UNIVERSITY OF ALBERTA

2026-27 Consolidated Budget

March 2026

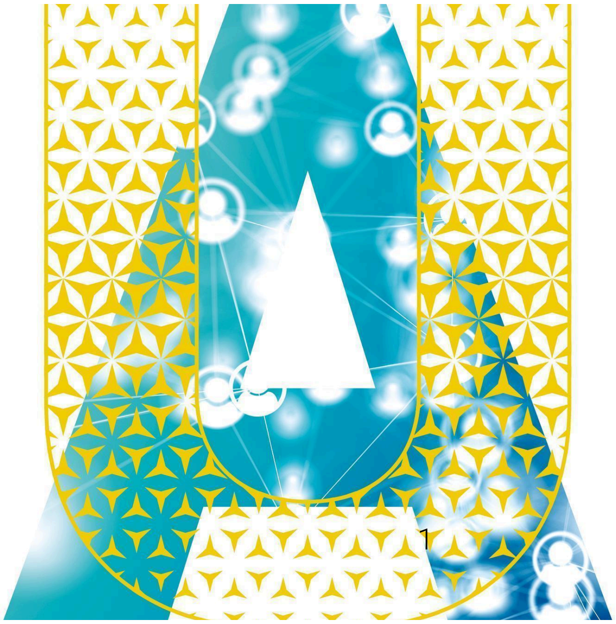


Table of Contents

President’s Message

The University of Alberta enters the 2026–27 fiscal year following a period of significant financial challenge and careful institutional adjustment. During this time, our community has worked together to respond to reduced government funding, inflationary pressures and shifts in the global higher education landscape. Through thoughtful planning, collaboration and a shared commitment to our mission, we have stabilized the university’s financial position while continuing to support excellence in teaching, research and student experience.

The 2026-27 institutional budget reflects a transition from short-term financial response toward longer-term sustainability and strategic alignment. Guided by *Shape: A Strategic Plan of Impact*, the University of Alberta is focusing its resources on areas where we can have the greatest impact: expanding access to education for a growing student population, strengthening research and innovation and positioning the university to lead in emerging areas such as artificial intelligence and advanced technologies.

We are grateful for the Government of Alberta’s (GOA) renewed investment in the university’s operating grant following several years without increases. Continued partnership with the province will be essential as we work together to support students, strengthen Alberta’s workforce and advance the research and innovation that contribute to the province’s long-term prosperity.

This budget also reflects the collaborative efforts of leaders and units across the university. Through institution-wide consultation, our community has helped identify the priorities and investments that will guide the university forward.

Together, these efforts position the University of Alberta to build on its strengths, enhance its global reputation and continue serving Alberta, Canada and the world through teaching, discovery and community engagement.

Context

The University of Alberta (U of A) is emerging from a period of significant fiscal pressure. Beginning in 2019, the university's base operating grant was reduced by $222 million (34 per cent) over three years. During this same period, the university experienced inflationary pressures similar to those affecting households and institutions across Canada. More recently, federal policies limiting the number of international students admitted to Canada have placed additional constraints on one of the university's key revenue sources. Tuition increases have remained sub-inflationary and have not been sufficient to offset these pressures, particularly given the Government of Alberta's two per cent cap on domestic tuition increases.

In response, the university undertook significant efforts to stabilize its financial position. Academic and administrative leaders collaborated to identify efficiencies, manage costs and pursue new revenue streams while continuing to support the university's core mission of teaching, research and student success. These efforts have strengthened the institution's financial position and positioned the U of A to move toward a period of cautious stability.

As the university develops Budget 2026–27, the focus is shifting from short-term financial adjustments toward long-term sustainability and strategic alignment; this does not mean a return to old operating models. With this shift, the university has an opportunity to further address structural challenges and ensure that resources are aligned with the institution's priorities and areas of greatest impact.

Guided by *Shape: A Strategic Plan of Impact*, the U of A continues to advance its role as a leading global research university, developing talent, driving innovation and contributing to the economic and social well-being of Alberta, Canada and the world. The university is launching a three-year transformation roadmap to strengthen financial sustainability, improve operational effectiveness and – most importantly – support continued excellence in teaching, research and community engagement.

Within a challenging fiscal environment, the University of Alberta welcomes the Government of Alberta's decision in Budget 2026 to further invest in the university's operating grant following several years without increases. The university remains committed to working in partnership with the Government of Alberta to expand opportunities for students, support workforce development, strengthen research and innovation capacity and contribute to a resilient and globally competitive post-secondary system.

Priorities for 2026-27

As the University of Alberta looks ahead to the 2026–27 academic year, it remains focused on aligning resources with its strategic priorities, as outlined in *Shape*. The investments reflected in this budget support the university's long-term goal of strengthening its position among the world's leading research-intensive universities while advancing impact locally and globally.

Growing our student community

A central priority is the continued growth of the university's student community to respond to growing population demand and workforce needs. The University of Alberta has set a goal of expanding enrolment to 60,000 students by 2033. This growth will expand access to high-quality post-secondary education for Albertans while strengthening the university's global reach and research capacity.

