating funds, internally sourced capital funds, and restricted reserve funds on information technology each year to develop and support systems requirements across the university. Although there are significant expenditures on information technology security and insurance, the number of cyber risks continues to increase. If a cyber event impacted AUArts, there could be a considerable financial and reputational impact.

Investment Performance

AUArts held \$18 million in portfolio investments at June 30, 2023. The value of AUArts investments increased by 17% in 2022-23 compared to 2021-22. Should the value of these investments decline, it may impact AUArts' ability to support its services and programs.

Capital Plan

Type of Project and Funding Sources					
Type	Project Description	Project Cost	Funding Sources ¹	Funding Received and Source ²	Revised Funding Sources
Maintenance	Classroom/ studio HVAC replacement	\$2,858	GoA	\$2,858 (GoA, CMR funded)	No change
Proposed	Learning commons	\$28,800	GoA	–	No change
Proposed	Sixth-floor south-side expansion	\$16,900	GoA	–	No change
Proposed	Classroom/ studio modernization	\$12,700	GoA	–	No change

Project Timelines and Status					
Project Description	Estimated Timeline	Expected Start	Expected Completion	Project Status	Progress in Last 12 Months
Classroom/ studio HVAC replacement	Apr 2023 to Aug 2024	Jul 2023	Aug 2025	In progress	Started planning and design
Learning commons	Jun 2024 to May 2026	Estimated Jun 2024	Estimated May 2026	Pending approval and funding	N/A
Sixth-floor south-side expansion	May 2024 to Dec 2025	Estimated May 2024	Estimated Dec 2025	Pending approval and funding	N/A
Classroom/ studio modernization	May 2024 to Sept 2026	Estimated May 2024	Estimated Sept 2026	Pending approval and funding	N/A

¹ GOA = Government of Alberta; GoC = Government of Canada

² Amounts received to June 30, 2023

Appendix

Alberta University of the Arts
Financial Statements

Alberta University of the Arts

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2023

Alberta University of the Arts
FINANCIAL STATEMENTS
For the Year ended June 30, 2023

Statement of Management Responsibility

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Change in Net Financial Assets

Statement of Remeasurement Gains and Losses

Statement of Cash Flows

Notes to the Financial Statements

**ALBERTA UNIVERSITY OF THE ARTS
FINANCIAL STATEMENTS
STATEMENT OF MANAGEMENT RESPONSIBILITY
YEAR ENDED JUNE 30, 2023**

The financial statements of the Alberta University of the Arts ("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 June 30, 2023 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 the 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 Finance and Audit Committee. With the exception of the President and Chief Executive Officer, all members of the Finance and Audit Committee are not employees of the University. The Finance and Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Finance and 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 Dr. Daniel Doz
President and Chief Executive Officer

Original signed by Scott Powell
Vice-President, Finance and Operations

Independent Auditor's Report

To the Board of Governors of Alberta University of the Arts

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta University of the Arts (the University), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, remeasurement gains and losses, change in net financial assets, 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 June 30, 2023, 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

October 24, 2023
Edmonton, Alberta

**ALBERTA UNIVERSITY OF THE ARTS
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023
(thousands of dollars)**

	<u>2023</u>	<u>2022</u>
Financial assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (note 4)	\$ 14,965	\$ 16,613
Portfolio investments – non-endowment (note 5)	7,992	6,451
Accounts receivable	533	182
Inventories held for sale	275	294
	<u>23,765</u>	<u>23,540</u>
Liabilities		
Accounts payable and accrued liabilities	3,061	3,288
Employee future benefit liabilities (note 7)	71	76
Debt (note 8)	84	105
Deferred revenue (note 9)	12,812	13,079
	<u>16,028</u>	<u>16,548</u>
Net financial assets excluding portfolio investments restricted for endowments	<u>7,737</u>	<u>6,992</u>
Portfolio investments – restricted for endowments (note 5)	9,764	8,694
Net financial assets	<u>17,501</u>	<u>15,686</u>
Non-financial assets		
Tangible capital assets (note 11)	11,756	7,578
Inventories of supplies	287	308
Prepaid expenses	365	247
	<u>12,408</u>	<u>8,133</u>
Net assets before spent deferred capital contributions	<u>29,909</u>	<u>23,819</u>
Spent deferred capital contributions (note 10)	10,431	6,676
Net assets (note 12)	<u>\$ 19,478</u>	<u>\$ 17,143</u>
Net assets is comprised of:		
Accumulated surplus	\$ 18,474	\$ 16,719
Accumulated remeasurement gains	1,004	424
	<u>\$ 19,478</u>	<u>\$ 17,143</u>

