

Advanced Education

Annual Report
2017-2018



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Alberta Advanced Education Annual Report 2017-2018

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

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

This annual report of the Ministry of Advanced Education contains the minister's accountability statement, 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 Advanced Education, regulated funds and provincial agencies for which the minister is responsible; and
- ▶ other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2018, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 6, 2018 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by

Marlin Schmidt
Minister of Advanced Education



Message from the Minister

As Minister of Advanced Education, I'm incredibly proud of the work that our government has accomplished for students and families over the past year. Previous governments forced students to pay sky-high tuition to learn in crumbling classrooms. That wasn't right and students deserved better. That's why, for the fourth year in a row, our government has again increased Campus Alberta Grants for all post-secondary institutions by 2 per cent, as well as providing additional top up funding to further support the tuition freeze.

Our government has the backs of students and families in this province and we're committed to ensuring that anyone who wants to get an education is able to do so. We know that finances should never be a barrier for those who want to access post-secondary education, which is why our government has extended the tuition and fees freeze for a fourth year. The freeze is saving students and families \$1,500 each over the course of a degree. That's an extra \$1,500 that can go to rent, books, extra-curricular activities, or anything else they need that they may have struggled to afford before. We are committed to making life more affordable for everyday Albertans and this freeze is just one of the ways we are making life better for folks across the province.

We're making student loans and awards more accessible. This past year we provided \$617.7 million in student loans, \$53.4 million in grants and \$44.8 million in scholarships and awards. On top of that our government provided \$3.1 million through our Apprentice Training Award to support approximately 3,200 apprentices in getting the training or re-training they need to get the good jobs they deserve.

We're investing in essential and life saving student mental health supports and programs on campuses in every corner of the province. We've committed \$25.8 million over three years to ensure that these supports are available on all 26 publicly funded campuses and will continue to work to ensure that students have the supports they need when they need them.

We're ensuring that students and faculty have the modern classrooms and facilities they deserve by investing in much needed new infrastructure projects and repairs. Projects like the Dentistry-Pharmacy building renovations at the University of Alberta and upgrades to the MacKimmie Complex at the University of Calgary are not only creating good jobs and helping Albertans get back to work, they're providing vital new teaching spaces for students as well.

We're also building a diversified economy and supporting Albertans who are training for the jobs of tomorrow. This year we passed the *Growth and Diversification Act* which will create 3,000 new technology spaces at our universities and colleges over the next five years. These spaces, along with new scholarships and grants, will be essential to developing a diversified high-tech workforce and ensuring everyday Albertans will benefit from high-paying jobs in those sectors.

While our economy is growing and more folks are getting back to work, we know that there is still more work for us to do. Our government is going to continue our work to strengthen and protect the services that Alberta families rely on like education. Over the coming year we will continue our work to ensure that post-secondary education remains affordable and accessible for everyone.

Original signed by

Marlin Schmidt
Minister of Advanced Education

Management's Responsibility for Reporting

The Ministry of Advanced Education includes:

- ▶ the Department of Advanced Education,
- ▶ the Access to the Future Fund, 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 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 used in applying performance measure methodologies agrees with the 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 – outcomes, performance measures and related targets match those included in the ministry's 2017 budget.

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, Minister of Finance, and the Minister of Advanced Education the information needed to fulfill their responsibilities; and
- ▶ facilitate the preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency 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

Rod Skura
Deputy Minister of Advanced Education

June 6, 2018

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Ministry Overview

Advanced Education aligned its services under three outcomes in 2017-18:

Outcome One

Adult learning opportunities are accessible and affordable for all Albertans

Outcome Two

High-quality education, training and research make a positive contribution to Alberta's economy, society, culture and environment

Outcome Three

The adult learning system is accountable and coordinated

The Government of Alberta is committed to the creation of an economy that benefits both current and future generations. We are preparing Albertans for success in a new, diversified and technology-driven economy and we know that investing in education and training programs that build a strong, skilled and adaptable workforce will support economic diversification and increase competitiveness.

Advanced Education provides the affordable and accessible education and training opportunities Albertans need to prepare them for good jobs in a diversified economy. Through our investments in people, infrastructure and research capacity across the adult learning system, the post-secondary sector helps drive job creation, the development of skilled workers, as well as inspiring innovation. With these investments, we are creating an environment where ideas and creativity can grow, where innovation is supported, and quality research and learning opportunities are encouraged.

Three divisions within the ministry carry out the work of the department:

Advanced Learning and Community Partnerships

The division works closely with post-secondary institutions, private post-secondary providers and community learning providers to support adult learners, provide learning opportunities and enhance the adult learning system. Advanced Learning and Community Partnerships provides funding to post-secondary institutions and community learning providers, approves programs of study, licenses and certifies private career colleges, and creates awareness of and encourages participation in post-secondary education. The division also supports policy, legislation and governance related to the post-secondary sector.

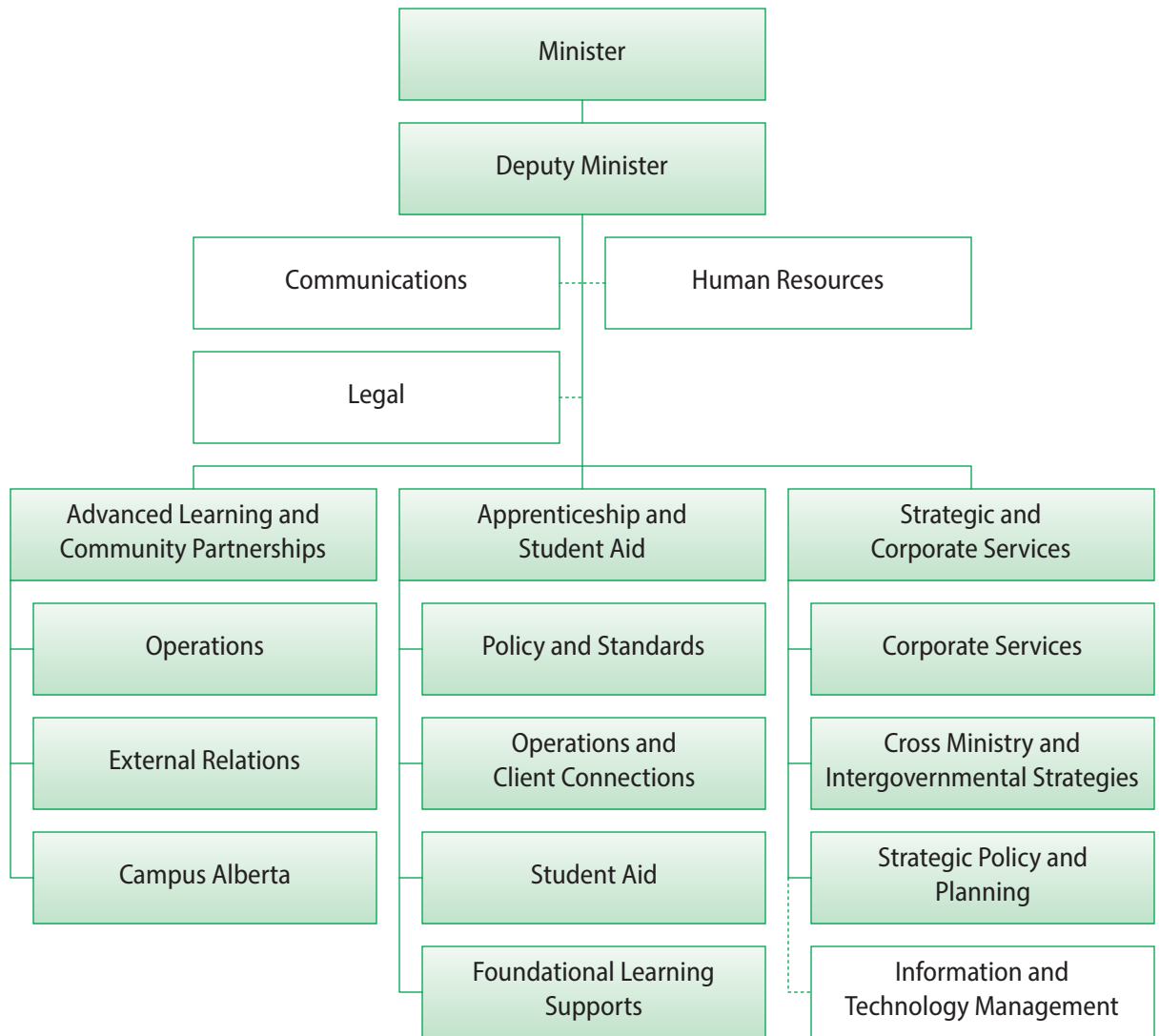
Apprenticeship and Student Aid

The division provides leadership in the development of skilled professionals through the implementation, administration and monitoring of apprenticeship education programs. Registers apprentices and issues credentials, and directly supports apprentices by funding technical training. The division provides student financial supports, including loans, grants, scholarships and awards, and supports adult Albertans participating in foundational learning programs such as pre-apprenticeship, academic upgrading and English as a second language.

Strategic and Corporate Services

The division leads and integrates key ministry-wide strategic and corporate functions including finance, strategic policy and planning, governance and legislation, and cross-ministry and intergovernmental strategies. The division facilitates a coordinated approach to governance, risk management, policy development, and strategic planning and resource allocation for the department. The division fosters a forward-thinking and service-oriented culture focused on partnerships through cross-ministry and cross-government systemic approaches to opportunities and risk.

Department Organization



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

Advisory Boards, Councils and Authorities

Alberta Apprenticeship and Industry Training Board

Alberta Council on Admissions and Transfer *

Campus Alberta Quality Council

* Under review as part of the Government of Alberta's review of agencies, boards and commissions.

Entities included in Ministry Financial Statements

Ministry	Ministry of Advanced Education
Department	Department of Advanced Education
Fund	Access to the Future Fund
Public Post-Secondary Institutions	
Comprehensive Academic 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 Banff Centre for Arts and Creativity

More detailed information on the Ministry of Advanced Education can be found at advancededucation.alberta.ca

Discussion and Analysis of Results

Outcome One

Adult learning opportunities are accessible and affordable for all Albertans

What this Means

Advanced Education is committed to working with stakeholders to ensure Albertans have access to a full range of adult learning opportunities across the province. This is accomplished by meeting the diverse needs of learners, reducing barriers to learning and supporting access for all Albertans to engage in lifelong learning.

Senior Management Summary

- ▶ The ministry works with adult learning providers and cross-ministry partners to provide Albertans with access to a wide range of affordable learning options, from foundational learning to advanced degrees. This includes supporting the Ministry of Labour and other partner ministries in implementing federal-provincial Labour Market Transfer Agreements to improve access to adult education.
- ▶ The tuition freeze for post-secondary education programs was extended for the 2018-19 academic year and will be accompanied by a corresponding backfill payment to publicly funded institutions. These payments provide compensation for the additional tuition revenue that institutions would otherwise have received. The ministry is also continuing to review tuition and funding models for all post-secondary institutions and remains committed to ensuring post-secondary education is accessible, sustainable and affordable over the long term.
- ▶ To address the diverse needs of Alberta's post-secondary students, the ministry continued funding for several initiatives and programs, including support for students with special needs, the Learner Pathways Modernization Initiative, Indigenous Student Awards and Apprentice Training Awards.
- ▶ Following the province-wide consultations with learners, faculties and post-secondary institutions, the ministry continued its effort to enhance the accessibility of the adult education system. This included expanding the programming mandate of Red Deer College and Grande Prairie Regional College to pursue the delivery of undergraduate degree programs, introducing new collaboration mandates for each of the six sectors, and providing comprehensive community institutions with more flexibility to serve the needs of their communities. All changes are pending legislative amendments to the *Post-secondary Learning Act*.

Key Strategy 1.1

Enhance Albertans' access to post-secondary education by improving transitions from high school and adult foundational programming.

Foundational learning is the full range of formal and informal learning intended to bring adult learners to the level of high school equivalency. It includes literacy, essential skills, English as a second language learning, academic upgrading, adult basic education and integrated training.

Transition to Advanced Education

Responsibility for funding adult foundational learners (except the Community Adult Learning Program, which already resides in Advanced Education) transitioned from the Ministry of Community and Social Services in 2016. Since the transition, Advanced Education has continued to integrate and align business processes within the ministry.

In 2017-18, the ministry began work to integrate program approval processes to streamline and provide clearer direction for post-secondary institutions on which approval process is required. Bow Valley College, Grande Prairie Regional College and Portage College have all benefitted from this improved process.

Foundational Learner Supports and Foundational Learning Grant Agreements

Financial support for learners is available for eligible Albertans to attend academic upgrading, adult basic education, English language learning, integrated training and basic skills training. These programs assist adult Albertans' transition to post-secondary studies or employment. Albertans are able to access funding for tuition, books, mandatory fees and monthly living allowances.

In 2017-18, Advanced Education initiated Foundational Learning Grant Agreements with 14 public post-secondary institutions that deliver foundational learning. The grant agreements allowed these post-secondary institutions to receive pre-determined payments for tuition and fees for eligible learners attending approved foundational learning programs at their institution.

Administrative efficiencies for both the post-secondary institutions and Advanced Education were created because of the agreements, which allowed the ministry and institutions to better track tuition allocations to ensure the maximum number of learners were able to attend foundational learning programs. Initial feedback from the post-secondary institutions has been positive and the agreements will continue in 2018-19.

Program 2017-18	Learner Caseload
Part-Time Learning	3,234
Full-Time Learning	
Academic Upgrading	3,681
Training for Work	1,399
English as a Second Language	2,336
Total	10,650

Source: Mobius Database report on learner statistics.

Labour Market Transfer Agreements

The federal government provides annual funding to Alberta to deliver a range of training and employment programming for Canadians through Labour Market Transfer Agreements. In March 2018, Alberta, led by the Ministry of Labour, signed new and amended Labour Market Transfer Agreements with the federal government. The new agreements include greater flexibility for programming and participant eligibility and provide additional funding over the next five years that will provide significant benefits for Albertans and Alberta employers. The new agreements also focus on collecting an increased number of performance indicators to inform program and service improvements, improve the assessment of outcomes of employment services and programs, and report to Albertans about the successes of labour market programming.

Looking Ahead

Alberta offers a strong foundation of programs and services that continue to result in successful outcomes for Albertans. Building on the existing array of programming, informed by the needs of Albertans and aligned with the provincial government’s priorities, Advanced Education will work collaboratively with partner ministries on the following priorities this fiscal year: economic recovery, serving under-represented groups and getting Albertans back to work while maximizing the funding available through the Labour Market Development Agreements.

Community Adult Learning Program

The Government of Alberta has supported community-based adult learning across the province since the late 1970s. In 2017-18, through the Community Adult Learning Program (CALP), Advanced Education allocated more than \$17 million to 122 organizations to support the delivery of part-time, non-formal literacy and foundational learning opportunities.

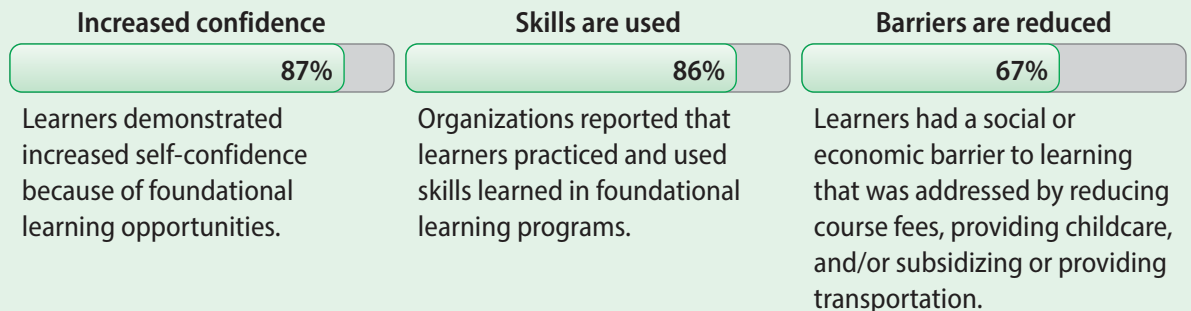
CALP-funded organizations support learning opportunities that focus on literacy, numeracy, basic computer skills, foundational life skills, and/or English language learning, whether delivered through a group setting, such as a course or family literacy program, or through one-on-one or small group tutoring. The average annual grant to an organization is approximately \$100,000, excluding grants of approximately \$3.4 million to two Granting Councils that allocate funds to more than 50 organizations in Edmonton and Calgary to support foundational learning. For the majority of funded organizations, CALPs are the primary source of funding. In 2016-17, these organizations dedicated over 130,000 instructional hours to literacy and foundational learning programs in Alberta to support 21,000 unique adult learners who participated in nearly 1,100 learning opportunities.

Learner Impact

All organizations that receive funding through CALPs report annually to Advanced Education on a series of outputs and outcome measures that demonstrate progress towards CALP’s vision: *Changing lives through adult foundational learning in connected communities*. The vision underlines that by accessing learning in a safe and welcoming space and gaining new skills and confidence, learners, many of whom face social and/or economic barriers and have had negative experiences in the formal education system, are able to independently improve their lives through further learning, employment and/or full participation in society.

With the \$900,000 increase from the ministry’s 2017 budget, CALP-funded organizations have been building significantly higher capacity to coordinate with partners, including post-secondary institutions, to increase access to foundational programming, particularly for under-represented, highly vulnerable populations, and to deliver higher quality programming, including learning opportunities that are of sufficient duration and intensity to meet learner needs.

Data collected for 2016-17 demonstrates the following themes:



CALP-funded organizations provide a favorable environment for some of the most vulnerable learners to take a first step on a learning journey that leads to increased confidence, and developing an identity as a learner so that they are empowered to persevere in learning. This first step is instrumental in changing individual lives.

Community Adult Learning Programs and Indigenous Learners

The Community Adult Learning Program (CALP) seeks to build on and forge partnerships with Indigenous communities founded on principles of trust, openness and respect, in order to improve Indigenous learner access and success in the learning system.

Many CALP-funded organizations have a history of partnership with Indigenous communities. Advanced Education and the Ministry of Indigenous Relations have a fifty-fifty cost-sharing partnership to provide community adult learning programming in seven of the eight Métis settlements, which are involved in the Long-Term Governance Agreement with the Government of Alberta. This partnership expands access to part-time, non-formal adult foundational learning to ensure that Indigenous peoples living in Métis settlements have access to learning opportunities that will support their transitions to further learning, including post-secondary and/or employment.

Advanced Education supports the continued success of CALP-funded organizations who serve Indigenous learners by investing in a number of professional development initiatives to support their staff and/or volunteers. For example, Advanced Education invests in a dedicated Indigenous Liaison position to provide mentorship/coaching and one-on-one support to their staff and volunteers, and facilitate customized workshops designed to meet needs identified by staff in the settlements.

Did You Know?

Each year, through the Community Adult Learning Program, Advanced Education makes significant investments to address the professional development needs of staff and volunteers of funded organizations. In 2016-17, the department provided one-time professional development project funding to University nuhelot'jine thaiyots'j nistameyimâkanak Blue Quills and to the Calgary Learns Association. This funding was used to help organizations develop an awareness of historical relations between Indigenous peoples and the rest of Canada and facilitate an understanding of how intergenerational trauma affects Indigenous adult learners in many aspects of their lives, including their learning journeys. These professional development projects were developed and delivered using Indigenous Learning Principles, which create a welcoming and accessible learning environment within funded organizations to allow them to better address the education needs of Indigenous peoples in the community.

High School Transitions Module and Support for Dual Credit

The Alberta Council on Admissions and Transfer completed key work for the Learner Pathways Modernization Initiative to develop more tools and supports for the new Alberta Learner Pathways System (see Key Strategy 3.4). One aspect of this work was the development and completion, in March 2018, of a new High School Transitions module for high school transitions course agreements, including dual credit. This module was created in collaboration with stakeholders, the Alberta Council on Admissions and Transfer Dual Credit Articulation Committee, Advanced Education, the Ministry of Education and the Ministry of Labour. Updates were also completed to the Transfer Alberta search tool and mobile app to share high school transitions course agreements data for high school students seeking to gain simultaneous credit for high school, post-secondary, and/or business and industry courses and experiences.

The tools have several new features, for example:

- ▶ Students can now access data and information for high school transitions agreements for courses offered in Alberta through a single accessible source on the Transfer Alberta search tool and mobile app.
- ▶ School authorities can now share information and plan with their post-secondary and business/industry partners and manage their high school transitions course agreements, including dual credit.

Helping school authorities manage their high school information is part of the work Advanced Education has undertaken to support the Ministry of Education in their leadership of the Provincial Dual Credit Strategy. In 2017-18, the Alberta Council on Admissions and Transfer and Advanced Education also supported the Ministry of Education's development of the new provincial Alberta Dual Credit Framework and Dual Credit Implementation Guide. This work included supporting students' access to dual credit opportunities by allowing K-12 school authorities to use authorized post-secondary programming, requiring school authorities to confirm that students can get transfer credit for applicable dual credit courses, and tracking applicable dual credit courses on high school students' transcripts.

Inter-ministry collaboration to support learner pathways and student access to information regarding dual credit and other high school transitions pathways is a continuous and ongoing process.

Learning Clicks

Did You Know?

The ministry runs a peer based motivational post-secondary planning program that helps students in Grades 4 to 12, parents and teachers learn about post-secondary education—what it is, why it's important and how to plan for it.

Learning Clicks is a public awareness program that makes a difference in the lives of students by connecting them with information and resources to help them transition into and become successful in post-secondary education. Learning Clicks Ambassadors, who are current post-secondary students, deliver motivational education planning presentations across the province to encourage youth to reach their potential through post-secondary education. Presentations cover topics such as program planning, unique pathways, student aid funding, scholarships, apprenticeships, transferring and student life.

In 2017-18, Learning Clicks Ambassadors presented to more than 23,000 students across the province and provided post-secondary planning information to an additional 3,000 Albertans at exhibit booths. Learning Clicks has also expanded beyond the K-12 system, to include community outreach organizations that serve at-risk youth. This expansion has allowed the program to share invaluable education planning information with youth, who in many cases, felt post-secondary education was not an option for them.

At the end of every presentation, participants are asked to fill out an online survey. Highlights from the 2017-18 surveys are:

Increased knowledge of options

98%

Students agreed that the presentation increased their knowledge and understanding of their post-secondary options.

Motivated to attend post-secondary education

97%

Students felt motivated to attend post-secondary education after the presentation.

Learning Clicks Indigenous Presentations

The Learning Clicks program includes an Indigenous outreach component which employs some Indigenous post-secondary students to provide presentations within First Nations, Inuit and Métis communities across the province. In 2017-18, Ambassadors provided 80 presentations within Indigenous communities, including remote communities such as Fort Chipewyan where three days were spent presenting to all the students in the community.

Student Impact

An Indigenous Learning Clicks Ambassador who grew up on the Kainai First Nations Reserve now returns to her home community to provide Learning Clicks presentations. She talks to students about her personal experience graduating on the reserve, going to Lethbridge to pursue accounting and the challenges she faced along the way. Months after giving her first presentation on the reserve, she returned home for a cultural event. One of the students who attended that first presentation approached her to say thanks and let her know that they were about to drop out of high school, but that her visit and presentation inspired them to continue with their education and they have now applied to post-secondary.

Key Strategy 1.2**Ensure the effectiveness of programs to assist apprentices to progress in their training.**

Alberta's apprenticeship and industry training system is designed to develop and certify highly knowledgeable journeypersons with skills aligned with labour market and industry needs.

Did You Know?

Alberta develops and recognizes apprenticeship programs to certify students in over 50 designated trades and occupations. Apprenticeship education is also offered at some organizations outside of the post-secondary system, including some high schools through the Registered Apprenticeship Program, and Career and Technology Studies, as well as community organizations and employers and union-based facilities.

Approximately 80 per cent of an apprentice's education is completed on the job and is provided through an employer under the guidance of a certified journeyperson or qualified individual. The other 20 per cent of their education is completed through formal instruction provided at or through an educational provider.

Apprentice Training Award

The Apprentice Training Award is a \$1,000 financial incentive that supports registered apprentices who are unemployed to continue their technical training and progress towards their journeyperson certification.

In 2017-18, approximately \$3.1 million was awarded to approximately 3,200 apprentices through the Apprentice Training Award.

Apprenticeship Funding

To support technical training delivery, the ministry contributed approximately \$55.4 million to Alberta's technical training providers in 2017-18. This funding is used to fund seats, equipment, leases and other programming costs to supplement funding provided to publicly funded institutions through the Campus Alberta Grant.

Total and New Apprentices Registered

The ministry continues to encourage Albertans to consider pursuing an apprenticeship program and to support current apprentices to continue and complete their program.

As of December 2017, there were over 50,600 registered apprentices, including over 12,600 new apprentices, and over 10,200 individuals were certified. This includes completed apprentices and individuals issued occupation and qualification certificates. Since the program's inception, more than 5,000 individuals who participated in the Registered Apprenticeship Program have gone on to complete their program and become certified journeypersons.

Apprenticeship Satisfaction

Advanced Education surveys apprentices to ensure programs are effective at helping them progress through their program. Results from the 2018 Apprenticeship Graduate Outcomes Survey indicate the vast majority of 2016-17 graduates were satisfied with:

On-the-job training

89%

The overall quality of their on-the-job training.

Technical training

93%

The overall quality of their technical training.

Experience with program

90%

Their experience with the apprenticeship program—90 per cent stated they would still have chosen to become an apprentice.

Key Strategy 1.3**Collaborate with Alberta's Indigenous peoples and adult learning providers to improve Indigenous educational outcomes.**

The focus of this strategy aligns with the ministry's work with the *United Nations Declaration on the Rights of Indigenous Peoples* and the Truth and Reconciliation Commission of Canada Calls to Action. These foundational documents guide ministry activities and initiatives towards the protection of the individual and collective rights of Indigenous peoples to ensure they can participate as equals in all aspects of Alberta's society while maintaining their cultures and unique identities.

Post-secondary institutions have a fundamental role to play in moving forward with reconciliation as universities and colleges produce future influential teachers, lawyers, doctors, public servants, journalists and other trained professionals.

Indigenous Adult Learner Engagement

To help develop a comprehensive Indigenous adult learner action plan, Advanced Education has engaged with First Nations Colleges, public post-secondary institutions, Indigenous student leaders, Indigenous adult learning providers, and Indigenous organizations and communities. At each engagement session groups have been asked what success for Indigenous adult learners could look like and have provided their input into existing wrap-around and support services for post-secondary education and training-to-employment programs.

To date, engagement milestones include a meeting with First Nations Colleges in October 2017, which demonstrated a sign of trust in the engagement and policy development for Indigenous adult learners. In addition, a meeting with Indigenous student leaders in November 2017 marked the first time that Advanced Education specifically engaged with this group of adult learners. This was also the first time that the department brought together adult learners from public post-secondary institutions and First Nations Colleges.

Looking Ahead

Advanced Education will begin finalizing the initial phase of engagement in June 2018 and will look at developing a comprehensive Indigenous adult learner action plan based on the findings.

First Nations College Grant

First Nations Colleges deliver an educational experience while fostering First Nations culture and traditions. The ministry continued to provide the First Nations College Grant to five First Nations Colleges in the province. In 2017-18, each college received \$640,000, including \$200,000 to be used to support foundational learning. In addition, each First Nations College received a one-time foundational learning grant in the amount of \$55,000 to be used to further support foundational learning initiatives in the Colleges.

Indigenous Initiatives Grants

In 2017-18, Advanced Education began collaborating with Indigenous adult learning providers beyond First Nations Colleges. The ministry reconstituted its funding relationship with the Nechi Institute: Centre for Indigenous Learning and provided them with funding to develop curriculum for their addictions diploma and certificate programming. Advanced Education also began collaborating with the Riel Institute for Education and Learning for the first time in 2017-18, providing them with an \$80,000 one-time Foundational Learning Grant to help support foundational learning programming. Lastly, Advanced Education provided Maskwacis Cultural College with a one-time grant of \$95,000 to develop a student database compatible with Alberta Council on Admissions and Transfer program.

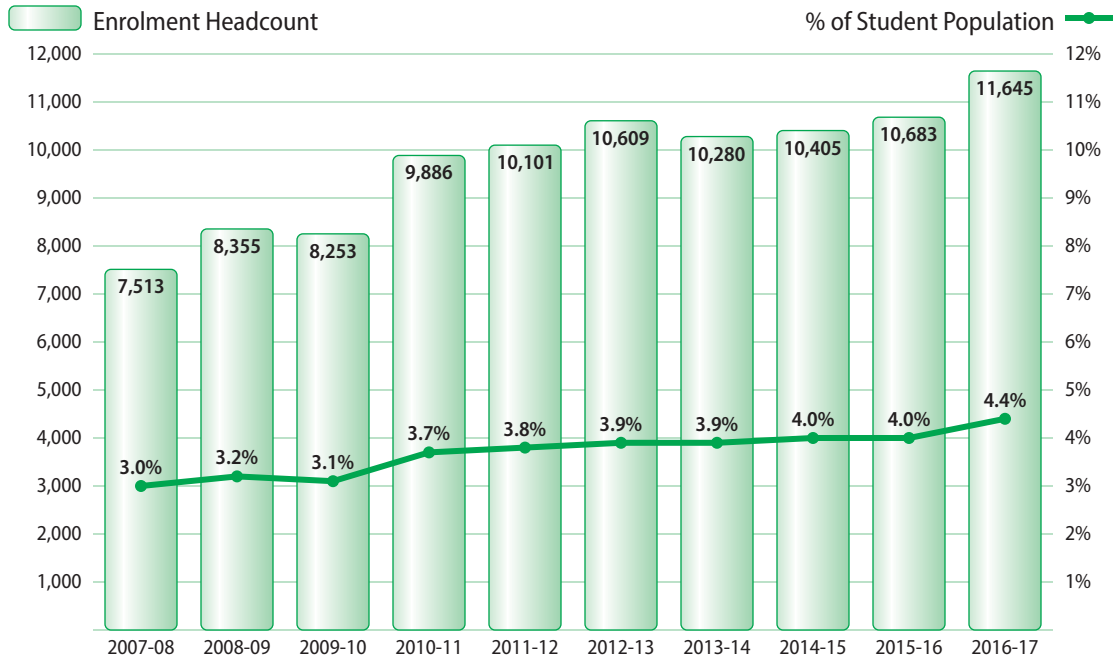
Indigenous Student Awards

Advanced Education continued to help prepare Indigenous post-secondary students for success. In 2017-18, \$7 million in Indigenous Awards were available to First Nations, Métis, and Inuit students. Eligible undergraduate students may receive up to \$4,000 per year and eligible graduate students may receive up to \$15,000. In the 2017-18 academic year, over 1,400 students received an award.

Self-Identified Indigenous Student Enrolment

Advanced Education collaborated with the Ministry of Indigenous Relations, the Ministry of Labour and the Ministry of Community and Social Services to increase the number of Indigenous learners participating in adult learning and achieving program learning outcomes. Between the 2015-16 and 2016-17 academic years, the number of students identifying as Indigenous at publicly funded post-secondary institutions increased by 9 per cent, compared to the average annual growth rate of 5.6 per cent since 2004-05.

Indigenous Student Enrolment



Note Results of this indicator are based on learners' self-identification as Indigenous and therefore may not represent all Indigenous learners in the adult learning system. Results also do not include Indigenous learners attending First Nations Colleges, private career colleges, foundational learning programs, and apprentices taking technical training from private providers or participating in on-the-job training.

Key Strategy 1.4**Provide stable and predictable funding to the post-secondary system.****Post-Secondary Funding**

Government is committed to providing stable and predictable funding for the post-secondary system. For the fourth year in a row, the government increased Campus Alberta Grants for all post-secondary institutions by 2 per cent in 2017-18, as well as providing additional top up funding to support the tuition freeze.