Achieving this goal requires sustained investment in student success, including supports that promote academic achievement and well-being. The university remains committed to fostering an inclusive and welcoming learning environment that respects free speech, recognizes and celebrates Indigenous identities, languages and worldviews and ensures that all students can thrive.

Advancing research excellence and global impact

The university continues to strengthen its role as a leading global research institution. Guided by *Forward with Purpose*, the university's first strategic plan for research and innovation, research investments are directed toward areas of established and emerging excellence, including artificial intelligence, energy and environment, health and well-being, agriculture and food systems and Indigenous research. These investments support researchers and innovators in advancing knowledge, addressing complex global challenges and translating discoveries into real-world impact through partnerships with industry, government and communities.

Progress in these areas will strengthen the university's global research profile and contribute to its ambition of joining the world's top-50 research-intensive universities.

Becoming an AI-enabled university

Artificial intelligence represents a significant opportunity to advance both research and institutional transformation. Building on globally recognized strengths in AI and machine learning, the University of Alberta is working to establish the conditions necessary to become Canada's leading AI-enabled university.

Current efforts focus on identifying opportunities where AI can enhance student learning and success, strengthen institutional operations and decision-making and accelerate research and innovation. This work will support a shared vision that positions the University of Alberta as a national and international leader in the responsible use of AI in higher education.

Strengthening Canada's defence and technology ecosystem

The university is also advancing new opportunities in defence and security research. Through the proposed Dual-Use Ecosystem for Future Engineering, National Defence and Sovereignty (DEFENDS) platform, the U of A aims to help build a nationally connected research and innovation ecosystem focused on developing, testing and commercializing advanced dual-use technologies.

By bringing together academic expertise, industry partners and defence stakeholders, this initiative supports Canada's ability to address emerging challenges related to supply-chain resilience, technological readiness and defence autonomy. Research will focus on advanced electronics and intelligent sensing, emerging space and aerospace technologies and next-generation uncrewed systems, with potential applications across sectors such as telecommunications, environmental monitoring and disaster response.

Growing global partnerships and reputation

Underlying these priorities is the university's continued commitment to excellence in teaching, research and international collaboration. Investments reflected in this budget support the recruitment and retention of outstanding scholars and students, strengthen global research partnerships and advance the university's role as a driver of innovation and economic development.

By focusing resources on areas of strategic impact and institutional strength, the University of Alberta aims to further elevate its global standing while ensuring that the knowledge, talent and innovation generated on its campuses continue to deliver meaningful benefits for Alberta, Canada and communities around the world.

Budget 2026-27

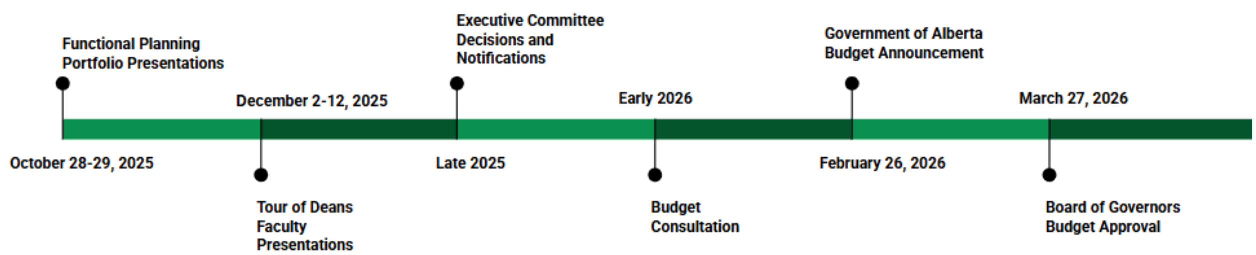
Developing Budget 2026-27

Budget 2026-27 was developed through intentional, cross-collaborative and consultative efforts that straddle commitments to agility, proactiveness and responsiveness. Every year, faculties and portfolios must develop detailed financial plans, including proposed revenue and expense budgets, proposals to generate incremental revenue and requests for funding for approval. An important component of this is identifying potential opportunities for collaboration and/or coordinating initiatives.

These plans review the past year and are also forward-facing, as they include detailed planning for the next two years. These plans are presented to a panel of peer academic and administrative leaders for review, providing an important opportunity for in-depth conversations about the opportunities and challenges for the years ahead. These presentations – Tour of Deans for academic units and Functional Plans for university-wide service units – ensure that institutional priorities are captured, the views of the university community are accurately reflected and successes are highlighted, culminating in a fulsome, institution-wide identification of priority initiatives for consideration. At the conclusion of the Tour of Deans and Functional Planning, the President's Executive Committee determines final allocations resulting in this budget.

Early budget materials are prepared and communicated to key interest holders to provide ample and timely opportunities for critical discussion and feedback.

Figure 1: 2026-27 Budget Development:



2026-27 Budget Highlights

The Government of Alberta released Budget 2026 on February 26, 2026 and provided the following funding increases to the university:

- a one-time increase of $13.125 million (three per cent) in the base operating grant, retroactive for 2025-26, to partially address compensation pressures resulting from collective bargaining;
- an increase of $13.149 million in the base operating grant applicable to 2026-27 and beyond;
- an increase of $1.7 million (five per cent) in the base capital maintenance and renewal (CMR) grant; and
- an additional $1.3 million in targeted enrolment expansion (TEE) funding.

