UNIVERSITY OF ALBERTA

ANNUAL REPORT
2024-25

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COVER LETTER

Throughout the past year, the University of Alberta has been focused on advancing our strategic plan, Shape: A Strategic Plan of Impact, which provides a clear vision for the university to grow to 60,000 students over the next decade. Three of our core commitments—to enhance access for Albertans, support institutional sustainability, and deliver greater economic and societal impact—are closely aligned with the Government of Alberta's priorities to develop a skilled workforce and build a competitive, diversified economy.

This year's report demonstrates our steadfast commitment to addressing local and global challenges, accelerating economic growth and innovation, and developing a strong, skilled workforce, particularly in high-demand areas.

Our research enterprise is a cornerstone of this work. We are strategically aligning our research with global priorities, focusing on areas such as artificial intelligence, energy and environment, and health and well-being. This past year, we have strengthened key partnerships with industry and government and secured significant external funding, underscoring our role as a major contributor to Alberta's innovation ecosystem. The capital projects outlined in this report—the Integrated Health Sciences Innovation Complex, the new University Data Centre, and the renewal of Athabasca Hall—are critical investments that will modernize our facilities and support our long-term research and teaching goals.

Fiscal responsibility and careful stewardship of public funds remain top priorities. This report provides a detailed account of our financial performance. Our robust governance and accountability frameworks are in place to ensure transparency and trust.

We also continue to prioritize the success and well-being of our students, recognizing that a healthy student body is a key factor in academic and professional success. Our Igniting Purpose: The Student Experience Action Plan is a testament to this commitment, offering comprehensive services and resources to help students thrive.

The University of Alberta is proud to play a key role in shaping a prosperous future for our province. We are committed to preparing the next generation of leaders, driving research and innovation that addresses our most pressing challenges, and ensuring our operations are efficient and accountable.

As this 2024-25 Annual Report demonstrates, we will continue to drive discovery and innovation, forge strong collaborative partnerships with industry and communities, educate tomorrow's workforce, and meet the challenge of building a better future for all.

Bill Flanagan
President and Vice-Chancellor

INFORMATION

Institution Name: University of Alberta

President's Name: William Flanagan

Board Chair's Name: Kate Chisholm

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.

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

Signature of the Pesident

Signature of the 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: 1.00

Number of disclosures acted on: 0.00

Number of disclosures not acted on: 1.00

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.

The individual who made a disclosure was not willing to disclose their status as an employee, and so in working with legal counsel, it was determined that an investigation under this Act could not be pursued. Alternative processes were recommended to the individual with no response to date.

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: A Strategic Plan of Impact*, 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 Fall 2024, the university launched the Integrated Enrolment Growth Plan (IEGP). This plan provides a strategic roadmap aiming to increase total enrolment to 60,000 students over the next decade. 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. Major related highlights from this year include the launch 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 and will grow to about 300 students for Fall 2025.

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 scalability (incl. online). Six program proposals are underway via our new accelerated process. These programs will help ensure we are meeting the workforce needs for Alberta's future economy.

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 2024-25, the U of A ranked 96th in the QS World University Rankings (since rising to 94th), 106th in the Shanghai rankings, and 116th in the Times Higher Education (THE) world rankings. The U of A also ranked 58th in the QS Sustainability Rankings, and 6th in the world—and top in North America—in the THE Impact Rankings.

Measures:

- Enrolment (total headcount): 46,201
- Enrolment (domestic headcount and %): 37,902 (82%)
- Enrolment (international headcount and %): 8,299 (18%)
- Enrolment (Indigenous headcount): 2,184
- Completion rate: All programs (82%), exceeds benchmark for master's and PD (2023-24)
- Employment two years post-graduation %: 95.2%
- Employment in related field %: 94.8%
- Employability ranking (QS): 5th among Canadian universities (2022 ranking)
- World rankings:
- ARWU – 106th (5th in Canada);
- THE – 116th (5th in Canada);

Measures (cont'd):

- QS – 94th (4th in Canada);
- THE Impact – 6th Internationally
- Research revenue by source:
- Tri-Council – $177,244,574;
- Government of Alberta and Other Governments – $205,612,897;
- Donations and Non-Government grants and contracts – $170,585,936;
- Investment Earnings – $59,261,375;
- Research Revenue from Affiliates –-- $32,584,594
- Research Application Indicators:
- Spinoffs – 5
- Inventions – 90
- Patent Applications Filed (all countries) – 81
- Patents Granted – 41 (16 US)
- Revenue Agreements (e.g., licences, royalties, options) – 68
- Alumni engagement: 91,700 alumni, donors, students, and friends engaged via online and in-person programs and events

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.).

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.

In 2024, the U of A launched 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.

Under this plan, during 2024-25 the U of A implemented the National Standard for Mental Health and Well-being, with ongoing work to support the Student Mental Health Action Plan. In conjunction with this work, the number of clinicians at Counselling and Clinical Services was expanded. These actions ensure that our mental health and well-being supports reflect national best practices and meet the needs of today's students.

Other key initiatives undertaken to support student experience include classroom renovations, a schedule modernization project, the implementation of Student Perspectives on Teaching (our new course evaluation approach), and the release of guidelines and tools on the use of artificial intelligence at the U of A, which support students, faculty, and staff.

b. Strategic Research Priorities

Outline your institution's strategic research priorities. Describe how these priorities align with provincial strategies (e.g., Alberta 2030: Building Skills for Jobs, Alberta Technology and Innovation Strategy, etc.). For each priority area, describe key achievements, and how they have contributed to the advancement of your institution's own strategic research priorities.

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:

- The 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.
- The U of A joined the MIT Regional Entrepreneurship Accelerator Program (REAP) in 2024 to coordinate entrepreneurial efforts across Edmonton's ecosystem.
- Artificial Intelligence Discovery Place, a partnership with Amazon Web Services, launched in 2024 to coordinate entrepreneurial efforts across Alberta.
- In addition, a northern strategy and a Horizon Europe strategy are underway to broaden the reach and impact of our partnerships.

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:

- Funding under the Canadian Net-Zero Energy Solutions (CANZES) initiative increased by $18.5M, with $113.2M awarded as of January 2025.
- The PRAIRIE HUB for Pandemic Preparedness in operation and successfully secured $110M in Canadian Biomedical Research Fund Biosciences Research Infrastructure Fund funding for four projects.
- The Clinical Trials Funding Expansion Initiative Pilot launched in October 2024 to support development of proposals for the 2025 CIHR Project Grant competition (anticipated pilot completion February 2026).

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.

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	$738,280,000	$739,418,000	$1,138,000	
Federal and other government grants	$242,597,000	$260,553,000	$17,956,000	Higher than budgeted research grants received, mainly from the Canadian Foundation for Innovation and the Tri-agency.
Student tuition and fees	$500,365,000	$508,282,000	$7,917,000	Higher than budgeted domestic enrolment.
Sales of services and products	$226,041,000	$230,308,000	$4,267,000	
Donations and other grants	$155,917,000	$169,520,000	$13,603,000	Higher than budgeted research donations received; no one significant item.
Investment income	$127,936,000	$190,286,000	$62,350,000	Higher than budgeted realized gains due to rebalancing (selling) under the return-seeking and yield strategies.
Endowment contributions	$15,000,000	$26,424,000	$11,424,000	Higher than budgeted endowments received; no one significant item.
Endowment capitalized investment Income	$ -	$59,080,000	$59,080,000	Not budgeted, but higher than average realized gains due to rebalancing (selling) under the return-seeking and yield strategies.