Contingent assets and contractual rights (notes 13 and 15)
Contingent liability and contractual obligations (notes 14 and 16)

Approved by the Board of Governors:

Original signed by M. Carol Ryder
Chair, Board of Governors

Original signed by Tom Graham
Chair, Finance and Audit Committee

The accompanying notes are an integral part of these financial statements

**ALBERTA UNIVERSITY OF THE ARTS
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)**

	Budget (note 21)	2023	2022
Revenues			
Government of Alberta grants (note 19)	\$ 15,264	\$ 15,629	\$ 15,764
Federal and other government grants (note 19)	60	62	152
Sales of services and products	821	662	453
Student tuition and fees	6,961	7,956	6,491
Donations and other contributions	535	629	525
Investment income	375	870	687
	<u>24,016</u>	<u>25,808</u>	<u>24,072</u>
Expenses			
Instruction and non-sponsored research	8,669	8,833	8,478
Institutional support	6,564	6,921	6,526
Academic and student support	5,029	5,023	4,977
Facility operations and maintenance	3,005	2,777	2,854
Ancillary services	749	639	525
Sponsored research	-	102	54
	<u>24,016</u>	<u>24,295</u>	<u>23,414</u>
Annual operating surplus	-	1,513	658
Endowment contributions and capitalized investment income			
Endowment contributions (note 12)	100	92	64
Endowment capitalized investment income (note 12)	90	150	276
	<u>190</u>	<u>242</u>	<u>340</u>
Annual surplus	190	1,755	998
Accumulated surplus, beginning of year	<u> </u>	<u>16,719</u>	<u>15,721</u>
Accumulated surplus, end of year (note 12)	<u>\$ 190</u>	<u>\$ 18,474</u>	<u>\$ 16,719</u>

The accompanying notes are an integral part of these financial statements

ALBERTA UNIVERSITY OF THE ARTS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

	<u>Budget</u> (note 21)	<u>2023</u>	<u>2022</u>
Annual surplus	\$ 190	\$ 1,755	\$ 998
Acquisition of tangible capital assets		(5,102)	(1,949)
Amortization of tangible capital assets	698	924	760
Decrease (increase) in inventories of supplies		21	(9)
(Increase) in prepaid expenses		(118)	(18)
Increase in spent deferred capital contributions		3,755	810
Increase (decrease) in accumulated remeasurement gains		<u>580</u>	<u>(1,275)</u>
Increase (decrease) in net financial assets	888	1,815	(683)
Net financial assets, beginning of year	<u>15,686</u>	<u>15,686</u>	<u>16,369</u>
Net financial assets, end of year	<u>\$ 16,574</u>	<u>\$ 17,501</u>	<u>\$ 15,686</u>

The accompanying notes are an integral part of these financial statements

ALBERTA UNIVERSITY OF THE ARTS
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

	<u>2023</u>	<u>2022</u>
Accumulated remeasurement gains, beginning of year	\$ 424	\$ 1,699
Unrealized gains (losses) attributable to:		
Quoted in active market financial instruments:		
Portfolio investments — non-endowment	867	(692)
Amounts reclassified to the statement of operations:		
Quoted in active market financial instruments:		
Portfolio investments — non-endowment	<u>(287)</u>	<u>(583)</u>
Change in accumulated remeasurement gains	580	(1,275)
Accumulated remeasurement gains, end of year	<u>\$ 1,004</u>	<u>\$ 424</u>

