

Innovation and Advanced Education

Annual Report
2014-2015

Alberta 

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Innovation and Advanced Education Annual Report 2014-2015

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Innovation and Advanced Education

Annual Report 2014-2015

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Management Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 19 ministries.

The annual report of the Government of Alberta contains the consolidated financial statements of the province and Measuring Up report, which compares actual performance results to desired results set out in the government's strategic plan.

On September 15, 2014, the government announced new ministry structures. The 2014-15 ministry annual reports and financial statements have been prepared based on the new ministry structure.

This annual report of the Ministry of Innovation and Advanced Education contains the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- ▶ the financial statements of entities making up the ministry, including the Department of Innovation and Advanced Education, regulated funds, provincial agencies, and Crown-controlled corporations for which the Minister is responsible; and
- ▶ other financial information as required by the *Financial Administration Act* and *Fiscal Management Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.



Message from the Minister

Albertans have always worked hard to forge a brighter future. This province's diverse, community-minded and hopeful people are not only one of Alberta's greatest strengths, but its most valuable resource.

Our government has made a commitment to ensure we stay close to the values and priorities of Albertans. By doing so, we hope to support the equality and advancement of our unique province.

My ministry is firmly focused on building a lifelong learning system that allows every member of our province to equally access education and help build a prosperous, entrepreneurial and diversified economy.

The following report highlights the results achieved by the Ministry of Innovation and Advanced Education during the 2014-15 fiscal year.

I look forward to working with my colleagues, ministry staff, and our partners, stakeholders, and agencies to create opportunities for every Albertan. We want to ensure Albertans are able to advance in their lives and careers on equal footing, while securing a more prosperous future for every Albertan in every community today and in generations to come.

original signed by

Lori Sigurdson
Minister, Innovation and Advanced Education

Management's Responsibility for Reporting

The Ministry of Innovation and Advanced Education includes:

- ▶ the Department of Innovation and Advanced Education,
- ▶ the Access to the Future Fund,
- ▶ the Alberta Enterprise Corporation,
- ▶ Alberta Innovates – Bio Solutions,
- ▶ Alberta Innovates – Energy and Environment Solutions,
- ▶ Alberta Innovates – Technology Futures, and
- ▶ public post-secondary institutions.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations, and policies.

Ministry business plans, annual reports, performance results, and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports, and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Innovation and Advanced Education. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- ▶ Reliability – information agrees with underlying data and the sources used to prepare it.
- ▶ Understandability and Comparability – current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- ▶ Completeness – performance measures and targets match those included in Budget 2014.

As Deputy Minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- ▶ provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- ▶ provide information to manage and report on performance;
- ▶ safeguard the assets and properties of the province under ministry administration;
- ▶ provide Executive Council, the President of Treasury Board, the Minister of Finance, and the Minister of Innovation and Advanced Education information needed to fulfill their responsibilities; and
- ▶ facilitate preparation of ministry business plans and annual reports required under the *Fiscal Management Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

original signed by

Marcia Nelson
Deputy Minister of Innovation and Advanced Education
June 5, 2015

Results Analysis

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Ministry Overview

Innovation and Advanced Education strives to engage Albertans in learning, innovation, and entrepreneurship to build a resilient economy and a thriving society.

To do so, the ministry aligns its services under five divisions: Advanced Learning and Community Partnerships, Apprenticeship and Student Aid, Economic Development and Innovation, Technology and Industry Partnerships, and Strategic and Corporate Services.

The Advanced Learning and Community Partnerships division works closely with Campus Alberta partners, private post-secondary institutions, and community learning providers to support adult learners, provide learning opportunities, and enhance the advanced learning system.

The Apprenticeship and Student Aid division collaborates with Campus Alberta partners, industry, and the Government of Canada to train and certify skilled trade professionals to meet industry demand and provide student aid supports, including loans, grants, and scholarships.

The Economic Development and Innovation division brings together many of the government's economic development and innovation support activities. The division functions as a key economic development planning and implementation arm within government and a lead funder and proponent for the government's research and development activities.

The Technology and Industry Partnerships division accelerates economic diversification and strengthens competitiveness by enabling policies, attracting investment, and developing market driven technology and industry partnerships. It also provides strategic leadership and monitoring of Alberta's highly technical sectors, non-oil and gas manufacturing industries, and complex partnerships.

The Strategic and Corporate Services division provides a number of key ministry support functions, including finance; information technology management; legal, legislative, and governance services; and international and intergovernmental relations. The division facilitates a more aligned, coordinated, and focused approach to priority setting, strategic policy development, strategic planning, and resource allocation for the department.

The ministry collaborates with learning providers, advisory boards, councils and authorities, and innovation support agencies to fulfill its mandate.

Entities included in Ministry Financial Statements

Ministry of Innovation and Advanced Education

Department of Innovation and Advanced Education

Funds and Corporations

Access to the Future Fund

Alberta Enterprise Corporation

Alberta Innovates – Bio Solutions

Alberta Innovates – Energy and Environment Solutions

Alberta Innovates – Technology Futures

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

University of Alberta

University of Calgary

University of Lethbridge

Athabasca University

Baccalaureate and Applied Studies Institutions

Grant MacEwan University

Mount Royal University

Polytechnical Institutions

Northern Alberta Institute of Technology

Southern Alberta Institute of Technology

Comprehensive Community Institutions

Bow Valley College

Grande Prairie Regional College

Keyano College

Lakeland College

Lethbridge College

Medicine Hat College

NorQuest College

Northern Lakes College

Olds College

Portage College

Red Deer College

Specialized Arts and Culture Institutions

Alberta College of Art + Design

The Banff Centre

For more information on the Ministry of Innovation and Advanced Education, see iae.alberta.ca.

Websites for these entities are listed on page 106.

Advisory Boards, Councils, and Authorities

Access Advisory Council

Alberta Apprenticeship and Industry Training Board

Alberta Council on Admissions and Transfer

Alberta Economic Development Authority

Alberta Innovation Council

Alberta Research and Innovation Authority

Campus Alberta Quality Council

Websites for these entities are listed on page 106.



Review Engagement Report

To the Members of the Legislative Assembly

I reviewed three of eight performance measures in the Ministry of Innovation and Advanced Education's Annual Report 2014-2015. The reviewed performance measures are the responsibility of the ministry and are prepared based on the following criteria:

- ▶ Reliability – The information used in applying performance measure methodologies agrees with underlying source data for the current and prior years' results.
- ▶ Understandability – The performance measure methodologies and results are presented clearly.
- ▶ Comparability – The methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- ▶ Completeness – The goals, performance measures and related targets match those included in the ministry's budget 2014.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measures in demonstrating ministry progress towards the related goals.

Based on my review, nothing has come to my attention that causes me to believe that the performance measures identified as reviewed by the Office of the Auditor General in the ministry's annual report 2014-2015 are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability and completeness as described above.

original signed by

Merwan N. Saher, FCA
Auditor General
May 20, 2015
Edmonton, Alberta

Performance measures reviewed by the Office of the Auditor General are marked with an asterisk (*) on the Performance Measures Summary Table.

Performance Measure Summary

Goals Performance Measures			Prior Years' Results				Current	Target	Endnotes	
1 Optimize our human potential										
*	1.a Satisfaction of recent post-secondary graduates with the overall quality of their educational experience		91% 2010	n/a 2011	92% 2012	n/a 2013	92% 2014	90%+	A C	
	1.b Satisfaction of recent apprenticeship graduates with:	on-the-job training	n/a 2010	91% 2011	n/a 2012	95% 2013	n/a ¹ 2014	90%+	B C	
		technical training	n/a 2010	93% 2011	n/a 2012	96% 2013	n/a ¹ 2014	90%+		
	1.c Percentage of post-secondary transfer graduates satisfied with the transfer credit they received		91% 2010	n/a 2011	90% 2012	n/a 2013	88% 2014	90%+	A C	
	1.d Percentage of Albertans aged 18-34 participating in post-secondary education		17% 2010	17% 2011	17% 2012	17% 2013	17% 2014	17%	D	
2 Build a more innovative and competitive Alberta										
	2.a Venture capital invested in Alberta		<i>\$ million</i>	58.85 2010	112.27 2011	86.34 ² 2012	154.91 ² 2013	131.18 2014	126.16	F
*	2.b Sponsored research revenue attracted by Alberta's comprehensive academic research institutions		<i>\$ million</i>	818.5 2009-10	850.4 2010-11	759.6 2011-12	767.8 2012-13	811.3 2013-14	684.0	G
3 Broaden our economic base										
	3.a Manufacturing and business service industry investment (value-added goods and services)		<i>\$ million</i> <i>% change</i>	11,084 -19.6% 2009	10,193 -8.0% 2010	10,642 +4.4% 2011	12,529 +17.7% 2012	n/a ³ n/a ³ 2013	16,537 +6.3%	J
*	3.b Three-year average growth rate in manufacturing and business service industry labour productivity			n/a 2007-09	+1.1% 2008-10	+0.4% 2009-11	+0.4% 2010-12	+0.1% 2011-13	+1.5%	K

1 The apprenticeship graduate satisfaction survey is conducted every two years. In 2014-15, the survey was postponed for a year in order to conduct a review. The next survey will be performed in the fall of 2015 covering the experiences of 2014-15 graduates.

2 Data for 2012 and 2013 were revised based on the January 16, 2015 pull from the Thomson One database; however, these changes are not material and so historical data has not been restated here.

3 Statistics Canada's data release was unexpectedly delayed because of a review of the source survey, so 2013 data were not available in time for publication.

* Indicates Performance Measures that have been reviewed by the Office of the Auditor General.

The performance measures indicated with an asterisk were selected for review by ministry management based on the following criteria established by government:

- ▶ Enduring measures that best represent the goal,
- ▶ Measures for which new data is available, and
- ▶ Measures that have well established methodology.

Performance Indicator Summary

Goals Performance Indicators			Prior Years' Results				Current	Endnotes	
1 Optimize our human potential									
1.a	Percentage of employed graduates who feel that their main job is related to their field of study two years after graduation		80% 2006	80% 2008	82% 2010	82% 2012	85% 2014	A C	
1.b	Percentage of students entering post-secondary programs (including apprenticeship) within ten years of entering Grade 10		69% 2010	70% 2011	70% 2012	71% 2013	71% 2014	E	
1.c	Percentage of Aboriginal Albertans (off-reserve) aged 18-34 participating in post-secondary education		11% 2009	15% 2010	15% 2011	13% 2012	14% 2013	D	
2 Build a more innovative and competitive Alberta									
2.a	Percentage of enterprise innovators introducing innovation in:		goods or services	21.5% 2007-09	No data available during this period. Survey questions cover a three-year period.		28.1% 2010-12	H	
			processes	45.4% 2007-09			24.3% 2010-12		
			marketing	21.0% 2007-09			29.4% 2010-12		
			organization	29.5% 2007-09			26.2% 2010-12		
2.b	Sponsored research revenue attracted by Alberta's technical institutes and colleges		<i>\$ million</i>	14.6 2009-10	15.5 2010-11	26.3 2011-12	27.8 2012-13	20.1 2013-14	I
3 Broaden our economic base									
3.a	Total investment in Alberta		<i>\$ billion</i>	65.7 2009	81.3 2010	90.0 2011	102.4 2012	111.2 2013	L
3.b	Percentage of high-growth firms			8.29% 2008	5.82% 2009	4.95% 2010	5.83% 2011	7.66% 2012	M

Performance indicators show progress toward achievement of long-term outcomes that a ministry does not have direct influence over and, as such, no targets are required.

Discussion and Analysis of Results

Goal One

Optimize our human potential

System Support

Operating Funding

Innovation and Advanced Education provided \$2.22 billion in operating grants to post-secondary institutions in 2014-15.

Funding for High-Demand Programs

As part of the operating funding it distributed to post-secondary institutions in 2014-15, the ministry provided \$32.5 million in targeted enrolment funding to add approximately 2,000 new spaces in new and expanded programs in a range of high-demand fields. Programs were chosen on the basis of graduate employment outcomes, labour market demand, learner demand, and the ability of programs to leverage existing investments and collaborate with other system partners. Examples of targeted programs include engineering, occupational therapy, and apprenticeship training.

First Nations College Grant

In 2014-15, the ministry provided operating funding to First Nations colleges through the new First Nations College Grant. This year, each of these institutions received \$640,000 in operating funding, \$200,000 of which was specifically targeted at literacy and skills programming. The total funding provided to First Nations colleges in 2014-15 was \$3.2 million.

Access to the Future Fund

In addition to base operating funding, the ministry distributed \$137 million in grants to post-secondary institutions through the Access to the Future Fund in 2014-15. Thirty-two institutions received Access to the Future funding this year for a range of initiatives, including applied research projects, scholarships, mental health supports, student engagement initiatives, and facilities modernization. Nearly two-thirds of the \$137 million provided will be transferred into endowments held by institutions to produce annual revenues of around \$4.5 million.

Capital Projects

In 2014-15, the Government of Alberta provided \$177 million in funding to eight major post-secondary projects:

- ▶ Lethbridge College Trades and Technology Renewal and Innovation Project,
- ▶ Mount Royal University Library and Learning Centre,
- ▶ NorQuest College Expansion and Retrofit,
- ▶ University of Lethbridge Destination Project,
- ▶ MacEwan University City Centre Campus,
- ▶ Devonian Botanic Gardens Project,
- ▶ NAIT Centre for Applied Technology, and
- ▶ University of Calgary Schulich School of Engineering.

The government also provided \$53 million for the maintenance and renewal of post-secondary facilities in 2014-15.

System Direction

Campus Alberta Interim Strategic Plan

The ministry worked with its Campus Alberta partners to implement the Campus Alberta Interim Strategic Plan in 2014-15. As part of executing the interim plan, government finalized the co-development of an outcomes and indicators framework for Campus Alberta, co-hosted a forum on the future of digital learning, launched the Alberta Open Education Resource Initiative, and implemented new enrolment investments targeting student demand and labour market needs.

Removing Financial Barriers

Providing Student Aid

Student Aid Alberta provides loans and grants to Alberta post-secondary students to cover tuition, mandatory fees, books, supplies, and living costs while they are studying. In 2014-15, \$395.9 million in Alberta student loans were provided to 62,725 eligible students. An additional \$74.7 million was also provided to eligible students in grants.

The government has programs in place to help students set up manageable student loan repayment plans relative to their income and family size. After graduation, student loans are interest free for six months. On average, more than 90% of Alberta student loan dollars issued this year are expected to be repaid by post-secondary graduates. The Student Loan Repayment Experiences Survey found that over 80% of Albertans in student loan repayment are confident about their ability to repay their student debt ([Endnote N](#)).

Providing Scholarships

Student Aid Alberta also provides scholarships and awards to Alberta learners. In 2014-15, \$73.5 million in scholarships were provided to over 39,000 eligible students.

Supports for Underrepresented Learners

Supports for Female and Aboriginal Apprentices

In 2014-15, government provided funding to not-for-profit organizations and projects to encourage women, youth, and Aboriginal people to consider apprenticeship and trade-related learning opportunities. Organizations and projects funded include Women Building Futures, Careers: The Next Generation, the Northeast Alberta Apprenticeship Initiative, and Trade Winds to Success Training Society.

The government also worked closely with the Alberta Apprenticeship and Industry Training Board and industry representatives to support these apprentices through scholarships. These scholarships are available to support underrepresented learners in the skilled trades and to encourage others to join the trades. Every year, 15 scholarships are designated for Aboriginal apprentices, 16 scholarships are designated for female apprentices, and 500 scholarships are designated for high school students enrolled in the Registered Apprentice Program/Career and Technology Studies Apprenticeship Pathway.

Learner Mobility

Dual Credit Strategy

In 2014-15, the ministry continued to work with schools, communities, post-secondary institutions, and industry partners to offer a range of learning opportunities for students. As part of the Provincial Dual Credit Strategy, the government approved 24 new dual credit opportunities in 2014-15, bringing the total number of dual credit opportunities available to students up to 51. As a result of the newly approved opportunities, students can now take high school courses in carpentry, welding, esthetics, and accounting (to name a few) and get credits at a post-secondary institution.

Registered Apprenticeship Program

In addition to the opportunities available through the Dual Credit Strategy, high school students can also participate in the Registered Apprenticeship Program. Through the program, students are able to earn an income and obtain on-the-job training and work experience as credit toward both an apprenticeship program and a high school diploma. As of December 31, 2014, more than 1,400 high school students were registered in the program and worked with employers in different industries across the province.

Enhancing Learner Pathways

The ministry helped enhance learner pathways in 2014-15 by supporting and funding the work of the Alberta Council on Admissions and Transfer (ACAT). In 2014-15, the ministry and ACAT worked together to create an app that will make post-secondary planning easier for Albertan students. The new Transfer Alberta Mobile App provides convenient access to transfer credit information for courses and programs, as well as information about high school upgrading and out-of-province equivalencies. The new app has the potential to help thousands of students better plan their post-secondary enrolment, saving them time, money, and effort. Approximately 16,000 students moved between institutions in 2012 (most recent data available).

Digital Access

Lois Hole Campus Alberta Digital Library

In 2014-15, the ministry provided \$1.5 million to the Lois Hole Campus Alberta Digital Library, which provides 35 institutions—including First Nations colleges and Alberta's public post-secondary institutions—with access to commercially licensed digital resources and newly-created collections of digitized content. The library used the funding to renew licenses for academic databases and journals. Without the support of the library, some of Alberta's smaller institutions would not be able to provide students and faculty with access to critical licensed material.

Alberta Open Education Resource Initiative

Innovation and Advanced Education launched an initiative in 2013 to support the development and use of open educational resources in the province. Open educational resources are often more accessible, flexible, and cost-effective than traditional textbooks. These electronic resources include electronic textbooks, lesson plans, and multi-media resources that are free of copyright royalties or license fees.

In 2014-15, Alberta's publicly funded post-secondary institutions applied for funding to support the assembly, use, development, implementation, and evaluation of open education resources. To date, the ministry has awarded a total of \$1.5 million for 19 proposals supporting content development, use, and awareness activities related to open educational resources.

Digital Resources for Apprentices

This year, Innovation and Advanced Education launched a pilot to offer digitally formatted individual learning modules to apprentices in addition to the existing hardcopy modules. Beginning in March 2015, digital individual learning modules were offered in three trades: heavy equipment technician, plumber, and cook. To ensure that the modules were easy to access, the ministry provided eCampusAlberta with a \$280,000 grant to distribute and evaluate the modules. Apprentices did not pay any extra costs for the digital materials during the pilot.

Internationalization of Campus Alberta

International Learning Grants

In 2014-15, the ministry distributed over \$800,000 in grants to fund the participation of 751 Alberta students in international study abroad programs. Through these experiences, students are able to develop the global competencies necessary to live and work in our increasingly interdependent world.

Established in 2009, the Campus Alberta Grant for International Learning (CAGFIL) is the largest international study grant currently managed by the ministry. In 2014-15, over \$528,000 in CAGFIL awards were distributed, providing 705 students with \$750 each.

The ministry also provided funding for the following international programs in 2014-15: The Washington Center Alberta Internship Partnership, the Alberta-Smithsonian Internship Program, and the Alberta-Saxony Intercultural Internship Alliance.

Alberta Designation Requirements

Citizenship and Immigration Canada implemented new federal regulations for study permits for international students in 2014-15. Under the new regulations, provincial governments are responsible for providing the federal government with a list of designated learning institutions eligible to issue study permits to international students. Over the past several years, the ministry has worked closely with its Campus Alberta partners and other provinces to develop requirements and then designate Alberta institutions, allowing them to enroll international students. As a result of this effort, there were 68 designated learning institutions for international students in the province at the end of 2014-15.

Labour Market Alignment

Increasing Apprenticeship Opportunities

The ministry continuously monitors the demand for technical training seats in all trades and makes adjustments in the number of seats and the location of training.

Government also works with the Alberta Apprenticeship and Industry Training Board to encourage industry partners to hire and train and to implement strategies encouraging apprentices to complete their programs. At the end of 2014, there were more than 70,000 registered apprentices in Alberta—including almost 24,000 new apprentices.

Digital by Default

Student Finance System Modernization

The ministry introduced a number of improvements to the student finance system in 2014-15 to enhance client self-sufficiency and internal operations. Improvements implemented include real-time review of correspondence, automated confirmation of registration, expanded tuition remittance to out-of-province schools in Canada, and automated credit checks for part-time applicants. Since February 2015, students have also been able to submit documents electronically instead of having to mail in supporting documentation to complete their application.

These system improvements have led to increased student self-sufficiency and decreased administrative work. Just over 86,000 full-time applications were received in 2014-15, 82% of which were completed online by students, up from 77% the previous year.

MyTradesecrets Website Upgrade

The MyTradesecrets website was launched in April 2013 to provide Apprenticeship and Industry Training (AIT) clients online access to apprenticeship services such as the status of an application, class and exam grades and schedules, and access to the record books that track progress in their apprenticeship. Since its initial launch, the website has received over a million visits.

The ministry launched two major improvements to the MyTradesecrets website in 2014-15. The first improvement, MyTradesecrets applications, allows users to apply for AIT programs and services online, providing step-by-step instructions to help applicants through the process. The second, MyTradesecrets online payments, allows applicants to pay application or exam fees through a secure, password-protected site. Since online applications and payments were introduced in August 2014, over 15,000 online applications have been submitted and over 12,000 online payments have been processed.

These improvements have led to better service for AIT clients. Application processing times have been reduced from as high as 12.5 weeks to 1.5 weeks. In addition to providing better service to clients, MyTradesecrets has also helped staff at AIT client service offices work more efficiently by reducing data entry and paper records.

Foundational Learning

Community Adult Learning

Government invested \$14 million in 130 organizations across Alberta through the Community Adult Learning Program in 2014-15. Through these organizations, tens of thousands of Albertans were able to participate in a range of literacy and foundational learning and family literacy learning opportunities. These opportunities include adult basic literacy, English language learning programming, and learning opportunities to develop other essential skills such as numeracy and basic computer skills.

Goal One

Performance Measures and Indicators

Measure 1.a

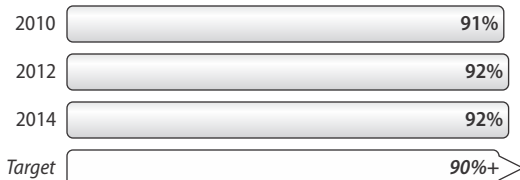
Satisfaction with Post-Secondary Educational Experience

This measure indicates how satisfied graduates from Alberta post-secondary programs are with their educational experience. It includes graduates from certificate, diploma, bachelor, master's, and doctorate programs.

In 2014, 92% of recent post-secondary graduates reported they were satisfied with the quality of their educational experience. The results have been highly stable over time and there is no statistically significant difference between the target of 90% plus and the last actual of 92%.

Factors that influence this measure include graduates' perception of their professors and coursework and how these align with their personal preferences and career goals.

Satisfaction of Recent Post-Secondary Graduates with the Overall Quality of their Educational Experience



Source Graduate Outcomes Survey – Class of 2011-12 Final Report

Note The survey is conducted every other year. Graduates are surveyed two years after their graduation. The last survey was conducted in 2014, surveying graduates from the 2011-12 academic year.

Endnote A C

Measure 1.b

Satisfaction of Apprenticeship Graduates

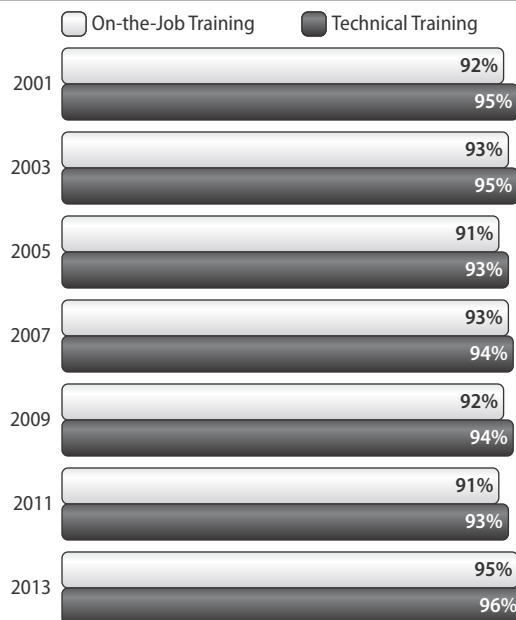
This measure indicates the quality of training provided through Alberta's apprenticeship and industry training system, including relevant content, quality instruction, current trade practices, and up-to-date equipment.

