UNIVERSITY OF ALBERTA

ANNUAL REPORT
2025-26

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COVER LETTER

I am pleased to present the University of Alberta's 2025-26 Annual Report. This past year has been one of exceptional momentum, driven by our strategic vision, Shape: A Strategic Plan of Impact and a steadfast commitment to serving as a vital engine for Alberta's economic prosperity, innovation and community wellbeing.

The U of A is proud to be a crucial asset and key partner in building a resilient, future-ready province. By aligning our growth, academic programming and research ecosystem with the evolving needs of our communities, we continue to deliver tangible, real-world impacts for Albertans.

Cultivating Alberta's Future Workforce

To meet the talent demands of Alberta's dynamic economy, we are actively expanding access to world-class education. Guided by our Integrated Enrolment Growth Plan, we exceeded our Year 1 enrolment target by 3.9 per cent, progressing toward our ambitious goal of serving 60,000 students within the next decade. We are accelerating program development in critical, high-demand sectors, preparing to launch new credentials in Data Science, Artificial Intelligence and Health Sciences.

Our students are highly sought after, boasting a 95.2 per cent employment rate two years post-graduation. Through targeted student supports, mental health action plans and a pioneering new framework for AI literacy, we are ensuring our graduates enter the workforce resilient, adaptable and equipped to lead.

Driving Economic Growth Through Innovation

The U of A remains an integral pillar of Alberta – and Canada's – innovation ecosystem, attracting $610 million in sponsored research revenue this year. We are intensely focused on translating research into commercial success. Through initiatives like the Alberta-led Lab2Market hub, the expanding U of A Innovation Fund and our collaborative intellectual property microcredentials, we are empowering researchers to spin discoveries into thriving local companies.

Our strategic platforms are positioning Alberta as a national leader in critical sectors. The launch of the Centre for Hydrogen Innovation, Workforce Development and Outreach and the advancement of the PRAIRIE Hub for Pandemic Preparedness demonstrate our capacity to tackle global challenges while creating local economic opportunities. Furthermore, our leadership in the DEFENDS initiative is securing Alberta's role as the western anchor of Canada's defence and AI innovation ecosystem.

A Global Leader, Rooted in Alberta

Our continued rise in global excellence — including top-100 placements in the QS and Shanghai rankings — serves as a powerful magnet for international talent and investment, directly benefiting our province.
The achievements detailed in this report are the result of deep collaborations with industry, post-secondary partners, and the Government of Alberta.

We look forward to deepening this vital partnership as we continue to build a stronger, more innovative province together.

Bill Flanagan

President and Vice-Chancellor
University of Alberta

INFORMATION

Institution Name: University of Alberta

President's Name: Bill Flanagan

Board Chair's Name: Brad Ferguson

1. ACCOUNTABILITY ACKNOWLEDGEMENT (A & B)

a. Accountability Statement

The President and the Chair of either the board (PSI) or the governing body (IAI) (Board Chair) are required to sign the appropriate accountability statement below based on their institution type. Original signatures are not required.

Public Post-secondary Institutions

The institution's Annual Report for the year ended was prepared under the Board's direction in accordance with the *Sustainable Fiscal Planning and Reporting Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act.* All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Independent Academic Institutions

The institution's Annual Report for the year ended was prepared under the governing body direction in accordance with ministerial guidelines. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

b. Management's Responsibility for Reporting

This accountability statement, signed by both the President and Board Chair, outlines management's responsibility for preparing and submitting the annual report. The President and Board Chair must sign the appropriate accountability statement below based on their institution type.

Public Post-secondary Institutions

The institution's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the institution audit committee, as well as approved by the Board of Governors and is prepared in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the *Post-secondary Learning Act.*

The Auditor General of Alberta, the institution's external auditor appointed under the *Post-secondary Learning Act,* performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian public sector accounting standards. (Note: This last paragraph does not apply to The Banff Centre.)

Bill Flanagan, President

Brad Ferguson, Board Chair

2. PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Fulfill disclosure requirements under the Public Interest Disclosure *(i.e. Whistleblower Protection)* Act (the Act).

The Act applies to provincial government departments, offices of the Legislature and to public entities. Public entities include any agency, board, commission, Crown Corporation or other entity designated in the Regulations.

The purposes of the Act are to:

· Facilitate the disclosure and investigation of significant and serious matters an employee believes may be unlawful, dangerous or injurious to the public interest;

· Protect employees who make a disclosure;

· Manage, investigate and make recommendations respecting disclosures or wrongdoings and reprisals; and

· Promote public confidence in the administration of the departments, Legislative offices and public entities.

Section 32(1) of the Act requires every chief officer (as defined in the Public Interest Disclosure Regulation) to prepare a report annually on all disclosures that have been made to the designated officer.

Section 32(2) of the Act requires that the chief officer's report includes the number of disclosures received, acted on and not acted on, the number of investigations commenced, a description of any wrongdoing found and any recommendations made or corrective measures taken regarding the wrongdoing or the reasons why no corrective measure was taken.

Section 32(3) of the Act requires this information be included in public entities' annual reports.

Provide the numbers for each item below, if applicable.

Number of disclosures received: 0.00

Number of disclosures acted on: 0.00

Number of disclosures not acted on: 0.00

Number of investigations commenced: 0.00

Number of investigations still underway: 0.00

Provide a description of any wrongdoing found and any recommendations made or corrective measures taken regarding the wrongdoing, or the reasons why no corrective measure was taken.

N/A

For more information, please visit: https://yourvoiceprotected.ca/chief-designated-officers/

3. GOALS AND PERFORMANCE MEASURES

List the progress made over the past year on the institution's goals and related performance measures. Demonstrate alignment between your institution's strategic plan, performance measures and achieved outcomes.

The university's strategic plan, *Shape*, outlines a vision for the U of A to grow to 60,000 students within the next decade, driven by our commitment to enhance access for Albertans, deliver greater impact for our communities and support institutional sustainability.

In 2025/26, the university continued to pursue its ambitious enrolment growth objectives to serve the needs of Alberta's students and economy, guided by our *Integrated Enrolment Growth Plan (IEGP)*. The IEGP identifies key actions necessary to enable and support this growth, spanning pedagogy and programming, student supports, infrastructure and technology, workforce planning and advocacy efforts. The plan is designed to be adaptive, allowing the university to capitalize on emerging opportunities and navigate constraints effectively. As of Dec. 1, 2025, official enrolment totals exceeded the IEGP Year 1 target by 3.9 per cent. Other major related highlights from this year include the second year of the Year One Foundation Program, which provides an alternative entry pathway for international students. The program admitted an initial cohort of approximately 30 students last year and approximately 300 students in 2025/26 over three intakes.

The U of A is accelerating development of new graduate certificates and course-based Master's programs, with emphasis on opportunities for credential laddering and scaleability (incl. online). Highlights include: the Graduate Certificate and Master's in Sustainability, both approved and launched (with the first Master's cohort to begin study in Sept 2026); the Graduate Certificate in Data Science and AI, approved and with its first cohort to start in Sept 2026; and multiple interdisciplinary graduate certificates submitted for government approval (Health and AI; Policy Studies; Indigenous Law). At the undergraduate level, the university is preparing to launch the recently-approved Bachelor of Health Sciences, which will prepare students for a wide range of careers in the health system.

Under *Shape*, the U of A also aspires to increase its global impact and recognition, reflecting its commitment to connecting Alberta to the world for the benefit of our province.

The university continues to receive recognition for its global excellence. Targeted initiatives aimed at enhancing institutional impact and visibility are showing positive results in various international and national rankings.

In 2025/26, the U of A ranked 94th in the QS World University Rankings, 101st in the Shanghai rankings, and 119th in the Times Higher Education (THE) world rankings. The U of A also ranked 74th in the QS Sustainability Rankings, and 8th in the world — and third in North America — in the THE Impact Rankings.

Measures:

- Enrolment (total headcount): 47,526
- Enrolment (domestic headcount and %): 39,277 (83%)
- Enrolment (international headcount and %): 8,249 (17%)
- Enrolment (Indigenous headcount): 2,340
- Completion Rate: All programs (81%), exceeds benchmark for graduate (2024/25)
- Employment two years post-graduation: 95.2%
- Working in in a field related to general skills and abilities acquired through their education: 94.8%
- Employability ranking (QS): 5th among Canadian universities (2022 ranking)

- World rankings:
  - ARWU -- 101st (4th in Canada);
  - THE -- 119th (5th in Canada);
  - QS -- 94th (4th in Canada);
  - THE Impact -- 8th Internationally
- Research revenue by source (total sponsored research = $610.0 million):
  - Alberta Government -- $93.1 million;
  - Government of Canada -- $217.7 million;
  - National and international associations -- $110.0 million
  - National and international industry -- $49.3 million
  - Endowment, investment earnings -- $62.4 million
  - Other government -- $32.7 million
  - AHS consolidation revenue -- $35.8 million
- Research Application Indicators:
  - Spinoffs -- 5
  - Inventions -- 90
  - Patent Applications Filed (all countries) -- 81
  - Patents Granted -- 41 (16 US)
  - Revenue Agreements (e.g. licenses, royalties, options) -- 68

a. Student Supports and Resources

Outline student support services and resources your institution offers that address the diverse needs of your students and helps them to excel in and to complete their post-secondary studies (e.g., academic and career advising, financial and housing assistance, health & wellness services, etc.).

The University of Alberta offers a comprehensive suite of student supports, including academic and career advising, health and wellness services, financial and housing assistance and more.

The U of A also administers a suite of student financial supports, whether merit- or need-based or hybrid. In a typical year we administer in excess of $85 million in financial support.

Our efforts to enhance the student environment are guided by *Igniting Purpose: The Student Experience Action Plan*, which provides the vision for the U of A's commitment to providing an enriching, supportive and challenging environment for our students as we grow. This plan was co-created by administration and students. In 2025/26, the university launched an initiative to enhance the student advising system to better support students through their degree pathway, responding to a top concern identified by students and addressing one of the key determinants of student completion.

Under this plan, during 2025/26 the U of A continued implementation the National Standard for Mental Health and Wellbeing and launched the Student Mental Health Action Plan, which provides a framework for collaborative action across the university. The plan includes commitments to enhanced training in intercultural competencies and trauma-informed care, reducing barriers to access and building mental health skills among students, staff and faculty. These actions ensure that our mental health and wellbeing supports reflect national best practices and meet the needs of today's students.

This past year, the university also launched implementation of the Accessibility Enhancement project to help transform the student, instructor and staff experience of academic accommodation services toward improved accessibility.

Other key initiatives undertaken to support student experience include the launch of a new Consent and Sexual and Gender-Based Violence webpage, implementation of a new portal for academic accommodations and development of a revised approach to student group event oversight in collaboration with the Students' Union.

In 2025/26, the university also launched development of a framework for AI literacy to ensure students are supported to develop relevant competencies and are equipped to make informed decisions about the responsible and ethical use of AI tools, both within their programs and when they graduate into the workforce.

b. Strategic Research Priorities

Outline your institution's strategic research priorities. Describe how these priorities align with provincial strategies (Alberta 2030: Building Skills for Jobs, Alberta Technology and Innovation Strategy, etc.). For each priority area, describe key achievements (results or anticipated outcomes and impacts) and how they have contributed to the advancement of your institution's own strategic research priorities. Where possible, include quantitative indicators to support examples provided. Institutions with emerging research strategies may focus on priority areas under development and describe foundational activities, early achievements and intended outcomes.

Strategic research activity at the U of A is guided by *Forward with Purpose: A Strategic Plan for Research and Innovation*, launched in 2023/24. Forward with Purpose identifies four goals — each with objectives, actions and key indicators — and reiterates the six areas of research identified in *Shape*, including three in which we have broad, long-term and deep institutional strengths and three areas of leadership that are primed for further growth. Together, these areas of global excellence and growth, alongside our strategic goals for research and innovation, will help further position the U of A as a global leader addressing the grand challenges of our time.

This plan details the vision for achieving greater research impact through large-scale, interdisciplinary collaborations, enhanced support for the research ecosystem, and a dedicated focus on established and emerging areas of institutional strength. The U of A's priorities are aligned with supporting Alberta's economic diversification, advancing high-technology industries and supporting commercialization of cutting-edge research within Alberta. Because research and teaching are fully integrated, ensuring our students are taught by leading researchers in first-class research spaces, we are also developing Alberta's future innovators and high-technology workers.

Transforming research ideas and discoveries into viable products, services and companies that produce social and economic impacts is a core strategic goal for the U of A. From nurturing and developing students' ideas and entrepreneurial ambitions to providing technology transfer services to faculty members ready to patent and spin-off discoveries into companies, the U of A's innovation ecosystem continues to grow and produce results.