The accompanying notes are an integral part of these financial statements

ALBERTA UNIVERSITY OF THE ARTS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

	<u>2023</u>	<u>2022</u>
Operating transactions		
Annual surplus	\$ 1,755	\$ 998
Add (deduct) non-cash items:		
Amortization of tangible capital assets	924	760
(Gain) loss on sale of portfolio investments	(453)	1,025
Expended capital contributions recognized as revenue	(721)	(616)
Decrease in employee future benefit liabilities	(5)	(1)
Change in non-cash items	(255)	1,168
(Increase) decrease in accounts receivable	(351)	28
Decrease in inventories held for sale	19	30
(Decrease) in accounts payable and accrued liabilities	(227)	(11)
(Decrease) in deferred revenue, excluding change in restricted unrealized gain	(267)	(2,290)
Decrease (increase) in inventories of supplies	21	(9)
(Increase) in prepaid expenses	(118)	(18)
Cash provided by (applied to) operating transactions	<u>577</u>	<u>(104)</u>
Capital transactions		
Acquisition of tangible capital assets, less in-kind donations	(5,102)	(1,949)
Cash applied to capital transactions	<u>(5,102)</u>	<u>(1,949)</u>
Investing transactions		
Purchase of portfolio investments	(2,567)	(705)
Proceeds on sale of portfolio investments	989	56
Cash applied to investing transactions	<u>(1,578)</u>	<u>(649)</u>
Financing transactions		
Debt – repayment	(21)	(22)
Debt - new financing	-	105
Increase in spent deferred capital contributions	4,476	1,426
Cash provided by financing transactions	<u>4,455</u>	<u>1,509</u>
(Decrease) in cash and cash equivalents	(1,648)	(1,193)
Cash and cash equivalents, beginning of year	<u>16,613</u>	<u>17,806</u>
Cash and cash equivalents, end of year	<u>\$ 14,965</u>	<u>\$ 16,613</u>

The accompanying notes are an integral part of these financial statements

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

1. Authority and Purpose

The Board of Governors of the Alberta University of the Arts is a corporation which manages and operates the Alberta University of the Arts ("the University") under the *Post-Secondary Learning Act* (Alberta). 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 and Chief Executive Officer, who is an *ex officio* member. Under the *Post-secondary Learning Act* the University is a specialized arts and culture institution mandated to offer four-year undergraduate and graduate degrees in visual art and design. 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 judgement to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets and restricted expended capital recognized as revenue 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 classified and measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Portfolio investments	Fair value
Inventories held for sale	Lower of cost and net realizable value
Accounts receivable	Lower of cost and net realizable value
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of 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 recognized 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.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(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 using 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 cash and cash equivalents and 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 designate the entire contract for fair value measurement 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 revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized 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 recognized 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 and tangible capital assets are recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recognized at the carrying value. While volunteers, as well as, University staff contribute a significant amount of time each year to assist the University in carrying out its mission, the value of their services is not recognized in the financial statements because the fair value cannot be reasonably determined.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

c) Revenue Recognition (continued)

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.

The University recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the University cannot determine the fair value, it recognizes such in-kind contributions at nominal value.

Endowment contributions

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

Investment income

Investment income includes dividends, interest income, and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when terms of the grant or donation are met.

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use of the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the statement of operations as a component of endowment contributions and capitalized investment income.

d) Endowments

Endowments consist of:

- Externally restricted donations received by the University and internal allocations by the University's Board of Governors, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Donors 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 and by reinvesting of unexpended income.

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, generally to regulate the distribution of income earned by the endowments.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

d) Endowments (continued)

- Encroachment on the capital of the endowments to avoid fluctuations in the amounts distributed and generally to regulate the distribution of investment income earned by the endowments 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.

Twenty-five percent of the investment income earned on endowment is re-invested along with the principal donation. The remaining seventy-five percent is held to fund scholarship awards. The University does not draw against the principal of the endowment to fund scholarship awards.