This measure is drawn from a biennial survey. No new data was available in 2015.

Results for satisfaction with on-the-job and technical training have been extremely stable over the last five years, indicating that graduates are generally content with their apprenticeship training.

Factors that may influence this measure include graduates' perception of the province's economic health and their employment experiences.

Satisfaction of Recent Apprenticeship Graduates with On-the-Job and Technical Training



Source Survey of Apprenticeship Graduates

Note The survey is conducted every other year. Graduates are surveyed the year after they complete their apprenticeship. The last survey was conducted in 2013 of apprentice graduates from 2011-12. The 2015 survey was postponed to review its relevance, usefulness, and value.

Endnote B C

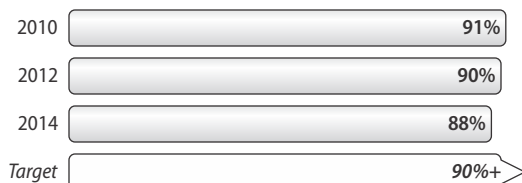
Measure 1.c**Satisfaction with Transfer Credit**

This measure indicates the ability of the post-secondary system to help students achieve desired outcomes through transferring credit between post-secondary institutions.

In a 2014 survey of graduates from the 2011-12 academic year, 88% of respondents reported they were satisfied with the transfer credits they received.

The results of this survey question have been highly stable since it was introduced in 2010. Although the last actual of 88% does not meet the target of 90% plus, there is no statistically significant difference between the target and last actual.

Student mobility in the transfer system can be affected by many factors, including a student's circumstances, institutions' admissions practices and requirements, ease of access to key information and modernized transfer credit tools, and students choosing a different course or program.

Percentage of Post-Secondary Graduates Satisfied with the Transfer Credit they Received

Source Graduate Outcomes Survey – Class of 2011-12 Final Report

Note The survey is conducted every other year. Graduates are surveyed two years after their graduation. The last survey was conducted in 2014 and surveyed graduates from the 2011-12 academic year.

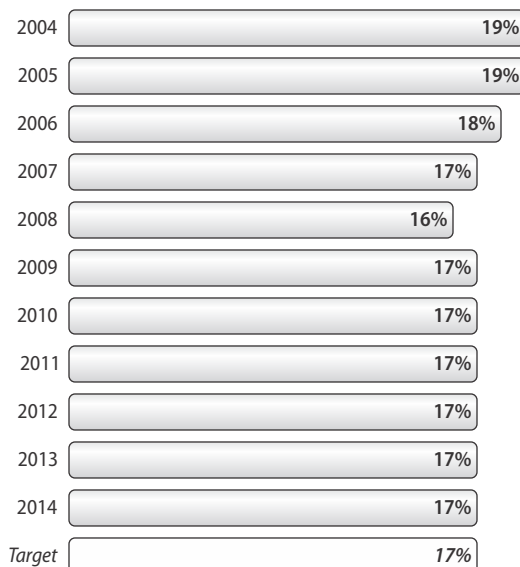
Endnote A C

Measure 1.d**Post-Secondary Participation Rate**

This measure tracks the percentage of the Alberta population aged 18 to 34 who report attending post-secondary programs. The measure includes learners who are attending a credit program at a university, college, or other type of institution.

In 2014, 17% of Albertans aged 18 to 34 were participating in post-secondary education. The results for this measure have been stable over time. The ministry met its target in 2014.

Alberta's post-secondary participation rate may be affected by many complex factors, including unemployment rates and interprovincial migration rates.

Percentage of Albertans Aged 18-34 Participating in Post-Secondary Education

Source Statistics Canada, Special tabulation – Labour Force Survey

Note Labour Force Survey population rebasing was used beginning with tabulations conducted in January 2011. Rebasing was applied retrospectively, and so historical results were retabulated. However, for this measure, retabulation generated only one historical result different from those previously published: for data year 2008, 16% became 17%. A 1% point difference is less than materiality (+/-3%), so no revision was published in the 2010-11 annual report.

Endnote D

Indicator 1.a**Graduates with Jobs Related to their Field of Study**

This indicator tracks graduates' perception of how related their job after graduation was to their field of study. It indicates the relevance and relatedness of education to jobs.

In 2014, 85% of post-secondary graduates felt their main job was related to their field of study two years after graduation. The results have been relatively stable over time, gradually increasing by 5% since 2008.

Influencing factors may include labour market conditions, including the availability of jobs in certain fields and employment and unemployment rates.

Percentage of Employed Graduates who Feel that their Main Job is Related to their Field of Study Two Years after Graduation


Source Graduate Outcomes Survey – Class of 2011-12 Final Report

Note The survey is conducted every other year. Graduates are surveyed two years after their graduation. The last survey was conducted in 2014 and surveyed graduates from the 2011-12 academic year.

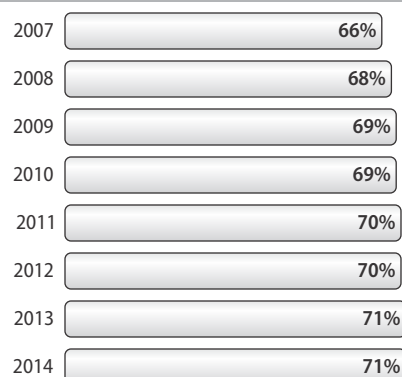
Endnote A C

Indicator 1.b**High School to Post-Secondary Transition Rate**

This indicator tracks the rate at which high school students move from high school to post-secondary studies. The indicator includes students who enter post-secondary studies up to ten years after completing high school, recognizing that individuals may not pursue a post-secondary education immediately after high school.

In 2014, 71% of students entered post-secondary programs, including apprenticeships, within ten years of entering Grade 10. Since this indicator was created in 2007, the percentage of students entering post-secondary programs has increased by five percentage points.

A number of complex factors may influence this indicator, including employment and unemployment rates in Alberta.

Percentage of Students Entering Post-Secondary Programs (including Apprenticeships) within Ten Years of Entering Grade 10


Source Alberta Education and Alberta Innovation and Advanced Education

Endnote E

Indicator 1.c**Aboriginal Post-Secondary Participation Rate**

This indicator tracks the percentage of self-identified Aboriginal Albertans aged 18 to 34 who report attending post-secondary programs. This only includes Aboriginal Albertans who live off-reserve.

In 2013, 14% of Aboriginal Albertans (off-reserve) aged 18 to 34 participated in post-secondary education. The results have been fairly consistent, ranging from 11% to 15%.

The post-secondary participation rate in Alberta is affected by many complex factors, including unemployment rates and interprovincial migration rates. Another factor that may influence the Aboriginal participation rate is high school completion. Both the Aboriginal high school completion rate and Aboriginal post-secondary participation rate are increasing; however, they are lower than the rates for the non-Aboriginal population.

**Percentage of Aboriginal Albertans (Off-Reserve)
Aged 18-34 Participating in Post-Secondary Education**


Source Statistics Canada, Special tabulation – Labour Force Survey

Endnote D

Goal Two

Build a more innovative and competitive Alberta

Setting Research and Innovation Priorities

Alberta Innovation Council

The ministry created the Alberta Innovation Council in 2014-15 to advise government on innovation policies, strategies, and initiatives with the intent of creating greater strategic alignment, coordination, and integration among the organizations in Alberta's innovation ecosystem. Members of the council were recruited from the Government of Alberta, Campus Alberta, innovation service providers, and industry. The Alberta Innovation Council met a number of times over the last year and provided government with advice on innovation system enhancements, measures, and coordination.

Guiding Water Research

In 2014-15, Innovation and Advanced Education and Environment and Sustainable Resource Development released *Alberta's Water Research and Innovation Strategy 2014: A Renewal*. Building upon the *Water Research Strategy*—released in 2006—this renewed strategy was created to guide Alberta's research and innovation system in responding to challenges faced by the province's water resource system. The renewed strategy focuses on responding to the evolving water management and knowledge needs created by changes in policy agendas, research and innovation governance, and the increasing importance of water issues when securing community approval for industrial projects. Since 2006, government has invested over \$45 million in water research. This includes \$30 million over seven years announced in 2006 and \$15.2 million over three years announced in 2013.

Supporting Research and Innovation

Attracting Research Talent

The Government of Alberta created the Campus Alberta Innovation Program chairs in 2011 to help attract and retain leading edge faculty and research personnel in areas of existing or emerging research and innovation strength. In 2011-12, the ministry began by providing \$6 million a year in program funding. This was then raised to \$7.5 million a year in 2012-13. A total of 16 chairs have been recruited to date.

Becoming a Leading Destination for Research and Innovation

Since 2010, Alberta has welcomed international student researchers to the province through the Mitacs Globalink Research Internship program, so that students from countries with shared interests can experience Alberta and Canada as a leading destination for research and innovation. Through the program, a total of 93 international students were paired with Alberta researchers in 2014-15. The ministry has provided \$965,000 in funding for the program since 2011, including \$250,000 in 2014-15. The ministry shares the cost of the program with Mitacs and Industry Canada.

Building Research Infrastructure

In 2014-15, the ministry provided \$22 million in competitive grants to support the acquisition of small equipment and large research infrastructure through the Research Capacity Program. The program uses a cost-shared funding approach to provide up to 40% of total eligible project costs for successful proposals. The program helps projects to leverage support from the Canada Foundation for Innovation, research institutions, and other sources to maximize research dollars flowing into Alberta. Between 2008-09 and 2014-15, the program invested \$153.5 million and leveraged at least \$230.5 million more in outside funding, bringing in over \$384 million to support research and innovation activities in Alberta.

International Technology Partnerships

The ministry made connections with a number of foreign government agencies in 2014-15 to encourage technology commercialization collaboration between small- and medium-sized technology companies in Alberta and other jurisdictions.

Alberta-Germany

This year, the ministry provided \$2 million to fund the next phase of the Alberta-Germany Technology Partnership program, which aims to support joint research and commercialization activities between companies in Alberta and Germany. Through this program, Alberta companies in clean energy and environmental technology, advanced materials, industrial bio-technology, health, and information and communications technology have been able to access high-tech resources and European markets. This partnership has also helped prepare Alberta companies for international markets and increased their engagement in international business.

Alberta-Jalisco

The ministry also signed a new Memorandum of Understanding with the State of Jalisco, Mexico in 2014-15 to collaborate on research and technology development initiatives. The new, three-year agreement sets the stage to extend the Alberta-Jalisco International Technology Partnership, supported by \$1.1 million in ministry funding. These funds facilitated a fourth call for proposals for collaborative technology development and commercialization projects between small- and medium-sized advanced technology companies in Alberta and Jalisco.

Access to Capital and Mentorship

Alberta Enterprise Corporation

The Alberta Enterprise Corporation (AEC) was established by the Government of Alberta in 2008. The corporation was provided with \$100 million in funding to invest in venture capital funds that finance early stage technology companies and that have a commitment to the province. The AEC was established as a fund-of-funds, meaning that it invests in venture funds, which in turn invest in companies. This model has ensured arms-length management of funds, so that the government can maintain an unbiased position.

Of the original \$100 million provided to the AEC, \$59.6 million has been invested into venture capital funds so far. These AEC invested funds and syndicate partners have invested over \$240 million in 24 Alberta companies. These investments in Alberta companies have resulted in more than 700 direct jobs created in Alberta.

The Alberta Enterprise Corporation has also had a role in improving the venture capital ecosystem in Alberta. It has been active in creating and maintaining networks that assist companies in growing their businesses. The AEC has successfully connected investors, entrepreneurs, and experienced technology veterans to improve deal flow and support start-ups. Additionally, the AEC supports a number of organizations, including the A100, the Venture Capital Association of Alberta, the Canadian Venture Capital Association, and Start-Up Calgary.

Goal Two

Performance Measures and Indicators

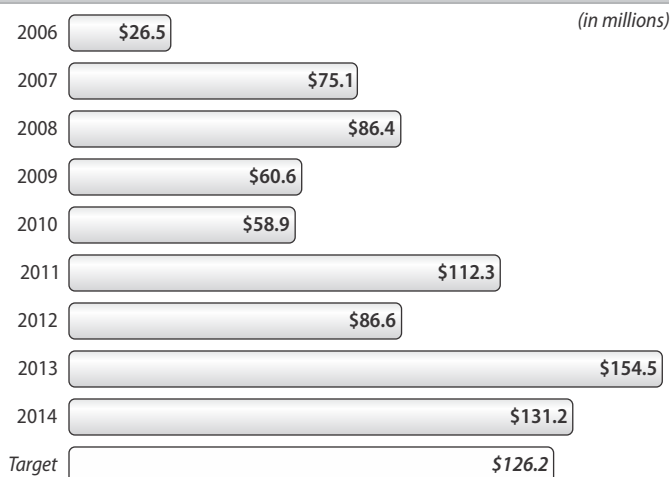
Measure 2.a

Venture Capital Invested

Venture capital invested in Alberta helps indicate the capacity and capability available to support an innovative and globally competitive Alberta economy.

In 2014, the total venture capital invested in Alberta amounted to just over \$131 million, exceeding the ministry's target of \$126.2 million. In this year, the computer software and services sector raised the most venture capital investment. However, the amount was 44% less than it was in 2013. There was also a venture capital decline in the industrial and energy sector by 55%. These declines were not compensated by the increases in internet-specific, medical and health, consumer-related, and biotechnology sectors. This decline in venture capital was experienced across Canada in 2014.

Over the last decade, venture capital has fluctuated year-to-year. This period encompasses a software boom, a recession period, a recovery period, and changes in oil prices. Nonetheless, Alberta venture capital has increased overall during this time.

Venture Capital Invested in Alberta

Source Thompson One

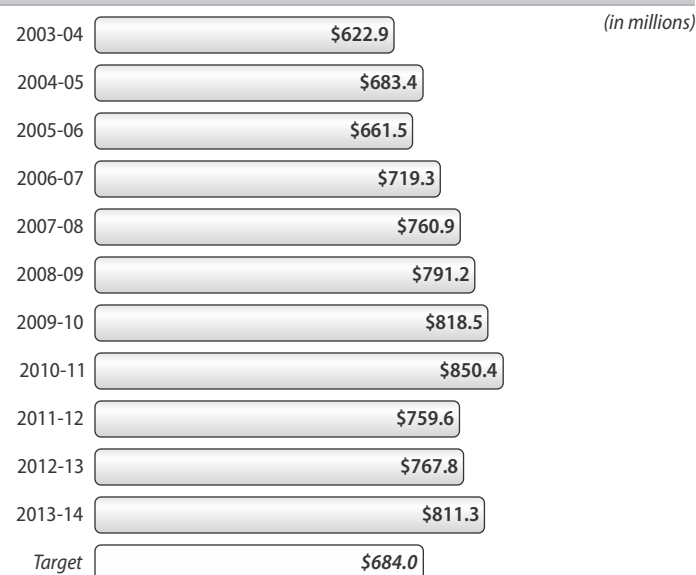
Endnote F

Measure 2.b

Sponsored Research Revenue (Comprehensive Academic and Research Institutions)

This measure reflects research capability in Alberta through the success of comprehensive academic and research institutions in attracting sponsored research funding from several sources. The results give an indication of the research capability, capacity, and competitiveness of these institutions.

In 2013-14, Alberta's four comprehensive academic and research institutions received \$811.3 million in sponsored research funding, exceeding the ministry's target of \$684 million. This difference is statistically significant and was primarily driven by an accounting adjustment made by the University of Alberta related to provincial funding. Other factors influencing this measure include the timing of significant capital projects, the overall investment climate in Alberta, and the stability of funding available through provincial, federal, and industry sources.

Sponsored Research Revenue Attracted by Alberta's Comprehensive Academic and Research Institutions

Source Innovation and Advanced Education

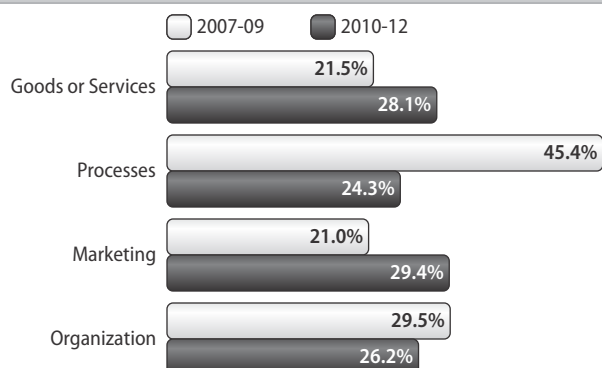
Endnote G

Indicator 2.a**Enterprise Innovators**

This indicator describes the percentage of enterprises introducing innovation in certain categories: products (goods or services), processes, marketing, or organization.

The proportion of Alberta enterprises performing product innovation and marketing innovation increased from 2009 to 2012, while the proportion of Alberta enterprises that identified performing process innovation and organizational innovation decreased.

This result aligned with the enterprises' most important long-term strategies identified from the survey. The percentage of Alberta enterprises indicating product positioning as the most important long-term strategy went from 68.8% in 2009 to 85.3% in 2012, while the percentage of Alberta enterprises indicating low price and cost leadership as the most important long term strategies decreased from 31.2% in 2009 to 14.7% in 2012. The findings may reflect that, after the recession between 2008 and 2009, enterprises chose to improve competitiveness and expand market shares through product differentiation (introducing new products and marketing strategies).

Percentage of Enterprise Innovators Introducing Innovation in Goods or Services, Processes, Marketing and Organization


Source Statistics Canada, Special tabulation based on the Survey of Innovation and Business Strategy

Note The survey asks for activities over three years, and data is released two years after collection.

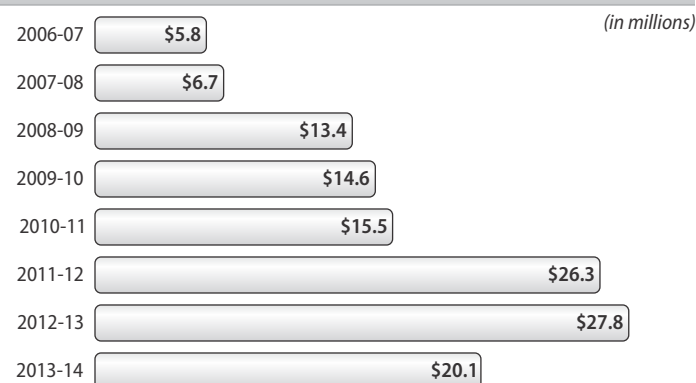
Endnote H

Indicator 2.b**Sponsored Research Revenue (Institutes and Colleges)**

This measure reflects research capability in Alberta through the success of its colleges and technical institutes in attracting sponsored applied research funding from several sources. The results give an indication of the developing applied research capability, capacity, and competitiveness of these institutions and helps the ministry understand their progress in applied research and innovation excellence.

The growth in research funding attracted by colleges and technical institutes between 2005-06 and 2012-13 can largely be attributed to increased applied research capacity, increased opportunities for institutions to work with industry or non-profit organizations, and the development of federal and provincial programming.

The decrease in research funding in 2013-14 (a drop of 27.6% from the previous year) can largely be attributed to the variable institutional demand for research investments and a decrease in provincial and federal funding.

Sponsored Research Revenue Attracted by Alberta's Technical Institutes and Colleges


Source Innovation and Advanced Education

Endnote I

Goal Three

Broaden our economic base

Establishing a Common Vision of Alberta's Economy

Economic Development Framework

Alberta's *Economic Development Framework* was released in 2014-15 to encourage Alberta's diverse economic development community to share a common vision. The Framework was developed with extensive input from this community and identifies a number of key economic indicators for tracking progress.

Working with the Small Business Community

Small Business Strategy

In 2014-15, the government collaborated with small business stakeholders to develop and release a new strategy to support and grow small business in Alberta. *Building On Our Entrepreneurial Spirit: A Small Business Strategy For Alberta* is a short-term action plan that responds to the needs expressed by Alberta's small businesses and makes it simpler to do business in the province.

Small Business Website

The ministry released a new small business website in 2014-15 to better meet the needs of small business owners and entrepreneurs. Before the introduction of the new website, information on government-funded business programs and supports available to small businesses was scattered across several different government websites. The new small business website consolidates this information in one easy-to-access location. The website also provides advice and guidance to help entrepreneurs turn their ideas into businesses. Since its October 2014 launch, the website has received almost 1,000 unique visits every week and analytics indicate that most users are finding what they need in three clicks or less.

A New Business Advisor Service

A new business advisor service was also launched at the Business Link in October 2014 to help small businesses more easily navigate the government's business programs, supports, and regulations. Previously, businesses often had to contact multiple ministries with their inquiries about regulatory requirements. The new service allows business advisers at the Business Link to provide well-rounded perspectives and to find information from across the provincial government. This dedicated support has helped to reduce red tape so that small businesses can get the answers they need when they need them. Since its launch, the new business advisor service has served about five clients a day and client testimonials have been positive.

Innovation and Advanced Education provided the Business Link with a \$270,000 grant to launch and administer the new business advisor program.

Supporting Regional and Rural Development

Regional Economic Development Alliance

Alberta currently has 11 Regional Economic Development Alliances, which are municipally-led, not-for-profit organizations whose memberships share a common economic development vision for their region. These organizations work to enhance regional and rural economic development to improve the economic prospects of their particular region. Membership in the alliances include approximately 230 municipalities and over 50 partners from economic development organizations, post-secondary institutions, and chambers of commerce. Government provided each alliance with a \$100,000 grant in 2014-15 to support their operations.

Understanding our Economy

Tracking Major Projects in Alberta

This year, the ministry launched an upgraded version of its Alberta Major Projects site—formerly known as the Inventory of Major Alberta Projects—to provide timely and important business information to entrepreneurs and investors. The site identifies potential supply opportunities and reports the status of private and public sector projects in the province valued at \$5 million or greater. The upgrades to the site have made it more user-friendly by optimizing use on mobile devices, providing greater search functionality and faster loading capability, and adding a twitter feed. The website, which was first launched in 2013, received about 300 visits per day in 2014-15.

Goal Three

Performance Measures and Indicators

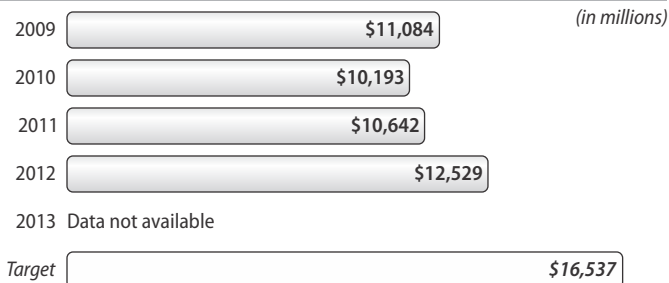
Measure 3.a

Investment in the Manufacturing and Service Industry

Investment (as reflected by capital expenditures on construction, machinery, and equipment) is a key economic growth indicator that shows the size of business investment in Alberta. When an organization spends resources on new investments (such as for new equipment), it is positioning itself to be more profitable and to contribute further towards Alberta's economic output.

Investment by the manufacturing and business service sectors declined in 2010 mainly because of falling investment in manufacturing plants and pipelines. Since 2010, investment has been on the rise because of a turn-around in investment in manufacturing plants and pipelines.

Statistics Canada delayed the release of the latest results to review the survey, so 2013 data was not available for publication here.

Manufacturing and Service Industry Investment (Value-Added Goods and Services)

Source Statistics Canada, Capital and Repair Expenditures, Actual, Preliminary Actual and Intentions Survey

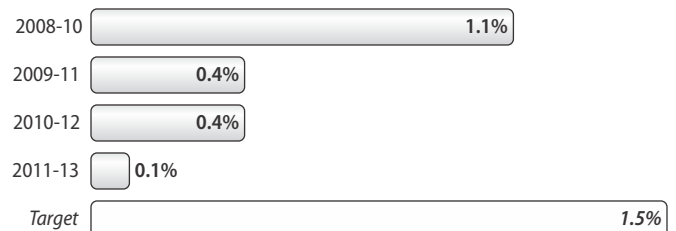
Note Statistics Canada is reviewing the survey, delaying release of 2013 actuals.