Expenses				
Salaries	$963,446,000	$985,613,000	$22,167,000	Due to across-the-board increases for eligible staff, plus increases in staff hires in response to targeted enrolment increases.
Employee benefits	$193,513,000	$195,026,000	$1,513,000	
Materials, supplies and services	$372,773,000	$418,747,000	$45,974,000	Due to increased spending on approved initiatives, increased investment management fees, increased computing support services, as well as increased restricted research subgrants.
Scholarships and bursaries	$194,134,000	$184,411,000	($9,723,000)	Decrease from budgeted due to timing differences in the distribution of endowment-funded and tuition-supported awards, including those related to exceptional tuition increases (ETI).
Maintenance and repairs	$75,617,000	$72,246,000	($3,371,000)	
Utilities	$67,017,000	$64,887,000	($2,130,000)	
Amortization of tangible capital assets and purchased intangibles	$170,829,000	$170,646,000	($183,000)	

b. Audited Financial Statements

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

Audited Financial Statements included in Annual Report? Yes

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	$ 272,732,000
International Student Tuition	Cost of courses and instructions	$ 171,344,000
Continuing Education Fees	Non-credit fees including fees for courses, registration, and other fees related to non-credit programs	$ 10,259,000
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.	$ 53,947,000
	Subtotal	$ 508,282,000

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.	$ 43,488,000
Donations In-Kind	Donations of property (including artwork, land, equipment, or real property). Revenue is restricted.	$ 4,653,000
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.	$ 83,858,000.00
Interest on Endowments	Includes all investment income earned on endowments, including realized gains. Amount represents endowment spending allocation per university policy.	$ 84,137,000.00
Realized Gains/Losses	Capital gains/losses arising from the sale of non-endowed investments. Revenue is unrestricted.	$ 20,874,000
Unrealized Gains/ Losses	Change in fair value of all portfolio investments. Unrealized gains/losses are not recognized as revenue until realized.	$ 45,969,000
	Subtotal	$ 282,979,000

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.	$ 99,298,000
Federal Government	Research grants received from federal departments and agencies.	$ 225,153,000
Businesses	Research grants received from private sources.	$ 20,873,000
Other	Research grants received from municipal and foreign governments.	$ 31,641,000
	Subtotal	$ 376,965,000

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.	$ 1,180,000
Federal Government	Other grants from federal departments and agencies, including grants from Health Canada for Campus St. Jean and Prairies Canada for the Botanical Gardens.	$ 1,039,000
Other Provincial Governments	Grant received from the Province of Saskatchewan for Occupational Therapy students.	$ 2,711,000
Businesses	Non-research grants received from private sources.	$ 28,000
Other	Other grants from municipal and foreign governments.	$ 9,000
	Subtotal	$ 4,967,000

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	$ 5,998,000
Student Residences	Campus Residences	$ 40,020,000
Parking Services	Parking Services	$ 22,329,000
Sports and Recreational Facilities	Campus and Community Recreation	$ 9,764,000
Catering Operations	Dining, Leasing & Conference Services	$ 8,300,000
Other	Other Retail Operations, including the U of A Pharmacy, Glen Sather Clinic and the Botanical Gardens.	$ 10,199,000
Other	Utility sales from the university’s district energy system.	$ 23,410,000
	Subtotal	$ 120,020,000

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	$ 11,879,000
	Subtotal	$ 11,879,000

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)	$ 1,417,000
Venture 2	University of Alberta Innovation Fund Ltd. (consolidated results)	-
Venture 3		
	Subtotal	$ 1,417,000

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.	$ 98,409,000
	Subtotal	$ 1,417,000
	Grand Total	**$ 1,404,918,000**

You can find Advanced Education's Self-Generated Revenue policy on [Campus Alberta Project Site (CAPS).]

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) New Development - Planning

Description	Total Project Cost	Start Date	End Date
Under the Alberta Health Services' (AHS) 2030 Master Plan, there is a need to reclaim space for beds within the Walter C. MacKenzie Health Sciences Centre to address infection control protocols and AHS's need for growth. This is requiring the University of Alberta to relocate research labs, teaching labs, and lecture theatres from the Clinical Sciences Building into this new development, as well as move administrative offices from the Walter C. MacKenzie Centre. This multi-year project requires collaboration between the University of Alberta, Alberta Infrastructure, and Alberta Health Services, and could build on the successful development and operation of the existing Edmonton Clinic Health Academy (ECHA). 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. The strategic location of the building on campus positions researchers close to potential research subjects and gives clinicians 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. The proposed spinoff 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.	$ 30,495,000	1-Feb-26	31-Mar-27

Overall, this new infrastructure would create care capacity, interdisciplinary innovation, and health-care training in a state-of-the-art facility with specialized medical systems and technologies. While in early ideation discussions, it would consolidate high-service medical laboratory space in one location and enable the consolidation of academic offices into a repurposed Medical Sciences Building, which has aging infrastructure that is too costly and challenging to refurbish in its current state. In time, and with focused investment, the long-term benefit would allow the university to further work toward vacating aging assets.			

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	$ 20,495,000	67%	-
Government of Canada		0%	
Institutional Funds	$ 10,000,000	33%	-
Donations		0%	
Foundations		0%	
Industry		0%	
Total	$ 30,495,000	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. It will also create an opportunity to support peer organizations in the future, if a need should arise. The need for this project arises from 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. By centralizing the university's data services, the new centre will provide a robust and future-proof platform for the next generation of research and learning initiatives. The consolidation of critical IT infrastructure into this dedicated facility will also allow for the optimization of existing resources, enabling the university to decommission outdated data centres and repurpose space for other academic and research uses.	$ 5,082,500	1-Feb-26	31-Mar-27

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. The university has committed $250,000 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.			

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	$ 4,832,500	95%	-
Government of Canada		0%	
Institutional Funds	$ 250,000	5%	$ 250,000
Donations		0%	
Foundations		0%	
Industry		0%	
Total	$ 5,082,500	100%	$ 250,000

Project 3 - Athabasca Hall Renewal

Description	Total Project Cost	Start Date	End Date
Athabasca Hall is one of the key hallmark buildings flanking the university's Main 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 infrastructure systems and allow for a more optimized footprint with 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, thereby making better use of its infrastructure and enabling the renewal of the Biological Sciences into the Life Sciences Innovation and Future Technologies Centre (LIFT). Current residents of Athabasca Hall have moved into the new University Commons, which means that renewal of Athabasca Hall could occur as early as 2025-26.	$ 17,992,050	1-Feb-26	31-Mar-29

Funding Sources

Source	Amount	Percentage	Received to Date
Government of Alberta	$ 17,992,050	100%	-
Government of Canada		0%	
Institutional Funds		0%	
Donations		0%	
Foundations		0%	
Industry		0%	
Total	$ 17,992,050	100%	$ -

b. All Other Projects

Name and Description	Type	Total Cost	Current Status
Project 4: Clinical Sciences Building The Clinical Sciences Building primarily supports 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 comfort for students, faculty, and staff. The building has undergone numerous remediation efforts in response to frequent flooding incidents due to failing envelope and perimeter mechanical systems, and the university is funding a feasibility study on potential longer term remediation measures to prevent further flooding and related building failures. This feasibility study is expected to be completed by Fall 2025 and will inform the total project cost. 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. This project will also ensure that the Clinical Sciences Building remains available for future expansion of Alberta Health Services in the event of the completion of the ECHA 2.0 project, which would see the university relocate out of this building.	Preservation	$ 8,132,000	Submitted