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

e) Inventories for sale

Inventories held for sale are valued at the lower of cost and expected net realizable value and are determined using the first in first out (FIFO) method. Inventories of supplies are valued at cost.

f) Tangible Capital Assets

Tangible capital assets are recognized 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. Assets or disposal groups that are classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of future minimum lease payments at the inception of the lease excluding executor costs (e.g. insurance, maintenance costs, etc.). Leased equipment is reflected as an asset and a liability in the statement of financial position. The discount rate used to determine the present value of the lease payments is the interest rate implicit in the lease. Note 8 provides a schedule of repayments and amount of interest on the lease.

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:

Building improvements	15 years
Furnishings and equipment	5 years
Computer hardware and software	3 – 5 years

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

f) Tangible Capital Assets (continued)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and 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 accounted for as expenses in the statement of operations.

Assets under capital lease are amortized on the same basis as tangible capital assets.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible 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. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the statement of operations, and the cumulative amount in the remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

h) Employee Future Benefits

Pension

The University participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the University's participating employees based on years of service and earnings.

The University does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the LAPP 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.

**ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)**

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

h) Employee Future Benefits (continued)

Long-Term Disability

The University pays or shares the premiums for certain employees on long-term disability. The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the University's long-term disability plans is charged to expense in full when the event occurs which obligates the University to provide the benefits. The cost of these benefits is determined using the present value of the estimated cost of these premiums and is recorded at the time the University becomes obligated under the plan. Comparative amounts for the liability associated with employees on long-term disability continue to be presented in the statement of financial position as employee future benefit liabilities.

Other Employee Benefit Plans

The University also provides employee future benefits in the form of compensated absences for sabbaticals. The cost of providing employee future benefits for compensated absences under the University's sabbatical plan is charged to expense in full when the event occurs which obligates the University to provide the benefits. These benefits are disclosed as part of the salaries and benefits.

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 the soil, water or sediment. It does not include airborne contaminants. The University recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- i. an environmental standard exists;
- ii. there is evidence that contamination exceeds an environmental standard;
- iii. the University is directly responsible or accepts responsibility for the contamination;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

A liability for a contaminated site may arise from operations that are either considered in productive use or no longer in productive use when environmental standards are exceeded. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard.

A liability for remediation of a site is recognized by the University when the University has accepted responsibility for remediation costs, even where an environmental standard does not exist or contamination does not exceed an environmental standard. The University recognizes a liability for the remediation of these sites using the liability for contaminated sites criteria.

As at June 30, 2023 there are no contaminated sites.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

j) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

- i. decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- ii. remediation of contamination of a tangible capital asset created by its normal use;
- iii. post-retirement activities such as monitoring; and
- iv. constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

Where a present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the statement of operations. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

As at June 30, 2023 there are no asset retirement obligations.

k) Expense by Function

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

Instruction and non-sponsored research

Expenses relating to support for the academic functions of the University including institutional program delivery, both credit and non-credit, and expenses related to scholarly and non-sponsored research activities undertaken by faculty.

Academic and student support

Expenses relating to the direct support of instructional delivery and the support of the student body.

**ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)**

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

k) Expense by Function (continued)

Institutional support

Expenses relating to executive management, corporate insurance premiums, corporate finance, human resources, information technology, communications and fund development, and other University-wide administrative services.

Facility operations and maintenance

Expenses relating to maintenance and renewal of facilities that house the teaching, research and administrative activities within the University. These include utilities, facilities administration, building maintenance, security, custodial services, as well as minor repairs and renovations.

Ancillary services

Expenses relating to secondary services available to students, faculty and staff. Services include food services and bookstore operations.

Sponsored research

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

l) Funds and Reserves (PSG-4)

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

m) Future Changes in Accounting Standards

In November 2018, the Public Sector Accounting Board (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 exchange transactions and unilateral transactions.

In November 2020, PSAB issued PSG-8 Purchased intangibles. This accounting guideline is effective for fiscal years starting on or after April 1, 2023. Purchased intangibles provides guidance on how to recognize intangibles as non-financial assets.