Endnote J

Measure 3.b

Manufacturing and Business Service Industry Labour Productivity

An increase in the labour productivity of manufacturing and business services (real GDP per hour worked) is a key indicator of growth and economic diversification in Alberta. This measure describes the three-year average growth rate of manufacturing and business service industry labour productivity. The most recent result decreased from 0.4% (2010-12) to 0.1% (2011-13), missing the ministry's target of 1.5%. This is a material difference. The largest contributor to this change was a decline in the productivity of the refined petroleum products sector.

Three-Year Average Growth Rate in Manufacturing and Business Service Industry Labour Productivity

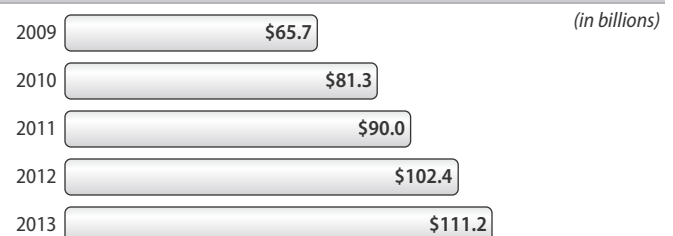
Source Statistics Canada, Special tabulation – Labour Productivity and Related Variables by Business Sector Industry table

Endnote K

Indicator 3.a

Total Investment in Alberta

Investment in Alberta helps to indicate to what extent Alberta is globally recognized as a competitive business choice. In 2013, total investment continued to rise, reaching \$111.2 billion.

Total Investment in Alberta

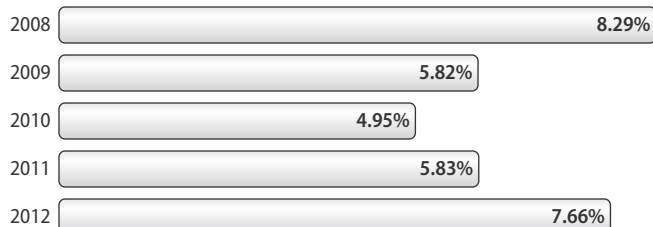
Source Statistics Canada, Private and Public Investment in Canada

Endnote L

*Indicator 3.b***Percentage of High-Growth Firms**

High-growth firms are an indicator of growth and innovation in Alberta's economy. Firms are more likely to succeed and grow if they have an innovative advantage over their competitors, and the most innovative firms are more likely to experience rapid growth. In 2014-15, the percentage of high growth firms—firms with an average annualized employee growth rate greater than 20% per annum over a three-year period—was 7.66%.

The percentage of firms experiencing high employee growth was quite volatile between 2008 and 2012. This volatility is to be expected, as hiring is largely affected by an economy's strength and Alberta's economy experienced a relatively strong year in 2008, a recession in 2009, and a gradual recovery between 2010 and 2012.

Percentage of High-Growth Firms

Source Statistics Canada, derived from the Longitudinal Employment Analysis Program (LEAP)

Endnote M

Financial Highlights

The consolidated Ministry Financial Statements include:

- ▶ the Department of Innovation and Advanced Education,
- ▶ the Access to the Future Fund,
- ▶ the Alberta Enterprise Corporation,
- ▶ Alberta Innovates – Bio Solutions,
- ▶ Alberta Innovates – Energy and Environment Solutions,
- ▶ Alberta Innovates – Technology Futures, and
- ▶ Alberta Public Post-Secondary Institutions.

Revenue

(in thousands)

	2015	2014
	Actual	Actual
Government Transfers		(Restated)
Government of Alberta Grants	\$ 379,410	\$ 368,708
Government of Canada Grants	308,556	310,252
Investment Income	267,202	194,087
Net Income (Loss) from Government Business Enterprises	(1,764)	3,029
Premiums, Fees and Licences	7,370	7,329
Tuition and Non-Credit Courses	1,115,828	1,087,280
Sales, Rentals and Services	662,891	679,380
Donations, Grants and Contributions	396,753	364,021
Other Revenue	8,354	13,232
	\$ 3,144,600	\$ 3,027,318

Revenue increased by \$117 million from the prior year. This is primarily due to an increase in Donations, Grants and Contributions of \$33 million for the University of Alberta Physical Activity and Wellness Centre. The Tuition and Non-Credit courses increase of \$29 million is attributed to higher enrollments. An increase in investment income of \$73 million is primarily due to the sale of floating rate notes at the University of Alberta (\$33 million) and from NAIT's change in investment policy resulting in larger gains (\$30 million). These increases are offset by a decrease of \$17 million in Sales, Rental and Services primarily attributed to insurance claims from flooding received in the prior year.

Expenses

(in thousands)

	2015	2014
	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 3,334,220	\$ 3,344,477
Supplies and Services	1,333,394	1,294,116
Grants	521,101	480,335
Amortization of Tangible Capital Assets	485,843	455,048
Interest on Long-Term Debt	34,302	34,615
Provision - Student Aid	44,146	35,367
Other	20,536	41,011
	5,773,542	5,684,969
Less: Recoveries from Support Service Arrangement with Related Parties	(2,899)	—
	\$ 5,770,643	\$ 5,684,969

Expenses also increased by \$86 million from the prior year. This is primarily due to increases in Grants to individuals and external organizations of \$41 million, increased Amortization of Tangible Capital Assets of \$31 million, and increases in Supplies and Services of \$39 million offset by decreases in Salaries, Wages and Employee Benefits of \$10 million and decreases in Other expenditures and provisions of \$15 million.

iae.alberta.ca/annualreports

Ministry of Innovation and Advanced Education

Consolidated Financial Statements

March 31, 2015

Audited Information

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Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Innovation and Advanced Education, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Innovation and Advanced Education as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 5, 2015
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2015

(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
	(Schedule 3)		(Restated Note 3)
Revenues (Note 2(b) and Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 274,739	\$ 379,410	\$ 368,708
Government of Canada Grants	375,125	308,556	310,252
Investment Income	153,329	267,202	194,087
Net (Loss) Income from Government Business Enterprises (Schedule 6)	—	(1,764)	3,029
Premiums, Fees and Licences	7,155	7,370	7,329
Tuition and Non-Credit Courses	1,122,243	1,115,828	1,087,280
Sales, Rentals and Services	608,892	662,891	679,380
Donations, Grants and Contributions	310,499	396,753	364,021
Other Revenue	94,597	8,354	13,232
	2,946,579	3,144,600	3,027,318
Expenses – Directly Incurred (Note 2(b) and Schedules 2 and 4)			
Public Post-Secondary Institutions	5,209,043	5,170,699	5,134,586
Alberta Innovates Corporations	204,485	163,727	151,767
Alberta Enterprise Corporation	850	792	1,115
Department			
Support for Adult Learning	59,498	76,125	62,813
Apprenticeship Delivery	47,552	40,893	39,209
Alberta Centennial Education Savings Plan	11,000	16,785	18,932
Innovation and Technology Commercialization	22,846	26,161	26,208
Student Aid	222,795	227,209	202,024
International Partnerships	2,520	1,932	1,416
Enterprise	18,120	17,086	16,971
Ministry Support Services	28,654	28,917	28,877
Post-Secondary Infrastructure	812	42	658
2013 Alberta Flooding	275	275	393
	5,828,450	5,770,643	5,684,969
Net Operating Results	\$ (2,881,871)	\$ (2,626,043)	\$ (2,657,651)

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

Consolidated Statement of Financial Position

as at March 31, 2015

(in thousands)

	2015	2014
		(Restated Note 3)
Assets		
Cash and Cash Equivalents (Note 4)	\$ 948,394	\$ 1,126,506
Accounts Receivable (Note 5)	312,551	324,046
Portfolio Investments (Schedule 5)	4,521,468	3,986,170
Equity in Government Business Enterprises (Schedule 6)	19,134	10,674
Loans and Advances (Note 6)	1,361,180	1,122,630
Tangible Capital Assets (Note 7)	7,812,589	7,541,367
Inventory	26,664	27,628
Prepaid Expenses	60,365	65,111
	<u>\$ 15,062,345</u>	<u>\$ 14,204,132</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	\$ 839,815	\$ 813,542
Deferred Revenue (Note 9)	2,386,089	2,332,808
Notes, Debentures and Mortgages (Note 10)	997,598	866,730
Pension Liabilities (Note 11)	279,809	270,681
	<u>4,503,311</u>	<u>4,283,761</u>
Net Assets		
Net Assets, Beginning of Year	8,244,152	8,012,106
Adjustment to Net Assets	—	66,014
Net Operating Results	(2,626,043)	(2,657,651)
Transfer to Endowments (Note 12)	(2,791)	—
Net Financing Provided from General Revenues	3,098,649	2,823,683
Net Assets before Endowments	8,713,967	8,244,152
Post-Secondary Institution Endowments (Note 12)	1,845,067	1,676,219
Net Assets, End of Year	<u>10,559,034</u>	<u>9,920,371</u>
	<u>\$ 15,062,345</u>	<u>\$ 14,204,132</u>

Contractual Obligations and Contingent Liabilities (Notes 13 and 14)

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2015

(in thousands)

	2015	2014
		(Restated Note 3)
Operating Transactions		
Net Operating Results	\$ (2,626,043)	\$ (2,657,651)
Non-Cash Items included in Net Operating Results		
Amortization (Note 7)	485,843	455,048
Expended Capital Recognized as Revenue (Note 9)	(81,051)	(74,698)
Net Loss (Income) from Government Business Enterprises	1,764	(3,029)
Write-down and Loss on Disposal of Tangible Capital Assets	5,169	25,219
Donation of Capital Assets (Note 7)	(30,298)	(39,648)
Valuation Adjustments		
Provision for Employee Future Benefits	9,128	19,326
Provision for Future Cost of Student Loans Issued	44,146	35,367
Student Loans Valuation Adjustments	(6,865)	(18,144)
Provision for Vacation Pay and Other Provisions	5,229	5,893
	(2,192,978)	(2,252,317)
Decrease in Accounts Receivable	11,495	77,329
Decrease (Increase) in Prepaid Expenses	4,747	(16,746)
Decrease in Inventory	964	198
Increase in Accounts Payable and Accrued Liabilities	21,044	111,015
Increase in Deferred Revenue	134,332	171,008
Consolidation Adjustments Relating to Post-Secondary Institutions	—	60,166
Cash Applied to Operating Transactions	(2,020,396)	(1,849,347)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	(747,070)	(592,574)
Proceeds on Disposal of Tangible Capital Assets	15,134	1,554
Cash Applied to Capital Transactions	(731,936)	(591,020)
Investing Transactions		
Student Loan Disbursements	(396,256)	(376,965)
Student Loan Repayments	120,425	98,282
Purchases of Portfolio Investments	(4,934,092)	(2,294,493)
Proceeds on Sale of Portfolio Investments	4,398,794	1,893,161
Advances to Government Business Enterprises	(10,225)	(4,401)
Cash Applied to Investing Transactions	(821,354)	(684,416)
Financing Transactions		
Net Financing Provided from General Revenues	3,098,649	2,823,683
Increase in Endowment and Other Net Assets	166,057	133,402
Debt Issues	185,958	207,088
Debt Retirement	(55,090)	(52,290)
Cash Provided by Financing Transactions	3,395,574	3,111,883
Decrease in Cash and Cash Equivalents	(178,112)	(12,900)
Cash and Cash Equivalents, Beginning of Year	1,126,506	1,139,406
Cash and Cash Equivalents, End of Year	\$ 948,394	\$ 1,126,506

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

Notes to the Consolidated Financial Statements

March 31, 2015

Note 1 Authority and Purpose

The Minister of Innovation and Advanced Education operates under the authority of the *Government Organization Act* and its regulations and has been designated responsibilities for various Acts. Below are the organizations that form the Ministry of Innovation and Advanced Education and the authority under which each organization operates. Schedule 8 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Innovation and Advanced Education	<i>Government Organization Act</i>
Access to the Future Fund	<i>Access to the Future Act</i>
Alberta Enterprise Corporation	<i>Alberta Enterprise Corporation Act</i>
Alberta Innovates – Bio Solutions	<i>Alberta Research and Innovation Act</i>
Alberta Innovates – Energy and Environment Solutions	
Alberta Innovates – Technology Futures	
Public Post-Secondary Institutions	<i>Post-secondary Learning Act</i>

In support of Alberta's vision, Innovation and Advanced Education's purpose is to assist Alberta to be a learning and innovative society.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity and Method of Consolidation

The reporting entity is the Ministry of Innovation and Advanced Education, for which the Minister of Innovation and Advanced Education is accountable. The accounts of the Department are fully consolidated with the entities listed in Schedule 8 on a line-by-line basis except for government business enterprises (GBEs) which are reported on a modified equity basis (see Schedule 6), with the equity being computed in accordance with the accounting standards applicable to those entities. Under the modified equity method, the accounting policies of the GBEs are not adjusted to conform to those of the other government organizations. Inter-sector revenue and expense transactions and related asset and liability balances are not eliminated. GBEs are listed in Schedule 8.

Organizations that the Ministry controls for reporting purposes through its consolidated organizations, but that do not meet the materiality threshold of \$6 million in assets, liabilities, revenues or expenses are not consolidated in these financial statements. These organizations are analyzed yearly to determine if they have met the materiality threshold and after two years of exceeding the threshold will be considered for consolidation.

Revenue and expense, capital, investing and financing transactions and related asset and liability accounts between the consolidated entities have been eliminated. Accounting policies have been adjusted to conform with those of the Ministry.

The year-end of the Access to the Future Fund, Alberta Enterprise Corporation, Alberta Innovates Corporations, University of Alberta, University of Calgary, University of Lethbridge, Athabasca University and the Banff Centre is March 31.

The year-end for colleges, technical institutes, MacEwan University and Mount Royal University is June 30. Transactions of these organizations that have occurred between the period July 1, 2014 to March 31, 2015, and are \$1 million or greater that significantly affect the consolidated accounts, have been recorded.

(b) Basis of Financial Reporting

Revenues

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

Investment income earned from restricted sources is deferred and recognized when the stipulations imposed have been met. Gains and losses on investments are not recognized in the Consolidated Statement of Operations until realized.

Note 2

*Summary of Significant Accounting Policies and Reporting Practices (continued)***Government Transfers**

Transfers from Government of Alberta, federal, and other governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Ministry complies with its communicated use of the transfer.

All other government transfers, without terms for use of the transfer, are recorded as revenue when the transfer is authorized and the Ministry meets the eligibility criteria (if any).

Donations and Non-Government Grants

Donations and non-government grants are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government grants may be unrestricted or externally restricted for operating or capital purposes. Unrestricted donations and non-government grants are recorded as revenue in the year received or in the year the funds are committed and the amounts can be reasonably estimated. Externally restricted donations, non-government grants, and realized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the term for their use, or the terms along with the Ministry's actions and communications as to the use, create a liability. These resources are recognized as the terms are met and, when applicable, the Ministry complies with its communicated use.

Grants and Donations of or for Land

The Ministry recognizes transfers and donations for the purchase of land as a liability when received, and as revenue when the Ministry purchases the land. The Ministry recognizes in-kind contributions of land as revenue at the fair value of the land. When the Ministry cannot determine the fair value, it records such in-kind contributions at a nominal value.

Expenses**Directly Incurred**

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for. In addition to program operating expenses such as salaries and supplies, etc., directly incurred expenses also include:

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

Grants are recognized as expenses when authorized and the eligibility criteria, if any, are met.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are not recognized and are allocated to programs to show the full cost in Schedule 4.

Valuation of Financial Assets and Liabilities

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

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. Fair values of loans and advances and liability for student loans issued are not reported as there is no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

Assets

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

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

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Portfolio investments are recorded at cost. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

Loans and Advances are recorded at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Donated tangible capital assets are recorded at their fair value at the time of contribution. The thresholds for capitalization, as determined by the entities, are \$1,000 to \$250,000 for new systems development and \$1,000 to \$100,000 for major enhancements. The threshold for all other tangible capital assets, as determined by the entities, is \$1,000 to \$15,000. All land is capitalized.

Amortization is only charged if the tangible capital asset is in use.

When physical assets (tangible capital assets) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recorded as grants in-kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Expenses for patents owned by the Ministry as a result of research activity are not capitalized due to the uncertain value of benefits that may accrue to the Ministry.

Expenses on the acquisition or development of other intangible assets including intellectual capital are not capitalized as currently there is no acceptable methodology for measuring the value of future benefits accruing to the Ministry.

Post-secondary institutions have collections consisting of historical artifacts and provincial, national and international works of art. The value of these collections is not recognized in the consolidated financial statements. Contributed tangible capital assets are recorded at their fair value at the time of contribution.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Where the Ministry has received restricted contributions which have not been fully used in the period, this gives rise to deferred revenue.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

Payments under Reciprocal and Other Agreements

The Ministry entered into agreements with the Federal Government to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these consolidated financial statements. Amounts paid and recovered under agreements are disclosed in Note 15.

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the Consolidated Statement of Financial Position in the summary consolidated financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Ministry operates within the government reporting entity and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

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

Donations and government transfers that must be maintained in perpetuity are recognized as direct increases in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are also recognized as a direct increase in endowment net assets when received or receivable.

Measurement Uncertainty*(in thousands)*

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are:

- ▶ the allowance for impaired loans amounting to \$135,128 (2014 - \$98,488),
- ▶ the allowance for loan subsidy amounting to \$40,597 (2014 - \$41,207) and
- ▶ the allowance for repayment assistance amounting to \$3,200 (2014 - \$2,618).

The Ministry has made certain estimates in the following areas:

- ▶ Recovery and default rates in the determination of the allowance for impaired loans.
- ▶ Blended student lending rate; the annual average provincial borrowing rate; the average repayment period, default rate, and repayment assistance rate in the determination of the allowance for loan subsidy.
- ▶ Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.
- ▶ Methodology used in the determination of the amounts of expended restricted capital contributions.

With respect to the Universities Academic Pension Plan, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2015 extrapolated results. Refer to Note 11 for these assumptions.

Changes in these estimates could materially impact the allowance for impaired loans, the allowance for loan subsidy, the allowance for repayment assistance and the unfunded liability for the Universities Academic Pension Plan.

Government Endowment Funds for Research and Scholarships*(in thousands)*

The Alberta Heritage Science and Engineering Research Endowment Fund operates under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Treasury Board and Finance controls these endowments however the Ministry of Innovation and Advanced Education has an economic interest in the endowments as they assist in funding Ministry programs. Additional information on these endowments can be found in the financial statements for Treasury Board and Finance.

	Net Assets			
	2015		2014	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Science and Engineering Research Endowment Fund	\$ 844,328	\$ 991,524	\$ 795,981	\$ 912,173
Alberta Heritage Scholarship Fund	1,062,823	1,205,862	798,061	907,059
	\$ 1,907,151	\$ 2,197,386	\$ 1,594,042	\$ 1,819,232

(c) Future Accounting Changes**PS 3450 – Financial Instruments**

In June 2011, the Public Sector Accounting Board issued the accounting standard and subsequently extended the effective date to April 1, 2016 from April 1, 2015. The Ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2016-17 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statements Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices (continued)***PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions**

In March 2015, the Public Sector Accounting Board issued PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017. PS 2200 – Related Party Disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. PS 3420 – Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these new standards on the financial statements.

Note 3 **Government Reorganization and Prior Period Restatement**

(in thousands)

Program Transfers

During the year, the Ministry restated the financial statements previously presented for the effects of program transfers from other ministries of the government. Effective April 1, 2014, responsibility for funding all eligible students in Occupational Training Programs 12 weeks and greater was transferred from the Ministry of Human Services. Effective on April 1, 2014, responsibility for funding public affairs officer positions was transferred from the Ministry of Executive Council.

Comparatives for 2014 have been restated as if the Ministry had always been assigned with its current responsibilities.

	As Previously Reported	Transfer from Human Services	Transfer from Executive Council	As Restated
Net Assets at March 31, 2013	\$ 8,012,106	\$ —	\$ —	\$ 8,012,106
Adjustment to Opening Assets	66,014	—	—	66,014
Net Operating Results	(2,647,166)	(10,258)	(227)	(2,657,651)
Net Financing from General Revenues	2,813,198	10,258	227	2,823,683
Net assets at March 31, 2014	\$ 8,244,152	\$ —	\$ —	\$ 8,244,152

Note 4 **Cash and Cash Equivalents**

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2015, securities held by the Fund have a time-weighted return of 1.2% (2014 - 1.2%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

	2015	2014
Cash	\$ 598,435	\$ 500,686
Cash Equivalents (1)	349,959	625,820
	\$ 948,394	\$ 1,126,506

(1) Cash equivalents include money market funds, short-term notes and treasury bills.

Note 5 **Accounts Receivable**

(in thousands)

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 319,856	\$ (7,305)	\$ 312,551	\$ 324,046

Accounts receivable are unsecured and non-interest bearing.

Note 6

Loans and Advances

(in thousands)

	2015	2014
Loans Receivable	\$ 1,540,105	\$ 1,264,943
Less:		
Allowance for Impaired Loans	(135,128)	(98,488)
Allowance for Loan Subsidy	(40,597)	(41,207)
Allowance for Repayment Assistance	(3,200)	(2,618)
	\$ 1,361,180	\$ 1,122,630

Under the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students on terms prescribed by the Minister of Innovation and Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loans are classified as impaired when:

- ▶ there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- ▶ the borrower has failed to make payments for a period of 150 days, or
- ▶ interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

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

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Ministry does not receive interest payments over the term of the loans to fully cover the Ministry's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student loan period. The key assumptions used to determine this provision are a blended student lending rate; the annual average provincial borrowing rate; the average repayment period, default rate assumptions, and Repayment Assistance Plan rate assumptions.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Ministry through the repayment assistance program. The key assumptions used to determine the provision are future loan amounts approved for repayment assistance and loan forgiveness rates.

Note 7

Tangible Capital Assets

(in thousands)

	Land	Building	Land Improvement	Equipment (2)	Computer Hardware and Software	Other (3)	2015 Total	2014 Total
Estimated Useful Life	Indefinite	3-50 years	5-40 years	2-25 years	2-15 years	2-25 years		
Historical Cost (1)								
Beginning of year	\$ 280,777	\$ 9,152,316	\$ 47,820	\$ 2,048,473	\$ 943,620	\$ 713,056	\$ 13,186,062	\$ 12,666,827
Additions	1,465	522,014	9,712	135,683	40,163	38,033	747,070	592,574
Donations	175	14,704	—	14,751	509	159	30,298	39,648
Disposals, including write-downs	(585)	(15,408)	—	(31,134)	(25,749)	(16,933)	(89,809)	(92,167)
Adjustments (4)	2	2,588	714	(2,535)	(225)	(2,533)	(1,989)	(20,820)
	281,834	9,676,214	58,246	2,165,238	958,318	731,782	13,871,632	13,186,062
Accumulated Amortization								
Beginning of year	—	2,957,515	15,076	1,342,401	813,380	516,322	5,644,695	5,280,604
Amortization expense	—	248,167	1,306	147,807	53,066	35,497	485,843	455,048
Effect of disposals including write-downs	—	(4,165)	—	(27,180)	(24,426)	(16,592)	(72,363)	(76,281)
Adjustments (4)	—	1,023	363	1,496	3	(2,016)	869	(14,676)
	—	3,202,540	16,745	1,464,524	842,023	533,211	6,059,043	5,644,695
Net Book Value at March 31, 2015	\$ 281,834	\$ 6,473,674	\$ 41,501	\$ 700,714	\$ 116,295	\$ 198,571	\$ 7,812,589	
Net Book Value at March 31, 2014	\$ 280,777	\$ 6,194,801	\$ 32,744	\$ 706,075	\$ 130,239	\$ 196,732		\$ 7,541,367

(1) Historical cost includes work-in-progress at March 31, 2015 totalling \$654,322 (2014 - \$581,496) comprised of Building and Site Improvements - \$598,325 (2014 - \$503,326), Land Improvements \$81 (2014 - \$0), Equipment - \$47,908 (2014 - \$54,663), and Computer Hardware and Software - \$8,004 (2014 - \$22,330) and Other - \$4 (2014 - \$1,177).