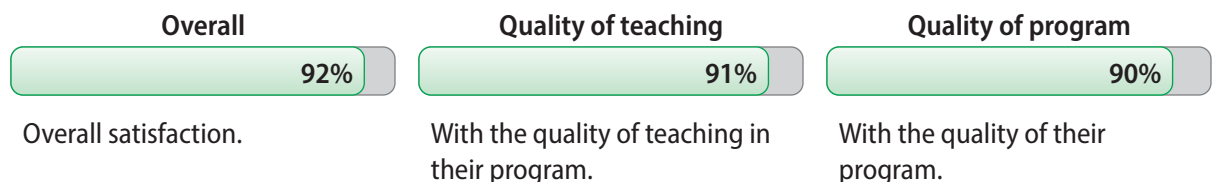
In 2017-18, the ministry provided over \$2.3 billion in operating funding to publicly funded post-secondary institutions to ensure a solid foundation for Alberta's advanced learning providers. The major components of funding provided by Advanced Education were:

Funding	Amount	Description
Campus Alberta Grant	\$2,173.0M	Supports the delivery of approved credit programs, including apprenticeship programs and other programs that are designated for student financial assistance.
Apprenticeship Technical Training Grant	\$55.4M	Supports the provision of apprenticeship technical training at Alberta's 11 post-secondary institutions to supplement the Campus Alberta Grant.
Targeted Enrolment Funding	\$51.2M	Increases learner access to a range of high-demand programs in fields such as engineering, occupational and physical therapy, and early learning and child care.
Health Workforce Action Plan	\$13.8M	Supports expanded health education program delivery for specified health professions forecast to be facing shortages.
Supports for Students with Disabilities	\$11.2M	Enhances a post-secondary institution's capacity to accommodate students with disabilities.

Campus Alberta Grant

The Campus Alberta Grant provides operating funding to the province's 26 publicly funded post-secondary institutions and allows for the delivery of a broad spectrum of formal learning opportunities. This funding helps to remove barriers so that Albertans can reach their full potential, and advances Alberta's social and economic prosperity.

Through the grant, post-secondary institutions provide quality programming as measured by self-reported student satisfaction. Results from the 2016 Alberta Graduate Outcomes Survey indicate the vast majority of 2013-14 graduates were satisfied:



The grant enables post-secondary institutions to produce approximately 50,000 graduates annually in many fields, many of whom then enter the workforce. When surveyed in 2016, graduates from 2013-14 had an employment rate of 92 per cent.

Apprentice Technical Training Grant

The Apprentice Technical Training Grant supports the provision of apprenticeship technical training at 11 publicly funded post-secondary institutions and two private institutions in Alberta. The grant is provided to post-secondary institutions in addition to the Campus Alberta Grant.

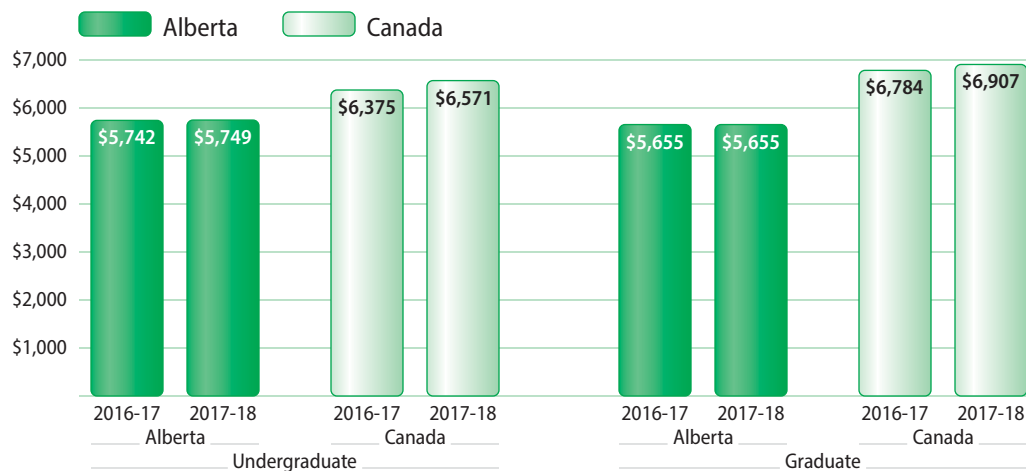
Key Strategy 1.5

Enhance affordability by reviewing post-secondary system resourcing, tuition and fees.

Affordable post-secondary education is important to Albertans and is key to a growing economy. Government has ensured affordable access to post-secondary education by keeping tuition costs frozen, and continuing their work with stakeholders to review the tuition and fees model.

As a result of these efforts, the average tuition for an undergraduate student in Alberta was over \$800 lower than the national average in the 2017-18 academic year. Similarly, the average tuition for a graduate student in Alberta was over \$1,200 lower than the national average.

Average Tuition by Year and Level of Study



Source Statistics Canada, CANSIM Table 477-0077 – Canadian and international tuition and fees by level of study, annual (dollars).

Note Data for 2017-18 is preliminary. National and provincial tuition fee averages are weighted with the latest enrolment data (2014). This data does not take into account financial assistance or tax rebates provided to students.

Tuition Freeze Extended

Government is working to make life more affordable for everyday Albertans. As part of that commitment, government again extended the tuition freeze through the 2017-18 and 2018-19 academic years. This is the fourth year in a row of frozen tuition for post-secondary students, and ensures that students have the predictable and affordable education they deserve. Thanks to the freeze, students are saving on average \$1,500 over the course of their degree.

Tuition and Fees Review

The tuition and fees review will help provide guidance to institutions on how to set tuition and fees in a fair and transparent manner while also providing students with predictability so they can plan for their education.

In 2016-17, the ministry established an external stakeholder advisory group to provide perspectives and advice on potential policy solutions for moving forward. This group included student, institutional, apprenticeship and government representatives. In addition to tuition, the consultation process included discussions around related topics, including mandatory non-instructional fees, international student tuition and apprenticeship tuition.

Key Strategy 1.6

Improve the responsiveness of student financial supports to help Albertans benefit from adult learning opportunities.

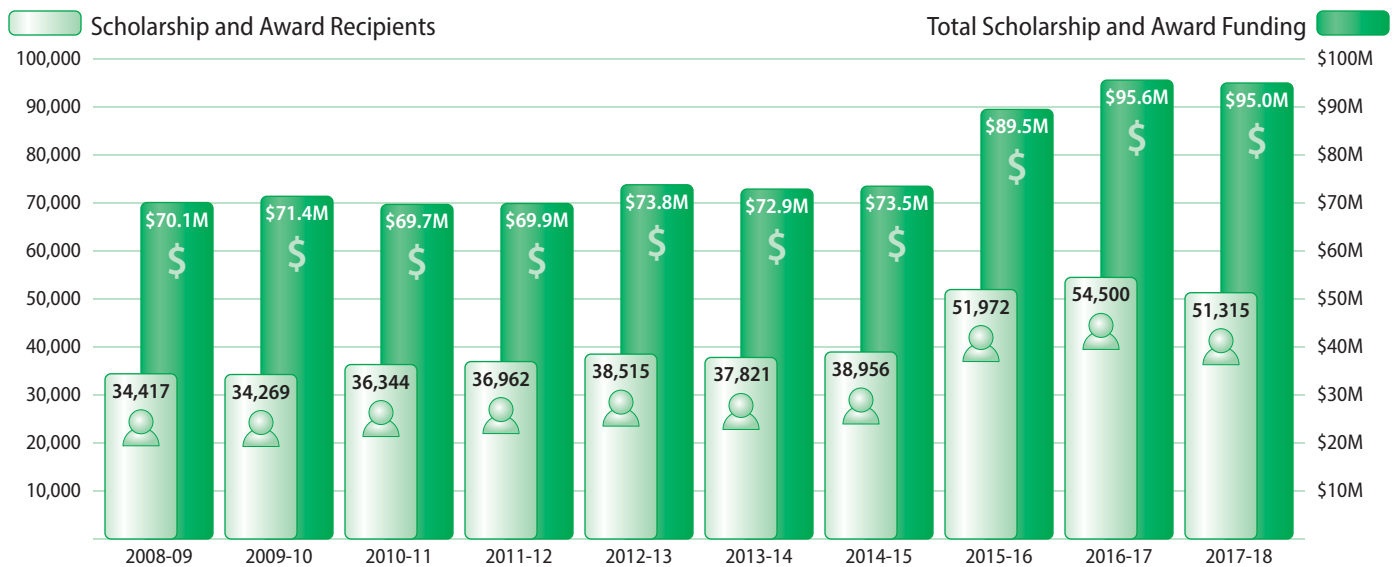
Advanced Education provides a variety of funding supports for post-secondary learners that allow Albertans equitable access to adult learning opportunities regardless of financial circumstances:

- ▶ Student loans are available to reduce financial barriers and help post-secondary students cover basic learning and living costs.
- ▶ Grants are available to Alberta student loan borrowers, including low-income students, those caring for children, students with disabilities and part-time students.
- ▶ Scholarships are provided to learners who demonstrate academic excellence.
- ▶ Awards are provided to Alberta students to encourage access and participation in adult learning opportunities and reward students for leadership, athletics and community engagement.

Scholarships and Awards

Total funding increased between 2014-15 and 2017-18. In 2014-15, 38,956 students received a total of \$73.5 million in funding, compared to 51,315 students in 2017-18 who received a total of \$95 million in funding.

Alberta Scholarship and Award Funding



Source Advanced Education.

Note Scholarship and award numbers from 2014-15 forward were based on the ministry’s audited financial statements. Numbers prior to 2014-15 were based on reports from Alberta’s student finance system and may not be entirely comparable.

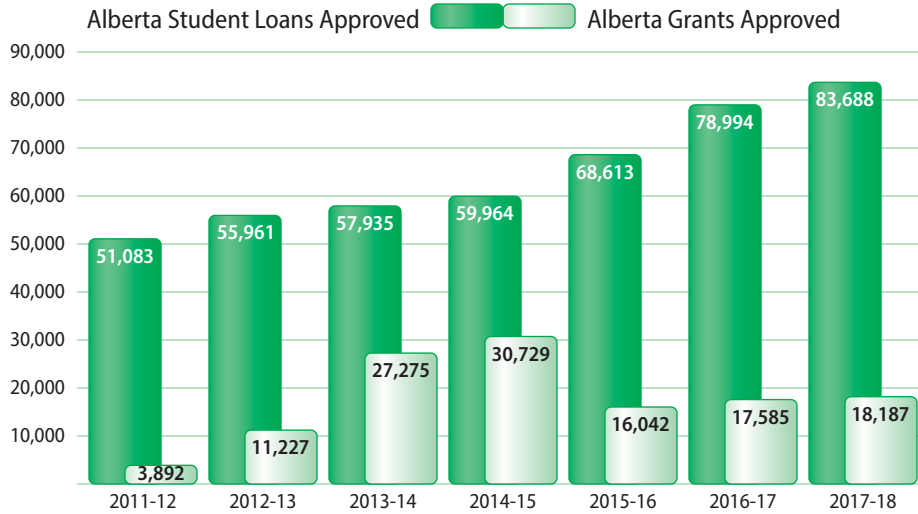
Loans and Grants

Since 2012, Advanced Education has been making student funding more widely available to eligible Albertans. Earnings, savings, family income, RRSPs, scholarships and awards are no longer used to determine eligibility for loans and grants, and because of this, more students are able to access funding needed to help them cover learning and living costs.

Alberta student loan borrowers benefit from flexible repayment options, and student loans are interest-free during a student’s studies, as well as for six months after the borrower leaves studies. After the six-month interest-free period, the interest on their Alberta student loans is charged at the prime lending rate.

Alberta student loan borrowers have historically repaid their student loans at a high rate. More than 90 per cent of Alberta student loan dollars issued last year are expected to be repaid by borrowers. In the recent Student Aid Loan Manageability Survey, 93 per cent of Alberta student loan borrowers surveyed agreed that they would be able to repay their student loans.

Number of Alberta Loans and Grants

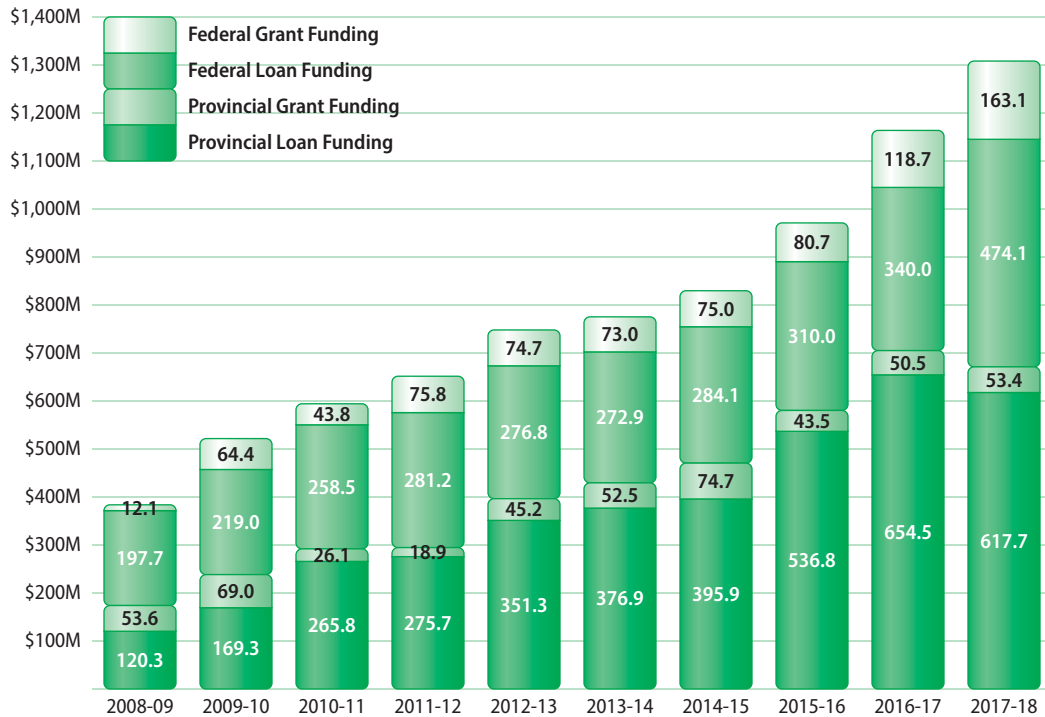


Source Advanced Education.

Note The graph above shows the number of loans and grants approved, not the number of unique students who benefited.

Alberta student loans and grants are responsive to demand. Between 2016-17 and 2017-18, the number of loans disbursed increased from 78,994 to 83,688; additionally, the number of grants increased from 17,585 to 18,187.

Loan and Grant Funding (Provincial and Federal)



Source Advanced Education.

Note Provincial student loan and grant numbers from 2014-15 forward were based on the ministry's audited financial statements. Numbers prior to 2014-15 were based on reports from Alberta's student finance system and may not be entirely comparable.

In 2017-18, Advanced Education provided \$617.7 million in Alberta student loans to support 83,688 student loan borrowers, and provided \$53.4 million in grants to support 18,187 students. In addition, in 2017-18, the federal government delivered \$474.1 million in federal loans to 78,790 Alberta students, and \$163.1 million in federal grants to support 57,636 Alberta students.

Improving Access for Learners

Supporting the ministry's efforts to both increase accessibility and to reduce the use of paper, the Extended Access for Learners initiative ensures learners have secure access to Alberta's Students Finance System easier and earlier. Through the Extended Access for Learners initiative, learners are no longer required to have high school marks, previous cashed loan certificates or an approved Master Student Financial Assistance number to access their information.

Canada Part-Time Grant

Looking Ahead

For 2018-19, the federal government is implementing several policy changes to the Canada Part-time Grant that will increase access to funding for part-time students. Potentially 30 per cent more students could be eligible, resulting in an estimated 4,100 funded part-time students in 2018-19 compared to 3,200 this year. This estimate includes low- and middle-income students.

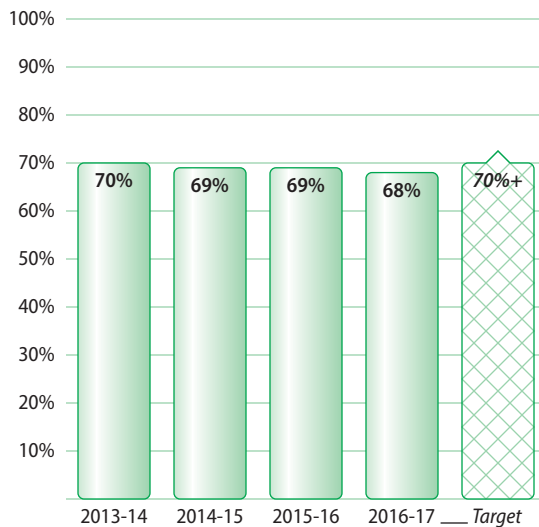
Policy changes to the Canada Part-time Grant include:

- ▶ a shift to higher income thresholds resulting in expanded eligibility for low- and middle-income students,
- ▶ a shift from a flat rate grant to a sliding scale grant with grant eligibility decreasing as family income increases,
- ▶ full grant funding provided on the first application for loan year regardless of study period length, and
- ▶ the use of estimated reduced family income to determine grant eligibility, as opposed to previous year's income.

In addition to implementing and administering the new changes to the Canada Part-time Grant, Advanced Education will gap-fill the federal program. This includes continuing to provide the Alberta Part-Time Student Grant to students in programs not eligible for federal funding and providing the grant during the third semester when students have already received the maximum Canada Part-time Grant.

Performance Measure 1.a

Percentage of students entering post-secondary programs (including apprenticeship) within ten years of entering Grade 10



Sources Provincial Approach to Student Information (PASI), Alberta Education. Learner Enrolment and Reporting System (LERS), Advanced Education. Apprenticeship, Trade and Occupation Management System (ATOMS), Advanced Education. Annual Demographic Estimates and Census, Statistics Canada. Students Finance System (SFS), Advanced Education.

Description

This measure describes the percentage of students attending post-secondary programs in Alberta within ten years of entering Grade 10 for the first time. It tracks the transition rate of students moving from high school to post-secondary programs, recognizing that some may not pursue a post-secondary education immediately after finishing their high school. It includes students who are registered in a wide variety of post-secondary level programs at Alberta's post-secondary institutions, including those who are registered in an apprenticeship program. The results are also adjusted by an estimate of Alberta students attending post-secondary institutions out of province, as well as the estimate of attrition that accounts for the number of students who leave Alberta or die after their start of Grade 10.

This measure (transition rate within ten years) was developed based on a similar measure (transition rate within six years) in Alberta Education's business plan. It demonstrates Advanced Education's commitment to supporting high school students transitioning into post-secondary education.

Results Analysis

In 2016-17, 68 per cent of students attended post-secondary programs (including apprenticeship) within ten years of entering Grade 10. This result did not meet the target of 70 per cent plus and was one percentage point lower than the year before. Between 2013-14 and 2016-17, the transition rate was generally consistent at about 69 per cent. Since results are calculated based on estimates for some data components, minor changes in results should be treated with caution.

Students entering post-secondary education can be influenced by a variety of factors, for example, whether they complete high school, choose to enter the labour market when job opportunities arise, and whether they want to take some time off and think about what they want to do in the future. Additionally, family may have a

significant impact on one's decision to enter post-secondary education. According to Statistics Canada, students who lived with both parents when they were in high school had higher participation rates in university than students living in a single parent family or in another type of family structure. Parents' educational attainment is also a strong driver. Parents who had post-secondary education or consider post-secondary education important have a positive impact on their children's post-secondary participation.

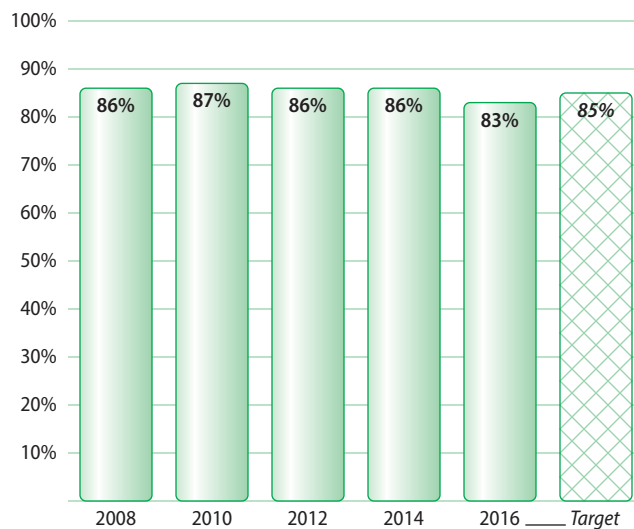
Advanced Education supports and implements a number of initiatives directed at enhancing the accessibility and affordability of post-secondary education. These initiatives include raising awareness of adult learning opportunities, providing stable and predictable funding for post-secondary institutions, facilitating learners' mobility through mechanisms such as the Alberta Transfer System, and addressing financial barriers by regulating tuition and continuing to provide a suite of student aid programming including loans, grants, scholarships and awards. To increase support for high school transitions to post-secondary education, the ministry completed the development of a new High School Transitions Module for school authorities and their post-secondary, business and industry partners. Advanced Education also supported Alberta Education's development of the new Alberta Dual Credit Framework and Dual Credit Implementation Guide.

Notes

- ▶ Since data in LERS goes back to the 2004-05 academic year, the earliest result available starts from 2013-14. This result tracks students who transitioned from Grade 10 to post-secondary programs within ten years, from 2004-05 to 2013-14.
- ▶ Current results are not comparable to those published in previous business plans and annual reports due to a renewed methodology.

Performance Measure 1.b

Percentage of recent post-secondary graduates who state that their program was worth the financial cost (biennial survey)



Source Graduate Outcomes Survey, Advanced Education.

Description

This measure demonstrates recent graduates' perception of the financial costs associated with the post-secondary program that they took compared to the financial and non-financial benefits gained from their post-secondary education. It includes graduates from 25 publicly funded post-secondary institutions in Alberta. The results of this measure may reflect graduates' perception of post-secondary education in many aspects, such as cost of a post-secondary program, quality of the program and relevance of the program to labour market needs. As such, this measure helps the ministry understand the cost-effectiveness of Alberta's post-secondary education from recent graduates' perspectives.

Results Analysis

In 2016, 83 per cent of recent post-secondary graduates considered the program they took was worth the financial cost. This result did not meet the target of 85 per cent and fell below the results observed over previous reporting cycles. In 2016, the fields of study that received the highest agreement rates from post-secondary graduates that their program was worth the financial cost were business, education, and health sciences, all at 86 per cent. The percentage was above 80 per cent across all credential types, and graduates with a master's degree or diploma had the highest agreement rates, both at 85 per cent.

The results of this measure can be impacted by a number of factors. For example, the amount of loans, including government-sponsored, non-government and family loans, that graduates have impacts their impression of their program's value. In 2016, while 86 per cent of those with loans under \$5,000 considered that their program was worth the financial cost, the percentage was 77 per cent among those with loans of \$25,000 or more. Also, the higher the income graduates earn, the more likely they consider the program they completed to have been worth the financial cost.

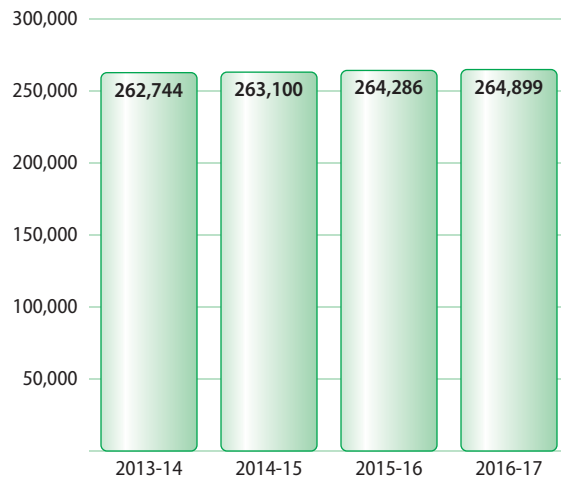
Advanced Education is committed to reducing financial barriers both for students in post-secondary education and for those in repayment. In 2017-18, the ministry provided \$617.7 million in Alberta student loans to over 83,600 students. Student aid was also provided in the form of grants (\$53.4 million to support more than 18,100 student loan borrowers), scholarships and awards through the Alberta Heritage Scholarship Fund (\$50.2 million to support about 26,800 students), and other scholarships and awards (\$44.8 million to support about 24,500 students). The ministry also administered student loans and grants from the Canada Student Loan Program, which provided \$474.1 million in federal loans to nearly 78,800 Albertan students, and \$163.1 million in federal grants to over 57,600 student loan borrowers in Alberta. Going forward, the ministry will continue to respond to the demand for student loans and grants.

Notes

- ▶ The results for 2010 and 2014 were slightly different in the previous annual report due to reporting errors.
 - ▶ For a more detailed breakdown of results, see Section 4.5 of the Alberta Graduate Outcomes Survey, Class of 2013/2014, Publicly-Funded Institutions Report.
- Link** advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf
- ▶ For more detail on Student Aid information, see Key Strategy 1.6.
 - ▶ See Appendix – Table 1 for the list of publicly funded post-secondary institutions.

Performance Indicator 1.a

Total enrolment at publicly funded post-secondary institutions



Source Learner and Enrolment Reporting System (LERS), Advanced Education.

Description

This indicator shows the total number of unique learners enrolled in approved programs offered by publicly funded post-secondary institutions in Alberta by academic year. This also includes apprentices enrolled in the technical training portion of their apprenticeship program at a publicly funded post-secondary institution. This indicator helps the ministry identify shifts in enrolment patterns among students attending Alberta's publicly funded post-secondary institutions.

Results Analysis

In the 2016-17 academic year, just under 265,000 unique learners enrolled in approved programs offered by Alberta's publicly funded post-secondary institutions. This is an increase of 613 (or 0.2 per cent) from the result in 2015-16. In 2016-17, the fields of study that represented the largest shares of enrolment were languages, social sciences, arts and humanities (over 30 per cent), followed by trades and technologies, and health sciences (each constitutes 15 per cent). The majority (nearly 80 per cent) of learners enrolled in credential programs, including degree programs (45 per cent), certificate programs (17 per cent), and diploma programs (15 per cent).

Total enrolment has increased steadily year over year since 2013-14, indicating that more students are attending publicly funded post-secondary institutions in Alberta. More Albertans may choose to pursue a post-secondary education to upgrade their skills at a time when Alberta is going through economic transitions. This may have contributed to a minor increase in enrolment.

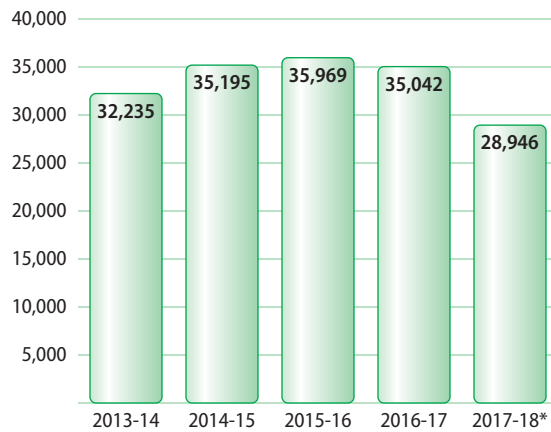
Notes

- ▶ The 2013-14 result has been updated from the figure in the ministry's 2017-20 business plan, as the enrolment data from the Banff Centre for Arts and Creativity was included up to the year of 2013-14 at the time when the 2017-20 business plan was developed.
- ▶ For a more detailed breakdown of results, see Enrolment by Student Head Count.

Link advancededucation.alberta.ca/media/534899/enrolment-by-student-headcount.xlsx

Performance Indicator 1.b

Apprenticeship technical training seats offered



Source Apprenticeship, Trade and Occupation Management System (ATOMS), Advanced Education.

Description

Apprenticeship programs in Alberta consist of on-the-job training provided by an employer and technical training provided at a post-secondary institution. This indicator shows the number of apprenticeship technical training seats offered in a given academic year (August 1 to July 31). The results include technical training seats available at 11 publicly funded post-secondary institutions. The results do not include apprenticeship technical training offered by private institutions, nor do they include on-the-job training provided by employers. The number of technical training seats offered to apprentices is negotiated by the ministry with educational providers at the start of each academic year based on estimated demand and is adjusted during the year as required.

Results Analysis

In 2017-18, 28,946 technical training seats were offered to apprentices, as of May 18, 2018. This represents a decline of 6,096 seats (or 17 per cent) from 2016-17. The number of seats offered in 2017-18 was the lowest since 2013-14. The results of this indicator may continue to change in response to economic and labour market trends. A lack of on-the-job learning opportunities offered by employers may have led to a decline in demand for technical training seats.

Alberta's apprenticeship and industry training system is responsive to industry and labour market demand. Demand for apprenticeship technical training is constantly monitored at post-secondary institutions, and the number of technical training seats offered is set and adjusted to align with demand as much as possible. This practice allows the ministry to efficiently direct funding to where it can provide the greatest value. Historically, changes in demand for technical training have lagged behind labour market demand, and it can take up to five years to adjust.

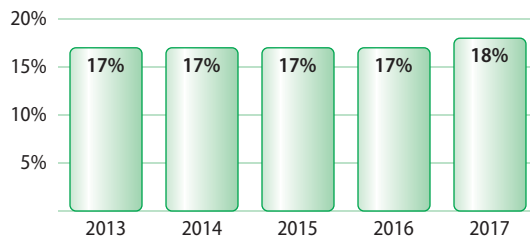
In 2017-18, Advanced Education awarded \$3.1 million to approximately 3,200 apprentices through the Apprentice Training Award. The ministry also made funding available to community organizations and union training providers that demonstrate expertise in delivering foundational apprenticeship programs and connect participants with prospective employers. These types of organizations are critical partners in the apprenticeship system through servicing communities across Alberta and supporting women, youth and Indigenous people in Alberta.

Notes

- ★ The 2017-18 result reflects the number of seats offered as of May 18, 2018.
- The number of technical training seats offered reflects the number of seats available to apprentices, which is usually slightly higher than the number of seats actually filled or used.

Performance Indicator 1.c

Percentage of Albertans aged 18 to 34 participating in post-secondary education



Source: Labour Force Survey, Statistics Canada.

Description

This indicator shows the percentage of individuals aged 18 to 34 who report attending post-secondary programs in Alberta. This includes learners attending a university, college or other post-secondary institution. The results are calculated by dividing the estimated number of individuals aged 18 to 34 who report attending a university, college or other post-secondary institution in Alberta (numerator) by the estimated number of Albertans aged 18 to 34 (denominator), based on the Alberta sample (approximately 5,690 households).

Results Analysis

The percentage of Albertans aged 18 to 34 who report participating in post-secondary education has remained stable at 17 per cent over the past ten years. In 2017, the participation rate rose to 18 per cent, which was a one percentage point increase from the results observed over the previous years.

This increase could be attributed to a wide variety of external factors, such as changes in labour market conditions and demographics. Post-secondary education might have become a more attractive alternative to labour market participation in recent years. The population of 18 to 34 year olds in Alberta has slightly decreased since 2015. Both changes could have contributed to the increase in the post-secondary participation rate. The participation rate could also be influenced by individuals' high school experiences, health-related issues, and family characteristics such as family structure, family income, parental education and parents' attitude towards post-secondary education.

To encourage participation, Advanced Education undertakes several initiatives which include raising awareness of adult learning opportunities, providing stable institutional funding, and addressing financial barriers by regulating tuition and providing various financial aids and scholarships.

Note

- The result for this indicator is not a true ratio of enrolment to population but rather is an estimated rate based on a sample survey and is only considered accurate within a reasonable margin of error. Therefore, minor changes in results should be treated with caution.

**Outcome
Two**

High-quality education, training and research make a positive contribution to Alberta's economy, society, culture and environment

What this Means

Through high-quality education and training, Albertans build the knowledge, skills and competencies needed to achieve their goals, support their families, serve their communities and adapt in an interconnected and rapidly changing world. Alberta's post-secondary system is nationally and internationally recognized. Post-secondary graduates play a key role in diversifying the province's economy, bettering society and tackling complex societal and environmental challenges.