The U of A is integral to Alberta's innovation ecosystem and continues to prioritize impactful partnerships. Examples include:

- U of A is the lead for Lab2Market Alberta, a regional hub for the national Lab2Market network. Innovate Calgary, the University of Lethbridge and Edmonton Unlimited are delivery partners. In 2025, the U of A had 48 participants;
- A Steering Committee for Alberta FAST (Fast Track to Accelerate Start-Up of Clinical Trials) was established in collaboration with the U of C. This initiative seeks to accelerate the stand up of clinical trials for researchers in Alberta.

- The U of A Innovation Fund has grown to $7M, and to date, the Fund has invested in 13 technologies.
- The U of A's Centre for Applied Research in Defence and Dual-use Technologies (CARDD-Tech) collaborates on defence and dual-use technologies research initiatives. As the only defence centre at a Canadian post-secondary institution, CARDD-Tech forms the foundation of our major initiative on the Dual-Use Ecosystem for Engineering, National Defence, and Sovereignty (DEFENDS). This Alberta-led strategic platform will secure the province's role as the western pillar of Canada's defence innovation ecosystem. Thus far, we have secured announced funding of $3M from Prairies Economic Development Canada (PrairiesCan). We have also secured $4.9M in funding for the Industry Sandbox for AI Computing (ISAIC) to support defence-oriented initiatives.

The U of A is also focused on bringing together researchers from across disciplines to support large-scale interdisciplinary collaboration. At this stage, the impact of these efforts is reflected in research funding. Over time, substantial real-world impacts — including economic benefits for Alberta — will be evident. Highlights include:

- The Dianne and Irving Kipnes Health Research Institute launched in May 2025 with three foundational institute pillars: Health Research Translation, Artificial Intelligence + Health and Lymphedema Research + Training. The institute was enabled by a $25M philanthropic gift.
- The U of A developed three submissions for Canada Excellence Research Chairs (CERC)s. If successful, this will result in $24M over 8 years and enhance our capacity to catalyze world-leading collaborations.
- The Centre for Hydrogen Innovation, Workforce Development and Outreach (CHIWDO) launched in May 2025 to advance technologies and train future leaders.
- The PRAIRIE Hub for Pandemic Preparedness developed a successful funding request to Health Emergency Readiness Canada (HERC) to develop the Canadian Biodefense Network (CBN). U of A will coordinate with biomanufacturing hubs across Canada to create a network to develop biodefense strategies. This builds on the PRAIRIE Hub's earlier work to secure $110M in Canadian Biomedical Research Fund Biosciences Research Infrastructure Fund funding for four projects.

c. Collaboration with Other Learning Providers

Outline your institution's collaboration with other learning providers such as First Nations Colleges, publicly funded post-secondary institutions or Private Career Colleges, specific to:

a. Brokered programs
b. Collaborative delivery (satellite or other arrangements)
c. Institution-level research collaborations
d. Learner pathways (e.g., transfer credit for courses/programs)

Our strength as a research and teaching institution, and our ability to innovate and drive change to deepen education and learning, depends on a vast network of partnerships and collaborations with communities near and far. Working with post-secondary and industry partners, communities, non-profit organizations and all levels of government, we create symbiotic collaborations that promote joint solutions to shared problems. Together, we facilitate knowledge translation and magnify the reach and impact of U of A research, education and scholarship.

We support numerous transfer pathways from other PSIs and provide a dedicated web portal for students to assist them in navigating the transfer process.

We also participate in innovation-related initiatives with PSI partners. Examples include Alberta FAST (noted above) as well as the launch of three on-demand, free microcredentials on IP in partnership with the Government of Alberta, University of Lethbridge and Concordia University of Edmonton, and alongside IP and Commercialization industry experts.

4. FINANCIAL INFORMATION

Provide your institution's financial reporting for the fiscal year, including approved budget figures, actual results, and audited financial statements.

a. Budget Variances

Using the budget submitted to Advanced Education by May 31st, identify key variances between budgeted statement of operations and actual audited results. Provide a detailed explanation for all material variances.

Category	Budgeted Amount	Actual Amount	Variance	Variance Explanation
Revenue				
Government of Alberta Grants	$825,792,000	$801,947,000	($23,845,000)	Decrease due to the deferral of unspent restricted grants being higher than budget, mainly due to timing of expenditures relating to the Biological Sciences Building Renewal project.
Federal and other government grants	$252,790,000	$253,906,000	$1,116,000	
Student tuition and fees	$520,668,000	$531,030,000	$10,362,000	Higher than budgeted domestic enrolment.
Sales of services and products	$241,746,000	$240,101,000	($1,645,000)	
Donations and other grants	$170,921,000	$173,313,000	$2,392,000	
Investment income	$165,015,000	$199,188,000	$34,173,000	Higher than budget realized gains and income due to frequent rebalancing (selling) of public equities combined with record high equity markets.
Endowment contributions	$22,440,000	$25,887,000	$3,447,000	
Endowment capitalized investment Income	$ -	$78,982,000	$78,982,000	Not budgeted. Balance represents realized gains earned above endowment spending allocation. Balance is higher than average due to realized gains from rebalancing (selling) under the return-seeking and yield strategies.

Expenses				
Salaries	$1,075,152,000	$1,068,306,000	($6,846,000)	
Employee benefits	$202,187,000	$204,291,000	$2,104,000	
Materials, supplies and services	$407,712,000	$426,208,000	$18,496,000	
Scholarships and bursaries	$194,186,000	$185,007,000	($9,179,000)	Decrease from budget due to timing differences in the distribution of endowment-funded and tuition-supported awards.
Maintenance and repairs	$87,268,000	$77,020,000	($10,248,000)	Decrease from budget due to timing of progress in various CMR supported projects.
Utilities	$66,835,000	$52,107,000	($14,728,000)	Decrease due to Facility-Specific Benchmark rate granted by the Government of Alberta that significantly reduced carbon levy costs.
Amortization of tangible capital assets and purchased intangibles	$174,562,000	$175,715,000	$1,153,000	

b. Audited Financial Statements

Ensure your audited financial statements are included in your Annual Report.

Audited Financial Statements included in Annual Report? Yes

https://www.ualberta.ca/en/university-services-operations-finance/reports-plans/annual-financial-statements.html

5. SELF-GENERATED REVENUE

Report all revenue your institution generates through its various enterprises and activities. Each revenue stream must be categorized and include a description of the activity, annual revenue and profit/loss. Categories include:

a. Tuition and Mandatory Fees

Report all revenue from tuition and mandatory student fees associated with instruction. Examples may include, but are not limited to, domestic tuition, international student tuition, continuing education fees and other mandatory student fees associated with instruction.

Revenue Source	Description	Annual Revenue
Domestic Tuition	Cost of courses and instructions	$285,550,000
International Student Tuition	Cost of courses and instructions	$170,157,000
Continuing Education Fees	Non-credit fees including fees for courses, registration and other fees related to non-credit programs.	$11,317,000
Other Mandatory Student Fees	Includes mandatory non-instructional fees (MNIFs) which support non-instructional services for all students. As well as other program specific fees to support additional services and programming for students.	$64,006,000
	Subtotal	$531,030,000

b. Donations and Investment Income

Report all revenue from donations received and investment income earned. Examples of donations may include, but are not limited to, cash donations and donations in-kind. Investment income examples may include, but are not limited to, interest earned, interest earned on endowments and realized and unrealized gains and losses. Please also identify if the revenue is restricted or unrestricted.

Revenue Source	Description	Annual Revenue
Cash Donations	Donations of property (including cash donations, bequests, marketable securities). Revenue is mostly restricted but may include some unrestricted donations.	$41,232,000
Donations In-Kind	Restricted donations of property (including artwork, land, equipment or real property). Revenue is restricted.	$5,275,000
Interest Earned	Includes all investment income (not including realized gains) earned on non-endowed investments. Revenue is mostly unrestricted but may include some restricted investment earnings.	$83,825,000
Interest on Endowments	Includes all investment income earned on endowments, including realized gains. Amount represents endowment spending allocation per university policy.	$92,091,000
Realized Gains/ Losses	Capital gains/losses arising from the sale of non-endowed investments. Revenue is unrestricted.	$22,502,000
Unrealized Gains/ Losses	Change in fair value of all portfolio investments. Unrealized gains/ losses are not recognized as revenue until realized.	$103,991,000
	Subtotal	$348,916,000

c. Research Grants

Report all research grant revenue from external sources, not including grants received from the Province of Alberta. Examples may include but are not limited to, grants from not-for-profit organizations, other provincial governments and businesses.

Grant Source	Description	Annual Revenue
Not-for-Profit Organizations	Research grants received from private sources.	$98,127,000
Federal Government	Research grants received from federal departments and agencies.	$216,796,000
Businesses	Research grants received from private sources.	$26,073,000
Other	Research grants received from municipal and foreign governments.	$32,835,000
	Subtotal	$373,831,000

d. Other Grants

Report all non-research grant revenue from external sources, not including grants received from the Province of Alberta. Examples may include but are not limited to, grants from not-for-profit organizations, other provincial governments and businesses.

Grant Source	Description	Annual Revenue
Not-for-Profit Organizations	Non-research grants received from private sources.	$1,061,000
Federal Government	Other grants from Federal departments and agencies, including grant to support French Language initiatives and accessibility improvements at track facilities.	$1,323,000
Other Provincial Governments	Grant received from the Province of Saskatchewan for Occupational Therapy students.	$2,952,000
Businesses	Non-research grants received from private sources.	$1,545,000
	Subtotal	$6,881,000

e. Auxiliary / Ancillary Services

Report revenue from all auxiliary and ancillary operations. Examples may include, but are not limited to, bookstores, student residences, parking services, laundry facilities, printing services, sports and recreational facilities, rental services, catering operations, and cafeterias.

Service	Description	Annual Revenue
Bookstores	Campus bookstores	$5,647,000
Student Residences	Campus Residences	$40,485,000
Parking Services	Parking Services	$23,841,000
Sports and Recreational Facilities	Campus and Community Recreation	$11,025,000
Catering Operations	Dining, Leasing & Conference Services	$11,279,000
Other	Other Retail Operations, including the UofA Pharmacy, Glen Sather Clinic (final year), Botanical Gardens as well as utility sales to external customers on the university's district energy system grid.	$33,687,000
	Subtotal	$125,964,000

f. Academic Enterprise

Report revenue from activities that are integral to your institution's educational, research, public service, and campus support functions. These activities should align with your academic mission rather than being primarily profit-driven. Examples may include, but are not limited to, continuing education programs, culinary school restaurants, agricultural operations and breweries.

Enterprise	Description	Annual Revenue
Other	Oral health clinic	$12,744,000
	Subtotal	$12,744,000

g. Land Trusts and For-Profit Ventures

Provide information on all revenue-generating subsidiary entities, including a detailed description of each venture's primary business activities and areas of operation.

Venture	Description of Primary Business and Areas of Operation	Annual Revenue
Venture 1	University of Alberta Property Trust Inc. (equity pick up)	$770,000
	Subtotal	$770,000

h. Other

Report any additional self-generated revenue not captured in the previous categories. Include clear descriptions of each revenue source.

Revenue Source	Description of Primary Business and Areas of Operation	Annual Revenue
Other Source 1	All other external sales (excluding ancillary and academic enterprises) within the faculties and colleges. Revenue includes but is not limited to fee-for-services activities, sale of products to external parties, conferences and sponsorships.	$101,393,000
	Subtotal	$101,393,000

	Grand Total	**$1,501,529,000**

6. CAPITAL REPORT

Provide an overview of your institution's capital plan and include the total project costs and detailed funding source breakdowns for each of the following categories: Government of Alberta, Government of Canada, institutional funds, donations, foundations and industry. For each funding source category specify the percentage of contribution from each source to each project and amounts received to date.

a. Top Three Priority Projects

Define and describe your top three priority capital projects proceeding within the next three to five years that exceed either $2.5 million or 50% of your institution's Infrastructure Maintenance Program grant, whichever is greater. These projects may include infrastructure supporting high-demand programs, research initiatives, critical health and safety improvements or essential information technology systems.