Name and Description	Type	Total Cost	Current Status
Project 5: Mechanical Engineering Building 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.	Preservation	$ 5,082,500	Submitted
Project 6: Chemistry East Instruction Labs Renewal This project will renew the original (1973) undergraduate teaching labs of Chemistry East 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.	Preservation	$ 29,885,100	Submitted
Total		$ 43,099,600	

7. MANDATORY NON-INSTRUCTIONAL FEES (MNIF) REPORTING

Mandatory non-instructional fees (MNIFs) are paid by students to support specific goods and services that enhance the student experience. MNIFs are:

- not tuition fees as defined in the Tuition and Fees Regulation;
- required to complete programs approved under the Programs of Study Regulation, established under the Skilled Trades and Apprenticeship Education Act, or approved under the Student Financial Assistance Act;
- not membership fees for a student organization; and
- are cost-recovery based.

PSIs must report on MNIFs to demonstrate compliance with Section 61(5) of the PSLA and Section 7(1) of the Tuition and Fees Regulation. This reporting ensures transparency regarding the cost-recovery nature of these fees and verifies that goods and services supported by each MNIF are related.

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)	$ 8,068,112	$ 8,515,109	Enrolment headcount growth exceeded 2024-25 budgeted expectations. Introduction of Off-Campus Athletics and Recreation fee.
Health & Wellness Fee	Counselling and Clinical Services; Sexual Assault Centre; University Health Centre; Wellness Services; Crisis supports; Sexual Violence Prevention and Response Initiatives	$ 5,897,429	$ 6,248,746	Enrolment headcount growth exceeded 2024-25 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	$ 24,905,879	$ 25,834,606	Enrolment headcount growth exceeded 2024-25 budgeted expectations.
	Total	$ 38,871,420	$ 40,598,461	

Supplemental Information: Goods & Services Covered under the Athletic/Recreation Fee

Revenue from the Athletics and Recreation Fee is directed to the University of Alberta Athletics unit (under the Student Success and Experience), Campus and Community Recreation (under University Services, Operations, and Finance), and the Faculty of Augustana Athletics and Recreation units. The University of Alberta has an agreement with the Students' Union and the Graduate Students' Association that includes the scope and purpose for all MNIFs, including the Athletics and Recreation fee.

A full breakdown of the fee can be found below:

Fiscal 2024-25	Total Expenditures	Other Revenues	University Funding	MNIF Revenue	Government Grant Funding	Total Revenue	Surplus/ Deficit
A. Athletics and Recreation Fee							
Athletics	13,360,800	7,418,484	1,301,268	4,177,484		12,897,236	(463,564)
Campus & Community Recreation	14,076,655	9,111,829	662,306	4,177,530	125,000	14,076,665	-
Augustana Athletics	1,251,049	301,584	189,036	56,039		546,659	(704,390)
Augustana Fitness Centre	144,991	754	144,371	104,056		249,180	104,189
Total Athletics and Recreation	**28,833,505**	**16,832,650**	**2,296,981**	**8,515,109**	**125,000**	**27,769,740**	**-1,063,765**

Athletics

Golden Bears & Pandas Athletics activities provide a very impactful and meaningful experience for over 500 student-athletes across campus and academic disciplines each year. The opportunity to train, compete and represent the University of Alberta in high performance sport allows this group of students to pursue excellence in both their academic and athletic pursuits. For this group of dedicated students their participation can be life-changing, and many go on to represent Alberta and Canada at both national and international competitions.

To compete and win requires resources including talented individuals, physical facilities, financial, integrated support teams, and administrative support.

For the student-body and UofA community at large, Golden Bears & Pandas Athletics represents an opportunity to rally around a common cause. Athletic events bring a sense of community to campus, and are among the most positive, engaging and shared experiences at the University.

All University of Alberta students receive free tickets to Athletics events.

Athletics hired 198 UofA students during the 2024/25 varsity season, including 101 part-time event/game day staff, and 97 Summer Camp coaches.

Campus and Community Recreation

Campus & Community Recreation provides opportunities for our communities to experience health and wellbeing by offering programs, services and facilities available to all undergraduate and graduate students. From group exercise to individualized personal training; from healthy living activities to physical assessments preparing for specific work environments; from recreational sports to elite sport training; and a range of ethnic and cultural dance, Campus & Community Recreation has the breadth and depth of activities to enhance the experiences of students, staff and community members alike. In short, services provided by Campus & Community Recreation include:

Operate and maintain sport specific facilities.

- Swimming pools
- Tennis Centre (indoor and outdoor)
- Curling Rink
- Track & Field facilities
- Climbing Centre
- Fitness Centre
- Arena
- Gymnasiums
- Studios
- Artificial and natural grass fields
- Seasonally inflated Dome
- Universiade Pavilion
- Locker rooms and towel service

Our 37 world-class facilities span over 750,000 square feet across two campuses

Recreational programs and activities aimed to develop a sense of community through exceptional experiences.

- Intramurals
- Group and individual fitness programs and services (in person and online delivery)
- Dance
- Club Sports
- Aquatics
- Climbing
- Martial Arts
- Curling
- Tennis
- Residence Programs
- Outdoor Programs
- Wellness

Drop in recreational activities offered to students include:

- Racquetball
- Squash
- Tennis
- Table tennis
- Wallyball
- Badminton
- Basketball
- Beach volleyball
- Cricket
- Dance
- e-Sports
- Foote Field drop in space
- Group Fitness
- Pickleball
- Running track
- Skating
- Soccer
- Stick and Skate
- Swimming
- Volleyball
- Board Games

Augustana Faculty - Athletics

Augustana Vikings Athletics operates nine varsity team sports, comprising of 14 teams, within the Alberta Colleges Athletics Conference and Canadian Collegiate Athletics Association. Its mission is to support excellence in all aspects of the student-athlete experience and accomplishes this by encouraging competitive success, fair play and team-focused goals.

More than 15% of Augustana students compete and/or work in the Athletics department. These student athletes focus on success in competition, in the classroom and in the community. Vikings Athletics is deeply rooted in the Camrose community and is a proud part of UofA Athletics.

Augustana Athletics manages and administers the coaching, administration, support, systems of the teams as well as the facilities, both owned and leased.

Augustana Faculty - Campus and Community Recreation

Campus and Community Recreation at Augustana provides a robust complement of fun and exciting Campus Recreation activities, including drop-in sports, special events, Fitness Classes, Nordic Ski Library and an exciting 'learn-to' series. Campus Recreation serves the total student population, including through free membership for all students to the Augustana Fitness Centre. A wide range of wellness activities are supported by Campus Recreation together with other Student Life departments.

Recreational opportunities are a key part of bringing Augustana students together to promote physical activity, connections with each other and a sense of belonging on our campus.

Augustana Recreation operates and manages an on campus fitness centre and climbing wall. Augustana Recreation jointly manages a gymnasium with Vikings Athletics.