The two per cent cap on domestic tuition increases remains.

No new capital funding was provided. However, existing, multi-year commitments were reaffirmed for the LIFT Centre ($53 million), Campus Saint-Jean ($2 million) and the Universiade Pavilion ($10 million).

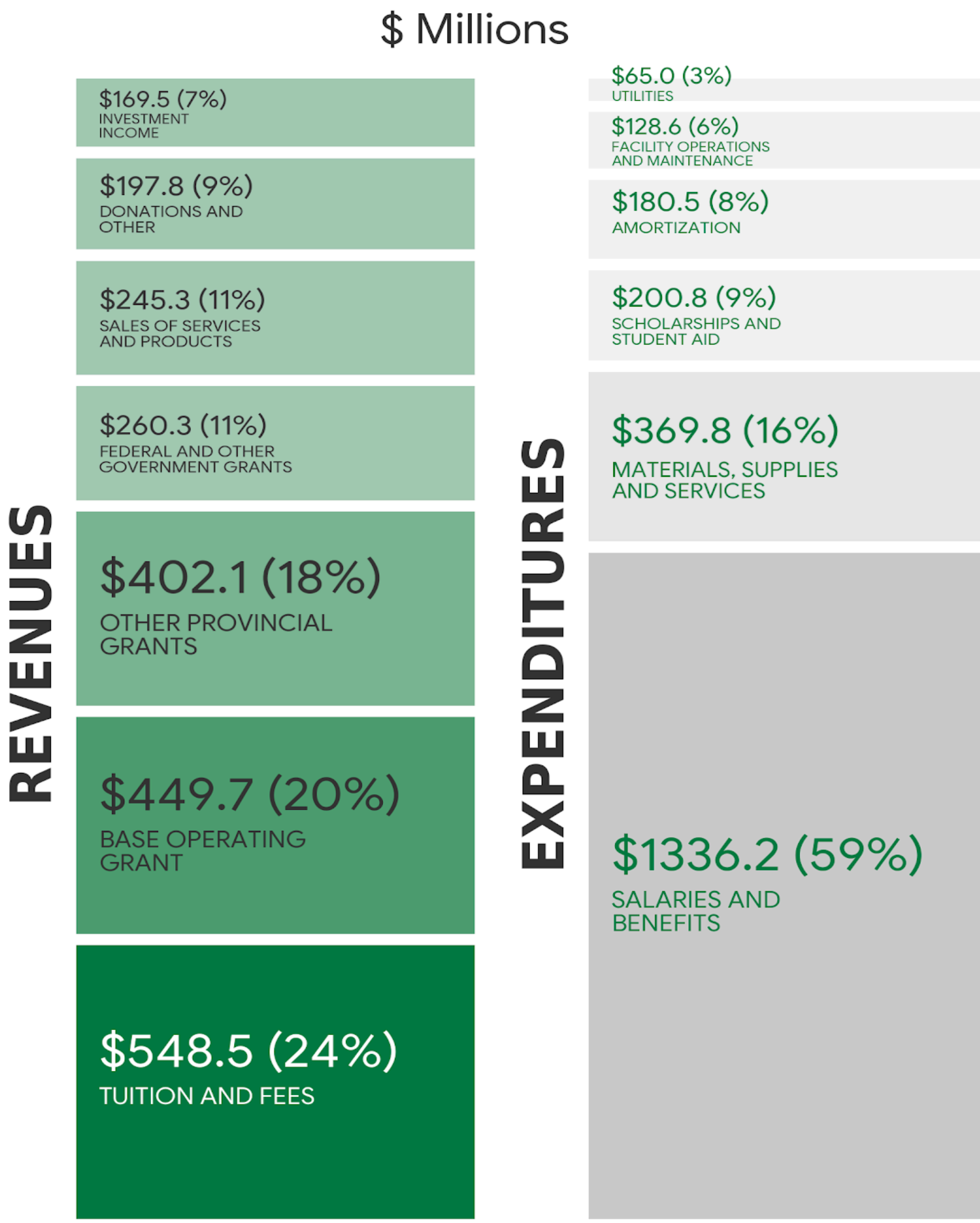
The GoA's Budget 2026 also acknowledged the recommendations made by the Expert Panel on Post-Secondary Institution Funding and Alberta's Competitiveness (Mintz Report).

Access to Reserves

While the university has developed a balanced budget for 2026-27, it has received the GoA's approval to access a portion of its reserve funds to make one-time or short-term strategic investments that benefit the university community and institution as a whole.