Project 1: Integrated Health Sciences Innovation Complex (ECHA 2.0) - Planning

Description	Total Project Cost	Start Date	End Date
There is a need to reclaim space for beds within the Walter C MacKenzie Health Sciences Centre to address Alberta Hospital and Surgical Health Services' need for critical growth for hospital beds and capacity. In preparation for healthcare system expansion, this project would allow the University of Alberta to relocate academic and administrative functions from the Clinical Sciences Building and the Walter C. MacKenzie Centre, freeing capacity for clinical growth. This multi-year project requires collaboration between the University of Alberta, Alberta Infrastructure and Alberta Hospital and Surgical Health Services. The strategic location of the building on campus positions health researchers close to patients who desire to be involved in clinical health research and gives clinicians and students access to the latest technology, cultivating an environment ideal for advancing research, academics and patient care. This continued integrative approach better positions the university to first attract, then address, expanded student intake across all health science faculties and disciplines to meet the healthcare workforce needs in Alberta. The proposed spin off incubation space fosters the commercialization of the university's leading research thereby further advancing research and bolstering investment in both the university and the province. Overall, this new infrastructure would create healthcare capacity, interdisciplinary innovation and healthcare training in a state-of-the-art facility with specialized medical systems and technologies. Total request: $20 million, beginning as early as 2026/27, for demolition of the existing Research Transition Facility and for functional programming of Edmonton Clinical Health Academy (ECHA) 2.0. Considering the priority of this project, the university is committing $10 million in institutional funding for demolition in the event that the Government of Alberta provides the remaining $20 million in planning funding for this project.	$30,000,000	FY27	FY29

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	$20,000,000	67%	-
Government of Canada		0%	
Institutional Funds	$10,000,000	33%	-
Donations		0%	
Foundations		0%	
Industry		0%	
Total	$30,000,000	100%	$ -

Project 2: University Data Centre

Description	Total Project Cost	Start Date	End Date
In alignment with the University of Alberta's commitment to advancing digital infrastructure and supporting its growing academic and research needs, the proposed Data Centre will serve as a critical asset. This new facility will be designed to meet the increasing demand for secure, reliable and scalable digital infrastructure to support academic, administrative and research functions across the university. The need for this project arises from current aging infrastructure, the rapid expansion of digital services, the increase in computing power required for AI research, the growing volume of research data and the university's strategic goal of enhancing technological capabilities to drive innovation and academic excellence. The new data centre will enable optimization and consolidation of existing resources, improve resilience and performance and provide scalable capacity to support future growth and flexibility. In time, the proposed data centre will not only enhance the university's technological capacity but will also foster interdisciplinary collaboration, support high-performance computing initiatives and provide a foundation for the growth of digital services, ultimately advancing the university's standing as a global leader in research and education. Total request: $5 million, beginning in 2027/28 to advance planning and design work for a new data centre to meet the needs of the university and provide opportunities for other partnerships. The university has committed $150,000 to planning in 2025/26 and is actively pursuing partnership opportunities to support the project. Updates will be provided to the Government of Alberta, including any confirmed partnership funding.	$5,150,000	FY27	FY28

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	$5,000,000	97%	-
Government of Canada		0%	
Institutional Funds	$150,000	3%	$150,000
Donations		0%	
Foundations		0%	
Industry		0%	
Total	$5,150,000	100%	$150,000

Project 3: Athabasca Hall Renewal

Description	Total Project Cost	Start Date	End Date
Athabasca Hall is one of the key hallmark buildings that flank the open green space called the Quad. The hall served as a student residence in the early 1900s and was built using wood frame construction with a lighter structural capacity, which best serves an academic office environment. This renewal would modernize the building's core infrastructure systems and incorporate sustainable building upgrades such as high-efficiency LED lighting, improved glazing and more efficient mechanical systems. The renewal also envisions enabling a more optimized footprint and improved functionality in the heart of North Campus. This renewal project will relocate a suitable academic department from the Faculty of Arts and/or Faculty of Science that does not require high service lab/teaching space into Athabasca Hall. This approach makes better use of its infrastructure and enables the renewal of the Biological Sciences into the Life Sciences Innovation and Future Technologies Centre. Current residents of Athabasca Hall have moved into the new University Commons, which means that renewal of Athabasca Hall could occur as early as 2027/28. Total request: $19 million over three years, beginning in 2027/28. This would be cost-matched by $500,000 in university funding, for a total project cost of $19.5 million	$19,500,000	FY27	FY30

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	$19,000,000	97%	-
Government of Canada		0%	
Institutional Funds	$500,000	3%	
Donations		0%	
Foundations		0%	
Industry		0%	
Total	$19,500,000	100%	$ -

b. All Other Projects

Name and Description	Type	Total Cost	Current Status
Clinical Sciences Building Renewal The Clinical Sciences Building primarily supports health-related teaching and research, housing a variety of high-use spaces such as classrooms and research laboratories, with a focus on advancing academic programs and research activities. Renewal of the building's envelope and mechanical systems is vital to extending the life of this facility and ensuring it continues to meet the operational needs of the university's health sciences programs. Aging infrastructure now requires urgent attention to maintain safety, functionality and occupant comfort for students, faculty and staff. The building has experienced multiple flooding incidents resulting from failures in the building envelope and perimeter mechanical systems, necessitating remediation efforts. The most recent flooding event occurred in December 2025, underscoring the immediate risks. As outlined in the Building Renewal Scope Confirmation Report (September 17, 2025), renewal work is planned in phases. This project would address Phases 1 and 2, focussing on critical deficiencies in the building envelope, including recaulking and resealing of joints, and targeted work on perimeter mechanical systems (including induction units and controls). Renewal of the Clinical Sciences Building will ensure a reliable, energy-efficient facility that continues to support the university's academic programs and research innovation. In the event of the completion of the ECHA 2.0 project, the university intends to relocate out of this building to enable expansion of Walter C. MacKenzie Health Sciences Centre and supporting facilities. Total request: $12 million in provincial funding for initial phase of work. This would be cost-matched by $8 million in university funding, beginning in 2026/27, for a total project cost of $20 million.	Maintenance	$20,000,000 GoA: $12M UA Internal: $8M	Proposed

Name and Description	Type	Total Cost	Current Status
Mechanical Engineering Building Renewal The Mechanical Engineering Building, located in the northwest corner of North Campus, serves as a cornerstone for the Faculty of Engineering, supporting a wide range of functions critical to student success. It is home to both high- and low-service lab spaces, classrooms and faculty administration, all designed to provide student-focused support and learning. In response to growth in student enrolment and expansion of academic programs, the renewal will address key infrastructure challenges and space optimization, enhancing the building's functionality to better support teaching, research and collaboration. The project will not only modernize aging building systems but also create a more sustainable and flexible environment, incorporating energy-efficient technologies and upgraded infrastructure to meet the evolving needs of the university. The renewal will increase the building's utilization and functionality, reduce utility costs and better support projected growth. By investing in the revitalization of this essential facility, the university will continue to promote a positive student experience, foster academic excellence, and facilitate cutting-edge research.	Maintenance	$5,000,000 GoA: $5M	Proposed
Chemistry Instruction Labs Renewal This project will renew the original (1973) undergraduate labs of Chemistry by revitalizing and optimizing laboratory space and will complete the full renewal of the Chemistry Complex that brings the older spaces up to date by renewing obsolete ventilation and mechanical systems. By redesigning the floor layout, space will be used more efficiently, ultimately expanding the number of teaching labs available to accommodate a growing student population. The upgraded labs will contribute to the university's growth objectives while providing an enhanced student experience and improving teaching outcomes simultaneously. The university would target energy efficiency upgrades under our Envision 2.0 program that could be done within the scope of this renewal. These improvements would include LED lighting upgrades and fume hood optimization, at an estimated $2.5 million in institutional funding. Total request: $30 million over four years, beginning in 2027/28. This would be cost-matched by an additional $2.5 million in institutional funding for energy efficiency improvements under the Envision 2.0 program, for a total project cost of $32.5 million.	Maintenance	$32,500,000 GoA: $30M UA Internal: $2.5M	Proposed

Name and Description	Type	Total Cost	Current Status
Augustana - Classroom Building Renewal To support the university's growth strategy, Augustana Campus requires investment in facilities that attract and retain undergraduate students - particularly modern lab spaces and classrooms within an increasingly competitive post-secondary landscape. Based on current enrollment projections, Augustana is expected to grow by approximately 340 undergraduate students by 2033, bringing total enrollment to 1,200. Of this growth, approximately 25% is anticipated to be in Science programs at Augustana Campus. As students from all disciplines attend classes and labs within this building, we would be directly impacting at least 50% of our Augustana student body by addressing deficiencies and modernization of the space. This project will renew the original (1980) undergraduate chemistry and physics labs by revitalizing and optimizing these spaces, as well as improving the tiered lecture theatre, to enhance the student experience and bring these outdated spaces up to the university's minimum teaching standards. While the university invested institutional funding in 2017 to modernize one chemistry lab and two biology labs, the remaining chemistry and physics labs are in their original condition. In addition to laboratory and classroom improvements, the project would also include renewal of washrooms and accessibility upgrades to building entryways and internal circulation, improving inclusivity, code compliance and overall student experience, helping to create a more vibrant and modern learning environment. To get this project shovel-ready, the university has earmarked $500,000 for planning and design to occur beginning in 2026/27. In addition, the university would target energy efficiency upgrades under our Envision 2.0 program that could be done within the scope of this renewal. These upgrades are anticipated to include LED lighting upgrades and glazing improvements, supported by an estimated $500,000 in additional institutional funding. Should funding be secured for this renewal, we expect construction could proceed as early as 2027/28. Total request: $9.5 million in provincial funding for initial phase of work, beginning in 2027/28. This would be cost-matched by $1 million in university funding, for a total project cost of $10.5 million.	Maintenance	$10,500,000 GoA: $9.5M UA Internal: $1.0M	Proposed

Name and Description	Type	Total Cost	Current Status
University Commons The functional renewal of the 1922 Dentistry / Pharmacy building will provide for the modernization of all building systems, the shell and the core for 30,549 square metres of space in addition to 4,000 square metres of expansion space that will be created through enclosure of the existing open atriums. The renewal will allow for the repurposing of the building making it more compatible for modern uses and programming.	Expansion	$253,208,951 GoA: $249M GoA CMR: $4.2M Received so far: GoA: $249M GoA CMR: $4.2M	Closeout
LIFT Centre The complete redevelopment of the aging Biological Sciences Building will create Canada's preeminent home for world-leading, life sciences education, research, discovery, and experiential learning. That's precisely what's on the table with the University of Alberta's plans to transform the old Biological Science Building into an unprecedented, world-leading centre enabling discovery and inspiring innovation, helping tackle some of society's most critical health and science-based challenges. At the core of it all is the creation of a high-service, experiment-focused laboratory hub accessible to the whole university, designed in a way that breaks down walls (literally and figuratively) and barriers to innovation and discovery. Bringing together life sciences researchers, professors and students from across the institution into a shared space that inspires innovation, leads to discoveries and creates global impact. The facility will be designed with collaboration and collisions in mind. The opportunity for groups from across disciplines, at the interface of life sciences, to interact in a way they historically would never have the chance to – shared meeting and gathering spaces, intentional lab assignments that mix disciplines creating proximity and increasing the likelihood of sharing and sparking new ideas and approaches, outside groups and partners walking the halls and sharing perspective and experiences. The space itself will be fully agile, creating versatile, flexible lab and learning spaces that can be rearranged to fit specific requirements. This is what sets this new facility apart. The ability of the space to transform itself to the needs of the research and teaching. Adaptable spaces that can flex up or down in size, adjustable bench arrangements, ventilation and other critical lab requirements to accommodate a vast range of use-cases and needs. The space will adjust to the teaching and research needs, not the other way around.	Maintenance	$218,700,000 GoA: $100M Donations: $50M UA Internal: $68.7M Received so far: GoA: $30M	Design

Name and Description	Type	Total Cost	Current Status
(LIFT Centre CONTINUED) Phasing of the project would see the redevelopment of Biological Sciences into a high service lab and teaching space over five phases (total project cost = $500 million). Planning and Phase 1 design is fully funded by the University of Alberta. Phase 1 construction, which is envisioned as being cost-shared between the University and the Government of Alberta, could begin as early as 2025/26 and continue over the following four years. Phase 1 includes the renewal of the remaining floors of Zoology Wing, but is focused on the Outboard Renewal Solution that effectively impacts all wings. The Outboard Solution focuses on upgrades to the BioSci complex's base building infrastructure including the creation of spaces below grade, new service risers above grade, and vertical circulation.			
CSJ Infrastructure Renewal Phase 2 & 3 Renovations to Pavillon McMahon, Lacerte and Daridon to optimize space, increase occupancy and modernize the space as identified in the grant	Maintenance	$11,057,338 GoA: $6.23M UA Internal: $4.83M Received so far: GoA: $6.23M UA Internal: $3.03M	Construction

7. MANDATORY NON-INSTRUCTIONAL FEES (MNIF) REPORTING

a. MNIF Financial Summary

For each MNIF provide the name of the fee, identify all specific goods and/or services supported by the fee, the budget and actual amounts for all specific goods and/or services for the reporting period and provide a brief explanation for any significant variances between budget and actual amounts.