Senior Management Summary

- ▶ The ministry supported the needs of the province's growing learner population through post-secondary infrastructure funds. Provincial funding supports the expansion of capital projects needed to increase student access and provincial research capacity, as well as preservation projects needed to maintain existing buildings. Institutions also receive support toward maintaining and improving facility conditions.
- ▶ The quality of degree programs continues to be assessed and monitored by the Campus Alberta Quality Council (CAQC), an arms-length quality assurance agency that makes recommendations to the Minister of Advanced Education on applications from post-secondary institutions seeking to offer new degree programs in Alberta. CAQC's other key role entails monitoring degree programs to ensure its standards of quality continue to be met. In carrying out its responsibilities, CAQC works proactively with degree granting institutions to support their own efforts to build and maintain effective quality assurance processes and practices. Between its creation in 2004 and March 31, 2017, the council recommended approval of 158 baccalaureate programs and 72 graduate programs. In collaboration with CAQC, institutions, government and other stakeholders, the ministry supports the delivery of quality degree programs to serve the best interests of adult learners.
- ▶ To strengthen the province's research and innovation system, the ministry continues to collaborate with Alberta Innovates and other ministries, such as the Ministry of Economic Development and Trade. The objective is to coordinate the combined efforts of government and its stakeholders to maximize the impact of support for post-secondary research excellence. The ministry also supports the Alberta Research and Innovation Framework which provides direction to stakeholders to collectively build a stronger research and innovation system that delivers measurable results.
- ▶ To improve student mental health on campuses, the ministry is providing direct, stable and long-term funding to post-secondary institutions, so they can offer a range of services to students, including better access to 24-hour phone and online counselling supports. In the first three years of the program, the ministry will spend \$25.8 million in funding, and support other mental health related initiatives with partner ministries in alignment with the provincial government's vision of an integrated, community-based health care system.

Key Strategy 2.1

Invest in high-quality education and training programs and facilities to enhance the student experience.

Capital Project Funding

The Government of Alberta is working to make life better for Alberta's students and the province by investing in modern and efficient infrastructure at Alberta post-secondary institutions. Supporting institutions' efforts to renew existing spaces or create new ones ensures students have access to world-class programming, learning spaces and resources for years to come.

Advanced Education made significant investments in post-secondary infrastructure. In total, approximately \$498.7 million in funding was provided for a variety of capital projects in 2017-18. The types of post-secondary infrastructure supported included facilities for instruction, research and administration.

The department provided \$238.6 million for government's existing allocation for multi-year capital projects in Edmonton, Calgary, Lethbridge and Grand Prairie. Examples include:

Project	Funding
University of Lethbridge Destination Project	\$72.8M
NAIT Centre for Applied Technology	\$55.3M
University of Calgary Schulich School of Engineering	\$51.6M
NorQuest College Expansion and Retrofit	\$40.0M
Lethbridge College Trades and Technology Renewal and Innovation Project	\$10.3M
University of Calgary MacKimmie Complex Project Planning	\$8.6M

In collaboration with the Ministry of Infrastructure, Advanced Education also supported several capital projects to meet the needs of a growing learner population. In 2017-18, \$12 million in funding was provided to the following capital projects:

Project	Funding
University of Alberta Dentistry-Pharmacy Building	\$10.0M
Portage College Needs Assessment	\$1.1M
Northern Lakes College High Prairie Consolidation Planning	\$0.9M

Additionally, the department provided post-secondary institutions with \$135.5 million (up from \$101.6 million in 2016-17) in capital maintenance and renewal to ensure students have access to modern and high-quality learning environments.

The department also received \$112.6 million through the Strategic Investment Fund from the federal government and provided funding to post-secondary institutions in fiscal year 2017-18.

Key Strategy 2.2

Support the delivery of digitally-enabled learning models to meet students' current and emerging needs.

Campus Alberta Open Educational Resources Initiative

The Campus Alberta Open Educational Resources Initiative began in 2014-15 with an aim to support the development of free and openly licensed educational materials for teaching, learning and research. Between 2015 and 2017, the initiative funded the creation and adoption of course materials and capacity building for post-secondary institution staff and faculty. It also supported a provincial community of practice, and the Alberta Open Educational Resources Summit.

The 2017 summit was a full-day conference hosted at the University of Alberta with 35 speakers, 100 in-person participants and four satellite locations. Participants represented government, institutional leadership, librarians, instructors, students and instructional leadership from post-secondary institutions, school divisions, First Nations Colleges and libraries.

The ministry's investments in these resources in previous years have built awareness and equipped local campus leaders with the tools needed to continue the momentum on their own and influence cultural change at their post-secondary institutions moving forward.

Key Strategy 2.3

Improve information sharing and the ministry's analysis and use of data to support a learner-centered adult learning system.

Access to Data through the Alberta Learner Pathways System

The Alberta Council on Admissions and Transfer and Advanced Education completed key work for the Learner Pathways Modernization Initiative to develop more tools and supports for the new Alberta Learner Pathways System (see Key Strategy 3.4). A primary focus of this work is to provide students and other stakeholders with greater access to learner pathways and mobility information and data.

In 2017-18, increased transfer agreements/decisions data for courses and programs (see Key Strategy 3.4), as well as increased high school transitions-related information and agreements became available on the Transfer Alberta search tool and mobile app (see Key Strategy 1.1). Having this information shared through a single accessible source allows students, school authorities, and business and industry to better manage and plan high school transitions-related agreements.

Key Strategy 2.4

Promote post-secondary institutions as innovation catalysts that help drive Alberta's economic development, social prosperity and environmental stewardship, in alignment with cross-ministry initiatives.

Promoting Research Investment in Alberta

Sponsored research revenue attracted by Alberta's Comprehensive Academic and Research Institutions supports globally competitive research excellence that focuses on Alberta's strengths and contributes to economic diversification, healthy and resilient communities, and effective resource and environmental management. Advanced Education works with Alberta post-secondary institutions, the Ministry of Economic Development and Trade, as well as other provincial and federal partners to ensure federal investments in research flow to Alberta institutions.

Senior officials from Advanced Education, the Ministry of Economic Development and Trade, Alberta Innovates, and three Comprehensive Academic and Research Institutions participated in a mission to Ottawa in October 2017 to strengthen relationships with federal leaders and partner organizations, identify possible Alberta-Canada partnership opportunities, and emphasize Alberta's research and innovation strengths.

Bill 2: Growth and Diversification Act

In March 2018, the Government of Alberta introduced Bill 2: *Growth and Diversification Act* to leverage existing programs and introduce new programs to stimulate growth across sectors and prepare Albertans to succeed in jobs today and in the future.

This legislation supports provincial government investment in the creation of 3,000 more technology related training spaces at post-secondary institutions over five years, and provides additional scholarship and learner supports to ensure affordable, accessible post-secondary education opportunities in technology training. In addition, the initiative supports work-integrated learning and skills development programs to help Albertans transition to technology-related careers, and establishes a Talent Advisory Council on Technology. Including members from industry, post-secondary institutions, students, and organized labour, the council will provide advice and input on technology-related talent and programming.

Looking Ahead

In 2018-19, there will be funding to expand existing programs at post-secondary institutions by 200 seats. This will be followed by 550 seats in 2019-20, and 740 seats in each of the remaining three years. Scholarships are expected to be available beginning in 2019.

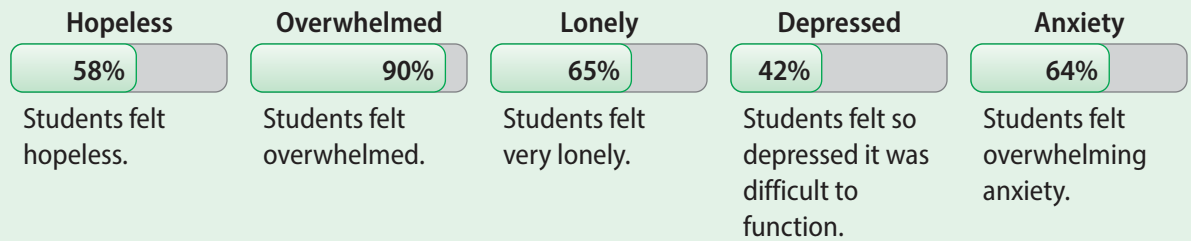
Key Strategy 2.5

Support post-secondary institutions in fostering healthy and safe campuses and communities through initiatives related to mental health and the prevention of addiction and sexual violence.

Mental Health Support

Did You Know?

One in five Albertans is impacted by mental issues and it is estimated that over 10 per cent of Albertans will require addiction treatment at some point in their lives. Most post-secondary students fall into the highest risk age group for mental illness and/or substance use disorders. In 2016, 10 Alberta post-secondary institutions participated in the National College Health Assessment survey to better inform their health and wellness programming. The survey highlighted, that over the past twelve months, approximately:



Student mental health is linked to academic achievement, learning, retention and future success. In June 2017, Advanced Education announced a long-term approach to improving post-secondary student mental health. The ministry will spend \$25.8 million in the first three years of the program, and continue to implement the seven *Next Steps to Improve Post-Secondary Student Mental Health*.

The Seven Recommendations

1. Providing funding to post-secondary institutions for greater health promotion and mental health supports.
2. Defining the roles of post-secondary and public health systems in improving post-secondary student mental health.
3. Ensuring mental health supports are coordinated within the larger regional health systems.
4. Providing a one-time, two-year grant opportunity to support Indigenous post-secondary students' mental health.
5. Funding the Healthy Campus Alberta Community of Practice to enhance system coordination, consistency and continual improvement.
6. Improving access to 24-hour universal mental health supports throughout the province.
7. Reviewing student aid to ensure policies support students who are experiencing mental health problems.

In August 2017, Advanced Education committed to providing \$13.2 million in grant agreements to support all 26 publicly funded post-secondary institutions in Alberta up until March 2019. These grant agreements support the delivery of on-campus post-secondary student mental health initiatives and the early work on an approach for online and telephone crisis supports and referrals. In addition, \$656,500 in one-time funding was given to 11 post-secondary institutions and all five First Nations Colleges, for two-year projects to provide culturally affirming mental health literacy and support services for Indigenous students.

With direct funding being provided to post-secondary institutions, the ministry is increasing the capacity of institutions to provide non-clinical mental health services on campus, while also requiring local and regional coordination to ensure students are connected to all the services they need, even after they complete their programs. New campus mental health strategies are being developed at almost every post-secondary institution. Institutions are enhancing mental health-promoting policies, and providing their students, staff and faculty with training and awareness opportunities to create healthier campuses, improve resilience, and increase mental health literacy.

Student Impact

“We were operating with a counsellor available for bookings and on campus one day per week. It seemed like this was meeting demand. Once we provided full-time, onsite support, we quickly realized the demand for counselling was far greater than we had expected. For example, a student who came for counselling was so excited about our services that she began recommending it to her friends who she knew were struggling with stress, anxiety or depression. Students are talking about our counselling services and it seems as if we are making progress on reducing the stigma around mental illnesses.”

St. Mary’s University

Student Impact

In the fall semester, a student drew the attention of a campus community. The student was socially isolated and increasingly behaving in ways that brought negative attention to themselves. The student’s behaviours sometimes required the attention of campus security. With funding from Alberta’s Post-secondary Student Mental Health Grant, the institution hired a counsellor of the same gender as the student in the winter semester. With the addition of this new counsellor, the at-risk student felt comfortable enough to make a counselling appointment for the first time in their life. Today, the student remains committed to their counselling appointments, is connected to other on-campus supports, and is learning new ways to engage with peers and faculty. The support of an additional counsellor created a choice in service and more access, which allowed the student to find the most relevant support for their needs.

As reported by the institution, “The student’s personal growth is almost surreal. If we did not have the grant to support the hiring of this additional counsellor, the student may have slipped through the cracks and that is heartbreaking. We are so very grateful for an additional professional on our team that arrived at the perfect time to connect with this student.”

Looking Ahead

Building on the foundation of core services and approaches that was established with province-wide grants in 2017-18, Advanced Education will work over the next two years to complete the implementation of the seven steps. Key priorities include expanding 24/7 crisis and referral services for students and strengthening student mental health supports that are linked between post-secondary institutions, education, health and social services in communities.

Prevention of Sexual Violence

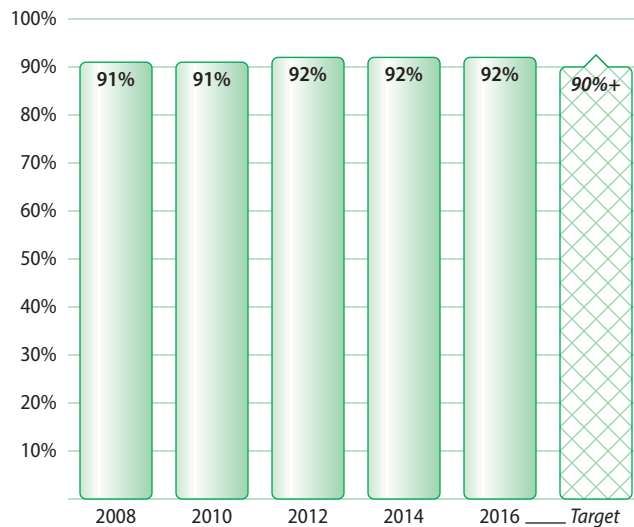
The Government of Alberta believes that every Albertan has the right to live free from violence and that perpetrators of sexual violence violate that right. As part of its commitment to end sexual violence, the government has pledged to improve the way Alberta’s social, health, justice and education systems respond to sexual violence.

In order to ensure campuses are a safe and welcoming space for students, Advanced Education supported post-secondary institutions in writing stand-alone policies on sexual violence in 2017-18.

As of March 2018, 20 out of the 26 publicly funded post-secondary institutions have policies written and in place to address sexual violence. Policies have been prepared based on the guiding principles and policy framework statement developed collaboratively by the post-secondary institutions in 2016. The remaining post-secondary institutions are actively developing policy and Advanced Education has been monitoring this work and continues to participate and support post-secondary institutions in an advisory capacity.

Performance Measure 2.a

Satisfaction of recent post-secondary graduates with the overall quality of their educational experience (biennial survey)



Source Graduate Outcomes Survey, Advanced Education.

Description

This measure indicates how satisfied recent graduates from Alberta's post-secondary programs are with the overall quality of their educational experience. It includes graduates from 25 publicly funded post-secondary institutions in Alberta. The results of this measure may reflect a number of aspects of the learning experience among recent post-secondary graduates, such as their perception of professors, curriculum, skills development and personal growth.

Alberta's post-secondary system provides students with high-quality education and opportunities to develop their skills and research capacity. A high level of satisfaction with the quality of educational experience indicates overall positive educational outcomes that enable graduates to contribute positively to Alberta's economy, society, culture and environment.

Results Analysis

In 2016, 92 per cent of recent post-secondary graduates reported satisfaction with the overall quality of their educational experience. This result has met the target of 90 per cent plus and is consistent with the result in 2014. In fact, the results of this measure have been fairly stable at above 90 per cent over the last five reporting cycles, which indicates a continuing trend of high satisfaction among post-secondary graduates with their educational experience. Results of this measure could be influenced by graduates' current situations, such as their employment and income.

In 2016, the fields of study that received the highest satisfaction rates from graduates were legal and security (96 per cent), followed by business (93 per cent), health sciences (93 per cent), and languages, social sciences, arts and humanities (93 per cent). Satisfaction rates across different credential types (including certificate, diploma, applied and bachelor's degrees, master's degree, and doctoral degree) were very similar, ranging between 91 and 93 per cent.

Advanced Education has been implementing a number of operational improvements for post-secondary programs. In addition, the ministry has released the Alberta Credential Framework to foster post-secondary system coherence by naming and defining Alberta credentials in a comprehensive structure. The ministry also plans to work with institutions in Alberta to align programming with recommendations forthcoming from stakeholder consultations in the province's review of legislation and policy.

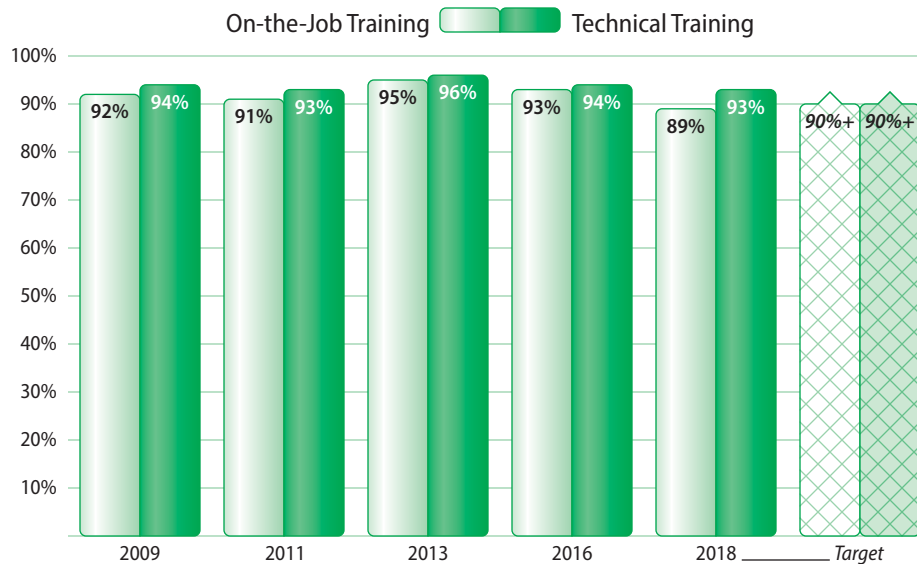
Note

- For a more detailed breakdown of results, see Section 4.4 of the Alberta Graduate Outcomes Survey, Class of 2013/2014, Publicly-Funded Institutions Report.

[Link](http://advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf) advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf

**Performance
Measure
2.b**

Satisfaction of recent apprenticeship graduates with on-the-job training and technical training (biennial survey)



Source Survey of Graduates of the Apprenticeship and Industry Training System, Advanced Education.

Description

Alberta's apprenticeship education consists of on-the-job training (refers to on-the-job learning provided by an employer) and technical training (refers to formal instruction provided at a post-secondary institution). Apprenticeship graduates' satisfaction with their on-the-job training and technical training indicates the overall quality of the training provided through Alberta's apprenticeship training system. Specifically, for on-the-job training, the level of satisfaction may reflect the quality of training provided by supervisors and mentors, skills development and task relevance. For technical training, satisfaction may reflect the system's ability to meet learner needs in terms of relevance and quality of course content, teaching ability of instructors and adequacy of equipment.

This measure is an assessment of whether Alberta's apprenticeship program is providing graduates with the education and skills that they need to succeed and make a positive contribution to Alberta's economy and society. It measures recent graduates' opinions regarding the quality of training they experienced in their apprenticeship program.

Results Analysis

In 2018, 89 per cent of recent apprenticeship graduates reported satisfaction with the overall quality of their on-the-job training. This result did not meet the target of 90 per cent plus. However, satisfaction with the overall quality of technical training among recent apprenticeship graduates was 93 per cent in 2018, which has met the target of 90 per cent plus. Apprenticeship training is directly related to industry and labour market demand. Therefore, satisfaction with apprenticeship training could be impacted by changes in the economy and labour market conditions.

Advanced Education works with industry, employer and employee organizations and educational providers to facilitate the development and maintenance of program standards; provide registration and counselling services to apprentices and employers; coordinate formal instruction in collaboration with post-secondary institutions; and certify apprentices and others who meet industry standards. Additionally, the Government of Alberta has allocated \$31 million through its 2018 provincial budget for apprenticeship delivery, which will be used to develop and deliver apprenticeship programs and support 12 regional offices.

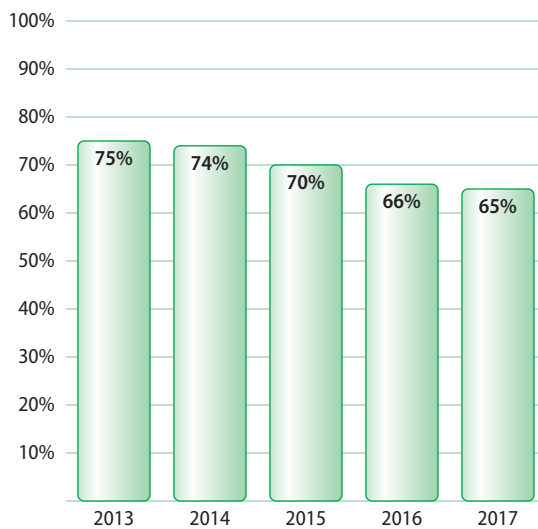
Note

- For a detailed breakdown of results, see the Comprehensive Report – 2018 Survey of 2016/2017 Graduates of the Apprenticeship Training.

Link tradesecrets.alberta.ca/SOURCES/PDFS/Publications/2016-2017_Graduates_Apprenticeship_Programs_survey.pdf

Performance Indicator 2.a

Percentage of clients reporting they are either employed or in further education or training after leaving a skills training program



Source Work Outcomes Reporting Project (WORP) Survey, Alberta Community and Social Services.

Description

This performance indicator shows the percentage of Albertans who report they are either employed or in further education or training after leaving a skills training program. For Advanced Education, it refers to a foundational learning program. The indicator assesses the effectiveness of these programs in helping participants meet these goals.

Foundational Learning Supports in Advanced Education provides funding to eligible adult Albertans to attend foundational learning programs that prepare them for post-secondary education and employment. Foundational learning programs, which include literacy and numeracy, adult basic education, academic upgrading, English as a Second Language, and so on, are a critical component of the adult learning continuum, as they support adults for further learning and improve their educational and employment outcomes. These programs are delivered by publicly funded institutions, First Nations Colleges, private career colleges, non-profit organizations, high schools and outreach schools.

The intent of foundational learning is to enable Albertans to meet literacy and foundational learning needs in order to pursue further education through access to a full spectrum of learning opportunities. This will lead them to satisfying and meaningful employment and give them the ability to fully participate in society.

Results Analysis

In 2017, 65 per cent of participants reported that they were either employed or in further education or training. This result fell below those observed in previous years.

Internal program changes have impacted these results. With the movement of certificate programs, apprenticeship programs and contracted training programs out of the foundational learning portfolio, the participants have changed. Most participants of current foundational learning programs are further away from the labour market. These individuals tend to be the last hired in times of a strong economy and the first to be released in times of a weak labour market.

As such, the decline of the results could also be attributed to the transition phase of Alberta's economy, which may have led to higher competitions for further education or training opportunities. This in turn could have negatively affected the results of this indicator.

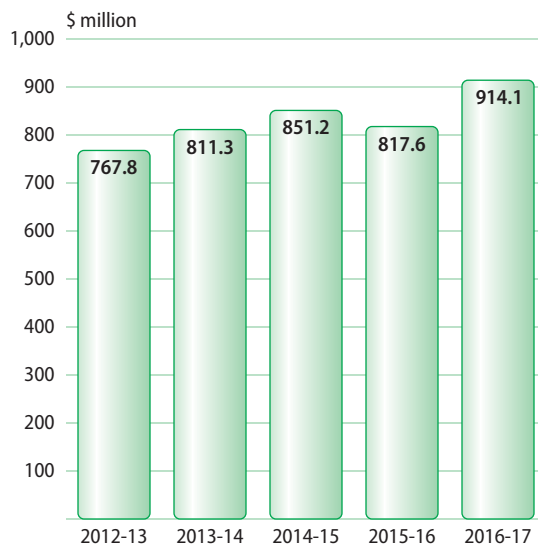
Since the responsibility and oversight of foundational learning programs was transferred from the Ministry of Community and Social Services to Advanced Education in April 2016, the Foundational Learning Supports Branch has been realigning its mandate to meet the outcomes set by Advanced Education. There are initiatives currently underway to increase the wrap-around services available to learners who access foundational learning programs. For example, Advanced Education is in the process of designing a new Integrated Foundational Pathways Program policy. This policy will allow training providers to develop programs that can provide adult Albertans with a supportive and interactive learning environment. The ministry is also partnering with the Ministry of Labour and the Ministry of Community and Social Services to achieve more integrated and seamless program delivery.

Notes

- ▶ This performance indicator was introduced in the ministry's 2017-20 business plan to reflect the cross-ministry partnership on delivering employment, learning and training programs and services under the *Income and Employment Supports Act*. As the responsibility and oversight of foundational learning programs was transferred from the Ministry of Community and Social Services to Advanced Education, this indicator was also transferred to Advanced Education to demonstrate the ministry's accountability for adult Albertans' foundational learning.
- ▶ See Appendix C – Table 3 for the list of foundational learning programs offered.

Performance Indicator 2.b

Sponsored research revenue attracted by Alberta's Comprehensive Academic and Research Institutions



Source Sponsored Research Revenue: Research Funding at Alberta's Comprehensive Academic and Research Institutions Report, Alberta Economic Development and Trade.

Description

Sponsored research revenue includes research grants, contracts and donations, which are used to support research and innovation activities of post-secondary institutions. They are the funds garnered outside of regular university operating grants. This indicator reflects research capability, capacity and competitiveness in Alberta through the success of Comprehensive Academic and Research Institutions in attracting sponsored research revenue from multiple sources, including provincial and federal governments, industry, non-profit organizations, endowments, and municipal and international jurisdictions.

Alberta's Comprehensive Academic and Research Institutions include the universities of Alberta, Calgary and Lethbridge, and Athabasca University. They are key players in the province's research and innovation system. The sponsored research revenue attracted by these institutions supports globally competitive research excellence that focuses on Alberta's key strengths in health, agriculture, forestry, energy and environment. It also contributes to a broadened economic base, healthy and resilient communities, and effective resource and environmental management.

Success in acquiring and increasing sponsored research revenue is accomplished through highly competitive and excellence-driven research activities. Therefore, the ability of universities to attract research revenue is also an indicator of the quality of the university's faculty and research programs. The more sponsorship these institutions draw, the better able they are to attract and retain world-class researchers. These researchers, in turn, can attract top graduate students, further strengthening the workforce and economy.

Results Analysis

In 2016-17, Alberta's Comprehensive Academic and Research Institutions attracted a total of \$914.1 million sponsored research revenue, an increase of 12 per cent or \$96.5 million from 2015-16. The 2016-17 result also went above all the historical results, indicating a significant increase in research revenue attracted by Alberta's research-intensive universities which has enabled them to build and strengthen their research capacity.

Ninety per cent of total sponsored research revenue consisted of research revenue from the federal government and the Government of Alberta (63 per cent), industry (12 per cent) and non-profit organizations (15 per cent). Among the four Comprehensive Academic and Research Institutions in Alberta, the University of Alberta attracted the largest amount of research revenue (\$513.3 million), followed by the University of Calgary (\$380.4 million), the University of Lethbridge (\$16.8 million) and Athabasca University (\$3.6 million).

Of the \$96.5 million total increase in 2016-17, \$67.1 million was from the federal and provincial governments, a rise of 13 per cent from the previous year. This increase was fueled by research revenue from federal government programs, such as Canada Research Chairs and Canada First Research Excellence Fund, as well as from the Ministry of Economic Development and Trade.

The government continues to work in partnership with institutions to increase their competitiveness in attracting sponsored research revenue. For example, Advanced Education, the Ministry of Economic Development and Trade, Alberta Innovates, and the Comprehensive Academic and Research Institutions met with federal officials in 2016 and 2017 as a united Team Alberta to promote Alberta's research and innovation priorities.

Note

- ▶ The results for 2013-14 and 2015-16 were slightly different in previous business plans due to rounding errors.

**Outcome
Three*****The adult learning system is accountable and coordinated*****What this Means**

Advanced Education provides oversight to the adult learning system to ensure that post-secondary institution boards and other agencies for which the minister is responsible demonstrate governance excellence. This oversight is demonstrated by implementing an open, transparent and competency-based recruitment process for the ministry's public agencies. Effective oversight provides direction to the adult learning system and verifies that processes and systems are working well to achieve approved mandates and manage risks. A coordinated adult learning system is accountable for collaborating strategically and providing learning opportunities across a spectrum of programs and services.

Senior Management Summary

- ▶ Advanced Education continues to provide oversight so that public post-secondary institutions are accountable to the public, government, and their boards and students on delivering high-quality, affordable educational opportunities.
- ▶ A major component of phase 3 of the review of agencies, boards and commissions consisted of an examination of the roles and mandates of Alberta's publicly funded post-secondary institutions and the six-sector model. At the outset, three key objectives were identified and communicated to the ministry's post-secondary system partners:
 - ▶ strengthening and updating the six-sector model,
 - ▶ aligning system differentiation and institutional roles and mandates with the five adult learning system principles, and
 - ▶ addressing outstanding challenges that post-secondary institutions face in relation to their existing roles and mandates within the system.
- ▶ The department is in the process of implementing the new post-secondary executive compensation framework. By reining in salaries, eliminating bonuses, and cutting other benefits to university and college presidents, the department is ensuring that taxpayer dollars are invested in the best interests of students, staff, and faculty.
- ▶ The department promotes accountability through an open, transparent and competency-based recruitment and appointment process as outlined in Advanced Education's Guidelines for Board of Governors Members. In collaboration with members of the Post-secondary Institution Agency Governance Network, these guidelines were developed to provide an introduction to board governance at Alberta's public post-secondary institutions. The guidelines include best practices and resources designed to support the effective governance of public post-secondary institutions in Alberta.
- ▶ In collaboration with stakeholders, the department ensures that the adult learning system provides a full continuum of relevant learning opportunities that respond to the needs of all students in their academic paths and career destinations. It supports the Alberta Council on Admissions and Transfer's (ACAT) mandate and work by providing a secretariat that manages transfer system operations, including student mobility information, websites and tools. In collaboration with ACAT, the ministry facilitates learner pathways and mobility throughout the advanced learning system, with a focus on post-secondary admissions and transfer.

Key Strategy 3.1

Review Advanced Education's agencies, boards and commissions to ensure relevance, efficiency, effectiveness and best practices.

Review of Agencies, Boards and Commissions

The Government of Alberta continued to review Alberta's public agencies, boards and commissions to ensure they are effective, relevant and accountable. This review took place in three phases under the government-wide Agencies, Boards and Commissions (ABC) Review initiated in fall 2015. Phase one of the review focused on ABCs subject to the *Alberta Public Agencies Governance Act* (APAGA), excluding post-secondary institutions. Phase two focused on 146 agencies not subject to APAGA, and phase three of the ABC Review focused on post-secondary institutions.

As a result of the ABC Review, three Advanced Education agencies (Students Finance Board, Alberta Heritage Scholarship Committees, and Access Advisory Council) were dissolved by the *Agencies, Boards and Commissions Review Statutes Amendment Act* in December 2017. In fall 2017, five agencies were confirmed to maintain their regular operations: Campus Alberta Quality Council, Alberta Apprenticeship and Industry Training Board, University of Alberta Senate, University of Calgary Senate and University of Lethbridge Senate. Review of the Alberta Council on Admissions and Transfers continues and is expected to conclude in 2018-19.

Phase three of the ABC Review began in January 2017, with research and stakeholder consultation continuing throughout the 2017-18 fiscal year. The scope of phase three included the following primary components and results:

Executive Compensation

A review of compensation for presidents of public post-secondary institutions to ensure transparency, fairness and consistency. The department undertook extensive data collection, including analysis of input from post-secondary institutions, assessment of cross-jurisdictional comparators, and engaging the advice of third party experts related to job evaluation. As a result, government cut university and college president salaries, eliminated bonuses, and prohibited perks such as executive allowances. This brings the compensation of university and college presidents in line with the broader public sector, the national post-secondary market, and Albertans' expectations. A new regulation—the Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation—was implemented effective April 15, 2018. The new framework ensures that taxpayer dollars are being used in the best interests of students, staff and faculty.

Conflicts of Interest

A review of post-secondary institutions' conflicts of interest policies to ensure current policies and related oversight meet or exceed the minimum standards for the Alberta Public Service. This work was led by the Public Agency Secretariat, and resulted in the Government of Alberta enacting amendments to the *Conflicts of Interest Act* in December 2017. These amendments extended conflicts of interest rules to public agencies, including public post-secondary institutions governed by the *Alberta Public Agencies Governance Act*. Requirements include having a code of conduct for board members and staff, which is subject to review and approval by the Ethics Commissioner.