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

3. Changes in Accounting Policies

In August 2018, PSAB issued the new accounting standard PS 3280 Asset Retirement Obligations. The standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset. Effective July 1, 2022, the University adopted this accounting standard. The adoption of the standard did not have an impact on the University's financial statements.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

4. Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
Cash	\$ 6,891	\$ 15,569
Cash equivalents	8,074	1,044
	<u>\$ 14,965</u>	<u>\$ 16,613</u>

Cash and cash equivalents are comprised of cash on hand and short-term investments held for the purpose of meeting short-term commitments.

5. Portfolio Investments

	<u>2023</u>	<u>2022</u>
Portfolio investments – non-endowment	\$ 7,992	\$ 6,451
Portfolio investments – restricted for endowments	9,764	8,694
	<u>\$ 17,756</u>	<u>\$ 15,145</u>

The composition of portfolio investments measured at fair value is as follows:

	<u>2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Portfolio managed money market	\$ 1,330	\$ -	\$ -	\$ 1,330
Portfolio managed fixed income	6,552	-	-	6,552
Portfolio managed equity	9,874	-	-	9,874
	<u>\$ 17,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,756</u>
	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Portfolio managed money market	\$ 1,866	\$ -	\$ -	\$ 1,866
Portfolio managed fixed income	5,129	-	-	5,129
Portfolio managed equity	8,150	-	-	8,150
	<u>\$ 15,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,145</u>

The fair market value measurements are those derived from:

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

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

**ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)**

5. Portfolio Investments (continued)

The University has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The University's Finance and Audit Committee, a subcommittee of the Board of Governors, has the delegated authority for oversight of the University's investments under a policy of the Board. The Finance and Audit Committee monitors investment manager performance, to ensure compliance with the University's investment guidelines, and to evaluate the continued appropriateness of the University's investment guidelines.

Under the investment policy, the prime objectives of the investment fund are to generate income and to preserve the purchasing power of donated capital, and to generate growth in the capital value of the University's investment funds.

The prime constraints that guide the investment practice are risk aversion and liquidity.

6. Financial Risk Management

The University is exposed to the following risks:

Market price risk

The University is exposed to market price risk – 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 that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

The following details the University's portfolio sensitivity to a 8.85% increase or decrease in the market prices. The sensitivity rate is determined using the historical standard deviation for the total fund based on a 4-year rolling period as determined by the investment advisor. At June 30, 2023, if market prices had a 8.85% (2022 – 8.29%) 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 be \$1,571 (2022 – \$1,256).

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The University does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The University's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

6. Financial Risk Management (continued)

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the University. The University is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

The credit risks on investments held are as follows:

	<u>2023</u>	<u>2022</u>
Credit rating		
AAA	17.29%	21.08%
AA	38.24%	27.28%
A	30.88%	36.77%
BBB	13.59%	14.87%
	<u>100.00%</u>	<u>100.00%</u>

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with its financial liabilities. The University maintains investments that may not be immediately liquid. This risk is managed through the University's investment guidelines and other internal policies, guidelines and procedures.

Interest rate risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the University holds. If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to the University's fixed income portfolio would be approximately 6.9 % (2022 – 7.0%).

The maturity and effective market yield of interest bearing investments are as follows:

Asset class	< 1 year	1 - 5 years	> 5 years	Average effective market yield
Cash and cash equivalents	100%	0%	0%	4.81%
Portfolio funds, fixed income	0.57%	46.41%	53.02%	4.44%

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

7. Employee Future Benefits

a) Long-term disability

The University provides certain extended health benefits to employees leaving the employment of the University under specific conditions. Liabilities for future benefit payments are recognized by the University in the year the application is approved. As at June 30, 2023, the University had a liability associated with these benefits totalling \$71 (2022 - \$76).

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

Multi-employer pension plan

Local Authorities Pension Plan (LAPP)

The LAPP is a multi-employer contributory defined benefit plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2022, the LAPP reported an actuarial surplus of \$12,671 million (2021 – \$11,922 million). An actuarial valuation of the LAPP was carried out as at December 31, 2021 and the results were then extrapolated to December 31, 2022. The pension expense recognized in these financial statements is \$951 (2022 – \$974).