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?
Yes

If YES, provide the following information:

Fee Name	Description of Change	Written Approval from Student Councils (Date)	Consultation Process
Athletic / Recreation Fee	The introduction of off-campus rate for Athletics and recreation	1/18/2024	Consultation held under the MNIF Joint Oversight Committee with representation available from student union groups present. Subsequent E-Vote held and motion to implement change was passed unanimously.

Note: 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.

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. Additional Information

Provide any additional concerns in relation to campus free speech that are not captured in the above.

N/A

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.

UNIVERSITY OF ALBERTA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

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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

STATEMENT OF MANAGEMENT RESPONSIBILITY
YEAR ENDED MARCH 31, 2025

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, 2025 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, 2025, 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, 2025, 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 W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 27, 2025
Edmonton, Alberta

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(thousands of dollars)

	Note	2025	2024
Financial assets excluding portfolio investments restricted for endowments			
Cash and cash equivalents	3	**$ 67,400**	$ 40,127
Portfolio investments - non-endowment	4	**1,546,017**	1,530,931
Accounts receivable	7	**208,585**	172,805
Inventories held for sale		**2,287**	1,876
Investment in government business enterprise	8	**(504)**	(1,921)
		1,823,785	1,743,818
Liabilities			
Accounts payable and accrued liabilities	9	**219,026**	201,722
Employee future benefit liabilities	10	**169,203**	194,046
Debt	11	**336,502**	354,697
Deferred revenue	12	**901,738**	844,055
Asset retirement obligations and environmental liabilities	13	**187,159**	183,660
		1,813,628	1,778,180
Net assets (debt) excluding portfolio investments restricted for endowments		**10,157**	(34,362)
Portfolio investments - restricted for endowments	4	**1,912,949**	1,815,075
Net financial assets		**1,923,106**	1,780,713
Non-financial assets			
Tangible capital assets and purchased intangibles	14	**2,773,320**	2,781,561
Prepaid expenses		**14,750**	15,076
		2,788,070	2,796,637
Net assets before spent deferred capital contributions		**4,711,176**	4,577,350
Spent deferred capital contributions	15	**1,849,192**	1,853,630
Net assets	16	**$ 2,861,984**	$ 2,723,720

Net assets are comprised of:		
Accumulated surplus	**$ 2,237,052**	$ 2,144,757
Accumulated remeasurement gains	**624,932**	578,963
	$ 2,861,984	$ 2,723,720

Contingent assets and contractual rights (note 17 and 19)

Contingent liabilities and contractual obligations (note 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, 2025
(thousands of dollars)

	Note	Budget (Note 22)	2025	2024
Revenue				
Government of Alberta grants	23	$ 738,280	**$ 739,418**	$ 721,064
Federal and other government grants	23	242,597	**260,553**	231,195
Student tuition and fees		500,365	**508,282**	468,024
Sales of services and products		226,041	**230,308**	224,025
Donations and other grants		155,917	**169,520**	158,803
Investment income	24	128,870	**188,869**	158,142
Investment (loss) income from government business enterprise	8	(934)	**1,417**	(623)
		1,991,136	**2,098,367**	1,960,630
Expense	25			
Academic costs and institutional support		1,111,361	**1,122,216**	1,060,259
Research		566,267	**574,190**	540,297
Facility operations and maintenance		139,605	**177,522**	153,969
Special purpose		118,247	**118,393**	105,369
Ancillary services		101,849	**99,255**	94,227
		2,037,329	**2,091,576**	1,954,121
Annual operating (deficit) surplus		(46,193)	**6,791**	6,509
Endowment contributions and capitalized investment income				
Endowment contributions	16	15,000	**26,424**	21,792
Endowment capitalized investment income	16	-	**59,080**	6,148
		15,000	**85,504**	27,940
Annual (deficit) surplus		$ (31,193)	**92,295**	34,449
Accumulated surplus, beginning of year			**2,144,757**	2,110,308
Accumulated surplus, end of year	16		**$ 2,237,052**	$ 2,144,757

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, 2025
(thousands of dollars)

	Budget (Note 22)	**2025**	2024
Annual (deficit) surplus	$ (31,193)	**$ 92,295**	$ 34,449
Acquisition of tangible capital assets and purchased intangibles	(182,652)	**(162,638)**	(200,518)
Proceeds on sale of tangible capital assets and purchased intangibles	-	**187**	1,077
Amortization of tangible capital assets and purchased intangibles	170,829	**170,646**	163,662
Loss on sale and disposal of tangible capital assets and purchased intangibles	-	**46**	297
(Increase) decrease in prepaid expenses	(238)	**326**	(3,456)
Increase (decrease) in spent deferred capital contributions	9,349	**(4,438)**	43,649
Increase in accumulated remeasurement gains	76,020	**45,969**	95,057
Increase in net financial assets	42,115	**142,393**	134,217
Net financial assets, beginning of year	1,780,713	**1,780,713**	1,646,496
Net financial assets, end of year	$ 1,822,828	**$ 1,923,106**	$ 1,780,713

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, 2025
(thousands of dollars)

	Note	2025	2024
Accumulated remeasurement gains, beginning of year		**$ 578,963**	$ 483,906
Unrealized gains attributable to:			
Portfolio investments - non-endowment:			
Quoted in an active market		**33,357**	36,874
Designated at fair value		**61,057**	34,196
Portfolio investments - restricted for endowments:			
Quoted in an active market		**66,030**	78,735
Designated at fair value		**57,289**	43,769
Amounts reclassified to consolidated statement of operations:			
Portfolio investments - non-endowment:			
Quoted in an active market		**(20,894)**	(14,767)
Designated at fair value		**(39,001)**	(19,379)
Portfolio investments - restricted for endowments:			
Quoted in an active market		**(59,900)**	(41,372)
Designated at fair value		**(51,969)**	(22,999)
Net change for the year		**45,969**	95,057
Accumulated remeasurement gains, end of year	16	**$ 624,932**	$ 578,963

Accumulated remeasurement gains is comprised of:		
Portfolio investments - non-endowment	**$ 168,030**	$ 133,511
Portfolio investments - restricted for endowments	**456,902**	445,452
	$ 624,932	$ 578,963

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

UNIVERSITY OF ALBERTA
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2025
(thousands of dollars)

	2025	2024
Operating transactions		
Annual surplus	**$ 92,295**	$ 34,449
Add (deduct) non-cash items:		
Amortization of tangible capital assets and purchased intangibles	**170,646**	163,662
Expended capital contributions recognized as revenue	**(94,528)**	(90,637)
Investment (income) loss from government business enterprise	**(1,417)**	623
Gain on sale of portfolio investments	**(171,764)**	(98,517)
Loss on sale and disposal of tangible capital assets and purchased intangibles	**46**	297
Decrease in employee future benefit liabilities	**(24,843)**	(15,997)
Increase in asset retirement obligations and environmental liabilities	**(176)**	(870)
Change in non-cash items	**(122,036)**	(41,439)
(Increase) decrease in accounts receivable	**(34,241)**	14,686
(Increase) decrease in inventories held for sale	**(411)**	88
Increase in accounts payable and accrued liabilities	**17,078**	29,224
Increase (decrease) in deferred revenue	**57,683**	(39,282)
Decrease (increase) in prepaid expenses	**326**	(3,456)
Asset retirement obligations abatement	**(2,001)**	(268)
Cash provided by (applied to) operating transactions	**8,693**	(5,998)
Capital transactions		
Acquisition of tangible capital assets and purchased intangibles, less in-kind donations and asset retirement additions	**(152,999)**	(187,168)
Proceeds on sale of tangible capital assets and purchased intangibles	**187**	1,077
Cash applied to capital transactions	**(152,812)**	(186,091)
Investing transactions		
Purchases of portfolio investments	**(336,678)**	(218,777)
Proceeds on sale of portfolio investments	**440,138**	314,228
Cash provided by investing transactions	**103,460**	95,451
Financing transactions		
Debt repayment	**(18,195)**	(17,180)
Debt - new financing	**-**	8,000
Increase in spent deferred capital contributions, less in-kind donations	**86,127**	128,363
Cash provided by financing transactions	**67,932**	119,183
Increase in cash and cash equivalents	**27,273**	22,545
Cash and cash equivalents, beginning of year	**40,127**	17,582
Cash and cash equivalents, end of year	**$ 67,400**	$ 40,127