Fee Name		Budgeted Amount	Actual Amount	Variance Explanation
Athletic/ Recreation Fee	Athletic (Varsity) (including Augustana campus); Campus & Community Recreation (including Augustana campus)	$8,700,385	$9,169,271	Enrollment headcount growth exceeded 2025-26 budgeted expectations.
Health & Wellness Fee	Counselling and Clinical Services; Sexual Assault Centre; University Health Centre; Wellness Services; Crisis supports; Sexual Violence Prevention and Response Initiatives	$6,202,068	$6,632,480	Enrollment headcount growth exceeded 2025-26 budgeted expectations.
Student Academic Support	Academic Success Centre; Undergraduate Research Initiative; Green and Gold; First Peoples' House (including Transition Year Program); Career Centre; Student Conduct and Accountability; Students' Union Funding; Augustana Student Services; Helping Individuals at Risk; Ombuds Service; University of Alberta International; Education Abroad; Faculty of Graduate Studies and Research; Professional Development, Program Services, and Awards and Funding Services; Records, Registration, and Convocation Services; Student Financial Support Services; Student Service Centre and Advisory Services; Information Services and Technology - Service and Infrastructure; Financial Services - Cashier Office, Student Receivables	$26,199,934	$27,421,258	Enrollment headcount growth exceeded 2025-26 budgeted expectations.
	Total	$41,102,387	$43,223,009	

b. Compliance Statement

Confirm whether any new MNIFs were introduced or existing MNIFs substantively changed (including changes to scope of goods/services or student population) during the reporting period. For any new or substantively changed MNIF, confirm that written approval was obtained from each of the institution's students' councils as required under Section 61(6) of the PSLA, and that appropriate consultation was conducted with student organizations prior to implementation.

Were any new MNIFs introduced or existing MNIFs substantively changed during the reporting period? No

8. FREE SPEECH REPORTING

a. Free Speech Policy Information

For each MNIF provide the name of the fee, identify all specific goods and/or services supported by the fee, the budget and actual amounts for all specific goods and/or services for the reporting period and provide a brief explanation for any significant variances between budget and actual amounts.

Please provide the URL where your institution's free speech policy is posted.

https://www.ualberta.ca/en/provost/policies-and-procedures/freedom-of-expression/statement-on-freedom-of-expression.html

Has your institution amended its free speech policy during the 2024-25 fiscal year? No

b. Cancelled Events

For each MNIF provide the name of the fee, identify all specific goods and/or services supported by the fee, the budget and actual amounts for all specific goods and/or services for the reporting period and provide a brief explanation for any significant variances between budget and actual amounts.

During the reporting period, were any events at your institution cancelled for reasons related to free speech? No

c. Free Speech-Related Complaints

Describe any complaints related to free speech policies within the time frame including number of complaints, description, context and complaint resolutions.

The University of Alberta has not received any complaints related to free speech policies within the timeframe of this report.

d. Complaints Process and Contact

Describe your institution's free speech complaint mechanism.

On December 13, 2019, The Governors of The University of Alberta approved the Statement on Free Expression at the University of Alberta (https://www.ualberta.ca/en/provost/policies-and-procedures/freedom-of-expression/statement-on-freedom-of-expression.html). If a member of the University community believes that their freedom of expression rights have been violated, they are able to make a disclosure to the Office of Safe Disclosure & Human Rights (https://www.ualberta.ca/en/provost/portfolio/office-of-safe-disclosure-human-rights/how-to-make-a-disclosure.html).

Upon receiving a disclosure, an advisor from the Office of Safe Disclosure and Human Rights reviews the details with the individual, outlining available options and referrals. The individual then determines whether to initiate a formal investigation. More detailed complaint processes are available through existing policies, procedures and collective agreements.

The Office of Safe Disclosure & Human Rights is the point of contact at the University of Alberta for complaints of this nature. This office is accountable to the Provost and Vice-President (Academic).

9. BOARD OF GOVERNORS TRAINING ON FOR-PROFIT VENTURES

Provide an overview of the training opportunities for board members on for-profit ventures, including responses to the questions below and a description of training materials. Include relevant materials as a separate attachment.

a. **Have all current board members completed for-profit ventures training?** No

b. **When did current board members last complete for-profit ventures training?** N/A

c. **Provide a brief description of the training materials used and include relevant materials as a separate attachment.**

In the usual course, the University of Alberta does not arrange for or facilitate training opportunities for members of the board of governors on for-profit ventures as the composition of the board typically includes a number of individuals with substantial experience in the private sector. Such members have extensive expertise in business, governance and leadership, which equips them to provide oversight and strategic guidance without requiring additional for-profit venture training. Please also note that the board, in its capacity as a corporation, has two for-profit subsidiaries, being University of Alberta Properties Trust Inc. ("UAPTI") and University of Alberta Innovation Fund Ltd. ("UAIF"). Both UAPTI and UAIF, as separate legal entities from the board, have their own boards of directors.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

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FINANCIAL REPORTING

University of Alberta • 2nd Floor Enterprise Square • Edmonton • Alberta • T5J 0B2

Fax: (780) 492-2846

Website: www.ualberta.ca/finance-procurement-planning

E-mail: finrep@ualberta.ca

The consolidated financial statements of the University of Alberta have been prepared by management in accordance with Canadian Public Sector Accounting Standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the University as at March 31, 2026 and the results of its operations, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended.

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

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

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

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

Original signed by Bill Flanagan

President and Vice-Chancellor

Original signed by Todd Gilchrist

Vice-President (University Services, Operations and Finance)

Independent Auditor's Report

Auditor General OF ALBERTA

To the Board of Governors of The University of Alberta

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of the University of Alberta (the Group), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the *Consolidated Financial Statements Discussion and Analysis,* and the *Annual Report,* but does not include the consolidated financial statements and my auditor's report thereon.

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

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

I obtained the *Consolidated Financial Statements Discussion and Analysis* prior to the date of this auditor's report. If, based on the work I have performed on this other information, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

The *Annual Report* is expected to be made available to me after the date of this auditor's report. If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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

[Original signed by Phillip D. Peters FCPA, FCA, KC]
Auditor General of Alberta

June 1, 2026
Edmonton, Alberta

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026
(thousands of dollars)

	Note	2026	2025
Financial assets excluding portfolio investments restricted for endowments			
Cash and cash equivalents	3	**$ 40,140**	$ 67,400
Portfolio investments - non-endowment	4	**1,592,451**	1,546,017
Accounts receivable	7	**228,795**	208,585
Inventories held for sale		**2,355**	2,287
Investment in government business enterprise	8	**(1,912)**	(504)
		1,861,829	1,823,785
Liabilities			
Accounts payable and accrued liabilities	9	**189,847**	219,026
Employee future benefit liabilities	10	**136,467**	169,203
Debt	11	**322,610**	336,502
Deferred revenue	12	**941,945**	901,738
Asset retirement obligations and environmental liabilities	13	**189,071**	187,159
		1,779,940	1,813,628
Net financial assets excluding portfolio investments restricted for endowments		**81,889**	10,157
Portfolio investments - restricted for endowments	4	**2,090,155**	1,912,949
Net financial assets		**2,172,044**	1,923,106
Non-financial assets			
Tangible capital assets and purchased intangibles	14	**2,720,230**	2,773,320
Prepaid expenses		**14,228**	14,750
		2,734,458	2,788,070
Net assets before spent deferred capital contributions		**4,906,502**	4,711,176
Spent deferred capital contributions	15	**1,824,827**	1,849,192
Net assets	16	**$ 3,081,675**	$ 2,861,984

	2026	2025
Net assets are comprised of:		
Accumulated surplus	**$ 2,352,752**	$ 2,237,052
Accumulated remeasurement gains	**728,923**	624,932
	$ 3,081,675	$ 2,861,984

Contingent assets and contractual rights (notes 17 and 19)

Contingent liabilities and contractual obligations (notes 18 and 20)

Approved by the Board of Governors (note 27)

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

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2026
(thousands of dollars)

	Note	Budget (Note 22)	**2026**	2025
Revenue				
Government of Alberta grants	23	$ 825,792	**$ 801,947**	$ 739,418
Federal and other government grants	23	252,790	**253,906**	260,553
Student tuition and fees		520,668	**531,030**	508,282
Sales of services and products		241,746	**240,101**	230,308
Donations and other grants		170,921	**173,313**	169,520
Investment income	24	160,935	**198,418**	188,869
Investment income from government business enterprise	8	4,080	**770**	1,417
		2,176,932	**2,199,485**	2,098,367
Expense	25			
Academic costs and institutional support		1,185,729	**1,184,636**	1,122,216
Research		585,492	**600,822**	574,190
Facility operations and maintenance		188,942	**177,916**	177,522
Special purpose		148,992	**139,790**	118,393
Ancillary services		98,747	**85,490**	99,255
		2,207,902	**2,188,654**	2,091,576
Annual operating (deficit) surplus		(30,970)	**10,831**	6,791
Endowment contributions and capitalized investment income				
Endowment contributions	16	22,440	**25,887**	26,424
Endowment capitalized investment income	16	-	**78,982**	59,080
		22,440	**104,869**	85,504
Annual (deficit) surplus		$ (8,530)	**115,700**	92,295
Accumulated surplus, beginning of year			**2,237,052**	2,144,757
Accumulated surplus, end of year	16		**$ 2,352,752**	$ 2,237,052

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

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2026
(thousands of dollars)

	Budget (Note 22)	**2026**	2025
Annual (deficit) surplus	$ (8,530)	**$ 115,700**	$ 92,295
Acquisition of tangible capital assets and purchased intangibles	(215,970)	**(123,094)**	(162,638)
Proceeds on sale of tangible capital assets and purchased intangibles	-	**401**	187
Amortization of tangible capital assets and purchased intangibles	174,562	**175,715**	170,646
Loss on sale and disposal of tangible capital assets and purchased intangibles	-	**68**	46
(Increase) decrease in prepaid expenses	(339)	**522**	326
Increase (decrease) in spent deferred capital contributions	14,888	**(24,365)**	(4,438)
Increase in accumulated remeasurement gains	48,975	**103,991**	45,969
Increase in net financial assets	13,586	**248,938**	142,393
Net financial assets, beginning of year	1,923,106	**1,923,106**	1,780,713
Net financial assets, end of year	$ 1,936,692	**$ 2,172,044**	$ 1,923,106

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

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED MARCH 31, 2026
(thousands of dollars)

	Note	2026	2025
Accumulated remeasurement gains, beginning of year		**$ 624,932**	$ 578,963
Unrealized gains attributable to:			
Portfolio investments - non-endowment:			
Quoted in an active market		**36,344**	33,357
Designated at fair value		**63,182**	61,057
Portfolio investments - restricted for endowments:			
Quoted in an active market		**110,508**	66,030
Designated at fair value		**92,916**	57,289
Amounts reclassified to consolidated statement of operations:			
Portfolio investments - non-endowment:			
Quoted in an active market		**(24,256)**	(20,894)
Designated at fair value		**(42,896)**	(39,001)
Portfolio investments - restricted for endowments:			
Quoted in an active market		**(71,603)**	(59,900)
Designated at fair value		**(60,204)**	(51,969)
Net change for the year		**103,991**	45,969
Accumulated remeasurement gains, end of year	16	**$ 728,923**	$ 624,932

	2026	2025
Accumulated remeasurement gains is comprised of:		
Portfolio investments - non-endowment	**$ 200,404**	$ 168,030
Portfolio investments - restricted for endowments	**528,519**	456,902
	$ 728,923	$ 624,932

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

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2026

(thousands of dollars)

		2026		2025
Operating transactions				
Annual surplus	**$**	**115,700**	$	92,295
Add (deduct) non-cash items:				
Amortization of tangible capital assets and purchased intangibles		**175,715**		170,646
Expended capital contributions recognized as revenue		**(102,504)**		(94,528)
Investment income from government business enterprise		**(770)**		(1,417)
Gain on sale of portfolio investments		**(198,959)**		(171,764)
Loss on sale and disposal of tangible capital assets and purchased intangibles		**68**		46
Decrease in employee future benefit liabilities		**(32,736)**		(24,843)
Decrease (increase) in asset retirement obligations and environmental liabilities		**239**		(176)
Change in non-cash items		**(158,947)**		(122,036)
Increase in accounts receivable		**(17,250)**		(34,241)
Increase in inventories held for sale		**(68)**		(411)
(Decrease) increase in accounts payable and accrued liabilities		**(29,412)**		17,078
Increase in deferred revenue		**40,207**		57,683
Decrease in prepaid expenses		**522**		326
Asset retirement obligations abatement		**(1,932)**		(2,001)
Cash (applied to) provided by operating transactions		**(51,180)**		8,693
Capital transactions				
Acquisition of tangible capital assets and purchased intangibles, less in-kind donations and asset retirement additions		**(114,214)**		(152,999)
Proceeds on sale of tangible capital assets and purchased intangibles		**401**		187
Cash applied to capital transactions		**(113,813)**		(152,812)
Investing transactions				
Purchases of portfolio investments		**(266,305)**		(336,678)
Proceeds on sale of portfolio investments		**345,066**		440,138
Cash provided by investing transactions		**78,761**		103,460
Financing transactions				
Debt repayment		**(18,892)**		(18,195)
Debt - new financing		**5,000**		-
Increase in spent deferred capital contributions, less in-kind donations		**72,864**		86,127
Cash provided by financing transactions		**58,972**		67,932
(Decrease) increase in cash and cash equivalents		**(27,260)**		27,273
Cash and cash equivalents, beginning of year		**67,400**		40,127
Cash and cash equivalents, end of year	**$**	**40,140**	$	67,400

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

1. Authority and purpose

The Governors of The University of Alberta is a corporation that manages and operates the University of Alberta (the University) under the *Post-secondary Learning Act (Alberta)*. All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the Chancellor and President, who are *ex officio* members. Under the *Post-secondary Learning Act (Alberta)*, the University is a comprehensive academic and research institution offering undergraduate and graduate degree programs as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the *Income Tax Act (Canada)*, is exempt from the payment of income tax. This tax exemption does not extend to its wholly-owned subsidiaries, University of Alberta Properties Trust Inc. (UAPTI) and University of Alberta Innovation Fund Ltd. (UAIF).