8. Debt

The University has liabilities under capital lease agreements for copier and printing equipment. The following outstanding amounts relate to these obligations:

	Interest rate	2023	2022
Liabilities under capital leases	4%	\$ 84	\$ 105

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	\$ 20	\$ 3	\$ 23
2025	20	2	22
2026	21	2	23
2027	21	1	22
2028	2	-	2
	\$ 84	\$ 8	\$ 92

Interest expense on debt is \$0 (2022 - \$1) and is included in the statement of operations.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

9. Deferred Revenue

Deferred revenue is set aside for specific purposes as required by legislation, regulation or agreement:

	2023				2022
	Deferred research and special purpose	Unspent deferred capital contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 5,648	\$ 7,049	\$ 382	\$ 13,079	\$ 15,369
Grants, tuition, and donations	1,094	3,516	7,139	11,749	6,982
Restricted investment income	477	138	-	615	843
Unrealized gains (losses)	194	-	-	194	(2,021)
Other transfers	(37)	-	-	(37)	-
Transfers to spent deferred capital contributions	-	(4,476)	-	(4,476)	(1,426)
Recognized as revenue	(1,029)	(2)	(6,972)	(8,003)	(6,350)
Scholarships, bursaries issued	(309)	-	-	(309)	(318)
Balance, end of year	\$ 6,038	\$ 6,225	\$ 549	\$ 12,812	\$ 13,079

10. Spent Deferred Capital Contributions

Spent deferred capital contributions is comprised of externally restricted grants and donations spent on tangible capital acquisitions (not yet recognized as revenue).

	2023	2022
Balance, beginning of year	\$ 6,676	\$ 5,866
Transfers from unspent deferred capital contributions	4,476	1,426
Expended capital contributions recognized as revenue	(721)	(616)
Net change for the year	3,755	810
Balance, end of year	\$ 10,431	\$ 6,676

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

11. Tangible Capital Assets

	2023			2022	
	Building Improvements	Furnishings and Equipment ⁽¹⁾	Computer Hardware and Software	Total	Total
Cost					
Beginning of year	\$ 12,638	\$ 1,457	\$ 1,552	\$ 15,647	\$ 13,898
Acquisitions	4,721	234	147	5,102	1,949
Disposals, including write-downs	-	(213)	(299)	(512)	(200)
	<u>\$ 17,359</u>	<u>\$ 1,478</u>	<u>\$ 1,400</u>	<u>\$ 20,237</u>	<u>\$ 15,647</u>
Accumulated Amortization					
Beginning of year	\$ 5,492	\$ 1,037	\$ 1,540	\$ 8,069	\$ 7,509
Amortization expense	747	148	29	924	760
Effects on disposals, including write-downs	-	(213)	(299)	(512)	(200)
	<u>\$ 6,239</u>	<u>\$ 972</u>	<u>\$ 1,270</u>	<u>\$ 8,481</u>	<u>\$ 8,069</u>
Net Book Value at June 30, 2023	<u>\$ 11,120</u>	<u>\$ 506</u>	<u>\$ 130</u>	<u>\$ 11,756</u>	
Net Book Value at June 30, 2022	<u>\$ 7,146</u>	<u>\$ 420</u>	<u>\$ 12</u>		<u>\$ 7,578</u>

No interest was capitalized by the University in 2023.

Cost includes work-in-progress at June 30, 2023 totaling \$67 (2022 – \$688) comprised of building improvements \$67 (2022 – \$643) and equipment \$0 (2022 – \$45). These amounts are not amortized as they are not yet available for use.

(1) Included in furnishings and equipment are assets under capital lease that have a cost of \$105 (2022 – \$105) and accumulated amortization of \$21 (2022 – \$0).

The land and buildings which house the University are owned by SAIT and are occupied by the University under a master service agreement.