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. and University of Alberta Innovation Fund Ltd.

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 University of Alberta Innovation Fund Ltd. (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.
- 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.

The University of Alberta Properties Trust Inc. (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.

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 re-measured 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.

(thousands of dollars)

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

The Public Sector Accounting Board has approved the following accounting standard and conceptual framework, which are effective for fiscal years starting on or after April 1, 2026:

- ***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.

- **PS 1202: *Financial Statement Presentation***
  This standard sets out general and specific requirement 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 University has not yet adopted the standard or framework and is currently assessing the impact of these new items on the consolidated financial statements.

3. Cash and cash equivalents

	2025	2024
Cash	**$ 27,218**	$ 13,518
Money market holdings	**40,182**	26,609
	$ 67,400	$ 40,127

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

(thousands of dollars)

4. Portfolio investments

	2025	2024
Portfolio investments - non-endowment	**$ 1,546,017**	$ 1,530,931
Portfolio investments - restricted for endowments	**1,912,949**	1,815,075
	$ 3,458,966	$ 3,346,006

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

	2025				2024			
	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	**$ 43,509**	**$ 251,718**	**$ -**	**$ 295,227**	$ 57,727	$ 258,765	$ -	$ 316,492
Canadian bonds	**-**	**79,309**	**-**	**79,309**	-	55,157	-	55,157
Foreign bonds	**-**	**215,367**	**-**	**215,367**	-	227,441	-	227,441
Canadian equity	**256,244**	**-**	**-**	**256,244**	263,341	-	-	263,341
Foreign equity	**1,239,926**	**-**	**-**	**1,239,926**	1,273,177	-	-	1,273,177
Hedge funds	**-**	**449,083**	**-**	**449,083**	-	457,753	-	457,753
Private equity	**-**	**-**	**536,474**	**536,474**	-	-	432,298	432,298
Private credit and mortgages	**-**	**-**	**237,724**	**237,724**	-	-	183,885	183,885
Private real estate and infrastructure	**-**	**-**	**147,684**	**147,684**	-	-	136,333	136,333
	1,539,679	**995,477**	**921,882**	**3,457,038**	1,594,245	999,116	752,516	3,345,877
Other at amortized cost				**1,928**				129
	$ 1,539,679	**$ 995,477**	**$ 921,882**	**$ 3,458,966**	$ 1,594,245	$ 999,116	$ 752,516	$ 3,346,006

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:

	2025	2024
Balance, beginning of year	**$ 752,516**	$ 670,807
Unrealized gains (losses)	**43,334**	(31,104)
Purchases	**168,360**	232,874
Proceeds on sale	**(42,328)**	(120,061)
	$ 921,882	$ 752,516

There were no transfers between level 1, level 2 and level 3 investments during the current year (2024 - no transfers).

5. Derivatives

Derivative financial instruments are used by the University to manage its exposure to commodities. As at March 31, 2025, the University held commodity futures contracts for settlement between May 2025 and April 2026, with a notional amount of $51,518 (2024 - $46,227). The fair value of outstanding commodity futures contracts included in accounts receivable is $2,430 (2024 - $891) and of commodity futures contracts included in accounts payable is $499 (2024 - $273).

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, 2025, 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 $336,846 (2024 - $325,455).

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. The University does 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 $2,505,439 (2024 - $2,413,872), with approximately 74.0% in USD (2024 - 72.0%). If the value of foreign currency decreased by 10.0% and all other variables are held constant, the potential decrease in accumulated remeasurement gains would be $250,544 (2024 - $241,387) or approximately 7.2% of total investments (2024 - 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) 72.1% (2024 - 65.2%); R-1(mid) 27.9% (2024 - 34.8%).
- Bonds: AAA 43.6% (2024 - 43.3%); AA 12.2% (2024 - 15.3%); A 12.4% (2024 - 9.5%); BBB 20.3% (2024 - 20.7%); below BBB and not rated 11.5% (2024 - 11.2%).

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 (2024 - $20,000) to ensure that funds are available to meet current and forecasted financial requirements. In 2025, the line of credit was not drawn upon (2024 - 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 $16,359 (2024 - $16,108).

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	-	-	3.5
Canadian government, corporate and foreign bonds	3.7	30.9	65.4	3.8

7. Accounts receivable

	2025	2024
Research receivables	**$ 113,413**	$ 74,915
Loans and promissory note receivable [1]	**51,784**	54,183
Student receivables	**11,978**	12,450
Investment income receivable	**10,282**	10,362
Other receivables	**27,926**	28,099
	215,383	180,009
Allowance for doubtful accounts	**(6,798)**	(7,204)
	$ 208,585	$ 172,805

[1] Loans receivable were issued for building construction and improvements by loan agreements between the University and the University of Alberta Students' Union of $20,863 (2024 - $21,991), and the University and St. Joseph's College of $24,922 (2024 - $26,193). The loans have terms ranging from 20 to 30 years at interest rates between 2.482% and 4.293% per annum.

On March 31, 2023, UAPTI issued a $5,999 floating rate promissory note to the University, maturing on March 31, 2028. On January 1, 2024, this was converted to a fixed rate note bearing interest at 5.44% per annum, with no further changes to the note.

8. Investment in government business enterprise

UAPTI is a wholly-owned subsidiary of the University. UAPTI operates as a 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, 2024	December 31, 2023
Assets		
Cash	$ 519	$ 564
Land sales and lease receivable	7,775	208
Land held for development	-	6,000
Property and equipment	9	9
Property under development and held for resale	23,639	10,745
Other assets	152	66
	32,094	17,592
Liabilities		
Operating line of credit	8,616	6,251
Accounts payable and accrued liabilities	3,138	1,071
Construction financing	14,845	6,192
Note payable	5,999	5,999
	32,598	19,513
Equity		
Deficit	(504)	(1,921)
	$ 32,094	$ 17,592

Statement of Operations:

	December 31, 2024	December 31, 2023
Revenue	$ 8,679	$ -
Cost of sales	6,474	-
Gross profit	2,205	-
Expenses	831	625
	1,374	(625)
Other income	43	2
Net income (loss)	$ 1,417	$ (623)

9. Accounts payable and accrued liabilities

	2025	2024
Trade payables	$ 107,763	$ 102,361
Accrued liabilities	79,550	68,153
Vacation liability	31,713	31,208
	$ 219,026	$ 201,722