2. Summary of significant accounting policies and reporting practices

These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the University are as follows:

(a) Basis of consolidation

The consolidated financial statements include the financial results of the UAIF. UAIF was established for the purpose of managing an investment fund to support research and innovation in Alberta and is wholly-owned by the University and dependent on the University for its continuing operations. These consolidated financial statements reflect the assets, liabilities, revenues and expenses of UAIF. Inter-organizational transactions, balances and activities have been eliminated upon consolidation.

Proportionate consolidation is used to recognize the University's share of the following partnerships:

- Northern Alberta Clinical Trials and Research Centre (50.0% interest) - a joint venture with Alberta Health Services to support the shared missions of Alberta Health Services and the University for collaborative clinical research.
- Pacific Marine Science Alliance Society (formerly Western Canadian Universities Marine Sciences Society) (20.0% interest) - provides research infrastructure in the marine sciences for member universities and the world-wide scientific community.

These partnerships and UAIF are not material to the University's consolidated financial statements; therefore, separate condensed financial information is not presented.

UAPTI is a government business enterprise wholly-owned by the University but not dependent on the University for its continuing operations. UAPTI follows Accounting Standards for Private Enterprises (ASPE) and is therefore included in the consolidated financial statements using the modified equity method. Under the modified equity method, the accounting policies of UAPTI are not adjusted to conform to those of the University. Thus, the University’s investment in the entity is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. There are no significant differences between ASPE and PSAS that would materially affect the University's consolidated financial statements.

(b) Use of estimates

The measurement of certain assets, liabilities, revenues and expenses is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. Management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets and purchased intangibles, asset retirement obligations, and valuation of level 3 portfolio investments are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

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

(c) Valuation of financial assets and liabilities

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

Cash and cash equivalents - cost
Portfolio investments - fair value and amortized cost
Accounts receivable - lower of cost and net recoverable value
Inventories held for sale - lower of cost and expected net realizable value
Accounts payable and accrued liabilities - cost
Asset retirement obligations and environmental liabilities - cost or present value
Debt - amortized cost
Derivatives - fair value

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses.

All financial assets are assessed annually for impairment. Impairment losses are recognized in the consolidated statement of operations. A write-down of a financial asset to reflect a loss that is other than temporary in value is not reversed for a subsequent increase in value.

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

Level 3 investments consist of direct private co-investments, limited partnerships, and externally managed pooled funds, with underlying investments in equities, debt, real estate assets, and infrastructure assets. The investment managers of these interests perform and provide valuations of the underlying investments on a periodic basis. Annual financial statements of the private investment interests are audited and are also provided by the investment managers. The value of the investments in these interests is based on the latest valuations provided (typically December 31), adjusted for subsequent cash receipts and distributions from the fund, and cash disbursements to the fund through March 31. The University believes that the carrying amount of these financial instruments is a reasonable estimate of fair value. Because private investments are not readily traded, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

Derivatives are recorded at fair value in the consolidated statement of financial position. Derivatives with a positive or negative fair value are recognized as financial assets or liabilities. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the realized gains and losses are reclassified as revenue or expense in the consolidated statement of operations.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either measure the entire contract at fair value or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the University’s normal course of business are not recognized as financial assets or liabilities.

(d) Revenue recognition

All revenues are reported on an accrual basis. Cash received for which services and products have not been provided is recognized as deferred revenue.

Government grants, non-government grants and donations
Government transfers are referred to as government grants.

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

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

(d) Revenue recognition (continued)

Government grants without terms for the use of the grant are recognized as revenue when the University is eligible to receive the funds. Non-government grants and donations with no restrictions are recognized as revenue in the year received or in the year the funds are committed to the University if the amount can be reasonably estimated and collection is reasonably assured.

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

Grants and donations related to land
Grants and donations for the purchase of land are recognized as deferred revenue when received and recognized as revenue when the land is purchased. An in-kind grant or donation of land is recognized as revenue at the fair value of the land when a fair value can be reasonably determined. When the fair value cannot be reasonably determined, the in-kind grant or donation is recognized at nominal value. Land transferred from related parties is recognized as revenue at the carrying value or nominal amount.

Student tuition and fees
Student tuition and fees represent revenues for the programs offered by the University, including credit and non-credit course tuition, and non-instructional fees including student academic support, health and wellness, and athletics fees. These revenues are considered exchange transactions and are recognized as revenue when or as the University fulfils its performance obligation(s) by delivering the programs. The University fulfills its performance obligation for credit course tuition and non-instructional fees over each academic term. As such, some performance obligations for the winter term are outstanding at March 31, and therefore a portion of student tuition and fees revenue is deferred.

Sales of services and products
Sales of services and products represent revenues from non-tuition related services and products, including parking fees, bookstore sales, residential occupancy, retail leasing, utilities sales, clinical operations and other general sales. These revenues are considered exchange transactions and are recognized as revenue when or as the University fulfils its performance obligation(s) and transfers control of the promised goods or services to the payor. If a performance obligation is outstanding at March 31, the remaining revenue is deferred. Sales without a performance obligation, including parking fines, are non-exchange transactions and are recognized when the University has the authority to claim or retain the revenue.

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

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

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for use by the endowment create a liability. Investment income earned by endowments in excess of the endowment spending allocation is recognized as revenue in the consolidated statement of operations (realized income) and the consolidated statement of remeasurement gains and losses (unrealized gains and losses), and is capitalized and maintained intact in perpetuity.

(e) Endowments

Endowments consist of:

- Externally restricted contributions received by the University and internal allocations by the University's Board of Governors, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation, which is capitalized to maintain and grow the real value of the endowments. Benefactors as well as University policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by reinvesting unexpended income.

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

(e) Endowments (continued)

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

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

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the accumulated capitalized investment income. However, for individual endowments without sufficient accumulated capitalized investment income, endowment principal is used in that year and is expected to be recovered by future investment income.

(f) Inventories held for sale

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

(g) Tangible capital assets and purchased intangibles

Tangible capital assets and purchased intangibles are recognized at cost. Tangible capital assets include amounts that are directly related, such as design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development. Construction in progress is not amortized until after the project is complete and the asset is in service.

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

Buildings and utilities	10 - 50 years
Equipment, furnishings and systems	5 - 10 years
Learning resources	10 years

Purchased intangibles are non-monetary economic resources without physical substance and are recorded at cost less accumulated amortization. Learning resources includes purchased intangibles and includes electronic books and serials.

Tangible capital asset and purchased intangible write-downs are recognized when conditions indicate the asset no longer contributes to the University's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets and purchased intangibles is less than their net book value. Net write-downs are recognized as expense.

Works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets and purchased intangibles because a reasonable estimate of the future benefits associated with such property cannot be made.

(h) Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses. In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

(i) Employee future benefits

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

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

(i) Employee future benefits (continued)

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

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

Long-term disability
The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the University’s long-term disability plan is charged to expense in full when the event occurs which obligates the University to provide the benefits. The cost of this benefit is actuarially determined using the accumulated benefit method, a discount rate based on the University's cost of borrowing and management's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains and losses on the accrued benefit obligation are amortized over the average expected period the benefit will be paid.

Early retirement
The cost of providing accumulating post-employment benefits under the University's early retirement plans is charged to expense over the period of service provided by the employee. The cost of these benefits is actuarially determined using the projected benefit method prorated on services, a discount rate based on the University's cost of borrowing and management's best estimate of expected health care, dental care, life insurance costs and the period of benefit coverage. Actuarial gains and losses on the accrued benefit obligation are amortized over the expected average remaining service life of the related employee group.

Supplementary retirement plans
The University provides non-contributory defined benefit supplementary retirement benefits to certain former executive staff based on years of service and earnings. The expense for this plan is actuarially determined using the projected benefit method prorated on service.

The University provides non-contributory defined contribution supplementary retirement benefits to eligible executive, academic, and management and professional staff based on age, years of service and earnings. The expense for these plans is the employer's current year contribution to the plan as calculated in accordance with the plan rules.

Administrative/professional leave
The University provides for certain executive staff to accrue a paid leave of absence at the end of their executive appointment. The expense for this plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains and losses on the accrued benefit obligation are amortized over the expected average remaining service life of the related employee group.

General illness
The cost of providing non-vesting and non-accumulating compensated absences to a maximum of 26 weeks (academic staff) or 120 days (support staff) under the University's general illness plan is charged to expense in full when the event occurs which obligates the University to provide the benefit. The cost of this benefit is actuarially determined using the accumulated benefit method and management's best estimate of the period of employee disability.

(j) 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. It does not include airborne contaminates. A liability results when environmental standards are exceeded from operations that are either considered in productive use or no longer in productive use. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard. The University recognizes a liability for remediation of contaminated sites when all of the following criteria are met:

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

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

(j) Liability for contaminated sites (continued)

Where an environmental standard does not exist or contamination does not exceed an environmental standard, an environmental liability for remediation/reclamation of a site is recognized by the University when the following criteria have been met:

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

These liabilities reflect the University's best estimate, as of March 31, of the amount required to remediate the sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to remediate similar sites.

(k) Asset retirement obligations

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

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

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

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

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

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability; the liability is adjusted for the passage of time and is recognized as accretion expense in the consolidated statement of operations.

These liabilities reflect the University's best estimate, as of March 31, of the amount required to retire tangible capital assets. Estimates are made by management using professional judgment, similar contractor costs, and third-party quotes, and are subsequently remeasured taking into account any new information and the appropriateness of assumptions used.

(l) Expense by function

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

Academic costs and institutional support
Expenses relating to support for the academic functions of the University both directly and indirectly. This function includes expenses incurred by faculties for their scholarly activities and learning administrative services.

Research
Expenses for research activities funded by externally sponsored research funds intended for specific research purposes as well as internal funds designated for research related spending. Other expenses associated with this function include costs such as research administration and research related amortization.

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

(l) Expense by function (continued)

Facility operations and maintenance
Expenses relating to maintenance and renewal of facilities that house the teaching, research and administrative activities within the University. These include utilities, facilities administration, building maintenance, custodial services, landscaping and grounds keeping, as well as major repairs and renovations.

Special purpose
Expenses for student awards and bursaries and other programs involving teaching and learning, and community service specifically funded by restricted grants and donations.

Ancillary services
Expenses relating to services and products provided to the University community and to external individuals and organizations. Services include the University bookstore, parking services, utilities and student residences.

(m) Funds and reserves

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

(n) Future changes in accounting standards

Effective April 1, 2026, the University will adopt the following standard and new Conceptual Framework as approved by the Public Sector Accounting Board:

- **PS 1202: *Financial Statement Presentation***
  This standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

- ***The Conceptual Framework for Financial Reporting in the Public Sector***
  The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. The Conceptual Framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

Effective April 1, 2029, the University will adopt the following standard as approved by the Public Sector Accounting Board:

- **PS 3251: *Employee Benefits***
  This standard establishes requirements for the recognition, measurement, presentation and disclosure of employee benefits. It replaces PS 3250, *Retirement Benefits*, and PS 3255, *Post-Employment Benefits, Compensated Absences and Termination Benefits.*

Effective April 1, 2030, the University will adopt amendments to the following standard as approved by the Public Sector Accounting Board:

- **PS 3150: *Tangible Capital Assets***
  The amendments standardize capital asset accounting by incorporating government not-for-profit standards, clarifying recognition and disclosure requirements related to collections, works of art and historical treasures.

The University is currently assessing the impact of these standards and the Conceptual Framework on the consolidated financial statements.

(thousands of dollars)

3. Cash and cash equivalents

	2026	2025
Cash	**$ 15,277**	$ 27,218
Money market holdings	**24,863**	40,182
	$ 40,140	$ 67,400

Money market holdings also include short-term notes and treasury bills with a maturity less than three months from the date of acquisition.