The University holds a large number of contemporary works of art including paintings, sculptures, drawings, photographs, prints and other craft media. Due to the subjective nature of the value of these assets, the values are not reported in this note.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

12. Net Assets

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus	Endowments	Total
Net Assets as at June 30, 2021	\$ 9,025	\$ 498	\$ 1,348	\$ 6,549	\$ 17,420
Annual operating surplus	658	-	-	-	658
Endowments:					
New donations	-	-	-	64	64
Capitalized investment income	-	-	-	276	276
Transfer to (from) endowments	(1,000)	-	-	1,000	-
Tangible capital assets:					
Amortization of tangible capital assets	121	(121)	-	-	-
Acquisition of tangible capital assets	(43)	417	(374)	-	-
Operating expenses funded from internally restricted surplus	111	-	(111)	-	-
Net board appropriation to internally restricted surplus	-	-	-	-	-
Net board appropriation to endowments	-	-	-	-	-
Change in accumulated remeasurement gains	(1,275)	-	-	-	(1,275)
Net assets, beginning of year	\$ 7,597	\$ 794	\$ 863	\$ 7,889	\$ 17,143
Annual operating surplus	1,513	-	-	-	1,513
Endowments:					
New donations	-	-	-	92	92
Capitalized investment income	-	-	-	150	150
Transfer to (from) endowments	(450)	-	-	450	-
Tangible capital assets:					
Amortization of tangible capital assets	182	(182)	-	-	-
Acquisition of tangible capital assets	(362)	626	(264)	-	-
Operating expenses funded from internally restricted surplus	87	-	(87)	-	-
Net board appropriation to internally restricted surplus	-	-	-	-	-
Change in accumulated remeasurement gains	580	-	-	-	580
Net assets, end of year	\$ 9,147	\$ 1,238	\$ 512	\$ 8,581	\$ 19,478
Net assets is comprised of:					
Accumulated surplus	\$ 8,143	\$ 1,238	\$ 512	\$ 8,581	\$ 18,474
Accumulated remeasurement gains and losses	1,004	-	-	-	1,004
	\$ 9,147	\$ 1,238	\$ 512	\$ 8,581	\$ 19,478

Internally restricted surplus

Internally restricted accumulated surplus represents amounts set aside by the University's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. Internally restricted net assets with significant balances include:

	2023	2022
Capital and infrastructure	129	440
Academic and institutional initiatives	383	423
	\$ 512	\$ 863

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

13. Contingent Assets

The University has no contingent assets as at June 30, 2023.

14. Contingent Liability

The University has no contingent liability as at June 30, 2023.

15. Contractual Rights

The University has no material contractual rights arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of those contracts or agreements are met.

16. Contractual Obligations

The University has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	<u>Service contracts</u>	<u>Information systems and technology</u>	<u>Total</u>
2024	\$ 1,056	\$ 1,732	\$ 2,788
2025	592	651	1,243
2026	551	208	759
2027	150	69	219
2028	3	-	3
Total at June 30, 2023	<u>\$ 2,352</u>	<u>\$ 2,660</u>	<u>\$ 5,012</u>
Total at June 30, 2022	<u>\$ 1,924</u>	<u>\$ 4,321</u>	<u>\$ 6,245</u>

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

17. Expense by Object

The following is a summary of expense by object:

	2023		2022
	Budget (note 21)	Actual	Actual
Employee salaries and benefits	\$ 16,224	\$ 16,308	\$ 15,347
Materials, supplies and services	5,201	5,571	5,773
Utilities	1,123	768	892
Amortization of tangible capital assets	698	924	760
Cost of goods sold	411	280	186
Scholarships and bursaries	312	380	396
Maintenance and repairs	47	64	60
	<u>\$ 24,016</u>	<u>\$ 24,295</u>	<u>\$ 23,414</u>

18. Related Parties

The University is a related party to organizations within the Government of Alberta reporting entity. Key management personnel of the University and their close family members are also considered related parties. The University may enter into arm's length transactions with these entities and individuals.

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

- The University operates out of the building owned by the Southern Alberta Institute of Technology (SAIT). The University has occupied the site for the past 37 years for a nominal sum in accordance with the terms of a short-term lease agreement with SAIT which has been renewed regularly.
- The University has a service agreement with SAIT for the provision of certain computer and information systems support and maintenance. During the year, the University paid \$341 (2022 – \$336) for these services, but due to the unique physical and operating arrangements in place and the specialized integrated nature of operations, the fair value of this agreement cannot reasonably be determined.