Roles and Mandates

A review of the roles and mandates of Alberta's publicly funded post-secondary institutions. The department undertook extensive consultations with learners, faculty associations and post-secondary institutions before government approved a number of decisions in February 2018. These decisions will strengthen the six-sector model, ensure that post-secondary institution roles and mandates are in alignment with the system's vision and principles and address outstanding challenges that some institutions were facing with respect to their role, mandate or institutional governance (see Key Strategy 3.2).

Governance Excellence

A review of post-secondary institution board composition and adult learning system governance. This includes reviewing the role of the Campus Alberta Strategic Directions Committee, and the role of the provincial government in relation to boards of governors at Alberta's public post-secondary institutions. It also includes the development of a board orientation program by the department, in order to complement existing board orientation offered by post-secondary institutions.

Post-Secondary Institution Board Recruitment and Appointments

The department follows an established competency-based, open and transparent post-secondary board recruitment process to fill public member and senate board vacancies.

There are 341 board opportunities across the post-secondary sector. Between April 2017 and March 2018, the department posted 42 board recruitments and received over 640 applications. The department processed 138 public member and 75 representative appointments.

Key Strategy 3.2

Articulate the oversight role of government and the individual and collective mandates of post-secondary institutions.

Roles and Mandates Review

As part of the ABC Review phase three, the department undertook and completed a review of the roles and mandates of Alberta's publicly funded post-secondary institutions. The review clarifies and strengthens post-secondary institutions' individual and collective mandates and better aligns the six-sector model with the adult learning system principles of accessibility, affordability, quality, accountability and coordination.

Implementation of the roles and mandates review will create:

- ▶ a more clearly defined and coordinated six-sector model,
- ▶ greater flexibility for post-secondary institutions in all regions of the province to meet the needs of learners in their communities, and
- ▶ stronger direction from government to post-secondary institutions with respect to system collaboration, which will further enhance accessibility.

Looking Ahead

Advanced Education will implement decisions resulting from the review of roles and mandates. The implementation process is planned to include amendments to the *Post-secondary Learning Act*.

Key Strategy 3.3**Support robust accountability for the department and the system.****Bill 7: An Act to Enhance Post-Secondary Bargaining**

Bill 7: *An Act to Enhance Post-Secondary Bargaining* received Royal Assent in May 2017. This Act amended both the *Post-secondary Learning Act* and the *Labour Relations Code* to modernize the labour relations model for academic staff, graduate students and postdoctoral fellows, establishing their right to strike and access the Labour Relations Board.

Advanced Education has worked with graduate students associations and postdoctoral fellows to develop regulations required as a result of this legislation, including the Graduate Students Association Model Bylaw Provisions Regulation and Orders in Council to establish postdoctoral fellows associations at the University of Alberta, University of Calgary and University of Lethbridge.

Community Adult Learning Program and the Legal Host Model Review***Definition***

Legal hosts are entities approved by Advanced Education to act as the legal administrator and receive Community Adult Learning Program funding on behalf of an organization that is not a legal entity. Despite not being legal entities, organizations that operate under a legal host are still expected to have decision-making bodies/boards that operate with sound practices in governance, and in the planning and management of programs, finance and personnel.

In 2017-18, through the CALP conditional funding process, Advanced Education initiated a review of the legal host model in Alberta. The legal host model is a historical, non-conventional approach that was utilized to ensure that CALP programming could be made available in communities that did not, at the time, have an eligible funding recipient, such as a non-profit organization. The goal of the provincial review of legal hosts was to ensure that organizations receiving CALP-funding through a legal host have adequate clarity and documentation in place with regard to the roles and responsibilities of staff, board members and legal host, to support effective governance and administration of the organization. Further, the review intended to ensure that organizations utilizing the legal host model were adequately prepared should circumstances arise that might disrupt normal operations.

The provincial review of the legal host model resulted in a number of organizations with historically problematic governance and administration challenges demonstrating significant improvement and progress towards closer alignment with CALP operational requirements. Moving forward, the ministry will work with organizations to ensure that organizations operating under a legal host regularly evaluate their governance and administrative processes to ensure they align with the requirements and expectations of the department as outlined in the CALP guidelines.

Key Strategy 3.4**Enhance Albertans' ability to transfer efficiently between providers and programs in a coordinated adult learning system.****Definitions**

Learner pathways and transitions into and between institutions and programs are an important component of the post-secondary system.

- ▶ **Pathways** are learners' routes into/among/from/back into post-secondary or adult education. Examples include admissions, transfer, dual credit, prior learning assessment and recognition, interprovincial mobility and foundational learning.
- ▶ **Mobility** is a learner's ability to access pathways, and move between institutions. This includes the ability to transfer courses and earn credits towards a credential at more than one institution/organization, ladder one credential to another, receive credit for experiential or non-formal learning, or build on foundational learning to enter post-secondary studies.

Learner Pathways Modernization Initiative and the Alberta Learner Pathways System

The Learner Pathways Modernization Initiative is led by the Alberta Council on Admissions and Transfer in partnership with Advanced Education, and in collaboration with Alberta stakeholders and provincial partners. It is focused on modernization and redesign of technology, processes, information access and tools/supports for learner pathways and mobility, with an emphasis on improving student access to pathways and mobility information and institutional ability to share this information.

The process was planned in four phases:

- ▶ Phase One: Business Assessment (completed in 2014-15),
- ▶ Phase Two: Transfer System Modernization (completed in 2017),
- ▶ Phase Three: Stakeholder Tools, and
- ▶ Phase Four: Learner Pathways Connections.

In 2017-18, the final stage of phase two and the initial parts of phase three were completed. This work built on the foundations of the new Alberta Learner Pathways System, which supports greater student access to pathways and mobility information, and improves a post-secondary institution's ability to manage and share data with other institutions and with students (see Key Strategy 2.3).

Transfer and Pathways System Modernization

During the development of the Learner Pathways System, the Alberta Council on Admissions and Transfer website was redesigned in 2017-18 to provide updated pathways and mobility information, tools, and supports for institutions and organizations. A new High School Transitions Module was developed and the Transfer Alberta search tool and mobile app were updated to include data for high school transitions and course agreements, including dual credit (see Key Strategy 1.1).

In 2017-18, approximately 62,000 users from Alberta, Canada, and other countries accessed the Transfer Alberta search tool and mobile app to receive post-secondary planning information regarding transfer agreements and high school transitions-related information. Approximately 44,000 active transfer agreements/decisions for courses and programs were available as of March 2018 for completed courses and programs between 2010-11 and 2017-18 through the Transfer Alberta search tool and mobile app.

Key Innovations for Learner Pathways System Tools

The Alberta Council on Admissions and Transfer worked in collaboration with Alberta students, post-secondary institutions, the K-12 system, partners in other jurisdictions, government, and other stakeholders to complete innovative Learner Pathways System updates. These updates support student planning and success in Alberta and across Canada. Examples include:

- ▶ Ability to share student-focused pathways information, including transfer agreement and high school transitions-related information, in an accessible and coordinated source for students through Transfer Alberta.
- ▶ Ability for institutions to share course and program transfer agreements directly from their own systems through Transfer Alberta.
- ▶ Ability for K-12 school authorities and their post-secondary and business/industry partners to share high school transitions agreements, including dual credit, with students through the Transfer Alberta search tool and mobile app.

Key Strategy 3.5

Support pan-Canadian initiatives to improve apprenticeship program alignment and apprentice mobility.

Harmonization of Apprenticeship Programs

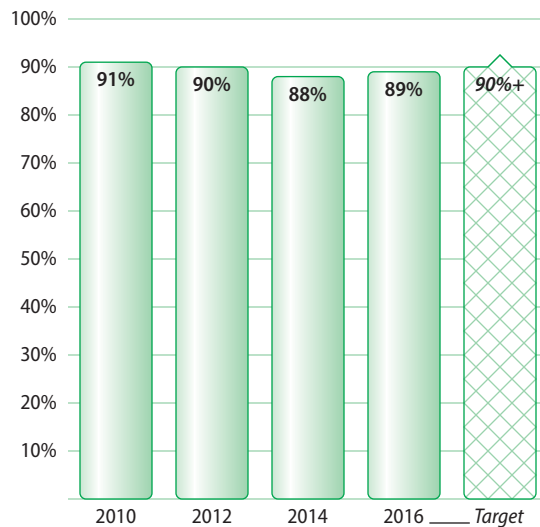
The Interprovincial Standards Red Seal Program is the Canadian standard of excellence for skilled journeypersons, and was established for apprenticeship programs that are common to most jurisdictions in Canada. The ministry is consulting with the Alberta Apprenticeship and Industry Training Board and Provincial Apprenticeship Committees to promote greater consistency of the apprenticeship program for 30 Red Seal trades by 2020 based on strategic direction from the Canadian Council of Directors of Apprenticeship. The objectives of this initiative are to enhance the mobility of apprentices, increase program completion rates and improve alignment of apprenticeship programs. The Canadian Council of Directors of Apprenticeship identified four harmonization priorities: use of the Red Seal names, a consistent number of levels/periods, consistent total on-the-job hours and more substantively aligned formal instruction through technical training at post-secondary institutions.

Alignment of the 30 apprenticeship programs is being carried out in five phases, starting with those that have a high volume of registered apprentices. This will cover approximately 90 per cent of Canadian apprentices. For each identified apprenticeship program, industry is engaged at the national and provincial/territorial levels to consult on recommendations for harmonization. Phases 1 and 2 have been completed and the changes to the phase 3 apprenticeship programs will be implemented in September 2018. Work is currently underway on the final phases and those changes will be implemented in September 2020.

In 2017-18, 21 regulations for apprenticeship programs and occupations were amended to support consistency and effectiveness of apprentice programs.

Performance Measure 3.a

Percentage of post-secondary transfer graduates satisfied with the transfer credit they received (biennial survey)



Source Graduate Outcomes Survey, Advanced Education.

Description

This measure demonstrates the satisfaction level among recent post-secondary graduates with the transfer credit that they received. This includes graduates from 25 publicly funded post-secondary institutions in Alberta who had received transfer credit from another institution (also including institutions outside of Alberta). The results of this measure may reflect graduates' perception of whether post-secondary students are able to receive credit as they expected for prior learning at other post-secondary institutions, thereby making it easier for students to change institutions as their lives and interests evolve over the course of their student experience, and potentially saving them time and money by not requiring them to take or retake courses that cover the material they have already learned. It could also reflect their perception of whether students are able to adapt their learning plan to shifting opportunities and circumstances in order to achieve their goals.

To some extent, this measure speaks to system support for student mobility into and within Alberta's post-secondary system. Collaborative transfer arrangements between Alberta's post-secondary institutions help to provide accessible learner pathways, which is a key part of a learner-centric, coordinated post-secondary system.

Results Analysis

In 2016, among recent post-secondary graduates who had received transfer credit, 89 per cent were satisfied with the transfer credit that they received. This result did not meet the target of 90 per cent plus; however, it was one percentage point higher than the result in 2014. In 2016, over two out of five (44 per cent) graduates completed some post-secondary courses, not including upgrading, prior to enrolling at a post-secondary institution in Alberta. Of those graduates, nearly half (46 per cent) received transfer credit or advanced standing for these courses taken at another institution, which was an increase of seven percentage points from 2014.

Satisfaction could be, in large part, driven by students' expected outcomes. Historically, satisfaction was significantly higher among those who received the credit that they were expecting compared to those who did not. Additionally, easy access to learner pathways and mobility information in a well-designed interface may also enhance students' satisfaction with their transfer experience.

Advanced Education is working with the Alberta Council on Admissions and Transfer (ACAT) to modernize Alberta's Transfer and Pathways System as part of a four-phase Learner Pathways Modernization Initiative, so that students can more easily access post-secondary pathways in Alberta including admissions and transfer. For example, Advanced Education and ACAT have made it easier for students to access information, planning and support for admissions and transfer with a new and enhanced Transfer Alberta website, search tool and mobile app. The ministry also continues to work with ACAT, institutions and other stakeholders to remove barriers to student mobility, enable learner pathways and improve organizational processes and access to information. Alberta and six other provincial councils on credit transfer and related bodies in Canada have also recently signed a memorandum of understanding to enhance student mobility across each province and the country. All of these developments reflect the ministry's commitment to supporting greater student access to pathways and mobility in Alberta, including transfer student success.

Note

- ▶ For more results on transfer credits, see Section 6.1 of the Alberta Graduate Outcomes Survey, Class of 2013/2014, Publicly-Funded Institutions Report.

[Link advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf](https://advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf)

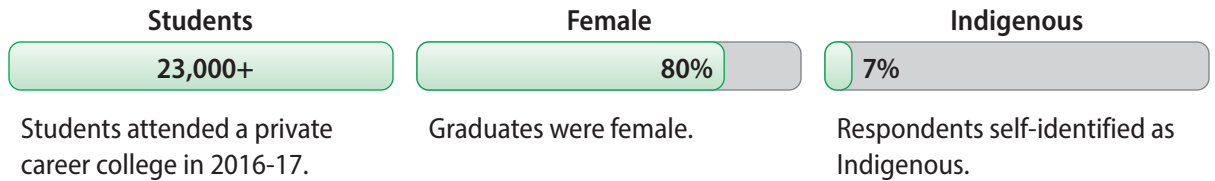
Other Initiatives

Private Career Colleges

Career training at private career colleges provides students with specialized skills and knowledge to prepare them for employment in a specific field. At the end of 2017-18, there were 174 private career colleges in Alberta offering 958 licensed career training programs. These programs prepare students for employment in fields ranging from health and business to heavy equipment operation and dog grooming.

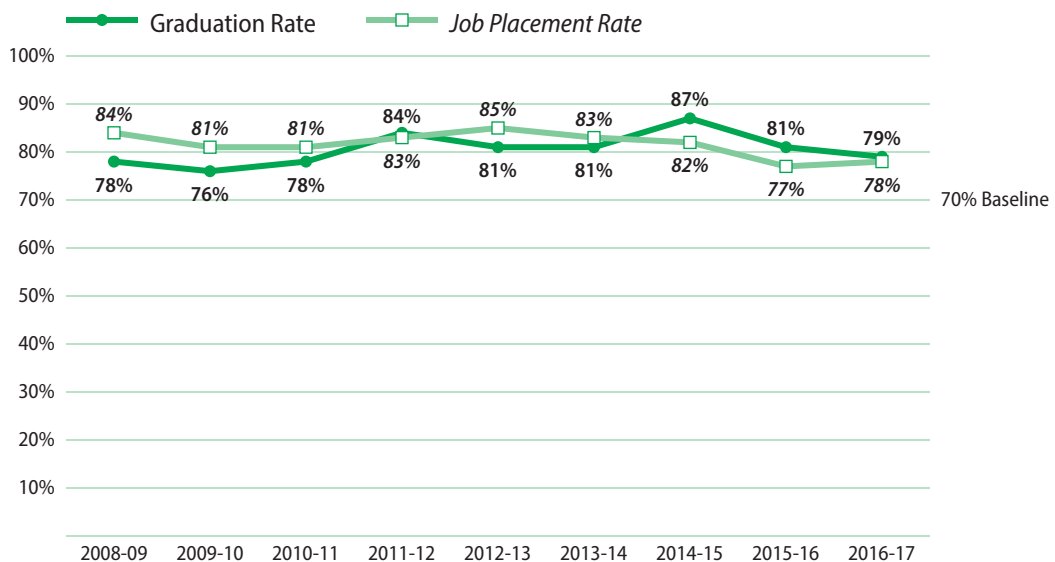
The training programs offered by these colleges add to the range of available post-secondary options for Alberta students with shorter-term, career-focused training.

Demographic Profile of Private Career Colleges



Source: Advanced Education and 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report

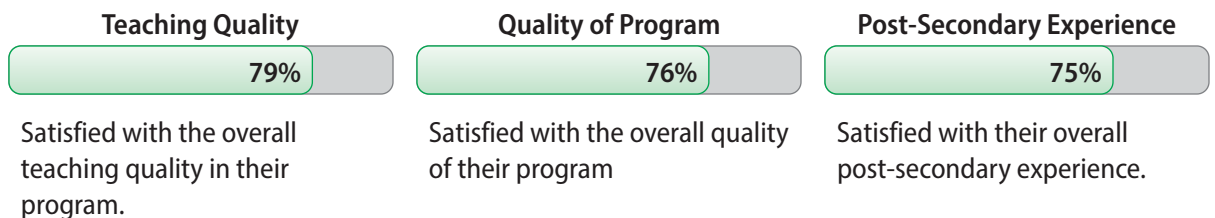
Graduation and Job Placement Rate of Licensed Career Training Programs in Alberta



Source: Advanced Education

Note: Graduation and job placement figures for 2017-18 were not available in time for inclusion in the annual report.

The graduation rate of licensed career training programs was 79 per cent in 2016-17 and the job placement rate was 78 per cent—well above the 70 per cent baseline set out in ministry policy. Additionally, a 2016 survey of graduates from 71 private career colleges found that:



Source: 2016 Graduate Outcomes Survey (Class of 2013-14) – Publicly Funded Institutions Report, Advanced Education.

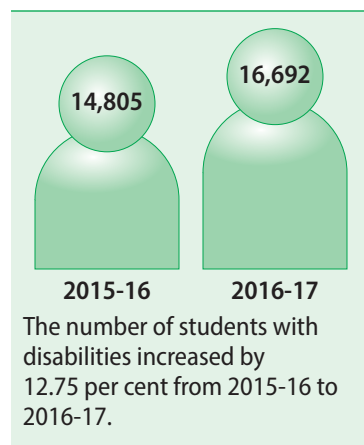
To provide consumer protection to students enrolled at private career colleges, the ministry, in accordance with the *Private Vocational Training Act* and its associated regulations, must license career programs offered by private institutions. As part of their licensing requirements, private career colleges must submit annual reports to the ministry that include information on the graduation and job placement rates of their students. If programs offered by private career colleges fail to maintain graduation and job placement rates above 70 per cent for four consecutive reporting periods, they face a variety of consequences, including the potential cancellation of their license.

Supporting Students with Disabilities

Advanced Education provided \$11.2 million in grant funding to enhance institutional capacity to provide supports and accommodations for students with disabilities in 2017-18. This funding was an increase of \$1 million from the previous year to address increasing cost pressures.

Students with Disabilities Seeking and Receiving Services and Accommodation from Alberta's 26 Publicly Funded Post-Secondary Institutions

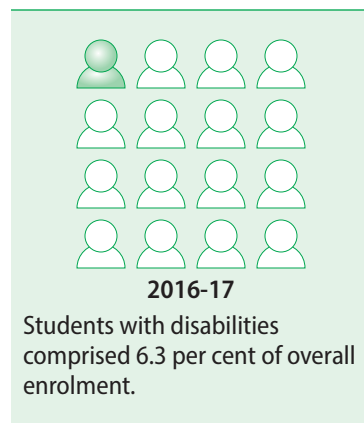
Unique Headcount Enrolment (Full- and Part-Time)



Students assessed with:	2015-16	2016-17
Single Disability	10,669	11,675
Multiple Disabilities	4,136	5,017

2016-17

In 2016-17, 70 per cent of students with a disabling condition seeking accommodations were assessed as having a single (primary) disability while 30 per cent were assessed as having multiple disabilities.







Most Common Types of Disability in 2016-17

Students assessed with:	Percentage
Psychiatric Disability	29.85%
Learning Disability	24.28%
Attention Deficit Hyperactivity Disorder	18.93%

The types of services provided to students with disabilities in 2016-17 are as follows:

Academic/Learning Strategies	3,158
Alternate Format	2,020
Assisted Technologies Assessments/Services	1,077
Interpreting/Cart Reporting	88
Note-taking	837
Advising	16,566
Psycho-Educational Assessment Referrals	1,065
Tutoring	1,738
Academic Aide/Assistant in Classroom	180

Post-secondary institutions also accommodate students with disabilities in taking exams. These accommodations can take different forms including: providing a separate room so the student can take the exam alone, providing the exam questions orally rather than in written form, or allowing students more time to complete the exam.

Students Requiring Accommodation for Exams					
	Students		Exams		
	9,417	2016-17		83,629	
14.23% increase	8,244	2015-16		71,869	16.65% increase

Greater numbers of students with disabilities are also seeking student financial assistance. Under Canada Students Loans, students can access a maximum of \$10,000 per loan year in grants to offset the costs associated with services, equipment and other supports they may need. Students with disabilities not eligible for Canada Student Loans can also access an Alberta Grant. In 2016-17, approximately 3,467 students with permanent disabilities accessed Canada Student Loans Grants for a total of just over \$7 million and approximately 480 students accessed the Alberta grant for a total of \$560,838.

Did You Know?

Advanced Education provides funding to institutions to support the delivery of the Transitional Vocational Program, which provides foundational learning for persons with developmental disabilities. The program ranges from 36 to 52 weeks and is offered at four publicly funded post-secondary institutions in Alberta: Olds College, Red Deer College, NorQuest College and Mount Royal University. The program assists learners to become independent by gaining life skills, employment skills and by facilitating and supporting students through a work practicum component.

To be eligible for the Transitional Vocational Program, individuals must be identified as having a developmental disability. A person with a developmental disability is defined as an individual who is experiencing significant limitation in intellectual capacity, which significantly affects their ability to learn and perform daily living skills. An applicant's intellectual capacity is determined through a formal IQ test administered by a registered psychologist. In 2016-17, 81 students were enrolled in the Transitional Vocational Program.

Coal and Electricity Transition Tuition Voucher

Alberta coal workers have a proud history of helping to power a prosperous and industrious province. The government knows how important it is to make sure it supports workers and families as the economy transitions away from coal. Government has the backs of coal communities across the province and is committed to ensuring that they have the supports they need in the short-term through this transition and long in to the future as well.

Advanced Education is playing a key role in assisting workers impacted by the closing of Alberta coal-fired power plants and coal mines, by creating a series of financial and career-related services to help workers facing layoffs transition to re-employment.

To support workers transitioning to new jobs, Advanced Education has created a new tuition voucher program, available to workers who have worked for one or more of the affected coal-fired power plants or mines for at least one year immediately prior to receiving a layoff notice. The Coal and Electricity Transition Tuition Voucher provides up to \$12,000 credit for workers to pursue post-secondary education to train for new careers. Workers have up to five years to use the voucher.

Programs of Study that are Eligible

- ▶ Programs of study must be delivered through one of Alberta's 26 publicly funded post-secondary institutions or five First Nations Colleges.
- ▶ Programs of study are limited to credit courses leading to a post-secondary credential (certificate, diploma, or degree) program, including apprenticeship and open studies.
- ▶ Eligible apprenticeship programs could include Prior Learning Assessments or the Trades Qualifier exam.
- ▶ Non-credit programs, such as academic upgrading, are not eligible.

International Opportunities for Students

In 2017-18, Advanced Education distributed approximately \$1 million in grants to fund the participation of post-secondary students in international study and research programs. Major grant programs include the Campus Alberta Grant for International Learning, the Alberta-Smithsonian Internship Program and the Washington Center Alberta Internship Program.

In 2017-18, the Campus Alberta Grant for International Learning provided \$375,000 in funding to 14 Campus Alberta institutions. This funding supported a total of 500 students, in 39 programs, travel to 31 countries.

These programs provide Albertans with an opportunity to acquire knowledge and competencies to support economic diversification and growth, and encourage business creation and attraction. International education and internship programs also allow Albertans to engage as global citizens in an increasingly interconnected world.

Update on Risks to Achieving Outcomes

Advanced Education faces a number of risks in achieving affordable, accessible and high-quality educational learning opportunities accessible to all Albertans.

2017-20 Business Plan Risks

System Responsiveness

Alberta's economy is affected by complex economic, social, cultural and environmental factors that lead to pressures on the adult learning system to respond. Adult learning providers face challenges such as enrolments that fluctuate by regions, populations and fields of study, combined with rapidly shifting labour market needs. To address these challenges, Advanced Education will foster strategic partnerships and use a comprehensive approach to achieve desired system outcomes using data and information. Enhancing the ministry's ability to analyze data will support the goal of a learner-centred and transparent adult learning system.

Foundational Skills

Albertans who further develop their foundational skills are better able to participate in community life, find meaningful employment and pursue further learning. Increasing demand for literacy and essential skills training has been accompanied by a need for greater learner supports. Advanced Education continues to work on integrating foundational skills programs into the ministry, in addition to being a part of cross-ministry work in strategic planning of future directions for education, training, and employment programs and services.

2017-18 Annual Report Update

Alberta's post-secondary education system is being challenged to respond to the changing needs of our society and economy due to exponential growth in technology, disruptions in the global economy and shifting demographics. Strategic foresight and scanning is ongoing to understand these complexities and future trends. This work is being used to support planning within the department to help address responsiveness.

Advanced Education collaborates with partner ministries including the Ministry of Economic Development and Trade, the Ministry of Labour, the Ministry of Education and the Ministry of Health, as well as employers, industry, regulatory bodies and other jurisdictions to respond to changing workforce needs and spur innovation in the economy.

The ministry also continues to strengthen collaboration through strategic partnerships to leverage investment. Through Campus Alberta Grants, the ministry enables Alberta's post-secondary institutions to prepare for future workforce needs and drive research and innovation. Advanced Education also supports post-secondary institutions to develop research capacity and serve as community hubs for strengthening local, provincial and global connections.

The ministry provides a range of foundational learning opportunities to enhance access and strengthen pathways for learners.

Through further integration and alignment of business processes, the responsibility for funding adult foundational learners continued its transition from the Ministry of Community and Social Services. To meet high demand for programming, the ministry continues to improve efficiencies to ensure the maximum number of learners possible are able to participate in foundational learning programs.

Community Adult Learning Programs (CALP) reside within Advanced Education. The ministry has worked to improve accountability in foundational learning through the further alignment of program guidelines and department direction for CALP.

Risk in 2017-20 Business Plan

Needs of Indigenous learners

Post-secondary participation and completion rates for Indigenous learners continue to be a challenge. The ministry is committed to supporting the principles and objectives of the *United Nations Declaration on the Rights of Indigenous Peoples*, and the Truth and Reconciliation Commission of Canada. Advanced Education will continue to work with Indigenous, provincial and federal partners, and the adult learning system to improve Indigenous Albertans' educational and social outcomes.

2017-18 Annual Report Update

The ministry initiated an Indigenous Adult Learner Policy engagement to increase its understanding of the needs of learners, identify programming gaps, and improve existing programs and wraparound services. Advanced Education is expected to conclude the initial phase of engagement in June 2018 and begin to analyze the findings.

The ministry continues to provide First Nations Colleges with stable funding. These funds support the delivery of programs from adult basic education to accredited programs, as well as activities and initiatives that support student access, retention, and learner outcomes.

Financial Highlights

The consolidated Ministry Financial Statements include:

- ▶ the Department of Advanced Education,
- ▶ the Access to the Future Fund, and
- ▶ Alberta public post-secondary institutions.

Revenues

	2018	2017
	Actual	Actual (Restated Note 4)
<i>(in thousands)</i>		
Government Transfers		
Government of Alberta Grants	\$ 380,592	\$ 370,755
Federal and Other Government Grants	532,883	507,045
Investment Income	231,236	232,868
Gain (Loss) from Government Business Enterprises	3,610	(1,777)
Premiums, Fees and Licences	5,665	4,751
Tuition and Non-Credit Courses	1,201,554	1,168,827
Sales, Rentals and Services	593,765	612,217
Donations, Grants and Contributions	359,417	322,414
Other Revenue	207,540	152,280
	\$ 3,516,262	\$ 3,369,380

Revenue increased by \$147 million from the prior year as a result of the following:

- ▶ \$55 million increase in other revenue due to \$32 million gain from the sale of capital assets held for sale by post-secondary institutions and a \$23 million increase in endowment contributions and reinvested income.
- ▶ \$37 million increase in private donations, grants and contributions.
- ▶ \$33 million increase in tuition and non-credit courses primarily due to an increase in domestic and international enrollment.
- ▶ \$26 million increase in federal and other government grants due to additional funding of \$22 million received from the federal government for the Labour Market Development Program to support employment assistance and training, and an increase of \$4 million in various other government grants to post-secondary institutions.
- ▶ \$10 million increase in Government of Alberta grants primarily due to an increase in post-secondary grants from Alberta Health partially offset by a decrease in grants from Alberta Education and Alberta Innovates.
- ▶ \$4 million increase in various other revenue categories.
- ▶ The increases in revenue were offset by an \$18 million decrease in sales, rentals and services, which is primarily due to decreased sales activity at some post-secondary institutions.

Expenses

	2018	2017
	Actual	Actual (Restated Note 4)
(in thousands)		
Salaries, Wages and Employee Benefits	\$ 3,622,000	\$ 3,484,121
Supplies and Services	1,376,405	1,324,826
Grants	557,282	505,573
Amortization of Tangible Capital Assets	501,404	506,667
Interest on Long-Term Debt	39,258	39,436
Provision for Future Cost of Student Loans Issued	46,994	62,726
Other	(6,325)	11,447
Total Expenses	\$ 6,137,018	\$ 5,934,796

Expenses increased by \$202 million from the prior year as a result of the following:

- ▶ \$138 million increase in salaries, wages and employee benefits primarily due to collective agreement salary increases and growth at post-secondary institutions.
- ▶ \$51 million increase in supplies and services primarily due to increased spending on repairs and maintenance.
- ▶ \$52 million increase in grants due to grants the department paid to individuals and grants post-secondary institutions paid to external entities.
- ▶ \$18 million decrease in other expenses due to \$14 million decrease in pension provisions and \$4 million decrease in employee benefits provision.
- ▶ \$16 million decrease in the provision for future cost of student loans issued. Write-off of statute barred loans resulted in higher projected recoveries, which reduced the provision.
- ▶ \$5 million decrease in amortization of equipment.