(2) Equipment includes vehicles, heavy equipment, office equipment and furniture, other equipment.

(3) Other includes leasehold improvements, library materials and asset retirement obligations.

(4) Adjustments relate to post-secondary institutions for accounting policy alignments and reclassifications between capital asset categories.

Note 8

Accounts Payable and Accrued Liabilities

(in thousands)

	2015	2014
Accounts Payable	\$ 15,941	\$ 34,125
Accrued Liabilities	823,874	779,417
	\$ 839,815	\$ 813,542

Note 9 *Deferred Revenue*

(in thousands)

	2015	2014
Unearned Revenue	\$ 982,839	\$ 988,610
Unspent Restricted Capital Contributions ⁽¹⁾	49,148	59,525
Spent Restricted Capital Contributions ⁽²⁾	1,354,102	1,284,673
	<u>\$ 2,386,089</u>	<u>\$ 2,332,808</u>

(1) Unspent Restricted Capital Contributions

	2015			2014
	Government of Alberta	Other	Total	Total
Balance, Beginning of Year	\$ 14,617	\$ 44,908	\$ 59,525	\$ 46,546
Received/Receivable during Year	1,155	75,357	76,512	110,204
Restricted Realized Investment Income	115	676	791	2,303
Transferred to Revenue	(350)	(3,886)	(4,236)	(5,325)
Transferred (to) from Other	(92)	737	645	—
Transferred to Spent Restricted Capital Contributions	(13,445)	(70,644)	(84,089)	(94,203)
Balance, End of Year	<u>\$ 2,000</u>	<u>\$ 47,148</u>	<u>\$ 49,148</u>	<u>\$ 59,525</u>

(2) Spent Restricted Capital Contributions

	2015			2014
	Government of Alberta	Other	Total	Total
Balance, Beginning of Year	\$ 225,513	\$ 1,059,160	\$ 1,284,673	\$ 1,252,131
Transferred from Unspent Restricted Contributions and Other	10,058	140,422	150,480	107,240
Less Amounts Recognized as Revenue	(14,480)	(66,571)	(81,051)	(74,698)
Balance, End of Year	<u>\$ 221,091</u>	<u>\$ 1,133,011</u>	<u>\$ 1,354,102</u>	<u>\$ 1,284,673</u>

Note 10

Notes, Debentures and Mortgages

(in thousands)

	Maturity	Average Interest Rate	Cost 2015 ⁽²⁾	Cost 2014 ⁽²⁾
Debentures ⁽¹⁾	Up to December 2047	4.16%	\$ 992,701	\$ 858,880
Bank Loan	June 2018	3.84%	665	1,660
Mortgages	March 2016	5.13%	116	226
Other			82	215
			993,564	860,981
Liabilities under Capital Leases ⁽³⁾			4,034	5,749
			\$ 997,598	\$ 866,730

(1) Debentures are payable to Alberta Capital Finance Authority.

(2) Cost approximates fair value.

(3) The calculation of the liabilities under capital leases is as follows:

	2015	2014
Liabilities, Beginning of Year	\$ 5,749	\$ 7,287
Additions to Liabilities during Year	1,370	2,747
Principal Payments	(3,085)	(4,285)
Liabilities, End of Year	\$ 4,034	\$ 5,749

Principal repayments in each of the next five years and thereafter are as follows:

2015-16	\$ 47,306
2016-17	49,147
2017-18	97,831
2018-19	82,083
2019-20	84,080
Thereafter	637,151
	\$ 997,598

Note 11

Pension Liabilities

(in thousands)

	2015	2014
Pension Liability		
Universities Academic Pension Plan	\$ 231,075	\$ 223,597
Supplementary Pension Plans	48,734	47,084
	<u>\$ 279,809</u>	<u>\$ 270,681</u>

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a multi-employer defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge, and Athabasca and Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Employment Pension Plans Act*.

An actuarial valuation of the UAPP was carried out as at December 31, 2012 and was extrapolated to March 31, 2015 using the projected unit cost method prorated on benefits. The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2015	2014
Discount Rate	6.10%	6.60%
Expected Rate of Return on Plan Assets	6.10%	6.60%
Salary Escalation Rate	3.50%	3.50%
Real Wage Growth	1.25%	1.25%
Inflation Rate	2.25%	2.25%
Estimated Average Remaining Service Life (years)	8.6	8.6

The 2014 UAPP Annual Report identifies an unfunded liability at December 31, 2014 in the amount of \$940,426 (2013 - \$982,238). An actuarial extrapolation of this amount to March 31, 2015, adjusted for public sector reporting standards, estimates the unfunded liability at \$1,129,894 (2014 - \$1,056,921) and unamortized actuarial losses totalling \$162,570 (2014 - \$140,542). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Treasury Board and Finance	Employees	Employers	March 31, 2015 Extrapolated Results	March 31, 2014 Extrapolated Results
Pre '92	\$ 313,536	\$ 284,781	\$ 284,781	\$ 883,098	\$ 845,077
Post '91	—	123,398	123,398	246,796	211,844
Total Unfunded Liability	\$ 313,536	\$ 408,179	\$ 408,179	\$ 1,129,894	\$ 1,056,921

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2013 - 1.25%) of salaries by Alberta Treasury Board and Finance and the balance of the required contributions, 2.87% (2014 - 2.87%) of salaries, is equally split between employees and employers in order to eliminate the unfunded deficiency by December 31, 2043. Employees and employers are responsible for fully funding service after 1991 which consists of special payments of 5.79% (2014 - 5.79%) of salaries until December 31, 2021. 1.71% (2014 - 1.71%) of salaries for 2022 and 2023, 0.70% (2014 - 0.70%) of salaries for 2024 and 2025, and 0.25% (2014 - 0.25%) of salaries for 2026 and 2027, all shared equally between employees and employers.

The total contributions for the year (which includes the current years' service) were \$231,327 (2014 - \$220,625) of which the contributions made by employees were \$110,051 (2014 - \$104,363) and contributions made by Alberta Treasury Board and Finance were \$10,704 (2014 - \$11,388).

Additional information on UAPP can be found in the Annual Report of UAPP.

Note 11

Pension Liabilities (continued)

(in thousands)

The expense and financial position of the UAPP is as follows:

	2015	2014
Pension Liability		
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 4,472,414	\$ 4,152,734
Current Service Cost	149,504	155,904
Interest Cost	297,666	260,769
Benefits Paid	(223,642)	(205,390)
Actuarial Loss	260,806	108,397
Balance, End of Year	4,956,748	4,472,414
Pension Fund Assets	(3,826,854)	(3,415,493)
Total Unfunded Liability	\$ 1,129,894	\$ 1,056,921
Ministry's Portion of Total Unfunded Liability	\$ 408,182	\$ 373,114
Unamortized Actuarial Net Loss	(177,107)	(149,517)
Total UAPP Pension Liability	\$ 231,075	\$ 223,597

The expense of this plan is \$118,047 (2014 - \$129,639) and includes the following components:

	2015	2014
Pension Expense		
Current Period Benefit Cost	\$ 74,752	\$ 77,952
Amortization of Actuarial Gains/Losses	17,386	24,639
Pension Expense	92,138	102,591
Interest Cost on the Average Accrued Benefit Obligation	129,471	110,363
Expected Return on Average Pension Plan Assets	(103,562)	(83,315)
Pension Interest Expense	25,909	27,048
Total UAPP Pension Expense	\$ 118,047	\$ 129,639

Ministry Pension Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Local Authorities Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$133,465 for the year ended March 31, 2015 (2014 - \$139,443).

At December 31, 2014, the Management Employees Pension Plan reported a surplus of \$75,805 (2013 - surplus of \$50,457), the Local Authorities Pension Plan reported a deficiency of \$2,454,636 (2013 - deficiency of \$4,861,516) and the Public Service Pension Plan reported a deficiency of \$803,299 (2013 - deficiency of \$1,254,678). At December 31, 2014, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$17,203 (2013 - deficiency of \$12,384).

Certain consolidated entities provide defined supplementary executive retirement plans for certain management staff, and other benefit plans for all or specific groups of staff, depending on the plans. The cost of these benefits are actuarially determined on an annual basis using the projected benefit method pro-rated on services, the government borrowing rate and management's best estimate of expected costs and the period of benefit coverage. At March 31, 2015, these plans have net accrued liability of \$48,734 (2014 - \$47,084). This liability is included in employee future benefits. The expense of these supplementary retirement plans is \$7,877 (2014 - \$8,444 *Restated*).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2015, the Bargaining Unit Plan reported an actuarial surplus of \$86,888 (2014 - surplus of \$75,200) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$32,343 (2014 - surplus of \$24,055). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12

Endowment Funds

(in thousands)

Endowments consist of externally restricted donations received by the post-secondary institutions and internal allocations by the post-secondary institutions' Boards of Governors, the principal of which is required to be maintained intact in perpetuity. Donors have placed restrictions on their contributions to the endowment funds of post-secondary institutions. The principal restriction is that the original contribution not be spent except as expressly allowed under the *Post-secondary Learning Act* for endowments made to post-secondary institutions. Other potential restrictions are that any investment income of the endowment fund that is required to offset the impact of inflation should also not be spent.

	2015	2014
Beginning Balance	\$ 1,676,219	\$ 1,542,818
Contributions	71,956	47,992
Investment - Realized Gains Capitalized	84,028	84,445
Net Transfers from Deferred Contributions	10,073	964
Net Transfers from Unrestricted Net Assets	2,791	—
	\$ 1,845,067	\$ 1,676,219

Note 13

Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2015	2014
		(Restated)
Obligations under Operating Leases, Contracts and Programs	\$ 1,257,948	\$ 1,002,925
Loans and Advances Approved (1)	47	368
	\$ 1,257,995	\$ 1,003,293

(1) Loans and Advances Approved are comprised of uncashed student loans.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	2015		
	Obligations under Operating Leases, Contracts and Programs	Loans and Advances Approved	Total
2015-16	\$ 690,727	\$ 47	\$ 690,774
2016-17	326,902	—	326,902
2017-18	115,530	—	115,530
2018-19	40,760	—	40,760
2019-20	24,094	—	24,094
Thereafter	59,935	—	59,935
	\$ 1,257,948	\$ 47	\$ 1,257,995

Note 14

Contingent Liabilities

(in thousands)

At March 31, 2015 the Ministry of Innovation and Advanced Education is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the Ministry believes that any settlement will not have a material adverse effect on its financial position or the results of operations. The Ministry has concluded that none of the claims meet the criteria for being recorded under PSAS.

The Ministry has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the Ministry may be required to take appropriate remediation procedures to remove the asbestos. As the Ministry has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. However, when there are plans to demolish or renovate a building which contains asbestos, the obligation related to the demolition is determined and recorded as part of the project costs. In the current year, the Ministry has recorded a liability for the asset retirement obligation of \$2,671 (2014 - \$nil).

The public post-secondary institutions also entered into employment contracts that included a commitment to provide or guarantee housing loans in the amount of \$766 (2014 - \$782).

The Ministry has filed voluntary disclosure with the Canadian Revenue Agency relating to the requirement to withhold and remit taxes on non-resident of Canada services. The potential liability is in the range of \$nil to \$1,200. While the ultimate assessment from this matter is unknown at this time, the Ministry has estimated and recorded a liability of \$339.

The Ministry has recognized a contingent liability related to the compensation settlements with Alberta Union Public Employees (AUPE) which has not been resolved as at June 30, 2014. It is likely that a future event will confirm the existence of a liability and we have been able to reasonably estimate this amount. The amount recorded is \$220 (2014 - \$nil).

Note 15

Payments under Agreement

(in thousands)

The Ministry has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the Ministry under authority of section 25 of the *Financial Administration Act*. Accounts Receivable includes \$915 (2014 - \$15,889).

Government of Canada:

Net Amounts paid and (payable) under agreements on behalf of the Government of Canada are as follows:

	2015	2014
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	\$ (7)	\$ (18)
Government of Canada		
Canada Study Grants	(15)	(28)
Canada Student Grants	75,019	72,415
	\$ 74,997	\$ 72,369

Note 16

Funds Held on Behalf of Others

(in thousands)

The Ministry holds funds on behalf of others over which the legislature has no power of appropriation. Because the Ministry has no equity in the funds and holds them for the purposes of various other organizations, they are not included in the Ministry's financial statements. Total net assets of the funds held on behalf of others by the Ministry at March 31, 2015 were \$47,088 (2014 - \$27,456).

Note 17 **Derivative Contracts and Related Credit Risk***(in thousands)*

The Ministry uses derivative contracts to improve investment return and to manage interest and currency risks. Derivative contracts have credit risks that could expose the Ministry to potential losses. Credit risk for derivative contracts is the risk that the counterparty will not pay its obligation when it comes due.

The following is a summary of the fair values and maturity schedules of the Ministry's derivative contracts by type, segregated in a favourable and unfavourable position. Derivatives in a favourable position have positive fair values which represent amounts owed to the Ministry by counterparties.

	Maturity			Contract Notional Amount	Fair Values	
	Under 1 Year	1 to 3 Years	Over 3 Years		Favourable Position	Unfavourable Position
Forward Foreign Exchange Contracts	100%	—	—	\$ 4,877	\$ 27	\$ —

Note 18 **Comparative Figures**

Certain 2014 figures have been reclassified to conform to the 2015 presentation.

Note 19 **Approval of Consolidated Financial Statements**

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

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2015

Schedule 1

Consolidated Revenues

(in thousands)

	2015	2014
Government Transfers		
Government of Alberta Grants		
Alberta Heritage Scholarship Fund	\$ 37,521	\$ 37,361
Access to the Future Fund	52,483	51,809
Alberta Heritage Science and Engineering Research Endowment Fund	35,000	42,500
Alberta Innovates Corporations	1,841	607
Post-Secondary Institutions	252,565	236,431
	379,410	368,708
Government of Canada Grants		
Public Post-Secondary Institutions	300,024	302,360
Other	8,532	7,892
	308,556	310,252
Investment Income		
Interest on Student Loans Issued	16,228	14,216
Public Post-Secondary Institutions	250,340	178,051
Other	634	1,820
	267,202	194,087
Net Income (Loss) from Government Business Enterprises	(1,764)	3,029
Premiums, Fees and Licences		
Apprenticeship Services	6,928	7,175
Licence Fees	179	146
Other	263	8
	7,370	7,329
Tuition and Non-Credit Courses	1,115,828	1,087,280
Sales, Rentals and Services	662,891	679,380
Donations, Grants and Contributions	396,753	364,021
Other Revenue		
Refunds of Expenditure	4,414	10,934
Miscellaneous	3,940	2,298
	8,354	13,232
	\$ 3,144,600	\$ 3,027,318

Schedule 2**Consolidated Expenses – Directly Incurred Detailed by Object***(in thousands)*

	2015	2014
		(Restated Note 3)
Salaries, Wages and Employee Benefits	\$ 3,334,220	\$ 3,344,477
Supplies and Services	1,333,394	1,294,116
Grants	521,101	480,335
Amortization of Tangible Capital Assets (Note 7)	485,843	455,048
Interest on Long-Term Debt	34,302	34,615
Provision – Student Aid	44,146	35,367
Other ⁽¹⁾	20,536	41,011
	5,773,542	5,684,969
Less: Recoveries from Support Service Arrangements with Related Parties ⁽²⁾	(2,899)	—
	\$ 5,770,643	\$ 5,684,969

(1) This amount includes Provisions - Pensions, Employee Benefits, and Doubtful Accounts.

(2) The Ministry provides information technology, human services, and administrative services to the Department of Jobs, Skills, Training and Labour at a cost of \$2,899. Cost for these services are recovered from that department.

Schedule 3

Budget Reconciliation

(in thousands)

	2015				
	2014-15 Government Estimates		Budget of Entities Excluded from Fiscal Plan (2)	Consolidation Adjustments	Constructed Budget
	Operational (1)	Capital (1)			
Revenues					
Government Transfers					
Government of Alberta Grants	\$ 125,287	\$ —	\$ 2,822,432	\$ (2,672,980)	\$ 274,739
Federal and Other Government Grants	7,851	—	367,274	—	375,125
Investment Income	15,360	—	137,969	—	153,329
Net Income from Government Business Enterprises	—	—	—	—	—
Premiums, Fees and Licences	9,455	—	—	(2,300)	7,155
Tuition and Non-Credit Courses	—	—	1,122,243	—	1,122,243
Sales, Rentals and Services	—	—	608,892	—	608,892
Donations, Grants and Contributions	—	—	310,499	—	310,499
Other Revenue	16,625	—	79,997	(2,025)	94,597
Total Revenues	174,578	—	5,449,306	(2,677,305)	2,946,579
Expenses					
Public Post-Secondary Institutions	—	—	5,209,043	—	5,209,043
Alberta Innovates Corporations	—	—	249,485	(45,000)	204,485
Alberta Enterprise Corporation	850	—	—	—	850
Department					
Support for Adult Learning	2,266,481	—	—	(2,206,983)	59,498
Apprenticeship Delivery	49,852	—	—	(2,300)	47,552
Alberta Centennial Education Savings Plan	11,000	—	—	—	11,000
Innovation and Technology Commercialization	202,290	—	—	(179,444)	22,846
Student Aid	222,795	—	—	—	222,795
Enterprise	18,120	—	—	—	18,120
Ministry Support Services	30,679	—	—	(2,025)	28,654
International Partnerships	2,520	—	—	—	2,520
Access to the Future Fund	50,000	—	—	(50,000)	—
Post-Secondary Infrastructure	812	240,925	—	(240,925)	812
2013 Alberta Flooding	275	—	—	—	275
Total Expenses	2,855,674	240,925	5,458,528	(2,726,677)	5,828,450
Net Operating Results	\$ (2,681,096)	\$ (240,925)	\$ (9,222)	\$ 49,372	\$ (2,881,871)

(1) Ministry's estimate as per the 2014-15 Government Estimates.

(2) Budgets of SUCH Sector Entities and Alberta Innovates Corporations are not included in the Fiscal Plan but have been approved by their respective Boards of Directors.

Schedule 4

Consolidated Allocated Costs

(in thousands)

	2015					2014
	Expenses (1)	Expenses – Incurred by Others			Total Expenses	(Restated Note 3)
		Accommodation Costs (2)	Legal Services (3)	Business Services (4)		Total Expenses
Program						
Public Post-Secondary Institutions	\$ 5,170,699	\$ —	\$ —	\$ —	\$ 5,170,699	\$ 5,134,586
Alberta Innovates Corporations	163,727	20,556	—	—	184,283	172,055
Alberta Enterprise Corporation	792	—	—	—	792	1,115
Department						
Support for Adult Learning	76,125	1,138	175	—	77,438	64,069
Apprenticeship Delivery	40,893	2,736	53	—	43,682	42,280
Alberta Centennial Education Savings Plan	16,785	—	—	—	16,785	18,932
Innovation and Technology Commercialization	26,161	448	117	—	26,726	27,142
Student Aid	227,209	1,518	64	—	228,791	203,516
Enterprise	17,086	1,081	44	—	18,211	17,842
International Partnerships	1,932	—	—	—	1,932	1,511
Ministry Support Services	28,917	1,771	405	3,543	34,636	34,577
Post-Secondary Infrastructure	42	—	—	—	42	658
2013 Alberta Flooding	275	—	—	—	275	393
	\$ 5,770,643	\$ 29,248	\$ 858	\$ 3,543	\$ 5,804,292	\$ 5,718,676

(1) Expenses – Directly Incurred as per Consolidated Statement of Operations.

(2) Costs are as shown for Accommodation on Schedule 7 and allocated to participating entities and by proportion of full-time equivalent staff.

(3) Costs are as shown for Legal Services on Schedule 7 and allocated by estimated costs incurred by each program.

(4) Costs are as shown for Business Services on Schedule 7, including Shared Services, Air Transportation Services / Executive Vehicle, Internal Audit and GOA Learning Centre, and are allocated only to Ministry Support Services as the services relate to Ministry support functions.

Schedule 5

Consolidated Portfolio Investments

(in thousands)

	2015		2014	
	Value at Cost	Fair Value	Value at Cost	Fair Value
			(Restated)	(Restated)
Interest-Bearing Securities				
Deposits and Short-Term Securities	\$ 859,434	\$ 860,231	\$ 1,208,198	\$ 1,206,573
Bonds and Mortgages	1,688,830	1,739,287	796,357	806,653
Floating Rate Notes	29,612	51,370	82,301	158,254
	2,577,876	2,650,888	2,086,856	2,171,480
Equities				
Canadian Equities	1,030,883	1,385,604	968,306	1,113,186
Foreign Equities	772,152	916,823	811,035	1,025,313
Pooled Hedged Funds	82,236	74,641	65,313	64,516
	1,885,271	2,377,068	1,844,654	2,203,015
Inflation Sensitive and Alternative Investments				
Real Estate Funds	57,226	83,006	53,434	66,100
Other Investments	1,095	1,095	1,226	1,203
	58,321	84,101	54,660	67,303
	\$ 4,521,468	\$ 5,112,057	\$ 3,986,170	\$ 4,441,798

Schedule 6

Equity in Government Business Enterprises

(in thousands)

	2015	2014
Accumulated Surplus (Deficit), Beginning of Year	\$ 940	\$ (2,089)
Total Revenue	7,506	10,592
Total Expense	8,270	6,863
Income (Loss) from Commercial Operations	(764)	3,729
Dividends Paid	(1,000)	(700)
Net Income (Loss)	(1,764)	3,029
Accumulated Surplus (Deficit), End of Year	\$ (824)	\$ 940
Represented by:		
Assets		
Financial Assets	\$ 31,004	\$ 21,301
Tangible Capital Assets	380	357
	31,384	21,658
Liabilities		
Accounts Payable	4,713	6,121
Debt	22,163	9,264
	26,876	15,385
	\$ 4,508	\$ 6,273
Equity in Government Business Enterprises, End of Year		
As Reported by the Entities		
Keyano College	\$ 1,513	\$ (61)
Northern Alberta Institute of Technology	686	523
Olds College	719	1,018
Southern Alberta Institute of Technology	1,004	1,091
University of Calgary	586	3,702
	4,508	6,273
Advances to Keyano Land Trust	12,588	2,363
Advances to Olds College Trust	2,038	2,038
	\$ 19,134	\$ 10,674

Schedule 7**Consolidated Related Party Transactions***(in thousands)*

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

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

The Ministry had the following transactions with related parties which are recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2015	2014
Revenues		
Grants	\$ 379,741	\$ 292,607
Other	48,701	202,318
	<u>\$ 428,442</u>	<u>\$ 494,925</u>
Expenses – Directly Incurred		
Grants	\$ 5,057	\$ 21,482
Other Services	56,418	71,815
	<u>\$ 61,475</u>	<u>\$ 93,297</u>
Receivables from	<u>\$ 13,560</u>	<u>\$ 35,236</u>
Payables to	<u>\$ 11,522</u>	<u>\$ 11,863</u>
Deferred Revenue	<u>\$ 378,505</u>	<u>\$ 399,756</u>
Debt to Related Parties	<u>\$ 987,743</u>	<u>\$ 861,083</u>
Contractual Obligations	<u>\$ 7,328</u>	<u>\$ 7,223</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal expenses and Shared Service costs incurred by others are disclosed in Schedule 4.

	2015	2014
Expenses – Incurred by Others		(Restated)
Accommodation	\$ 29,248	\$ 29,076
Legal	858	802
Shared Services	3,443	3,648
Air Transportation Services / Executive Vehicle	—	96
Internal Audit	47	48
GOA Learning Centre	53	37
	<u>\$ 33,649</u>	<u>\$ 33,707</u>

*Schedule 8****Entities Included in the Consolidated Financial Statements*****Department of Innovation and Advanced Education****Funds and Agencies**

Access to the Future Fund

Alberta Enterprise Corporation

Public Post-Secondary Institutions**Comprehensive Academic and Research Institutions**

Athabasca University

University of Alberta

University of Calgary

University of Lethbridge

Baccalaureate and Applied Studies Institutions

MacEwan University

Mount Royal University

Polytechnical Institutions

Northern Alberta Institute of Technology

Southern Alberta Institute of Technology

Comprehensive Community Institutions

Bow Valley College

Grande Prairie Regional College

Keyano College

Lakeland College

Lethbridge College

Medicine Hat College

NorQuest College

Northern Lakes College

Olds College

Portage College

Red Deer College

Specialized Arts and Culture Institutions

Alberta College of Art + Design

The Banff Centre

Alberta Innovates Corporations

Alberta Innovates – Bio Solutions

Alberta Innovates – Energy and Environment Solutions

Alberta Innovates – Technology Futures

Government Business Enterprises

Keyano College Land Trust

Olds College Trust

PanGlobal Training Systems Ltd.