(thousands of dollars)

10. Employee future benefit liabilities

	2025			2024		
	Academic staff	**Support staff**	**Total**	Academic staff	Support staff	Total
Universities Academic Pension Plan	**$ 55,559**	**$ -**	**$ 55,559**	$ 86,443	$ -	$ 86,443
Long-term disability	**15,575**	**30,528**	**46,103**	12,593	28,408	41,001
SRP (defined contribution)	**38,511**	**-**	**38,511**	36,047	-	36,047
Early retirement	**-**	**22,322**	**22,322**	-	23,995	23,995
SRP (defined benefit)	**3,525**	**-**	**3,525**	3,615	-	3,615
General illness	**1,342**	**762**	**2,104**	1,146	785	1,931
Administrative/professional leave	**1,079**	**-**	**1,079**	1,014	-	1,014
	$ 115,591	**$ 53,612**	**$ 169,203**	$ 140,858	$ 53,188	$ 194,046

(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, 2022 and was then extrapolated to March 31, 2025, resulting in a UAPP surplus of $426,781 (2024 - $10,888) consisting of a pre-1992 deficit of $832,113 (2024 - $854,385) and a post-1991 surplus of $1,258,894 (2024 - $843,497). 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 1.25% (2024 - 1.25%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 4.03% (2024 - 4.03%) of salaries required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's obligation for the future additional contributions is $202,844 (2024 - $195,453) at March 31, 2025.

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, 2025. 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 $15,655 (2024 - $16,924) and a retirement allowance liability of $6,667 (2024 - $7,071). An actuarial valuation of these benefits was carried out as at March 31, 2025. 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 to executives. The SRP obligation is calculated based on assumptions, including inflation, which are prescribed each month by the Canadian Institute of Actuaries, which management has adopted as their best estimate. An actuarial valuation of these benefits was carried out as at March 31, 2025. 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. The leave obligation is calculated based on assumptions, including inflation, which are prescribed each month by the Canadian Institute of Actuaries, which management has adopted as their best estimate. An actuarial valuation of these benefits was carried out as at March 31, 2025.

(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:

	2025				2024			
	UAPP	**LTD, GI (1)**	**Early retirement (1)**	**SRP, leave (1)**	UAPP	LTD, GI (1)	Early retirement (1)	SRP, leave (1)
Expense								
Current service cost	**$ 50,191**	**$ 21,247**	**$ 595**	**$ 216**	$ 47,864	$ 20,430	$ 745	$ 196
Interest (recovery) cost, net of earnings	**(1,806)**	**2,038**	**434**	**157**	1,802	1,856	539	172
Amortization of actuarial (gains) losses	**(11,466)**	**984**	**(1,755)**	**(18)**	(8,388)	910	(1,212)	(93)
	$ 36,919	**$ 24,269**	**$ (726)**	**$ 355**	$ 41,278	$ 23,196	$ 72	$ 275
Liability								
Accrued benefit obligation								
Balance, beginning of year	**$ 1,570,176**	**$ 46,917**	**$ 12,404**	**$ 4,580**	$ 1,479,935	$ 41,258	$ 15,248	$ 5,040
Current service cost	**50,191**	**21,247**	**595**	**216**	47,864	20,430	745	196
Interest cost	**97,980**	**2,038**	**434**	**157**	93,914	1,856	539	172
Benefits paid	**(80,091)**	**(18,994)**	**(947)**	**(380)**	(74,175)	(16,825)	(1,023)	(929)
Actuarial losses (gains)	**32,613**	**(1,049)**	**123**	**(33)**	22,638	198	(3,105)	101
Balance, end of year	**1,670,869**	**50,159**	**12,609**	**4,540**	1,570,176	46,917	12,404	4,580
Plan assets	**(1,827,098)**	**-**	**-**	**-**	(1,615,590)	-	-	-
Plan (surplus) deficit	**(156,229)**	**50,159**	**12,609**	**4,540**	(45,414)	46,917	12,404	4,580
Unamortized actuarial gains (losses)	**211,788**	**(1,952)**	**9,713**	**64**	131,857	(3,985)	11,591	49
Accrued benefit liability	**$ 55,559**	**$ 48,207**	**$ 22,322**	**$ 4,604**	$ 86,443	$ 42,932	$ 23,995	$ 4,629

(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:

	2025			2024		
	UAPP	**SRP, leave**	**LTD, GI, early retirement**	UAPP	SRP, leave	LTD, GI, early retirement
	%	%	%	%	%	%
Accrued benefit obligation						
Discount rate	**6.1**	**3.5**	**3.5**	6.2	3.5	3.5
Long-term average compensation increase	**3.0**	**2.0**	**2.0**	3.0	2.0	2.0
Benefit cost						
Discount rate	**6.2**	**3.5**	**3.5**	6.3	3.5	3.5
Long-term average compensation increase	**3.0**	**2.0**	**2.0**	3.0	2.0	2.0
Alberta inflation (long-term)	**Note(1)**	**Note(1)**	**Note(1)**	Note(1)	Note(1)	Note(1)
Estimated average remaining service life	**11.5 yrs**	**Note(2)**	**1 to 5.5 yrs**	11.5 yrs	Note(2)	1 - 6 yrs

(1) The inflation assumption for all plans is 2.5% for 2025 and 2.0% thereafter (2024: 2.5% for 2024 and 2025 and 2.0% thereafter).

(2) SRP actuarial gains and losses are amortized over the remaining contract terms of the participants.

(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 $22,448 (2024 - $21,474).

An actuarial valuation of the PSPP was carried out as at December 31, 2021 and was then extrapolated to December 31, 2024. At December 31, 2024, the PSPP reported an actuarial surplus of $6,473,956 (2023 - $4,542,500). For the year ended December 31, 2024 PSPP reported employer contributions of $279,451 (2023 - $260,539). For the 2024 calendar year, the University's employer contributions were $22,235 (2023 calendar year - $21,076).

(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 $5,951 (2024 - $4,313).

11. Debt

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

	Maturity Date	Weighted average interest rate %	2025	2024
Collateral				
Title to land, building	November 2027 - March 2048	3.572	**$ 146,429**	$ 153,644
General Security Agreement	December 2028 - June 2049	2.991	**149,606**	157,446
Cash flows from facility	September 2028 - December 2047	4.958	**32,924**	34,616
None	December 2025 - September 2036	4.908	**7,543**	8,991
Balance, end of year			**$ 336,502**	$ 354,697

Interest expense on debt recognized in these consolidated financial statements is $10,960 (2024 - $11,085).

Land and buildings pledged as collateral have a net book value of $311,168 (2024 - $320,844).