4. Portfolio investments

	2026	2025
Portfolio investments - non-endowment	**$ 1,592,451**	$ 1,546,017
Portfolio investments - restricted for endowments	**2,090,155**	1,912,949
	$ 3,682,606	$ 3,458,966

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

	2026				2025			
	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Cash and money market holdings	**$ 54,568**	**$ 225,607**	**$ -**	**$ 280,175**	$ 43,509	$ 251,718	$ -	$ 295,227
Canadian bonds	**-**	**93,326**	**-**	**93,326**	-	79,309	-	79,309
Foreign bonds	**-**	**200,968**	**-**	**200,968**	-	215,367	-	215,367
Canadian equity	**250,634**	**-**	**-**	**250,634**	256,244	-	-	256,244
Foreign equity	**1,347,000**	**-**	**-**	**1,347,000**	1,239,926	-	-	1,239,926
Hedge funds	**-**	**465,999**	**-**	**465,999**	-	449,083	-	449,083
Private equity	**-**	**-**	**641,748**	**641,748**	-	-	536,474	536,474
Private credit and mortgages	**-**	**-**	**248,505**	**248,505**	-	-	237,724	237,724
Private real estate and infrastructure	**-**	**-**	**150,401**	**150,401**	-	-	147,684	147,684
	1,652,202	**985,900**	**1,040,654**	**3,678,756**	1,539,679	995,477	921,882	3,457,038
Other at amortized cost				**3,850**				1,928
	$ 1,652,202	**$ 985,900**	**$1,040,654**	**$ 3,682,606**	$1,539,679	$ 995,477	$ 921,882	$3,458,966

The fair value measurements are those derived from:
[1] Quoted prices in active markets for identical assets.
[2] Inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
[3] Third-party financial statements from private asset managers. For investments where statements do not exist then valuation techniques are used that include inputs for the assets that are not based on observable market data.

The changes in fair value of level 3 portfolio investments are as follows:

	2026	2025
Balance, beginning of year	**$ 921,882**	$ 752,516
Unrealized gains	**22,886**	43,334
Purchases	**174,597**	168,360
Proceeds on sale	**(78,711)**	(42,328)
	$ 1,040,654	$ 921,882

There were no transfers between level 1, level 2 and level 3 investments during the current year (2025 - no transfers).

5. Derivatives

Derivative financial instruments are used by the University to manage its exposure to commodities. As at March 31, 2026, the University held commodity futures contracts for settlement between May and December 2026, with a notional amount of $79,470 (2025 - $51,518). The fair value of outstanding commodity futures contracts included in accounts receivable is $3,212 (2025 - $2,430) and of commodity futures contracts included in accounts payable and accrued liabilities is $732 (2025 - $499).

6. Financial risk management

The University is exposed to the following risks:

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the University has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The University's Investment Committee, a standing committee of the Board of Governors, has the delegated authority for oversight of the University's portfolio investments. The University's management of this risk has not changed from the prior year.

At March 31, if market prices for portfolio investments had a 10.0% increase or decrease, with all other variables held constant, the increase or decrease in accumulated remeasurement gains for the year would be $357,230 (2025 - $336,846).

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The University is exposed to foreign exchange risk on portfolio investments that are denominated in foreign currencies. At March 31, the University did not hedge its foreign currency exposure with currency forward contracts or any other type of derivative financial instruments. The fair value of portfolio investments with foreign currency exposure is $2,744,305 (2025 - $2,505,439), with approximately 75.8% in USD (2025 - 74.0%). If the value of foreign currency decreased by 10% and all other variables are held constant, the potential decrease in accumulated remeasurement gains would be $274,431 (2025 - $250,544) or approximately 7.5% of total investments (2025 - 7.2%).

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty, debtor or issuer to fully honour its financial obligations with the University. The University is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The University's exposure, based on the risk rating of money market holdings and bonds, has not changed significantly year over year.

The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors with small amounts due from students and various vendors. Management has established a provision for receivables and assesses it annually to address any new concerns that may arise. Given the nature of the University's accounts receivable balances, management has assessed that, based on the current economic outlook, the change to expected credit losses is not considered material.

The distribution of money market holdings and bonds by risk rating is as follows:

- Money market holdings: R-1(high) 72.2% (2025 - 72.1%); R-1(mid) 27.8% (2025 - 27.9%).
- Bonds: AAA 39.3% (2025 - 43.6%); AA 20.3% (2025 - 12.2%); A 13.4% (2025 - 12.4%); BBB 16.0% (2025 - 20.3%); below BBB and not rated 11.0% (2025 - 11.5%).

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with its financial liabilities. The University maintains a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements. The University maintains a short-term line of credit of $20,000 (2025 - $20,000) to ensure that funds are available to meet current and forecasted financial requirements. In 2026, the line of credit was not drawn upon (2025 - not drawn upon). Management believes, based on its assessment of future cash flows, it will have sufficient cash from internally generated cash flows, external sources and the undrawn short-term line of credit to meet its forecast obligations. Management continues to monitor the University's liquidity position on a regular basis.

(thousands of dollars)

6. Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk that the University's earnings will be affected by the fluctuation and degree of volatility in interest rates. To manage this risk, the University has policies and procedures in place that limit the term to maturity of certain fixed income instruments that the University holds. Interest rate risk on the University's debt is managed through fixed rate agreements with the Department of Treasury Board and Finance (note 11). If interest rates increased by 1.0% and all other variables are held constant, the potential decrease in accumulated remeasurement gains for the year would be $15,250 (2025 - $16,359).

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

	< 1 year	1 - 5 years	> 5 years	Average effective market yield
	%	%	%	%
Money market holdings	100.0	-	-	2.6
Canadian government, corporate and foreign bonds	4.2	40.5	55.3	3.9

7. Accounts receivable

	2026	2025
Grants receivable	**$ 140,096**	$ 113,413
Loans and promissory note receivable [(1)]	**43,851**	51,784
Student receivables	**13,496**	11,978
Investment income receivable [(2)]	**10,950**	10,282
Other receivables	**27,829**	27,926
	236,222	215,383
Allowance for doubtful accounts	**(7,427)**	(6,798)
	$ 228,795	$ 208,585

[(1)] Loans receivable were issued for building construction and improvements by loan agreements between the University and the University of Alberta Students' Union of $19,700 (2025 - $20,863), and the University and St. Joseph's College of $24,151 (2025 - $24,922). The loans have terms ranging from 8 to 20 years at interest rates between 2.48% and 4.29% per annum.

During the year, UAPTI fully repaid the promissory note issued to the University in 2023. No balance remains as at March 31, 2026 (2025 - $5,999).

[(2)] Included in investment income receivable is $2,178 (2025 - nil) in distributions receivable from UAPTI (note 8).

8. Investment in government business enterprise

UAPTI is a wholly-owned subsidiary of the University. UAPTI operates as the trustee of the University of Alberta Properties Trust ("the trust"), which leases land to developers for the purpose of residential and commercial development. The University is the beneficiary of the trust and will receive distributions from the trust once leases are in place with developers and net proceeds are available.

The following table provides condensed supplementary financial information for the University's investment in government business enterprise as at December 31. As the fiscal periods of UAPTI and the University differ, any significant financial transactions that occur during the intervening period are recorded in these financial statements based on the fiscal year of the University. No significant transactions occurred during the intervening period.

(thousands of dollars)

8. Investment in government business enterprise (continued)

Statement of Financial Position:	December 31, 2025	December 31, 2024
Assets		
Cash	$ 2,780	$ 519
Land sales and lease receivable	213	7,775
Holdbacks receivable	670	-
Property and equipment	17	9
Property under development and held for resale	33,302	23,639
Other assets	219	152
	37,201	32,094
Liabilities		
Operating line of credit	3,023	8,616
Accounts payable and accrued liabilities	3,699	3,138
Construction financing	30,213	14,845
Note payable	-	5,999
Distributions payable	2,178	-
	39,113	32,598
Equity		
Deficit	(1,912)	(504)
	$ 37,201	$ 32,094

Statement of Operations:	December 31, 2025	December 31, 2024
Revenue	$ 9,500	$ 8,679
Cost of sales	7,446	6,474
Gross profit	2,054	2,205
Expenses	1,397	831
	657	1,374
Other income	113	43
Net income	$ 770	$ 1,417

9. Accounts payable and accrued liabilities

	2026	2025
Trade payables	$ 98,986	$ 107,763
Accrued liabilities	56,617	79,550
Vacation liability	34,244	31,713
	$ 189,847	$ 219,026

(thousands of dollars)

10. Employee future benefit liabilities

	2026			2025		
	Academic staff	**Support staff**	**Total**	Academic staff	Support staff	Total
Universities Academic Pension Plan	**$ 9,616**	**$ -**	**$ 9,616**	$ 55,559	$ -	$ 55,559
Long-term disability	**18,568**	**36,084**	**54,652**	15,575	30,528	46,103
SRP (defined contribution)	**41,320**	**-**	**41,320**	38,511	-	38,511
Early retirement	**-**	**20,931**	**20,931**	-	22,322	22,322
SRP (defined benefit)	**3,431**	**-**	**3,431**	3,525	-	3,525
General illness	**2,353**	**3,007**	**5,360**	1,342	762	2,104
Administrative/professional leave	**1,157**	**-**	**1,157**	1,079	-	1,079
	$ 76,445	**$ 60,022**	**$ 136,467**	$ 115,591	$ 53,612	$ 169,203

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

Universities Academic Pension Plan (UAPP)
The UAPP is a multi-employer contributory joint defined benefit pension plan for academic staff members. An actuarial valuation of the UAPP was carried out as at December 31, 2024 and was then extrapolated to March 31, 2026, resulting in a UAPP surplus of $612,697 (2025 - $426,781) consisting of a pre-1992 deficit of $816,020 (2025 - $832,113) and a post-1991 surplus of $1,428,717 (2025 - $1,258,894). The University's portion of the UAPP surplus has been allocated based on its percentage of the plan's total employer contributions for the year.

The unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.3% (2025 - 1.3%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 4.0% of salaries until June 20, 2026 and 4.2% thereafter (2025 - 4.0%) required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's obligation for the future additional contributions is $219,515 (2025 - $202,844) as at March 31, 2026.

Long-term disability (LTD) and general illness (GI)
The University provides LTD and GI defined benefits to its academic and support staff. An actuarial valuation of these benefits was carried out as at March 31, 2026. The LTD plan provides pension and non-pension benefits after employment, but before the employee's normal retirement date. The GI plan provides similar benefits but for a maximum of 26 weeks (academic staff) or 120 days (support staff).

Early retirement
The early retirement benefits for support staff include a bridge benefit liability of $14,439 (2025 - $15,655) and a retirement allowance liability of $6,492 (2025 - $6,667). An actuarial valuation of these benefits was carried out as at March 31, 2026. The bridge benefit allows eligible employees who retire early to continue participating in several staff benefit programs between the date of early retirement and the end of the month in which the former employee turns 65. Benefits include group life insurance, employee family assistance program, supplementary health care and dental care. The support staff retirement allowance provides eligible employees (those with 20 years of pensionable service at retirement date) one week's base pay per full year of employment to a maximum 25 days pay.

Supplementary retirement plan (SRP)
The University provides a non-contributory defined benefit supplementary retirement benefit for executives. An actuarial valuation of these benefits was carried out as at March 31, 2026. The SRP was closed to new members effective June 30, 2014, as part of the approval of the new defined contribution SRP for executives.

Administrative/professional leave (leave)
The University provides for certain executives to accrue a paid leave at the end of their executive appointment. Upon completing their term of service, the individual's salary and benefits in effect at the end of the service are paid for the duration of the leave. An actuarial valuation of these benefits was carried out as at March 31, 2026.

(thousands of dollars)

10. Employee future benefit liabilities (continued)

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

The expense and liability of these defined benefit plans are as follows:

	2026				2025			
	UAPP	**LTD, GI (1)**	**Early retirement (1)**	**SRP, leave (1)**	UAPP	LTD, GI (1)	Early retirement (1)	SRP, leave (1)
Expense								
Current service cost	**$ 54,252**	**$ 30,109**	**$ 625**	**$ 104**	$ 50,191	$ 21,247	$ 595	$ 216
Interest (recovery) cost, net of earnings	**(8,457)**	**1,504**	**443**	**156**	(1,806)	2,038	434	157
Amortization of actuarial (gains) losses	**(18,416)**	**838**	**(1,735)**	**(33)**	(11,466)	984	(1,755)	(18)
	$ 27,379	**$ 32,451**	**$ (667)**	**$ 227**	$ 36,919	$ 24,269	$ (726)	$ 355
Liability								
Accrued benefit obligation								
Balance, beginning of year	**$ 1,670,869**	**$ 50,159**	**$ 12,609**	**$ 4,540**	$ 1,570,176	$ 46,917	$ 12,404	$ 4,580
Current service cost	**54,252**	**30,109**	**625**	**104**	50,191	21,247	595	216
Interest cost	**102,561**	**1,504**	**443**	**156**	97,980	2,038	434	157
Benefits paid	**(87,581)**	**(20,646)**	**(724)**	**(243)**	(80,091)	(18,994)	(947)	(380)
Actuarial losses (gains)	**38,748**	**15,373**	**309**	**(34)**	32,613	(1,049)	123	(33)
Balance, end of year	**1,778,849**	**76,499**	**13,262**	**4,523**	1,670,869	50,159	12,609	4,540
Plan assets	**(1,987,957)**	**-**	**-**	**-**	(1,827,098)	-	-	-
Plan (surplus) deficit	**(209,108)**	**76,499**	**13,262**	**4,523**	(156,229)	50,159	12,609	4,540
Unamortized actuarial gains (losses)	**218,724**	**(16,487)**	**7,669**	**65**	211,788	(1,952)	9,713	64
Accrued benefit liability	**$ 9,616**	**$ 60,012**	**$ 20,931**	**$ 4,588**	$ 55,559	$ 48,207	$ 22,322	$ 4,604

(1) The University plans to use its working capital to finance these future obligations.