PetroSkills Operations & Maintenance LLC

University Technologies Group

West Campus Development Corporation

Department of Innovation and Advanced Education

Financial Statements

March 31, 2015

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Independent Auditor's Report

To the Minister of Innovation and Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Innovation and Advanced Education, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Innovation and Advanced Education as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 5, 2015
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2015

(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
	(Schedule 4)		(Restated Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 72,649	\$ 72,521	\$ 79,862
Federal Grants	7,851	8,387	7,856
Investment Income	13,300	16,228	14,216
Premiums, Fees and Licences	9,455	9,608	9,754
Other Revenue	17,075	5,879	12,986
	120,330	112,623	124,674
Expenses – Directly Incurred (Note 2(b) and Schedules 3, 5, 8)			
Programs			
Ministry Support Services	30,679	29,187	29,123
Support for Adult Learning	2,266,481	2,235,885	2,189,747
Apprenticeship Delivery	49,852	43,885	42,670
Student Aid	222,795	227,209	202,024
Innovation and Technology Commercialization	203,140	199,961	193,529
Enterprise	18,120	17,537	17,101
International Partnerships	2,520	1,932	1,416
2013 Alberta Flooding Non-Disaster Recovery Expenses	275	275	393
Post-Secondary Infrastructure	230,925	230,846	63,578
Alberta Centennial Education Savings Plan	11,000	16,785	18,932
	3,035,787	3,003,502	2,758,513
Net Operating Results	\$ (2,915,457)	\$ (2,890,879)	\$ (2,633,839)

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

Statement of Financial Position

as at March 31, 2015

(in thousands)

	2015	2014
		(Restated Note 3)
Assets		
Cash	\$ 7,534	\$ 5,889
Accounts Receivable (Note 4)	15,019	27,320
Loans Receivable (Note 5)	1,361,180	1,122,630
Tangible Capital Assets (Note 6)	26,418	27,151
	\$ 1,410,151	\$ 1,182,990
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 81,744	\$ 62,113
Deferred Revenue (Note 8)	611	851
	82,355	62,964
Net Assets		
Net Assets, Beginning of Year	1,120,026	944,587
Adjustment to Net Assets	—	(14,406)
Net Operating Results	(2,890,879)	(2,633,839)
Net Financing Provided from General Revenues	3,098,649	2,823,684
Net Assets, End of Year	1,327,796	1,120,026
	\$ 1,410,151	\$ 1,182,990

Contractual Obligations (Note 9)

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

Statement of Cash Flows

for the year ended March 31, 2015

(in thousands)

	2015	2014
Operating Transactions		(Restated Note 3)
Net Operating Results	\$ (2,890,879)	\$ (2,633,839)
Non-Cash Items included in Net Operating Results		
Amortization (Note 6)	4,920	5,272
Provision for Future Cost of Student Loans Issued	44,146	35,367
Student Loan Valuation Adjustments	(6,865)	(18,144)
Provision for Vacation Pay	410	554
	(2,848,268)	(2,610,790)
Decrease in Accounts Receivable	12,301	43,765
Increase in Accounts Payable and Accrued Liabilities	19,221	18,274
(Decrease) Increase in Deferred Revenue	(240)	162
Cash Applied to Operating Transactions	(2,816,986)	(2,548,589)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 6)	(4,187)	(6,260)
Cash Applied to Capital Transactions	(4,187)	(6,260)
Investing Transactions		
Loans Receivable		
Student Loan Disbursements	(396,256)	(376,965)
Student Loan Repayments	120,425	98,282
Cash Applied to Investing Transactions	(275,831)	(278,683)
Financing Transactions		
Net Financing Provided from General Revenues	3,098,649	2,823,684
Cash Provided by Financing Transactions	3,098,649	2,823,684
Increase (Decrease) in Cash	1,645	(9,848)
Cash, Beginning of Year	5,889	15,737
Cash, End of Year	\$ 7,534	\$ 5,889

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

Notes to the Financial Statements

March 31, 2015

Note 1 *Authority and Purpose*

The Department of Innovation and Advanced Education operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

In support of Alberta's vision, Innovation and Advanced Education's purpose is to build a resilient economy and a thriving society by engaging Albertans in learning, innovation, and entrepreneurship.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) **Reporting Entity**

The reporting entity is the Department of Innovation and Advanced Education, which is part of the Ministry of Innovation and Advanced Education and for which the Minister of Innovation and Advanced Education is accountable. Other entities reporting to the Minister are the Access to the Future Fund, Alberta Enterprise Corporation, Alberta Innovates – Bio Solutions, Alberta Innovates – Energy & Environment Solutions, Alberta Innovates – Technology Futures, and Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

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

(b) **Basis of Financial Reporting**

Revenues

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

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer, or the stipulations along with the Department's actions and communications as to the use of the transfers, create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the transfer is authorized and the department meets the eligibility criteria (if any).

Capital Contributions

Restricted capital contributions are recognized as deferred revenue when received and recognized as revenue over the useful life of the acquired or constructed tangible capital assets.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual Credit or Recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

Expenses

Directly Incurred

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

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

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

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

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Incurred by Others

Services contributed by other entities in support of the Department operations are not recognized and are disclosed in Schedule 7 and allocated to programs in Schedule 8.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Assets acquired by right are not included.

Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the tangible capital asset is in use.

Liabilities

Liabilities are recorded to the extent that they represent the present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Department and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the Statement of Financial Position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas subject to measurement uncertainty are:

- ▶ the allowance for impaired loans amounting to \$135,128 (2014 - \$98,488),
- ▶ the allowance for loan subsidy amounting to \$40,597 (2014 - \$41,207) and
- ▶ the allowance for repayment assistance amounting to \$3,200 (2014 - \$2,618).

The Department has made certain estimates in the following areas:

- ▶ Recovery and default rates in the determination of the allowance for impaired loans.
- ▶ Blended student lending rate; the annual average provincial borrowing rate; the average repayment period, default rate, and repayment assistance rate in the determination of the allowance for loan subsidy.
- ▶ Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

Changes in these estimates could materially impact the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Note 2

Summary of Significant Accounting Policies and Reporting Practices (continued)**Valuation of Financial Assets and Liabilities**

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

The fair values of Cash, Accounts Receivable, Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

The fair values of Loans Receivable are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Government Endowment Funds for Research and Scholarships

(in thousands)

The Alberta Heritage Science and Engineering Research Endowment Fund operates under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Treasury Board and Finance controls these endowments. However, the Department of Innovation and Advanced Education has an economic interest in the endowments as they assist in funding department programs. Additional information on these endowments can be found in the financial statements for Alberta Treasury Board and Finance.

	Net Assets			
	2015		2014	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Science and Engineering Research Endowment Fund	\$ 844,328	\$ 991,524	\$ 795,981	\$ 912,173
Alberta Heritage Scholarship Fund	1,062,823	1,205,862	798,061	907,059
	\$ 1,907,151	\$ 2,197,386	\$ 1,594,042	\$ 1,819,232

(c) Future Accounting Changes**PS 3450 – Financial Instruments**

In June 2011, the Public Sector Accounting Board issued this accounting standard and subsequently extended the effective date to April 1, 2016 from April 1, 2015.

The Department has not yet adopted this standard and has the option of adopting it in fiscal year 2016-17 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 – Foreign Currency Translation; PS 1201 – Financial Statement Presentation; and PS 3041 – Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions

In March 2015, the Public Sector Accounting Board issued PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017. PS 2200 – Related Party Disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.

PS 3420 – Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.

Note 3 Government Reorganization*(in thousands)***Program Transfers**

During the year, the Department restated the financial statements previously presented for the effects of program transfers from other departments of the government. Effective April 1, 2014, transfer of responsibility for funding all eligible students in Occupational Training Programs 12 weeks and greater was transferred from the Ministry of Human Services. Effective April 1, 2014, responsibility for funding public affairs officer positions was transferred from the Ministry of Executive Council.

Comparatives for 2014 have been restated as if the Department had always been assigned with its current responsibilities.

	As Previously Reported	Transfer from Human Services	Transfer from Executive Council	As Restated
Net Assets at March 31, 2013	\$ 944,587	\$ —	\$ —	\$ 944,587
Adjustment to Opening Assets	(14,406)	—	—	(14,406)
Net Operating Results	(2,623,354)	(10,258)	(227)	(2,633,839)
Net Financing from General Revenues	2,813,199	10,258	227	2,823,684
Net assets at March 31, 2014	\$ 1,120,026	\$ —	\$ —	\$ 1,120,026

Note 4 Accounts Receivable*(in thousands)*

	2015	2014
Government of Canada ⁽¹⁾	\$ 12,231	\$ 23,230
Accrued Interest Receivable on Loans	1,307	2,636
Other	1,481	1,454
	\$ 15,019	\$ 27,320

Accounts receivable are unsecured and non-interest bearing.

(1) \$915 (2013 - \$15,889) is represented by Payments Under Agreement (Note 10).

Note 5

Loans Receivable

(in thousands)

	2015	2014
Loans Receivable	\$ 1,540,105	\$ 1,264,943
Less:		
Allowance for Impaired Loans	(135,128)	(98,488)
Allowance for Loan Subsidy	(40,597)	(41,207)
Allowance for Repayment Assistance	(3,200)	(2,618)
	\$ 1,361,180	\$ 1,122,630

Under the Alberta Student Aid Program, loans are provided by the Department to qualifying students on terms prescribed by the Minister of Innovation and Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loans are classified as impaired when:

- ▶ there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- ▶ the borrower has failed to make payments for a period of 150 days, or
- ▶ interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

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

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favorable loan terms where the Department does not receive interest payments over the term of the loans to fully cover the Department's cost of financing the loan portfolio. Changes in future year estimates are expensed and amortized over the estimated life of the student loan period. The key assumptions used to determine this provision are a blended student lending rate; the annual average provincial borrowing rate; the average repayment period, default rate assumptions, and Repayment Assistance Plan rate assumptions.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Department through the repayment assistance program. The key assumptions used to determine this provision are the future loan amounts approved for repayment assistance and loan forgiveness rates.

Note 6 Tangible Capital Assets*(in thousands)*

	2015			2014
	Equipment ⁽¹⁾	Computer Hardware and Software	Total	Total
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost ⁽²⁾				
Beginning of Year	\$ 179	\$ 59,068	\$ 59,247	\$ 55,628
Additions	16	4,171	4,187	6,260
Disposals, including Write-downs	—	(1,058)	(1,058)	(2,641)
	195	62,181	62,376	59,247
Accumulated Amortization				
Beginning of Year	106	31,990	32,096	29,465
Amortization Expense	20	4,900	4,920	5,272
Effect of Disposals	—	(1,058)	(1,058)	(2,641)
	126	35,832	35,958	32,096
Net Book Value at March 31, 2015	\$ 69	\$ 26,349	\$ 26,418	\$ —
Net Book Value at March 31, 2014	\$ 73	\$ 27,078	\$ —	\$ 27,151

(1) Equipment includes office equipment.

(2) Historical cost includes work-in-progress at March 31, 2015 totaling \$12,813 (2014 - \$10,725) comprised of computer software development projects.

Note 7 Accounts Payable and Accrued Liabilities*(in thousands)*

	2015	2014
Accounts Payable	\$ 3,179	\$ 4,661
Accrued Liabilities:		
Vacation	7,825	7,415
Grants	65,943	45,805
Other	4,797	4,232
	\$ 81,744	\$ 62,113

Note 8 Deferred Revenue*(in thousands)*

	2015	2014
Balance, Beginning of Year	\$ 851	\$ 689
Received/Receivable during Year	611	851
Less Amounts Recognized as Revenue	(851)	(689)
Balance, End of Year	\$ 611	\$ 851

The deferred revenue balance is due to receipts for apprenticeship training services through agreements with North West Territories, Yukon, and Nunavut where services have not yet been provided.

Note 9 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2015	2014 (Restated) (1)
Obligations under Contracts and Programs	\$ 271,438	\$ 115,597
Uncashed Student Loans	47	368
Capital Grants	705,675	848,900
	\$ 977,160	\$ 964,865

(1) Figures have been restated to include contracts not reported in 2014. This increased the total by \$32,045.

Estimated payment requirements for each of the next five years are as follows:

	Contracts and Programs	Uncashed Student Loans	Capital Grants	Total
2015-16	\$ 87,545	\$ 47	\$ 162,225	\$ 249,817
2016-17	45,724	—	186,225	231,949
2017-18	33,887	—	162,225	196,112
2018-19	18,782	—	20,000	38,782
2019-20	17,500	—	45,800	63,300
Thereafter	68,000	—	129,200	197,200
	\$ 271,438	\$ 47	\$ 705,675	\$ 977,160

Note 10 Payments Under Agreement

(in thousands)

The Department has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs under these agreements are incurred by the Department under authority of section 25 of the *Financial Administration Act*. Accounts Receivable includes \$915 (2014 - \$15,889) relating to payments under agreement.

Government of Canada

Net amounts paid and (payable) under agreements on behalf of the Government of Canada:

	2015	2014
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	\$ (7)	\$ (18)
Government of Canada		
Canada Study Grants	(15)	(28)
Canada Student Grants	75,019	72,415
	\$ 74,997	\$ 72,369

Note 11 **Benefit Plans***(in thousands)*

The Department participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$10,238 for the year ended March 31, 2015 (2014 - \$9,347 restated). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2014, the Management Employees Pension Plan reported a surplus of \$75,805 (2013 - surplus \$50,457), the Public Service Pension Plan reported a deficiency of \$803,299 (2013 - deficiency \$1,254,678) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$17,203 (2013 - deficiency \$12,384).

The Department also participates in two multi-employer Long-Term Disability Income Continuance Plans. At March 31, 2015, the Bargaining Unit Plan reported an actuarial surplus of \$86,888 (2014 - surplus \$75,200) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$32,343 (2014 - surplus \$24,055). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 **Comparative Figures**

Certain 2014 figures have been reclassified to conform to the 2015 presentation.

Note 13 **Approval of Financial Statements**

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

Schedules to the Financial Statements

for the year ended March 31, 2015

Schedule 1

Revenues

(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	\$ 37,649	\$ 37,521	\$ 37,362
Alberta Heritage Science and Engineering Research Endowment Fund	35,000	35,000	42,500
	72,649	72,521	79,862
Federal and Other Government Grants			
Government of Canada Transfers	7,851	8,387	7,856
	7,851	8,387	7,856
Investment Income			
Interest on Student Loans Issued	13,300	16,228	14,216
	13,300	16,228	14,216
Premiums, Fees and Licences			
Apprenticeship Services	7,000	6,929	7,175
Fees and Licences	2,455	2,679	2,579
	9,455	9,608	9,754
Other Revenue			
Refund of Expenditure	14,600	4,349	10,888
Other	2,475	1,530	2,098
	17,075	5,879	12,986
	\$ 120,330	\$ 112,623	\$ 124,674

Schedule 2

Credit or Recovery

(in thousands)

	2015				
	Authorized	Actual Revenue Recognized	Deferred Revenue	Actual Revenue Received/ Receivable	(Shortfall) / Excess
Information and Technology Management Services ⁽¹⁾	\$ 2,025	\$ 1,436	\$ —	\$ 1,436	\$ (589)
Canada Student Loan Administration ⁽²⁾	3,000	3,525	—	3,525	525
Apprenticeship Services ⁽³⁾	7,800	6,928	611	7,539	(261)
Foreign Qualification Recognition ⁽⁴⁾	551	190	—	190	(361)
French Language Program ⁽⁵⁾	4,674	4,673	—	4,673	(1)
	\$ 18,050	\$ 16,752	\$ 611	\$ 17,363	\$ (687)

This schedule is required by section 24(3) of the *Financial Administration Act*.

The revenue of each credit or recovery is included in the Department's revenue.

- (1) Revenue collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis. Element 1.4 - Schedule 5.
- (2) Revenue received from the Government of Canada for administering of Canada Student Loans and conducting a study and developing material as prescribed by the federal government on a cost-recovery basis. Element 4.1 - Schedule 5.
- (3) Fees collected for the provision of registration and assessment services to individuals seeking certification in designated trades and occupations. As well, consulting services are provided on a cost-recovery basis to other countries and jurisdictions. Apprenticeship technical training spaces in Alberta institutions are provided on a cost-recovery basis to Yukon Territory, Northwest Territories and Nunavut. Element 3 - Schedule 5.
- (4) Funding is received from the federal government to develop consistent assessment and recognition processes and standards, improved information tools and communication materials to facilitate the recognition of internationally trained tradespeople. Alberta is leading this work on behalf of all Canadian Apprenticeship Authorities. Element 3 - Schedule 5.
- (5) Funding is received from the federal government to support French minority language and second language education programs provided by post-secondary institutions and fellowships for individuals in full-time studies in French. Elements 2.2 and 4.2 - Schedule 5.

Schedule 3

Expenses – Directly Incurred Detailed by Object

(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
			(Restated Note 3)
Salaries, Wages and Employee Benefits	\$ 85,242	\$ 79,924	\$ 77,111
Supplies and Services	78,908	65,679	60,906
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	—	125	125
Grants	2,821,339	2,811,125	2,579,100
Amortization of Tangible Capital Assets	5,425	4,920	5,272
Total Expenses before Recoveries	2,990,914	2,961,773	2,722,514
Less Recovery from Support Service Arrangements with Related Parties ⁽²⁾	—	(2,899)	—
Provision for Future Cost of Student Loans Issued	44,800	44,146	35,367
Other Expenditures	73	482	632
	\$ 3,035,787	\$ 3,003,502	\$ 2,758,513

- (1) The Department receives Freedom of Information and Privacy services from the Ministry of Human Services.
- (2) The Department provides information technology, human services, and administrative services to the Department of Jobs, Skills, Training and Labour. Costs for these services are recovered from that department.

Schedule 4

Budget Reconciliation

(in thousands)

	2014-15 Estimate	Adjustments to Conform to Accounting Policy (1)	2014-15 Constructed Budget
Revenues			
Government Transfers			
Government of Alberta Grants	\$ 72,649	\$ —	\$ 72,649
Federal and Other Government Grants	7,851	—	7,851
Investment Income	13,300	—	13,300
Premiums, Fees and Licences	9,455	—	9,455
Other Revenue	17,075	—	17,075
	120,330	—	120,330
Expenses – Directly Incurred			
Programs			
Ministry Support Services	30,679	—	30,679
Support for Adult Learning	2,266,481	—	2,266,481
Apprenticeship Delivery	49,852	—	49,852
Student Aid	222,795	—	222,795
Innovation and Technology Commercialization	203,140	—	203,140
Enterprise	18,120	—	18,120
International Partnerships	2,520	—	2,520
2013 Alberta Flooding Non-Disaster Recovery Expenses	275	—	275
Post-Secondary Infrastructure	—	230,925	230,925
Alberta Centennial Education Savings Plan	11,000	—	11,000
	2,804,862	230,925	3,035,787
Net Operating Results	\$ (2,684,532)	\$ (230,925)	\$ (2,915,457)
Capital Spending	\$ 235,572	\$ (230,925)	\$ 4,647
Financial Transactions	\$ 408,000	\$ —	\$ 408,000

(1) Accounting adjustments include a reclassification of capital grants from capital spending to operating expense.

Schedule 5

Lapse/Encumbrance

(in thousands)

		Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended)
Program - Operating							
1 Ministry Support Services							
1.1	Minister's Office	\$ 809	\$ —	\$ —	\$ 809	\$ 909	\$ (100)
1.2	Deputy Minister's Office	717	—	—	717	672	45
1.3	Communications	1,269	—	—	1,269	1,054	215
1.4	Corporate Services	27,219	—	—	27,219	25,462	1,757
		30,014	—	—	30,014	28,097	1,917
2 Support for Adult Learning							
2.1	Program Delivery Support	14,561	—	—	14,561	12,381	2,180
2.2	Operating Support for Post-Secondary Institutions	2,115,058	—	374	2,115,432	2,117,850	(2,418)
2.3	Academic Health Centres	21,000	—	—	21,000	21,000	—
2.4	Campus Alberta Innovations	34,272	—	—	34,272	33,121	1,151
2.5	Inter-Jurisdiction Programs	9,623	—	—	9,623	8,831	792
2.6	Community Education	22,227	—	—	22,227	21,623	604
2.7	Other Program Support	48,715	—	—	48,715	20,249	28,466
		2,265,456	—	374	2,265,830	2,235,055	30,775
3 Apprenticeship Delivery							
		48,042	—	800	48,842	42,104	6,738
		48,042	—	800	48,842	42,104	6,738
4 Student Aid							
4.1	Program Delivery Support	32,396	—	—	32,396	33,239	(843)
4.2	Scholarships	36,700	—	—	36,700	35,960	740
4.3	Grants and Bursaries	69,320	—	—	69,320	74,716	(5,396)
		138,416	—	—	138,416	143,915	(5,499)
5 Innovation and Technology Commercialization							
5.1	Program Delivery Support	10,878	—	—	10,878	8,502	2,376
5.2	Research Capacity	37,333	—	—	37,333	37,216	117
5.3	Strategic Partnerships	14,357	—	—	14,357	15,334	(977)
5.4	Commercialization Capacity	6,228	—	—	6,228	4,564	1,664
5.5	Transfer to Alberta Enterprise Corporation	850	—	—	850	850	—
5.6	Grants to Alberta Innovates Corporations	133,494	—	—	133,494	133,494	—
		203,140	—	—	203,140	199,960	3,180
6 Enterprise							
6.1	Program Development and Support	4,011	—	—	4,011	3,966	45
6.2	Alberta Economic Development Authority	775	—	—	775	739	36
6.3	Industry Development	7,009	—	—	7,009	6,318	691
6.4	Entrepreneurship and Regional Development	6,325	—	—	6,325	6,514	(189)
		18,120	—	—	18,120	17,537	583
7 International Partnerships							
		2,520	—	—	2,520	1,932	588
		2,520	—	—	2,520	1,932	588
8 2013 Alberta Flooding							
8.1	Economic Renewal Initiative	275	—	—	275	275	—
8.2	Small Business Rebuilding	—	—	—	—	—	—
		275	—	—	275	275	—
Credit or Recovery (Shortfall) (Schedule 2)							
		—	—	(687)	(687)	—	(687)
Total							
		\$ 2,705,983	\$ —	\$ 487	\$ 2,706,470	\$ 2,668,875	\$ 37,595
Lapse/(Encumbrance)							
							\$ 37,595



Schedule 5

Lapse/Encumbrance (continued)

(in thousands)

		Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended) ▲
Program - Capital Plan Spending							
1 Ministry Support Services							
1.4	Corporate Services	\$ 1,217	\$ —	\$ —	\$ 1,217	\$ 727	\$ 490
2 Support for Adult Learning							
2.7	Other Program Support	—	—	—	—	702	(702)
3 Apprenticeship Delivery							
		820	—	—	820	1,435	(615)
4 Student Aid							
4.1	Program Delivery Support	2,610	—	—	2,610	1,323	1,287
		4,647	—	—	4,647	4,187	460
9 Post-Secondary Infrastructure							
9.1	Capital Expansion and Upgrading	180,225	—	—	180,225	180,225	—
9.2	Capital Maintenance and Renewal	50,700	—	—	50,700	50,621	79
		230,925	—	—	230,925	230,846	79
Total Capital		\$ 235,572	\$ —	\$ —	\$ 235,572	\$ 235,033	\$ 539
Lapse/(Encumbrance)							\$ 539
Financial Transactions							
4 Student Aid							
4.5	Student Loan Disbursements	\$ 408,000	\$ —	\$ —	\$ 408,000	\$ 395,931	\$ 12,069
Total		\$ 408,000	\$ —	\$ —	\$ 408,000	\$ 395,931	\$ 12,069
Lapse/(Encumbrance)							\$ 12,069

This schedule is required by section 24(4) of the *Financial Administration Act*.