Funding Provided to Post-Secondary Institutions

for the year ended March 31, 2018

(in thousands)

		Operating Grants (1)		Grants for Infrastructure	
		2018	2017	2018	2017
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	\$ 49,278	\$ 42,761	\$ 1,793	\$ 1,793
	University of Alberta	669,315	663,695	78,149	66,099
	University of Calgary	491,977	493,371	121,485	77,554
	University of Lethbridge	107,773	106,057	76,869	127,876
Baccalaureate and Applied Studies Institutions	MacEwan University	114,733	111,154	5,810	2,520
	Mount Royal University	102,022	98,004	4,918	53,116
Polytechnical Institutions	Northern Alberta Institute of Technology	189,346	190,280	79,484	41,363
	Southern Alberta Institute of Technology	173,884	167,328	17,680	12,238
Comprehensive Community Institutions	Bow Valley College	49,208	45,018	852	345
	Grande Prairie Regional College	48,508	47,828	5,430	5,721
	Keyano College	38,904	38,258	5,561	12,897
	Lakeland College	36,623	36,180	12,762	3,687
	Lethbridge College	48,840	47,362	17,630	18,478
	Medicine Hat College	34,004	32,792	1,348	922
	NorQuest College	55,977	49,307	41,417	61,989
	Northern Lakes College	34,636	33,268	5,527	3,457
	Olds College	31,343	30,600	7,194	1,300
	Portage College	25,124	23,671	2,981	1,617
	Red Deer College	55,411	53,768	4,402	23,142
Specialized Arts and Culture Institutions	Alberta College of Art + Design	15,533	15,092	3,181	354
	Banff Centre for Arts and Creativity	17,607	20,654	4,212	3,199
Total Public Post-Secondary Institutions		2,390,046	2,346,448	498,685	519,666
Independent Academic Institutions	Ambrose University	2,910	2,769	—	—
	Burman University	3,281	3,156	—	—
	Concordia University of Edmonton	12,844	12,489	—	—
	St. Mary's University	3,761	3,596	—	—
	The King's University	4,821	4,663	—	—
Other Colleges	Maskwachees Cultural College	876	796	—	—
	Mikai Sto Foundation	781	790	—	—
	Nechi Institution	200	—	—	—
	Old Sun Community College	775	796	—	—
	Red Crow Community College	—	6	—	—
	University nuhelot'jine thaiyots'j nistameymâkanak Blue Quills	791	966	—	—
	Yellowhead Tribal College	781	796	—	—
Total Funding Provided to Post-Secondary Institutions		\$ 2,421,867	\$ 2,377,271	\$ 498,685	\$ 519,666

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

Ministry of Advanced Education

Consolidated Financial Statements

March 31, 2018

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 Advanced Education, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, change in net financial assets 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 Advanced Education as at March 31, 2018, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

June 6, 2018
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual (Restated Note 4)
Revenues (Note 2(b) and Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 563,410	\$ 380,592	\$ 370,755
Federal and Other Government Grants	458,651	532,883	507,045
Investment Income	181,985	231,236	232,868
Gain (Loss) from Government Business Enterprises (Schedule 5)	—	3,610	(1,777)
Premiums, Fees and Licences	4,855	5,665	4,751
Tuition and Non-Credit Courses	1,222,908	1,201,554	1,168,827
Sales, Rentals and Services	618,845	593,765	612,217
Donations, Grants and Contributions	327,574	359,417	322,414
Other Revenue	71,631	207,540	152,280
	3,449,859	3,516,262	3,369,380
Expenses – Directly Incurred (Note 2(b) and Schedules 2 and 3)			
Public Post-Secondary Institutions	5,624,723	5,681,090	5,480,194
Department			
Ministry Support Services	27,040	25,995	26,455
Support for Adult Learning	81,634	79,641	78,666
Apprenticeship Delivery	46,372	41,901	40,694
Student Aid	251,937	216,732	230,011
Foundational Learning Supports	84,787	91,659	78,776
	6,116,493	6,137,018	5,934,796
Annual Deficit	\$(2,666,634)	\$(2,620,756)	\$(2,565,416)

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

Consolidated Statement of Financial Position

as at March 31, 2018

(in thousands)

	2018	2017 (Restated Note 4)
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 770,740	\$ 705,267
Accounts Receivable (Note 6)	318,321	315,278
Portfolio Investments (Schedule 4)		
Non-Endowment (Schedule 4)	2,660,005	2,719,848
Restricted for Endowments (Schedule 4)	2,333,602	2,165,779
Equity in Government Business Enterprises (Schedule 5)	12,214	11,498
Loans Receivables (Note 7)	2,547,100	2,155,514
Inventories for Resale	19,406	27,631
	8,661,388	8,100,815
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	965,543	917,142
Debt (Note 11)	1,080,264	1,098,703
Deferred Contributions (Note 12)	845,657	799,179
Unspent Deferred Capital Contributions (Note 12)	45,578	80,013
Pension Liabilities (Note 13)	264,373	288,364
	3,201,415	3,183,401
Net Financial Assets	5,459,973	4,917,414
Non-Financial Assets		
Tangible Capital Assets (Note 14)	8,655,287	8,240,645
Inventories of Supplies	2,949	2,924
Prepaid Expenses	44,638	54,241
	8,702,874	8,297,810
Net Assets Before Spent Deferred Capital Contributions	14,162,847	13,215,224
Spent Deferred Capital Contributions (Note 12)	1,528,887	1,399,701
Net Assets	\$ 12,633,960	\$ 11,815,523
Net Assets		
Net Assets, Beginning of Year (Note 4)	\$ 11,815,523	\$ 10,892,191
Annual Deficit	(2,620,756)	(2,565,416)
Net Financing Provided from General Revenues	3,439,193	3,488,748
Net Assets, End of Year (Note 15)	\$ 12,633,960	\$ 11,815,523

Contingent Assets and Contractual Rights (Notes 8 and 9)

Contingent Liabilities and Contractual Obligations (Notes 16 and 17)

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

Consolidated Statement of Change in Net Financial Assets

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual (Restated Note 4)
Annual Deficit	\$ (2,666,634)	\$ (2,620,756)	\$ (2,565,416)
Acquisition of Tangible Capital Assets (Note 14)	(1,051,095)	(924,387)	(724,266)
Donation of Tangible Capital Assets (Note 14)		(8,624)	(6,558)
Amortization of Tangible Capital Assets (Note 14)	523,186	501,403	506,667
Loss on Disposal of Tangible Capital Assets		13,491	5,888
Proceeds on Sale of Tangible Capital Assets		3,475	8,554
Tangible Capital Assets Held for Sale		—	4,674
Increase in Inventories of Supplies		(25)	(185)
Decrease (Increase) in Prepaid Expenses		9,603	(282)
Increase in Spent Deferred Capital Contributions		129,186	13,599
Net Financing Provided from General Revenues		3,439,193	3,488,748
Increase in Net Financial Assets		542,559	731,423
Net Financial Assets, Beginning of Year		4,917,414	4,185,991
Net Financial Assets, End of Year		\$ 5,459,973	\$ 4,917,414

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(in thousands)

	2018	2017 (Restated Note 4)
Operating Transactions		
Annual Deficit	\$ (2,620,756)	\$ (2,565,416)
Non-Cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 14)	501,403	506,667
Deferred Capital Contributions Recognized as Revenue (Note 12)	(122,755)	(117,972)
(Gain) Loss from Government Business Enterprises (Schedule 5)	(3,610)	1,777
Gain on Sale of Portfolio Investments	(57,840)	(144,134)
Write-down and Loss on Disposal of Tangible Capital Assets	13,491	5,888
Donation of Capital Assets (Note 14)	(8,624)	(6,558)
Valuation Adjustments		
Provision for Employee Future Benefits	(23,991)	(10,137)
Provision for Future Cost of Student Loans Issued	46,994	62,726
Student Loans Valuation Adjustments	(9,845)	(8,730)
Provision for Vacation Pay and Other Provisions	9,755	11,482
	(2,275,778)	(2,264,407)
Increase in Accounts Receivable	(3,043)	(35,978)
Decrease (Increase) in Prepaid Expenses	9,603	(282)
Decrease in Inventories for Resale	8,225	12,857
Increase in Inventories of Supplies	(25)	(185)
Increase in Accounts Payable and Accrued Liabilities	38,646	122,760
Increase (Decrease) in Deferred Revenue	113,262	(80,607)
Cash Applied to Operating Transactions	(2,109,110)	(2,245,842)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 14)	(924,387)	(724,266)
Proceeds on Sale/Disposal of Tangible Capital Assets	3,475	8,554
Cash Applied to Capital Transactions	(920,912)	(715,712)
Investing Transactions		
Student Loan Disbursements	(614,398)	(645,385)
Student Loan Repayments	185,663	159,224
Purchases of Portfolio Investments	(1,076,635)	(1,083,879)
Proceeds on Sale of Portfolio Investments	1,026,495	944,976
Repayments from Government Business Enterprises	2,894	1,077
Cash Applied to Investing Transactions	(475,981)	(623,987)
Financing Transactions		
Contributions Restricted for Capital (Note 12)	150,722	115,747
Net Financing Provided from General Revenues	3,439,193	3,488,748
Debt Issues	247,680	162,504
Debt Retirement	(266,119)	(50,888)
Cash Provided by Financing Transactions	3,571,476	3,716,111
Increase in Cash and Cash Equivalents	65,473	130,570
Cash and Cash Equivalents, Beginning of Year	705,267	574,697
Cash and Cash Equivalents, End of Year	\$ 770,740	\$ 705,267

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

Notes to the Consolidated Financial Statements

March 31, 2018

Note 1 Authority and Purpose

The Ministry of 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 Advanced Education and the authority under which each organization operates. Schedule 7 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Advanced Education	<i>Government Organization Act</i>
Access to the Future Fund	<i>Access to the Future Act</i>
Public Post-secondary Institutions	<i>Post-secondary Learning Act</i>

In support of Alberta's vision, Advanced Education's purpose is to strive to engage Albertans in learning to build a resilient economy and thriving 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 Advanced Education, for which the Minister of Advanced Education is accountable. The accounts of the Ministry are fully consolidated which includes the Department and the entities listed in Schedule 7 on a line-by-line basis except for government business enterprises. Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenues, expenses, assets, and liabilities) are included in government's results.

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 after eliminating inter-entity transactions and balances 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 balances between the consolidated entities have been eliminated. Accounting policies have been adjusted to conform with those of the Ministry.

The year-end for the Access to the Future Fund, 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, 2017 to March 31, 2018, and are \$1 million or greater that significantly affect the consolidated accounts, have been recorded.

All the organizations are fully consolidated except for government business enterprises (GBEs) which are reported on a modified equity basis (see Schedule 5), 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 assets and liability balances are not eliminated.

(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 recognized as unearned 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.

Endowment contributions, matching contributions, and associated investment income allocated for preservation of endowment capital purchasing power are recognized as "Other Revenue" in the Consolidated Statement of Operations in the period in which they are received.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**(b) Basis of Financial Reporting** (continued)**Government Transfers**

Transfers from all levels of governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred capital contributions or deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together 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 stipulations are met and, when applicable, the Ministry complies with its communicated use of these transfers.

All other government transfers, without stipulations for use of the transfer, are recognized 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 recognized as revenue in the year received or in the year the funds are committed and the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government grants, and realized gains and losses for the associated externally restricted investment income are recognized 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 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, as reflected in the government's budget documents.

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

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;
- ▶ 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; and
- ▶ transfer of tangible capital assets to other ministries.

Incurred by Others

Services contributed by other related entities in support of the Ministry's operations are not recognized but disclosed in Schedule 3.

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, loans, 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 debt approximates its carrying value as interest rates approximate the market value. Fair values of loans 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.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**(b) Basis of Financial Reporting** (continued)**Financial 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 are the Ministry's financial claims on external organizations and individuals, and inventories for resale at the year end.

Cash and Cash Equivalents

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.

Accounts Receivable

Accounts receivables are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Portfolio Investments

Portfolio investments are reported at cost, or amortized cost, less any write-downs associated with a loss in value that is other than a temporary decline. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value. 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.

Portfolio investments restricted for endowments are from donors that have placed restrictions on their contributions to the endowments, for example capital preservation. The principal restriction is that the original contribution should be maintained intact in perpetuity. Other restrictions may include spending investment income earned by endowments for specific operational or capital purposes, or capitalizing a certain amount of investment income to maintain and grow the real value of endowments.

Loans Receivable

Loans Receivable are recognized at cost net of allowances for impaired loans, loan subsidy and repayment assistance. The change in the allowances reflects the provision for default, subsidy assistance, limitations and write-offs of loans under the *Student Financial Assistance Act* (Note 7).

Inventories for Resale

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

Assets Held for Sale

Assets held for sale that are expected to be sold within one year are considered financial assets. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

Liabilities

Liabilities represent present obligations of the Ministry to external organizations and individuals arising from transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

- ▶ all financial claims payable by the Ministry at the year end;
- ▶ accrued employee vacation entitlements; and
- ▶ contingent liabilities where future liabilities are likely.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issue expenses.

Deferred Revenue

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**(b) Basis of Financial Reporting** (continued)**Liability for Contaminated Sites**

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from operation(s) that is no longer in productive use and is recognized when all of the following criteria are met:

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

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.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets are limited to tangible capital assets, inventories of supplies and prepaid expenses.

Tangible Capital Assets

Tangible capital assets of the Ministry are recognized at historical cost and amortized on a straight-line basis over the estimated useful life 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, with exception of Crown lands, is capitalized.

Amortization is only charged if the tangible capital asset is put into service.

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

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 from non-related entities are recognized at their fair value at the time of contribution.

Inventories of Supplies

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

Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

Other Assets

Intangible assets, inherited natural resources, Crown lands, art and historic treasures and assets acquired by right are not recognized in these consolidated financial statements because a reasonable estimate of the amount involved cannot be made.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**(b) Basis of Financial Reporting** (continued)**Payments under Agreement**

The Ministry entered into agreements with the federal government to provide services on its 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 18.

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 net student loans receivable of \$2,547,100 (2017 - \$2,155,514) (Note 7) after adjusting for the following:

- ▶ allowance for impaired loans amounting to \$241,745 (2017 - \$227,253);
- ▶ allowance for loan subsidy amounting to \$34,009 (2017 - \$32,106); and
- ▶ allowance for repayment assistance amounting to \$8,806 (2017 - \$6,440).

The allowances are used to reflect loans receivable at the lower of cost and net recoverable value. Changes to the allowances are recorded in the Consolidated Statement of Operations to the provision for the future cost of student loans issued.

In the current year, \$46,994 (2017 - \$62,726) was recorded as the provision for the future cost of student loans issued to reflect the change in the allowances.

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; and
- ▶ Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

The impact of changes in estimates would affect the total student loan provision as follows:

- ▶ An increase or decrease of 0.25% to the default rate would respectively increase or decrease the provision by \$6,700 (14.3%).
- ▶ An increase or decrease of 0.25% in the provincial borrowing rate would respectively increase or decrease the provision by \$9,100 (19.4%).
- ▶ An increase or decrease of 0.25% in the student lending rate would respectively increase or decrease the provision by \$6,700 (14.3%).
- ▶ An increase or decrease of 1% in the repayment assistance amounts or loan forgiveness rate would have a minimal impact on the calculated provision.

Sensitivity analysis is based on assumptions which may not necessarily be linear. Although some of the other variables mentioned above were not applied in the calculations of the sensitivity, actual experience has shown that changes in one variable may amplify or suppress changes in another which would impact the overall result differently from the projected outcome.

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, 2018 extrapolated results. Refer to Note 13 for these assumptions. Changes in these estimates could materially impact the unfunded liability for the Universities Academic Pension Plan.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**(b) Basis of Financial Reporting** (continued)**Government Endowment Fund for Scholarships** (in thousands)

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 this endowment. However the Ministry of Advanced Education has an economic interest in the endowment as it assists in funding Ministry programs. Additional information on the endowment can be found in the financial statements for Alberta Treasury Board and Finance.

	Net Assets			
	2018		2017	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Scholarship Fund	\$ 1,269,328	\$ 1,350,655	\$ 1,205,282	\$ 1,301,116

(c) Change in Accounting Policy

The ministry has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Note 2, Note 8, Note 9, Schedule 2, Schedule 3 and Schedule 6.

Note 3 Future Accounting Changes

The Public Sector Accounting Board has approved the following accounting standards:

- ▶ **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- ▶ **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- ▶ **PS 3450 Financial Instruments (effective April 1, 2021)**
The Ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 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.

Note 4 Program Transfers and Correction of a Prior Year Misstatement (in thousands)

Effective September 1, 2017, Communications and Public Engagement branches were transferred from each Ministry to the Ministry of Treasury Board and Finance. Comparatives for 2017 have been restated as if the current organization structure had always been the same. The impact is a decrease in accounts payable by \$146 to \$771,067 from \$771,213.

During the year a review completed by a post-secondary institution determined amounts within the deferred revenue balance did not meet the requirements for liability recognition. The review identified deferred revenue amounts that should have been recorded into revenue in the prior fiscal years when the amounts were received or when the obligations of the liability were met. The consolidated impacts for the Ministry are:

- ▶ Deferred revenue decreased by \$92,052 to \$945,254 from \$1,037,306;
- ▶ Spent deferred capital decreased by \$2,567 to \$1,399,701 from \$1,402,268; and
- ▶ Unspent deferred capital contributions decreased by \$31 to \$80,013 from \$80,044.

Note 4 Program Transfers and Correction of a Prior Year Misstatement (continued) (in thousands)

The impact of the program transfers and the correction of the prior year misstatement on opening net assets and net financial assets as at April 1, 2016 are as follows:

Net assets as at April 1, 2016	
Net assets as previously reported by the Ministry of Advanced Education	\$ 10,812,325
Transfer to the Ministry of Treasury Board and Finance	134
Post-secondary institution correction of a prior year misstatement	79,732
Net assets of the Ministry of Advanced Education restated as at April 1, 2016	\$ 10,892,191
<hr/>	
Net financial assets as at April 1, 2016	
Net financial assets as previously reported by the Ministry of Advanced Education	\$ 4,106,125
Transfer to the Ministry of Treasury Board and Finance	134
Post-secondary institution correction of a prior year misstatement	79,732
Net financial assets of the Ministry of Advanced Education restated as at April 1, 2016	\$ 4,185,991

The impact of the prior year adjustment is an increase of \$14,918 in revenue and the impact of the program transfers is a decrease of \$1,549 in expenses. The combined impact of these restatements on the annual deficit is a decrease by \$16,467 to \$2,565,416 from \$2,581,883. There is a reclassification per Note 21 that has increased accounts payables by \$146,075 to \$917,142 and decreased deferred revenue by \$146,075 to \$799,179.

Note 5 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, 2018, securities held by the fund have a time-weighted return of 1.1% (2017 - 0.9%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

	2018	2017
Cash (2)	\$ 679,819	\$ 558,158
Cash Equivalents (1) (2)	90,921	147,109
	\$ 770,740	\$ 705,267

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

(2) Cash and cash equivalents includes externally restricted cash of \$61,991.

Note 6 Accounts Receivable (in thousands)

	2018			2017
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 326,133	\$ (7,812)	\$ 318,321	\$ 315,278

Accounts receivable are unsecured and non-interest bearing.

Note 7 Loans Receivable*(in thousands)*

	2018	2017
Loans Receivable	\$ 2,831,660	\$ 2,421,313
Less:		
Allowance for Impaired Loans	(241,745)	(227,253)
Allowance for Loan Subsidy	(34,009)	(32,106)
Allowance for Repayment Assistance	(8,806)	(6,440)
	\$ 2,547,100	\$ 2,155,514

Program and Repayments

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

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%, however:

- ▶ Students are not expected to make repayments while in school.
- ▶ Loans become payable and interest is earned starting six months after students graduate or discontinue their studies.
- ▶ Students could apply for Government Repayment Assistance Program if they qualify and satisfy the conditions.
- ▶ Loans are classified as impaired, with the following conditions:
 - ▶ 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.

Allowances

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 rates of 5.4% (2017 - 6.1%) and recovery rates of 26.7% (2017 - 28.5%).

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 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 amortized on the allowance for loan subsidy over the estimated life of the student loan. The key assumptions used to determine this provision are a blended student lending rate of 3.3% (2017 - 3.2%), the annual average provincial borrowing rate of 2.6% (2017 - 2.5%), the average repayment period of 9 years (2017 - 9 years), 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 this provision are the future loan amounts approved for repayment assistance and loan forgiveness rates of 9.2% (2017 - 8.5%).

Repayment Terms *(in thousands)*

Following is the repayment term for loans due starting six months after graduation or discontinuation of studies, or in the Repayment Assistance program.

	Principal	Interest	Total Payments
2018-19	\$ 167,701	\$ 5,484	\$ 173,185
2019-20	160,272	5,241	165,513
2020-21	156,575	5,120	161,695
2021-22	151,075	4,940	156,015
2022-23	142,843	4,671	147,514
Thereafter	370,459	12,114	382,573
	\$ 1,148,925	\$ 37,570	\$ 1,186,495

All other loans are excluded as no terms of repayment have been established.

Note 8 Contingent Assets

The Ministry has initiated legal matters and insurance claims where possible assets are being sought. The outcomes from these matters may result in assets in the future. Contingent Assets are not recognized in the Ministry financial statements.

Note 9 Contractual Rights*(in thousands)*

Contractual rights are rights of the Ministry to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2018	2017
Contractual Rights from Operating Leases and Contracts	\$ 325,750	\$ 380,159
Contractual Rights from Capital Leases for Operation, Maintenance and Interest Amounts	39,830	18,207
	\$ 365,580	\$ 398,366

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases and Contracts	Operation, Maintenance and Interest Amounts from Capital Leases	2018 Total
2018-19	\$ 190,225	\$ 1,597	\$ 191,822
2019-20	30,966	1,938	32,904
2020-21	16,970	2,230	19,200
2021-22	15,156	2,250	17,406
2022-23	14,560	2,291	16,851
Thereafter	57,873	29,524	87,397
	\$ 325,750	\$ 39,830	\$ 365,580

Note 10 Accounts Payable and Accrued Liabilities*(in thousands)*

	2018	2017 (Restated Note 4)
Accounts Payable	\$ 12,035	\$ 11,773
Unearned Revenue	150,068	146,075
Accrued Liabilities	803,440	759,294
	\$ 965,543	\$ 917,142

Note 11 Debt*(in thousands)*

	2018			2017
	Maturity	Average Interest Rate	Book Value (2)	Book Value (2)
Debentures (1)	Up to March 2048	3.33%	\$ 1,066,698	\$ 1,089,147
Bank Loan	March 2040	3.18%	4,751	3,502
			1,071,449	1,092,649
Liabilities under Capital Leases (3)			8,815	6,054
			\$ 1,080,264	\$ 1,098,703

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

(2) Book value approximates fair value.

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

	2018	2017
Liabilities, Beginning of Year	\$ 6,054	\$ 3,059
Additions to Liabilities during Year	5,632	4,997
Principal Repayments	(2,856)	(2,002)
Others	(15)	—
Liabilities, End of Year	\$ 8,815	\$ 6,054

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

2018-19	\$ 42,263
2019-20	190,118
2020-21	44,283
2021-22	43,987
2022-23	45,037
Thereafter	714,576
	\$ 1,080,264

Note 12 Deferred Contributions

(in thousands)

	2018	2017 (Restated Note 4)
Unspent Deferred Capital Contributions and Transfers (1)	\$ 45,578	\$ 80,013
Spent Deferred Capital Contributions and Transfers (2)	1,528,887	1,399,701
Deferred Revenue (3)	845,657	799,179
	\$ 2,420,122	\$ 2,278,893

(1) Unspent Deferred Capital Contributions and Transfers	2018			2017
	Government of Alberta	Other	Total	Total (Restated Note 4)
Balance, Beginning of Year	\$ 1,212	\$ 78,801	\$ 80,013	\$ 39,120
Prior Period Adjustments	(45)	81	36	206
Received/Receivable during Year	1,092	149,630	150,722	115,089
Restricted Realized Investment Income	3	942	945	581
Transferred to Revenue	(10)	(10,301)	(10,311)	(5,340)
Transferred from Other	20	367	387	881
Transferred to Spent Deferred Capital Contributions	(230)	(175,984)	(176,214)	(70,524)
Balance, End of Year	\$ 2,042	\$ 43,536	\$ 45,578	\$ 80,013

(2) Spent Deferred Capital Contributions and Transfers	2018			2017
	Government of Alberta	Other	Total	Total (Restated Note 4)
Balance, Beginning of Year	\$ 223,190	\$ 1,176,511	\$ 1,399,701	\$ 1,386,102
Prior Period Adjustments	(311)	19,324	19,013	—
Transferred from Unspent Deferred Capital Contributions	230	175,984	176,214	70,524
Transferred from Deferred Revenue and Other	11,915	43,973	55,888	62,680
Disposition of Capital Assets	—	826	826	(1,633)
Less Amounts Recognized as Revenue	(27,576)	(95,179)	(122,755)	(117,972)
Balance, End of Year	\$ 207,448	\$ 1,321,439	\$ 1,528,887	\$ 1,399,701

(3) Deferred Revenue	2018			2017
	Government of Alberta	Other	Total	Total (Restated Note 4)
Balance, Beginning of Year	\$ 151,993	\$ 647,186	\$ 799,179	\$ 779,163
Prior Period Adjustments	1,703	(14,028)	(12,325)	200
Received/Receivable during the Year, including Investment Earnings	272,443	790,272	1,062,715	1,006,381
Less Amounts Recognized as Revenue	(246,698)	(698,665)	(945,363)	(927,573)
Transfers	(11,811)	(46,738)	(58,549)	(58,992)
Balance, End of Year	\$ 167,630	\$ 678,027	\$ 845,657	\$ 799,179

Note 13 Pension Liabilities

(in thousands)

	2018	2017
Pension Liability		
Universities Academic Pension Plan	\$ 204,902	\$ 230,232
Supplementary Pension Plans	59,471	58,132
	<u>\$ 264,373</u>	<u>\$ 288,364</u>

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a joint defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge and Athabasca and The 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, 2016 and was extrapolated to March 31, 2018 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:

	2018	2017
Discount Rate	6.0%	6.0%
Expected Rate of Return on Plan Assets	6.0%	6.0%
Salary Escalation Rate	3.0%	3.0%
Real Wage Growth	1.0%	1.0%
Inflation Rate	2.0%	2.0%
Estimated Average Remaining Service Life (years)	10.6	10.8

The 2017 UAPP Annual Report identifies an unfunded liability at December 31, 2017 in the amount of \$952,200 (2016 - \$874,400). An actuarial extrapolation of this amount to March 31, 2018, adjusted for public sector reporting standards, estimates the unfunded liability at \$446,723 (2017 - \$763,861) and unamortized actuarial gain totalling \$195,368 (2017 - actuarial gain \$36,203). 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, 2018 Extrapolated Results	March 31, 2017 Extrapolated Results
Pre '92	\$ 244,241	\$ 245,692	\$ 245,692	\$ 735,625	\$ 806,430
Post '91	—	(144,451)	(144,451)	(288,902)	(42,569)
Total Unfunded Liability	\$ 244,241	\$ 101,241	\$ 101,241	\$ 446,723	\$ 763,861

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2017 - 1.25%) of salaries by Alberta Treasury Board and Finance and the balance of the required contributions, 2.90% (2017 - 3.54%) of salaries, is equally split between employees and employers in order to eliminate the unfunded deficiency by December 31, 2043.

The total contributions for the year (which includes the current year's service) were \$271,640 (2017 - \$259,514) of which the contributions made by employees were \$129,493 (2017 - \$124,194), contributions made by employers were \$130,045 (2017 - \$124,742) and contributions made by Alberta Treasury Board and Finance were \$12,102 (2017 - \$10,578).

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

Note 13 Pension Liabilities (continued)

(in thousands)

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

	2018	2017
Pension Liability		
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 5,182,544	\$ 4,971,908
Current Service Cost	177,436	173,939
Interest Cost	314,007	301,661
Benefits Paid	(253,061)	(236,336)
Actuarial Gain	(46,916)	(28,628)
Balance, End of Year	5,374,010	5,182,544
Pension Fund Assets	(4,927,287)	(4,418,683)
Total Unfunded Liability	\$ 446,723	\$ 763,861
Ministry's Portion of Total Unfunded Liability	\$ 101,241	\$ 235,152
Unamortized Actuarial Net Gain (Loss)	103,661	(4,920)
Total UAPP Pension Liability	\$ 204,902	\$ 230,232

The expense of this plan is \$104,714 (2017 - \$110,711) and includes the following components:

	2018	2017
Pension Expense		
Current Period Benefit Cost	\$ 88,718	\$ 86,970
Amortization of Actuarial Losses	465	4,617
Pension Expense	89,183	91,587
Interest Cost on the Average Accrued Benefit Obligation	140,861	135,122
Expected Return on Average Pension Plan Assets	(125,331)	(115,998)
Pension Interest Expense	15,531	19,124
Total UAPP Pension Expense	\$ 104,714	\$ 110,711

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 \$131,275 for the year ended March 31, 2018 (2017 - \$164,969 Restated Note 4).

At December 31, 2017, the Management Employees Pension Plan reported a surplus of \$866,006 (2016 - surplus of \$402,033), the Local Authorities Pension Plan reported a surplus of \$4,835,515 (2016 - deficiency of \$637,357) and the Public Service Pension Plan reported a surplus of \$1,275,843 (2016 - surplus of \$302,975). At December 31, 2017, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$54,984 (2016 - deficiency of \$50,020).

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, management's best estimate of expected costs, and the period of benefit coverage. At March 31, 2018, these plans have a net accrued liability of \$59,471 (2017 - \$58,132). This liability is included in employee future benefits. The expense of these supplementary retirement plans is \$6,222 (2017 - \$6,748).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$111,983 (2017 - surplus \$101,515) and the Management, Opted Out and Excluded Plan reported a surplus of \$29,805 (2017 - surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 14 Tangible Capital Assets

(in thousands)

	2018							2017
	Land	Building	Land Improvements	Equipment ⁽²⁾	Computer Hardware and Software	Other ⁽³⁾	2018 Total	2017 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	\$ 285,884	\$ 10,581,351	\$ 62,369	\$ 2,289,932	\$ 986,682	\$ 802,999	\$ 15,009,217	\$ 14,435,680
Additions	3,299	696,474	22,290	100,240	66,316	35,769	924,387	724,266
Donations	430	2,268	—	5,159	133	634	8,624	6,558
Disposals, including Write-downs	(35)	(4,935)	—	(583,926)	(35,812)	(2,208)	(626,916)	(124,737)
Transfer to Assets Held for Sale	—	—	—	—	—	—	—	(22,191)
Adjustments ⁽⁴⁾	—	(1,425)	—	(7,438)	(686)	(4,474)	(14,023)	(10,360)
	289,578	11,273,733	84,659	1,803,967	1,016,633	832,720	15,301,289	15,009,216
Accumulated Amortization								
Beginning of Year	—	3,634,586	20,652	1,637,263	878,659	597,412	6,768,572	6,400,076
Amortization Expense	—	264,766	2,247	145,038	51,769	37,583	501,403	506,667
Effect of Disposals, including Write-downs	—	(1,828)	—	(578,105)	(33,239)	(1,630)	(614,802)	(110,373)
Transfer to Assets Held for Sale	—	—	—	—	—	—	—	(17,517)
Adjustments ⁽⁴⁾	—	216	—	(5,495)	(690)	(3,202)	(9,171)	(10,282)
	—	3,897,740	22,899	1,198,701	896,499	630,163	6,646,002	6,768,571
Net Book Value at March 31, 2018	\$ 289,578	\$ 7,375,993	\$ 61,760	\$ 605,266	\$ 120,134	\$ 202,557	\$ 8,655,287	
Net Book Value at March 31, 2017	\$ 285,884	\$ 6,946,765	\$ 41,717	\$ 652,683	\$ 108,009	\$ 205,587		\$ 8,240,645

(1) Historical cost includes work-in-progress at March 31, 2018 totalling \$761,199 (2017 Restated - \$728,597) comprised of Building and Site Improvements - \$737,907 (2017 - \$695,408), Land Improvements - \$51 (2017 - \$0), Equipment - \$7,094 (2017 - \$12,895), Computer Hardware and Software - \$16,147 (2017 Restated - \$20,180) and Other - \$0 (2017 - \$114).

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

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

(4) Adjustments relate to post-secondary institutions for accounting policy changes and reclassifications between capital asset categories. Prior year's beginning balance of costs and accumulated amortization were decreased by \$424,383 (2017 - \$10,360) and \$419,531 (2017 - \$10,282) respectively.

Note 15 Net Assets – Endowments

(in thousands)

Net assets includes externally restricted endowments of \$2,319,487 of portfolio investment restricted for endowments.

The endowment funds are as follows:

	2018	2017
Balance, Beginning of Year	\$ 2,158,155	\$ 2,007,472
Endowment Contributions	52,520	63,674
Reinvested Income	107,151	73,761
Net Transfers from Unrestricted Net Assets	1,661	13,248
Balance, End of Year	\$ 2,319,487	\$ 2,158,155

The \$2,319,487 does not include \$14,115 realized earnings that are not capitalized back to endowment principal. The \$2,333,602 portfolio investments restricted for endowments (Schedule 4) includes the \$14,115 realized earnings.

The investment policy of three of the post-secondary institutions requires that the unrealized gains/losses of the endowment investments are recorded as part of the endowment balance. The aggregated amount of the unrealized gain is \$362,524 (2017 - \$363,820). The Ministry does not record the unrealized gains/losses because it will not adopt PS 3450 Financial Instruments until April 1, 2021.

Note 16 **Contingent Liabilities** (in thousands)

At March 31, 2018, the Ministry of 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 a number of contingent liabilities related to third party agreements. In the current year, the Ministry has identified a liability related to these agreements of \$1,266 (2017 - \$725).

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 contaminated sites of \$151 (2017 - \$153 Restated).

Note 17 **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.

	2018	2017 (Restated Note 4)
Obligations under Operating Leases, Contracts and Programs	\$ 1,096,313	\$ 1,119,589
Obligations under Capital Leases for Operations, Maintenance, and Interest Payments	2,328	3,201
	\$ 1,098,641	\$ 1,122,790

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

	Operating Leases, Contracts and Programs	Operation, Maintenance, and Interest Payments under Capital Leases	2018 Total
2018-19	\$ 524,552	\$ 997	\$ 525,549
2019-20	247,247	761	248,008
2020-21	120,528	465	120,993
2021-22	68,576	105	68,681
2022-23	46,958	—	46,958
Thereafter	88,452	—	88,452
	\$ 1,096,313	\$ 2,328	\$ 1,098,641

Note 18 **Payments under Agreement** (in thousands)

In the current year there are no new federally funded programs accounted for as payments under agreement. The Ministry continues to collect federal grant overpayments to repay the government for completed agreements.