Consolidated Budget

Figure 2: University of Alberta 2026-27 Estimated Revenue and Expenses



In accordance with Public Sector Accounting Standards, the university, as a consolidated entity of the GoA, is required to prepare a consolidated budget that includes operating, ancillary, research, capital and special purpose funds:

- **Operating** represents the institution's general operations and constitutes roughly 57 per cent of the consolidated budget. The revenue sources are principally its base operating grant and tuition paid by students. The operating fund supports core teaching activities and the indirect costs of research. The university's budget process focuses largely on allocating these funds to its operating units.
- **Ancillary** refers to cost-recovery operations in which revenues are generated entirely from the sale of goods and services. Major operations include residence and hospitality services, parking services and the university-owned district energy system. While many of the operations represented within this fund are designed to generate revenue sufficient only to offset costs, others are expected to generate excess revenue to supplement the university's operating budget.
- **Research** includes the annual allocation of spending for research-related endowments and other research funding used directly to pursue research endeavours. These include provincial and federal grants and sponsored research grants. These are virtually always subject to restrictions and can only be used for the designated research purposes. Regardless of when research funds are received, the university only recognizes the revenue once these funds have been expended.
- **Capital** includes both restricted and unrestricted funding invested in capital and infrastructure renewal projects. For budgeting purposes, there is a distinction between the capital plan and the capital budget. The capital plan includes the aspirational requests the university makes to the GoA for funding in future budgets, while the capital budget, presented here, reflects expenditures anticipated in 2026-27. Regardless of when capital funds are received, the university only recognizes the revenue once funds have been expended.
- **Special Purpose** includes non-research restricted grants and endowment investment income for scholarships and bursaries.

The university's split of revenues and expenses is shown in Figures 3 and 4.

Figure 3: Revenue by Fund

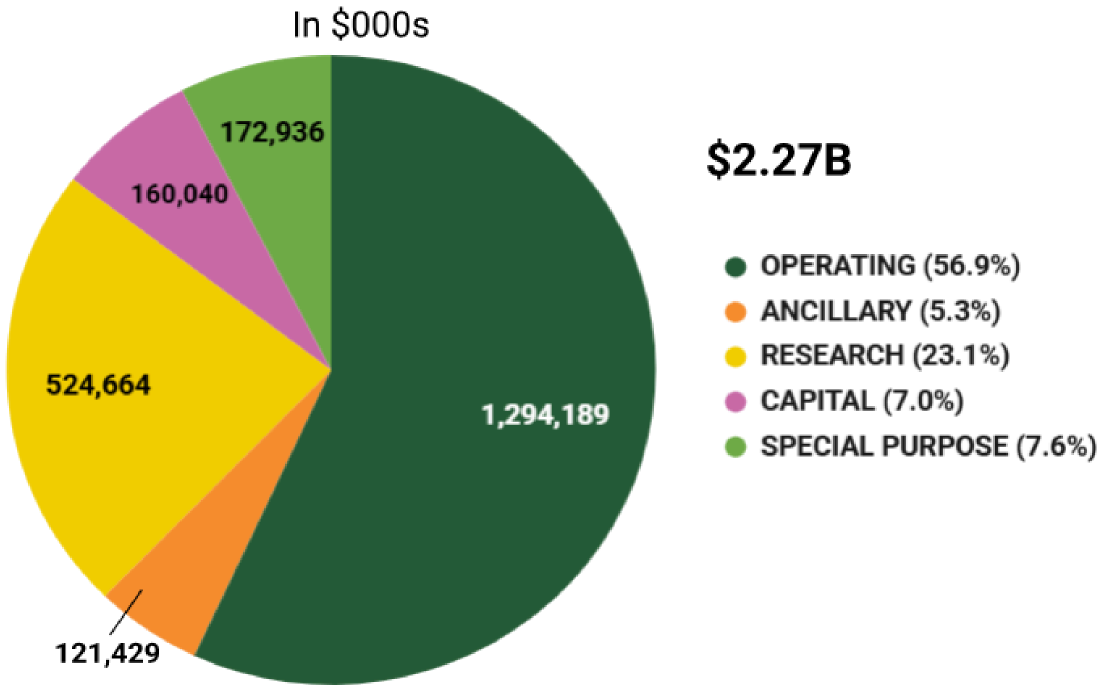
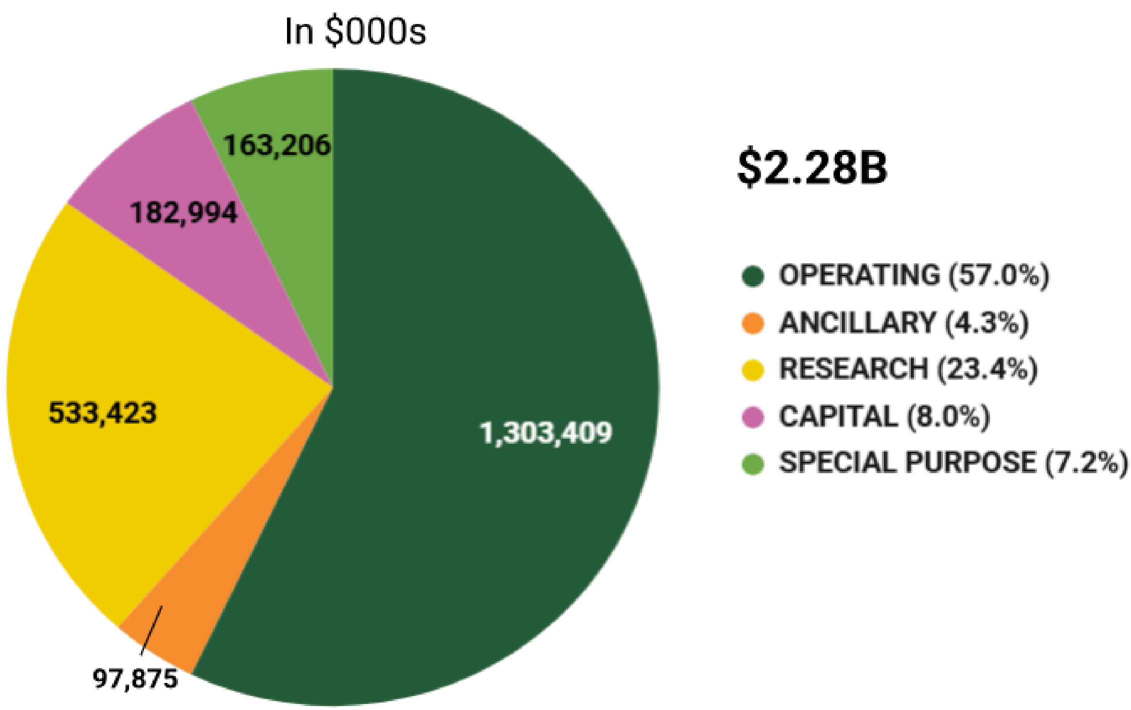