- (1) As per "Operational Vote by Program", "Voted Capital by Program" and "Financial Transaction Vote by Program" page of 2014-15 Government Estimates.
- (2) Innovation and Advanced Education did not require Supplementary Estimates for 2014-15.
- (3) A budget adjustment was made as follows:
 - \$374 increase in expense offset by a corresponding increases in dedicated revenue for French Language program - *Financial Administration Act* section 24(2).
 - \$800 increase in expense offset by a corresponding increase in dedicated revenue for Apprenticeship Services.
- (4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 6

Salary and Benefits Disclosure

(in thousands)

	2015				2014
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Deputy Minister (4) (5) (6)	\$ 257	\$ 16	\$ 56	\$ 329	\$ 368
Executives:					
Assistant Deputy Ministers (ADM)					
Advanced Learning and Community Partnerships (7)	201	—	51	252	252
Apprenticeship and Student Aid (8)	180	—	49	229	161
Technology and Industry Partnerships (9)	197	15	42	254	263
International Partnerships (10)	93	—	24	117	212
Economic Development and Innovation (11)	197	—	48	245	249
Strategic and Corporate Services (12)	82	1	22	105	—
Executive Directors					
Senior Financial Officer	146	—	41	187	179
Human Resources	162	—	42	204	202
Chief Information Officer, Information and Technology Management	155	—	42	197	205

(1) Base Salary includes regular base pay salary and earnings such as acting pay.

(2) Other Cash Benefits include vacation payouts and lump sum payments. There were no bonuses or severance paid during the year.

(3) Other Non-Cash Benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, health spending account, dental coverage, group life insurance, short and long-term disability plans and professional memberships.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) The position was occupied by two individuals at different times during the year.

(6) This position was vacant from August 1, 2014 to September 17, 2014. During this time the ADM, International Partnerships was acting in this position.

(7) The position was occupied by two individuals at different times during the year.

(8) The position was occupied by two individuals at different times during the year.

(9) The position was renamed from ADM, Innovation and Advanced Technologies to ADM, Technology and Industry Partnerships on October 9, 2014.

(10) The position was restructured and became part of the newly formed Strategic and Corporate Services division on October 9, 2014.

(11) The position was renamed to ADM, Economic Development and Innovation on October 9, 2014 and assumed responsibility for both the former Enterprise and Innovation divisions.

(12) The ADM, International Partnerships became the head of the newly formed Strategic and Corporate Services division on October 9, 2014.

Schedule 7

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

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

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

	Entities in the Ministry		Other Entities Outside the Ministry	
	2015	2014	2015	2014
Revenues		(Restated)		
Grants	\$ —	\$ —	\$ 72,521	\$ 79,862
Other	2,866	2,783	—	—
	\$ 2,866	\$ 2,783	\$ 72,521	\$ 79,862
Expenses – Directly Incurred				
Grants	\$ 2,564,374	\$ 2,357,248	\$ 1,776	\$ 1,720
Other Services	3,409	3,752	7,004	5,862
	\$ 2,567,783	\$ 2,361,000	\$ 8,780	\$ 7,582
Receivables from	\$ 173	\$ 341	\$ —	\$ —
Payables to	\$ 25,310	\$ 26,735	\$ 600	\$ 1,000
Contractual Obligations	\$ 923,842	\$ 930,296	\$ —	\$ —

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

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal, and Business Services expenses incurred by others are disclosed in Schedule 8.

	2015	2014
		(Restated)
Expenses – Incurred by Others		
Accommodation	\$ 8,692	\$ 8,788
Legal	858	802
Shared Services	3,443	3,648
Air Transportation Services	—	96
Internal Audit	47	48
GOA Learning Centre	53	37
	\$ 13,093	\$ 13,419

Schedule 8

Allocated Costs

(in thousands)

	2015					2014
	Expenses (1)	Expenses – Incurred by Others			Total Expenses	Total Expenses
		Accommodation Costs (2)	Legal Services (3)	Business Services (4)		
Program						(Restated)
Ministry Support Services	\$ 29,187	\$ 1,771	\$ 405	\$ 3,543	\$ 34,906	\$ 34,823
Support for Adult Learning	2,235,885	1,138	175	—	2,237,198	2,191,003
Apprenticeship Delivery	43,885	2,736	53	—	46,674	45,741
Student Aid	227,209	1,518	64	—	228,791	203,516
Innovation and Technology Commercialization	199,961	448	117	—	200,526	194,463
Enterprise	17,537	1,081	44	—	18,662	17,972
International Partnerships	1,932	—	—	—	1,932	1,511
2013 Alberta Flooding Non-Disaster Recovery	275	—	—	—	275	393
Post-Secondary Infrastructure	230,846	—	—	—	230,846	63,578
Alberta Centennial Education Savings Plan	16,785	—	—	—	16,785	18,932
	\$ 3,003,502	\$ 8,692	\$ 858	\$ 3,543	\$ 3,016,595	\$ 2,771,932

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodations are allocated based on proportion of full-time-equivalent staff.

(3) Costs shown for Legal Services are allocated by estimated costs incurred by each program.

(4) Costs shown for Business Services include charges for IT support, vehicles, air transportation, internal audit services and other services on Schedule 7, allocated by costs in certain programs.

Schedule 9

Funding Provided to Post-Secondary Institutions and Research Entities

(in thousands)

		Operating Grants ⁽¹⁾		Grants for Infrastructure	
		2015	2014	2015	2014
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	\$ 40,137	\$ 39,758	\$ 1,340	\$ 1,700
	University of Alberta	619,016	608,755	30,405	17,405
	University of Calgary	458,456	441,598	47,162	9,937
	University of Lethbridge	101,636	97,608	11,781	1,782
Baccalaureate and Applied Studies Institutions	MacEwan University	103,128	105,449	1,330	1,330
	Mount Royal University	86,283	88,283	15,150	1,150
Polytechnical Institutions	Northern Alberta Institute of Technology	175,723	177,293	68,766	12,766
	Southern Alberta Institute of Technology	158,416	152,177	2,717	2,717
Comprehensive Community Institutions	Bow Valley College	38,937	38,729	151	151
	Grande Prairie Regional College	45,457	45,990	1,322	1,322
	Keyano College	37,608	38,006	1,005	1,005
	Lakeland College	37,441	34,632	773	773
	Lethbridge College	46,743	45,018	11,683	683
	Medicine Hat College	31,813	31,961	598	598
	NorQuest College	45,104	44,710	29,377	5,377
	Northern Lakes College	30,609	32,520	411	411
	Olds College	28,455	29,829	672	672
	Portage College	22,486	22,843	2,892	993
	Red Deer College	51,227	50,605	2,019	899
Specialized Arts and Culture Institutions	Alberta College of Art + Design	12,215	12,311	356	356
	The Banff Centre	19,989	16,489	894	893
Total Public Post-Secondary Institutions		2,190,879	2,154,564	230,804	62,920
Independent Academic Institutions	Ambrose University College	2,660	2,648	—	—
	Canadian University College	3,044	3,035	—	—
	Concordia University College of Alberta	12,111	12,011	—	—
	St. Mary's University College	3,232	3,097	—	—
	The King's University College	4,480	4,466	—	—
Private Vocational Schools	Columbia College	215	93	—	—
Other Colleges	Blue Quills First Nations College	640	823	—	—
	Maskwachees Cultural College	640	361	—	—
	Mikai Sto Foundation	640	420	—	—
	Old Sun Community College	640	84	—	—
	Red Crow Community College	—	272	—	—
	Yellowhead Tribal College	640	264	—	—
Total Funding Provided to Institutions		2,219,821	2,182,138	230,804	62,920
Research Entities	Alberta Innovates – Bio Solutions	20,803	20,118	—	—
	Alberta Innovates – Energy and Environment Solutions	22,515	21,375	—	—
	Alberta Innovates – Technology Futures	98,522	97,222	—	—
Total Funding Provided to Research Entities		141,840	138,715	—	—
Total Funding Provided to Post-Secondary Institutions and Research Entities		\$ 2,361,661	\$ 2,320,853	\$ 230,804	\$ 62,920

(1) Includes funding to these entities from all department programs.

Access to the Future Fund Financial Statements

March 31, 2015*Audited Information*

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Independent Auditor's Report

To the Minister of Innovation and Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Access to the Future Fund, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Access to the Future Fund as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 5, 2015
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2015

(in thousands)

	2015		2014
	Budget	Actuals	Actuals
Revenues			
Government Transfers			
Government of Alberta Grants	\$ 52,638	\$ 52,483	\$ 51,809
Investment Income	2,060	1,954	1,413
	54,698	54,437	53,222
Expenses (Note 2(b))			
Funding Provided to Eligible Recipients (Schedule 1)	59,550	150,000	—
Program Delivery Support	450	—	—
	60,000	150,000	—
Net Operating Results	\$ (5,302)	\$ (95,563)	\$ 53,222

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

Statement of Financial Position

as at March 31, 2015

(in thousands)

	2015	2014
Assets		
Cash (Note 4)	\$ 81,290	\$ 170,894
	\$ 81,290	\$ 170,894
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 5,959	\$ —
Net Assets		
Net Assets, Beginning of Year	170,894	117,672
Net Operating Results	(95,563)	53,222
Net Assets, End of Year	75,331	170,894
	\$ 81,290	\$ 170,894

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

Statement of Cash Flows

for the year ended March 31, 2015

(in thousands)

	2015	2014
Operating Transactions		
Net Operating Results	\$ (95,563)	\$ 53,222
Increase in Accounts Payable and Accrued Liabilities	5,959	—
Cash (Applied to) Provided by Operating Transactions	(89,604)	53,222
(Decrease) Increase in Cash	(89,604)	53,222
Cash, Beginning of Year	170,894	117,672
Cash, End of Year	\$ 81,290	\$ 170,894

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

Notes to the Financial Statements

March 31, 2015

Note 1 *Authority and Purpose*

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

Generally, the purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities. In Budgets 2011, 2012, and 2013, payments from the Fund were suspended for 2011-12 to 2013-14.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) *Reporting Entity*

The reporting entity is the Access to the Future Fund, which is part of the Ministry of Innovation and Advanced Education and for which the Minister of Innovation and Advanced Education is accountable. Other entities accountable to the Minister are the Department of Innovation and Advanced Education, Alberta Enterprise Corporation, Alberta Innovates Bio Solutions, Alberta Innovates – Energy & Environment Solutions, Alberta Innovates – Technology Futures, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) *Basis of Financial Reporting*

Revenues

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

Government Transfers

Transfers from the Government of Alberta are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer, or the stipulations together with the Fund's actions and communications as to the use of the transfer create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the transfer is authorized and the Fund meets the eligibility criteria (if any).

Expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Fund are limited to cash transferred or interest receivable from the General Revenue Fund of the Province of Alberta.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets / Net Liabilities

Net Assets/Net Liabilities represent the difference between the carrying value of assets held by the Fund and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Fund operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices (continued)***(c) Future Accounting Changes****PS 3450 – Financial Instruments**

In June 2011, the Public Sector Accounting Board issued this accounting standard and subsequently extended the effective date to April 1, 2016 from April 1, 2015. The Fund has not yet adopted this standard and has the option of adopting it in fiscal year 2016–17 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 – Foreign Currency Translation; PS 1201 – Financial Statement Presentation; and PS 3041 – Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions

In March 2015, the Public Sector Accounting Board issued PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017.

- ▶ PS 2200 – Related Party Disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- ▶ PS 3420 – Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Management is currently assessing the impact of these new standards on the financial statements.

Note 3 **Advanced Education Endowment***(in thousands)*

The Advanced Education Endowment (the Endowment) is an account within the Alberta Heritage Savings Trust Fund that was established by the *Access to the Future Act*. As per section 4(7) of the *Access to the Future Act*, an amount up to 4.5% of the total amount allocated to the Endowment shall be paid annually from the General Revenue Fund to the Fund.

The Endowment is inflation-proofed in accordance with section 4(6) of the *Access to the Future Act* and section 11 of the *Alberta Heritage Savings Trust Fund Act*. The amount of funding allocated to the Endowment for inflation proofing is an estimate and the actual amount may not be known until after the finalization of the Alberta Heritage Savings Trust Fund financial statements. There was no change to the 2014 estimate.

	2015	2014
Opening balance	\$ 1,166,282	\$ 1,151,315
Inflation proofing	16,328	14,967
Closing balance	\$ 1,182,610	\$ 1,166,282

Note 4 **Cash**

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2015, securities held by the Fund have a time-weighted rate of return of 1.2% per annum (2014 - 1.2% per annum).

Note 5 Related Party Transactions*(in thousands)*

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

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

	Entities in the Ministry		Other Entities	
	2015	2014	2015	2014
Revenues				
Transfer from Department of Treasury Board and Finance	\$ —	\$ —	\$ 52,483	\$ 51,809
Expense – Directly Incurred				
Grants	\$ 146,728	\$ —	\$ —	\$ —
Payables to	\$ 4,968	\$ —	\$ —	\$ —

The Fund has no employees and receives administration support from the Department of Innovation and Advanced Education.

Note 6 Approval of Financial Statements

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

Schedule to the Financial Statements

Schedule 1

Funding Provided to Eligible Recipients

(in thousands)

Year ended March 31, 2015	Operating		Capital	
	2015 (1)	2014	2015	2014
Public Post-Secondary Institutions				
Alberta College of Art + Design	\$ 1,120	\$ —	\$ —	\$ —
Athabasca University	1,120	—	—	—
Bow Valley College	1,200	—	—	—
Grande Prairie Regional College	1,120	—	—	—
Keyano College	2,148	—	—	—
Lakeland College	1,120	—	—	—
Lethbridge College	1,120	—	—	—
MacEwan University	4,645	—	10,000	—
Medicine Hat College	1,120	—	—	—
Mount Royal University	5,370	—	—	—
NorQuest College	1,235	—	—	—
Northern Alberta Institute of Technology	5,370	—	—	—
Northern Lakes College	1,120	—	1,700	—
Olds College	2,148	—	1,100	—
Portage College	1,120	—	200	—
Red Deer College	3,695	—	—	—
Southern Alberta Institute of Technology	5,370	—	—	—
The Banff Centre	2,148	—	—	—
University of Alberta	58,714	—	—	—
University of Calgary	27,355	—	—	—
University of Lethbridge	5,370	—	—	—
	133,728	—	13,000	—
Accredited Private Not-for-Profit Post-Secondary Institutions				
Ambrose University College	430	—	—	—
Canadian University College	430	—	—	—
Concordia University College of Alberta	430	—	—	—
St. Mary's University College	430	—	—	—
The King's University College	430	—	—	—
	2,150	—	—	—
First Nations, Métis and Inuit Colleges				
Blue Quills First Nations College	187	—	—	—
Maskwachees Cultural College	187	—	—	—
Nechi Training, Research and Health Promotions Institute	187	—	—	—
Old Sun Community College	187	—	—	—
Red Crow Community College	187	—	—	—
Yellowhead Tribal College	187	—	—	—
	1,122	—	—	—
Total	\$ 137,000	\$ —	\$ 13,000	\$ —

(1) Grants denoted as Operating in 2015 are matching grants to be allocated in the same manner as the donations being matched.

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Alberta Enterprise Corporation

Financial Statements

March 31, 2015

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Independent Auditor's Report

To the Board of Directors of the Alberta Enterprise Corporation

Report on the Financial Statements

I have audited the accompanying financial statements of the Alberta Enterprise Corporation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alberta Enterprise Corporation as at March 31, 2015, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

May 26, 2015
Edmonton, Alberta

Statement of Financial Position

as at March 31, 2015

(in thousands)

	2015	2014
Assets		
Cash (Note 3)	\$ 34,865	\$ 48,429
Accounts Receivable	—	327
Investments (Note 4)	71,176	50,772
	\$ 106,041	\$ 99,528
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 688	\$ 243
	688	243
Net Assets		
Accumulated Surplus	91,477	94,591
Accumulated Remeasurement Gains	13,876	4,694
	105,353	99,285
	\$ 106,041	\$ 99,528

Contractual Obligations (Note 5)

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

Approved by the Board of Directors

original signed by
Paul G. Haggis
Chair of the Board of Directors

original signed by
Barry Heck
Vice Chair of the Board of Directors
Chair of the Audit Committee

Statement of Operations

for the year ended March 31, 2015

(in thousands)

	2015		2014
	Budget	Actuals	Actuals
Revenues			
Government of Alberta Grant	\$ 850	\$ 850	\$ 1,050
Other Revenue	—	30	8
	850	880	1,058
Expenses - Directly Incurred (Note 2b, Schedule 1)			
Operating Costs	850	817	1,144
	850	817	1,144
Annual Operating Surplus (Deficit)	—	63	(86)
Investments Loss (Note 4)	—	(3,177)	(804)
Net Loss	\$ —	(3,114)	(890)
Accumulated Surplus, Beginning of Year		94,591	95,481
Accumulated Surplus, End of Year		\$ 91,477	\$ 94,591

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

Statement of Remeasurement Gains and Losses

for the year ended March 31, 2015

(in thousands)

	2015	2014
Unrealized Gains Attributed to:		
Investments	\$ 5,857	\$ 515
Foreign Exchange	3,325	1,195
Net Remeasurement Gains for the Year	9,182	1,710
Accumulated Remeasurement Gains, Beginning of Year	4,694	2,984
Accumulated Remeasurement Gains, End of Year	\$ 13,876	\$ 4,694

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

Statement of Cash Flows

for the year ended March 31, 2015

(in thousands)

	2015	2014
Operating Transactions		
Annual Operating Surplus (Deficit)	\$ 63	\$ (86)
(Increase) Decrease in Accounts Receivable	327	(327)
Increase in Accounts Payable and Accrued Liabilities	445	83
Cash Provided by (Applied to) Operating Transactions	835	(330)
Investing Transactions		
Purchase of Investments	(15,412)	(15,005)
Proceeds on Sale of Investments	1,013	838
Cash Applied to Investing Transactions	(14,399)	(14,167)
Decrease in Cash	(13,564)	(14,497)
Cash, Beginning of Year	48,429	62,926
Cash, End of Year	\$ 34,865	\$ 48,429

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

Notes to the Financial Statements

March 31, 2015

Note 1 *Authority and Purpose*

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Alberta Enterprise Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

The Corporation is exempt from Canadian federal and Alberta provincial income taxes.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) *Reporting Entity*

The reporting entity is the Corporation, which is part of the Ministry of Innovation and Advanced Education and for which the Minister of Innovation and Advanced Education is accountable. Other entities accountable to the Minister are the Department of Innovation and Advanced Education, Access to the Future Fund, Alberta Innovates – Bio Solutions, Alberta Innovates – Energy and Environment Solutions, Alberta Innovates – Technology Futures, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) *Basis of Financial Reporting*

Revenues

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

Government Transfers

Transfers from the Government of Alberta are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use of the transfer.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the Corporation is eligible to receive the funds.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Corporation has primary responsibility and accountability for, as reflected in the government's budget documents. Expenses are recorded on an accrual basis.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Cash and Accounts Receivable are the financial assets of the Corporation. The Corporation does not take out loans or issue equity.

(c) *Financial Instruments*

Investments

The Corporation records investments using Public Sector Accounting Board (PSAB) Standard PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation.

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

The Corporation records investments in limited partnerships on a fair value basis. Fair value is determined by the Limited Partnerships based upon valuation techniques considered appropriate by the Corporation and may include techniques such as discounted cash flows, prevailing market values for instruments with similar characteristics and other pricing models as appropriate. The Corporation relies upon the General Partner's valuation of the investments in the Limited Partnerships.

Unrealized changes in the fair value of investments are recognized in the Statement of Remeasurement Gains and Losses. Once realized, the cumulative gain or losses previously recognized in the Statement of Remeasurement Gains and Losses are recorded in investment income. Purchases and dispositions of investments are recorded on the trade date. Management fees paid are expensed in the year.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance any of its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Investments recorded at \$71,176 in the financial statements are subject to measurement uncertainty.

Measurement uncertainty exists with the determination of the fair value of the investments. The fair value of the investments is estimated by the General Partner of each fund. The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from value that would have been used had a ready market existed for the investments.

Valuation of Financial Assets and Liabilities

Financial Statement Component	Measurement
Cash	Amortized Cost
Accounts Receivable	Amortized Cost
Investments	Fair Value
Accounts Payable and Accrued Liabilities	Amortized Cost

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

The fair values of Cash, Accounts Receivable, Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

(d) Foreign Currency Translation

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate.

Revenues and expenses are translated at the average exchange rate for the year. Unrealized gains and losses due to foreign currency fluctuations are recorded in the Statement of Remeasurement Gains and Losses.

(e) Future Accounting Changes**PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions**

In March 2015, the Public Sector Accounting Board issued PS 2200 – Related Party Disclosures and PS 3420 – Inter-Entity Transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017. PS 2200 – Related Party Disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. PS 3420 – Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices (continued)***(f) Budget**

A business plan with no budgeted surplus or deficit was approved by the Board on June 24, 2014 and the full financial plan was submitted to the Minister of Innovation and Advanced Education.

Note 3 *Cash* (in thousands)

Cash in the amount of \$34,865 (2014 - \$ 48,429) includes deposits in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2015, securities held by the Corporation had a time weighted return of 1.2% per annum (2014 - 1.2% per annum). Due to the short term nature of the CCITF investments, the carrying value approximates fair value. Interest earned is returned directly to the General Revenue Fund of the Government of Alberta.

As at March 31, 2015, the Corporation has \$34,865 (2014 - \$48,429) in Cash. \$38,638 (2014 - \$41,977) has been committed for partnership capital contributions. Distributions from the Limited Partnerships can be used toward future cash calls from the fund which distributed the capital.

Note 4 *Investments* (in thousands)

The Government of Alberta originally allocated \$100,000 to the Corporation for investments in Limited Partnerships that provide venture capital in knowledge-based industries.

The Corporation is a Limited Partner in nine (2014 - eight) Limited Partnerships and \$105,823 (2014 - \$ 94,220) has been committed to these Limited Partnerships. Committed funds are paid into the Limited Partnership in amounts and at times determined by the General Partner in order to meet the Limited Partnership's funding requirements. Distributions from the Limited Partnerships can be used toward future cash calls from the fund which distributed the capital. The Corporation's disbursements to date and commitments are as follows:

	Chrysalix Energy III Fund (a)	Yaletown Ventures II	iNovia Fund III	Enertech Capital Partners IV (a)	Azure Capital Partners III (a)	32 Degrees D.E. Fund II (S&T AIV) LP	Avrio Ventures II	Accelerate Fund	McRock iNfund	2015 Total	2014 Total
Funds disbursed to partnership for:											
Investments (b)	\$ 10,976	\$ 10,737	\$ 6,050	\$ 7,215	\$ 8,192	\$ 8,374	\$ 5,088	\$ 10,000	\$ 553	\$ 67,185	\$ 52,243
Remaining Commitment	5,737	3,263	3,950	10,701	3,002	1,626	912	—	9,447	38,638	41,977
Total Funds Disbursed and Committed	\$ 16,713	\$ 14,000	\$ 10,000	\$ 17,916	\$ 11,194	\$ 10,000	\$ 6,000	\$ 10,000	\$ 10,000	\$ 105,823	\$ 94,220

(a) Commitments are payable in US dollars. Remaining commitments are based upon the exchange rate on March 31, 2015.

(b) Investments include management fees which are part of the Corporation's capital investment in the Limited Partnerships.