The University amount due to SAIT as at June 30, 2023 is \$927 (2022 - \$1,059).

The University has a contractual obligation to SAIT for \$698 (2022 – \$71) included in Note 16 related to future computer and information systems support and maintenance.

During the year, the University conducted business transactions with related parties, including Ministries of the Government of Alberta, school district and other public colleges and universities. The revenues and expenses incurred for these business transactions have been included in the statement of operations, but have not been separately quantified.

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

19. Government Transfers

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

	<u>2023</u>	<u>2022</u>
Grants from Government of Alberta		
Advanced Education:		
Operating grants	\$ 14,745	\$ 15,155
Capital grants	3,516	-
Total Advanced Education	<u>18,261</u>	<u>15,155</u>
Other Government of Alberta departments and agencies:		
Ministry of Culture and Status of Women	\$ -	\$ 100
Total other Government of Alberta departments and agencies	<u>-</u>	<u>100</u>
Total contributions received	18,261	15,255
Deferred revenue	(3,287)	(39)
Expended capital contributions recognized as revenue	655	548
	<u>\$ 15,629</u>	<u>\$ 15,764</u>
Federal and other government grants		
Contributions received	\$ 16	\$ 82
Deferred revenue	(12)	13
Expended capital contributions recognized as revenue	58	57
	<u>\$ 62</u>	<u>\$ 152</u>

ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)

20. Salary and Employee Benefits

	2023				2022
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ⁽³⁾	Total	Total
Governance ⁽⁴⁾					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -
Members of the Board of Governors	-	-	-	-	-
Executive					
President and Chief Executive Officer	237	6	35	278	284
Vice-Presidents:					
Vice-President Administration ⁽⁵⁾	-	-	-	-	147
Vice-President Finance and Operations ⁽⁵⁾	173	-	33	206	99
Vice-President Advancement	164	-	29	193	185
Deans:					
Dean, Academic Programs ⁽⁶⁾	143	-	27	170	15
Dean, Innovation, Learning & Development	144	-	29	173	168
Dean of Students ⁽⁷⁾	127	-	24	151	191
Acting Dean of Students ⁽⁷⁾	16	-	1	17	31
Associate Vice-Presidents:					
Associate Vice-President Academic Affairs ⁽⁸⁾	-	-	-	-	140
Executive Director, People and Culture ⁽⁹⁾	146	-	27	173	103
University Secretary	122	14	24	160	153

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include earnings such as vacation payouts, vehicle allowances, and other lump sum payments. No bonuses were paid in 2023 or 2022.

(3) Other non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of employees including pension, group life insurance, employee family assistance program, critical illness, supplementary health care, short and long-term disability plans, dental plan, accidental disability, dismemberment, administration leave, professional memberships, tuition fees, and fair market value of parking.

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

(5) The Vice-President Administration position terminated effective December 31, 2021 and was replaced by the Vice-President Finance and Operations position effective January 12, 2022.

(6) Dean, Academic Programs held this position effective June 1, 2022. Dean, Academic Programs position replaced the Vice-President Academic and Provost position terminated effective April 7, 2021.

(7) Dean of Students held this position effective August 16, 2022. The previous Dean of Students position terminated effective March 23, 2022 and was replaced by the Acting Dean of Students who held this position from April 13, 2022 to August 15, 2022. 2022 amount includes \$50 in severance benefits paid as a result of a termination agreement.

(8) The Associate Vice-President Academic Affairs position terminated effective May 31, 2022.

(9) The Executive Director, People and Culture position was a new position and was filled effective December 1, 2021.

**ALBERTA UNIVERSITY OF THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(thousands of dollars)**

21. Budget Figures

The University's 2022-23 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

22. Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation.

**Alberta
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Alberta University of the Arts

1407 14 Avenue NW, Calgary, Alberta, Canada T2N 4R3 AUArts.ca

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