Figure 4: Expense by Fund



Supplemental financial information, including the consolidated budget, the 2026-27 consolidated budget by fund, the budgeted consolidated statement of operations with expense by function, the budgeted consolidated statement of cash flows and the budgeted consolidated statement of net financial assets are attached as Appendix A.

Operating Budget

Revenue

Government of Alberta Grants

In 2026-27, the university's base operating grant was increased to $449.7 million, an increase of $13.1 million (three per cent) from the original 2025-26 grant. The institution will also receive targeted enrolment expansion grants totalling $40.5 million, an increase of $1.3 million over 2025-26. The university continues to advocate for these grants to be permanently applied to the base operating grant as well as to explore supplementary opportunities to obtain additional envelope funding to support enrolment growth, particularly respecting the budget announcement of additional available targeted enrolment funding.

Federal and Other Government Grants

The budget of $24.1 million for federal and other grants in 2026-27 is consistent with the amount budgeted in 2025-26. The largest component of this category relates to the federal Research Support Fund, which is expected to provide $23.2 million to support research grants awarded by the Tri-Council agencies including funding for maintaining, repairing and upgrading research infrastructure; IT and operating costs; research administration; regulatory and legislated reporting requirements; and intellectual property and technology transfer costs associated with transferring discoveries and innovations from academia to the private, public and not-for-profit sectors.

Student Tuition and Fees

Domestic student tuition rates for undergraduate and graduate students, in both thesis and course-based programs, are budgeted to increase by $5.4 million (two per cent), which remains the cap on domestic tuition increases imposed by the GoA.

Domestic enrolment demand remains very strong; in Fall 2025, the number of domestic applicants increased by 7.5 per cent. However, without funding to increase domestic enrolment, the university has only one lever to manage demand: raising admission averages in high-demand programs.

International students, including undergraduate and graduate students in both thesis and course-based programs, are assessed a guaranteed tuition rate for the length of their program at the time of admission ("cohort-based" tuition). This aligns with the *Post-secondary Learning Act's* Tuition and Fees Regulation, which requires the university to provide international students with greater certainty regarding the cost of their education at the time of admission.

As approved by the university's Board of Governors in March 2025, international program-based tuition rates will increase by 10.0 per cent in the 2026-27 academic year for all programs except those in the Faculty of Engineering, which will increase by 4.6 per cent. The university will continue to seek to weigh the revenue opportunity presented by international tuition against the potential impacts of tuition increases on our enrolment goals. The university will propose a 5.5 per cent increase in international tuition for new students in most programs in Fall 2027, with the notable exception of thesis-based graduate programs, for which a 5.5 per cent decrease will be proposed. Should these increases be approved, revenues from these proposed tuition changes will begin to be realized in 2027-28.

The international tuition offset to fund financial support will be maintained at 8.55 per cent of total international student tuition for 2026-27. This tuition offset model has been in place since the inception of international tuition differentials. The caps on study permits, which were put in place by the Government of Canada in 2023 and increased in 2024, continue to negatively impact international recruitment and the competitiveness of Canadian institutions. The University of Alberta, however, is well placed to weather the impacts of these caps beyond their current term through its strong international partnerships and relationships.

Increases to mandatory non-instructional fees are determined in accordance with the terms of reference of the Joint Student/University Oversight Committee on Mandatory Non-Instructional Fees. These fees, which support initiatives such as student health and wellness, student academic support and athletics and recreation, will increase by 3.56 per cent in 2026-27, in accordance with the Board of Governors' approved Academic Price Index calculation.

Investment Income

The operating investment income budgeted for fiscal 2026-27 has been set at $77 million and is projected to remain constant in 2027-28 and 2028-29. Current geopolitical tensions and volatile interest rates have created a highly uncertain global economy, so, to protect the university's financial health, we are taking a prudent approach by ensuring we are not over-reliant on unpredictable capital markets to fund our core operations.