The Corporation's investment in Limited Partnerships is as follows:

	2015		2014	
	Share of Equity	Percentage in Partnership	Share of Equity	Percentage in Partnership
Chrysalix Energy III Fund	\$ 11,427	10.32%	\$ 8,635	10.32%
Yaletown Ventures II	10,657	15.58%	8,625	15.58%
iNovia Fund III	8,528	9.04%	4,014	9.04%
Enertech Capital Partners IV	7,630	12.66%	3,215	12.66%
Azure Capital Partners III	9,217	12.42%	5,264	12.42%
32 Degrees D.E. Fund II (S&T AIV) LP	9,043	99.99%	7,936	99.99%
Avrio Ventures II	5,499	6.56%	3,791	6.56%
Accelerate Fund	8,676	99.99%	9,292	99.99%
McRock iNfund	499	19.22%	—	—
Total	\$ 71,176		\$ 50,772	

Note 4**Investments** (continued)

(in thousands)

The changes in fair values of the investments in Limited Partnerships since April 1, 2014 are as follows:

	Chrysalix Energy III Fund	Yaletown Ventures II	iNovia Fund III	Enertech Capital Partners IV	Azure Capital Partners III	32 Degrees D.E. Fund II (S&T AIV) LP	Avrio Ventures II	Accelerate Fund	McRock iNfund	2015 Total	2014 Total
Investment in Partnership, Beginning of Year	\$ 8,635	\$ 8,625	\$ 4,014	\$ 3,215	\$ 5,264	\$ 7,936	\$ 3,791	\$ 9,292	\$ —	\$ 50,772	\$ 35,699
Funds disbursed to Partnership for Investments (a)	1,843	1,260	2,425	3,634	3,095	1,090	1,512	—	553	15,412	16,521
Return of Capital and Distributions	—	(626)	27	—	—	(245)	(169)	—	—	(1,013)	(2,354)
Remeasurement Gains	1,216	1,852	2,245	1,153	2,018	481	217	—	—	9,182	1,710
Investments Income (Loss)	(267)	(454)	(183)	(372)	(1,160)	(219)	148	(616)	(54)	(3,177)	(804)
Investment in Partnership, End of Year	\$ 11,427	\$ 10,657	\$ 8,528	\$ 7,630	\$ 9,217	\$ 9,043	\$ 5,499	\$ 8,676	\$ 499	\$ 71,176	\$ 50,772
Cost of Partnership Investment	\$ 10,976	\$ 10,737	\$ 6,050	\$ 7,215	\$ 8,192	\$ 8,374	\$ 5,088	\$ 10,000	\$ 553	\$ 67,185	\$ 52,243

(a) Amounts include management fees paid by Limited Partnerships to General Partners. Management fees are recovered from the Corporation as part of capital in accordance with the Limited Partnership agreements.

Fair Value Hierarchy

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level one primarily includes publicly traded listed equity investments.
- Level 2 Fair value is based on valuation methods that make use of inputs, other than quoted prices included within level one, that are observable by market participation either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level two primarily includes debt securities and derivative contracts not traded on a public exchange and public equities not traded in an active market.
- Level 3 Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. For these investments trading activity is infrequent and fair values are derived using valuation techniques.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Corporation. The Corporation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Corporation's perceived risk of that investment.

The Corporation's investments have all been classified within level 3 as the fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. When observable prices are not available for these securities, the Limited Partnerships use one or more valuation techniques (e.g. the market approach, the income approach) for which sufficient and reliable data is available. Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

As quoted market prices are not readily available for private investments, estimated fair values may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Note 4**Investments** (continued)

(in thousands)

Financial Risk Management

The Corporation is exposed to a variety of financial risks associated with the underlying securities held in the Limited Partnerships. These financial risks include market risk and liquidity risk. Market risk is the risk of loss from unfavourable change in fair value or future cash flows of a financial instrument causing financial loss. Market risk is comprised of price risk and currency risk. Liquidity risk is the risk the fund will not be able to meet its obligations as they fall due.

a) Price Risk

The Corporation's price risk is driven primarily by volatility in its venture capital investments. The Corporation generally invests in Limited Partnerships in the initial stages of development. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

b) Foreign Currency Risk

The value of the Corporation's investments in Limited Partnerships denominated in foreign currencies may change due to changes in exchange rates. \$28,274, or 40% of the Corporation's investment, are denominated in US dollars (2014 - \$17,114 or 34%).

If the value of the Canadian dollar increased by 10% against the U.S. dollar, and all other variables are held constant, the potential loss in fair value to the Corporation would be approximately 4.0% of total investments (2014 - 3.4%).

c) Liquidity Risk

Liquidity risk is the risk that a given investment or asset cannot be traded quickly enough in the market to prevent a loss.

The Corporation's investments are long term and highly illiquid. There is no assurance that the Corporation will ultimately realize the carrying value of the investments.

To manage these risks, the Corporation has established policies around the type of limited partnerships that it invests in. In addition, each limited partnership has established a target mix of investment types designed to achieve the optimal returns within reasonable risk tolerance and in accordance with the Limited Partnership's investment mandate. The Corporation does not participate in any foreign currency hedging activities.

Investment commitments exceed cash on hand, and management plans to use future distributions from the limited partnerships to meet the commitments.

d) Other Risks

The Corporation is not exposed to significant credit, and interest risk.

Note 5**Contractual Obligations**

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts are met. The Corporation has committed funds to be paid into limited partnerships. The details of the commitments are listed in Note 4.

	2015	2014
Obligations under Operating Leases	\$ 151	\$ 181
Obligations under Service Contracts	134	465
	\$ 285	\$ 646

	Operating Leases	Service Contracts	Total
2015-16	\$ 32	\$ 134	\$ 166
2016-17	32	—	32
2017-18	32	—	32
2018-19	32	—	32
2019-20	23	—	23
	\$ 151	\$ 134	\$ 285

Note 6 ***Comparative Figures***

Certain 2014 figures have been reclassified to conform to the 2015 presentation.

Note 7 ***Approval of Financial Statements***

The financial statements were approved by the Board of Directors.

Schedules to the Financial Statements

for the year ended March 31, 2015

Schedule 1

Expenses Directly Incurred Detailed by Object

(in thousands)

	2015		2014
	Budget	Actual	Actual
Grants and Sponsorships	\$ 45	\$ 52	\$ 190
Salaries, Wages, Benefits, and Payments to Consultants	511	435	496
Supplies and Services	294	330	458
	\$ 850	\$ 817	\$ 1,144

Schedule 2

Salary and Benefits Disclosure

(in thousands)

	2015				2014
	Compensation (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Chair of the Board	\$ —	\$ 41	\$ 2	\$ 43	\$ 46
Board Members (four)	—	49	2	51	71
Executives:					
Chief Executive Officer (1) (4)	117	1	5	123	72
Interim Managing Director (5)	33	—	—	33	18
Director, Investments and Interim Manager (6)	69	—	—	69	186
Director, Investments	109	—	—	109	126

(1) Base compensation was established through contractual agreements until January 31, 2015. Base compensation is now established through employer and employee arrangements.

(2) Other Cash Benefits for Board members include honoraria payments and per diem allowances. Other cash benefits for Chief Executive Officer include Life and disability allowance. There were no discretionary amounts paid to executives in 2015 (2014 - \$15).

(3) Other Non-Cash Benefits include Canada Pension Plan, Retirement Savings Plan and Employment Insurance payments.

(4) This position was vacant until September 2014.

(5) This position was terminated effective September 2014.

(6) This position was occupied on a part-time basis until September 2014, and then terminated.

Schedule 3

Related Party Transactions

(in thousands)

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

Entities in the Ministry refers to entities consolidated in the Ministry of Innovation and Advanced Education. Other entities outside of the Ministry relate to the remaining entities consolidated at the Provincial level.

The Corporation had the following transactions with related parties which are recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside of the Ministry	
	2015	2014	2015	2014
Revenues				
Grants	\$ 850	\$ 1,050	\$ —	\$ —
Expenses – Directly Incurred				
Other Services	\$ 26	\$ 81	\$ 33	\$ 34
Payables to	\$ —	\$ 36	\$ 1	\$ —
Contractual Obligations	\$ 25	\$ 25	\$ 260	\$ 621

Summary Subsidiary Financial Statements*Unaudited Information*

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Alberta Innovates Corporations

Summary Financial Statements ⁽¹⁾

for March 31, 2015

(in thousands)

	Alberta Innovates – Bio Solutions	Alberta Innovates – Energy and Environment Solutions	Alberta Innovates – Technology Futures	2015 Totals	2014 Totals
Statement of Financial Position					
Assets					
Cash and Cash Equivalents	\$ 23,067	\$ 55,934	\$ 55,765	\$ 134,766	\$ 141,545
Accounts Receivable and Other Assets	110	957	23,855	24,922	22,011
Capital Assets	—	30	31,022	31,052	30,934
	\$ 23,177	\$ 56,921	\$ 110,642	\$ 190,740	\$ 194,490
Liabilities					
Accounts Payable and Accrued Liabilities	\$ 1,232	\$ 1,791	\$ 14,705	\$ 17,728	\$ 24,031
Deferred Revenue	13,306	22,252	50,139	85,697	78,741
	14,538	24,043	64,844	103,425	102,772
Net Assets					
Accumulated Operating Surplus	8,639	32,878	45,798	87,315	91,718
	\$ 23,177	\$ 56,921	\$ 110,642	\$ 190,740	\$ 194,490
Statement of Operations					
Revenue	\$ 21,257	\$ 27,227	\$ 160,199	\$ 208,683	\$ 202,593
Expenses	21,101	23,874	168,111	213,086	197,713
Net Income (Loss)	\$ 156	\$ 3,353	\$ (7,912)	\$ (4,403)	\$ 4,880
Statement of Changes in Financial Position					
Cash and Short-Term Investments, Beginning of Year	\$ 16,655	\$ 54,616	\$ 70,274	\$ 141,545	\$ 115,457
Cash Provided from (Used in) Operating Activities	6,412	1,318	(9,703)	(1,973)	31,550
Cash Generated (Used) by Organizational Activities	—	—	(4,806)	(4,806)	(5,462)
Cash and Short-Term Investments, End of Year	\$ 23,067	\$ 55,934	\$ 55,765	\$ 134,766	\$ 141,545
Salary and Benefits of CEO Positions					
Base Salary	\$ 181	\$ 271	\$ 344		
Other Cash Benefits ⁽²⁾	47	76	131		
Non-Cash Benefits ⁽³⁾	46	13	9		
	\$ 274	\$ 360	\$ 484		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Academic and Research Institutions

Summary Financial Statements ⁽¹⁾

for March 31, 2015

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2015 Totals	2014 Totals
Statement of Financial Position						
Assets						
Cash and Cash Equivalents	\$ 57,963	\$ 199,870	\$ 36,621	\$ 3,877	\$ 298,331	\$ 430,538
Investments	1,982,296	1,731,139	168,384	39,049	3,920,868	3,490,713
Investment in Government Business Enterprises	—	586	—	—	586	3,702
Accounts Receivable	142,499	65,355	9,530	2,983	220,367	209,743
Inventories and Prepaid Expenses	13,493	31,341	2,454	3,655	50,943	52,287
Capital Assets	2,770,078	1,713,659	305,483	58,822	4,848,042	4,730,643
	\$ 4,966,329	\$ 3,741,950	\$ 522,472	\$ 108,386	\$ 9,339,137	\$ 8,917,626
Liabilities						
Accounts Payable and Accrued Liabilities	\$ 222,726	\$ 156,752	\$ 12,314	\$ 9,794	\$ 401,586	\$ 420,753
Employee Future Benefit Liabilities	253,389	132,572	41,613	21,124	448,698	450,057
Debt	224,384	277,166	9,258	—	510,808	510,584
Deferred Revenue	2,577,093	1,778,730	246,026	68,787	4,670,636	4,690,498
	3,277,592	2,345,220	309,211	99,705	6,031,728	6,071,892
Net Assets	1,688,737	1,396,730	213,261	8,681	3,307,409	2,845,734
	\$ 4,966,329	\$ 3,741,950	\$ 522,472	\$ 108,386	\$ 9,339,137	\$ 8,917,626
Statement of Operations						
Revenue	\$ 1,830,774	\$ 1,245,191	\$ 199,249	\$ 131,025	\$ 3,406,239	\$ 3,309,687
Expenses	1,755,487	1,191,279	197,636	128,529	3,272,931	3,218,889
Net Income (Loss)	\$ 75,287	\$ 53,912	\$ 1,613	\$ 2,496	\$ 133,308	\$ 90,798
Statement of Changes in Financial Position						
Cash and Short-Term Investments, Beginning of Year	\$ 25,188	\$ 392,288	\$ 9,053	\$ 4,009	\$ 430,538	\$ 438,132
Cash Provided from (Used in) Operating Activities	114,663	234,686	26,378	2,419	378,146	373,169
Cash Generated (Used) by Organizational Activities	(81,888)	(427,104)	1,190	(2,551)	(510,353)	(380,763)
Cash and Short-Term Investments, End of Year	\$ 57,963	\$ 199,870	\$ 36,621	\$ 3,877	\$ 298,331	\$ 430,538
Salary and Benefits of President Positions						
Base Salary	\$ 549	\$ 473	\$ 387	\$ 368		
Other Cash Benefits ⁽²⁾	—	123	55	6		
Non-Cash Benefits ⁽³⁾	431	299	216	20		
	\$ 980	\$ 895	\$ 658	\$ 394		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Baccalaureate and Applied Studies Institutions

Summary Financial Statements ⁽¹⁾

for June 30, 2014

(in thousands)

	Grant MacEwan University	Mount Royal University	2014 Totals	2013 Totals
Statement of Financial Position				(Restated)
Assets				
Cash and Cash Equivalents	\$ 14,411	\$ 49,297	\$ 63,708	\$ 89,914
Investments	143,533	120,342	263,875	186,850
Accounts Receivable	3,534	20,367	23,901	21,912
Inventories and Prepaid Expenses	6,879	1,362	8,241	7,333
Capital Assets	281,736	266,897	548,633	519,775
	\$ 450,093	\$ 458,265	\$ 908,358	\$ 825,784
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 32,333	\$ 32,461	\$ 64,794	\$ 50,300
Employee Future Benefit Liabilities	4,430	2,662	7,092	5,571
Debt	42,626	69,806	112,432	104,595
Deferred Revenue	163,077	249,254	412,331	378,825
	242,466	354,183	596,649	539,291
Net Assets	207,627	104,082	311,709	286,493
	\$ 450,093	\$ 458,265	\$ 908,358	\$ 825,784
Statement of Operations				
Revenue	\$ 227,921	\$ 213,838	\$ 441,759	\$ 452,713
Expenses	222,225	211,331	433,556	449,642
Net Income (Loss)	\$ 5,696	\$ 2,507	\$ 8,203	\$ 3,071
Statement of Changes in Financial Position				
Cash and Short-Term Investments, Beginning of Year	\$ 56,309	\$ 33,605	\$ 89,914	\$ 91,259
Cash Provided from (Used in) Operating Activities	15,620	56,612	72,232	42,345
Cash Generated (Used) by Organizational Activities	(57,518)	(40,920)	(98,438)	(43,690)
Cash and Short-Term Investments, End of Year	\$ 14,411	\$ 49,297	\$ 63,708	\$ 89,914
Salary and Benefits of President Positions				
Base Salary	\$ 314	\$ 239		
Other Cash Benefits ⁽²⁾	11	73		
Non-Cash Benefits ⁽³⁾	72	89		
	\$ 397	\$ 401		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Polytechnical Institutions

Summary Financial Statements ⁽¹⁾

for June 30, 2014

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2014 Totals	2013 Totals
Statement of Financial Position				(Restated)
Assets				
Cash and Cash Equivalents	\$ 64,496	\$ 134,452	\$ 198,948	\$ 151,578
Investments	404,960	67,651	472,611	285,949
Investment in Government Business Enterprises	—	1,004	1,004	1,091
Accounts Receivable	6,624	10,670	17,294	18,850
Inventories and Prepaid Expenses	6,809	2,612	9,421	8,208
Capital Assets	297,959	745,184	1,043,143	1,007,328
	\$ 780,848	\$ 961,573	\$ 1,742,421	\$ 1,473,004
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 37,375	\$ 49,392	\$ 86,767	\$ 86,179
Employee Future Benefit Liabilities	26,964	9,049	36,013	34,094
Debt	172,618	144,919	317,537	171,873
Deferred Revenue	280,555	516,992	797,547	735,692
	517,512	720,352	1,237,864	1,027,838
Net Assets	263,336	241,221	504,557	445,166
	\$ 780,848	\$ 961,573	\$ 1,742,421	\$ 1,473,004
Statement of Operations				
Revenue	\$ 357,379	\$ 337,661	\$ 695,040	\$ 644,093
Expenses	316,989	318,277	635,266	626,497
Net Income (Loss)	\$ 40,390	\$ 19,384	\$ 59,774	\$ 17,596
Statement of Changes in Financial Position				
Cash and Short-Term Investments, Beginning of Year	\$ 2,368	\$ 149,210	\$ 151,578	\$ 246,666
Cash Provided from (Used in) Operating Activities	140,507	46,918	187,425	60,279
Cash Generated (Used) by Organizational Activities	(78,379)	(61,676)	(140,055)	(155,367)
Cash and Short-Term Investments, End of Year	\$ 64,496	\$ 134,452	\$ 198,948	\$ 151,578
Salary and Benefits of President Positions				
Base Salary	\$ 303	\$ 340		
Other Cash Benefits ⁽²⁾	95	126		
Non-Cash Benefits ⁽³⁾	178	140		
	\$ 576	\$ 606		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions

Summary Financial Statements ⁽¹⁾

for June 30, 2014

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Assets							
Cash and Cash Equivalents	\$ 26,510	\$ 1,927	\$ 7,804	\$ 17,548	\$ 31,487	\$ 10,006	\$ 28,780
Investments	53,019	30,758	19,166	23,707	40,137	20,280	43,000
Investment in Government Business Enterprises	—	—	14,101	—	—	—	—
Accounts Receivable	5,887	991	6,830	1,930	1,414	1,264	3,311
Inventories and Prepaid Expenses	703	752	656	2,852	1,605	683	830
Capital Assets	292,032	72,323	117,923	80,032	77,218	83,066	31,513
	\$ 378,151	\$ 106,751	\$ 166,480	\$ 126,069	\$ 151,861	\$ 115,299	\$ 107,434
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 8,201	\$ 7,126	\$ 7,779	\$ 12,350	\$ 10,333	\$ 4,672	\$ 9,540
Employee Future Benefit Liabilities	843	803	24,335	73	8,796	265	1,390
Debt	288	15,342	—	1,560	—	2,795	82
Deferred Revenue	262,806	50,556	84,041	66,641	79,299	61,088	62,332
	272,138	73,826	116,155	80,624	98,428	68,820	73,344
Net Assets	106,013	32,925	50,325	45,445	53,433	46,479	34,090
	\$ 378,151	\$ 106,751	\$ 166,480	\$ 126,069	\$ 151,861	\$ 115,299	\$ 107,434
Statement of Operations							
Revenue	\$ 104,302	\$ 72,457	\$ 82,244	\$ 66,303	\$ 83,293	\$ 54,051	\$ 76,040
Expenses	90,489	70,955	78,419	63,269	81,821	54,207	75,218
Net Income (Loss)	\$ 13,813	\$ 1,501	\$ 3,824	\$ 3,034	\$ 1,472	\$ (156)	\$ 822
Statement of Changes in Financial Position							
Cash and Short-Term Investments, Beginning of Year	\$ 48,994	\$ 4,124	\$ 22,280	\$ 13,205	\$ 16,311	\$ 9,952	\$ 34,919
Cash Provided from (Used in) Operating Activities	1,981	3,411	(375)	14,016	23,093	3,522	37,139
Cash Generated (Used) by Organizational Activities	(24,465)	(5,609)	(14,101)	(9,674)	(7,917)	(3,468)	(43,278)
Cash and Short-Term Investments, End of Year	\$ 26,510	\$ 1,927	\$ 7,804	\$ 17,547	\$ 31,487	\$ 10,006	\$ 28,780
Salary and Benefits of President Positions							
Base Salary	\$ 225	\$ 318	\$ 243	\$ 272	\$ 283	\$ 176	\$ 279
Other Cash Benefits ⁽²⁾	96	—	119	313	79	36	90
Non-Cash Benefits ⁽³⁾	11	30	28	24	43	57	83
	\$ 332	\$ 348	\$ 391	\$ 609	\$ 405	\$ 269	\$ 452

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Comprehensive Community Institutions (continued)

Summary Financial Statements ⁽¹⁾

for June 30, 2014

(in thousands)

	Northern Lakes College	Olds College	Portage College	Red Deer College	2014 Totals	2013 Totals
Statement of Financial Position						(Restated)
Assets						
Cash and Cash Equivalents	\$ 13,798	\$ 378	\$ 2,847	\$ 2,823	\$ 143,908	\$ 169,902
Investments	12,552	21,160	7,077	66,197	337,053	259,015
Investment in Government Business Enterprises	—	2,757	—	—	16,858	5,358
Accounts Receivable	715	8,154	2,374	1,975	34,845	26,163
Inventories and Prepaid Expenses	779	2,227	516	737	12,340	31,457
Capital Assets	29,680	74,944	57,636	113,008	1,029,375	1,019,254
	\$ 57,524	\$ 109,620	\$ 70,450	\$ 184,740	\$ 1,574,379	\$ 1,511,149
Liabilities						
Accounts Payable and Accrued Liabilities	\$ 4,074	\$ 6,375	\$ 3,284	\$ 14,836	\$ 88,570	\$ 86,650
Employee Future Benefit Liabilities	516	—	218	1,583	38,822	7,295
Debt	—	—	—	5,519	25,586	344,594
Deferred Revenue	32,241	75,038	53,713	113,136	940,891	639,174
	36,831	81,413	57,215	135,074	1,093,868	1,077,713
Net Assets	20,693	28,207	13,235	49,666	480,511	433,436
	\$ 57,524	\$ 109,620	\$ 70,450	\$ 184,740	\$ 1,574,379	\$ 1,511,149
Statement of Operations						
Revenue	\$ 41,990	\$ 54,835	\$ 35,234	\$ 90,550	\$ 761,298	\$ 773,190
Expenses	39,553	52,997	34,424	88,871	730,224	751,758
Net Income (Loss)	\$ 2,437	\$ 1,838	\$ 810	\$ 1,679	\$ 31,075	\$ 21,432
Statement of Changes in Financial Position						
Cash and Short-Term Investments, Beginning of Year	\$ 11,236	\$ 1,024	\$ 6,059	\$ 1,943	\$ 170,047	\$ 193,312
Cash Provided from (Used in) Operating Activities	6,844	1,820	1,227	6,827	99,505	55,791
Cash Generated (Used) by Organizational Activities	(4,282)	(2,466)	(4,439)	(5,947)	(125,646)	(79,201)
Cash and Short-Term Investments, End of Year	\$ 13,798	\$ 378	\$ 2,847	\$ 2,823	\$ 143,907	\$ 169,902
Salary and Benefits of President Positions						
Base Salary	\$ 235	\$ 204	\$ 182	\$ 293		
Other Cash Benefits ⁽²⁾	2	75	—	—		
Non-Cash Benefits ⁽³⁾	43	30	35	32		
	\$ 280	\$ 309	\$ 217	\$ 325		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Specialized Arts and Culture Institutions

Summary Financial Statements

	for June 30, 2014 ⁽¹⁾		for March 31, 2015 ⁽²⁾		(in thousands)
	Alberta College of Art + Design		The Banff Centre		
	2014	2013	2015	2014	
Statement of Financial Position					
Assets					
Cash and Cash Equivalents	\$ 7,849	\$ 8,707	\$ 6,656	\$ 3,757	
Investments	7,858	6,701	48,358	38,084	
Accounts Receivable	231	214	6,378	6,120	
Inventories and Prepaid Expenses	583	548	569	657	
Capital Assets	4,976	5,145	136,016	140,971	
	\$ 21,497	\$ 21,315	\$ 197,977	\$ 189,589	
Liabilities					
Accounts Payable and Accrued Liabilities	\$ 2,019	\$ 1,987	\$ 4,055	\$ 3,881	
Employee Future Benefit Liabilities	87	239	3,333	3,526	
Debt	126	157	450	834	
Deferred Revenue	10,119	9,649	131,075	129,614	
	12,351	12,032	138,913	137,855	
Net Assets	9,146	9,283	59,064	51,734	
	\$ 21,497	\$ 21,315	\$ 197,977	\$ 189,589	
Statement of Operations					
Revenue	\$ 20,306	\$ 21,333	\$ 62,156	\$ 59,810	
Expenses	20,565	21,117	61,818	59,273	
Net Income (Loss)	\$ (259)	\$ 216	\$ 338	\$ 537	
Statement of Changes in Financial Position					
Cash and Short-Term Investments, Beginning of Year	\$ 8,707	\$ 9,170	\$ 3,757	\$ 4,610	
Cash Provided from (Used in) Operating Activities	(59)	748	6,412	1,080	
Cash Generated (Used) by Organizational Activities	(799)	(1,211)	(3,513)	(1,933)	
Cash and Short-Term Investments, End of Year	\$ 7,849	\$ 8,707	\$ 6,656	\$ 3,757	
Salary and Benefits of President Positions					
Base Salary	\$ 242		\$ 149		
Other Cash Benefits ⁽³⁾	—		79		
Non-Cash Benefits ⁽⁴⁾	45		46		
	\$ 287		\$ 274		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Financial statements for this entity are prepared using Canadian Public Sector Accounting Standards (PSAS), including the PS4200 series of standards for government not-for-profit organisations. Full audited financial statements for this entity are available on their website.