Government of Canada

Net amounts payable under agreements on behalf of the Government of Canada:

	2018	2017
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarship Foundation	\$ (2)	\$ (5)
Government of Canada		
Canada Study Grants	(3)	(3)
Canada Student Grants	(105)	(115)
	\$ (110)	\$ (123)

Note 19 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, 2018 were \$40,032 (2017 - \$43,979).

Note 20 Subsequent Events

Effective: (1) April 1, 2018, the government consolidated human resource functions under the Public Service Commission within the Ministry of Treasury Board and Finance; (2) April 1, 2018, the government consolidated the Freedom of Information and Protection of Privacy (FOIP) delivery services under the Ministry of Service Alberta; (3) April 1, 2018, the government consolidated information management and technology services under the Ministry of Service Alberta.

Note 21 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 22 Approval of Consolidated Financial Statements

The Deputy Minister and Senior Financial Officer approved these consolidated financial statements.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2018

Schedule 1 Consolidated Revenues

for the year ended March 31, 2018

(in thousands)

	2018 Actual	2017 Actual (Restated Note 4)
Government Transfers		
Government of Alberta Grants		
Alberta Heritage Scholarship Fund	\$ 50,220	\$ 50,805
Public Post-Secondary Institutions	330,372	319,950
	380,592	370,755
Federal and Other Government Grants		
Public Post-Secondary Institutions	419,235	415,742
Labour Market Development	105,393	82,991
Other	8,255	8,312
	532,883	507,045
Investment Income		
Interest on Student Loans Issued	29,738	22,352
Public Post-Secondary Institutions	200,881	210,010
Other	617	506
	231,236	232,868
Gain (Loss) from Government Business Enterprises (Schedule 5)	3,610	(1,777)
Premiums, Fees and Licences		
Apprenticeship Services	4,452	4,392
Licence Fees	1,213	359
	5,665	4,751
Tuition and Non-Credit Courses	1,201,554	1,168,827
Sales, Rentals and Services	593,765	612,217
Donations, Grants and Contributions	359,417	322,414
Other Revenue		
Refunds of Expenditure	5,134	3,790
Miscellaneous	42,735	11,055
Endowment Contributions and Reinvested Income (Note 15)	159,671	137,435
	207,540	152,280
	\$ 3,516,262	\$ 3,369,380

Schedule 2 Consolidated Expenses – Directly Incurred Detailed by Object

for the year ended March 31, 2018

(in thousands)

	2018 Actual	2017 Actual (Restated Note 4)
Salaries, Wages and Employee Benefits	\$ 3,622,000	\$ 3,484,121
Supplies and Services	1,376,405	1,324,826
Grants	557,282	505,573
Amortization of Tangible Capital Assets (Note 12)	501,404	506,667
Interest on Long-Term Debt	39,258	39,436
Provision for Future Cost of Student Loans Issued	46,994	62,726
Other (1)	(6,325)	11,447
Total Expenses	\$ 6,137,018	\$ 5,934,796

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

Schedule 3 Consolidated Allocated Costs

for the year ended March 31, 2018

(in thousands)

	2018				2017	
	Expenses (1)	Expenses – Incurred by Others			Total Expenses	Total Expenses (Restated Note 4)
		Accommodation Costs (2)	Legal Services (3)	Business Services (4)		
Program						
Public Post-Secondary Institutions	\$ 5,681,090	\$ —	\$ —	\$ —	\$ 5,681,090	\$ 5,480,194
Department						
Ministry Support Services	25,995	1,633	302	3,673	31,602	32,140
Support for Adult Learning	79,641	1,218	167	—	81,026	80,056
Apprenticeship Delivery	41,901	2,877	82	—	44,860	43,597
Student Aid	216,732	1,438	82	—	218,252	231,503
Foundational Learning Supports	91,659	583	—	—	92,242	79,349
	\$ 6,137,018	\$ 7,749	\$ 633	\$ 3,673	\$ 6,149,073	\$ 5,946,839

- (1) Expenses – Directly Incurred as per Consolidated Statement of Operations.
- (2) Costs are as shown for Accommodation on Schedule 6, including grants in lieu of taxes, allocated by square footage.
- (3) Costs are as shown for Legal Services on Schedule 6 and allocated by estimated costs incurred by each program.
- (4) Costs are as shown for Business Services on Schedule 6, including Shared Services, Internal Audit and other services, allocated by costs in certain programs.

Schedule 4 Consolidated Portfolio Investments

as at March 31, 2018

(in thousands)

	2018		2017	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Interest-Bearing Securities				
Deposits and Short-Term Securities	\$ 715,372	\$ 709,501	\$ 916,323	\$ 917,209
Bonds and Mortgages	1,744,975	1,709,367	1,756,693	1,755,080
	2,460,347	2,418,868	2,673,016	2,672,289
Equities				
Canadian Equities	363,682	405,363	531,681	629,084
Foreign Equities	913,519	1,188,250	741,361	957,986
Pooled Hedged Funds	30,000	30,552	49,225	52,064
Pooled Investment Funds	1,153,325	1,382,664	816,414	1,020,124
	2,460,526	3,006,829	2,138,681	2,659,258
Inflation Sensitive and Alternative Investments				
Real Estate Funds	66,175	98,567	67,920	93,578
Other Investments	6,559	7,464	6,010	6,615
	72,734	106,031	73,930	100,193
Total Portfolio Investments	\$ 4,993,607	\$ 5,531,728	\$ 4,885,627	\$ 5,431,740

	2018		2017	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Non-Endowment	\$ 2,660,005	\$ 2,757,036	\$ 2,719,848	\$ 2,823,378
Restricted for Endowments	2,333,602	2,774,692	2,165,779	2,608,362
Total Portfolio Investments	\$ 4,993,607	\$ 5,531,728	\$ 4,885,627	\$ 5,431,740

Schedule 5 Equity in Government Business Enterprises

as at March 31, 2018

(in thousands)

	2018	2017
Accumulated Deficit, Beginning of Year	\$ (8,257)	\$ (6,480)
Adjustment to Prior Year Accumulated Surplus	(1,188)	—
Adjusted Accumulated Deficit, Beginning of Year	(9,445)	(6,480)
Total Revenue	11,700	5,206
Total Expense	8,090	6,983
Gain (Loss) from Commercial Operations	3,610	(1,777)
Accumulated Deficit, End of Year	\$ (5,835)	\$ (8,257)
Represented by:		
Assets		
Financial Assets	\$ 38,671	\$ 36,890
Non-Financial Assets	34,792	22,358
	73,463	59,248
Liabilities		
Accounts Payable	6,870	8,921
Debt	54,379	38,829
	61,249	47,750
	\$ 12,214	\$ 11,498
Equity (Deficiency) in Government Business Enterprises, End of Year as reported by the entities:		
Keyano College	\$ 15,114	\$ 14,177
MacEwan University	3,000	—
Northern Alberta Institute of Technology (1)	1,185	1,107
Olds College	1,909	2,056
Southern Alberta Institute of Technology (1)	980	1,452
University of Calgary	(9,974)	(7,294)
	\$ 12,214	\$ 11,498
Advances		
Advances to Keyano Land Trust	\$ 11,485	\$ 11,168
Advances to Olds College Trust	3,564	3,354
Advances to MacEwan University Trust	3,000	—
	\$ 18,049	\$ 14,522

(1) The amount represents the percentage equity owned by the Ministry:

Northern Alberta Institute of Technology - 33%

Southern Alberta Institute of Technology - 33%

Schedule 6 *Related Party Transactions*

for the year ended March 31, 2018

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta consolidated financial statements. Related parties also include key management personnel and close family members of those individuals 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 reported in the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2018	2017 (Restated Note 4)
Revenues		
Grants	\$ 380,592	\$ 370,755
Other	76,716	61,528
	<u>\$ 457,308</u>	<u>\$ 432,283</u>
Expenses – Directly Incurred		
Grants	\$ 3,376	\$ 3,560
Other Services	105,884	49,222
	<u>\$ 109,260</u>	<u>\$ 52,782</u>
Receivables from	<u>\$ 35,540</u>	<u>\$ 37,455</u>
Payables to	<u>\$ 15,964</u>	<u>\$ 17,233</u>
Deferred Revenue	<u>\$ 377,335</u>	<u>\$ 376,789</u>
Debt to Related Parties	<u>\$ 1,066,698</u>	<u>\$ 1,073,813</u>
Contractual Rights	<u>\$ 22,703</u>	<u>\$ 27,300</u>
Contractual Obligations	<u>\$ 19,309</u>	<u>\$ 14,126</u>

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 reported in the consolidated financial statements and are disclosed in Schedule 3.

	2018	2017 (Restated Note 4)
Expenses – Incurred by Others		
Accommodation	\$ 7,749	\$ 7,613
Legal	633	660
Shared Services	3,569	3,668
Internal Audit	81	52
GOA Learning Centre	23	58
	<u>\$ 12,055</u>	<u>\$ 12,051</u>

Schedule 7 Entities Included in the Consolidated Financial Statements

Department of Advanced Education

Funds

Access to the Future Fund

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

Government Business Enterprises

Keyano College Land Trust

MacEwan Downtown Corporation

Olds College Trust

PanGlobal Training Systems Ltd.

West Campus Development Corporation

Department of Advanced Education

Financial Statements

March 31, 2018

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Independent Auditor's Report

To the Minister of Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Advanced Education, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net financial assets 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 Advanced Education as at March 31, 2018, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

June 6, 2018
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual (Restated Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 51,099	\$ 50,220	\$ 50,805
Government of Canada Grants	94,434	226,251	175,755
Investment Income	25,379	29,738	22,352
Premiums, Fees and Licences	4,855	6,651	6,724
Other Revenue	4,414	6,728	5,289
	180,181	319,588	260,925
Expenses – Directly Incurred (Note 2(a) and Schedules 3, 4, 6, and 7)			
Programs			
Ministry Support Services	28,640	26,146	26,575
Support for Adult Learning	2,469,223	2,440,477	2,409,294
Apprenticeship Delivery	46,372	42,397	42,880
Student Aid	251,937	233,013	245,720
Foundational Learning Supports	84,787	91,659	78,776
Post-Secondary Infrastructure	446,582	498,685	519,666
	3,327,541	3,332,377	3,322,911
Annual Deficit	\$(3,147,360)	\$(3,012,789)	\$(3,061,986)

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

Statement of Financial Position

as at March 31, 2018

(in thousands)

	2018	2017 (Restated Note 3)
Financial Assets		
Cash	\$ 20,550	\$ 3,261
Accounts Receivable (Note 4)	30,854	12,687
Loans Receivable (Note 5)	2,547,100	2,155,514
	2,598,504	2,171,462
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	37,275	39,133
Net Financial Assets	2,561,229	2,132,329
Non-Financial Assets		
Tangible Capital Assets (Note 8)	21,047	23,346
Prepaid Expenses	151	348
	21,198	23,694
Net Assets	\$ 2,582,427	\$ 2,156,023
Net Assets		
Net Assets, Beginning of Year	\$ 2,156,023	\$ 1,729,261
Annual Deficit	(3,012,789)	(3,061,986)
Net Financing Provided from General Revenues	3,439,193	3,488,748
Net Assets, End of Year	\$ 2,582,427	\$ 2,156,023

Contractual rights (Notes 6)

Contractual Obligations (Note 9)

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

Statement of Change in Net Financial Assets

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual (Restated Note 3)
Annual Deficit	\$ (3,147,360)	\$ (3,012,789)	\$ (3,061,986)
Acquisition of Tangible Capital Assets (Note 8)	(3,974)	(3,554)	(4,402)
Amortization of Tangible Capital Assets (Note 8)	6,700	5,853	5,428
Change in Prepaid Expenses		197	(26)
Net Financing Provided from General Revenue		3,439,193	3,488,748
Increase in Net Financial Assets		428,900	427,762
Net Financial Assets, Beginning of Year		2,132,329	1,704,567
Net Financial Assets, End of Year		\$ 2,561,229	\$ 2,132,329

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

Statement of Cash Flows

for the year ended March 31, 2018

(in thousands)

	2018	2017 (Restated Note 3)
Operating Transactions		
Annual Deficit	\$(3,012,789)	\$(3,061,986)
Non-Cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 8)	5,853	5,428
Provision for Future Cost of Student Loans Issued	46,994	62,726
Student Loan Valuation Adjustments	(9,845)	(8,730)
Provision for Vacation Pay	311	146
	(2,969,476)	(3,002,416)
(Increase) Decrease in Accounts Receivable	(18,167)	7,241
Decrease in Accounts Payable and Accrued Liabilities	(2,169)	(10,174)
Decrease (Increase) in Prepaid Expenses	197	(26)
Cash Applied to Operating Transactions	(2,989,615)	(3,005,375)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	(3,554)	(4,402)
Cash Applied to Capital Transactions	(3,554)	(4,402)
Investing Transactions		
Loans Receivable		
Student Loan Disbursements	(614,398)	(645,385)
Student Loan Repayments	185,663	159,224
Cash Applied to Investing Transactions	(428,735)	(486,161)
Financing Transactions		
Net Financing Provided from General Revenues	3,439,193	3,488,748
Cash Provided by Financing Transactions	3,439,193	3,488,748
Increase (Decrease) in Cash	17,289	(7,190)
Cash, Beginning of Year	3,261	10,451
Cash, End of Year	\$ 20,550	\$ 3,261

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

Notes to the Financial Statements

March 31, 2018

Note 1 **Authority and Purpose**

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

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

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

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

(a) **Basis of Financial Reporting**

Revenue

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

Government Transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers are recognized as deferred capital contributions and deferred revenue if the eligibility criteria of the transfer or the stipulations together with the department's actions and communications as to the use of the transfers create a liability. These transfers are recognized as revenues, as the stipulations are met, and when applicable, the department complies with its communicated uses of these transfers.

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

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.

Transfers of Tangible Capital Assets from Other Government Departments/Entities

Transfers of tangible capital assets from other government departments or entities are recognized as revenue.

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. These include grant expenses.

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

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

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

Incurred by Others

Services contributed by other related entities in support of the department's operations are not recognized but disclosed in Schedule 7.

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.

Financial 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.

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Loans receivable are recognized at cost net of allowances for impaired loans, loan subsidy, and repayment assistance. The change in the allowances reflects the provision for default, subsidy and assistance, limitations and write-offs of loans under the *Student Financial Assistance Act* (Note 5).

Liabilities

Liabilities are present obligations of the department to external organizations and individuals arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets of the department are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets of the department are recognized 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 put into service.

Other Assets

Intangible assets, inherited natural resources, Crown lands, art and historic treasures and assets acquired by right are not recognized in these financial statements.

Measurement Uncertainty *(in thousands)*

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

The areas subject to measurement uncertainty are net student loans receivable of \$2,547,100 (2017 - \$2,155,514) per Note 5 after adjusting for the following:

- ▶ allowance for impaired loans amounting to \$241,745 (2017 - \$227,253);
- ▶ allowance for loan subsidy amounting to \$34,009 (2017 - \$32,106); and
- ▶ allowance for repayment assistance amounting to \$8,806 (2017 - \$6,440).

The allowances are used to reflect loans receivable at the lower of cost and net recoverable value. Changes to the allowances are recorded in the statement of operations to the provision for the future cost of student loans issued.

In the current year, \$46,994 (2017 - \$62,726) was recorded as the provision for the future cost of student loans issued to reflect the change in the allowances.

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

Measurement Uncertainty (continued) (in thousands)

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.

The impact of changes in estimates would affect the total student loan provision as follows:

- ▶ An increase or decrease of 0.25% to the default rate would respectively increase or decrease the provision by \$6,700 (14.3%).
- ▶ An increase or decrease of 0.25% in the provincial borrowing rate would respectively increase or decrease the provision by \$9,100 (19.4%).
- ▶ An increase or decrease of 0.25% in the student lending rate would respectively increase or decrease the provision by \$6,700 (14.3%).
- ▶ An increase or decrease of 1% in the repayment assistance amounts or loan forgiveness rate would have a minimal impact on the calculated provision.

Sensitivity analysis is based on assumptions which may not necessarily be linear. Although some of the other variables mentioned above were not applied in the calculations of the sensitivity, actual experience has shown that changes in one variable may amplify or suppress changes in another which would impact the overall result differently from the projected outcome.

Government Endowment Funds for Scholarships

The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment fund to make income available for scholarships.

The Ministry of Treasury Board and Finance controls this endowment. However, the department of Advanced Education has an economic interest in the endowment as it assists in funding department programs. Additional information on the endowment can be found in the financial statements for Alberta Treasury Board and Finance.

(in thousands)	Net Assets			
	2018		2017	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Scholarship Fund	\$ 1,269,328	\$ 1,350,655	\$ 1,205,282	\$ 1,301,116

(b) Change in Accounting Policy

The department has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Note 2, Note 6, Schedule 3, Schedule 6 and Schedule 7.

(c) Future Accounting Changes

The Public Sector Accounting Board issued these following accounting standards:

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

PS 3280 Asset Retirement Obligations (effective April 1, 2021)

This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

PS 3450 Financial Instruments (effective April 1, 2021)

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.

Note 3 Program Transfers (in thousands)

Effective September 1, 2017 via Order in Council 167/2017, Communications and Public Engagement branches were transferred from each department to the Department of Treasury Board and Finance. Comparatives for 2017 have been restated as if the current organization structure had always been the same.

Net assets on April 1, 2016 are made up as follows:

Net Assets as previously reported	\$ 1,729,127
Transfer to the Department of Treasury Board and Finance	134
Net Assets at April 1, 2016	\$ 1,729,261

Net financial assets on April 1, 2016 are made up as follows:

Net Financial Assets as previously reported	\$ 1,704,433
Transfer to the Department of Treasury Board and Finance	134
Net Financial Assets at April 1, 2016	\$ 1,704,567

Note 4 Accounts Receivable (in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018	2017
Government of Canada	\$ 23,178	\$ 8,735
Accrued Interest Receivable on Loans	4,939	2,132
Other	2,737	1,820
	\$ 30,854	\$ 12,687

Note 5 Loans Receivable (in thousands)

	2018	2017
Loans Receivable	\$ 2,831,660	\$ 2,421,313
Less:		
Allowance for Impaired Loans	(241,745)	(227,253)
Allowance for Loan Subsidy	(34,009)	(32,106)
Allowance for Repayment Assistance	(8,806)	(6,440)
	\$ 2,547,100	\$ 2,155,514

Program and Repayments

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

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%, however:

- ▶ Students are not expected to make repayments while in school.
- ▶ Loans become payable and interest is earned starting six months after students graduate or discontinue their studies.
- ▶ Students could apply for Government Repayment Assistance Program if they qualify and satisfy the conditions.
- ▶ Loans are classified as impaired, with the following conditions:
 - ▶ 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.

Note 5 Loans Receivable (continued)

(in thousands)

Allowances

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 rates of 5.4% (2017 - 6.1%) and recovery rates of 26.7% (2017 - 28.5%).

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 on the allowance for loan subsidy over the estimated life of the student loan. The key assumptions used to determine this provision are a blended student lending rate of 3.3% (2017 - 3.2%), the annual average provincial borrowing rate of 2.6% (2017 - 2.5%), the average repayment period of 9 years (2017 - 9 years), 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 of 9.2% (2017 - 8.5%).

Repayment Terms

Following is the repayment term for loans due starting six months after graduation or discontinuation of studies, or in the Repayment Assistance program.

(in thousands)	Principal	Interest	Total Payments
2018-19	\$ 167,701	\$ 5,484	\$ 173,185
2019-20	160,272	5,241	165,513
2020-21	156,575	5,120	161,695
2021-22	151,075	4,940	156,015
2022-23	142,843	4,671	147,514
Thereafter	370,459	12,114	382,573
	\$ 1,148,925	\$ 37,570	\$ 1,186,495

All other loans are excluded as no terms of payment have been established.

Note 6 Contractual Rights

(in thousands)

Contractual rights are rights of the department to economic resource arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2018	2017
Rights under Contracts and Programs	\$ 177,524	\$ 258,057
	\$ 177,524	\$ 258,057

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Rights under Contracts and Programs
2018-19	\$ 152,704
2019-20	4,964
2020-21	4,964
2021-22	4,964
2022-23	4,964
Thereafter	4,964
	\$ 177,524

Note 7 Accounts Payable and Accrued Liabilities

(in thousands)

	2018	2017 (Restated Note 3)
Accounts Payable	\$ 1,295	\$ 1,366
Unearned Revenue	2,164	504
Other Accrued Liabilities:		
Grants	21,027	24,451
Vacation	6,909	6,662
Other (1)	5,880	6,150
	\$ 37,275	\$ 39,133

(1) \$110 (2017 - \$123) is represented by Payments Under Agreement (Note 11).

Note 8 Tangible Capital Assets

(in thousands)

	2018			2017
	Equipment (1)	Computer Hardware and Software	Total	Total
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost (2)				
Beginning of Year	\$ 309	\$ 66,420	\$ 66,729	\$ 62,776
Additions	18	3,536	3,554	4,402
Disposals, including Write-downs	—	(49)	(49)	(449)
	327	69,907	70,234	66,729
Accumulated				
Beginning of Year	167	43,216	43,383	38,404
Amortization Expense	42	5,811	5,853	5,428
Effect of Disposals	—	(49)	(49)	(449)
	209	48,978	49,187	43,383
Net Book Value at March 31, 2018	\$ 118	\$ 20,929	\$ 21,047	
Net Book Value at March 31, 2017	\$ 142	\$ 23,204		\$ 23,346

(1) Equipment includes office equipment and furniture.

(2) Historical cost includes work-in-progress at March 31, 2018 totaling \$3,380 (2017 - \$11,733).

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.

	2018	2017 (Restated) (1)
Obligations under Contracts and Programs	\$ 73,228	\$ 112,997
Capital Grants	230,717	355,908
	\$ 303,945	\$ 468,905

(1) Figures have been restated to remove obligations subject to appropriation which are not substantially complete.

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

	Contracts and Programs	Capital Grants	Total
2018-19	\$ 53,064	\$ 208,017	\$ 261,081
2019-20	19,804	22,700	42,504
2020-21	130	—	130
2021-22	130	—	130
2022-23	100	—	100
Thereafter	—	—	—
	\$ 73,228	\$ 230,717	\$ 303,945

Note 10 Benefit Plans (in thousands)

The department participates in the following multi-employer pension plans: Management Employees Pension Plan (MEPP), Public Service Pension Plan (PSPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contributions of \$7,295 for the year ended March 31, 2018 (2017 (restated) -\$7,980). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the MEPP reported a surplus of \$866,006 (2016 - surplus \$402,033), the PSPP reported a surplus of \$1,275,843 (2016 - surplus \$302,975) and the SRP reported a deficiency of \$54,984 (2016 - deficiency \$50,020).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$111,983 (2017 - surplus \$101,515) and the Management, Opted Out and Excluded Plan a surplus of \$29,805 (2017 - surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11 Payments Under Agreement (in thousands)

In the current year there are no new federally funded programs accounted for as payments under agreement. The department continues to collect grant overpayments to repay the federal government for completed agreements.

Government of Canada

Net amounts payable under agreements on behalf of the Government of Canada:

	2018	2017
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	\$ (2)	\$ (5)
Government of Canada		
Canada Study Grants	(3)	(3)
Canada Student Grants	(105)	(115)
	\$ (110)	\$ (123)

Note 12 Subsequent Events

Effective: (1) April 1, 2018, the government consolidated human resource functions under the Public Service Commission within the Department of Treasury Board and Finance; (2) April 1, 2018, the government consolidated the Freedom of Information and Protection of Privacy (FOIP) delivery services under the Department of Service Alberta; (3) April 1, 2018, the government consolidated information management and technology services under the Department of Service Alberta.

Note 13 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 14 Approval of Financial Statements

The deputy minister and the senior financial officer approved these financial statements.

Schedules to the Financial Statements

for the year ended March 31, 2018

Schedule 1 Revenues

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	\$ 51,099	\$ 50,220	\$ 50,805
Government of Canada Grants			
Strategic Investment Fund	—	112,603	84,452
Labour Market Development	87,134	105,393	82,991
Other Federal Grants	7,300	8,255	8,312
	94,434	226,251	175,755
	145,533	276,471	226,560
Investment Income			
Interest on Student Loans Issued	20,099	23,903	16,869
Amortization of Loan Discounts	5,280	5,835	5,483
	25,379	29,738	22,352
Premiums, Fees and Licences			
Apprenticeship Services	4,700	4,456	4,392
Fees and Licences	155	2,195	2,332
	4,855	6,651	6,724
Other Revenue			
Refunds of Expense	2,700	5,275	4,068
Other Revenue	1,714	1,453	1,221
	4,414	6,728	5,289
	\$ 180,181	\$ 319,588	\$ 260,925

Schedule 2 Credit or Recovery

for the year ended March 31, 2018

(in thousands)

	Authorized	Actual Revenue Recognized	Deferred Revenue	Total Revenue Received/ Receivable	(Shortfall) / Excess
Information and Technology Management Services ⁽¹⁾	\$ 1,600	\$ 1,214	\$ —	\$ 1,214	\$ (386)
Canada Student Loan Administration ⁽²⁾	3,000	4,370	—	4,370	1,370
French Language Program ⁽³⁾	4,300	3,885	—	3,885	(415)
	\$ 8,900	\$ 9,469	\$ —	\$ 9,469	\$ 569

- (1) Revenue is collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis. Element 1.4 - Schedule 4.
- (2) Funding is received from the federal government to administer Canada student loans and grants to Alberta students on a cost-recovery basis. Element 4.1 - Schedule 4.
- (3) 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 4.

Schedule 3 Expenses – Directly Incurred Detailed by Object

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual (Restated Note 3)
Salaries, Wages and Employee Benefits	\$ 71,097	\$ 67,233	\$ 65,956
Supplies and Services	60,037	58,423	61,949
Grants	3,129,838	3,153,496	3,126,616
Amortization of Tangible Capital Assets (Note 8)	6,700	5,853	5,428
Provision for Future Cost of Student Loans Issued	59,800	46,994	62,726
Other Expenditures	69	378	236
Total Expenses	\$ 3,327,541	\$ 3,332,377	\$ 3,322,911

Schedule 4 Lapse/Encumbrance

for the year ended March 31, 2018

(in thousands)

	Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended)
Program - Operating Expense						
1 Ministry Support Services						
1.1 Minister's Office	\$ 742	\$ —	\$ —	\$ 742	\$ 737	\$ 5
1.2 Deputy Minister's Office	640	—	—	640	631	9
1.3 Communications	1,394	—	(1,394)	—	—	—
1.4 Strategic and Corporate Services	23,405	—	(120)	23,285	21,848	1,437
1.5 Human Resources	2,184	—	—	2,184	2,067	117
	28,365	—	(1,514)	26,851	25,283	1,568
2 Support for Adult Learning						
2.1 Program Delivery Support	12,247	—	—	12,247	12,065	182
2.2 Operating Support for Post-Secondary Institutions	2,360,708	—	—	2,360,708	2,339,154	21,554
2.3 Academic Health Centres	21,000	—	—	21,000	21,000	—
2.4 Campus Alberta Innovations	17,151	—	—	17,151	16,052	1,099
2.5 Inter-Jurisdiction Programs	10,013	—	—	10,013	9,484	529
2.6 Community Education	24,027	—	—	24,027	23,596	431
2.7 Adult Learning System Initiatives	22,742	—	—	22,742	17,917	4,825
	2,467,888	—	—	2,467,888	2,439,268	28,620
3 Apprenticeship Delivery	44,027	—	—	44,027	40,998	3,029
	44,027	—	—	44,027	40,998	3,029
4 Student Aid						
4.1 Program Delivery Support	36,521	—	—	36,521	34,943	1,578
4.2 Scholarships and Awards	45,368	—	—	45,368	44,751	617
4.3 Grants and Bursaries	56,399	—	—	56,399	53,410	2,989
	138,288	—	—	138,288	133,104	5,184
5 Foundational Learning Supports						
5.1 Program Delivery Support	4,378	—	—	4,378	4,338	40
5.2 Foundational Learning Programs	80,409	—	—	80,409	87,321	(6,912)
	84,787	—	—	84,787	91,659	(6,872)
Total	\$ 2,763,355	\$ —	\$ (1,514)	\$ 2,761,841	\$ 2,730,312	\$ 31,529
Lapse / (Encumbrance)						\$ 31,529

- ▼
- (1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2017-18 Government Estimates.
 - (2) Per the Supplementary Estimates were approved on March 14, 2018.
 - (3) Adjustments include encumbrances, capital carry forward amounts, transfers between votes and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls (Schedule 2). An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.
 - (4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 4 Lapse/Encumbrance (continued)

for the year ended March 31, 2018

(in thousands)

	Voted Estimate (1)	Supplementary Estimate (2)	Adjustments (3)	Adjusted Voted Estimate	Voted Actuals (4)	Unexpended (Overexpended)
Capital Investment						
1 Ministry Support Services						
1.4 Strategic and Corporate Services	\$ 1,015	\$ —	\$ —	\$ 1,015	\$ 940	\$ 75
2 Support for Adult Learning						
2.7 Adult Learning System Initiatives	—	—	—	—	156	(156)
3 Apprenticeship Delivery	660	—	4,472	5,132	1,901	3,231
4 Student Aid						
4.1 Program Delivery Support	2,299	—	—	2,299	557	1,742
Total	\$ 3,974	\$ —	\$ 4,472	\$ 8,446	\$ 3,554	\$ 4,892
Lapse / (Encumbrance)						\$ 4,892
Capital Payments to Related Parties						
6 Post-Secondary Infrastructure						
6.1 Capital Expansion and Upgrading	\$ 292,582	\$ —	\$ —	\$ 292,582	\$ 250,582	\$ 42,000
6.2 Capital Maintenance and Renewal	154,000	—	—	154,000	135,500	18,500
Sub-total	446,582	—	—	446,582	386,082	60,500
Total Capital	\$ 450,556	\$ —	\$ 4,472	\$ 455,028	\$ 389,636	\$ 65,392
Lapse / (Encumbrance)						\$ 65,392
Financial Transactions						
4 Student Aid						
4.4 Student Loan Disbursements	\$ 630,000	\$ —	\$ —	\$ 630,000	\$ 617,745	\$ 12,255
Total	\$ 630,000	\$ —	\$ —	\$ 630,000	\$ 617,745	\$ 12,255
Lapse / (Encumbrance)						\$ 12,255

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2017-18 Government Estimates.

(2) Per the Supplementary Estimates were approved on March 14, 2018.

(3) Adjustments include encumbrances, capital carry forward amounts, transfers between votes and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls (Schedule 2). An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Schedule 5 Salary and Benefits Disclosure

for the year ended March 31, 2018

(in thousands)

	2018				2017
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total (Restated)
Deputy Minister (4)	\$ 286	\$ —	\$ 66	\$ 352	\$ 360
Executives:					
ADM, Advanced Learning and Community Partnerships	200	—	50	250	257
ADM, Apprenticeship and Student Aid	198	—	49	247	254
ADM, Strategic and Corporate Services	197	—	49	246	247
Executive Director, Senior Financial Officer	164	—	43	207	155
Executive Director, Human Resources	164	—	40	204	244
Executive Director, Chief Information Officer	153	—	38	191	189
Director, Communications (5)	120	—	30	150	159

(1) Base salary includes regular base salary and earnings.

(2) There were no other cash benefits or bonuses paid in 2018.

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

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

(5) Salary and benefits are paid by the Department of Treasury Board and Finance.

Schedule 6 *Related Party Transactions*

for the year ended March 31, 2018

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in the department and their close family members.