Other Sources of Revenues

The largest component of this category relates to sales of services and products which is budgeted to generate $103.0 million in 2026-27. These revenues represent non-tuition related services and products including clinical operations, event tickets, seasonal passes, summer camps, seasonal programs, facility rental revenues and other general sales.

Additional Revenue-Generating Activities

Reflected across the operating budget is the pursuit of additional revenue generation activities including those that drive both revenue and enrolment growth. For example, high-impact online course-based Master's programs, targeting working professionals and post-graduates. The university continues to see an increase in demand for online graduate enrolment, which has grown 6.5 per cent year-over-year. In 2025-26, the university launched an institutional call for proposals for new online graduate certificates, yielding proposals for six new certificate programs. In parallel, a new online graduate certificate in sustainability welcomed its first cohort of students in January 2026, with enrolment that extends beyond Alberta, and the online Master's in Engineering is accepting applications for its first fully online cohort of students starting in Fall 2026. At present, applications in the online MEng are split between applicants from Alberta and Ontario. The majority of the new online graduate certificate programs will launch in Fall 2026 (pending the Ministry's timely approval), with expected net new enrolment of 900 students by 2027-28.

The university's Year One Foundation Program currently provides access opportunities for international students through Open Studies in their first year with a view to transitioning qualified students to a degree program in their second year. Launched in January 2025, the university enrolled its first cohort of 30 students, and last fall the program enrolled 213 students; well on track to reach 500 students by year three. This success is due, in part, to collaborative work across faculties to expand transnational education partnerships which enhance our enrolment, retention and revenue opportunities. Tuition revenue from this program supports investment in faculty and staff renewal and in university-wide services to serve the growing student population. Planning is underway to expand program access to domestic students.

Expense

2026-27 salaries expense reflects current and planned hiring restraints, average merit increases for all eligible staff and the across-the-board increases resulting from negotiated collective bargaining settlements that were achieved last year. Historically, the university has recorded an offset to the benefits expense to reflect a reduction in the Universities Academic Pension Plan liability, which exceeded $38 million in 2025-26. Because the liability is expected to be fully funded next year, the university will only be recording an offset of $10 million in 2026-27 and an expense of $1.8 million in 2027-28 and 2028-29.

Despite being a research-intensive university based in a northern climate with some aged building infrastructure and utility costs continuing to represent a significant expense, the university's utilities expense is expected to decrease by $1.8 million (2.9 per cent), driven by decreases in consumption and volumes.

Ancillary Budget

Ancillary operations include a district energy system, a 5,200-bed student residence system, parking capacity for 9,500 vehicles and an array of businesses across five campuses, including food and retail outlets. Across three distinct operations (Campus Services, utilities and real estate services), only Campus Services is profit generating, with utilities and real estate services operating on a purely cost-recovery basis.

Rates charged for residences and meal plans will increase by four per cent and five per cent, respectively, for the Fall 2026 term – the minimum amount possible to offset the increased costs of delivering services. For a shared dormitory-style room, this will equate to an increase of $40 per month and an increase of $301 for an eight-month meal plan. Monthly parking permits will increase by two per cent, effective April 1, 2026.

Research Budget

The university's research revenues come from five major sources: federal government grants including those provided by the Tri-Council Agencies, GoA grants, fee-for-service funding from outside entities, donations and non-governmental grants and research-related endowment spending allocations. In 2026-27, restricted research revenues are expected to increase by $14.4 million (2.7 per cent) to $524.7 million.

Capital Budget

The capital budget is prepared with the understanding that what is anticipated may unfold differently throughout the year due to the unpredictable nature of capital construction, renewal and maintenance activities. The majority of capital budget revenue is received from GoA grants, a key element of which is an annual capital maintenance and renewal (CMR) grant. These funds are the primary means by which the university addresses its significant deferred maintenance liability, which currently sits at $370 million. In 2026-27, the CMR grant has increased by five per cent to $36.7 million. The GoA is also providing incremental CMR funding of $27 million to replace the building envelope of the Universiade Pavilion (Butterdome), of which $10 million is included in 2026-27.

In Budget 2026, the GoA reaffirmed previously announced capital project investments in the transformation of the Biological Sciences Building into a new Life Sciences Innovation and Future Technologies (LIFT) Centre ($53 million is allocated in 2026-27) and Campus Saint-Jean Phase 3 renovations ($2 million is allocated in 2026-27).

A number of other notable projects will be completed and opened for the campus community in 2026-27, including First People's House and the Sandra and Kenneth Wong Gallery in the Telus Building. Work will progress on other projects this year, including the LIFT Centre, the Universiade Pavilion (Butterdome) envelope renewal and updates to Convocation Hall.

Special Purpose Budget

This funding relates primarily to the Academic Medicine and Health Services Program (AMHSP) and the annual spending allocation for undergraduate student awards and non-research-related endowment funds held by the university. The AMHSP encompasses various specializations including medicine, pediatrics, family medicine and psychiatry. In 2026-27, GoA grants include $80.3 million for the AMHSP, $34.6 million for Physician Education Development Programs and $19.0 million for Advanced Education-funded grants.

In forward-looking analysis, the university projects growth in its endowment accounts. The university will continue to focus on utilizing all of its available endowment earnings.