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

	2026			2025		
	UAPP	**SRP, leave**	**LTD, GI, early retirement**	UAPP	SRP, leave	LTD, GI, early retirement
	%	%	%	%	%	%
Accrued benefit obligation						
Discount rate	**5.9**	**3.5**	**3.5**	6.1	3.5	3.5
Long-term average compensation increase	**3.0**	**2.0**	**3.0**	3.0	2.0	2.0
Benefit cost						
Discount rate	**6.1**	**3.5**	**3.5**	6.2	3.5	3.5
Long-term average compensation increase	**3.0**	**2.0**	**3.0**	3.0	2.0	2.0
Alberta inflation (long-term)	**Note(2)**	**Note(1)**	**Note(1)**	Note(2)	Note(1)	Note(1)
Estimated average remaining service life	**11.5 yrs**	**Note(3)**	**5.5 - 9.8 yrs**	11.5 yrs	Note(3)	1 - 5.5 yrs

(1) The inflation assumption for plans excluding UAPP is 2.0% for 2026 and 2.0% thereafter (2025: 2.5% for 2025 and 2.0% thereafter).
(2) The inflation assumption for the UAPP plan is 2.25% for 2026 and 2.0% thereafter (2025: 2.5% for 2025 and 2.0% thereafter).
(3) Leave actuarial gains and losses are amortized over the remaining contract terms of the participants.
There are no active employees under the defined benefit SRP.

(thousands of dollars)

10. Employee future benefit liabilities (continued)

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

Public Service Pension Plan (PSPP)
The PSPP is a multi-employer contributory defined benefit pension plan for support staff members. As the University does not have sufficient information to follow the accounting standards for defined benefit plans, it is accounted for on a defined contribution basis. The pension expense recognized in these consolidated financial statements is $25,484 (2025 - $22,448).

An actuarial valuation of the PSPP was carried out as at December 31, 2024 and was then extrapolated to December 31, 2025. At December 31, 2025, the PSPP reported an actuarial surplus of $7,706,238 (2024 - $6,473,956). For the year ended December 31, 2025 PSPP reported employer contributions of $299,440 (2024 - $279,451). For the 2025 calendar year, the University's employer contributions were $24,998 (2024 calendar year - $22,235).

(c) Defined contribution plans

Supplementary retirement plans (SRP)
The University provides non-contributory defined contribution supplementary retirement benefits to eligible executive and academic staff members. This year, an expense has been recognized in these consolidated financial statements of $6,251 (2025 - $5,951).

11. Debt

The following debt is with the Department of Treasury Board and Finance:

	Maturity Date	Weighted average interest rate %	2026	2025
Collateral				
Title to land, building	November 2027 - March 2048	3.541	**$ 138,912**	$ 146,429
General Security Agreement	December 2028 - June 2049	3.016	**146,523**	149,606
Cash flows from facility	September 2028 - December 2047	4.939	**31,142**	32,924
None	September 2027 - September 2036	5.007	**6,033**	7,543
Balance, end of year			**$ 322,610**	$ 336,502

Interest expense on debt recognized in these consolidated financial statements is $10,420 (2025 - $10,960).

Land and buildings pledged as collateral have a net book value of $298,594 (2025 - $311,168).

Principal and interest payments are as follows:

	Principal	Interest	Total
2027	$ 19,557	$ 11,025	$ 30,582
2028	20,168	10,272	30,440
2029	19,130	9,493	28,623
2030	17,603	8,791	26,394
2031	17,442	8,181	25,623
Thereafter	228,710	58,089	286,799
	$ 322,610	$ 105,851	$ 428,461

(thousands of dollars)

12. Deferred revenue

		2026			2025
	Note	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total	Total
Balance, beginning of year		**$ 792,514**	**$ 109,224**	**$ 901,738**	$ 844,055
Net change for the year					
Grants, donations, endowment spending allocation and tuition		**778,079**	**563,142**	**1,341,221**	1,314,052
Transfers to spent deferred capital contributions	15	**(78,139)**	**-**	**(78,139)**	(90,090)
Recognized as revenue		**(666,993)**	**(555,882)**	**(1,222,875)**	(1,166,279)
Net change for the year		**32,947**	**7,260**	**40,207**	57,683
Balance, end of year		**$ 825,461**	**$ 116,484**	**$ 941,945**	$ 901,738

13. Asset retirement obligations and environmental liabilities

	2026	2025
Asset retirement obligations	**$ 174,968**	$ 173,331
Environmental liabilities	**12,970**	12,716
Contaminated sites	**1,133**	1,112
	$ 189,071	$ 187,159

The University's estimated contaminated sites liability is for the remediation of hydrocarbon and salt contamination resulting from a liner leak in a wastewater pond. The estimate was based on a professional environmental assessment. The site is not in productive use.

The University's estimated environmental liability relates to reclamation costs for salt impacted soil at two snow storage sites. The contamination does not exceed an environmental standard. The estimate is based on management's assessment using comparable contractor pricing. These sites remain in productive use.

The changes in asset retirement obligations are as follows:

	2026	2025
Balance, beginning of year	**$ 173,331**	$ 170,170
Net change for the year		
Revision in estimates	**3,537**	4,698
Liabilities settled	**(1,932)**	(2,001)
Additions	**-**	442
Accretion expense	**32**	22
Net change for the year	**1,637**	3,161
Balance, end of year	**$ 174,968**	$ 173,331

Tangible capital assets with associated retirement obligations include buildings, equipment, and leasehold improvements agreements.

The University has asset retirement obligations to remove various hazardous materials including asbestos, lead, mercury, and PCBs from various buildings under its control. Regulations require the University to handle and dispose of these materials in a prescribed manner when they are disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the University to remove the materials when asset retirement activities occur.

The extent of the liability is limited to costs directly attributable to the removal of the listed hazardous materials from various buildings under the University’s control in accordance with the legislation establishing the liability. The University estimated the nature and extent of hazardous materials in its buildings based on the potential square feet affected and the average costs per square foot to remove and dispose of the hazardous materials.

(thousands of dollars)

13. Asset retirement obligations and environmental liabilities (continued)

Asset retirement obligations of $174,968 (2025 - $173,331) include $917 (2025 - $664) measured using the present value technique. The undiscounted estimated cash flows to settle these obligations is $1,534 (2025 - $911), using an average discount rate of 3.8% (2025 - 3.5%), and are expected to be settled between 2030 and 2050. The remaining obligations of $174,051 (2025 - $172,667) are measured at the current estimated cost due to the uncertainty about when the hazardous materials will be removed.

14. Tangible capital assets and purchased intangibles

	2026						2025
	Buildings and utilities	**Equipment, furnishings and systems**	**Learning resources**	**Land**	**Asset retirement obligations**	**Total**	Total
Cost							
Beginning of year	**$ 4,055,156**	**$ 1,629,176**	**$ 568,803**	**$ 63,000**	**$ 175,811**	**$ 6,491,946**	$ 6,341,937
Acquisitions	**44,980**	**61,243**	**13,266**	**-**	**3,605**	**123,094**	162,638
Disposals	**(605)**	**(18,296)**	**(730)**	**-**	**(68)**	**(19,699)**	(12,629)
	4,099,531	**1,672,123**	**581,339**	**63,000**	**179,348**	**6,595,341**	6,491,946
Accumulated amortization							
Beginning of year	**1,859,870**	**1,301,233**	**462,107**	**-**	**95,416**	**3,718,626**	3,560,376
Amortization expense	**86,104**	**62,423**	**21,109**	**-**	**6,079**	**175,715**	170,646
Disposals	**(605)**	**(17,827)**	**(730)**	**-**	**(68)**	**(19,230)**	(12,396)
	1,945,369	**1,345,829**	**482,486**	**-**	**101,427**	**3,875,111**	3,718,626
Net book value, March 31, 2026	**$ 2,154,162**	**$ 326,294**	**$ 98,853**	**$ 63,000**	**$ 77,921**	**$ 2,720,230**	$ 2,773,320
Net book value, March 31, 2025	$ 2,195,286	$ 327,943	$ 106,696	$ 63,000	$ 80,395	$ 2,773,320	

Buildings and utilities include $36,869 (2025 - $49,875) recognized as construction-in-progress, which is not amortized as the assets are not in service.

Equipment, furnishings and systems acquisitions include in-kind donations in the amount of $5,275 (2025 - $3,963).

Learning resources includes purchased intangibles. Acquisitions of purchased intangibles in the current year are $12,930 (2025 - $16,569). The net book value of purchased intangibles included in learning resources is $95,296 (2025 - $102,222).

Land includes a parcel of the University's South Campus lands with a nominal cost that is held for sale as at March 31.

Net book value of tangible capital assets with associated retirement obligations include $77,872 (2025 - $80,339) in buildings and utilities and $49 (2025 - $56) in equipment, furnishings and systems.

The University holds library permanent collections and other permanent collections, which include works of art, museum specimens, archival materials and maps. These collections are expensed and therefore are not included in tangible capital assets and purchased intangibles.

15. Spent deferred capital contributions

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

	Note	2026	2025
Balance, beginning of year		**$ 1,849,192**	$ 1,853,630
Net change for the year			
Transfers from unspent externally restricted grants and donations	12	**78,139**	90,090
Expended capital contributions recognized as revenue		**(102,504)**	(94,528)
Net change for the year		**(24,365)**	(4,438)
Balance, end of year		**$ 1,824,827**	$ 1,849,192

(thousands of dollars)

16. Net assets

	Note	Unrestricted	Investment in tangible capital assets and purchased intangibles	Internally restricted	Endowments	Total
Net assets, March 31, 2024		$ 323,455	$ 452,990	$ 132,200	$ 1,815,075	$ 2,723,720
Annual operating surplus		6,791	-	-	-	6,791
Transfer to internally restricted	24	(55,000)	-	55,000	-	-
Transfer from internally restricted		15,795	-	(15,795)	-	-
Endowments						
New contributions		-	-	-	26,424	26,424
Capitalized investment income		-	-	-	59,080	59,080
Transfer to endowments		(920)	-	-	920	-
Tangible capital assets and purchased intangibles						
Acquisitions		(72,388)	72,388	-	-	-
Debt repayment		(16,264)	16,264	-	-	-
Debt - financing allocation		1,135	(1,135)	-	-	-
Amortization		76,118	(76,118)	-	-	-
Change in asset retirement obligations	13	3,161	(3,161)	-	-	-
Change in accumulated remeasurement gains		34,519	-	-	11,450	45,969
Net assets, March 31, 2025		$ 316,402	$ 461,228	$ 171,405	$ 1,912,949	$ 2,861,984
Annual operating surplus		**10,831**	**-**	**-**	**-**	**10,831**
Transfer to internally restricted	24	**(32,000)**	**-**	**32,000**	**-**	**-**
Transfer from internally restricted		**71,600**	**-**	**(71,600)**	**-**	**-**
Endowments						
New contributions		**-**	**-**	**-**	**25,887**	**25,887**
Capitalized investment income		**-**	**-**	**-**	**78,982**	**78,982**
Transfer to endowments		**(720)**	**-**	**-**	**720**	**-**
Tangible capital assets and purchased intangibles						
Acquisitions		**(44,564)**	**44,564**	**-**	**-**	**-**
Debt repayment		**(16,889)**	**16,889**	**-**	**-**	**-**
Debt - financing allocation		**(268)**	**268**	**-**	**-**	**-**
Amortization		**73,211**	**(73,211)**	**-**	**-**	**-**
Change in asset retirement obligations	13	**1,637**	**(1,637)**	**-**	**-**	**-**
Change in accumulated remeasurement gains		**32,374**	**-**	**-**	**71,617**	**103,991**
Net assets, March 31, 2026		**$ 411,614**	**$ 448,101**	**$ 131,805**	**$ 2,090,155**	**$ 3,081,675**

(thousands of dollars)

16. Net assets (continued)

Net assets is comprised of:

	Unrestricted	Investment in tangible capital assets and purchased intangibles	Internally restricted	Endowments	Total
Accumulated surplus	$ 211,210	$ 448,101	$ 131,805	$ 1,561,636	$ 2,352,752
Accumulated remeasurement gains (1)	200,404	-	-	528,519	728,923
	$ 411,614	**$ 448,101**	**$ 131,805**	**$ 2,090,155**	**$ 3,081,675**

(1) Accumulated remeasurement gains are unrealized gains, which are not recognized as revenue until realized.