The department and its employees paid or collected certain taxes and fees set by regulation for premiums, 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 reported 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	
	2018	2017	2018	2017
Revenues				
Grants	\$ —	\$ —	\$ 50,220	\$ 50,805
Other	1,142	3,040	170	—
	\$ 1,142	\$ 3,040	\$ 50,390	\$ 50,805
Expenses – Directly Incurred				
Grants	\$ 2,876,398	\$ 2,866,116	\$ 3,376	\$ 3,486
Other Services	771	2,143	7,913	7,004
	\$ 2,877,169	\$ 2,868,259	\$ 11,289	\$ 10,490
Receivables from	\$ 907	\$ 597	\$ —	\$ —
Payables to	\$ 14,967	\$ 15,131	\$ —	\$ —
Contractual Rights	\$ 982	\$ 1,973	\$ —	\$ —
Contractual Obligations	\$ 238,902	\$ 378,369	\$ —	\$ —

The department also had 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 reported in the financial statements. Expenses are included in Schedule 7.

Schedule 7 Allocated Costs

for the year ended March 31, 2018

(in thousands)

Program	2018				2017	
	Expenses (1)	Expenses – Incurred by Others			Total Expenses	Total Expenses (Restated Note 3)
		Accommodation Costs (2)	Legal Services (3)	Business Services (4)		
Ministry Support Services	\$ 26,146	\$ 1,633	\$ 302	\$ 3,673	\$ 31,754	\$ 32,260
Support for Adult Learning	2,440,477	1,218	167	—	2,441,862	2,410,684
Apprenticeship Delivery	42,397	2,877	82	—	45,356	45,783
Student Aid	233,013	1,438	82	—	234,533	247,212
Foundational Learning Supports	91,659	583	—	—	92,242	79,349
Post-Secondary Infrastructure	498,685	—	—	—	498,685	519,666
	\$ 3,332,377	\$ 7,749	\$ 633	\$ 3,673	\$ 3,344,432	\$ 3,334,954

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

(2) Accommodation Costs, including grants in lieu of taxes, allocated by square footage.

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

(4) Business Services Costs, including charges for IT support, vehicles, internal audit services and other services, allocated by costs in certain programs.

Access to the Future Fund

Financial Statements

March 31, 2018	<i>Audited Information</i>
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Independent Auditor's Report

To the Minister of 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, 2018, and the statements of operations, change in net financial assets 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, 2018, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 6, 2018

Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual
Revenues			
Investment Income	\$ 413	\$ 617	\$ 507
	413	617	507
Expenses (Note 2(a))			
Post-Secondary Infrastructure	—	—	10,000
	—	—	10,000
Annual Surplus (Deficit)	\$ 413	\$ 617	\$ (9,493)

The accompanying notes are part of these financial statements.

Statement of Financial Position

as at March 31, 2018

(in thousands)

	2018	2017
Financial Assets		
Cash (Note 4)	\$ 57,014	\$ 56,397
Net Financial Assets	57,014	56,397
Net Assets	\$ 57,014	\$ 56,397
Net Assets		
Net Assets, Beginning of Year	\$ 56,397	\$ 65,890
Annual Surplus (Deficit)	617	(9,493)
Net Assets, End of Year	\$ 57,014	\$ 56,397

The accompanying notes are part of these financial statements.

Statement of Change in Net Financial Assets

for the year ended March 31, 2018

(in thousands)

	2018		2017
	Budget	Actual	Actual
Annual Surplus (Deficit)	\$ 413	\$ 617	\$ (9,493)
Increase (Decrease) in Net Financial Assets		617	(9,493)
Net Financial Assets, Beginning of Year		56,397	65,890
Net Financial Assets, End of Year		\$ 57,014	\$ 56,397

The accompanying notes are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2018

(in thousands)

	2018	2017
Operating Transactions		
Annual Surplus (Deficit)	\$ 617	\$ (9,493)
Cash Provided by (Applied to) Operating Transactions	617	(9,493)
Increase (Decrease) in Cash	617	(9,493)
Cash, Beginning of Year	56,397	65,890
Cash, End of Year	\$ 57,014	\$ 56,397

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

March 31, 2018

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 2017-18, payments from the Fund continue to be suspended.

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

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

(a) **Basis of Financial Reporting**

Revenue

All revenues are reported on the accrual basis of accounting.

Government Transfers

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

Government transfers are recognized as deferred capital contributions and deferred revenue if the eligibility criteria of the transfer or the stipulations together with the Fund's actions and communications as to the use of the transfer create a liability. These transfers are recognized as revenue, as the stipulations are met and, when applicable, the Fund complies with its communicated uses of these transfers.

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

Expenses

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

Financial 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 present obligations of the Fund to external organizations and individuals arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

(b) **Change in Accounting Policy**

The Fund has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Note 2 and Note 5.

(c) **Future Accounting Changes**

The Public Sector Accounting Board issued these following accounting standards:

PS 3430 Restructuring Transactions (effective April 1, 2018)

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

PS 3280 Asset Retirement Obligations (effective April 1, 2021)

This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**PS 3450 Financial Instruments (effective April 1, 2021)**

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.

Note 3 Advanced Education Endowment

The Advanced Education Endowment (the Endowment) is a notional account within the Alberta Heritage Savings Trust Fund (AHSTF) that was established by the *Access to the Future Act*. The notional balance provided below is used as a base to which a rate is applied to determine future cash transfers to the Access to the Future Fund.

(in thousands)	2018	2017
Opening Balance	\$ 1,459,472	\$ 1,318,284
Rate of Return Adjustment	124,055	141,188
Closing Balance	\$ 1,583,528	\$ 1,459,472

A maximum of \$3 billion can be allocated to the Endowment from within the AHSTF of which \$750 million has been allocated in 2005-06 and \$250 million in 2006-07. The balance in the Endowment is adjusted for (a) the rate of return reported by the AHSTF for the year and (b) transfers to the Access to the Future Fund.

Maximum transfers to the Access to the Future Fund are calculated as 4.5% of the average of the closing balances of the Endowment for the preceding 3 fiscal years. Effective in fiscal year 2015-16, transfers to the Access to the Future Fund are made from the General Revenue Fund (Sec 4(7) of the *Access to the Future Act*.) The last transfer to the Access to the Future Fund was made in 2014-15.

Note 4 Cash

Cash is deposited in the government's Consolidated Cash Investment Trust Fund which 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, 2018, securities held by the Fund have a time-weighted rate of return of 1.1% per annum (2017 - 0.9% per annum).

Note 5 Related Party Transactions

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 key management personnel and their close family members.

As payments from the Fund continue to be suspended, there are no transactions for the current year.

(in thousands)	Entities in the Ministry	
	2018	2017
Expenses – Directly Incurred		
Grants	\$ —	\$ 10,000

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

Note 6 Approval of Financial Statements

The deputy minister and the senior financial officer approved these financial statements.

Summary Subsidiary Financial Statements *Unaudited Information*

Public Post-Secondary Institutions

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Comprehensive Academic and Research Institutions

Summary Financial Statements ⁽¹⁾

for March 31, 2018

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2018 Totals	2017 Totals (Restated)
Statement of Financial Position						
Financial Assets excluding Portfolio Investments Restricted for Endowments						
Cash and Cash Equivalents	\$ 74,078	\$ 145,295	\$ 65,048	\$ 4,425	\$ 288,846	\$ 175,238
Portfolio Investments - Non-Endowments	872,516	886,760	138,542	41,887	1,939,705	2,009,165
Investment in Government Business Enterprises	—	(9,974)	—	—	(9,974)	(7,294)
Accounts Receivable	153,177	70,306	4,994	8,134	236,611	227,905
Inventories for Resale	2,340	4,363	669	1,347	8,719	11,146
	1,102,111	1,096,750	209,253	55,793	2,463,907	2,416,160
Liabilities						
Accounts Payable and Accrued Liabilities	179,497	166,724	35,091	10,533	391,845	356,586
Employee Future Benefit Liabilities	237,774	115,453	38,931	17,502	409,660	441,014
Debt	350,306	164,069	7,925	—	522,300	495,785
Deferred Revenue	480,164	447,024	31,265	27,466	985,919	922,344
Unspent Deferred Capital Contributions	67,852	21,207	41,184	—	130,243	220,944
	1,315,593	914,477	154,396	55,501	2,439,967	2,436,673
Net Financial Assets/(Net Debt) excluding Portfolio Investments Restricted for Endowments	(213,482)	182,273	54,857	292	23,940	(20,513)
Portfolio Investments - Restricted for Endowments	1,379,534	952,665	68,348	4,002	2,404,549	2,261,110
Net Financial Assets	\$ 1,166,052	\$ 1,134,938	\$ 123,205	\$ 4,294	\$ 2,428,489	\$ 2,240,597
Non-Financial Assets						
Tangible Capital Assets	\$ 2,732,029	\$ 1,880,148	\$ 463,834	\$ 49,764	\$ 5,125,775	\$ 4,923,885
Inventories of Supplies	7,981	—	72	—	8,053	52
Prepaid Expenses	—	7,334	1,691	1,466	10,491	28,565
	2,740,010	1,887,482	465,597	51,230	5,144,319	4,952,502
Net Assets before Spent Deferred Capital Contributions	3,906,062	3,022,420	588,802	55,524	7,572,808	7,193,099
Spent Deferred Capital Contributions	1,900,241	1,352,515	352,814	38,428	3,643,998	3,474,145
Net Assets	\$ 2,005,821	\$ 1,669,905	\$ 235,988	\$ 17,096	\$ 3,928,810	\$ 3,718,954
Net Assets						
Accumulated Surplus	\$ 1,729,849	\$ 1,561,365	\$ 211,041	\$ 17,395	\$ 3,519,650	\$ 3,309,928
Accumulated Remeasurement Gains and Losses	275,972	108,540	24,947	(299)	409,160	409,026
	\$ 2,005,821	\$ 1,669,905	\$ 235,988	\$ 17,096	\$ 3,928,810	\$ 3,718,954

(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.

Comprehensive Academic and Research Institutions (continued)

Summary Financial Statements ⁽¹⁾

for March 31, 2018

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2018 Totals	2017 Totals (Restated)
Statement of Operations						
Revenue	\$ 1,929,724	\$ 1,402,286	\$ 211,957	\$ 139,331	\$ 3,683,298	\$ 3,572,514
Expenses	1,876,924	1,397,287	210,113	132,276	3,616,600	3,524,023
Endowment Contributions and Capitalized Investment Income	53,180	88,878	817	150	143,025	130,674
Annual Surplus	\$ 105,980	\$ 93,877	\$ 2,661	\$ 7,205	\$ 209,723	\$ 179,165
Statement of Cash Flows						
Cash and Cash Equivalents, Beginning of Year	\$ 18,768	\$ 46,463	\$ 104,752	\$ 5,255	\$ 175,238	\$ 105,817
Cash Provided by (Applied to) Operating Transactions	77,512	191,738	(30,455)	6,548	245,343	384,212
Cash Applied to Organizational Activities	(22,202)	(92,906)	(9,249)	(7,378)	(131,735)	(314,791)
Cash and Cash Equivalents, End of Year	\$ 74,078	\$ 145,295	\$ 65,048	\$ 4,425	\$ 288,846	\$ 175,238
Statement of Changes in Net Financial Assets						
Annual Surplus	\$ 105,980	\$ 93,877	\$ 2,661	\$ 7,205	\$ 209,723	\$ 179,165
Changes to Accounts Relating to Non-Financial Assets	16,733	10,371	(4,931)	(342)	(21,831)	234,351
Increase in Net Financial Assets in the Year	89,247	83,506	7,592	7,547	187,892	413,516
Net Financial Assets (Net Debt), Beginning of Year	1,076,805	1,051,432	115,613	(3,253)	2,240,597	1,827,081
Net Financial Assets, End of Year	\$ 1,166,052	\$ 1,134,938	\$ 123,205	\$ 4,294	\$ 2,428,489	\$ 2,240,597
Salary and Benefits of President Positions						
Base Salary	\$ 500	\$ 480	\$ 440	\$ 337		
Other Cash Benefits ⁽²⁾	95	121	30	112		
Non-Cash Benefits ⁽³⁾	221	297	254	146		
	\$ 816	\$ 898	\$ 724	\$ 595		

(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, 2017

(in thousands)

	MacEwan University	Mount Royal University	2017 Totals	2016 Totals (Restated)
Statement of Financial Position				
Financial Assets excluding Portfolio Investments Restricted for Endowments				
Cash and Cash Equivalents	\$ 46,992	\$ 18,952	\$ 65,944	\$ 96,752
Portfolio Investments - Non-Endowments	76,088	85,397	161,485	131,736
Accounts Receivable	18,933	13,174	32,107	22,713
Inventories for Resale	6,595	374	6,969	15,105
	148,608	117,897	266,505	266,306
Liabilities				
Accounts Payable and Accrued Liabilities	44,616	32,769	77,385	83,601
Employee Future Benefit Liabilities	7,553	3,609	11,162	10,274
Debt	116,796	62,046	178,842	147,404
Deferred Revenue	38,337	26,388	64,725	65,519
Unspent Deferred Capital Contributions	4,949	20,044	24,993	29,324
	212,251	144,856	357,107	336,122
Net Debt excluding Portfolio Investments Restricted for Endowments				
Portfolio Investments - Restricted for Endowments	67,808	58,717	126,525	116,614
Net Financial Assets	\$ 4,165	\$ 31,758	\$ 35,923	\$ 46,798
Non-Financial Assets				
Tangible Capital Assets	\$ 400,619	\$ 356,330	\$ 756,949	\$ 703,901
Inventories of Supplies	—	68	68	49
Prepaid Expenses	9,247	—	9,247	5,479
	409,866	356,398	766,264	709,429
Net Assets before Spent Deferred Capital Contributions	414,031	388,156	802,187	756,227
Spent Deferred Capital Contributions	145,879	268,862	414,741	397,003
Net Assets	\$ 268,152	\$ 119,294	\$ 387,446	\$ 359,224
Net Assets is comprised of:				
Accumulated Surplus	\$ 259,065	\$ 109,912	\$ 368,977	\$ 341,987
Accumulated Remeasurement Gains and Losses	9,087	9,382	18,469	17,237
	\$ 268,152	\$ 119,294	\$ 387,446	\$ 359,224

(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.

Baccalaureate and Applied Studies Institutions (continued)

Summary Financial Statements ⁽¹⁾

for June 30, 2017

(in thousands)

	MacEwan University	Mount Royal University	2017 Totals	2016 Totals (Restated)
Statement of Operations				
Revenue	\$ 253,076	\$ 230,635	\$ 483,711	\$ 468,087
Expenses	225,791	232,401	458,192	444,644
Endowment Contributions and Capitalized Investment Income	770	701	1,471	2,044
Annual Surplus (Deficit)	\$ 28,055	\$ (1,065)	\$ 26,990	\$ 25,487
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	\$ 69,433	\$ 27,319	\$ 96,752	\$ 107,720
Cash Provided by Operating Transactions	24,006	37,181	61,187	53,712
Cash Applied to Organizational Activities	(46,447)	(45,548)	(91,995)	(64,680)
Cash and Cash Equivalents, End of Year	\$ 46,992	\$ 18,952	\$ 65,944	\$ 96,752
Statement of Changes in Net Financial Assets				
Annual Surplus (Deficit)	\$ 28,055	\$ (1,065)	\$ 26,990	\$ 25,487
Changes to Accounts Relating to Non-Financial Assets	(39,647)	1,782	(37,865)	(69,500)
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	(11,592)	717	(10,875)	(44,013)
Net Financial Assets, Beginning of Year	15,757	31,041	46,798	90,811
Net Financial Assets, End of Year	\$ 4,165	\$ 31,758	\$ 35,923	\$ 46,798
Salary and Benefits of President Positions				
Base Salary	\$ 321	\$ 252		
Other Cash Benefits ⁽²⁾	10	73		
Non-Cash Benefits ⁽³⁾	71	87		
	\$ 402	\$ 412		

(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, 2017

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2017 Totals	2016 Totals (Restated)
Statement of Financial Position				
Financial Assets excluding Portfolio Investments Restricted for Endowments				
Cash and Cash Equivalents	\$ 30,643	\$ 167,592	\$ 198,235	\$ 163,966
Portfolio Investments - Non-Endowments	326,378	37,600	363,978	366,604
Investment in Government Business Enterprises	—	980	980	1,452
Accounts Receivable	8,063	7,666	15,729	17,191
Inventories for Resale	3,453	1,390	4,843	6,990
	368,537	215,228	583,765	556,203
Liabilities				
Accounts Payable and Accrued Liabilities	38,861	55,449	94,310	92,676
Employee Future Benefit Liabilities	28,341	9,972	38,313	36,856
Debt	171,132	132,344	303,476	308,394
Deferred Revenue	50,728	40,362	91,090	56,465
Unspent Deferred Capital Contributions	4,531	10,144	14,675	50,793
	293,593	248,271	541,864	545,184
Net Financial Assets (Net Debt) excluding Portfolio Investments Restricted for Endowments				
Portfolio Investments - Restricted for Endowments	51,257	45,431	96,688	90,330
Net Financial Assets	\$ 126,201	\$ 12,388	\$ 138,589	\$ 101,349
Non-Financial Assets				
Tangible Capital Assets	\$ 497,362	\$ 706,811	\$ 1,204,173	\$ 1,185,919
Inventories of Supplies	471	—	471	570
Prepaid Expenses	4,421	2,152	6,573	5,553
	502,254	708,963	1,211,217	1,192,042
Net Assets before Spent Deferred Capital Contributions				
	628,455	721,351	1,349,806	1,293,391
Spent Deferred Capital Contributions				
	348,133	437,419	785,552	737,623
Net Assets	\$ 280,322	\$ 283,932	\$ 564,254	\$ 555,768
Net Assets is comprised of:				
Accumulated Surplus	\$ 274,178	\$ 278,681	\$ 552,859	\$ 543,411
Accumulated Remeasurement Gains and Losses	6,144	5,251	11,395	12,357
	\$ 280,322	\$ 283,932	\$ 564,254	\$ 555,768

▼ (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.

Polytechnical Institutions (continued)

Summary Financial Statements ⁽¹⁾

for June 30, 2017

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2017 Totals	2016 Totals <small>(Restated)</small>
Statement of Operations				
Revenue	\$ 377,959	\$ 362,457	\$ 740,416	\$ 711,084
Expenses	384,105	351,373	735,478	696,752
Endowment Contributions and Capitalized Investment Income	1,492	3,018	4,510	4,595
Annual Surplus (Deficit)	\$ (4,654)	\$ 14,102	\$ 9,448	\$ 18,927
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	\$ 15,854	\$ 148,112	\$ 163,966	\$ 152,422
Cash Provided by Operating Transactions	74,288	58,653	132,941	84,802
Cash Applied to Organizational Activities	(59,499)	(39,173)	(98,672)	(73,258)
Cash and Cash Equivalents, End of Year	\$ 30,643	\$ 167,592	\$ 198,235	\$ 163,966
Statement of Changes in Net Financial Assets				
Annual Surplus (Deficit)	\$ (4,654)	\$ 14,102	\$ 9,448	\$ 18,927
Changes to Accounts Relating to Non-Financial Assets	25,574	2,218	27,792	(47,706)
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	20,920	16,320	37,240	(28,779)
Net Financial Assets (Net Debt), Beginning of Year	105,281	(3,932)	101,349	130,128
Net Financial Assets, End of Year	\$ 126,201	\$ 12,388	\$ 138,589	\$ 101,349
Salary and Benefits of President Positions				
Base Salary	\$ 376	\$ 352		
Other Cash Benefits ⁽²⁾	120	99		
Non-Cash Benefits ⁽³⁾	236	163		
	\$ 732	\$ 614		

(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, 2017

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Financial Assets excluding Portfolio Investments Restricted for Endowments							
Cash and Cash Equivalents	\$ 12,973	\$ 7,842	\$ 20,299	\$ 10,833	\$ 26,415	\$ 601	\$ 32,099
Portfolio Investments - Non-Endowments	84,183	25,726	11,708	26,879	30,707	21,986	59,500
Investment in Government Business Enterprises	—	—	15,114	—	—	—	—
Accounts Receivable	6,115	1,800	2,233	3,679	1,894	1,164	5,862
Inventories for Resale	14	261	259	261	592	592	161
	103,285	35,629	49,613	41,651	59,608	24,343	97,622
Liabilities							
Accounts Payable and Accrued Liabilities	8,973	6,678	11,424	11,447	15,161	3,342	21,822
Employee Future Benefit Liabilities	636	1,858	—	—	—	203	1,256
Debt	429	14,125	22,018	1,200	7,684	2,330	—
Deferred Revenue	12,313	7,718	20,996	8,857	18,273	3,600	10,989
Unspent Deferred Capital Contributions	1,865	6,055	—	1,853	1,896	1,530	43,222
Liability for Contaminated Sites	—	—	—	92	—	—	—
	24,216	36,434	54,438	23,449	43,014	11,005	77,289
Net Financial Assets (Net Debt) excluding Portfolio Investments Restricted for Endowments	79,069	(805)	(4,825)	18,202	16,594	13,338	20,333
Portfolio Investments - Restricted for Endowments	5,338	6,103	4,666	9,271	14,348	8,669	4,855
Net Financial Assets	\$ 84,407	\$ 5,298	\$ (159)	\$ 27,473	\$ 30,942	\$ 22,007	\$ 25,188
Non-Financial Assets							
Tangible Capital Assets	\$ 282,083	\$ 68,214	\$ 112,827	\$ 86,183	\$ 130,821	\$ 73,409	\$ 136,967
Inventories of Supplies	—	37	—	1,347	9	—	—
Prepaid Expenses	1,180	1,200	349	1,750	1,428	651	513
	283,263	69,451	113,176	89,280	132,258	74,060	137,480
Net Assets before Spent Deferred Capital Contributions	367,670	74,749	113,017	116,754	163,200	96,068	162,668
Spent Deferred Capital Contributions	230,627	37,132	62,333	58,176	103,803	48,356	124,452
Net Assets	\$ 137,043	\$ 37,617	\$ 50,684	\$ 58,578	\$ 59,397	\$ 47,712	\$ 38,216
Net Assets is comprised of:							
Accumulated Surplus	\$ 132,324	\$ 37,512	\$ 49,509	\$ 55,517	\$ 55,719	\$ 46,852	\$ 38,216
Accumulated Remeasurement Gains and Losses	4,719	105	1,175	3,061	3,678	860	—
	\$ 137,043	\$ 37,617	\$ 50,684	\$ 58,578	\$ 59,397	\$ 47,712	\$ 38,216

▼ (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.

Comprehensive Community Institutions (continued)

Summary Financial Statements ⁽¹⁾

for June 30, 2017

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Operations							
Revenue	\$ 108,886	\$ 72,992	\$ 67,540	\$ 71,283	\$ 87,765	\$ 56,917	\$ 91,091
Expenses	98,464	71,405	65,121	65,202	86,644	56,635	90,546
Endowment Contributions and Capitalized Investment Income	370	42	115	230	402	58	272
Annual Surplus	\$ 10,792	\$ 1,629	\$ 2,534	\$ 6,311	\$ 1,523	\$ 340	\$ 817
Statement of Cash Flows							
Cash and Cash Equivalents, Beginning of Year	\$ 10,128	\$ 1,712	\$ 7,579	\$ 4,661	\$ 35,821	\$ 2,621	\$ 26,473
Cash Provided by Operating Transactions	13,648	11,530	18,416	17,311	21,804	2,765	85,329
Cash Applied to Organizational Activities	(10,803)	(5,401)	(5,696)	(11,139)	(31,210)	(4,785)	(79,703)
Cash and Cash Equivalents, End of Year	\$ 12,973	\$ 7,841	\$ 20,299	\$ 10,833	\$ 26,415	\$ 601	\$ 32,099
Statement of Changes in Net Financial Assets							
Annual Surplus	\$ 10,792	\$ 1,629	\$ 2,534	\$ 6,311	\$ 1,523	\$ 340	\$ 817
Changes to Accounts Relating to Non-Financial Assets	(1,267)	(560)	(8,881)	(3,850)	(637)	1,345	(384)
Increase in Net Financial Assets (Net Debt) in the Year	9,525	1,069	(6,347)	2,461	886	1,684	433
Net Financial Assets, Beginning of Year	74,882	4,229	6,188	25,012	30,056	20,323	24,755
Net Financial Assets, End of Year	\$ 84,407	\$ 5,298	\$ (159)	\$ 27,473	\$ 30,942	\$ 22,007	\$ 25,188
Salary and Benefits of President Positions							
Base Salary	\$ 468	\$ 358	\$ 262	\$ 275	\$ 348	\$ 240	\$ 301
Other Cash Benefits ⁽²⁾	168	—	116	—	11	7	84
Non-Cash Benefits ⁽³⁾	27	33	6	35	33	52	94
	\$ 663	\$ 391	\$ 384	\$ 310	\$ 392	\$ 299	\$ 479

(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, 2017

(in thousands)

	Northern Lakes College	Olds College	Portage College	Red Deer College	2017 Totals	2016 Totals <small>(Restated)</small>
Statement of Financial Position						
Financial Assets excluding Portfolio Investments Restricted for Endowments						
Cash and Cash Equivalents	\$ 8,703	\$ 8,538	\$ 7,206	\$ 2,884	\$ 138,393	\$ 113,818
Portfolio Investments - Non-Endowments	20,154	20,382	1,694	75,846	378,765	292,318
Investment in Government Business Enterprises	—	1,909	—	—	17,023	16,233
Accounts Receivable	2,498	2,958	925	9,382	38,510	46,159
Inventories for Resale	30	752	178	—	3,100	3,325
	31,385	34,539	10,003	88,112	575,791	471,853
Liabilities						
Accounts Payable and Accrued Liabilities	4,091	8,017	2,188	24,100	117,243	95,877
Employee Future Benefit Liabilities	495	—	160	2,198	6,806	6,792
Debt	2,019	—	106	56,518	106,429	56,509
Deferred Revenue	8,090	14,348	3,181	19,419	127,784	112,149
Unspent Deferred Capital Contributions	1,975	3,363	1,734	5,425	68,918	50,929
Liability for Contaminated Sites	—	—	—	—	92	94
	16,670	25,728	7,369	107,660	427,272	322,350
Net Financial Assets (Net Debt) excluding Portfolio Investments Restricted for Endowments						
Portfolio Investments - Restricted for Endowments	2,112	9,562	2,334	25,314	92,571	88,684
Net Financial Assets	\$ 16,827	\$ 18,373	\$ 4,968	\$ 5,766	\$ 241,090	\$ 238,186
Non-Financial Assets						
Tangible Capital Assets	\$ 36,286	\$ 71,470	\$ 54,027	\$ 156,784	\$ 1,209,071	\$ 1,110,427
Inventories of Supplies	392	—	46	73	1,905	1,859
Prepaid Expenses	253	824	577	994	9,719	9,573
	36,931	72,294	54,650	157,852	1,220,695	1,121,859
Net Assets before Spent Deferred Capital Contributions						
	53,758	90,667	59,618	163,617	1,461,786	1,360,045
Spent Deferred Capital Contributions						
	28,086	58,482	44,684	105,935	902,066	836,171
Net Assets						
	\$ 25,672	\$ 32,185	\$ 14,934	\$ 57,682	\$ 559,720	\$ 523,874
Net Assets is comprised of:						
Accumulated Surplus	\$ 24,829	\$ 31,119	\$ 14,792	\$ 52,041	\$ 538,430	\$ 506,659
Accumulated Remeasurement Gains and Losses	843	1,066	142	5,641	21,290	17,215
	\$ 25,672	\$ 32,185	\$ 14,934	\$ 57,682	\$ 559,720	\$ 523,874

▼ (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.

Comprehensive Community Institutions (continued)

Summary Financial Statements ⁽¹⁾

for June 30, 2017

(in thousands)

	Northern Lakes College	Olds College	Portage College	Red Deer College	2017 Totals	2016 Totals <small>(Restated)</small>
Statement of Operations						
Revenue	\$ 43,751	\$ 60,326	\$ 37,320	\$ 104,417	\$ 802,288	\$ 782,749
Expenses	41,529	59,666	35,804	101,920	772,936	745,387
Endowment Contributions and Capitalized Investment Income	45	122	46	718	2,420	2,715
Annual Surplus	\$ 2,267	\$ 782	\$ 1,562	\$ 3,216	\$ 31,772	\$ 40,078
Statement of Cash Flows						
Cash and Cash Equivalents, Beginning of Year	\$ 4,983	\$ 11,825	\$ 5,620	\$ 2,394	\$ 113,818	\$ 139,680
Cash Provided by Operating Transactions	7,540	3,939	3,906	27,481	213,668	134,103
Cash Applied to Organizational Activities	(3,820)	(7,226)	(2,320)	(26,991)	(189,094)	(159,966)
Cash and Cash Equivalents, End of Year	\$ 8,703	\$ 8,538	\$ 7,206	\$ 2,884	\$ 138,392	\$ 113,817
Statement of Changes in Net Financial Assets						
Annual Surplus	\$ 2,267	\$ 782	\$ 1,562	\$ 3,216	\$ 31,772	\$ 40,078
Changes to Accounts Relating to Non-Financial Assets	421	318	(177)	(27,120)	(40,792)	(15,988)
Increase (Decrease) in Net Financial Assets (Net Debt) in the Year	2,688	1,100	1,385	(23,904)	(9,020)	24,090
Net Financial Assets, Beginning of Year	14,139	17,273	3,583	29,670	250,110	214,096
Net Financial Assets, End of Year	\$ 16,827	\$ 18,373	\$ 4,968	\$ 5,766	\$ 241,090	\$ 238,186
Salary and Benefits of President Positions						
Base Salary	\$ 224	\$ 270	\$ 231	\$ 338		
Other Cash Benefits ⁽²⁾	7	129	—	—		
Non-Cash Benefits ⁽³⁾	34	31	36	211		
	\$ 265	\$ 430	\$ 267	\$ 549		

(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 ⁽¹⁾

(in thousands)

	for June 30, 2017		for March 31, 2018	
	Alberta College of Art + Design		The Banff Centre	
	2017	2016	2018	2017 (Restated)
Statement of Financial Position				
Financial Assets excluding Portfolio Investments Restricted for Endowments				
Cash and Cash Equivalents	\$ 6,011	\$ 6,332	\$ 14,459	\$ 9,886
Portfolio Investments - Non-Endowments	6,275	5,640	17,984	19,672
Accounts Receivable	243	278	6,849	4,475
Inventories for Resale	182	222	267	250
	12,711	12,472	39,559	34,283
Liabilities				
Accounts Payable and Accrued Liabilities	2,293	2,451	8,781	8,389
Employee Future Benefit Liabilities	7	—	2,948	3,137
Debt	115	62	17,858	3,301
Deferred Revenue	6,264	6,275	29,107	31,562
Unspent Deferred Capital Contributions	586	1,240	4,185	1,954
	9,265	10,028	62,879	48,343
Net Financial Assets (Net Debt) excluding Portfolio Investments Restricted for Endowments	3,446	2,444	(23,320)	(14,060)
Portfolio Investments - Restricted for Endowments	6,091	5,804	40,476	38,957
Net Financial Assets	\$ 9,537	\$ 8,248	\$ 17,156	\$ 24,897
Non-Financial Assets				
Tangible Capital Assets	\$ 5,098	\$ 4,851	\$ 145,421	\$ 137,862
Inventories of Supplies	293	241	142	153
Prepaid Expenses	171	149	305	1,017
	5,562	5,241	145,868	139,032
Net Assets before Spent Deferred Capital Contributions	15,099	13,489	163,024	163,929
Spent Deferred Capital Contributions	4,225	3,952	106,501	109,511
Net Assets	\$ 10,874	\$ 9,537	\$ 56,523	\$ 54,418
Net Assets is comprised of:				
Accumulated Surplus	\$ 10,782	\$ 9,537	\$ 56,523	\$ 54,418
Accumulated Remeasurement Gains and Losses	92	—	—	—
	\$ 10,874	\$ 9,537	\$ 56,523	\$ 54,418

- ▼ (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.