Looking Ahead

2026-27 will see the university undertake a comprehensive review of its budget model through the lens of its newly endorsed institutional values: unwavering curiosity, a spirit of community, shared accountability and impact through excellence. These values are our guiding pillars, steering the university and providing a shared foundation for every decision that lies before us. Our values keep us focused on what truly matters as we will work in partnership across our community to envision and co-create an updated model that aligns with the university's strategic vision and priorities.

Appendix A: Supplemental Financial Information

Table 1: Consolidated Budget (2026-27, 2027-28, 2028-29)

($000's)	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue						
Government of Alberta grants	739,418	825,792	794,604	851,800	841,412	848,702
Federal and other government grants	260,553	252,790	263,317	260,278	266,745	273,051
Student tuition and fees	508,282	520,668	527,702	548,490	590,792	631,900
Sales of services and products	230,308	241,746	242,964	245,344	252,893	258,864
Donations and other grants	169,520	170,921	171,223	176,925	180,495	184,841
Investment income	188,869	160,935	184,338	169,534	171,435	174,435
Investment income from government business enterprise	1,417	4,080	4,080	887	887	887
Gain on sale of tangible capital assets	-	-	-	20,000	-	-
Total revenue	**2,098,367**	**2,176,932**	**2,188,228**	**2,273,258**	**2,304,659**	**2,372,680**
Expense						
Salaries	985,613	1,075,152	1,073,032	1,097,353	1,137,753	1,182,939
Employee benefits	195,026	202,187	201,573	238,846	259,818	270,664
Materials, supplies and services	418,747	364,100	365,099	369,794	336,997	339,996
Scholarships and bursaries	184,411	194,186	188,588	200,775	205,092	209,494
Maintenance and repairs	72,246	130,880	126,031	128,647	111,579	113,230
Utilities	64,887	66,835	60,427	64,992	65,709	65,468
Amortization of tangible capital assets	170,646	174,562	175,626	180,500	185,749	189,569
Total expense	**2,091,576**	**2,207,902**	**2,190,376**	**2,280,907**	**2,302,697**	**2,371,360**
Annual operating surplus (deficit)	**6,791**	**(30,970)**	**(2,148)**	**(7,649)**	**1,962**	**1,320**
Endowment contributions	26,424	22,440	16,000	16,300	16,600	17,000
Endowment capitalized investment income	59,080	-	62,676	-	-	-
Annual surplus (deficit)	**92,295**	**(8,530)**	**76,528**	**8,651**	**18,562**	**18,320**

Table 2: 2026-27 Consolidated Budget by Fund

($000's)	Operating	Ancillary Operations	Research	Capital	Special Purpose	Total
Revenue						
Government of Alberta grants	511,699	-	78,507	123,297	138,297	**851,800**
Federal and other government grants	24,118	80	217,048	19,032	-	**260,278**
Student tuition and fees	548,490	-	-	-	-	**548,490**
Sales of services and products	102,958	121,284	21,102	-	-	**245,344**
Donations and other grants	9,037	50	146,097	16,631	5,110	**176,925**
Investment income	77,000	15	61,910	1,080	29,529	**169,534**
Investment income from government business enterprise	887	-	-	-	-	**887**
Gain on sale of tangible capital assets	20,000	-	-	-	-	**20,000**
Total revenue	**1,294,189**	**121,429**	**524,664**	**160,040**	**172,936**	**2,273,258**
Expense						
Salaries	780,650	26,342	210,868	-	79,493	**1,097,353**
Employee benefits	169,877	6,191	38,782	-	23,996	**238,846**
Materials, supplies and services	130,009	25,749	173,624	4,117	36,295	**369,794**
Scholarships and bursaries	73,684	-	103,683	-	23,408	**200,775**
Maintenance and repairs	28,422	21,803	6,455	71,953	14	**128,647**
Utilities	59,356	5,625	11	-	-	**64,992**
Amortization of tangible capital assets	61,411	12,165	-	106,924	-	**180,500**
Total expense	**1,303,409**	**97,875**	**533,423**	**182,994**	**163,206**	**2,280,907**
Annual operating surplus (deficit)	**(9,220)**	**23,554**	**(8,759)**	**(22,954)**	**9,730**	**(7,649)**