Principal and interest payments are as follows:

	Principal	Interest	Total
2026	$ 18,892	$ 11,561	$ 30,453
2027	19,304	10,838	30,142
2028	19,906	10,095	30,001
2029	18,857	9,326	28,183
2030	17,320	8,635	25,955
Thereafter	242,223	65,360	307,583
	$ 336,502	$ 115,815	$ 452,317

(thousands of dollars)

12. Deferred revenue

		2025			2024
	Note	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total	Total
Balance, beginning of year		**$ 738,207**	**$ 105,848**	**$ 844,055**	$ 883,337
Net change for the year					
Grants, donations, endowment spending allocation and tuition		**779,588**	**534,464**	**1,314,052**	1,179,012
Transfers to spent deferred capital contributions	15	**(90,090)**	**-**	**(90,090)**	(134,286)
Recognized as revenue		**(635,191)**	**(531,088)**	**(1,166,279)**	(1,084,008)
Net change for the year		**54,307**	**3,376**	**57,683**	(39,282)
Balance, end of year		**$ 792,514**	**$ 109,224**	**$ 901,738**	$ 844,055

13. Asset retirement obligations and environmental liabilities

	2025	2024
Asset retirement obligations	**$ 173,331**	$ 170,170
Environmental liabilities	**12,716**	12,406
Contaminated sites	**1,112**	1,084
	$ 187,159	$ 183,660

The University has an estimated contaminated sites liability for the remediation and monitoring of hydrocarbon and salt contaminants on a contaminated site resulting from a liner leak in a wastewater pond. The estimate was determined based on a professional assessment of the clean-up required for the site. The site is not in productive use.

The changes in asset retirement obligations are as follows:

	2025	2024
Balance, beginning of year	**$ 170,170**	$ 164,399
Net change for the year		
Revision in estimates	**4,698**	6,017
Liabilities settled	**(2,001)**	(268)
Additions	**442**	-
Accretion expense	**22**	22
Net change for the year	**3,161**	5,771
Balance, end of year	**$ 173,331**	$ 170,170

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 it is 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 $173,331 (2024 - $170,170) include $664 (2024 - $642) measured using the present value technique. The undiscounted estimated cash flows to settle these obligations is $911 (2024 - $911), using a discount rate of 3.5% (2024 - 3.5%), and are expected to be settled between 2030 and 2047. The remaining obligations of $172,667 (2024 - $169,528) 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

	2025						2024
	Buildings and utilities	**Equipment, furnishings and systems**	**Learning resources**	**Land**	**Asset retirement obligations**	**Total**	Total
Cost							
Beginning of year	**$ 3,992,252**	**$ 1,563,899**	**$ 552,115**	**$ 63,000**	**$ 170,671**	**$ 6,341,937**	$ 6,170,514
Acquisitions	**62,904**	**77,107**	**16,951**	**-**	**5,676**	**162,638**	200,518
Disposals	**-**	**(11,830)**	**(263)**	**-**	**(536)**	**(12,629)**	(29,095)
	4,055,156	**1,629,176**	**568,803**	**63,000**	**175,811**	**6,491,946**	6,341,937
Accumulated amortization							
Beginning of year	**1,775,215**	**1,253,906**	**440,663**	**-**	**90,592**	**3,560,376**	3,424,435
Amortization expense	**84,655**	**58,924**	**21,707**	**-**	**5,360**	**170,646**	163,662
Disposals	**-**	**(11,597)**	**(263)**	**-**	**(536)**	**(12,396)**	(27,721)
	1,859,870	**1,301,233**	**462,107**	**-**	**95,416**	**3,718,626**	3,560,376
Net book value, March 31, 2025	**$ 2,195,286**	**$ 327,943**	**$ 106,696**	**$ 63,000**	**$ 80,395**	**$ 2,773,320**	$ 2,781,561
Net book value, March 31, 2024	$ 2,217,037	$ 309,993	$ 111,452	$ 63,000	$ 80,079	$ 2,781,561	

Included in buildings and utilities is $49,875 (2024 - $228,359) recognized as construction-in-progress, which is not amortized as the assets are not in service.

Acquisitions include in-kind donations in the amount of $3,963 (2024 - $5,923).

Learning resources includes purchased intangibles. Acquisitions of purchased intangibles in the current year are $16,569 (2024 - $20,030). The net book value of purchased intangibles included in learning resources is $102,222 (2024 - $105,822).

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.

Net book value of tangible capital assets with associated retirement obligations include $80,339 (2024 - $80,016) in buildings and utilities and $56 (2024 - $63) in equipment, furnishings and systems.

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	**2025**	2024
Balance, beginning of year		**$ 1,853,630**	$ 1,809,981
Net change for the year			
Transfers from unspent externally restricted grants and donations	12	**90,090**	134,286
Expended capital contributions recognized as revenue		**(94,528)**	(90,637)
Net change for the year		**(4,438)**	43,649
Balance, end of year		**$ 1,849,192**	$ 1,853,630

(thousands of dollars)

16. Net assets

	Note	Unrestricted	Investment in tangible capital assets and purchased intangibles	Internally restricted	Endowments	Total
Net assets, March 31, 2023		$ 287,834	$ 460,244	$ 118,064	$ 1,728,072	$ 2,594,214
Annual operating surplus		6,509	-	-	-	6,509
Transfer to internally restricted	24	(39,000)	-	39,000	-	-
Transfer from internally restricted		24,864	-	(24,864)	-	-
Endowments						
New contributions		-	-	-	21,792	21,792
Capitalized investment income		-	-	-	6,148	6,148
Transfer to endowments		(930)	-	-	930	-
Tangible capital assets and purchased intangibles						
Acquisitions		(64,929)	64,929	-	-	-
Debt repayment		(15,317)	15,317	-	-	-
Debt - financing allocation		8,704	(8,704)	-	-	-
Amortization		73,025	(73,025)	-	-	-
Change in asset retirement obligations	13	5,771	(5,771)	-	-	-
Change in accumulated remeasurement gains		36,924	-	-	58,133	95,057
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**

(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	$ 148,372	$ 461,228	$ 171,405	$ 1,456,047	$ 2,237,052
Accumulated remeasurement gains [1]	168,030	-	-	456,902	624,932
	$ 316,402	**$ 461,228**	**$ 171,405**	**$ 1,912,949**	**$ 2,861,984**

[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 $92,936 (2024 - $90,091). 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, $79,405 (2024 - $55,200) 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 and do not have interest allocated to them.

	2025	2024
Investment income reserve	**$ 92,000**	$ 77,000
Strategic initiatives	**79,405**	55,200
	$ 171,405	$ 132,200

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
2026	$ 2,220	$ 2,127	**$ 4,347**
2027	1,732	1,694	**3,426**
2028	1,220	1,625	**2,845**
2029	427	1,532	**1,959**
2030	190	1,044	**1,234**
Thereafter	141	2,814	**2,955**
Total at March 31, 2025	**$ 5,930**	**$ 10,836**	**$ 16,766**
Total at March 31, 2024	$ 7,419	$ 8,342	$ 15,761

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
2026	$ 72,353	$ 140,214	$ 1,324	**$ 213,891**
2027	10,069	50,694	945	**61,708**
2028	150	18,935	448	**19,533**
2029	150	5,994	106	**6,250**
2030	-	114	92	**206**
Thereafter	-	91	966	**1,057**
Total at March 31, 2025	**$ 82,722**	**$ 216,042**	**$ 3,881**	**$ 302,645**
Total at March 31, 2024	$ 90,249	$ 233,446	$ 4,054	$ 327,749

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 nine contracts (2024 - nine contracts) with expenditures totaling $33,695 (2024 - $44,923) expire over the next three years.
- Effective August 1, 2020, the University entered into an agreement with an external party for dining and catering services. The agreement has four months remaining with a total estimated cost of $3,467 (2024 - $13,867). The new agreement is expected to be renewed effective August 1, 2025.
- Effective June 1, 2021, the University entered into two agreements with an external party for information technology support. Infrastructure management services has one year remaining with a cost of $2,072 (2024 - $3,870), and application management services has one year remaining with a cost of $2,002 (2024 - $3,597).
- Effective August 1, 2024, the University entered into an agreement with an external party for custodial services. The agreement has three years remaining with a cost of $29,497 (2024 - $3,562).