Specialized Arts and Culture Institutions (continued)

Summary Financial Statements ⁽¹⁾ (in thousands)

▲	for June 30, 2017		for March 31, 2018	
	Alberta College of Art + Design		The Banff Centre	
	2017	2016	2018	2017
Statement of Operations				
Revenue	\$ 24,557	\$ 23,021	\$ 69,674	\$ 67,405
Expenses	23,474	22,115	69,089	66,174
Endowment Contributions and Capitalized Investment Income	162	289	1,519	2,775
Annual Surplus	\$ 1,245	\$ 1,195	\$ 2,104	\$ 4,006
Statement of Cash Flows				
Cash and Cash Equivalents, Beginning of Year	\$ 6,332	\$ 6,060	\$ 9,886	\$ 7,095
Cash Provided by (Applied to) Operating Transactions	1,078	2,565	(2,843)	3,805
Cash Provided by (Applied to) Organizational Activities	(1,399)	(2,293)	7,416	(1,014)
Cash and Cash Equivalents, End of Year	\$ 6,011	\$ 6,332	\$ 14,459	\$ 9,886
Statement of Changes in Net Financial Assets				
Annual Surplus	\$ 1,245	\$ 1,195	\$ 2,104	\$ 4,006
Changes to Accounts Relating to Non-Financial Assets	44	(529)	(9,845)	(7,591)
Increase (Decrease) in Net Financial Assets in the Year	1,289	666	(7,741)	(3,585)
Net Financial Assets, Beginning of Year	8,248	7,582	24,897	28,482
Net Financial Assets, End of Year	\$ 9,537	\$ 8,248	\$ 17,156	\$ 24,897
Salary and Benefits of President Positions				
Base Salary	\$ 252		\$ 300	
Other Cash Benefits ⁽²⁾	17		53	
Non-Cash Benefits ⁽³⁾	83		121	
	\$ 352		\$ 474	

(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.

advancededucation.alberta.ca/ministry/reports/annualreports/

Other Information

Unaudited Information

Statement of Remissions, Compromises and Write-offs 122

Statement of Guarantees and Indemnities 122

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2018

(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.

Compromises under Section 22 of the <i>Financial Administration Act</i>	\$	50
Bankruptcies:		
Income Support		3
Write-offs:		
Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the <i>Student Financial Assistance Act</i>		19,947
Income Support		935
		20,882
Total remissions, compromises and write-offs	\$	20,935

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

for the year ended March 31, 2018

(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 Advanced Education under the *Student Loan Act* for the year ended March 31, 2018, 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	\$ —	\$ 3	\$ 27

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

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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 Advanced Education during 2017-18.

There were no disclosures of wrongdoing for the Department of Advanced Education during 2017-18.

The department's agencies make whistleblower disclosures in their own annual reports. Full information for these agencies are available on their websites.

Performance Measure and Indicator Methodology

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Performance
Measure
1.a

Percentage of students entering post-secondary programs (including apprenticeship) within ten years of entering Grade 10 (biennial survey)

This measure reports the percentage of Alberta students in public, separate, francophone, charter and accredited private schools who made the transition to post-secondary education, including apprenticeship programs, within ten years of entering Grade 10. The result of this measure is calculated by dividing the number of students who enter Alberta's post-secondary programs, adjusted for an estimate of out-of-province post-secondary attenders, by the number of students in the Grade 10 cohort, adjusted for attrition. Students from the Grade 10 cohort are counted as in-province post-secondary attenders if they are registered in a post-secondary level program at an Alberta post-secondary institution or if they are registered in an apprenticeship program in Alberta.

$$\frac{\text{In-province post-secondary attenders} + \text{Estimate of out-of-province post-secondary attenders}}{\text{Grade 10 cohort} - \text{Attribution factor}} \times 100\%$$

Students from the Grade 10 cohort must be identified as participating in post-secondary education within ten years of starting Grade 10 to be counted in this transition rate. For example, a student who starts Grade 10 in September 2007 (at the start of the 2007-08 school year) and is identified as participating in post-secondary education by the 2016-17 academic year is considered to have entered the post-secondary system within ten years of starting Grade 10.

Students are considered to have entered the post-secondary system if they attend a credit program, part-time or full-time, in a publicly funded post-secondary institution in Alberta. Information on post-secondary enrolments incorporates post-secondary Classification of Instructional Programs coding to better identify students enrolled in programs that are not deemed to be post-secondary level (e.g., academic upgrading). Students in these kinds of programs are not considered transitioners for the purpose of this measure.

Students are also considered to have entered the post-secondary system if they have registered in an apprenticeship program. A student registered in the Registered Apprenticeship Program (RAP) is not considered to have entered the post-secondary system as students in RAP are high school students. The Alberta Student Number is used to match students from the Grade 10 cohort with the apprentices in Advanced Education's Apprenticeship, Trade and Occupation Management System.

Students who are identified as both attending a post-secondary institution and having registered in an apprenticeship program are reported as attending a post-secondary institution to avoid double counting. Advanced Education does not specifically track Alberta students who participate in post-secondary programs outside of Alberta. An estimate of the number of students who have left the province to pursue post-secondary education is therefore factored into the calculation of this measure.

For more detail on the methodology, see Student Outcomes Measures Based on the Grade 10 Cohort – Methodologies for Rates Calculation.

[Link](http://education.alberta.ca/media/3576211/methodology-student-outcome-measures_-2017-final.pdf) education.alberta.ca/media/3576211/methodology-student-outcome-measures_-2017-final.pdf

**Performance
Measure
1.b**

Percentage of recent post-secondary graduates who state that their program was worth the financial cost (biennial survey)

The results for this measure are obtained through the Graduate Outcomes Survey. This survey is conducted biennially with graduates approximately two years after their graduation from a publicly funded post-secondary institution in Alberta (except the Banff Centre for Arts and Creativity). For example, the 2016 survey is conducted with the class of 2013-14 graduates.

The target participants for this measure are graduates (both domestic and international) from 25 publicly funded post-secondary institutions (credit parchment programs only) in Alberta. Apprenticeship students who completed the technical training portion of their apprenticeship program at a publicly funded post-secondary institution are excluded.

A census approach was used for publicly funded institutions with less than 1,500 graduates, and a stratified sampling approach was used for larger institutions with more than 1,500 graduates. Data is collected through a telephone survey or an internet survey based on students' preference. From a total valid sample of 40,979 (after removing duplicate cases), a total of 15,653 surveys were completed, including 8,615 completes by phone and 7,038 completes via web. The gross response rate was 38.2%. At the system level, the survey's margin of error was $\pm 0.6\%$, at the 95% confidence level.

The results of this measure are determined using the survey question "To what extent do you agree with the following statement: Given the benefits of post-secondary education, I consider the [name of program] program to be worth the financial cost to me and/or my family? Do you...? Strongly disagree / Disagree / Agree / Strongly agree / Don't know / No response". The percentage is calculated by dividing the combined total of "Agree" and "Strongly Agree" responses by the total number of respondents who completed this survey question. "Don't know" and "No response" responses are excluded from the results calculation.

For more detail on the methodology, see Alberta Graduate Outcomes Survey, Class of 2013/2014, Publicly-Funded Institutions Report.

[Link](http://advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf) advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf

**Performance
Indicator
1.a**

Total enrolment at publicly funded post-secondary institutions

Total enrolment (headcount) is defined as the total number of unique (unduplicated) learners (both domestic and international) who are actively enrolled (either full-time or part-time) in an approved program at a publicly funded post-secondary institution in Alberta at any point during an academic year.

The enrolment data is submitted to Advanced Education by each of the publicly funded post-secondary institutions. Data is reviewed and validated by the Operational Data and Information Branch (ODI) in Advanced Education until both ODI and the institution are in agreement with the submission. Apprenticeship data is then added to each institutional submission. The apprenticeship data comes from the Apprenticeship, Trade and Occupation Management System (ATOMS), which is managed by the Apprenticeship and Industry Training Branch (AIT) within the ministry. Prior to appending this data, AIT validates and confirms all data as accurate.

The manager of Enrolment Data and Accountability completes a final review prior to sending out a sign-off package to the institution. The package is then signed off by each institution's vice president before being considered final. Enrolment data is used for reporting and publications only after all institutions have finalized their submissions.

The unique counts are calculated using the Alberta Student Number (ASN), so that students attending more than one institution will be counted only once at the system level. For records without ASN values, a combination of the provider and institutional student ID is used. The total enrolment (headcount) is calculated by taking a unique count of the number of ASN values (including proxy values for records without ASNs) with active enrolment records at all institutions during the academic year.

As the enrolment data describes only provincially-approved programming at publicly funded post-secondary institutions in Alberta, the enrolment headcount at the Banff Centre for Arts and Creativity is excluded in this indicator. The Banff Centre for Arts and Creativity does not offer any ministry-approved programming.

**Performance
Indicator
1.b*****Apprenticeship technical training seats offered***

Each February, Apprenticeship and Industry Training, Apprenticeship Technical Training forecasts the demand for technical training seats based on the number of actual registered apprentices and past apprenticeship technical training attendance trends. These forecasts are used to establish initial seats with each post-secondary institution (PSI), taking into account preferred class sizes and the minimum number of seats required to operate the program at each PSI. Every initial seat is funded regardless of whether or not it is actually ever filled. Throughout the academic year, demand is monitored and, if it is required and possible to do so, additional seats are added to meet the demand. Generally these additional seats are filled and funded.

**Performance
Indicator
1.c*****Percentage of Albertans aged 18 to 34 participating in post-secondary education***

The data for this indicator is obtained from a custom tabulation performed by Statistics Canada based on the information collected by its Labour Force Survey (LFS). LFS is a monthly household survey of a sample of individuals. The target population is the non-institutionalized population 15 years of age and over. Recently, the monthly LFS sample size has been approximately 5,690 households for Alberta.

The post-secondary education (PSE) participants are identified by using the following questions from the LFS:

- ▶ “Last week, was ... attending a school, college or university?”
- ▶ “Was he/she enrolled as a full-time or part-time student?”
- ▶ “What kind of school was this?”

Responses that indicate attending a university, college or other post-secondary institution at the time of interview are used to calculate the performance indicator results.

The percentage of Albertans aged 18 to 34 participating in post-secondary education is calculated by dividing the estimated number of individuals aged 18 to 34 who report attending a university, college or other post-secondary institution in Alberta (numerator) by the estimated number of Albertans aged 18 to 34 (denominator), based on the Alberta sample. The sample data are weighted to enable tabulation of estimates at the provincial level of aggregation.

In order to account for the fact that many post-secondary students attend school during the fall and winter semesters while working during the summer, the calculation for this indicator uses an 8-month average (January – April and September – December).

The 18 to 34 age group represents the majority of the learners participating in post-secondary education; however, it does not capture all learners in the post-secondary system. For example, the data includes students (including international students and students studying outside of Alberta) whose primary residence is in Alberta during their studies but does not include individuals who live on reserves and other Indigenous settlements or those who study only between May and August.

Strategic Research and Analysis calculates PSE participation rates based on custom tables received from Statistics Canada on an annual basis. Strategic Planning and Evaluation provides results analysis and interpretation for this indicator in the annual report.



Performance
Measure
2.a

Satisfaction of recent post-secondary graduates with the overall quality of their educational experience (biennial survey)

The results for this measure are obtained through the Graduate Outcomes Survey. This survey is conducted biennially with graduates approximately two years after their graduation from a publicly funded post-secondary institution in Alberta (except the Banff Centre for Arts and Creativity). For example, the 2016 survey is conducted with the class of 2013-14 graduates.

The target participants for this measure are graduates (both domestic and international) from 25 publicly funded post-secondary institutions (credit parchment programs only) in Alberta. Apprenticeship students who completed the technical training portion of their apprenticeship program at a publicly funded post-secondary institution are excluded.

A census approach was used for publicly funded institutions with less than 1,500 graduates, and a stratified sampling approach was used for larger institutions with more than 1,500 graduates. Data is collected through a telephone survey or an internet survey based on students' preference. From a total valid sample of 40,979 (after removing duplicate cases), a total of 15,653 surveys were completed, including 8,615 completes by phone and 7,038 completes via web. The gross response rate was 38.2%. At the system level, the survey's margin of error was $\pm 0.6\%$, at the 95% confidence level.

The results of this measure are determined using the survey question "How satisfied are you with the overall quality of your educational experience?". The question is based on a four-point scale: "Very dissatisfied", "Dissatisfied", "Satisfied" and "Very satisfied". The satisfaction rate is calculated by dividing the combined total of "Satisfied" and "Very satisfied" responses by the total number of respondents who completed this survey question. "Don't know" and "No response" responses are excluded from the results calculation.

For more detail on the methodology, see Alberta Graduate Outcomes Survey, Class of 2013/2014, Publicly-Funded Institutions Report.

[Link](http://advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf) advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf



Performance
Measure
2.b

Satisfaction of recent apprenticeship graduates with on-the-job training and technical training (biennial survey)

Results of this measure are obtained from the Survey of Graduates of the Apprenticeship and Industry Training System. This is a biennial survey of recent apprenticeship graduates who are asked about their experiences in the apprenticeship program. Results of the survey are used to improve program delivery and ensure that standards are met. An independent consultant (Advanis) was hired to conduct the survey with apprenticeship graduates.

The target respondents are Albertans who were registered apprentices during the 2016-2017 school year (August 1, 2016 to July 31, 2017) and, during that time, completed all the requirements to become a certified journeyman in a trade. Two targeted groups (cohorts) of graduates were surveyed:

- ▶ Cohort 1: individuals who completed both the technical and on-the-job training requirements of the apprenticeship program in 2016-2017.
- ▶ Cohort 2: individuals who completed the on-the-job training in 2016-2017 but did not take the technical training portion of the program in that school year.

The survey population provided to the contractor was extracted from the Apprenticeship, Trade and Occupation Management System (ATOMS). A census approach is used for the survey—all graduates are invited to participate.

The 2018 survey was conducted between November 27, 2017 and February 1, 2018 (with a break for telephone survey during Christmas and New Year). Graduates were contacted by email and telephone. A total of 5,173 graduates were surveyed (2,532 by telephone and 2,641 online). The overall survey response rate was 54.9%. The margin of error was $\pm 1.0\%$, 19 times out of 20.

The percentage of recent apprenticeship graduates who are satisfied with on-the-job training is determined using the survey question "How satisfied were you with your on-the-job training during your apprenticeship in terms of the overall quality of your on-the-job training?". The percentage satisfied with technical training is determined using the question "Generally, how satisfied were you with your technical training in terms of the overall quality of your technical training?".

Satisfaction questions are based on a four-point scale: "Very satisfied," "Somewhat satisfied," "Somewhat dissatisfied," and "Very dissatisfied." The satisfaction rate is calculated by dividing the combined total of "Somewhat satisfied" and "Very satisfied" responses by the total number of respondents who completed the survey question, including the "Don't know" and "Refused" responses.

For more detail on the methodology, see the Comprehensive Report – 2018 Survey of 2016/2017 Graduates of the Apprenticeship Training.

[Link](http://tradesecrets.alberta.ca/SOURCES/PDFS/Publications/2016-2017_Graduates_Apprenticeship_Programs_survey.pdf) tradesecrets.alberta.ca/SOURCES/PDFS/Publications/2016-2017_Graduates_Apprenticeship_Programs_survey.pdf

**Performance
Indicator
2.a*****Percentage of clients reporting they are either employed or in further education or training after leaving a skills training program***

The results of this indicator are obtained through the Work Outcomes Reporting Project (WORP) Survey. WORP collects administrative data from MOBIUS to identify the survey population. The programs included in Skills Training fall under the categories of Work Foundations (WF) and Training for Work (TFW). An independent consultant (Malatest) is contracted to contact former program participants three months after they have left a WF or TFW program.

WORP uses a census approach for Advanced Education clients who have attended skills training programs, meaning that all clients who have taken these programs are contacted for inclusion in the survey. Data is collected through telephone interviews or an online survey. The sample size for the 2017 result was 1,849. The survey response rate was 32.95 per cent. The margin of error was 2.28 per cent, at the 95 per cent level of confidence.

The results for this indicator are calculated based on the clients who have participated in Advanced Education's foundational learning programs and were surveyed between January and December 2017. As surveys are conducted three months after an individual leaves their program, this survey period corresponds to those who left their program between September 1, 2016 and August 31, 2017.

The percentage of clients employed or in further education/training post-intervention is determined using the following question: "What is your current main activity? Are you employed, self-employed, in school/training, unemployed, retired, don't know, no response?" Responses that indicate "employed", "self-employed", or "in school/training" are used to calculate the performance indicator results.

The percentage is obtained by dividing the weighted sum of respondents who report "employed", "self-employed" or "in school/training" divided by the weighted sum of all respondents, among all foundational learning programs. "Don't know" and non-responses are excluded from the calculation. This indicator utilizes the weighted responses of survey participants so that the result more accurately represents the population of all program participants.

**Performance
Indicator
2.b*****Sponsored research revenue attracted by Alberta's Comprehensive Academic and Research Institutions***

Sponsored research revenue data is collected directly from the Comprehensive Academic and Research Institutions (CARIs). The CARIs derive the data from a combination of audited financial statements and supplemental financial reports, and submit the data using a template and guidelines that outline the information required and specific instructions regarding how the revenue should be reported.

The guidelines were developed by the Ministry of Economic Development and Trade (EDT) for corresponding annual reporting submissions by the CARIs to the Canadian Association of University Business Officers (CAUBO), in order to report on Total Sponsored Research Revenue at Alberta's universities. As such, the data reported by the ministry is consistent with the data published by CAUBO. CARIs are required to follow the CAUBO reporting guidelines for the appropriate year.

Once the template is filled out and submitted by each CARI, the reported data is compiled and analyzed by EDT in the Sponsored Research Revenue: Research Funding at Alberta's Comprehensive Academic and Research Institutions report. The results of this indicator are calculated by summing the total annual sponsored research revenue of the four CARIs over each fiscal year.



Performance
Measure
3.a

Percentage of post-secondary transfer graduates satisfied with the transfer credit they received (biennial survey)

The results for this measure are obtained through the Graduate Outcomes Survey. This survey is conducted biennially with graduates approximately two years after their graduation from a publicly funded post-secondary institution in Alberta (except the Banff Centre for Arts and Creativity). For example, the 2016 survey is conducted with the class of 2013-14 graduates.

The target participants for this measure are graduates (both domestic and international) from 25 publicly funded post-secondary institutions (credit parchment programs only) in Alberta. Apprenticeship students who completed the technical training portion of their apprenticeship program at a publicly funded post-secondary institution are excluded.

A census approach was used for publicly funded institutions with less than 1,500 graduates, and a stratified sampling approach was used for larger institutions with more than 1,500 graduates. Data is collected through a telephone survey or an internet survey based on students' preference. From a total valid sample of 40,979 (after removing duplicate cases), a total of 15,653 surveys were completed, including 8,615 completes by phone and 7,038 completes via web. The gross response rate was 38.2%. At the system level, the survey's margin of error was $\pm 0.6\%$, at the 95% confidence level.

The results of this measure are determined using the survey question "How satisfied were you with the transfer credit that you received?". The question is based on a four-point scale: "Very dissatisfied", "Dissatisfied", "Satisfied" and "Very satisfied". To be able to answer this question, respondents need to answer "Yes" to both questions below:

- ▶ Did you complete any post-secondary courses, not including adult upgrading, prior to enrolling in the (name of program) program at (name of institution)?
- ▶ In completing requirements for the (name of program) program, did you receive transfer credit or advanced standing for courses taken at any other institution?

The satisfaction rate is then calculated by dividing the combined total of "Satisfied" and "Very satisfied" responses by the total number of survey respondents who received transfer credit or advanced standing for courses taken at any other institution. "Don't know" and "No response" responses are excluded from the results calculation.

For more detail on the methodology, see the Alberta Graduate Outcomes Survey, Class of 2013/2014, Publicly-Funded Institutions Report.

[Link](https://www.advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf) advancededucation.alberta.ca/media/497571/graduate-outcomes-survey-class-of-2013-14.pdf

advancededucation.alberta.ca/ministry/reports/annualreports/

Appendix

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Table 1 Post-Secondary Institutions by Sector

Institutional Sector	Post-Secondary Institutions
<p>Comprehensive Academic and Research Institutions</p> <p>These universities provide undergraduate and graduate degrees, and undertake comprehensive research activity. While instruction remains the core business of the Comprehensive Academic and Research Institutions, research activity is primarily conducted in this sector.</p>	<p>Athabasca University _____ athabascau.ca</p> <p>University of Alberta _____ ualberta.ca</p> <p>University of Calgary _____ ucalgary.ca</p> <p>University of Lethbridge _____ uleth.ca</p>
<p>Baccalaureate and Applied Studies Institutions</p> <p>These universities provide undergraduate programming and offer certificate, diploma, applied degree and baccalaureate degree programs in specified areas.</p>	<p>MacEwan University _____ macewan.ca</p> <p>Mount Royal University _____ mtroyal.ca</p>
<p>Polytechnical Institutions</p> <p>These institutes provide apprenticeship, certificate, and diploma programs geared predominantly to technical careers, and some applied and baccalaureate degrees in specified areas (limited to undergraduate programs).</p>	<p>Northern Alberta Institute of Technology _____ nait.ca</p> <p>Southern Alberta Institute of Technology _____ sait.ca</p>
<p>Comprehensive Community Institutions</p> <p>These colleges provide a broad range of programming including apprenticeship, certificate, diploma, foundational learning and upgrading. They also provide university transfer (years one and two) and applied degrees. Baccalaureate degrees are provided, when feasible, primarily in collaboration with a degree-granting institution.</p>	<p>Bow Valley College _____ bowvalleycollege.ca</p> <p>Grande Prairie Regional College _____ gprc.ab.ca</p> <p>Keyano College _____ keyano.ca</p> <p>Lakeland College _____ lakelandcollege.ca</p> <p>Lethbridge College _____ lethbridgecollege.ca</p> <p>Medicine Hat College _____ mhc.ab.ca</p> <p>NorQuest College _____ norquest.ca</p> <p>Northern Lakes College _____ northernlakescollege.ca</p> <p>Olds College _____ oldscollege.ca</p> <p>Portage College _____ portagecollege.ca</p> <p>Red Deer College _____ rdc.ab.ca</p>
<p>Independent Academic Institutions</p> <p>These universities primarily provide liberal arts, science, and education baccalaureate programs.</p>	<p>Ambrose University _____ ambrose.edu</p> <p>Burman University _____ burmanu.ca</p> <p>Concordia University of Edmonton _____ concordia.ab.ca</p> <p>St. Mary's University _____ stmu.ca</p> <p>The King's University _____ kingsu.ca</p>
<p>Specialized Arts and Culture Institutions</p> <p>These institutions concentrate on the fine arts, cultural programming and professional development.</p>	<p>Alberta College of Art + Design _____ acad.ca</p> <p>Banff Centre for Arts and Creativity _____ banffcentre.ca</p>

Source Institutional arrangement under the Six Sector Model. [Link](http://advancededucation.alberta.ca/media/155107/sixsectormodel.pdf) advancededucation.alberta.ca/media/155107/sixsectormodel.pdf

Note The Banff Centre for Arts and Creativity is excluded in the results for performance measures 1.a, 1.b, 2.a, and 3.a and performance indicator 1.a.

Publicly Funded Post-Secondary Institutions

Main Campuses / Service Regions

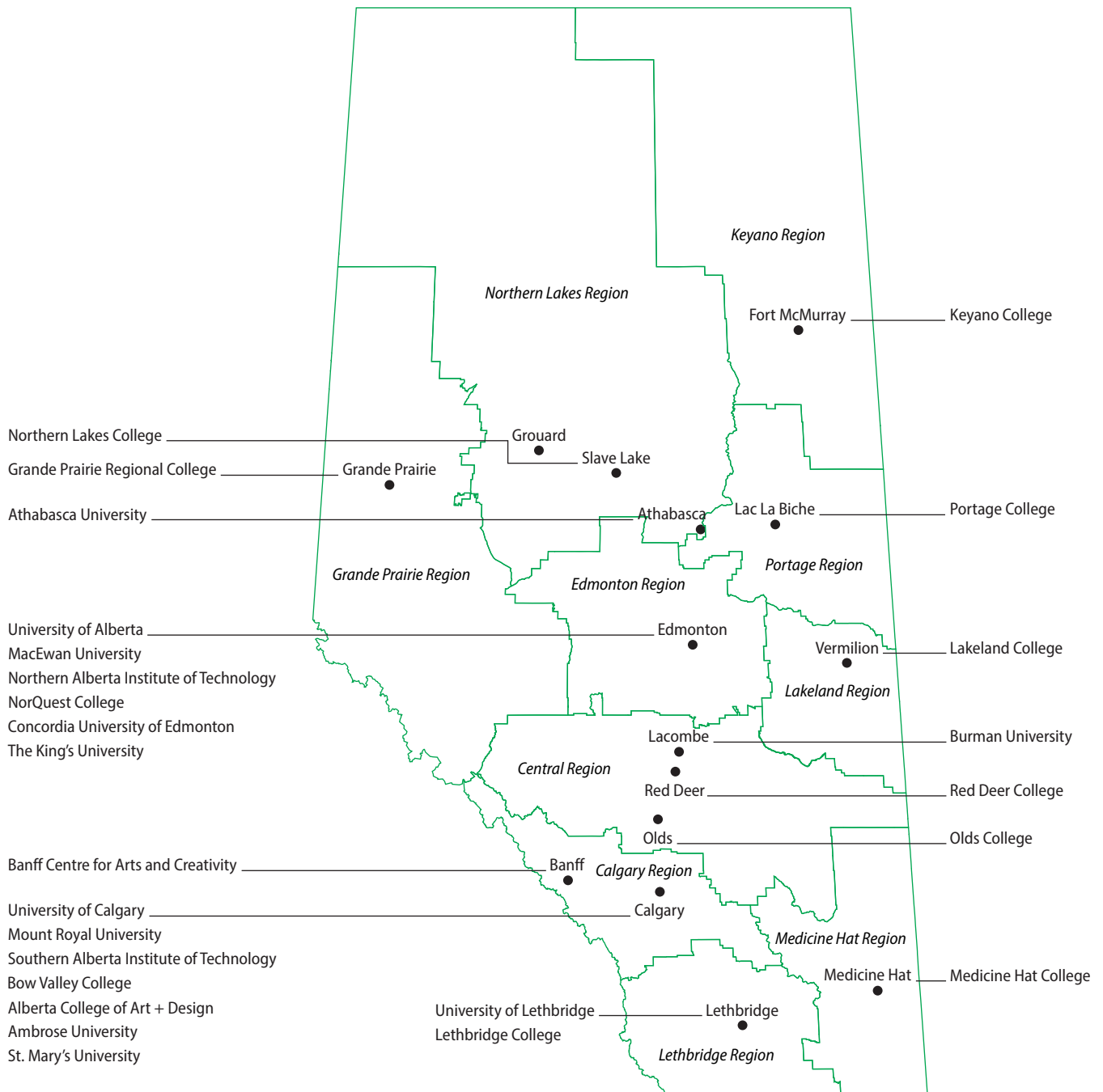
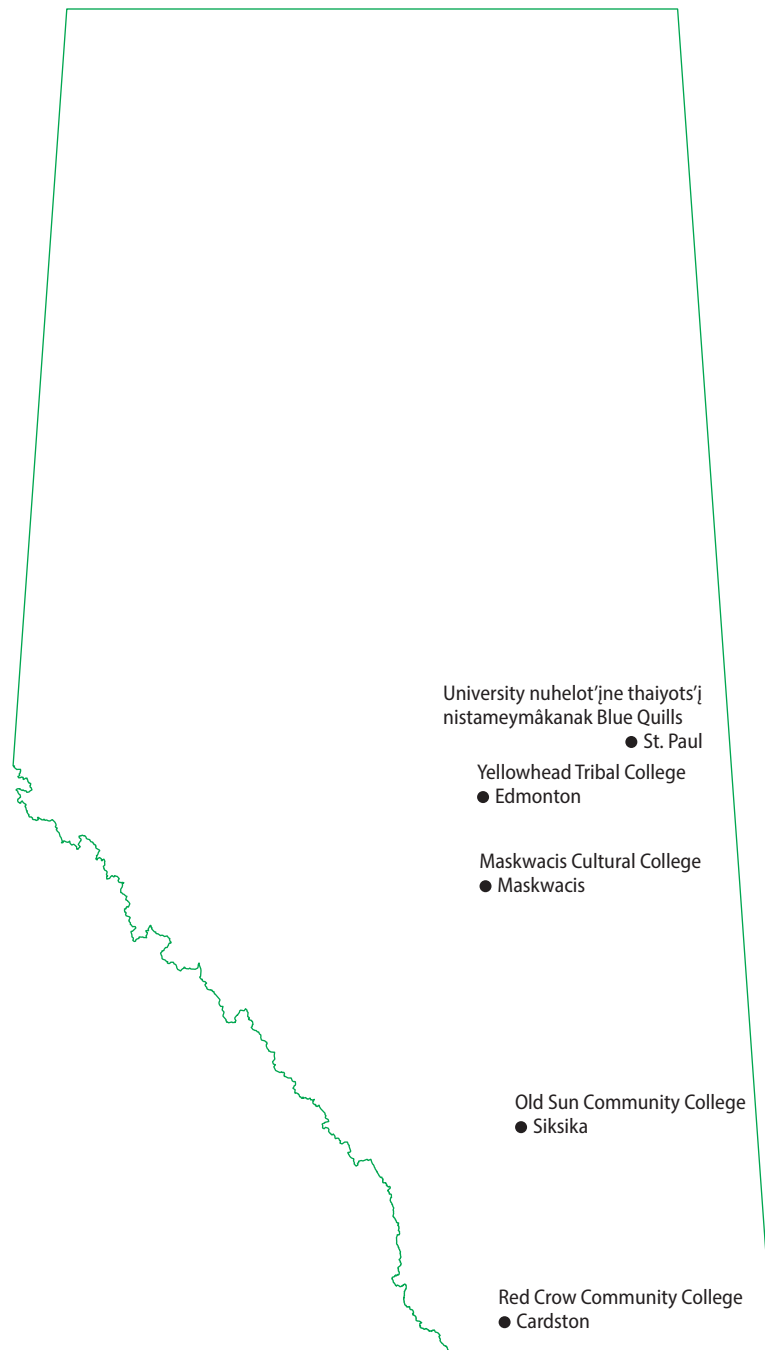


Table 2 First Nations Colleges



Maskwacis Cultural College	mccedu.ca
Old Sun Community College	oldsuncollege.ca
Red Crow Community College	redcrowcollege.com
University nuhelot'jine thaiyots'j nistameymâkanak Blue Quills	bluequills.ca
Yellowhead Tribal College	ytced.ab.ca

Table 3 Programs Realignment between Ministries

Program Group	Service	Ministry	
Training for Work	Apprenticeship Training	Advanced Education Student Aid	
	Occupational Training (over 12 weeks)	Advanced Education Student Aid	
	Occupational Training Tuitions Based Full-Time - Alberta Funded (under 12 weeks) ★	Advanced Education Foundational Learning Supports	
	Transitional Vocational Program ★	Advanced Education Foundational Learning Supports	
	Immigrant Bridging ★	Advanced Education Foundational Learning Supports	Labour
	Integrated Training ★	Advanced Education Foundational Learning Supports	Labour
	Aboriginal Training to Employment		Labour
	First Nations Training to Employment		Labour
	Self-Employment		Labour
	Transitions		Labour
Workplace Training		Labour	
Work Foundations	Adult Basic Education (Grades 7-9) ★	Advanced Education Foundational Learning Supports	
	Academic Upgrading (Grades 10-12) ★	Advanced Education Foundational Learning Supports	
	General Education Development ★	Advanced Education Foundational Learning Supports	
	Life Skills / Personal Management ★	Advanced Education Foundational Learning Supports	
	Technical Entrance Preparation ★	Advanced Education Foundational Learning Supports	
	University / College Entrance Preparation ★	Advanced Education Foundational Learning Supports	
	Basic Skills – Literacy & Numeracy (Grades 1-6) ★	Advanced Education Foundational Learning Supports	Labour
	English as a Second Language ★	Advanced Education Foundational Learning Supports	Labour
	Enhanced Language Training		Labour

★ For Advanced Education clients, the Work Outcomes Reporting Project surveys all learners who have participated in foundational learning programs.

advancededucation.alberta.ca/ministry/reports/annualreports/