Table 3: Budgeted Consolidated Statement of Operations with Expense by Function

($000's)	2024-25	2025-26		2026-27	2027-28	2028-29
	Actual	Budget	Forecast	Budget	Projection	Projection
Revenue						
Government of Alberta grants	739,418	825,792	794,604	851,800	841,412	848,702
Federal and other government grants	260,553	252,790	263,317	260,278	266,745	273,051
Student tuition and fees	508,282	520,668	527,702	548,490	590,792	631,900
Sales of services and products	230,308	241,746	242,964	245,344	252,893	258,864
Donations and other grants	169,520	170,921	171,223	176,925	180,495	184,841
Investment income	188,869	160,935	184,338	169,534	171,435	174,435
Investment income from government business enterprise	1,417	4,080	4,080	887	887	887
Gain on sale of tangible capital assets	-	-	-	20,000	-	-
Total revenue	**2,098,367**	**2,176,932**	**2,188,228**	**2,273,258**	**2,304,659**	**2,372,680**
Expense by function						
Academic costs and institutional support	1,122,216	1,185,729	1,184,460	1,234,530	1,254,945	1,300,723
Research	574,190	585,492	590,080	600,976	617,575	635,321
Facility operations and maintenance	177,522	188,942	177,906	183,866	164,412	164,669
Special purpose	118,393	148,992	137,617	163,660	167,780	171,968
Ancillary services	99,255	98,747	100,313	97,875	97,985	98,679
Total expense	**2,091,576**	**2,207,902**	**2,190,376**	**2,280,907**	**2,302,697**	**2,371,360**
Annual operating surplus (deficit)	**6,791**	**(30,970)**	**(2,148)**	**(7,649)**	**1,962**	**1,320**
Endowment contributions	26,424	22,440	16,000	16,300	16,600	17,000
Endowment capitalized investment income	59,080	-	62,676	-	-	-
Annual surplus (deficit)	**92,295**	**(8,530)**	**76,528**	**8,651**	**18,562**	**18,320**

Table 4: Budgeted Consolidated Statement of Cash Flows

($000's)	2024-25	2025-26		2026-27
	Actual	Budget	Forecast	Budget
Cash and cash equivalents, beginning of year	40,127	38,166	67,400	69,376
Operating transactions				
Annual surplus (deficit)	92,295	(8,530)	76,528	8,651
Add (deduct) non-cash items:				
Amortization of tangible capital assets and purchased intangibles	170,646	174,562	175,626	180,500
Expended capital recognized as revenue	(94,528)	(102,442)	(102,683)	(106,924)
Investment (income) loss from government business enterprise	(1,417)	(4,080)	(4,080)	(887)
(Gain) loss on sale of portfolio investments	(171,764)	(159,015)	(183,200)	(168,015)
(Gain) loss on disposal of tangible capital assets and purchased intangibles	46	-	-	-
Increase (decrease) in employee future benefit liabilities	(24,843)	(29,815)	(36,172)	(7,634)
Increase (decrease) in asset retirement obligations	(176)	22	22	22
Change in non-cash items	(122,036)	(120,768)	(150,487)	(102,938)
(Increase) decrease in accounts receivable	(34,241)	(3,885)	(4,172)	(4,255)
(Increase) decrease in inventories held for sale	(411)	(42)	(46)	(47)
Increase (decrease) in accounts payable and accrued liabilities	17,078	4,536	4,381	4,468
Increase in unearned revenue	3,376	-	2,184	2,228
Increase (decrease) in unspent deferred contributions	54,307	(57,801)	13,178	10,311
(Increase) decrease in prepaid expenses	326	(339)	(295)	(301)
Asset retirement obligations abatement	(2,001)	-	-	-
Cash provided by (applied to) operating transactions	8,693	(186,829)	(58,729)	(81,883)
Capital transactions				
Acquisition of tangible capital assets and purchased intangibles	(152,812)	(215,970)	(151,211)	(139,683)
Cash provided by (applied to) to capital transactions	(152,812)	(215,970)	(151,211)	(139,683)
Investing transactions				
(Purchases) of portfolio investments, net of sales	103,460	306,895	131,506	155,114
Cash provided by (applied to) investing transactions	103,460	306,895	131,506	155,114
Cash applied to operating, capital and investing transactions	(40,659)	(95,904)	(78,434)	(66,452)
Net cash before financing transactions	(532)	(57,738)	(11,034)	2,924
Financing transactions				
Debt - new financing, net of (debt repayment)	(18,195)	(18,955)	(11,670)	(19,375)
Increase in spent deferred capital contributions	86,127	117,330	92,080	87,632
Cash provided by (applied to) financing transactions	67,932	98,375	80,410	68,257
Cash and cash equivalents, end of year	67,400	40,637	69,376	71,181

Table 5: Budgeted Consolidated Statement of Net Financial Assets (Liabilities)

($000's)	2024-25	2025-26		2026-27
	Actual	Budget	Forecast	Budget
Annual operating surplus (deficit)	6,791	(30,970)	(2,148)	(7,649)
Acquisition of tangible capital assets and purchased intangibles	(162,638)	(215,970)	(151,211)	(139,683)
Proceeds on sale of tangible capital assets and purchased intangibles	187	-	-	-
Amortization of tangible capital assets and purchased intangibles	170,646	174,562	175,626	180,500
Loss on sale and disposal of tangible capital assets and purchased intangibles	46	-	-	-
Transfer to endowments	(920)	-	-	-
(Increase) decrease in prepaid expenses	326	(339)	(295)	(301)
Increase (decrease) in non-financial liabilities	(3,950)	14,888	(10,257)	(18,939)
Increase in accumulated remeasurement gains	34,519	(15)	75,379	(20,995)
Increase (decrease) in net financial assets	**45,007**	**(57,844)**	**87,094**	**(7,067)**
Net financial (liabilities) assets, beginning of year	**(17,541)**	**40,297**	**27,466**	**114,560**
Net financial assets, end of year	**27,466**	**(17,547)**	**114,560**	**107,493**