(3) Other Cash Benefits include vacation payouts and bonuses (where applicable).

(4) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Other Information*Unaudited Information*

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Endnotes

Endnote A

Post-Secondary Graduate Outcomes Survey

The Post-Secondary Graduate Outcomes Survey is conducted every other year. Graduates from 25 of Alberta's publicly funded post-secondary institutions are surveyed two years after graduation (The Banff Centre is not included in the survey). The most recent survey was conducted from January to May 2014 by an independent third-party contractor. Graduates were surveyed by telephone and internet and were asked a range of questions about their educational experience, including their overall level of satisfaction, the relationship between their field of study and their job two years after graduation, and their satisfaction with any transfer credit received.

A census approach was used to survey institutions with fewer than 1,300 graduates, meaning that all graduates were invited to participate rather than using a random sample, while a sampling approach was taken with larger institutions. A total of 14,012 graduates completed the survey.

Margin of error refers to the measurable sampling error that occurs when a random sample is used to estimate results of a population. It is not applicable to a census. If all of the surveys had been completed using a random sample of graduates (rather than a mixed sample/census approach), the margin of error would be $\pm 0.7\%$, 19 times out of 20. This is comparable to previous survey cycles.

Satisfaction questions are based on a four-point scale. Satisfaction rates are the combined results of the responses "satisfied" and "very satisfied." The percentage result is calculated by dividing the total "satisfied" and "very satisfied" responses by the total number of survey respondents, not including respondents who answered "don't know" or who did not answer.

The complete survey report is available on the ministry's website.

Endnote B

Survey of Apprenticeship Graduates

The Survey of Apprenticeship Graduates is typically conducted every other year. However, the regularly scheduled 2014 survey was postponed while the ministry conducted a review of the survey. The last available data is from the 2013 survey.

Field work was conducted from October 2012 to December 2012, and results were available in 2013. The survey population was provided to the contractor and extracted from the Apprenticeship Trade and Occupation Management System. Interviews and online surveys were conducted with 4,073 apprentices who had graduated between August 1, 2011 and July 31, 2012.

The survey was primarily conducted by phone, though respondents without a valid phone number were emailed an invitation to complete the survey online. Graduates were asked about their satisfaction and experience with various aspects of the trade program they completed, most of which were three or four years in length. Satisfaction questions are based on a four-point scale. Satisfaction rates combine the "very satisfied" and "satisfied" results. The percentage result is calculated by dividing the total of "very satisfied" and "satisfied" responses by the total number of survey respondents, including respondents who answered "don't know."

Endnote C

Confidence Intervals

When a result is obtained by surveying a random sample of the target population (e.g. the public, graduates), there is a confidence interval associated with the result, which is expressed as a percentage above and below the result (e.g. $\pm 2.5\%$). A 95% confidence interval (which is usually the standard reported) indicates a range around the sample's result within which the population's actual result will fall 19 times out of 20, i.e. 95%, should the survey be repeated a number of times. This makes it possible to determine whether differences in survey results over time are likely the result of sampling (differences falling within the confidence interval or "margin of error"), or represent actual change.

When comparing results of survey questions over time or among respondent groups, if there is no overlap between the confidence intervals of the two observed values, then the difference between the two results is considered to be real. When the confidence intervals of the two observed values do overlap, the difference could be attributable to sampling variation, and the difference is not considered real.

The following hypothetical examples illustrate:

- a) *two survey results where the confidence intervals overlap: no real difference in results*

Where two survey results are 76% and 80%, both with a margin of error of 2.5%, then the upper limit of the confidence interval for the 76% result is 78.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals overlap, it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.

- b) *two survey results where the confidence intervals do not overlap: a real difference in results*

If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the 74% result is 76.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals do not overlap, it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference.

Endnote D**Labour Force Survey**

The post-secondary participation rate of Albertans aged 18-34 is produced as a special tabulation by Statistics Canada based on data collected in the Labour Force Survey.

Statistics Canada's Labour Force Survey is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey. The Canadian sample size for the monthly Labour Force Survey was 56,027 households, with an average of 5,540 Alberta households surveyed each month in 2013. The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (179,700) is approximately 2.5%.

Aboriginal post-secondary participation includes the same age range (18-34) and self-identified Aboriginals living off-reserve in Alberta.

Additional information on the Labour Force Survey methodology is available online in the *2014 Guide to the Labour Force Survey* (Catalogue no. 71-543-G).

Endnote E**High School to Post-Secondary Transition Rate**

The high school to post-secondary transition rate is calculated based on detailed student data from Alberta Education's Student Information System, Student Records System, and Diploma Examination System. Students are identified as attending post-secondary institutions based on data from Alberta Innovation and Advanced Education's Learner Enrolment and Reporting System and Apprenticeship, Trade, and Occupation Management System. The estimate of attrition uses data from Statistics Canada's Annual Demographic Statistics, as well as census data.

The transition rate also requires an estimate of Alberta students attending post-secondary institutions out-of-province, which is based on aggregate student counts from the ministry's Learner Enrolment Reporting System and Students Finance System.

In 2014, there were methodological changes when the source data switched from the Learner Enrolment and Reporting System to the ministry's Data Collection and Reporting (DCaR) framework. DCaR has two types of records: a "static Alberta Student Number (ASN)" and "current ASN." The "current ASN" can change if the student's ASN changes or is corrected after the time of enrollment. Data presented in this report use "static ASN" since it is more comparable to previous methods of reporting. Both current and historical data were adjusted to reflect these changes.

Endnote F**Venture Capital**

The source database, Thomson ONE, tracks investments made by private equity firms, including buyouts firms, venture capital firms, angel investor networks, small business investment companies, venture subsidies of investment banks, and other similar entities whose primary activity is private equity investment. Thomson Reuters obtains data from active private equity fund managers in Canada. There is no need for extrapolation or a coefficient of variation since the entire population of interest is surveyed.

Thomson ONE is a dynamic database with its data continually updated. Data from earlier periods can be revised when reported by firms. Data provided in this report was downloaded on January 16, 2015.

The ministry expected Alberta venture capital investment would increase moderately to \$126.16 million in 2014 from \$120.51 million in 2013. This estimate is based on a linear regression using total Alberta venture capital investment data from 2003 to 2013. Economic activities make it difficult to predict the actual number. These economic activities include federal and provincial government initiatives relating to venture capital, changes in private investor interest in local companies, and the number of venture funds with offices in Alberta.

The readiness and ability of entrepreneurs to attract venture capital investment into Alberta enterprises is affected by the relative competitiveness of starting a business in Alberta; the research and innovation ecosystem; connectivity and deal flow; and global economic, environmental, and social factors.

The Alberta Enterprise Corporation also attracted and invested in venture capital funds that were actively making new investments into Alberta enterprises during the past year.

Endnote G

Sponsored Research Revenue – Comprehensive Academic and Research Institutions

This performance measure reflects the amount of sponsored research at Alberta's four Comprehensive Academic and Research Institutions (CARIs). The main funding sources include the provincial and federal governments, industry, and non-profit organizations. Total sponsored research revenue is funding received outside of the CARIs' base operating grants and is comprised of research grants, research contracts, and research-related capital investments. This performance measure reflects the research capability, capacity, and competitive standing of Alberta through the success of its research universities in attracting sponsored research funding from several sources.

Sponsored research revenue data are collected directly from the CARIs, which submit the data using a template and guidelines outlining the information required and specific instructions regarding how the revenue should be reported. The guidelines that Innovation and Advanced Education provides to the CARIs require that the data collection process is consistent with the more detailed Canadian Association of University Business Officers (CAUBO) guidelines. Thus, the CARIs are required to follow the CAUBO reporting guidelines for the appropriate year. The adherence to CAUBO guidelines improves the quality and comparability of the data across jurisdictions. The CARIs derive the data from audited financial statements and supplementary schedules. The reported data are compiled and analyzed by Innovation and Advanced Education in the report, *Sponsored Research Revenue: Research Funding at Alberta's Comprehensive Academic and Research Institutions*.

A related performance indicator included in this report is sponsored research revenue at Alberta's colleges and technical institutes. Alberta's colleges and technical institutes conduct applied research and scholarly activity to inform and support their instructional mandate and regional industrial needs, however, these institutions are not provided any additional operating funding to support those activities. Alberta's CARIs have a comprehensive, broad, research intensive scope and are provided significant additional operating funding to foster, conduct, and disseminate research and creative activity (both pure and applied) within and across all major program areas.

Endnote H

Percentage of Enterprises Introducing Innovation

The Survey of Innovation and Business Strategy, conducted by Statistics Canada, measures the percentage of enterprise innovators introducing at least one innovation in products (goods or services), processes, marketing, or organization during the period under review.

The survey uses a stratified random sample of enterprises selected from the most current version of Statistics Canada's Business Register. To date, the survey has been conducted twice – once in 2009 and once in 2012. For the 2012 survey, Statistics Canada partnered with Alberta, Ontario, Quebec, and the Atlantic region and increased the sample size to 7,818, which was stratified by industry, region, and size class. The Alberta sample size was 1,103. The 2012 survey provides more reliable information than the 2009 survey at both the two- and three-digit North American Industry Classification (NAIC) codes at the provincial level.

Comparing the two surveys results should be done with caution, as the 2012 survey reflects a far greater number of surveyed enterprises, so provincial sub-sector data is more rigorous. The 2009 survey, by comparison, was only designed to produce rigorous information at the national level, so far fewer Alberta enterprises were surveyed.

The Oslo manual—an international source of guidelines for the collection and use of data on innovation activities in industry—defines four types of innovation: product innovation, process innovation, marketing innovation, and organizational innovation.

Statistics Canada's Survey of Innovation and Business Strategy 2012 questionnaire defines the four types of innovation as follows:

- ▶ Product innovation is the market introduction of a new or significantly improved good or service with respect to its capabilities, user friendliness, components, or sub-systems.
- ▶ Process innovation refers to the implementation of a new or significantly improved production process, distribution method, or support activity for goods or services.
- ▶ Marketing innovation refers to the implementation of a new marketing concept or strategy that differs significantly from the enterprise's existing marketing methods and that has not been used before.
- ▶ Organizational innovation is new organizational method in the enterprise's business practices (including knowledge management), workplace organization or external relations.

Endnote I**Sponsored Research Revenue – Technical Institutes and Colleges**

This output measure reflects research capability in Alberta through the success of its colleges and technical institutes in attracting sponsored applied research funding from several sources. The results give an indication of the developing applied research capability, capacity, and competitiveness of these institutes and helps the ministry understand their progress in applied research and innovation excellence.

Innovation and Advanced Education collects sponsored research revenue data directly from technical institutes and colleges each fall. Institutions submit data using a template and guidelines outlining the information required and specific instructions regarding how the revenue should be reported.

Sponsored research revenues are those received outside of the colleges' and technical institutes' base operating grants and include both research grants and research contracts. Funding sources include the provincial, federal, and other governments; industry; and non-profit organizations.

A related performance measure included in this report is sponsored research revenue at Alberta's Comprehensive Academic and Research Institutions (CARIs). Alberta's CARIs have a comprehensive, broad, research intensive scope and are provided significant additional operating funding to foster, conduct, and disseminate research and creative activity (both pure and applied) within and across all major program areas. Alberta's colleges and technical institutes conduct applied research and scholarly activity to inform and support their instructional mandate and regional industrial needs, however, these institutions are not provided any additional operating funding to support those activities.

Endnote J**Manufacturing and Service Industry Investment**

Investment (as reflected in capital expenditures on construction, machinery, and equipment) is a key economic growth indicator that shows the size of Alberta's business investments. When an organization spends resources on new investments (such as for new equipment), it is positioning itself to be more profitable and to contribute towards Alberta's economic output.

Statistics Canada's Capital and Repair Expenditures, Actual, Preliminary Actual and Intentions Survey collects information from all industries once a year about their actual past years' capital investments, as well as their intended investments for the current year. For business services, the following industries are aggregated: transportation and warehousing; information and cultural industries; finance and insurance; professional, scientific and technical services; administrative and support, waste management; arts, entertainment and recreation; and accommodation and food services.

Data received from Statistics Canada are classified by industry. The pertinent industries previously agreed upon for inclusion in the manufacturing and service industry classification are then identified and summed. The growth between years is a simple one-year growth calculation. No other sources of data are used.

Finalized data are typically released in February, two years following collection of survey results. In 2014-15, Statistics Canada reviewed the Capital and Repair Expenditures Survey, delaying release of 2013 actuals, so they were not available in time for inclusion in this year's annual report.

Endnote K**Manufacturing and Business Service Industry Labour Productivity**

The information for this performance measure is from a special tabulation of the Labour Productivity and Related Variables by Business Sector Industry table published by Statistics Canada. The labour productivity estimates for the manufacturing and business service industry are provided on request by Statistics Canada, as the aggregation is not available in the published table.

Note: Innovation and Advanced Education decided to only use data from Statistics Canada's November release, because they are more final than those released in April. This decision means that a one-year lag is now introduced in reporting the data.

Labour productivity is calculated by dividing gross domestic product by the number of hours worked. The three-year average annual growth rate is used to lessen the effect of year-to-year fluctuations.

Hours worked is defined as the total number of hours that a person spends working, whether paid or not. In general, this includes regular and overtime hours, breaks, travel time, training in the workplace, and time lost in brief work stoppages where workers remain at their posts. Time lost due to strikes, lockouts, annual vacation, public holidays, sick leave, maternity leave, or leave for personal needs are not included in total hours worked.

Endnote L**Total Investment in Alberta**

Data are gathered by Statistics Canada through the Capital and Repair Expenditures Survey. Data received from Statistics Canada are classified by industry. The pertinent industries previously agreed upon for inclusion in the manufacturing and service industry classification are then identified and summed. The growth between years is a simple one-year growth calculation. No other sources of data are used.

Survey results are usually published every February, with finalized data made available for two calendar years previous, preliminary actual data made available for the previous calendar year, and intentions data available for the current calendar year. Statistics Canada recently undertook a comprehensive redesign of the Capital and Repair Expenditures Survey. As a result, the data series was released later in 2015 than in previous years. The new data series for the 2013 actuals were released May 2015 (too late for publication in this report) and the 2014 (preliminary) and 2015 (intentions) estimates were released June 2015.

Endnote M**Percentage of High-Growth Firms**

Data are gathered from Statistics Canada's Longitudinal Employment Analysis Program (LEAP). LEAP is a database that contains annual employment information for each employer business in Canada. The information in LEAP is generated from the annual statements of remuneration paid (T4 slips) that Canadian businesses are required to issue to their employees for tax purposes. LEAP covers incorporated and unincorporated businesses that issue at least one T4 slip in any given calendar year, but excludes self-employed individuals or partnerships where the participants do not draw salaries.

New figures are purchased every June for the two previous calendar years. This lag reflects the time necessary to finalize tax records.

Endnote N**Student Loan Repayment Experiences Survey**

The Student Loan Repayment Experiences Survey, which was conducted in 2013 by an independent third-party contractor, surveyed a sample of Albertans in student loan repayment. Participants were surveyed by telephone and internet and were asked to rate whether they agreed or disagreed with the following statement: "I believe one day I will have paid all my debts off." A total of 1,250 Albertans in student loan repayment were asked this question and 81% agreed, 13% were neutral, and 6% disagreed. The margin of error for this question was $\pm 2.7\%$, 19 times out of 20.

Questions in which respondents were asked to rate their agreement or disagreement were based on a ten-point scale in which 1 indicated strong disagreement and 10 indicated strong agreement. Respondents providing a rating 8 and above were considered as being in agreement, those providing a rating between 4 and 7 were considered neutral, and those providing a rating 3 and below were described as being in disagreement.

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2015

(in thousands)

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Remissions under Section 21 of the <i>Financial Administration Act</i> ⁽¹⁾	\$	—
Compromises under Section 22 of the <i>Financial Administration Act</i>		1
Write-offs – Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the <i>Student Financial Assistance Act</i>		1,014
Total remissions, compromises and write-offs	\$	1,015

(1) The Loan Relief Completion (LRCP) program was discontinued August 1, 2012, therefore there is no LRCP Provision going forward.

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

for the year ended March 31, 2015

(in thousands)

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Innovation and Advanced Education under the *Student Loan Act* for the year ended March 31, 2015, the amounts paid to financial institutions as a result of the guaranteed loan program, and the amounts recovered on debts owing as a result of payments under guarantees.

	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	\$ —	\$ 19	\$ 479

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Chief officer's annual report

- 32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
- (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
 - (b) the number of investigations commenced by the designated officer as a result of disclosures;
 - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available, and if the annual report is not made publicly available, the chief officer must make the report under subsection (1) available to the public on request.

Summary of inquiries, disclosures, investigations, and reports made under the *Public Interest Disclosure (Whistleblower Protection) Act* for the Department of Innovation and Advanced Education during 2014-15.

Number of Inquiries	2
Number of Disclosures of Wrongdoing	1
Number of Investigations	1 (ongoing)
Reports Written	0

Contact Information

Innovation and Advanced Education

iae.alberta.ca

Entities

Access to the Future Fund	iae.alberta.ca/post-secondary/funding/supportsinstitutions/aff.aspx
Alberta Enterprise Corporation	alberta-enterprise.ca
Alberta Innovates – Bio Solutions	bio.albertainnovates.ca
Alberta Innovates – Energy and Environment Solutions	ai-ees.ca
Alberta Innovates – Technology Futures	albertatechfutures.ca

Advisory Boards, Councils, and Authorities

Access Advisory Council	iae.alberta.ca/ministry/agencies/caadvisory/aac.aspx
Alberta Apprenticeship and Industry Training Board	tradesecrets.alberta.ca
Alberta Economic Development Authority	aeda.alberta.ca
Alberta Council on Admissions and Transfer	acat.gov.ab.ca
Alberta Innovation Council	iae.alberta.ca/research/abinnovation-system/alberta-innovation-council.aspx
Alberta Research and Innovation Authority	aria.albertainnovates.ca
Campus Alberta Quality Council	caqc.gov.ab.ca

Publicly Funded Post-Secondary Institutions

Comprehensive Academic and Research Institutions

University of Alberta	ualberta.ca
University of Calgary	ucalgary.ca
University of Lethbridge	uleth.ca
Athabasca University	athabascau.ca

Baccalaureate and Applied Studies Institutions

Grant MacEwan University	macewan.ca
Mount Royal University	mtroyal.ca

Polytechnical Institutions

Northern Alberta Institute of Technology	nait.ca
Southern Alberta Institute of Technology	sait.ca

Comprehensive Community Institutions

Bow Valley College	bowvalleycollege.ca
Grande Prairie Regional College	gprc.ab.ca
Keyano College	keyano.ca
Lakeland College	lakelandcollege.ca
Lethbridge College	lethbridgecollege.ca
Medicine Hat College	mhc.ab.ca
NorQuest College	norquest.ab.ca
Northern Lakes College	northernlakescollege.ca
Olds College	oldscollege.ca
Portage College	portagecollege.ca
Red Deer College	rdc.ab.ca

Specialized Arts and Culture Institutions

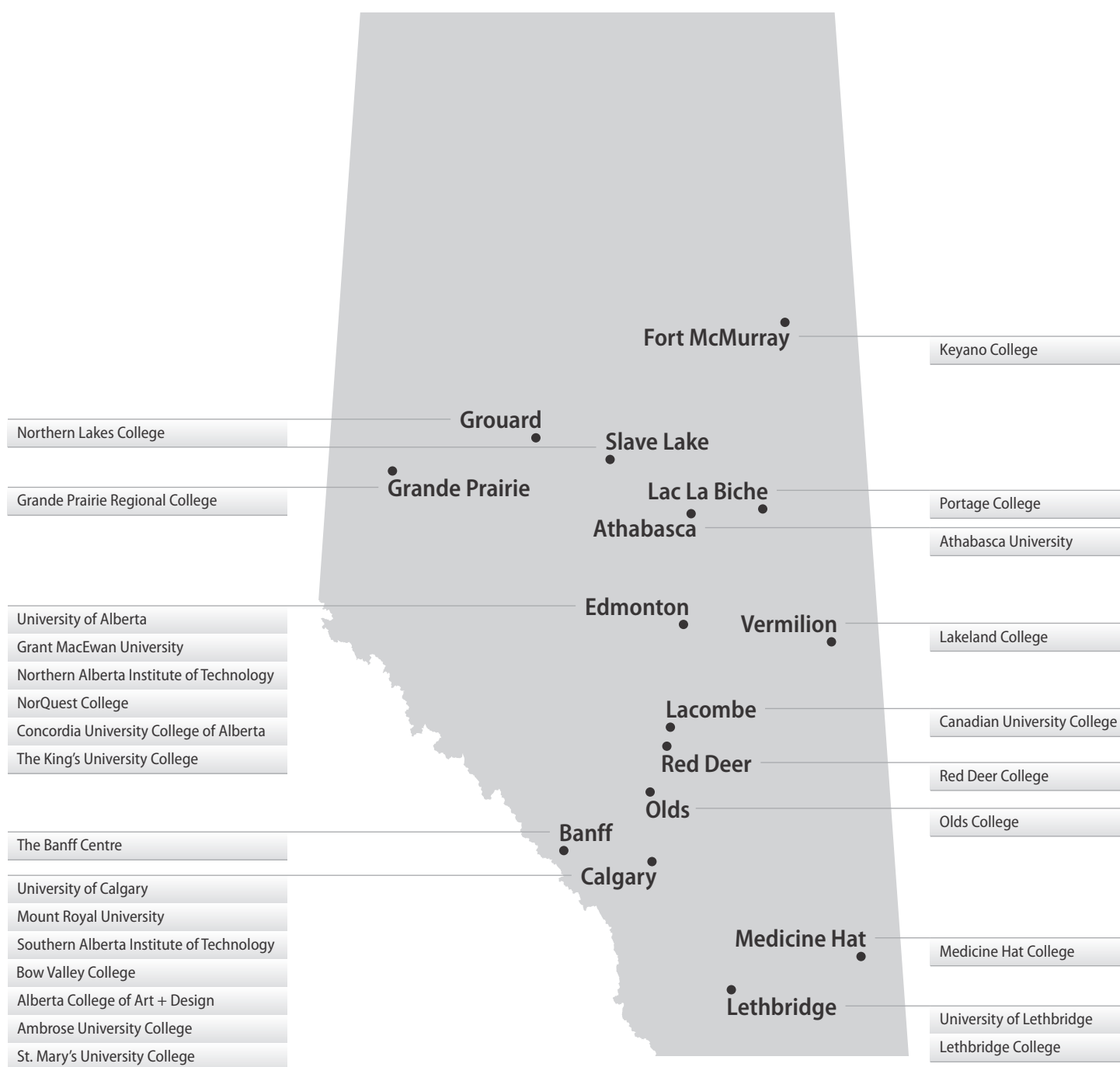
Alberta College of Art + Design	acad.ca
The Banff Centre	banffcentre.ca

Independent Academic Institutions

Ambrose University College	ambrose.edu
Canadian University College	cauc.ca
Concordia University College of Alberta	concordia.ab.ca
St. Mary's University College	stmu.ab.ca
The King's University College	kingsu.ca

Publicly Funded Post-Secondary Institutions

Main Campuses



iae.alberta.ca/annualreports