(thousands of dollars)

20. Contractual obligations (continued)

(b) The University is one of 79 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, 2024, CURIE had an accumulated surplus of $130,337 (2023 - $107,548), of which the University's pro rata share is approximately 7.2% (2024 - 7.4%). 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 $5,119 (2024 - $5,396).

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

22. Budget

The University's 2024-25 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

23. Government transfers

	2025	2024
Government of Alberta grants		
Advanced Education - Base operating grant	**$ 436,595**	$ 436,595
Advanced Education - other grants	**125,628**	107,800
Alberta Health Services	**68,539**	67,773
Health	**38,432**	27,196
Jobs, Economy and Trade	**31,124**	30,184
Technology and Innovation	**21,845**	19,534
Other departments and agencies	**6,491**	3,216
	728,654	692,298
Expended capital contributions recognized as revenue	**64,191**	62,904
Deferred revenue	**(53,427)**	(34,138)
	$ 739,418	$ 721,064

(thousands of dollars)

23. Government transfers (continued)

		2025		2024
Federal and other government grants				
Natural Sciences and Engineering Research Council	**$**	**69,230**	$	54,786
Canadian Institutes of Health Research		**41,651**		40,453
Social Sciences and Humanities Research Council		**39,371**		36,311
Canadian Foundation for Innovation		**31,681**		19,093
Triagency Institutional Program Secretariat		**26,875**		9,424
Canada Research Chairs		**20,455**		20,007
Other		**65,188**		55,112
		294,451		235,186
Expended capital contributions recognized as revenue		**16,869**		16,405
Deferred revenue		**(50,767)**		(20,396)
	$	**260,553**	$	231,195

The University held nil (2024 - $358) on behalf of government agencies. The University's Board of Governors had no power of appropriation over those funds; accordingly, these amounts are not included in the comparative figures of the University's consolidated financial statements.

24. Investment income

	Note		2025		2024
Portfolio investments - non-endowment					
In support of operations		**$**	**49,732**	$	38,196
Transfer to internally restricted net assets	16		**55,000**		39,000
Portfolio investments - restricted for endowments					
Spending allocation recognized as revenue			**84,137**		80,946
		$	**188,869**	$	158,142

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

		2025 Budget (Note 22)		2025		2024 (Note 28)
Salaries	$	963,446	**$**	**985,613**	$	940,960
Employee benefits		193,513		**195,026**		187,385
Materials, supplies and services		372,773		**418,747**		368,658
Scholarships and bursaries		194,134		**184,411**		179,375
Maintenance and repairs		75,617		**72,246**		52,082
Utilities		67,017		**64,887**		61,999
Amortization of tangible capital assets and purchased intangibles		170,829		**170,646**		163,662
	$	2,037,329	**$**	**2,091,576**	$	1,954,121

(thousands of dollars)

26. Salaries and employee benefits

2025

	Base salary (5)	Other cash benefits (6)	Non-cash benefits (7)	Non-cash benefits (DC SRP) (8)	Non-cash benefits (leave) (9)	Total
Governance (1)						
Board of Governors	$ -	$ -	$ -	$ -	$ -	$ -
Executive						
President	**459**	**6**	**51**	**51**	**92**	**659**
Provost and Vice-President (Academic) (10)	**435**	**6**	**50**	**49**	**-**	**540**
Vice-President (Research and Innovation) (10)	**354**	**6**	**48**	**35**	**-**	**443**
Former Vice-President (Facilities and Operations) (2)	**8**	**409**	**1**	**7**	**(9)**	**416**
Vice-President (University Services, Operations and Finance) (3)	**429**	**6**	**50**	**42**	**85**	**612**
Vice-President (External Relations)	**363**	**6**	**48**	**29**	**37**	**483**

2024

	Base salary (5)	Other cash benefits (6)	Non-cash benefits (7)	Non-cash benefits (DC SRP) (8)	Non-cash benefits (leave) (9)	Total
Governance (1)						
Board of Governors	$ -	$ -	$ -	$ -	$ -	$ -
Executive						
President	455	7	49	41	53	605
Provost and Vice-President (Academic) (4) (10)	378	8	48	29	-	463
Vice-President (Research and Innovation) (10)	347	5	46	29	-	427
Former Vice-President (Facilities and Operations)	395	15	47	43	(28)	472
Vice-President (University Services and Finance)	420	12	48	34	49	563
Vice-President (External Relations)	356	10	47	17	22	452

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

(2) This position was eliminated on April 8, 2024.

(3) The name and scope of this position were changed on June 14, 2024.

(4) In 2024, the incumbent served as interim Provost for 9 months and Provost for 3 months.

(5) Base salary includes pensionable base pay for all executives.

(6) Other cash benefits include academic executive allowances and car 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).

(7) 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, and dental plan. Benefits for some of the executives also include supplemental life insurance.

(8) 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.

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

	2024	**2025**				
	DC SRP obligation	**Service costs**	**Interest and investment earnings (8b)**	**Benefits paid**	**DC SRP obligation**	**Years of eligible University of Alberta service**
President	$ 127	**$ 31**	**$ 20**	**$ -**	**$ 178**	**4.8**
Provost and Vice-President (Academic)	48	**40**	**9**	**-**	**97**	**2.8**
Vice-President (Research and Innovation)	66	**25**	**10**	**-**	**101**	**3.8**
Former Vice-President (Facilities and Operations) (8a)	206	**1**	**6**	**(213)**	**-**	**7.6**
Vice-President (University Services, Operations and Finance)	84	**27**	**15**	**-**	**126**	**4.4**
Vice-President (External Relations)	42	**21**	**8**	**-**	**71**	**4.3**

(thousands of dollars)

26. Salaries and employee benefits (continued)

(8a) Benefits were paid upon elimination of position effective April 8, 2024.

(8b) 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 earnings (losses) are distributed to each plan participant based on the overall return of the plan's investments.

(9) Under the terms of the administrative/professional leave (leave) plan, certain executives 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:

	2024	2025					
	Accrued benefit obligation	**Service costs**	**Interest and other costs**	**Net change in actuarial losses**	**Benefits paid**	**Accrued benefit obligation (9b)**	**Years of eligible University of Alberta service(9c)**
President	$ 350	**$ 93**	**$ (1)**	**$ 17**	**$ -**	**$ 459**	**4.8**
Former Vice-President (Facilities and Operations) (9a)	200	**-**	**1**	**(60)**	**(141)**	**-**	**5.0**
Vice-President (University Services, Operations and Finance)	296	**86**	**(1)**	**14**	**-**	**395**	**4.4**
Vice-President (External Relations)	119	**37**	**-**	**5**	**-**	**161**	**4.3**

(9a) Benefits were paid upon elimination of position effective April 8, 2024.

(9b) The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in note 10.

(9c) The employment contact for the former Vice-President (Facilities and Operations) stipulates a leave entitlement of five years maximum.

(10) The Provost and Vice-President (Academic) and the Vice-President (Research and Innovation) 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.

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