Investment in tangible capital assets and purchased intangibles is reduced by the accumulated amortization of the University's asset retirement obligations that are included in tangible capital assets and purchased intangibles of $97,047 (2025 - $92,936). A funding source for this obligation has not been determined.

Internally restricted net assets
Internally restricted net assets represent amounts set aside by the University's Board of Governors for an investment income reserve to ensure that future obligations can be fulfilled in the event of significant investment losses. Of the total reserve, $62,805 (2025 - $79,405) has been appropriated by the University's Board of Governors to the Strategic Initiatives Fund per the University Funds Investment Policy. These amounts are not available for other purposes without the approval of the Board of Governors and do not have interest allocated to them.

	2026	2025
Investment income reserve	**$ 69,000**	$ 92,000
Strategic initiatives	**62,805**	79,405
	$ 131,805	$ 171,405

17. Contingent assets

The University has initiated a number of insurance claims arising in the normal course of business in which the outcomes vary and may result in assets in the future. Management believes that any settlement will not have a material effect on the financial position or the results of operations of the University. These contingent assets are not recognized in the consolidated financial statements.

18. Contingent liabilities

The University is a defendant in a number of legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, management believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Management has concluded that none of the claims meet the criteria for recognizing a liability.

(thousands of dollars)

19. Contractual rights

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

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

	Operating leases	Other contracts	Total
2027	$ 2,219	$ 8,484	**$ 10,703**
2028	1,386	8,507	**9,893**
2029	610	8,737	**9,347**
2030	332	8,263	**8,595**
2031	104	7,153	**7,257**
Thereafter	195	31,395	**31,590**
Total at March 31, 2026	**$ 4,846**	**$ 72,539**	**$ 77,385**
Total at March 31, 2025	$ 5,930	$ 10,836	$ 16,766

Effective August 1, 2025, the University entered into an agreement with an external party for dining and catering services in which it will earn commission-based revenue. The agreement has nine years remaining (2025 - four months remaining) with estimated total future revenues of $59,236 (2025 - $117).

The University also has contractual rights that cannot be reasonably estimated due to the nature of the individual agreements. The total of these rights is not material.

20. Contractual obligations

(a) The University has contractual obligations that will result in liabilities in the future when the terms of the contracts are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations is as follows:

	Capital projects	Service contracts	Long-term leases	Total
2027	$ 55,403	$ 144,311	$ 1,493	**$ 201,207**
2028	12,279	51,862	754	**64,895**
2029	1,551	29,331	374	**31,256**
2030	775	19,724	360	**20,859**
2031	200	12,548	175	**12,923**
Thereafter	-	52,509	890	**53,399**
Total at March 31, 2026	**$ 70,208**	**$ 310,285**	**$ 4,046**	**$ 384,539**
Total at March 31, 2025	$ 82,722	$ 216,042	$ 3,881	$ 302,645

The significant service contracts are as follows:

- In order to manage its exposure to the volatility in the electrical industry, the University has entered into contracts to fix a portion of its electrical cost. The twelve contracts (2025 - nine contracts) with expenditures totaling $47,323 (2025 - $33,695) expire over the next four years.
- Effective August 1, 2025, the University entered into an agreement with an external party for dining and catering services. The agreement has nine years remaining with total estimated payments of $103,506 (2025 - $3,467).
- Effective June 1, 2021, the University entered into two agreements with an external party for information technology support. Infrastructure management services has two months remaining with a cost of $172 (2025 - $2,072), and application management services has two months remaining with a cost of $282 (2025 - $2,002).
- Effective August 1, 2024, the University entered into an agreement with an external party for custodial services.

(thousands of dollars)

20. Contractual obligations (continued)

(b) The University is one of 78 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. As at December 31, 2025, CURIE had an accumulated surplus of $133,886 (2024 - $130,337), of which the University's pro rata share is approximately 7.2% (2025 - 7.2%). This accumulated surplus is not recognized in the consolidated financial statements.

21. Related parties

The University is a related party to organizations within the Government of Alberta reporting entity. Related parties also include key management personnel, including the Board of Governors, and their close family members. Transactions with these entities and individuals are considered to be in the normal course of operations and are recorded at the exchange amount.

The University utilizes space provided by other related parties, mainly Alberta Health Services. This space is provided at a nominal cost. Due to the unique physical and operating arrangements in place, the specialized nature of the space and the integrated nature of operations, the fair value of these lease arrangements cannot be reasonably determined.

In 2020, the University entered into a 25 year lease to provide space to an entity under common control for a nominal amount. The remaining fair value over the lease term is estimated to be $4,841 (2025 - $5,119).

The University has debt with the Department of Treasury Board and Finance as described in note 11.

22. Budget

The University's 2025-26 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

23. Government transfers

	2026	2025
Government of Alberta grants		
Advanced Education - Base operating grant	**$ 449,781**	$ 436,595
Advanced Education - other grants	**181,505**	125,628
Alberta Health Services	**75,027**	68,539
Technology and Innovation	**53,192**	52,969
Primary and Preventative Health Services [1]	**30,271**	35,482
Other departments and agencies	**9,422**	9,441
	799,198	728,654
Expended capital contributions recognized as revenue	**69,559**	64,191
Deferred revenue	**(66,810)**	(53,427)
	$ 801,947	$ 739,418

[1] During the year, Alberta Health was separated into two ministries: Primary and Preventative Health Services, and Hospital and Surgical Health Services. All grants to the University are from Primary and Preventative Health Services.

(thousands of dollars)

23. Government transfers (continued)

	2026	2025
Federal and other government grants		
Natural Sciences and Engineering Research Council	**$ 58,084**	$ 69,230
Canadian Institutes of Health Research	**39,482**	41,651
Social Sciences and Humanities Research Council	**38,082**	39,371
Triagency Institutional Program Secretariat	**23,999**	26,875
Canada Research Chairs	**19,075**	20,455
Canadian Foundation for Innovation	**15,176**	31,681
Other	**60,794**	65,188
	254,692	294,451
Expended capital contributions recognized as revenue	**18,145**	16,869
Deferred revenue	**(18,931)**	(50,767)
	$ 253,906	$ 260,553

24. Investment income

	Note	2026	2025
Portfolio investments - non-endowment			
In support of operations		**$ 74,327**	$ 49,732
Transfer to internally restricted net assets	16	**32,000**	55,000
Portfolio investments - restricted for endowments			
Spending allocation recognized as revenue		**92,091**	84,137
		$ 198,418	$ 188,869

Investment income reserve

Per University policy, all realized Non-Endowed Investment Pool earnings that are not required for current year budget purposes are reinvested to build an investment income reserve.

25. Expense by object

	2026 Budget (Note 22)	2026	2025
Salaries	$ 1,075,152	**$ 1,068,306**	$ 985,613
Employee benefits	202,187	**204,291**	195,026
Materials, supplies and services	407,712	**426,208**	418,747
Scholarships and bursaries	194,186	**185,007**	184,411
Maintenance and repairs	87,268	**77,020**	72,246
Utilities	66,835	**52,107**	64,887
Amortization of tangible capital assets and purchased intangibles	174,562	**175,715**	170,646
	$ 2,207,902	**$ 2,188,654**	$ 2,091,576

(thousands of dollars)

26. Salaries and employee benefits

2026	Base salary (6)	Other cash benefits (7)	Non-cash benefits (8)	Non-cash benefits (DC SRP) (9)	Non-cash benefits (leave) (10)	Total
Governance (1)						
Board of Governors	$ -	$ -	$ -	$ -	$ -	$ -
Executive						
President	**470**	**6**	**83**	**60**	**41**	**660**
Provost and Vice-President (Academic) (11)	**440**	**6**	**54**	**52**	**-**	**552**
Vice-President (Research) (2) (11)	**360**	**6**	**52**	**40**	**-**	**458**
Vice-President (International, Innovation and Enterprise) (3) (11)	**214**	**5**	**38**	**2**	**-**	**259**
Vice-President (University Services, Operations and Finance)	**436**	**7**	**55**	**47**	**66**	**611**
Vice-President (External Relations)	**368**	**6**	**53**	**30**	**35**	**492**

2025	Base salary (6)	Other cash benefits (7)	Non-cash benefits (8)	Non-cash benefits (DC SRP) (9)	Non-cash benefits (leave) (10)	Total
Governance (1)						
Board of Governors	$ -	$ -	$ -	$ -	$ -	$ -
Executive						
President	459	6	51	51	92	659
Provost and Vice-President (Academic) (11)	435	6	50	49	-	540
Vice-President (Research and Innovation) (11)	354	6	48	35	-	443
Former Vice-President (Facilities and Operations) (4)	8	409	1	7	(9)	416
Vice-President (University Services, Operations and Finance) (5)	429	6	50	42	85	612
Vice-President (External Relations)	363	6	48	29	37	483

(1) The Chair and Members of the Board of Governors receive no remuneration for participation on the Board.
(2) This position name was changed on June 20, 2025.
(3) This position was created on June 14, 2024 and the incumbent's term began on July 1, 2025.
(4) This position was eliminated on April 8, 2024.
(5) The name and scope of this position were changed on June 14, 2024.
(6) Base salary includes pensionable base pay for all executives.
(7) Other cash benefits for certain executive include academic executive allowances, car allowances, and mobile allowances. Other cash benefits in 2025 also include a lump sum severance payment, pay in lieu of benefits, and a vacation payout totaling $409 for the former Vice-President (Facilities and Operations).
(8) Non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of eligible employees including pension, group life insurance, employee and family assistance program, critical illness, supplementary health care, short and long term disability plans, dental plan, and parking. Benefits for some of the executive also include supplemental life insurance and market value rent on the personal use space of a university owned residence.
(9) Under the terms of the executive Defined Contribution Supplementary Retirement Plan (DC SRP), the executive may receive supplemental payments. Retirement arrangement costs as detailed below are not cash payments in the period but are period expenses for the rights to future compensation. Costs shown reflect the total cost to provide supplementary retirement benefits. The DC SRP provides future benefits to participants based on the value of the contributions at the end of their service. The cost of these benefits is calculated based on pensionable salary multiplied by a factor based on age and service. The DC SRP was introduced effective July 1, 2014, for all executives commencing employment on or after that date.

(thousands of dollars)

26. Salaries and employee benefits (continued)

The DC SRP current service cost and obligation is as follows:

	2025	2026				
	DC SRP obligation	**Service costs**	**Interest and investment earnings** [9a]	**Benefits paid**	**DC SRP obligation**	**Years of eligible University of Alberta service**
President	$ 178	**$ 31**	**$ 29**	**$ -**	**$ 238**	**5.8**
Provost and Vice-President (Academic)	97	**36**	**16**	**-**	**149**	**3.8**
Vice-President (Research)	101	**23**	**17**	**-**	**141**	**4.8**
Vice-President (International, Innovation and Enterprise)	-	**2**	**-**	**-**	**2**	**0.8**
Vice-President (University Services, Operations and Finance)	126	**27**	**20**	**-**	**173**	**5.4**
Vice-President (External Relations)	71	**19**	**11**	**-**	**101**	**5.3**

(9a) Contributions are made on an annual basis at the end of the plan (calendar) year. Interest is paid in lieu of contributions being made every month. Investment income or losses are distributed to each plan participant based on the overall return of the plan's investments.

(10) Under the terms of the administrative/professional leave (leave) plan, certain executive are entitled to receive supplemental payments. Service costs are the actuarial present value of the benefits earned in the fiscal year. Interest and other costs include current year amortization of actuarial gains and losses, and interest accruing on the obligation.

The administrative/professional leave (leave) plan current service costs and accrued benefit obligation are as follows:

	2025	2026					
	Accrued benefit obligation	**Service costs**	**Interest and other costs**	**Net change in actuarial losses**	**Benefits paid**	**Accrued benefit obligation** [10a]	**Years of eligible University of Alberta service**[10b]
President	$ 459	**$ 24**	**$ 17**	**$ 9**	**$ -**	**$ 509**	**5.8**
Vice-President (University Services, Operations and Finance)	395	**51**	**15**	**(49)**	**-**	**412**	**5.0**
Vice-President (External Relations)	161	**29**	**6**	**(25)**	**-**	**171**	**5.0**

(10a) The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in note 10.

(10b) The employment contracts for the Vice-President (University Services, Operations and Finance) and the Vice-President (External Relations) stipulate a maximum of five years of eligible service.

(11) The Provost and Vice-President (Academic), the Vice-President (Research) and the Vice-President (International, Innovation and Enterprise) participate in the administrative leave program available to faculty members in eligible administrative positions. Under that administrative leave program, an individual must apply for and receive approval for a leave; therefore, there is no leave accrual.

27. Approval of financial statements

The consolidated financial statements were approved by the Board of Governors.

28. Comparative figures

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